



## THE TRUMP FOUNDATION'S RELATIONSHIP WITH ITS PARTNERS

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Like any relationship, the one between a donor (be it a private philanthropist or charitable foundation) and the donation's recipient (such as an NGO, an academic institution, or educational enterprise) is complex, delicate, and in need of constant attention. But building a good, functional relationship between a benefactor and a beneficiary is further complicated by the great mismatch between the donor, who holds the resources, and the recipient, who often has greater professional expertise. In other words, the relationship suffers from an inherent imbalance.

A better understanding of the profound significance of this relationship emerged at the beginning of the 21st century as the world of philanthropy started paying particular attention to it. If, in earlier eras, philanthropy consisted mostly of material, especially financial, help of do-gooder organizations and projects whose objectives and activities touched donors' hearts, at this point philanthropy had undergone tremendous changes. It has become professionalized, strategic, and focused, and in many cases philanthropists have gone from being merely donors to full-fledged social investors.

New professions and specializations have emerged, and the people working in them are in high demand by both philanthropists and civil society organizations: experts who measure the ROI of social investments and consultants for philanthropy and social strategy. The professional lexicon has been expanded to include expressions borrowed from the world of business, reflecting the donors' desire to see their investments managed professionally and wisely, and yielding a positive return.

The Trump Foundation began its philanthropic activity in the complex arena of Israeli society toward the end of 2011. Its objective was ambitious, namely to create solutions to a problem the foundation viewed as a national need: to stop the once-excellent high school math and science programs from deteriorating further and help schools expand the circle of math and science excellence by means of highly gifted and qualified instruction.

This document is written as a result of two comprehensive surveys undertaken in 2014 and 2016, which examined the relationship between the Trump Foundation and the recipients of its grants, as well as institutions and organizations that share its goals and work together to reach them but do not receive financial support from it. It is based on interviews with the foundation's staff which were held in May 2016, a few weeks before the second survey was launched. This timing was chosen in order to focus on what the foundation did in response to the results of the first survey and then to analyze these actions in light of the results of the second survey.

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## **AN INFORMED INVESTMENT IN BUILDING TRUST, OPENNESS, AND MUTUAL RESPECT**

From its very first day, the foundation's staff understood that its success – or failure – depended on the quality of the relationships it would build with its partners. The staff therefore made a deliberate decision to invest significant efforts and resources into this area. This decision affected the foundation's construction both in terms of manpower, as it dictated the selection and recruitment of personnel suited to the same worldview, and in terms of technology, and the consequent choice of a CRM system to help and follow up on relationship management.

The foundation chose to face the challenge of building an intimate relationship with each of its partners and grant recipients based on good communications, openness, honesty, mutual trust, and respect. The foundation felt that such a relationship was a necessary condition for a successful partnership between a financing foundation and its recipients, even though this was clearly not an easy task given the inherent imbalance between the sides.

To build and strengthen its relationships with each one of its partners (in this document, the terms “partners” also refers to grant recipients), foundation personnel do not rely only on formal relations but work hard to deepen their familiarity with their partners and foster close connections with them. The goal is to create a dialog conducted completely honestly and with fully transparency, establish an open line that will encourage the partners to contact the foundation's personnel with any question or hesitation, and ensure the willingness – both of the partners and the foundation's staff – to accept criticism and feedback in real time, immediately implementing changes and corrections without wasting any time.

Choosing the Trump Foundation's partners, especially the grant recipients, required a great deal of thought and much discernment, and was informed by a conscious effort to find as great an alignment as possible between its values and institutional DNA, on the one hand, and those of its partners, on the other. This was the result of the foundation's view of itself as temporary scaffolding that supports a building for a certain period of while. Once the scaffolding is removed, however, the building must be able to stand on its own.

## **THE 2014 SURVEY: THE HONEY AND THE STING**

Understanding the importance of relationships with its partners, the Trump Foundation decided to examine the issue in-depth and learn where its strengths lay and where it needed to improve or change. The foundation contacted the Center for Effective Philanthropy, a nonprofit organization, which over the 15 years, has surveyed more than 300 foundations and their relationships with their partners. These surveys are considered an important tool for comparison and study in the world of professional philanthropy.

In 2014, CEP undertook a comprehensive, in-depth survey of the Trump Foundations' recipients by means of a GPR (Grantee Perception Report). The survey, which CEP developed, is carried out anonymously; it is based on a qualitative and quantitative analysis of findings, and it answers critical questions with which foundations' professional staffs and boards of directors have to deal on a daily basis. (For the full 2014 report, please click [here](#).)

