GrantStation

Your Fast Track To Funding

# The Fall 2016 State of Grantseeking Report

# THE FALL 2016 STATE OF GRANTSEEKING™ SURVEY AND REPORT UNDERWRITERS

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

# THE FALL 2016 STATE OF GRANTSEEKING™ SURVEY AND REPORT ADVOCATES

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

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# THE FALL 2016 STATE OF GRANTSEEKING™ SURVEY AND REPORT ADVOCATES

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

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# INTRODUCTION

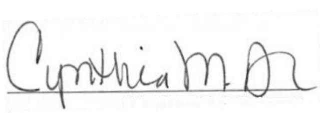
As a leader in the nonprofit sector part of your job is to know about the latest trends and to apply lessons learned by others to the strategic development of your organization. And we are here to help you do just that.

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 2016 State of Grantseeking™ Report, is the result of the 13th 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, GrantVantage, the Support Center Partners in Philanthropy, and Elevate, 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 3,371 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

Charitable giving in the United States has surpassed $373 billion annually, and yet our respondents tell us there is simply not enough grant funding to meet organizational needs.

However, grant funding is available; nearly 96% of our respondents who submitted three or more 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 (19%) relates to indirect and administrative cost control techniques; well over half of our respondents (62%) reported reducing staff in order to control overhead.

Private foundations continue to be a funding source for most respondents; 82% 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 way to increase your organization's chance of winning grant awards is to consider your organizational age. Funders (particularly the Federal government) tend to look for proof of organizational sustainability as evidenced by organizational age. Nearly 71% of organizations that reported the Federal government as the source of their largest award were over twenty-five years old. However, 56% 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. Sixty-eight percent of organizations with budgets of $1,000,000 or more participated in collaborative grantseeking in the first six months of 2016. Sixty percent of organizations with budgets under $1,000,000 did not participate in collaborative grantseeking in the first six months of 2016.

Competition for grant awards (17%), again the second most frequent choice of the grantseeking challenge options, was selected by only 6% of survey respondents in spring 2012. This competition among organizations for a limited number of awards creates an impediment to the organizational collaboration so often encouraged by funders.

We at GrantStation hope the State of Grantseeking Reports help to alleviate 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% 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-seven percent of respondents applied for grant funding during the first six months of 2016.
- Forty-four percent of respondents reported grant funding as comprising 26% or more of their annual budget in both the Fall 2015 and Fall 2016 Reports.
- In the Fall 2016 Report, 42% of respondents applied for more grants and 33% were awarded more grants. Thirty-two percent of respondents reported the receipt of larger awards than during the same period in the prior year.
- Applying for at least three grant awards increases the frequency of winning an award. No awards were won by 41% of organizations that submitted one application and 22% of organizations that submitted two applications. However, only 8% of organizations that submitted three to five applications won no awards, while just 2% or fewer of organizations that submitted six or more applications won no awards.

## FUNDING SOURCES

- Compared to the Fall 2015 Report, respondents reported a 2% increase in the rate of funding by local government, and no change in the rate of "other" sources of funding. There was a decrease in the rate of funding by private foundations (-1%), community foundations (-1%), corporations (-5%), corporate gifts of products or services (-11%), state government (-2%), and the Federal government (-2%).
- The median of total awards was $77,250, a $7,050 increase from the median award total in the Spring 2016 Report.
- Organizations reporting total awards of $100,000 or more (53%) increased by 10% compared to the Fall 2015 Report.
- Compared to the Fall 2015 Report, private foundations increased as the largest source of total funding by 6%, and state government increased as the largest total funding source by 7%. There was no change in the largest source of total funding rate for community foundations, corporate foundations, and local government. Compared to the Fall 2015 Report, the Federal government decreased as the largest source of total funding by 6%, and other sources decreased as the largest total funding source by 25%.
- Compared to the Fall 2015 Report, corporations increased as the source of the largest individual grant award by 11%, while state government increased as the source of the largest individual grant award by 15%, and local government increased as the source of the largest individual grant award by

14%. There was no change in the rate of the largest individual grant award from community foundations and "other" sources. Compared to the Fall 2015 Report, private foundations decreased as the source of the largest individual grant award by 3%, and the Federal government decreased as the source of the largest individual grant award by 11%.

- The most frequently reported type of support for the largest award was project or program support (44%), followed by general support (22%).

## FEDERAL GOVERNMENT AWARDS

- Of all respondents to the Fall 2016 State of Grantseeking™ Survey, 41% stated that their organizations receive Federal funding on a regular basis and 29% reported receiving Federal funding within the first six months of 2016.
- The largest award median for the Federal government, $402,250, showed a 12% increase from the Spring 2016 Report, and a 31% increase from the Fall 2015 Report.
- Those organizations that received Federal funding in the first six months of 2016 reported that their largest Federal award came in the form of grants (63%) or contracts (23%).
- Almost half of the funds for the largest Federal award received in the first six months of 2016 originated directly from the Federal government (46%); 36% originated as pass-through Federal funding via a state government.
- Matching funds were required in the largest Federal award of 38% of respondents. Of those that received awards requiring matching funds, 60% were allowed to use in-kind gifts toward the match total.
- Sixty-four percent of respondents reported that their largest Federal award included indirect or administrative cost funding

## LARGEST INDIVIDUAL AWARD MEDIANS

- The median largest award from an aggregate of all funder types was $50,000, which is the same amount as in the Spring 2016 and Fall 2015 Reports, and the highest reported since the Spring 2013 Report.
- The median largest award from non-government funders was $30,000, which is the same amount as in the Spring 2016 and Fall 2015 Reports, and a 20% increase from the Spring 2015, Fall 2014, and Spring 2014 Reports.
- The largest award median for government funders (an aggregate of local, state, and Federal) was $174,500, which showed a 3% decrease from the Spring 2016 report and a 9% decrease from the Fall 2015 Report.

## INDIRECT/ADMINISTRATIVE COSTS

- Respondents generally kept their costs low; 67% reported indirect/administrative costs as 20% or less of their total budgets.
- Over half of respondents (62%) 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 (13%) were the least frequent source.
- Only 30% of respondents reported that non-government funders would not cover any level of indirect/administrative costs.

## COLLABORATION

- Most respondents (67%) did not participate in collaborative grantseeking in the first six months of 2016.
- Thirty percent of those respondents that did submit a collaborative grant application reported winning an award.
- Sixty-eight percent of organizations with budgets of $1,000,000 or more participated in collaborative grantseeking in the first six months of 2016. Sixty percent of organizations with budgets under $1,000,000 did not participate in collaborative grantseeking in the first six months of 2016.

## OTHER FINDINGS

- Lack of time and/or staff (19%) continued to be the greatest challenge to grantseeking among respondents. The percentage of respondents citing competition for grant awards as a challenge (17%) has increased by 183% since 2012. The percentage of respondents citing funder practices and requirements as a challenge (14%) has increased by 133% since 2012.

# GRANT FUNDING

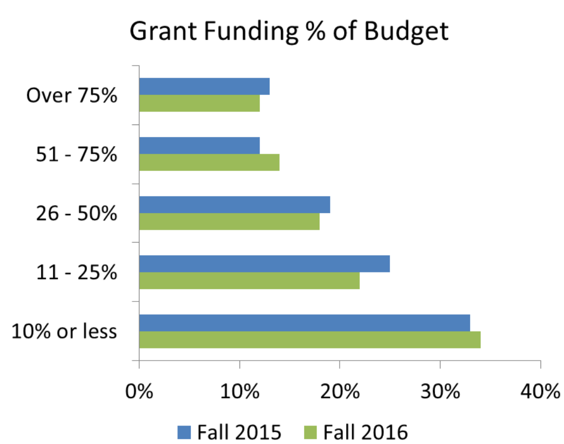
The information in this report, unless otherwise specified, reflects recent and trending grantseeking activity during the first six months of 2016 (January through June). In this report, for the purpose of visual brevity, response rates are rounded to the nearest whole number; totals will sum to 99%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

## REVENUE SOURCES

Nonprofits raised funds from a number of sources. According to the Urban Institute (*The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering, 2015*), fees for services and goods from private sources (47.5%) were the largest source of overall funding, followed by fees for services and goods from government sources (24.5%), private contributions (13.3%), government grants (8.0%), and investment and other income (6.7%). The *Fall 2016 State of Grantseeking™ Report* focuses on funding from non-government grant sources and government grants and contracts.

## GRANT FUNDING BUDGET CONTRIBUTION

Organizations reported little overall change in grant funding as a percentage of their budgets between the Fall 2015 and Fall 2016 Reports. Forty-four percent of respondents reported grant funding as 26% or more of their annual budget in both the Fall 2015 and Fall 2016 Reports.

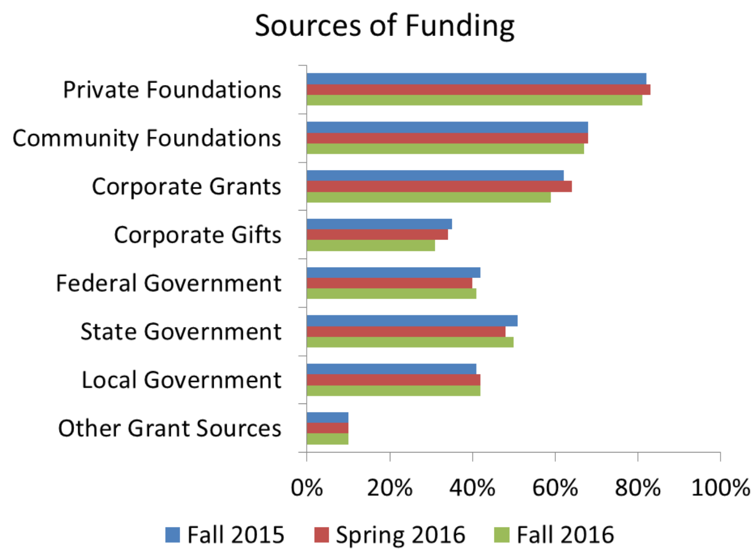



## APPLICATION RATES

Organizational application rates for grant awards showed little change. In the Fall 2016 Report, 87% of respondents applied for grant funding during the first six months of 2016. In the Fall 2015 Report, 88% of respondents submitted grant applications during the first six months of 2015.

