

MARCH 2007

Tiger Foundation

Profile in Engaged Philanthropy

TIGER FOUNDATION

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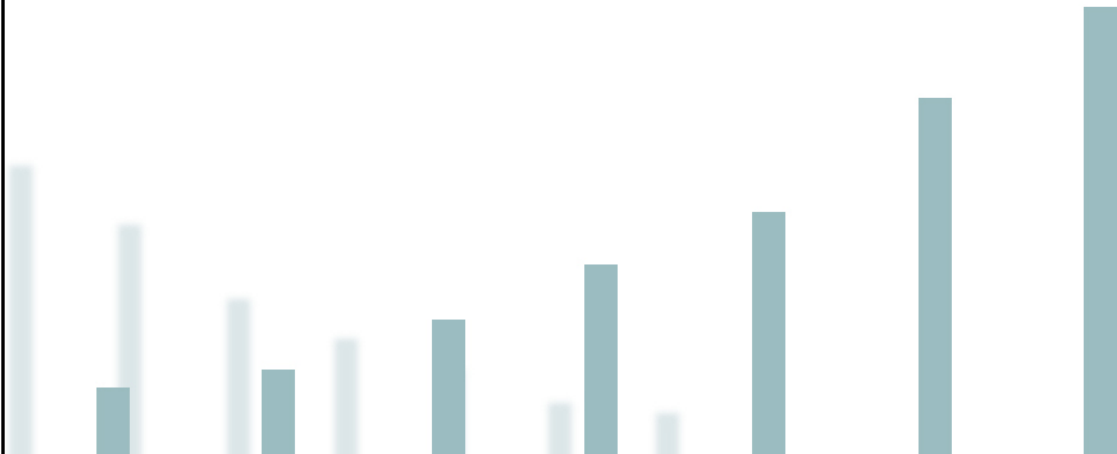


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“Tiger Foundation got us at a stage when we were just starting to earn wealth. It’s critical to assign the responsibility for wealth at the same time it’s being earned; 10 to 15 years later, one is already too attached to the wealth.”

—Michael Bills, Founding Trustee, Tiger Foundation

“The Tiger board does not simply approve grants and examine outcomes, but they manage a relationship with community organizations. Members personally visit each and every grantee to learn, share, reflect, and support what is being done. There is a collaborative feel to all that they do. It’s exceptional in this field.”

—Brother Edward J. Phelan, Executive Director, Highbridge Community Life Center

“I modeled the Lone Pine Foundation on Tiger Foundation. Everyone in Lone Pine Capital is a board member of the Foundation, and we concentrate on helping children and families in need in geographies where our employees live.”

—Steve Mandel, Founder, Lone Pine Capital and early Tiger trustee

The Trustee Meeting

In a 48th floor conference room on Park Avenue, an elite cadre of investors gathers. They greet each other, swap a few stories about recent deals, and take their seats around a large marble table. It is 5:30pm, and the location is the headquarters of Tiger Management. But the investors are not here to talk about an upcoming takeover; tonight’s agenda is about helping to break the cycle of poverty in New York City. These investors are trustees of Tiger Foundation.

The meeting begins with a brief presentation about a nonprofit working to improve the educational environment in NYC public schools. The presenter is a trustee who acts as Tiger’s Liaison to the organization. The trustee provides a quick overview and update: in a recent site visit he learned that over the past year the organization has expanded and is now working with nine schools. He also learned that the organization has undertaken an extensive evaluation of its program, and has received promising early results. A fellow trustee questions the rationale behind a

particular programmatic detail. The Liaison responds with relevant data, and a Foundation staff member chimes in with additional information. A motion is made, seconded, and the organization is awarded \$100,000.

The next nonprofit under consideration sparks more debate. This school for at-risk students achieves excellent results, but its model is far more costly than its peers' on a per-student basis. The trustee Liaison for this organization notes that on a recent site visit, she was impressed by the school's careful expansion plans and thoughtful leadership. However, fellow trustees have questions: "What cost-per-student economies do they expect to realize with this expansion?" "There seems to be a lot of cash on the balance sheet, what for?" "How will this expansion impact the quality of education for the current students—will the leadership be stretched too thin?"

These trustees are all clearly familiar with the challenges facing schools in New York City and beyond, in large part because they are members of a committee that focuses exclusively on granting funds to nonprofits in the education area. But they are also familiar with this organization in particular, and a quick glance down at their board materials immediately provides any refresher they might need on the details. The materials include succinct two-page profiles for each organization, summary scorecards on how each organization is doing across 10 key dimensions, a matrix that compares all organizations that Tiger funds in that program area, and a host of back-up documents, including financial statements and reports on outcomes. Taken together, it is a binder-clipped bundle about an inch thick providing the data the trustees need to ask thoughtful, pointed questions, and to inform the answers.

With this information at hand, the conversation moves quickly. The pro-forma cost per student at the school is estimated to be 5-10% lower than current cost. The cash on the balance sheet is in anticipation of building new facilities to accommodate the growth, a critical constraint in school expansion. The Liaison believes that although the founder was initially hesitant, the leadership is now committed to a realistic growth path that will preserve program quality. The organization is granted \$100,000.

By the meeting's 90-minute mark, 13 organizations have been funded, representing over \$1 million in investments. The decisions have not been unanimous in all cases, but they do reflect the clear will of the majority of trustees. What's more, each trustee has been focused on the conversation throughout; no one has glanced at a Blackberry, and no one has left to take a call. By 7:05pm, the meeting is over; the trustees have dispersed, and only the staff remains.

