the good exchange

Technology in the charitable sector

Vanson Bourne research results

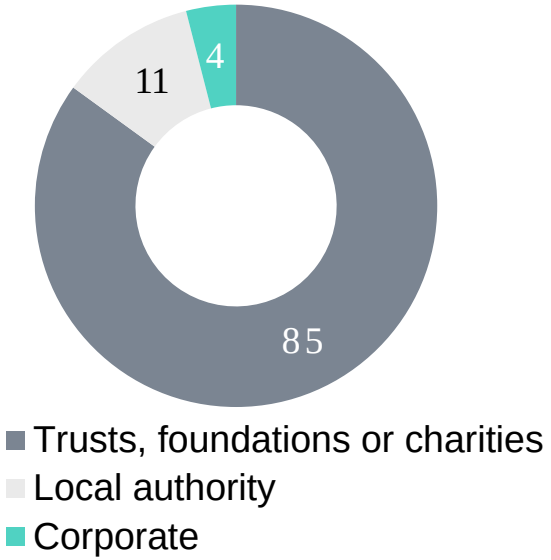
February 2019

VansonBourne

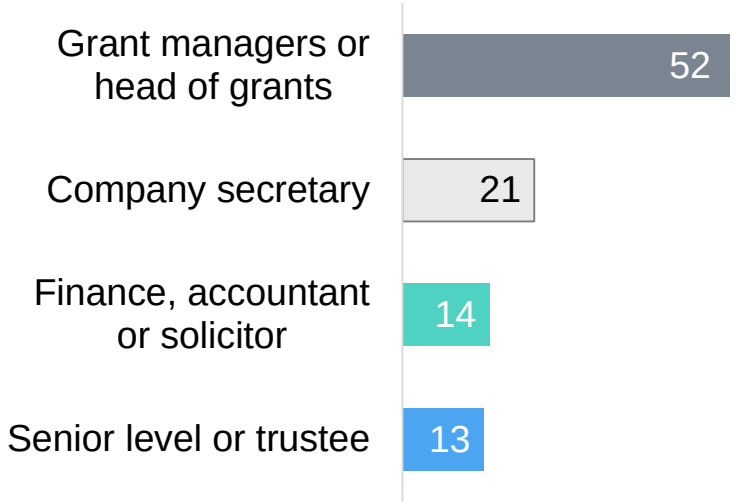
Demographics: Grant-makers (Funders)

100 respondents from grant-making organisations in the **UK** were **interviewed by telephone** in January and February 2019, split in the following ways…

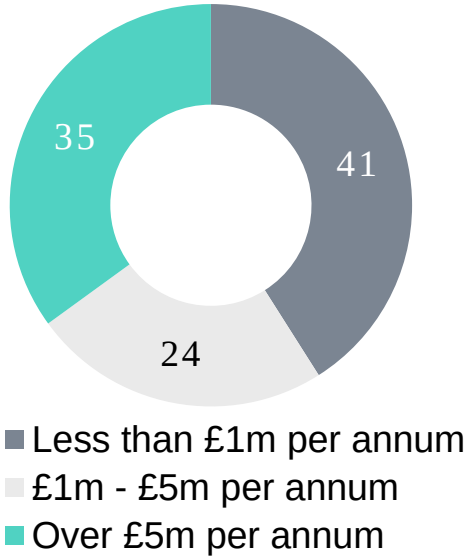
…type of grant-making organisation



…respondent job title



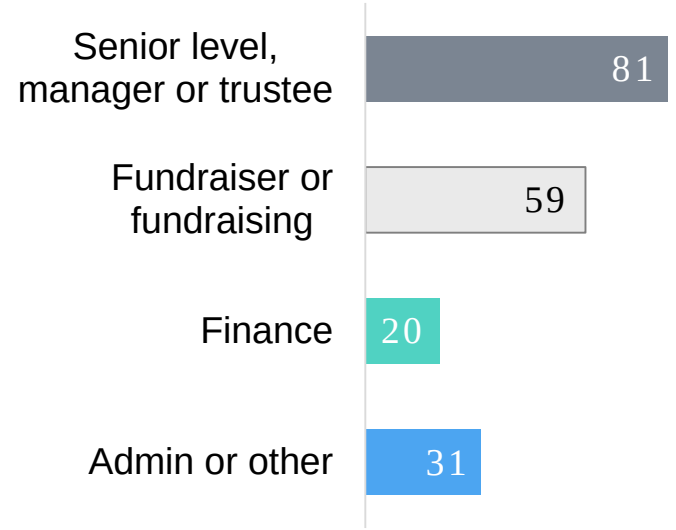
…amount of charitable grants typically awarded per financial year



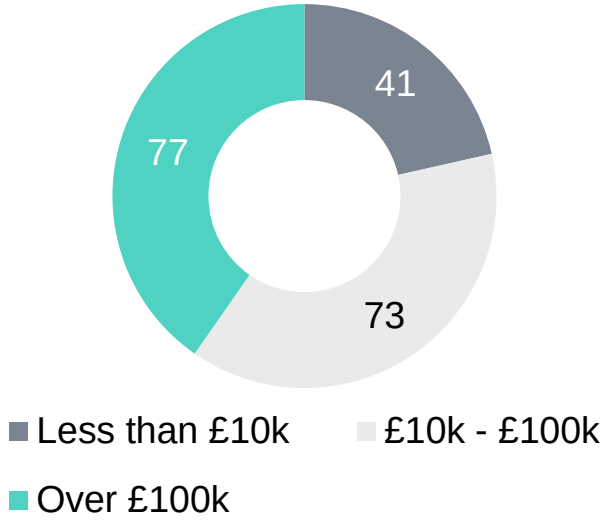
Demographics: Applicant Organisations

191 respondents from **applicant organisations** in the **UK** who seek funding through grant applications were **interviewed via an online survey** in January and February 2019, split in the following ways.

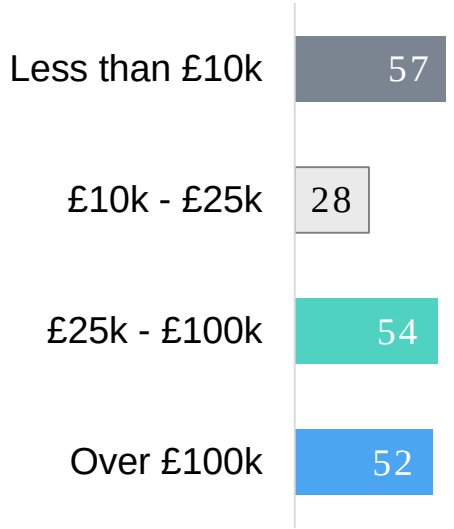
…respondent role/responsibility



…organisation's annual income



…amount of funding sought through grant applications per year



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Four areas of interest:

1: Is there a need for a single stage one application form?
2: Technology in the charitable sector
3: A view of funding from both sides
4: Collaborating to tackle social need

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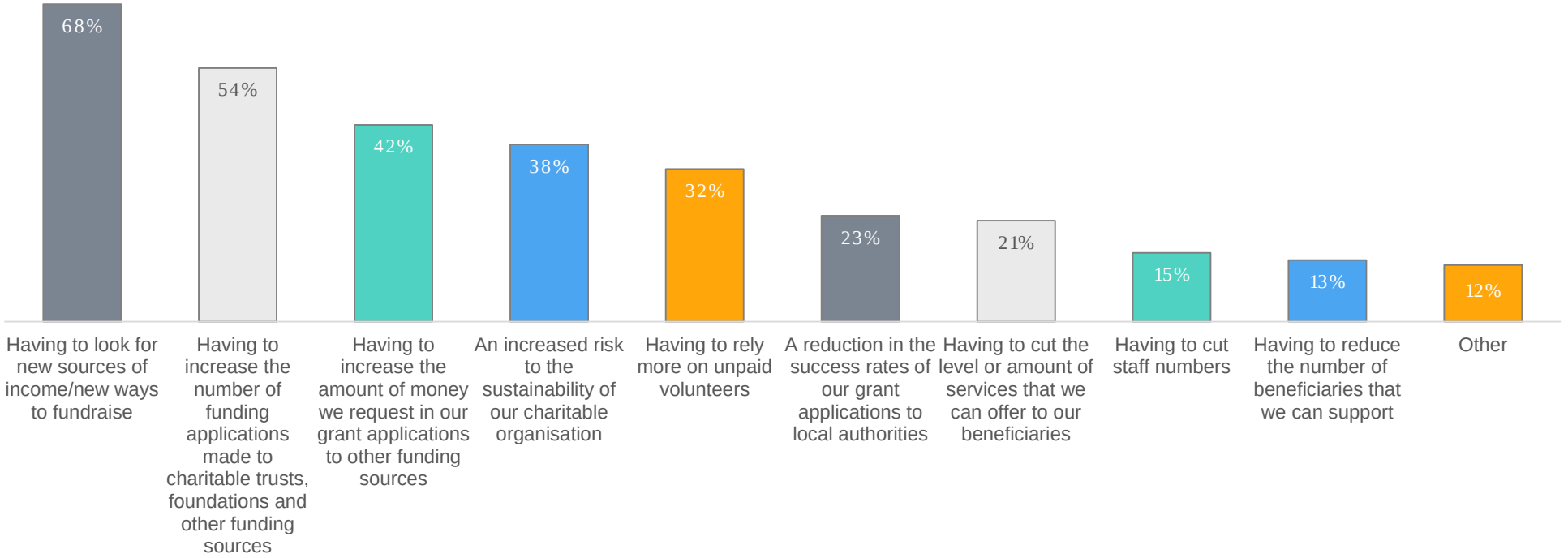
Issues affecting applicant organisations

