"I'm a fiction writer in the grant-proposal genre."

Grant Seeking Workshop

Assabet Community Education

November 9, 2023

Ellen Gugel, GPC

Grants & More

www.grantsandmore.org

Agenda

- Introductions
- Understand the Funding Landscape
- Grant Readiness
- Research & Gather Information – How to Talk with (and Listen to) Funders
- Letters of Inquiry (LOI's)
- Proposal Components & Structure
- Proposal Tips
- You Got the Grant!
- Q&A

Funding Landscape

Of **$499.33B** in private giving in the U.S. in 2022:

a 3.4% decline (and 10.5% when adjusted for inflation) in current dollars

- Individuals (living): 64%

- **21% from Foundations** up from 15% four years ago, with dramatic increase in total giving in 2020 (in response to pandemic?)

2.5% increase over last year (though a 5.0% decline when adjusted for inflation). Over the last 40 years, giving by foundations has grown by 9.2%.

- Bequests (individuals after death): 9% - flat growth

- Corporations: 6% small share

increased 3.4% from 2021 (but declined 4.2% when adjusted for inflation)

These percentages are changing somewhat from historical trends, but giving by individuals remains the largest share.

Total giving was the highest dollar level on record.

SOURCE: Giving USA Foundation | *Giving USA 2023*

In 2022, Americans gave $499.33 BILLION to charity

DONOR ADVISED FUNDS ARE AMONG THE FASTEST GROWING FORMS OF GIVING.

Where did the generosity come from?*

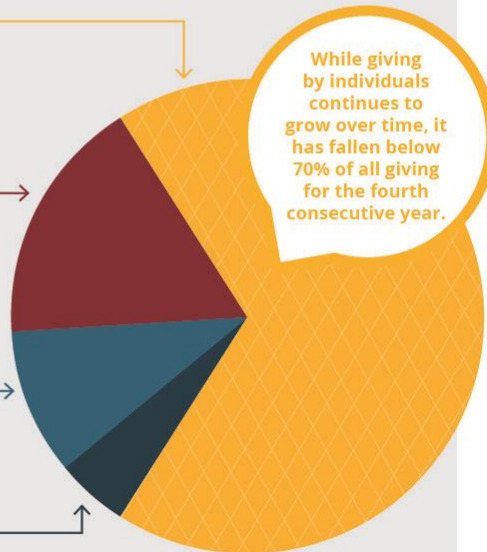**CONTRIBUTIONS BY SOURCE** *(by percentage of the total)*

64%
Giving by Individuals
$319.04 billion

21%
Giving by Foundations
$105.21 billion

9%
Giving by Bequest
$45.60 billion

6%
Giving by Corporations
$21.08 billion

> While giving by individuals continues to grow over time, it has fallen below 70% of all giving for the fourth consecutive year.

* All figures on this infographic are reported in current dollars unless otherwise noted. Inflation was especially high in 2022, at 8.0%, and results may differ when adjusted for inflation.

Where did the charitable dollars go?

CONTRIBUTIONS BY DESTINATION *(by percentage of the total)*

27% to Religion
$143.57 billion (increase over 2021)

14% to Human Services
$71.98 billion (decrease from 2021)

13% to Education
$70.07 billion (decrease from 2021)

11% to Grant-Making Foundations
$56.84 billion (increase over 2021)

10% to Health
$51.08 billion (increase over 2021)

9% to Public-Society Benefit
$46.86 billion (decrease from 2021)

6% to International Affairs
$33.71 billion (increase over 2021)

5% to Arts, Culture & Humanities
$24.67 billion (increase over 2021)

3% to Environment/Animals
$16.10 billion (decrease from 2021)

2% to Individuals
$12.98 billion (increase over 2021)

Despite uneven results in 2022, six of nine subsectors continue to exceed pre-pandemic levels, even when adjusted for inflation.

Giving to **international affairs** organizations grew by 10.9% in 2022, in part due to donors responding to world events.

