The Edna McConnell Clark Foundation

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2004 ANNUAL REPORT

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A LETTER

From the President

SIX OR SEVEN YEARS AGO (it's rarely easy to pin down the birthdate of an idea), the Edna McConnell Clark Foundation took the first, tentative steps in a new and, at that point, largely uncharted direction. After many years of working in a wide range of important fields and trying to alter the way public policy and social systems function in each of them, we started concentrating our attention more narrowly on what would eventually become a single focus for the whole Foundation: youth development. And then we zeroed in, within that one field, on a core of tightly related challenges: helping the ablest, best-performing organizations to grow, serve more young people, measure and account for their accomplishments, stabilize their finances over the long term, and establish, by example and leadership, standards of effectiveness for the field.

In our 1998 annual report, we described what we called the "first stirrings" of this still-unformed idea, and offered this reflection on our experience up to that time: "Like most of the foundation world, . . . we have invested more in the development of new ideas than in their production, scale, and sustainability." What if, we asked ourselves, our goal became not so much designing new service models and social systems for grantees to implement, but instead, seeking out the most effective organizations and helping them refine and expand their current models and methods to benefit more kids?

Under the heading "Better Outcomes for More People," we sketched out in 1998 what has since become a governing principle of our approach to this field and to philanthropy generally: "If our goal is to improve the lives of people in poor and disadvantaged communities, the job isn't finished until sufficient institutional machinery is built so that operating organizations and their government funders and partners can actually reach, serve, and empower a significant number of the people in need." We ought to have added: "…and can continue doing so year after year."

Midway through that essay, as a kind of cautionary parenthesis, we noted a challenge that continues to test (and sometimes unsettle) us to this day: "It's unlikely that any foundation can do this job by itself, and few foundations want to stay permanently attached to any one program. So for a foundation to complete its work on a promising venture, it must enlist other investors—both government and foundations—early in the development process and enlarge their role over time."

Six years later, I find myself dredging up these old musings for two reasons. The first, and most important, is that we are now far enough along in implementing the new ideas we struggled with back then so that it's worth recalling what we set out to achieve and weighing our current work against those original expectations. The second, more personal reason is that this will be the last in my own series of musings in these pages. By the time you read this, I will have wound up nearly a decade at this Foundation and passed the reins to incoming President Nancy Roob. I'll have a few thoughts on that second point toward the end of this essay. But the first point—the need to size up our ambitions and gauge our progress toward them—seems important enough to justify a moment of reflection, not only in light of the events of 2004, but scanning the whole several-year period that has taken us from concept to functioning program.

INTRODUCTIONS AND RELATIONSHIPS

Aiming at growth, excellence, and stability among high-performing grantees has presented us with a great assortment of challenges, but most of them can be grouped into three general categories. The first has been identifying the "high-performing" organizations for whom this kind of philanthropy makes sense—that is, organizations that genuinely want to grow, are ready for the challenge, and can withstand the disruptions and stresses that the process inevitably brings. The second set of challenges involves striking up the right relationship between us and our grantees—a relationship that makes full use of the strengths of both of us, without the Foundation becoming too intrusive in the grantees' operations and without our being misled by a reticent or distrustful partner. The third group of challenges is directly related to that cautionary observation from 1998: the need for other funders to join us in creating a capital pool for youth services that can amplify and continue this work over the long term.

The first item on this list, concerning grantee selection, was one of the themes of last year's annual report essay. Without trying to re-cover that ground, I can summarize the issues in a few sentences. We have developed, and fine-tuned over time, an elaborate process of seeking out prospective grantees, making an initial judgment about which ones merit a closer look, and then embarking on a fine-gauge review we call "due diligence." The last step alone entails the equivalent of several days or even weeks of information-gathering, analysis, and discussion with these potential grantees. Our goal is to determine whether a given organization is dedicated to effectiveness and to measuring and improving results, is conscientiously led at both the executive and board level, and is in reasonably good financial health, among other things. Now in steady use for about three years, we have found that this process helps both sides assess the potential of working together, and it starts us on a path of identifying specific ideas for improving and enlarging the grantees' services. That process then continues, if we end up working together, through several years of business planning and implementation. Throughout this relationship, "improvement" is largely defined according to standards that grantees, not we, identify.

Thus the second challenge I mentioned earlier—that of maintaining a productive, trusting relationship between funder and grantee—grows directly out of the expectations that the initial selection process sets in place. As the next stages begin, and especially in the penetrating discussions of the business planning process, we begin to establish some of the things that each of us will come to expect of the other. Gradually over this period, grantees come to understand that our efforts—both our grants and our in-kind consulting and support—will be single-mindedly aimed at their success, and that we will be steady collaborators, not arm's-length critics, in reaching that goal. But they also learn that, however they define success, we need to be satisfied that both the means and the ends are precisely spelled out, that results will be carefully measured, and that the goal will be demonstrated improvement over time—calibrated at first in either the quality or scope of their services, but in the long term in both. Our aim is to help them be certain that their work is actually achieving the results they expect and promise their constituents. And if it isn't, we want to help them fix the problem.

This slow courtship—the difficult but essential task of forming and maintaining a productive, trusting relationship between funder and grantee—isn't something we've written much about before now. Yet many of us have come to regard this one challenge as a crucial determinant of success in most of what we're trying to achieve. It's not just that we hope, as every funder does, to keep up a cordial and frank interaction with grantees while we support some activity or other. In our case, a good part of the support we provide is the interaction. We participate with our grantees in the difficult work of identifying obstacles to growth, assessing ways of overcoming them, planning future activity and income possibilities, and assembling the practical pieces of what will become a process of improvement, growth, and increasing sustainability over many years.

The first major step in that process is business planning, for which we make a substantial, usually six-figure grant. The size and purpose of the grant are an early signal of our commitment to the grantee and our confidence in their work. But the grant is just part of the interaction. The planning regimen, in fact, begins with a three-to-four-day workshop, conducted by the Foundation's evaluation unit, on formulating a Theory of Change and using that theory as the basis of planning and management. The workshops involve the organization's board members, executive leadership, and mid-level managers in a detailed discussion of target populations, intended outcomes, and the chains of cause and effect that link individual services to desired effects for each population. We look for empirical research that supports (or sometimes questions) the cause-and-effect calculation, in an effort to steer the organization and its plans toward activity whose effectiveness has been tested and demonstrated. We share with the participants our standards for a thorough, reliable system for tracking and measuring performance—one that captures participation and attendance, baseline and outcome data, and other key indicators of activity, quality, and results. When their systems don't meet these standards, we help them upgrade as a critical early step in their planning process.

The workshop and the ensuing business plans are collaborative exercises in which each of us begins taking on the roles we will play together for the balance of the relationship. If the process works successfully, it is followed by a larger, multiyear grant based on the mutual understanding we have built up in the initial phases. As time goes on, the plans and the work they set in motion provide an increasingly detailed picture of how the organization is progressing, how well it is meeting its own expectations, and where the plan or its execution may need adjustment. That picture isn't mainly a report card to us, though we take a keen interest in it. Its real purpose is as a management tool for the grantee's leadership.