There are many issues affecting applicant organisations as a result of funding cuts to local and central governments, with the most common being the burden of having to look for new sources of income and new ways to fundraise (68%). Their traditional routes of charitable income have dried up and there is more pressure on the applicant organisations to find this elsewhere

Following this, applicant organisations are also having to increase the number of applications that they make (54%) or are having to increase the amount that's being asked for (42%) which is likely going to affect the success rate of their funding applications



"Focusing more on fundraising than delivering the charitable service"

"Greater competition from larger national charities"

Figure 1: "Which of the following issues have affected your organisation as a result of cuts from local and central government to charitable organisations such as yours?", *asked to all respondents from applicant organisations (191)*

Issues affecting grant-making organisations

Grant-making organisations are grappling with these changes too

Approaching six in ten (58%) respondents from grant-making organisations cite that their organisation is facing an increase in the number of funding applications being received as a result of funding cuts to local and central government

Just over half (51%) say that their organisation has seen an increase in the amount of money being requested and approaching one third say that they've seen an increase in the number of applications which are ineligible for any funding from themselves (31%)

It's clear that charitable organisations from both ends of the charitable spectrum are struggling with the financial and resourcing pressures in an industry which is receiving less and less help from local and central government

It seems that the current grant application process is not helping to alleviate any of these issues either…

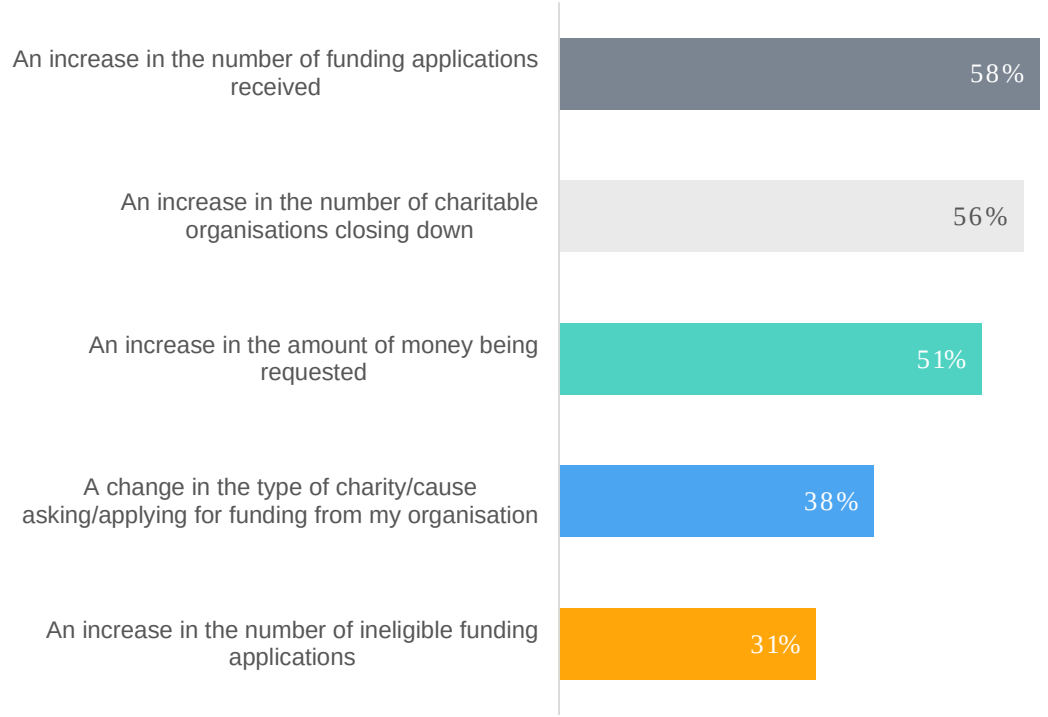


Figure 2: "Which of the following issues have affected your organisation as a result of cuts from local and central government to charitable organisations?", *not showing data for "Other" (0.0%) or "Don't know" (0.0%), asked to all respondents from grant-making organisations (100)*

Completing grant applications

Applicant organisations spend a huge amount of time filling in grant application forms. On average, a total of 264 hours (fig. 4) is spent applying for funding per year, equating to 38 working days based on the standard 7 hours. When this is done by volunteers or around other full-time working positions, it can be a huge burden for applicant organisations

Grant-making organisations underestimate the real burden on their counterparts, since they perceive, on average, that it takes only 6 hours (fig. 5) for an applicant to fill in their organisation's application form – this is a quarter of the time less than applicants claim they are spending

How does this link to the success of grant applications?

33

separate grant applications typically completed per year by applicant organisations, on average

Figure 3: *Analysis showing the average number of separate grant applications which are typically completed per year, asked to all respondents from applicant organisations (191)*

8 hours

is the average time taken to fill in the typical grant application form, according to applicants

Figure 4: *Analysis showing the average time it takes to fill in the typical grant application form, asked to all respondents from applicant organisations (191)*

6 hours

is the average perceived time taken to fill in grant-makers' grant application forms, according to grant-makers

Figure 5: *Analysis showing the average perceived time it takes an applicant to fill in their grant application form, asked to all respondents from grant-making organisations (100)*

Success of grant applications

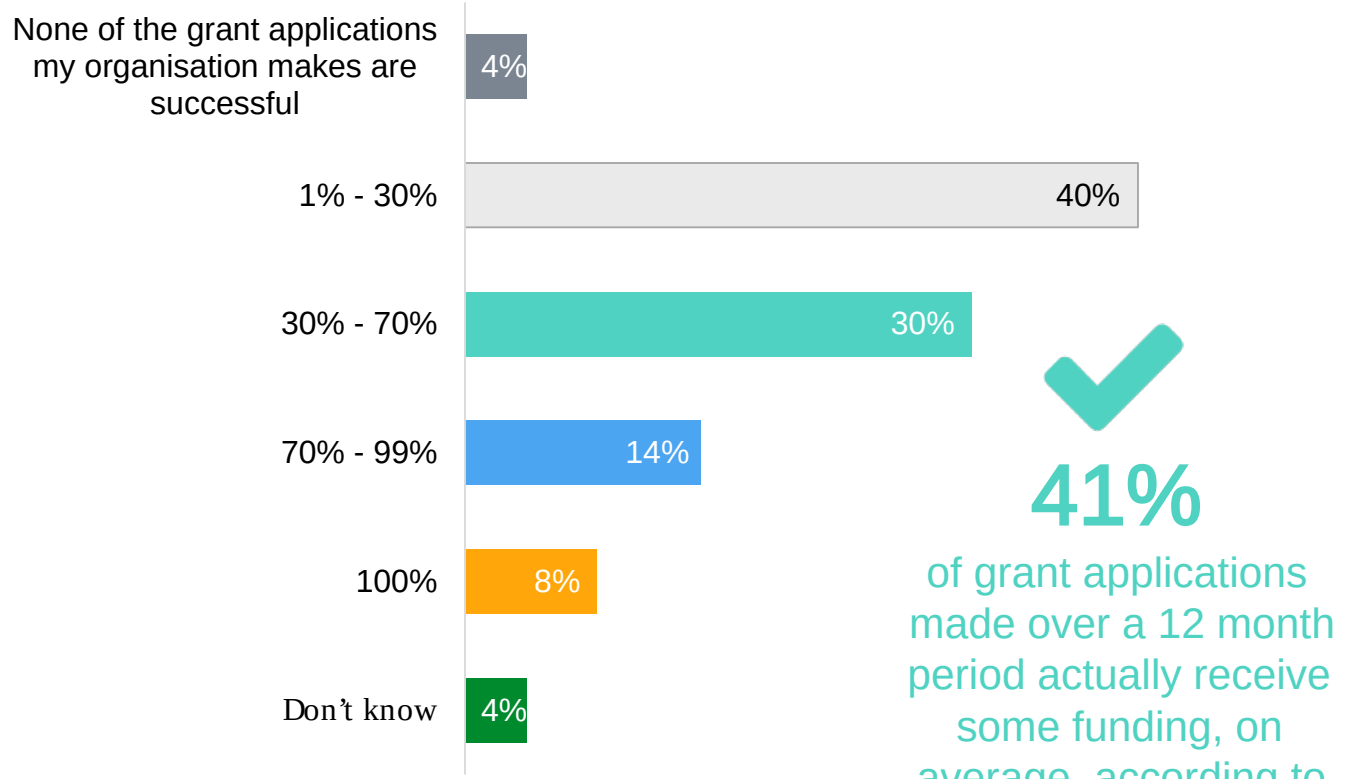
The majority of funding applications don't receive funding

On average, almost three in five (59%) grant applications made by applicant organisations are unsuccessful, according to applicants

With charitable organisations spending many hours filling in grant applications (fig. 3 & 4), this equates to a huge amount of time wasted when applications go unfunded

4% of respondents from applicant organisations say that their organisation received no funding at all from the grant applications that they completed and four in ten (40%) state that fewer than a third are successful in receiving any funding

What does this mean applicant organisations want to see?



