



Fall 2020
**LEARNING
REPORT**



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The T. Rowe Price Foundation is T. Rowe Price Group, Inc.'s corporate philanthropic foundation operated out of the firm's headquarters in Baltimore, Maryland. This report highlights the T. Rowe Price Foundation's learning and development initiatives with a focus on 2014 through fall 2020.

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Foundation Learning INTRODUCTION

Founded in 1981, the T. Rowe Price Foundation is steadfastly committed to its mission of pursuing the long-term success of the communities in which T. Rowe Price's associates live and work. Through direct grants, a generous matching gift program, pro bono opportunities, and robust capacity-building programs for grantees and partners, the T. Rowe Price Foundation is one of the largest corporate philanthropies in Baltimore and Maryland, contributing more than \$140 million since its inception to support local organizations dedicated to creating positive change.

For more than 80 years, T. Rowe Price, a global investment management firm headquartered in Baltimore, Maryland, has served millions of clients around the world. Our strategic investing approach is driven by independent thinking and rigorous research, helping clients achieve their long-term financial goals.

OUR APPROACH TO PHILANTHROPY

The T. Rowe Price Foundation aims to be a strong collaborator in communities where T. Rowe Price associates live and work. We believe partnership is the most effective way for our communities to realize positive change and that our partner organizations are best equipped to decide how their resources should be utilized. We implement trust-based philanthropy principles and measure impact through grant-making in communities. We recognize that meaningful, lasting change cannot happen overnight, and we remain deeply committed to the long-term success of our grantees and partners in our community.

The Foundation focuses on three key grant-making areas:

Youth Empowerment: Empowering youth to reach their full potential through education by:

- Developing exceptional school leadership, capacity, and instruction
- Advancing student achievement of grade-level reading
- Supporting learning, personal development, and postsecondary success through multifaceted, multiyear programs

Creativity and Innovation: Advancing creativity and innovation and supporting creative communities by:

- Advancing artistic and creative disciplines, including visual art and history, music, and performing arts
- Addressing community challenges by enhancing community assets and building connections
- Supporting youth and families through artistic expression

T. Rowe Price Foundation | Giving Snapshot

As of December 2019

270

Number of grants given by the Foundation (2019)

\$10.8m

Given by the Foundation (2019)

\$6.2m

Given as matching gifts (2019)

\$9.1m

Given by associates through the workplace (2019)*

\$4.7m

Given as direct grants (2019),** including:

\$4.2m Baltimore, MD
\$235,000 Colorado Springs, CO
\$50,000 international communities

\$132m

Distributions (1981–2019)

\$63m

Matching gifts (1981–2019)

\$71m

Direct grants (1981–2019)

* Includes donations made directly through the firm's giving platform and donations submitted for matching gifts.

Source: CSR by the Numbers

** Direct grants also given to New York (\$25,000), San Francisco (\$50,000), and Tampa Bay (\$175,000).

Financial Well-Being: Maximizing individuals' and communities' social and financial potential, including:

- Approaching local economic and community development in innovative ways
- Innovating local approaches to hunger, poverty, and homelessness
- Empowering individuals and communities to reach financial success

2014

As an initial departure from our previous approach of “confetti” funding,¹ in May 2014, the Foundation outlined six opportunities for growth:

- 1. Invest at a higher, more impactful level in the communities where the firm has operations.**
- 2. Increase the level of T. Rowe Price associate participation in philanthropic efforts, including the matching gift program.** From 2015–2018, the level of participation of associate giving in the matching gift program was between 39% and 42%. This is significantly higher than the average in other companies, which ranges between 14% and 18%, depending on the type of company.
- 3. Support the firm's commitment to financial education.**
- 4. Increase internal and external visibility, transparency, and engagement with stakeholders, including T. Rowe Price associates, grantees, and board members.**
- 5. Build a long-term strategy for international grant-making to reflect our global presence.**
- 6. Align our organizational capacity, including staff, with new priorities.** Between 2015 and 2018, the staff size at the Foundation grew from 2.5 members to 6.5 members.

2015

To address community-identified goals, in 2015, the T. Rowe Price Foundation articulated a focus on strategic impact grant-making and partnerships. Since then, the Foundation has spearheaded partnerships with more than a dozen public and private organizations in Baltimore aimed to increase literacy, support community organizations in capacity building, and promote collaboration among local organizations.

2016–2017

In 2016, in response to the unrest that occurred in West Baltimore after the death of Freddie Gray the year prior, the T. Rowe Price Foundation committed \$1.3 million in grants over three years to fund the West Baltimore Grant Initiative. As a result, the T. Rowe Price Foundation created an impact-driven, concentrated funding strategy in 2017. The process began with meetings with area leaders regarding various local community challenges to understand how an impact strategy could be implemented, deepening our local ecosystem knowledge. Through direct conversations with regional and national subject matter experts, the Foundation worked through possible strategies that could apply in Baltimore. Then, the Foundation connected with existing grantees, local nonprofits and intermediaries, and national efforts on potential Baltimore implementation strategies. To strengthen its commitment to a concentrated funding strategy, the Foundation created the following five strategic goals, aimed to align to the strategic direction of T. Rowe Price.