One example from the past year, picked from among our earliest grantees in this initiative, is Roca, Inc., based in the Boston area. In the past year, the organization expanded its enrollment to 584 young people taking part in activities based on close relationships with caring adults. That's close to triple the group's enrollment (210) in 2001, the year they started working with us. In the process, Roca also developed a new employment strategy to help prepare young people for the workforce, and made improvements in executive and board functions. Thanks to the specificity of Roca's original business plan, written three years earlier, the board and staff know that all these things were among their key objectives for calendar year 2004—in fact, they know that the latest enrollment number exceeded the year's growth target by nearly 7 percent. They also know that their 2004 revenue was slightly below expectations, but expenditures were similarly below projections. So although there's clearly no cause for fiscal alarm, there are reasons to re-examine the budget and the plan to determine whether the plan's targets were unrealistic, the fundraising was less than hoped for, or the discrepancy was sufficiently minor or temporary so as to require no special measures. The ability to discuss and answer these questions is a management asset the organization never had before—but one on which it now relies. And it forms a basis for our ongoing conversations with them about their needs and opportunities.

In a recent conversation, one of our portfolio managers (the unusual title reflects the altered responsibilities of our program staff, which I'll discuss momentarily) nicely summed up the closeness of our working relationship with grantees. Speaking of another Boston-area organization, he described his interactions this way: "I am actively engaged in [the grantee's] discussions about internal strategy. I am also actively engaged in discussions with their board. There is no wall separating the funder from the board members. I've been invited to participate in the organization's strategic growth plans, …and been in discussions with board members about the relative merits of growing through franchising or affiliates, something I know about from my for-profit work experience." That level of openness and mutual respect isn't born on the first day of our relationship, or even in the first few months of due diligence and early business planning. But building it—and making it stick—is an early, indispensable objective of our work.

BUILDING BLOCKS OF EFFECTIVE COLLABORATION

It's worth examining some of the elements that make a relationship like that possible and ultimately make it succeed. I've already mentioned the importance of the early, formative activities. Beyond that, both the Foundation and our grantees have found that the way we treat each other—our rules of interaction, so to speak—have just about everything to do with how well the grantee (and thus the Foundation) will perform during the course of our relationship. Performance is, in fact, the cornerstone of this whole approach to grantmaking. It depends most of all on tracking and accounting for how each program works, whom it serves, how and to what degree the service improves or expands, and whether the intended outcomes are actually achieved.

This focus on performance and results leads each of us to set high expectations for one another. Those expectations—and the natural desire they elicit not to let each other down—spur each of us to give our best and most vigorous effort. Given that no foundation is successful unless its grantees succeed, we don't see this calculation as a question of courtesy or goodwill alone. For us, this is a matter of basic necessity: We get it right, or we fail.

We thus tend to follow a few guiding principles in our interaction with all our grantees. Among these is that we're clear about expectations when we enter a relationship, and we're candid throughout. We work to avoid anything that might go wrong and upset our relationship or do harm to our grantees. We work hard to get out in front of problems before things go awry. Part of our close collaboration in their planning and evaluation is aimed at keeping expectations realistic and preventing disappointments—for example, we raise an alarm when grantees over-promise, to be sure they're not setting themselves up for failure. That is precisely because we take performance seriously, both in setting goals and in measuring results. We want them to tackle only what's doable and realistic, and then demonstrably accomplish the things they set out to do.

In the course of that collaboration, the whole Foundation is part of the relationship—not just the people with nominal program responsibilities, but our divisions on evaluation, finance, and communications as well. None of these units is purely an "inside" service to the Foundation; all have direct relationships with grantees and are integral parts of our commitment to their success.

The result of all this mutual consultation is that we can have discussions with grantees that, under other circumstances, they would never have shared with a funder. For example, in working with the Maya Angelou Public Charter School, an alternative high school in Washington, D.C., we confronted the organization's cherished belief that it seeks to educate *all* children who are not being well served in other schools. We suspected that this claim was overly ambitious. Were they really equipped to serve violent children, or those with severe developmental disabilities or mental illness, or with first-grade reading or math skills? This discussion—the painful but indispensable reckoning of what an organization *can't* do, or shouldn't attempt to do—was difficult for them and risky for us. Yet it led to a breakthrough, both in clarity of purpose and in targeting goals to be reached. As it happens, some of the things we suspected of being over-ambitious actually were reasonable goals, though they would demand redoubled effort and an honest grappling with various constraints and risks. Other things were truly beyond reach, and needed to be identified as such. Sorting the achievable from the unrealistic became a giant first step toward effective planning and, over the next few years, toward major improvements in program scope and quality.

Most critical of all, of course, is selecting the right people—employees throughout the Foundation who have walked in the grantees' shoes, in one way or another, and who are also skilled at sharing what they know, listening, and responding with flexibility and imagination. One example is the position we call "portfolio manager," which, in our way of doing business, is not really the equivalent of a "program officer," as foundations normally conceive the title. Among other things, our three portfolio managers are not, by background or training, experts in the grantees' "program" activities. They are consultants in management and operations, with experience both in business and non-profit management. They know how to translate data and operating plans into practical decisions and how to make those decisions work effectively for both the organization and its clientele. Each of them has spent time helping to build and expand small or medium-size businesses, and each has worked in a senior position in nonprofit organizations, including work with young people. Even so, we picked them not for any credentials they might have in youth development (beyond a basic understanding and deep commitment), but for their long experience in helping gifted entrepreneurs and their organizations grow, achieve more, work better, and reach higher and higher standards. That's what they offer our grantees.

This crucial insight didn't come to us in a flash. It took us a while to find the right mix of skills and background, and even to figure out exactly what we were looking for. We struggled with the job description for a long time, and suffered some initial job turnover because of it. It now feels right to us—and much more important, it apparently seems right to our grantees as well. I base that inference, which is admittedly still tentative, on a series of interviews we ask consultants Bill Ryan and Barbara Taylor to conduct on our behalf each year. We aren't told who says what, and the consultants carefully scrub all responses for any identifying details.

In those interviews, the preponderance of the reaction to the Foundation's work, and the portfolio managers' service in particular, has been positive. "You can bond with them," one anonymous grantee said of us and our main consulting partner, the Bridgespan Group. "You don't need to keep things from them. … There was nothing in the least intrusive. It was a very transparent, honest process. … It forced the organization to do things we should be doing anyway." The due diligence process, said another, "would be worth it even without a grant, to illuminate our strengths and weaknesses."

Not everything came up roses, naturally. Some grantees still find parts of our process inflexible, others wish we had more staff services to offer them, and a few, not surprisingly, wish our grants were larger. Some of these comments can be addressed, and will be over time. Others (like the grant sizes) probably will have to stay in the category of healthy disagreements. Either way, the consultants' interviews provide a relatively unfiltered, candid assessment of how we're doing. If the relationships should ever start to strain or sour, we believe we'd find out about it quickly through this and other channels, and could move just as quickly to adjust course.

