

WASHINGTON
Regional Association of
GRANTMAKERS

EMBARGOED FOR RELEASE
November 12, 2009, 12:00 AM

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Washington Grantmakers Look Toward ‘Big Change’ Grants, Even as Recession Takes Toll

New Report, Survey Underscore Role of ‘Big Change’ Grantmaking

Washington, DC – Grantmakers in the Washington region, rocked by sharp losses to their assets since the beginning of the recession and faced with increased need in the community, are balancing the need to fund direct services with a growing emphasis on “big change” grantmaking – grants that go beyond addressing pressing needs and promise greater and lasting impact. That is the conclusion of a recent survey of local grantmakers, and a new report offering local case studies of “big change” grantmaking in the Washington region. The report, *Beyond Dollars: Investing in Big Change: How Washington Area Grantmakers Are Creating Lasting Impact*, and survey results were released today by the Washington Regional Association of Grantmakers at its annual meeting.

“Grantmakers in the region recognize the need for a ‘big change’ strategy, even while they’re working to combat the severe effects of the recession on the community,” said Tamara Lucas Copeland, President of Washington Grantmakers. “In these tough economic times, philanthropists are more motivated than ever before to go beyond dollars to effect big change.”

Survey of Local Funders

The online survey of Washington Grantmakers’ members – independent foundations, community foundations, family foundations, operating foundations, charitable trusts, corporate foundations, and corporate giving programs – found that grantmakers have been forced by the recession to rein in their giving in 2009. A slim majority (51 percent) said their grant budgets are down this year, compared with a third (33 percent) who said their grant budgets were up. What’s more, the grantmakers foresee a 2010 budget that anticipates further retrenchment. In all, 82 percent anticipate that in 2010 they will award either fewer or about the same number of grants (38 percent said fewer grants, 44 percent said about the same number). Just 6 percent expect to give more grants in the coming year.

At the same time, grantmakers’ responses suggest the beginnings of a broader shift toward “big change” philanthropy. Just over a third of respondents indicated that they intended to adopt new approaches to their grantmaking in the coming year. Topping the list of new approaches for this

group of grantmakers was “priority given to efforts to effect major change” (28 percent of respondents for the question).

“The seeds of big change have been sown,” Copeland noted. “When grantmakers are back at full strength, I think we’ll see a significant and enduring shift in the way they approach solving community problems, seeking out projects and organizations that aspire to address root problems.”

Report: Grantmakers Pursue ‘Big Change’

Beyond Dollars: Investing in Big Change: How Washington Area Grantmakers Are Creating Lasting Impact highlights essential elements of the “big change” approach being adopted by a significant share of area grantmakers, and offers a series of case studies demonstrating the impact. The report follows up on the Nonprofit Roundtable’s groundbreaking 2007 report, *Beyond Charity: Recognizing Return on Investment: How the Nonprofit Community Impacts Greater Washington*. That report documented the significant return on investment achieved by area nonprofits in terms of societal cost savings from positive outcomes achieved or negative outcomes avoided, the multiplier effect of the dollar and in-kind donations that nonprofits’ work leverages, and the strengthening of the community and its institutions that their work triggers. The “big change” elements highlighted in *Beyond Dollars* include:

- **Capitalizing on timing and momentum.** By coordinating local and regional action with national initiatives, timing action to coincide with groundswells of public sentiment or moments of crisis, grantmakers are translating a vision for change into on-the-ground progress.
- **Being a strong voice for change.** By creating a platform for affected communities to engage in the policy dialogue, and sharing information with the media, policymakers and others, grantmakers are creating energy to drive change.
- **Leveraging key resources.** By supporting research, combining their knowledge and experience, and using their dollars to open the door to national and government funding sources, local grantmakers are creating the building blocks for change.
- **Building true partnerships.** By bringing organizations and individuals together in new collaborations, grantmakers are strengthening the agents of change.

Each of the case studies in the report focuses on grantmakers that utilized these four elements of “big change,” going beyond immediate delivery of services to address larger societal problems. For example:

- **DC Hunger Solutions** helped the area access millions of dollars of previously untapped philanthropic and federal resources to feed the hungry. Among the resulting accomplishments: making free breakfasts available to all D.C. public schoolchildren and many charter school students, and a more than six-fold increase in participation in the District’s Afterschool Snack Program, from 1,845 students in 2004 to 13,904 students in 2008.

- The **Summit Fund** challenged the community to meet an ambitious goal of dramatically reducing teen pregnancy, going beyond incremental change. The resulting campaign seized on a timely opportunity presented by a national push on the issue, and resulted in a 57-percent reduction in teen pregnancy rates in the area between 1997 and 2005.

In addition to the case studies described in “Beyond Dollars,” local funders are launching new efforts applying the “big change” approach. For example, in addition to its continuing commitment to direct services, The Community Foundation’s Neighbors in Need Montgomery Fund recently announced support for a new systemic approach to delivering emergency services in isolated neighborhoods in Montgomery County to ensure services are reaching those who most need them. A partnership between IMPACT Silver Spring and the Montgomery County Department of Health and Human Services, the Neighbors Campaign hopes to leverage other community resources to sustain long-term recovery for those in crisis; create a new, sustainable network of mutual support in isolated neighborhoods; and increase the number of people embarking or staying on a path toward secure employment and greater economic empowerment.

“Local grantmakers are responding with resolve to the recession,” Copeland said. “They’ve made painful cuts to their own staffs and internal operations, and some have had to discontinue support for longtime grantees doing valuable work, so that they could focus their dollars on the most vital programs. But they recognize, too, that they need to fund initiatives aimed at attacking problems at their core, instead of just the symptoms. So while grantmakers are providing dollars to feed the hungry and provide medical care for the poor, they’re also taking aim at the broader causes of hunger in the community and seeking to reform local health care so that it actually serves larger numbers of the poor. That kind of strategic grantmaking is where foundations are headed, and the current economic difficulties are demonstrating painfully the wisdom of the approach.”

The survey of grantmakers was conducted online between September 24 and October 3, 2009. More than half (51) of Washington Grantmakers’ members responded.

The survey results and analysis and *Beyond Dollars* are available online at WashingtonGrantmakers.org.

About:

The Washington Regional Association of Grantmakers is a network of funders in Washington, DC, Maryland, and Virginia, partnering with nonprofits and governments, that is committed to improving the region by touching lives and changing communities through effective and efficient grantmaking. Find more information online at <http://www.washingtongrantmakers.org>.

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