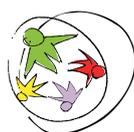


GRANTS IN AUSTRALIA

The secrets of success

An analysis of a national survey of Australian grantseekers, August 2018

#GrantsInAustralia2018



An enterprise of:

ourcommunity.com.au

Where not-for-profits go for help



Grants in Australia research study, August 2018:

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INTRODUCTION

This is the tenth *Grants in Australia* research report. This survey-based resource for Australian grantmakers and grantseekers has been produced regularly since 2006, and is the biggest of its type in Australia.

An output of Our Community's [Innovation Lab](#), the report is part of an ongoing research project that charts the development of the field of grantmaking from the grantseeking community's perspective.

The goal of this report is to create a snapshot of grantmaking in Australia, to examine developing trends in the field, and to inspire and enable more successful grantseeking and better grantmaking.

This report and more:
www.ourcommunity.com.au/grants2018

Past reports:
www.ourcommunity.com.au/grantsinaustralia

The data in this report has been drawn from an online survey of not-for-profit groups across Australia. They were invited to share their experiences of grantseeking and their interactions with grantmakers and grantmaking systems. Only grantseekers who had applied for at least one grant in the previous year were eligible to complete the survey, which was conducted from March to May 2018.

The study continues to grow. This year, 2012 people responded, nearly two-thirds more than in the previous year. We're extremely grateful to every one of them.

As part of Our Community's aim of ensuring that the data we collect is not just interesting but useful, this year we focused on examining some of the characteristics that define a successful grantseeker to provide clues to not-for-profit organisations about how to improve their own performance, as well as to inform grantmakers.

To help crack the secrets of grantseeking success, this year's study benchmarks a "typical" grantseeker, and profiles the attributes of applicants who are "winners", "strugglers", "high volume", "big bucks" and even "super successful".

And we benchmark grantseeking behaviour and outcomes by size, sector and funding source.

For the first time, we've conducted a "sentiment analysis", employing data science to look at the words used by grantseekers in their comments about funders to get the gist of their views.

Finally, we reproduce the most telling compliments and criticisms about grantmakers from survey responses, completing what we believe is a compelling picture of the sector.

Overall, the report is designed to inform the work of Our Community and its enterprises, most notably the [Australian Institute of Grants Management](#) (AIGM) and the [Funding Centre](#). It also provides important data and key reference points for Australian grantmakers, grantseekers, academics and social sector enablers, and others interested in the field.

CONTENTS

The context 5

An \$80 billion segment of the Australian economy.

Key findings 7

An executive summary that draws attention to the most significant findings from our analysis.

Our sample 10

Our Australia-wide survey drew 2012 responses, but who is in that mix?

Benchmarking grantseeker characteristics, habits & trends 15

A summary of characteristics common to grantseekers including attributes related to gender, experience, income, deadlines, external experts, references, preferred processes and grant types.

Measuring success: Meet our grantseeking archetypes 19

We profile “typical”, “winner”, “struggler”, “high-volume”, “big bucks” and “super successful” grantseekers, the characteristics shared across the sector, and the attributes that see some grantseekers stand out.

Organisational benchmarks 33

Grantseeking organisations profiled by size, sector and primary source of grants. Who is winning the grants, and why?

Grantmaker fundamentals 44

Grantseekers rate their funders’ performance and reveal their experiences of the new pressures of outcomes measurement.

Testing the mood of the sector 47

We reveal what grantseekers really think about grantmakers through a “sentiment analysis” of their compliments and criticisms, and reproduce our favourite comments.

More about Our Community & the Innovation Lab 55

Our Community’s grants agenda and our dedication to a data-informed future.

THE CONTEXT

Grants: an \$80 billion slice of the economy

We know that grants make up a huge part of the Australian economy.

The Our Community Funding Centre database tracks more than 3400 grants programs in Australia. We estimate that around \$80 billion is given away each year, the bulk of it from government, with that figure rising each year.

Approximately 20% of state and federal government expenditure is in the form of grants: grants to welfare agencies, not-for-profit organisations, grassroots community groups, environmental organisations, businesses and researchers, and miscellaneous grants.

Grants are also distributed by charities, community and corporate philanthropists, and the country's 3000 private and public ancillary funds – adding further variety and independence to the grantmaking landscape.

The national government, eight state and territory governments, cities, towns, municipalities, shires, and most of the country's many departments and agencies are involved in grantmaking.

We know good grantmaking contributes in meaningful ways to the creation of a fair, just, democratic and prosperous society. At its best, grantmaking strengthens democracy by responding to the needs of those with the least wealth, opportunity and power, while catalysing economic, social and environmental reforms.

However, good outcomes are not guaranteed. Countless auditors' reports over many years have highlighted concerns over poor program design, inadequate technical and administrative systems, and too much outside interference with grantmaker autonomy.

Increasingly, grantmakers are expanding their focus from the mechanics of their funding programs ("Did we get the money out the door efficiently?") to the outcomes of their funding ("What social, environmental and economic changes did our funding facilitate?"). This latter question is proving difficult to answer, though technological advances are starting to shed some light.

In facing the challenges, grantmakers must be focused, accountable, responsive, adaptable and reflective. They must be prepared to share their triumphs and stumbles.

Above all, they must be prepared to change their practices if that's what's necessary to squeeze more value out of the precious funds they have been entrusted to dispense. It is hoped that this report will provide some pointers towards better practice.

Our Community's grants mission

Our Community has laid out a [Grantmaking Manifesto](#), which spells out what we believe will improve the grantmaking system in Australia.

You can read that 24-page publication online at www.aigm.com.au/aigm/values, but we've summarised the main themes here:

We believe:

1. Grantmaking is an absolutely central element in the Australian economic system.

Not one dollar should be wasted on poorly designed, poorly articulated, poorly evaluated, or inefficient grants programs and systems. Grantmakers should maximise resources by sharing lessons, and seeking and learning from lessons shared by others.

2. Australia needs more and better professional grantmakers.

The job of grantmaking should be afforded appropriate professional status, training and recompense.

3. Grantmakers should listen to the communities they serve.

Grantmakers should be driven by outcomes, not process. They should trust and respect their grantees and offer programs, systems and processes appropriate to their needs and capacities.

4. Grantmakers should be efficient.

Wastage is indefensible. Skimping on systems, technology and professional staff is equally wicked.

5. Grantmakers should be ethical.

Grantmakers should ensure that the process of grantmaking is fair, unbiased, and transparent.

Have your say about this study

Post your observations and read what others are saying about the report using the hashtag **#GrantsInAustralia2018** on Twitter, or send your views to service@ourcommunity.com.au

KEY FINDINGS



The grantseeking sector is large, diverse and often reliant on small grants

Our sample of grantseekers has submitted more than 14,000 grant applications in the past year. Around eight out of 10 applicants are applying for grants worth less than \$5,000. And 40% of grantseekers are relying on state and territory governments for their main grants income. Turn to Our Sample, page 10, to see who is applying for grants, and who is handing out the money.



A typical grantseeker is female, professional, and tech-savvy

She's a professional, uses references, applies online, prefers project money to operational support, and doesn't often bother giving feedback to grantmakers or using professional grantwriters. To see what's common across the board, turn to page 15.



Successful grantseeking appears in many guises

All our grantseeker archetypes – “typical”, “winner”, “struggler”, “high volume”, “big bucks” and “super successful” – demonstrate strengths and weaknesses across our measures. Some show exceptional win rates, others pull in more income than others, some lodge many more applications than others, and some unfailingly submit the applications that they start. Turn to “benchmarking grantseeker characteristics” on page 19 for more.



Experience counts when it comes to winning fresh funds

If you count the rate of grants won as a quick measure of success, it is those with more experience in the field who routinely win more of the grants they apply for. Of our “winner” grantseekers, more than half have been in the game for more than five years, and more are aged over 50. By contrast, about the same proportion of “strugglers” have less than three years of experience. Examine our “winner” profile on page 23.



Elite grantseekers lean on their own skills, high value grants, growth sectors

“Super successful” grantseekers – those who boast an 80% hit rate, 10+ applications, and \$100,000+ raised last year – comprise less than 1% of our sample. What they have in common is that they lodge every application they start, back themselves with references, back their own (considerable) experience rather than that of outside experts, and use their large and well-established organisations to leverage larger funding pools from every sphere, including the harder-to-win philanthropic and federal funds. They tend to operate in the housing, disability, education and health sectors. See our summary on page 31.



Using a professional grantwriter doesn't increase your win rate

Staff and volunteers are just as likely to win a grant as are professional grantwriters, our survey reveals. Of course, organisations that use professionals are much more likely to be pursuing a high number of grants, or bidding for big funding pools. Turn to page 17 to see what else sets these grantseekers apart.



Size doesn't matter when it comes to winning

Our figures show the same win/loss rates across the board, regardless of organisation size, defying any assumptions that bigger organisations have an advantage here. We conclude that small organisations can be just as successful as large organisations in winning grants, even though, in general, they apply for fewer. Explore this surprising finding and similar size benchmarks on page 34.



Grantseekers are relying heavily on a handful of grants

Most organisations in this study win relatively few grants. Of the small organisations that make up half this study, most are winning an average of just one grant per year and earning less than \$10,000 for their trouble. Even the medium-sized organisations included in our survey win just three grants a year on average. Turn to our page 14 snapshot, and examine our page 35 table.



Your grantseeking performance could simply be a sector trend

There's a strong correlation between which sector a grantseeker operates in, their win rates, and the value of the grants they win. Nearly 60% of sports and recreation groups drew less than \$10,000 in grants last year. Human services organisations, by contrast, are far more likely to get more than \$100,000 in grants annually. For more about sectors and grants income, turn to page 36.



Resources battle is one across the board

Organisations of all types say that "lack of resources" is their biggest challenge when it comes to winning grants, while the most common desire for non-financial help from grantmakers is for introductions to new funders and strategic fundraising help. See more common threads across organisations on page 37.



Philanthropic funding is the toughest to crack

Win rates are starkly different from one funding source to another. Philanthropic foundations and trusts are the most difficult source to score from, with organisations that rely most on them for funds citing win rates of just 40%. By contrast, local government funders are the most likely to distribute funds to an applicant, with a 60% win rate for the organisations that depend primarily on them. Turn to page 40 to see how else a funder's bias can affect grantseeking.



Grantmakers still facing a feedback-communications fail

Despite years of complaints, 23% of grantseekers still say that grantmakers give good feedback on failed applications, while 28% say the timeliness of communications is "bad". But the news is good in other areas. Turn to page 44 for details.



Under outcomes pressure, grantseekers need more help

Nearly two-thirds of grantseekers say they are facing pressure over the need for increased outcomes reporting, yet only 17% think they're getting adequate financial or non-financial help to produce such reports. If there was a grantseeker fairy godmother, she would be providing more funding for evaluation, more clarity about what's required, a simpler submissions process and the chance to submit qualitative information. Turn to page 45 to see what else we learnt about outcomes measurement.



Deadlines put grantseekers in a bad mood

Grantseekers despise grantmaker deadlines, our sentiment analysis reveals. While it may not be a surprise to some in the sector that there's a strong feeling about time pressure, grantmakers might want to consider measures to ease the pain. See what else we discovered about the sector's mood on page 48.



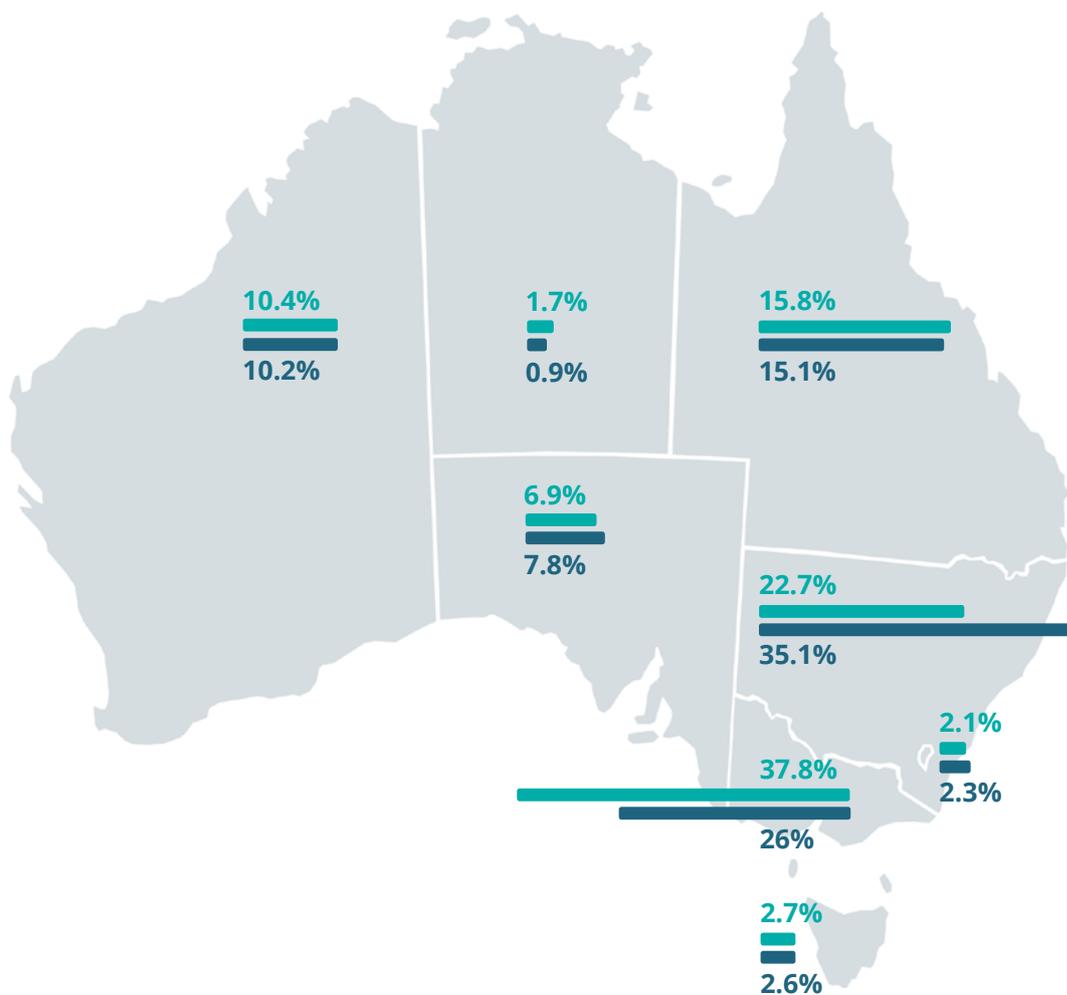
Grantseekers: Tell us what you really think

"It would be nice if your \$10,000 seed funding led to a cure for cancer through a TED-worthy, crowdsourced, citizen-science capacity-building pilot, but in the real world, money for a plain old mental health counsellor, teacher or community lawyer is a better bet." See what else grantseekers said in our "best of comments" summary on page 51.

