Annual Budget

The Fall 2017 State of Grantseeking™ Report

GrantStation

Your Fast Track To Funding

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We extend our appreciation to the underwriters for their invaluable support.

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We extend our appreciation to the following organizations and businesses for their generous support in promoting the survey.

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INTRODUCTION

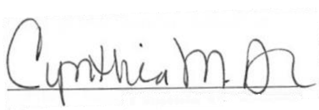
As a leader in the nonprofit sector part of your job is to know about the latest trends and to apply lessons learned by others to the strategic development of your organization. We are here to help you do just that.

The primary objectives of the twice-yearly State of Grantseeking Report are to help you both understand the recent trends in grantseeking and identify benchmarks to help you measure your own success in the field.

This document, *The Fall 2017 State of Grantseeking™ Report*, is the result of the 15th semiannual informal survey of organizations conducted by GrantStation to help illustrate the current state of grantseeking in the U.S.

Underwritten by Altum/PhilanTrack, Foundant-GrantHub, the Grant Professionals Association, GrantVantage, and TechSoup, this report looks at sources of grant funding through a variety of lenses, providing the reader with benchmarks to help them understand the grantseeking and grant giving landscape.

I would like to personally thank the 4,047 respondents who made this report possible. I hope that the information and benchmarks provided will assist each of you in your good work. Responding regularly to a twice-yearly survey takes commitment, and on behalf of the organizations that will benefit from this analysis and those of us at GrantStation, our underwriters, our advocates, and our collaborators, I thank you.



Cynthia M. Adams

Founder and CEO

EXECUTIVE SUMMARY

The recent, grassroots results of *The Fall 2017 State of Grantseeking™ Survey* suggest that the sector is reflecting the atmosphere of uncertainty caused by Federal and state government program changes. Based on the results of this survey, we suggest that for 2018 you may want to project the same total number of awards as in 2017, and plan for no increase in the value of those awards.

However, be aware that grant funding is available. According to *The Fall 2017 State of Grantseeking™ Report*, 66% of those organizations that submitted just one grant application won an award. In addition, submitting a higher number of applications increased the likelihood of winning awards. Eighty-eight percent of our respondents who submitted three to five grant applications received at least one award, and 98% of those who submitted six to ten grant applications received at least one award.

So, one way to increase your organization's chance of winning grant awards is to submit at least three grant applications. This can be difficult to do, especially for organizations with small annual budgets. Only 57% of small organizations submitted at least one application in the first six months of 2017, compared to 84% of medium organizations, 92% of large organizations, 97% of very large organizations, and 98% of extra-large organizations.

Private foundations continue to be a funding source for most respondents; 80% reported that they received awards from private foundations. Within organizational budget ranges, 53% of small organizations, 79% of medium organizations, 86% of large organizations, 90% of very large organizations, and 89% of extra-large organizations reported that received funding from private foundations. Although government awards are still "big money," organizations should research today's private foundations to learn how they can fund projects or programs.

Another benchmark to consider before submitting an application is organizational age. Funders (particularly the Federal government) tend to look for proof of an organization's sustainability as evidenced by its age. Over 80% of organizations that reported the Federal government as the source of their largest award were over twenty-five years old. However, 50% of organizations that reported corporations as the source of their largest award were over twenty-five years old. Thus, a younger organization may expect an award from a corporation more frequently than from the Federal government. Organizational age tends to rise with increases in organizational budget size; 78% of organizations with small budgets were 25 years old or younger, while 73% of extra-large organizations were over 50 years old.

Organizational collaboration may be another way to increase grantseeking success; it is a trending topic and is encouraged by many funders. Keep in mind that an organization's annual budget, with the implied increases in staff and infrastructure in tandem with the increases in budget size, has an effect on collaborative activities. In the Fall 2017 Report, the budget entry point to participation in collaborative grantseeking was $25,000,000. Sixty-four percent of organizations with budgets of $25,000,000 or more participated in collaborative grantseeking in the first six months of 2017. In comparison, 27% of organizations with budgets under $25,000,000 participated in collaborative grantseeking in the first six months of 2017.

With just 18% of respondents reporting general support as their largest award type, grant funding for indirect/administrative costs is a continued challenge to organizations. Our respondents generally kept their costs low; 61% reported indirect/administrative costs as 20% or less of their total budgets. By budget range, indirect/administrative costs comprised 20% or less of the annual budget for 68% of small organizations, 62% of medium organizations, 78% of large organizations, 58% of very large organizations, and 45% of extra-large organizations.

Respondents were asked, "How did you reduce your indirect/administrative costs?" Just over half (51%) reported that they reduced these costs by eliminating staff, while 31% reported increased reliance on volunteer labor. By budget size, more than half of organizations in medium (53%), large (63%), very large (73%), and extra-large (52%) organizations reported that they reduced indirect/administrative costs by eliminating staff, while 58% of small organizations increased their reliance on volunteer labor.

We at GrantStation hope the State of Grantseeking Reports help to alleviate some of the frustration among nonprofit organizations as they engage in grantseeking activities. Overall, this report speaks to the importance of targeting the right grantmakers. How can this report help your organization find the funding it needs?

First, compare your organization's grantseeking to this report. Are there areas of performance where your organization excels, or where it could stand to improve? Next, set realistic expectations for the projected contribution of grant awards to your total budget, using the results of this survey as one of your guides.

Because these reports are meant to serve you and to help you determine where you need to focus your energy, you may consider setting aside time in your next Board of Directors meeting to discuss this report and how the information can be used to help you build a successful and resilient grant management strategy.

Finally, consider investing in tools to help organizational growth, such as Membership in GrantStation. At GrantStation, we help you to keep your organization financially healthy through assistance in developing a strong grantseeking strategy. Member Benefits provide the tools for you to find new grant sources, build a strong grantseeking program, and write winning grant proposals.

Ellen C. Mowrer

President, GrantStation

COMPARISON BY ORGANIZATIONAL BUDGET

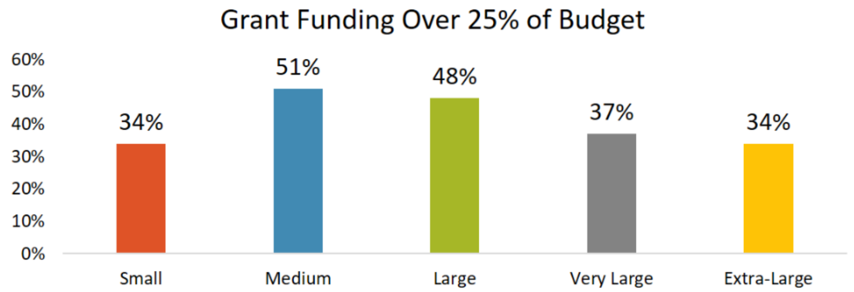
Organizational size determined by annual budget is a key factor influencing the grantseeking experience. When viewed through the lens of budget, variations among organizational demographic profiles and grant management and strategy profiles help us to understand the state of grantseeking at a more granular and actionable level, and serve as a tool to assist in the 2018 planning process.

For this report, organizational budget ranges are defined as:

Budget Range	Size	% of Respondents	Median Budget Amount
Under $100,000	Small	15%	$48,000
$100,000 - $999,999	Medium	32%	$350,000
$1 Million - $9,999,999	Large	29%	$2,500,000
$10 Million - $24,999,999	Very Large	8%	$15,080,850
$25 Million and Over	Extra-Large	17%	$65,000,000

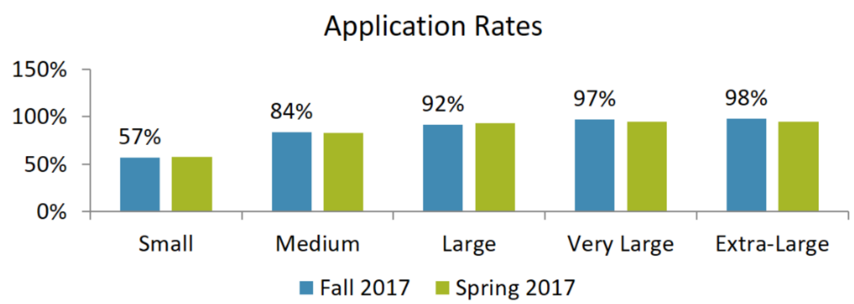
GRANT FUNDING BUDGET CONTRIBUTION

Grant funding was a greater percentage of the annual budget for medium and large organizations.



APPLICATION RATES

Organizational grant application rates related positively to budget and staff sizes. Larger organizations consistently reported higher application rates.



