Grants in Australia Survey

2010
EDITION

aigm | Australian Institute of Grants Management

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

About the Survey and its methodology

The 2010 Grants in Australia Survey marked the fifth time the Australian Institute of Grants Management (AIGM) sought the opinions of Australian grantseekers about their experiences with grantmakers and grantseeking.

Between November 2009 and February 2010 the AIGM invited community groups across Australia to fill out a survey with questions about their experiences of, and interactions with, Australia's grantmakers.

A total of 477 organisations responded to the survey, which continues to make this one of the biggest surveys of its kind in Australia. The results again provide plenty of food for thought – and all grantmakers will benefit from reading what grantseekers have to say.

Twenty percent (20.7%) of respondents were from the community services sector, with the sport and recreation (12.2%), children and family (12%) and arts and culture (10.7%) sectors each represented by more than 10% of respondents.

Almost 27% (26.8%) of groups were small with an annual budget of less than $10,000; 37.9% were medium-sized with budgets between $10,000 and $250,000; and 29.6% said their budgets were greater than $250,000.

This year's survey covered ground examined in past years – for example, issues related to:

· Communication between grantmakers and grantseekers.

· Whether grantmakers were providing good quality help and assistance.

· Grantmakers' information and feedback provision.

· Grantseekers' opinions on various tasks relating to application processes, and how well grantmakers were doing.

In fact, we specifically asked grantees their opinions on communication with grantmakers – what frustrates them the most, and the suggestions they have for grantmakers to improve their efforts. The responses are enlightening.

In addition, we questioned grantseekers on how the economic downturn was impacting on their efforts, and about what factors limit their ability to apply for more grants.

Top 5 takeaways

1.

Shift away from government grants.

2.

Grantseekers still want choice in how they apply for grants.

One of the most noticeable findings from the 2010 survey was that there had been a significant fall in the number of organisations primarily reliant on government grants.

The 2009 Grants in Australia survey found more than 84% of respondents primarily relied on government grants from federal, state or local government. This figure has now fallen to 73.6%.

So where has this 11% gone? To the corporate/private sector, it appears – with the number of respondents primarily reliant on grants from the corporate or private sector up by more than 10% since 2009.

For more, see page 10.

When we asked grantseekers how they wished to apply for grants, two options emerged head and shoulders above the rest – more than 35% said they favoured filling in an electronic form on their computer.

A further 19.8% preferred an actual online grants management system; meaning more than half of survey respondents preferred to apply for grants online.

But a further 32.4% of grantseekers said they preferred a choice between electronic options, hard copy or paper-based forms and the opportunity to explain their program in person.

So while the shift towards online applications continues, it is vital grantmakers still provide choice.

For more, see page 12.

3.

Who is answering the phone?

A constant refrain in a number of past Grants in Australia Surveys has been the difficulty many grantseekers have in actually getting in touch with funders.

The 2010 survey has again seen the issue highlighted, with significant numbers of grantseekers describing as common:

· An inability to obtain contact details of grants staff via the internet.

· Having their phone call passed from person to person.

· The inability to obtain contact details of grants staff via any source.

· Having their phone calls not answered.

·Having phone calls not returned.

4.

Grantseekers hit hard by economic downturn.

More than 67% of groups said the economic downturn had impacted on their grantseeking during the previous year.

