



**Literature Review
for developing standards for a
Grant Professional Certification Examination**

Major Trends and Current Concepts

prepared for

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and

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by

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Grant Professionals Certification Institute (GPCI)
Literature Review for Developing Certification Standards
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Purpose of review: This review will identify and compile references pertaining to the competencies and skills that grant professionals consider important and/or standard for practice at the level of expertise the GPCI examination will test.

Historical and current status of recognizing grantwriting as a distinct field and profession¹: When fundraising began being identified as a distinct field in the 1960's, grantwriting wasn't considered a separate skill and was not addressed. Books such as *The Raising of Money* (Lord) and *The Grassroots Fundraising Book* (Flanagan) barely mentioned grant preparation.

At the same time, books on grantwriting began appearing. They generally discussed the mechanics of developing a grant proposal, which has been the standard approach of most grantwriting books to this day. Some like *Program Planning and Proposal Writing* (Kiritz) and *Developing Skills in Proposal Writing* (Hall) have stood the test of time -- the former in its original form, the latter now in its fourth edition as *Getting Funded*. Others such as *The Bread Game* (Allen et. al) and *The Quick Proposal Workbook* (Conrad) have long been out of print.

The progress of fundraising as a profession and of grants as a separate but related field can be traced by looking at the development of the major professional organizations in the United States.

1960 - National Society of Fundraising Executives (NSFRE) founded. NSFRE became the Association of Fundraising Professionals (AFP) in 2001.

1981- NSFRE develops the Certified Fund Raising Executive (CFRE) designation.

1997 - CFRE International becomes a separate certifying organization.

1997 - American Association of Grant Professionals (AAGP) founded.

2003 - Grant Professionals Certification Institute (GPCI) established as an AAGP-affiliated certifying organization.

Since 2000, several newer books on grants have been published that began to go beyond the simple mechanics of proposal development. They began looking at the process of grant seeking or grantsmanship including developing and maintaining relationships with funders, working within grantseeking organizations, researching funding sources and other issues. For example:

- In *Grassroots Grants*, Robinson focuses heavily on working within an organization to develop programs for grant funding, then building peer-to-peer relationships with funders.
- In *Demystifying Grant Seeking*, Brown focuses on the principles behind successful grantseeking, and describes building and operating a year-round grant seeking operation.
- In the *Grantwriting Beyond the Basics* series, Wells takes in depth looks at different areas of knowledge important to grant professionals. The first book focuses on strategy, the second on finances. A third one is underway on evaluation and research.

At the same time, different publications began focusing on grant related subjects.

¹ Note on terminology: This review will use the term grantwriting to describe the field. Many professionals justifiably argue that proposals are written to obtain grants, and that there is much more to the craft of proposal development than writing. Nevertheless, the terms grantwriting and grantwriter have entered the language and are widely used and recognized, while substitutes such as grant developer are clumsy and require explanation.

- The *Journal of the American Association of Grant Professionals* contains both academic and practice related material.
- The *Grantsmanship Center Magazine*, established in the 1980's, includes articles on every aspect of grantwriting. Back articles are now available on the Grantsmanship Center Website www.tgci.com.
- The online *Grants and Foundation Review* with weekly grant related articles was launched in 2002 by Charity Channel <http://charitychannel.com/newsletters/gfr/>.

Recognition of the field:

The self-recognition of working with grants as a distinct profession that led to the formation of AAGP and GPCI is also shared by an important stakeholder group -- employers of grantwriters. Nonprofit organizations are hiring grantwriters and grant managers, separately from development directors. In many larger social service organizations the grantwriter(s) for government grants are entirely separate from the development departments. Local governments including school districts have long hired grantwriters to seek state and federal funds, and are starting to seek foundation funding. Research universities have "offices of sponsored research" to assist faculty in seeking research grant funding. A growing number of independent consultants provide grantwriting services to nonprofits, local governments, school districts, Indian tribes and others.

In addition, colleges and universities are offering graduate and undergraduate classes in grantwriting. At Portland State University for example, there are at least seven instructors in four departments teaching grantwriting, in addition to the Office of Sponsored Research serving faculty and graduate researchers.

However outside the grants field, fundraising organizations such as the Association of Fundraising Professionals (AFP) and CFRE International pay little attention to grantwriting and consider it a subset of fundraising.

General content areas:

As an emerging profession, or perhaps a profession with emerging recognition, grantwriting does not have established historical textbooks for use in academic settings. The books below are written to be instructive, helping the reader through the process of developing successful grant proposals. While they take different approaches, they cover many of the same subject areas. These are helpful in identifying knowledge the authors consider important for successful grantwriting. Following are some of the most covered subjects:

- Planning the project: *Hall, Clarke, Carlson.*
- Assessing and describing the applicant organization: *Hall, Brown, Carlson, Robinson, Wells.*
- Identifying and describing the need for the project: *Hall, Clarke, Carlson, Robinson.*
- Researching and identifying funding sources: *Hall, Brown, Carlson, Robinson.*
- Developing narrative: *Hall, Clarke, Carlson, Barbato.*
- Designing goals and objectives: *Hall, Clarke, Carlson.*
- Developing an evaluation plan: *Hall, Clarke, Carlson, Wells.*
- Writing a letter of intent: *Hall, Carlson.*
- Developing a budget: *Hall, Clarke, Carlson, Wells.*
- Establishing and maintaining relationships with funders: *Clarke, Brown, Robinson.*

General Grantwriting Books: These are the best in the field in my opinion.

