GrantStation

Your Fast Track To Funding

The Spring 2017 State of Grantseeking Report

OUR UNDERWRITERS

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

Gpa Grant Professionals Association℠

GRANTHUB

Altum philanTRACK

NTEN Nonprofit Technology Network

OUR ADVOCATES

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

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Alliance for Strong Families and Communities

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Non-Profit Management & Training Consultants

CNP
United Way's Center for Nonprofits

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M | A | N | P
Maine Association of Nonprofits

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m·n·a·
Michigan Nonprofit Association

MEDA
MONTANA ECONOMIC DEVELOPERS ASSOCIATION

NAFC
The National Association of Free & Charitable Clinics

NCHN
Serving Health Networks since 1995

NATIONAL HUMAN SERVICES ASSEMBLY

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NYCON 1927 90th Anniversary 2017
New York Council of Nonprofits, Inc.
Community Focus • Statewide Impact • National Network

North Carolina Center for Nonprofits
Many missions | 100 counties | One voice

OANO
Ohio Association of Nonprofit Organizations

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Oklahoma Center for Nonprofits
Building Better Communities Through Effective Nonprofits

PANO

Social Enterprise Alliance

Southeast Texas Nonprofit Development Center
Connecting Nonprofits to Success

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Utah Nonprofits Association

West Virginia nonprofit Association

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INTRODUCTION

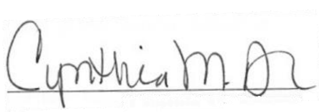
As a leader in the nonprofit sector part of your job is to know about the latest trends and to apply lessons learned by others to the strategic development of your organization. We are here to help you do just that.

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 Spring 2017 State of Grantseeking™ Report*, is the result of the 14th semiannual informal survey of organizations conducted by GrantStation to help illustrate the current state of grantseeking in the U.S.

Underwritten by the Grant Professionals Association, Altum/PhilanTrack, GrantHub, and NTEN, 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 2,904 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

According to *The Philanthropy Outlook 2017 & 2018* by Marts & Lundy, giving by foundations is predicted to increase by 5.9% in 2017 and by 6.0% in 2018. This increase is of vital importance given the uncertain future of government funding levels.

Be aware that grant funding is available. According to The Spring 2017 State of Grantseeking™ Report, 75% of those organizations that submitted just one grant application won an award. In addition, submitting a higher number of applications increases the likelihood of winning awards. Ninety-one percent of our respondents who submitted three to five grant applications received at least one award and 97% 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. The grantseeking challenge of organizational lack of time and staff (20%) relates to indirect and administrative cost control techniques; almost two-thirds of our respondents (65%) reported reducing staff in order to control overhead.

Private foundations continue to be a funding source for most respondents; 81% reported that they received awards 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 76% of organizations that reported the Federal government as the source of their largest award were over twenty-five years old. However, 55% of organizations that reported "other" grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) as the source of their largest award were under twenty-five 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 Spring 2017 Report, the budget entry point to participation in collaborative grantseeking was $25,000,000. Fifty-four percent of organizations with budgets of $25,000,000 or more participated in collaborative grantseeking in the last six months of 2016. In contrast, seventy-one percent of organizations with budgets under $25,000,000 did not participate in collaborative grantseeking in the last six months of 2016.

In comparison, in the Fall 2016 Report, the entry point was $1,000,000; 68% of organizations with budgets of $1,000,000 or more participated in collaborative grantseeking in the first six months of 2016 (compared to 36% in the Spring 2017 Report). Sixty percent of organizations with budgets under $1,000,000 did not participate in collaborative grantseeking in the first six months of 2016 (compared to 75% in the Spring 2017 Report).

Challenges mentioned by organizations that did participate in collaborative grantseeking were related to the time and ability to manage the collaboration. One respondent summarized it this way, "They're (collaborations) seen as a sign of organizational strength and capacity by funders, but ironically can be much more difficult to manage because of the lack of clear management order. In addition, needing to create a new initiative drains capacity, and organizations don't necessarily move at the same pace to be efficient in management".

With just 21% 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; 69% reported indirect/administrative costs as 20% or less of their total budgets.

Respondents were asked, "How did you reduce your indirect/administrative costs?" Nearly two-thirds (65%) reported that they reduced these costs by eliminating staff, while 29% reported increased reliance on volunteer labor. Reductions in the number of staff as a cost control technique increased by 5% from the Fall 2016 Report, and by 20% from the Spring 2016 Report.

While respondents reported that non-government funders will generally assist with indirect/administrative costs, these funders strictly limit the amount that they are willing to cover. Forty percent of respondents reported an allowance of ten percent or less for these costs, and 25% reported an allowance of 11 to 25% for these costs. Eight percent of respondents reported that non-government funders would not cover indirect/administrative costs, while 23% were unsure of the coverage level. Only 5% of respondents reported that over 25% of these costs were paid by non-government funders.

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. (Other reports by mission focus, budget size, service area, and U.S. region will be published in the near future.) 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. We suggest that you may want to decrease the projected total number of awards in

2017, but increase the value of those awards by 3% to 6% in order to be in line with current trends.

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

KEY FINDINGS

GRANTSEEKING ACTIVITY

- Eighty-five percent of respondents applied for grant funding during the last six months of 2016.
- Forty-three percent of respondents reported grant funding as comprising 26% or more of their annual budget.
- Compared to the same period in the prior year, 45% of respondents applied for more grants and 37% were awarded more grants. In addition, 34% reported the receipt of larger awards.
- Application rates varied by funder type; over a quarter of our respondents (26%) applied for private foundation funding in the last half of 2016.
- Applying for at least three grant awards increases the frequency of winning an award. No awards were won by 25% of organizations that submitted one or two applications. However, only 9% of organizations that submitted three to five applications won no awards, while just 3% or fewer of organizations that submitted six or more applications won no awards.
- Award frequency varied by funder type. Award rates ranged from 73% of Federal government applications to 85% of applications to local government or "other" grant sources.

FUNDING SOURCES

- Compared to the Fall 2016 Report, respondents reported an increase in the rate of the largest source of total funding from private foundations (3%), community foundations (13%), corporations (22%), and the Federal government (6%). There was a decrease in the rate of funding by state government (-14%), local government (-13%), and "other" sources (-17%).
- The median award total was $80,000, a $2,750 increase from the median award total in the Fall 2016 Report and a $9,800 increase from the Spring 2016 Report.
- Just over half of the respondents to the Spring 2017 Report (51%) reported total awards of $100,000 or more.
- Compared to the Fall 2016 Report, respondents reported an increase in the rate of the largest individual source of funding from community foundations (25%) and the Federal government (6%). There was no change in the funding rate of private foundations and corporations. However, there was a decrease in the rate of funding by state government (-20%), local government (-13%), and "other" sources (17%).

- The median largest award from an aggregate of all funder types was $50,000 for the fourth consecutive report. The average largest award was $524,920, the lowest since the Spring 2015 report.
- The median largest award from non-government funders was $30,000, which is the same amount as in the Fall 2016, Spring 2016, and Fall 2015 Reports.
- The largest award median for government funders (an aggregate of local, state, and Federal government) was $150,000, which showed a 14% decrease from the Fall 2016 Report.
- The most frequently reported type of support for the largest award was project or program support (41%), followed by general support (21%).

FEDERAL GOVERNMENT AWARDS

- Of all respondents to *The Spring 2017 State of Grantseeking™ Survey*, 44% stated that their organizations receive Federal funding on a regular basis and 31% reported receiving Federal funding within the last six months of 2016.
- The largest award median for the Federal government, $250,000, showed a 38% decrease from the Fall 2016 Report, and a 31% decrease from the Spring 2016 Report.
- Most organizations that received Federal funding in the last six months of 2016 reported that their largest Federal award came in the form of grants (65%) or contracts (20%).
- Almost half of the funds for the largest Federal award originated directly from the Federal government (49%); 37% originated as pass-through Federal funding via a state government.
- Forty-one percent of respondents reported that matching funds were required in their largest Federal award. Of those, 61% were allowed to use in-kind gifts toward the match total.
- Sixty-one percent of respondents reported that their largest Federal award included indirect or administrative cost funding.

INDIRECT/ADMINISTRATIVE COSTS

- Respondents generally kept their costs low; 69% reported indirect/administrative costs as 20% or less of their total budgets.
- Nearly two-thirds of respondents (65%) reported that they reduced indirect/administrative costs by eliminating staff, while 29% reported increased reliance on volunteer labor.
- Individual donations (34%) were the most frequent source of indirect/administrative funding, while foundation grants (12%) were the least frequent source.

- Only 8% of respondents reported that non-government funders would not cover any level of indirect/administrative costs, although 40% of respondents reported an allowance of 10% or less for these costs.

COLLABORATION

- Most respondents (68%) did not participate in collaborative grantseeking in the last six months of 2016.
- Thirty-one percent of those respondents that did submit a collaborative grant application reported winning an award.
- 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. Fifty-four percent of organizations with budgets of $25,000,000 or more participated in collaborative grantseeking in the last six months of 2016. In contrast, seventy-one percent of organizations with budgets under $25,000,000 did not participate in collaborative grantseeking in the last six months of 2016.

OTHER FINDINGS

- Lack of time and/or staff (20%) continued to be the greatest challenge to grantseeking among respondents. The challenges of competition for grant awards (16%) and funder practices and requirements (10%) continue to be among those most frequently mentioned.

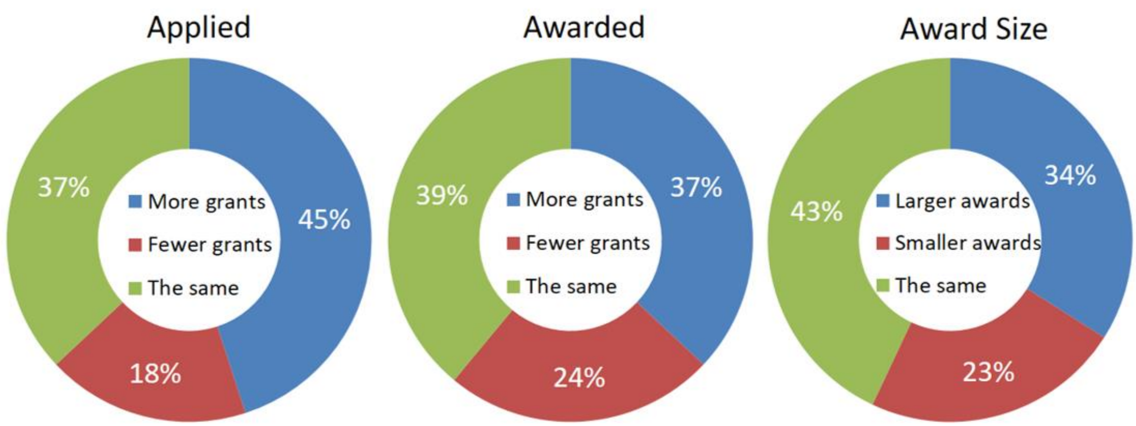
The Spring 2017 State of Grantseeking™ Report focuses on funding from non-government grant sources and government grants and contracts.

The information in this report, unless otherwise specified, reflects recent and trending grantseeking activity during the last six months of 2016 (July through December). In this report, for the purpose of visual brevity, response rates are rounded to the nearest whole number; totals will sum to 99% to 102%.

GRANTSEEKING ACTIVITY

RECENT ACTIVITY

In the last half of 2016, 82% of respondents applied for the same number of grants (37%) or more grants (45%) than they did from July through December of 2015. Of respondent organizations, 76% were awarded the same number of grants (39%) or more grants (37%) compared to the prior year. Moreover, 77% of respondents reported that their organizations received awards of the same size (43%) or larger (34%).

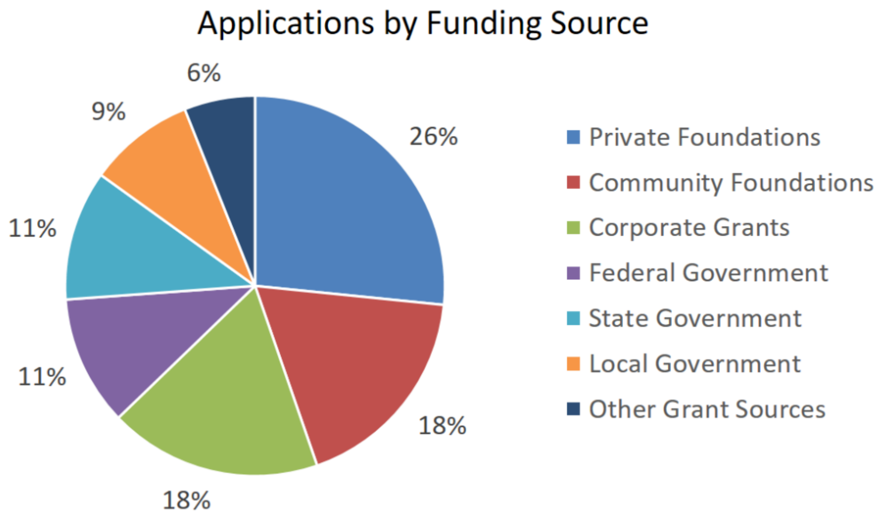


Respondents were optimistic about the future; 45% expected to be awarded more grants in the following six months, and 37% expected to receive the same number of awards.