When asked about the impact, 70% of respondents said their group was searching for more grants. A similar percentage said there was more competition for grants funding.
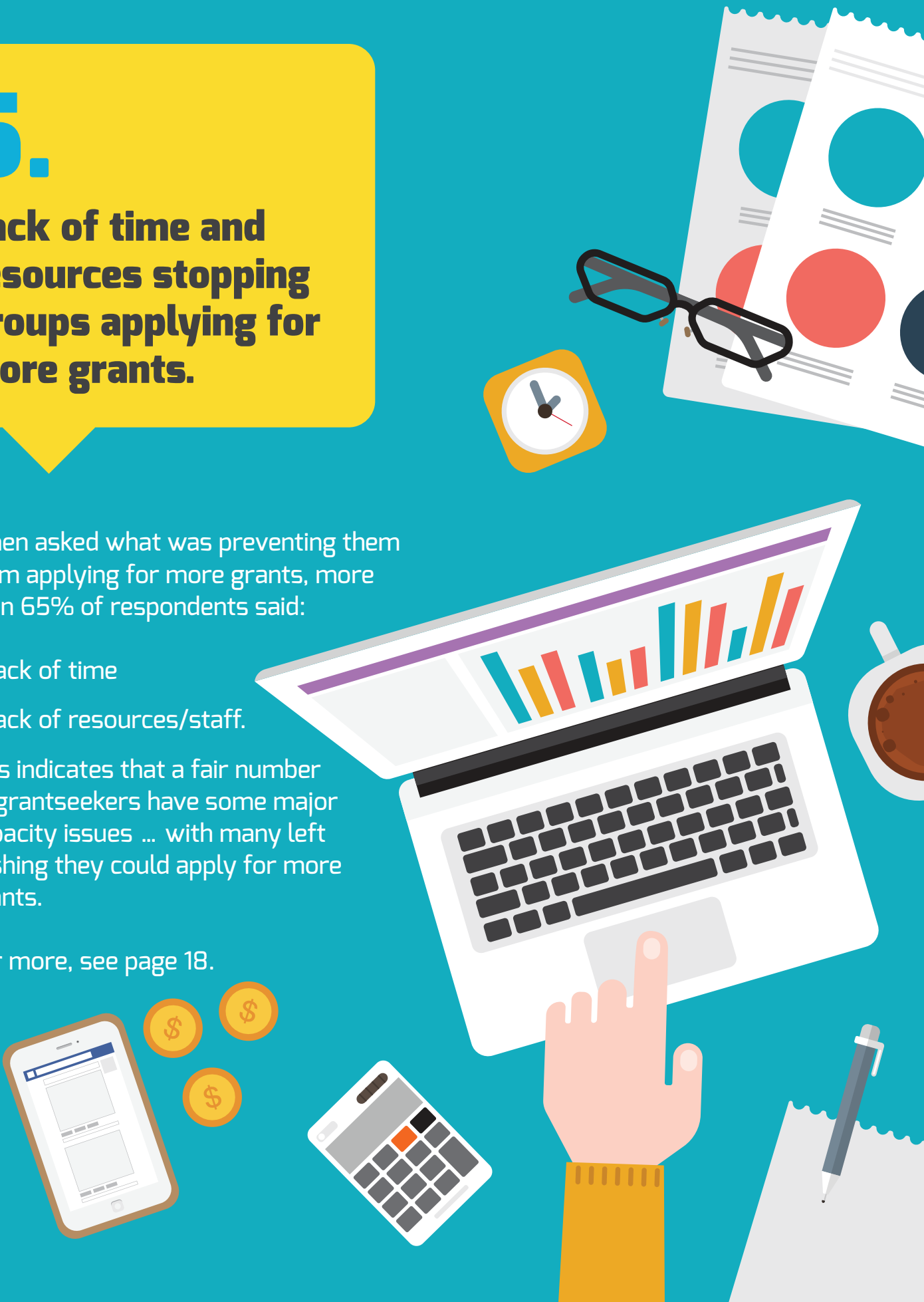
5.

Lack of time and resources stopping groups applying for more grants.

When asked what was preventing them from applying for more grants, more than 65% of respondents said:

· Lack of time

· Lack of resources/staff.

This indicates that a fair number of grantseekers have some major capacity issues … with many left wishing they could apply for more grants.

Top recommendations

1.

Feedback, feedback (and again) feedback.

For as long as we've been running the Grants in Australia Survey, a chief bugbear for grantseekers has been the lack of what they see as satisfactory feedback from funders.

And the findings of 2010 Grants in Australia Survey appear no different.

When asked what frustrates them most about communication with grantmakers, respondents were clear: "unsatisfactory feedback on unsuccessful applications".

And when asked for suggestions on how grantmakers can improve their communications with grantseekers, one response was far and away the most popular: "Honest feedback for unsuccessful applicants".

Clearly it is impossible for virtually any grantmaker to offer detailed feedback to every unsuccessful grantseeker … especially if they number in the hundreds.

Even so, grantmakers need to meaningfully examine their efforts at feedback, and perhaps consider asking their grantseekers their opinion on how they are doing, or for ideas on how they can do better.

2.

Providing grants-related information online works.

A majority of survey respondents were satisfied with how grantmakers provided:

· Easily found information on the program's aims and objectives.

· Clear guidelines and application forms.

· Clear and useful online information.

· Adequate information about reporting and acquittal requirements.