Foundation Landscape

- 144,107 private foundations in the U.S. (CauseIQ)

- Total foundation assets topped $1 trillion (CauseIQ)

- Total foundation giving in 2022 $105.21B (CauseIQ)

- Meanwhile…**1.8 million public charities** registered with the IRS (National Center for Charitable Statistics)

  ...*yes, there really is increased competition, yet foundation giving hasn't kept pace*

Grant "Readiness" - Get Ready

- Organizational Readiness
  - 501(c)3 status
  - Board of directors that meets regularly
  - Annual audit/financial review (or Form 990 filing)
  - Board-approved organization budget
  - 100% board giving (even $5 counts!)
  - Clear, compelling vision shared by board, staff and key constituencies
  - Quality leadership
  - Ongoing program and financial planning and evaluation

Get Ready for Grants

- Program Readiness
  - Program design is sound, budget is solid, the need exists & is documented, partnerships in place, defined and measurable goals, tracking methods in place
  - For capital or equipment requests, quotes/estimates from contractors and vendors, architects

- Grant Readiness Checklists - for your organization, program: https://www.grantsandmore.org/resources

The Fundraising Cycle

• **Research: find foundations** ("prospecting") that are aligned, look closely at what *they* want, where they fund; **learn about funders** – determine alignment ("fit"); narrow to best matches

• **Cultivation: build relationships** – find out what *they* want first, not what you *need*; ask their advice; if they cannot fund you or what you do, ask if they know of other funders that might; ask questions first, and listen to what they have to say, before you "pitch" or "sell" your project

• **Solicitation: submit a well-crafted proposal** – invite an "investment" in your community or the population you serve, *not necessarily your organization*. It's not about you, it's about *them*

• **Stewardship**: after you get the grant, **nurture the relationship**! Communicate! Submit reports on time. Notify funders of any changes.

Goal is to get another grant next year.

It's About Them – Not You

The Fundraising Cycle

Stewardship

Research and Qualification

Solicitation

Cultivation
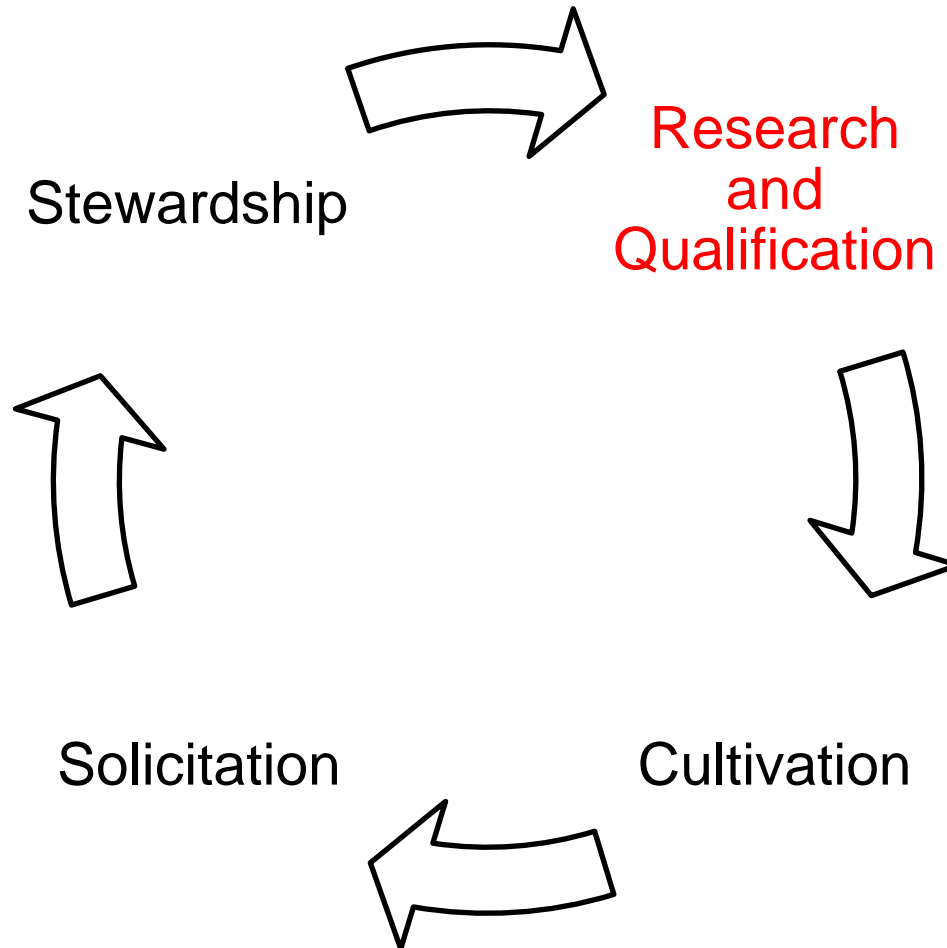
Research – Do Your Homework

- Each foundation has a unique focus – no two foundations are alike.
    - *"We get dozens of proposals from organizations that clearly never did a lick of homework, and waste our time and the precious funds of their members sending out hopeless proposals to the wrong funders. I often wonder if these same people try to buy their groceries in the hardware store."* – Executive Director of the CS Fund, quoted in *How Foundations Work: What Grant Seekers Need to Know About the Many Faces of Foundations*, 1998

It's about them, not you.

