Grants in Australia Survey 2013–14: Results

aigm

aigm | Australian Institute of Grants Management

An enterprise of: **ourcommunity**.com.au

Grants in Australia Survey 2013–14: Results

About the survey

Since 2006, the Australian Institute of Grants Management (AIGM) has surveyed community organisations and not-for-profits right across the country for their views on grants in Australia.

The Grants in Australia Survey has gone on to become one of the largest of its kind in Australia.

Each year, the survey has a central theme.

The main theme of the 2013–14 Grants in Australia Survey was the extent to which grantmakers in Australia have moved towards streamlining their grant application and reporting practices.

In this area we are grateful for the support and inspiration provided by the US-based Project Streamline (**www.projectstreamline.org/project-streamline**).

The survey was also designed to gather feedback on various grant application methods.

Methodology

The online survey of grantseekers was conducted by Emperica Research (empericaresearch.com.au) during November and December 2013. The survey was promoted to grantseekers via a number of channels, including the email newsletter *Our Community Matters*.

Only grantseekers who had applied for at least one grant during the previous 12 months were eligible to complete the survey.

The starting sample size was 1036 respondents. As expected, however, the sample size decreased throughout the survey as a result of respondent attrition.

aigm

Top Four Takeaways

1. Streamlining is happening, but more can be done

Respondents said they were encountering more and more grantmakers who were undertaking serious streamlining efforts.

Almost 50% of respondents said they had worked with local government grantmakers who had made an effort to streamline their small grant applications processes.

41% said corporate funders were doing their bit for streamlining, and 36% said the same of philanthropic bodies.

But federal and state government grantmakers lagged behind.

Only 23% of survey respondents said federal government grantmakers "often" or "always" had a streamlined small grants application process. And just 31% of respondents said state government grantmakers met those benchmarks.

Overall, 31% of respondents said application and/or reporting practices had become slightly simpler or more streamlined over the past five years.

Ten percent felt they had become much more streamlined, while 31% felt they had remained about the same.

Some federal and state government grantmakers, however, are working hard to make things easier for grantseekers to apply for funding.

At the 2014 AIGM Grantmaking in Australia Conference, Tim Reddel from the federal Department of Social Services shared with delegates the efforts the department is making to streamline, cut red tape and avoid duplication.

It is clear grant applicants notice these efforts, and appreciate them when they're done well. For more, see the streamlining section of this report on page 8.
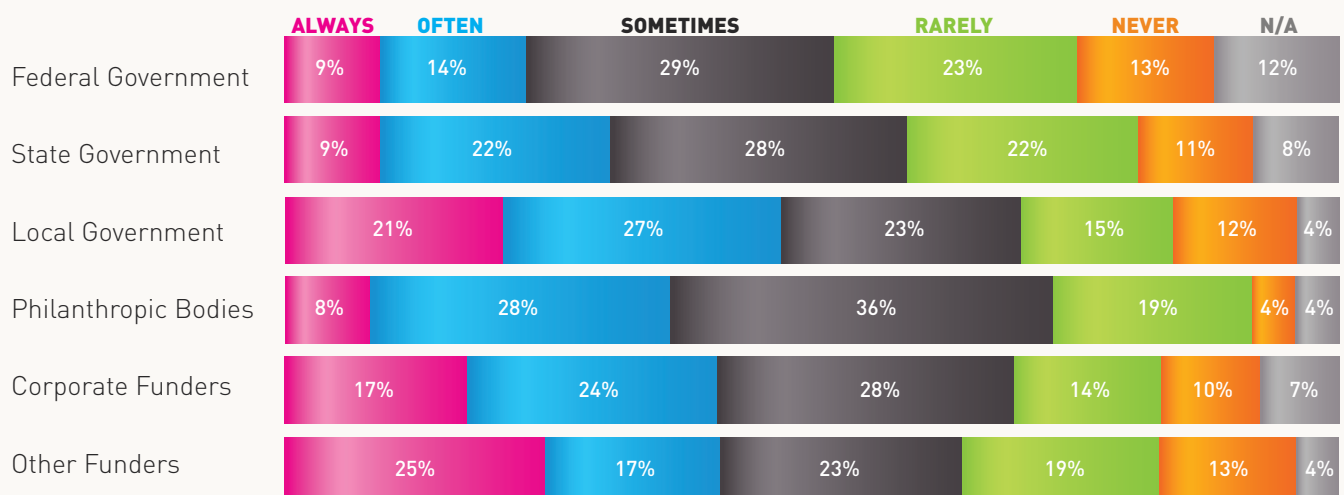
2. Local government leads the way