Providing grants-related information online is working, and grantseekers appreciate it as well.

3.

Consider capacity building.

With more than 65% of grantseekers indicating they lacked the time and resources/staff to apply for as many grants as they wished to, there are some clear capacity issues impacting on grantseekers.

The role that grantmakers and funder have here is not clear-cut.

Many will contend that it is up to grantseekers themselves to allocate sufficient time to write, edit and send applications through, or that grantseekers often learn best through experience (and, unfortunately, rejection too).

But there is a counterpoint that grantmakers can have an impact in this area by providing funds for capacity building or towards improving skills. After all, improving the quality and quantity of applications is in a funder's best interests.

Capacity building grants don't have to be huge, but even a small grant towards this area can make a big impact.

4.

Examine your grants programs.

It can be a good idea – and good practice – to periodically review your grants program.

This seems especially true given the 2010 survey finding that the global economic downturn (or GFC) is having a big impact on grantseekers.

Most are searching for more grants, and most recognise there is more competition for existing grants or that grants programs to which they have applied have a smaller pool of funding available ... or have been cut entirely.

Now's a good time to look critically at your grants programs:

· Does you program meet the needs of applicants, and of the aims it has for the community?

· With more groups applying, are you better to offer more smaller amounts of funding, or to focus funding in a different, more specific, area?

· Do you wish to ask grantseekers to seek out other grantmakers for support funding or matched funding? Should you ask applicants if they already have some finances locked away towards the project for which they are applying?

Consider asking grantseekers – both successful and unsuccessful – if your programs and funding priorities are hitting the mark. Also allow some time for yourselves to critically examine your programs and see if there are any improvements which can be made.
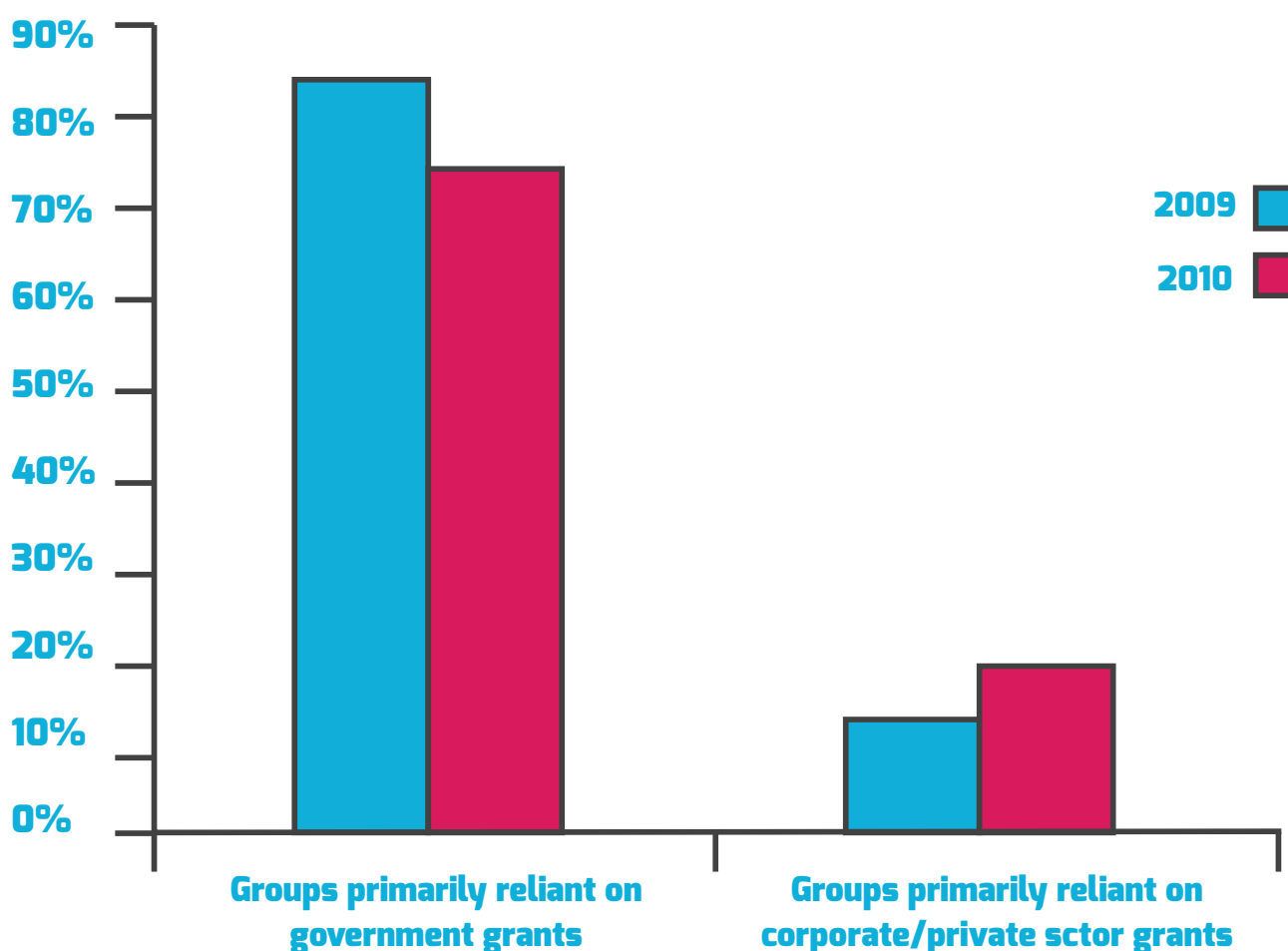
Findings