Getting Funded: The Complete Guide to Writing Grant Proposals (4th ed.) by Mary Hall & Susan Howlett. Portland State University Continuing Education Press (2003)—The classic in the field and the one used as a text for many college Grantwriting classes. Hall leads you step by step through each section of a major proposal. The new edition includes a suggested syllabus and assignments for classroom teaching

Grassroots Grants: An Activist's Guide to Grantseeking (2nd ed.) by Andy Robinson. Jossey Bass/Chardon Press (2004)—As the title suggests, this is oriented for community organizers. However, its straightforward approach explains how the process works, from fundraising planning to talking with foundation staff. It also includes annotated examples of funded grants.

Winning Grants Step by Step by Mim Carlson. Jossey Bass/Support Centers of America (1995)—Carlson takes a workbook approach, with “fill in the blanks” forms for each component of your proposal. Really a planning tool, this book helps organize your work so you're ready to write effectively.

Proposal Planning and Writing by Lynn and Jeremy Miner. Greenwood Press (2003)—This how-to book has a detailed section about using the Catalog of Federal Domestic Assistance, the Federal Register, and government Web pages. It also includes a good discussion on pre-proposal contacts.

Demystifying Grant Seeking by Larissa and Martin Brown. Jossey Bass (2001)—The Browns don't rehash the basic “how to write grants” book. Rather, they tell us what we need to do to seek and manage grants. Intended for the small shop or one-person office, *Demystifying Grant Seeking* talks about how to set up an office to keep track of deadlines, building and maintaining relationships with funders, and what to do after submitting a proposal.

The Foundation Center's Guide to Winning Proposals. Sarah Collins, Editor. The Foundation Center (2003)—With forty examples of successful proposals from a variety of organizations, this guide gives readers a good look beyond theory to see what's actually worked.

Proven Strategies Professionals Use to Make Their Proposals Work by Michael Wells. Portland State University Continuing Education Press (2005) This first book of a proposed *Grantwriting Beyond the Basics* series is intended for experienced grant professionals and provides a strategic approach to grantwriting, with several examples in areas such as research, using logic models, matching evaluation to your project, using the budget to tell your story and a simple grant tracking system.

Grantwriting: Strategies for Developing Winning Proposals by Patrick W. Miller. Patrick W. Miller and Associates, Munster, IN. (2002) This is the best book I've seen on federal grants and I'm putting it here for people who don't go through this whole document. It was published too early for the whole grants.gov transformation, but you can get a good overview of that on grants.gov itself. It has review questions for every chapter and a self test with answers at the back.

Writing Style

Writing for a Good Cause by Joseph Barbato and Danielle S. Furlich. Fireside (2000)—Unlike fiction, grantwriting isn't all about the writing. Nevertheless, good writing is important. These authors give probably the best treatment of how to use language in your proposal, with advice on strategy mixed in.

Storytelling for Grantseekers by Cheryl A. Clarke. Jossey Bass (2001) Like *Writing for a Good Cause*, this is about writing, but focuses on developing a story narrative rather than on writing style.

The Pocket Proposal Style Manual by Ross Pipes and Associates. Tekne Press, Chapel Hill, N.C. (1989) This small (3.5" x 6.5", 66 page) handbook is the most concise treatment of good writing advice I've ever seen, for grants or anything else. (out of print)

Specialized Grant Areas

Applying for Research Funding: Getting started and getting funded by Joanne B. Ries and Carl G. Leukefeld (1995) Sage Publications, Thousand Oaks, CA. This book gives a strong overview of research funding and is written for the beginning principal investigator. Research grants are different from the program grants sought by nonprofit organizations and local governments. They are designed to further knowledge in a specific field through posing and answering questions, and are often highly technical. Research grants are generally sought by universities or independent research institutes and focus on the work of individual researchers called principal investigators (PI's). The principal investigators will usually write the grant proposal, sometimes with help from a university Office of Sponsored Projects.

How to Evaluate and Improve Your Grants Effort (2nd ed.) by David G. Bauer (2001) American Council on Education and The Oryx Press. This well written and organized book does for university grants offices what the Brown's *Demystifying Grant Seeking* does for small nonprofits -- it describes how to organize and run an effective grants office. However, this book goes further in exploring how to evaluate an existing operation and improve it, with checklists and forms.

Program Related Investments: A guide to funders and trends by Loren Renz, Cynthia W. Massarsky, Riikard R. Treiber and Steven Lawrence (1995) The Foundation Center, New York. Private funders such as foundations and corporations generally fund projects through grants, but some take a different approach of making loans or even equity investments in projects related to their interest areas. These program related investments are done to preserve the capital of the funder, to facilitate major construction such as low income housing, to promote economic development or to assist very low income individuals to become self sufficient.

Federal Grants

Grantwriting: Strategies for Developing Winning Proposals by Patrick W. Miller. Patrick W. Miller and Associates, Munster, IN. (2002) This is the best book I've seen on basic federal grantwriting. It was published too early for the whole grants.gov transformation, but you can get a good overview of that on grants.gov itself. It has review questions for every chapter and a self test with answers at the back.

Winning Federal Dollars: The essential skills of federal grantsmanship by Maryn Boess, GrantsUSA, Glendale, AZ. (2004) This workbook presentation is designed to lead the participant through the federal grants process, including the internal workings of the government and the formal application process.