The results of the 2013-14 Grants in Australia Survey clearly showed that grantseekers believe local government is leading the way on a variety of key measures.

They felt local government were more likely to:

- Have streamlined their small grants application processes

How often did grantmakers have a simplified or streamlined small grants application process?

	ALWAYS	OFTEN	SOMETIMES	RARELY	NEVER	N/A
Federal Government	9%	14%	29%	23%	13%	12%
State Government	9%	22%	28%	22%	11%	8%
Local Government	21%	27%	23%	15%	12%	4%
Philanthropic Bodies	8%	28%	36%	19%	4%	4%
Corporate Funders	17%	24%	28%	14%	10%	7%
Other Funders	25%	17%	23%	19%	13%	4%

- Have in place "clear, straightforward" communication processes
- Be more responsive to grantseekers' phone and email queries.

Local government grantmakers do a lot of great work – often while balancing tight timelines, overwhelming demand and smaller budgets.

Perhaps these challenges help drive innovation or promote a sense of "nimbleness" in local government grantmaking.

Perhaps the fact that local governments are smaller than their federal and state counterparts allows them to move a little more quickly.

Perhaps dealing with a huge spectrum of local community organisations helps them to keep their finger on the pulse of the sector.

3. More groups are applying for more grants, and most of them seem to be for smaller amounts

Anecdotal evidence gathered by both the AIGM and the online grants management tool SmartyGrants indicates that more groups in Australia are searching for and applying for grants than at any time in recent history.

The reasons for this might be many and varied:

- Government funding cuts forcing more groups to apply for grants
- Greater knowledge of grants opportunities
- Greater competence and confidence in applying for grants
- Streamlined processes making it easier for more groups to apply
- More grants programs in operation.

Whatever the reasons, most respondents (almost 55%) to the 2013–14 Survey had applied for between one and five grants during the previous 12 months.

This was a noticeable jump on the previous year, in which only 45% of respondents had applied for one to five grants.

The survey also indicated that the majority of grantseekers were applying for smaller grants than they had before.

More than half of those who responded to the survey (53%) said they had received less than $20,000 in grants during the previous 12 months.

Even allowing for unsuccessful applications, this result – combined with the finding that most grantseekers had applied for between two and five grants – indicates that the amounts applied for are generally no more than a few thousand dollars at a time.

4. Many grantseekers and applicants still don't provide grantmakers and funders with feedback

It is a common refrain from grantseekers: that they don't get the chance to tell funders how they could improve their processes, or what parts of their processes have caused unnecessary confusion or angst.

But respondents to the Grants in Australia Survey told another, perhaps more disappointing, story.

When asked if they had provided feedback to a grantmaker in the previous 12 months, only 43% said they had.

We know that many grantmakers do ask for feedback; when asked what methods grantmakers had used to request feedback, we found:

- 37% of survey respondents said they had been asked for feedback as part of the application
- 36% said feedback had been requested as part of a report
- 31% said grantmakers had requested feedback "casually" via email or in conversation.

There might be many reasons why the other 57% of respondents hadn't offered feedback to grantmakers:

- Perhaps the chance to provide feedback was given only to those who received funding, excluding unsuccessful applicants.
- Perhaps organisations felt that offering their opinions informally or casually didn't constitute "feedback.
- Perhaps a number of grantmakers did not offer the chance for feedback.

What is clear is that most grantmakers do offer applicants the chance to provide some form of feedback, yet a significant number of applicants do not take up the opportunity.

The message is clear: while best-practice grant-making dictates that grantmakers offer all applicants the chance to provide feedback, best-practice grantseeking should see applicants provide funders with feedback that will help them improve their efforts.