Between January and June 2017:

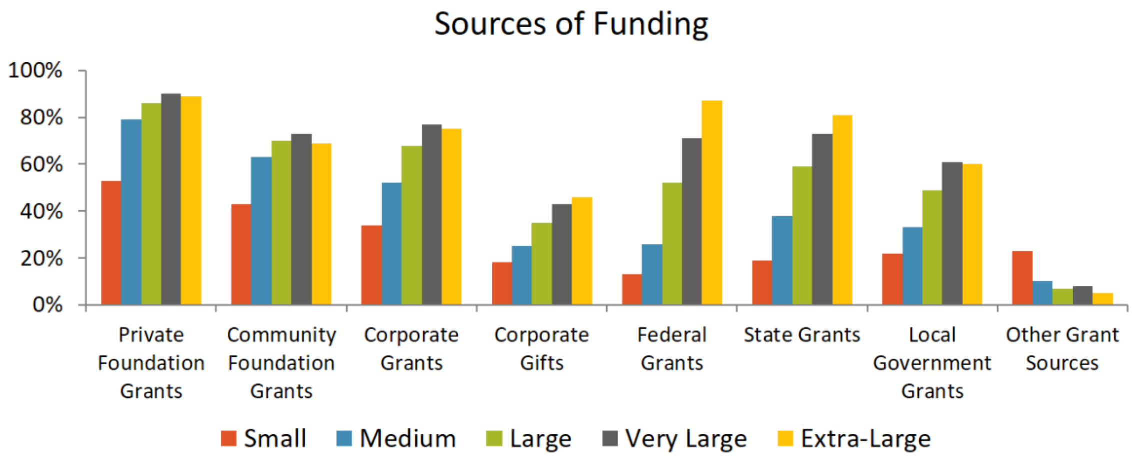
- Fifty-seven percent of small organizations submitted at least one grant application. Small organizations were primarily staffed by volunteers (45%), had less than one full-time equivalent employee (25%), or employed one to five people (24%).
- Eighty-four percent of medium organizations submitted at least one grant application. Medium organizations primarily employed one to five people (58%) or six to ten people (18%).
- Ninety-two percent of large organizations submitted at least one grant application. Large organizations primarily employed from 11 to 25 people (30%) or 26 to 75 people (30%).
- Ninety-seven percent of very large organizations submitted at least one grant application. Very large organizations primarily employed from 76 to 125 people (20%), 126 to 200 people (23%), or over 200 people (40%).
- Ninety-eight percent of extra-large organizations submitted at least one grant application. Extra-large organizations primarily reported 200 or more employees (85%).

GRANT FUNDING SOURCES

Private foundations continued to be the most frequently cited source of grant awards for organizations of any budget size.

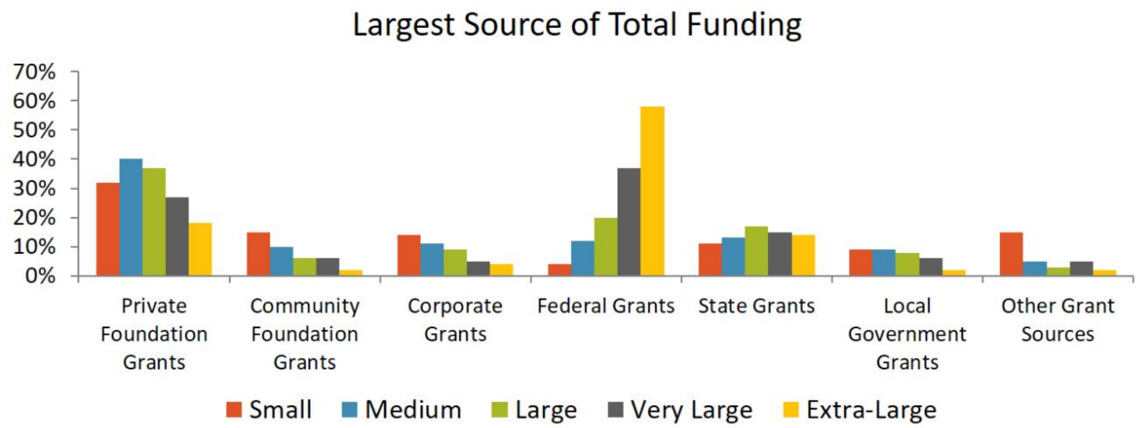
Government funding frequency increased with organizational budget size.

Small organizations more frequently received support from "other" sources of funding (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds).

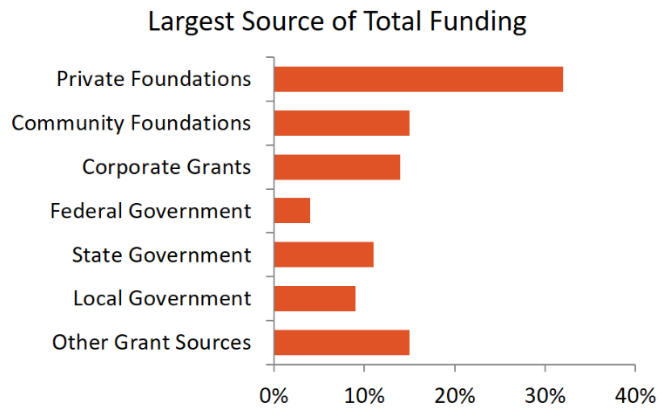


LARGEST SOURCE OF TOTAL FUNDING

When the largest source of total funding is viewed through the lens of budget size, differences in funding preferences become apparent. Community foundations, corporations, and local government tended to fund at rates in inverse proportion to budget size, while the rate of Federal funding increased in proportion to budget size. Private foundations funded organizations with small, very large, or extra-large budgets at a lower rate than they funded organizations with medium or large budgets. Other grant sources more frequently funded small organizations. State government most frequently funded large organizations.



Small Organizations

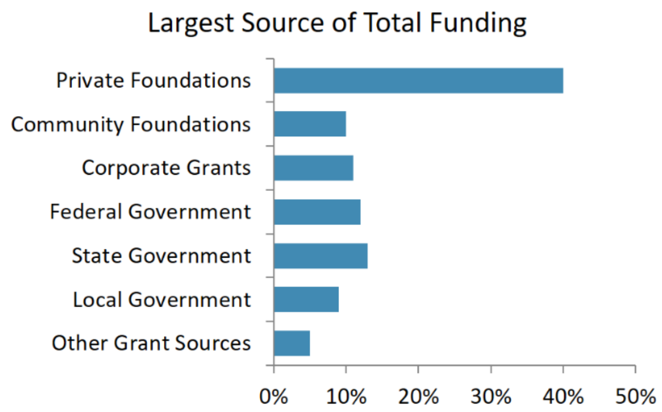


Largest source of total funding trends for organizations with budgets under $100,000:

- ➔ Private foundations were the largest total funding source for 32% of respondents, the same rate as the Spring 2017 Report, and a 7% increase from the Fall 2016 Report.
- ↓ Community foundations were the largest total funding source for 15% of respondents, a 32% decrease from the Spring 2017 Report, and a 25% decrease from the Fall 2016 Report.

- ➔ Corporate grants were the largest total funding source for 14% of respondents, the same rate as both the Spring 2017 and Fall 2016 Reports.
- ↑ Federal government grants were the largest total funding source for 4% of respondents, a 33% increase from the Spring 2017 Report, and the same rate as the Fall 2016 Report.
- ↑ State government grants were the largest total funding source for 11% of respondents, an 83% increase from the Spring 2017 Report, and an 8% decrease from the Fall 2016 Report.
- ↑ Local government grants were the largest total funding source for 9% of respondents, a 29% increase from the Spring 2017 Report, and a 13% increase from the Fall 2016 Report.
- ➔ Other grant sources were the largest total funding source for 15% of respondents, the same rate as the Spring 2017 Report, and a 7% increase from the Fall 2016 Report.

MEDIUM ORGANIZATIONS

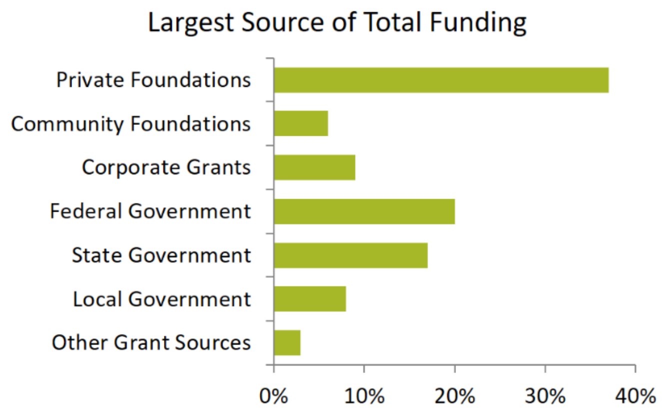


Largest source of total funding trends for organizations with budgets between $100,000 and $999,000:

- ↓ Private foundations were the largest total funding source for 40% of respondents, a 2% decrease from the Spring 2017 Report, and a 5% decrease from the Fall 2016 Report.
- ↑ Community foundations were the largest total funding source for 10% of respondents, an 11% increase from the Spring 2017 Report, and the same rate as the Fall 2016 Report.
- ↓ Corporate grants were the largest total funding source for 11% of respondents, an 8% decrease from the Spring 2017 Report, and the same rate as the Fall 2016 Report.
- ➔ Federal government grants were the largest total funding source for 12% of respondents, the same rate as the Spring 2017 Report, and a 33% increase from the Fall 2016 Report.

