

Submittable 

Transforming Grantmaking

Transforming Grantmaking

A white paper that will explore key trends in grantmaking that continue to evolve ranging from issue-focused grants, cross-sector collaboration, diversity and equity, and the use of data to inform grants management. A specific focus on technology will dig into the easing of administrative burdens, tools to accelerate learning and impact, along with a discussion of how bias is reduced using proper solutions. Lastly, current

promising practices among grantmakers are discussed ranging from multiphase submission process and peer review to enhanced communication between stakeholders and the use of data to improve grants management.

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Why modern grantmaking is a shifting landscape

Today's grantmaking space is awash in change.

From technological advancements that are shifting how grant managers do their work to changes in the size and focus of grants, there's a great deal for grantmakers and grant-seekers to watch and adjust to.

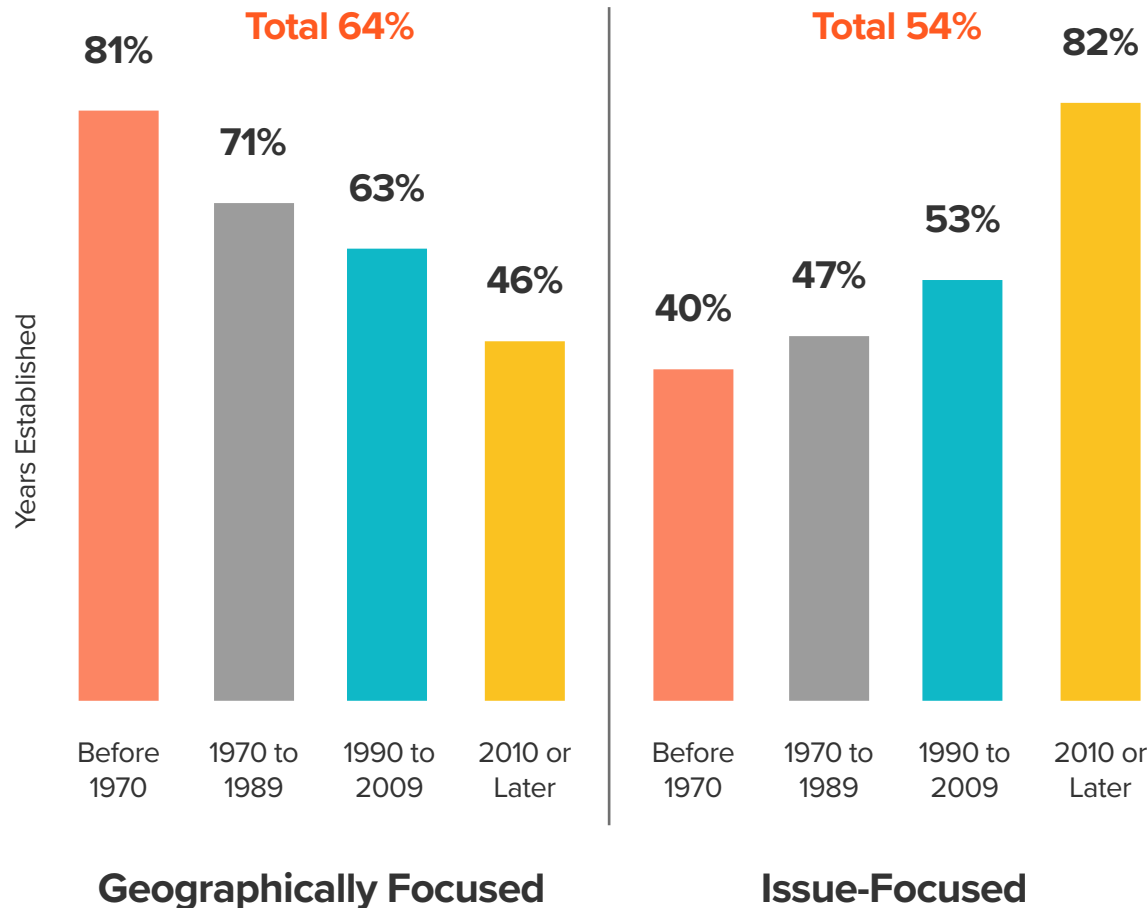
New vehicles for grantmaking are arising—like impact investing—while a new generation of younger philanthropic leaders are gaining stronger leadership positions within institutional foundations.