- 1. Effective Citizenship and Impact:** The Foundation will continue to be an effective steward of its philanthropic dollars.
- 2. Active Managers of Social Good:** The Foundation will enact trust-based philanthropy practices in a collaborative approach centered on community feedback.
- 3. Collaborative Leadership:** The Foundation will build collaborative leadership between philanthropy and the corporate sector by convening the stakeholders.
- 4. Shared Value:** The Foundation will leverage the corporate resources to achieve social good outside of the traditional corporate means.
- 5. Operational Excellence:** The Foundation will build a strong, efficient engine team and capacity to advance its efforts.

To track how effectively the Foundation engages its grantees, as well as to identify areas in need of improvement, the Foundation conducted grantee surveys regarding community impact facilitated by an external evaluator.² The Foundation continues to utilize survey responses to inform and articulate next steps in achieving meaningful goals surrounding impact grants. Some highlights of the year of the most recent survey indicate a high number of respondents noting that they received nonmonetary assistance from the T. Rowe Price Foundation in the form of thought partnerships, opportunities to learn with other leaders and peers, and facilitated collaboration. The total number of respondents consider the Foundation a strategic partner. One grantee respondent in particular appreciated the Foundation's “intentional” reporting requirements, which are brief, significant questions rather than a request for a plethora of numbers and data. This grantee found the practice to be respectful of their time constraints and workload. Survey results also indicated positive feedback from grantees in both Baltimore, Maryland, and Colorado Springs, Colorado.

More than half of respondents (52%) consider the Foundation a strategic partner.

2019 T. Rowe Price Foundation annual survey.

¹ Confetti-style funded is a concept outlined by FSG in this document: https://www.fsg.org/tools-and-resources/simplifying_strategy.

² 2015 and 2018 Grantee Perception Reports, prepared for the T. Rowe Price Foundation, January 2016 and February 2019, respectively, by The Center for Effective Philanthropy.



Foundation Learning
**WEST
 BALTIMORE
 GRANT
 INITIATIVE**

Following the unrest resulting from the death of Freddie Gray in Baltimore in 2015, the Foundation sought to understand West Baltimore's greatest challenges and where it could help leverage the community's assets to meet their goals and have the most significant impact. Throughout the year, the Foundation hosted and participated in more than 100 meetings as part of a listening tour with community leaders and members, as well as global thought leaders on urban poverty and civil unrest.

In 2016, to further its mission, the T. Rowe Price Foundation launched the West Baltimore Grant Initiative. The Foundation committed \$1.3 million over a three-year period, with another \$200,000 from an affiliated donor to support food justice work. The Foundation granted an initial \$145,000 in funding to provide immediate relief to residents in West Baltimore following the unrest.

Based on its conversations with the community, the Foundation's strategy included developing specific giving criteria and goals for these grants, awarding multiyear grants to organizations and collaboratives in a few focus areas, and providing all grantees with opportunities to participate in capacity-building trainings during the grant period. Grantees were also asked to establish performance measures for their funded projects and identify expected outcomes.

The grants focused on three key objectives, which were articulated by the community partners:

Build strong leaders and organizations.

\$575,000 dedicated to strengthening leadership and organizational capacity among community leaders

Grantee highlight	Maryland Association of Nonprofits Led a joint effort to coach and strengthen West Baltimore nonprofits and help them more effectively reach their mission to serve the community.
Impact goal	Help participating West Baltimore nonprofit leaders become more effective at managing their organizations and acquiring resources.
Goals defined by grantee	<ul style="list-style-type: none"> ■ Increase number of organizations that have adopted recommended standards of excellence. ■ Increase number of organizations implementing improved, effective financial practices. ■ Expand fundraising practices and increased size of donor list. ■ Increase number of organizations demonstrating new partnerships.
Outcome highlights	<p>Governance and leadership:</p> <ul style="list-style-type: none"> ■ 2017: 100% (4 of 4) of organizations adopted recommended Standards of Excellence policies and demonstrated growth as measured by the SFX assessment. ■ 2018: 88% (7 of 8) adopted these policies. <p>Financial stability:</p> <ul style="list-style-type: none"> ■ 2017: 75% (3 of 4) of organizations implemented improved financial practices. ■ 2018: 100% (8 of 8) implemented these practices.
Grantee highlight	New Leaders School Leadership Led a collaborative effort to develop school leaders and design effective leadership policies and practices for schools.
Impact goal	Participating West Baltimore school leadership teams work together more cohesively and implement new practices to help improve instruction and student outcomes.
Goals defined by grantee	Participating teams grow and improve knowledge and skills, create conditions to increase student achievement, and complete learning modules.
Outcome highlights	<p>Improved knowledge and practice:</p> <ul style="list-style-type: none"> ■ 2016–2017: 75% of participating teams experienced growth by at least one level on the Transforming Teams Leadership Road Map. ■ 2017–2018: 100% experienced growth by at least one level. <p>Progress toward student achievement:</p> <ul style="list-style-type: none"> ■ 2016–2017: Participating teams are making progress toward student achievement goals for 75% of schools. ■ 2017–2018: Progress is being made for 100% of schools.

