

## Good to Great Primary Metrics for 2008

**1. Providing leadership to improve our community by strategically identifying compelling community needs, convening key stakeholders, and leveraging internal and external resources to address these needs.**

*a) For every discretionary grant dollar allocated for leadership programs, leverage three dollars in co-investments from the Foundation's donors and from external donors including corporations, foundations and individuals. This will be measured cumulatively for each project and updated annually.*

In 2005 through 2008 the Foundation allocated just over \$6.2 million to leadership grants from our discretionary income and in turn leveraged nearly \$27.5 million in co-investments by internal and external donors. We thus leveraged \$4.41 for each dollar invested by the Foundation in these programs.

**Note:** LISC was removed from the leadership project list (**Attachment A**) in 2008, which represents \$5,891,240 backed out of External Project Funding in 2008. Additionally, Milwaukee County funding for the Mental Health Crisis Resource Center in 2007 originally reported as \$1,000,000 was adjusted to \$500,000 in 2008 for a net actual gain of leveraged funds in 2008 of \$3,549,036.

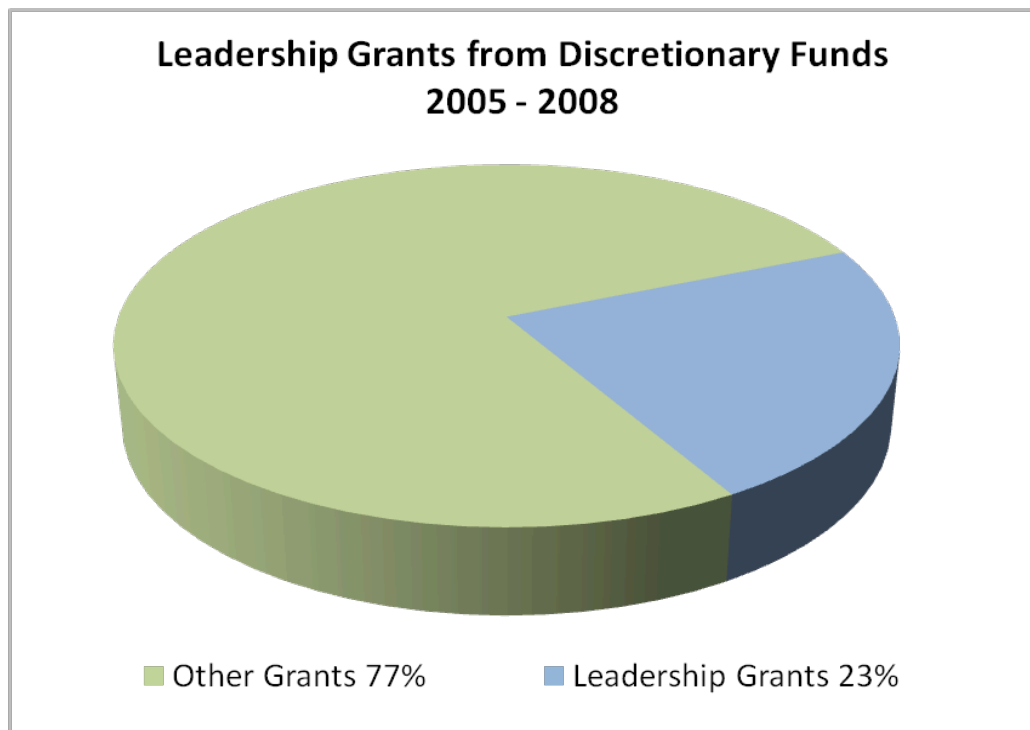


**b) Allocate one-half to two-thirds of discretionary dollars to strategic leadership grants. Measured cumulatively.**

In 2005 through 2008 we allocated 23% of our discretionary dollars or just under \$5 million to leadership grants following the criteria approved by the Board (**Attachment B**).

We feel the reasons why we are lagging in meeting this metric include the following:

- In a number of instances the Foundation made substantial investments in projects before they were deemed to be a leadership grants and our investments were therefore not included in the metric data.
- We underestimated the staff time required both to generate and to manage leadership grants. The gestation period for many of these projects is a long one and there are almost always on-going implementation concerns that involve our staff. The addition of the new Director of Community Partnerships position will, we know, generate a greater volume of leadership grants as the result of our convening and research efforts.