Despite the favorable reviews so far, it's worth noting one overriding concern we may always have about our relationship with grantees and our approach to collaboration with them. We need to be careful at all times to maintain a bright line between grantee and funder, operator and adviser, permanent organization and temporary backer. We try to share responsibility for grantees' improvement, growth, and management, but we will never be the ones ultimately responsible for their success; we will never have their depth of expertise in their communities and their lines of work; and we will become both intrusive and ineffectual if we lose sight of those limiting realities. We will also, someday, end our grant relationship with them—a fact that is part of our thinking and deliberations from the earliest stages of business planning onward. When the time comes for our role to wind down, we want to be sure that the organization hasn't become so dependent on our funding or identified with us institutionally that they won't be able to attract other funders to continue their work.

One final element of relationship-building deserves a mention here: the development of closer interrelationships among grantees. This past year we held our first gathering of all grantees from around the country, at which they set the agenda, prepared presentations, and took advantage of the opportunity to get to know one another better, both formally and personally. It's hardly a new idea—plenty of other funders do this—but in a relatively young, inchoate field like youth development, it's a clear necessity. And given that all our grantees are working through similar issues of organizational development, bringing them together periodically is an efficient way of making sure that information and ideas are widely shared and that organizations can benefit from one another's experience. It's gratifying to see how much the participants responded to each other and learned from the exchange, all of which made it easy to conclude that this process needs to continue.

THE OPPORTUNITIES AND RISKS OF GROWTH

So much of our relationship with grantees zeroes in on the idea of growth—producing more and better results for more young people—that we thought it would be worthwhile this year to train an expert eye on the challenges this goal entails, both for funders and for grantees. We asked the Bridgespan Group to examine how youth-serving organizations grow, the factors that are critical in determining whether growth is successful, and what growth tends to accomplish over time. The consultants screened well over a thousand youth-serving organizations and closely examined 20 that had experienced significant growth. From that research, they drew a number of richly detailed observations.

Among these is that growth has been "more often a response to opportunity than the result of strategic choice." Although organizations often had ideas or ambitions for growth, these usually lacked any immediate prospect for funding and therefore were not part of any active planning or long-term strategy. When a growth opportunity did arise (usually in the form of a willing funder), the organization then had to pick its way among the many dangers this opportunity presented, including the risks of mission drift, dilution of service, or runaway management problems. Over time, many of these organizations have come to screen their expansion possibilities through something Bridgespan calls "strategic opportunism": a set of practical criteria (community support, fit with mission, availability of qualified staff) that can be assayed on the spot if and when an opportunity arises.

There is little room for error. Although most of the organizations in Bridgespan's study are large, long established, and well known (they averaged $7.3 million in annual revenues and 26 years in age), "the degree to which they live on the edge financially might well stop for-profit executives dead in their tracks." Operating reserves would rarely cover more than a few months' worth of expenses, and two-thirds of the organizations had been through at least one year of declining revenues between 1999 and 2003. Growth often put further strains on this financial high-wire act. But even when it did not make matters materially worse, expansion rarely if ever did anything to alleviate the financial challenges. The fragility of these organizations preceded their growth experience and continued afterward.

Another of the report's sobering observations was that the great dream of most growing organizations—to achieve economies of scale that reduce the cost of each unit of output or service—was at best an iffy proposition for nonprofits. Whereas production efficiencies are often taken as a given in for-profit growth plans, Bridgespan found no conclusive evidence that such economies are yet working consistently for youth-serving organizations. Of the 20 groups they studied, ten were able to give consistent cost-per-youth breakdowns over time. Of those, two showed a steadily declining unit cost over a four-year period, three saw a decline only toward the end of the period, and five had no downward trend at all. That doesn't disprove the general idea of economies of scale among nonprofits, but it is cause for reflection. For us, the clear implication is that organizational growth cannot be done on the cheap, or with an easy assumption that increased general-support grants alone will necessarily lead to more efficient or economical production.

It's impossible to do justice to Bridgespan's breadth and depth of thought in this small space. I encourage anyone interested in growth in this field—or in any branch of the human services—to download the paper from our Web site, at www.emcf.org/pub/growthstudy.htm. For the purposes of this essay, however, I can't resist citing two conclusions that specifically address the relationship between funders and grantees in pursuing a growth agenda:

Foundation funds can propel growth, but they are unlikely to sustain it. "Foundations played a variety of roles in the growth of the organizations in this study," Bridgespan reports. "The most common, and most important, roles were propelling early growth and providing general operating support." The high-growth organizations in the study "received a significantly higher proportion of overall funding from foundations than is customary for organizations of comparable size." It appears that the funding that propels growth nonetheless leads to an eventual day of reckoning when the initial funder begins to withdraw and the now-enlarged organization has to answer the question "Where will the additional money come from to sustain this higher level of operations?"

Funds for building infrastructure consistently lagged the need for them. In this case, "infrastructure" refers to critical internal management functions like finance, development, human resources, and information technology. Funders, Bridgespan concludes, "seldom covered all the people and systems an organization needed," so that "for most organizations, building infrastructure was a never-ending process of catch-up." Although we believe that one of our chief contributions to youth development will be in recognizing this gap and helping to fill it, this observation provides a cold reminder of our long-term challenge. As with the previous finding, this suggests that whatever we accomplish will need to be accompanied by a diligent effort to recruit other funders, both now and later, to help preserve whatever the grantees accomplish. Money for that kind of sustenance, as matters stand, will be anything but automatic.

THE QUEST FOR CAPITAL

These observations bring me to the last of the three general challenges I mentioned at the start of this essay. Besides selecting the right grantees and forming the right relationships with them, the third hurdle is to recruit other funders into a larger capital pool—what some have referred to as capital "markets"—to strengthen and expand the field. (It's not clear to me whether this idea would ever have any of the elementary qualities of a "market," but the phrase has now caught on.) More than any of the other things we have set out to accomplish, this goal of organizing a wider pool of funders remains a largely unmet challenge.

Clearly, the growth and sustenance of the youth development field is not something that foundations—even a consortium of very large foundations—could provide for on their own. A crucial part of building a broad, reliable, diversified funding base for this field will entail the support of government at many levels. Still, many experiences have shown how much interest and attention philanthropy can win from government when foundations act in concert. The days are long gone when a lone foundation, solely on the strength of some inspired idea and a well-designed demonstration, could single-handedly pry open the public purse. But *groups* of foundations have been known to succeed at this even in lean times. Sadly, there is not yet any well-coordinated group of foundations, much less any wellspring of interest in government, for strengthening and enlarging the youth development field. Affinity groups are helpful for sharing information and encouragement; informal consultations among funders (from which we often benefit) are likewise healthy. But there is not yet anything that could pass for a coordinated investment and growth strategy among many cooperating funders. That needs to be a goal in the next several years.