Build community wealth.

\$480,000 dedicated to improving financial capacity for families

Grantee highlight	<p>CASH Campaign of Maryland/Junior Achievement of Central Maryland Led a collaborative effort to increase the financial security of low-income individuals and families.</p>
Impact goal	Increased access to knowledge and expertise to help both individuals and communities achieve greater financial stability.
Goals defined by grantee	<p>Students: Increase knowledge of personal finance and gain better understanding of connection between classroom learning and real-world success.</p> <p>Parents/Adults: Increase participation in financial coaching, Volunteer Income Tax Assistance (VITA), and benefits screening, leading to more financially stable households.</p> <p>Families: Increase participation with identified community partners to support increased family and financial stability.</p>
Outcome highlights	<ul style="list-style-type: none"> ■ 2016: 245 K–12 students engaged in personal finance, work readiness, and entrepreneurship education programs. ■ 2017: 1,240 students engaged in these programs. ■ 2018: 1,762 students engaged in these programs. <p>Community</p> <ul style="list-style-type: none"> ■ 2016: No data. ■ 2017: 3% of free tax prep clients participated in one or more financial wellness services, before/after increase in overall financial wellness based on national scale, financial coaching clients either decrease debt or increase savings. ■ 2018: 1,000 adults and students exposed to financial wellness services.

Increase support of community well-being with access to a stable supply of healthy food.

\$200,000 dedicated to improving access to fresh produce

Grantee highlight	<p>No Boundaries Coalition Managed a collaborative effort with Strength to Love Farm II to grow fresh produce and make it available for sale and donation while also engaging with local community partners to offer educational opportunities focused on healthy eating options.</p>
Impact goal	Significantly diminish the community's qualification as a food desert, to increase the ratio of fresh food to liquor. the ratio of fresh food to liquor.
Goals defined by grantee	Increase opportunity in the community (acreage and employment) to grow fresh, diverse crops; improve access to and understanding about healthy foods.
Outcome highlights	<ul style="list-style-type: none"> ■ 2016: 6 healthy food vendors. ■ 2019: 16 healthy food vendors reported.



To quantify the success of the West Baltimore Grant Initiative, the Foundation engaged Innovations Quantified (IQ) to conduct an independent assessment of its efforts.³ IQ utilized a combination of surveys, interviews, group discussions, and document reviews from grantees, staff, and community stakeholders to ultimately report on the initiative's effectiveness. According to the data, the Foundation's efforts were much appreciated by all grantees and community stakeholders. The next section of this report contains a discussion of the opportunities for learning gleaned from this outreach.

“We’re thrilled that T. Rowe Price listened to the community’s concerns and responded. As a graduate of New Leaders’ Aspiring Principals Program, I’ve seen how strategic planning can incite meaningful change to break the cycle of poverty. This grant represents the beginning of a long-term plan to revitalize our neighborhoods and give our scholars and families hope for a better future.”

DAVID GUZMAN,
Principal of Matthew A. Henson Elementary School,
located in an area with the highest incarceration rate in the
state and a median income of less than \$25,000

³ Assessment of the Results of the T. Rowe Price Foundation West Baltimore Grant Initiative, prepared by Innovations Quantified, August 2019. <https://innovationsquantified.com/>



Foundation Learning
**LESSONS
LEARNED**

The West Baltimore Grant Initiative not only provided significant aid during a time of profound unrest, but it also provided the Foundation with valuable lessons regarding the effectiveness of its efforts. For example, the Foundation discovered that grantees need additional time to ramp up their projects, with many of the pilots beginning to execute halfway through 2018 and continuing into the first half of 2019.

Metrics also needed adjustment. In some cases, West Baltimore grantees learned that several of their original metrics were less than optimal; therefore, it was more realistic to implement two rounds of metrics so that adjustments could be made based on learnings. Also, grant cycles should be for four years, not three. This allows for a three-year full implementation of the grants, compared with two years previously.

As part of the evaluation overview that resulted from the initiative, the Foundation compiled the following **five lessons learned** and benefits to the community:

- 1. Engagement with a broad cross-section of community members—not just leaders—in a concentrated neighborhood region allows the community to determine local priorities, identify solutions to their problems, and feel empowered to carry them out.**
- 2. Multiyear funding allows grantees the time to further clarify community needs and build relationships, implement and learn about the impact of their separate processes, and course-correct their approach where and when it is needed.**
- 3. A cohort model creates many new and unforeseen opportunities for organizations to connect and collaborate.**
- 4. A focus on grantee-determined results leads to regular reflection and adaptation.**
- 5. A trusting and supportive relationship between the Foundation and its grantees models the partnership style developed between grantees and their community partners, as well as their relationships with those they serve directly.**

Specifically, based on learnings from the West Baltimore Grant Initiative, the Foundation decided that grantees with promising ideas would receive a specific amount toward planning, in addition to implementation. This strategy aligned with the planning efforts of the matching gift program, which was finalized in late 2018 and further clarified the Foundation’s direct giving efforts.