Research – Learn What Each Foundation Wants

- Geographic limitations or preferences
- Funding priorities – e.g., populations, issues
- Size of grants – most foundations are small
- Types of funding – capital, program, operating
- Preferred size of organizations supported (e.g., grassroots vs. large well-established organizations)
- Funding limitations – e.g., maximum percentage of project/program
- Waiting period for new proposal after denial or after receiving a grant?
- Many others – depends on foundation
- Need 501(c)3? Fiscal sponsor okay?

Funder Research (for a fee)

- Candid (formerly Foundation Center) Foundation Directory Online (FDO): http://candid.org/ - available free at major libraries: e.g., Boston, Worcester, others – find funders and who they've funded in the past, search on geography, population, field of interest (e.g. "Worcester", "refugees", "wildlife conservation")

- Foundation Search: www.foundationsearch.com – large commercial database, pricey but good

- Instrumentl (newer): www.instrumentl.com – good at finding upcoming grant opportunities

- GrantStation – free with Grant Professional Association (GPA) membership – good supplemental database, many corporate funders not found in Candid FDO

Funder Research (free)

- Free online search databases: https://www.grantsandmore.org/resources%20-%20funder%20research.html

- https://impala.digital – new free powerful search database/tool

- Foundation web sites (92% do not have web sites, especially family foundations)

- Board members, program staff, conferences

- Similar organizations (annual reports, newsletters, web sites of peer organizations show their funders)

- Google Search

- Foundation's Form 990PF (tax return) – www.candid.org "990 Finder" (no fee for this feature) – enter foundation name & click on the latest year's Form 990 or use www.guidestar.org (registration required but free)

- Government grants: Grants.gov (federal), COMMBuys (Massachusetts)

Foundation Form 990PF (federal return) – What to Look For

- Check box "pre-selected applications only" (p 10), a clue if they want to hear from you
- Application instructions, deadlines and contact information (p 10)
- Total amount granted for the year (p 11) – a clue to the foundation's capacity for funding
- Names and addresses of trustees
- List of grants (p 11) – grantee names, amount granted, and sometimes purpose (capital vs. operating) – clues to inform a request that is appropriate to the foundation's giving history and capacity
- **See if you can picture your organization's name alongside the other grantees.**

Assessing a Grant Prospect

- How competitive is funding? What percentage of proposals are funded?

  - Large well-known national funders – more competitive

  - Corporate and bank funders are more competitive because guidelines are often so broad

- How much work is involved in creating the proposal? For how much funding?

- What is the process? Is there a "letter of inquiry" (LOI), initial concept paper, or pre-application step?

- How many organizations are funded each year? A handful, hundreds, or some number in between?

The Fundraising Cycle
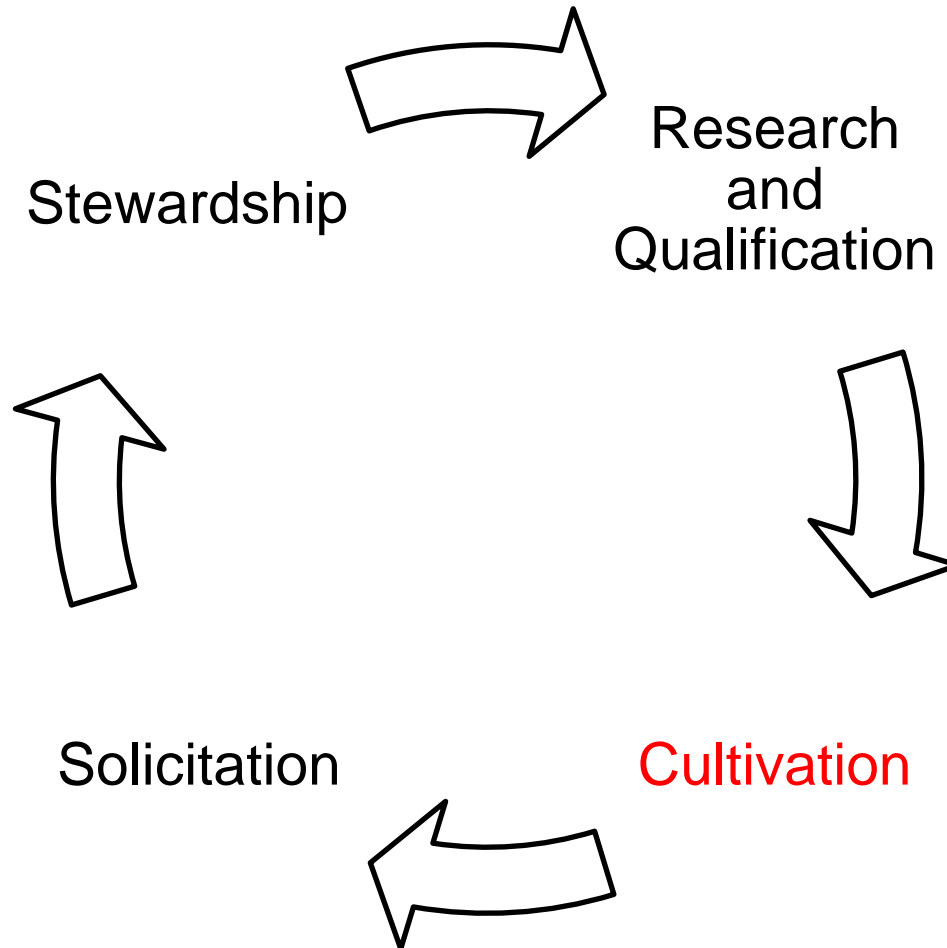
Gather Information – How to Talk with (and Listen to) Funders