**Note:** The leadership grants for Sponsor a Scholar are not included in the above chart as they are awarded from funds restricted to scholarships. Each year, from 2005 to 2008, GMF funded \$255,000 for Sponsor a Scholar, or 12% of the \$2 million of total scholarships awarded.

**c) Improve our community by demonstrating the effectiveness of each of our leadership initiatives. Measured annually.**

A list of the 17 active leadership initiatives is included in **Attachment A** with a summary of the measurable results of each initiative. Based upon the data collected to date, we would judge the effectiveness the initiatives as follows:

- All of the initiatives have formal evaluations. All are achieving intended outcomes, based on their stage of development

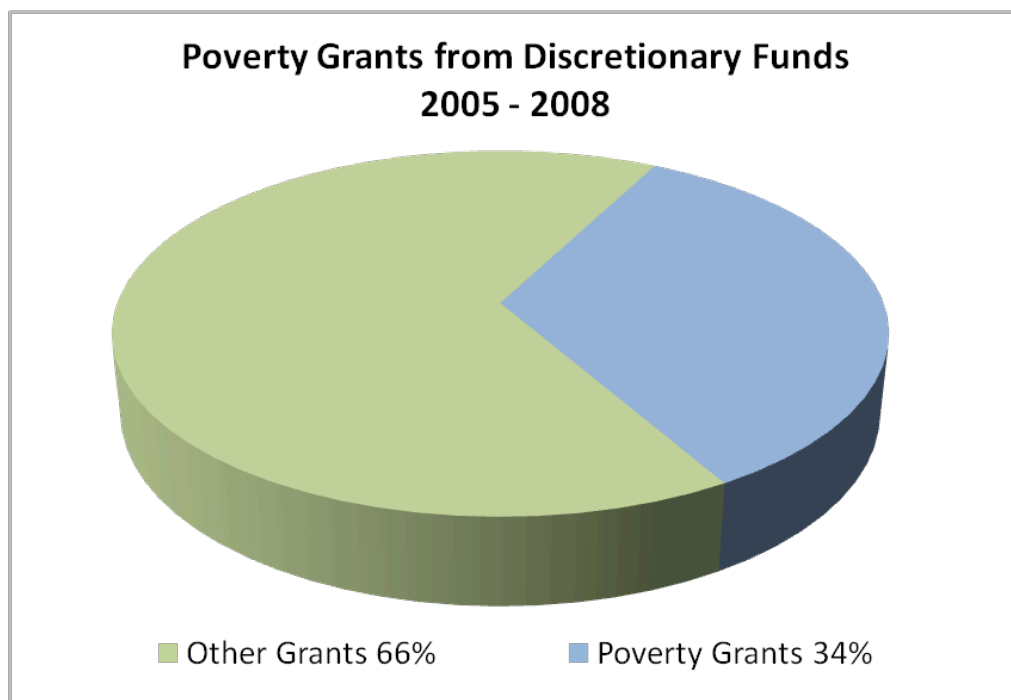
- 11 of the initiatives are considered exemplary programs that are highly effective (Sponsor a Scholar, Urban Education Fellows, EITC Super Sites in Milwaukee and Waukesha, CompassGuide, Project Lead the Way, International Forgiveness Institute, Nonprofit Management Funds (2), Mequon Nature Preserve, Mosaic Partnerships)
- 5 are demonstrating growth and success (UWM Helen Bader Institute for Nonprofit Management, BoardStar, New Leaders for New Schools, Healthy Neighborhoods, Milwaukee Crisis Resource Center)
- By design, Hispanics in Philanthropy ended in 2/2009 with the remaining unexpended funds to be granted by the Nonprofit Management Fund in 2009.

**d) Allocate one-half to two-thirds of our discretionary dollars by 2009 to support programs that address the issue of persistent poverty. Measured cumulatively.**

In 2005 through 2008 we allocated 34% of our discretionary dollars or over \$7.2 million to programs that address the issue of persistent poverty (**Attachment C**) following the criteria approved by the Board (**Attachment D**). The table below shows the results by year. In 2008 43% of discretionary grants addressed the persistent poverty priorities. We anticipate that much of the work of the new Director of Community Partnerships will focus on issues that relate to persistent poverty and will generate more grant opportunities and we expect to come closer to meeting this metric by the end of 2009.