\$1 million in 90 minutes. A casual observer might consider these decisions too hasty. But in fact, these 90 minutes reflect the culmination of months of preparation by Tiger staff, as well as a significant investment of trustee time. All of the Foundation's systems and processes are geared toward involving busy trustees at key points in the process, and engaging them as deeply as possible given the considerable pressures of their schedules. The various interactions and materials arm them with the right information so that they can work meaningfully and efficiently, and make good decisions with confidence.

Better Philanthropy from Better Philanthropists

Tiger Foundation was started by legendary investor Julian Robertson, Jr., founder of Tiger Management. One of the most successful hedge funds of the 1990s, Tiger Management quickly generated incredible wealth for its 20- and 30-year old investment staff. But from the beginning, Robertson also wanted to instill in his employees a commitment to giving back. Equally important, he wanted to cultivate in them the desire to move beyond "traditional charity" and participate actively in the philanthropic process. So he created a venue for doing so, establishing the Tiger Foundation in 1990 with a dual mission that drives the organization to this day:

- To provide financial support to the top nonprofit organizations serving New York City's neediest families;
- To encourage active, informed philanthropy among the staff at the firm.

Wealthy businesspeople have been donating to charity for centuries. But Robertson felt strongly that if donors were more educated and directly engaged in charitable decision-making, the result would be not only better philanthropy but also better philanthropists. Phoebe Boyer, Tiger Foundation’s Executive Director since 1999, explains: “Julian felt that if given the opportunity, these energetic and analytic individuals would engage with both their heads and their hearts; that is, they would apply the same set of skills that they use to invest in the for-profit sector to investing in nonprofits. He believed the results would be significant for both the nonprofits and our trustees.” Trustee Roberto Mignone concurs: “Tiger Foundation elevated, at a young age, what we were willing to commit back to the community. It also trained us to be responsible philanthropists.”

To that end, Robertson embedded the rigorous, results-oriented approach of Tiger Management in the Foundation’s culture from the start. Founding trustee (and subsequent founder of Blue Ridge Capital) John Griffin recalls: “In the early days of Tiger Management, each of us young analysts would follow a set of companies. We’d bring forward our company recommendations, debate them in a group before Julian, and then he’d make investment decisions. We simply translated the same process to the Foundation; we each had a few nonprofit folders that sat right next to the company folders on our desks—all of which we were following for Julian. We’d go back into the same conference room, with the same people, and debate our nonprofit investments the same way we’d done with the companies an hour earlier. It was definitely not like making charity decisions at your dinner table with your family.”

At the outset, Robertson’s views predictably dominated funding decisions. But Robertson wanted the trustees to drive the process as independently as possible. So over time, he scaled back his personal operational involvement in the Foundation, while continuing to encourage a spirit of debate and accountability among the trustees. Although still a contributor, he has not participated in the meetings for the last 10 years.

As a result, it is now the norm for trustees to submit each other to a high standard of rigor and probing. Staff and trustees alike cite this collegial peer pressure as a key characteristic of the Foundation; it motivates them to know the issues

thoroughly and to ask the right questions before presenting a grantee to their peers for funding. This means thorough due diligence. It also means hands-on contact with the organizations in question and with their work.

“Julian really wanted the trustees to own this,” Tref Borden, Tiger Foundation’s first Executive Director, explains. “So he put them front and center in the decision-making process.” Borden recalls that during her tenure, she tried to ensure that trustees engaged directly with the people they were trying to help through the organizations they were funding: “I always tried to take the new trustees to places they never would have seen, like the South Bronx, just to give them a real perspective on our work. I remember one relatively naïve trustee in his early 20s was sitting next to a homeless person at a grantee site. At one point he looked at her and said, somewhat surprised, ‘You look totally normal!’ He didn’t mean it as an insult, but it came out awful. To her credit she immediately shot back, ‘I am totally normal!’ That interaction had a powerful influence on him. These were guys right out of college who had no exposure to homeless people and drug addicts. That trustee never forgot the experience, and ended up getting involved in a very deep way as a result.”

That thoughtful, intense approach by trustees remains a hallmark of Tiger to this day. As Boyer notes, “The trustees at Tiger take the review of organizations very seriously. Their genuine interest in helping organizations maximize their impact, as well as their desire to hold the Foundation accountable to its overall goals, ensures that we have a meaningful and engaging debate about each investment. The trustees are constantly benchmarking each opportunity and want to know how it fits into the field and advances our mission.

“No one wants to bring a group forward that doesn’t measure up to the Tiger standards. That dynamic is powerful, and it keeps all of us striving to use our resources in the best way. We may love the people involved with a potential grant, but if it has weak outcomes, it won’t make it through the funding process. The rigor of the process is attractive to the hedge fund manager; they know their time and money will be well spent.”

The Foundation’s growth attests to the success of the approach. In addition to their time, trustees donate funds each year, bolstered by significant support from

Robertson. (The Foundation abides by a “spend what you raise” ethic and has no permanent endowment; instead, to ensure that there are no significant swings in funding from year to year, it grants one third of its assets annually.) Tiger has grown to 47 trustees who in 2006 provided over \$8 million and 2,400 hours to over 70 education, job training, and social services/youth development organizations. Over the last 17 years, Tiger Foundation has contributed nearly \$80 million to organizations in New York City that are working to break the cycle of poverty.

Trustee-led Decisions and Staff-supported Processes

Robertson’s passion for training the next generation of philanthropists has shaped nearly every aspect of the Foundation’s innovative structure and process. “Over time we have figured out how to involve our trustees in a meaningful and efficient manner,” notes Boyer. “From their roles as Liaisons to participation in their Committee, each trustee actively engages in our grant-making. Every individual on the board has an organization, a staff and a set of clients in their mind as they discuss and approve each investment. They personally know for whom we do this work, and that is powerful. Tiger staff members are equally clear on their contribution and its importance to the Foundation’s mission.”

