

For Immediate Release

Nonprofits Continue to Have Difficulty Securing Multi-Year Grants, General Support Funding

Philanthropy overwhelmingly favored short-term, project funding during economic downturn



Washington, D.C. (11/02/12) – Multi-year funding dipped and general operating support for nonprofits remained stagnant during the past several years. These are the findings of two new studies released today by the [National Committee for Responsive Philanthropy](#) (NCRP), the country's independent watchdog of philanthropy.

According to the “[The Philanthropic Landscape: The State of Multi-Year Funding](#),” which examined new data from 2004 to 2010, reported multi-year grantmaking in 2009 fell 21 percent to \$5.5 billion during a time when total grantmaking declined only by 13 percent. If the Bill & Melinda Gates Foundation, the nation's largest grantmaker, is excluded from the analysis, the drop becomes pronounced at more than 33 percent.

THE PHILANTHROPIC LANDSCAPE


National Committee For Responsive Philanthropy

The State of General Operating Support

By Niki Jaggi and Kevin Laskowski

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 100 large grantmakers' average giving from 2008-2010 to a previous 2006-2008 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 like 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 diminished. Grantee 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 the 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 equity building.
- It signals trust between the funder and grantees.

Read the full report on the state of general operating support in the *Philanthropic Landscape* at <http://www.ncrp.org/crpsr/grantsupportivewebpage.pdf>