We have, I'm pleased to say, found a widening circle of support for our grantees from other funders, albeit on a one-by-one basis. The increased support is partly due to the grantees' own outreach, and partly to our good working relations with several institutions seriously dedicated to this field. As of the end of 2004, when we had a total of 17 grantees, 11 of them were drawing added support from other foundations to whom they or we (usually both) made appeals. The result of those additional grants was roughly $34 million from 16 funders—a gratifying vote of confidence from our colleagues, but barely a first step toward the long-term challenge.

There was not, for example, extensive coordination among these funders concerning the purposes of the various contributions. Most of the grants were made according to the separate interests of the individual foundations. And though each contributor supported an aspect of the grantee's business plan—and therefore could be confident that this aspect would be well integrated into the grantee's other activities—there was relatively little planning or deliberation among the various foundations to make sure that the whole plan was adequately funded. Still, this initial accomplishment points to two hopeful propositions: first, that other foundations are in fact open to supporting the hard but promising work our grantees have set before them, and second, that the grantees' further success (and increasing outreach) may well widen the circle further.

Although I tend, like most funders, to write about this issue as primarily a search for dollars, it is important to remember that grantees' needs are not solely monetary. Some of what our grants buy—consulting, training, planning, networking—can be provided in-kind, as a lot of our support actually is. In the end, of course, those things cost money, and dollars are therefore a reasonable way of quantifying most forms of philanthropic activity. But a prime lesson of our experience so far in youth development is that "support" is not the same as "checks." People, skills, and relationships count for a great deal of what grantees recognize as value, and thus they form a goodly part of what we seek when we look to our colleagues with hopes of greater "funding" and "capital."

A WORD OF GRATITUDE

I am writing this essay in my last weeks as president of the Edna McConnell Clark Foundation, as I prepare to pass that immense privilege and opportunity to Nancy Roob, who becomes president on July 1. In looking back over these nine-plus years, among the things I am most grateful for has been the steady support of the Foundation's Board of Trustees, not just in guiding and approving the steps we've taken thus far, but in challenging our premises, weighing the risks, setting exacting standards, and encouraging us to stay focused, keep improving, and drive for results. The Board's commitment to our current course was formalized in an especially welcome resolution at the end of 2003, in which the Trustees determined that the Foundation would not "undertake any new programs or initiatives that would depart from this strategy and approach," so long as the current efforts remained satisfactory and promising.

My gratitude extends equally to the outstanding staff of the Foundation, not only for their skill and professionalism but for something I consider even more inspiring: their passion for the work we support. I hope I have made it clear, in this essay and those of earlier years, that no one in this Foundation has a solely internal job; everyone, to one degree or other, is a resource for our grantees. But I have come to learn that for the people who work here, that fact is much more than a job description or management philosophy. It is what they most value about their work, and it has called forth from each of them a level of imagination and energy that often amazes and always encourages me.

Most particularly, among that excellent staff, no one could have asked for a more gifted vice president than Nancy Roob. There is not a person I've met in philanthropy who understands better and cares more about the grantor/grantee relationship than Nancy, nor anyone who better grasps how much that relationship contributes to eventual success or failure. I owe many of my reflections on that topic, in this essay and elsewhere, to a careful observation of Nancy's work. Her selection as my successor is, among many other things, a further affirmation that the Board remains committed to this work for the long term.

Finally, and most of all, my thanks go to the grantees, who have accepted challenges from us, and issued challenges in return, with fortitude, equanimity, and wisdom. Nothing we do is important—or even worth doing—unless the result is that grantees contribute more to the lives of a greater number of young people. The yardstick by which they and we are measured is therefore in the hands of those youngsters, whose lives will be the ultimate judgment on all of us, and on the society we try to serve. That is a reality grantees confront up close every day, but it is not always quite as obvious in the more remote offices of even the best foundations. Our grantees never let us forget that most fundamental of all principles. Nor, I hope, will they ever.

Michael Bailin

Michael A. Bailin
June 2005

PROGRAM FOR

Youth Development

DURING 2004, the Foundation made grants to several organizations in the Youth Development Fund to further their ongoing work or to launch new phases of their business plans. These included American Asian LEAD, Big Brothers Big Sisters of America, and Harlem Children's Zone.

In addition, the Foundation made a three-year grant to help the Massachusetts Youth Teenage Unemployment Reduction Network (MY TURN) launch its business plan. MY TURN helps 16- to 22-year-olds, many of whom are out of work and out of school, prepare for the workforce or continue their education.

Separately, three organizations that successfully completed due diligence received grants to develop business plans: Center for Employment Opportunities, Southend Community Services, and See Forever Foundation.

The Foundation also made grants to underwrite costs associated with deploying teams from the Bridgespan Group to work with grantees on business planning and to CompuMentor to help grantees assess and develop plans for addressing their information technology needs.

	Grants Awarded in 2004	Grants Paid in 2004

BUSINESS PLANNING

Center for Employment Opportunities — $250,000 (awarded) — $250,000 (paid)
New York, NY

To support the organization's planning and development of a long-term growth plan, including help to defray the costs associated with the time staff will spend on the process

Southend Community Services — $250,000 (awarded) — $250,000 (paid)
Hartford, CT

To support the organization's planning and development of a long-term growth plan, including help to defray the costs associated with the time staff will spend on the process

See Forever Foundation — $1,000,000 (awarded) — $300,000 (paid)
Washington, DC

To support the organization's refinement and planning of its long-term growth plan and other organizational development needs

INVESTMENTS

Big Sister Association of Greater Boston — $250,000 (paid)
Boston, MA

Continued support for implementation of the organization's business plan. Big Sister places 7- to 19-year-old girls in the Boston area in positive mentoring relationships with women (through the community-based and school-based mentoring programs) and serves girls through its Life Choices and TEAM programs. *www.bigsister.org*

The Children's Hospital Association — $800,000 (paid)
Denver, CO

Continued support for implementing the first phase of Nurse Family Partnership's business plan, which calls for the establishment of a new 501(c)3 organization to continue administering the program's model nationwide. NFP is an evidence-based nurse home visitation program that serves low-income, first-time mothers and their children during the mothers' first pregnancies and the first two years of their children's lives. *www.nursefamilypartnership.org*

	Grants Awarded in 2004	Grants Paid in 2004

The Cool Girls, Inc. — $200,000 (paid)
Atlanta, GA

Continued support for implementing the first phase of the organization's business plan, which calls for serving greater numbers of girls in one-to-one mentoring relationships, improving programs to boost attendance and retention of girls participating in its programs, and restructuring internal operations to make more efficient use of resources and volunteers. *www.thecoolgirls.org*

Friends of the Children — $525,000 (paid)
Portland, OR

Continued support for implementation of the organization's business plan. FOTC works with children most at risk by pairing them with a paid mentor (for up to 12 years) in an intensive, sustained relationship to help them succeed in school and avoid criminal behavior. *www.friendsofthechildren.com*