Grantmakers should also explicitly encourage applicants to give them honest, constructive feedback.

Communication is a two-way street. Without meaningful feedback, grantmakers will not have the knowledge or reference points they need in order to improve.

Ten Key Findings

Respondents to the Grants in Australia Survey were asked to choose one of five responses, corresponding to the frequency with which they felt the statement presented was true.

The five options were: never, rarely, sometimes, often and always.

This report uses these five terms in presenting its findings and conclusions.

1. The majority of grantseekers apply for two to five grants per year

55% of respondents said they applied for between one and five grants. Overall, 8% said they had applied for one grant, 46% for two to five grants and 23% six to 10 grants.

This contrasts with the previous year's results, in which only 30% of respondents had applied for three to five grants, and only 15% had applied for one or two grants.

2. The majority of grantseekers appear to be looking for small to medium amounts of funding

More than half of those who responded to the survey

Grantmaker Takeaway

Grantmakers need to examine the size of the grants they are offering and decide whether they are satisfactory. They should also look at whether some applicants might benefit from longer term grants or funding arrangements, rather than needing to apply for smaller grants year by year.
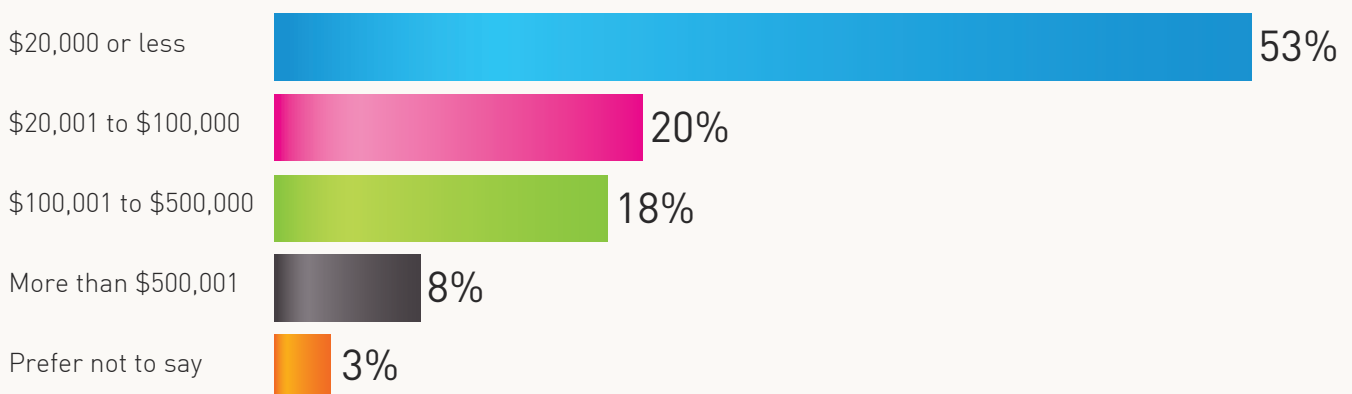
(53%) said they had received less than $20,000 in grants during the previous 12 months.

Given that the majority of grantseekers had applied for two to five grants, it appears likely that the amounts being applied for amount to a few thousand dollars or less each time.

3. State government grantmakers are the "most applied to"

69% of respondents had applied for a state government grant in the past 12 months, while 54% had applied to the federal government and 54% to local government.

What percentage of grantmakers have a simplified or streamlined small grants application process?

Category	Percentage
$20,000 or less	53%
$20,001 to $100,000	20%
$100,001 to $500,000	18%
More than $500,001	8%
Prefer not to say	3%

4. Most grantmakers will not accept "common applications" or applications written for another grantmaker

Only around 7% of grantmakers often or always accepted "common applications", applications written for other grantmakers.

Conversely, nearly 60% of grantmakers never or very rarely accepted such applications.

> **"Only 23% of federal government grantmakers often or always used a streamlined small grants application process."**

5. More grantmakers are streamlining their processes, especially those in local government – but there's still room for improvement

Almost 50% of respondents said local government grantmakers often or always used a simplified or streamlined small grants application process.