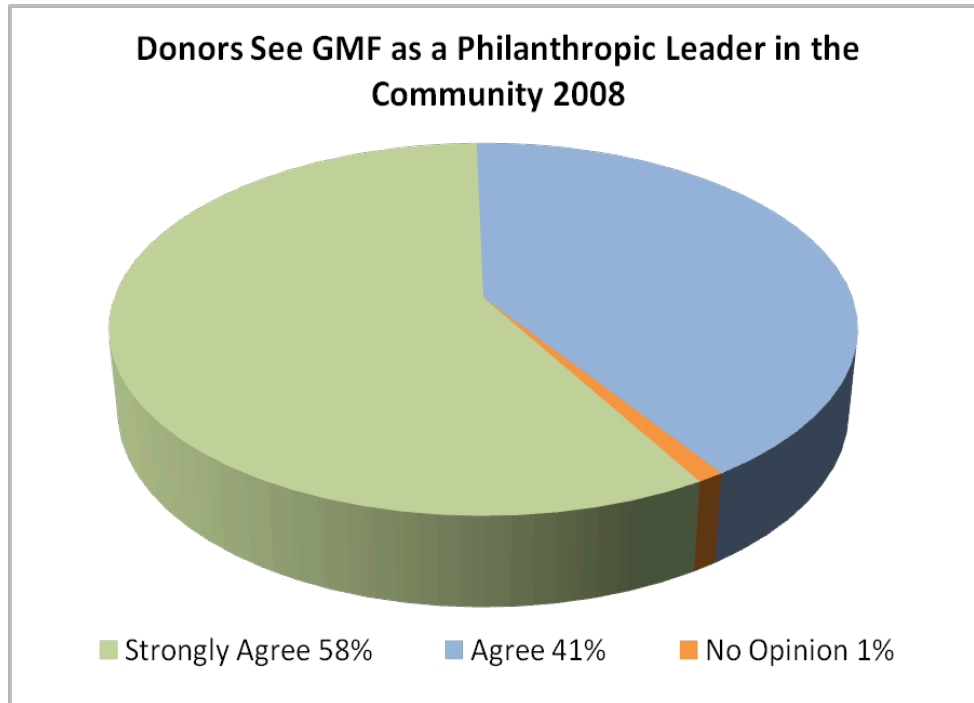
Year	Poverty Grants	Percent of Discretionary
2005	1,040,000	18.4%
2006	1,615,956	35.5%
2007	1,946,647	38.8%
2008	2,675,219	43.1%
Totals:	7,277,822	34.0%

**Note:** The \$350,000 allocated for emergency food and shelter programs is not included in the discretionary grant total below because it does not fit the three priorities adopted by the Board – school readiness, success in school and access to higher education and increased earnings and assets.



- e) ***Ensure that 95% of our donors, prospective donors and intermediaries “agree” or “strongly agree” that the Foundation is a “philanthropic leader in the community.” Measured every three years.***

In the donor survey conducted in 2008, 99% of the donors, 86% of the prospective donors and 94% of the intermediaries agreed or strongly agreed that the Foundation is a “philanthropic leader in the community.”