## GRANT FUNDING SOURCES

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



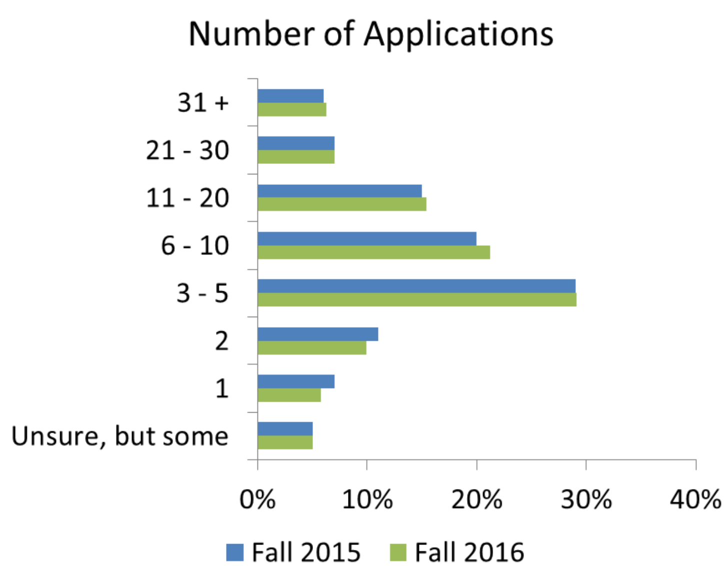

*Grant funding source trends:*

- ↓ Private foundations were a funding source for 81% of respondents, a 2% decrease from the Spring 2016 Report, and a 1% decrease from the Fall 2015 Report.
- ↓ Community foundations were a funding source for 67% of respondents, a 1% decrease from both the Spring 2016 and Fall 2015 Reports.
- ↓ Corporate grants were a funding source for 59% of respondents, an 8% decrease from the Spring 2016 Report, and a 5% decrease from the Fall 2015 Report.
- ↓ Corporate awards in the form of gifts of products or services were a funding source for 31% of respondents, a 9% decrease from the Spring 2016 Report, and an 11% decrease from the Fall 2015 Report.
- ↑ Federal government grants were a funding source for 41% of respondents, a 2% increase from the Spring 2016 Report, and a 2% decrease from the Fall 2015 Report.

- State government grants were a funding source for 50% of respondents, a 4% increase from the Spring 2016 Report, and a 2% decrease from the Fall 2015 Report.
- Local government grants were a funding source for 42% of respondents, the same rate as the Spring 2016 Report, and a 2% increase from the Fall 2015 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 Spring 2016 and Fall 2015 Reports.

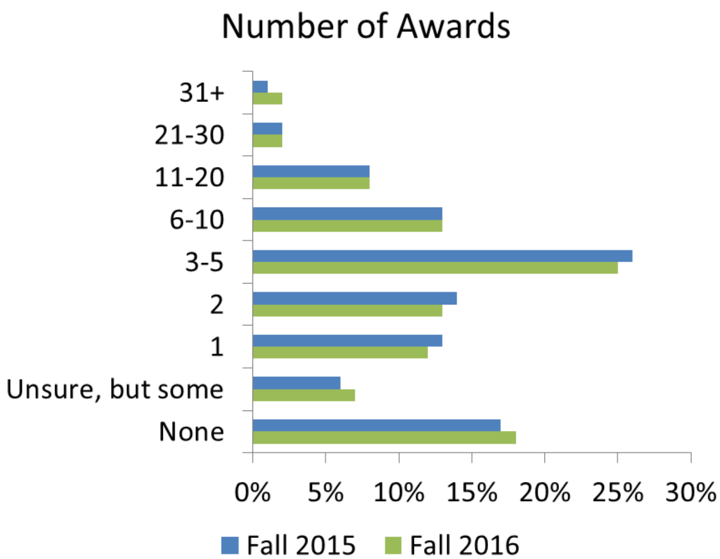
## NUMBER OF GRANT APPLICATIONS

Most respondents to the Fall 2016 Report (87%) submitted a grant application during the first half of 2016. Of those, 50% submitted between three and ten grant applications. One or two grant applications were submitted by 16% of respondents. Twenty-eight percent of respondents submitted 11 or more grant applications, the same rate as the Fall 2015 Report. Some applications, of indeterminate quantity, were submitted by 5% of respondents. Over 96% of respondents submitted at least one online grant application.




## NUMBER OF GRANT AWARDS

During the first half of 2016, 82% of respondents to the Fall 2016 Report received at least one grant award. Twenty-five percent of respondents received one or two grant awards and 38% 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, 18% of respondents reported no awards, vs. 17% of respondents to the Spring 2015 Report.




## APPLICATIONS VS. 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[1]. Some awards received in the first half of 2016 resulted from applications submitted at an earlier time.

| | Number of Applications | | | | | | |
|---|---|---|---|---|---|---|---|
| Number of Awards | 1 | 2 | 3 - 5 | 6 - 10 | 11 - 20 | 21 - 30 | 31 + |
| None | 59 | 55 | 58 | 12 | 6 | 4 | 0 |
| 1 | 72 | 93 | 103 | 20 | 9 | 4 | 1 |
| 2 | 10 | 89 | 222 | 40 | 11 | 0 | 0 |
| 3-5 | 3 | 9 | 308 | 300 | 79 | 13 | 2 |
| 6-10 | 1 | 0 | 9 | 137 | 164 | 43 | 13 |
| 11-20 | 0 | 0 | 1 | 6 | 94 | 80 | 46 |
| 21-30 | 0 | 0 | 0 | 1 | 5 | 21 | 43 |
| 31+ | 0 | 2 | 1 | 0 | 2 | 0 | 42 |

- One Application: Fifty percent of respondents were awarded one grant.
- Two Applications: Seventy-three percent of respondents were awarded one or two grants.
- Three to Five Applications: Seventy-five percent of respondents were awarded two to five grants.

[1] The relation between these variables was significant, X2 (N = 2,553) = 3,745, p< .0001.

- Six to Ten Applications: Eighty-five percent of respondents were awarded three to ten grants.
- 11 to 20 Applications: Seventy percent of respondents were awarded six to 20 grants.
- 21 to 30 Applications: Seventy-five percent of respondents were awarded six to 20 grants.
- Over 30 Applications: Eighty-nine percent of respondents were awarded 11 or more grants.

Applying for at least three grant awards increases the frequency of winning an award. Forty-one percent of organizations that submitted one application won no awards, and 22% of organizations that submitted two applications won no awards. However, only 8% of organizations that submitted three to five applications won no awards, and 2% or fewer of organizations that submitted six or more applications won no awards.

## ONLINE GRANT APPLICATIONS

Most respondents (96%) submitted an online grant application during the first six months of 2016. Of those, 26% submitted all of their grant applications online.

Those organizations that did not submit any online applications or only submitted online applications received fewer awards than organizations with a grant application mix. Organizations that submitted 50% to 75% of their applications online most frequently reported receiving at least one award (97%).

| % of Online Applications | | Awarded at Least One Grant |
|---|---|---|
| No Online Applications | 4% | 80% |
| Under 10% Online Applications | 6% | 90% |
| 11% to 25% Online Applications | 6% | 95% |
| 26% to 50% Online Applications | 14% | 94% |
| 51% to 75% Online Applications | 19% | 97% |
| Over 75% Online Applications | 25% | 98% |
| Only Online Applications | 26% | 82% |

# TOTAL FUNDING AND LARGEST AWARDS

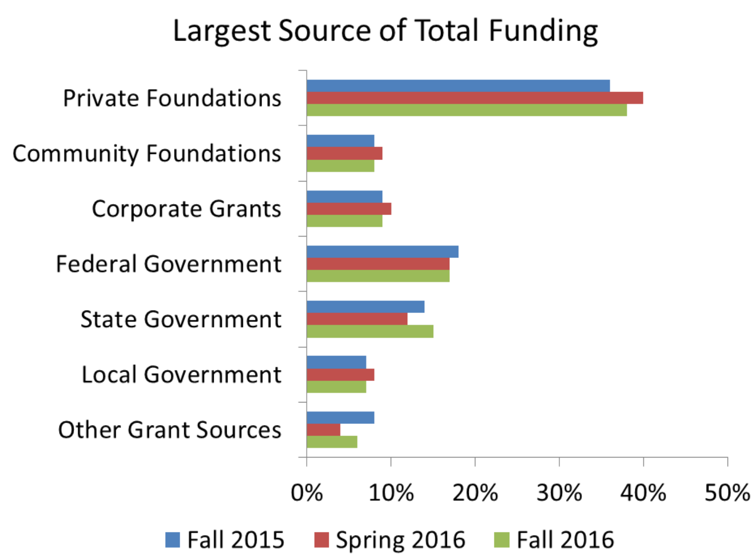
The information on total funding and largest awards in the Fall 2016 Report reflects grant activity during the period from January through June 2016.

## TOTAL GRANT FUNDING

Fourteen percent of respondents reported receiving no awards in the first half of 2016. Just under half of the respondents to the Fall 2016 Report (46%) reported total awards of less than $100,000. Total awards between $100,000 and $499,999 were reported by 23% of respondents, while 17% reported total awards of $500,000 or more. The median award total was $77,250, a $7,050 increase from the median award total in the Spring 2016 Report.

## LARGEST SOURCE OF TOTAL FUNDING

Private foundations, the Federal government, and state government were most frequently reported as the largest source of total grant funding. Private foundations (38%) 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 (17%).



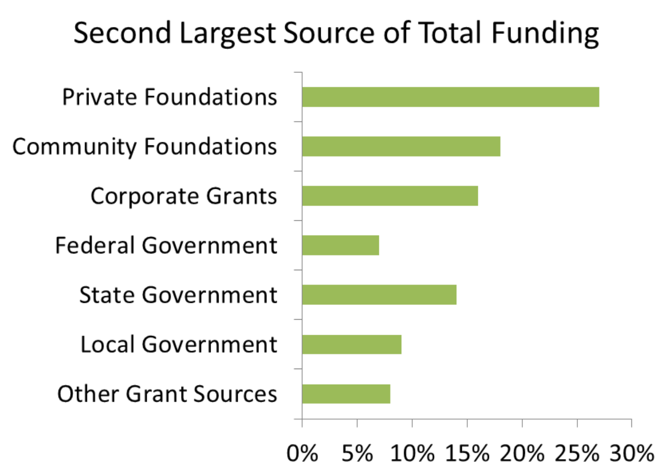

*Largest source of total funding trends:*

- Private foundations were the largest total funding source for 38% of respondents, a 5% decrease from the Spring 2016 Report, and a 6% increase from the Fall 2015 Report.
- Community foundations were the largest total funding source for 8% of respondents, an 11% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.

- Corporate grants were the largest total funding source for 9% of respondents, a 10% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Federal government grants were the largest total funding source for 17% of respondents, the same rate as the Spring 2016 Report, and a 6% decrease from the Fall 2015 Report.
- State government grants were the largest total funding source for 15% of respondents, a 25% increase from the Spring 2016 Report, and a 7% increase from the Fall 2015 Report.
- Local government grants were the largest total funding source for 7% of respondents, a 13% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 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 6% of respondents, a 50% increase from the Spring 2016 Report, and a 25% decrease from the Fall 2015 Report.