Emergent trends like diversity, equity, and inclusion (DEI)-infused grantmaking and expanded cross-sector collaborations are also taking the field by storm as grantmakers shift their practice to respond to new cultural and social realities. In short, funders are responding to current trends and changing grantmaking alongside grant-seekers in new and powerful ways. As always, the goal is to maximize the impact of philanthropic funds by streamlining grantmaking operations to focus on making that difference.

Let's dig into how grantmakers are transforming the philanthropic sector today.

Key foundation trends that continue to grow

Issue-focused grantmaking leads the way



Trend #1:

Hyper issue-focused grants

While more-established funders have trended towards more geographically-focused grantmaking, newer funders have gravitated towards issue-focused philanthropy.

Funders are increasingly looking to make their mark on specific, standout issues as they build expertise among their program staff and within communities of practice.

This trend suggests that the increasing professionalization of the programmatic grantmaking space is driving funders dig deeper in specific issue areas as they reshape their brands around expertise in certain areas.

Key foundation trends that continue to grow

Education and poverty are top issues among funders

	Sample	Before 1970	1970 to 1989	1990 to 2009	2010 or Later
Education, college access, literacy	38%	41%	36%	44%	23%
Poverty, hunger, homelessness	27%	28%	3%	19%	64%
Social services, family services	25%	19%	6%	28%	33%
Healthcare, health, wellness, nutrition	18%	13%	12%	20%	20%
Environment, sustainability, climate	18%	17%	23%	20%	10%
Economic opportunity/inclusion, jobs, workforce, employment, job training	18%	5%	13%	13%	41%
Community initiative, services and development (arts, culture, etc.)	17%	28%	26%	17%	6%

Trend #2: Economic and education issues continue to dominate

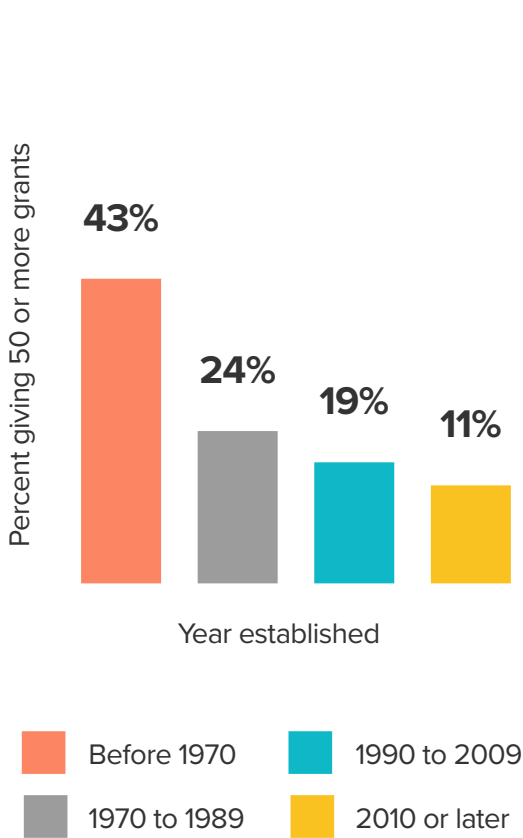
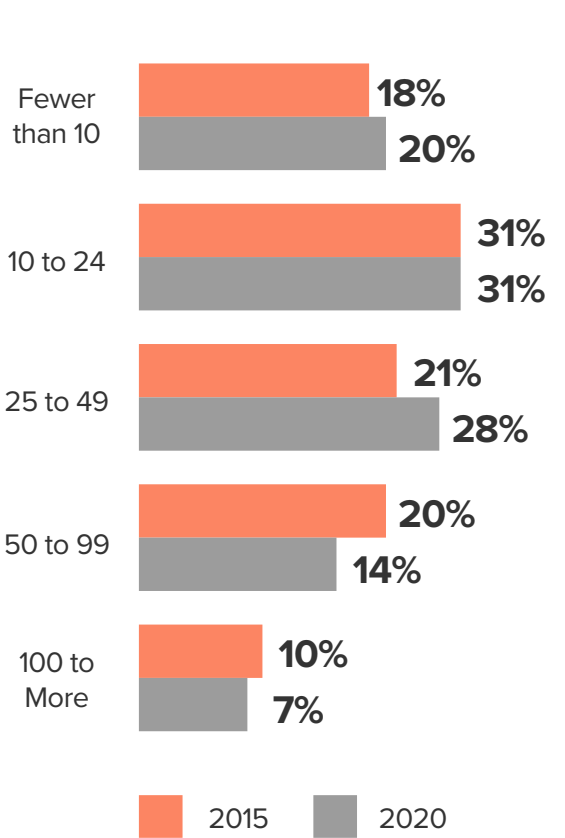
What issues are funders digging into through their grantmaking?