But Tiger’s systems and practices were not always so efficient. In fact, they have evolved considerably since the Foundation was created. “We’ve always prided ourselves on asking tough questions, but early on we were kind of winging it,” recalls Griffin with a smile. “I remember one time a former Knicks basketball player wanted to meet with us about his nonprofit. I was dying to meet him! But Pat [Duff, another early trustee] said, ‘John, don’t we need some criteria before we just start meeting with people?’ I said, ‘Yes; if you’re a former pro ball star you can come meet with us!’”

Borden agrees. “At the founding, Julian wanted the trustees to do all the legwork,” she recalls. “But it became clear that the trustees didn’t have time to conduct the depth of due diligence and monitoring that they wanted to in an efficient way without support.” Today, the trustees are assisted by five full-time staff: an executive director, three program staff and a grants administrator. While this may

seem like a substantial investment, the administrative cost of running Tiger Foundation is about 12%, which is below that of many traditional foundations.

In addition to adding staff support, the process has become more clearly defined. Chief among the changes: In the early days of the Foundation, all of the trustees participated in all of the funding decisions. As the portfolio grew, however, this approach quickly became too cumbersome, and so the trustee committee system was formed. Today, the trustees are grouped into committees that focus on one particular area, Education, Job Training, or Social Services/Youth Development. This allows them to get to know their grantees better, and to develop specialized expertise.

DUE DILIGENCE

The process of getting to know potential grantees and making funding decisions takes place over many months, and is carefully supported by the Foundation's staff. An organization's relationship with Tiger begins when it submits a letter of inquiry (Tiger accepts unsolicited requests). If the organization's activities fall within one of Tiger's program areas, Tiger staff members begin the screening process by asking questions about the leadership, finances, program outcomes, and the costs of achieving those outcomes.

Throughout the process, the Tiger staff is keenly aware of the time and effort required to fulfill the requests they are making of the potential grantees. "We have tremendous respect for these organizations and understand that they are strapped as it is," says Amy Schoenberg, Senior Program Officer at Tiger Foundation. "We want to make sure that before we ask a potential new grantee to submit a full proposal, or a current grantee for follow up information, that what we are asking for is essential for our decision-making." As a result, only about 15% of inquiries pass to the next stage and are asked for a site visit. A successful site visit generally results in more requests for information, and then about half are invited to submit a proposal. (See appendix 1 for full process and detail.)

A strong proposal leads to the involvement of a trustee as Liaison to the organization. As a Liaison, each trustee conducts regular site visits to grantee

locations with Tiger staff, observing the program in action, meeting with the leadership, and asking questions about program, finances or staff transitions, for example. The visits and interactions inform the trustee's analysis and point of view. "We can all analyze financials at our desks," says trustee and former board Co-Chair Jill Olson. "But actually visiting an organization is the game changer. Only then can you really tease out what the key issues are, what the quality of the leadership is, and how the mission is executed at every level. As professionals, Julian insisted that we visit companies—and keep visiting them—over the lives of our investments. Why shouldn't the same be true for grant-making?"

ANALYSIS AND DECISION-MAKING

Concurrently, Tiger staff develops two key documents that the Committee will rely on to inform the group's decision-making. Both documents are concise and geared towards investment professionals accustomed to reading succinct comparative summaries on company performance. The central document is a two-page organizational profile. This profile includes a description of the organization, previous funding history with Tiger, key programmatic information (program description, numbers served, and so forth), basic financial data, and strengths and weaknesses as observed by staff and the trustee. One of the key metrics reported is the cost per beneficiary. (See appendix 2 for an example of a proposal profile.)

The profile grew out of the trustees' desire for data to be presented concisely and consistently. In its earliest days, the Foundation used a 40-question application procedure. "Everyone hated it: grantees, staff, and especially the trustees," recalls Scott Sinclair, Co-Chair of the board. "We cut it down, but it was still too cumbersome. Eventually, I asked, 'We have all this paper but it keeps boiling down to the same few important questions. I'd love to see just those on a page or two.'" Through an iterative and collaborative process with trustees, the staff created a standard two-page profile that is compiled for each grantee. Now, at a glance, trustees can locate key information quickly. Over time, through reviewing numerous profiles for each meeting, trustees develop a sense for how an organization measures up to others Tiger has funded.

While the two-page profile presents a concise picture of how an organization is doing, it doesn't provide an assessment of how well the organization is performing relative to its peers. Nor does it tell Tiger trustees how well their "portfolio" of investments is performing. Tiger trustees found themselves asking "How do we hold ourselves accountable?" In 2006, an additional half-page was added to the profile to help answer these questions. It reports on ten dimensions of organizational development that trustees identified as important for strong grantees. The dimensions include replicability, scalability, cost, leadership, outcomes, financial management, and others. Organizations are rated on a scale from "Top performance" to "Unsatisfactory." These scores help trustees assess whether they are funding organizations that meet Tiger's standards, and whether the portfolio as a whole is improving over time. The scorecard is also used as a tool to help prioritize technical assistance efforts. The scorecard is being piloted this year, and may be revised going forward based on trustee experience and feedback. (See appendix 2 for an example.)

The second key document is a summary matrix of all the organizations funded by the Committee in previous years. The matrix presents key metrics for each organization so that they can be easily compared. There is no absolute scale, but the information allows a comparison based on target population, programming, and outcomes. In Job Training, for example, the metrics include number served, population, program structure, graduation rate, placement rate, retention rate, annual client cost, and average starting wages. (See appendix 3 for the Job Training summary form; similar forms exist for each Committee.) By glancing down the list, a trustee can place any program in context of others that Tiger has funded.