OUR SAMPLE

Our survey generated 2012 responses – the most since the survey began, with respondents from all states and territories of Australia. Compared to the number of charities registered with the Australian Charities and Not-for-profits Commission (ACNC¹) in its most recent [Annual Information Statement](#), 2016, Victorian groups were slightly over-represented in the survey, while the share of respondents in New South Wales is slightly smaller than the percentage of charities in that state. Across all other states, the percentages are approximately equal.

- Percentage of survey responses (%)
- Percentage of ACNC charities (%)



¹ The ACNC figures are not directly comparable with our sample because the ACNC database includes only charities, whereas our sample includes charities and other not-for-profits.

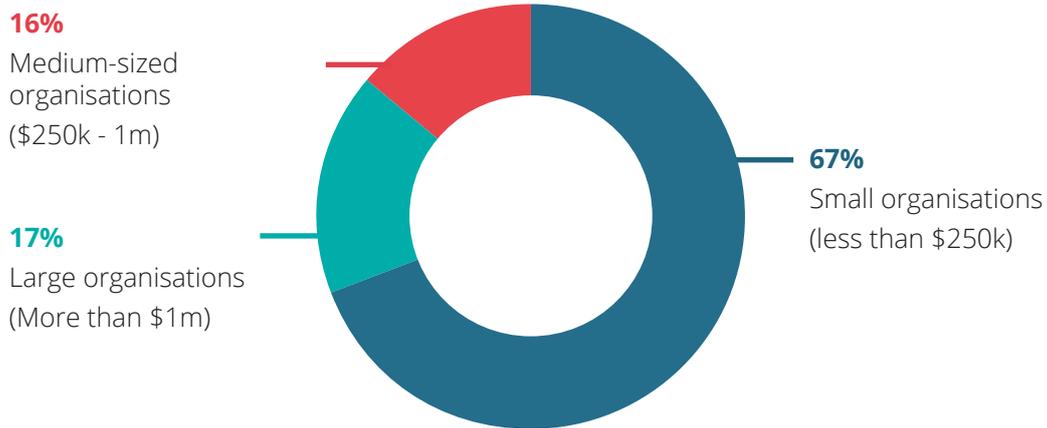
Small organisations are heavily represented, with 49% of respondents coming from organisations with annual revenue of less than \$250,000 (though this should be considered in the light of the ACNC's figures, where 67% of organisations fall in the less-than-\$250,000 category).

Representatives of large organisations (those with an annual revenue of more than \$1 million) were our second biggest group of respondents, representing 25% of our sample (compared with 17% of the ACNC's charities database).

The proportions of small, medium and large organisations (by annual revenue) represented in the survey have remained nearly the same for the past four surveys.

Organisation size by annual revenue

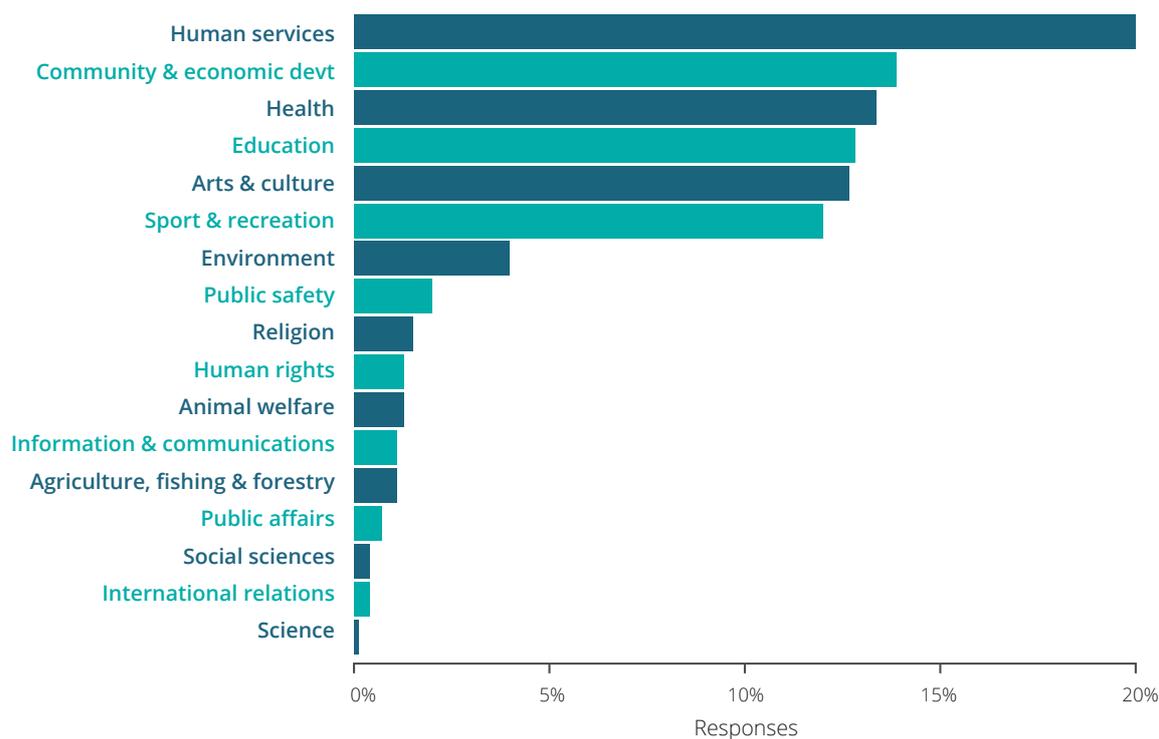
ACNC figures
(Annual information statement, 2016)



2018 Survey figures



Organisations by sector



HUMAN SERVICES COMPRISES THE LARGEST SINGLE GRANTSEEKING GROUP.

Human services organisations – covering such sub-sectors as disability, women, immigrants, seniors, homelessness, family and personal services, youth, housing, family violence and jobs – are the most commonly represented grantseeker segment, comprising about one in five respondents.

Other significant sectors include:

Community and economic development (including community improvement, housing development, financial services, business and industry)

Health (including access to healthcare, in-patient and out-patient medical care, holistic and traditional medicine, reproductive health care, rehabilitation, public health, mental health, specialities, diseases and conditions)

Education (including all levels of education, as well as vocational training, student services and promotion of educational opportunities)

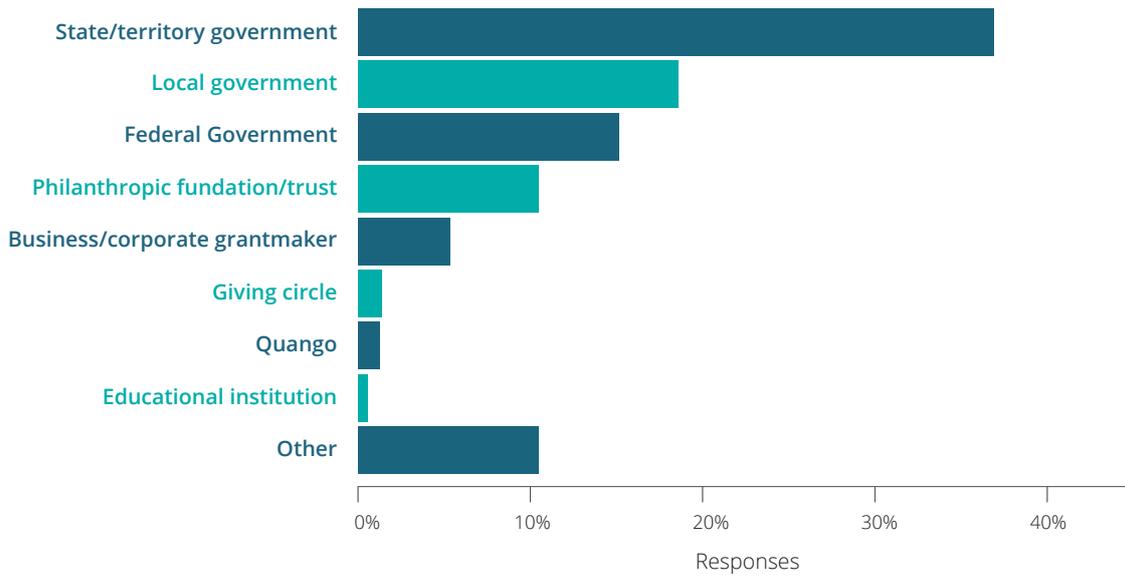
Arts and culture (including heritage and culture, museums, visual and performing arts and cultural awareness)

Sport and recreation (including sporting activities, as well as community recreation activities such as camping, playgrounds and festivals, but excluding leadership development activities such as scouting)

Environment (including environmental justice, climate change, natural resources, biodiversity, domesticated animals and environmental education)

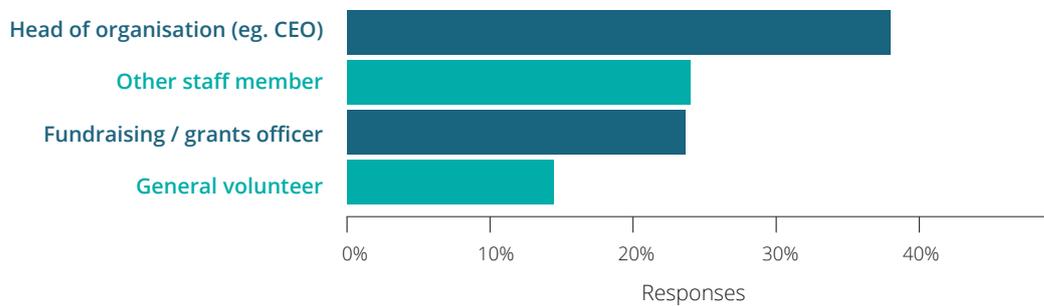
Accordingly, these seven sectors are the ones most commonly depicted in the results presented in this report. However, other categories listed by prevalence include: Public safety, Religion, Human rights, Animal welfare, Information and communications, Agriculture, fishing and forestry, Public affairs, Social sciences, International relations and Science.

Primary source of funding



 STATE AND TERRITORY GOVERNMENTS ARE THE MOST COMMON PRIMARY SOURCE OF FUNDS FOR GRANTSEEKERS IN OUR SURVEY.

Respondents' roles

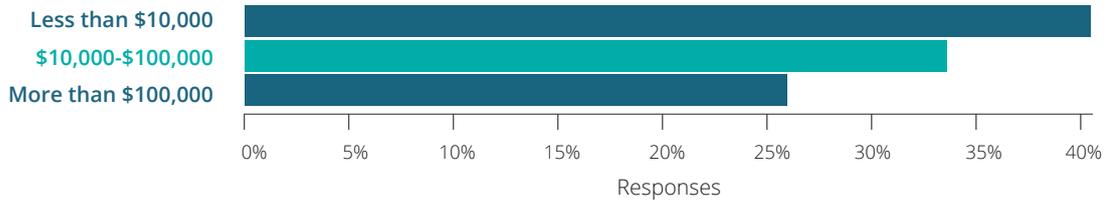


 MOST OF THE RESPONDENTS TO OUR SURVEY ARE PAID TO WORK AT THEIR NOT-FOR-PROFIT.

Grant applications snapshot

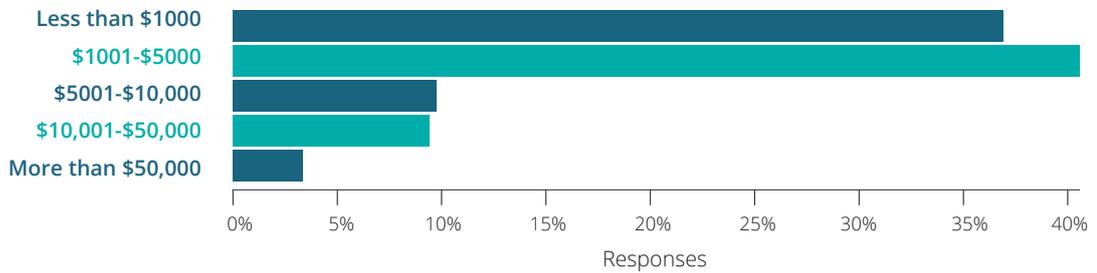
 <p>14,179 Grant applications</p>	 <p>9,427 Successful applications</p>	 <p>66% Average win rate</p>	 <p>Less than \$100K Typical grant income</p>
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Value of grants received in the past year



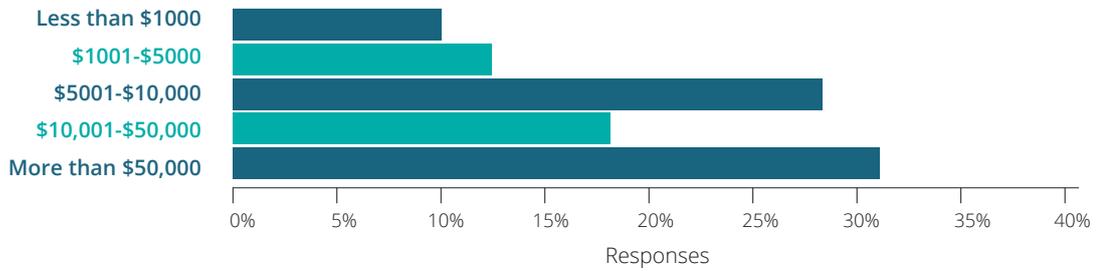
 **40% OF ORGANISATIONS ARE WINNING LESS THAN \$10K IN GRANTS**

Smallest grant received



 **MORE THAN A THIRD OF ORGANISATIONS ARE PITCHING FOR GRANTS WORTH LESS THAN \$1K**

Largest grant received



 **NEARLY A THIRD OF ORGANISATIONS WON A GRANT WORTH MORE THAN \$50K**

How much are organisations applying for?

<p>78% of organisations</p> <p>applied for a grant</p> <p>of \$5000 or less</p> <p>as their smallest-value application</p>	<p>40% of organisations</p> <p>didn't apply for a grant</p> <p>more than \$10,000</p>	<p>10% of organisations</p> <p>applied only for grants of</p> <p>\$1000 or less</p>	<p>3% of organisations</p> <p>applied only for grants of</p> <p>\$50,000 or more</p>
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BENCHMARKING GRANTSEEKER CHARACTERISTICS, HABITS AND TRENDS

What is going on in the grantseeking world?

Over the past 12 years of this ongoing study, we've built a compelling – and changing – picture of the grantmaking landscape.

