

The 2021 State of Grantseeking Report Key Findings



Our Lead Underwriters

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



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KEY FINDINGS

THE PANDEMIC

- Over half of respondents (51%) told us that they and their staff pivoted to virtual or work from home status.
- The cancellation or postponement of traditional, in-person fundraisers was costly. While new or additional grantseeking (48%), virtual events (47%), or social media campaigns (44%) were used to replace in-person events, 58% of respondents raised less money than in the past.
- Grantmakers, like nonprofit organizations, often had to change their operations and activities in the face of the pandemic. Funders were supportive, and often provided more leniency in meeting specific timelines (58%) or allowed for changing program objectives (55%).
- Over three-quarters of respondents (76%) applied for coronavirus-specific grant funding opportunities. Of those, 68% received a coronavirus-specific grant award.
- Among organizations that received coronavirus-specific grant awards (excluding coronavirus relief funding administered by the Small Business Administration), the median of the largest individual award was \$25,000.
- Many organizations did apply for coronavirus relief funding administered by the Small Business Administration (SBA), either in the form of the Paycheck Protection Program (PPP) (61%), the Economic Injury Disaster Loan (EIDL) (13%), or both.
- Of those that applied for SBA coronavirus relief funding, 58% received PPP monies, while 12% received EIDL funding, and 39% received no SBA funding.
- The median total dollar amount of SBA coronavirus relief funding reported by survey respondents was \$77,750.

GRANTSEEKING ACTIVITY

- Ninety percent of respondents applied for grant funding in 2020.
- Among those organizations with active grantseekers, 74% reported that one to two people were directly involved with the grant process.
- Compared to the same period in the prior year, 62% of respondents applied for more grants and 53% were awarded more grants. In addition, 46% reported the receipt of larger awards.

- Application rates varied by funder type; 93% of respondents applied for private foundation funding in 2020 while 62% applied for Federal funding.
- Applying for at least three grant awards increased the frequency of winning an award. Twenty-two percent of organizations that submitted one application won no awards. However, the percentage of organizations that won at least one award was high among organizations that submitted three to five applications (91%), six to ten applications (97%), or eleven or more applications (99%).

AWARDS

- Fifty percent of respondents reported grant funding as comprising 25% or less of their annual budget.
- Recurring grants were 10% or less of total grants for 42% of respondents, and 11% to 50% of total grants for 32% of respondents.
- The median of total grant funding was \$150,000; the median largest individual award was \$61,000.
- The median largest award from non-government funders (an aggregate of private foundations, community foundations, corporate grantmakers, and “other” funding sources) was \$40,000.
- The median largest award from government funders (an aggregate of local, state, and Federal government) was \$154,000.
- The most frequently reported type of support for the largest award was project or program support (36%); general support was the largest award type for 25% of respondents.

FEDERAL GOVERNMENT AWARDS

- Of all respondents to *The 2021 State of Grantseeking™ Survey*, 37% stated that their organizations receive Federal funding on a regular basis and 38% received Federal funding in 2020.
- The largest award median for the Federal government was \$400,000.
- Most organizations that received Federal funding in 2020 reported that their largest Federal award came in the form of grants (61%) or contracts (12%).
- Forty-four percent of the funds for the largest Federal award originated directly from the Federal government; 32% originated as pass-through Federal funding via a state government.

- Twenty-two percent of respondents reported that matching funds were required in their largest Federal award. Of those, 59% could use in-kind gifts toward the match total.
- Fifty percent of respondents reported that their largest Federal award included indirect or administrative cost funding.

DONOR-ADVISED FUND (DAF) AWARDS

- Among our respondents, 43% received DAF awards, while 44% did not receive DAF awards, and 13% were unsure if they received this type of funding.
- Donor-advised funds provided 10% or less of total grant funding for 51% of respondents. Thirty-four percent of respondents were unsure of the percentage of DAF awards to total grant funding.

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 58% of respondents.
- The grant process takes staff. For 65% of respondents, one to two people were directly involved in the grantseeking process for the largest individual award, while 24% of respondents reported that three to five people were directly involved.
- The grant process takes time. Grant research took three days or fewer for 70% of respondents. Developing a strategic plan took three days or fewer for 55% of respondents, while writing the grant application took between two days and two weeks for 70% of respondents. Application submission took three days or fewer for 69% of respondents, and subsequent reporting requirements took three days or fewer for 54% of respondents.
- Once an award decision had been determined, funders released the award monies quickly; 76% of respondents reported receiving the award within three months of notification.

INDIRECT/ADMINISTRATIVE COSTS

- Compared to indirect/administrative costs for the prior year, 45% of respondents reported that these costs had remained the same, while 30% reported that these costs had increased. Indirect/administrative costs decreased for 25% of respondents.
- Respondents kept their costs low; 64% reported indirect/administrative costs as 20% or less of their total budgets.

- The most frequently reported indirect/administrative cost control techniques involved reductions in services and programs (44%) or reductions in the number of staff (42%).
- Individual donations (39%) were the most frequent source of indirect/administrative funding, while foundation grants (14%) and government grants or contracts (14%) were the least frequent sources.
- Only 8% of respondents reported that non-government funders would not cover any level of indirect/administrative costs. However, 40% of respondents reported an allowance of 10% or less for these costs.

COLLABORATION

- Most respondents (68%) did not participate in collaborative grantseeking in 2020.
- Thirty-four percent of those respondents that did submit a collaborative grant application reported winning an award.
- Increases in annual budget size, with the implied increases in staff and infrastructure, influenced collaborative activities. Fifty-nine percent of organizations with budgets of \$25,000,000 or more participated in collaborative grantseeking in 2020, whereas 15% of organizations with budgets under \$100,000 engaged in collaborative grantseeking during this period.

CHALLENGES TO GRANTSEEKING

- Lack of time and/or staff (22%) continued to be the greatest challenge to grantseeking among respondents.
- Increased competition for finite monies (13%) and difficulty in finding grant opportunities that matched with specific missions, locations, or programs (13%) were also frequently cited as the greatest challenge to successful grantseeking.
- The response rates for the challenges of adherence to varying funder practices and requirements (11%) and building funder relationships (9%) spoke to the importance of grantseeker-grantmaker relationships.

ORGANIZATION ANNUAL BUDGET

- Larger organizations consistently reported larger award sizes. The median size of the largest individual award ranged from \$9,000 for small organizations to over \$1.4 million for extra-large organizations. Median total awards ranged from \$10,000 for small organizations to \$3.9 million for extra-large organizations.
- Federal and state government funding frequency generally increased with organizational budget size, whereas local government, community foundation, and

“other” funding sources (including religious organizations, the United Way, donor-advised funds, civic organizations, and tribal funds) decreased in relation to budget size. Corporate funding was least frequently reported by extra-large organizations. Private foundation funding was most frequently reported by medium and large organizations.

ORGANIZATION MISSION FOCUS

- Award sizes varied by organizational mission focus. The median size of the largest individual award ranged from \$20,000 for Animal Related organizations to over \$981,000 for Educational Institutions. Animal Related organizations reported a median award total of \$35,000, while Educational Institutions reported a median award total of \$3.25 million.
- Private foundations were the largest source of total grant funding for organizations of every mission focus except for Educational Institutions and organizations with Housing and Shelter missions, for which the Federal government was the most frequently reported source of total grant funding.