The Foundation’s focus on targeted impact grant-making was expanded in 2018, when it announced a new, large-scale initiative—\$2.7 million in grants to address some of Baltimore’s most critical needs as identified by the community. This four-year commitment sets out to accomplish the following:

EXPANDED COMMITMENT

Strengthen Baltimore’s creative economy through art and cultural experiences.

Foundation initiative highlight: To promote the growth and success of Baltimore creatives, the T. Rowe Price Foundation is supporting the **Artist Navigators** program, an “artists guiding artists” area of investment within the arts community. This program provides training in career development, arts management, and the resource landscape of Baltimore. Infrastructure is provided to allow for the regular sharing of information and opportunities by the artists themselves. Navigators represent a range of arts practices, networks, and neighborhoods, with priority given to those who are already trusted and working in the community. Artists of color and long-term residents are also given priority.

Ensure that Baltimore City public schools have the organizational capacity to leverage community resources and partner with families to help students succeed.

Foundation initiative highlight: **One Book Baltimore**, an annual literacy program, was founded by the Foundation in 2018 through a \$400,000 partnership with the Enoch Pratt Free Library, Baltimore City Public Schools (BCPS), Baltimore Ceasefire, and others. It promotes annual citywide dialogue and action around peace and nonviolence for students and families in Baltimore. Each year, all seventh and eighth grade students receive a copy of the same book—selected by a committee composed of BCPS and Enoch Pratt members and others—aimed to spark topical and timely conversations in the community. Since its inception, One Book has engaged nearly 2,000 students each year through its programming. In 2019, the Enoch Pratt Free Library hosted nearly 50 community programs at all 22 library branches across Baltimore, with many focused on social and emotional learning.

Recent survey results⁴ indicate that 84% of students who read the assigned book, “Long Way Down,” by Jason Reynolds, reported discussing it with friends, thus increasing students’ conversations about gun violence. Additionally, nearly half of pre-survey respondents (47%) reported wanting more Baltimore events focused on discussing peace and nonviolence. This number climbed to 60% in the post-survey period.

⁴Survey conducted by the International Arts + Mind Lab Brain Science Institute at Johns Hopkins University (© July 2020).

“It has been a privilege to engage with the One Book Baltimore initiative. Students have so enjoyed their interactions with the authors, who have been phenomenal. More organizations want to be involved, and we look forward to creating more opportunities for youth leadership.”

STACEY VAN HORN,
Senior Program Officer, Youth Empowerment,
T. Rowe Price Foundation





Strengthen financial capabilities of Baltimore households through partnerships that combine whole family and community approaches.

Foundation initiative highlight: **Neighborhood Financial Trust**, a multiyear impact grantee through 2022, has over 20 years of experience engaging low-income workers through Baltimore’s business community—including small and medium-sized businesses—and related networks. The trust helps increase financial health through action-oriented financial counseling and connection to safe, affordable financial services. Targeted outcomes include better worker financial health as measured by improvements to clients’ credit profiles, such as reduced debt and improved credit, and increased savings. The impact goal of this effort, created by Neighborhood Financial Trust and the Foundation, is to strengthen the financial health of Baltimore workers through partnerships with employers and the community, with the hope that this information will encourage continued investment in financial empowerment.

Lessons learned from the West Baltimore Grant Initiative have also **informed strategic shifts** at the Foundation that fall into the following categories: **infrastructure change, shared value strategy, a national voice among other global philanthropies, and leadership through learning.**

“We want these grants to be a DNA changer for the city, by opening doors in underserved communities and empowering those with limited access to financial resources. Our approach is informed by a strategic analysis of where we could have the most impact, investing in areas that have the broadest social good and could yield the strongest returns for the city. We listened to the community and partnered with them to identify the most powerful grant-making opportunities that could move the needle.”

JOHN BROTHERS,
President, T. Rowe Price Foundation

INFRASTRUCTURE CHANGE

Based on lessons learned from the West Baltimore Grant Initiative, the Foundation now incorporates trust-based philanthropy principles and approaches. It has worked to create infrastructure that endears it closely with—and is led by—the communities in which it serves. The Foundation’s movement to trust-based philanthropy relies on the following:⁵

- **Multiyear unrestricted funding:** Unrestricted funding over time is essential for creating healthy, adaptive, effective organizations. The majority of the T. Rowe Price Foundation’s grants provide general operating support, and the Foundation is dedicated to moving toward increasing multiyear, unrestricted grant funding.
- **Homework:** Before entering a grant-making relationship, the onus of due diligence is on the Foundation, not the grant seeker. The Foundation does its own homework on communities so that it is knowledgeable about neighborhoods and organizations.

- **A more efficient, more effective grant application process:**

Nonprofit staff spend an inordinate amount of time on funder-imposed paperwork; they are more effective when they are freed up to concentrate on their mission. The Foundation’s application process is community-minded and geared toward developing relationships and understanding the nonprofit’s philosophy related to its work. It poses five simple questions that make completion easier for grantees, reduce the barriers to success, and ultimately get at what’s really important. Questions may include: What are your assets? With whom do you partner? What does the community say about you?

