



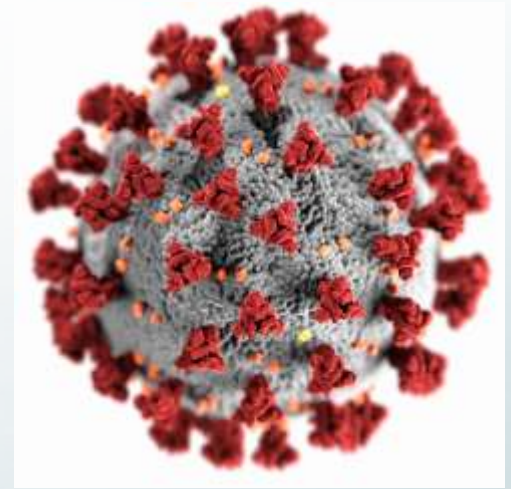
# Proposal Writing in 2022: Looking Ahead



# Agenda

- Trends in philanthropy/grantmaking
- Best practices in forecasting grant revenue
- Establishing benchmarks/planning for the future
- Common mistakes and fixes





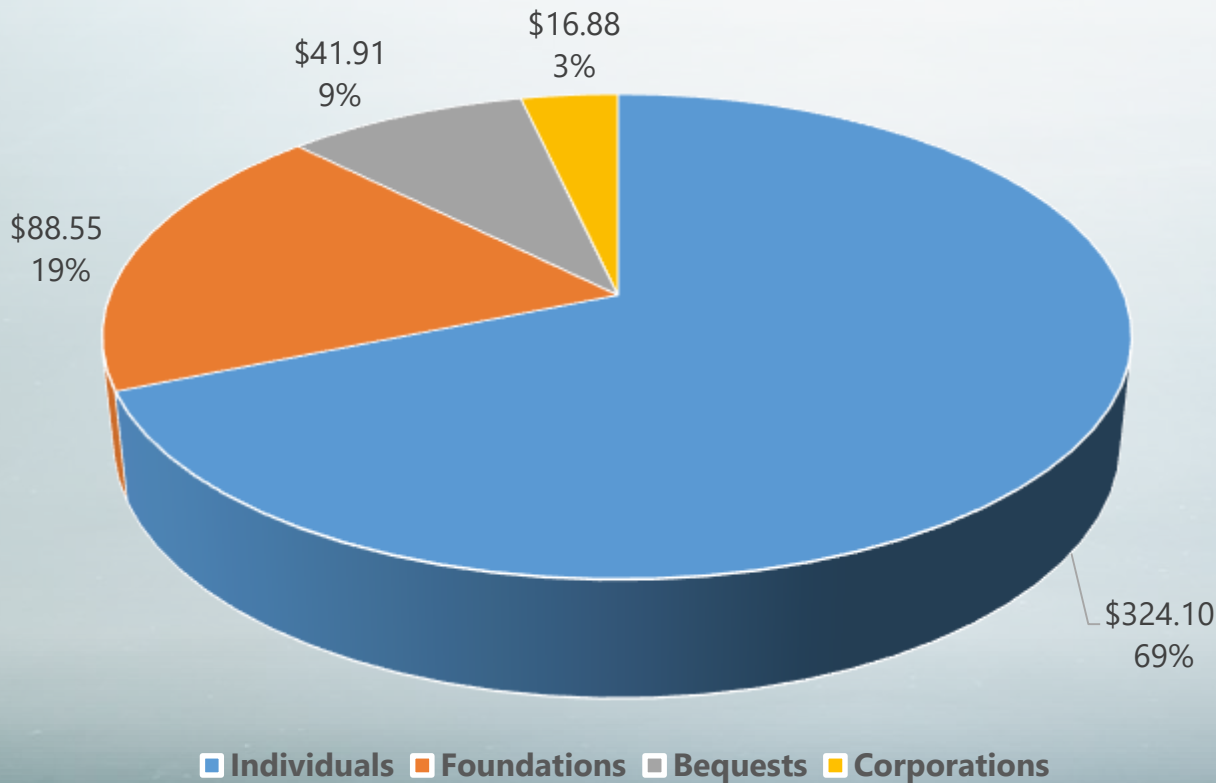


# Updates on Nonprofit Sector



# 2020 Giving in USA

(in billions)



**\$471.44 billion**  
to charity (5.1%  
increase):

- **Individuals**  
(2.2% increase)
- **Foundations**  
(17.0% increase)
- **Bequests**  
(10.3% increase)
- **Corporations**  
(6.1% decrease)

Source: Giving USA  
[www.givingusa.org](http://www.givingusa.org)



# Individual Giving

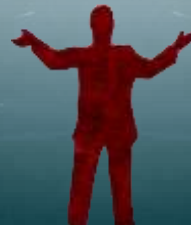
Nearly nine in ten (87%) respondents intended to give to charity in 2021, while 19% plan to give more than they did in 2020.