APPLICATION RATES

Organizational application rates for grant awards showed a slight decrease. In the Spring 2017 Report, 85% of respondents applied for grant funding during the last six months of 2016. In the Spring 2016 Report, 88% of respondents submitted grant applications during the last six months of 2015.

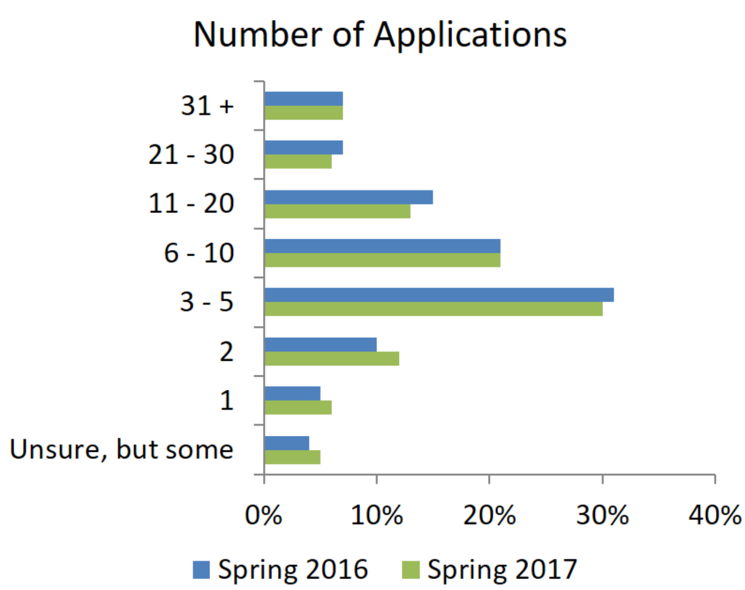
Application rates varied by funder type; over a quarter of respondents (26%) applied for private foundation funding in the last half of 2016.



NUMBER OF GRANT APPLICATIONS

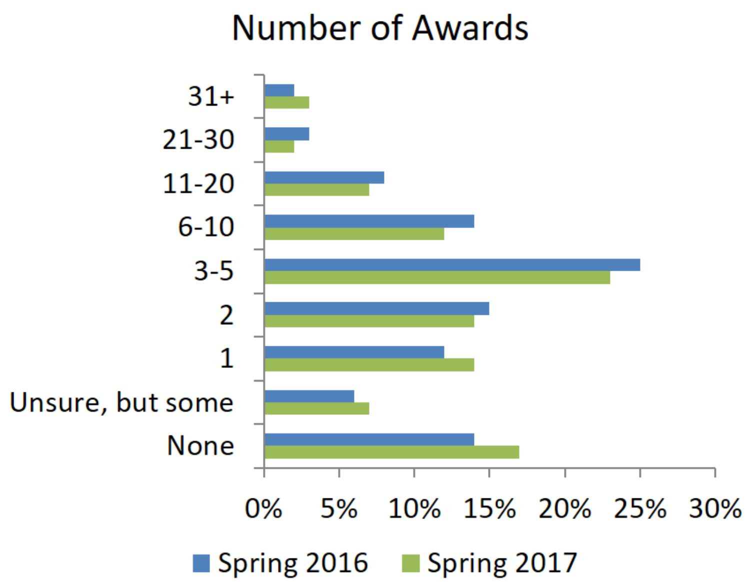
Most respondents to the Spring 2017 Report (85%) submitted a grant application during the last half of 2016. Of those, 51% submitted between three and ten grant applications. One or two grant applications were submitted by 18% of respondents. Twenty-six percent of respondents submitted 11 or more grant applications. Some applications, of indeterminate quantity, were submitted by 5% of respondents.

Most respondents (96%) submitted at least one online grant application during the last six months of 2016. Of those, 28% submitted all of their grant applications online.



NUMBER OF GRANT AWARDS

During the last half of 2016, 83% of respondents to the Spring 2017 Report received at least one grant award. Of these, twenty-eight percent of respondents received one or two grant awards and 35% received between three and ten grant awards. Eleven or more grant awards were received by 12% of respondents, while 7% reported receiving some awards, but were unsure of the exact number. In this report, 17% of respondents reported no awards, vs. 14% of respondents to the Spring 2016 Report.



GRANT APPLICATIONS VS. GRANT AWARDS

The relationship between applications submitted and awards won can be seen in the chart below. A larger number of applications was more likely to result in a larger number of awards. Some awards received in the last half of 2016 resulted from applications submitted at an earlier time.

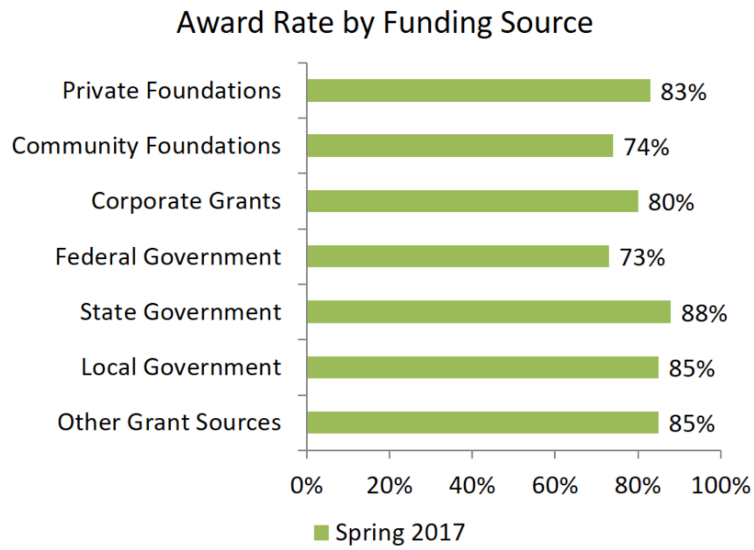
Number of Awards	Number of Applications						
	1	2	3 - 5	6 - 10	11 - 20	21 - 30	31 +
None	28	62	50	10	2	0	0
1	74	73	83	11	5	1	2
2	7	91	151	33	5	0	1
3-5	2	10	252	182	43	12	2
6-10	0	5	17	121	105	18	10
11-20	0	0	1	16	67	54	28
21-30	0	0	0	1	6	16	28
31+	0	0	1	0	1	3	51

- One Application: Seventy- five percent of respondents were awarded at least one grant.
- Two Applications: Seventy-three percent of respondents were awarded at least one grant.
- Three to Five Applications: Ninety-one percent of respondents were awarded at least one grant; 73% of respondents were awarded two to five grants.
- Six to Ten Applications: Ninety-seven percent of respondents were awarded at least one grant; 81% of respondents were awarded three to ten grants.
- 11 to 20 Applications: Ninety-nine percent of respondents were awarded at least one grant; 74% of respondents were awarded six to 20 grants.
- 21 to 30 Applications: One hundred percent of respondents were awarded at least one grant; 69% of respondents were awarded six to 20 grants.
- Over 30 Applications: One hundred percent of respondents were awarded at least one grant; 88% of respondents were awarded 11 or more grants.

Applying for at least three grant awards increases the frequency of winning an award. Twenty-five percent of organizations that submitted one or two applications won no awards. However, only 9% of organizations that submitted three to five applications won no awards, and 3% or fewer of organizations that submitted six or more applications won no awards.

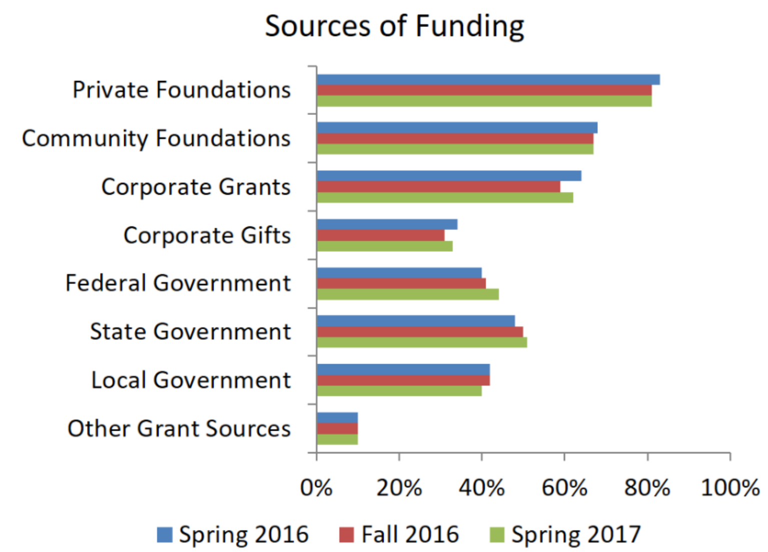
GRANT AWARDS BY FUNDING SOURCE

Award frequency varied by funding source. Those respondents that applied for a Federal government grant reported a 73% award rate, while those who applied for grants from state government reported an 88% award rate.



GRANT FUNDING SOURCES

Private foundations, community foundations, and corporations continued to be the most frequently cited sources of grant awards. In the Spring 2017 Report, the frequency of Federal and state government funding sources increased compared to the Spring 2016 and Fall 2016 Reports. The arrows in the source trends details compare the Spring 2017 Report to the Fall 2016 Report.



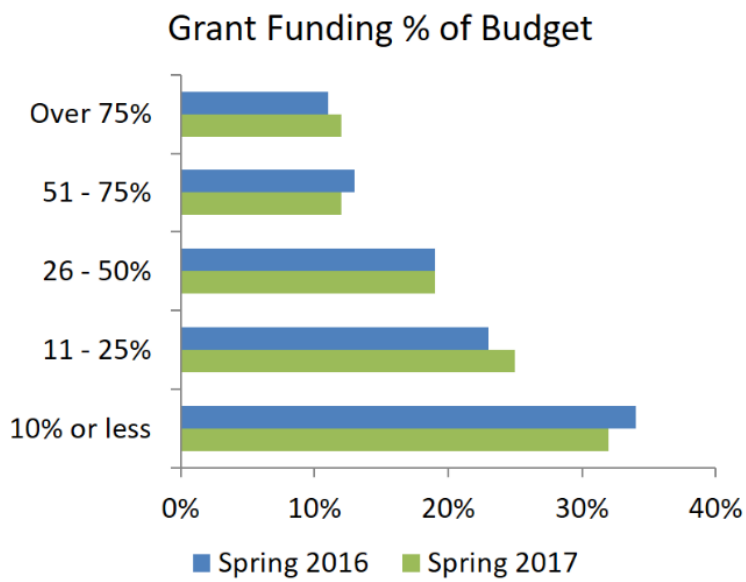
Grant Funding Source Trends:

- ➔ Private foundations were a funding source for 81% of respondents, the same rate as the Fall 2016 Report, and a 2% decrease from the Spring 2016 Report.
- ➔ Community foundations were a funding source for 67% of respondents, the same rate as the Fall 2016 Report, and a 1% decrease from the Spring 2016 Report.
- ↑ Corporate grants were a funding source for 62% of respondents, a 5% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- ↑ Corporate awards in the form of gifts of products or services were a funding source for 33% of respondents, a 6% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- ↑ Federal government grants were a funding source for 44% of respondents, a 7% increase from the Fall 2016 Report, and a 10% increase from the Spring 2016 Report.
- ↑ State government grants were a funding source for 51% of respondents, a 2% increase from the Fall 2016 Report, and a 6% increase from the Spring 2016 Report.

- ↓ Local government grants were a funding source for 40% of respondents, a 5% decrease from both the Fall 2016 and Spring 2016 Reports.
- ↑ Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) were a funding source for 10% of respondents, the same rate as both the Fall 2016 and Spring 2016 Reports.

GRANT FUNDING BUDGET CONTRIBUTION

Organizations reported little overall change in grant funding as a percentage of their budgets between the Spring 2016 and Spring 2017 Reports. Forty-three percent of respondents reported grant funding as 26% or more of their annual budget in both the Spring 2016 and Spring 2017 Reports.