Applying for Federal Grants and Cooperative Agreements, Management Concepts, Vienna, Virginia (2005) The course materials for Management Concepts two-day course, this 2” thick workbook is incredibly complete. The approach is straightforward, if a little formal and linear. It covers in detail how to research opportunities on the web, understand legislative history and other background. It has very important sections on assessing opportunities (“Is this a good match?”) and evaluating impact (“Is this a good idea?”) which many grants books don’t cover. The majority of pages are appendixes, giving full texts of legislation, administrative requirements and cost principles.

Managing Federal Grants and Cooperative Agreements for Recipients, Management Concepts, Vienna, Virginia (2005) The course materials for Management Concepts three-day course, this is just as complete as the Applying workbook. It provides guidance for agencies which have received federal grants, with an emphasis on nonprofits. Again, it includes an extensive set of full text appendixes. Recommended by the National Grants Management Association.

Funder Research

No literature review of the grants world would be complete without covering the many sources of information about funders. This section will mention the major ones and refer the reader to a local Foundation Center cooperating collection library, a list of which can be found at: <http://fdncenter.org/collections/>

The Foundation Center is the major publisher of funding directories and publications on the field. In addition to the Directory, the Foundation Center publishes many books by subject area, all of which start with “National Guide To...” (Arts and Culture, Environment, etc.). The Center also publishes annual reports on the foundations, some of which are listed in the Trends section.

- *The Foundation Directory, 2005 Edition* David J. Jacobs, Senior Editor (2005), The Foundation Center, New York. The Directory lists the 10,000 largest U.S. Foundations, arranged alphabetically within each state.
- *The Foundation Directory, Part 2* (2005), The Foundation Center, New York. The Directory lists the next 10,000 largest U.S. Foundations, arranged alphabetically within each state.

The Taft Group publishes a series of competing directories, although since being acquired by Thomson/Gale they seem to have cut back to two major books.

- *The Foundation Reporter: Comprehensive Profiles & Giving Analysis of America's Major Private Foundations*, Taft Group, Farmington Hills, MI. Gives more detail than the Foundation Directory, including biographical details of trustees of the nation’s 1,000 largest foundations.
- *Corporate Giving Directory: Comprehensive Profiles of America's Major Corporate Foundations & Corporate Giving Programs* Taft Group, Farmington Hills, MI. Gives more detail than the Foundation Center Corporate Directory on the nation’s 1,000 largest corporate giving programs.

Directory of Research Grants (2005) Onyx Press, Westport, Connecticut. Private sources of funding for research.

Annual Register of Grant Support (2004) Information Today, Medford, NJ. Several subject areas, including grants for graduate fellowships,

Catalog of Federal Domestic Assistance. A complete listing of all federal grants programs, listed by agency number, then program. It's also available online (see below under non-book resources).

Finances

Streetsmart Financial Basics for Nonprofit Managers by Thomas A. McLaughlin. John Wiley & Sons, New York (2002) -- Nitty gritty, hands-on finances. A good resource for the grant professional because it explains how things work in the real world, not just the theory.

Understanding Nonprofit Finances by Michael Wells. Portland State University Continuing Education Press (2006) -- The second book of the *Grantwriting Beyond the Basics* series discusses and explains what a grant professional needs to know about financial statements, budgeting, tax exemption and related subjects.

Essentials of Accounting for Governmental and Not-for-Profit Organizations by John H. Engstrom and Paul A. Copley. McGraw-Hill/Irwin, New York (2004) -- A good basic introduction to government accounting, written as a textbook. Despite the title, it is weak on nonprofits.

Financial and Accounting Guide for Non-For-Profit Organizations by Malvern Gross, John McCarthy, and Nancy Shelmon. John Wiley & Sons, Hoboken, New Jersey (2005) -- This is *the* textbook for nonprofit accounting. A little detailed and dry, but it includes everything.

Fiscal Sponsorship: 6 Ways To Do It Right by Gregory Colvin. Study Center Press, San Francisco (2000) -- Fiscal Sponsorship is easy to do wrong, with hurt feelings and potential IRS problems for everyone involved. This book points the way to do it right.

Evaluation

Successful Program Evaluation by Michael Wells. Portland State University Continuing Education Press (2007) -- The third book of the *Grantwriting Beyond the Basics* series. It covers what a grantwriter needs to know in order to develop a good evaluation section for a grant proposal, and in order to talk to a professional evaluator, rather than how to conduct a full scale evaluation.

Benchmarking for Nonprofits: How to Measure, Manage and Improve Performance by Jason Saul. Fieldstone Alliance (2004)

The Manager's Guide to Program Evaluation: Planning, Contracting and Managing for Useful Results. by Paul W. Mattessich, Ph.D.. Fieldstone Alliance (2003)

Handbook of Practical Program Evaluation (2nd ed.) editors Joseph S. Wholey, Harry P. Hatry and Kathryn E. Newcomer. John Wiley & Sons (2004)

W.K. Kellogg Evaluation Handbook at <http://www.wkkf.org/> —Available free for downloading as an Adobe Acrobat file or for ordering as a paper copy, this 117-page volume from one of America's largest and most evaluation-oriented foundations discusses both the theory and practice of evaluation.

Outcomes for Success! by Judith Clegg, MSW, and Jane Reissman, Ph.D. The Evaluation Forum/Organizational Research Services, Inc., Seattle, Washington (1995, 2000). <http://www.organizationalresearch.com> —This book explains how to develop your own outcome-based program evaluation, including use of a logic model. I like the 1995 edition for its logic model formats, but the 2005 edition has more in-depth discussion of evaluation.