Funding decisions are made at Committee meetings multiple times each year. Prior to each Committee meeting, trustees receive the profiles for all organizations to be considered, and the matrix listing the key metrics for each organization. Proposals and other supporting documents accompany the profiles. Over time, as trustees participate in funding decisions, listen and talk with guest speakers, and read summary pieces prepared by staff, they develop an understanding of the policy landscape within New York City, the issues that are particular to their program area, common organizational challenges and realistic performance expectations.

As described in the opening section, Liaisons present funding recommendations at Committee meetings for their grantees. These recommendations are based both on the trustee's analysis and judgment, as well as the detailed analysis by Tiger staff. Each trustee is responsible for asking the tough questions of their Liaison peers. With 47 trustees, breaking into three committees of 13-17 trustees each allows for the collegial, rapid-fire debate that has characterized decision-making since the beginning. Questions often focus on details around outcomes and program costs, as well as "softer" areas like leadership and organizational development. The interplay between the Liaison role and committee structure encourages this personal accountability among the trustees.

SUPPORTING AND MONITORING GRANTEES

After a funding recommendation is approved, all grantees are supported and monitored by Tiger trustees and staff. The scorecard becomes a living document that not only provides a snapshot on how any individual grantee is performing, but also gives the trustees and staff a birds-eye view of what's going on in a sector, and specifically where Tiger can help support its grantees.

"We noticed that several of our grantees were struggling with understanding their financial structures and, in particular, with allocating costs across multiple program areas," recalls Boyer. "This became especially critical following September 11th when many agencies were hit hard by funding cuts and needed to think strategically about how to manage their agencies through difficult times. As a result, we organized a grantee-wide technical assistance initiative around financial management, with targeted one-on-one follow up. We have also used this approach with governance issues." Tiger largely subsidizes such technical assistance, though it does require a contribution from grantees to ensure that the services are valued and used appropriately.

The final monitoring feature is structural: grantees can apply for up to three consecutive one-year grants, followed by a mandatory hiatus year (i.e., if an organization has been funded three years in a row, it is not allowed to submit a funding request in the fourth year). At the end of the hiatus year, it is welcome to

reapply. The intent is to keep organizations from becoming too dependent on Tiger funding, and encourage them to diversify their funding sources.

Trustees recognize that diversification doesn't always happen: some grantees successfully fill in with other sources of funding, while others have been known to "hold their breath" until the year passes. As a result, the hiatus year rule has been extensively debated at the board level. On one hand, losing funding (even temporarily) can pose a significant challenge for grantees; on the other hand, the hiatus year gives Tiger an opportunity to step back and review 24 months of work on any issues or areas of concern before the next funding cycle, and not allow personal relationships with grantees to affect the dispassionate analysis. On balance, trustees believe that the value of the extra review has outweighed the challenges, and the hiatus year has remained an important part of the Tiger model.

Tiger's Effect on Grantees

Tiger has been known for its rigor and due diligence from the outset. Early on, however, grantees were not always receptive to Tiger's approach. "We were asking outcomes-oriented questions, and to be quite honest, a lot of nonprofits were offended," recalls Borden. "In the early 1990s many groups simply couldn't tell us which of their workshops was well attended, and whether any of those people stuck around for other programs. Paper-based sign-in sheets combined with transient populations meant that it was often impossible for them to answer our questions. But our investors didn't stop asking how they knew the programs were having an impact. We began to provide technical assistance grants, but in many cases, it still wasn't enough. We realize that for a long time, it was quite frustrating on both sides."

Mindful of the pressures that face grantees, the staff has sought to revise the approach to reduce the workload on them over time. But it is still an intense process, with 40% of grantees indicating the time required in the application process was more than they expected. One grantee notes: "Tiger Foundation is very thorough in its application and reporting process; thus the administrative work required is more time consuming than that for some other foundations."

Yet grantees keep coming back, for a host of reasons. First, grantees believe their engagement with Tiger makes them more effective: 63% of grantees say that tracking the outcomes that Tiger requested has helped improve their organization's performance, and 70% say that Tiger's impact on their organization has been "excellent." Second, since Tiger's funding is usually for general operating support, not program costs, it is particularly valuable to grantees. It is also typically higher than the average grant they receive. Third, Tiger is seen by some as a "Good Housekeeping" seal of approval: Its standards are such that if an organization receives funding from Tiger, it is viewed by other funders and peers as a high performer. As one grantee said, "The Tiger Foundation is a bellwether grant-maker. Others take notice of who and what they fund." As a result, 49% of grantees "strongly agree" that a Tiger grant provides leverage with other funders.

Finally, some grantees go out of their way to express appreciation for the rigor and thoughtfulness of the process. "Tiger ranks as one of the most straightforward foundations I have dealt with. Expectations were very clear. The detailed work that is required makes the organization focus on management issues as well as explaining itself and its programs." Another grantee appreciates the balance Tiger strikes between high standards and support: Tiger staff has the "right combination of being approachable but keeping us challenged to achieve higher and better goals." Still others comment that is unheard of to have Foundation trustees perform site visits and actively engage in the evaluation and decision-making process.

Tiger's Effect on Trustees

Tiger's process hasn't only pushed grantees to higher levels of rigor and achievement, it has also changed the way trustees approach philanthropy. Consider how trustee Brian Olson describes Tiger's influence on him: "Tiger Foundation has had a profound impact on my philanthropic life. It taught me to apply an investor's mentality to the not-for-profit world. The experience has enabled me to assess organizations and to get more deeply involved when I can make a positive contribution."

Olson's thoughts are echoed by other trustees. In a recent survey, over 80% of trustees reported that their involvement with Tiger has increased their overall philanthropy. The extent of the influence varies dramatically, but ranges from a 20% increase in financial commitment to a ten-fold increase. And 76% indicated their willingness to give even more.