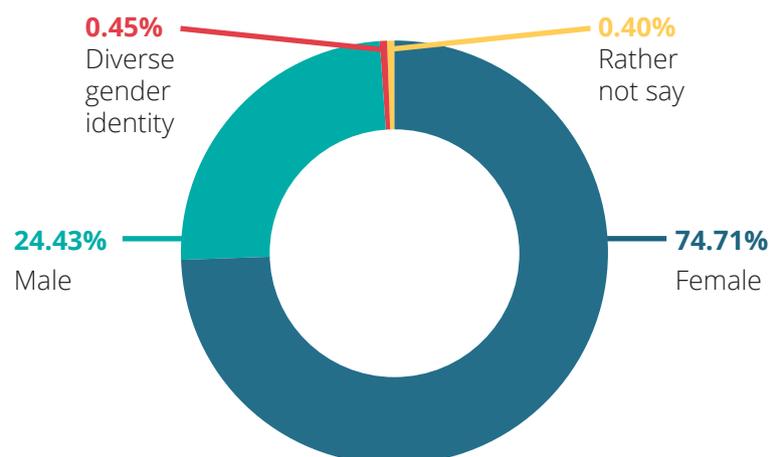
In previous years, we've tracked the trends of who is providing the grants and to which types of organisations; submission rates; and the help – or lack of it – that organisations provide.

This year, we've done more to analyse what typifies different types of grantseekers by creating a series of "archetypes". Skip ahead to page 19 if you want to learn more about those now, but first we examine the attributes of grantseekers in terms of their:

- Milestones
- Habits
- Individual attributes
- Organisation profile.

In looking for common traits, we found that some characteristics persist across every group, no matter how big or small, successful or not, and across every sector.

Women are the main grant winners



THE GENDER SPLIT IN THE GRANTSEEKING COMMUNITY IS PRONOUNCED, WITH 75% OF GRANT WINNERS BEING FEMALE.

The gender divide in grantseeking is striking. Women dominate every grantseeking cluster, comprising 75% of our respondents. Men comprise 24% while a small contingent described themselves as gender diverse (.45%).

Most grantseekers, though, share a number of traits. Across the board, the majority of grantseekers – including the majority of the least successful ones – received at least the same number of grants this year, compared to last. And, most of the time, they hadn't bothered applying for any grant worth between \$1,000 and \$5,000.

We found that grantseekers generally:

- don't use professional grantwriters for applications
- do include references and letters of support in their applications
- prefer online applications
- prefer project grants
- don't give feedback to the grantmaker.

Experience really counts

This study also shows consistently higher levels of experience of grantseekers classed as "high volume", "big bucks" or "winners". Those grantseekers tend to have more than 10 years of experience in grantseeking, whereas "strugglers" have less than three years of experience.

Big organisations (usually) win more cash

"High volume" grantseekers – who chase lots of grants – and "big bucks" grantseekers – those who chase large value grants – tend to be based in big organisations.

Most grantseekers in these groups attract more than \$100,000 annually into their coffers.

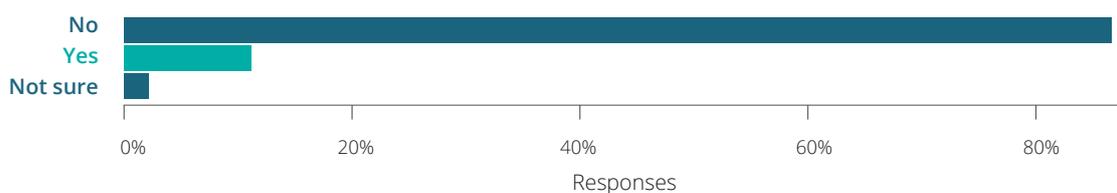
But there are also the outliers, the 20% of high volume grantseekers who don't reach the \$100,000 mark; or the 17% of winner grantseekers who win most applications and draw in more than \$100,000 in funds.

Some grantseekers don't miss their deadlines

A high proportion of high volume (90%), big bucks (88%) and winner (75%) grantseekers submit all the applications they commence, which sets them apart from our "typical" grantseekers, whose submission rate is only 62%.

Few use professional grantwriters

Has your organisation used a professional grantwriter?



JUST 11% OF ORGANISATIONS USED PROFESSIONAL (EXTERNAL) GRANTWRITERS TO DRAW UP THEIR APPLICATIONS.

The Australian Institute of Grants Management has noted alarm among some grantmakers about the use of external professional grantwriters, based on the concern that they apply a cookie-cutter approach to grantseeking and divert grant funds towards the cost of drawing up applications. But our study found the vast majority of grantseekers aren't using them. Just 11% of respondents had employed external experts to write their applications.

A high number of survey respondents are staff who write grant applications – whether as an executive officer, other staff member or fundraising officer. They comprise 70% of those surveyed, with just 12% nominating themselves as volunteers.

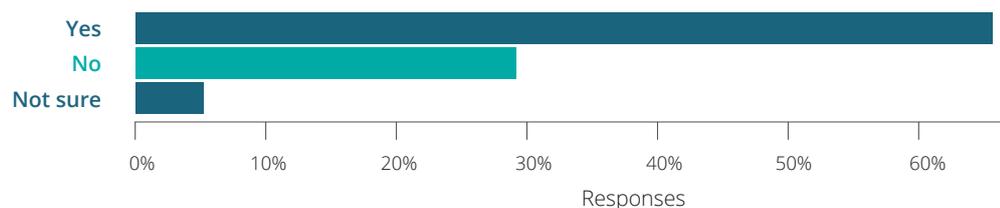
Hiring a grant specialist doesn't make you more likely to win a grant

In a related finding, we also found that while larger organisations are much more likely to hire a fundraising or grant officer internally, it doesn't follow that their win rates are any better than those of organisations that don't employ specialist staff.

But while specialist grant writers and other staff are equally likely to win grants, that doesn't account for the value of those grants won.

Support for letters, references

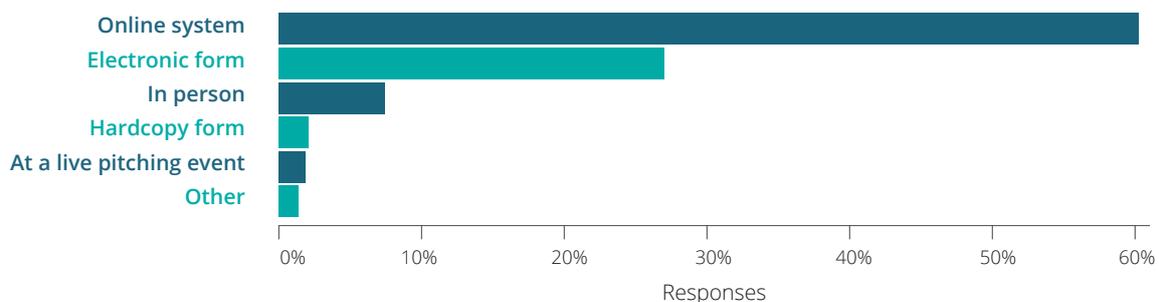
Do you include references/letters of support in your applications?



The survey also showed a strong majority of respondents see value in including references and letters of support in applications, although there are some variations across some grantseeking clusters, with those not including references and letters more likely to less successful grantseekers.

Preferred processes and grant types

How do you prefer to apply for grants?

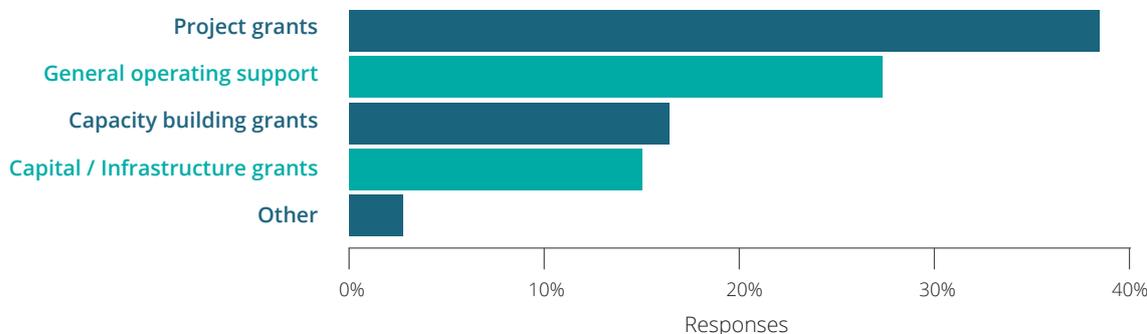


The preference for online-based applications has been building in the past decade, with the 2018 study showing support for fully online applications has now tipped past the 60% mark.

Still, similar to the 2017 figure, around 30% of respondents said that PDF/Word-based (electronic) forms were the type most commonly encountered.

Other methods of lodging applications are less common, although in-person (face-to-face) applications appear to have risen a few percentage points in popularity in the past few years.

What is your favourite type of grant?



In a somewhat surprising finding, project grants are favoured by grantseekers across the board, followed by grants for core costs/operational support, then capacity building grants and finally capital/infrastructure grants.

Grants for core costs are somewhat more popular among those seeking bigger grants, and those in the human services and health sectors.

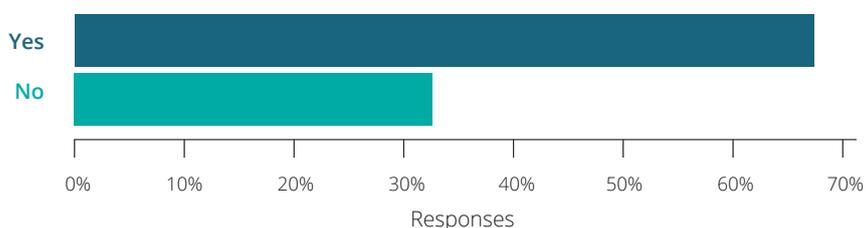
Sport and recreation grantseekers are more likely to pitch for capital/infrastructure money, which is perhaps no surprise given their needs.

Our 2017 study showed nearly two-thirds of grantseekers had not applied for grants for core costs in the past year, and some survey respondents suggested those grants were becoming less common to find.

We'll continue to keep an eye on this trend in future reports.

Feedback on feedback

Did you provide feedback?



Most grantseekers aren't providing feedback to their funders, with only around a quarter of respondents saying they had done so. Interestingly, feedback rates are correlated with hit rates; that is, the grantseekers who have the highest ratio of grants-applied to grants-won are those who do submit feedback to funders.

There may also be a connection between grantseekers who lodge feedback and grantseekers who've built a better relationship (and win rate) with funders.

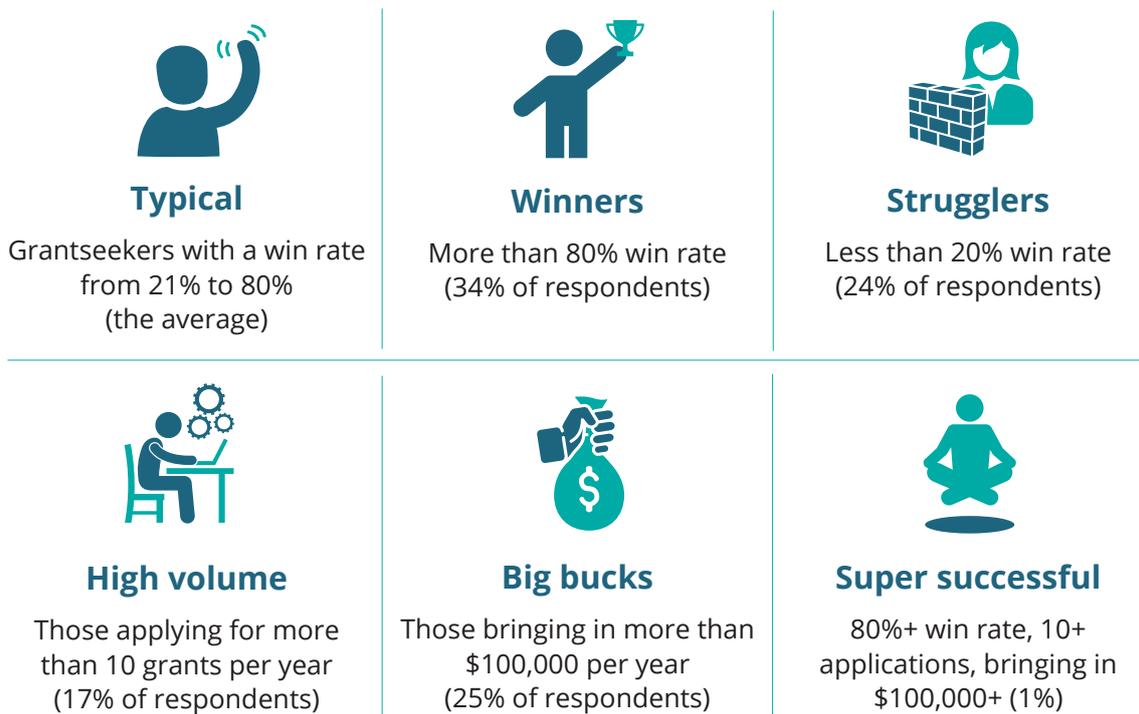
It's something we explore more in our examination of grantseeking archetypes in the next section.

MEASURING SUCCESS

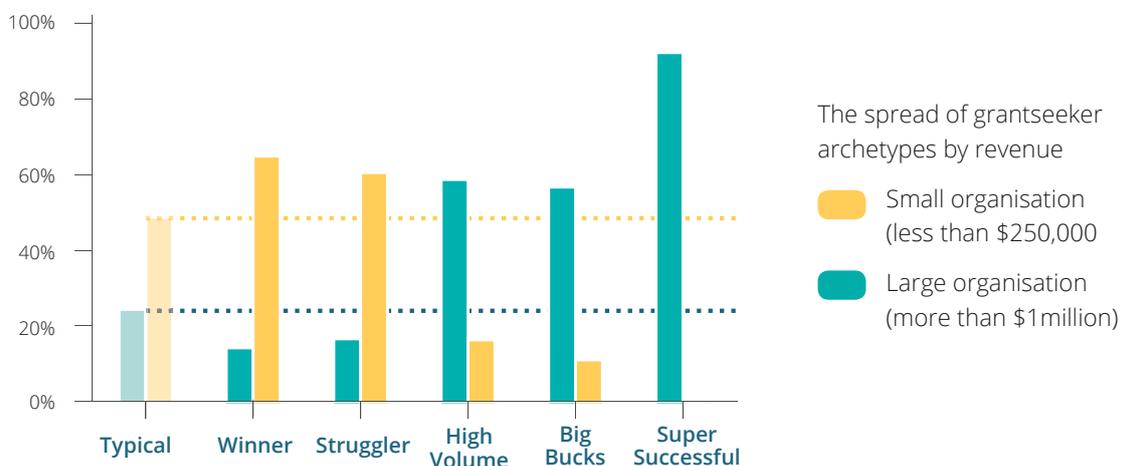
What kinds of grantseekers are out there?