Respondents also ranked corporate funders (41%) and philanthropic bodies (36%) relatively highly on the measure.

However, only 23% of federal government grantmakers often or always used a streamlined small grants application process, while respondents said just 31% of state government grantmakers met those requirements.

Grantmaker Takeaway

Grants applicants notice when grantmakers make efforts to streamline their grants processes. A lot of good work has been done – but there's still room for improvement. Read more on page 8.

6. Philanthropic bodies are more likely than any other grantmaking sector surveyed to filter applications before requiring full applications from grantseekers

More than 60% of philanthropic bodies sometimes, often or always filtered or thinned out initial applications before requiring full applications.

Conversely, more than 50% of local government funders never or rarely did this.

7. Most government grantmakers accept applications and reports by email

Between 40 and 44% of government grantmakers across all levels accepted applications, reports or both via email.

This compared to only 19% of philanthropic funders and 38% of corporate funders.

8. Most grantmakers accept applications and reports via a website

Between 65% and 70% of survey respondents said grantmakers across various sectors often or always accepted online applications or reports or both.

Grantmaker Takeaway

The ability to submit applications online is something applicants appreciate and use. If you're not offering this ability, then you are clearly in the minority. You should consider incorporating some form of good-quality online capability into your application processes.

9. Local government leads the way in "clear, straightforward" communication

Local councils led the way when it came to clear and straightforward communication, with 35% of respondents saying local councils always practised such communication, and another 33% saying it was often the case.

Corporate funders were next best, with 26% saying communication was always clear. Federal government (19%), state government (19%) and philanthropic bodies (16%) lagged behind.

10. Local government leads the way on responsiveness

47% of respondents felt that local government was "always" responsive to email or telephone queries – far and away the highest rating of any grantmaking sector. 31% of respondents said state government grantmakers were always responsive, while 26% said corporate funders were always responsive.

All up, 73% of respondents said they'd found local government grantmakers to be often or always responsive to email or phone inquiries.

Streamlining

Streamlining here is understood to mean the actions grantmakers can take to lessen the administrative burden on not-for-profits and others who might apply for their grants.

This in turn allows applicants and recipients to better use their time to deliver on their missions and achieve their aims.

The benefits of streamlining are many.

Benefit 1: Saving time

When asked about the main benefits of streamlined grants processes, 30–40% of respondents (grantseekers) mentioned some form of time saving as the first and main benefit of streamlining.

The majority of respondents nominated it as one of the top three benefits of streamlining. The time savings mentioned ranged across a number of areas:

- Timed saved on applications
- Time saved could be used to better serve the community/do the job/do more
- Time saved could be used to apply for more grants

- Time savings meant groups that wouldn't normally be able to apply because of restricted staff hours or staff numbers could do so.

Literally hundreds of respondents highlighted time as the main benefit of streamlining. Respondents said:

"Previously our organisation was completely volunteer-based. However, the administration was proving too onerous so I was hired to complete this work. Time is money. The longer it takes me to complete an application, the less money we have to spend on the program."