Perhaps more surprising than the trustees' financial commitment, given who they are, is the time they commit to the Foundation. On average, trustees spend about four to five hours a month on Tiger Foundation work. Over the course of a year, they liaise with an average of two to three organizations through site visits, consult with staff, review documents, and attend eight trustee meetings (four Committee meetings and four full board meetings). As a result, 81% cited it as one of their top three philanthropic commitments, and 57% said that they would be willing to give even more time to Tiger. Furthermore, nearly half report that their experience has increased the time they give to philanthropy in general.

Tiger trustees are clearly more thoughtful and educated about their philanthropy as a result of their experience with the Foundation. Not surprisingly, most report that "how" they do their philanthropy has changed as a result. Nearly 90% of trustees said that their engagement with Tiger had influenced their approach to philanthropy in terms of due diligence and decision-making criteria. A number of trustees commented that being involved with Tiger means "I look at results more critically" and "I think more clearly about the impact of our gifts both of time and money." It hasn't only made them more critical and demanding of organizations; it has also broadened their understanding of the issues on which the Foundation works: "The Tiger process has made me more knowledgeable about developments in the city" and "it increased my awareness and understanding of the needs of organizations throughout the city."

Along with their increased awareness and giving levels, nearly 90% say that Tiger has also influenced the type of organizations they give to. The swing is largely from arts or higher education institutions to disadvantaged populations, and a handful commented that they have an increased awareness of the need beyond their alma maters. One trustee noted, "Tiger raised my awareness of something other than college football stadiums as a place to give." Fifty percent personally

give “sidecar” donations to Tiger grantees alongside Tiger funding. Another 12% give to organizations similar to those that Tiger funds; others carefully choose organizations Tiger doesn’t fund for geographic or other reasons.

“As a 22-year-old, at my first Foundation meeting, I remember thinking, ‘Boy, these guys are being a bit tough on this nun,’” recalls Jill Olson. “It took me a few months to really come around. Then suddenly the light bulb went off; our philanthropy was, at the end of the day, still about doing the best we could with a limited resource. Now, after 14 years on the board, I truly believe we have been a part of lifting not just some boats, but the whole water mark of expectations. And certainly, at a personal level, the Tiger approach now bleeds into every single philanthropic decision that I make.”

Tiger Foundation’s Legacy: Philanthropic Cubs and Beyond

As Tref Borden notes, the Tiger Foundation was formed “through a pretty special set of circumstances” and in many ways, the model would be tough to replicate in its entirety. “First, you absolutely need leadership from the top of the company, not just with personal commitments and money but also cultural ‘signals’ like on-site office space. This can’t be a second-class thing. You also need a group of people passionate about a common goal. In our case we were liberated because we weren’t a traditional corporate philanthropy, in that we didn’t need to make Tiger Management better off. But agreement and trust in the group are critical. You’re asking them to put a lot of their own money in a pot and have confidence in their peers, so they need a certain level of intimacy.”

That said, Tiger’s values have successfully taken root in other venues. After Tiger Management closed its funds to outside investors in 2000 and moved to a different model, it spawned numerous successful hedge funds known in the industry as “Tiger Cubs.” Similarly, perhaps Tiger Foundation’s greatest legacy may be the Foundation “cubs” that its trustees have created, and the other organizations that continue to be influenced by the Tiger trustees’ changed approach to philanthropy.

To date, the closest analog to Tiger Foundation is Lone Pine Foundation. Having seen the power of the model, former Tiger and early trustee Steve Mandel carried the idea and some of the approach with him to Tiger cub Lone Pine Capital. Lone Pine Foundation, like Tiger, shares a dual mission of educating Lone Pine Capital employees about philanthropy and funding great organizations (albeit in a wider geographic area that encompasses Westchester and Fairfield counties, where its employees live). “We consider ourselves successful with trustees if people give their time, ask questions, and get engaged,” reports Lucy Ball, Executive Director of Lone Pine Foundation. To date Lone Pine Foundation has distributed \$9.2 million, a significant amount in the field of grantees which it funds.

Another philanthropic cub with similar values is Blue Ridge Foundation. John Griffin, founder of Tiger cub Blue Ridge Capital, recalls: “I used to think that philanthropy was mostly blue-haired old ladies on boards giving away money to pet projects. Tiger Foundation taught me there was another way: an energetic, enthusiastic approach to philanthropy with rigorous attention to outcomes.” Inspired by his work with for-profit entrepreneurs, Griffin established Blue Ridge Foundation as a nonprofit incubator providing space, camaraderie, and help to fledgling organizations. In 1999 Blue Ridge Foundation hired its first Executive Director and has made over \$6.9 million in investments to date.

Trustee Scott Sinclair instilled Tiger’s values in his own freestanding organization. Through his work with Tiger, Sinclair became so interested in the concept of revenue-generating experience-based job training that he started a nonprofit called Bodanna, with a mission to foster personal and professional growth for economically disadvantaged young adults through apprenticeships in the ceramic arts.

And, Tiger trustees passionately apply the knowledge they’ve garnered from the Foundation in their work on other boards. In addition to their work with Tiger, 55% of Tiger trustees serve on one or more other nonprofit boards. Trustees bring perspectives and standards informed by their Tiger experience with them; they are active participants pushing for greater accountability and better measurement of outcomes.

“I have seen our trustees become so passionate about an organization that they join the board and become its chief advocate to other funders because they

understand how to present the organization in the best way,” says Boyer. “They can also be fierce in pushing the organization to do a better job financially.” Occasionally, in doing so, trustees turn to Tiger staff and ask for help. Boyer explains: “Many times we are asked by trustees to talk with an organization to help them meet our standards.”