- **Open communication:** Open, honest, and transparent communication minimizes power imbalances and helps move the work forward. The Foundation meets with grantees a couple of times a year. Grantees provide valuable perspectives that can help transform a funder’s support and services. The Foundation tackles this through Center on Effective Philanthropy surveys, portfolio evaluations and nonprofit research, and staff reviews and board feedback.

- **Nonmonetary support:** Responsive, adaptive nonmonetary support can help foster healthier organizations by bolstering leadership and capacity. The Foundation offers support through its Capacity Building Program, which several hundred organizations have participated in over the past couple of years.

Since the Foundation’s transition from confetti to impact funding, the T. Rowe Price Foundation Board of Trustees focuses its efforts on helping advance the Foundation’s strategy instead of focusing on individual grant approvals. The Board no longer reviews every single grant, as much of the decision-making occurs at a staff level with overarching board approval.

CAPACITY BUILDING

Beyond grant-making, the Foundation is dedicated to helping nonprofit partners increase areas of capacity to achieve success through nonmonetary assistance. The Foundation’s **Capacity Building Program** offers training, networking, and professional development opportunities to organizations in the Baltimore region and, increasingly, nationwide. Organizational assessments, funding audits, and peer cohort experiences are just a few of the opportunities that organizations have to build their organizational strength and increase their capacity to have maximum impact in their communities.

The Foundation’s Capacity Building Program aims to help nonprofit organizations within and outside the T. Rowe Price Foundation network grow stronger through learning opportunities, large events, and small trust-based cohort learning models facilitated by local and national partners. Topics presented are based on feedback from community partners, including mental health support for frontline workers during crisis, financial management during crisis, board governance, raising race-conscious children, and more. In addition, the Foundation works closely with grantees to connect them with resources to conduct organizational assessments and fundraising audits.

“Through the Foundation’s Capacity Building program, we aim to provide organizations with useful tools and resources and to foster relationships through peer-led problem-solving and shared learning experiences. We’re glad to see that these peer relationships are extending far beyond our facilitation.”

SABRINA THORNTON,
Program Officer, Creativity and Innovation, T. Rowe Price Foundation

⁵ Based on the 6 key principles articulated by the Trust-Based Philanthropy Project, a 5-year, peer-to-peer funding initiative to address the inherent power imbalances between foundations and nonprofits. <https://trustbasedphilanthropy.org/principles-1>

Capacity Building Program Engagement

2020 vs. 2019 Comparison

	10/31/2020	2019	Increase 2020 vs. 2019
Attendees	2,238	671	234%
Unique agencies	423	160	164%
Events offered	22	10	124%

The Capacity Building Program has increasingly grown since its inception in 2016. Between 2016 and 2019, nearly 2,000 attendees from a total of 279 unique agencies attended program events. In comparison, in 2020 alone (as of October 31), over 2,200 attendees attended program events.

SHARED VALUE STRATEGY

Shared value strategy is the idea that philanthropy is one of a number of tools that a company can use to better its community.⁶ The T. Rowe Price Foundation leverages resources and talent of the firm to lift up communities in which associates live and work. For example, the Foundation has long been involved in supporting nonprofits through volunteerism, including its EDGE Pro Bono Community Project.⁷ Through EDGE, T. Rowe Price associates are selected to participate in a preparatory leadership program. Teams of associates in Maryland and Colorado are paired with nonprofits to help them address critical challenges their organizations face. Many of the organizations that participate are supported by both the Foundation and the firm's additional corporate responsibility efforts.

DesignFest

For the third year in a row, T. Rowe Price partnered with Maryland Institute College of Art (MICA) to host Grassroots DesignFest, a daylong design event. In 2020, the event brought together designers and nonprofits to workshop design solutions. Students from MICA and nearby universities and colleges collaborated with T. Rowe Price associates and local design professionals to help 17 nonprofits develop much-needed design assets and solve design challenges. Projects ranged from branding concepts, logo designs, and graphic identities to advertising campaign brainstorming and user experience design. Through collaboration, nonprofits are able to witness how effective design can help increase the visibility of their work, thereby enhancing their capacity to serve their community.

⁶ Shared value was originally defined by Professor Michael E. Porter, of Harvard Business School, and Mark Kramer, cofounder and managing director of FSG, in a 2011 *Harvard Business Review* article as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress." <https://www.sharedvalue.org/about/what-is-shared-value/>

⁷ The Foundation collaborates with T. Rowe Price annually to embed a 4-month pro bono engagement within EDGE, one of T. Rowe Price's leadership development programs. Community-based nonprofits are invited to present a challenge for a team of associates to address. EDGE teams, with their diverse skills and perspectives, bring key resources to nonprofits to address strategically significant issues. Teams and their nonprofit partners collaboratively explore the challenge and identify a solution, which the EDGE teams then develop.

Financial Well-Being

The Foundation's long-standing relationship with the CASH Campaign of Maryland (CASH) has increased availability of financial education and services to local community members. The initial partnership with the organization aimed to extend college savings plans (i.e., 529 plans) to members of disinvested communities—neighborhoods that typically would not have access to such an amenity.