41%

of grant applications made over a 12 month period actually receive some funding, on average, according to applicants

Figure 6: "Approximately, what percentage of the grant applications your organisation makes over a 12 month period actually receives some funding?", *asked to all respondents from applicant organisations (191)*

Single stage one/initial application forms

Figure 7: *Analysis showing to what extent applicant respondents from charitable organisations agree that a single stage one/initial application form is a good idea, showing the combination of "strongly agree" and "somewhat agree", asked to all respondents from applicant organisations (191)*

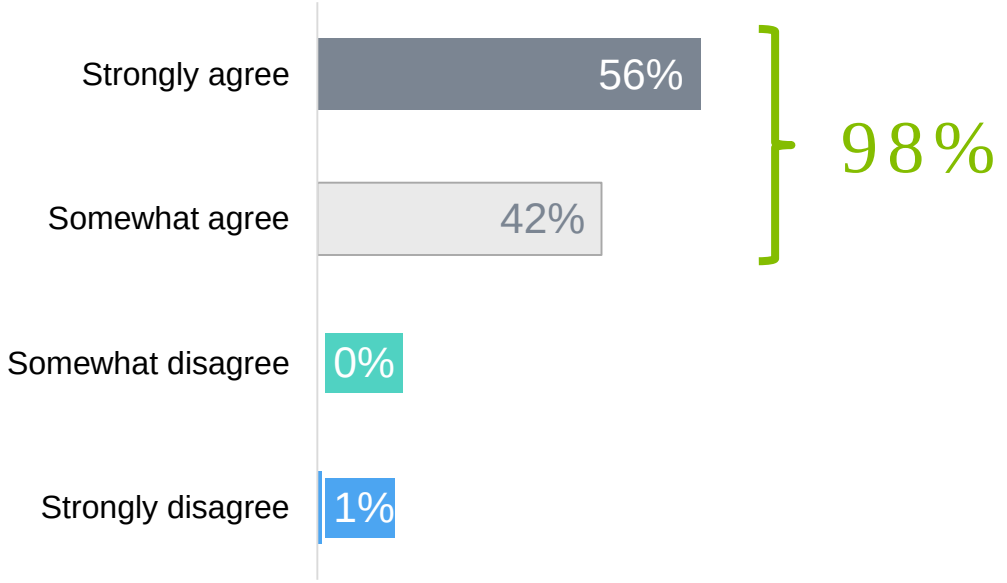


Figure 8: "To what extent do you agree or disagree that technology could help with implementing a standardised stage one/initial application form?", *not showing data for "Don't know" (1.8%), asked to all respondents from applicant organisations who agree that a single stage one/initial application form is a good idea (166)*

The vast majority (87%) of respondents from applicant organisations agree that a single stage one/initial application form is a good idea (fig. 7) and of those respondents, almost all (98%) agree that technology could help with implementing a standardised stage one application form (fig. 8)

It comes as no surprise that with the issues that applicant organisations are facing (fig. 1) and the time they're spending filling in application forms (fig. 3 & 4), alongside so many being unsuccessful (fig. 6), there is a strong desire for a single application form to be implemented across the board

Single stage one/initial application forms

Figure 9: *Analysis showing to what extent funder respondents agree that a single stage one/initial application form is a good idea, showing the combination of "strongly agree" and "somewhat agree"asked to all respondents from grant-making organisations (100)*

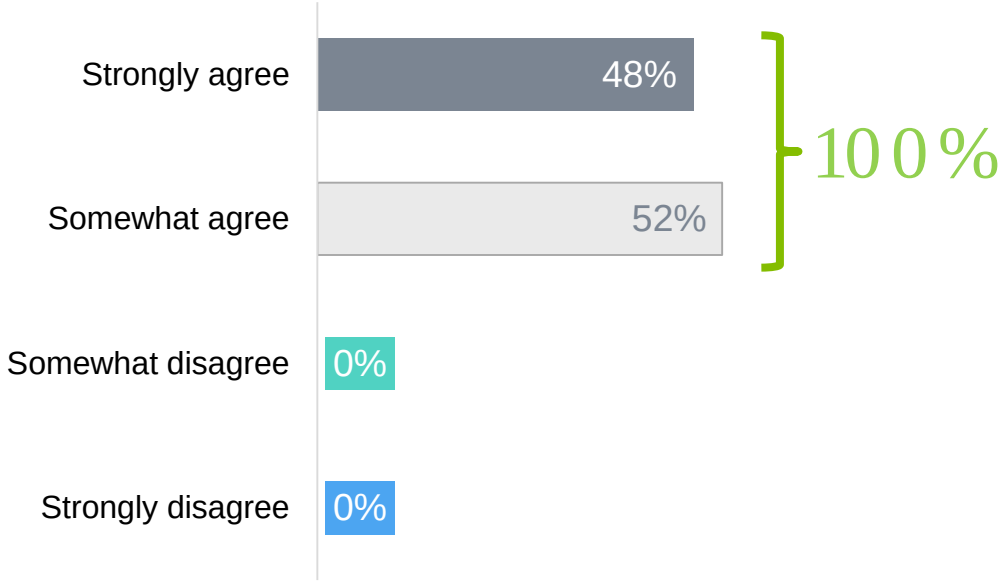


Figure 10: "To what extent do you agree or disagree that technology could help with implementing a standardised stage one/initial application form?", *not showing data for "Don't know" (0.0%), asked to all respondents from grant-making organisations who agree that a single stage one/initial application form is a good idea (56)*

In contrast, just over half (56%) of respondents from grant-making organisations agree that a single stage one/initial application form is a good idea (fig. 9), but all (100%) of those respondents in agreement think that technology could help with implementing this (fig.10)

Without any change, the issues the industry is facing are only going to intensify and is at risk of a snowball effect; if applicants are having to fill in more application forms, grant-makers will have more to look through and if applicants are having to ask for more money in their grant applications, they're more likely to become unsuccessful

Four areas of interest:

1: Is there a need for a single stage one application form?

2: Technology in the charitable sector

3: A view of funding from both sides

4: Collaborating to tackle social need

Technology currently in use

Grant-making organisations use a range of technology to aid the funding application process and/or measure the impact of funding. Social media technologies (80%) are the most commonly used, followed by an online application process (77%)

They are less likely to be using more advanced technologies, with very few using an online application which is linked to their CRM or grant-management system (29%) and even fewer using artificial intelligence (8%). Grant-making organisations seem to be stuck using more traditional methods and aren't yet embracing new technology as it's developed

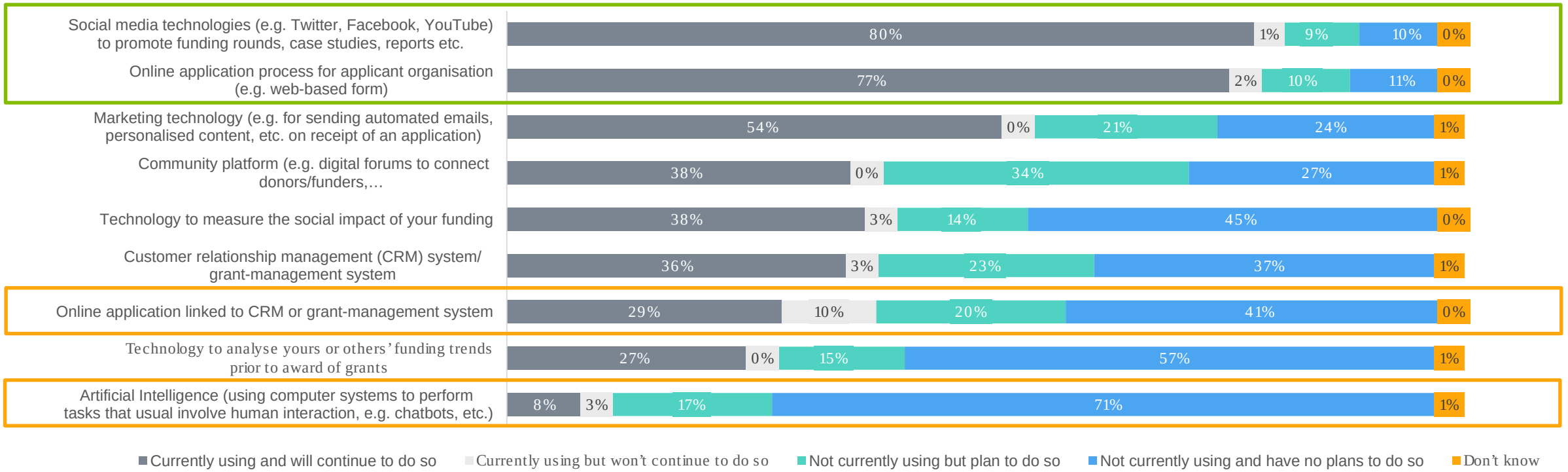


Figure 11: "Which of the following types of technology is your organisation currently using or planning to use in order to aid the funding application process and/or to measure the impact of funding?", *asked to all respondents from grant-making organisations (100)*