Grant Winner's Toolkit: Project Management and Evaluation, James A. Quick and Cheryl C. New, John Wiley & Sons, New York (2000)—A good how-to overview, with lots of charts and forms for data collection.

Logic Model Development Guide. W.K. Kellogg Foundation (2001)—A complete treatment of the theory and use of logic models, this guide is available from <http://www.wkkf.org>.

Real World Evaluation. Michael Bamberger, Jim Rugh and Linda Mabry. Sage Publications, Thousand Oaks, CA (2006) The subtitle “Working under budget, time, data and political constraints” is the premise and beauty of this book. The authors developed the principles working in third world countries, but realized they apply to many US based nonprofits as well.

For Capital Campaigns

Capital Campaigns: Strategies that Work by Andrea Kihlstedt and Catherine Schwartz. Aspen Publishers (1997)—Although this book doesn't say much about grants, it will give you a good idea of what you're getting into and the questions you need to be thinking about if you're contemplating a capital campaign.

Non-Book Resources

AAGP Code of Ethics at <http://www.grantprofessionals.org/about/ethics.php>. This is probably the best resource for ethics in grantwriting.

Form 990: A Detailed Examination by Peter Swords. Nonprofit Coordinating Committee of New York, New York (2003) Available for download as a Word document at www.npccny.org

The Chronicle of Philanthropy at <http://philanthropy.com/> —This periodical is the *New York Times* and *Wall Street Journal* of the nonprofit world. It contains lots of good information on trends and what the big national nonprofits and foundations are doing.

Foundation News & Commentary at <http://www.foundationnews.org/> —Looking at the grants world from the foundation funder's point of view.

Grantsmanship Center Magazine at <http://www.tgci.com> —The Grantsmanship Center publishes this quarterly newspaper and sends it for free to anyone working in a nonprofit. About half of it is devoted to selling their trainings, but it always has three or four excellent articles. You can look at several years' past articles at www.tgci.com/magazine/archives.asp

Grassroots Fundraising Journal at <http://www.grassrootsfundraising.org/>—At the opposite end of the spectrum from the *Chronicle*, the *Journal* says they provide “practical tips and tools to help you raise money for your organization.” An excellent how-to resource for the small agency or beginning fundraiser.

Journal of the American Association of Grant Professionals at <http://www.grantprofessionals.org/> — This combination research and practice journal is available to AAGP members only. It's uneven, but the best place to find out what's happening on the ground in the grants world.

The Web Center for Social Research Methods at <http://www.socialresearchmethods.net/> This website is for people involved in applied social research and evaluation, with resources and links to other locations on the Web that deal in applied social research methods.

American Evaluation Association (AEA) at <http://www.eval.org> —This national trade group of professional evaluators is a good place to start looking for an outside evaluator. Its Web page includes links for state and local affiliate organizations and for evaluation firms and individuals.

National Grants Management Association (NMGA) <http://www.ngma-grants.org/> This nonprofit membership organization includes people who manage federal grants and work for Federal (36%), State (7%) and Local (13%) governments, Non-profits (20%), Universities (6%) and Accountants, Grants Consultants and Attorneys (16%).

Online resources for foundation research

The Foundation Center at <http://fdncenter.org/> —In addition to the list of cooperating collections, The Foundation Center provides lots of background information on private foundations, a search engine for the IRS Form 990PFs for all U.S. foundations, and a very basic search engine for foundation Web sites. You can also pay to subscribe to their Foundation Directory Online.

GrantStation at <http://www.grantstation.com/> —Another subscription service for foundation funding.

GuideStar at <http://www.guidestar.org/> —GuideStar has a free search engine for the IRS Form 990PFs of all U.S. foundations and the Form 990s of all nonprofit organizations.

Online resources for government research

Grants.gov at <http://www.grants.gov/> —The central source for federal government grant information. It's not elegant, but with a little work you can track down all current RFP's and sign up for e-mail notification of opportunities in your field.

Catalog of Federal Domestic Assistance at <http://12.46.245.173/cfda/cfda.html> —The Catalog contains all federal grants programs, listed by agency number, then program. It's a little obscure, but if you find a program that doesn't have a current RFP, this is the place to look. The printed volume is about six inches thick and probably available at your library.

The Federal Register at <http://www.gpoaccess.gov/fr/index.html> —This daily journal publishes all of the official daily activities of all federal agencies, including rules, proposed rules, and notices of agencies and organizations—and, of course, RFP's for grants. It is often the first public notice of new grant programs. It, too, is also available in print form and probably available at your library two or three days later. Each day's Federal Register grant listings are available on <http://www.tgci.com> .

Dun & Bradstreet (DUNS) Number at <http://www.dnb.com/ccr/register.html> —Federal agencies are now requiring every organization applying for federal grants to get a DUNS number and use it on all applications. The number can be applied for free from this site.

Older fundraising books mentioned in the summary:

The Raising of Money by James Gregory Lord. Third Sector Press (1983)

The Grassroots Fundraising Book by Joan Flanagan. Contemporary Books (1982)

Survey Course for CFRE Exam, National Society of Fundraising Executives (1996)

Older grantwriting books mentioned in the summary:

Program Planning and Proposal Writing by Norton Kiritz and Jerry Mundel. The Grantsmanship Center (1980) Still a good study and a classic in the field.