- ➔ State government grants were the largest total funding source for 13% of respondents, the same rate as the Spring 2017 and Fall 2016 Reports.
- ↑ Local government grants were the largest total funding source for 9% of respondents, a 13% increase from the Spring 2017 Report, and the same rate as the Fall 2016 Report.
- ➔ Other grant sources were the largest total funding source for 5% of respondents, the same rate as the Spring 2017 Report, and a 29% decrease from the Fall 2016 Report.

Large Organizations

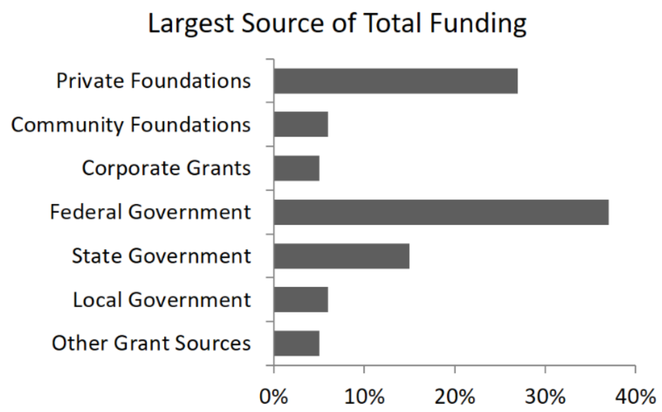


Largest source of total funding trends for organizations with budgets between $1,000,000 and $9,999,999:

- ↓ Private foundations were the largest total funding source for 37% of respondents, a 10% decrease from both the Spring 2017 and Fall 2016 Reports.
- ↓ Community foundations were the largest total funding source for 6% of respondents, a 25% decrease from the Spring 2017 Report, and a 14% decrease from the Fall 2016 Report.
- ↓ Corporate grants were the largest total funding source for 9% of respondents, an 18% decrease from the Spring 2017 Report, and the same rate as the Fall 2016 Report.
- ↑ Federal government grants were the largest total funding source for 20% of respondents, a 5% increase from the Spring 2017 Report, and an 18% increase from the Fall 2016 Report.
- ↑ State government grants were the largest total funding source for 17% of respondents, a 42% increase from the Spring 2017 Report, and a 16% increase from the Fall 2016 Report.
- ↑ Local government grants were the largest total funding source for 8% of respondents, a 33% increase from the Spring 2017 Report, and a 14% increase from the Fall 2016 Report.

- ➔ Other grant sources were the largest total funding source for 3% of respondents, the same rate as the Spring 2017 Report, and a 40% decrease from the Fall 2016 Report.

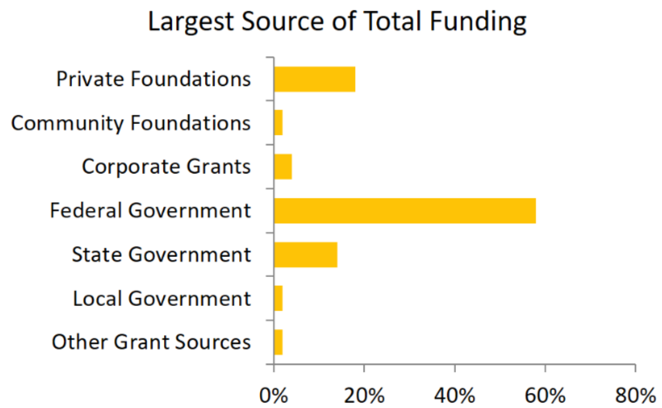
Very Large Organizations



Largest source of total funding trends for organizations with budgets between $10,000,000 and $24,999,999:

- ↓ Private foundations were the largest total funding source for 27% of respondents, a 16% decrease from the Spring 2017 Report, and a 25% decrease from the Fall 2016 Report.
- ↑ Community foundations were the largest total funding source for 6% of respondents, a 20% increase from the Spring 2017 Report, and a 500% increase from the Fall 2016 Report.
- ↓ Corporate grants were the largest total funding source for 5% of respondents, a 50% decrease from the Spring 2017 Report, and a 17% decrease from the Fall 2016 Report.
- ➔ Federal government grants were the largest total funding source for 37% of respondents, the same rate as both the Spring 2017 and Fall 2016 Reports.
- ↓ State government grants were the largest total funding source for 15% of respondents, a 12% decrease from the Spring 2017 Report, and a 25% decrease from the Fall 2016 Report.
- ↑ Local government grants were the largest total funding source for 6% of respondents, a 50% increase from both the Spring 2017 and Fall 2016 Reports.
- ↑ Other grant sources were the largest total funding source for 5% of respondents, a 67% increase from the Spring 2017 Report, and a 25% increase from the Fall 2016 Report.

Extra-large Organizations



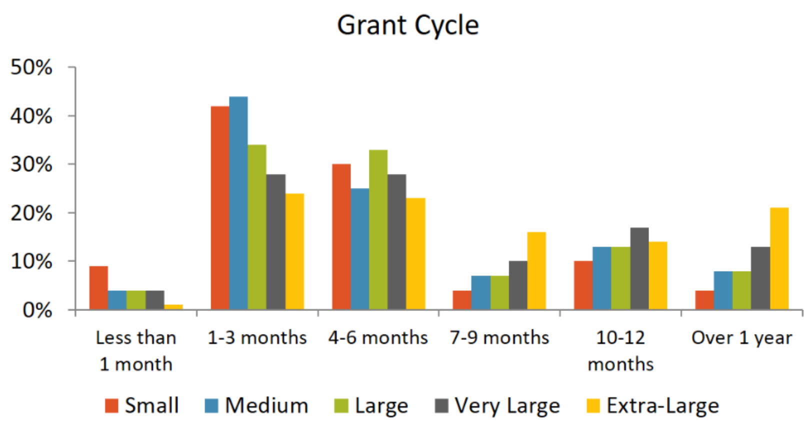
Largest source of total funding trends for organizations with budgets of $25,000,000 and over:

- Private foundations were the largest total funding source for 18% of respondents, a 40% decrease from the Spring 2017 Report, and a 6% increase from the Fall 2016 Report.
- Community foundations were the largest total funding source for 2% of respondents, a 50% decrease from the Spring 2017 Report, and a 33% decrease from the Fall 2016 Report.
- Corporate grants were the largest total funding source for 4% of respondents, a 43% decrease from the Spring 2017 Report, and a 20% decrease from the Fall 2016 Report.
- Federal government grants were the largest total funding source for 58% of respondents, a 38% increase from the Spring 2017 Report, and a 21% increase from the Fall 2016 Report.
- State government grants were the largest total funding source for 14% of respondents, a 17% increase from the Spring 2017 Report, and a 39% decrease from the Fall 2016 Report.
- Local government grants were the largest total funding source for 2% of respondents, a 60% decrease from the Spring 2017 Report, and a 50% decrease from the Fall 2016 Report.
- Other grant sources were the largest total funding source for 2% of respondents, a 100% increase from both the Spring 2017 and Fall 2016 Reports.

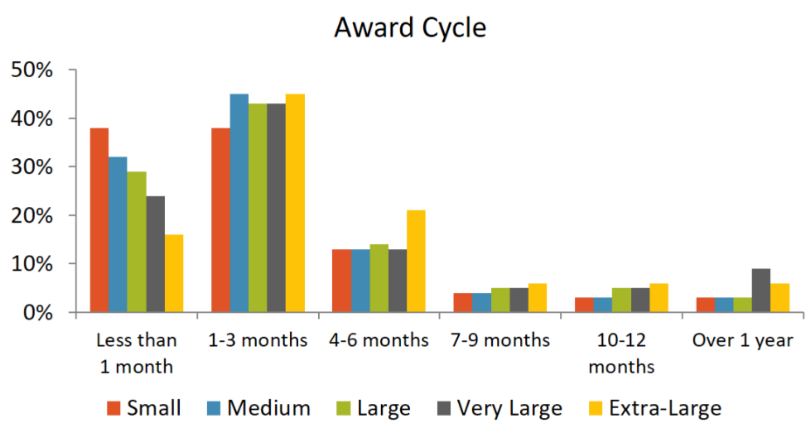
LARGEST INDIVIDUAL AWARDS

LARGEST AWARD LOGISTICS

The grant cycle length was predominately from one to three months or four to six months. A longer grant cycle of seven months or more was reported by 18% of small organizations, 28% of medium organizations, 28% of large organizations, 40% of very large organizations, and 51% of extra-large organizations. The increase in the length of the grant cycle for extra-large organizations relates to the rate of Federal and state funding, and may reflect more involved government application processes and procedures.