- Reach out to foundations
  - Phone calls, emails – goal is to get information or a meeting
  - Community foundations and larger foundations have program officers whose job it is to respond to you, answer questions.
  - Smaller foundations often have no staff and don't want calls, but sometimes an administrator or trustee will help
- Make sure the program you are seeking funding for is a true fit for the foundation and for your organization
- Prepare a concise project description and demonstrate the connection to the funder's goals
- Be ready to cite examples of grants made to other organizations like yours that encouraged you to make contact
- Goal is to secure an invitation to submit a proposal to fund a specific project

Gather Information – How to Talk with (and Listen to) Funders

- Treat meetings with program officers as "informational interviews"
- Find out what they want first before you talk about what you need – **It's about them, not you.**
- **Listen first!** Before you "pitch" or "sell"
- Don't necessarily let "no" deter you - they might be interested in another area of your work – have a menu of options ready
- Ask for their advice. An old saying **"If you want money, ask for advice. If you want advice, ask for money."**
- Ask if they know of other funders that fund this type of work

The Fundraising Cycle

Stewardship

Research and Qualification

Solicitation

Cultivation
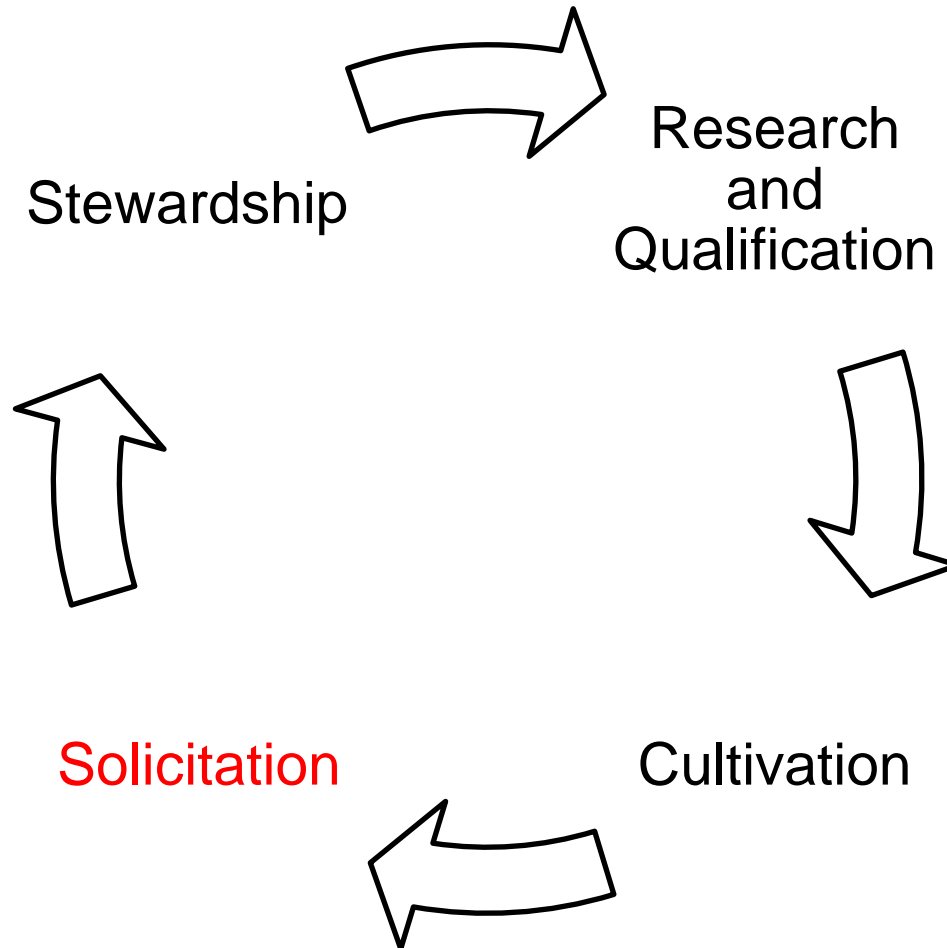
Letters of Inquiry (LOI's)