Economic opportunity (including poverty) and education continue to be a big draw for newer funders. Education, in particular, stands out as one through-line among funders at all levels as a unifying issue within the philanthropic community.

The focus on economic and education issues suggests that funders (and by extension, grant-seekers) are increasingly attuned to salient social problems that attract broader attention and are effectively zeitgeist challenges.

Key foundation trends that continue to grow

Funders are giving out fewer grants, but they are larger amounts



Trend #3: Fewer, but bigger grants

While giving overall has grown over the past five years, the number of grants has declined.

Funders are giving fewer but larger grants.

This could suggest that grantmakers are looking to deepen their impact in certain areas and with specific organizations by expanding their investments rather than spreading their grants around among various organizations.

Key foundation trends that continue to grow

Trend #4: Impact investing continues its rise

More funders are thinking beyond traditional paradigms of grantmaking.

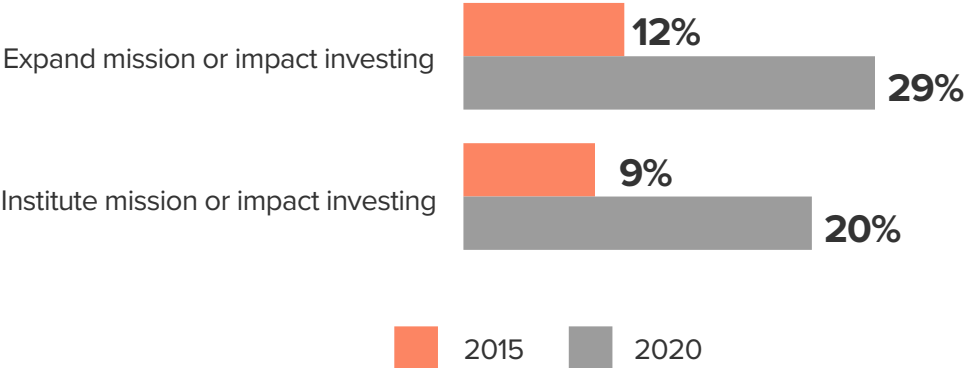
In pursuit of profits and real change in communities, grantmakers are breaking

out of old silos and finding new ways to support local organizations.

Impact investing put funders (and organizations) on the hook for both measurable social impact as well as financial returns. When done right, it's a win-win for all parties as funders can attract more capital to support local projects while communities get more funds to invest in doing good.

The push towards diversified investment vehicles for social impact demonstrates a hunger among grantmakers to scale their impact along with some reluctance to continue funding in ways that haven't produced significant results. Grant-seekers should take note and open themselves up to alternative funding arrangements in pursuit of a deeper impact.

