

The Philanthropic Landscape (2008-2010)

Nov. 2012

How is the field of philanthropy doing in addressing the needs of historically underserved populations, as well as providing the kind of support that nonprofit organizations need to be effective in serving our communities?

This first set of fact sheets from the The Philanthropic Landscape series looks at data from 2004 to 2010 to track foundation giving that benefits and empowers the economically disadvantaged, women and girls, the elderly and other marginalized communities, as well as flexible grants to nonprofits.



The State of Multi-Year Funding

Nov. 2012

Looking at data from 2004 to 2010, [The State of Multi-Year Funding](#) found that multi-year grantmaking in 2009 fell 21 percent from 2008. [Read The State of Multi-Year Funding](#)

THE PHILANTHROPIC LANDSCAPE 

The State of General Operating Support
By Niki Jaggi and Kevin Ladkowski

Foundation giving to support the general operations of nonprofits increased through the recent recession, but the share of foundation dollars classified as providing this vital type of funding remains the same.

General operating support (or core support) is integral for nonprofits' sustainability, impact and growth. As part of its ongoing research into current giving trends, NCRP compared the latest available data on a sample of 105 large grantmakers' average giving from 2008-2010 to a previous 2000-2006 sample analyzed in NCRP's *Criteria for Philanthropy* at its first. The findings indicate that:

- Reported general operating support increased 34 percent to \$3.4 billion, but the share of grant dollars made as general operating support grants remains unchanged (14 percent).
- Core support funding as a share of grantmaking remained steady across most foundation types and regions, though general operating support increased among some types of foundation family and operating and increased slightly in some areas of the country the West.
- The median foundation share for general operating support increased slightly 4 percent to 8 percent.

General operating support continues to remain relatively scarce among the nation's largest grantmakers, which overwhelmingly favor project grants and other forms of restricted support. Despite findings from various research studies demonstrating the importance of this type of funding to nonprofits' sustainability and effectiveness, the proportion of grant dollars classified as unrestricted support does not appear to be rising.

Unless more grants are provided as unrestricted funds, nonprofits' ability to achieve the impact that donors want will continue to be undermined. Greater sustainability will continue to be undermined, nonprofits will remain under-resourced and systemic problems in our communities will go unaddressed.

AT A GLANCE

\$3.4B	Average general operating support per year from 2008-2010
14%	Share of grant dollars reported as general operating support from 2008-2010
21%	Average foundation share of giving coded as general operating support
8%	Median foundation share of giving coded as general operating support

THE CASE FOR GENERAL OPERATING SUPPORT
In 2010, NCRP's *Criteria for Philanthropy* at its first encouraged grantmakers to invest in the health, growth and effectiveness of their nonprofit partners by providing at least 10 percent of grant dollars as general operating support. NCRP, its members and colleague organizations have long made the case for providing such support and articulated its numerous benefits:

- It provides flexibility to meet pressing community needs and achieve impact.
- It eases administrative burdens for grantmakers and grantees alike.
- It contributes to nonprofits' sustainability and impact by building:
- It signals trust between the funder and grantees

[The State of General Operating Support](#) NCRP reports that reported core support dollars increased

THE PHILANTHROPIC LANDSCAPE 

The State of Social Justice Philanthropy
By Niki Jaggi and Kevin Ladkowski

Social justice philanthropy increased through the recent recession, but the share of foundation dollars reported as supporting advocacy, organizing, civic engagement and other strategies to promote structural change remains relatively unchanged.

As part of its ongoing research into current giving trends, NCRP compared the latest available data on a sample of 105 large grantmakers' average giving from 2008-2010 to a previous 2000-2006 sample analyzed in NCRP's *Criteria for Philanthropy* at its first. The findings demonstrate that more grant dollars are classified as social justice grants and the number of foundations reporting that they provide such funding at a substantial level increased. The analysis found that:

- The reported amount of social justice philanthropy increased 44 percent to more than \$1 billion.
- The share of grant dollars made as social justice grants increased slightly to 15 percent of total giving, but when the Bill and Melinda Gates Foundation's giving is included, the share remains unchanged (13 percent).
- Social justice philanthropy decreased as a share of total giving among community foundations, operating foundations and foundations in the South.
- The median foundation share for social justice philanthropy remained 3 percent, but there was an increase in the number of foundations giving at or above NCRP's suggested benchmark of 25 percent.