Many former trustees also continue to give to Tiger Foundation, despite their increasing commitments to other foundations and nonprofit organizations. Their ongoing support is another testament to the success of the model.

For his part, Robertson believes the Foundation’s work may be his most important legacy. In an October 17, 2006 letter to trustees, Robertson states:

“Tiger has also become a philanthropic model that others will undoubtedly want to replicate. Where else are the trustees actually responsible for the effectiveness of their grants? I could not be more proud of the work of the Foundation and the commitment each of you has made to it. The fact that some of you have shared with me the impact of the foundation on your own philanthropic lives means everything.”

Robertson adds, “The Tiger Foundation is the most successful project I have ever been involved with. It has clicked on all cylinders right from the start and just keeps on clicking. That’s probably because the people involved are so great.”

In November 2006 Robertson put before the board both a gift and a challenge: he donated \$50 million outright to the Foundation and committed another \$100 million if the organization raises \$33 million on its own (a three-to-one match). The gift has the potential to double or triple Tiger’s giving each year, and the trustees are both honored and anxious about the historic opportunity to fulfill his legacy.

Noted trustee Robert Williamson: “It takes a remarkable man to make such a substantial gift without any influence over what happens to the money. It’s a huge vote of confidence in, and challenge to, the trustees. What’s so impressive to me is that some of the busiest and most financially successful trustees are the most conscientious about the Foundation’s impact, and it’s really training the second and third generations in that model.”