Girls Incorporated — $1,000,000 (paid)
New York, NY

Continued support for implementation of the organization's business plan. Girls Incorporated develops and administers education programs for girls in 1,000 sites across the nation, focused on math and science education, pregnancy and drug abuse prevention, economic literacy and self-sufficiency, adolescent health, violence prevention, and sports participation. *www.girlsinc.org*

Roca, Inc. — $250,000 (paid)
Chelsea, MA

Continued support for implementation of the organization's business plan. Roca targets youth and young adults in the Chelsea, Revere, East Boston, and Lynn areas of Boston with comprehensive outreach and education programs to help them achieve education, employment, and civic participation. *www.rocainc.org*

	Grants Awarded in 2004	Grants Paid in 2004
Vocational Foundation, Inc.		$600,000

Brooklyn, NY

Continued support for implementation of the organization's business plan. VFI provides vocational and literacy training through a five-month literacy and job-training program to youth (ages 17 to 21) who have dropped out of school, and then follows up with an intensive two-year retention effort to ensure that participants stay in their jobs. *www.vfinyc.org*

	Grants Awarded in 2004	Grants Paid in 2004
The Washington Tennis and Education Foundation		$400,000

Washington, DC

Continued support for implementation of the organization's business plan. WTEF combines tennis, education, and teaching of life skills to help kids aged 8 to 18 living in low-income areas in Washington, DC, develop discipline, build self-esteem, and improve academic performance. *www.wtef.org*

	Grants Awarded in 2004	Grants Paid in 2004
Massachusetts Youth Teenage Unemployment Reduction Network, Inc.	$1,800,000	$650,000

Brockton, MA

Continued support for implementation of the organization's business plan. MY TURN works to prepare low-income young people aged 16 to 22 (many of whom have already left high school without a diploma) to enter the workforce or continue their education in Massachusetts and New Hampshire. *www.my-turn.org*

	Grants Awarded in 2004	Grants Paid in 2004
Boys & Girls Clubs of America		$3,000,000

Atlanta, GA

To implement Project Upward Bound, a quality improvement program, throughout its entire network to improve its services to youth. *www.bgca.org*

	Grants Awarded in 2004	Grants Paid in 2004
Big Brothers / Big Sisters of America	$6,000,000	$3,000,000

Philadelphia, PA

Support for the implementation of the second phase of the organization's program. BBBSA is the parent organization for more than 500 local programs across the nation that establish one-to-one mentoring relationships between an adult mentor / volunteer and an at-risk child. Studies conducted by Public / Private Ventures and others conclude that these programs have a meaningful, positive impact on the lives of the youth served. *www.bbbsa.org*

RENEWAL GRANTS

	Grants Awarded in 2004	Grants Paid in 2004
Asian American LEAD (Leadership, Empowerment, and Development for Youth and Families)	$450,000	$150,000

Washington, DC

To support efforts to further lay out a growth strategy, build organizational capacity, and complete implementation of a performance tracking system to assess program outcomes. *www.aalead.org*

	Grants Awarded in 2004	Grants Paid in 2004
Citizen Schools, Inc.		$3,250,000

Boston, MA

Support for the implementation of the second phase of the organization's business plan. CS provides 9- to 14-year-olds with fun, challenging, hands-on "apprenticeship" opportunities to work in small groups with volunteer "Citizen Teachers" during out-of-school time. *www.citizenschools.org*

	Grants Awarded in 2004	Grants Paid in 2004
Harlem Children's Zone, Inc.	$7,500,000	$6,750,000

New York, NY

Support for the implementation of the second phase of the organization's business plan. HCZ works to provide families in Harlem and surrounding communities with a safe learning environment and positive opportunities for children and young adults. *www.hcz.org*

PROGRAM DEVELOPMENT

	Grants Awarded in 2004	Grants Paid in 2004
The Bridgespan Group Boston, MA To support Youth Development Fund grantees in developing comprehensive, long-term strategic business plans, and for ongoing assistance in the implementation of the Foundation's Youth Development Fund strategy		$1,029,000
The Edna McConnell Clark Foundation New York, NY For implementation of the Youth Development Fund		$236,696
The Edna McConnell Clark Foundation New York, NY For implementation of the Youth Development Fund	$275,000	$1,507
The CompuMentor Project San Francisco, CA To assist Youth Development Fund grantees on issues related to information technology	$200,000	$100,000
Metis Associates, Inc. New York, NY To assist organizations developing business plans to assess their current technological needs and identify solutions to be incorporated into their growth plans	($300,000)*	
The Bridgespan Group Boston, MA To support Youth Development Fund grantees in developing comprehensive, long-term strategic business plans, and for ongoing assistance in the implementation of the Foundation's Youth Development Fund strategy	$1,700,000	$500,000

**rescinded*

KNOWLEDGE DEVELOPMENT & COMMUNICATION

	Grants Awarded in 2004	Grants Paid in 2004
The Bridgespan Group Boston, MA To support Youth Development Fund grantees in developing comprehensive, long-term strategic business plans, and for ongoing assistance in the implementation of the Foundation's Youth Development Fund strategy		$375,000
The Edna McConnell Clark Foundation New York, NY To support the Foundation's communications effort to increase awareness and understanding of its work through the Youth Development Fund		$72,750
The Edna McConnell Clark Foundation New York, NY To implement the Foundation's knowledge development plan		$293,570
The Edna McConnell Clark Foundation New York, NY To implement the Foundation's knowledge development plan	$300,000	$248,856
The Edna McConnell Clark Foundation New York, NY To implement the Foundation's knowledge development plan	$350,000	$99,431
OMG Center for Collaborative Learning Philadelphia, PA To assess and document the organizational development of the Youth Development Fund's "earlier stage" grantees	$105,000	
Less Refunds	($34,974)	($34,974)
Total Youth Development	$19,845,026	$24,546,835

Communications

THE OFFICE OF COMMUNICATIONS helps advance the mission of the Foundation through efforts designed to raise awareness of its grantmaking, bring attention to the activities of its grantees, and share useful lessons emerging from its work.

The Foundation makes a wide range of information readily available at its website, **www.emcf.org**, from updates about grantmaking and news regarding grantees, to downloadable copies of publications and reports, and essays by program staff.

Please see page 42 for a complete list of publications produced by the Foundation.

Venture Fund

THE FOUNDATION MAINTAINS a Venture Fund that enables the president and trustees to support projects or make investments in organizations that will help advance its mission. The Foundation also uses Venture Fund grants to advance work in areas that are essential to the long-term quality and effectiveness of its work, such as social services delivery, evaluation, communications, and philanthropy.