THE CASE FOR SOCIAL JUSTICE PHILANTHROPY
In 2010, NCRP's *Criteria for Philanthropy* at its first encouraged grantmakers to invest in a strong, participatory democracy that engages all communities by providing at least 25 percent of grant dollars for advocacy, organizing and civic engagement to promote equity, opportunity and justice in our society.

Investing in advocacy, community organizing and civic engagement has the potential to increase and unite the voices of those who have been historically marginalized and improve the lives of communities with the least wealth, opportunity and power. It is among the most strategic ways to address longstanding structural barriers to equality and advance social capital and civic engagement.

It increases available funding for nonprofits working to effect long-term structural change.

It provides grantmakers with significant impact and leverage. NCRP's *Community Impact Project* tracked the activities of 110 nonprofits organizations in 13 states over five years. The project documented \$26.4 billion in benefits for taxpayers and communities, and found that every dollar grantmakers and other donors invested in policy and civic engagement provided a return of \$11.9 in community benefits.

It aligns with philanthropy's historic role of contributing to a nonprofit sector in which most of the major social movements and significant policy changes of the last century arose.

AT A GLANCE

\$1B	Average annual funding for social justice from 2008-2010
15%	Share of grant dollars made with a social justice purpose from 2008-2010
8%	Average foundation share of giving coded as social justice philanthropy
3%	Median foundation share of giving coded as social justice philanthropy

[The State of Social Justice Philanthropy](#) NCRP reports that underserved groups increased from 12 percent of

THE PHILANTHROPIC LANDSCAPE 

The State of Giving to Underserved Communities
By Niki Jaggi and Kevin Ladkowski

During the last few years, grantmaking classified as benefiting marginalized communities increased, a change largely attributable to an increase in funding for the economically disadvantaged.

As part of its ongoing research into current giving trends, NCRP compared the latest available data on a sample of 105 large grantmakers' average giving from 2008-2010 to a previous 2000-2006 sample analyzed in NCRP's *Criteria for Philanthropy* at its first. The findings demonstrate that nearly twice as many grant dollars are classified as benefiting underserved populations, and that the number of grantmakers reporting that they make such grants increased. The analysis found that:

- The reported share of grant dollars provided to benefit underserved communities increased from 23 percent to 40 percent. However, if the Bill and Melinda Gates Foundation, the nation's largest grantmaker, is excluded from the analysis, the increase is much smaller (29 percent to 33 percent).
- Giving to vulnerable communities declined and comprised greater shares of giving to marginalized communities and of total giving.
- Grantmaking to benefit vulnerable populations increased in all four regions of the country but declined as a share of total giving among community and operating foundations.
- The number of grantmakers providing 10 percent of grant dollars to benefit underserved communities increased to 110 foundations or one in six funders.

THE CASE FOR PRIORITIZING UNDERSERVED COMMUNITIES
In 2010, NCRP's *Criteria for Philanthropy* at its first encouraged grantmakers to contribute to a strong, participatory democracy that engages all communities by providing at least 10 percent of grant dollars to benefit underserved communities, broadly defined. For foundations with a mission that might make this goal difficult to achieve, NCRP proposed providing at least 20 percent of grant dollars for the benefit of these communities.

Intentionally prioritizing vulnerable populations in grantmaking is beneficial for foundations and the communities their grantees serve.

Improving the conditions of the most marginal among us has a ripple effect that benefits all communities.

It advances social inclusion and contributes to the public good by empowering those who remain vulnerable.

It strengthens our democracy by increasing civic engagement among underserved communities.

It is a means to address persistent, structural problems that long remain communities from equality of opportunity.

AT A GLANCE

\$7.4B	Average annual funding to benefit vulnerable populations from 2008-2010
40%	Share of grant dollars made to benefit underserved communities from 2008-2010
28%	Average foundation share of giving to benefit underserved communities
24%	Median foundation share of giving to benefit underserved communities

[The State of Giving to Underserved Communities](#) NCRP reports that grant dollars classified as benefiting econ

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