

Note: Due to error in the Foundation Center data that NCRP received for this study, "The State of Multi-Year Funding" is **temporarily unavailable**. We will post a revised version once we have analyzed the corrected numbers. Please read

[this statement](#)

for more information.

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### For Immediate Release

## Philanthropy Turned Its Back on Multi-Year Grants

Available long-term funding for nonprofits collapsed in 2008-2010, outlook uncertain

**THE PHILANTHROPIC LANDSCAPE** 

**The State of Multi-Year Funding**  
By Niki Jaggi and Kevin Laskowski

Multi-year funding is essential for nonprofits' effectiveness, impact and growth. During the last few years, grantmakers have reported significantly fewer grant dollars for multi-year support, and the outlook is uncertain for this vital way in which grantmakers can increase nonprofits' effectiveness and capacity.

NCRP examined available annual data on multi-year grants authorized from 2004 to 2010 to assess trends in multi-year grantmaking among more than 1,400 grantmakers and among a matched set of 300 funders. The analysis found that:

- In 2009, reported multi-year grantmaking declined 35 percent to \$3.5 billion from its \$6.4 billion peak the previous year. Overall grantmaking declined 13 percent. If the nation's largest grantmaker, the Bill and Melinda Gates Foundation, were included from our analysis, reported multi-year grantmaking would have decreased by more than a third.
- Grantmakers have so far reported authorizing \$4.7 billion in multi-year grants in 2010, an additional decline from 2009 and well below even 2008 levels of \$5.3 billion.<sup>1</sup>
- Foundations that report multi-year funding provide such grant dollars at consistently substantial, if not exemplary, levels.
- However, each year, only one-tenth of sampled funders on average reported some multi-year grantmaking. Ninety percent of sampled foundations either do not provide multi-year grants or do not report them.

Clearly, multi-year grants are difficult for nonprofits to find and secure, and these important grants are likely to remain scarce for the foreseeable future. Without intentional effort on the part of trustees and staff of grantmaking institutions to begin providing significant

multi-year funding, nonprofits' sustainability and impact will continue to be at risk.

The following analysis examines available annual data on multi-year grants authorized from 2004 to 2010. NCRP often uses three-year averages to consider a foundation's overall commitment to a grant practice, but, in this case, three-year averages of 2008-2010 would obscure foundation decisions during those years, prompting us to take a closer look at grantmaking on an annual basis.

**AT A GLANCE**

- \$5.5B** Total reported multi-year support in 2009
- 35%** Share of grant dollars reported as multi-year support in 2009
- 4%** Average foundation share of giving classified as multi-year support in 2009

**THE CASE FOR MULTI-YEAR FUNDING**

In 2009, NCRP's Center for Philanthropy at its first mission-spent grantmakers to invest in the health, growth and effectiveness of their nonprofit partners by providing at least 10 percent of grant dollars as multi-year grants.<sup>2</sup> Unsurprisingly, flexible, long-term funding provides nonprofits with significant benefits such as:

- The ability to respond to crises and opportunities.
- Capacity building and leadership development potential.
- The ability to maintain staff continuity and organizational leadership.
- The organizational capacity to overcome unforeseeable challenges and improve planning.

Washington, D.C. (9/05/2012) – Multi-year funding declined substantially across the philanthropic sector in 2008-2010. According to “[The Philanthropic Landscape: The State of Multi-Year Funding](#),” released today by the [National Committee for Responsive Philanthropy \(NCRP\)](#)

, the share of grant dollars made as multi-year grants fell by 37 percent compared to a similar analysis of data from 2004-2006. If the Bill & Melinda Gates Foundation, the nation's largest grantmaker, is excluded from the analysis, the drop becomes more pronounced at 55 percent.

Other key findings noted in the paper include:

- Multi-year funding declined especially among community and corporate foundations to just 2 percent of their total giving.
- Multi-year funding decreased most among southern grantmakers, falling 73 percent.
- Multi-year funding fell most among those foundations giving less than \$10 million annually.
- The proportion of funders making no multi-year grants doubled from 40 to 81 percent.

In 2008-2010, the average multi-year funding was \$5.7 billion, which represents approximately 29 percent of total grant dollars.

"The numbers confirm what nonprofits have been reporting to us anecdotally: that multi-year funding is a scarce commodity," said Aaron Dorfman, executive director of NCRP. "During the economic crisis, when flexible, long-term support would have been most helpful to nonprofits, philanthropy was missing in action."

"The State of Multi-Year Funding" lists the 25 largest multi-year funders by share of total giving. At the top are the Bill & Melinda Gates Foundation, The California Wellness Foundation and The Andrew W. Mellon Foundation.

The analysis also notes the benefits of flexible, long-term funding to nonprofits, including the ability to respond to crises and opportunities, maintain staff continuity, invest in organizational leadership and improve planning.

"The Philanthropic Landscape: The State of Multi-Year Funding," written by NCRP research and policy director Niki Jagpal and research associate Kevin Laskowski, is available for free on the NCRP website at <http://www.ncrp.org/campaigns-research-policy/the-philanthropic-landscape>

**About "The Philanthropic Landscape"**

The Philanthropic Landscape is a new series of fact sheets that analyzes the most recently available data for the latest giving trends, beginning with multi-year funding. Don't miss these and forthcoming reports from NCRP; [sign up to receive Roundup](#) in your inbox today!

*The National Committee for Responsive Philanthropy in Washington, D.C., is a national watchdog, research and advocacy organization that promotes philanthropy that serves the public good, is responsive to people and communities with the least wealth and opportunity, and is held accountable to the highest standards of integrity and openness. Visit [www.ncrp.org](http://www.ncrp.org).*

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