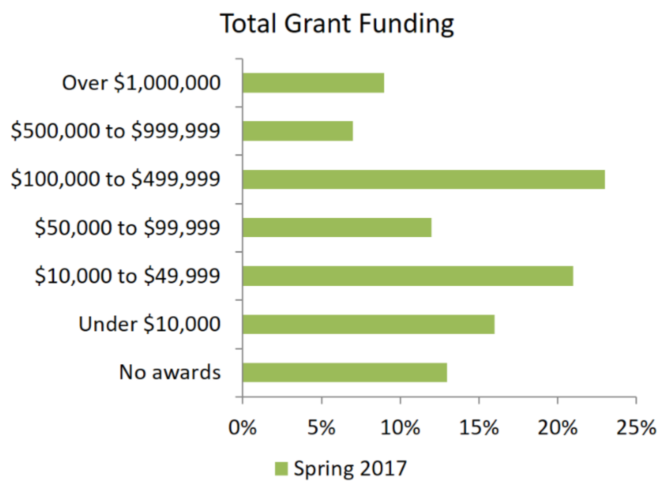
SUMMARY

While 43% of respondents reported grant funding as 26% or more of their annual budget in both the Spring 2016 and Spring 2017 Reports, there was a 3% decrease in the number of organizations that reported applying for any awards. Even so, of those organizations that did submit grant applications, 82% applied for either the same number of awards or more awards than in the prior year. Organizations reported either no change or an increase among sources of funding, except for a 5% decrease in the rate of local government funding. Applying for at least three grant awards increases the frequency of winning an award; only 9% of organizations that submitted three to five applications won no awards, and 3% or fewer of organizations that submitted six or more applications won no awards.

TOTAL FUNDING AND LARGEST AWARDS

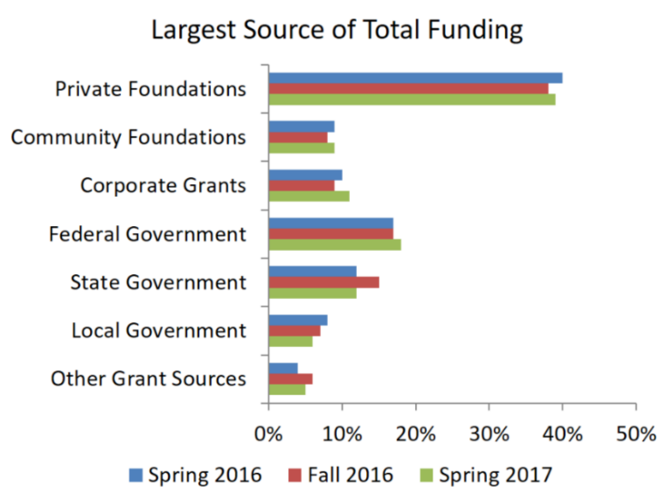
TOTAL GRANT FUNDING

Thirteen percent of respondents reported receiving no awards in the last half of 2016. Just over half of the respondents to the Spring 2017 Report (51%) reported total awards of more than $100,000. The median award total was $80,000, a $2,750 increase from the median award total in the Fall 2016 Report and a $9,800 increase from the Spring 2016 Report.



LARGEST SOURCE OF TOTAL FUNDING TRENDS

Private foundations, the Federal government, and state government were most frequently reported as the largest source of total grant funding. Private foundations (39%) were reported as the largest source of total funding at a rate over twice that of the next most frequently reported total funding source, the Federal government (18%).

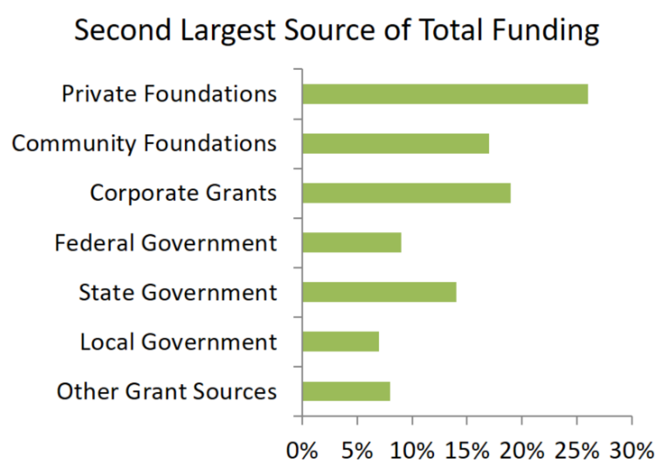


Largest Source of Total Funding trends:

- Private foundations were the largest total funding source for 39% of respondents, a 3% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- Community foundations were the largest total funding source for 9% of respondents, a 13% increase from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Corporate grants were the largest total funding source for 11% of respondents, a 22% increase from the Fall 2016 Report, and a 10% increase from the Spring 2016 Report.
- Federal government grants were the largest total funding source for 18% of respondents, a 6% increase from both the Fall 2016 and Spring 2016 Reports.
- State government grants were the largest total funding source for 12% of respondents, a 14% decrease from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Local government grants were the largest total funding source for 6% of respondents, a 13% decrease from the Fall 2016 Report, and a 25% decrease from the Spring 2016 Report.
- Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, tribal funds, and individual donors) were the largest total funding source for 5% of respondents, a 17% decrease from the Fall 2016 Report, and a 25% increase from the Spring 2016 Report.

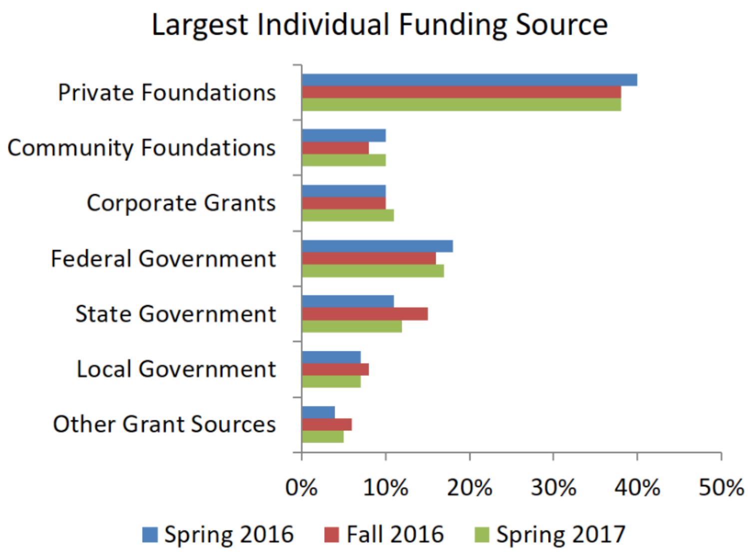
SECOND LARGEST SOURCE OF TOTAL FUNDING

The second largest source of total funding was reported as private foundations by 26% of respondent organizations, followed by corporate grants (19%), community foundations (17%), and state government (14%). The Federal government (9%) and local government (7%) were also reported as the second largest total funding source. Other grant sources were the second largest source of total funding for 8% of respondents.



LARGEST INDIVIDUAL AWARD SOURCE

Private foundations were the most frequently reported source of the largest individual grant award, followed by the Federal government and state government. The rate of respondents reporting private foundations as the source of their largest award (38%) remained the same when compared to the Fall 2016 Report, after showing a decrease for the first time in over thirty months in the Spring 2016 Report.



LARGEST INDIVIDUAL FUNDING SOURCE TRENDS:

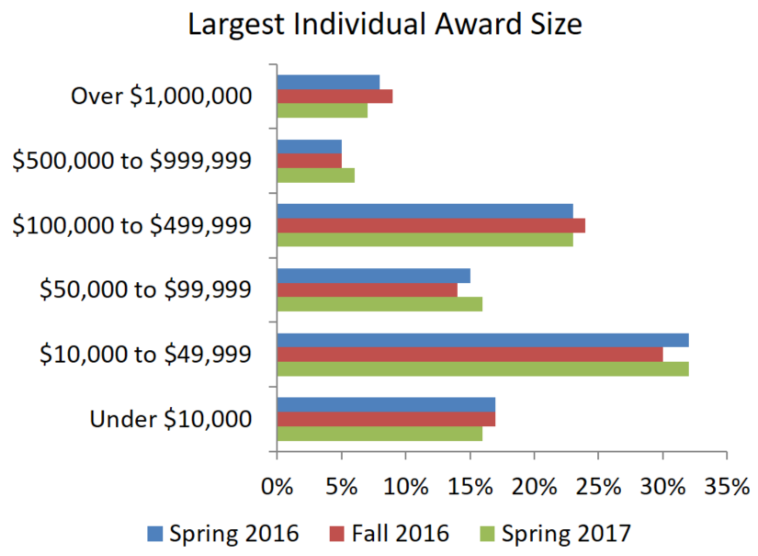
- Private foundations were the source of the largest award for 38% of respondents, the same rate as the Fall 2016 Report, and a 5% decrease from the Spring 2016 Report.
- Community foundations were the source of the largest award for 10% of respondents, a 25% increase from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Corporate grants were the source of the largest award for 11% of respondents, a 10% increase from both the Fall 2016 and Spring 2016 Reports.
- Federal government grants were the source of the largest award for 17% of respondents, a 6% increase from the Fall 2016 Report, and a 6% decrease from the Spring 2016 Report.
- State government grants were the source of the largest award for 12% of respondents, a 20% decrease from the Fall 2016 Report, and a 9% increase from the Spring 2016 Report.
- Local government grants were the source of the largest award for 7% of respondents, a 13% decrease from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, tribal funds, and individual donors) were the largest award

source for 5% of respondents, a 17% decrease from the Fall 2016 Report, and a 25% increase from the Spring 2016 Report.

LARGEST AWARD SIZE

The median largest award was $50,000 for the fourth consecutive report. The average largest award was $524,920, the lowest since the Spring 2015 report.

Median Largest Award Size	Spring 2017	Fall 2016	Spring 2016	Fall 2015	Spring 2015
Lowest $	$100	$100	$40	$12	$60
Highest $	$186 Million	$225 Million	$290 Million	$250 Million	$20 Million
Median $	$50,000	$50,000	$50,000	$50,000	$43,800
Average $	$524,920	$686,952	$968,962	$656,412	$308,103
Median Largest Award Size	**Fall 2014**	**Spring 2014**	**Fall 2013**	**Spring 2013**	**Fall 2012**
Lowest $	$10	$35	$400	$40	$150
Highest $	$40 Million	$80 Million	$50 Million	$18 Million	$24 Million
Median $	$45,000	$47,000	$46,000	$50,000	$50,000
Average $	$389,797	$586,866	$531,322	$409,176	$441,152



LARGEST INDIVIDUAL AWARD SIZE TRENDS:

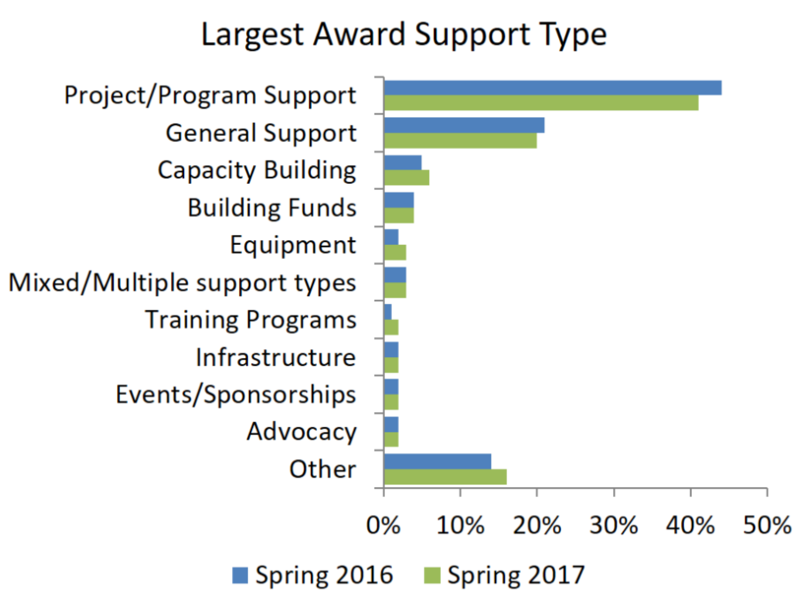
- Largest awards over $1,000,000 were reported by 7% of respondents, a 22% decrease from the Fall 2016 Report, and a 13% decrease from the Spring 2016 Report.

- Largest awards between $500,000 and $999,999 were reported by 6% of respondents, a 20% increase from both the Fall 2016 and Spring 2016 Reports.
- Largest awards between $100,000 and $499,999 were reported by 23% of respondents, a 4% decrease from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Largest awards between $50,000 and $99,999 were reported by 16% of respondents, a 14% increase from the Fall 2016 Report, and a 7% increase from the Spring 2016 Report.
- Largest awards between $10,000 and $49,999 were reported by 32% of respondents, a 7% increase from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Largest awards under $10,000 were reported by 16% of respondents, a 6% decrease from both the Fall 2016 and Spring 2016 Reports.

LARGEST AWARD SUPPORT TYPE

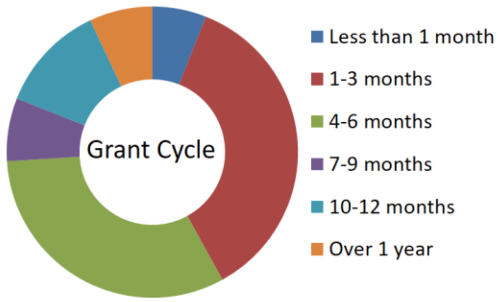
The largest award received by 41% of respondents was in the form of project or program support, a 7% decrease from the Spring 2016 Report.