Once an award decision had been determined, funders generally released the award monies quickly, often in three or fewer months. Delayed receipt of award monies, taking four months or more, was reported by 23% of small organizations, 23% of medium organizations, 27% of large organizations, 32% of very large organizations, and 39% of extra-large organizations. The increase in the length of the award cycle also relates to the rate of Federal and state funding, and may reflect more protracted government fund release procedures.



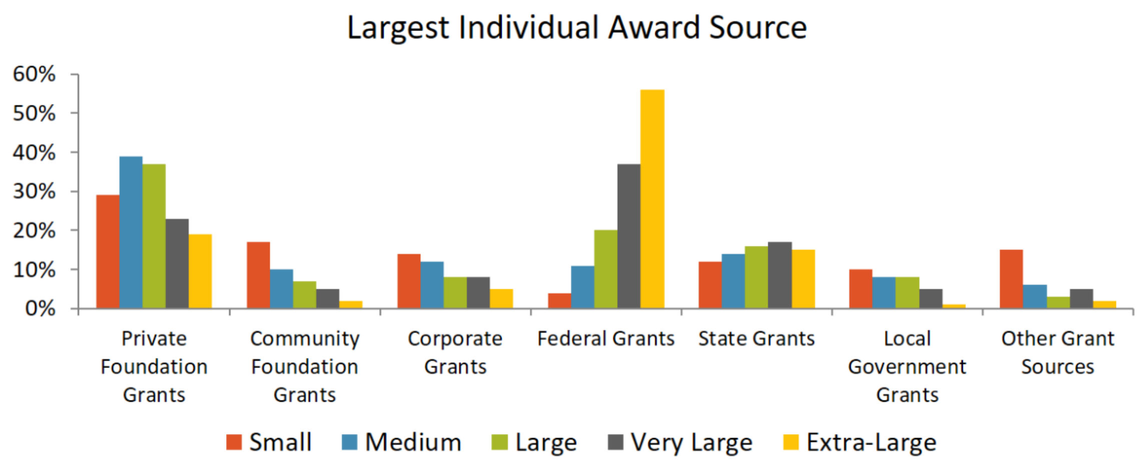
LARGEST AWARD SUPPORT TYPE

Of the twenty-four specific support types, each of those in the chart were selected by at least 4% of respondents within one budget range. Project or program support was the most frequently reported largest award support type for organizations from all budget ranges, although the rate was lower for small and medium organizations. General support was more frequently reported by small and medium organizations.

Support Type	Small	Medium	Large	Very Large	Extra-Large
Advocacy	6%	2%	2%	0%	0%
Building Funds	3%	3%	3%	6%	4%
Capacity Building	5%	6%	5%	5%	2%
Equipment	2%	2%	3%	4%	2%
Events/Sponsorships	5%	2%	2%	0%	0%
General	23%	23%	19%	9%	6%
Infrastructure	2%	1%	1%	3%	4%
Matching	4%	2%	2%	1%	1%
Mixed	2%	2%	4%	4%	6%
Project/Program	28%	42%	48%	53%	51%

LARGEST INDIVIDUAL AWARD SOURCE

When the source of the largest individual award is viewed through the lens of budget size, differences in funding preferences become apparent. Community foundations, corporations, and local government tended to fund at rates in inverse proportion to budget size, while the rate of Federal government funding increased in proportion to budget size. State government was most frequently the largest individual award source for very large organizations. Private foundations funded organizations with very large or extra-large budgets at a lower rate than they funded organizations with small, medium, or large budgets. Other grant sources more frequently funded organizations with small budgets.



The median award size by funding source is included in the chart below to provide context.

Largest Award Source	Median Largest Award	Small Budget	Medium Budget	Large Budget	Very Large Budget	Extra-Large Budget
Private Foundations	$40,000	29%	39%	37%	23%	19%
Community Foundations	$15,000	17%	10%	7%	5%	2%
Corporate Grants	$21,250	14%	12%	8%	8%	5%
Federal Government	$580,100	4%	11%	20%	37%	56%
State Government	$110,000	12%	14%	16%	17%	15%
Local Government	$41,650	10%	8%	8%	5%	1%
Other Grant Sources	$30,000	15%	6%	3%	5%	2%

LARGEST AWARD BENCHMARKS

The median size of the largest grant award is a key benchmark to measure organizational grantseeking success. Median award size is profoundly impacted by organizational budget size and the implied staff size and scope of service or reach.

Largest Award Size	Small		
	Fall 2017	Spring 2017	Fall 2016
Lowest $	$250	$100	$250
Highest $	$7 Million	$200,000	$500,000
Median $	$8,000	$5,000	$5,175
Average $	$82,975	$16,100	$15,535

Largest Award Size	Very Large		
	Fall 2017	Spring 2017	Fall 2016
Lowest $	$550	$600	$100
Highest $	$14 Million	$36 Million	$150 Million
Median $	$300,000	$150,000	$250,000
Average $	$1,072,550	$1,044,150	$2,242,200

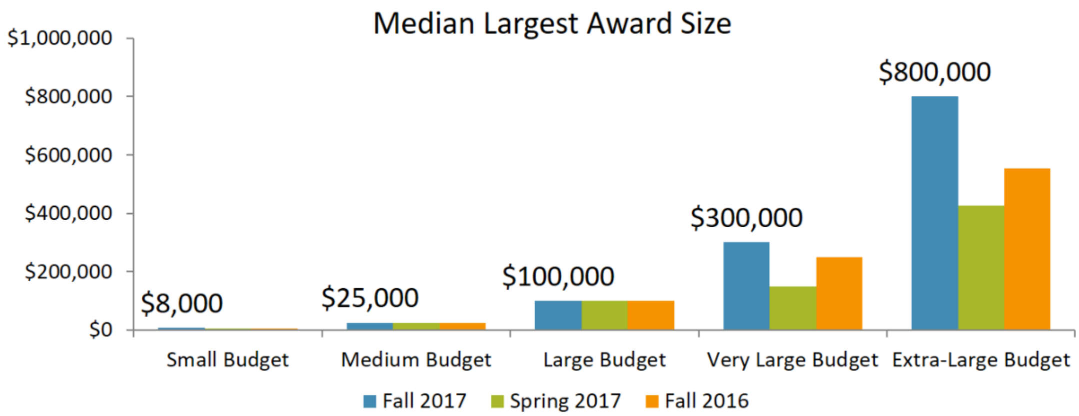
Largest Award Size	Medium		
	Fall 2017	Fall 2016	Spring 2016
Lowest $	$250	$500	$40
Highest $	$4.8 Million	$5 Million	$3 Million
Median $	$25,000	$25,000	$25,000
Average $	$86,375	$73,000	$67,450

Largest Award Size	Extra-Large		
	Fall 2017	Spring 2017	Fall 2016
Lowest $	$3,900	$100	$8,200
Highest $	$150 Million	$186 Million	$92 Million
Median $	$800,000	$426,000	$553,250
Average $	$4,929,500	$3,388,725	$2,645,475

Largest Award Size	Large		
	Fall 2017	Spring 2017	Fall 2016
Lowest $	$500	$125	$500
Highest $	$14.5 Million	$8 Million	$15 Million
Median $	$100,000	$100,000	$100,000
Average $	$350,425	$290,775	$765,575

- ↑ Small organizations reported a 60% increase in the median largest award size from the Spring 2017 Report, and a 55% increase from the Fall 2016 Report.
- → Medium organizations reported no change in the median largest award size between the Fall 2017, Spring 2017, and Fall 2016 Reports.
- → Large organizations reported no change in the median largest award size between the Fall 2017, Spring 2017, and Fall 2016 Reports.

- Very large organizations reported a 100% increase in the median largest award size from the Spring 2017 Report, and a 20% increase from the Fall 2016 Report.
- Extra-large organizations reported an 88% increase in the median largest award size from the Spring 2017 Report, and a 45% increase from the Fall 2016 Report.