- Two-step process – increasing trend
- Letter of Inquiry (LOI), Concept Paper, Preliminary Application, Initial Proposal, or other name
- Saves everyone time – reviewers and grant writers
- Follow the directions, but generally only 1 to 3 pages allowed – sometimes less!
- Do not request a certain dollar amount at this point unless requested - but do share the overall cost of the program or project and basics of the budget
- **Goal: get invited to submit a full proposal**

Proposal Components

Proposals should demonstrate:
- Compelling need (why)
- Urgency (why now)
- Goals & objectives (what)
- What you intend to do with funding (how)
- Target population (who)
- Location (where)
- Timeline (when) & Work plan (what)
- Measurable outcomes– to prove your results
- Why your organization is best suited to do it
- Connection to the donor's mission
- Other partners and funders – shows community support
- Organizational and program capacity and sustainability

Proposal Structures

• Free form – often only page limits like 3 to 5 pages, often with general points to include. Family foundations and smaller foundations use this format. Often submitted in snail mail.

• Formal questions to answer, often through an online portal. Most often questions have character limits or word limits. Banks, community foundations, and larger staffed foundations more likely to use these.

• Hybrid – a form with specific questions that is emailed to the foundation. Submitted as a Word document or PDF.

Proposal Structure & Components

But remember first: *Follow the Guidelines!*

- Cover Letter (one page, signed by Executive Director or CEO)
- Executive Summary (1 to 3 paragraphs depending on space allowed) that summarizes who, what, when, where, why, why now, how, and amount requested
- Organization – mission, background, history, date of incorporation, achievements, awards & recognitions
- Need / Problem Statement / Context (cite research, statistics, quotes from experts)
- Goals & Objectives
- Work Plan – Timeline and Activities (what you are asking to be funded) – often helpful to prepare as a separate table or spreadsheet
- Methods – what methods and why? Best practices? Evidence-based? Pilot approach? Replicable? Reasoning behind your approach
- Measurable Outcomes – how will you measure success? How will you know when you see it?

Proposal Structure & Components

• Key Staff – bios or resumes

• Partners and Collaborators

• Other funding sources – secured, pending, anticipated

• Conclusion (one or two sentences) – for example, you can thank them for considering your request; or praise them for their work in the community

• Budget and Budget Narrative

• Attachments
  – IRS 501(c)3 Letter of Determination
  – Board Member List
  – Audit and/or Form 990 – make friends with your Finance Dept.
  – Organizational Budget
  – Annual Report
  – Press clippings, photos, testimonials, etc.
  – Letters of Support

Statement of Need

Need = Problem you are trying to solve

• Compelling and fact-based

• Supporting evidence – cite research and statistics, quote experts

• Avoid overstatement

• May include target population, demographics and their situation (e.g., poverty rate, unemployment rate among this population)

• May include location and its needs (e.g., poverty rate, unemployment rate in this city/county/region)

• Avoid national statistics if possible – too broad, the more local the better (shows you know your community, residents)

Logic Models

A snapshot in picture or table form of your program that includes:

Inputs – staff, funding, partners
Outputs – what you do, the activities you are asking the grant maker to fund (e.g., educated X number of kids)

Grant maker: "So what? Did they learn anything? What difference did you make?"

Outcomes – what changed as a direct result of your program? (e.g. changed observable behavior, attitude, or learning as a result of the curriculum, outreach, etc.)