This was followed by general support at 21%. Capacity building was the largest award support type for 6% of respondents, while building funds were reported by 4% of respondents. Equipment and mixed/multiple support types were each reported by 3% of respondents, while training programs, infrastructure, events/sponsorships, and advocacy were each reported by 2% of respondents as the type of support for the largest award. The "other" category was comprised of any support type reported at a rate of less than 2% of respondents.

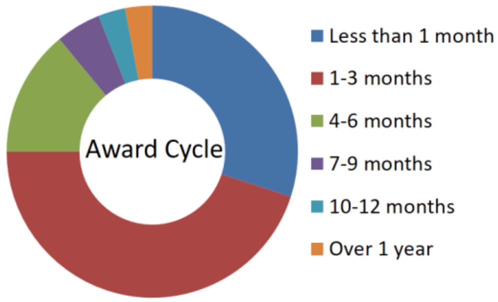


LARGEST AWARD LOGISTICS

The grant cycle length—from proposal submission to award decision—for the largest grant award was between one and six months for 68% of respondents. A longer grant cycle of seven months or more was reported by 26% of respondents, while 6% reported a short grant cycle of less than a month.



Once an award decision had been determined, funders released the award monies quickly; 75% of respondents reported receiving the award within three months of notification. Delayed receipt of award monies, taking four months or more, was reported by 25% of respondents.



SUMMARY

Just under half of the respondents to the Fall 2016 Report (49%) reported total awards of less than $100,000. The median award total was $80,000, a $2,750 increase from the median award total in the Fall 2016 Report and a $9,800 increase from the Spring 2016 Report.

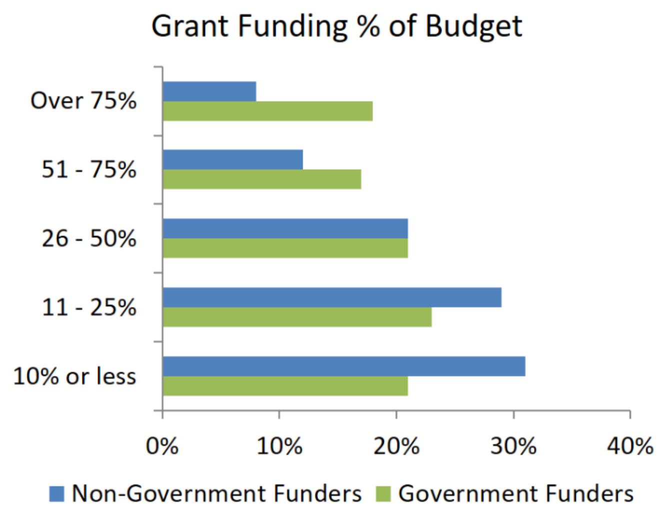
The median largest individual award was $50,000 for the fourth consecutive report. The average largest individual award was $524,920, the lowest since the Spring 2015 report.

Private foundations continue to be the most frequently reported largest source of total funding (39%), second largest source of total funding (26%), and the source of the largest individual grant award (38%).

GOVERNMENT FUNDING

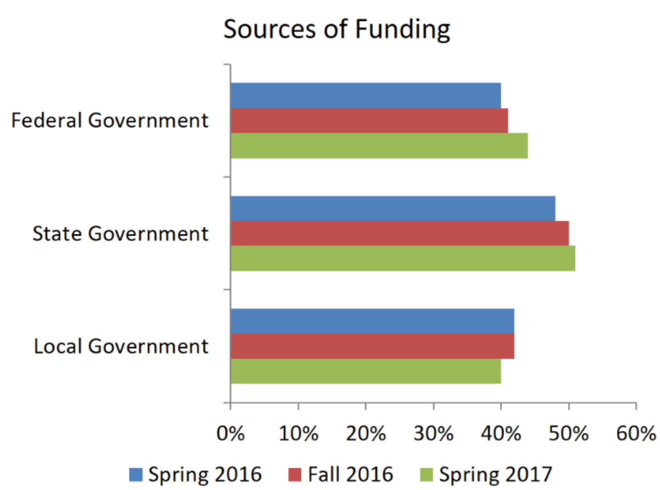
GOVERNMENT GRANT FUNDING BUDGET CONTRIBUTION

Organizations that reported government funders as the source of the largest award relied on grants to fund a larger portion of their annual budgets. Of organizations with the largest award funded by government sources, 35% reported that grants comprised over one half of their annual budgets, compared to 20% of organizations with the largest award funded by non-government sources.



GOVERNMENT FUNDING SOURCES

Funding by state and Federal government increased in the past year. Local government funding rates decreased compared to both 2016 Reports.

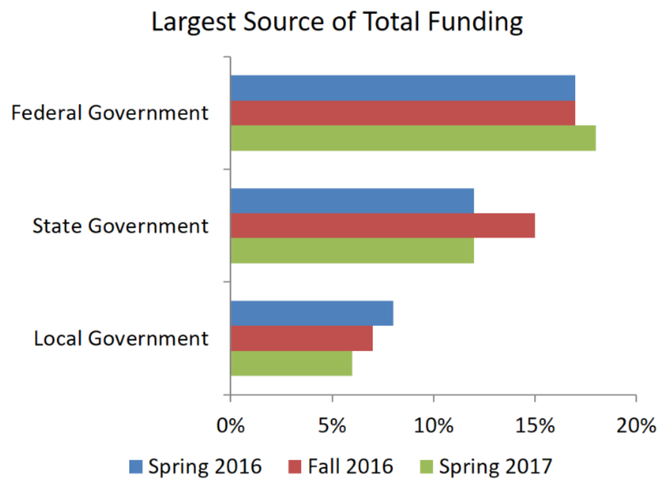


Government Funding Source Trends:

- ↑ Federal government grants were a funding source for 44% of respondents, a 7% increase from the Fall 2016 Report, and a 10% increase from the Spring 2016 Report.
- ↑ State government grants were a funding source for 51% of respondents, a 2% increase from the Fall 2016 Report, and a 6% increase from the Spring 2016 Report.
- ↓ Local government grants were a funding source for 40% of respondents, a 5% decrease from both the Fall 2016 and Spring 2016 Reports.

GOVERNMENT LARGEST SOURCE OF TOTAL FUNDING

The Federal government (18%) was most frequently reported as the largest source of total funding.

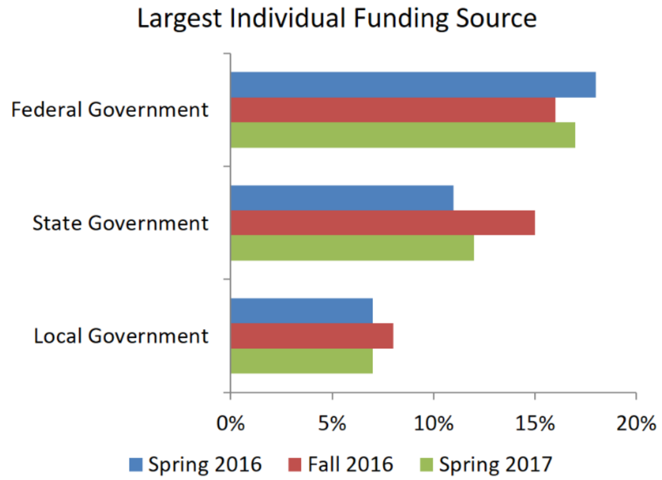


Government Largest Source Of Total Funding Trends:

- ↑ Federal government grants were the largest total funding source for 18% of respondents, a 6% increase from both the Fall 2016 and Spring 2016 Reports.
- ↓ State government grants were the largest total funding source for 12% of respondents, a 20% decrease from the Fall 2016 Report, and a the same rate as the Spring 2016 Report.
- ↓ Local government grants were the largest total funding source for 6% of respondents, a 14% decrease from the Fall 2016 Report, and a 25% decrease from the Spring 2016 Report.

GOVERNMENT LARGEST INDIVIDUAL AWARD SOURCE

The Federal government (17%) was the most frequently reported government source of the largest award.



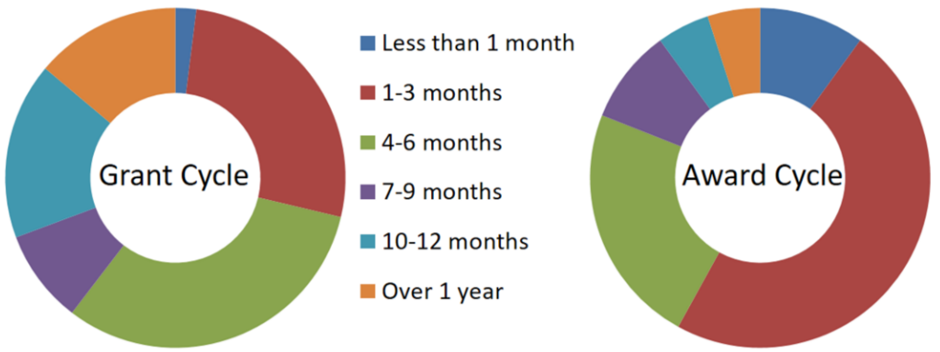
GOVERNMENT LARGEST INDIVIDUAL AWARD SOURCE TRENDS:

- Federal government grants were the source of the largest award for 17% of respondents, a 6% increase from the Fall 2016 Report, and a 6% decrease from the Spring 2016 Report.
- State government grants were the source of the largest award for 12% of respondents, a 20% decrease from the Fall 2016 Report, and a 9% increase from the Spring 2016 Report.
- Local government grants were the source of the largest award for 7% of respondents, a 13% decrease from the Fall 2016 Report, and the same rate as the Spring 2016 Report.

GOVERNMENT LARGEST AWARD LOGISTICS

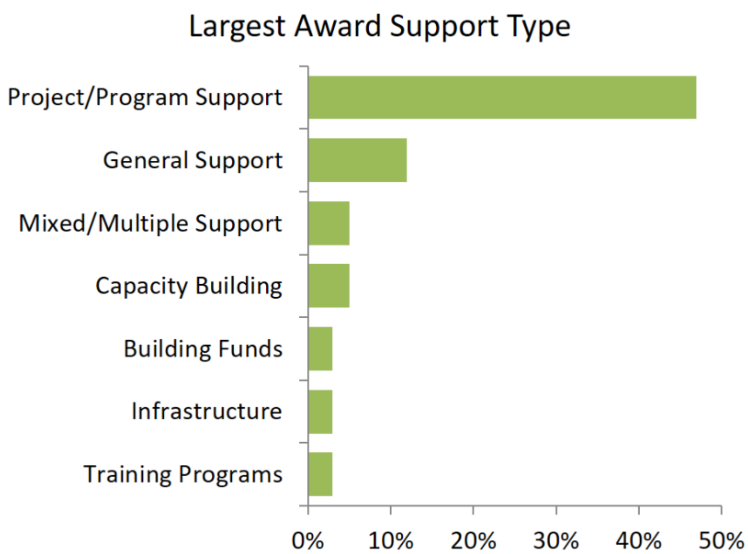
The government grant cycle length—from proposal submission to award decision—for the largest award was between one and six months for 59% of respondents. A longer grant cycle of seven months or more was reported by 39% of respondents, while 2% reported a short grant cycle of less than a month.

Once an award decision had been determined, the government often released the award monies within three months of notification (58%). Delayed receipt of award monies, taking four months or more, was reported by 42% of respondents.



GOVERNMENT LARGEST AWARD SUPPORT TYPE

The largest government award received by 47% of respondents was in the form of project or program support, which was followed by general support at 12%. The type of support for the largest government award was also reported as mixed/multiple support types (5%), capacity building (5%), infrastructure (3%), building funds (3%), and training programs (3%). All other support types were reported at a rate of 2% or less.

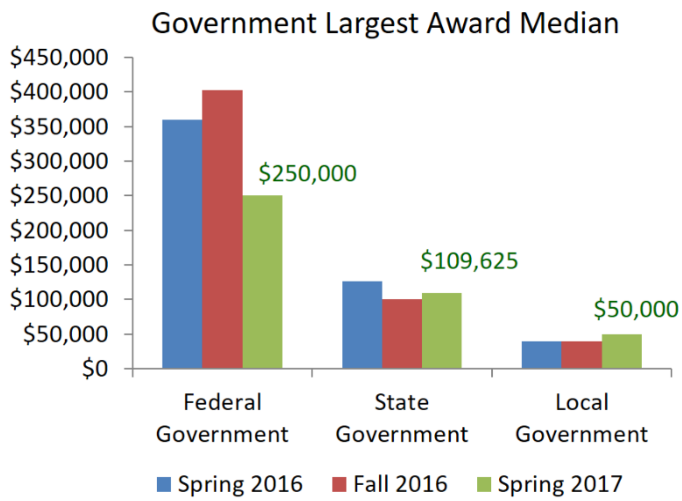


GOVERNMENT LARGEST AWARD SIZE

The largest individual award medians from government entities were higher than those from non-government funders.