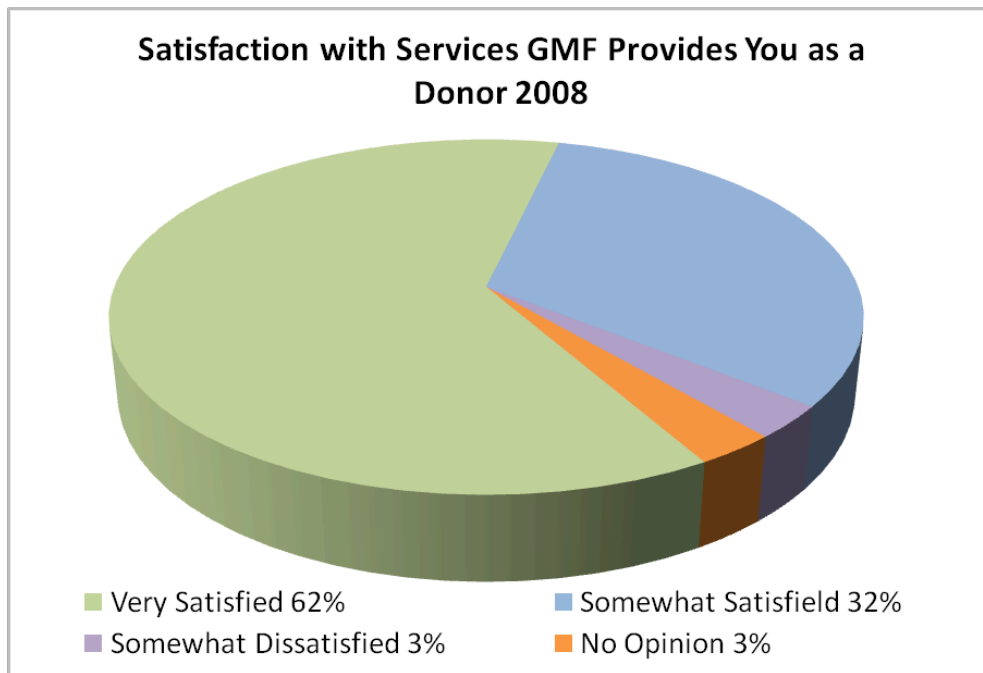
**2. Being the leader in providing the resources and expertise required to fulfill and to grow the philanthropic vision and impact of our donors and their families.**

- a) ***Ensure that 50% of our #1 and #2 donors are “engaged” with the Foundation based on established engagement criteria (Attachment D). Measured annually.***

As a baseline 30% of our #1 and #2 donors in 2005 qualified as “engaged” donors based upon the criteria in Attachment E. At the end of 2008 we increased this to 65%.

- b) ***Ensure that 95% of our donors are “satisfied” or “very satisfied” with the Foundation’s services. Measured every three years.***

The donor survey conducted in 2008 indicates that 94% of the Foundation’s donors are either “somewhat satisfied” or “very satisfied” with the Foundation’s services.



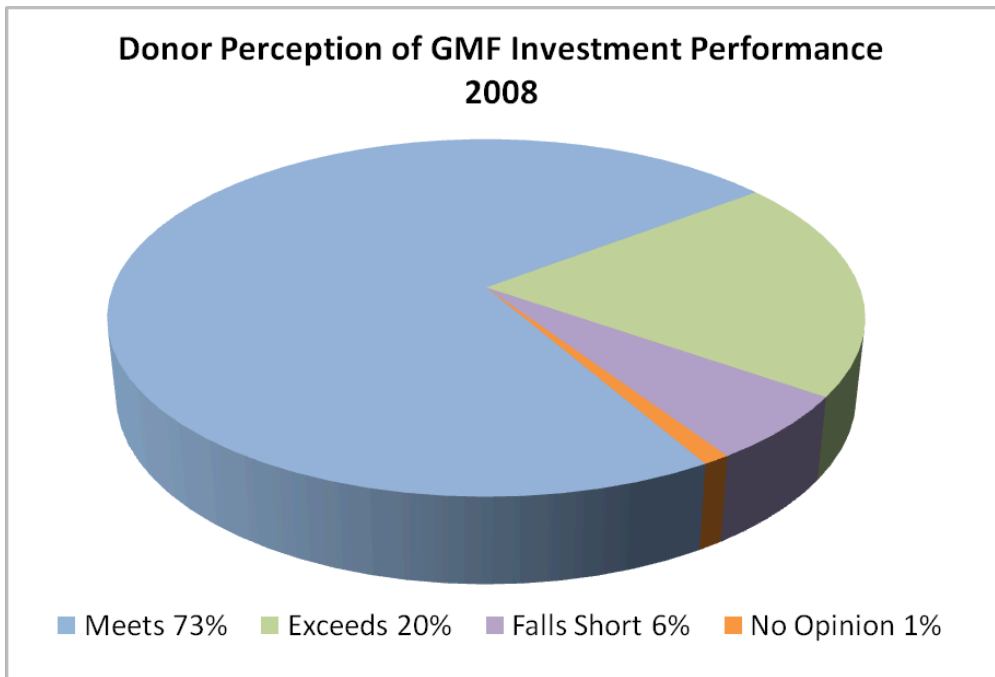
**3. Ensuring that the legacies entrusted to the Foundation are managed to honor forever each donor’s charitable intentions and to ensure that each donor’s fund makes an enduring community impact.**

- a) Review 1/5 of designated grants annually and field of interest grants quarterly to verify compliance with donor’s wishes. Measured annually.*

The Foundation distributes roughly \$5 million to 190 nonprofit agencies that are donor-designated grant recipients each year and program staff has completed reviews of 143 of these agencies (75%) since 2005.