Developing Skills in Proposal Writing by Mary Hall. Portland State University Continuing Education Press (1971) The predecessor to *Getting Funded*.

The Bread Game: The Realities of Foundation Fundraising by Allen, Buckdruker, Fuller, Silverstein and Silk. Glide Publications (1973) Out of print.

The Quick Proposal Workbook by Daniel Lynn Conrad. Public Management Institute (1980) Out of print.

Other Grantwriting Books not reviewed:

Anderson, Wendy H. The art of grantwriting New York (State): Words Publications, c1998.

Bauer, David G. Successful grants program management California: Jossey-Bass, c2000.

Brewer, Ernest W and Charles Achilles, Jay Fuhriman. Finding funding : grantwriting from start to finish, including project management and internet use California: Corwin Press, c1998.

Bauer, David G. How to Evaluate and Improve Your Grants Effort (2nd edition) Onyx Press/ American Council on Education, 2001

Browning, Bev. Grant Writing for Dummies Hungry Minds, 2001

Golden, Susan L.. Secrets of successful grantsmanship : a guerrilla guide to raising money California: Jossey-Bass, c1997.

Karsh, Ellen and Arlen Fox. The only grant writing book you'll ever need New York (State): Carrol & Graf Publishers, c2003.

League, V. C. The proposal writer's workshop : a guide to help you write winning proposals Curry-Co Publications, 1998

Lefferts, Robert. The basic handbook of grants management New York (State): Basic Books, c1983.

McIlnay, Dennis P.. How foundations work : what grantseekers need to know about the many faces of foundations California: Jossey-Bass Publishers, c1998.

New, Cheryl Carter and James Quick. How to write a grant proposal Massachusetts: John Wiley & Sons, c2003.

New, Cheryl Carter and James Quick. Grantseeker's toolkit : a comprehensive guide to finding funding New York (State): John Wiley, c1998.

Orosz, Joel J. The insider's guide to grantmaking : how foundations find, fund, and manage effective programs California: Jossey-Bass Publishers, c2000.

Reeds, Kitta. The Zen of proposal writing : an expert's stress-free path to winning proposals : with a special section on presenting your ideas in person New York (State): Three Rivers Press, 2002.

Robert MacNeil. Foundations the people & the money United States: Karol Media, [198-]

Sears, Jean L and Marilyn Moody. Using government information sources : electronic and print Arizona: Oryx Press, 2001.

Tremore, Judy and Nancy Smith. The everything grant writing book : create the perfect proposal to raise the funds you need Massachusetts: Adams Media, c2003.

Thompson, Waddy The Complete Idiot's Guide to Grant Writing Penguin, 2003

Trends Literature: In addition to the books in the main literature review, the following sources were used in developing the trends section which follows:

Achieving Excellence in Fund Raising by Hank Russo and Associates, Eugene R. Tempel, editor. Jossey-Bass (2003)

Webster's New World Grant Writing Handbook by Sara Deming Watson. Wiley Publishing (2004)

Program Related Investment Directory, Jeffrey A. Falkenstein, Editor. The Foundation Center (2003).

International Grantmaking II. An update on US Foundation Trends by Loren Renz, Josephine Samson-Atienza and Steven Lawrence. The Foundation Center and the Council on Foundations (2000).

Foundation Yearbook: Facts and figures on private and community foundations. The Foundation Center (2005).

America's Nonprofit Sector by Lester Salamon. The Foundation Center (1999).

Trends that are Changing Grantwriting

The world of grants is changing rapidly, along with most of modern society, and the grants professional needs to be aware of these changes. Some are minor trends which may or may not last, such as “social venture philanthropy,” which grew out of the high-tech bubble of the late 1990s. Major trends, like the use of the Internet, are just beginning to show their impact.

Grantwriting is Becoming a Distinct Profession

Grantwriting is emerging as a separate field within fundraising. There is a growing demand for experienced, successful grantwriters, and the number of grants consultants and of grants departments within agencies seems to be increasing.

One indicator of this emergence is the formation of the American Association of Grant Professionals (AAGP) in 1998. This occurred partly because the 40-year-old Association of Fundraising Professionals (AFP) focuses mostly on those who raise funds from individuals. Because grantwriting spans the private fundraising and government contract worlds, it requires knowledge and skills that are increasingly different from other types of fundraising.

Government grants and contracts are driving changes in the field. More nonprofits and local governments are hiring “grants managers,” who may or may not be doing actual grantwriting.

There are nonprofit institutes and nonprofit management degree programs at dozens of universities, as well as hundreds of grantwriting classes offered by colleges, United Way affiliates, consulting firms, and technical assistance organizations. There are more grant trainers and training organizations, both locally and nationally as well as on the Internet -- some good, some mediocre.

Young people are considering nonprofit work, including grantwriting, as a career and are being trained for it. Increasing numbers are calling themselves grants consultants, many with little actual experience.

Opportunists have Emerged on the Scene

Hucksters are making money by selling innocent people worthless books and classes on how to get “free government money.” They appear on late-night TV, in newspaper ads, and on the Internet. Do a Google search for “grants,” and these show up as the paid ads on the right-hand side of the screen. Some of their victims have shelled out anywhere from \$10 for a book to thousands of dollars to become a “conference member,” then often end up calling a legitimate grantwriter looking for help who has to break the bad news to these folks that they’ve been conned.