Logic Model Template

SITUATION	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES	IMPACTS
ISSUE TO BE ADDRESSED	WHAT WE INVEST	WHAT WE DO	WHAT WE DELIVER	SHORT TO MEDIUM TERM RESULTS	LONGER TERM RESULTS

A logic model can help frame your proposal

Measuring Outcomes

- Keep it simple!
- Measure what matters!
- Limit metrics (indicators) to a few measurable or observable changes – the outputs (funded activities) that predict the outcomes – and the outcomes that show how you change the lives of your target population or conditions in your community
- Choose metrics that are already being collected or are easily incorporated into existing processes and systems
- What number and/or percentage of clients/participants demonstrated a change in access, awareness, attitudes, knowledge, skills, behavior, or overall condition?
- **Funders want to know "What are you learning?"**

Measuring Outcomes
(quantitative examples)

- Pre- and post surveys of clients, students, parents of students (e.g., did they learn anything, attitude change, behavior change, increase in knowledge)
- Percentage of clients against community benchmark (e.g., teen birth rate among the population served compared to community or statewide average)
- Percentage of clients who succeed (at whatever the program is intended to do, e.g., get a job, keep a job for a certain time, attain next level of ESOL, etc.)
- Retention rate
- Graduation rate, grades/test scores improved
- Fewer class suspensions, disciplinary episodes
- Many more examples, depends on program

Measuring Outcomes
(qualitative examples)

- Testimonials from parents, teachers
- Students write in their own words
- Success stories
- Awards, recognition
- Quotes from others like government officials, partners about your organization or program
- Photos of program in action – e.g., happy children at summer camp

Project Budget

- *"The budget is an essential piece of telling our story. It is not an 'afterthought'. It plays a <u>leading</u> role in a proposal."*

  -CEO of major nonprofit organization

- *"Budgets are a train wreck."*

  -Foundation program officer in Boston

- *"The Budget is my priority. I want to see the structure of the whole project laid out there. If I like what I see, I call the development officers at other foundations and ask their opinion of the requesting non-profit. If I get positives responses, THEN I will read the narrative."*

  -CEO of major foundation

Project Budget

- Not just numbers! A budget tells a story …about the project *and* the organization
- Do the budget first! You can't write a narrative without knowing what you're asking for
- Budget includes both expenses *and* income (sources of funding)
- Income and expenses should balance
- Keep it simple – one page typically
- Don't inflate costs or pad estimates
- Include assumptions (e.g., travel cost based on # miles at 2023 federal standard mileage rate, 65.5 cents/mile)
- Do not include expenses in the budget that are not mentioned or explained in the narrative
- For capital or equipment requests, cite quotes or estimates, websites with costs, etc.

Budget Example

Project Budget – 7/01/2017 – 6/30/2018

Income

Grants	$76,200
This Foundation (requested)	$15,000
Individual & Corporate Donations	$100,000
Program Service Fees	$25,000
Total Income	**$216,200**

Expenses

Personnel (salaries & wages, fringe benefits & payroll taxes) – Education Dept.	$147,000
IT Learning Tool Consultants	$15,000
Program Supplies and Materials (e.g., curriculum, lab)	$10,000
Information Technology/Equipment	$5,000
Travel/Transportation	$2,000
Outreach Week activities	$4,000
Internships	$5,000
Advertising/Promotion (brochures, printing)	$1,000
Occupancy	$5,700
Administrative Overhead (11%)	$21,500
Total Expenses	**$216,200**

Proposal Writing Tips

- Be clear, organized and succinct
- Advice from George Orwell:
  "Never use a long word where a short one will do."
  "If it is possible to cut a word out, always cut it out."
- Avoid lingo, jargon, multiple acronyms
- Avoid fluff words and clichés (as one funder says "more nouns and verbs, fewer adjectives")
- Avoid overstatement (e.g., please don't tell the reviewer your project is "exciting" – let the facts speak for themselves to get the reader excited, or use "unique" or "innovative" unless you can say how)
- Know your audience – tailor to the foundation's interests as much as possible (but don't pander or "parrot" their phrasing)

GRANT WRITING TIPS

Answer the question and nothing else. All the extra stuff makes it harder for a grant reviewer to find what they're looking for.

Proposal Readability Tips

Formatting:

• Make it easy to find and location information, topics: use headings and subheadings, line breaks, white space

• Make it large enough: Times New Roman 12-point font or Arial 11-point

• Make it easy to read: one-inch margins – especially horizontally

Proposal Readability Tips

Readability:

- Easiest readability –

  - 3 sentences per paragraph
  - 12 to 15 words per sentence
  - 10-20% passive sentences

(But hard to do! And doesn't always make sense.)

- Readability Statistics
  - Flesch Reading Ease (60-70% best, hard to do)
  - Flesch-Kincaid Grade Level – never above 12, aim for 10
  - Turn on in Word once and it stays on.
    Options → Proofing → Show Readability Statistics

Proposal Readability Tips

More Verbs, Fewer Adjectives

"Dull and exaggerated ad copy is due to the **excess use of adjectives**." – legendary ad man Leo Burnet

Comparing the number of adjectives in 62 failed ads to great works and classics. **Here is what he found:** Of the 12,758 words in the 62 failed ads, 24.1% were adjectives.