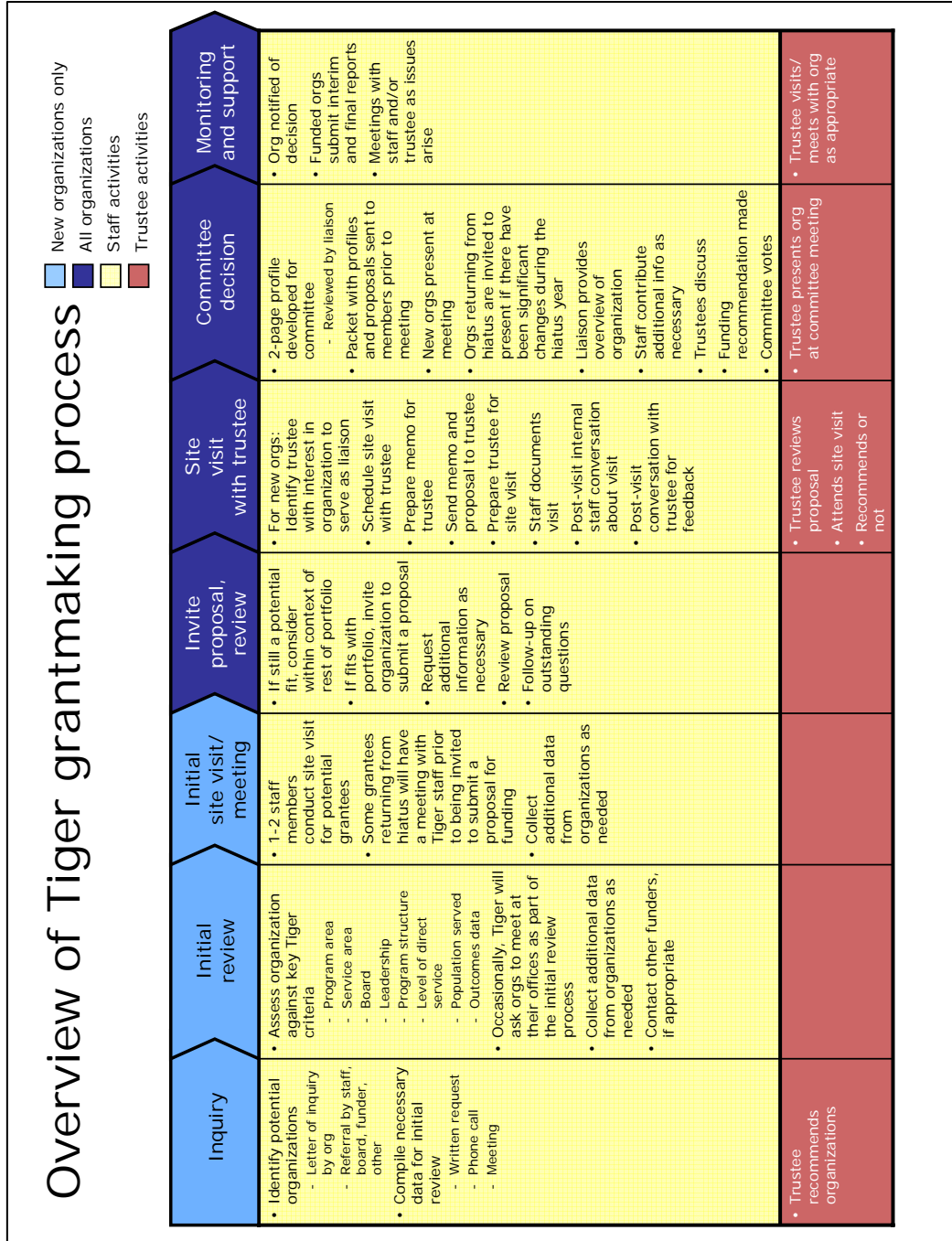
Appendices

Appendix 1: Process summary for Tiger grantmaking

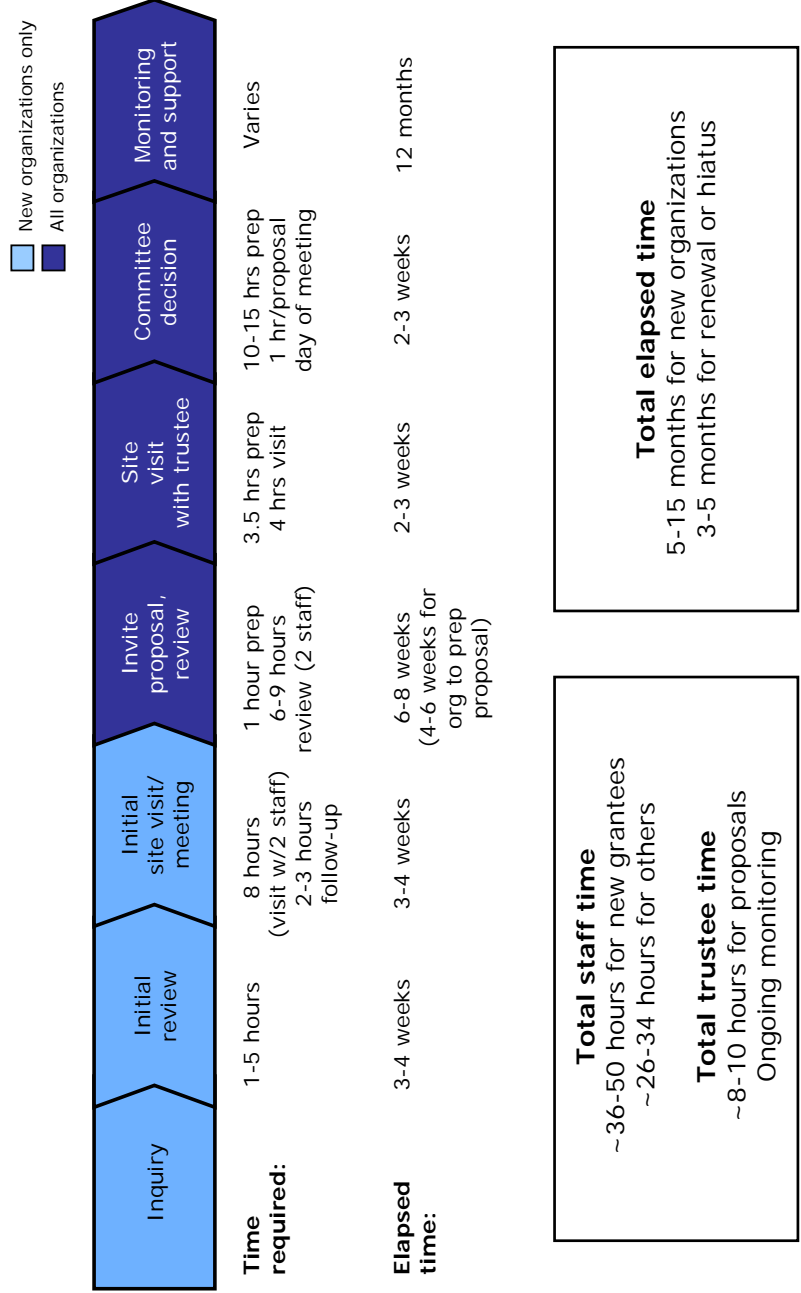
Appendix 2: Sample grantee proposal profile

Appendix 3: Summary of comparative data within job training group

Appendix 1: Process summary for Tiger grantmaking



Time required and elapsed at each stage



Appendix 2: Sample grantee proposal profile

Brooklyn Learning Community

100 Education Avenue
Brooklyn, NY 10012
Suzy Jones, Executive Director

Staff Member:

Committee Members:

Past Tiger Support:

2000: \$75,000	2004: \$100,000
2001: \$75,000	2005: \$100,000
2002: \$85,000	

Sample Proposal Profile: Not a real organization
Education Committee – December 5, 2006

Brief Description:

Brooklyn Learning Communities was founded in 1998 to create schools that provide the opportunities, services and guidance needed to create a community of learners dedicated to academic rigor and creative pursuits. It was started by Suzy Jones, an accomplished and well-regarded principal with 20 years of experience as an educator and administrator in NYC schools. Her vision is to create schools that inspire and support disadvantaged children to learn through a unique learning environment, high expectations and ample support services. BLC opened Prospect Charter School in Brooklyn in the fall of 1999 for students in grades K-1. It has grown to serve 358 students in K-8 in the current academic year. In 2002, BLC opened a second learning community, Outlook Charter School, also in Brooklyn. The new school will serve 300 students in grades K-5 in 2006-7, with plans to expand to K-8. Both schools have a rigorous curriculum of literacy training, science, mathematics, and the humanities, and emphasize the development of personal responsibility. They are supported by a central back office responsible for curriculum, assessment, finance, professional development and teacher recruitment. They have a rigorous curriculum of literacy training, science, mathematics, and the humanities, and emphasize the development of personal responsibility. Since last year, BLC has grown each school by one grade while maintaining or improving students' performance. They have also made significant progress in professional development leading to improved teacher retention. BLC requests renewed general operating support to be used for continued growth of both schools, curriculum and assessment development, staff leadership coaching, and to develop a program to increase family involvement.

