

Successful Grant Seeking

Oregon Statewide Early Literacy Initiative

Executive summary

Careful research and a targeted grant seeking strategy can bolster the chances of successfully attracting government, private and corporate foundation funding in this highly competitive grant environment. Of the 70 private and corporate foundations listed alphabetically on the tables attached to this report, grants research (initially conducted in June 2005 and updated in April 2006) suggests that 34 private/corporate foundations represent our best prospects for private sector financial assistance. Government funding opportunities exist as well: 24 government programs appear to be a good match with the interests expressed by participants during the statewide early literacy planning initiative.

The highly competitive grant seeking environment

In the most recent 2005 Survey Report from GuideStar, some 47 percent of participants from grantmaking nonprofits reported that the amounts their organizations awarded during the first nine months of 2005 had increased over amounts awarded during the first nine months of 2004. Another 38 percent said amounts awarded had stayed about the same, 13 percent said they had decreased, and 2 percent did not know. In total, 45 percent of grantmakers said that applications to their organizations had increased, with three-quarters of these participants reporting that the number of applications increased "modestly."

GuideStar's report also indicates that nonprofits held their own during the first nine months of 2005, although they were concerned. The fourth annual nonprofit economic survey asked charitable organizations to compare contribution levels from January to September 2005 with those from the same period last year. Despite widespread giving to disaster relief, this year's responses are remarkably similar to those for 2004:

Change in Contributions

| GuideStar Survey | Contributions Decreased | Contributions Stayed about the Same | Contributions Increased | Don't Know |
|-------------------------|--------------------------------|--|--------------------------------|-------------------|
| October 2005 | 22% | 26% | 49% | 3% |
| October 2004 | 23% | 24% | 50% | 3% |

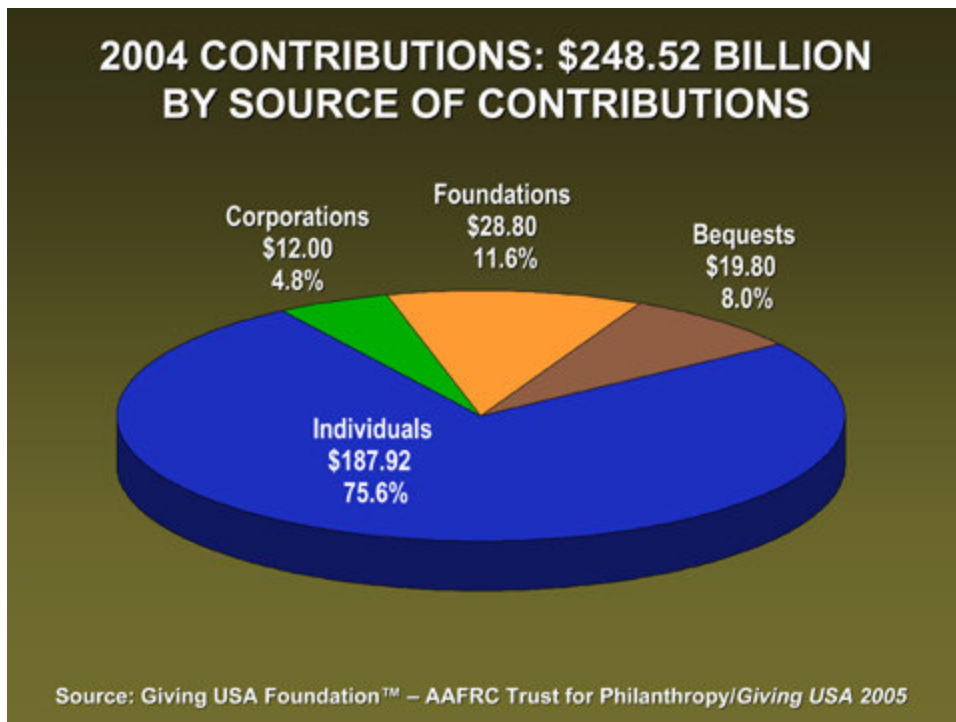
These results suggest that contributions to relief and recovery after the tsunamis, Hurricane Katrina, and Hurricane Rita had little overall effect on charitable giving during the first nine months of the year. (The Guatemalan mud slides, Kashmir earthquake, and Hurricane Wilma all occurred after the September 30 cut-off date for this question.) At the same time, however, when asked how they thought disaster-relief giving would affect their organizations' end-of-year fundraising, 79 percent of respondents predicted that contributions would stay about the same or decrease, with 38 percent expecting a decrease and 41 percent anticipating giving to stay the same. Only 4 percent foresaw increases, and 17 percent said they did not know. Regional

responses mirrored the national results fairly closely. Large nonprofit organizations (those with annual expenditures of \$500,000 or more) fared the best, with the greatest percentage of participants reporting increased contributions and the smallest proportion reporting decreased contributions.

According to the 2006 edition of *Highlights of Foundation Giving Trends* published in March 2006 by the Foundation Center, funding for the economically disadvantaged rose to a record \$3.1 billion. However, the outlook for foundation giving in 2006 suggests minimal growth in giving. Despite an overall economic expansion, record oil prices, ongoing deterioration in the war in Iraq, and the continuing explosion of the national debt all contributed to unimpressive market performance. As a result, U.S. foundation giving is unlikely to grow substantially in 2006.