Venture Fund	Grants Awarded in 2004	Grants Paid in 2004
Cause Communications Santa Monica, CA To support production of a publication to help nonprofit organizations and professionals become more effective at creating and delivering presentations	$54,000	$54,000
Grantmakers for Education Portland, OR For general operating support	$8,000	$8,000
The Greater Kansas City Community Foundation Kansas City, MO To support expansion of DonorEdge, an online service that helps donors identify local and national organizations worthy of support based on objective assessments of their performance, management, and financial soundness	$475,000	$241,500
National Coalition of Community Foundations for Youth Basehor, KS For support of the Youth Transition Funders Group	$25,000	$25,000
National Coalition of Community Foundations for Youth Basehor, KS For support of a one-day conference to explore how community foundations can support and replicate effective youth programs, such as those offered by the Foundation's Youth Development grantees	$254,000	$254,000
National Committee for Responsive Philanthropy Washington, DC For general operating support	$20,000	$20,000

	Grants Awarded in 2004	Grants Paid in 2004
DEVELOPMENT		
La Piana Associates, Inc. Piedmont, CA To develop and test alternative methods for conducting strategic planning at nonprofit organizations	$300,000	$200,000
ASSESSMENT		
Child Trends, Inc. Washington, DC To produce the fifth report in a series of syntheses examining experimentally proven youth programs, and to expand and improve the report's online database to make it more useful to youth-serving organizations and practitioners	$250,000	$250,000
Grantmakers for Effective Organizations Washington, DC For 2005 membership dues and to support the Evaluation Roundtable	$25,000	$25,000
STAFF SPECIAL PROJECTS GRANTS		
Bowdoin College Brunswick, ME For general support	$11,000	$11,000
Brown University Providence, RI For general support	$11,000	$11,000

Venture Fund, *continued*	Grants Awarded in 2004	Grants Paid in 2004
FIELD OF PHILANTHROPY		
Philanthropic Research Inc. Williamsburg, VA For support of Guidestar, a free, national online database containing information about the operations and finances of more than 850,000 charities in the United States	$20,000	$20,000
Grantmakers for Children, Youth & Families, Inc. Silver Spring, MD For general operating support	$15,000	$15,000
Council on Foundations, Inc. Washington, DC For 2004 membership dues	$40,000	$40,000
The Foundation Center New York, NY For 2004 membership dues	$40,000	$40,000
Independent Sector Washington, DC For 2004 membership dues	$12,500	$12,500
New York Regional Association of Grantmakers, Inc. New York, NY For 2004 membership dues	$13,000	$13,000
Total Venture Fund	$1,573,500	$1,240,000
Total (All Grants)	$21,412,885	$27,036,835

OFFICE OF

Evaluation and Knowledge Development

THE OFFICE OF EVALUATION AND KNOWLEDGE DEVELOPMENT helps the Foundation work more effectively and efficiently to achieve its mission.

One of the primary duties of evaluation staff is to pre-screen potential grantee organizations to ensure that they have a “compelling product”—a program that meets indicators of high quality and shows evidence of effectiveness in helping young people achieve targeted outcomes. The office also assists portfolio staff in their due-diligence assessments, leads “theory of change” analyses that undergird business planning with newly selected grantees, and helps grantees develop and implement their internal evaluation capacity and plan external program evaluations as appropriate.

Finally, the Office of Evaluation oversees the Foundation’s systematic efforts to assess and learn from its grantmaking in the field of youth development, as well as commission research on youth programming and services. The Foundation has been systematizing data collection and commissioning research to learn from its work and develop a body of knowledge that will help improve and refine its grantmaking and the effectiveness of its grantees and others working to improve outcomes for young people. The Foundation’s work in evaluation and knowledge development is reviewed three times a year by a national Evaluation Advisory Group consisting of leading youth development evaluators and researchers.

Grants Summary

	Grants Unpaid as of 9/30/03	Grants Awarded in 2004*	Grants Paid in 2004**	Grants Unpaid as of 9/30/04
Program				
Youth Development	$18,157,019	$19,845,026	$24,546,835	$13,455,206
Tropical Disease Research***	2,500,000	–	1,250,000	1,250,000
New York Neighborhoods***	5,641	(5,641)	–	–
Venture Fund	100,000	1,573,500	1,240,000	433,500
Grand Total	$20,762,660	$21,412,885	$27,036,835	$15,138,706

*Net of refunds and rescissions

**Net of refunds

***These programs are closed. Payments from these programs reflect prior commitments.

Financial Statements

INDEPENDENT AUDITORS' REPORT

Board of Trustees of The Edna McConnell Clark Foundation

We have audited the statements of financial position of The Edna McConnell Clark Foundation as of September 30, 2004 and 2003 and the statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Edna McConnell Clark Foundation as of September 30, 2004 and 2003 and its activities and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Altschuler, Melvoin and Glasser LLP

Chicago, Illinois
November 17, 2004

STATEMENTS OF FINANCIAL POSITION

September 30	2004	2003
Assets		
Interest, dividends and other receivables	$ 903,010	$ 1,145,889
Investments, at market or fair value	727,205,560	669,471,383
Leasehold improvements, furniture and equipment, at cost, net of accumulated depreciation and amortization of $1,429,899 in 2004 and $1,341,353 in 2003	1,005,245	280,968
	$ 729,113,815	$ 670,898,240
Liabilities and Unrestricted Net Assets		
Liabilities		
Grants payable, short-term	$ 2,913,710	$ 4,212,665
Deferred federal excise tax	1,523,702	1,499,403
Other liabilities	617,779	453,795
Grants payable, long-term	679,366	1,603,098
	5,734,557	7,768,961
Unrestricted net assets	723,379,258	663,129,279
	$ 729,113,815	$ 670,898,240

See accompanying notes.

STATEMENTS OF ACTIVITIES

September 30	2004	2003
Investment Return		
Net realized gains on sales of investments	$ 79,170,662	$ 33,186,802
Net change in unrealized gains on investments, net of deferred tax provision or benefit	1,190,651	66,115,597
Interest and dividend income	13,875,320	12,981,596
	94,236,633	112,283,995
Investment management expenses	(2,767,534)	(2,369,736)
	91,469,099	109,914,259
Program Services		
Grants awarded (grant payments made were $27,036,835 in 2004 and $26,266,996 in 2003)	24,814,153	19,670,971
Program and grant management expenses	3,656,176	3,962,451
	28,470,329	23,633,422
General management expenses	940,126	908,340
Federal excise taxes	1,808,665	439,048
	31,219,120	24,980,810
Change in net assets	60,249,979	84,933,449
Unrestricted net assets		
Beginning of year	663,129,279	578,195,830
End of year	$ 723,379,258	$ 663,129,279

See accompanying notes.