This year we sought to gain a better understanding of different types of grantseekers in Australia. We wanted to glean information that could help less successful grantseekers improve their chances, that could help successful grantseekers stay that way, and that could help grantmakers improve their grantmaking.

In trying to better understand “success”, we’ve organised our survey respondents into a handful of archetypes that we’ve defined as:

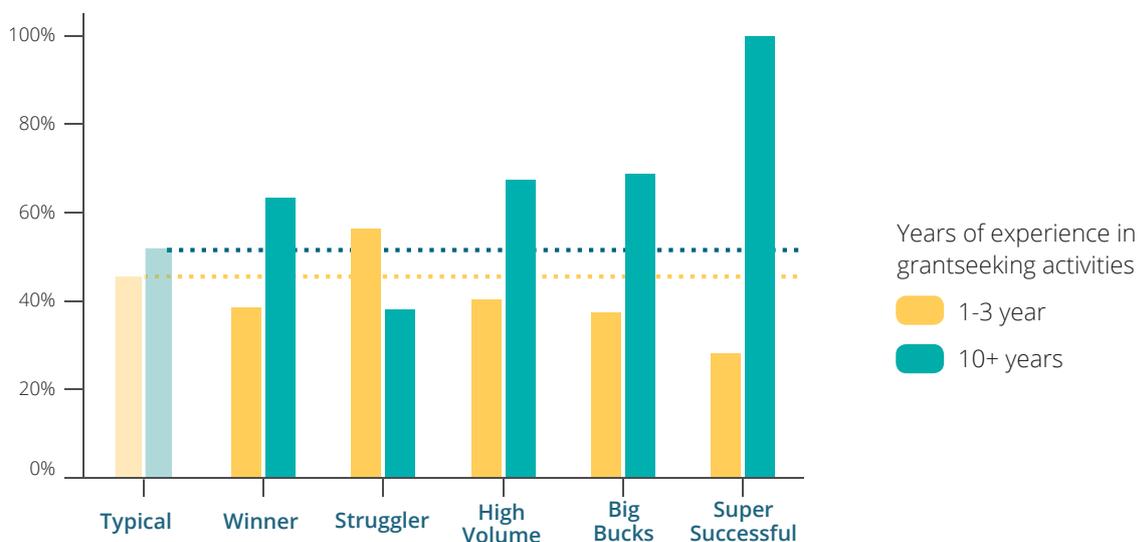


The spread of grantseeker archetypes by organisation size



SMALLER ORGANISATIONS ARE MORE LIKELY TO BE “WINNERS” OR “STRUGGLERS”; LARGE ORGANISATIONS ARE MORE LIKELY TO BE “HIGH VOLUME” OR “BIG BUCKS”-STYLE GRANTSEEKERS.

Grantseeker types and their years of grantseeking experience



GRANTSEEKERS WHO STRUGGLE TO WIN MANY GRANTS OR AS MUCH INCOME TEND TO HAVE FAR LESS EXPERIENCE IN THE GRANTS GAME.

There is some significant overlap between archetypes, yet examining the characteristics of each has helped us to gain some hints about the factors that may lead to success.

Of course, even those classed as “strugglers” may be winning the one or two grants they need each year to survive or even thrive, and 2% of respondents in our sample are both struggling and winning more than \$100,000 each year.

Most would agree, though, that it is better to reduce wasted effort.

This report reinforces the understanding that the political and economic environment – which varies by sector – can have a big impact on grants success. For instance, the survey suggests that funds are somewhat easier to come by for those operating in the arts sector, and that competition is fierce in the health sector; however, the pool of money available in each sector varies greatly.

Finally, while we understand that the social impact of a grant is perhaps the very best measure of success, social impact is not something we’ve measured in this study. It is, however, something we’re examining closely at the Innovation Lab through our Classification System for Australian Social Sector Initiatives and Entities (CLASSIE) project.

(Read more here: www.ourcommunity.com.au/CLASSIE.)

MEET THE 'TYPICAL' GRANTSEEKER

We arrived at our picture of a “typical” grantseeker by combining the average and most frequently cited attributes of all our survey respondents.

The ‘typical’ grantseeker shares some attributes with some other grantseeker types, including the least successful and most successful grantseekers. This overlap helps paint a picture of the commonalities across the sector, and also highlights important differences.

A typical Australian grantseeker is a female CEO/executive director aged between 26 and 64 (though more likely to be on the younger than the older end of that scale). She is either a relative novice, with less than three years of grantseeking experience under her belt, or a relative veteran, with more than 10 years of experience.

She works for a small organisation in human services or community and economic development; it’s about 22 years old and draws its funding primarily from state/territory government sources.

She likes to apply for grants using an online application system, prefers project grants over other forms of grants, and typically includes references or letters of support with her applications. She lodges all the applications she commences (well, about two-thirds of typical grantseekers do).

Last year she applied for four grants and received two, but they were small grants, bringing in a total of less than \$10,000 for her organisation. She’s getting better at it, though – she received as many grants this year as last year, or more.

How to spot a typical grantseeker

Milestones:

- Median success rate: 50%
- Median number of submissions: 4
- Median number of grants won: 2
- 40% of typical grantseekers bring in less than \$10,000 per year, 33% collect \$10,000–100,000
- Won the same number or more grants this year, compared to last year



Habits:

- 62% lodge all the applications that they start
- Unlikely to hire external grantwriters (only 11% do)
- 65% include references or letters of support in their applications
- 60% prefer online applications
- Preferred grants are project (38%), core cost (27%), capacity building (16%), infrastructure (15%)
- Unlikely to give feedback to grantmakers (only 32% do)

Individual attributes:

- 75% female
- CEO (38%), staff member (24%), grant officer (24%) or volunteer (14%)
- Aged 26–49 years old (45%) or 50–64 years old (39%)
- Likely to have 10 years (26%) or 1–3 years (23%) of grantseeking experience

Organisation profile:

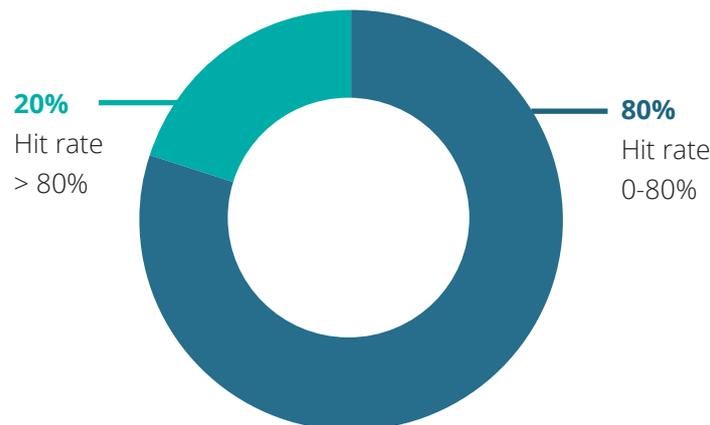
- Small (annual revenue less than \$250,000)
- Average age 22 (but ranges from 3 to 40)
- From the human services or community and economic development sector
- Primary source of grants is state/territory government sources

The takeaway

If you're benchmarking yourself against the "typical" profile, don't be surprised if you fall short in some areas, and outperform in others.

MEET THE 'WINNER' GRANTSEEKER

Percentage of "winner" grantseekers



THE "WINNER" GRANTSEEKER WINS FUNDING FROM MORE THAN 80% OF THEIR GRANT APPLICATIONS.

Here are some of the qualities that define a "winner" grantseeker.

For the purposes of this report, we define winner grantseekers as those who are awarded a high percentage of the grants they apply for.

One in five people who completed our survey recorded a win rate of more than 80% (i.e. if they applied for five grants in a year, they won four or more). We used this as our benchmark for our winner grantseeker.

That's not to say they apply for the most, or even get the most money for their efforts, but for winner grantseekers, their median win rate is a whopping 99 per cent.

Of those who have struck upon the winning formula, more than 40% are bringing in between \$10,000 and \$100,000 in grants, compared with a typical grant income of less than \$10,000.

Our successful grantseeker, is more likely than our typical grantseeker to be well-versed in the art of grantseeking, usually having at least five years of grantseeking under her belt.

She applies for three applications per year and tends to win all of them. She received more grants this year than the year before.

She tends to get most of her grants funds from state/territory sources, although her organisation may derive a large portion of it from local government grantmaking sources.

She prefers one-stage application processes over programs with an expression of interest phase.

Our *Grants in Australia 2017* study also identified other characteristics of successful grantseeking.

For example, we found that 75% of grantseekers who won six or more grants in a year were much more likely (“often” or “sometimes”, as opposed to “rarely” or “never”) to form a relationship with grantmakers.

The same study revealed those same grantseekers were much less likely to abandon an application, with 90% citing an unsubmitted application rate less than 25%.

How to spot a winner

Milestones:

- Median success rate: 99% (typically three from three)
- Median number of submissions: 3
- Median number of grants won: 3
- Typically bring in \$10,000–\$100,000 per year in grants (42% do)
- Received more grants this year than last year



Habits:

- 75% submit all the grant applications they commence
- Applied for more grants this year than last year
- Far more likely than typical grantseekers to hire an external grantwriter (21% compared with 11%)
- Prefer online applications, one-stage applications and project grants

Individual attributes:

- CEO/executive director
- 55% have more than five years of experience as a grantseeker
- 43% are between 50 and 64 years old and 36% are between 26-49 years old

Organisation profile:

- Small (less than \$250,000 annual revenue)
- Average age 22 (but ranges from 3 to 40)
- From the arts and culture or community and economic development sector
- Primary source of grants is state/territory or local government

The takeaway

In this report, a high win rate effectively measures “time well spent” – apply for one, get one.

It’s clear from our results that experience breeds a higher hit-rate, which suggests that if your organisation is short of time, you should recruit and learn from those with knowledge about the sector, processes, policies and practices.

As many grantseekers and grantmakers will attest, it doesn’t necessarily follow that “winner” grantseekers bring in more grant income. We’ll examine the grantseekers who are bringing in large amounts of grants funding shortly, but first let’s examine the opposite end of the winning spectrum: the strugglers.

MEET THE 'STRUGGLER' GRANTSEEKER

Percentage of "struggler" grantseekers



THE STRUGGLER GRANTSEEKER, COMPRISING 24% OF OUR SAMPLE, WIN LESS THAN 20% OF THE GRANTS THEY APPLY FOR.

Our archetypal struggler applies for fewer grants, wins fewer grants, and is more likely to abandon her applications before submitting them, for one reason or another.

She wins fewer than one in five of the grant applications she makes.

Our strugglers haven't been long in the game, with 50% having less than three years of grantseeking experience.

Both she and the organisation she works for is likely to be younger than the "typical" grantseeker and other grantseeking archetypes.

She tends to operate in the human services, education and health sectors, drawing grants funds primarily from state and territory governments.

This group is less likely to supply references or letters of support (less than 50%), and is unlikely to provide feedback to their funder (only 19% do).

Another characteristic of this group is the lower-than-average grant submission rate. Only 40% of "strugglers" submit all the applications they commence. That's far less than any other archetype.

A sizeable chunk of this group (40%) raises less than \$10,000 a year for their organisation through grants.

How to spot a struggling grantseeker

Milestones:

- Median success rate: 1% (typically zero from three)
- Median number of grants won: 0



- Median number of submissions: 3
- 40% bring in less than \$10,000 per year in grants
- (Yet) received more grants this year than last year

Habits:

- 40% lodge all their applications, compared to the 62% average
- Applied for more grants than last year
- Even less likely than typical grantseekers to hire external grantwriters (10% compared with 11%)
- Only half include references or letters of support with their applications (compared with the typical rate of 65%)
- Far less likely than is typical to give feedback to the grantmaker (19% compared with 32%)

Individual attributes:

- Much more likely to be the CEO/executive directors of the organisation, and unlikely to be employed as a grants/fundraising officer
- Half have less than 3 years of experience of grantseeking
- 45% are 26–49 years old; 38% are 50–64 years old

Organisation profile:

- Median age: 15
- Small (annual revenue less than \$250,000)
- From the human services, education or health sector
- Draws primary funding from state/territory government

The takeaway

There are certainly positive signs as well as negative ones for this group. Some “struggling” grantseekers still manage to find enough funding to continue their work, with one third earning \$10,000 to \$100,000 in grant income, alongside the 40% earning less than \$10,000 and others earning even less.

Also, most strugglers won more grants this year than last, but with such a low hit rate, they are undoubtedly wasting more precious effort on unsubmitted and failed applications than anyone else.

Several stumbling blocks affect the hit rate of this group of grantseekers. Failing to complete and lodge applications is one of the most obvious, along with a reluctance to use references and support letters in their applications. These are easy things to fix.

The finding that “strugglers” are less likely to give feedback to funders is an interesting one, possibly suggesting that those unable to build alliances and relationships may be less likely to achieve grants success (it’s worth noting that our 2017 analysis showed that among the “no grants won” group, 70% had “rarely” or “never” developed a relationship with their grantmaker).

MEET THE 'HIGH-VOLUME' GRANTSEEKER

Percentage of "high volume" grantseekers



"HIGH VOLUME" GRANTSEEKERS LODGED MORE THAN 10 GRANT APPLICATIONS IN THE PAST YEAR.

Grantseekers who applied for more than 10 grants last year – whether successful or not – we've classified as "high volume" grantseekers, and 17% of our survey respondents fell into this category.

There are clearly rewards, but also risks, to be derived from a high-volume grantseeking strategy.

High-volume grantseekers differ from the norm in several ways.

The "high-volume" archetype is a woman employed as a fundraising officer or grants officer. She's a little younger and more junior than our "typical" or "winner" grantseeker archetypes, but more focused on grantseeking. Just a tiny fraction of people in this group (2%) are volunteers.

She has more than 10 years of experience as a grantseeker, more than the "typical" and "winner" grantseeker types. She works for a large human services or health organisation with an annual revenue of more than \$1 million. Her organisation is more likely than the norm to be well established (more than five years old) or even a veteran in its field, with up to 75 years of history behind it.

She's more likely than the norm to work for an organisation that draws the majority of its funding from a philanthropic foundation or trust (though her organisation may alternatively count state/territory government funding as its primary source).

Her success rate of 44% is slightly below that of the "typical" grantseeker (48%), and well below that of our "winner" grantseeker (99%). She applies for around 20 grants per year, of which she wins nine. She won at least the same number of grants as last year, or more.

However, even the time she spends on unsuccessful applications might still be considered worthwhile – she tends to bring in more than \$100,000 a year in grants, more than our “winner” grantseeker (\$10,000–100,000) and well above our “typical” grantseeker’s haul of less than \$10,000.