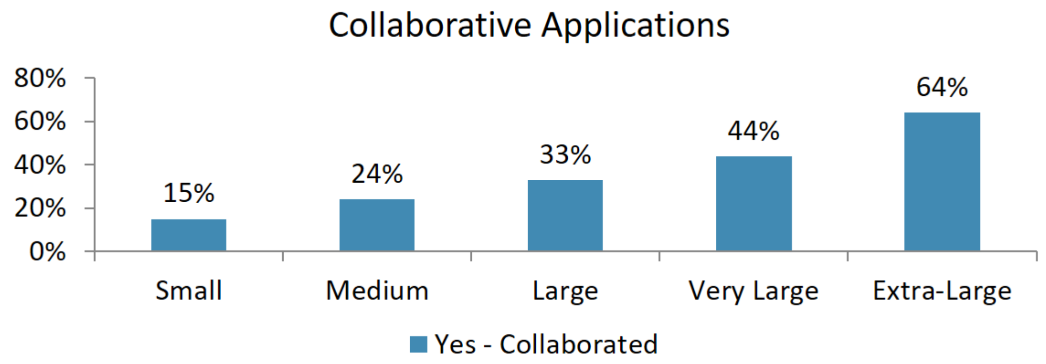


COLLABORATIVE GRANTSEEKING

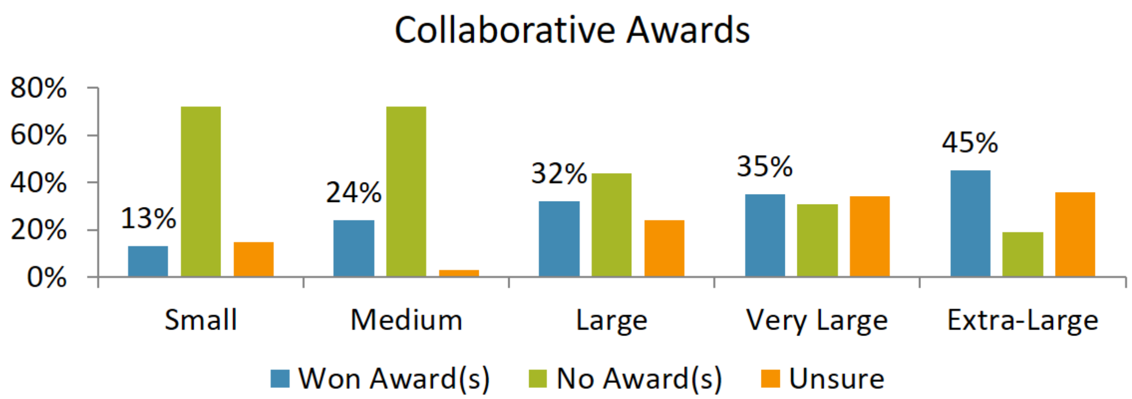
COLLABORATION BY ANNUAL BUDGET

Annual budget, with the implied increases in staff and infrastructure in tandem with the increases in budget size, had a significant effect on collaborative activities.

Sixty-four percent of organizations with budgets of $25,000,000 or more participated in collaborative grantseeking in the first six months of 2017. In comparison, 15% to 44% of organizations with budgets under $25,000,000 participated in collaborative grantseeking in the first six months of 2017.



Of those organizations that did submit a collaborative application, larger organizations more frequently reported winning an award. The response "unsure" may reflect submitted applications for which award decisions were still pending at the time of the survey.



RESPONDENT COMMENTARY

As always, we asked survey respondents to share their experiences, expertise, and opinions. There were many similarities in comments from both those who participated in collaborative grantseeking and those who did not. Many comments focused on the additional staff and time required to manage collaborative grantseeking. Some pointed out the issues with funder requirements, and some questioned the cost versus the benefit.

A SAMPLE OF REPRESENTATIVE COMMENTS FROM RESPONDENTS WHO PARTICIPATED IN COLLABORATIVE GRANTSEEKING FOLLOWS:

Small Organizations

- Collaborations are great. They are the wave of the future for small organizations.
- Collaborations are necessary, but you need a good collaborator, or you end up doing all the work and not getting all the money.
- I believe it is advantageous as long as it is a true collaboration with clearly defined roles and allocation of funds.
- It makes applying for and spending the grant money more complicated and time-consuming.

Medium Organizations

- Collaborating is not always the best as both organizations compromise, thus not producing either organization's desired goals.
- It seems to be more appealing to funders. We like working with other organizations on projects, but it results in more work to develop the project and budgets, and much more work to write the grant. It also means we get fewer overall dollars to support the overhead costs for each organization since we can't put the true cost for both organizations in. We can only share resources up to a point.
- It’s excellent. Collaboration is key to our success in obtaining larger grants that make a broader impact.
- I can see merit in organizational collaboration. However, there is a much higher level of coordination required and that kind of capacity often does not exist.

Large Organizations

- I’m neutral. Collaborations are great when appropriate, but shouldn't be forced as a requirement for funding.
- Collaborations are difficult to execute without clear and concise expectations and accountability. Generally, they do not result in an increase in successful outcomes for the people we serve. My strongest feelings about collaboration are that funders are requiring

more and more applications which include collaborative efforts, yet the funders are not collaborating to achieve impact in communities. Funders each come with their own set of grant expectations, reporting requirements, matching funds, etc., and do not collaborate for the greater good, resulting in duplicative reporting and efforts by grantees.

- Collaboration requires evenly yoked organizations, extra communication efforts, and a clear understanding of individual responsibilities. Funders may like collaboration, but from a grantseeking aspect, it's considerable more work. That reduces the return on investment because more resources need to be put toward administration of the project.
- It's a helpful tool to expand the reach of your grant-funded project, and have a large impact. It's a win-win!

Very Large Organizations

- I think it's going to become more essential, both in terms of getting funding and delivering more impactful programs. It could even lead to nonprofits merging (here's hoping)!
- It looks good from the funder's perspective, but the logistics of application and project execution are complex and our organization doesn't have the capacity to manage that.
- It is great conceptually. In our experience, it makes the grantwriting portion more difficult, as well as the likelihood of getting funded. Funders say they want this, but are often reluctant to fund a truly collaborative grant that doesn't become a grantee/sub-grantee relationship.
- Collaboration is helpful in cultivating a relationship with funders and partners, but hasn't proven successful in winning grant support (yet).

Extra-Large Organizations

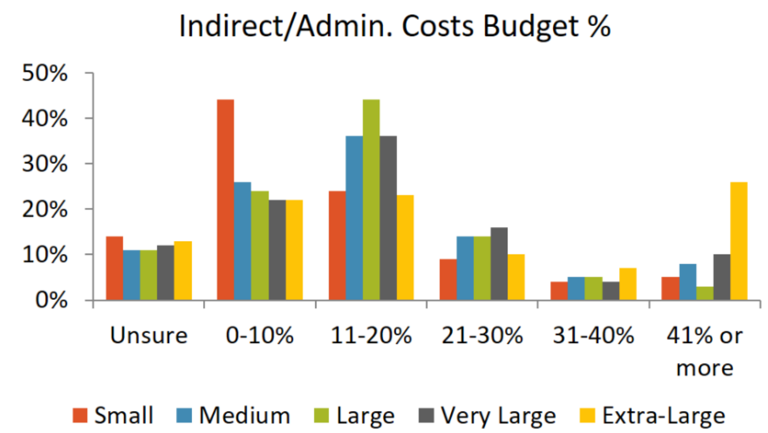
- While making the application process more complicated, overall it is a big plus because it enlarges the pool of talent and available infrastructure, and it expands the impact of the grant, if awarded.
- Assuming it is actually beneficial to all organizations involved, it's great. However, the trend for foundations to prioritize collaboration is troublesome in that collaboration is not inherently the best way to accomplish mission goals.
- It (the process) is a good demonstration that the project/program will be completed and the funds will be used as intended in a timely fashion.
- When the collaboration is pre-existing and makes sense for the local community's needs, then collaboration among different organizations makes sense. If collaborations are thrown together to chase after money, then they often don't function well. Funders should build in planning time and funding for communities to develop service partnerships into true collaborations.
- Some requirements are limiting, and tracking results is more complex.

INDIRECT/ADMINISTRATIVE COSTS AND FUNDING

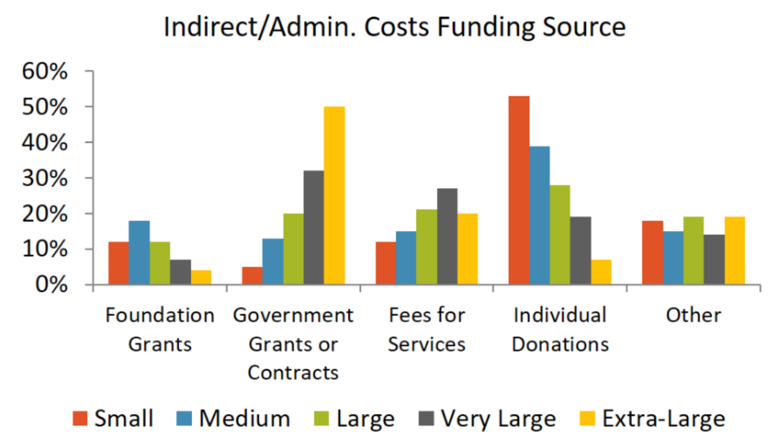
Sixty-one percent of all respondents reported that indirect/administrative costs comprised 20% or less of their annual budget.