The largest individual award median was $250,000 for the Federal government, $109,625 for state government, and $50,000 for local government. In comparison, the largest award median from non-government funders (private foundations, community foundations, corporate foundations, and "other" sources, in aggregate) was $30,000.

Median Largest Award Size	Federal Government	State Government	Local Government	Non Government
Lowest $	$100	$1,100	$1,000	$100
Highest $	$186 Million	$3.2 Million	$4 Million	$36 Million
Median $	$250,000	$109,625	$50,000	$30,000
Average $	$2,377,875	$354,525	$152,850	$177,025



Government Largest Individual Award Median Trends:

- The largest award median for the Federal government, $250,000, showed a 38% decrease from the Fall 2016 Report, and a 31% decrease from the Spring 2016 Report.
- The largest award median for state government, $109,625, showed an 8% increase from the Fall 2016 Report, and a 13% decrease from the Spring 2016 Report.
- The largest award median for local government, $50,000, showed a 25% increase from both the Fall 2016 and Spring 2016 Reports.

FEDERAL GOVERNMENT FUNDING

Forty-four percent of respondents reported that their organizations regularly receive Federal funding, and 31% stated that their organizations received Federal funding within the last six months of 2016.

FEDERAL GOVERNMENT AWARD FORM

Those organizations that received Federal funding from July through December of 2016 reported that their largest Federal award came in the form of grants (65%), contracts (20%), or another form, including cooperative agreements (7%). Seven percent were unsure of the form of funding.

FEDERAL GOVERNMENT AWARD ORIGIN

Forty-nine percent of the funds for the largest Federal award originated directly from the Federal government, while 37% originated as pass-through Federal funding via a state government. Nine percent originated in another form, primarily pass-through funding from a non-Federal level of government, the National Endowment for the Arts, an educational institution, or a nonprofit organization. Five percent of respondents were unsure of where their Federal funding originated.

FEDERAL GOVERNMENT MATCHING FUNDS

Just over half (51%) of respondents that received Federal funding reported that their largest Federal award did not require matching funds, whereas 41% reported that their largest Federal award required matching funds. Eight percent of respondents that received Federal funding were unsure if matching funds were included.

Of those awards that included matching funds, 61% were allowed to use in-kind gifts toward the match total, including volunteer hours, facilities usage, operational cost donations, and donations of goods and services. Respondents most frequently reported a match of 11% to 25% (33%) or 26% to 50% (25%).

FEDERAL GOVERNMENT INDIRECT/ADMINISTRATIVE COST FUNDING

The largest Federal award included indirect/administrative cost funding for 61% of respondents, while 28% reported that cost funding was not included, and 11% were unsure if this type of funding was included.

Of those respondents that did receive indirect/administrative cost funding, 44% reported that their largest Federal award included an allocation of 10% or less for indirect/administrative costs, and 20% reported that the award included 11 to 20% funding for these costs. Thirteen percent of respondents reported that their largest Federal award included funding of 21% or more for indirect/administrative costs, while 23% were unsure of the level of funding allocated to these costs.

FEDERAL GOVERNMENT REPORTING

Of organizations that received Federal awards, 63% were required to report on outcomes or cost per unit for the largest award, while this type of reporting was not required for 23%. Fourteen percent were unsure of reporting requirements.

Of those respondents that received Federal awards requiring outcome or cost per unit reporting, the reporting was more detailed or time-consuming than in the past for 26%, whereas it was less detailed or time-consuming for 2%. There was no change in the reporting difficulty for 45% of respondents, and 27% of respondents were unsure as to the level of reporting difficulty.

RESPONDENTS BY GOVERNMENT LARGEST AWARD SOURCE

As illustrated by *The Spring 2017 State of Grantseeking™ Survey* results, an organization's demographics can be defined by the source of the largest award. The following are typical organizations that received their largest award from each funder type.

ORGANIZATIONS FOR WHICH THE FEDERAL GOVERNMENT WAS THE LARGEST AWARD SOURCE:

Forty-seven percent of respondents from organizations for which the Federal government was the largest award source (FGLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 66% of FGLAS organizations. FGLAS organizations most frequently reported employing 26 to 75 people (17%) or over 200 people (28%). Seventy-seven percent of FGLAS organizations reported annual budgets of $1,000,000 and over; of those, 25% reported annual budgets of $25,000,000 and over. The median annual budget was $3,200,000. FGLAS organizations were older than other organizations; 42% were 26 to 50 years old and 34% were over 50 years old. Fifty percent of FGLAS organizations were located in a mix of service area types (rural, suburban, and urban). The most frequent geographic service reach for FGLAS organizations was one county (17%) or multi-county (32%). Human Services (28%) and Education (19%) were the most frequently reported mission focuses. Over half of these organizations (53%) reported a service population comprised of over 50% individuals/families at or below the poverty level.

ORGANIZATIONS FOR WHICH STATE GOVERNMENT WAS THE LARGEST AWARD SOURCE:

Fifty-four percent of respondents from organizations for which state government was the largest award source (SGLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 78% of SGLAS organizations. SGLAS organizations most frequently reported employing one to five people (21%) or over 200 people (19%). Fifty-six percent of SGLAS organizations reported annual budgets of $1,000,000 and over; of those, 22% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $1,650,000. Most SGLAS organizations were 11 to 25 years old (20%) or 26 to 50 years old (42%). Fifty percent of SGLAS organizations were located in a mix of service area types (rural, suburban, and urban). The most frequent geographic service reach for SGLAS organizations was one county (16%) or multi-county (34%). Human Services (25%), Arts, Culture, and Humanities (15%), and Education (15%) were the most frequently reported mission focuses. Just under half of these organizations (48%) reported a service population comprised of over 50% individuals/families at or below the poverty level.

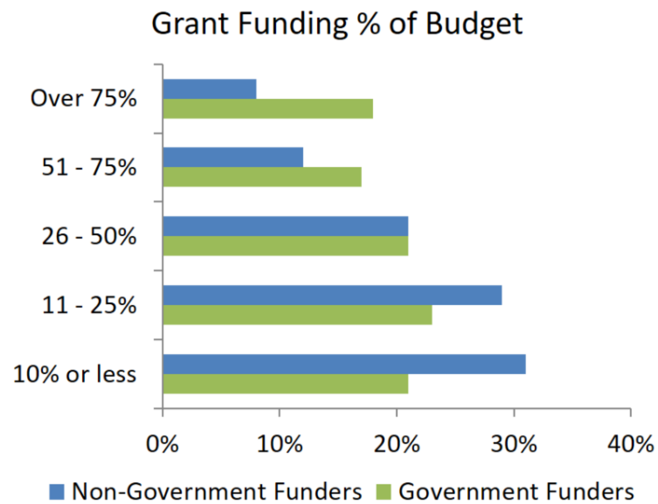
ORGANIZATIONS FOR WHICH LOCAL GOVERNMENT WAS THE LARGEST AWARD SOURCE:

Sixty-one percent of respondents from organizations for which local government was the largest award source (LGLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 98% of LGLAS organizations. LGLAS organizations most frequently reported employing one to five people (37%) or six to 25 people (30%). Twenty-two percent of LGLAS organizations reported annual budgets between $500,000 and $999,999; 25% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $911,000. Most LGLAS organizations were 11 to 25 years old (25%) or 26 to 50 years old (50%). Forty-two percent were located in urban areas; the most frequent geographic service reach for LGLAS organizations was one county (23%) or multi-county (33%). Arts, Culture, and Humanities (22%) and Human Services (33%) were the most frequently reported mission focuses. Fifty-four percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

NON-GOVERNMENT FUNDING

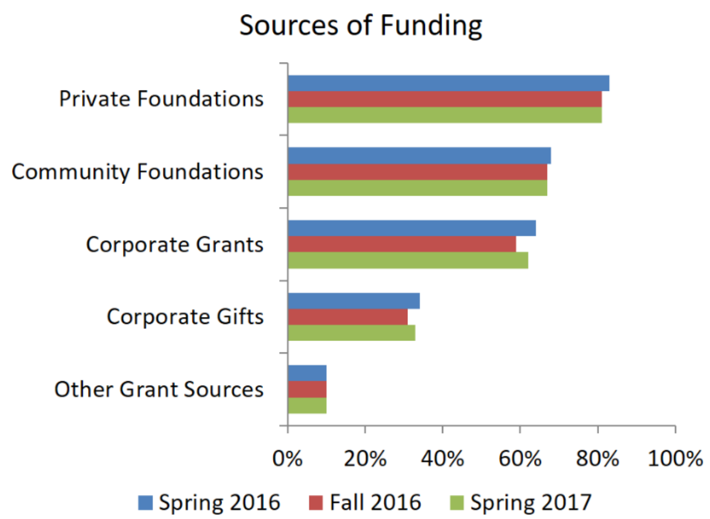
NON-GOVERNMENT GRANT FUNDING BUDGET CONTRIBUTION

Organizations that reported non-government funders as the source of the largest award relied on grants to fund a smaller portion of their annual budget. Of these organizations, 80% reported that grants comprised less than one half of their annual budgets, compared to 65% of organizations with the largest award funded by government sources.



NON-GOVERNMENT FUNDING SOURCES

Private foundations, community foundations, and corporations continued to be the most frequently cited sources of grant awards.

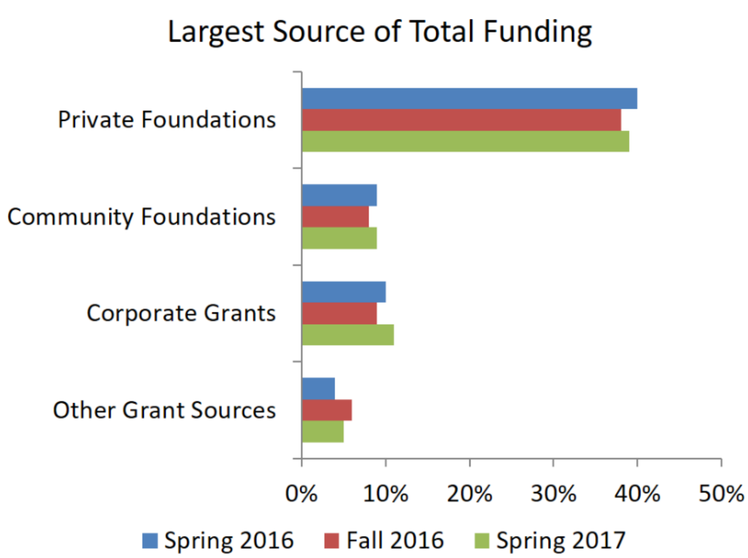


Non-government Funding Source Trends:

- ➔ Private foundations were a funding source for 81% of respondents, the same rate as the Fall 2016 Report, and a 2% decrease from the Spring 2016 Report.
- ➔ Community foundations were a funding source for 67% of respondents, the same rate as the Fall 2016 Report, and a 1% decrease from the Spring 2016 Report.
- ↑ Corporate grants were a funding source for 62% of respondents, a 5% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- ↑ Corporate awards in the form of gifts of products or services were a funding source for 33% of respondents, a 6% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- ↑ Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) were a funding source for 10% of respondents, the same rate as both the Fall 2016 and Spring 2016 Reports.

NON-GOVERNMENT LARGEST SOURCE OF TOTAL FUNDING

Private foundations (39%) were most frequently reported as the largest source of total funding.



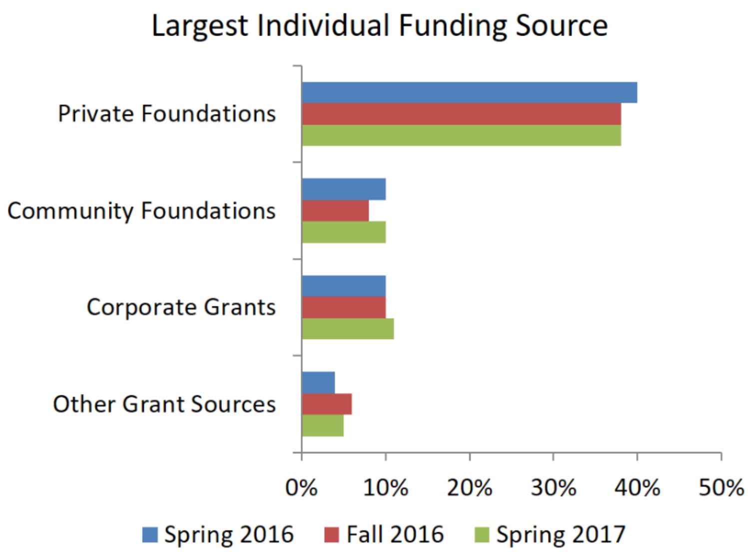
Non-Government Largest Source of Total Funding trends:

- ↑ Private foundations were the largest total funding source for 39% of respondents, a 3% increase from the Fall 2016 Report, and a 3% decrease from the Spring 2016 Report.
- ↑ Community foundations were the largest total funding source for 9% of respondents, a 13% increase from the Fall 2016 Report, and the same rate as the Spring 2016 Report.