How to spot a high-volume grantseeker

Milestones:

- Median number of submissions: 20
- Median number of grants won: 9
- Median success rate: 44%
- 70% bring in more than \$100,000 per year



Habits:

- 90% submit all the applications they commence
- Far more likely than typical grantseekers to hire external grantwriters (21% compared with 11%)
- Slightly less likely to give feedback to the grantmaker (28% compared with 32%)

Individual attributes:

- 41% are fundraising or grant officers (just 2% are volunteers)
- More than 10 years of experience in grantseeking
- 57% are aged 26–49

Organisational profile:

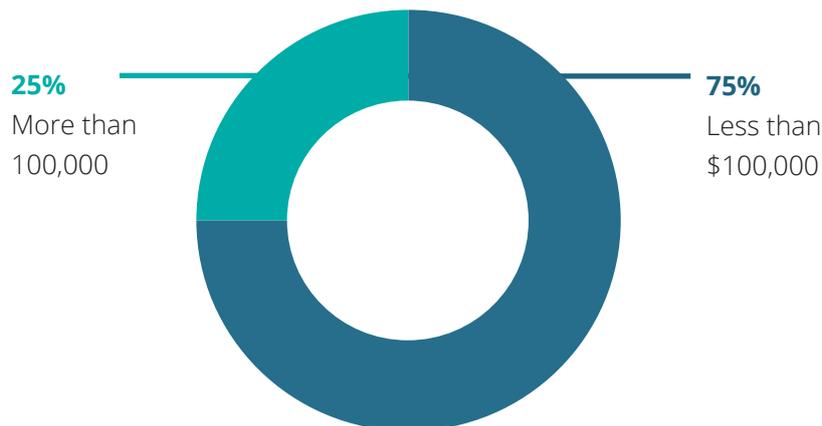
- Large (annual revenue of more than \$1 million)
- Median age: 45
- From the human services and health sectors
- Draws primary funding from state/territory government and philanthropic foundations and trusts
- Received same number or more grants this year than the year before

The takeaway

If you need to bring in a lot of money in grants, consider employing a grants officer to focus specifically on that task. But be prepared for a lot of disappointment along the way; you'll be applying for more grants, but you'll miss out on a lot of them.

MEET THE 'BIG BUCKS' GRANTSEEKER

Percentage of "big bucks" grantseekers



"BIG BUCKS" GRANTSEEKERS BRING IN MORE THAN \$100,000 IN GRANTS EACH YEAR.

What characterises those grantseekers who bring in more money than the norm? We've defined a "big bucks" grantseeker as one who brings in more than \$100,000 in grants in a year. A quarter of our survey respondents fell into this category.

So what does she look like? Our "big bucks" grantseeker is a paid employee for a human services or health sector organisation. She is often a fundraising/grants officer or the CEO/executive director of her organisation. Her organisation is typically well established, having been around for 10–50 years. She has more than 10 years of experience as a grantseeker.

She's more likely than any other grantseeker to get grants of more than \$50,000, and typically brings in more than \$100,000 a year. She typically applies for 10 grants each year and wins five of those, for a 50% strike rate.

She likes project grants but is more likely than her peers to also have a taste for grants for core costs. Like our "typical" grantseeker, our "big bucks" grantseeker is a woman slightly more likely to be aged 26–49 than 50–64; with a little more than one third comprising each of those age groups.

Her organisation's grants income is drawn primarily from state/territory government sources, but also from the Federal Government.

Our survey also identified a small and ambitious group of grantseekers who apply only for grants worth \$50,000 or more. Their win rates vary widely. Not all of that group would make the "big bucks" grade, because they would need to win at least two grants to qualify.

How to spot a big bucks grantseeker



- Median success rate: 50%
- Median number of submissions: 10
- Median number of grants earned: 5
- All of them bring more than \$100,000 per year
- Smallest grant earned: \$1,000–5,000

Habits:

- 88% submit all the applications they start
- Less likely than the typical grantseeker to provide feedback to the grantmaker (26% compared with 32%)
- More likely than the typical grantseeker to use a paid grantwriter (21% compared with 11%)
- Preferred grants: project and core costs

Individual attributes:

- Much less likely than a typical grantseeker to be a volunteer (just 2% are, compared to 14%)
- More likely to be a fundraising or grant officer than the average grantseeker, with 30% in that role, compared to 24%
- More than 10 years of experience in grantseeking
- 52% are 26–49 years old; 41% are 50–64 years old

Organisational profile:

- Large (annual revenue of more than \$1 million)
- Organisation likely to be older (10–50 years old; median 35 years old)
- From the human services and health sectors
- Draws primary funding from state/territory government and the Federal Government

The takeaway

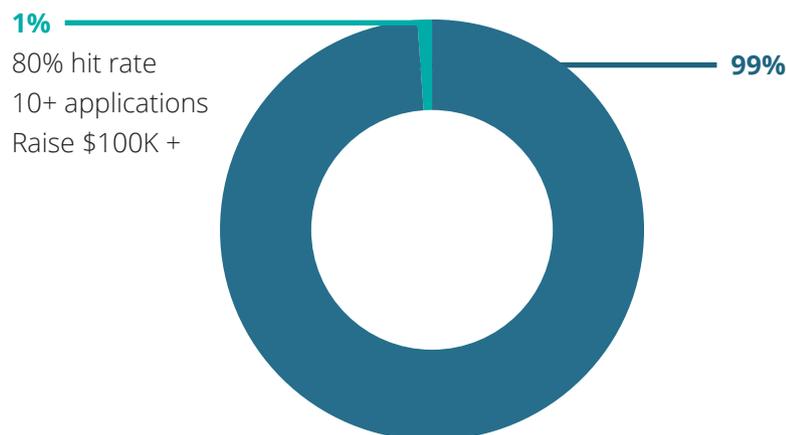
You might say that “big bucks” grantseekers are in a “sweet spot” but that’s not to say everything is rosy for grantseekers in this group. Despite an impressive earnings rate, with this group even chasing sub-\$5,000 grants, “big bucks” grantseekers aren’t always successful. It’s unclear whether this reflects intense competition for funds, a reduced quality of applications in the rush to lodge more of them, or a combination of both.

Still, when they win, they win big.

Our findings suggest that organisations that need to bring in the big bucks would be well served by employing professionals with significant experience and the ability to bounce back from rejection notices.

MEET THE 'SUPER SUCCESSFUL' GRANTSEEKER

Percentage of "super successful" grantseekers



"SUPER SUCCESSFUL" GRANTSEEKERS WIN OVER 80% OF THEIR APPLICATIONS, LODGE OVER 10 APPLICATIONS AND RAISE OVER \$100K EACH YEAR.

These are our elite grantseekers, boasting a success rate of at least 80%, lodging more than 10 applications in the past year, and raising more than \$100,000 in grants. Just 14 of the 2012 grantseekers surveyed met those three criteria.

Because of the small size of the sample we have provided raw numbers instead of percentages with some of our observations.

Nevertheless, our focus on the small group of "super successful" grantseekers has produced some interesting results. Apart from sharing good fortune, these one-percenters come from six separate sectors and display a mix of characteristics:

- None of these grantseekers are volunteers
- All are staff in a big organisation
- Most are older (aged over 50)
- All target high-value grants in their sector
- Most submit all of the applications they commence.

While members of this group sought grants funding from every major source, this is the one field in which philanthropic funding was the primary source for a significant portion of the grantseekers (four of 14).

Seven out of fourteen (half) had more than 10 years of grantseeking experience, but four had fewer than three years. Half worked in organisations that were more than 50 years old.

This was the only group in which a significant number of grantseekers targeted capacity-building grants.

And while we haven't tracked the progress of this group for more than one year, you won't be surprised to hear that they applied for – and won – more grants this year than last.

How to spot a super successful grantseeker

Note: Some of the figures below are provided as raw numbers, not percentages, because of the small sample size.



Milestones:

- Median success rate: 90% (typically three from three)
- Median number of submissions: 12
- Median number of grants won: 9
- Won more than \$100,000 per year in grants
- Received more grants this year than the year before

Habits:

- 12 of 14 submitted every application they started
- All applied for more grants this year than last
- Most included references or letters of support in their applications (12 of 14)
- Preferred grants include project (7), capacity-building (6), "none" (1)
- Mixed about feedback for grantmakers (4 did, 4 didn't, others didn't know)

Individual attributes:

- Skew older (11 out of 14 were aged over 50 years)
- Mostly women (11 of 14)
- None is a volunteer (6 CEOs/executive directors, 5 fundraising officers, 3 other staff)
- Mixed experience (7 have 10+ years' experience, 3 have 5+, 4 less than 3 years)

Organisation profile:

- Most are large, with annual revenue of more than \$1 million (11 of 14)
- Half of organisations are 50+ years old, half are less than 25 years old
- Mixed sectors (human services 3; environment, community and economic development, education 2; arts/culture 1)
- Primary source of grants funding is state/territory (6), federal (4), philanthropic (4)

The takeaway

There's no elixir that will instantly transform a "struggling" or "typical" grantseeker into a "super successful" grants magnet, but there are certainly some factors that could help them to join this group. You'll note that a big majority lodged every application they commenced, and backed those applications with reference materials.

In some respects, their success reflects the size of their respective operations. All benefit from being large, well-established organisations with the infrastructure and heft needed to seek the larger pools of money available from federal and philanthropic funders.

Also, they tend to operate in the areas of large-scale and growing essential services, such as housing, disability, education and health, which all demand, and attract, high levels of funding.

ORGANISATIONAL BENCHMARKS

Which organisations are winning the grants?

We've already explored the characteristics of various grantseekers and their success rates via a series of archetypes, but just as significant in determining success rates are organisational benchmarks. In this section we compare grantseeking organisations according to:

- size
- sector
- funding

The section is structured around tables showing similarities and differences between those groups.

An instant comparison

Our analysis reveals certain organisational "types" in which certain combinations of size, sector and funding go hand-in-hand.

For example, common combinations are:



This organisational combination above displays a high median win rate of about 60%.



In comparison, this combination (above) has a much lower median win rate of 38%.

SIZE BENCHMARKS: HOW ORGANISATIONAL SIZE AFFECTS GRANTSEEKING

We've provided a detailed breakdown of size differences in the tables that follow, but we've summarised some of the key findings here.

Key differences: applications, income, support, challenges

Larger organisations tend to apply for more grants, and their total grants income is generally more than \$100,000.

Large organisations are four times more likely to use professional grantwriters than small ones (but the proportion is still small – 22%).

Organisations of different sizes need different kinds of support. When asked what other support grantmakers could offer beyond cash, small organisations tended to want strategic fundraising help as their top priority, while medium and large organisations wanted introductions to other funders.

Key similarities: success rates, funding

Organisations have similar success rates (win/loss ratios) across all sizes. We conclude that small organisations can be just as successful as large organisations in winning grants, even though, in general, they apply for fewer.

State and territory governments fund organisations of all sizes, and were the most often nominated primary source of grants funding in our survey across the board.

Grantseeking organisations by size

Characteristic	Small (annual revenue less than \$250,000)	Medium (annual revenue \$250,001–\$1 million)	Large (annual revenue more than \$1 million)
Biggest challenge	Lack of resources	Lack of resources	Competition for funds
Type of grantmaker support most wanted	Strategic fundraising help	Introduction to other funders	Introduction to other funders
Primary source of grants	State/territory government	State/territory government	State/territory government
Dominant sectors	Sports and recreation Arts and culture	Sports and recreation Education	Sports and recreation Health
Habits			
Uses references or letters of support to accompany grant applications	60%	80%	80%
Uses professional grant writers	5%	10%	22%
Preferred application format	Online system	Online system	Online system
Preferred application process	Depends on the size and purpose of the grant	Depends on the size and purpose of the grant	Depends on the size and purpose of the grant + and one stage process
Grant type preferred	Project	Core costs	Project
Milestones			
Median number of grants won	1	3	4
Median number of grant applications submitted	3	5	10
Total income from all grants	Less than \$10,000	\$10,000–100,000: 42% More than \$100,000: 38%	More than \$100,000
Median success rate	50%	50%	50%

HOW GRANTSEEKING DIFFERS FROM SECTOR TO SECTOR

Key differences

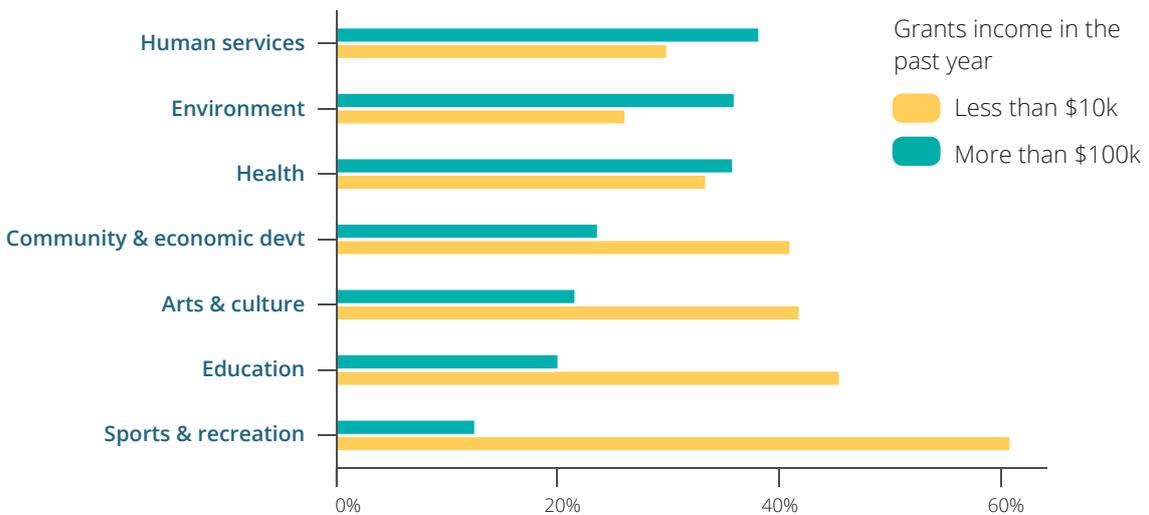
Across the seven major fields that dominate the grantseeking sector, two major characteristics split those organisations: grant income and win rates.

Grant income

The richest sectors – in terms of the grants income they receive – are human services, health and environment. A large fraction of groups in these sectors attract more than \$100,000 per year in grants.

The poorest sectors, in terms of grants income, are community and economic development, arts and culture, education, and sports and recreation. Many of the organisations in these sectors get by with less than \$10,000 a year in grants.

Grants income levels, by sector



ORGANISATIONS AT THE TOP OF THIS GRAPH, SUCH AS THE HUMAN SERVICE SECTOR, ARE MORE LIKELY TO EARN MORE THAN \$100,000 THAN THOSE BELOW THEM. GROUPS BELOW THEM, SPORTS AND RECREATION GROUPS FOR EXAMPLE, ARE MORE LIKELY TO EARN LESS THAN \$10,000 FROM GRANTS EACH YEAR.