In December 2019, the Foundation expanded its partnership with CASH, and other nonprofits, to launch Bmore CoLab, a dedicated space near Baltimore's Inner Harbor that provides a variety of community services focused on empowering entrepreneurship and financial well-being in Baltimore. Bmore CoLab is a place where local nonprofits can collaborate with community members and each other on solving local financial challenges and innovating new approaches to common community financial challenges. Funded through the Foundation's Impact Grants, the space began serving the community in February 2020, and appointments are made through the Bmore CoLab nonprofit partners.

Civic Innovators

Another example is Civic Innovators, a partnership between the Foundation, Baltimore Corps, and the City of Baltimore that uses corporate talent—not money—to resolve city municipal challenges. The pilot program in 2019 helped significantly curtail management costs for the city's police department. To learn more, visit baltopi.com/civic-innovators.

“The CASH Campaign of Maryland is proud to be a lead nonprofit partner of the new Bmore CoLab. We're grateful to the T. Rowe Price Foundation for this excellent opportunity to provide more help and services designed to improve the lives of Baltimore's working families. With so many people, nowadays, working in the gig economy or starting 'side hustles,' the Bmore CoLab will provide the CASH Campaign of Maryland with one more way to help aspiring entrepreneurs create assets, savings, and hope.”

ROBIN MCKINNEY,
Cofounder and CEO of CASH Campaign of Maryland



“The T. Rowe Price Foundation is at the leading edge of thought leadership in the corporate citizenship and philanthropy field. John [Brothers’] partnership with communities in Baltimore is authentic and genuine. As chair of the [Conference Board’s] Corporate Social Responsibility Council, John leads the council to explore new ways of thinking and collaborating that are helping to evolve the ever-changing landscape of corporate citizenship.”

TONY TAPIA,
Program Director, The Conference Board

In November 2019, the Foundation hosted more than 50 global brands as part of The Conference Board’s goal to visit cities that had experienced unrest. Representatives from these companies visited face-to-face with activists in the very neighborhoods that were going through massive changes, highlighting the good work of the Foundation’s grantees. This experience catalyzed these companies to ask how they can foster authentic relationships within their communities, similar to what they witnessed in these Baltimore neighborhoods.

Similarly, after the murder of George Floyd in Minneapolis in 2020, the Foundation connected with corporate philanthropic entities to provide learning from T. Rowe Price’s work to support communities. This is the beginning of an important conversation on a path forward to partner with corporate philanthropies across the country and exchange thought leadership and support.



A NATIONAL VOICE AMONG OTHER GLOBAL PHILANTHROPIES

Over the past five years, the T. Rowe Price Foundation has committed to growing its geographic impact beyond Baltimore, first by expanding its grant-making in cities where the firm has associates, such as Colorado Springs, San Francisco, and New York City, and then by naming its initial international grant partner—Echoing Green—in 2019.

Equally as important is the Foundation’s increased participation in national philanthropic networks. Since 2015, the T. Rowe Price Foundation has become an active participant in national leadership networks that help inform geographic-specific corporate citizenship. Additionally, it actively provides leadership within three of those organizations: The Conference Board, ACCP (Association of Corporate Citizenship Professionals), and Trust-Based Philanthropy Project.

LEADERSHIP THROUGH LEARNING

While others may define the T. Rowe Price Foundation as a leader in many areas of philanthropy, the Foundation is humbled by the journey, leading by learning and arriving at a place much different from where it started. Two primary examples of leadership through learning are racial equity and disaster philanthropy.

Racial Equity

The Foundation revised its Theory of Philanthropy in 2017 to reflect its understanding of equity as a matter of fair access to opportunities so that individuals have equal access and opportunity to resources and mechanisms to achieve social mobility and that marginalized people and identities are equally valued and recognized for their strengths. Implementation required—and continues to require—a deep reflection of practices, processes, and internal education. The Foundation has dedicated itself to racial equity through professional development and training of staff and its Board of Trustees on areas of racial equity, and it convened leaders, partners, and peers to discuss equitable practices.

Throughout the past five years, the T. Rowe Price Foundation has prioritized and continued to refine how it incorporates equitable philanthropy practices in all facets of its work to support local communities, with the goal of making equity as much a part of everyday operations as it is a part of our mission. This includes donations of nearly \$4 million in support of organizations with goals to empower youth and increase access and opportunity for Black and African American communities and marginalized people.

In June 2020, T. Rowe Price and the Foundation committed an additional \$2 million to support organizations working to fight racial injustice, a continuation of the firm’s commitment to racial equity, which became a stronger focus following the Baltimore unrest resulting from the death of Freddie Gray. Associates interested in financially supporting racial equity have been encouraged to take advantage of the company’s matching gift program.

Disaster Philanthropy

The T. Rowe Price Foundation and the Corporate Responsibility team work together within a disaster philanthropy workgroup. The workgroup focuses on both immediate and long-term impact and relies on our partnership with the Center for Disaster Philanthropy to inform our decision-making. This ensures our disaster philanthropy is responsive to the needs both in Baltimore and around the globe where T. Rowe Price has associates.