- Corporate grants were the largest total funding source for 11% of respondents, a 22% increase from the Fall 2016 Report, and a 10% increase from the Spring 2016 Report.
- Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, tribal funds, and individual donors) were the largest total funding source for 5% of respondents, a 17% decrease from the Fall 2016 Report, and a 25% increase from the Spring 2016 Report.

NON-GOVERNMENT LARGEST INDIVIDUAL AWARD SOURCE

Private foundations (38%) were most frequently reported as the non-government source of the largest individual award.



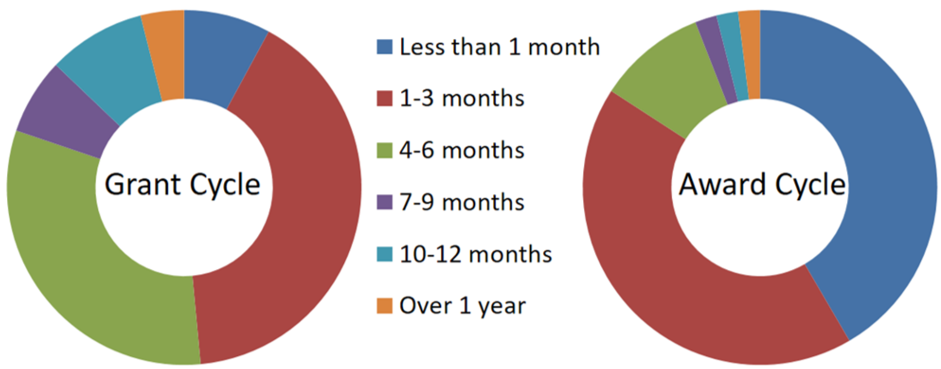
LARGEST INDIVIDUAL FUNDING SOURCE TRENDS:

- Private foundations were the source of the largest award for 38% of respondents, the same rate as the Fall 2016 Report, and a 5% decrease from the Spring 2016 Report.
- Community foundations were the source of the largest award for 10% of respondents, a 25% increase from the Fall 2016 Report, and the same rate as the Spring 2016 Report.
- Corporate grants were the source of the largest award for 11% of respondents, a 10% increase from both the Fall 2016 and Spring 2016 Reports.
- Other grant sources (including religious organizations, the United Way, donor-advised funds, civic organizations, tribal funds, and individual donors) were the largest award source for 5% of respondents, a 17% decrease from the Fall 2016 Report, and a 25% increase from the Spring 2016 Report.

NON-GOVERNMENT LARGEST AWARD LOGISTICS

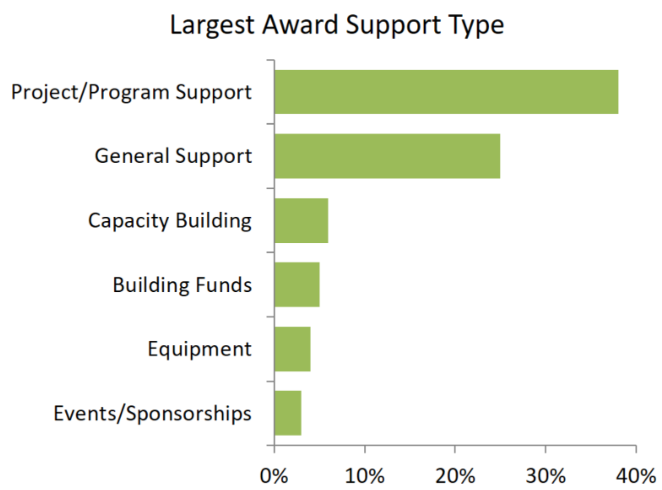
The non-government grant cycle length—from proposal submission to award decision—for the largest award was between one and six months for 73% of respondents. A longer grant cycle of seven months or more was reported by 19% of respondents, while 8% reported a short grant cycle of less than a month.

Once an award decision had been determined, most non-government funders released the award monies within three months of notification (86%). Delayed receipt of award monies, taking four months or more, was reported by 14% of respondents.



NON-GOVERNMENT LARGEST AWARD SUPPORT TYPE

The largest non-government award received by 38% of respondents was in the form of project or program support, which was followed by general support at 25%. Respondents also reported the largest non-government award type as capacity building (6%), building funds (5%), equipment (4%), and events/sponsorships (3%). All other support types were reported at a rate of 2% or less.

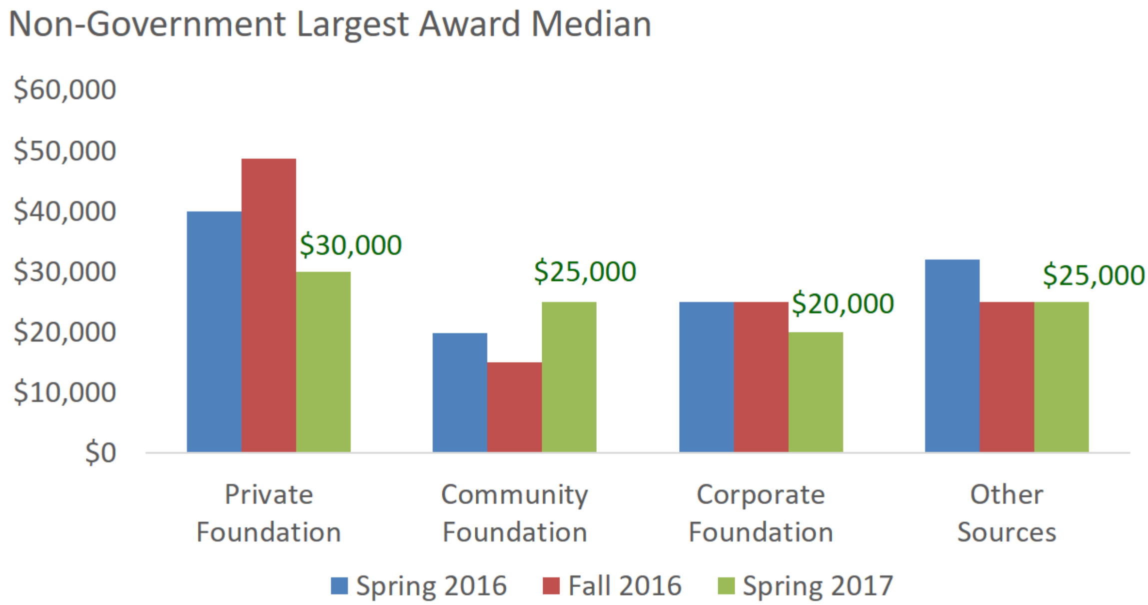


NON-GOVERNMENT LARGEST INDIVIDUAL AWARD SIZE

The largest individual award median from non-government entities was lower than that from government funders.

The largest award median from private foundations was $30,000. From community foundations, the median award was $25,000. The median award from corporate foundations was $20,000, while the median award from "other" sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) was $25,000. In comparison, the largest individual award median from government funders (an aggregate of Federal, state, and local government) was $150,000.

Median Largest Award Size	Private Foundations	Community Foundations	Corporate Foundations	Other Sources	Government Funders
Lowest $	$125	$100	$500	$500	$100
Highest $	$3 Million	$1 Million	$2.5 Million	$ 15 Million	$186 Million
Median $	$30,000	$25,000	$20,000	$25,000	$150,000
Average $	$177,020	$64,500	$102,450	$385,750	$1,223,300



NON-GOVERNMENT LARGEST INDIVIDUAL AWARD MEDIAN TRENDS:

- ↓ The largest award median for private foundations, $30,000, showed a 38% decrease from the Fall 2016 Report, and a 25% decrease from the Spring 2016 Report.
- ↑ The largest award median for community foundations, $25,000, showed a 67% increase from the Fall 2016 Report, and a 26% increase from the Spring 2016 Report.

- The largest award median for corporate foundations, $20,000, showed a 20% decrease from both the Fall 2016 and Spring 2016 Reports.
- The largest award median for “other” award sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds), $25,000, was the same as the Fall 2016 Report, and showed a 22% decrease from the Spring 2016 Report.

RESPONDENTS BY LARGEST AWARD SOURCE

As illustrated by *The Spring 2017 State of Grantseeking™ Survey* results, an organization’s demographics can be defined by the source of the largest award. The following are typical organizations that received their largest award from each funder type.

ORGANIZATIONS FOR WHICH PRIVATE FOUNDATIONS WERE THE LARGEST AWARD SOURCE:

Fifty-eight percent of respondents from organizations for which private foundations were the largest award source (PFLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 91% of PFLAS organizations. PFLAS organizations most frequently reported employing one to five people (29%) or 11 to 25 people (17%). Twenty-eight percent of PFLAS organizations reported annual budgets between $250,000 and $999,999; 30% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $1,200,000. Most PFLAS organizations were 11 to 50 years old (58%), and 44% were located in a mix of service area types (rural, suburban, and urban), while 31% were located in urban areas. The most frequent geographic service reach for PFLAS organizations was multi-county (26%) or one county (13%). Human Services (24%), Education (13%), and Arts, Culture, and Humanities (13%) were the most frequently reported mission focuses. Half of these organizations (50%) reported a service population comprised of over 50% individuals/families at or below the poverty level.

ORGANIZATIONS FOR WHICH COMMUNITY FOUNDATIONS WERE THE LARGEST AWARD SOURCE:

Sixty-one percent of respondents from organizations for which community foundations were the largest award source (CFLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 91% of CFLAS organizations. CFLAS organizations most frequently reported employing one to five people (35%) or six to 25 people (25%). Twenty-nine percent of CFLAS organizations reported annual budgets between $100,000 and $499,999 and 23% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was

$565,000. Most CFLAS organizations were 11 to 50 years old (58%). Forty-two percent were located in a mix of service area types (rural, suburban, and urban), while 24% were located in an urban service area and 27% were located in a suburban service area. The most frequent geographic service reach for CFLAS organizations was multi-county (33%) or one county (14%). Human Services (27%), Arts, Culture, and Humanities (13%), and Education (11%) were the most frequently reported mission focuses. Forty-eight percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

ORGANIZATIONS FOR WHICH CORPORATIONS WERE THE LARGEST AWARD SOURCE:

Fifty-nine percent of respondents from organizations for which corporations were the largest award source (CLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 96% of CLAS organizations. CLAS organizations most frequently reported employing one to five people (33%). Twenty-nine percent of CLAS organizations reported annual budgets between $100,000 and $499,999; 20% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $800,000. Most CLAS organizations were 11 to 50 years old (57%), and 47% were located in a mix of service area types (rural, suburban, and urban). The most frequent geographic service reach for CLAS organizations was multi-county (33%) or international (14%). Human Services (17%), Arts, Culture, and Humanities (14%), and Education (9%) were the most frequently reported mission focuses. Forty-seven percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

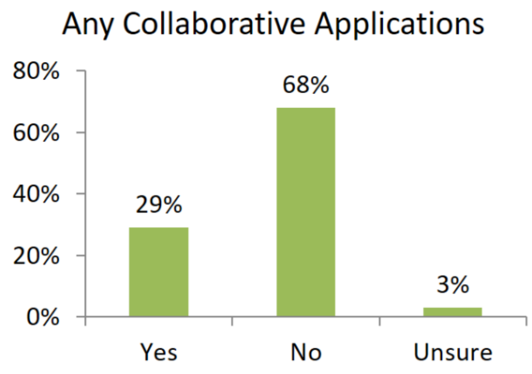
ORGANIZATIONS FOR WHICH “OTHER” SOURCES WERE THE LARGEST AWARD SOURCE:

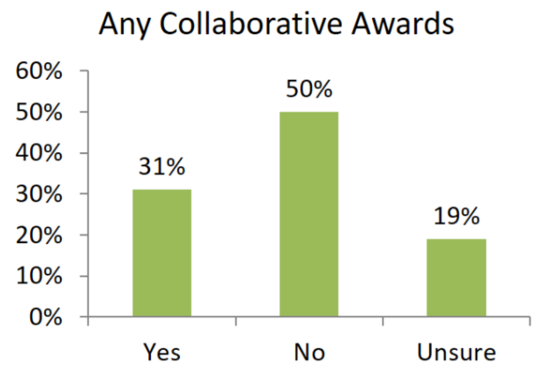
Seventy percent of respondents from organizations for which “other” sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) were the largest award source (OLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 87% of OLAS organizations. OLAS organizations most frequently reported employing one to five people (28%), employing 26 to 75 people (14%), or being staffed by volunteers (14%). Thirty-nine percent of OLAS organizations reported annual budgets under $500,000. Seventeen percent reported annual budgets between $500,000 and $999,999, and 16% reported budgets between $1,000,000 and $4,999,999. The median annual budget was $412,500. Most OLAS organizations were 11 to 50 years old (63%), and 51% were located in a mix of service area types (rural, suburban, and urban). The most frequent geographic service reach for OLAS organizations was multi-county (16%), national (15%), or one county (15%). Human Services (20%), Education (15%), and Community Improvement (9%) were the most frequently reported mission focuses. Fifty percent of these organizations reported a service population comprised of over 50% individuals/families at or below the poverty level.