Lincoln's Gettysburg Address contains only 35 adjectives out of 268 immortal words – only 13.1%.

Winston Churchill's famous "Blood, Sweat and Tears" speech rates even lower and has a 12.1% adjective ratio (81 adjectives from 667 words).

Burnett found similar ratios in great works such as The Lord's Prayer, the Ten Commandments, and the Preamble to the U.S. Constitution.

Conclusion: More verbs, fewer adjectives. Verbs increase the pulling-power and believability of ad copy. The same works in grant proposals.

Tips for Compelling Proposals

• Avoid jargon. "You are trying to set people's hair on fire. Jargon is a flame-retardant." – *Tom Ahern*

• Use quotes and client stories to bring your proposal to life. Use quotes from your clients, officials; cite experts

• Compile statistics, awards, achievements, staff bios to define what makes your organization unique and outstanding

"Agreed. We fund only those proposals
we can understand."

Proposal Tips

- Remember first: Follow the guidelines!
- Don't over-promise – funders see through it
- Details matter: proofread, check budget numbers
- Ask amount is appropriate for the funder, and your project and organization size

Proposal Tips

- Honor deadlines: "No, you can't have an extension."
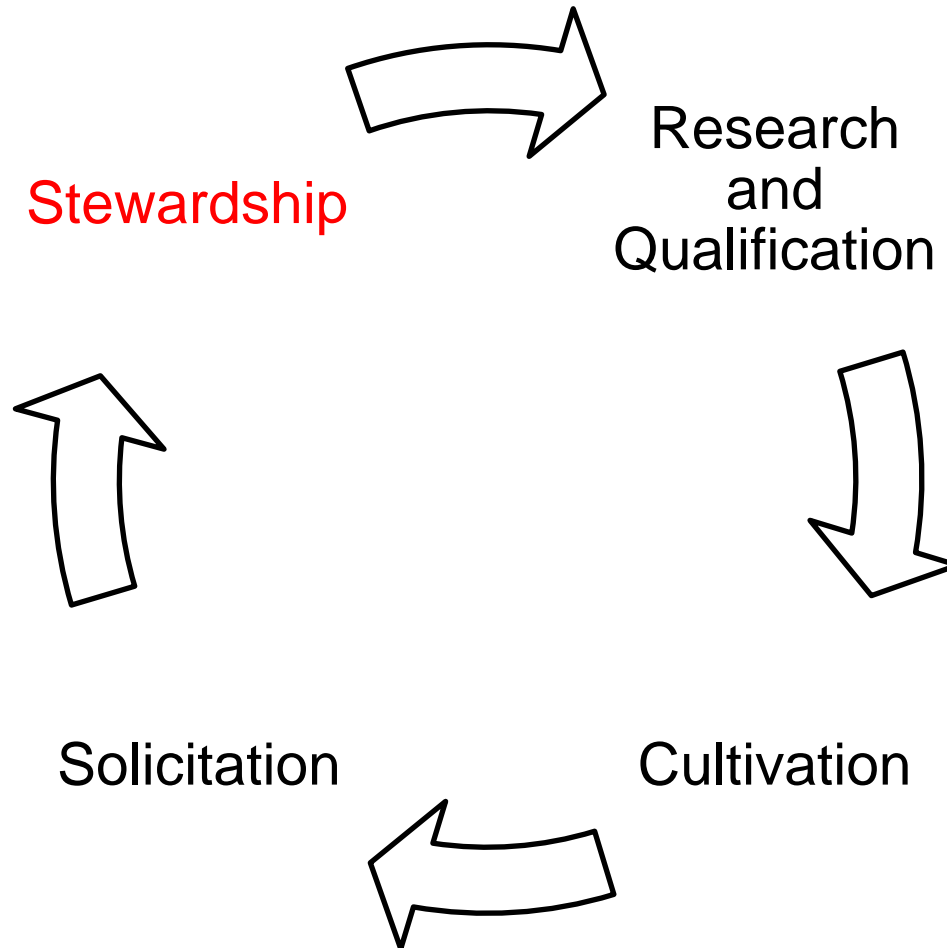- Start early, especially if letters of support, MOUs, contractor quotes, etc. needed from 3rd parties
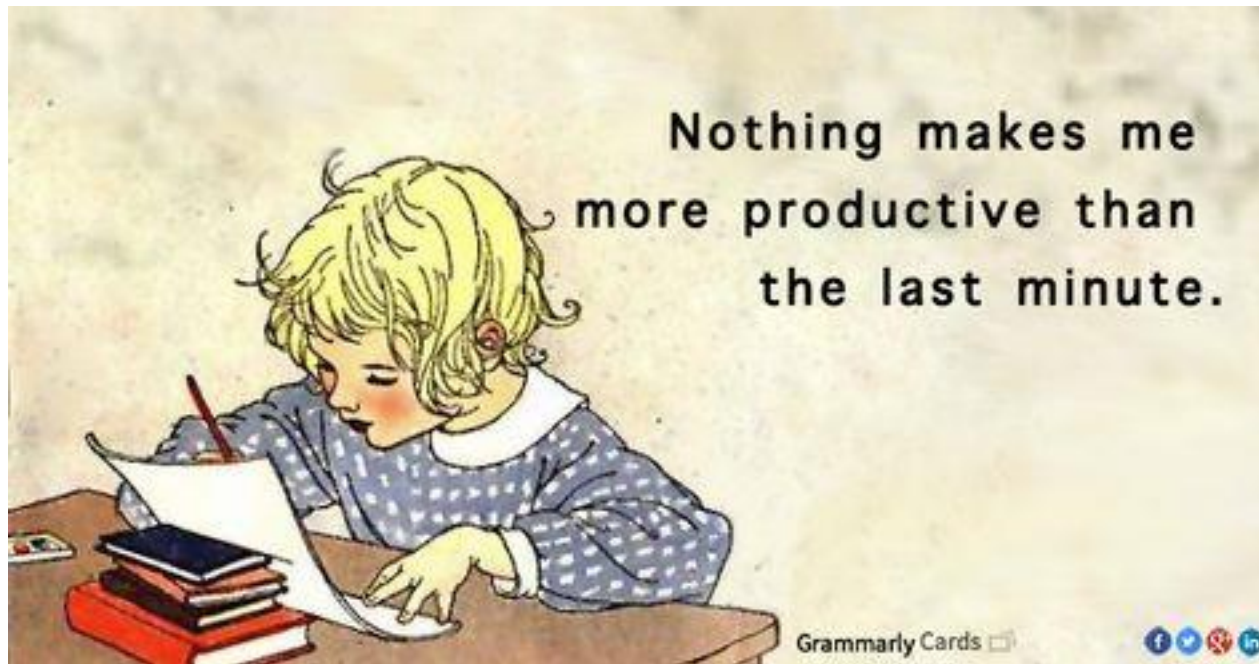
Proposal Tips