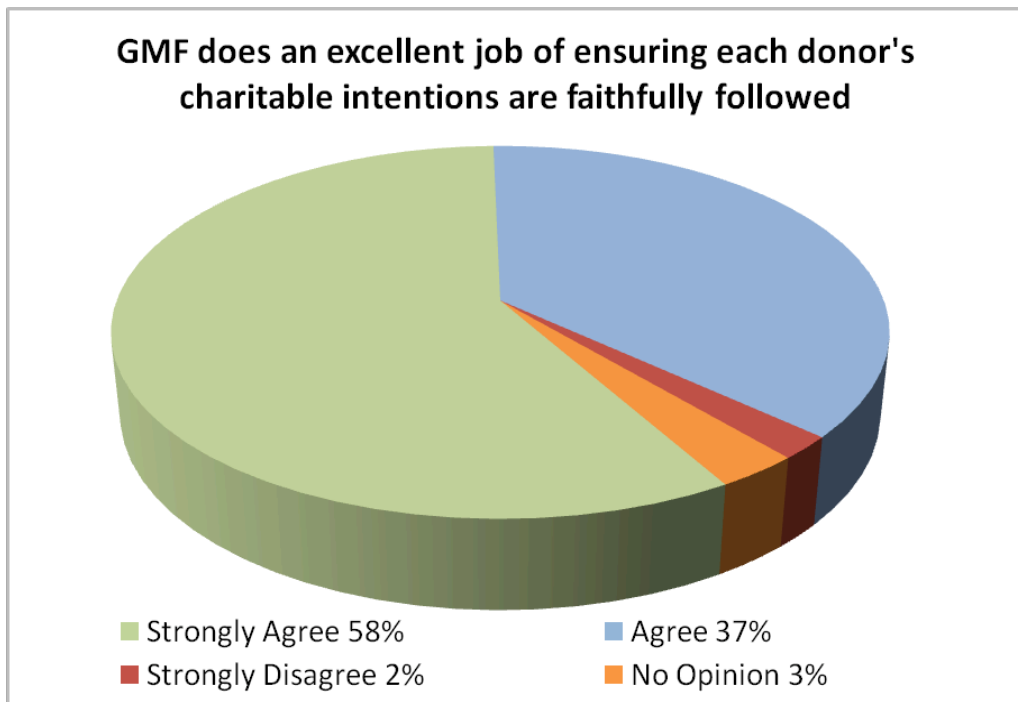
- b) Ensure that 95% of our donors indicate that the Foundation’s investment performance “met their expectations” or “exceeded their expectations.” Measured every three years.*

In the 2008 survey, 93% responded that the GMF’s investment performance either met or exceeded their expectations.



c) *Ensure that 95% of our donors “agree” or “strongly agree” that the Foundation “does an excellent job of ensuring that each donor’s charitable intentions are faithfully followed.” Measured every three years.*

The 2008 donor survey indicates that 95% of our donors “agree” or “strongly agree” that the Foundation “does an excellent job of ensuring that each donor’s charitable intentions are faithfully followed.”



## 4. Economic Drivers

**a) Secure \$160 million in outright gifts from 2005 through 2009. Progress measured annually.**

Despite the difficult market, 2008 proved to be GMF's 3<sup>rd</sup> best year ever for current gifts with a total of \$36.7 million in donations. In addition, three of the Foundation's top four years have been 2006 – 2008. We have achieved \$154.6 million in outright gifts during this goal period or 96.6% of our 5-year goal with one year to go.

Goal Year	Current Gift Total (in millions)
2005	\$26.10
2006	\$60.80
2007	\$31.00
2008	\$36.70
TOTAL	\$154.60

**b) Investment performance over 7 years exceeds our benchmarks. Measured annually.**

The table below shows the 7-year benchmarks set by the Investment Committee for each of the investment pools and the actual performance for the 7-year period ending December 31, 2008. At year end the GMF Pool slightly lagged the benchmark set by the Investment Committee. The Northern Trust investment pool does not have 7 years of experience as of 12/31/08 and has now been terminated and transferred to other pools as of 1/01/2009.