By budget range, indirect/administrative costs comprised 20% or less of the annual budget for 68% of small organizations, 62% of medium organizations, 78% of large organizations, 58% of very large organizations, and 45% of extra-large organizations.

Thirty-three percent of extra-large organizations reported that indirect/administrative costs comprised 31% or more of their annual budgets, compared to 9% of small organizations, 13% of medium organizations, 8% of large organizations, and 14% of very large organizations.



The most frequent source of indirect/administrative funding for all respondents was individual donations (33%).



By budget range, individual donations were the most frequent source of indirect/administrative funding for 53% of small organizations, 39% of medium organizations, 28% of large organizations, 19% of very large organizations, and 7% of extra-large organizations.

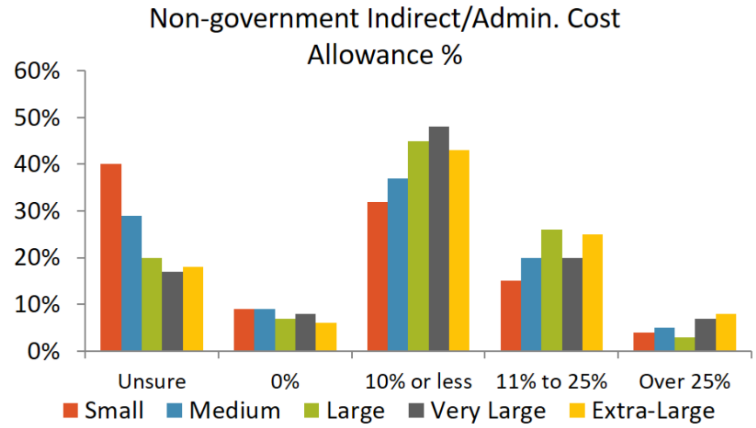
Five percent of small organizations reported that government grants or contracts were the most frequent source of indirect/administrative funding, compared to 13% of medium organizations, 20% of large organizations, 32% of very large organizations, and 50% of extra-large organizations.

INDIRECT/ADMINISTRATIVE COST FUNDING LIMITATIONS

Non-government funders allowed up to 10% of an award for indirect/administrative costs for 32% of small organizations, 37% of medium organizations, 45% of large organizations, 48% of very large organizations, and 43% of extra-large organizations.

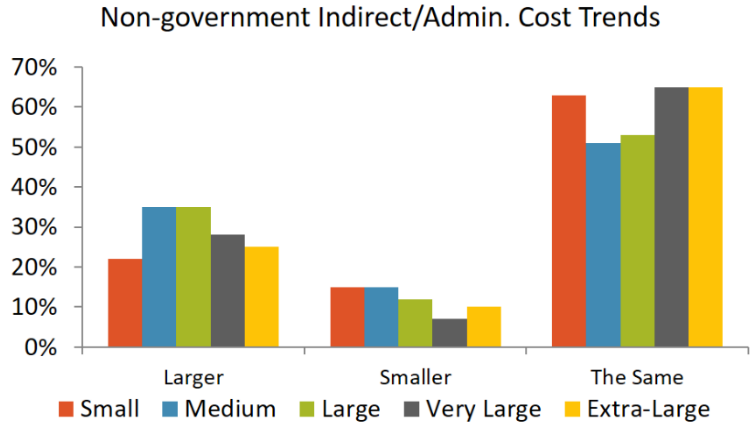
Non-government funders allowed over 10% of an award for indirect/administrative costs for 19% of small organizations, 25% of medium organizations, 29% of large organizations, 27% of very large organizations, and 33% of extra-large organizations.

Some organizations were unsure of the indirect/administrative cost allowance, including 40% of small organizations, 29% of medium organizations, 20% of large organizations, 17% of very large organizations, and 18% of extra-large organizations.



INDIRECT/ADMINISTRATIVE COST TRENDS

Most respondents reported that their costs remained the same. However, indirect/administrative costs increased for 22% of small organizations, 35% of medium organizations, 35% of large organizations, 28% of very large organizations, and 25% of extra-large organizations.



INDIRECT/ADMINISTRATIVE COST CONTROLS

Respondents were asked, "How did you reduce your indirect/administrative costs?" Over half (51%) reported that they had reduced indirect/administrative costs by eliminating staff, while 31% reported increased reliance on volunteer labor.

Reductions in services and programs (21%), staff hours (21%), staff salaries (19%), and organization hours (11%) also reduced indirect and administrative costs. In addition, respondents reduced these costs by participating in space or location sharing (12%) and buying groups (7%), and reducing their organization's geographic scope (5%).

By budget size, more than half of organizations in medium (53%), large (63%), very large (73%), and extra-large (52%) organizations reported that they reduced indirect/administrative costs by eliminating staff, while 58% of small organizations increased their reliance on volunteer labor.

Cost reduction techniques, by budget size, are as follows:

Reduction Technique	Small Budget	Medium Budget	Large Budget	Very Large Budget	Extra-Large Budget
Reduced services/programs offered	26%	24%	24%	20%	7%
Reduced organization hours	23%	10%	8%	0%	7%
Reduced organization geographic scope	15%	3%	0%	7%	0%
Reduced staff salaries	26%	25%	13%	0%	7%
Reduced number of staff	23%	53%	63%	73%	52%
Reduced staff hours	25%	21%	25%	7%	14%
Increased reliance on volunteer labor	58%	33%	23%	20%	7%
Buying groups/economy of scale	13%	4%	4%	0%	21%
Space/location sharing	15%	12%	11%	0%	17%

CHALLENGES TO GRANTSEEKING

Among all respondents, 18% reported that grantseeking's greatest challenges stemmed from the lack of time and staff for grantseeking activities, although this was reported at the lowest frequency within the past eight reports.

Increased competition for finite monies (15%) has placed greater emphasis on strict adherence to varying funder practices and requirements (12%). Many respondents mentioned the difficulty in finding grant opportunities that matched with their specific mission, location, or program (11%), regardless of their focus, service area, or interests. Reduced funding (10%) was reported at the highest rate since the Spring 2014 Report.

By budget range, challenges to grantseeking were reported as follows:

Grantseeking Challenge	Small Budget	Medium Budget	Large Budget	Very Large Budget	Extra-Large Budget
Competition	8%	13%	18%	20%	23%
Reduced funding	4%	7%	10%	14%	23%
Economic conditions	6%	6%	6%	7%	10%
Funder practices and requirements	9%	12%	15%	14%	4%
Internal organizational issues	2%	3%	5%	10%	9%
Lack of time and/or staff	24%	22%	14%	11%	10%
Need for a grantwriter	15%	6%	4%	1%	3%
Relationship building with funders	3%	8%	11%	8%	6%
Research, finding grants	13%	14%	10%	7%	5%
Writing grants	9%	3%	2%	2%	2%
Other	7%	6%	5%	7%	5%

The challenges of competition, reduced funding, and internal organizational were reported more frequently as annual budget size increased. A lack of time and/or staff, the need for a grantwriter, and researching and finding grants were less frequently reported as annual budget size increased.

SURVEY RESPONDENTS BY BUDGET SIZE

As illustrated by the *Fall 2017 State of Grantseeking™ Survey* results, organizational size determined by annual budget is the greatest factor influencing the grantseeking experience. Annual budget size generally defines the demographic characteristics of an organization, including staff size and organizational age.

It is interesting to note the growth in organizational capacity and sustainability as defined by age, staff size, respondent role, and grantseeker role. For example, 48% of small organizations relied on volunteers or board members to manage grantseeking responsibilities, while 93% of very large organizations had staff members to manage grantseeking. The following are typical organizations from each annual budget range.