Nonprofit Disaster Readiness

Even before the economic distress caused by the global coronavirus pandemic, 1 in 10 Baltimore nonprofits were technically insolvent (i.e., liabilities exceeded assets). Many organizations have no room for error: 30% of nonprofits have a month or less of cash and 20% have negative operating reserves. Although smaller organizations tend to have more cash than their larger siblings, this is likely a function of smaller expenses rather than superior financial management.

Baltimore nonprofits earned an aggregate net income margin of 2.3%, while the median nonprofit had a margin of only 1% and over 40% of nonprofits had a zero or negative margin. This means that almost half of Baltimore’s nonprofits are running at a loss or at least producing no surplus, and the sizes of the negative margins often outpace the positive margins.

Research by SeaChange Capital Partners for the T. Rowe Price Foundation (June 2019).



Foundation Learning
NEXT STEPS

To achieve the overarching mission of increasing focus on impact grant-making, both for the local community and for grantees' organizations, the T. Rowe Price Foundation has outlined the following set of goals, which will be instrumental in its success moving forward.

Goals are predominantly based on survey information provided by the Center for Effective Philanthropy (CEP).⁸ As part of the Center for Effective Philanthropy's survey, respondents were asked to rate the Foundation's impact on the local community on a scale from 1 to 7 (1=no impact, 7=significant positive impact). In 2015, the Foundation scored in the 63rd percentile (score=5.91). However, in 2018, the CEP reported a downward trend with this figure dropping to the 51st percentile (score=5.71). Respondents were also asked to rate impact on their organization. In 2015, the Foundation scored in the 14th percentile (score=5.69), and in 2018 that figure dropped to the 5th percentile (score=5.36).

Goal: Improve the quality of relationships with grantees.

Research at the CEP finds that one of the strongest drivers of how grantees perceive a funder's impact is funder-grantee relationships, defined by high-quality, clear, and consistent communications. In 2015, the CEP Grantee Perception Report indicated that

⁸ Both 2015 and 2018 responses were fielded in September and October of those respective years. In 2015, 85 responses were received, giving this particular survey instrument a 69% response rate (survey population=124). In 2018, 142 responses were received, giving this particular survey instrument a 58% response rate (survey population=243). Survey responses are at times compared with the CEP's broader dataset consisting of customized and standard cohorts.

⁹ The summary measure is an average of grantee ratings on the following measures: (1) fairness of treatment; (2) comfort approaching Foundation staff if a problem arises; (3) responsiveness of Foundation staff; (4) clarity of communication of the Foundation's goals and strategies; and (5) consistency of information provided by different communications.

the Foundation received its strongest rating in this category for perceived fairness of treatment (61st percentile, score=6.59); however, its summary measure of funder-grantee relationships came in lower, at the 47th percentile (score=6.17).⁹ In 2018, the CEP indicated a downward trend for the Foundation regarding the quality of relationships with its grantees. Specifically, the Foundation scored in the 43rd percentile (score=6.5) for perceived fairness, and its overall summary measure for funder-grantee relationships dropped to the 33rd percentile (score=6.07).

Goal: Increase meaningful interactions with grantees.

Survey report results also indicate that only 28% (14th percentile) of respondents received a site visit during the course of their grant. In 2018, the CEP reported an upward trend in that 39% (31st percentile) of respondents received a site visit. However, this was still lower than the typical funder, which reported that 51% of grantees received an in-person or virtual site visit.

Program officers continue to increase interactions with grantee organizations throughout each year, emphasizing sharing resources, making introductions, etc. These meetings include site visits, but can also be phone or Web conferences or other more casual circumstances, in an effort to mitigate the perceived pressure that comes along with a formal site visit. Moreover, Foundation staff members have worked to provide a more transparent, efficient application process, as well as increase the number of communications to current and prospective grantees, with more robust access to staff via email and phone.

Goal: Ensure funding is adequate, consistent, and in line with an organization's strategy.

One of the top predictors of perceptions of impact on grantees' organizations is consistency of funding. Although 64% of grantees reported consistent funding in 2018 (a larger proportion than the typical funder), this is down from 2015 when 89% of grantees reported consistent funding.

Over the next three years, all citizenship grantee organizations will be transitioned to multiyear, general operating grants, keeping in line with trust-based philanthropy principles.

Goal: Provide grantees with significant nonmonetary assistance, including pro bono services and capacity-building programs.

In 2015, just 4% (17th percentile) of grantees indicated receiving field-focused or comprehensive nonmonetary assistance. In 2018, the CEP report indicated an upward trend: The Foundation is providing significantly more of its grantees—21% (68th percentile)—with intensive patterns of nonmonetary assistance, more than the typical funder in the CEP's dataset.



Interestingly, grantees who receive this intensive assistance rate significantly higher on most measures throughout the survey, including impact on their organizations. The most helpful nonmonetary assistance is the provision of convenings, introductions to leaders in the field, and advice on their fields. Grantees indicated that, moving forward, they would like to receive the following: referrals to peers, funders, or resources and capacity-building/technical assistance.

The Foundation continues to expand the depth and breadth of its Capacity Building Program. Over the past four years, the program has grown from three events to 20 events annually. Moreover, on top of webinars, training, and other professional development opportunities, the Foundation offers organizational assessments, funding audits, and opportunities for peer cohort learning and networking.