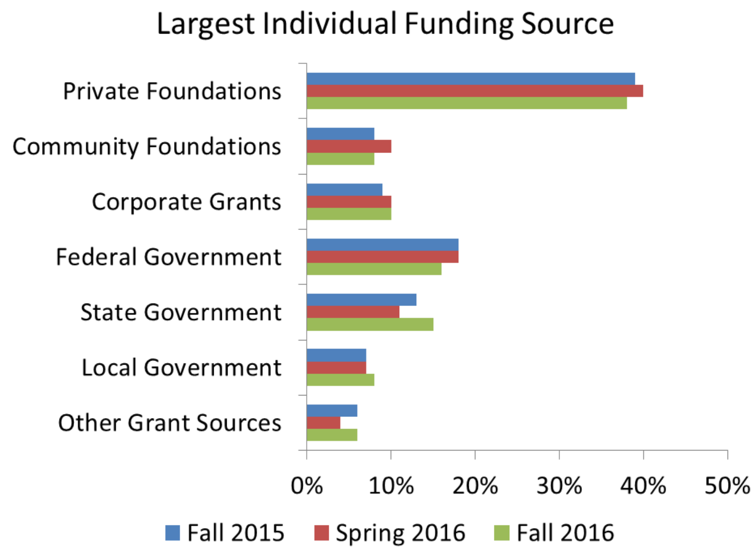
## SECOND LARGEST SOURCE OF TOTAL FUNDING

The second largest source of total funding was reported as private foundations by 27% of respondent organizations, followed by community foundations (18%), corporate grants (16%), and state government (14%). The Federal government (7%) and local government (9%) 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%) has decreased after five consecutive increases over thirty months.



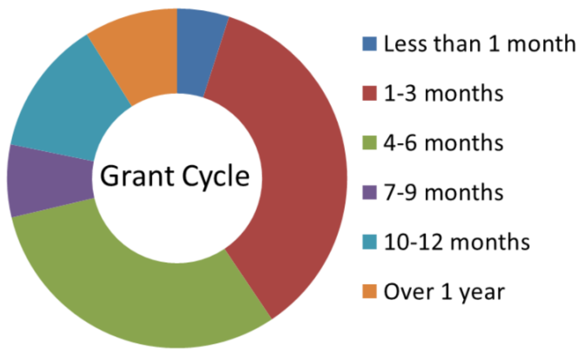

*Largest individual award source trends:*

- Private foundations were the source of the largest award for 38% of respondents, a 5% decrease from the Spring 2016 Report, and a 3% decrease from the Fall 2015 Report.
- Community foundations were the source of the largest award for 8% of respondents, a 20% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Corporate grants were the source of the largest award for 10% of respondents, the same rate as the Spring 2016 Report, and an 11% increase from the Fall 2015 Report.
- Federal government grants were the source of the largest award for 16% of respondents, an 11% decrease from both the Spring 2016 and Fall 2015 Reports.
- State government grants were the source of the largest award for 15% of respondents, a 36% increase from the Spring 2016 Report, and a 15% increase from the Fall 2015 Report.
- Local government grants were the source of the largest award for 8% of respondents, a 14% increase from both the Spring 2016 and Fall 2015 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 6% of respondents, a 50% increase from the Spring 2016 Report, and the same rate as the Fall 2015 Report.

## LARGEST AWARD LOGISTICS

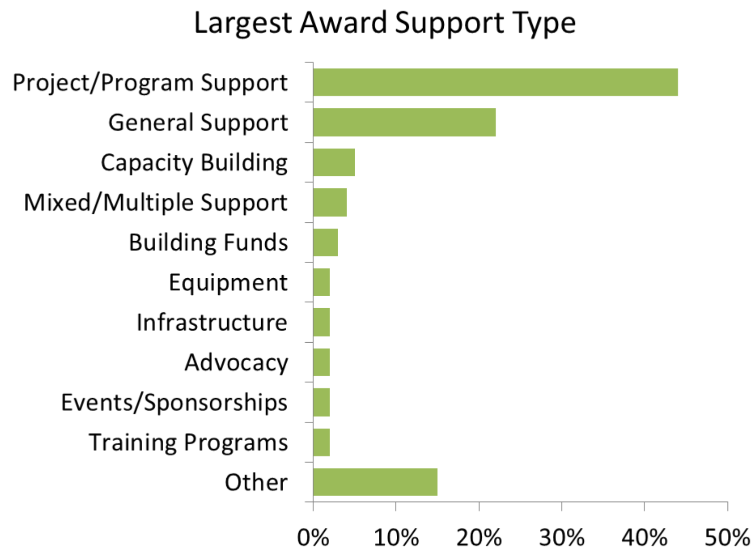
The grant cycle length—from proposal submission to award decision—for the largest grant award was between one and six months for 67% of respondents. A longer grant cycle of seven months or more was reported by 28% of respondents, while 5% reported a short grant cycle of less than a month.




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.


## LARGEST AWARD SUPPORT TYPE

The largest award received by 44% of respondents was in the form of project or program support, which was followed by general support at 22%. Capacity building was the largest award support type for 5% of respondents, while mixed/multiple support types and building funds were reported by 4% and 3% of respondents, respectively. Equipment, infrastructure, advocacy, events/sponsorships, and training programs 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.

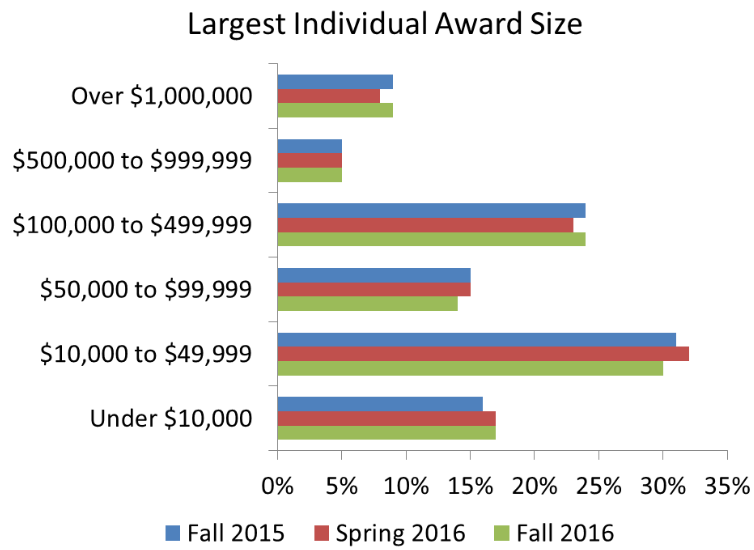



## LARGEST AWARD SIZE

The median largest award was $50,000 for the third consecutive report, and the highest reported since the Spring 2013 Report. The average largest award was $686,952.

| Median Largest Award Size | Fall 2016 | Spring 2016 | Fall 2015 | Spring 2015 | Fall 2014 |
|---|---|---|---|---|---|
| Lowest $ | $100 | $40 | $12 | $60 | $10 |
| Highest $ | $225 Million | $290 Million | $250 Million | $20 Million | $40 Million |
| Median $ | $50,000 | $50,000 | $50,000 | $43,800 | $45,000 |
| Average $ | $686,952 | $968,962 | $656,412 | $308,103 | $389,797 |
| **Median Largest Award Size** | **Spring 2014** | **Fall 2013** | **Spring 2013** | **Fall 2012** | **Spring 2012** |
| Lowest $ | $35 | $400 | $40 | $150 | $50 |
| Highest $ | $80 Million | $50 Million | $18 Million | $24 Million | $30 Million |
| Median $ | $47,000 | $46,000 | $50,000 | $50,000 | $45,000 |
| Average $ | $586,866 | $531,322 | $409,176 | $441,152 | $462,530 |

While 61% of respondents reported largest individual awards of less than $100,000, 24% reported largest awards between $100,000 and $499,999, and 15% reported largest awards of $500,000 or more. Although the trending arrows below reflect the comparison to the Spring 2016 Report, it is notable that the frequency of award sizes over $100,000 stayed the same compared to the Fall 2015 Report.



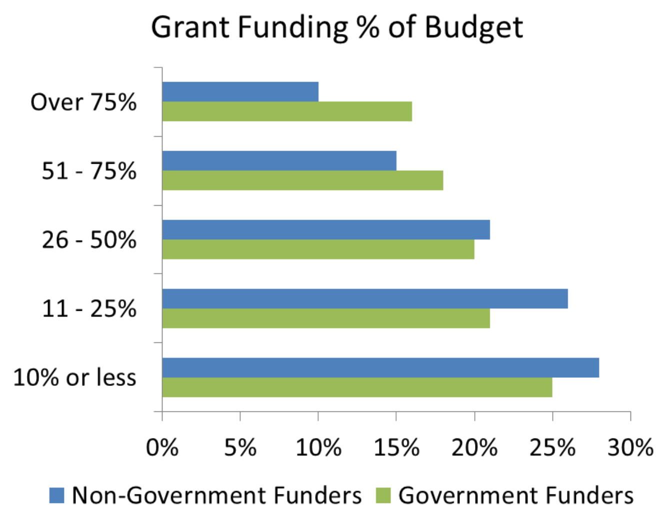

*Largest Individual award size trends:*

- Largest awards over $1,000,000 were reported by 9% of respondents, a 13% increase from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Largest awards between $500,000 and $999,999 were reported by 5% of respondents, the same rate as both the Spring 2016 and Fall 2015 Reports.
- Largest awards between $100,000 and $499,999 were reported by 24% of respondents, a 4% increase from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Largest awards between $50,000 and $99,999 were reported by 14% of respondents, a 7% decrease from both the Spring 2016 and Fall 2015 Reports.
- Largest awards between $10,000 and $49,999 were reported by 30% of respondents, a 6% decrease from the Spring 2016 Report, and a 3% decrease from the Fall 2015 Report.
- Largest awards under $10,000 were reported by 17% of respondents, the same rate as the Spring 2016 Report, and a 6% increase from the Fall 2015 Report.

# GOVERNMENT FUNDING

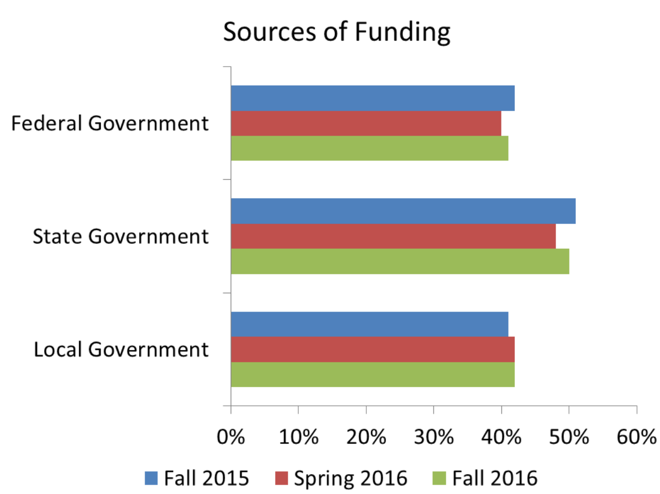
## GOVERNMENT GRANT FUNDING BUDGET CONTRIBUTION

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, 34% reported that grants comprised over one half of their annual budgets, vs. 25% of organizations with the largest award funded by non-government sources.