SMALL ORGANIZATIONS - ANNUAL BUDGETS UNDER $100,000:

Organizations with small budgets comprised 15% of survey respondents; the median annual budget reported was $48,000. Sixty-five percent of respondents from small organizations were directly associated with their organizations at an executive level. Nonprofit organizations comprised 89% of small organizations. Forty-five percent of small organizations were staffed by volunteers, while 25% employed less than one full-time equivalent and 24% employed one to five people. Volunteers (20%), staff members (30%), and board members (28%) held grantseeking responsibilities. Most small organizations were one to five years old (27%), six to ten years old (23%), or 11 to 25 years old (23%). Forty-three percent were located in a mix of service area types (rural, suburban, and urban), while the most frequent geographic service reach for small organizations was multi-county (19%) or international (15%). Arts, Culture, and Humanities (15%) and Human Services (13%) were the most frequently reported mission focuses. Forty-four percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

MEDIUM ORGANIZATIONS - ANNUAL BUDGETS BETWEEN $100,000 AND $999,999:

Organizations with medium budgets comprised 32% of survey respondents; the median annual budget reported was $350,000. Sixty-seven percent of respondents from medium organizations were directly associated with their organizations at an executive level. Nonprofit organizations comprised 90% of medium organizations. Fifty-eight percent of medium organizations employed one to five people, while 18% employed six to ten people. Staff members (73%) held grantseeking responsibilities. Most medium organizations were 11 to 25 years old (32%) or 26 to 50 years old (32%). Forty-two percent were located in a mix of service area types (rural, suburban, and urban) or in urban service areas (28%). The most frequent geographic service reach for medium organizations was multi-county (24%) or one county (15%). Human Services (21%), Arts, Culture, and Humanities (15%), and Education (12%) were the most frequently reported mission focuses. Forty-six percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

LARGE ORGANIZATIONS - ANNUAL BUDGETS BETWEEN $1,000,000 AND $9,999,999:

Organizations with large budgets comprised 29% of survey respondents; the median annual budget reported was $2,500,000. Forty-seven percent of respondents from large organizations were directly associated with their organizations at an executive level and 41% of respondents were associated with their organizations at an employee level. Nonprofit organizations comprised 84% of large organizations. Twenty-nine percent of large organizations employed between 11 and 25 people, while 30% employed between 26 and 75 people. Staff members (85%) held grantseeking responsibilities. Most large organizations were 11 to 25 years old (20%), 26 to 50 years old (40%), or 51 to 100 years old (20%). Forty-six percent were located in a mix of service area types (rural, suburban, and urban), and 36% were located in urban service areas. The most frequent geographic service reach for large organizations was multi-county (30%) or one county (13%). Human Services (27%), Education (13%), and Arts, Culture, and Humanities (10%), were the most frequently reported mission focuses. Fifty-two percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

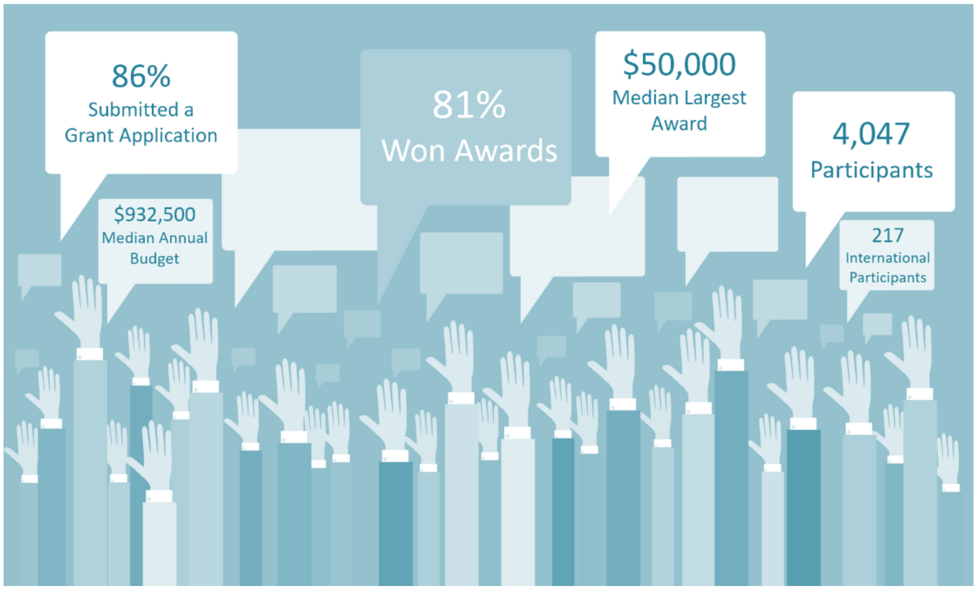
VERY LARGE ORGANIZATIONS - ANNUAL BUDGETS BETWEEN $10,000,000 AND $24,999,999:

Organizations with very large budgets comprised 8% of survey respondents; the median annual budget reported was $15,080,850. Fifty-seven percent of respondents from very large organizations were directly associated with their organizations at an employee level, and 32% of respondents were associated with their organizations at an executive level. Nonprofit organizations comprised 73% of very large organizations, and educational institutions comprised 18% (of those, 86% were colleges or universities). Twenty percent of very large organizations employed between 76 and 125 people, while 23% employed between 126 and 200 people, and 39% employed over 200 people. Staff members (93%) held grantseeking responsibilities. Most very large organizations were 26 to 50 years old (35%) or 51 to 100 years old (33%). Eighteen percent were over 100 years old. Forty-five percent of these organizations were located in a mix of service area types (rural, suburban, and urban) and 36% were located in urban service areas. The most frequent geographic service reach for very large organizations was multi-county (31%) or international (14%). Human Services (29%), Education (18%), and Healthcare (15%) were the most frequently reported mission focuses. Forty-six percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

EXTRA-LARGE ORGANIZATIONS - ANNUAL BUDGETS OF $25,000,000 AND OVER:

Organizations with extra-large budgets comprised 17% of survey respondents; the median annual budget reported was $65,000,000. Sixty-four percent of respondents from extra-large organizations were directly associated with their organizations at an employee level. Extra-large organizations were mainly comprised of nonprofit organizations (38%), educational institutions (48%), and government or tribal agencies (11%). Colleges or universities comprised 94% of respondents from educational institutions. Eighty-five percent of extra-large organizations employed over 200 people. Staff members (89%) held grantseeking responsibilities. Most extra-large organizations were 26 to 50 years old (19%), 51 to 100 years old (26%), or over 100 years old (47%). Forty-five percent of these organizations were located in a mix of service area types (rural, suburban, and urban) and 41% were located in urban service areas. The most frequent geographic service reach for extra-large organizations was international (39%) or multi-county (18%). Education (39%), Healthcare (14%), and Medical Research (13%) were the most frequently reported mission focuses. Thirty percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

RESPONDENT DEMOGRAPHICS



ORGANIZATIONAL AFFILIATION

Of the respondents, 90% were directly associated with the organizations they represented as executives (47%), employees (36%), board members (5%), or volunteers (3%). Consultants (5%) and government employees (5%) comprised the remaining 10% of respondents.

TYPE OF ORGANIZATION

Most respondents (95%) represented nonprofit organizations (75%), educational institutions (15%), or government entities and tribal organizations (5%). The remainder (5%) included businesses and consultants. Among respondents from educational institutions, 14% represented K-12 schools and 86% represented two- or four-year colleges and universities.

ORGANIZATIONAL AGE

Organizations ten years of age or under comprised 19% of respondents. Organizational ages of 11 to 25 years were reported by 21% of respondents, while 29% reported organizational ages of 26 to 50 years. Organizations from 51 to 100 years of age comprised 17% of respondents, and 14% of respondents comprised organizations over 100 years of age.

ANNUAL BUDGET

Respondent organizations reported annual budgets less than $100,000 (15%), between $100,000 and $499,999 (23%), between $500,000 and $999,999 (9%), between $1 million and $4,999,999 (22%), between $5 million and $9,999,999 (7%), between $10 million and $24,999,999 (8%), and $25 million and over (17%). The median annual budget of respondent organizations was $932,500.

STAFF SIZE

One to five people were employed by 24% of respondent organizations. Twenty-one percent of respondent organizations employed six to 25 people, while 11% employed 26 to 75 people. Nine percent of respondent organizations employed 76 to 200 people, and 20% employed over 200 people. Less than one full-time equivalent employee was reported by 6% of respondents. All-volunteer organizations comprised 8% of respondents.

STAFF ETHNICITY

Respondents were asked, "What percentage of your organization (staff, management, and board) self-identify as persons of color?" For 38% of respondents, less than 10% of their organization was comprised of persons of color. Organizations reporting 11% to 50% persons of color comprised 34% of respondents, and 14% of respondents were from organizations with 51% or more persons of color on their staff, management, or board. This question was not applicable for 13% of respondents.

PRIMARY GRANTSEEKER

Most respondent organizations relied on staff members (74%) to fill the role of primary grantseeker. Board members (7%), volunteers (5%), and contract grantwriters (7%) were also cited as the primary grantseeker. Seven percent of respondent organizations were not engaged with active grantseekers.

LOCATION

Within the United States, respondents came from all 50 states, the District of Columbia, and two territories. In addition, respondents from eight Canadian provinces participated, and 160 respondents were from countries outside of the United States and Canada.

SERVICE AREA

The State of Grantseeking™ Report utilizes the Census Bureau's population-based area classification. Rural service areas containing fewer than 2,500 people were reported by 7% of respondents. Seventeen percent of respondents reported cluster/suburban service areas containing between 2,500 and 50,000 people. Urban service areas containing over 50,000 people were reported by 32% of respondents. In addition, 44% of respondents reported a service area comprised of a combination of these population-defined areas.