Goal: Continue to advance racial equity, access, and opportunity.

Looking forward, the Foundation is committed to continuing equity education as well as being a strong peer leader by sharing best practices, resources, data, and information to benefit others' work. Operationally, the Foundation has begun implementing internal systems that ensure it continually uses a racial equity lens in its work. For example, as part of its decision-making processes, it has constructed guides to ensure equitable distribution of grant-making dollars to organizations that support racial justice, are led by people of color, and serve to advance communities of marginalized people. The Foundation has increased the number of funded organizations led by people of color from

four organizations in 2015 to 53 organizations in 2019. Of those organizations, nearly 65 focus on efforts to advance racial justice.

Finally, the Foundation has created a new internal metric, called the C-Score, which uses racial equity as an essential part of its formula to evaluate citizenship grant-making. As the Foundation looks at its grant-making focus areas today—empowering youth, advancing creativity and innovation, and financial well-being—it will prioritize reviewing how equity, diversity, and inclusion should be included in all aspects of its work. As a partner to hundreds of community-based efforts, the Foundation continues to support existing partners that are advocating for the achievement of racial equity and justice.

“This support has been instrumental in our ability to advance a new framework on workforce development, building community infrastructure and investment in marginalized communities. It allowed us to secure a dollar-for-dollar match. And the partnership with the T. Rowe Price team has opened doors to new collaborations and funding partners. As deep-thought partners in the work, they are shifting the way that other foundations are approaching this work.

If this work is successful, we will build long-term strategies for collective wealth in Black neighborhoods. We will create a groundswell of energy and momentum for Black families to buy land and direct development in their neighborhoods. We will have a higher circulation of local dollars and an increase in the number of families that can name and speak to the financial barriers they faced but have transcended.”

B. COLE,
Founder, Brioxy

Examples include:

- *Kiva Baltimore*—The Foundation has supported Kiva Baltimore since 2016 with an initial \$265,000 grant that enabled its launch. The organization facilitates small-business lending to people who have traditionally experienced barriers to funding. Currently, 61% of local Kiva borrowers are women entrepreneurs, and 69% are entrepreneurs of color.
- *Black homeownership*—In 2019, the Foundation initiated a \$200,000 partnership focused on Black homebuyer education with Brioxy, which will provide pre-homeownership training, counseling and credit repair, and post-ownership coaching and support through HomeClubs, where new homeowners rotate a collective workday improving one another's homes. Brioxy HomeClubs has access to specialized experts, contractors, discounts, and giveaways relevant to home improvement. Brioxy will provide ongoing access to financial literacy and education to increase the stewardship of wealth over multiple generations.
- *Support of Baltimore Corps*—The Foundation founded Elevation Awards with Baltimore Corps to support the continual development of early-stage social entrepreneurs and community leaders in Baltimore. Elevation Awards provide grants of \$10,000 and personalized support to people of color who are Baltimore City residents piloting novel approaches to strengthen Baltimore communities.



Community Connection Indicators

The following are scores to questions indicating the meaningful progress made by the Foundation between 2015 and 2018. Scale: 1=no impact, 7=significant positive impact.

- How clearly has the Foundation communicated its goals and strategy to you?
2015: **5.35** | 2018: **6.26**
- How comfortable do you feel approaching the Foundation if a problem arises?
2015: **5.94** | 2018: **6.39**
- How well does the Foundation understand the local community in which you work?
2015: **5.83** | 2018: **6.21**
- How well does the Foundation understand your organization's strategy and goals?
2015: **5.70** | 2018: **5.75**
- How aware is the Foundation of the challenges your organization is facing?
2015: **5.18** | 2018: **5.43**
- Overall, how would you rate the Foundation's impact on your organization?
2015: **5.44** | 2018: **6.66**

Sources: 2015 and 2018 Grantee Perception Reports, prepared for the T. Rowe Price Foundation January 2016 and February 2019, respectively, by The Center for Effective Philanthropy.



Foundation Learning
CONCLUSION

The mission of the T. Rowe Price Foundation has always been to be a strong collaborator in communities where the firm's associates live and work and, through these partnerships, embolden communities to bring about positive change through effective use of resources and assets. Although our mission has remained the same since inception, our strategy—and our theory—has evolved.

And they continue to evolve as the learning process endures.

Acknowledging that meaningful change takes time, the Foundation's commitment to further progress is unwavering. While we recognize the strides made thus far, we are mindful of the fact that we still have a long way to go to truly be a positive force driving positive change in communities. The Foundation is dedicated to continuing and improving its philanthropy practices and increasing its philanthropic support of local organizations, with the goal of empowering all members of the community, specifically those who need it most, as we move forward, especially during these challenging times.

For more information, we invite you to watch our video by Wide Angle Youth Media (2019) at <https://www.troweprice.com/corporate/us/en/what-sets-us-apart/corporate-responsibility/community-commitment/trp-foundation.html?van=foundation>

Videography image stills: Wide Angle Youth Media Productions, 2019.

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