Technology satisfaction

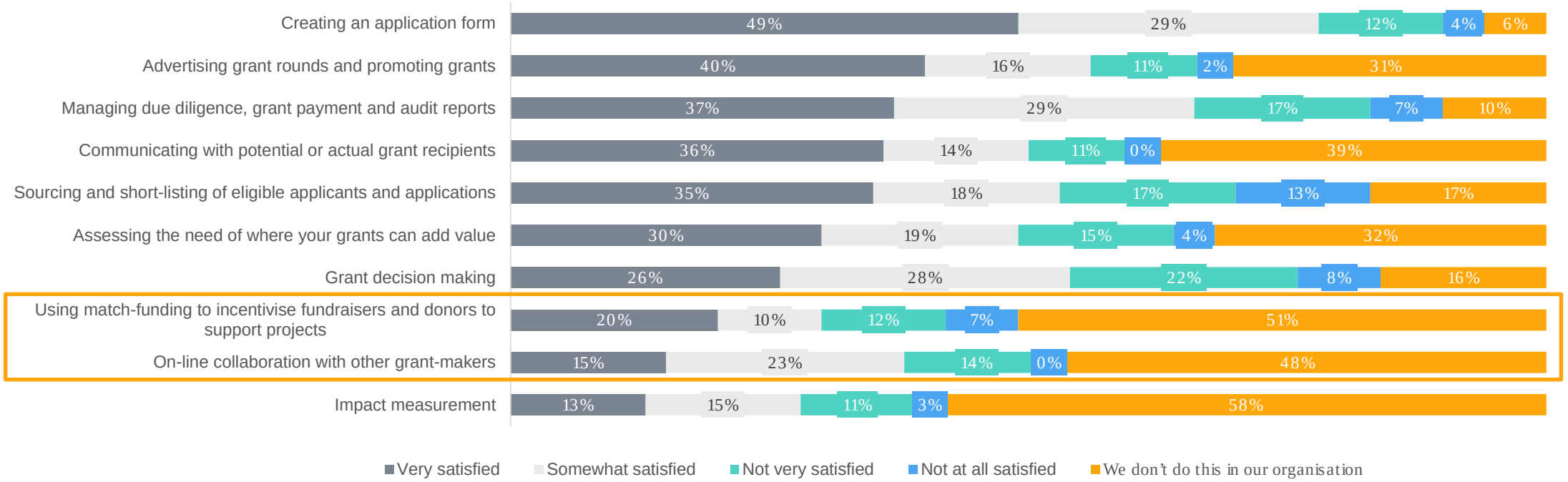


Figure 12: "To what extent are you satisfied that your organisation has the adequate technology in place to be successful in each of the following areas?", *not showing data for "Don't know" (0.0% for all), asked to all respondents from grantmaking organisations (100)*

However, there are low levels of satisfaction with some of the technology that is currently used to assist key areas in the grant-giving process

While grant-makers are most likely to be satisfied that their organisation has the adequate technology in place to create an application form (78% very or somewhat satisfied), there are some areas which grant-making organisations don't cover within their processes

Approximately half of respondents say that their organisation doesn't use match-funding to incentivise fundraisers and donors to support projects (51%) or collaborate online with other grant-makers (48%)

The success of grant applications is low (fig. 6) and grant-makers aren't satisfied that they have the adequate technology in place with regards to communication and match-funding, yet adopting technology could help manage these issues – so what's hindering technology adoption in grant-making organisations?

How technology can help

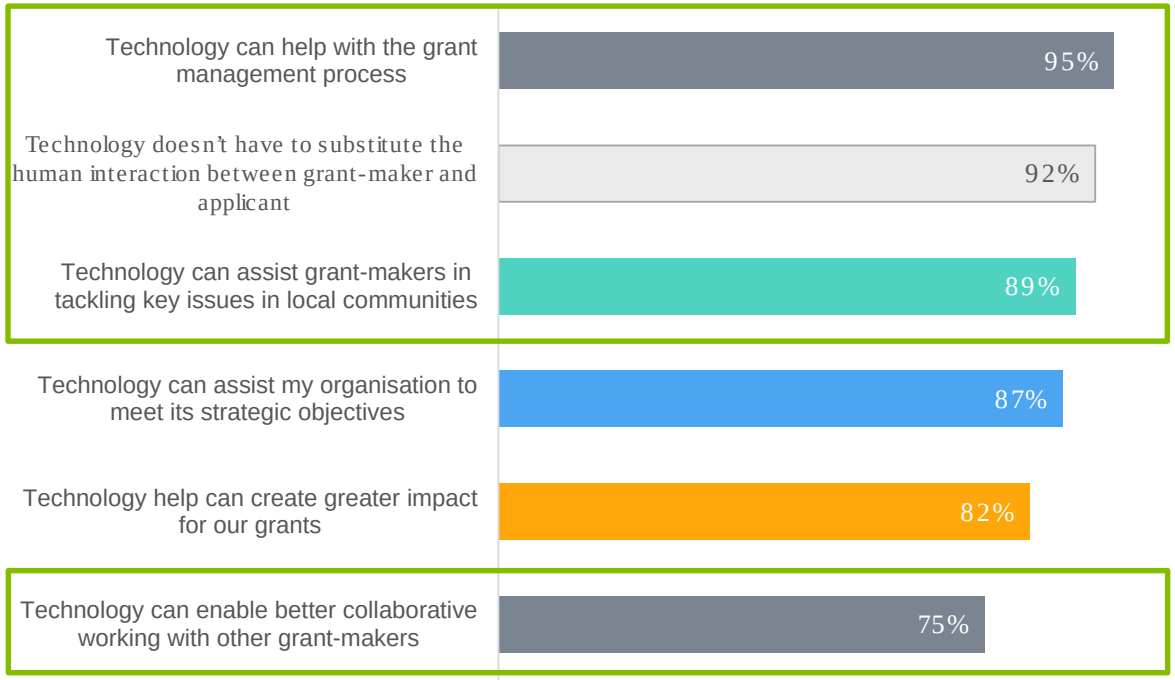


Figure 13: "To what extent do you agree or disagree with the following statements?", *showing the combination of "strongly agree" and "somewhat agree", asked to all respondents from grant-making organisations (100)*

But there is strong agreement that technology can help

The majority of grant-makers agree that technology can help with the grant management process (95%), assist grant-makers in tackling key issues in local communities (89%) and enable better collaborative working with other grant-makers (75%)

There is also strong agreement (92%) that technology doesn't have to substitute the human interaction between themselves, the grant-maker, and the applicants applying for their funding

If grant-makers in charge of their organisations are stuck in the past, they're more likely to have the one-dimensional views toward technology adoption and be resistant to change

It's promising to see that they agree it can help to ease their processes and would not just take away the need for human interaction which the industry prides itself on

Barriers to technology adoption

Over eight in ten (81%) respondents from grant-making organisations say that there are barriers for their organisation in adopting new technology to manage grant administration

Resistance to change is the biggest barrier with approaching six in ten (57%) saying that their current processes are perceived to be working well and over half (52%) citing that it's just easier not to change their current processes. Over a third (35%) cite budget restraints as a barrier

Despite admitting that they're facing issues with the number of applications that they receive, particularly ineligible applications, plus an increase in the amount of money being asked for (fig. 2), it's startling to see so many are "stuck in a rut" and perceiving their current processes to be working well

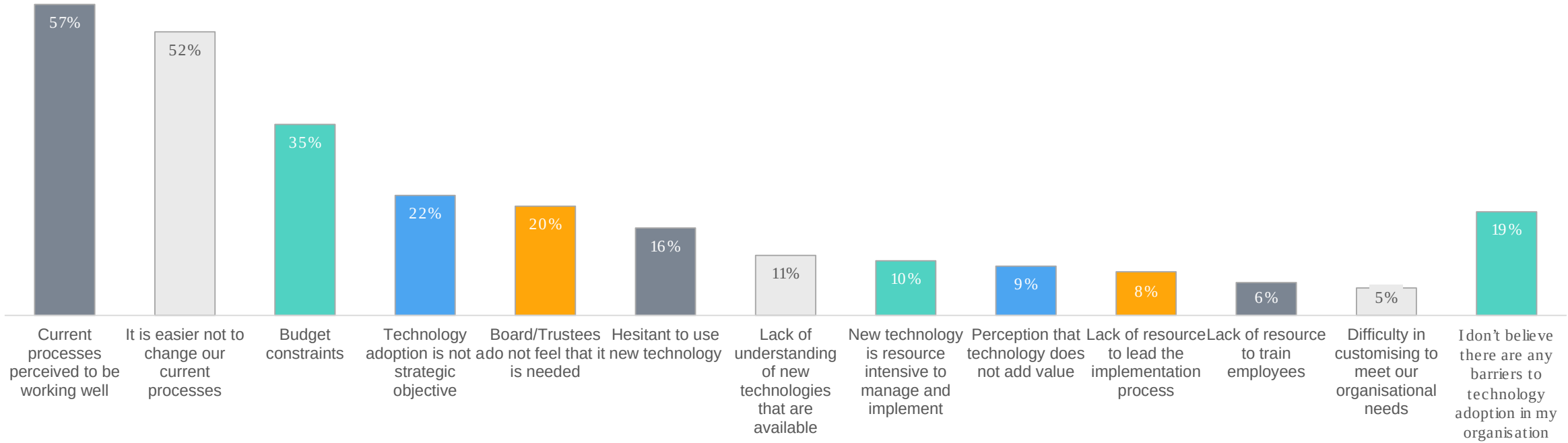


Figure 14: "What are the barriers for your organisation in adopting new technology to manage grant administration (from sourcing applications through to impact measurement?", *not showing data for "Other" (0.0%) or "Don't know" (0.0%), asked to all respondents from grantmaking organisations (100)*

Four areas of interest:

1: Is there a need for a single stage one application form?