There’s More Competition for Grants

More nonprofit organizations are formed every year. In 1992, 516,554 public charities were registered with the IRS; in 2002, there were 909,574—a 76 percent increase. Approximately 25 percent, or 227,400, reported annual income over \$500,000. This group probably includes the ones most likely to be able to apply for and receive large grants.

Local governments and public schools are increasingly seeking—and obtaining—private funding from sources that include private foundations. Some of them are setting up separate “friends” groups or operating foundations to seek funding for popular programs like schools, parks, and libraries. A growing

number of grantmaking foundations that previously had shied away from funding government programs are responding, due to tax and service cuts at the state and local level, especially in education.

As state and local government funding for social services declines, more nonprofit agencies that previously supported their work through government contracts are seeking private funding, including grants. Also, agencies that were previously locally funded have begun to seek federal grants and contracts.

Funders are Looking for—and Receiving—Better Proposals

Partly as a result of the increased competition and partly because of funder requirements, the quality of grant submissions is improving. This has led to more organizations using professional grantwriters, either on staff or as consultants.

Both public and private funders are looking for measurable results, better client outcomes, lasting change, and organizational sustainability. Government funders are starting to require evidence-based “best practices,” literature searches, and logic models for “outcome-based evaluation.” To be competitive, an agency must be current in its field and document its practices. Some private funders are likely to start following the government’s lead.

The Internet is having a Huge Impact on Every Aspect of Grants

People are going online to research funders. One important source of information are online subscription services, including The Foundation Center’s “Foundation Directory Online” at <http://fdncenter.org/> and GrantStation at <http://www.grantstation.com/>. The Foundation Center also provides a basic (incomplete) foundation search engine called “Foundation Finder” for free. However, as of this writing, a good, complete funder search engine that you don’t have to pay for doesn’t exist. The Internet has also replaced the library for other kinds of research—demographics, literature searches, community needs among them.

The federal government has put most of its grants information online, including RFPs (requests for proposals) and supporting material, and most agency Web sites are very good. States and local governments are following this trend, albeit with mixed results. Most large foundations have good Web sites and are posting in PDF format the guidelines, application forms, and annual reports that they used to print.

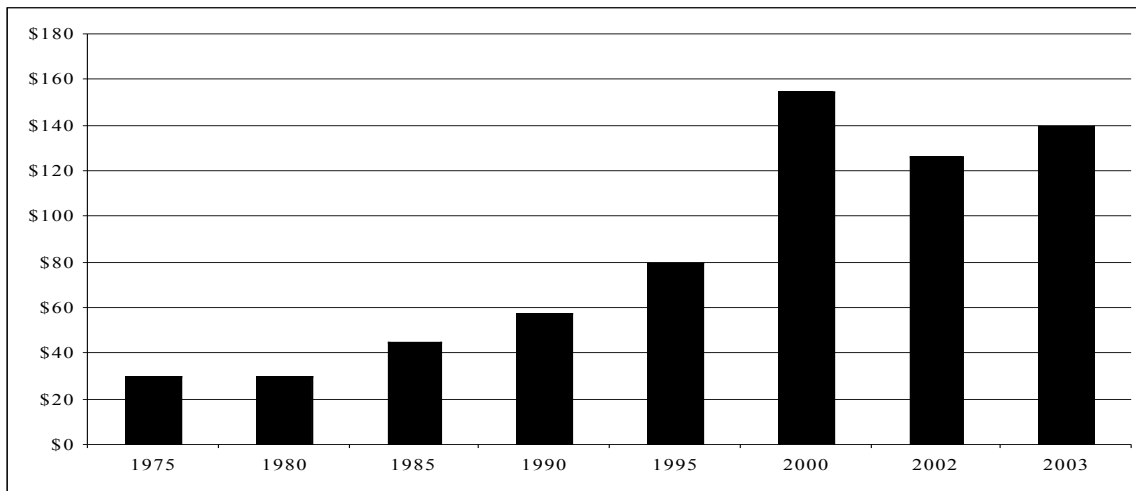
Grants are written on computers, and drafts are traded back and forth between grantwriter and program staff as e-mail attachments. many grantwriters work almost entirely on-line with clients, whether they’re in another city, only a couple of blocks away or even down the hall.

Both government and private funders are moving to online applications. The federal government is moving all of its applications to the Grants.gov system, with a goal of having all funding announcements on the site during FY 2006 and eventually requiring all submissions be electronic. However, there are many complaints about the system’s speed, difficulty of use and refusal of service. As of this writing (autumn 2004), all of the various systems are difficult to use. Online applications can be expected to improve in the next few years, but for now *caveat grantseeker*.

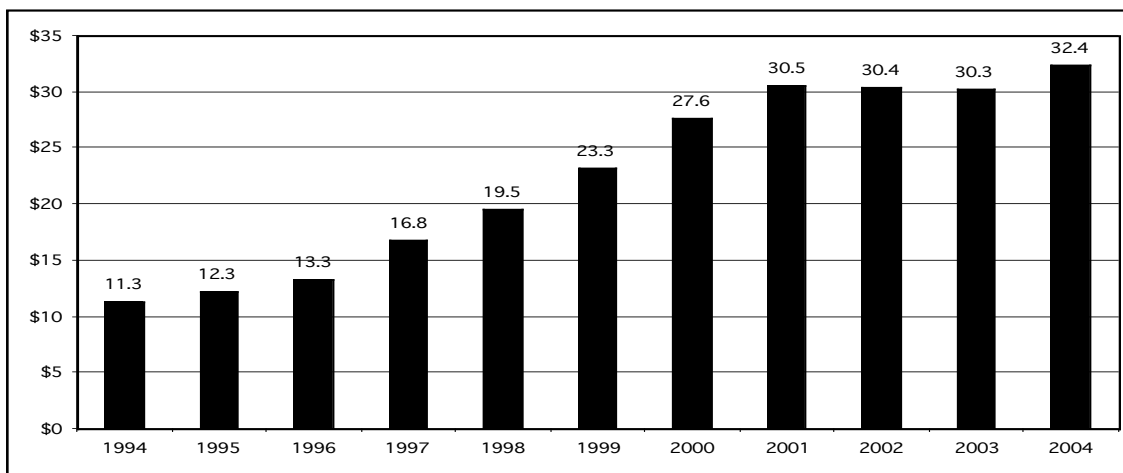
Foundations are Growing . . .