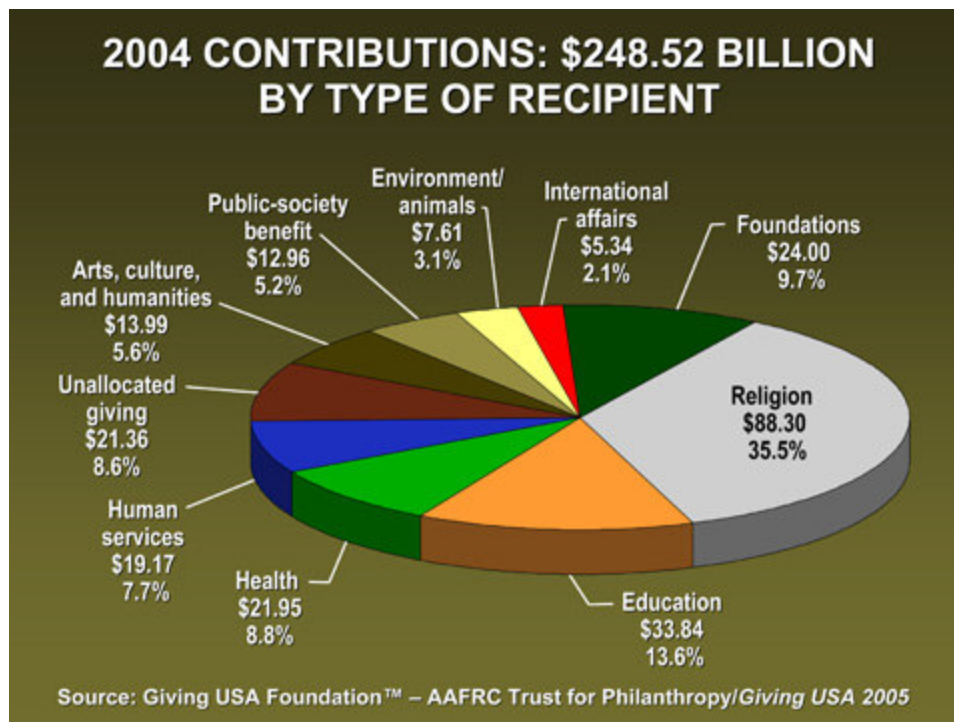
Keeping grant seeking in perspective

Grants are by far the smallest piece of the fund development pie. The most recent report from Giving USA Foundation (AAFRC Trust for Philanthropy/Giving USA 2005) keeps grant seeking in perspective. In 2004, of the \$248.52 billion in contributions received by nonprofits, only \$28.80 billion came from foundations (11.6 percent), with only \$12.00 billion coming from corporations (4.8 percent). By far, the largest amount, \$187.92 billion was contributed by individuals (75.6 percent) with the balance of \$19.80 billion coming from bequests (8.0 percent).



What this means for Early Literacy collaborators

Giving for early literacy programs may cross over the neatly labeled sectors identified in the chart below. For example, some child development programs appear to fall within the “public-society benefit” category. In 2004, public-society benefit claimed a modest piece of the contribution pie: \$12.96 million (5.2 percent). However, other early childhood programs are more appropriately assigned to the education, humanities (reading), or human services sector.



Early Literacy and social justice

There is a new foundation trend called “social justice” grantmaking. According to a September 2005 report published jointly by Independent Sector and the Foundation Center, U.S. private and community foundation support for social justice spans all major areas of foundation activity, from economic development, to health care, to the arts. Based on a definition of social justice philanthropy that means “the granting of philanthropic contributions to nonprofit organizations based in the United States and other countries that work for structural change in order to increase the opportunity of those who are the least well off politically, economically, and socially,” when applied by the Foundation Center to its grants database, social justice funding represented 11 percent of overall foundation support. Of this, economic and community development captured the biggest share of social justice grant dollars (19 percent), but educational reform and access came in fourth (12 percent). Among specified beneficiaries, the economically disadvantaged benefited from by far the largest share of social justice support—56.8 percent of grant dollars

and 54.8 percent of grants. Ethnic or racial minorities followed with close to one-third of grant dollars and grants. Despite deep concerns about the current challenges facing social justice work (the current political climate, the sheer weight of the problems relative to available capacity and philanthropic dollars, and the lack of new ideas), grantmakers surveyed in February and March 2005 expressed an abiding commitment to the fundamental aims of this work and a strong hope that the future will see more creative and effective social investments to promote equality and opportunity. Several key strategies were identified by grantmakers: expanding constituencies through broader dialogue, consultation, and audience-appropriate terminology; coordinating strategic investments and working more closely with the leaders of social justice organizations; expanding long-term core operating support and investments in communication strategies among organizations in the field; demonstrating the value of their efforts more effectively; and supporting field development by involving leaders, experts, and critics from other important fields. All of these strategies have been identified as crucial by participants during the planning meetings held for a statewide early literacy project.

Formal grants prospect research results

Of the 70 foundations listed alphabetically on the tables at the end of this report, my grants research suggests that 34 of these private and corporate foundations represent our project's best prospects for funding the activities that will form a Statewide Early Literacy Initiative. All of these foundations are especially good prospects for a particular area of focus, like early childhood education, children's services, and libraries (public). However, with so many areas to display on one grid, the best prospects are those foundations matching several key categories of interest. Additional information is still needed before collaborating entities will be ready to prepare letters of inquiry or submit grant applications. The latest grant program guidelines should be obtained from individual foundation Web sites, the most recently filed IRS Form 990s should be reviewed for a current list of grantees, and application forms (if required) should be downloaded or requested. In addition to the private and corporate funding opportunities, there are some good prospects for funding from government sources. I've identified 24 federal and state funding opportunities that are worth pursuing; most of these are grant programs funded through the U.S. Department of Education.