2: Technology in the charitable sector

3: A view of funding from both sides

4: Collaborating to tackle social need

Funding grant applications

20%

of grant applications received are ineligible for funding, on average, according to grant-makers

Figure 15: *Analysis showing the percentage of funding applications grant-makers receive which are ineligible for funding, asked to all respondents from grant-making organisations (100)*

38%

is the average percentage of eligible applications grant-makers are able to fund each year, according to grant-makers

Figure 16: *Analysis showing the percentage of eligible applications grant-makers are able to fund each year, asked to grant-making respondents whose organisation requires applicants to apply for funding and do not fund charitable organisations directly (95)*

30%

is the approximate average percentage of all applications received by grant-makers which are successful in receiving some funding each year

Figure 17: *Analysis showing the percentage of all applications grant-makers are able to fund each year, calculated from the average number of ineligible applications received and the number of eligible applications grant-makers are able to fund each year*

Grant-makers can't fund all of the causes that they receive grant applications for, with approximately only 30% of all of the applications that applicant organisations make each year receiving any funding (fig. 17)

This is approximately only 10 of the average 33 applications (fig. 3) filled in each year by applicant organisations, equating to 185 hours (fig. 3, 4 & 17) wasted on filling in application forms each year. This is a huge burden for applicant organisations, particularly where the time could have been better spent delivering services to their beneficiaries

It's surprising to see that despite admitting that such a small number of total applications being received are successful in receiving any funding (fig. 16), the majority of respondents from grant-making organisations believe that there is no need to change their current processes (fig. 14)

What do grant-making organisations struggle with when it comes to providing the funding being applied for?

Difficulties funding grant applications

Two thirds (67%) of grant-makers admit that they face difficulties with funding applications

Approaching four in ten (37%) respondents from grant-making organisations state that too much time is spent assessing application forms in their organisation

Approximately one quarter say that their organisation receives too many applications for them to manage (26%) or that their organisation receives applications for funding from organisations which aren't relevant for what they give money for (24%)

Grant-making organisations need to be using technology to manage the influx of applications that they receive, as these issues are only going to get worse

How do grant-making organisations behave toward funding?

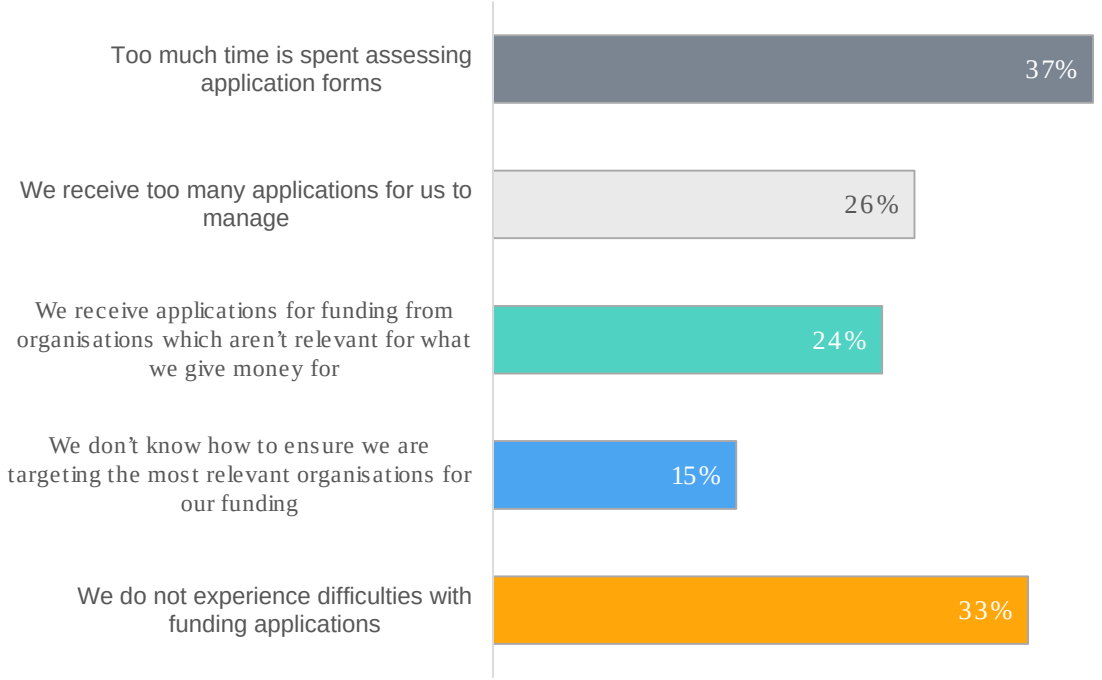


Figure 18: "Which of the following difficulties with funding applications does your organisation experience?", *not showing data for "Don't know" (0.0%), asked to all respondents from grant-making organisations (100)*

Proactive vs. reactive

Grant-making organisations aren't particularly proactive when it comes to funding applicant organisations at the moment. On average, respondents from grant-making organisations say that their organisation is reactive toward three quarters (75%) of funding applications that they receive (fig. 19)

However, approaching half (49%) say that their organisation is more likely to become proactive in it's approach to funding if there was a technology platform that made it easy to do so (fig. 20)

It's clear that grant-making organisations see the benefits of using technology to help alleviate these issues (fig. 19). If technology reduced the number of applications that they had to manage, and ineligible applications in-particular (fig. 2), then it would allow grant-making organisations the time to proactively seek out relevant causes that they would like to be able to support which perhaps they can't do at the moment

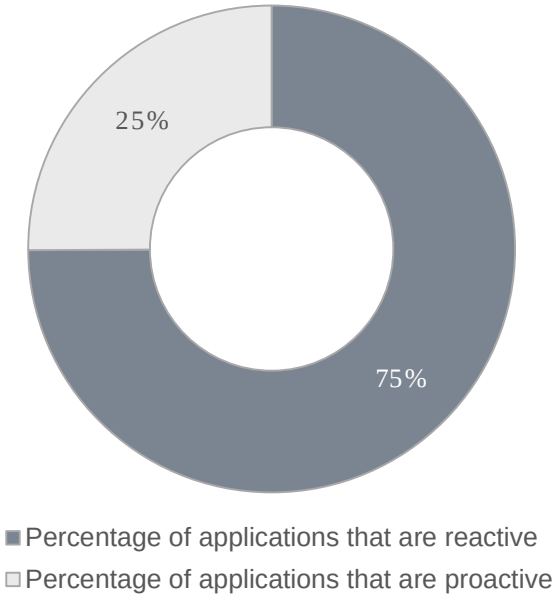


Figure 19: "Within your organisation, what percentage of applications are proactive and what percentage of applications are reactive?", *not showing data for "Don't know" (0.0%), asked to all respondents from grant-making organisations (100)*

49%

of respondents from grant-making organisations say that it is more likely that their organisation would become more proactive toward funding if there was a technology platform that made it easy to do so

Figure 20: *Analysis showing the percentage of respondents from grant-making organisation who say that it is "much more likely" or "more likely" that their organisation would become more proactive in it's approach to funding organisations if there was a technology platform that made it easy to do so, asked to all respondents from grant-making organisations (100)*

Incentivising change

64%

of grant-makers say change could be incentivised by having fewer ineligible applications

Figure 21: *Analysis showing the percentage of respondents from grant-making organisations who say it is "very likely" or "somewhat likely" that having fewer ineligible applications would incentivise their organisation to move toward a change in the way it processes funding applications, asked to all respondents from grant-making organisations (100)*

87%

of grant-makers say change could be incentivised by having the ability to invite other grant-makers to support applicants they are funding or want to fund, but can't

Figure 22: *Analysis showing the percentage of respondents from grant-making organisations who say it is "very likely" or "somewhat likely" thathaving the ability to invite other grant-makers to support applicants they are funding or want to fund, but can't,would incentivise their organisation to move toward a change in the way it processes funding applications, asked to all respondents from grant-making organisations (100)*

91%

of grant-makers say change could be incentivised by having a more effective way to measure funding impact

Figure 23: *Analysis showing the percentage of respondents from grant-making organisations who say it is "very likely" or "somewhat likely" that having a more effective way to measure funding impact would incentivise their organisation to move toward a change in the way it processes funding applications, asked to all respondents from grant-making organisations (100)*

There are many elements which would encourage grant-making organisations toward a change in the way that it processes funding applications, if technology helped

Over six in ten (64%) respondents say that having fewer ineligible applications would incentivise change (fig. 21), reiterating that this is an issue for them (fig. 2)

Nearly nine in ten (87%) cite having the ability to invite other grant-makers to support applicants they are funding or want to fund but can't, would incentivise change (fig. 22) – this alludes to the fact that grant-making organisations see a benefit in collaborating with other grant-making organisations in order to be able to fully fund a project or cause, for which technology can help

A similar proportion (91%) of respondents from grant-making organisations say change could be incentivised by having a more effective way to measure funding impact (fig. 23).