Plan to give at least \$500 to charity in 2021:

- Millennials: 55%
- Gen X: 44%
- Gen Z: 33%
- Boomers: 26%



<https://go.frontstream.com/FS/state-of-charitable-giving>



# Tax Deductions



- Above-the-line tax deduction for gifts of cash to charity of up to \$300 for individuals and up to \$600 for joint filers for 2021.
- The difference is that for 2020, the deduction was limited to \$300 per tax return.
- Taxpayers who do itemize their deductions are not subject to any caps on the amount of donations they can deduct in 2021.





# Top Five Nonprofit Challenges (2021)

1. Increased competition for fundraising dollars
2. Resuming in-person events/activities
3. Donor acquisition
4. Donor cultivation and stewardship (2019=#1)
5. Having adequate staffing resources (2019=#2)



Source: NAPCO Research  
*"Challenges, Opportunities, and  
Insurance Buying Trends in the  
Nonprofit Industry—2021"*





# Challenges to GrantSeeking



- Lack of time and/or staff (22%)
- Increase competition for finite monies (13%)
- Difficulty in finding grant opportunities that match specific missions, locations, or programs (13%)

Source: GrantStation  
*"2021 State of Grantseeking  
Report"*



# COVID Emergency Grants (2020-ish)

## Government and Foundation

- Grantmakers shifted priorities
  - Emergency funds
  - Funding “funded organizations”
- “Tell us what you need”
- Faster turn around
- Less reporting



# Foundations

- Foundations have faired pretty well
- Foundations increased giving by 19% over 2019
- Reverting back to “mission-driven” funding



Back to:

- Tell us about your impact
- Similar deadlines
- Similar reporting requirements



# Federal Government Grants



- Anticipated last round of stimulus funding
- Initial “firehose funding”
- “Traditional” streams to continue flowing
- Changing priorities with new administration





# American Rescue Plan Nutrition Assistance

- Extends the 15% increase in SNAP benefits through September 30, 2021
- Extends Pandemic EBT program that provides families with the value of missed school breakfasts and lunches
- Provides funding for outreach and modernization to make the WIC program more user-friendly
- Increases the Cash Value Voucher benefit



# American Rescue Plan Health

- \$7.6 billion community health centers
- \$1.44 billion for Older Americans Act programs
- \$800 million for National Health Services Corps



- Temporary 7.35 percentage point increase in the federal share of Medicaid for Home- and Community-Based Services



# American Rescue Plan Education

- \$125 billion in funding for K-12 schools
- \$350 million in additional funding for Child Abuse Prevention and Treatment Act
- \$40 billion to colleges and universities
- \$7.2 billion to the FCC to expand broadband access
- \$39 billion for childcare, including \$24 billion for Child Care Stabilization grants and \$15 billion for the Child Care and Development Block Grant



# American Rescue Plan Cultural

- \$135 million to National Endowment for the Arts
- \$135 million to National Endowment for the Humanities
- \$200 million for libraries through the Institute of Museum and Library Services





# American Rescue Plan Volunteerism

- \$1 billion to Corporation for National and Community Service (AmeriCorps Program)



# American Rescue Plan Housing

- Provides nearly \$22 billion in Emergency Rental Assistance to augment funds provided in December
- Includes \$5 billion for communities to provide supportive services for families and individuals experiencing homelessness



# Follow the Money!

- Current funding streams augmented
- Identify the state agencies getting stimulus funding
- Find a friend in state government
- City and county funds (state and local aid = \$350 billion)



# Racial and Social Justice Initiatives

- Growth in social justice funding
- Funder priority topic
- Funder expectation of nonprofit organizations having a racial equity, diversity, and inclusion, plan (REDI; IDEA)
- Addressing disparities in social determinants of health