. . . both in numbers and in assets. The total number of foundations has grown 155 percent in the last 20 years. Foundations show the fastest growing changes in giving of any private source. Between 1975 and 2003, foundation giving increased by 375%, corporations by 185%, Bequests by 135% and individuals by 142%. However, individual giving remains the largest source by far, with foundations accounting for about 10% and corporations about 5% of all private giving.

The assets of American foundations have also grown. Most large foundations invest in the financial markets, and the rates of return from those investments can fluctuate over time. Many people bemoaned the steep losses in foundation assets from the stock market decline of the early 2000s, but if we take a slightly longer view, their asset growth has been phenomenal. Figure 1-2 shows this growth over the past 25 years, based on 1975 dollars. In 2002, foundation assets were down about 20 percent from their peak in 2000, yet they remained 66 percent above the 1995 level. In 2004, most foundations had recovered from the 2002 dip.



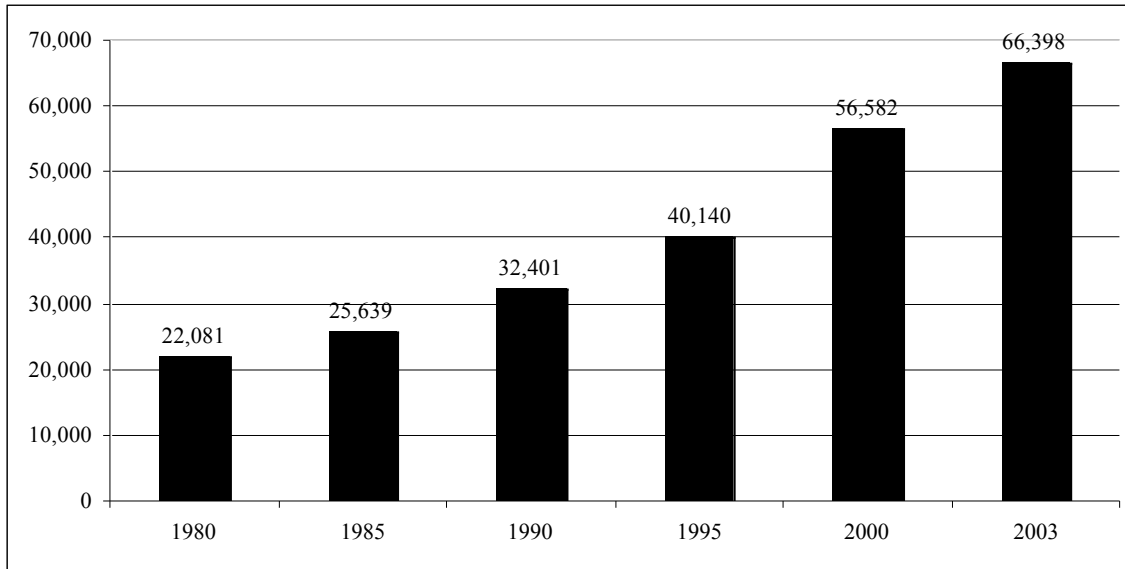
U.S. foundation asset growth. This chart is shown in billions of constant 1975 dollars to provide an accurate graph. In today’s dollars, America’s foundations had over \$476 billion in assets in 2003.



Total Foundation giving in billions of dollars.

A shorter term look at foundation giving shows the growth in current dollars. Since most foundations give at the required 5% payout, we can assume foundations assets have recovered at about the same rate. According to the Foundation Center, most foundations are projecting an increase in giving in 2005.

The total number of foundations has grown 155% in the last 20 years. The Foundation Center says that 50% of all foundations and 40% of the larger ones were established since 1990.



Number of foundations in the United States.

These charts and the numbers are adapted from Foundation Center reports available free for download from http://fdncenter.org/research/trends_analysis/index.html

This growth in number and wealth of U.S. foundations is driven by demographics and shows no signs of declining in the near future. At least four factors are contributing to this:

- Wealthy people are dying and creating or enlarging private foundations in their wills.
- Wealthy people are aging and creating or enlarging private foundations as part of their estate planning.
- Newly rich people are creating their own foundations. (The most famous example is the Bill & Melinda Gates Foundation, the world's largest.).
- The stock market went berserk in the 1990s, with the Dow Jones Industrial Index more than tripling in value from about 3,300 to over 11,000. Although financial markets will certainly fluctuate, it seems unlikely that they will fall to pre-1990s levels. Because of this prosperity, existing foundations have more assets than ever and will be making more and larger grants, and newly created foundations have more wealth to contribute.