Grants funding sources

When asked about their primary source of grants income, a key trend in the sample was a shift away from groups being primarily reliant on government grants.

The 2009 Grants in Australia survey found more than 84% of respondents primarily relied on government grants from federal, state or local government. This figure has now fallen to 73.6%.

The 11% fall has almost entirely transferred to grants from the corporate/private sector. Almost 18% (17.9%) of respondents said they were reliant primarily on grants from the corporate/private sector, up from 7.4% in 2009.

2009 ■
2010 ■

Groups primarily reliant on government grants

Groups primarily reliant on corporate/private sctor grants

This shift could be indicative of a number of trends:

· Falling government grant revenue due to financial constraints;

· A greater willingness on the part of the corporate sector to get involved in grantmaking;

· An increase in groups looking to the sector for support in the wake of a reduced or more competitive government grants market;

· A greater awareness/utilisation of corporate/private grants programs due to more groups searching for alternative grants options during the financial downturn.

The percentage of groups reliant on philanthropic sector grants remained static at 8.4%.
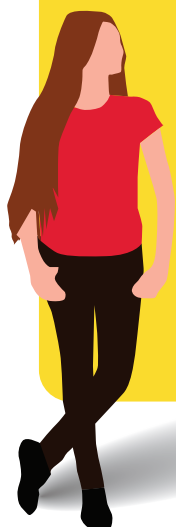
Grants funding applications, successes and amounts

MORE THAN
64%
(64.6%) of groups applied for between

◯◯◯◯◯

one and five grants in the past year.

vast majority
59%
(59.8%) of groups receiving between

◯◯◯◯◯

one and two grants in that time.

29%
of respondents said their group had received **less than 10%** of the grants it had applied for.

37%
said their group had received between **11% & 50%** of the grants it had applied for.

Just over ## 54%
of groups expected to receive between **$1,001 & $50,000** **IN GRANTS** during the 2009-10 financial year

Grants funding applications, successes and amounts

However **11.6%** of groups received between $100,001 & $500,000

IN GRANTS

while 12.3% expected to receive between $100,001 and $500,000

Predictably, for more than **86%** of groups received less than **$5,000** in the past financial year

Largest grant received in that time **25.7%** of groups received between **$1,001 & $5,000** while **50.7%** of groups received grants worth more than **$10,000**
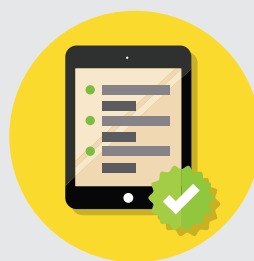
How grantmakers preferred to apply for grants

With so many options through which grantseekers can apply for funding, the 2010 Grants in Australia Survey asked people how they preferred to apply for grants. And while increasing numbers of people favoured online and electronic systems, choice remained vital:

35.4%
Via an electronic form - filled in on the computer

19.8%
Via an online system - filled in online

7.7%
Via a hard copy form - filled in by hand

3.2%
In person - for example, explaining your program face-to-face with a grantmaker

32.4%
A choice of all of the above

1.5%
Other

Clearly the ability of grantmakers to offer at least a couple of choices - online forms, hard-copy and electronic forms - is welcomed.