Improving the application process

There are many ways that the application process could be improved

Respondents from grant-making organisations rank simplifying the application process to free up time for them to focus on delivering services to beneficiaries (36%) as the most widely included among the top three perceived priorities for applicant organisations with regards to how they would like the application process to improve

While this is aligned with the point of view of applicant organisations (39%), it comes behind knowing the criteria against which an application is judged (45%) which is a more important factor for applicants

Most interestingly, almost four in ten (38%) respondents from applicant organisations rank having access via technology to multiple grant-makers with one application as one of the most important factors, but in contrast only one in five (18%) respondents from grant-making organisations believe this to be a priority – there's a clear misalignment between what applicants want and what grant-makers think that they want

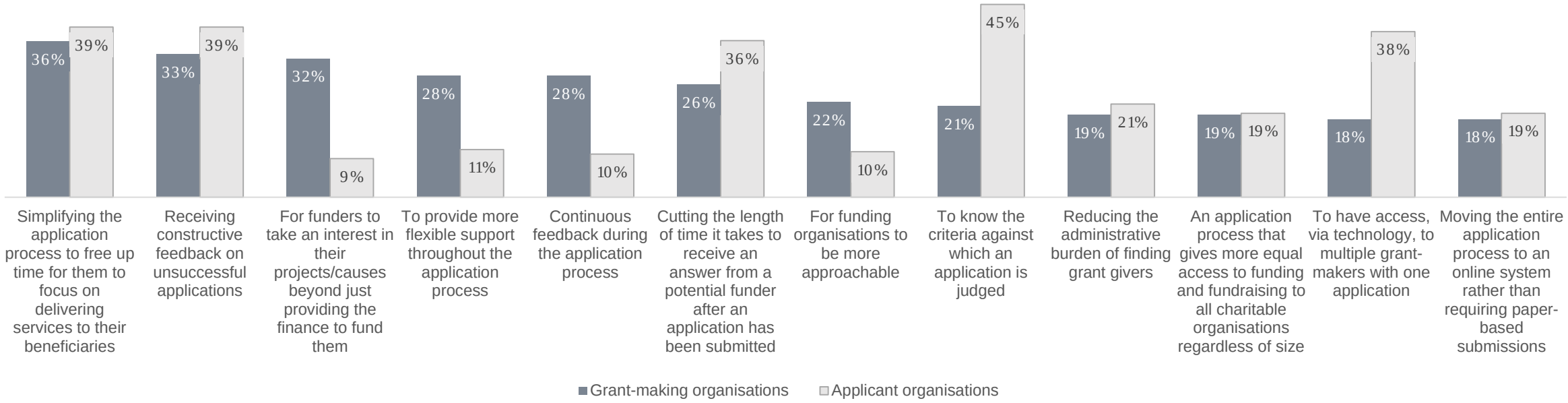


Figure 24: "When it comes to charitable organisations applying for funding from organisations like yours, which of the following factors do you think would be most important to them in improving the application process?/ Which of the following factors are most important to your organisation for improving the application process when applying for funding?", *showing the combination of responses ranked first, second and third, not showing data for "Other" (0.0%2.1%), asked to all respondents from grant-making organisations (100) and all respondents from applicant organisations (191)*

Four areas of interest:

1: Is there a need for a single stage one application form?
2: Technology in the charitable sector
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Willingness to collaborate

Grant-making organisations are willing to collaborate with their peers

Over eight in ten (85%) respondents from grant-making organisations agree that their organisation would be likely to collaborate via a technology platform or online platform, with other funding organisations and partners to support individual projects

It is one of the top priorities for applicant organisations to have access via technology to multiple grant-makers with one application (fig. 24) and despite grant-makers not acknowledging this also, it's promising to see that they would be likely to do this

Over three quarters (76%) of grant-makers say that it is likely that their organisation would collaborate with other funding organisations and partners to enter into place-based or theme-based giving, while maintaining autonomy of funds. This is an encouraging result, particularly as economic hardship in some local communities is fuelling the demand for more of this

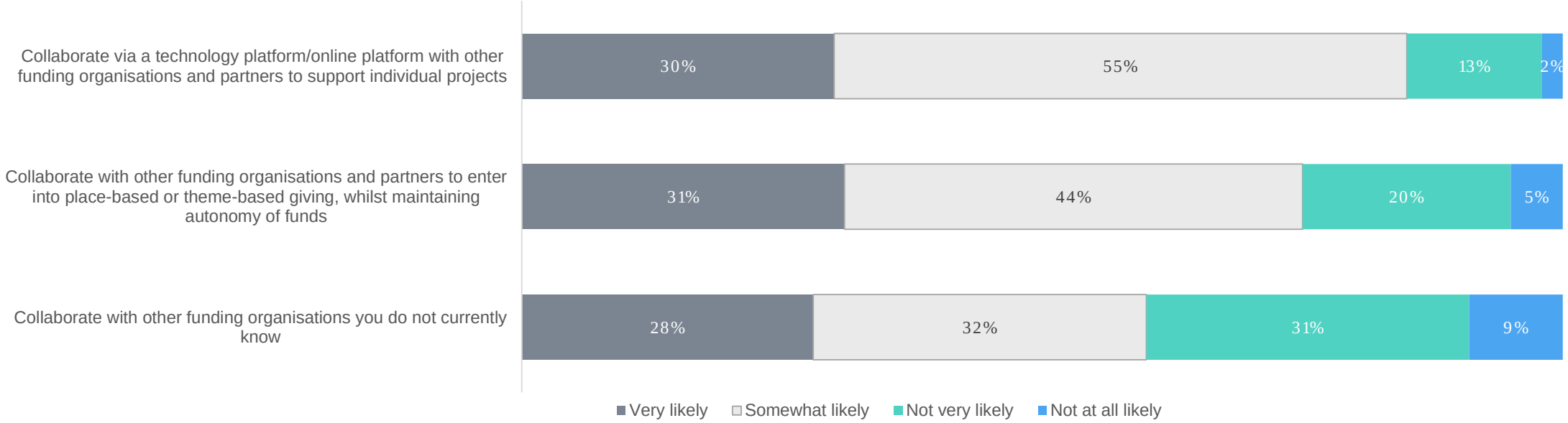

Figure 25: "To what extent do you think your organisation is likely to do any of the following?", *not showing data for "Don't know" (0.0%), asked to all respondents from grant-making organisations (100)*

How collaboration can help

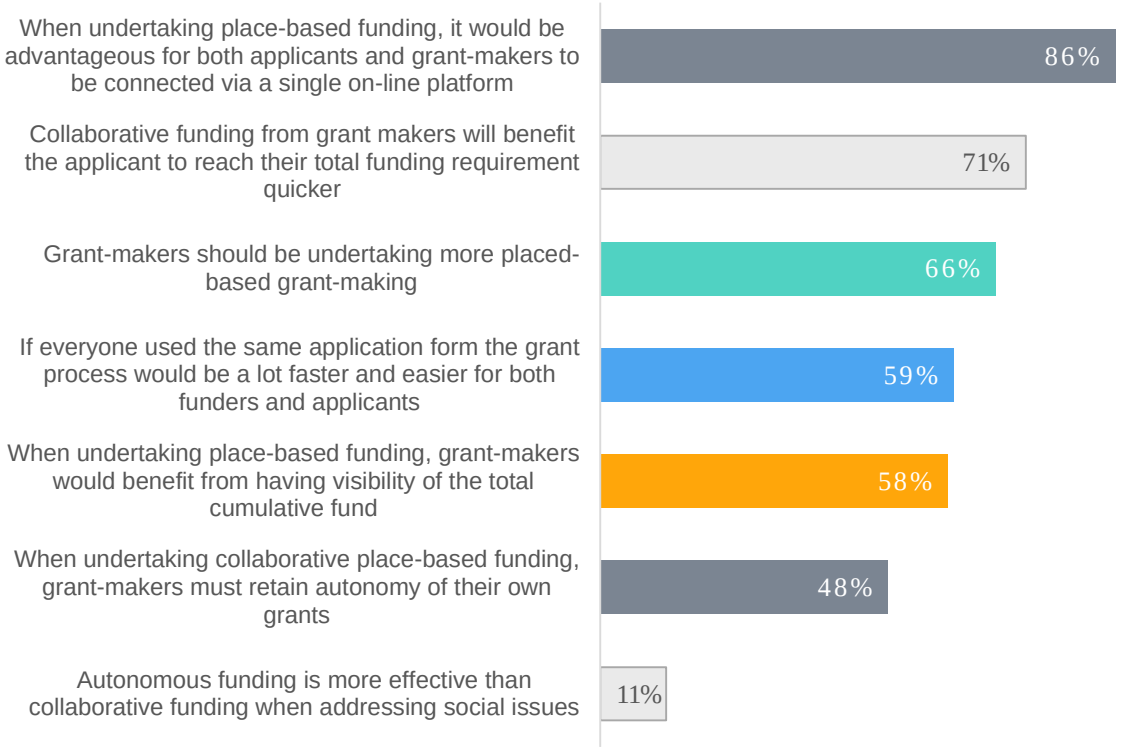

Figure 26: "To what extent do you agree or disagree with the following statements?", *showing the combination of "strongly agree" and "somewhat agree", asked to all respondents from grant-making organisations (100)*

Grant-makers agree that collaboration could help various issues that are being faced by grant-maker and applicant organisations

Almost six in ten (59%) respondents from grant-making organisations agree that if everyone uses the same application form, the grant process would be a lot faster and easier for both funders and applicants –there is a strong desire for this among applicant organisations (fig. 7)

Approximately seven in ten agree that collaborative funding from grant-makers will benefit the applicant to reach their total funding requirement quicker (71%) or that grant-makers should be undertaking more place-based grant-making (66%)

Approaching nine in ten (86%) agree that when undertaking place-based funding, it would be advantageous for both applicants and grant-makers to be connected via a single online platform, which is hugely promising to see so many on board with such ideas