Expected changes to assets 2015 vs. 2020



Key foundation trends that continue to grow

Trend #5: The next generation takes up the mantle

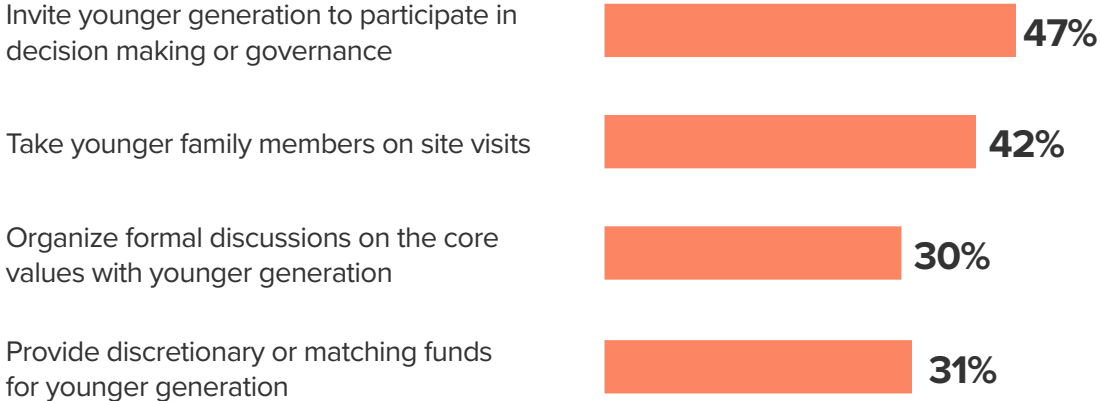
Elder leaders of family foundations are passing the torch to the next generation.

More and more, they are providing formal channels for younger leaders within the family to take on leadership roles within their grantmaking institutions.

From participating in actual governance and attending site visits to organizing formal discussions on organizational values and offering matching funds for younger generations to leverage, meaningful shifts in power happening.

This transition of power to the next generation could result in shifting priorities for institutional funders which means that grant-seekers should pay close attention to this rising generation of grantmaking leaders. Younger leaders tend to favor innovation and issues that are hot topics in the news, so grant-seekers should take note when crafting their pitches.

More formal participation for next-generation leaders in family foundations



Key foundation trends that continue to grow

Trend #6: Diversity, equity, and inclusion (DEI) take greater priority

Funders are reading the writing on the wall.

It's 2020 and if you're not integrating DEI practices into your organization, you're setting

yourself up for failure. The benefits of having a diverse and equitable workplace are now well-documented, notwithstanding the clear moral imperative.

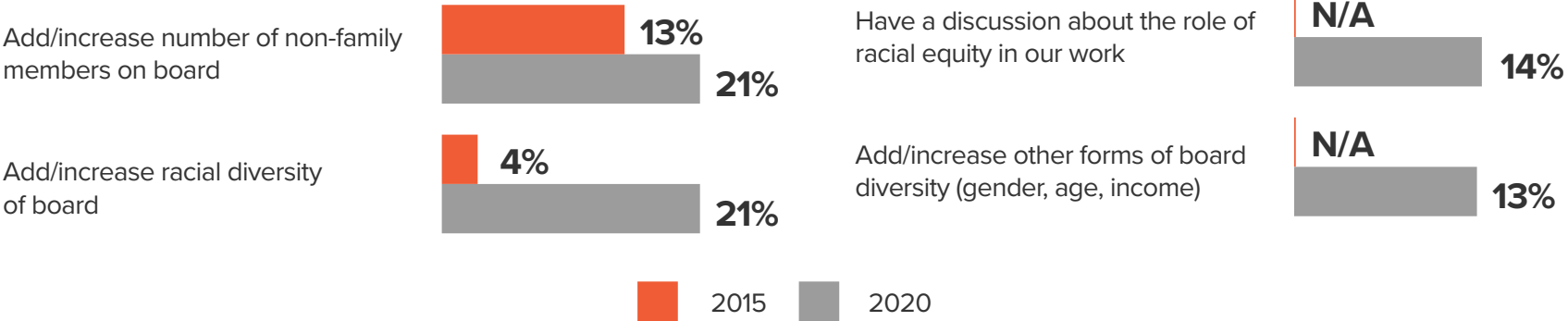
Grantmakers realize that their work in communities suffers greatly so they're building a stronger DEI skillset as they evolve.