The survey's findings were examined, analyzed, and presented in comparison to CEP's large database constructed over 15 years of research and activity, including feedback from more than 50,000 grant recipients, as well as comparative data from eleven foundations of a similar nature to that of the Trump Foundation. Many of the findings surprised the foundation's team, both for good and for bad. The most prominent findings are cited below.

## **THE TRUMP FOUNDATION: THE DECADE'S RECORD-HOLDER IN PARTNER RELATIONS**

In the 2014 GPR survey, the Trump Foundation received extremely favorable feedback on its relationships with its partners and the quality of its communications with them. The marks grantees gave it were the highest given to any foundation in similar CEP surveys conducted in the past decade. The foundation's process for selecting beneficiaries and partners and its reporting and assessment methods also earned high grades from survey participants. However, when it came to the impact the foundation has on the organizations it supports, their areas of activity, and the communities they want to effect, the feedback was less positive. The survey would seem to indicate that the relatively low grade on impact was primarily given by the grantees who received the smaller and less strategic grants.

## **ALMOST ALL FOUNDATION PARTNERS BELIEVE IN ATTAINING ITS GOALS**

The survey's main finding showed that almost all its partners (90 percent) believe that its goals can be attained. Most of the respondents said that the foundation's strength is reflected in its strategy and focus. According to the CEP's database, the clarity with which the foundation presents its goals earned higher marks than those received by 96 percent of all philanthropic organizations in the world! About one-third of the survey participants attributed the following strengths to the foundations: mutual relationships with grant recipients and partners; professionalism; providing trust; openness to new ideas and initiatives; flexibility and willingness to cooperate; and providing the feeling that its door is always open.

Some of the respondents favorably noted the foundation's willingness to finance projects not supported by the Ministry of Education, its innovative spirit and responsiveness to real needs, its focus on real difficulties in Israeli education, and the foundation's sense of mission. Furthermore, survey participants favorably noted that foundation's personnel had great understanding and up-to-date knowledge of the fields of activity of grantees and partners.

It is interesting to note that the survey findings indicate a controversial approach to the Trump Foundation's strategy: while most of its partners saw its clear focus as a strength, almost one-third of respondents defined the narrow scope of activity on which the foundation focuses and the way it chooses to realize its strategy as a weakness. The survey authors recommend that the foundation explain to its partners why it has opted for this particular strategic approach and why it believes it is the right way to attain its goals.

Most grantees noted that, in addition to the financial grant, they also received other help from the foundation designed to help them succeed in their mission. Of the foundation's partners, 74 percent explicitly stated their wish for the foundation to make greater efforts to facilitate joint encounters with organizations sharing the same goals; 81 percent of grantees and 63 percent of the partners who do not receive grants noted the usefulness of small group encounters focused on specific topics. Most of the survey participants said that enrichment events with various experts were useful.

## **LOW RATE OF IMPACT: A DISAPPOINTING FINDING**

Alongside the pleasant surprise of being so highly ranked in terms of relations with partners, the 2014 survey also included a finding that disappointed the foundation's team:

it would seem that the grantees, especially those whose grants are smaller and less strategic, ranked the foundation's rate of impact on their organizations, areas of activity, and their ability to continue their programming (supported by the Trump Foundation) after the duration of the grant in a less positive manner than the grantees of most foundations examined by the CEP.

The disappointment of the Trump Foundation's team with the low marks the respondents gave to the impact on the grantees' areas of activity drove the foundation to look for the reasons. One possibility is the relative youth of the foundation, which was only two years old when the survey was held, and had thus not had an opportunity to leave much of an imprint. Another possibility is that most of the media efforts of the foundation emphasized the problem, presented the difficulty, and placed warning signs for all involved to see.

CEP researchers felt that the main reason is that the foundation does not sufficiently stress the direct link between its activity with teachers and the results attained on the ground. This is intentional on the foundation's part, as it seeks to encourage a sense of ownership and joint responsibility of all parties involved, and makes sure that credit for good results is shared among all, rather than being attributed solely to the foundation.

The foundation's personnel were particularly disappointed that the survey indicated that the foundation has no impact on the organizations it supports. The finding was explained as being the result of the fact that the foundation finances a single program within a larger organization and does not support the organization as a whole, which holds other activities in different fields. Therefore, the foundation's dialog is mainly with the professionals in the organizations' working ranks rather than with decision-makers.

## **THE FOUNDATION AS A FACILITATOR OF MOBILIZING, CONVENING, AND NETWORKING**

Two-thirds of the foundation's beneficiaries said that, in addition to the financial grant, they received foundation help in getting to know the leading institutions in their field and working with them. About one-half of grantees benefitted from consultation in their fields of endeavor. Some 61 percent of foundation partners reported participating in at least one conference initiated by the foundation. The survey further showed that participants of conferences, day-long seminars, and forums for exchanging knowledge and information between professionals were viewed as being particularly helpful.