Grantseekers' experiences with funders

Contact and communications

When we asked grantseekers about their experiences in contacting and communicating with funders, there was a definite mixed bag of responses, with both good and bad points to note.

As part of the survey we produced a list of 16 "problems" and asked grantseekers how commonly they had encountered them when dealing with grantmakers:

1. Unable to obtain contact details of grants staff via internet.

2. Unable to obtain contact details of grants staff via any source.

3. Incorrect contact details of grants staff provided.

4. Telephone calls not answered.

5. Telephone calls not returned.

6. Telephone calls not returned in time to be of help with application.

7. Emails not replied to.

8. Emails not replied to in time to be of help with application.

9. Kept waiting on hold.

10. Telephone call passed from person to person.

11. Grant staff appear too busy to talk to you.

12. Inconsistency of advice from grants staff.

13. Incorrect advice from grants staff.

14. Confusing advice from grants staff.

15. Over-use of jargon by grants staff.

16. Grantmaker will not accept enquiries or offer assistance during submission period.

Grantseekers' experiences with funders (continued)

Firstly the good – **according to grantseekers, grantmakers get it right most of the time. Of the 16 issues listed on the previous page, the highest proportion of respondents had not experienced 14 of them.**

However, the result was tempered by the fact that five of the problems were listed as occurring commonly by more than 35% of respondents. They were:

Unable to obtain contact details of grants staff via internet

57%
of respondents said it was common

Telephone call passed from person to person

38.4%
of respondents said it was common

Unable to obtain contact details of grants staff via any source

37.4%
of respondents said it was common

Telephone calls not answered

36%
of respondents said it was common

Telephone calls not returned

35.2%
of respondents said it was common

Over many years – and many surveys – grantseekers have told us that contacting grantmakers and their key staff remains a challenge.

These problems are continuing. And the concern is that these problems:

· Are seen by many grantseekers as relatively basic ones that can be addressed;

· Leave a bad first impression on those applying for funding.

Moreover, these are very basic problems that, when encountered, do not inspire confidence in grantmakers.

Other experiences with grantmakers

In 2010, we also asked grantseekers about a variety of other experiences with grantmakers. There was a mix of positive and more negative results, as well as some shifts from the 2009 survey results.

We asked which of the following grantseekers had experienced in the previous 12 months (and those who applied for multiple grants were asked to think about the most recent or most important grant they had applied for).

Easily found information about the program's aims and objectives

YES **83.1%**

Clear guidelines and application forms

YES **81.3%**

Clear and useful online information

YES **76.4%**
▲ from 55% in 2009

Adequate information provided about previously funded projects and groups

YES **68.6%**

Adequate information provided about reporting and acquittal requirements

YES **68.6%**

Acknowledgement of grant application

YES **71.9%**
▼ from 76% in 2009

Useful discussion regarding feasibility/eligibility of your project prior to submission of grant application

YES **76.4%**
▲ from 46% in 2009

NO **44%**

A helpline/inquiry line provided by grantmaking body

YES **56.7%**

A helpline/inquiry line which is available outside business hours

YES **13.9%**
NO **66.4%**

Timely contact regarding result of application

YES **51.2%**
NO **43.9%**

Useful feedback on unsuccessful grant application

YES **22.9%**
NO **65.7%**

Other experiences with grantmakers (continued)

For the most part grantseekers are satisfied with grantmakers' efforts. There remain, however, some areas of concern.

Around two-thirds of respondents said they had encountered grantmakers who:

· Had not provided useful feedback on unsuccessful grants application.

· Did not have a help or inquiries line available outside normal working hours.

MORE THAN 40% of groups said grantmakers they had worked with had not provided timely contact on the result of their application

MORE THAN 44% said grantmakers have not been able to provide useful discussion about the feasibility or eligibility of their application prior to its submission

AROUND 34% said they had experienced grantmakers with no dedicated help or inquiries line