## GOVERNMENT FUNDING SOURCES

While not quite at the Fall 2015 Report funding rates, funding by state and Federal government increased in the past six months. Local government funding rates remained unchanged from the Spring 2016 Report.

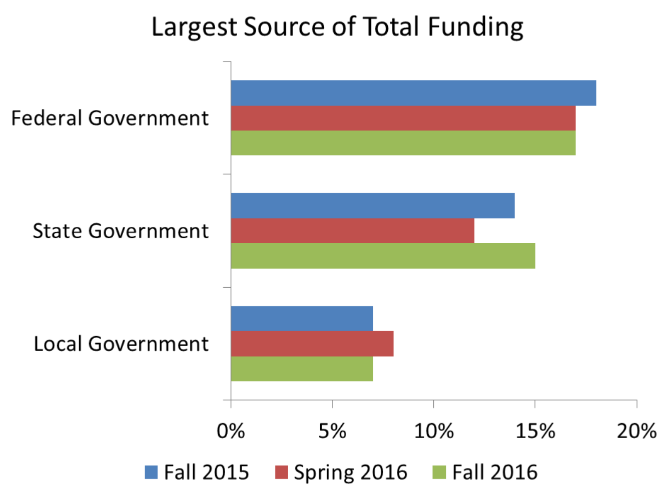


*Government grant funding source trends:*

- Federal government grants were a funding source for 41% of respondents, a 2% increase from the Spring 2016 Report, and a 2% decrease from the Fall 2015 Report.
- State government grants were a funding source for 50% of respondents, a 4% increase from the Spring 2016 Report, and a 2% decrease from the Fall 2015 Report.
- Local government grants were a funding source for 42% of respondents, the same rate as the Spring 2016 Report, and a 2% increase from the Fall 2015 Report.

## GOVERNMENT LARGEST SOURCE OF TOTAL FUNDING

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

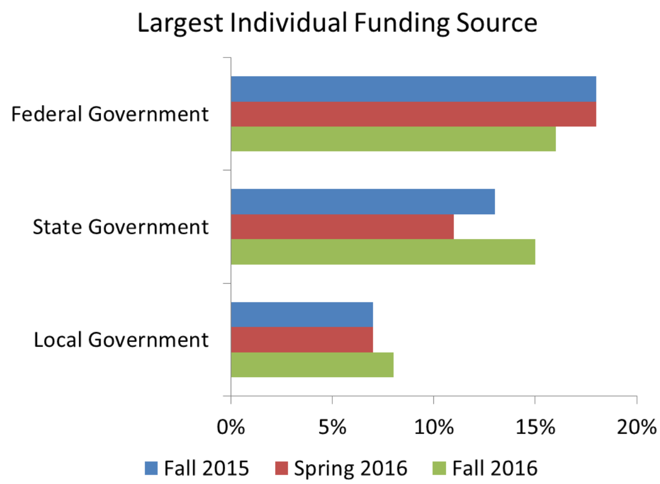



*Government largest source of total funding trends:*

- Federal government grants were the largest total funding source for 17% of respondents, the same rate as the Spring 2016 Report, and a 6% decrease from the Fall 2015 Report.
- State government grants were the largest total funding source for 15% of respondents, a 25% increase from the Spring 2016 Report, and a 7% increase from the Fall 2015 Report.
- Local government grants were the largest total funding source for 7% of respondents, a 13% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.

## GOVERNMENT LARGEST INDIVIDUAL AWARD SOURCE

The Federal government (16%) 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 16% of respondents, an 11% decrease from both the Spring 2016 and Fall 2015 Reports.
- State government grants were the source of the largest award for 15% of respondents, a 36% increase from the Spring 2016 Report, and a 15% increase from the Fall 2015 Report.
- Local government grants were the source of the largest award for 8% of respondents, a 14% increase from both the Spring 2016 and Fall 2015 Reports.

## GOVERNMENT LARGEST AWARD LOGISTICS

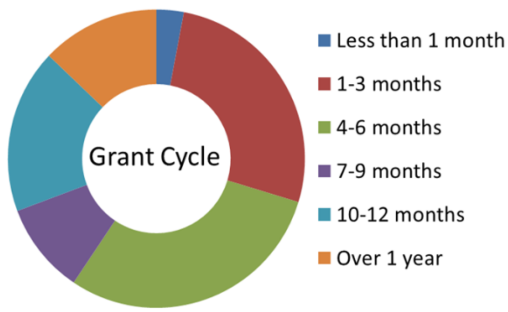
Respondents reported that the length of both the government grant cycle and award cycle is increasing.

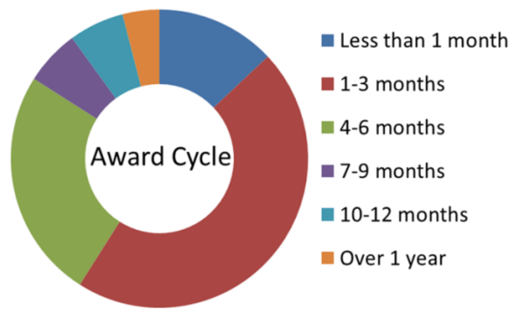
The government grant cycle length—from proposal submission to award decision—for the largest award was between one and six months for 57% of respondents. A longer grant cycle of seven months or more was reported by 40% of respondents, while 3% reported a short grant cycle of less than a month.

In the Fall 2015 Report, the government grant cycle length for the largest award was between one and six months for 62% of respondents, while a longer grant cycle of seven months or more was reported by 35% of respondents.

Once an award decision had been determined, the government often released the award monies within three months of notification (59%). Delayed receipt of award monies, taking four months or more, was reported by 41% of respondents.

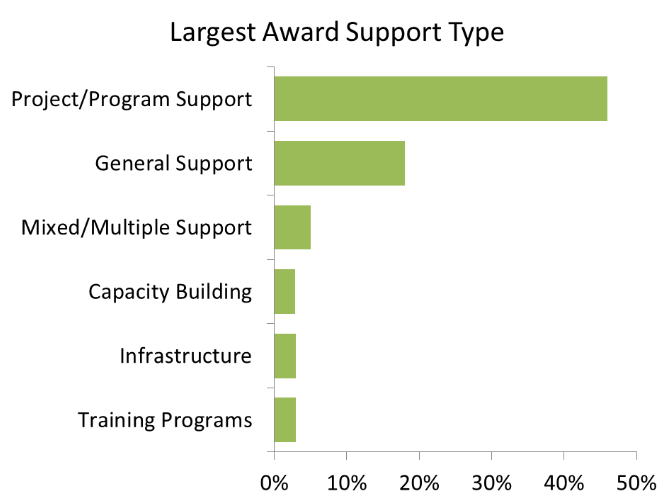
In the Fall 2015 Report, 65% of respondents reported that the government released award monies within three months of notification. Thirty-five percent of respondents reported delayed receipt of award monies, taking four months or more.




## GOVERNMENT LARGEST AWARD SUPPORT TYPE

The largest government award received by 46% of respondents was in the form of project or program support, which was followed by general support at 18%. The type of support for the largest government award was also reported as mixed/multiple support types (5%), capacity building (3%), infrastructure (3%), and training programs (3%). All other support types were reported at a rate of 2% or less.

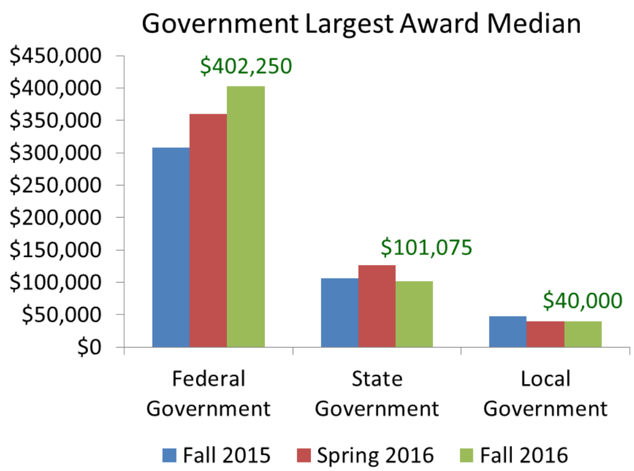


## GOVERNMENT LARGEST AWARD SIZE

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

The largest individual award median was $402,250 for the Federal government, $101,075 for state government, and $40,000 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 | $520 | $500 | $250 |
| Highest $ | $225 Million | $28 Million | $3 Million | $27 Million |
| Median $ | $402,250 | $101,075 | $40,000 | $30,000 |
| Average $ | $3,413,882 | $540,091 | $170,692 | $221,329 |




*Government largest individual award median trends:*

- ↑ The largest award median for the Federal government, $402,250, showed a 12% increase from the Spring 2016 Report, and a 31% increase from the Fall 2015 Report.
- ↓ The largest award median for state government, $101,075, showed a 20% decrease from the Spring 2016 Report, and a 5% decrease from the Fall 2015 Report.
- → The largest award median for local government, $40,000, was the same amount as the Spring 2016 Report, and a 16% decrease from the Fall 2015 Report.

## FEDERAL GOVERNMENT FUNDING

Forty-one percent of respondents reported that their organizations regularly receive Federal funding, and 29% stated that their organizations received Federal funding within the first six months of 2016.

### *Federal government award form*

Those organizations that received Federal funding from January through June of 2016 reported that their largest Federal award came in the form of grants (63%), contracts (23%), or another form, including cooperative agreements (5%). Ten percent were unsure of the form of funding.

### *Federal government award origin*

Forty-six percent of the funds for the largest Federal award originated directly from the Federal government, while 36% originated as pass-through Federal funding via a state government. Twelve 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. Seven percent of respondents were unsure of where their Federal funding originated.

### *Federal government matching funds*

One half (54%) of respondents that received Federal funding reported that their largest Federal award did not require matching funds, whereas 38% 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, 60% 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% (34%) or 26% to 50% (24%).

### *Federal government indirect/administrative cost funding*

Nearly two-thirds of respondents (64%) reported that their largest Federal award included indirect/administrative cost funding, while 26% reported that cost funding was not included, and 10% were unsure if this type of funding was included.

Of those respondents that did receive indirect/administrative cost funding, 42% reported that their largest Federal award included an allocation of 10% or less for indirect/administrative costs, and 17% reported that the award included 11 to 20% funding for these costs. Sixteen percent of respondents reported that their largest Federal award included funding of 21% or more for indirect/administrative costs, while 25% of respondents were unsure of the level of funding allocated to these costs.