## **WHAT DID THE TRUMP FOUNDATION DO FOLLOWING THE 2014 SURVEY?**

The survey results came in just as the Trump Foundation was gearing up to expand its activities. The foundation's strategic roadmap described this stage as the transition from "stepping on the breaks" to "stepping on the gas" in order to reach significant growth in excellence. The concern was that because of the growth in the number of partners and scope of activity, as well as the expansion of foundation team and the hiring of new staff members, the boutique-like quality of relations with partners would be at risk.

Therefore, the foundation decided to significantly increase its role as convener, i.e. to act as a facilitator of connections, working relations, and cooperative ventures not only between the foundation and its partners, but also – and especially – among the partners themselves. To do so, the foundation moved its offices to premises that are appropriately equipped to allow partners to meet, hold workshops, run seminar and hold conferences.

This is a type of role that strategic foundations around the world assume on, recognizing that they are able to enlist different partners for a shared goal and provide everyone with a non-competitive environment in which knowledge is shared and cooperation is encouraged. The foundation also launched a “network clustering program”, allowing institutions running similar programs in different locations to learn together and pool resources.

This aspect of the Trump Foundation got positive feedback in the assessment survey that Dr. Yael Steimberg conducted in January 2016. Participants expressed their wish for the foundation to continue strengthening its presence as a convener. Participants noted that the foundation’s help in networking is extremely useful and, as such, they view the foundation as a partner in shaping their path as it is very knowledgeable about education and is familiar with the needs on the ground.

As for the finding that the foundation has no real impact on the organizations receiving its grants, the foundation held several internal discussions about it. At these discussions, various optional actions were discussed, including the implementation of an organizational effectiveness program. The conclusion was that the foundation does not have the ability to make a substantial change that way, because most of its partners are large, well-established, older organizations.

In light of this, the foundation decided to embark on two specific plans. One is periodically convene the senior echelons of its partner organizations. An example of such an initiative was the summer 2015 meeting with some twenty Israeli organization heads and leading figures in education, government, the academe, and industry, who were invited to dinner and a conversation on “The Drive for Excellence and the Israeli Character.”

The second activity the foundation decided to implement was to enhance the due diligence the foundation performs on organizations before deciding on providing grants. The purpose of this is to ensure a good match in terms of strategy and way of thinking between the foundation and the organization. These steps were formulated in response to the recognition that, because the foundation cannot deeply influence organizations, it should at least select the ones who see eye to eye with it on fundamental matters.

In terms of the media strategy, changes were made consequent to the 2014 GPR survey. When evidence of the foundation’s success started to come in – that the drop in 5-unit graduates had been curbed and the number of new teachers had risen – the foundation began reporting to the public. The foundation’s website was updated to reflect the achievements and to describe the connection between its actions and the successes.

## **FINDINGS OF THE 2016 SURVEY: ROSES AND THORNS**

At the beginning of September 2016, the Center for Effective Philanthropy provided the Trump Foundation with the findings of the second GPR survey conducted three months earlier. The survey examined the stances of 50 grantees and 35 foundation partners about their relations with the foundation. The findings of the new survey were compared to the survey conducted in 2014 in a similar format, which set a high – sometimes very high – bar for many of the areas examined. But they also revealed some problems with relations with some of the foundation’s partners. (For the full 2016 report, please click [here](#).)

The foundation’s team anticipated the new survey with mixed feelings: on the one hand, they hoped it would indicate that the successes of the past had been retained, and that there had been a change for the better in the areas where it had earned low marks in the previous

survey and for which steps had been taken; on the other hand, they worried that the survey would reveal new problems that had started between the two surveys, or that the findings would indicate the foundation was slipping in certain areas.

Reactions such as “The foundation is creating a model of possible leadership in the world of philanthropy” and “We have a professional home with a clear social agenda and ideology... It is not self-evident and goes beyond what one expects,” and also “Matter-of-fact processes, excellent interpersonal relations, excellent trust, and significant autonomy in the grant,” were a source of satisfaction and professional and personal pride for the team.

By contrast, remarks such as “In my own interactions with the foundation, I experienced a lack of clarity and vagueness. It wasn’t clear to me what they want” and “Unfortunately, over the years, the foundation has become more structured and less accessible for discourse” disappointed the foundation’s management.