Diversity has been found to be a key driver of innovation, with a 2017 Boston Consulting Group study demonstrating that diverse teams produce 19% more revenue. The study showed that companies with diverse teams develop products that are more relevant to consumers

because they are more in tune with customers' evolving needs.

In short, diverse teams are simply more adaptable due to the different backgrounds and opinions represented which leads to an array of new ideas and key insights.

Expected board and staff changes to increase focus on DEI



Key foundation trends that continue to grow



Other notables trends

There's a lot shaking in grantmaking in addition to the above trends. From growing cross-sector collaboration and the proliferation of technology to the use of analytics to inform strategy and clearer communication of outcomes and impact, grantmakers are keeping things fresh when it comes to giving.

More than ever, grantmakers are insisting that they are learning organizations that internalize and execute on lessons gathered internally and from the field.

That's good news for the future of grantmaking.

How technology is changing grantmaking



How technology is changing grantmaking

Data-Driven Tools

Grantmakers are looking to extend the impact of their grant funds.

That means learning from past and current grantmaking. In order to do that, you need good data. To get that data, you need the right tools.

More and more, technology is accelerating learning and boosting impact by giving grantmakers data-driven tools to do a better job with each grant.

Grantmakers are also becoming much more open about sharing data with the public. This open-source learning and sharing of ideas enrich the entire sector.

Elevated Strategy

When administrative burdens are easiest, more time is made for the important stuff.

Strategy can step to the forefront when tedious and easily-repeatable tasks are automated. In addition, technology has also enhanced the internal communication capacities of grantmakers which allows for deeper strategic thinking and planning.

For example, Ball State University's grant program leveraged technology to cut administrative time by 10%, which left administrators with more time to engage in program development and strategic planning.

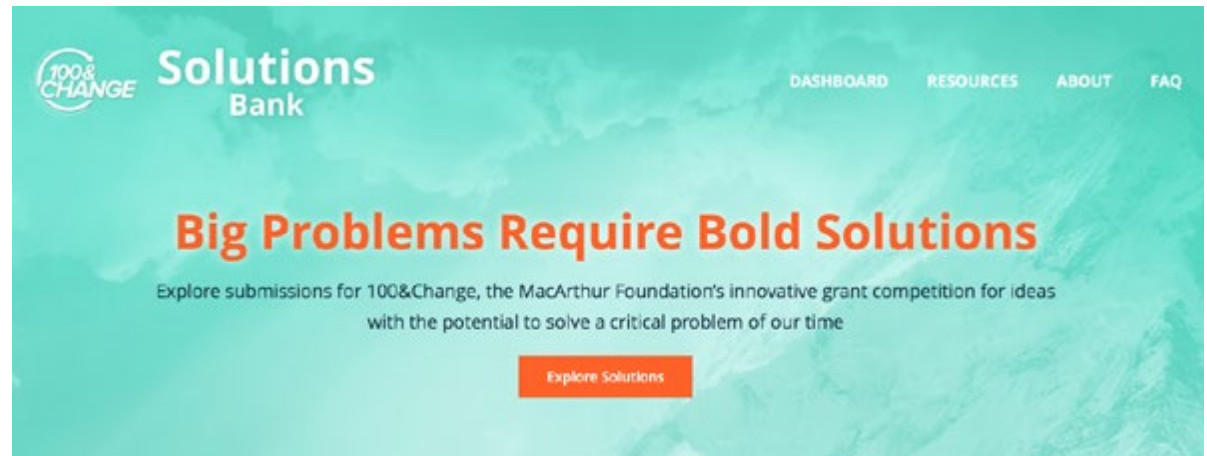
How technology is changing grantmaking

Greater Accessibility

Connected devices and cloud-based computing have fundamentally changed grants management.

What used to be a black box is now a transparent sphere.

Grantmakers are now running open repositories of thousands of grant applications (like Solutions Bank— a joint venture of MacArthur Foundation and the Foundation Center) to bring greater accessibility and accountability to all sides of the grantmaking process.