# Robert Wood Johnson Foundation

RWJF commits \$9 million to launch  
Voices for Health Justice

*"We are excited to support community-led efforts to advance policies that promote equity in health and health care. Now is the time for foundations in the health justice movement to focus on providing deeper investments in state- and community-based advocacy to address the root causes of America's health inequities because everyone deserves the opportunity to be healthy and thrive."*



# Rita and Alex Hillman Foundation

Support for Healthcare Models Addressing Racism

[Rita and Alex Hillman Foundation: Hillman Innovations in Care Program](#)

The Rita and Alex Hillman Foundation is dedicated to improving the lives of patients and their families through nursing-driven innovation. The goal of the Hillman Innovations in Care Program is to advance leading-edge, nursing-driven models of care that target the health and healthcare needs of groups and communities who have historically struggled against oppression, discrimination, and indifference. For 2021, the program is issuing a special call for submissions that address racism and its impact on health. The program will award two grants of up to \$600,000 each, distributed over a 36-month period. The deadline for letters of intent is March 30, 2021; invited full proposals will be due June 1, 2021. The 2021 RFP is available on the Foundation's website.



# How to Plan for the Future



Trends  
Tools and resources  
Individualized best practices



# R3: Revenue Review Report

Use this tool to help realize the grants potential of your organization

- Viewing where your funding is coming from today;
- Projecting where your funding will come from in the future; and,
- Receiving recommendations on next steps for exploring funding sources.

GrantStation  
→ Build  
Strategy  
→ R3 Tool

Once you have gone through the exercise, print off your results and you can share them with your staff, board of directors, and fundraising committee. Projections can be particularly helpful when doing strategic planning.





# Example

	<i>Current</i>		<i>Projected</i>	
	01-01-2021 to 12-31-2021		01-01-2022 to 12-21-2022	
Grant Revenue				
<a href="#">Local Businesses</a>	\$600	1%	\$1,000	1%
<a href="#">Corporate Giving Programs</a>	\$10,000	12%	\$10,000	8%
<a href="#">Community Foundations</a>	\$12,000	14%	\$15,000	12%
<a href="#">Family Foundations</a>	\$5,000	6%	\$10,000	8%
<a href="#">Associations and Societies</a>	\$500	1%	\$1,000	1%
<a href="#">Government Funding: Federal/National</a>	\$50,000	59%	\$65,000	52%
<a href="#">Government Funding: Regional</a>			\$15,000	12%
<i>Grants Subtotal</i>	\$78,100		\$117,000	
Non-Grant Revenue				
<a href="#">Individual Gifts</a>	\$6,000	7%	\$8,000	6%
<i>Non-Grant Subtotal</i>	\$6,000		\$8,000	
<b>Total Revenue</b>	\$84,100		\$125,000	

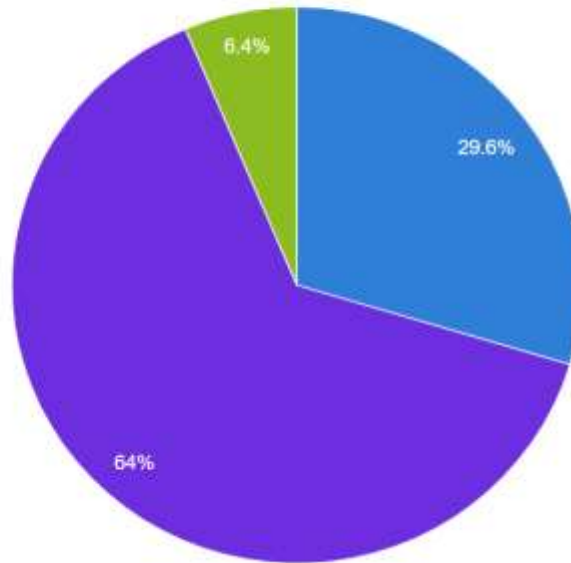


# Visuals

## PROJECTED REVENUE

Total Projected Revenue \$125,000

- Total Grants, Non-Government \$37,000
- Total Grants, Government \$80,000
- Total Non-Grant Revenue \$8,000



- Current revenue
- Projected revenue
- Current grant revenue
- Projected grant revenue
- Current non grant revenue
- Projected non grant revenue



# Select Recommendations

This section includes customized recommendations on how to diversify your portfolio.

Click on each type of funder to learn more about finding those funders, preparing applications, and managing awards.