*Federal government reporting*

Of organizations that received Federal awards, 59% were required to report on outcomes or cost per unit for the largest award, while this type of reporting was not required for 26%. Sixteen 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 28%, whereas it was less detailed or time-consuming for 1%. There was no change in the reporting difficulty for 40% of respondents, and 31% of respondents were unsure as to the level of reporting difficulty.

## SURVEY RESPONDENTS BY GOVERNMENT LARGEST AWARD SOURCE

As illustrated by the *Fall 2016 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-eight 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 (16%) or over 200 people (31%). Eighty percent of FGLAS organizations reported annual budgets of $1,000,000 and over; of those, 29% reported annual budgets of $25,000,000 and over. The median annual budget was $4,074,000. FGLAS organizations were older than other organizations; 32% were 26 to 50 years old and 39% were over 50 years old. Fifty-two 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 (16%) or multi-county (30%). Human Services (26%) and Education (21%) were the most frequently reported mission focuses. Over half of these organizations (55%) 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-seven 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 83% of SGLAS organizations. SGLAS organizations most frequently reported employing one to five people (20%) or over 200 people (20%). Sixty-three percent of SGLAS organizations reported annual budgets of $1,000,000 and over; of those, 31%

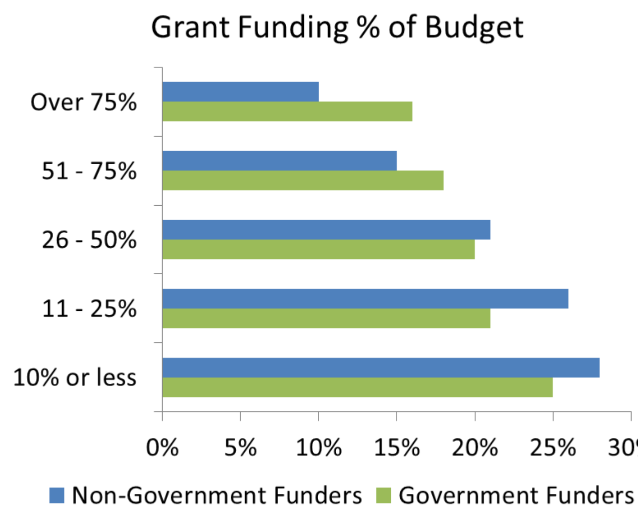
reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $1,500,000. Most SGLAS organizations were 11 to 25 years old (25%) or 26 to 50 years old (38%). Forty-four percent of SGLAS organizations were located in a mix of service area types (rural, suburban, and urban). The most frequent geographic service reach for SGLAS organizations was one county (16%) or multi-county (37%). Human Services (30%), Arts, Culture, and Humanities (16%), and Education (14%) were the most frequently reported mission focuses. Just over half of these organizations (51%) 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:*
Fifty-seven 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 96% of LGLAS organizations. LGLAS organizations most frequently reported employing one to five people (29%) or six to ten people (18%). Nineteen percent of LGLAS organizations reported annual budgets between $250,000 and $499,999; 27% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $750,000. Most LGLAS organizations were 26 to 50 years old (40%) and 50% were located in urban areas. The most frequent geographic service reach for LGLAS organizations was one county (26%) or multi-county (27%). Arts, Culture, and Humanities (31%) and Human Services (28%) 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.

# NON-GOVERNMENT FUNDING

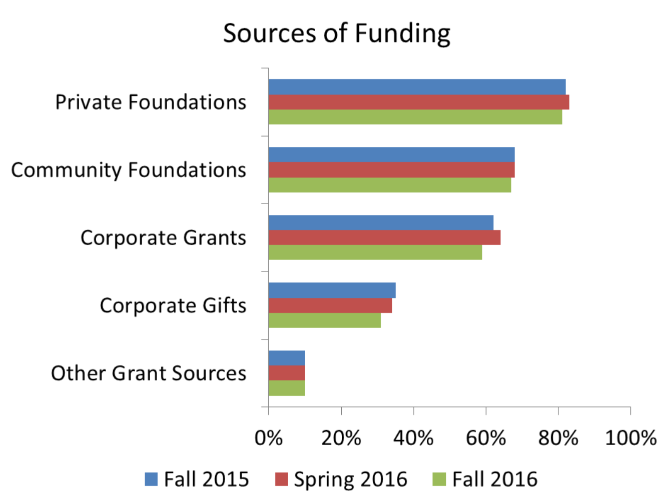
## NON-GOVERNMENT GRANT FUNDING BUDGET CONTRIBUTION

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, 75% reported that grants comprised less than one half of their annual budgets, vs. 66% 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. Of note, private foundations decreased slightly as an award source.

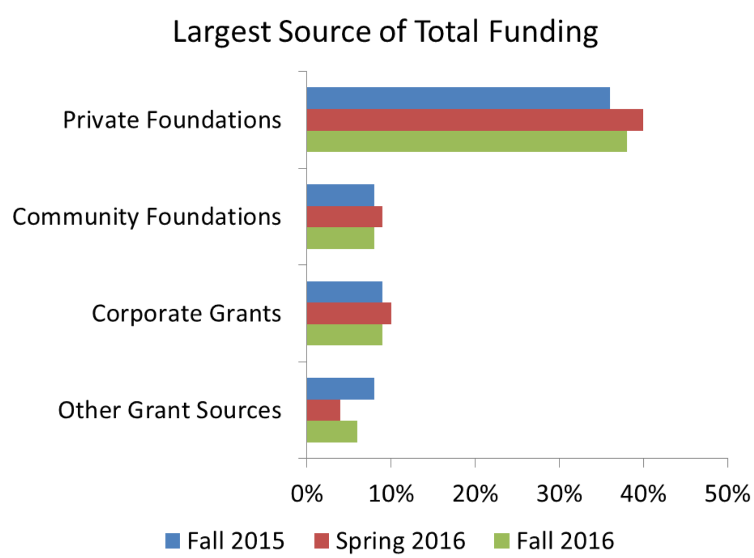


*Non-government grant funding source trends:*

- Private foundations were a funding source for 81% of respondents, a 2% decrease from the Spring 2016 Report, and a 1% decrease from the Fall 2015 Report.
- Community foundations were a funding source for 67% of respondents, a 1% decrease from both the Spring 2016 and Fall 2015 Reports.
- Corporate grants were a funding source for 59% of respondents, an 8% decrease from the Spring 2016 Report, and a 5% decrease from the Fall 2015 Report.
- Corporate awards in the form of gifts of products or services were a funding source for 31% of respondents, a 9% decrease from the Spring 2016 Report, and an 11% decrease from the Fall 2015 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 Spring 2016 and Fall 2015 Reports.

## NON-GOVERNMENT LARGEST SOURCE OF TOTAL FUNDING

Private foundations (38%) were most frequently reported as the largest source of total funding.

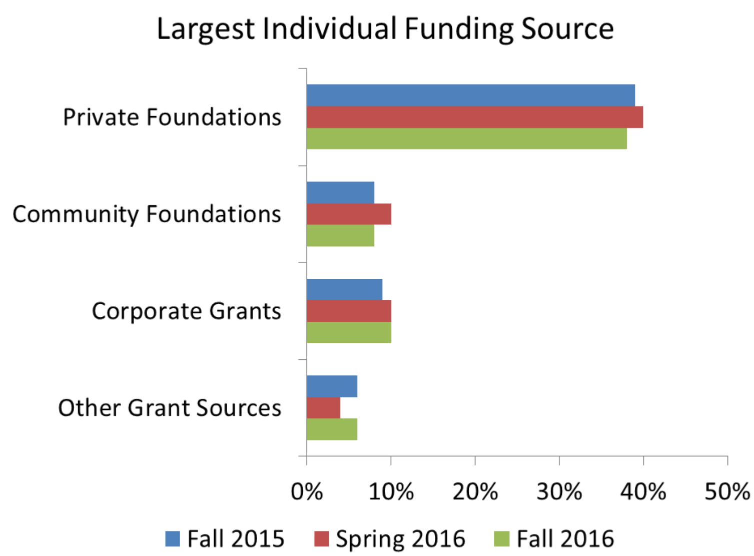


*Non-government largest source of total funding trends:*

- Private foundations were the largest total funding source for 38% of respondents, a 5% decrease from the Spring 2016 Report, and a 6% increase from the Fall 2015 Report.
- Community foundations were the largest total funding source for 8% of respondents, an 11% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Corporate grants were the largest total funding source for 9% of respondents, a 10% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 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 6% of respondents, a 50% increase from the Spring 2016 Report, and a 25% decrease from the Fall 2015 Report.

## NON-GOVERNMENT LARGEST INDIVIDUAL AWARD SOURCE

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




*Non-government largest individual award source trends:*

- Private foundations were the source of the largest award for 38% of respondents, a 5% decrease from the Spring 2016 Report, and a 3% decrease from the Fall 2015 Report.

- Community foundations were the source of the largest award for 8% of respondents, a 20% decrease from the Spring 2016 Report, and the same rate as the Fall 2015 Report.
- Corporate grants were the source of the largest award for 10% of respondents, the same rate as the Spring 2016 Report, and an 11% increase from the Fall 2015 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 6% of respondents, a 50% increase from the Spring 2016 Report, and the same rate as the Fall 2015 Report.

## NON-GOVERNMENT LARGEST AWARD LOGISTICS

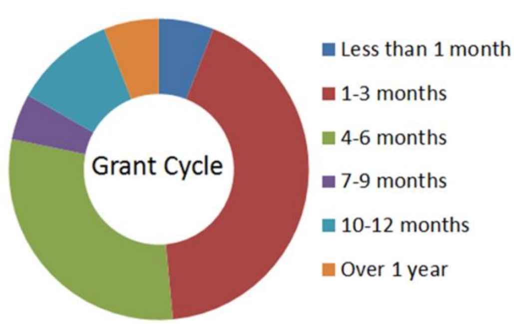
Respondents reported that the length of both the non-government grant cycle and award cycle remained fairly stable.

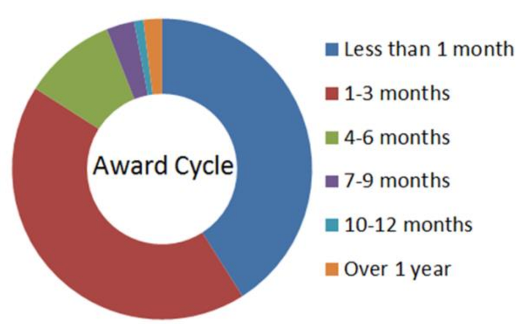
The non-government grant cycle length—from proposal submission to award decision—for the largest award was between one and six months for 73% of respondents. A longer grant cycle of seven months or more was reported by 21% of respondents, while 6% reported a short grant cycle of less than a month.

In the Fall 2015 Report, the non-government grant cycle length for the largest award was between one and six months for 71% of respondents, while a longer grant cycle of seven months or more was reported by 22% of respondents.