Grants win rates

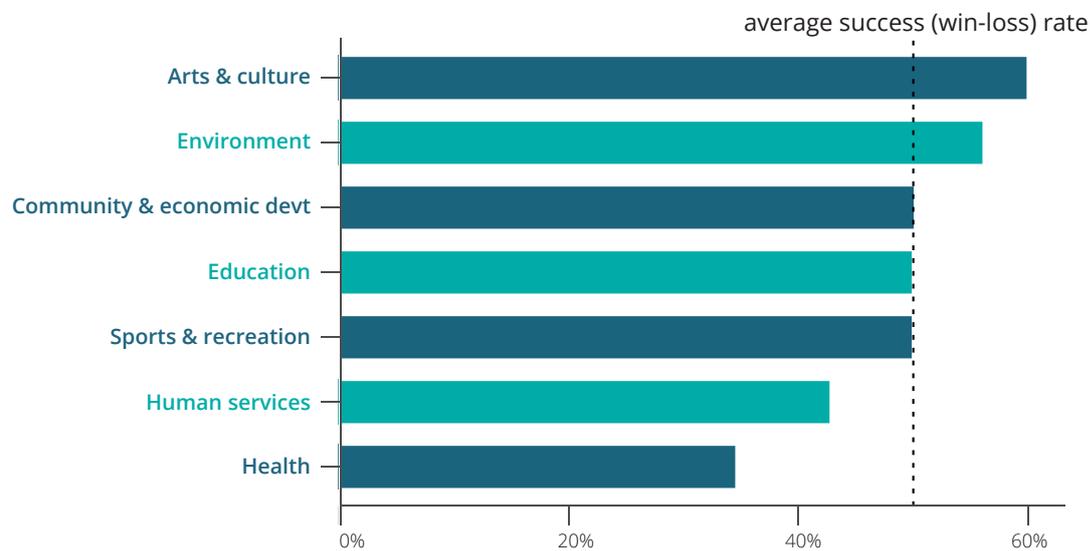
The organisations with the highest win rates are those in the arts and culture, and environment sectors.

Notably, those organisations also tend to seek their primary grants funding from local and federal government sources, which have higher median win rates for their grantseekers.

Significantly, too, organisations in these sectors have the highest proportion of grantseekers using references and letters of support to back their applications (arts/culture 75%; environment 80%).

Organisations with the worst ratios of wins to losses are clustered in the health (35%) and human services (42%) sectors. Both these sectors are dominated by large organisations, which win very few grants (median 2) but of very high value.

Average rate of grants won by sector



THOSE IN THE ARTS AND CULTURE FIELD ARE MORE LIKELY TO WIN GRANTS, COMPARED TO THE HEALTH SECTOR.

Key similarities

The resources battle

The biggest grantseeking challenge for almost all sectors is “lack of resources”. The only exception among our seven main groups is the environment sector, whose groups are more likely to cite “competition for funds” as their biggest barrier to successfully obtaining grants. Notably, that group is also among the highest earners in the grantseeking space.

The need to connect

Asked what they wanted most in terms of support from grantmakers (apart from dollars, of course), grantseekers in all sectors said they wanted to be introduced to other funders, or to get strategic fundraising help.

Preferred grants and application methods

In most sectors, organisations prefer project grants or grants that cover core costs. The only exception is the sport and recreation sector, where organisations are more likely to pursue cash for capital infrastructure.

Across all sectors, organisations said their preferred application process was dependent “on the size and purpose of the grant”, which makes sense. In all but the environment sector, organisations preferred a one-stage application, with a single application form and a result of “approved” or “declined”.

Most grantseekers prefer to create and submit their applications using an online system, a preference we’ve seen grow from about 20% in 2008 to 60% in the most recent count.

Grantseeking organisations by sector

Characteristic	Human services	Community & Economic Development	Health	Education
Biggest challenge	Lack of resources	Lack of resources	Lack of resources and competition for funds	Lack of resources and competition for funds
Type of grantmaker support most wanted	Introduction to other funders	Strategic fundraising help	Introduction to other funders <i>and</i> Strategic fundraising help	Introduction to other funders <i>and</i> Strategic fundraising help
Primary source of grants	State/territory government	State/territory government	State/territory government	State/territory government
Size	Large (annual revenue more than \$1 million)	Small (annual revenue less than \$250,000)	Large (annual revenue more than \$1 million)	Small (annual revenue less than \$250,000)
Habits				
Uses references or letters of support to accompany grant applications	70%	75%	60%	55%
Uses professional grant writers	17%	10%	15%	8%
Preferred application format	Online system	Online system	Online system	Online system
Preferred application process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant <i>and</i> One-stage process
Type of grant preferred	Core cost <i>and</i> Project	Project	Core cost <i>and</i> Project	Project
Milestones				
Median number of grants won	2	2	2	2
Median number of grant applications submitted	5	4	5	4
Income from all grants sources	Less than \$100,000	Less than \$10,000: 38% \$10,000–100,000: 36% More than \$100,000: 26%	More than \$100,000: 40% \$10,000–100,000: 31% Less than \$10,000: 29%	Less than \$10,000: 42% \$10,000–100,000: 36% More than \$100,000: 22%
Median success rate	42%	50%	35%	50%

Grantseeking organisations by sector

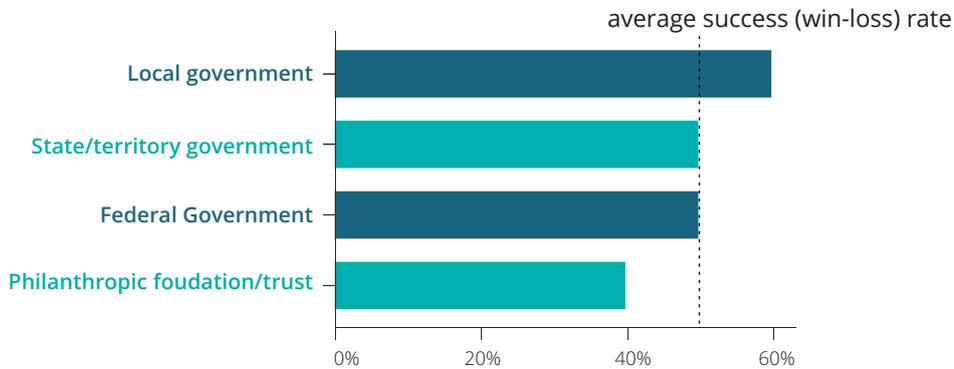
Characteristics	Arts and Culture	Sports and Recreation	Environment
Biggest challenge	Lack of resources	Lack of resources <i>and</i> Competition for funds	Competition for funds
Type of grantmaker support most wanted	Strategic fundraising help	Strategic fundraising help	Strategic fundraising help <i>and</i> Introduction to other funders
Primary source of grants	State/territory government <i>and</i> Local government	State/territory government	State/territory government <i>and</i> Federal Government
Size	Small (annual revenue less than \$250,000)	Small (annual revenue less than \$250,000)	Small (annual revenue less than \$250,000)
Habits			
Uses references or letters of support to accompany grant applications	75%	55%	80%
Uses professional grant writers	10%	10%	8%
Preferred application format	Online system	Online system	Online system
Preferred application process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant
Type of grant preferred	Project	Project <i>and</i> Capital infrastructure	Project
Milestones			
Median number of grants won	2	1	3
Median number of grant applications submitted	3	3	5
Income from all grants sources	Less than \$10,000: 39% \$10,000–100,000: 38% More than \$100,000: 23%	Less than \$10,000	More than \$100,000: 42% \$10,000–100,000: 36% Less than \$10,000: 22%
Median success rate	60%	50%	56%

GRANTSEEKING ORGANISATIONS BY THEIR PRIMARY SOURCE OF GRANTS

Jump ahead if you'd like to view our comparison table, but we've outlined some of our top findings here. For a detailed longitudinal breakdown of how funding has changed for organisations since 2007, refer to our *Grants in Australia 2017* report.

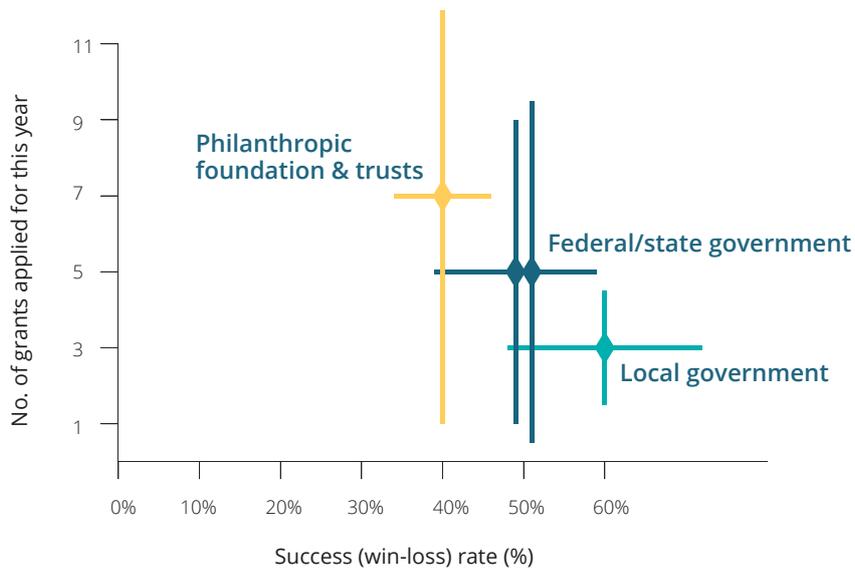
Key differences

Average win rates for organisations by primary grants funding source



GRANTSEEKERS RELYING ON LOCAL GOVERNMENTS FOR THEIR PRIMARY GRANTS FUNDING ENJOY A WIN RATE OF 60%, WHEREAS PHILANTHROPIC FOUNDATIONS AND TRUSTS RECORD A 40% WIN RATE.

Win rates and rate of grant applications by primary grants source



THE TREND LINES HERE SHOW ORGANISATIONS APPLY FAR MORE OFTEN TO PHILANTHROPIC FOUNDATIONS AND TRUSTS. THE GRAPH ALSO SHOWS WIN RATES VARY FROM LESS THAN 50% TO MORE THAN 70% FOR LOCAL GOVERNMENT-DEPENDENT GRANTSEEKERS.

Win rates vary a lot between funding sources

Our figures show that organisations applying primarily to philanthropic foundations and trusts record the lowest win rates at just 40%.

By contrast, organisations applying primarily to local government funders boast approval rates of 60%, while organisations dependent on federal and state sources record a 50:50 win-loss rate.

It appears that many organisations relying on philanthropic money make up for the low success rate by applying for more grants (on average, seven per year). By the same token, those organisations relying on local government largesse apply for fewer (a median of three per year).

It does appear there is a correlation between organisations with a low win: loss ratio and those applying for more grants.

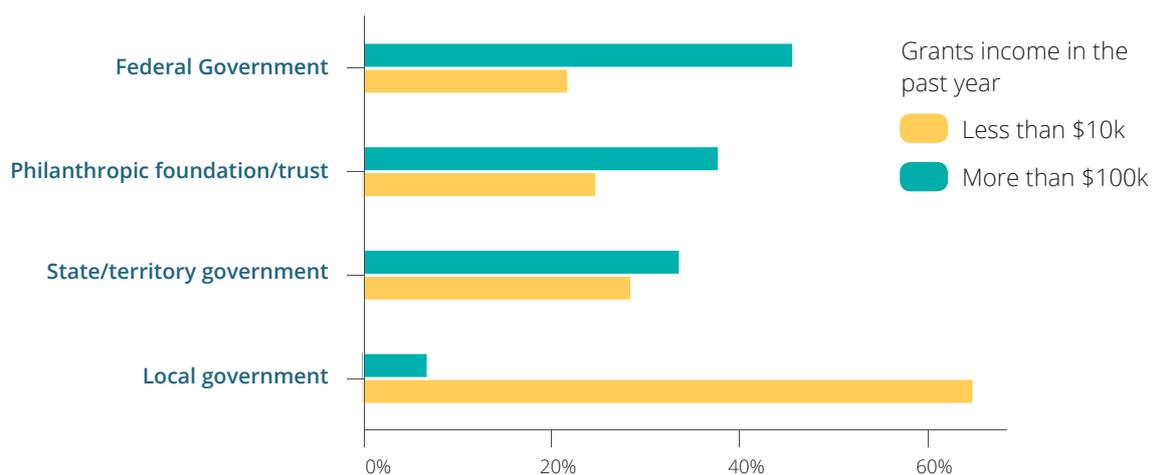
Funding sources for large and small organisations differ

For large organisations, state/territory and federal governments are the most common sources of grants funding. State and territory governments, and the Federal Government are more commonly a prime funding source for large organisations. Most large organisations that responded to our survey received more than \$100,000 in grants from those funders in the past year.

Small organisations, by contrast, are most commonly funded by local governments. Grants from local governments tend to be much smaller, usually \$1000–10,000.

Our report last year found a significant increase in the proportion of organisations relying on local government funds.

Organisations' likely grants income, by their main source of grants



FEDERAL GRANTS-FUNDED ORGANISATIONS ARE MORE LIKELY TO EARN MORE THAN \$100,000 FROM GRANTS, WHEREAS LOCAL GOVERNMENT-FUNDED ORGANISATIONS ARE MUCH MORE LIKELY TO EARN LESS THAN \$10,000-A-YEAR.

As mentioned earlier, state and territory governments are the primary source of grants funds for organisations of all sizes: small, medium and large.

Private and corporate philanthropy is a prime grants funding source for only a few per cent of organisations. This figure reached the high teens in 2010, then suffered a crash after the 2009 global financial crisis. Again, you can read more about this in last year's report, including a sector-by-sector breakdown.

Funders bias by sector

Human services organisations – covering such sub-sectors as disability, women, immigrants, seniors, homelessness, family and personal services, youth, housing, family violence and jobs – are most likely to draw their main grants funds from sources other than local government. In general, these organisations also tend to be large and to have a high need for income from grants.

Health-based and human services organisations also draw more grants from federal sources and philanthropic foundations/trusts than other organisations. In fact, 20% of health-based organisations, for instance, cited drawing their primary grant funds from philanthropic sources.

Local and state and territory governments share the load of funding organisations involved in community and economic development, which includes organisations involved in community improvement, housing development, financial services, business and industry.

Organisations with different primary funding sources have different habits

Organisations that rely on local government grants are strikingly different from other organisations in two key respects.

First, they are the least likely of all organisations to use references and letters of support in their applications (55%). That's 20 percentage points fewer than organisations relying on state/territory government grants.