STATEMENTS OF CASH FLOWS

September 30	2004	2003
Operating Activities		
Change in net assets	$ 60,249,979	$ 84,933,449
Depreciation and amortization	88,546	99,419
Deferred federal excise tax provision	24,299	1,349,298
Net realized gains on sales of investments	(79,170,662)	(33,186,802)
Net change in unrealized gains on investments	(1,214,950)	(64,766,299)
Changes in		
Interest, dividends and other receivables	242,879	(109,698)
Grants payable	(2,222,687)	(6,596,025)
Other liabilities	163,984	39,384
Net cash used in operating activities	(21,838,612)	(18,237,274)
Investing Activities		
Purchases of leasehold improvements, furniture and equipment	(812,823)	(24,647)
Purchases of investments	(1,018,837,960)	(891,561,984)
Proceeds from sales of investments	1,041,489,395	909,823,905
Net cash provided by investing activities	21,838,612	18,237,274
Change in cash, and cash at beginning and end of year	$ –	$ –
Supplemental disclosure of cash flow information		
Federal excise tax paid	$ 1,721,332	$ 390,000

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Nature of Activities and Significant Accounting Policies

Nature of Activities

The Edna McConnell Clark Foundation is a private nonprofit Foundation that makes grants to help better the lives of people in low-income communities.

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, in accordance with Section 4940(e) of the Code, the Foundation is subject to a federal excise tax of 2 percent of net investment income (including net realized taxable gains on security transactions) or of 1 percent if the Foundation meets certain specified distribution requirements. The Foundation did not meet the specified requirements for fiscal year 2004 and was subject to a 2 percent federal excise tax. For fiscal year 2003, the Foundation was subject to a 1 percent tax.

Financial Statement Presentation

The financial statements have been prepared following accounting principles applicable to nonprofit organizations.

Investments

Marketable securities and derivative financial instruments are carried at market value based on quoted prices. Alternative investments, which are primarily hedge funds and limited partnerships, are carried at approximate fair value, as determined by the managements of the alternative investments, using either market values based on quoted prices or, where not available, appraised values. Purchases and sales of securities are recorded on trade date.

For the purposes of the statements of financial condition and cash flows, the Foundation defines cash and cash equivalents as highly liquid investments with original maturities of 90 days or less that are not used for investment purposes.

Leasehold Improvements, Furniture and Equipment

These assets are depreciated or amortized over their estimated useful lives or the lease period, as applicable, using the straight-line method.

Deferred Federal Excise Tax

Deferred federal excise tax represents taxes provided on the net unrealized gains on investments using a rate of 2 percent.

Awards and Grants

Unconditional awards and grants, including multi-year grants, are considered obligations when approved by the Foundation's Board of Trustees. In accordance with generally accepted accounting principles, the Foundation does not reflect as liabilities the amount of future years' grant commitments if they are subject to review and other contingencies before they are paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2 Fair Value of Financial Instruments

Substantially all of the Foundation's assets and liabilities are considered financial instruments and are either already reflected at fair value or at carrying amounts that approximate fair value because of the short maturity of the instruments.

Note 3 Investments

Investments are as follows:

	Cost	Market or Fair Value
2004		
Short-term investments	$ 19,143,674	$ 19,074,914
Long-term bonds and notes and mutual funds—fixed income securities	145,958,282	150,124,626
Corporate stock and mutual funds—equity securities	314,902,516	385,510,304
	480,004,472	554,709,844
Alternative investments (primarily hedge funds and limited partnerships)	174,379,848	175,858,962
	654,384,320	730,568,806
Due from brokers, unsettled securities transactions	3,194,395	3,194,991
Due to brokers, unsettled securities transactions	(6,558,237)	(6,558,237)
	$ 651,020,478	$ 727,205,560
2003		
Short-term investments	$ 19,491,647	$ 19,559,855
Long-term bonds and notes and mutual funds—fixed income securities	179,266,871	185,295,125
Corporate stock and mutual funds—equity securities	333,310,018	401,944,550
	532,068,536	606,799,530
Alternative investments (primarily hedge funds and limited partnerships)	82,154,887	82,394,024
	614,223,423	689,193,554
Due from brokers, unsettled securities transactions	21,278,036	21,278,036
Due to brokers, unsettled securities transactions	(41,000,207)	(41,000,207)
	$ 594,501,252	$ 669,471,383

At September 30, 2004, the Foundation also had open futures contracts that reduce market exposure of approximately $33,000,000 of equity securities. Equity securities includes the net unrealized gain on such futures contracts.

The portion of alternative investments that are carried at market values based on quoted prices at September 30, 2004 totaled $141,519,032 (2003—$59,157,370).

Note 4 Grants

Grants payable consist primarily of multi-year unconditional grants that are generally payable over one to four years. Management estimates that these grants will be paid as follows:

	2004	2003
One year or less	$2,913,710	$4,212,665
One to three years	750,000	2,000,000
	3,663,710	6,212,665
Discount to reduce to present value (at 8%)	(70,634)	(396,902)
	$3,593,076	$5,815,763

Grants awarded are shown net of rescissions and refunds of $340,615 in 2004 and $283,077 in 2003.

The Foundation also had $11,475,000 of contingent grant commitments that are not reflected as liabilities in the statement of financial condition at September 30, 2004 (2003—$14,550,000).

The following schedule reconciles the total conditional and unconditional grant commitments approved by the Foundation's Board of Trustees to grants awarded in the statement of activities for the years ended September 30, 2004 and 2003:

	2004	2003
Total conditional and unconditional commitments (net of refunds and rescissions)	$ 21,412,885	$ 30,117,874
Less amount of current year conditional commitments	(5,900,000)	(13,450,000)
Plus conditional commitments paid	8,975,000	3,400,000
Change in discount to present value	326,268	(396,903)
Grants as reflected in the statement of activities	$ 24,814,153	$ 19,670,971

Note 5 Retirement Plans

The Foundation maintains a defined contribution retirement plan covering all active full-time employees. Under the terms of the plan, the Foundation must contribute specified percentages of an employee's salary. The plan is currently invested in employee-designated mutual funds that have been approved by the Foundation. The Foundation's contribution to the plan was $245,802 for fiscal year 2004 (2003—$262,857).

In addition, the Foundation maintains a supplemental retirement plan that allows employees to defer a portion of their pretax salaries. No contributions are made to this plan by the Foundation.

Note 6 Commitments

The Foundation leases its office space under operating lease agreements that expire at various dates through October 2019. These leases contain escalation clauses, which provides for rental increases resulting from increases in real estate taxes and certain other operating expenses. At September 30, 2004, the Foundation had the following aggregate minimum annual rental commitments, exclusive of escalation clauses, under these leases:

2005	$ 891,006
2006	974,229
2007	554,271
2008	516,093
2009	516,093
Thereafter	5,749,628
	$9,201,320

Rent expense was $582,134 for fiscal year 2004 (2003—$559,505).

In November 2004, the Foundation relocated its headquarters pursuant to a new office space lease, the lease payments of which are included in the minimum annual rental commitments above. The Foundation will recognize costs for the remaining office space lease obligation on its old office space of approximately $900,000 in the fiscal year ended September 30, 2005.