"Time spent on completing the application/report would be less. We do not have the luxury of a full-time or even part-time staff member to do this so this has to be done by staff employed for other roles."
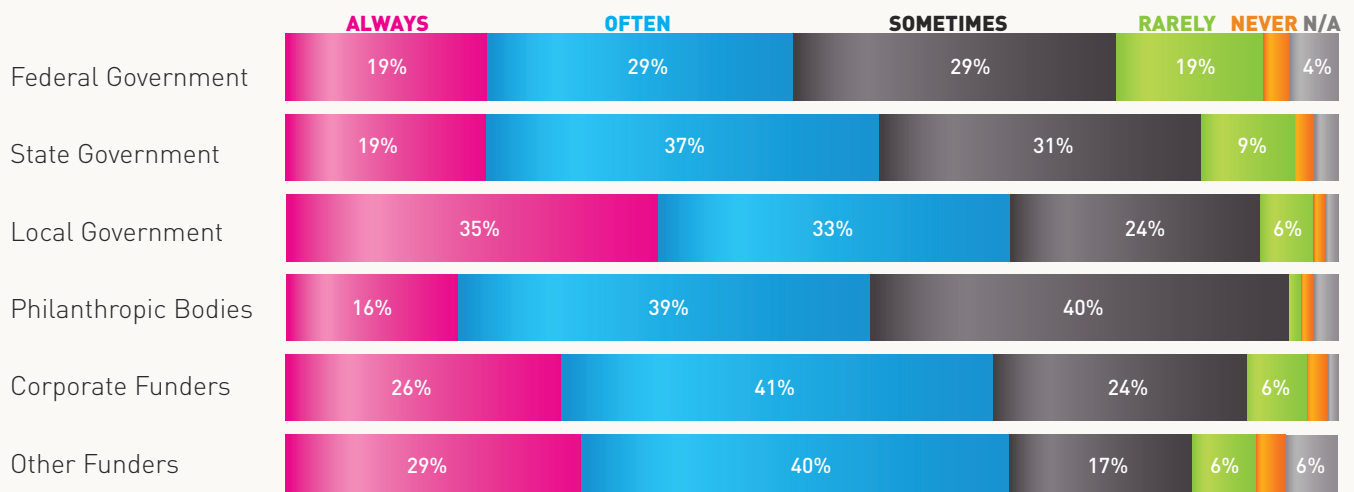
"Saves time, hassle and stress. Our organisation is run by volunteers and the grants process is generally quite onerous and off-putting."

"Would have been able to spend more time actually delivering the services to the community and clients."

"We could devote more time to our core business!"

"We could apply for more grants."

How often did grantmakers have clear and straightforward communication?

	ALWAYS	OFTEN	SOMETIMES	RARELY	NEVER	N/A
Federal Government	19%	29%	29%	19%		4%
State Government	19%	37%	31%	9%		
Local Government	35%	33%	24%	6%		
Philanthropic Bodies	16%	39%	40%			
Corporate Funders	26%	41%	24%	6%		
Other Funders	29%	40%	17%	6%		6%

Benefit 2: Ease of writing and filling in forms; accessibility

Streamlining – particularly the use of computer and web-based forms – makes grants more accessible to potential applicants, and opens up grants programs to a wider number of people.

It makes it easier for those unfamiliar with writing grant applications to fill in the forms, and it reduces the repetition involved.

Respondents said:

"We are all volunteers and a simplified application will take less time to complete."

"Simplified forms provide ease of writing and submitting an application. Much less time is required to submit applications and final reports."

"Small organisations do not have a specialist person solely for grant writing. It is left to volunteers, so the simpler the better."

"Ease of application has enabled the organisation to apply for more grants in a timely manner."

"Ease of application hence more than one person could complete."

"Electronically submitted applications could be viewed by multiple group members and then submitted."

"Increasingly complex grants processes are making it difficult for smaller organisations to compete now. Simplified process would increase diversity of organisations receiving grants."

Benefit 3: More people and groups are encouraged to apply for more grants

A number of respondents mentioned that time savings resulting from streamlining could open up grants and grants programs to a wider range of potential applicants.

A wider range of applicants is beneficial to everyone:

For grantmakers, more applicants tends to mean more worthwhile proposals, greater competition for funding, and a higher standard of applications.

For grantseekers, the more grants they apply for, the better the quality of their applications becomes. And the more applications they submit, the better their chances of winning a grant.

Of course, the competition becomes stiffer too. That said, if groups have to put more time, thought and effort into their applications to make them out from the pack, that can be beneficial.

Respondents said:

"The saving in time and resources allows you to apply for other funding."

"Capacity to apply increased due to time saved across the board."

*"The process isn't so daunting therefore more likely to apply."*

"More likely to reapply for grants if you know you don't have to fill out information that's not relevant to the grant – pages and pages of application."

"If the process is simpler, more grantseeking is encouraged."

Other benefits

Other benefits of streamlining mentioned by respondents included:

- Reduced repetition in filling applications. Required information could be stored online and used again and again.

- The possibility of revisions. Applications could be saved and resumed later; no need to complete them in one hit.