Now, grantees and even members of the general public have access to information and insights from other grants and practitioners in the field. This lowers the barriers to entry for those interested in applying for grants while increasing the chances of success for current grant-seekers.

Technology has become a tool for grantmakers to meet people where they are.

How technology is changing grantmaking

Enhanced Community

At its best, technology can supercharge social impact.

By empowering greater collaboration and making connections more visible within ecosystems, technology helps to spur in-person engagements, meaningful conversations, and other venues for ongoing learning and impact.

In other words, digital platforms that foster community are what make change in communities possible.

For example, when peers at organizations focused on improving childhood literacy are able to join private, online communities and share best practices—their collective and individual work is enhanced.

More and more tech-enabled professional groups are coming together with perks like webinars and masterclasses that enrich the work of practitioners who participate in them. In the past, without the tech to connect, those links between professionals might not have been made.

Personalized Learning

It's not common knowledge that everyone learns differently.

Education systems have caught onto this with how they leverage technology to serve all learners. Now, so have grantmakers.

All of that transparent data is only as good as the means through which individuals can engage with the information. Personalized workspaces help all actors within an organization to look at the same data in different ways to achieve individual and collective goals.

From program teams finance officers to grantees and grant reviewers, technology is giving grantmakers unified platforms for grants management that offer opportunities for personalized learning to support each stakeholder's growth and participation in the grantmaking process.

How technology is changing grantmaking

Reduced Bias

Bias is a drag on the grantmaking process.

Now, grantmakers have the tools to address it and minimize its impact. Grantmakers are using technology such as automation and artificial intelligence to enhance their grant review processes.

When human bias creeps into the selection process, these advanced tools can detect it and even correct the issue. That's a big win for grantmakers, grant-seekers, and a step towards a fairer world.

Improved Efficiency

The more efficient grantmakers are in churning out highly-effective grants, the greater the impact.

That's why streamlining the grants management process is so crucial and why grantmakers are leveraging technology in new ways to enhance it. With so many high-volume tasks making up the grants review process, automating and improving the efficiency of each task is an important part of optimizing grants management.

At the end of the day, it's all about creating more time and space for your staff to focus on higher-order activities. When processes get right-sized and repeatable tasks get automated, grants managers get the strategic time they need.

Best practices of effective grantmakers

How modern grantmakers can transform their grants management

- ✔ Develop an excellent submission experience
- ✔ Streamline reporting
- ✔ Leverage data for improvement
- ✔ Invest in modern submission software
- ✔ Build a lean workflow

Best practices of effective grantmakers

Develop an excellent submission experience

The first part of this is a shift in thinking.