Once an award decision had been determined, most non-government funders released the award monies within three months of notification (84%). Delayed receipt of award monies, taking four months or more, was reported by 16% of respondents.

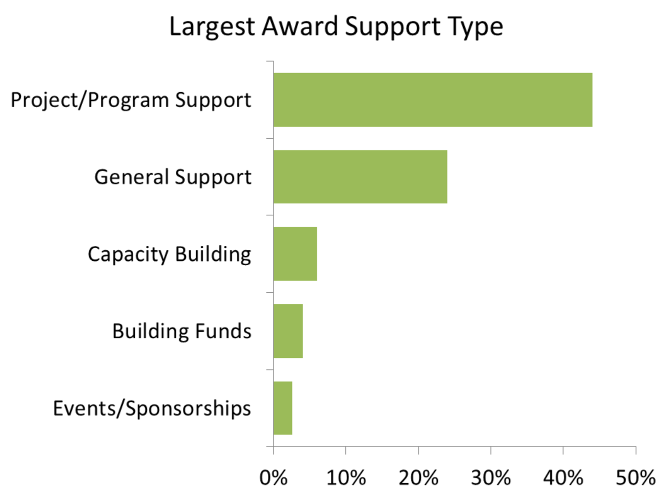
In the Fall 2015 Report, 84% of respondents reported that non-government funders released award monies within three months of notification. Sixteen percent of respondents reported delayed receipt of award monies, taking four months or more.



## NON-GOVERNMENT LARGEST AWARD SUPPORT TYPE

The largest non-government award received by 44% of respondents was in the form of project or program support, which was followed by general support at 24%. Respondents also reported the largest non-government award type as capacity building (6%), building funds (4%), and events/sponsorships (3%). All other support types were reported at a rate of 2% or less.

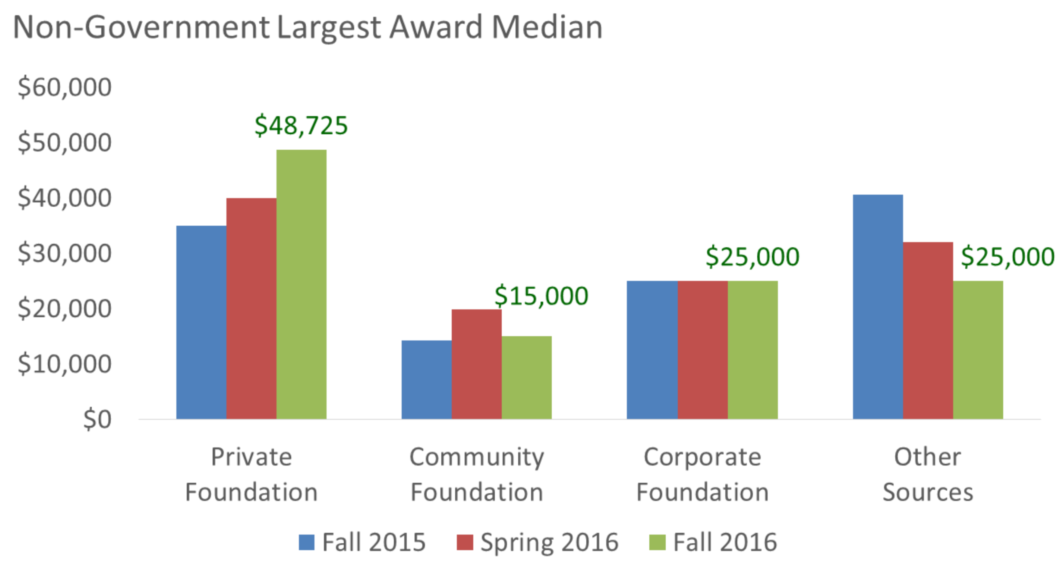



## NON-GOVERNMENT LARGEST AWARD SIZE

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

The median award from private foundations was $48,725. From community foundations, the median award was $15,000. The median award from corporate foundations was $25,000, while the median award from "other" sources was $25,000. In comparison, the largest individual award median from government funders (an aggregate of Federal, state, and local government) was $174,500.

| Median Largest Award Size | Private Foundations | Community Foundations | Corporate Foundations | Other Sources | Government Funders |
|---|---|---|---|---|---|
| Lowest $ | $400 | $500 | $250 | $500 | $100 |
| Highest $ | $27 Million | $13.5 Million | $7 Million | $4.5 Million | $225 Million |
| Median $ | $48,725 | $15,000 | $25,000 | $25,000 | $174,500 |
| Average $ | $249,000 | $145,675 | $186,100 | $205,200 | $1,566,100 |




*Non-government largest individual award median trends:*

- The largest award median for private foundations, $48,725, showed a 22% increase from the Spring 2016 Report, and a 39% increase from the Fall 2015 Report.
- The largest award median for community foundations, $15,000, showed a 25% decrease from the Spring 2016 Report, and a 5% increase from the Fall 2015 Report.
- The largest award median for corporate foundations, $25,000, was the same rate as both the Spring 2016 and Fall 2015 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, showed a 22% decrease from the Spring 2016 Report, and a 38% decrease from the Fall 2015 Report.

## SURVEY RESPONDENTS BY LARGEST AWARD SOURCE

As illustrated by the *Fall 2016 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 95% of PFLAS

organizations. PFLAS organizations most frequently reported employing one to five people (29%) or 11 to 25 people (17%). Thirty percent of PFLAS organizations reported annual budgets between $250,000 and $999,999; 28% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $1,000,000. Most PFLAS organizations were 11 to 50 years old (59%), and 47% were located in a mix of service area types (rural, suburban, and urban), while 34% 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%), Arts, Culture, and Humanities (13%), and Education (11%) 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-two 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 93% of CFLAS organizations. CFLAS organizations most frequently reported employing one to five people (31%) or six to 25 people (26%). 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 $411,500. Most CFLAS organizations were 11 to 50 years old (60%), and 37% were located in a mix of service area types (rural, suburban, and urban), while 31% were located in an urban service area. The most frequent geographic service reach for CFLAS organizations was multi-county (32%) or one county (14%). Human Services (26%), Youth Development (13%), and Arts, Culture, and Humanities (12%) 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.

*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 95% of CLAS organizations. CLAS organizations most frequently reported employing one to five people (33%). Twenty-eight percent of CLAS organizations reported annual budgets between $100,000 and $499,999; 24% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $653,855. Most CLAS organizations were 11 to 50 years old (60%), and 51% 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 (25%) or one county (17%). Human Services (17%), Education (13%), and Youth Development (13%) were the most frequently reported mission focuses. Forty-two percent of these organizations reported a

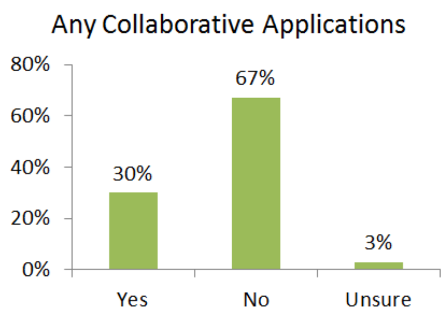
service population comprised of over 50% individuals/families at or below the poverty level.

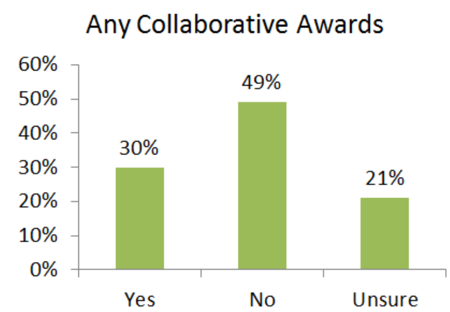
*Organizations for which "other" sources were the largest award source:*
Sixty-six percent of respondents from organizations for which "other" sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) were the largest award source (OLAS) were directly associated with their organizations at an executive level. Nonprofits comprised 96% of OLAS organizations. OLAS organizations most frequently reported employing one to five people (41%) or six to 25 people (22%). Twenty percent of OLAS organizations reported annual budgets between $100,000 and $249,999; 16% reported annual budgets between $1,000,000 and $4,999,999. The median annual budget was $ 450,000. Most OLAS organizations were 11 to 50 years old (64%), and 58% 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 (23%) or one county (16%). Human Services (25%), Arts, Culture, and Humanities (16%), and Youth Development (11%) 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.

# COLLABORATIVE GRANTSEEKING

## PARTICIPATION AND AWARDS

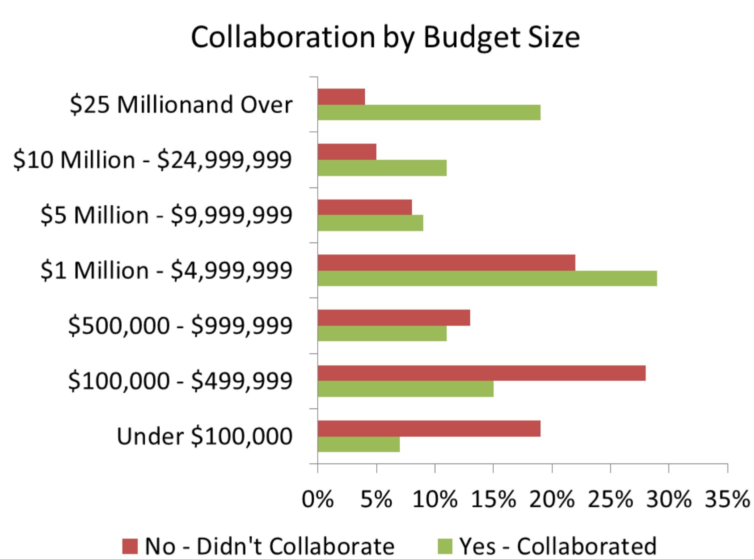
Collaborative grantseeking - several organizations joining together to submit grant applications for joint activities or programs - is a trending topic. Most respondents (67%) did not participate in collaborative grantseeking in the first six months of 2016. Thirty percent of those respondents that did 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. Sixty-eight percent of organizations with budgets of $1,000,000 or more participated in collaborative grantseeking in the first six months of 2016. Sixty percent of organizations with budgets under $1,000,000 did not participate in collaborative grantseeking in the first six months of 2016.



## RESPONDENT COMMENTARY

We asked survey respondents to share their experiences, expertise, and opinions. A sample of representative comments from respondents who participated in collaborative grantseeking follows:

- Good! If we can all benefit from something I don't see why we wouldn't work together to achieve common goals.
- Most funders want to give the same amount but split it between two organizations, so thus far we are losing money by collaborating.
- It's a lot of work to collaborate and frequently there is very little reward. The larger organization always winds up doing the bulk of the application because it has more systems in place and is typically more professionalized. It can be a frustrating process. The mention of application "collaboration" elicits groans from our staff and they are the least enjoyable grants to solicit.
- It is effective if you are working with a committed partner on a compelling project that is a good fit with the funder.
- It’s very important. The grantmakers greatly encourage this.
- Collaboration makes for a more comprehensive program proposal/design. Thus, collaboration increases one's chance of being funded.

