



a society more humane –  
a world more livable

March 12, 2009

To all Dodge Grantees:

My Dodge colleagues and I have spoken with many of you during these past few tumultuous months and compared notes about the financial meltdown and all that accompanies it. For all of us, it has been hard to plan for the future, because the situation seems to change – which is to say, worsen – almost every week.

We have wanted to remove any mystery about what Dodge is thinking and doing, so you can plan accordingly, and I feel that we know enough now to be able to write all of our grantees with our best sense of the year ahead.

We begin with the familiar story of a dramatic drop in Foundation assets. In our particular case, we have gone from about \$306 million at the end of 2007 to about \$190 million today. The money hasn't all disappeared into thin air – we have been making grants throughout this time – but that is a modest comfort at this point. Foundations that have been strictly adhering to a 5% annual pay-out of total assets, the minimum required by law, have some ability to absorb a big drop in assets in a single year, but Dodge does not. For the past decade our annual pay-out has been averaging well over 7%, another contributing factor in the decline of our overall asset base.

What does this mean for 2009? It means a budget for grants and initiatives of \$10.5 million, as opposed to \$15.6 million in 2008. So, as we have already told many of you personally, our capacity to support your work financially this year is seriously diminished – just at the time that you need us most. But we are determined to do what we can to be helpful to you, both with grants and in other ways. Here is what we are doing and/or planning to do:

- We are cutting back on several of our own program initiatives in order to keep more money available for grants in 2009 and 2010.
- Since we know that you are all experiencing financial uncertainty, our Board wants to make the 2009 funding decisions earlier rather than later, so we can get those decisions, and in most cases the grant checks themselves, to you as soon as we can. This means we will make almost all decisions regarding 2009 grants by our June 5<sup>th</sup> Board Meeting.

- We want to minimize the paperwork and time you need to put into writing proposals and reports for us and, beginning with the March 1<sup>st</sup> submission date, have created a streamlined process for all current grantees.
- For those of you on a July 1 fiscal year, we want to offer some flexibility in the timing and designation of this year's grant from us. With some help and advice from the Nonprofit Finance Fund, we will be exploring with you the costs and benefits of receiving all or part of your 2009 grant from Dodge before June 30<sup>th</sup> as opposed to waiting until after July 1<sup>st</sup> and a new fiscal year. This is a shift within our calendar year that can only be made once and thus is an opportunity that should be approached with caution, with the long-term health of your organization in mind. For our part, we want to offer flexibility where it can be used responsibly to your advantage.
- This expedited schedule and flexibility with timing will affect groups of grantees differently because of the current funding cycles within the calendar year, as follows:
  - Most Education groups will not be affected, since those funding decisions were made at our March Board meeting. Those checks will be mailed at the end of this week.
  - All 2009 Arts proposals arrived on March 1<sup>st</sup>, using the streamlined format. We will be making site visits and phone calls over the next two months, and all Arts decisions will be made by early June. As I said above, we will discuss with you whether receiving some or all of the Dodge check prior to July would be helpful.
  - All Morristown proposals will be due on May 1<sup>st</sup>, as in the recent past, and we will write you soon describing the streamlined format. We will make funding decisions at the June meeting and offer flexibility regarding when you receive the check, as described above.
  - All Environment proposals will be due on May 1<sup>st</sup>, instead of July 1<sup>st</sup>, and we will write you soon describing the streamlined format. We will make most funding decisions at the June meeting instead of in November so you will know what to expect from Dodge this year. We expect to send most Environment checks later in the year, but here too we may have some flexibility regarding timing, based upon our conversations with you during the review of your proposal.
- We are expanding the suite of Technical Assistance offerings that so many of you have already participated in. We will be repeating the popular series on building more effective Boards, and we will be adding sessions later this year designed specifically to help organizations cope with diminished resources by exploring shared services and a range of innovative partnership, collaboration, and cost-savings models.

- We are maximizing the benefits of our new green office in Morristown by hosting many of the Technical Assistance workshops onsite (which is also a cost savings), hosting other convenings you have told us will advance your work, and offering you use of the meeting rooms for your own purposes.
- In just a few weeks, we will be formally launching the new Dodge Blog. Here as well the purpose is to provide something of real use to you – both for its information and for its opportunities for interaction with Dodge and each other. I will write you again on the official launch date, but I can tell you now that the Program Directors and I will be regular contributors, that there will be a once-a-week posting from our Poetry video archives, with commentary, and that we will welcome guest bloggers and host moderated electronic conversations on topics that matter to us all.

As we try to do the best we can to support you and your work in 2009, we simultaneously look ahead to 2010. We don't anticipate a radically different Dodge Foundation, but we will be a smaller foundation than we have been, and we know we cannot support as much good work as we have in the past, no matter how hard we try. Thus, with most grantmaking decisions completed by June this year, we will take the months of July to October to complete a strategic conversation about the future. We will ask for your input during that time, and we expect to publish by November 1<sup>st</sup> the revised guidelines for next year's grants.

In the meantime, we are doing what most of you are doing to adjust to economic realities. First we have addressed administrative costs: reducing staff, cutting some salaries, eliminating non-essential travel, upping the employee contribution to our health plan, and reducing retirement benefits. And also like you, we are trying to keep our focus on the great purpose of the work of the non-profit sector – a better society and a better world. We promise we will do our best to pull together with you, with our colleagues at other foundations, and with thoughtful people in other sectors who are determined to prevail during this difficult time.

We wish you all the best.

Sincerely,



David Grant  
President and CEO