MORE THAN 36% said grantmakers had not provided adequate information about previously funded projects and groups
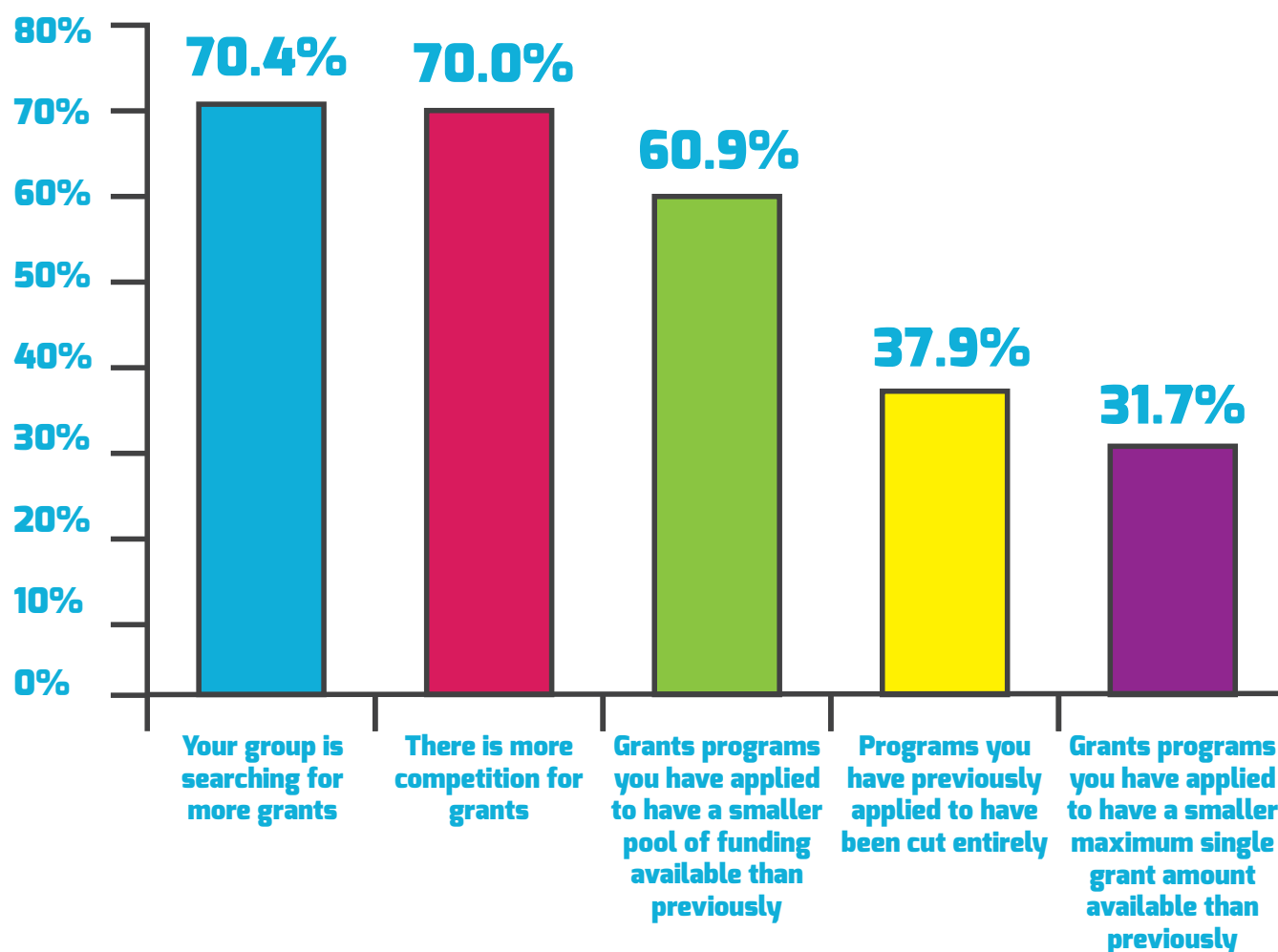
Many of these concerns can fit under the broad heading of "communication problems". Two in particular mirrored concerns expressed in the 2009 survey:

· Grantmakers not providing information that assists applicants in knowing what their chances are.

· Grantmakers not letting unsuccessful applicants know they haven't got a grant and why they didn't.

Impact of the economic downturn

The global economic downturn (or GFC) had a major impact across many areas … and the world of grants was not immune.

When we asked grantseekers how the downturn had affected their grantseeking during the previous 12 months, we found:

Percentage	Category
70.4%	Your group is searching for more grants
70.0%	There is more competition for grants
60.9%	Grants programs you have applied to have a smaller pool of funding available than previously
37.9%	Programs you have previously applied to have been cut entirely
31.7%	Grants programs you have applied to have a smaller maximum single grant amount available than previously

More groups are searching for more grants, so it makes sense that the grants landscape is much more competitive.