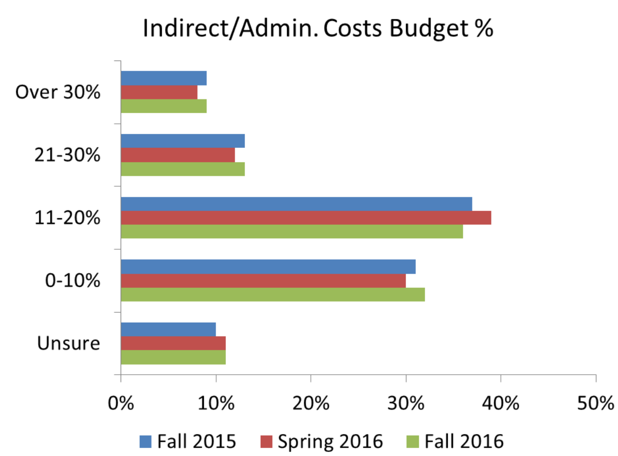
A sample of representative comments from respondents who did not participate in collaborative grantseeking follows:

- In theory, it sounds great; practically, it's very difficult. We've tried in the past, but the organizations we've reached out to were very protective of their work, funding, and staff. Sadly, this is extremely difficult to do and it's very time intensive to even try and get consensus.
- If the two organizations are a mutual fit with true synergy, fine.
- It may be beneficial, if strict guidelines are in place to assure the money is split evenly, allowing for maximum value to the organization(s) involved.
- With the right partners, collaboration can be transformative.
- It’s more difficult to prepare the grant application.
- It can be good if the collaboration is not forced.

# INDIRECT/ADMINISTRATIVE COST FUNDING

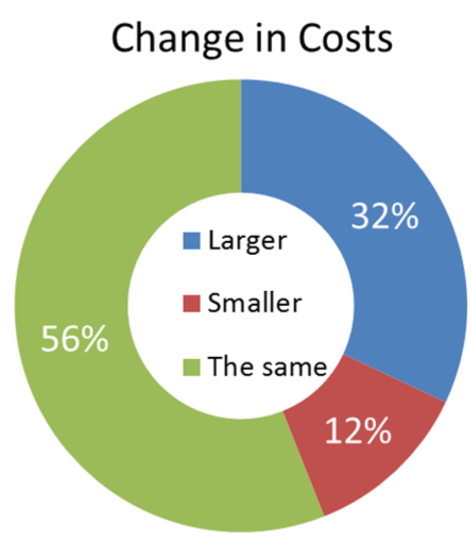
## INDIRECT/ADMINISTRATIVE COSTS AS A PERCENTAGE OF BUDGET

Our respondents generally kept their costs low; 67% 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 11% 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, 56% of respondents reported that these costs remained the same, while 32% reported that these costs had increased. Indirect/administrative costs decreased for 12% of respondents.



## INDIRECT/ADMINISTRATIVE COST CONTROLS

Respondents were asked, "How did you reduce your indirect/administrative costs?" Over half (62%) reported that they reduced indirect/administrative costs by eliminating staff, while 29% reported increased reliance on volunteer labor.

Reductions in services and programs (22%), staff hours (19%), staff salaries (18%), organization hours (9%), and organization geographic scope (7%) also reduced indirect and administrative costs. In addition, respondents reduced these costs by participation in buying groups (7%) and space or location sharing (14%).

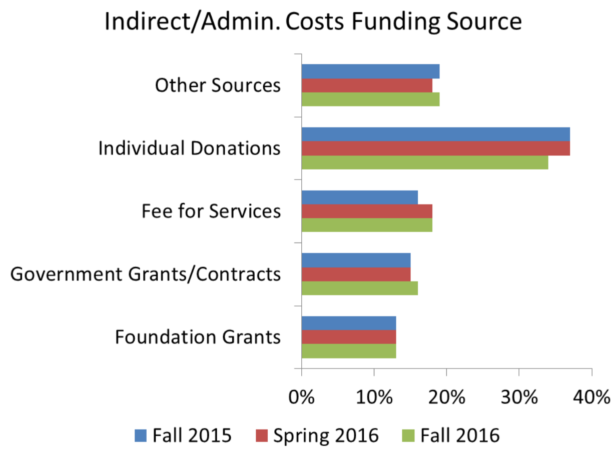
| Reduction Technique | Fall 2016 | Spring 2016 |
|---|---|---|
| Reduced number of staff | 62% | 54% |
| Increased reliance on volunteer labor | 29% | 32% |
| Reduced services/programs offered | 22% | 21% |
| Reduced staff hours | 19% | 19% |
| Reduced staff salaries | 18% | 17% |
| Space/location sharing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

A sample of representative comments from survey respondents follows:

- We moved to a smaller, more efficient office space, ended several equipment leases and replaced them with less costly direct purchases, and revised an administrative process that was time consuming.
- We reorganized staff to squeeze out greater efficiencies. Most of our administrative costs are absorbed by the volunteers.
- We dropped programs that did not cover all of their expenses, reduced staff by not replacing some leaving and consolidated positions, cut services, and furloughed staff one day per month.
- We had to let three people go. In a nonprofit that offers services to eight counties, losing three people is like losing two limbs.
- We consolidated to one floor (vs. two) and joined a financial collective for all financial management, payroll, and HR support.
- We moved to less expensive offices and were able to cut our overhead from $4,000 to $2,000 a month. We also reduced phone, copier, and internet contracts.
- When people left, we didn't rehire, and we spread out the work.

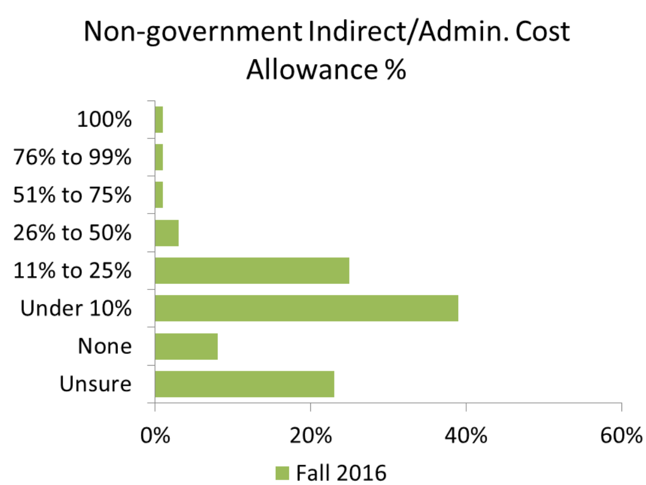
## INDIRECT/ADMINISTRATIVE COST FUNDING SOURCES

Individual donations (34%) were the most frequent source of indirect/administrative funding, while foundation grants (13%) were the least frequent source. Government grants and contracts (16%) and fees for services (18%) were also frequent sources of funding for these costs. Within the "other" category (19%), fundraisers, tax revenue, major donors, and general funds were cited as the sources of indirect/administrative funding.




## INDIRECT/ADMINISTRATIVE COST FUNDING LIMITATIONS

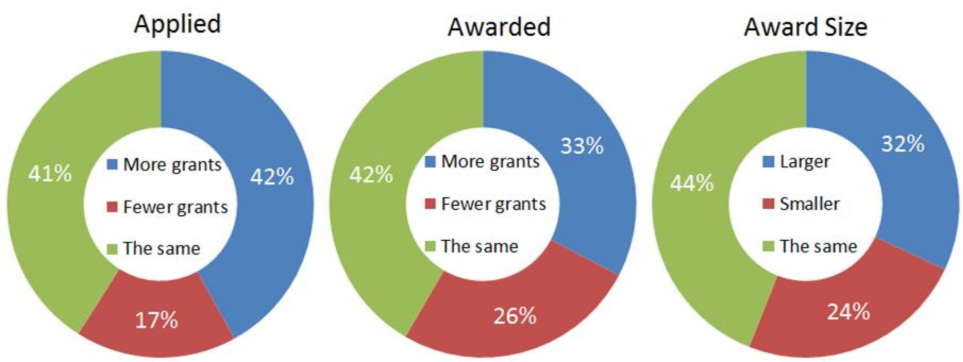
Respondents reported that non-government funders will generally assist with indirect/administrative costs, although they limit the amount that they are willing to cover. Thirty-nine percent of respondents reported an allowance of 10% or less for indirect/administrative costs by non-government funders, 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.



# GRANT ACTIVITY

## RECENT ACTIVITY

In the first half of 2016, 83% of respondents applied for the same number of grants (41%) or more grants (42%) than they did from January through June of 2015. Of respondent organizations, 75% were awarded the same number of grants (42%) or more grants (33%) compared to the prior year. Moreover, respondents reported that their organizations received awards of the same size (44%) or larger (32%).




## HISTORIC ACTIVITY

Among respondent organizations, grant activity continued to rebound from the low point reported during the economic recession in 2011 and 2012.

- Submission of more grant applications than in the prior year has ranged from 42% to 46% over the past four years.
- Receipt of more awards than in the prior year was reported by 33% of respondents in this report, compared to a low of 27% in the Fall 2012 Report.
- Receipt of larger awards was reported by 32% of respondents in this report; in the Spring 2012 report only 23% of respondents reported awards of a larger size.

## FUTURE ACTIVITY

Respondents were optimistic about the future; 44% expected to be awarded more grants in the following six months, and 38% expected to receive the same number of awards. The percentage of respondents expecting to receive more awards or the same amount of awards in the future (82%) reflects a slightly lower level of optimism than in the Spring 2016 Report (84%).

# CHALLENGES TO GRANTSEEKING

Respondents continued to report that grantseeking's greatest challenges stem from the lack of time and staff for grantseeking activities. Increased competition for finite monies (17%) has placed greater emphasis on strict adherence to varying funder practices and requirements (14%). Many respondents mentioned the challenges in building relationships with funders (9%) and the difficulty in finding grant opportunities that matched with their specific mission, location, or program, regardless of their focus, service area, or interests (11%). Each of the remaining six challenge types were reported by 7% 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 | Fall 2016 | Spring 2016 | Fall 2015 | Spring 2015 | Fall 2014 | Spring 2014 | Fall 2013 | Spring 2013 |
|---|---|---|---|---|---|---|---|---|
| Lack of Time and/or Staff | 19% | 19% | 19% | 22% | 21% | 22% | 19% | 20% |
| Competition | 17% | 16% | 16% | 14% | 14% | 11% | 11% | 10% |
| Funder Practices/Requirements | 14% | 13% | 13% | 13% | 10% | 8% | 8% | 5% |
| Research, Finding Grants | 11% | 13% | 12% | 11% | 10% | 13% | 14% | 13% |
| Funder Relationship Building | 9% | 9% | 9% | 8% | 9% | 9% | 10% | 9% |
| Economic Conditions | 7% | 6% | 6% | 6% | 7% | 6% | 7% | 9% |
| Reduced Funding | 6% | 7% | 8% | 8% | 8% | 12% | 13% | 12% |
| We Need a Grantwriter | 6% | 6% | 5% | 6% | 6% | 6% | 5% | 7% |
| Other Challenges | 5% | 5% | 5% | 4% | 5% | 5% | 5% | 5% |
| Internal Organizational Issues | 4% | 4% | 6% | 5% | 6% | 4% | 6% | 5% |
| Writing Grants | 3% | 3% | 2% | 3% | 3% | 3% | 3% | 4% |

## TOP GRANTSEEKING CHALLENGE TRENDS

In the Fall 2016 Report, only the challenges of competition for grant awards, adherence to funder practices and requirements, and economic conditions showed increased response rates.