A note to grant-makers…

1. Grant-makers appear to be resistant toward adopting new technologies, with 57% believing that their current processes are perceived to be working well and 52% saying it is easier not to change their current processes. However, the majority of grant-makers agree that technology can help with the grant management process (95%), assist grant-makers in tackling key issues in local communities (89%) and enable better collaborative working with other grant-makers (75%)
2. But both grant-makers and applicant organisations are after change; 87% of applicants and 56% of grant-makers agree that it is a good idea to have a widespread single stage one application form implemented to save them the incredible burden of filling in or managing grant applications
3. As well as this, applicants want a technology platform to allow grant-makers to collaborate with regards to funding to ensure their projects can go ahead, which 38% rank within their top three priorities
4. 26% of grant-makers are struggling with issues around having too many applications to manage and only 30% of all applications received receive any funding; with increased budget cuts from local and central government to charitable organisations, this is only going to get worse
5. There will become a tipping point in which charities and grant-makers no longer meet in the middle and the funding-gap will only continue to increase
6. Perhaps it's time for grant-makers to put their reticence behind them and embrace change to enhance the grant application process and collaborative funding to make it easier for both sides of the coin

A note to applicants…

1. Approximately one in every three grant applications applicants make to grant-making organisations receive no funding for their causes. This equates to a huge amount of time misspent filling in grant application forms, 185 hours per year on average, which could have been better spent supporting beneficiaries
2. With budget cuts to local and central government to fund organisations, this time is only increasing; applicants are having to find new sources of income (68%), spend more time filling in additional applications (54%), and ask for more funding (42%) which is only going to reduce their success rate and increase the strain
3. 87% of applicants agree that a single stage one application form is a good idea and 38% of applicants rank having access, via technology, to multiple grant makers in one application, within their top three priorities; these technologies that can help overcome the issues they're facing already exist
4. Once the hurdle of traditional, one-dimensional views toward technology adoption are overcome, grant-makers are willing to jump on-board with these ideas. 56% of grant-makers agree a single stage one application form is a good idea and 85% of grant-makers say it's likely their organisation would use a technology platform to help them to collaborate with their peers to fund organisations – they just need to know how much it's needed

the good exchange

Technology in the charitable sector

Vanson Bourne research results

February 2019

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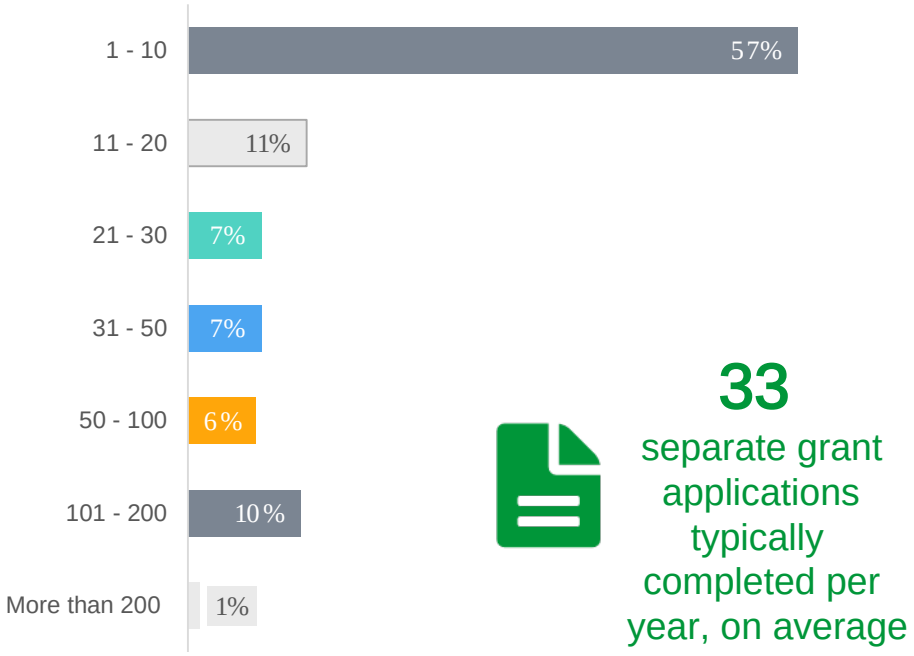
Appendix

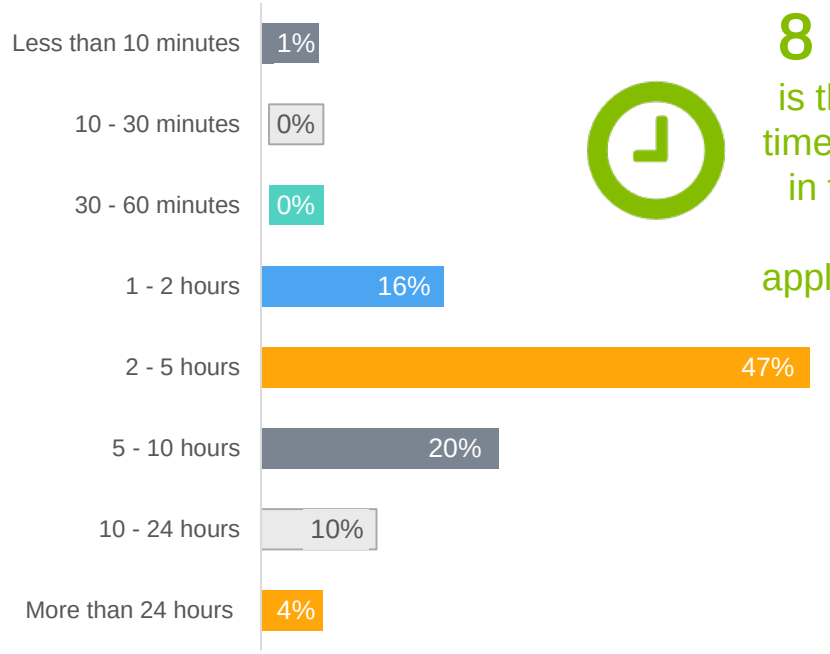
Completing grant applications

On average, a total of 264 hours is spent applying for funding per year



33
separate grant applications typically completed per year, on average

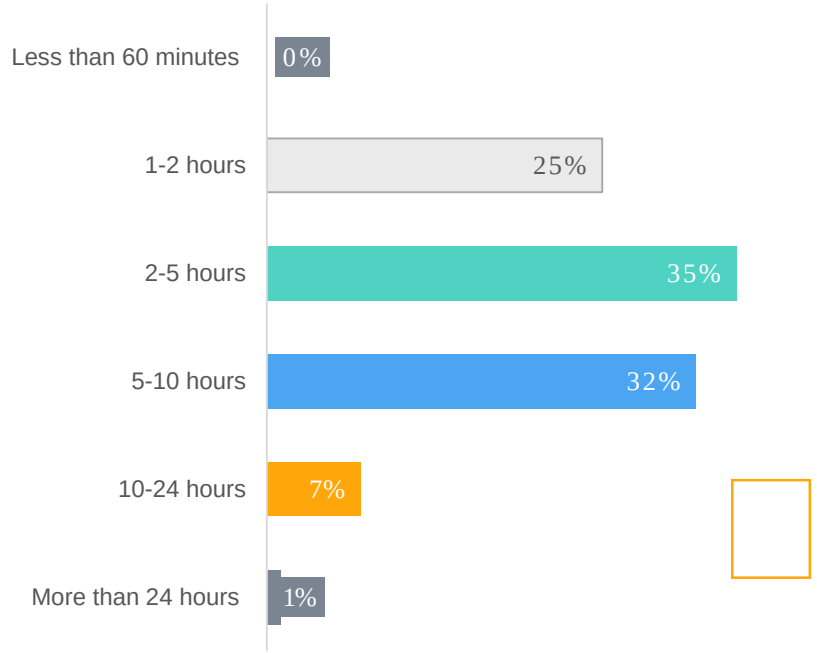
Figure 27: "How many separate grant applications does your charitable organisation typically make over a 12 month period?", *not showing data for "Don't know" (1.0%), asked to all respondents from applicant organisations (191)*



8 hours
is the average time taken to fill in the typical grant application form

Figure 28: "On average, how long does it take your charitable organisation to fill in a typical grant application form?", *not showing data for "Don't know" (2.0%), asked to all respondents from applicant organisations (191)*