This may well also contribute to the sharp increase in groups who cite grants from the corporate/private sector as their primary source of grants income - groups searching more widely for grants may uncover corporate/private sector grants they did not previously know about, or may pursue grants from the sector they would not usually pursue.

Another reason for the greater competition for grants is the smaller pools of funding many programs now offer, with more than 60% of groups feeling this impact over the past 12 months. Another 31% said grants programs they had previously applied to had cut their maximum single grant amount.

And a disturbingly high number of groups - almost 38% - reported programs they had previously applied for had been cut entirely. The logical flow-on effects of this would be an increased pressure on ongoing grants programs, resulting in greater competition for funding and smaller funding pools.

What stops grantseekers applying for more grants

We also asked grantseekers about the factors preventing them from applying for more grants:

68.2%
Lack of time

67.6%
Lack of resources/ staff

51.4%
Lack of knowledge of what grants are on offer

32.1%
Lack of expertise/ training

22.3%
Lack of money

Despite the changing grants landscape, in part caused by the economic downturn, some constants endure.

When asked about internal factors which stop them applying for more grants, familiar responses - a lack of time and lack of resources/staff - topped the list.

The may be scope here for some grantmakers to consider funding which builds organisations' capacity; giving them the tools to apply for more grants (or submit higher quality applications).

The third most common factor - a lack of knowledge of the grants that are on offer - might be a by-product of the aforementioned lack of resources and time, but can also be the result of groups not knowing where to look for more information.

Our Community's *EasyGrants* publication (**www.ourcommunity.com.au/easygrants**) is one resource which tries to fill this gap, but there might also be scope for some grantmakers to either better promote their programs, or better target their existing promotional work.

Biggest bugbears and suggestions for improvement

Our final couple of questions asked grantseekers their biggest frustration when dealing with funders:

60.3% **Unsatisfactory feedback on unsuccessful applications**

49.0% **Not enough information on whether your project is eligible for the grants program you wish to apply for**

45.7% **Not enough feedback during the grants application process**

45.4% **Lack of understanding as to grantseekers' needs and limitations**

30.1% **Difficulties dealing with the right person at the funder's organisation**

26.2% **Unsatisfactory email and/or online communications**

24.5% **Inadequate/unsatisfactory communication over the phone or in person**

23.5% **Difficulties getting answers from grants officers**

Unsatisfactory feedback on unsuccessful grant applications was identified as a key problem - in this case by more than 60% of groups. The message is clear - groups want to know why they have been unsuccessful in order to improve their grantseeking efforts.

Three other issues were identified as frustrations by more than 45% of groups.

Biggest bugbears (continued)

What suggestions do you have for grantmakers who want to improve their communication with grantseekers?

78.0%   **Honest feedback for unsuccessful applicants**

59.9%   **Clarity on grant program requirements**

55.7%   **More use of online forms (including forms grantseekers can edit and save)**

54.5%   **Better communication and feedback before and during the process**

52.4%   **Better notification of grants programs opening and closing**

51.5%   **A single contact person for grantseekers to talk with**

48.8%   **Use of plain English on grants program applications**

47.3%   **Easier to understand forms**

An overwhelming number of groups want more grantmakers to provide honest feedback on unsuccessful applications. Again, this desire is most likely linked to groups wanting to improve their efforts.

Five other suggestions received the support of more than half the survey's respondents. Four of them relate directly to communication between the grantmaker and the grantseeker, be it before or during the process:

Clarity on grant program requirements.

Better communication and feedback before and during the process.

Better notification of grants programs opening and closing.

A single contact person for grantseekers to talk with.

The continued emphasis on communication - especially groups' desire to see grantmakers make a better fist of it - mirrors concerns expressed in last year's survey.

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:

aigm | Australian Institute of Grants Management

- **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 Intelligence (GMI)** 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.

For more information about the AIGM, or to join, visit:
www.grantsmanagement.com.au

or email: service@grantsmanagement.com.au

Special thanks: Our thanks goes to all of those who took the time to fill in the survey. Again, we at the AIGM look forward to drawing on these ideas and more as we push forward in our grantmaking reform agenda in the months and years to come.

We welcome your feedback: We are always keen to hear from you. Send your feedback to **service@grantsmanagement.com.au**