- ➔ Lack of time and/or staff (19%) has been the most frequently reported challenge to grantseeking since 2012.
- ↑ Competition for grant awards (17%) has increased as a challenge choice by 70% since the Spring 2013 Report.
- ↑ Adherence to funder practices and requirements (14%) has increased as a challenge choice by 180% since the Spring 2013 Report.

## RESPONDENT COMMENTARY

We asked survey participants to tell us more about their organizations' challenges to grantseeking in 2016. 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 greater need for non-restricted funding, regardless of mission focus.

Respondent commentary on grantseeking challenges stretched to 125 pages of single-spaced text. A sample of representative comments from survey respondents follows:

- There has been an increase in by-invitation-only grants.
- The lack of available grants that support operations and administrative costs is a challenge.
- More schools, hospitals, and other entities are going after the same dollars.
- Most grants are matching; it is very difficult for small towns and organizations to find matching money to compete with larger entities with larger budgets.
- Grants are more competitive and more restrictive with word and character counts, with less time from the announcement of grant opportunities to the submission deadlines.
- We are under more pressure to find grants because our funding from the government is dwindling.
- Grantmaker focus areas don't align well with our mission. Geographically, there is less local/regional funding available.
- Grants have been changing and very few are for brick and mortar, operational funding.
- There is a lack of staff and resources to pursue grants on a regular basis.

- Staff cuts resulting from severe state budget cuts have damaged our ability to respond effectively to the most complex multi-investigator, multi-institutional research grant opportunities.
- This agency has only one grantwriter and when Federal grants are announced, they usually come in groups. We can only work on one at a time.
- I think we are in a space that is hard to fund. I think funder expectations and demands can be difficult to meet and not always in tune with the reality of a small nonprofit. I think it's hard to find multi-year grants or new grants to replace ones that have been exhausted.
- Lack of time or staff for researching and preparing grants is a challenge; relationship building with funders also suffers due to lack of time or staff.
- Board members' willingness to engage with prospects that have resources can be a challenge.
- Corporate funding—long a stable source for us—has definitely decreased in availability and amount. Stable local sources (such as the city) continue to have level funding at best, and increasing requirements (such as increased requirements for insurance).
- Nonprofits will never pay a competitive grantwriter's salary. You can have a master's degree and be certified and you are still the least paid development professional.
- We are in need of a knowledgeable grantwriter to navigate the process.
- We need a more robust donor management system.
- As we grow, needs grow, and that costs more money. You have to be going after the individual dollar versus grant funding to be able to sustain yourself. We don't have a tax base to pull from, so we have to continually seek donations from the community to sustain ourselves. Grants are only one part of that strategy.
- State funding is dismal. Even if we receive an award, we are unsure if/when payment will be received. Fewer Federal grants are being offered for the services we provide.
- We don't fit into funding priorities or guidelines. We are doing something new that few are doing and they don't understand or seem to want to know what we are doing.
- Foundations tend to support prior recipients and are less interested in new organizations.

- There are fewer public dollars available; as a result, competition for private dollars has increased hugely. In addition, private donors generally don't want to support an organization or a particular program indefinitely.
- Limited staff/time makes it hard to research grants. There seems to be limited funding for the population we work with.
- One big issue we're having is getting general support. We can find a lot of grants that give money for equipment or radios, or anything with an invoice, but getting money for staff is really hard. Given that staff is the biggest part of our budget, that's a real struggle.
- Often, we hear we are more financially stable than agencies that are struggling, and the grantmakers choose to fund the struggling agencies.
- Being in an environment where the major organizations control most of the funding, it is hard being a midsized organization.
- There aren't enough human resources to seek out and write the grants needed and available!
- The smaller grants take as long, or longer, to apply for than the large grants.
- The greatest challenge is getting beyond the usual suspects and engaging new grantmakers who are not familiar with our work. There are a finite number of funding entities out there who could potentially support our work from a geographic and programmatic perspective, and we have already attempted to engage most of them. Getting a foot in the door with the few remaining is a challenge.
- Many grants do not allow for repeat funding of the same project or for general operational costs, which limits our organization's ability to qualify for grants.
- Lack of time and experience is a challenge for us. As an all-volunteer organization, our past experience with grantwriters has not been successful!
- Many of the grants we receive are based on staff/board connections to corporate foundations, relationships with private donors, and local/state councils. From a grants management perspective, there can be a disconnect between the deal maker (staff or board member), the grants manager (person writing, submitting, and administrating the grants), and the funder (corporate or private foundation). Because of these communication disconnects, the grants manager can often be left to hunt down answers and documents needed to complete the application, and has to get the grant request completed within a very short time period.
- It is difficult to secure funds for our ongoing "tried and true" programs. The grantmakers typically want new, different, innovative programs and we barely have enough staff to meet the requirements of our ongoing mission/contracts.

# SURVEY RESPONDENTS

## ORGANIZATIONAL AFFILIATION

Of the respondents, 91% were directly associated with the organizations they represented as executives (55%), employees (30%), board members (4%), or volunteers (2%). Consultants (5%) and government employees (3%) comprised the remaining 8% of respondents.

## TYPE OF ORGANIZATION

The majority of respondents (97%) represented nonprofit organizations (86%), educational institutions (7%), or government entities and tribal organizations (4%). The remainder (4%) included businesses and consultants. Among respondents from educational institutions, 33% represented K-12 schools and 67% represented two or four year colleges and universities.

## ORGANIZATIONAL AGE

The organizational age most frequently reported was between ten and 50 years old (58%). Organizations under ten years old comprised 18% of respondents and organizations over 50 years of age comprised 24% of respondents.

## ANNUAL BUDGET

Respondent organizations reported annual budgets less than $100,000 (15%), between $100,000 and $999,999 (35%), between $1 million and $9,999,999 (34%), between $10,000,000 and $24,999,999 (7%), and $25 million and over (10%). The median annual budget of respondent organizations was $990,300.

## STAFF SIZE

One to five people were employed by 26% of respondent organizations. Twenty-six percent of respondent organizations employed six to 25 people, while 12% 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 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 43% of respondents, less than 10% of their organization was comprised of persons of color. Organizations reporting 11% to 50% persons of color comprised 31% of respondents, and 15% of respondents were from organizations with 51% or more persons of color on their staff, management, or board. This question was not applicable for 12% 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 eight Canadian provinces participated, and 76 respondents were from countries outside of the United States and Canada.

## SERVICE AREA

*The Fall 2016 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. Sixteen 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 31% of respondents. In addition, 47% 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 9%. Multi-state organizational reach was reported by 10% 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 14%. Eight percent of respondents reported a multi-city organizational reach, while 7% reported a geographic reach within an individual city. In addition, 3% 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 33% 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 15% of respondents. Service to those in poverty at a rate of 11% to 25% was reported by 16% 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 of the respondent organizations reported one of three mission focuses: Human Services (24%), Arts, Culture, and Humanities (13%), and Education (12%). The next most frequent mission focus responses were Health (8%), Youth Development (7%), Community Improvement (5%), Housing and Shelter (5%), and Environment (4%). Animal-Related and Civil/Social Advocacy were each reported by 3% of respondents. Public Benefit, Mental Health, Employment, Religion Related, and Food, Agriculture, and Nutrition missions were each reported by 2% of respondents. Each of the remaining mission focuses, reported at a rate 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 August 15, 2016, through September 30, 2016, and received 3,371 responses. It was produced by GrantStation, and underwritten by the Grant Professionals Association, Altum/PhilanTrack, GrantHub, Elevate, and the Support Center Partnership in Philanthropy. 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 *Fall 2016 State of Grantseeking™ Report* in oral or written format, presentations, texts, online, or other contexts, please contact Ellen Mowrer at ellen.mowrer@grantstation.com.

# ABOUT GRANTSTATION

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.)

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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 2,300 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.

PhilanTrack® Online Grants Management Software is a secure web-based system that helps grantseekers find new sources of funding, write grant proposals more efficiently by easily reusing information from past proposals, track deadlines for proposals and reports, manage relationships with funders, and more. PhilanTrack helps grantseekers streamline grants administration to save time and money that can be redirected to the organization's programs and services. Altum maximizes the impact of governments, philanthropic organizations, and communities by leveraging a unique combination of strategy and innovative technology to make the world a better place.

GrantHub is an intuitive grants management toolkit designed to manage your pipeline of funding opportunities, streamline proposal creation, and track your grant deadlines, reports, and tasks—while providing convenient, secure access to centralized grant and funder information. Grant consultants can also utilize GrantHub to track grants for their clients. Go to http://www.granthub.com/ to learn more and sign up for our no obligation, no risk, 14-day free trial.

GrantVantage Inc. offers a cloud-based grant management solution built on Microsoft's world-class CRM platform and integrates with Outlook and Office 365. Nonprofits as well as state, tribal and local governments can easily manage their full grant lifecycle – proposal review to closeout. GrantVantage is a robust solution for intermediaries responsible for managing a sub-award portfolio. Use the GrantVantage portal to post funding announcements, review submitted applications, and award contracts and grants. For effective, efficient, and auditable sub-recipient project management, use our risk assessment and monitoring and our Draw-downs, Disbursements and Reimbursements modules or integrate GrantVantage with your financial system. To see a demonstration of our solution, call (888) 381-9734, or visit us on our website www.grantvantage.com.

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For over 30 years, *Support Center | Partnership in Philanthropy* has worked in collaboration with nonprofit and philanthropic clients to increase organizational effectiveness and efficiency, enabling them to improve the quality of life in our communities. We are committed to working with nonprofit organizations of all sizes to strengthen their leadership, management, and financial sustainability through *Change Consulting*, *Executive Search and Transition Management*, and *Training*. With offices in Newark and NYC, we bring a unique breadth and depth of experience to the wide range of programs and services we offer. Contact Carolyn Champ, Associate Executive Director, 917.522.8302, cchamp@supportcenteronline.org.