## Local Businesses

- Start with local businesses before pursuing foundation funding. This will show other funders that you have the local community supporting your work. The application process for local businesses is also one of the easiest, and the potential for receiving support is also quite high.
- Although corporations and businesses typically contribute just over 5% of all philanthropic dollars, much more is given through in-kind gifts, corporate sponsorships, and the personal donations of individual corporate leaders. This is particularly true for local businesses.
- Consider asking for in-kind gifts of products or services first. Once you establish a good working relationship, you can start submitting requests for cash support. Be sure to manage those in-kind donations well, providing both community recognition and a summary report at the end of the year (regardless of the size of the donation).
- If you believe it will be difficult to secure cash support from a local business but still want to diversify your income by adding corporate support, consider tapping into national organizations such as Good360, NAEIR, or TechSoup to secure donated products. This tactic will shore up and diversify your corporate support income. Always establish a value for any in-kind contributions, including products or services, and reflect this value in your grants program analysis and reports.



# The 2021 State of Grantseeking Report

The 2021  
Report

Download

The Key  
Findings

Download

Details  
on the  
Pandemic

Download

Benchmarks  
for Your  
Organization

Compare

**GrantStation → Public Resources → State of Grantseeking Report**

February 12, 2021 through March 31, 2021

3,476 responses





# Select Key Findings

Proposals Submitted	Winning Percentages
Only 1	78% won one award
Only 2	79% won at least one award
3-5	91% won at least one award
6-10	97% won at least one award
11+	99% won at least one award

- Applying for at least 3 grants increased the frequency of winning an award.
- Compared to the prior year, 62% of respondents applied for more grants and 53% were awarded more grants.
- 44% of the funds for the largest federal awards originated directly from the federal government; 32% were pass through federal funding via state government.



# Benchmarker Tool

Also can drill down to  
customize (age of organization,  
number of staff, sources of  
grant funding, etc.)

## *What is your annual budget range?\**

- ☐ Small Budget: Under \$100,000
- ☐ Medium Budget: \$100,000 to \$999,999
- ☐ Large Budget: \$1,000,000 to \$9,999,999
- ☐ Very Large Budget: \$10,000,000 to \$24,999,999
- ☐ Extra Large Budget: Over \$25 Million

## *What is your mission focus?\**

- ☐ Art, Culture, and Humanities
- ☐ Education
- ☐ Educational Institutions
- ☐ Healthcare
- ☐ Human Services
- ☐ Youth Development
- ☐ Other Missions



# Benchmark Tool

	Budget Range	Mission Focus	All Respondents
<i>4. What percentage of your organization's funding is from grants?</i>			
			+/-
10% or Less	22%	23%	28%
26% to 50%	23%	24%	21%
<i>5. What percentage of your organization's grants are recurring grants?</i>			
			+/-
10% or Less	32%	46%	42%
<i>6. From what sources does your organization receive grant funding? (Check all that apply.)</i>			
			+/-
Private Foundation Grants	86%	82%	82%
<i>7. Approximately how many grant requests did your organization submit in 2020?</i>			
			+/-
3 to 5	15%	30%	21%
11 to 20	22%	20%	18%



# Forecasting Grant Revenue

## Forecasting vs Cash Flow

- Forecasting documents help you predict what funding you will receive
- Cash flow documents record when you expect to receive money



Source: Elevate  
*"How to Predict the Future"*





# Probabilities

$\text{\$ask amount} \times \% \text{probability of funding} = \text{\$revenue projection}$



$\$50,000 \times 90\% = \$45,000$

Make Reasonable and Conservative Probabilities

For example:

- Renewal grant = 90%
- "Cold" application = 10%

Use the State of Grantseeking Report for estimating probabilities



# How to Create a Forecast Chart

- Set up percentages based on the type, tier, and history of the funder
- Modify as few percentages as possible based on your knowledge of the funder
- Stay in the middle
- Input your actual best estimate based on the ask amount
- Calculate sums
- Revise as needed



Elevate has a free forecasting  
template

<https://www.elevatedeffect.com>



# Common Mistakes

- Not knowing your outcomes...how to communicate your impact and change you make in people's lives
- Budgets and approach don't match
- Being afraid to reach out to a funder
- Not following directions
- Not including those you serve in the design and development of your programs and initiatives



# Increase Your Grant Writing Skills

Become a Grant Reviewer



Read Successful Proposals





# Increase Your Grant Writing Skills



Mapping the Course: A Practical  
Approach to Grant Writing

\$25

Order a copy today!

<http://bit.ly/2tqX8DK>



# Thank You For Participating!



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