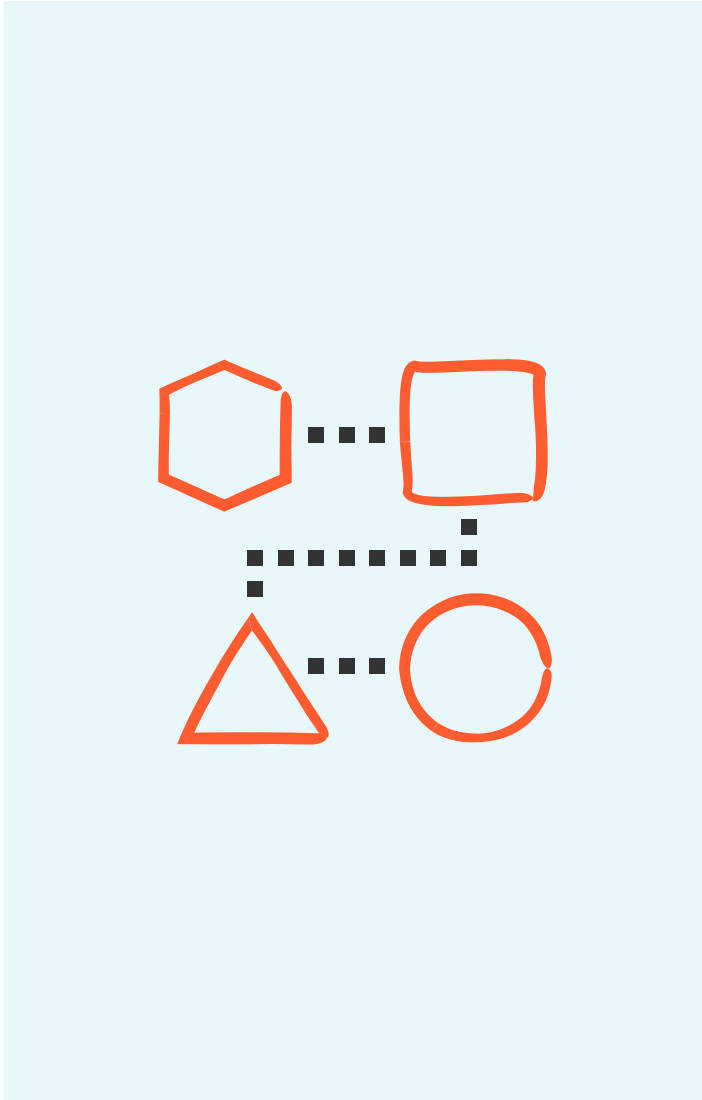
Grantmakers would do well to put themselves in the shoes of submitters. What is actually like to step through the submission process on their end? That's a critical question every grantmaking must ask themselves as they embark on transforming their grantmaking process.

The goal here is to make applying easy as well as making sure applicants qualify for the grant before they submit. Grant-seekers have a lot on their plates already when it comes to making an actual impact in local communities. Burdensome application

processes don't help that cause, and no one benefits by having a poorly-fitting applicant apply for a grants.

Using a multiphase submission process can help grantmakers pre-qualify applicants while also sorting them into the right places to ensure a more streamlined workflow for grants managers.

Using modern grants management software can also help grantmakers set up a submission experience that is thorough and professional for all parties. Such systems allow for better, managed communication among stakeholders and improved document management so grants managers aren't chasing down applications and supplemental materials.



Best practices of effective grantmakers

Leverage data for improvement

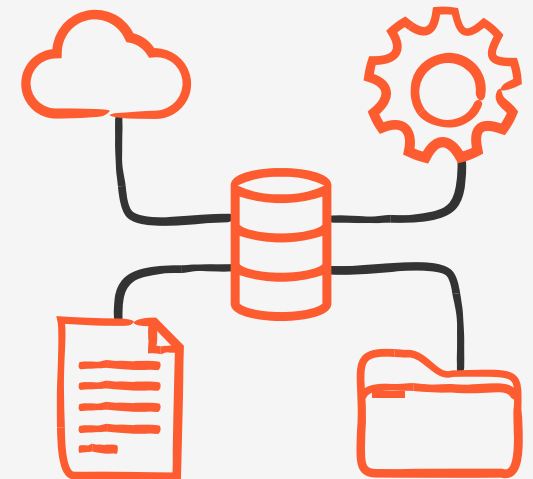
How do funders know when their grantmaking process is working well?

The first step is evaluating their own data and sharing that data with an eye towards improvement. When grantmakers identify gaps early, they can react and initiate changes in current and future submission forms.

Sharing data is a critical step for grantmakers. Such transparency encourages accountability. When data is shared externally with peers and the general public, process improvement and learning are much more likely to occur.

Modern submission management software helps grantmakers to streamline communication with external stakeholders and allows them to customize which information is shared.

The ultimate goal? Learning and growth in grantmaking efforts.



Best practices of effective grantmakers

Build a lean workflow

What are grantmakers' goals when it comes to their grants management workflows?

Eliminate unnecessary overhead. Manage documents efficiently and securely. Ensure that stakeholders are working together, not apart. Focus on the metrics that matter.