- The possibility of "application sharing" among staff members. This allows for collaborative revisions before applications are submitted.
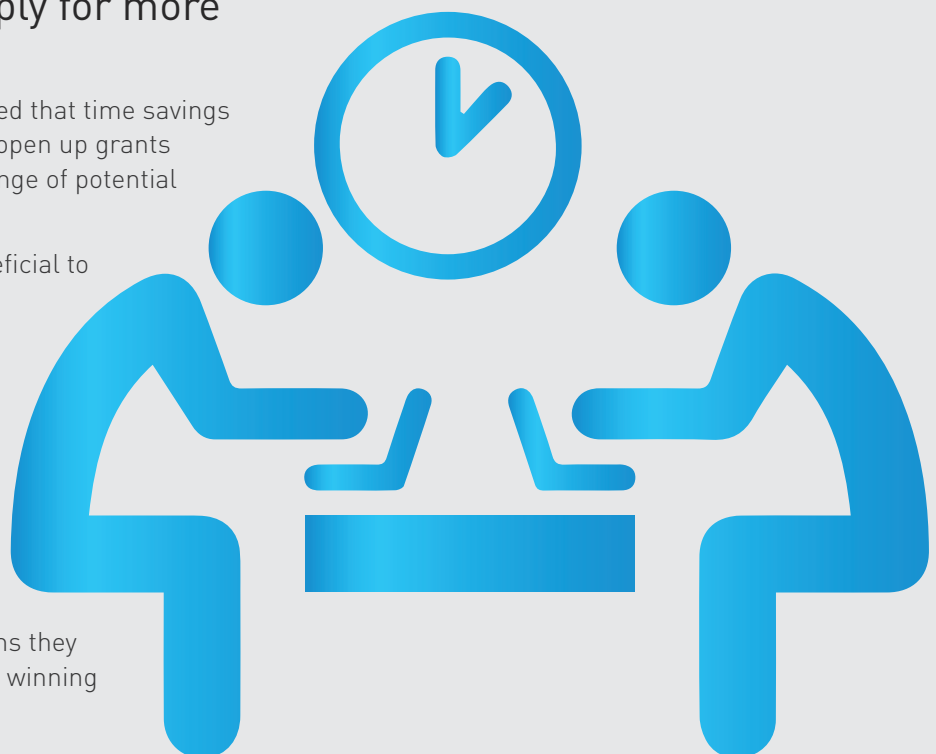
Limitations of Streamlining by Switching to Online Systems

Switching to an online system is perhaps the most common way for groups to streamline their grantmaking.

But online systems are not without their potential drawbacks and limitations. Respondents identified a number of speed bumps when it came to using online grant application systems.

The inability for applicants to save partially completed applications

Some online application systems don't allow applicants to save partly completed submissions to be resumed later.

Many respondents described this limitation as the biggest stumbling block of online systems, and a prime reason why they would be turned off by using one.

Respondents said:

"You can be timed out of your session and lose the info you have typed in because you can't save it as you go!"

"Some versions (of online systems) – especially PDF versions of applications – don't allow you to save, meaning you need to complete the form in one sitting."

"Not being able to save forms and return when further information has been received. It is not always possible to do applications in one sitting."

The inability for applicants to upload supporting material and documents quickly

Most grants applications need supporting material, whether it's references, financial statements or other documents.

Yet many online systems either lack the functionality to deal with supporting documents at all, or they make their inclusion very difficult by setting unrealistic limits on attachment sizes or uploading attachments very slowly.

Some systems limit the allowable attachments to just a few types, such as Word documents or Excel spreadsheets. And some don't allow old or very new document formats (for example, old or very new versions of Microsoft Word documents) to be submitted.

Grantmakers should ensure supporting documents can be uploaded quickly and in formats which are suitable for most applicants.

Unrealistic word or character limits

Most online (and traditional) grantmaking programs set limits on the number of words and characters allowed in applications.

But grantmakers need to ensure that the word limits imposed are sensible, and do not unnecessarily limit applicants' ability to state their case and explain their proposal.

As one survey respondent wrote, "How can you fully describe a project in 100 characters?"