Note that the comparable 7-year annual return for the S&P 500 is -1.5%, and for the Morningstar Balanced Mutual Fund Index (Morningstar Moderate Allocation) is 0.4%.

Investment Pool	Benchmark	Annualized Return
GMF Investment Pool	3.5%	3.4%
US Bank	2.9%	3.1%
M&I Bank	2.8%	2.5%
JP Morgan/Bank One	2.8%	3.4%

**c) Build the administrative endowment (Leadership Fund) to \$5 million in ten years (by the end of 2015).**

At the December 2005 board meeting the creation of the Leadership Fund and the 10-year goal were approved by the Board. Beginning in 2006, the fee income generated by all new funds and bequests has been added to the Leadership Fund. By the end of 2008, 10 current and 14 former board members of the Foundation contributed a total of \$120,100 from 2005-2008 to help build the Fund. By December 31, 2008, the assets in the Leadership Fund totaled \$733,924 and in the Huntington Fund \$173,771 for a total administrative endowment of \$907,695.

**Note:** In the 2009 administrative budget approved by the Board we temporarily suspended adding the first 12 months of fee income from new funds and bequests to the Leadership Fund. When the market value of the GMF's portfolio rebounds we will resume this practice.

## 5. Other Metrics

a) ***Manage in accordance within the approved administrative budget. Measured annually.***

The administrative budget approved by the Board for 2008 called for a surplus of \$112,503. The unaudited actual deficit at the end of 2008 is (\$349,009) due primarily unrealized losses on investments of over \$788,000 on administrative and grant funds. An operating surplus of \$462,000 before unrealized losses resulted from staff vacancies during the year and lower professional services fees.

b) ***Maintain administrative reserve funds equivalent to six months or more of annual administrative operating expenses. Measured annually.***

At year-end we achieved an operating and capital reserve equal to 11.5 months of our most recent annual operating expenses. The reserve includes over one million for the office move in 2009 and future information systems needs. When this designated reserve is excluded the administrative reserve equals over 8 months of annual operating expenses.

c) ***By the end of 2009, increase the number of donors (all donors except agency endowments) with documented deferred gifts to 140.***

By the end of 2008, 66 donors had documented deferred gifts, 47% of the goal. (This includes all donors, except agency endowments, including those who have started funds in the last 5 years.) We encountered two issues in meeting this goal. First, we indicated in 2007 that there were 73 donors with documented deferred gifts. When we reviewed all of the documentation in 2008 we determined that the actual number was 66 and are now making sure that the record keeping is accurate as we move forward. Second, we are finding it more difficult than expected to arrange meetings with donors and to get confirmation of deferred gifts naming the Foundation as the beneficiary. For both reasons a more realistic goal, and still a stretch, is to secure 100 donors with documented deferred gifts by the end of 2009.

d) ***Secure \$107,800,000 in documented deferred gifts in 2005 through 2009.***

In 2008 we secured 26 new documented deferred gifts for an estimated total value of \$31.2 million. While the number of gifts was down from 2007 (46) the estimated value was very close with \$31.3 million in 2008 and \$31.7 million in 2007. The team's increased focus on larger gifts is paying off.

Our combined year to date total for this goal period is \$92.8 million or 86.1% of goal. Although we are short one gift planning position we feel confident that with Donor Services' concerted effort to secure deferred gifts from existing donors, we will achieve our goal by the end of 2009.

e) ***Increase by 50% in 2007 referrals from advisors, donors and other sources.***

We have fallen short of our referral goal for 2008 with total referrals at 111. We began this goal with a baseline in 2006 of 70 documented referrals. In 2007 we achieved a total of 124 documented referrals. However, due to changes and gaps in Development staffing we have seen a considerable fall-off in referrals.

As we embark on a new year, it is the goal of the Development Director to work closely with our Senior Gift Planner and Development Officer on referral cultivation skills and creative approaches to secure referrals especially from advisors. In the past year we have made significant strides in our ability to correctly capture and report this information and we look forward to increasing accuracy in our reporting for 2009.