Note 7 Derivative Financial Instruments

In connection with its investing activities, the Foundation enters into transactions involving a variety of derivative financial instruments, including financial futures contracts, forward currency exchange contracts, options and interest rate swap agreements. The Foundation uses these instruments primarily to maintain asset mix or to hedge currency exposure while taking advantage of opportunities in selected securities in an attempt to contain or reduce portfolio risk and/or to enhance return. Derivative financial instruments involve varying degrees of off-balance-sheet market risk, whereby changes in the market values of the underlying financial investments may result in changes in the value of the financial instruments in excess of the amounts reflected in the statements of financial position. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Foundation's investment holdings and the volatility and liquidity in the markets in which the financial instruments are traded. Changes in the market values of these derivative financial instruments are recognized currently in the statements of activities, with corresponding amounts recorded in the respective investment categories.

Note 8 Concentration of Credit Risk

The majority of investment transactions of the Foundation are cleared and carried by The Northern Trust Company. In the event that this financial institution does not fulfill its obligation, the Foundation may be exposed to risk. The risk of default also depends on the creditworthiness of the counterparties to these transactions. The Foundation attempts to minimize this credit risk by monitoring the creditworthiness of the financial institution.

Grant Information

THE EDNA McCONNELL CLARK FOUNDATION provides the bulk of its grantmaking support to local nonprofit organizations that work with 9- to 24-year-olds during out-of-school time. The Foundation primarily looks for organizations that have evidence pointing to the effectiveness of their youth programming. In addition, it makes a small number of grants to national youth-serving organizations whose programs also have been demonstrated to be effective in achieving positive outcomes for youth. Finally, the Foundation makes a few very targeted grants to intermediary organizations that directly help its current youth-serving grantees enhance and extend the scope of their work.

The Foundation relies primarily on nominations by colleagues and advisors in the field of youth development to find organizations that seem likely to meet its grantmaking guidelines. Although it is not accepting unsolicited proposals at this time, the Foundation does welcome youth-serving organizations to visit its website (**www.emcf.org**) and complete an online survey that describes their activities and programs and the young people they serve. If, after reviewing this information, the Foundation determines that there is a potential match between itself and an organization, a staff member will contact the organization.

Please contact us at **info@emcf.org** or (212) 551-9100 if you have any questions, or would like a hard copy of the survey mailed to you (although we do prefer responses to be completed via the web if possible).

Finally, the Foundation does not consider proposals for capital purposes, endowments, deficit operations, scholarships, or grants to individuals.

Publications

THE EDNA McCONNELL CLARK FOUNDATION publishes a range of materials about its work as well as on topics of interest to others in the foundation and nonprofit sectors. You can order any of these publications by visiting our website at **www.emcf.org**, emailing us at **info@emcf.org**, or contacting us at (212) 551-9100.

Please note that publications marked with an asterisk (*) are available only by download from our website.

EMCF Annual Report, an annual recap of the Foundation's activities and list of grants for the most recently completed fiscal year. Each report also focuses on a topic or theme that highlights aspects of the Foundation's work and progress.

Grants and News, which is published up to three times a year, is the Foundation's official newsletter, and it contains features about EMCF, our grantees, and other articles and columns of general interest.

The Foundation's **Learning Series** comprises reports and monographs that document the progress of our work and share lessons emerging from it. Current publications include:

- *Trusting In Change*,* which explores the Foundation's transition to a new way of grantmaking
- *Making Evaluation Work*,* which discusses how the Foundation integrated evaluation into its grantmaking

The Foundation also regularly makes available copies of presentations and speeches that staff give at various conferences and events around the country. These include:

- *Philanthropy in Practice: Great Expectations Versus Getting the Job Done*,* an essay on trends in philanthropy by Michael Bailin that appeared in *State of Philanthropy 2004*, published by the National Committee for Responsive Philanthropy
- *Wisconsin Daniel, a Rhinoceros, and Some Thoughts on Fixing a Bad Situation*,* a 2004 presentation to the Donors Forum of Wisconsin by David Hunter, EMCF's director of evaluation and knowledge development

SPECIAL PUBLICATIONS

In Other Words: A Plea for Plain Speaking in Foundations

In this compact reader, and one of our most-requested volumes, Tony Proscio takes serious aim — using ample humor — at the widespread use of "insider lingo" by foundations and nonprofits. It's a practice that Proscio says "undermines the very inherent public nature of the issues under discussion."

Bad Words for Good: How Foundations Garble Their Message and Lose Their Audience

In his sequel to *In Other Words*, Tony Proscio again exposes the widespread use of jargon and other forms of unclear writing that hurt the efforts of foundations and nonprofit organizations to be heard and clearly understood.

When Words Fail: How the Public Interest Becomes Neither Public Nor Interesting

In this essay on public-interest jargon, Tony Proscio argues that the insistent use of trendy, obscure expressions is a sure way to alienate the public and lose the policy debate.

The Foundation's History

THE STORY OF THE EDNA McCONNELL CLARK FOUNDATION really begins in 1969, when Edna McConnell Clark, a daughter of the founder of Avon Products, decided with her husband, Van Alan Clark, to set a fresh course for what had become a very large but unstaffed family foundation. Mr. and Mrs. Clark doubled the size of the endowment and charged their sons — Hays, Van Alan, Jr., and James — with overseeing staffing and establishing priorities to focus the resources of the Foundation.

The sons wanted to maintain the Clark family's down-to-earth approach to philanthropy and its goal to improve the lives of people in poor communities. The Foundation's programs today continue to reflect the spirit of those early decisions.

Over the last three decades, the Foundation has made grants totaling over $613 million. As of September 30, 2004, the Foundation's assets were valued at $729.1 million. Two grandchildren of Van Alan and Edna McConnell Clark — H. Lawrence Clark and James McConnell Clark, Jr. — serve on the Foundation's nine-member board of trustees, while sons Hays and James are trustees emeriti. James McConnell Clark, Jr., also serves as board chair.

For additional information about the Foundation's current and past work, visit our website at **www.emcf.org**. Publications, reports, and other materials can be ordered or downloaded from our website as well, or contact us at (212) 551-9100 or **info@emcf.org**.

FOUNDATION STAFF

Office of the President

Michael A. Bailin[1]
President

Mary Hall
Assistant to the President

Youth Development/ Institution & Field Building

Nancy Roob[2]
Chief Operating Officer and Vice President

Antonia Bowring
Portfolio Manager

Jamie McAuliffe
Portfolio Manager

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Jessica Godwin
Senior Portfolio Associate

Bonnie Kornberg
Senior Portfolio Associate

Margaux Butler
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Liam Krehbiel
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Abigail Diner
Portfolio Assistant

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David Hunter
Director

Matthijs Koopmans, Ed. D.
Senior Evaluation Associate

Liza Custodio
Assistant

Office of Communications

Bruce Trachtenberg
Director

Albert Chung
Communications Associate

Finance and Administration

Ralph Stefano
Vice President and Director

Danielle Scaturro
Accountant

Margaret R. Kenah
Office Manager and Assistant Secretary

Ricardo La Motta
Director, Office of Information Technology

Alex Alto
Associate, Office of Information Technology

Ocynthia Williams
Finance and Administration Assistant

BOARD OF TRUSTEES

[1] *Retired June 2005*
[2] *Appointed President June 2005*