Limits on answer styles

Some online forms call for applicants to provide budget or financial details in a specific format. But as one respondent said, "Budgets are fairly fixed in format and don't allow much variation for projects outside the norm."

Lack of support for online applicants

Even the most experienced online grants applicant may have questions about the application forms and the like. And those less experienced in using the medium will almost certainly have queries.

Grantmakers need to provide proper support for applicants. It's non-negotiable.

The best option is for grantmakers to enable direct phone contact from applicants. If that isn't feasible, they should ensure fast-response email contact is available.

Grantmakers should ensure they allow the resources to offer proper support to applicants.

Vague, poorly worded or repetitive questions

Even the most streamlined grantmaking process will fail if applicants are asked poorly worded questions.

Online forms should be proof-read by more than one person to ensure all questions are clear, necessary and specific. Repetitive questions, or questions which are only slight variants of others already asked, should be deleted.

Grantmakers expect applicants to submit their best possible responses; they should hold themselves to the same high standards.

One respondent said, "[One issue is] being asked the same questions in slightly different ways, over and over again. This means we have to 'creatively' vary our responses."

Tech problems

Tech problems that can afflict online grantmaking systems include:

- Servers acting up
- Grantmakers and technology not being properly prepared for the inevitable flood of last-minute applications
- Connectivity issues
- Websites that freeze, crash, have compatibility problems, or just don't load.

Again, grantmakers need to ensure that their systems will stand up to the demands of applicants and the heavy load of applications that floods in close to deadline.

The Australian Institute of Grants Management

The AIGM is a best-practice network for grants managers and grantmakers. The AIGM works to help grantmakers review and improve their grants programs, and keep abreast of best practices both within Australia and internationally.

The AIGM is a division of Our Community, a world-leading social enterprise that provides advice, tools and training for Australia's 600,000 community groups and schools, and practical linkages between the community sector and the general public, business and government.

What we believe

1. **Grantmaking is an absolutely central element in the Australian economic system.** Not one dollar should be wasted on poorly designed, poorly articulated, poorly evaluated or inefficient systems. Grantmakers must maximise resources by sharing lessons, and seeking and learning from those shared by others.

2. **Australia needs more and better professional grantmakers.** The job of grantmaking should be afforded appropriate professional status, training and recompense.

3. **Grantmakers should listen to the communities they serve.** Grantmakers should be driven by outcomes, not process. They should trust and respect their grantees and offer programs, systems and processes appropriate to their needs and capacities.

4. **Grantmakers should be efficient.** Wastage is indefensible. Skimping on systems, technology and professional staff is equally wicked.

5. **Grantmakers should be ethical.** Grantmakers must ensure that the process of grantmaking is fair, unbiased and open.

You can read more about our values and beliefs in our grantmaking manifesto:

www.grantsmanagement.com.au/manifesto

What we do

As well as overseeing a number of grantmaking affinity groups, the AIGM's major offerings include:

- **SmartyGrants:** Australia's best-practice online grantmaking system, used by more than 3900 grants programs of all types and sizes across Australia and New Zealand.

- **Grants Management Quarterly (GMQ):** The AIGM's member publication, tracking best practices in grantmaking across Australia and all over the world.

- **Grantmaking Toolkit:** An all-in-one decision-making framework, workbook (including policy building templates), and check-up tool designed to walk grantmakers through the process of building, reviewing or refreshing a grants program.

- **Grantmaking Manifesto:** Framing the drive for reform and professionalisation of grantmaking in Australia.

- **Code of Practice for Professional Grantmakers and Code of Practice for Grantmaking Agencies:** Setting performance and practice standards for leading grantmaking organisations and individuals.

- **Grantmaking Knowledge Bank:** Searchable, topic-based listing of best-practice thinking and case studies.

- **Grantmaking in Australia Conference and other training and events:** Generalised and topic-based conferences, networking events and training for government, philanthropic and corporate grantmakers.

- **Grants in Australia Survey:** Annual survey of grantseekers tracking the performance of grantmakers throughout Australia.

www.grantsmanagement.com.au