COLLABORATIVE GRANTSEEKING

PARTICIPATION AND AWARDS

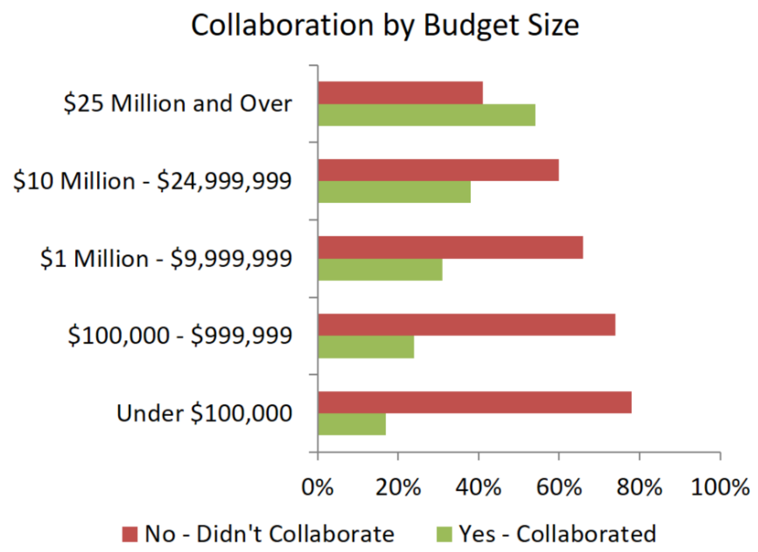
Collaborative grantseeking—several organizations joining together to submit grant applications for joint activities or programs—is a trending topic. Most respondents (68%) did not participate in collaborative grantseeking in the last six months of 2016. Thirty-one percent of those respondents that did submit a collaborative grant application reported winning an award.





COLLABORATION BY ANNUAL BUDGET

Annual budget, with the implied increases in staff and infrastructure in tandem with the increases in budget size, had an effect on collaborative activities. Fifty-four percent of organizations with budgets of $25,000,000 or more participated in collaborative grantseeking in the last six months of 2016, whereas seventy-one percent of organizations with budgets under $25,000,000 did not participate in collaborative grantseeking during this period.



RESPONDENT COMMENTARY

As always, we asked survey respondents to share their experiences, expertise, and opinions. There were many similarities in comments from 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, and some questioned the cost versus the benefit.

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

- I don't think collaboration should be done to aid grantseeking; it needs to aid program development, growth, sustainability, and efficacy. When done well, with the right partners, collaboration can be a powerful addition to program delivery (which has the added benefit of strengthening requests). As nonprofits, we should be encouraging more and better collaboration amongst ourselves, but I think the funders' push toward it is damaging opinions toward collaboration and not strengthening the industry.
- They're seen as a sign of organizational strength and capacity by funders, but ironically can be much more difficult to manage because of lack of clear management order. In addition, needing to create new initiatives drains capacity, and organizations don't necessarily move at the same pace to be efficient in management.
- It’s critical to be cost effective, support partnerships, strengthen applications, and promote communication.
- In theory, it's good. In practice, it dilutes the funding, confuses the programming (because of multiple/different goals), and is much more complicated to structure, manage, and budget.

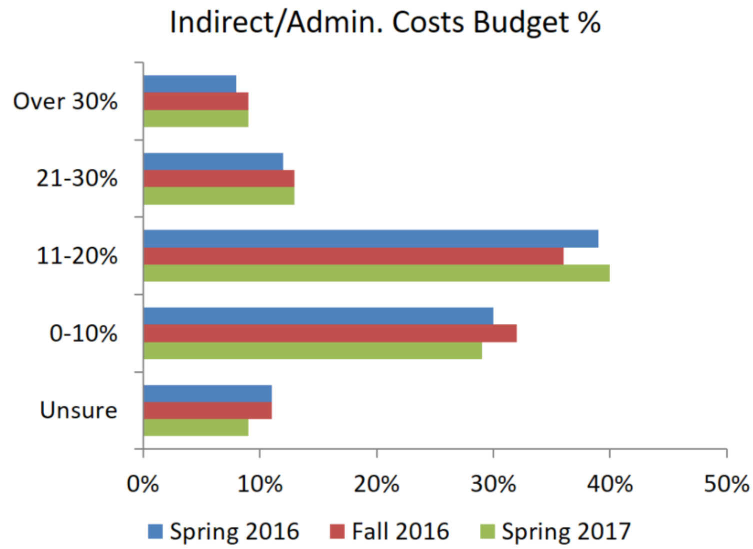
A SAMPLE OF REPRESENTATIVE COMMENTS FROM RESPONDENTS WHO DID NOT PARTICIPATE IN COLLABORATIVE GRANTSEEKING FOLLOWS:

- It’s good, except the amount of the award is the same and collaboration takes a lot more time to administer, so overall it’s a loss.
- It can very quickly distract each organization from their respective missions. It usually requires more staff time to apply and document results and the dollar amounts often don't justify the added burden. I’m not a fan!
- It's possible, but often it's splitting an already small piece of the pie.
- It’s a great idea as it shares the burden, but then no one knows where the buck stops. It can be incredibly confusing and frustrating.
- I’m hesitant. Our last attempt was a proposed education project that would have required human resources we didn't have.

INDIRECT/ADMINISTRATIVE COST FUNDING

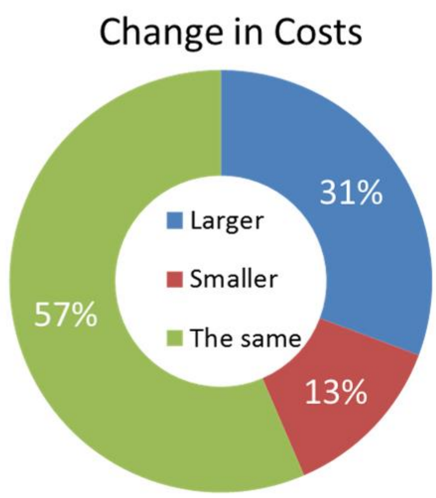
INDIRECT/ADMINISTRATIVE COSTS AS A PERCENTAGE OF BUDGET

Our respondents generally kept their costs low; 69% reported indirect/administrative costs as 20% or less of their total budgets. Only 22% of survey respondents reported these costs as over 20% of their budgets, while 9% were unsure of the budget percentage of their organization's indirect/administrative costs.



INDIRECT/ADMINISTRATIVE COST TRENDS

Compared to indirect/administrative costs for the prior year, 57% of respondents reported that these costs had remained the same, while 31% reported that these costs had increased. Indirect/administrative costs decreased for 13% of respondents.



INDIRECT/ADMINISTRATIVE COST CONTROLS

Respondents were asked, "How did you reduce your indirect/administrative costs?" Nearly two-thirds (65%) reported that they had reduced indirect/administrative costs by eliminating staff, while 29% reported increased reliance on volunteer labor.

Reductions in services and programs (23%), staff hours (19%), staff salaries (16%), and organization hours (12%), as well as space or location sharing (9%) also reduced indirect and administrative costs. In addition, respondents reduced these costs by participating in buying groups (5%) and reducing their organization's geographic scope (3%).

Reduction Technique	Spring 2017	Fall 2016	Spring 2016
Reduced number of staff	65%	62%	54%
Increased reliance on volunteer labor	29%	29%	32%
Reduced services/programs offered	23%	22%	21%
Reduced staff hours	19%	19%	19%
Reduced staff salaries	16%	18%	17%
Reduced organization hours	12%	9%	11%
Space/location sharing	9%	14%	17%
Buying groups/economy of scale for purchases	5%	7%	13%
Reduced organization geographic scope	3%	7%	4%

INDIRECT/ADMINISTRATIVE COST REDUCTION/CONTROL TRENDS:

- ↑ Reducing the number of staff was a cost control technique for 65% of respondents, a 5% increase from the Fall 2016 Report, and a 20% increase from the Spring 2016 Report.
- → Increased reliance on volunteer labor was a cost control technique for 29% of respondents, the same rate as the Fall 2016 Report, and a 9% decrease from the Spring 2016 Report.
- ↑ Reducing services or programs offered was a cost control technique for 23% of respondents, a 5% increase from the Fall 2016 Report, and a 10% increase from the Spring 2016 Report.
- → Reducing staff hours was a cost control technique for 19% of respondents, the same rate as both the Fall 2016 and Spring 2016 Reports.
- ↓ Reducing staff salaries was a cost control technique for 16% of respondents, an 11% decrease from the Fall 2016 Report, and a 6% decrease from the Spring 2016 Report.
- ↑ Reducing organizational hours was a cost control technique for 12% of respondents, a 33% increase from the Fall 2016 Report, and a 9% increase from the Spring 2016 Report.
- ↓ Space or location sharing was a cost control technique for 9% of respondents, a 36% decrease from the Fall 2016 Report, and a 47% decrease from the Spring 2016 Report.

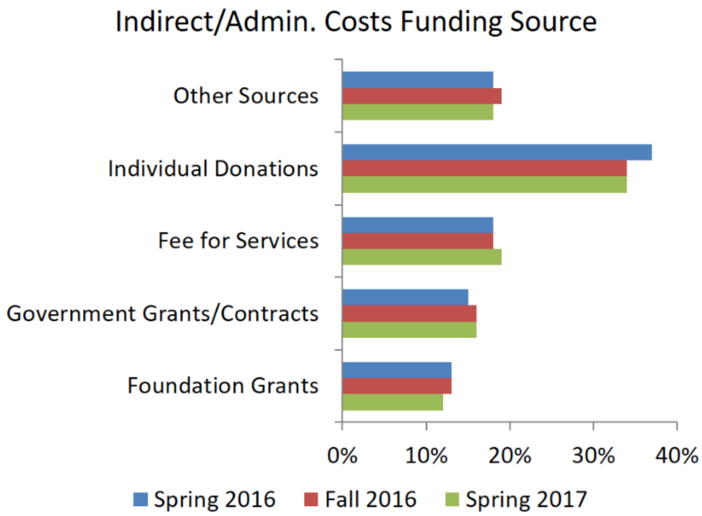
- Participation in buying groups or economies of scale was a cost control technique for 5% of respondents, a 29% decrease from the Fall 2016 Report, and a 62% decrease from the Spring 2016 Report.
- Reducing an organization's geographic scope was a cost control technique for 3% of respondents, a 57% decrease from the Fall 2016 Report, and a 25% decrease from the Spring 2016 Report.

A SAMPLE OF REPRESENTATIVE COMMENTS FROM SURVEY RESPONDENTS FOLLOWS:

- We reduced the number of events for fundraising and utilized existing staff to plan and carry out necessary events. We also focused more time on individual giving.
- We reduced expenses through a hiring freeze, very limited professional development and travel, and a 5% cut in all departmental budgets.
- Since we do not have sufficient money, we have reduced the number of paid staff members. We do everything to continue working at least. People need us. We have to be present for them.
- We were forced by cuts to our state funding over the past two years to reduce administrative costs through layoffs. We have also joined a group purchasing program to reduce supply costs and have gone without necessary items for medical care until we were able to secure them through donations.
- We looked at what things cost, putting out to bid insurance, the audit, and computer upgrades; changing back to an in-house server as opposed to the cloud; asking membership organizations for annual membership discounts; buying in bulk; changing vendors, etc.
- We used stipends and put everybody on volunteer status.
- We chose to move from our offices and go to a space that is being reimagined as a place for creatives, nonprofits, etc. It saves us 65% on rent costs, puts us in a community where we can work, and gives us neighbors in the building who are excellent partners. With over 350,000 square feet, it is growing into an incredible community hub.
- Led by a new CEO, a reorganization resulted in reduced administrative positions. This resulted in a budget surplus for the first time in 10 years!
- Three organizations now collaborate so we share executive and other key administrative functions instead of each of us operating our own.
- We reduced our expenditures on rent, office supplies, bank charges, and utilities through conservation efforts by staff.

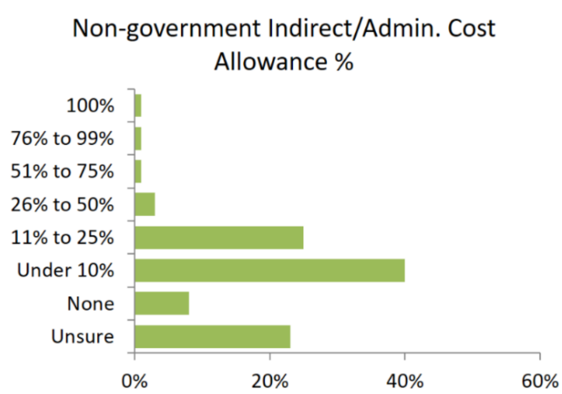
INDIRECT/ADMINISTRATIVE COST FUNDING SOURCES

Individual donations (34%) were the most frequent source of indirect/administrative funding, while foundation grants (12%) were the least frequent source. Government grants and contracts (16%) and fees for services (19%) were also frequent sources of funding for these costs. Within the other sources category (18%), fundraisers, tax revenue, major donors, and general funds were cited as the sources of indirect/administrative funding.