Program Information

Number Served:	Prospect: 358 (2005-6), 400 (2006-7) Outlook: 245 (2005-6), 300 (2006-7)	Grade Levels:	Prospect: K-7 (2005-6), K-8 (2006-7) Outlook: K-4 (2005-6), K-5 (2006-7)
Geographic Draw:	Brooklyn	Achievement/Talent Levels:	Full range
Academic Subjects:	Standard subjects: math skills and problem solving; writing, reading and English language arts; social studies; science; gym and music	Additional Components:	<ul style="list-style-type: none"> Arts: Dance, music, theater, & visual arts classes Foreign language: Spanish and French Learning Specialists/ Inclusion program
Structure/Schedule:	September – June: 8:00 a.m.-4:00 p.m. Optional After School program: 4:00-5:15 p.m. daily	Teacher:Student Ratio:	Prospect: 1:22 Outlook: 1:19
Cost per Student:	Prospect: \$10,293 (FY06), \$9,820 projected FY07 Outlook: \$11,562 (FY06), \$11,562 projected FY07		
2005-06 Summary of Outcomes:	<p>% of students at or above grade level on NYS testing:</p> <ul style="list-style-type: none"> Kindergarteners are given the Brigance K-1 Screen in September and June to measure school-readiness and social behavior for their given age level. 86% were at or above grade level in June 2006 testing. School attendance in 2005-6 was: Prospect: 92%, Outlook: 96%. Of the 375 students enrolled in Prospect during the 05-06 school year, 7 left during the year (many in the first weeks) and another 10 students did not return for the current year due to families moving. 		
Comments:	<ul style="list-style-type: none"> Projected decrease in cost per for Prospect is due to the school reaching student capacity during FY07. Approximately 70% of students at both schools participate in the optional after school programming, which consists of additional enrichment activities (arts, music, organized group activities) and homework/tutoring assistance. Cost per does not include funds allocated for contingency. 		

Fiscal Information

Amount Requested:	\$100,000	Amount Recommended:	\$100,000
General Operating Support:	<input checked="" type="checkbox"/>	Specific Project Support:	<input type="checkbox"/>
FY 07 Organization Budget:	\$7,456,600	Project Budget:	
6/30/06 Actuals:		6/30/06 Actuals	
Revenue:	\$6,650,033	Board Contributions:	\$100,740
Expenses:	\$6,577,584	% Contributing:	100%
6/30/06 Revenues		6/30/06 Expenses	
%Government:	84%	%Program:	79%
%Foundation/Corp.:	12%	%Administration:	16%
%Individuals:	3%	%Fundraising:	5%
%Other:	1%		
<ul style="list-style-type: none"> • Organization budget reflects combined budgets for the two schools. Prospect budget is \$3,958,000; Outlook is \$3,498,600. Costs of central support are incorporated in school budgets. • Budget growth is due to increase in Prospect from K-7 to K-8, growth in Outlook from K-4 to K-5, and addition of family engagement programming in both schools. • Board giving is a reflection of the make-up of the board as educators and community members (see weaknesses). BLC has a board, as do Prospect and Outlook. 2 BLC board members sit on each of the schools' boards. 			

Strengths and Weaknesses

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<ul style="list-style-type: none"> • Population served. BLC's student population is 80% Latino and African-American, 83% are eligible for free or reduced-price lunch and all live within the borough. 6% are special needs students, 15% are English Language Learners, and based on poverty level, 76% are eligible for classification as Title I students "at risk." • Benefits of a central support team. The two schools share back office operations, including professional development for principals and teachers, development of curriculum and assessments, fundraising, finance and operations, student and teacher recruitment, and facilities development. It will be important for BLC to maintain the quality of this support as it grows (see weaknesses). • Extended day enables time for core subjects (reading, math and science) as well as enrichment activities. Students in need of additional assistance are targeted for additional support through the after school program. • Strong outcomes as judged by student achievement on standardized tests, however 4th and 5th graders have struggled in reading and 4th graders have had difficulty in math. BLC is providing additional professional development for 4th and 5th grade teachers to address this. We will continue to monitor. • Solid academic curriculum. BLC uses validated math, science and literacy curricula. • Focus on academics and character development. An emphasis on kindness, integrity and scholarship is integrated into academic courses and the school culture. • Experienced leadership. Suzy Jones continues to lead the organization admirably. She has developed a core central staff that supports the schools well. BLC struggled with opening Outlook, but replaced the original school director this past year. The new director has improved student performance and teacher retention. The current leaders of both schools have significant education experience and have spent at least five years working in Brooklyn schools. • Cost per student. Cost per at both schools is in line with other schools in Tiger's portfolio. Cost per at Prospect has decreased as the school has grown and will decrease again this year due to reaching capacity. Cost per at Outlook should be similar once that school reaches capacity. • Replicable. • DOE Space. Both schools are currently housed within DOE space. Outlook will outgrow its current space when it expands to grade 7 in 2008. We will continue to monitor. 	<ul style="list-style-type: none"> • Administrative capacity. As the schools have grown, administrative support has not kept pace. BLC has ambitions of opening a third school in the next few years. Before additional growth, we need to see that the current schools are properly supported. In the next two years they will likely need to hire a Professional Development position and a Fundraising/Development position. These functions are currently being performed by staff with multiple other duties. • Staff retention. In the past 3 years we have seen significant turnover of teachers at Outlook, with the notable exception of 3 experienced teachers who have been with BLC since its beginnings. They brought in a new school director at the beginning of 2005-6 who has performed well. In addition, the leadership has refined their hiring process and established mentoring and professional development programs to help retain teachers. As a result, the trend has improved, with only 1 teacher leaving this year. We will continue to monitor. • Board giving and fundraising. The board was originally composed of educators and community representatives and was not designed as a fundraising body. As the school's needs increased, two new members were added last year and a give/get contribution requirement of \$10,000 was established for new members. Two additional members will be added in the coming year. The board has created a five-person development committee and will explore the possibility of separate boards for each school.

Tiger Integrated Scorecard

<p>A = Top Performance B = Strong Performance C = Satisfactory D = Unsatisfactory</p>
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Brooklyn Learning Communities

1	2	3	4	5
Model Program/ Replicability	Scalability	Leverage	Measuring Impact	Outcomes
A	A	A	A	B

6	7	8	9	10
Cost	Leadership/ Governance	Financial Management	Mission- alignment	Consistency
B	B	A	A	A

Total
B