Those local government-reliant organisations are also the least likely to employ professional grantwriters to make applications on their behalf, at just 8%, roughly half the rate of other organisations.

Grantseeking organisations by primary grants funder

Characteristic	State/territory government	Local government	Federal Government	Philanthropic foundation/trust
Biggest challenge	Lack of resources <i>and</i> Competition for funds	Lack of resources	Lack of resources <i>and</i> Competition for funds	Lack of resources <i>and</i> Competition for funds
Type of grantmaker support most wanted	Introduction to other funders <i>and</i> Strategic fundraising help	Introduction to other funders <i>and</i> Strategic fundraising help	Introduction to other funders <i>and</i> Strategic fundraising help	Introduction to other funders
Dominant sectors	Sports and recreation <i>and</i> Community and economic development	Arts and culture Sports and recreation Community and economic development	Sports and recreation <i>and</i> Health	Sports and recreation <i>and</i> Health
Organisation size	Large (annual revenue more than \$1 million)	Small (annual revenue less than \$250,000)	Large (annual revenue more than \$1 million)	Small (annual revenue less than \$250,000) <i>and</i> Large (annual revenue more than \$1 million)
Habits				
Uses references or letters of support to accompany grant applications	75%	55%	70%	68%
Uses professional grantwriters	17%	8%	17%	16%
Preferred application format	Online system	Online system	Online system	Online system
Preferred application process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant <i>and</i> One-stage process	Depends on the size and purpose of the grant	Depends on the size and purpose of the grant
Type of grant preferred	Project	Project	Project	Project <i>and</i> Core cost
Milestones				
Median number of grants won	2	2	2	3
Median number of grant applications submitted	5	3	5	7
Total grants income	\$10,000–\$100,000: 38% More than \$100,000: 36% Less than \$10,000: 26%	Less than \$10,000	More than \$100,000: 44% \$10,000–100,000: 36% Less than \$10,000: 20%	More than \$100,000: 38% \$10,000–100,000: 38% Less than \$10,000: 24%
Median success rate	50%	60%	50%	40%

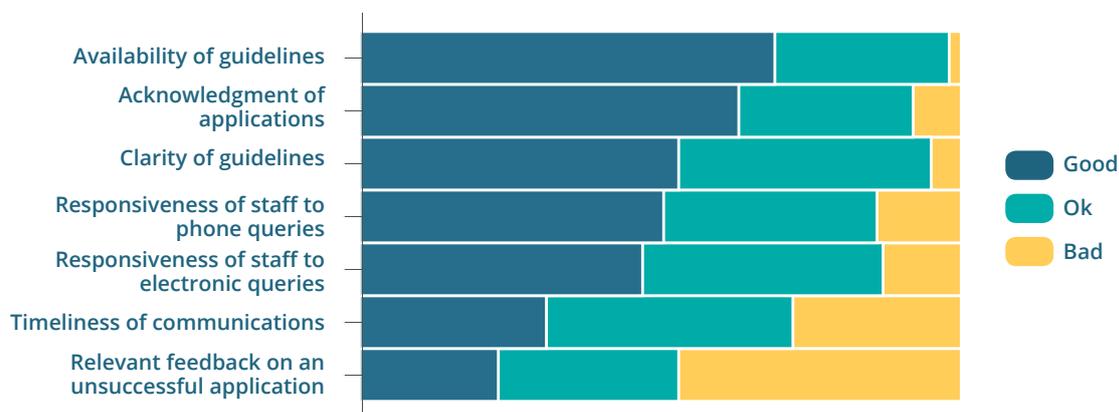
GRANTMAKER FUNDAMENTALS

Grantseekers rate their funder's performance

Each year, we ask grantseekers to rate the performance of grantmakers in several areas, including:

- Guidelines
- Staff responsiveness
- Communication
- Feedback

How would you rate the efforts of the grantmaker in the following categories?



HOW GRANTSEEKERS RATE THEIR FUNDER'S PERFORMANCE ON THE BASICS

Grantmakers, give yourself a tick

In order of satisfaction levels, grantseekers are most happy with the availability of guidelines (98% approval), acknowledgement of applications (92% approval) and clarity of guidelines (95% approval). These results have remained consistently high since we started measuring satisfaction rates in 2015.

Not bad, but room for improvement

Grantseekers are largely happy with the responsiveness of staff to phone queries (86% approval) and email queries (87% approval), and we note that approval rates in both these areas have improved in recent years.

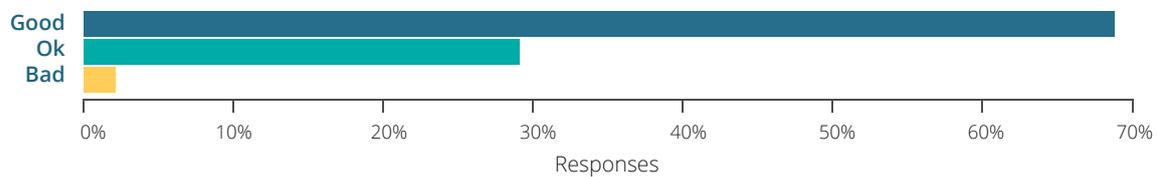
Grantmakers, you suck at this

Grantseekers are still most unhappy about the level of useful and relevant feedback they receive about unsuccessful applications, with 47% describing the amount of feedback as bad, and only 23% as good.

A significant number of grantseekers are also unhappy about the timeliness of communication, with 28% rating grantmakers as "bad" in this area.

The good news is that nearly all grantseekers rate the help they are getting from funders overall as either good or okay.

How would you describe the assistance from the grantmakers?



For a view of trends in this area over time, see our *Grants in Australia 2017* research study at www.ourcommunity.com.au/grantsinaustralia

Support for outcomes measurement

In line with national and international trends, 62% of surveyed grantseekers told us that grantmakers were putting a greater emphasis on outcomes measurement and reporting/evaluation from funding recipients than in the past.

Seventy percent of grantseekers said they had been required to provide a report, evaluation or acquittal for a grant in the past year.

Grantseekers need more funds, help for new measures

While most grantseekers felt the length of the reports they were expected to produce was “about right”, only 17% thought the financial or non-financial help provided to enable them to produce those reports was adequate.

If there was a grantseeker fairy godmother, she would be providing more funding for evaluation, more clarity about what’s required, a simpler submission process, and the chance to submit qualitative information as part of an evaluation.

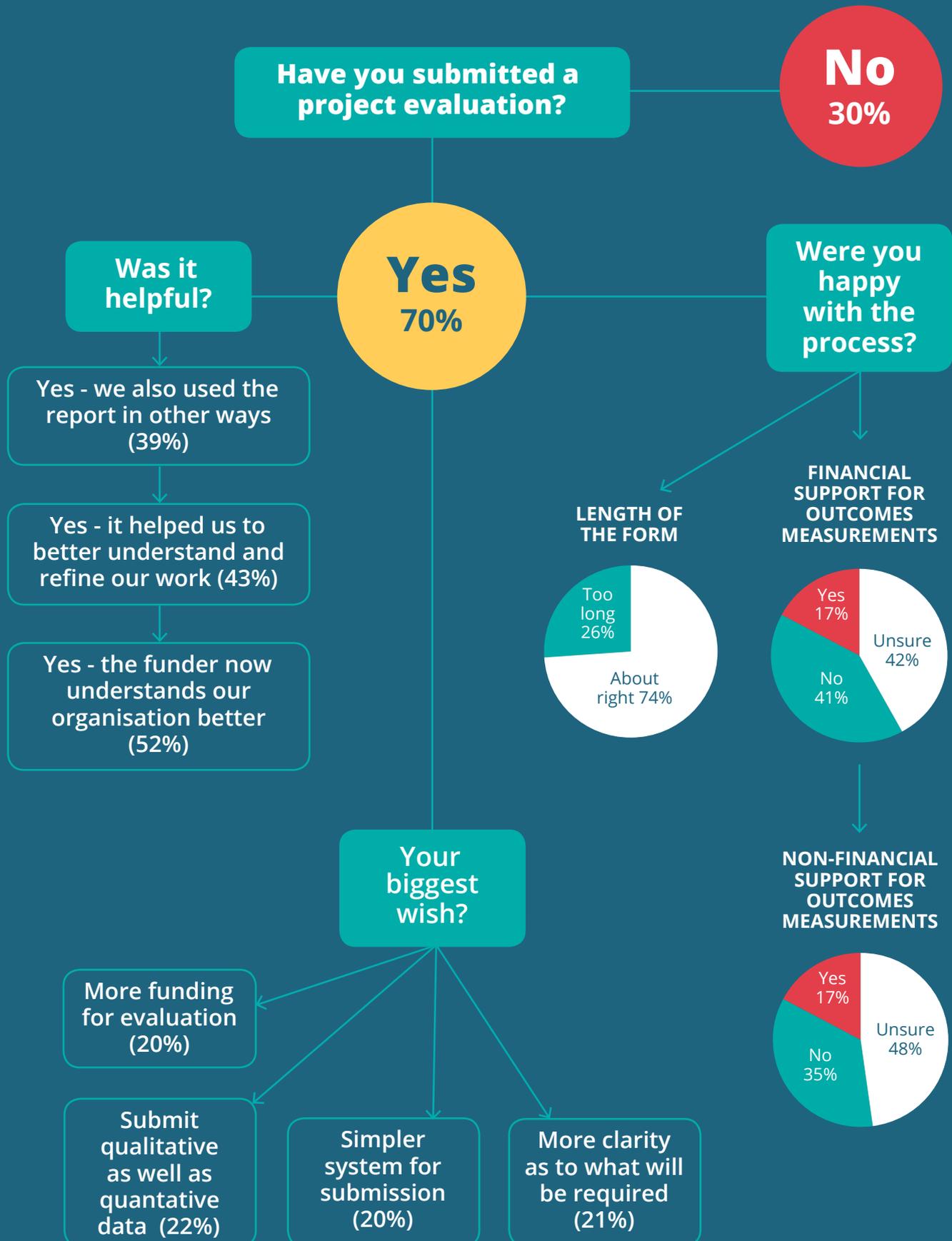
The benefits of good evaluations often extend far beyond the initial work, though, with most organisations saying the process had meant their funder had a better understanding of their work (52%), and many using the analysis to understand or refine their work (43%), or in other ways (39%).

Common practices in grants outcomes measurement

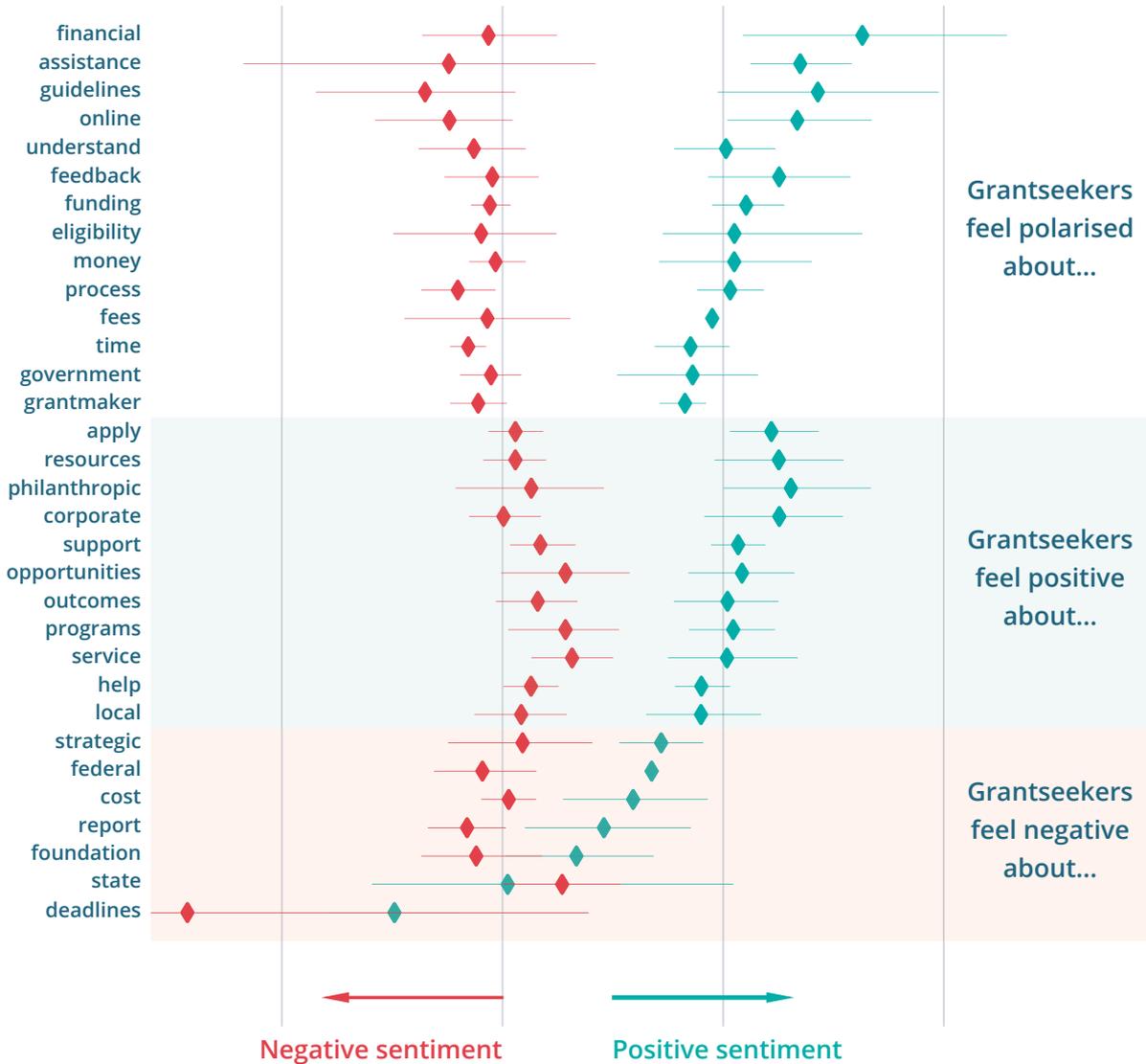
We discovered a few more trends in the growing demand for outcomes measurement:

- Grantseekers are largely funding reporting/evaluation from their own reserves (72%)
- Grantmakers are calling the shots in terms of how outcomes will be evaluated (41%)
- Determining outcomes measurement methods and reporting is made at the application stage

OUTCOMES MEASUREMENT: A GRANTSEEKER'S VIEW



A sentiment analysis: Grantseekers' attitudes to grantmakers



 **NEGATIVE VIEWS ABOUT CERTAIN WORDS ARE SHOWN BY RED DIAMONDS, POSITIVE VIEWS BY GREEN DIAMONDS. OUR CHART ALSO GROUPS WORDS INTO NEGATIVE, POSITIVE AND POLARISED SEGMENTS.**

The method: positive, negative and polarised

For the first time, we've conducted a sentiment analysis to examine how grantseekers in this study feel about the grantmakers who fund them.