GEOGRAPHIC REACH

Organizations with an international, continental, or global geographic reach comprised 17% of respondents, while organizations with a national geographic reach comprised 9%. Multi-state organizational reach was reported by 11% of respondents, while 11% reported an individual-state reach. A multi-county reach was reported by 24% of respondents, and a one-county reach was reported by 12%. Eight percent of respondents reported a multi-city organizational reach, while 6% reported a geographic reach within an individual city. In addition, 2% of respondents reported a reach comprised of other geographic or municipal divisions.

POVERTY LEVEL

Respondents were asked, "What percentage of your service recipients/clients/program participants are comprised of individuals/families at or below the poverty level?" Service to individuals or families in poverty was reported at a rate of 76% or more by 30% of respondents, while 15% reported serving those in poverty at a rate of 51% to 75%. Service to individuals or families in poverty at a rate of 26% to 50% was reported by 16% of respondents. Service to those in poverty at a rate of 11% to 25% was reported by 16% of respondents, while 10% reported a service rate of 10% or less to those in poverty. This question was not applicable for 14% of respondents.

MISSION FOCUS

The 25 major codes (A to Y) from the NTEE Classification System, developed by the National Center for Charitable Statistics, were utilized as mission focus answer choices. Each mission focus choice had some respondents.

Almost half (48%) of the respondent organizations reported one of three mission focuses: Human Services (20%), Education (17%), and Arts, Culture, and Humanities (11%). The next most frequent mission focus responses were Health (9%), Youth Development (6%), Community Improvement (5%), and Medical Research (4%). Housing and Shelter, Environment, and Animal-Related were each reported by 3% of respondents. Food, Agriculture, and Nutrition, Public and Society Benefit, Civil Rights, and Religion-Related missions were each reported by 2% of respondents. The remaining mission focuses, reported at a rate of under 2% by respondent organizations, were aggregated into the category of Other (11%).

METHODOLOGY

The Fall 2017 State of Grantseeking™ Report presents a trending, ground-level look at the grantseeking experience, and focuses on funding from non-government grant sources and government grants and contracts. The information in this report, unless otherwise specified, reflects recent and trending grantseeking activity during the first six months of 2017 (January through June). For the purpose of visual brevity, response rates are rounded to the nearest whole number; totals will range from 99% to 102%.

The Fall 2017 State of Grantseeking™ Survey was open from August 15, 2017, through September 30, 2017, and received 4,047 responses. The survey was conducted online using Survey Monkey, and was not scientifically conducted. Survey respondents are a nonrandom sample of organizations that self-selected to take the survey based on their affiliation to GrantStation and GrantStation partners. Due to the variation in respondent organizations over time, using focused survey results, for example reports by mission focus or budget size, may provide a more beneficial resource for your specific organization.

This report was produced by GrantStation, and underwritten by Altum/PhilanTrack, Foundant-GrantHub, the Grant Professionals Association, GrantVantage, and TechSoup. In addition, it was promoted by many generous partner organizations via emails, e-newsletters, websites, and various social media outlets. Ellen C. Mowrer, Diana Holder, and Juliet Vile wrote, edited, and contributed to the report.

For media inquiries or permission to use the information contained in *The Fall 2017 State of Grantseeking™ Report* in oral or written format, presentations, texts, online, or other contexts, please contact Ellen Mowrer at ellen.mowrer@grantstation.com.

Statistical Definitions

- Descriptive statistics: The branch of statistics devoted to the exploration, summary, and presentation of data. The State of Grantseeking Reports use descriptive statistics to report survey findings. Because this survey was not scientifically conducted, inference—the process of deducing properties of the underlying population—is not used.
- Maximum: The highest value in a set of numbers.
- Mean: The sum of a set of numbers, divided by the number of entries in a set. The mean is sometimes called the average.
- Median: The middle value in a set of numbers.
- Minimum: The lowest value in a set of numbers.
- Mode: The most common or frequent number in a set.
- Frequency: How often a number is present in a set.
- Percentage: A rate per hundred. For a variable with n observations, of which the frequency of a certain characteristic is r, the percentage is 100*r/n.
- Population: A collection of units being studied.

ABOUT GRANTSTATION

Serving over 30,000 individual grantseekers and hundreds of partners that represent hundreds of thousands of grantseekers, GrantStation is a premiere suite of online resources for nonprofits, municipalities, tribal groups, and educational institutions. We write detailed and comprehensive profiles of grantmakers, both private and governmental, and organize them into searchable databases (U.S., Canadian, and International).

At GrantStation, we are dedicated to creating a civil society by assisting the nonprofit sector in its quest to build healthy and effective communities. We provide the tools for you to find new grant sources, build a strong grantseeking program, and write winning grant proposals.

- Do you struggle to identify new funding sources? We've done the research for you.
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ABOUT THE UNDERWRITERS

Altum

Altum is an award-winning software development and information technology company with expertise in health information technology (IT), grants management, and performance management solutions. Since 1997, Altum has provided innovative software products and services to both philanthropic and government organizations.

Altum offers industry-leading grants management solutions. Altum's products include proposalCENTRAL®, an online grantmaking website shared by many government, nonprofit, and private grantmaking organizations; PhilanTrack® for Grantmakers, an online grantmaking website that streamlines the grants process for grantmakers and their grantees; and PhilanTrack® for Grantseekers, an online solution that helps grantseeking organizations better manage the grants they're pursuing.

Our work has received distinction and awards including: the Deloitte Fast 50 award two years in a row, the Inc. 5000 list for five years including 2016, an Excellence.gov finalist, and recognition as a 2015 Computerworld Premier IT Leader.

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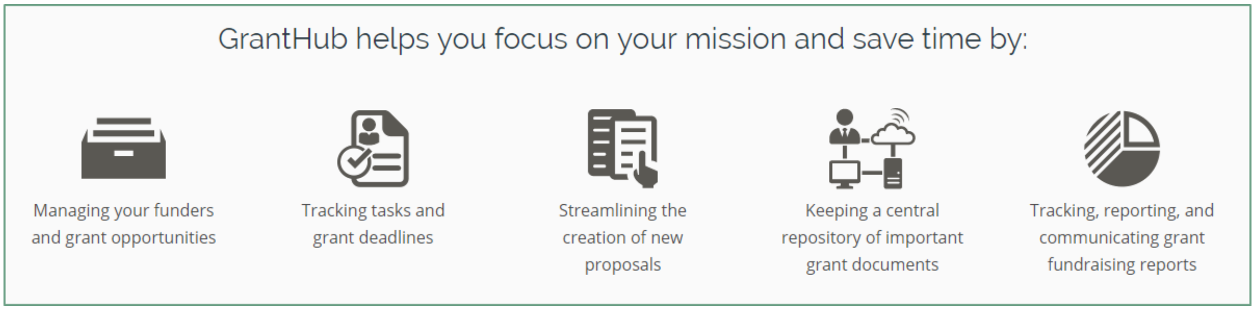
- managing grant opportunities and pipelines;
- tracking tasks / deadlines / awards;
- streamlining proposal creation and submission; and,
- providing convenient, centralized access to grant and funder information.



GrantHub—an online grant management solution for grantseekers—is powered by Foundant Technologies, creator of the powerful online grant management system for grantmakers, Grant Lifecycle Manager (GLM), and the complete software solution for community foundations, CommunitySuite.

Welcome Home Grant Professional!

Are you searching for a place where you can connect with other grant professionals in the industry or find helpful ways to grow professionally? The Grant Professionals Association (GPA) is that place! The Grant Professionals Association, a nonprofit membership association, builds and supports an international community of grant professionals committed to serving the greater public good by practicing the highest ethical and professional standards.

You will find over 2,600 other grant professionals just like you. You can connect with your peers via GrantZone (GPA's private online community) to share best practices, ask questions, and develop relationships.

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Grants Management
Built on Microsoft Cloud technology

Built by Grant Managers, For Grant Managers

GrantVantage gives project managers a complete, top-down view of all grants, contracts, sub-awards, objectives, performance measures, activities, and staff assignments. Our dynamic dashboards enable you to see all financial and performance summary data in one place.

We've Raised the Bar!

There's no need to employ high-cost developers! We've designed a commercial off-the-shelf Grant Management Solution that is totally configurable to your needs and integrated with Microsoft products. Save your time, money, and staff resources managing grants.

Implementation

Implementation of our grant management software is easy. As a cloud-based service, there's no software to install and no servers to manage. The GrantVantage system is easy for your organization to adopt. We provide training and data migration services to ensure you don't miss a step during the transition.

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Our world-class trainers have experience working with federal, state, and tribal governments, domestic and international intermediaries, foundations, colleges and universities, and community health and nonprofit organizations. Our team has provided training to organizations and on projects throughout the continental U.S., Alaska, Canada, the Pacific Basin, Latin America, Europe, and Russia

Integration

GrantVantage integrates with many existing and widely-used financial management systems, so you don't have to change how you're currently managing any of your back-office processes or systems. Our integration team will ensure a smooth flow of data in and out of your GrantVantage system.

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