INDIRECT/ADMINISTRATIVE COST FUNDING LIMITATIONS

Respondents reported that non-government funders will generally assist with indirect/administrative costs, although they limit the amount that they are willing to cover. Forty percent of respondents reported an allowance of 10% or less for these costs, and 25% reported an allowance of 11 to 25% for these costs. Eight percent of respondents reported that non-government funders would not cover indirect/administrative costs, while 23% were unsure of the coverage level. Only 5% of respondents reported that over 25% of these costs were paid by non-government funds.



CHALLENGES TO GRANTSEEKING

Respondents continued to report that grantseeking's greatest challenges stem from the lack of time and staff for grantseeking activities (20%).

Increased competition for finite monies (16%) has placed greater emphasis on strict adherence to varying funder practices and requirements (10%). Many respondents mentioned the challenges in building relationships with funders (10%) and the difficulty in finding grant opportunities that matched with their specific mission, location, or program, regardless of their focus, service area, or interests (10%).

Each of the remaining six challenge types were reported by 8% or fewer of respondents. The following chart shows how responses have changed over time to the question, "What, in your opinion, is the greatest challenge to successful grantseeking?"

Grantseeking's Greatest Challenge	Spring 2017	Fall 2016	Spring 2016	Fall 2015	Spring 2015	Fall 2014
Lack of Time and/or Staff	20%	19%	19%	19%	22%	21%
Competition	16%	17%	16%	16%	14%	14%
Funder Practices/Requirements	10%	14%	13%	13%	13%	10%
Funder Relationship Building	10%	9%	9%	9%	8%	9%
Research, Finding Grants	10%	11%	13%	12%	11%	10%
Economic Conditions	8%	7%	6%	6%	6%	7%
Other Challenges	7%	5%	5%	5%	4%	5%
Reduced Funding	7%	6%	7%	8%	8%	8%
We Need a Grantwriter	5%	6%	6%	5%	6%	6%
Internal Organizational Issues	4%	4%	4%	6%	5%	6%
Writing Grants	2%	3%	3%	2%	3%	3%

TOP GRANTSEEKING CHALLENGE TRENDS

In the Spring 2017 Report, the challenges of lack of time/staff, funder relationship building, economic conditions, reduced funding, and other challenges showed increased response rates.

- ↑ Lack of time and/or staff (20%) has been the most frequently reported challenge to grantseeking since 2012.
- ↓ Competition for grant awards (16%) decreased slightly as a challenge choice for the first time since the Spring 2013 Report.
- ↓ Adherence to funder practices and requirements (10%) decreased as a challenge choice for the first time since the Fall 2013 Report.

RESPONDENT COMMENTARY

We asked survey participants to tell us more about their organizations' challenges to grantseeking. This word cloud, which gives greater prominence to words that appear more frequently in source text, was formed with those answers.

Many respondents across all focus areas stated that there was limited funding for their specific mission. From a big-picture perspective, respondents told us that there is a greater need for non-restricted funding, regardless of mission focus. Many respondents also referenced the changing political landscape and the proposed state and Federal funding reductions and resulting confusion. Respondent commentary on grantseeking challenges stretched to 85 pages of single-spaced text.

A sample of representative comments from survey respondents follows:

- The greatest challenge is the changing political landscape.
- The president and Congress of the United States pose a challenge due to their budget priorities and opposition to funding health and human services.
- Donors favor big name organizations.
- Too much time is required for too little funding. The grant process is time consuming and arduous given the level of funding.
- Funder uncertainty or funder changes in response to the current political sphere are key challenges.
- Our eclectic mission lies outside most funders' area(s) of interest.
- Almost all of the above. No single item sticks out.
- Community foundations are not awarding grants as they work towards sustainability.
- One key challenge is that major corporations have a limited geographic reach.
- Understanding the politics of grantseeking is our biggest challenge.
- Funders' lack of interest in our field is our greatest challenge.

- Government funds are being scaled back.
- There is uncertainty over the new administration's plans to cut federal funding.
- Our greatest challenge is the lack of dedicated staff for grantseeking.
- We are an organization that teaches science and sustainability through the lens of urban farming, preparing K-12 grade students for the environmental challenges of the future. The lack of value placed on science and climate change as a national government principle poses a big challenge to our grantseeking, not only in terms of public funding availability but also in terms of competition for the private funding available.
- It’s very difficult to find sources of funds for women and gender equality despite the high levels of attention to these issues. We are a small women's organization, working globally; funders seem to want to give only to big organizations.
- I think there are several challenges, including internal issues, lack of time and staff capable of the challenge, and finding grants for our mission. We are a very small organization, and can afford very little.
- Because we are an inter-generational, multi-service, arts-based organization we don't fit into the boxes funders create very easily. They either get us or they don't.
- The staff in some of our programs are spread thin or have stressful jobs. It can be hard for them to focus on: a) putting the time needed into producing a quality application, and b) putting the time into successfully administering a grant and tracking the necessary data to meet reporting requirements. Unfortunately, there are also some administrative staff conflicts which are impacting the grant staff's ability to do their jobs.
- With only one employee, we do not have enough staff.
- We are a tiny not-for-profit with limited time for grantwriting. We also do not fit the criteria for many foundations. I think our only option is to collaborate with larger organizations who are better known and have more gravitas.
- Grants are more complicated and require more addendum paperwork, such as board member ethnicity, conflicts of interest, and three years of budgets, to name a few. If you do not have the time to organize your paperwork, grantwriting will be a chore.
- Funder priorities no longer fund what we do (adult literacy programming) and only do it in the context of workforce development, so we have had to significantly alter our programming to meet their priorities.
- Funders work within corporate models (that tanked the economy and required major government bailouts) and don't understand the realities and conditions of providing purpose-driven, life-saving/life-transforming social services. Grant restrictions are unrealistic and work is expected to be done in a deficit culture.
- We have two employees to find funding and implement all the programs and events with the help of our Board of Directors.

- We are a mid-size organization so it is a challenge to continue programming and operations while taking the time to develop new relationships and submit applications.
- Our challenge is having the time for volunteers to focus on relationship building with funding sources.
- We need to identify new grantmakers, both for a new program and to offset a funding area that is coming to a close with a major grantmaker in our most active ongoing program.
- Finding the time and focus to meet with potential grantmakers is challenging.
- Time and money are our biggest challenges.
- We have no one to help us write effective grants!
- Funders don't want to pay for anything our organization needs.
- I see so many nonprofit organizations reinventing the wheel to chase the money, and being consistently swamped attempting to jump through fiery funding hoops instead of running great programs. We cannot be so focused on funding we forget the mission of our organizations.
- We need more unrestricted funding streams.
- Most grants target international hunger programs, schools, and other government entities that serve a larger audience.
- Too many funders seek new or highly innovative projects for one year maximum support.
- Foundation and corporate giving to the arts is continuously declining.
- As a hospital, we also have a large operating budget which many smaller foundations don't like. We have to though when we support oncology, cardiology, neurology, hospice, pain management, etc.
- The dire state economic situation has led to staff layoffs, a hiring freeze (staff and faculty), and several years without raises. The result has been a loss of critical researchers and faculty, less support for grant efforts, and delayed maintenance of infrastructure issues.
- We are a religious-based organization. Many within our faith either give to pre-selected organizations, or will not accept unsolicited proposals.
- Key challenges include time limits to write applications, limited staffing, and narrow donor funding interests.
- Outcomes reporting demands far more time and expenses. At the same time, Federal support is declining. Extensive time is involved in preparing some grant applications, especially as competition increases and the chances of being funded are decreasing, in some cases markedly.

RESPONDENT DEMOGRAPHICS

ORGANIZATIONAL AFFILIATION

Of the respondents, 90% were directly associated with the organizations they represented as executives (54%), employees (30%), board members (4%), or volunteers (2%). Consultants (6%) and government employees (4%) comprised the remaining 10% of respondents.

TYPE OF ORGANIZATION

The majority of respondents (96%) represented nonprofit organizations (84%), educational institutions (7%), or government entities and tribal organizations (5%). The remainder (4%) included businesses and consultants. Among respondents from educational institutions, 42% represented K-12 schools and 58% represented two- or four-year colleges and universities.

ORGANIZATIONAL AGE

The organizational age most frequently reported was between ten and 50 years old (57%). Organizations under ten years old comprised 18% of respondents and organizations over 50 years of age comprised 25% of respondents.

ANNUAL BUDGET

Respondent organizations reported annual budgets less than $100,000 (14%), between $100,000 and $999,999 (36%), between $1 million and $9,999,999 (33%), between $10,000,000 and $24,999,999 (7%), and $25 million and over (10%). The median annual budget of respondent organizations was $1,027,016.

STAFF SIZE

One to five people were employed by 26% of respondent organizations. Twenty-seven percent of respondent organizations employed six to 25 people, while 14% employed 26 to 75 people. Ten percent of respondent organizations employed 76 to 200 people, and 12% employed over 200 people. Less than one full-time equivalent employee was reported by 5% of respondents. All-volunteer organizations comprised 7% of respondents.

STAFF ETHNICITY

Respondents were asked, "What percentage of your organization (staff, management, and board) self-identify as persons of color?" For 42% 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 10% of respondents.

PRIMARY GRANTSEEKER

The majority of respondent organizations relied on staff members (76%) to fill the role of primary grantseeker. Board members (7%), volunteers (6%), and contract grantwriters (7%) were also cited as the primary grantseeker. Five 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 six Canadian provinces participated, and 42 respondents were from countries outside of the United States and Canada.

SERVICE AREA

The Spring 2017 State of Grantseeking™ Report utilized the Census Bureau's population-based area classification. Rural service areas containing fewer than 2,500 people were reported by 7% of respondents. Nineteen 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 29% of respondents. In addition, 45% 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 11% of respondents, while organizations with a national geographic reach comprised 7%. Multi-state organizational reach was reported by 11% of respondents, while 12% reported an individual-state reach. A multi-county reach was reported by 27% of respondents, and a one-county reach was reported by 15%. Nine 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 32% of respondents, while 16% 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 17% of respondents. Service to those in poverty at a rate of 11% to 25% was reported by 15% of respondents, while 9% reported a service rate of 10% or less to those in poverty. This question was not applicable for 11% 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 (49%) of the respondent organizations reported one of three mission focuses: Human Services (24%), Education (14%), and Arts, Culture, and Humanities (11%). The next most frequent mission focus responses were Health (7%), Youth Development (7%), Community Improvement (6%), Housing and Shelter (5%), Environment (4%), and Animal-Related (4%). Food, Agriculture, and Nutrition was reported by 3% of respondents. Public Society Benefit, Civil Rights, Employment, and Religion Related missions were each reported by 2% of respondents. Each of the remaining mission focuses, reported at a rate of under 2% by respondent organizations, were aggregated into the category of Other.

METHODOLOGY

This survey and the corresponding report present a trending, ground-level look at the state of grantseeking. The survey was conducted online using Survey Monkey, and was not scientifically conducted. In this report, for the purpose of visual brevity, response rates are rounded to the nearest whole number; totals will add up to 99% to 102%. The survey was open from February 15, 2017, through March 31, 2017, and received 2,904 responses. It was produced by GrantStation, and underwritten by the Grant Professionals Association, Altum/PhilanTrack, GrantHub, and NTEN-Nonprofit Technology Network. In addition, it was promoted by many generous partner organizations via emails, e-newsletters, websites, and various social media outlets, including Facebook and Twitter. Ellen 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 Spring 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.

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Serving over 20,000 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 provide resources for organizations to find timely grant opportunities, build a strong grantseeking program, and write winning grant proposals so that they can secure grant support for their programs and projects. We write detailed and comprehensive profiles of grantmakers, both private and governmental, and organize them into searchable databases (U.S., Canadian, and International). Our mission is to help create a civil society by assisting the nonprofit sector in its quest to build healthy and effective communities. Keep abreast of the most current grant opportunities by signing up for our weekly newsletter, the *GrantStation Insider*, today! (Sign up here.)

ABOUT THE UNDERWRITERS

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. With over 2,400 active members and 43 Chapters, GPA is THE place for any grant issues. We provide professional development by way of an annual conference and webinars, professional certification (GPC), a professional journal and e-newsletter, local chapters, member benefits, and more! Membership to GPA is $209. Join today and get a FREE membership to GrantStation and free GPA online learning with a value of $4,800, plus save $25 on an annual membership. Receive your discount by using the discount code "GPA-25" when joining at www.grantprofessionals.org.

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