We've used a recognised data analysis model that examines words in the context of the words surrounding them to predict a sentiment score. This score is a representation of the general sentiment surrounding each of those words.

A lower score suggests a negative sentiment, and a higher score suggests a more positive one.

In our graph, green diamonds reflect positive sentiment, while red diamonds mark negative views. Each marker sits on a sliding scale, depending on the strength of sentiment.

Generally positive views sit in the faded green band. Generally negative views sit in the faded red band.

Below the word “apply”, the word list is sorted from top to bottom by increasingly negative sentiment.

“Resources” is associated with the most positive sentiment overall, while “deadlines” (appearing last) suffers from the most negative sentiment.

Polarised views display the largest amount of space between between the positive and negative “scores” for each word.

“Financial” is one of those terms we’d describe as “polarising”. This means that when grantseekers mention “financial” in a criticism, they feel quite negative about it, but when they mention it in a compliment, they feel quite positive about it. Polarised words appear in a white band at the top.

The meaning

Grantseekers aren’t as furious or effusive about funders as they might be about political matters, or sporting allegiances.

Instead, we’ve found that grantseekers are relatively mild-mannered when it comes to their views about grantmakers, supporting a view that on the whole, grantmaker-grantseeker relationships tend to be professional and respectful.

There weren’t major differences in sentiment between grantseeking archetypes or by organisational size or sector, either.

However, our results do help illustrate the way grantseekers view their funders, and the negative and positive views that are evident can help indicate potential pressure points.

Negative sentiments

Deadlines

Perhaps it is no surprise that “deadlines” are seen in a negative light, and the results in this sentiment analysis are certainly dramatic, with even “positive” comments about deadlines appearing in the negative range.

Deadlines cause stress and negative sentiment in many industries, and the grants sphere is no difference. Our analysis highlights the critical need for funders to do everything in their power to ease the pain here. This could include issuing reminders about looming deadlines and offering assistance to help get organisations over the line.

Costs, reports

Grantseekers also have negative associations with costs and reporting in the context of their funders. Those two areas are clearly pinch points, and grantmakers must watch for disgruntled customers here.

Big funders: states, federal, foundations

Mentions of state, federal and foundation – all major funding sources – hover in negative territory, although “philanthropic” has a notably more positive vibe.

Unusually, grantseekers’ positive views about “state” were more negative than their criticisms across a very broad range of sentiment. It could mean that grantseekers’ compliments simply veer to the negative, or it could be that the term “state” is used in a variety of contexts and this has skewed our results.

Our favourite grantseeker compliments and criticisms

These compliments and criticisms were judged by Our Community staff – by popular vote and vigorous debate – to be the most telling comments from our grants survey. We realise this is an old-fashioned form of analysis, but we're pleased with the results.

We told respondents – who were offered prizes ranging from an iPad Pro to Our Community not-for-profit resource packs for the best comments – “we'll be looking for the most creative, insightful, original, succinct and useful compliment or criticism that captures the mood of the sector”.

We hope you agree that the winners of that selection do just that.



“Just as everybody wants to save the world but nobody wants to help do the washing up, grantmakers are too focused on innovation and pilot projects. Something doesn't have to be innovative to be worthy, and few pilots ever get scaled up.”

“It would be nice if your \$10,000 seed funding led to a cure for cancer through a TED-worthy, crowdsourced, citizen-science capacity-building pilot, but in the real world, money for a plain old mental health counsellor, teacher or community lawyer is a better bet.”

Chuck Berger, CEO,
Kimberley Community Legal Services.



Compliment:

“Thank you for your hard work and dedication. You are supporting the people and places that make a difference.”

“Philanthropy is literally ‘the love of humanity’ and we are proud to work alongside you to perpetuate this notion by bringing it to life in our communities.”

Criticism:

“Periodically review your grant offerings from the perspective of a tired, over-worked community volunteer, writing and coordinating documentation late into the night, and ask: ‘How can we make things easier?’”

Dani Newman, volunteer grants coordinator,
St Joachim's Catholic Primary School Parents
and Friends' Association.



Compliment:

"Grantmakers are more than just dollars and cents, they are community builders. Their tools are generosity, the foundation is charity. What we see is the result of people willing to invest themselves into making communities great. Without the seen and unseen working together, our 'home' will not stand in tough times."

Criticism:

"The rejection process is always difficult when one has put their heart into a project (and its grant submission).

"Like a 'date' gone badly, the reasons are often not communicated. A little more feedback would be appreciated to help us do better the next time we put our heart out there.

"At the moment, our volunteers feel like we keep getting, 'It's not you ... it's me' - which just doesn't help."

Pastor Greg Taylor, Twin Cities Life.



Compliment:

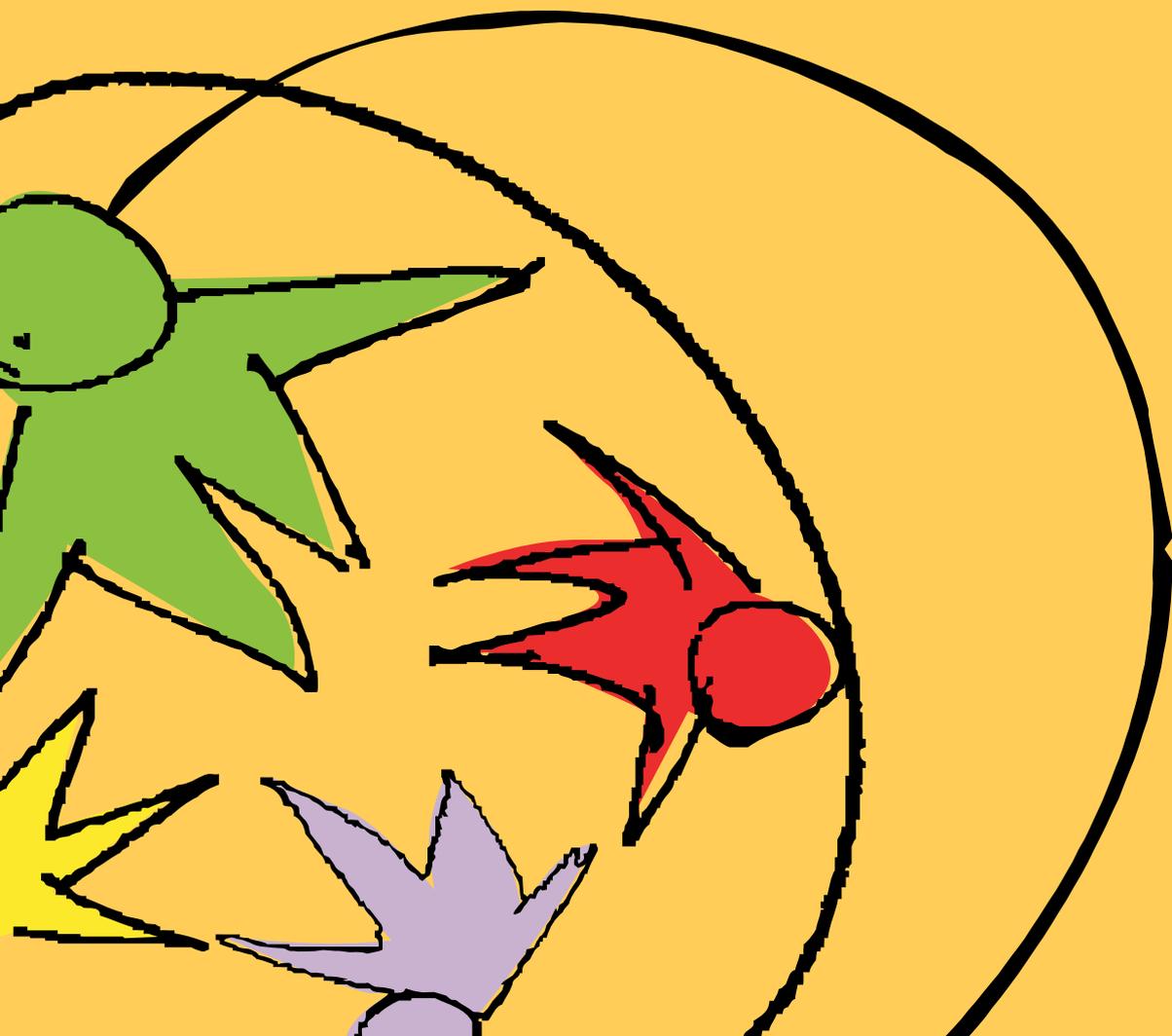
"The opportunity to partner with grantmakers to deliver positive social impact from the ground up demonstrates support for the value that communities bring to responding to their own needs, challenges and aspirations.

"When it comes with a clear recognition of their shared value and aligned intent, access to a grantmaker's funds, resources and networks, it makes for stronger collective impact .. and more resilient communities."

Criticism:

"Using the grants process as a thinly veiled opportunity to outsource the execution of the grantmaker's own strategic goals and priorities through the much cheaper means of utilising the skills, reach and capacities of committed, passionate but woefully under-resourced community organisations and their (often part-time/part-volunteer) workers."

Sharee Grinter, CEO,
West Footscray Neighbourhood House



OUR COMMUNITY, OUR GRANTS AGENDA, & THE INNOVATION LAB

The *Grants in Australia 2018* research report is a product of the Our Community Innovation Lab.

Our Community provides advice, connections, training and easy-to-use tech tools for people and organisations working to build stronger communities.

Our partners in that work are not-for-profit organisations and social enterprises; government, philanthropic and corporate grantmakers; donors and volunteers; enlightened businesses; and other community builders.

A social enterprise and Certified B Corporation, Our Community's offerings include:

- **OurCommunity.com.au** – Australia's centre for excellence for the nation's 600,000 not-for-profits and schools: where not-for-profits go for help.
- **Institute of Community Directors Australia** – the best-practice governance network for the members of Australian not-for-profit boards, committees and councils, and the senior staff who work alongside them.
- **FundingCentre.com.au** – the best place to go to get information on grants and fundraising in Australia.
- **GiveNow.com.au** – commission-free online donations for not-for-profits, and philanthropy education and tools for businesses, families and individuals.
- **Good Jobs** – Connecting good people with social sector jobs, board vacancies and internships.
- **Communities in Control** – Australia's most inspiring annual community sector gathering: thought leadership for the not-for-profit sector.
- **Australian Institute of Grants Management** – information, inspiration and education for government, philanthropic and corporate grantmakers.
- **SmartyGrants** – software and data science for revolutionary grantmakers.
- **Australian Institute for Corporate Responsibility** – creating and facilitating authentic connections between enlightened businesses and their communities.
- **The Innovation Lab** – the engine room for sharing ideas and mobilising data to drive social change.

Our vision centres on social inclusion and social equity. Our dream is that every Australian should be able to go out their front door and stroll or wheel to a community group that suits their interests, passions and needs – or log on and do the same.

We want to help make it easy for people to join in, learn, celebrate, worship, plant trees, play a game, entertain and be entertained, care and be cared for, support others and be supported, advocate for rights and celebrate diversity. To get involved. To be valued.

Our Community's grants agenda

The Australian Institute of Grants Management (AIGM), a division of Our Community, has for more than a decade been at the forefront of innovation in grantmaking in Australia. As well as publishing *Grants Management Intelligence*, the AIGM also convenes and coordinates a number of grantmaking affinity groups and events and developed online grants management system, SmartyGrants, which is streamlining and standardising grantmaking across the country.

The AIGM is active in seeking and documenting best practice lessons and examples. We are codifying what we are learning through our website and tools and embedding forward-thinking practices in our software.

Our Community also oversees Australia's most comprehensive grants listing newsletter and database, EasyGrants, and goes face to face with thousands of grantseekers across the country every year through an extensive grants training program.

Our stated Grantmaking Manifesto can be seen The Context at the start of this report.

The Innovation Lab

Our Community's Innovation Lab is where we seed ideas to do old things better or new things first.

Our founding aim in 2000 was to build stronger communities through stronger community organisations. We have done this by creating useful online tools and capacity building education and training at a price even the smallest not-for-profit groups can afford.

We've also worked to keep the money moving, creating smarter grantmaking methods and tools, and a commission-free online donations platform. Billions of dollars are now moving into the not-for-profit sector more efficiently through our grants administration tool (SmartyGrants), while more than \$14 million per year is flowing from individual donations to good causes through GiveNow.

By forging partnerships with business, government and philanthropy we've accelerated our impact and increased our reach beyond our home zone of Australia. We're now servicing grantmakers in 32 countries around the world.

Now there is a new currency that is powering social reform. Data is reshaping our world. New tools allow us to collect, distil, understand and act on data like never before, hastening the pace of change. We want to make sure the social sector can grasp the possibilities presented by these new tools.



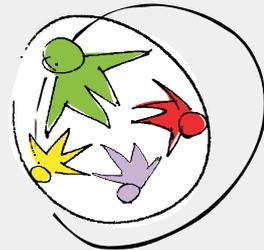
An enterprise of:

ourcommunity.com.au

Where not-for-profits go for help



Our Community Manifesto



WHAT WE BELIEVE:

- ▶ We believe in the power of the community sector
- ▶ We believe in human capital
- ▶ We believe in equality
- ▶ We believe women have equal rights to leadership roles
- ▶ We believe technology is a key to accelerating our reform agenda
- ▶ We believe laughter is good
- ▶ We believe work can be a place to make friends for life
- ▶ We believe business is good and can do good
- ▶ We believe treating people with respect gains respect
- ▶ We believe mayhem is not only healthy but critical

WHAT WE DO:

- ▶ We build stronger communities
- ▶ We create, curate and share knowledge and experiences
- ▶ We listen, then we act
- ▶ We revolutionise markets
- ▶ We ignite and accelerate
- ▶ We convene and connect
- ▶ We put back into the community that we work with

HOW WE WORK:

- ▶ We strive for fairness
- ▶ We are failure tolerant
- ▶ We take risks
- ▶ We question authority
- ▶ We use our balance sheet to create social change
- ▶ We believe in a work environment that allows for an authentic life balance
- ▶ We accept increments, but strive for revolution
- ▶ Ethics, inspiration and innovation are at our core
- ▶ We value our structure: we share the cleaning as well as the decision-making
- ▶ We celebrate success and learn from our mistakes
- ▶ We are dogmatic and passionate

OUR IDEAL ENVIRONMENT - THE EDGE OF CHAOS:

‘The estuary region where rigid order and random chaos meet and generate high levels of adaptation, complexity and creativity’

READY, FIRE, AIM