The nature and distribution of foundations is changing

The geography of foundations has changed dramatically in the last 30 years.

- In 1975, most foundations were clustered in the Northeastern states, plus California, Florida and Texas. Only 13 states were home to more than 500 foundations, only 6 had more than 1,000 and only New York had more than 2,000.

- In 2003, 32 states had more than 500 foundations, 12 had over 1,000 and nine (California, Florida, Illinois, New Jersey, New York, North Carolina, Ohio, Pennsylvania and Texas) boasted more than 2,000.
- While the East and West Coasts house most of the private foundations, the Midwest has the largest number of corporate foundations.

In addition, the sources of capital for foundations have changed. Of the top 25 largest foundations, four are high tech money: Gates (Microsoft), Hewlett (Hewlett Packard), Packard (Hewlett Packard), and Moore (Intel). Others such as Dell are over \$1 billion in assets.

Private funders are wanting to be more involved in their giving.

Program Related Investing (PRI): Private funders such as foundations and corporations generally fund projects through grants, but some take a different approach of making loans or even equity investments in projects related to their interest areas. These program related investments are done to preserve the capital of the funder, to facilitate major construction such as low income housing, to promote economic development or to assist very low income individuals to become self sufficient.

The numbers of PRI's and dollars involved have slowly but steadily trended upwards.

- The number of foundations doing program related investing increased from 161 in 1990 to 340 in 2001.
- The total amounts invested in PRI's increased from \$130 million in 1993 to \$421 million in 2001.

Social Venture Investing: During the 1990's stock boom several new foundations were created by altruistic entrepreneurs who wanted to address social needs, bringing their venture capital and management skills with them. They tend to want to be very involved with the organizations they fund, for better or worse (many did not understand how nonprofits work). With the dot-com bust and market gyrations, this trend has subsided and it remains to be seen whether it will have a lasting influence.

Gates Foundation: The Bill and Melinda Gates Foundation has a huge impact because of its size (the world's largest at over \$22 billion). However, the Gates Foundation's focus on international health care and its strategy of partnering with researchers, governments, drug companies, the United Nations, other funders, large NGO's and local health organizations to make systemic change (such as immunizing all of the world's children or eliminating malaria) is a new model of philanthropy which may be adopted by other large funders in the future.

Micro loans: An experiment called the Grameen Bank, begun about 30 years ago in Bangladesh, of making small loans to impoverished villagers, mostly women, to start small businesses, has spawned a network of microlenders lending about \$24 billion annually. E-Bay founder Pierre Omidyar has just donated \$100 million to Tufts University to create a new microlending program.

Charitable Gift Funds

During the late 1990's, some for-profit mutual fund companies began establishing "charitable gift funds" which operate like community foundations, accepting irrevocable gifts for "advised funds" from donors who would then be able to deduct the contribution and make recommendations on distributions

of these funds. By 2000, the Fidelity Gift Fund had assets exceeding \$2 billion. The efficiency of these funds has been questioned and it remains to be seen if the trend will continue growing.

Government Funders

Many states and local governments have declining revenues due to tax limitation initiatives. At the same time federal unfunded mandates are increasing, while federal funding of programs such as Medicaid is declining, putting pressure on state budgets. As a result, there are fewer state and local grants available.

The federal government has been cutting back funding to social services, housing, arts and other grant areas since the 1980's, with increasingly deep cuts since 2000. Federal grant programs are being reduced or delayed as Congress struggles annually with appropriations bills and a growing deficit.

Federal agencies are promoting and training "faith-based" organizations to apply for grants. There are faith based and community initiatives in seven cabinet-level agencies (Justice, Agriculture, labor, HHS, HUD, Education and AID) as well as Veterans Affairs, SBA and the Corporation for National and Community Service. Whether many of these "grassroots" organizations will achieve significant funding and be able to manage complex federal programs remains to be seen.

Corporate funders

Consolidation in many industries has resulted in fewer headquarters companies in many states, resulting in fewer large grants and less industry leadership in community affairs.

Many companies are targeting their giving to areas like public education or children's issues, resulting in less general community support.

There is a move towards sponsorships and "cause related marketing", which involves partnership of companies and nonprofits to fund programs while marketing company products or image.

Public Scrutiny

There is more scrutiny of nonprofits and calls for increased oversight and regulation, by Congress, the IRS, state governments and a skeptical public. As I heard one speaker say "The era of assumed virtue is over". While it's unclear what legislation or regulations will be imposed, there will almost certainly be more government involvement. Partly to circumvent this, organizations like Independent Sector are urging nonprofit self-regulation. One argument for professional certification such as GPCI's and CFRE is that it will help forestall licensing.

With the requirement to make 990's public in the 1980's, then their being posted on the Internet at Guidestar.com since 1997, nonprofit finances have become very public records. Increasingly, funders and potential donors are looking at these to make funding decisions. Because private foundations more detailed 990-pf's are also posted, grantseekers are using them to find background on foundations.

International Grantmaking

International grantmaking is about 11% of total U.S. foundation giving. After growing from 5% in 1982 to 8% in 1986, to 11.5% in 1990, it seems to have stabilized at around that level. However, this is likely

to increase due to the influence of what the Foundation Center calls the “Mega Foundations”, notably Gates and Packard, which have grown enormously and have strong international emphasis.

There are more partnerships among funders and with NGO’s and governments.

There is a growing preference for funders to support U.S.-based groups to do international work, rather than fund foreign NGO agencies directly.