• Get a second or even third person to review a proposal before submitting

• Get Apostrophe Man (or an editor) if you are challenged like the kid in this picture

The Fundraising Cycle

Stewardship

- Timely acknowledgement
  - Immediate phone call (day or two)
  - Formal acknowledgement letter within a week
  - Hand written notes are appreciated and memorable!
- Honor reporting requirements and deadlines
- Send annual reports, press releases, success stories, links to videos
- "Like" funders' Facebook pages, "Follow" them on Twitter
- Offer site visits and invite funders to events; phone calls or emails with news, updates, success stories

Stewardship

- If project changes or falls short, **communicate** why, present options and alternatives, ask for more time if necessary – when COVID hit, many organizations had to shift and tell funders they needed to use their funding a different way – vast majority understood
- Funders should feel they are part of the project - their support makes your work possible: **they are partners**
- Funders are eager to hear what you learned, failure is a part of that! ("lessons learned") – funders are eager to learn too
  - Gates Foundation is prime example of foundation risk taking, feedback, lessons learned, try again with new information.
- Any successful proposal is the start of new cycle

Resources/Links

- Candid: access to Foundation Directory Online (FDO) http://www.candid.org (fee for FDO, Form 990 Finder is free)

- Impala: https://impala.digital

- Philanthropy Massachusetts – workshops, "Meet the Donors" panels, grant writing and fundraising workshops https://www.philanthropyma.org/

- Fee-based search databases available at large libraries, like Boston Public Library and Worcester Public Library – contact library to find out

- Grants & More resources http://www.grantsandmore.org/resources - links to free funder search engines, this and other presentations, blogs, and other resources

- "The Funding Update" from the City of Boston, weekly grant opportunities: subscribe https://www.cityofboston.gov/intergovernmental/weekly.asp

- Grant Readiness Checklist for your organization, program/project http://www.grantsandmore.org/grantchecklist.html

Thank You for Listening!

Ellen Gugel, GPC

Grants & More

emgugel@verizon.net

508-320-9943

www.grantsandmore.org