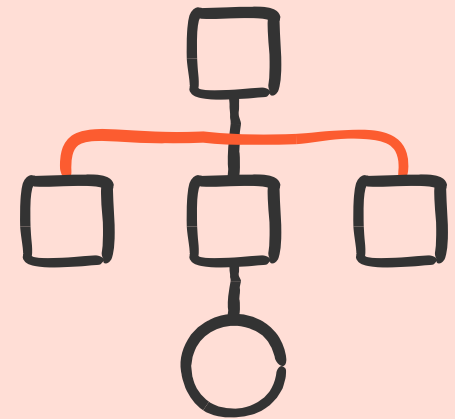
These are lofty but critical goals that grantmakers should stand by to as they refine their grants review processes. Especially when it comes to employing a strategy like peer review, grants managers must wrangle multiple stakeholders towards a common goal of selecting the best possible grantees and administering grants as efficiently as possible.

Modern grantmakers have found ways to leverage artificial intelligence to automate

key tasks such as error discovery, reviewer assignments, and key notifications.

Having a unified review portal that allows applications to be displayed side-by-side helps reviewers complete their work more effectively.

However you decide to set it up, remember that a lean and effective grants management system will lead to better grantmaking and bigger impact in the long run.



Best practices of effective grantmakers

Streamline reporting

Grant reporting is critical because it gives grantmakers and grantees the data they need to make better, more strategic decisions about how grants are administered.

There is a lot that grantmakers can do to streamline grant reporting.

It starts with keeping the reporting language plain and simple. Don't make grantees decipher impenetrable jargon, raw data, and complex tools. Speak their language since they're the ones doing the work on the ground. Integrate it into your reporting tools.

Speaking of reporting tools, make them accessible and ensure the data is transparent for all involved parties. This

links back to the point about leveraging data for improvement and it's a critical part of the overall grantmaking process.

Lastly, automate your follow-up with grantees when you can. Don't leave them hanging when it comes to an important funding decision or upcoming deadline that will impact their bottom line. Integrating existing technology to simplify this part of the process can virtually eliminate human error (e.g. a missed phone call to a grantee to notify them of a funding decision) while speeding up the overall grants management process. ore and better grantmaking in the long run.



Best practices of effective grantmakers

Invest in modern submission software

Bringing together all of these grantmaking trends and technological advances isn't easy.

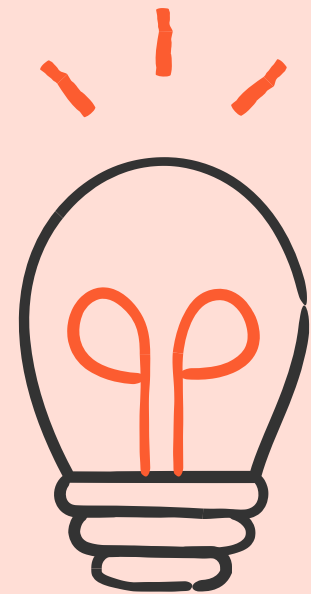
Amidst many other important priorities, grantmakers need a system that unifies and organizes the tools that drive impact.

A modern submission management system like Submittable enables grantmakers to deploy that excellent submission experience, leverage data for improvement, build those lean workflows, and streamline their grant reporting process.

The funders already leading the way on

transforming grantmaking know this and are investing in centralized platforms for grants management.

You can too.



Summary

Smart and nimble grantmakers are doing three big things right now.

They're paying attention to current trends in grantmaking and **integrating those trends into their broader strategy.**

They're **embracing a smart use of technology** to enhance their grants management processes.

They're **synthesizing those trends and technological advances into new, promising practices that optimize the**

ways they administer grants. From developing an intentional focus on the submission experience and using data for improvement to streamlining reporting and building lean and automated workflows, modern grantmakers are getting ahead of the game in many ways.

In other words, they're taking it upon themselves to transform their own grantmaking.

They're not waiting to be overwhelmed by these new trends or outpaced by other

grantmakers. Examples abound of funders taking initiative and we've shared some of those case studies above.

If you're looking to maximize your impact by transforming the administration of your grants, you've got a golden opportunity to do just that, armed with the knowledge shared here.

The time to build a better grants workflow and grow your impact can start today.

Sources

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