But the new survey also noted a significant improvement in the high grade the foundation received for the impact it has on public policy and on knowledge and achievement in math and the sciences in high schools. “It is truly impressive to see how the idea of increasing the number of students doing 5 units of a subject becomes central in schools and in the Israeli public discourse thanks to the foundation’s work,” said one of the foundation’s partners. Another participant noted that he views the foundation “as a powerful creative engine, making a real change in the teaching of math and the sciences in Israel.”

On the other hand, the impact of the foundation on the partner organizations again earned relatively low marks, considered average among world foundations surveyed by CEP. The foundation’s staff knew that the nature of the foundation’s activity (grants to large organizations directed at specific activities) would not allow the foundation to have direct impact on the conduct of the organizations. Nonetheless, the expectation was that the good relations with the working echelons would also be expressed in their indirect effect on their organization.

## **FOCUS, PROFESSIONALISM, EXCELLENCE, AND PARTNERSHIP**

Some 82 percent of the new survey’s participants said that they had received a particularly good, even-handed attitude from the foundation. On this point, the Trump Foundation enjoys a very high ranking in CEP’s database. Also, the clarity with which it communicates and explains its goals and strategy earned the foundation in the new survey, as in the previous one, particularly high grades – in the 97th percentile of all the foundations in the world.

When the participants of the 2014 survey were asked to find one word that would best summarize and define the foundation, the most-used words were “focus,” “professionalism,” and “excellence.” In the 2016 survey, these definitions were joined by a new concept, which was constructed over the last two years in a dialog between the foundation and its partners, a word of which the foundation can rightly be proud: “partnership.”

Even in the 2014 survey, it was clear that the recipients of the large grants (at least NIS 450,000) gave the foundation a higher grade than the organizations receiving smaller grants. This trend was present also in the new survey. The reason may be that the larger the grant, the larger its presence; it is more significant and noticeable in the portfolio of activities of the receiving organization and also usually requires greater interaction between the organization and the foundation.

In contrast to this positive datum, the Trump Foundation received a low mark in openness to opinions and ideas about its strategy, despite the foundation's concerted effort to clarify its strategy to all its partners. Many participants of the new survey expressed a desire for the foundation to expand its fields of activity beyond math and the sciences and enlarge its target audiences.

The message of all of the above seems to be that the foundation's success in math and the sciences has caused its partners to develop high expectations, appetite, and the hope that the foundation will adopt additional goals.

Some 40 percent of grantees said that, in addition to the financial grant, they also received invitations to encounters and discussions with professionals and colleagues, and were provided with information relevant to their fields. Some 85 percent of survey participants – a higher percentage than in the past – participated in at least one event initiated by the foundation in which grantees and partners were brought together, in a workshop, a professional conference, or a group discussion.

This realm of activity, which was significantly strengthened consequent to the findings of the previous report, is greatly appreciated, and beneficiaries of this aspect tended to rank the foundation more positively also in other areas.

The new survey indicates that all grantees and partners have close relationships with the foundation, and their interactions with the staff were ranked more highly than usual in a typical foundation, a finding similar to that of the previous survey. Nonetheless, many of the survey participants suggested the foundation further improve its interactions with them and increase their frequency.

In contrast to the positive grade that the Trump Foundation earned for its relationships with its various partners, the accessibility and availability of the foundation's staff were ranked lower than in the past; its grade is now in the typical range rather than higher, thus fulfilling the concern the staff expressed before the findings of the last survey came in, i.e. that the increased scope of activity and of the staff would harm the close relations that had characterized the foundation in its early years.

## **CONCLUSIONS AND RECOMMENDATIONS BY THE FOUNDATION MANAGEMENT**

In the two years since the first survey, the foundation made concerted efforts to implement its recommendations and act on its insights, preserve the perceived strengths, and improve the weaknesses indicated. The findings of the new survey show that some of these efforts were crowned with success, but there is still room to improve and revamp in some important areas.

It is interesting to note that, over time, there is consistency in the feedback the Trump Foundation receives from its partners. If, after the first survey, some doubted the findings of the first survey and felt they were due to the foundation's youth, now we have a clear picture of how partners see the foundation. This pattern indicates a clear strategy, broad mobilization, and influence being wielded above and below the heads of the organizations with which the foundation cooperates.

Given this, the foundation should consider the possibility of holding a constant, long-term dialog with the decision-making ranks of its key partner organizations, and not rely only on professional relationships at the working levels. If there are organizations with which the foundation has excellent cumulative experience, it may be to the foundation's advantage to

consider putting its full weight there and deepening its professional and organizational cooperation with them.

Furthermore, the foundation should consider making the effort to hire new staffers and help them assume responsibility for relations, while maintaining the close nature of the partnerships. It may behoove the foundation to reconsider the necessity of some of the work processes it imposes, especially those that were added as part of the growth of its staff and activity.