From the grant-maker's point of view



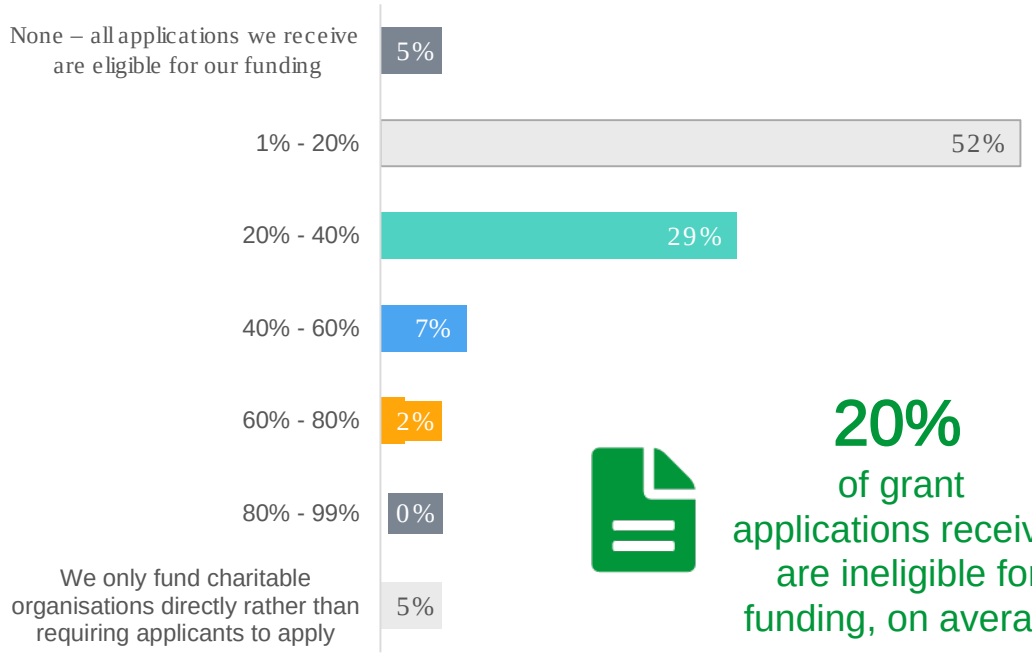
6 hours

is the average perceived time taken to fill in grant-maker's grant application forms

Grant-making organisations under-estimate the real burden on applicant organisations

Figure 29: "How long do you think it takes a charitable organisation to fill in your grant application form, on average?", *asked to all respondents from grant-making organisations (100)*

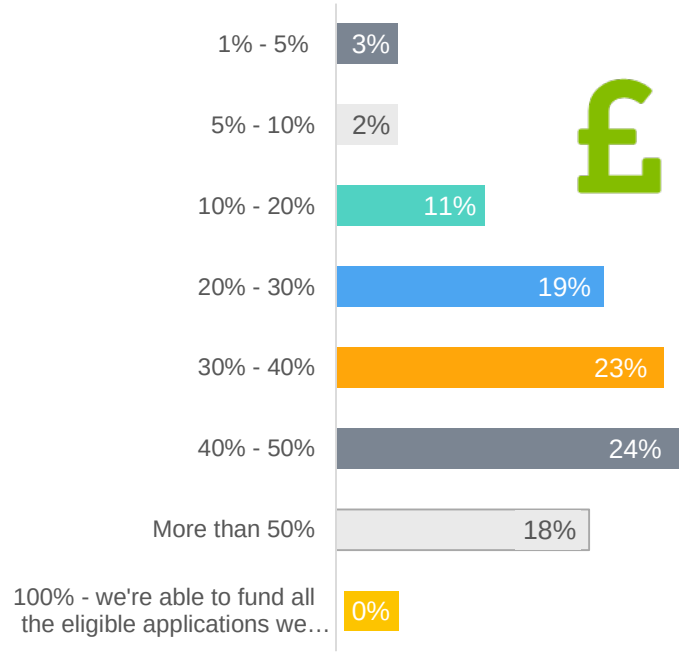
Funding grant applications



20%

of grant applications received are ineligible for funding, on average

Figure 30: "Please estimate what percentage of the funding applications your organisation receives are ineligible?", *asked to all respondents from grant making organisations (100)*



38%

is the average percentage of eligible applications grant-makers are able to fund each year

Figure 31: "What percentage of eligible applications are you able to fund each year?", *asked to respondents whose organisation requires applicants to apply for funding and do not fund charitable organisations directly (95)*

Grant-makers can't fund all of the causes they receive grant applications from

Incentivising change

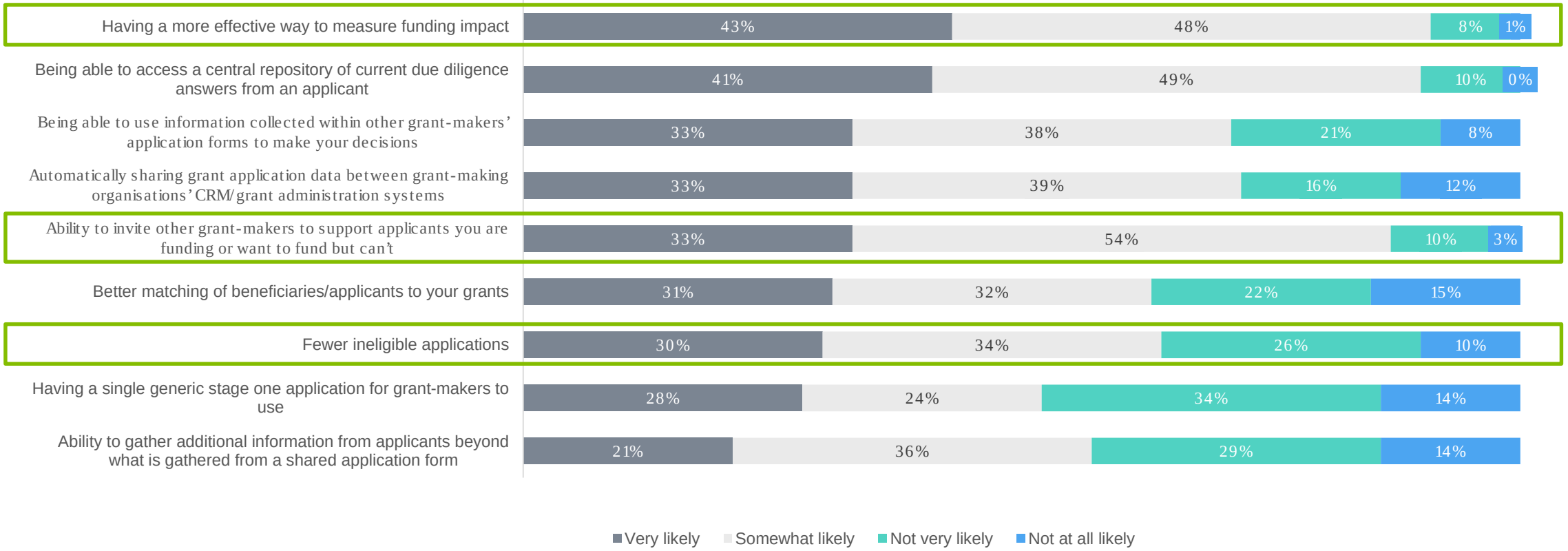


Figure 32: "If technology could help, how likely is it that each of the following would incentivise your organisation to move toward a change in the way it processes funding applications?", *not showing data for "Don't know" (0.0% for all), asked to all respondents from grant-making organisations (100)*

There are many elements which would encourage grant-making organisations toward a change in the way it processes funding applications, if technology helped

Impact measurement

Approaching six in ten (57%) respondents from grant-making organisations say their organisation doesn't measure impact reporting

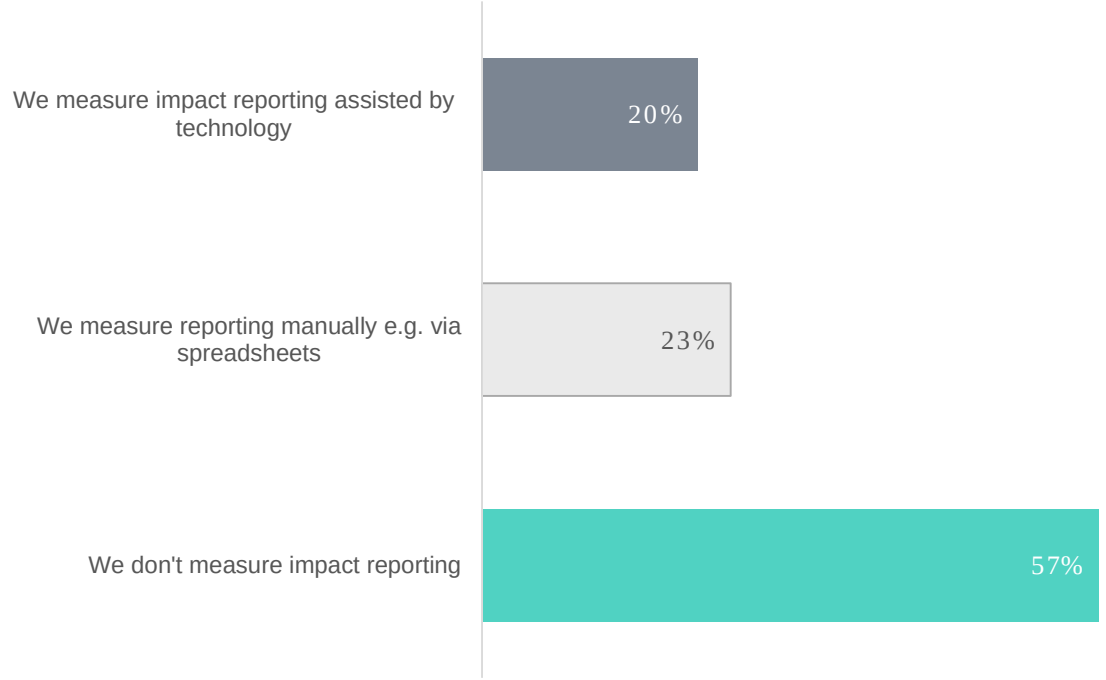


Figure 33: "Do you use technology to measure impact reporting?", *not showing data for "Don't know" (0.0%), asked to all respondents from grantmaking organisations (100)*

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