



REPORT

The new funding landscape: Top funder decision factors in 2022





Introduction

In 2022, we asked foundations, charitable trusts, and corporate giving programs across the country how they make funding decisions. Our goal was to provide nonprofits with the inside scoop on how to stand out and secure more funding. In our report, we share how funders responded and compare our findings with results from our Foundation Reporting Study conducted in 2017.

Whether you hope to secure more funding, want to understand the evolving trends in funder investments, or need to optimize your fundraising strategy for the New Normal, you'll find the insights to guide you right here.

Here's what you'll learn in this report:

1. Important considerations for funding
2. Key indicators of success in impact reporting
3. Preferences for reporting format and information
4. Changes in requirements, approach, and relationships driven by COVID-19

Survey findings:

440 respondents
8 questions



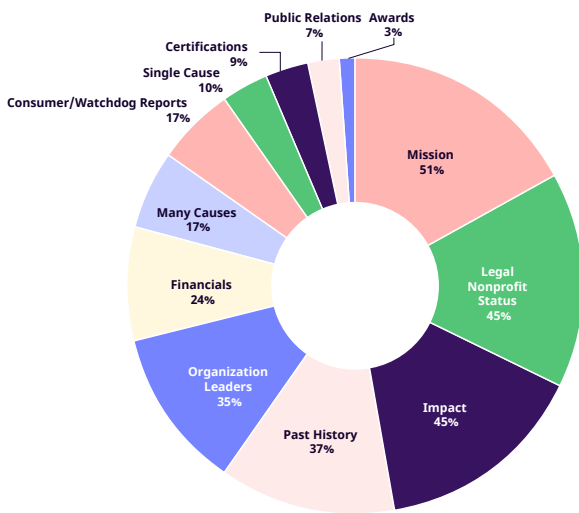
FUNDING CONSIDERATIONS

Top 3 funding considerations

We asked funders to rank their top three most important factors when considering funding an organization.

In **2022**, these were the three factors chosen by the most respondents:

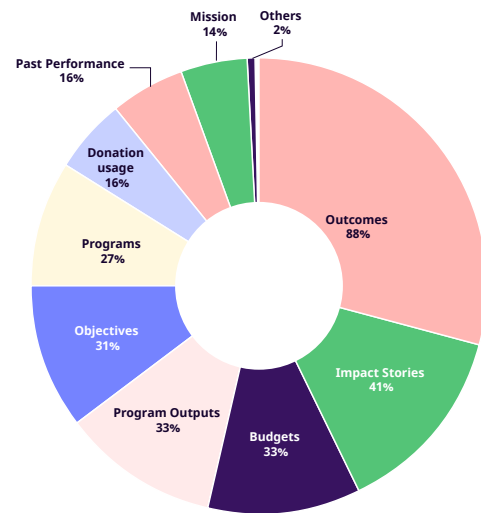
1. Mission (51%)
2. Legal nonprofit status (45%)
3. Impact (45%)



FUNDING CONSIDERATIONS 2022

In **2017**, our survey methodology was slightly different; however, the same three considerations remain. We observed slightly different choices:

1. Outcomes (88%)
2. Impact stories (41%)
3. Budgets (33%), Program outputs (33%)

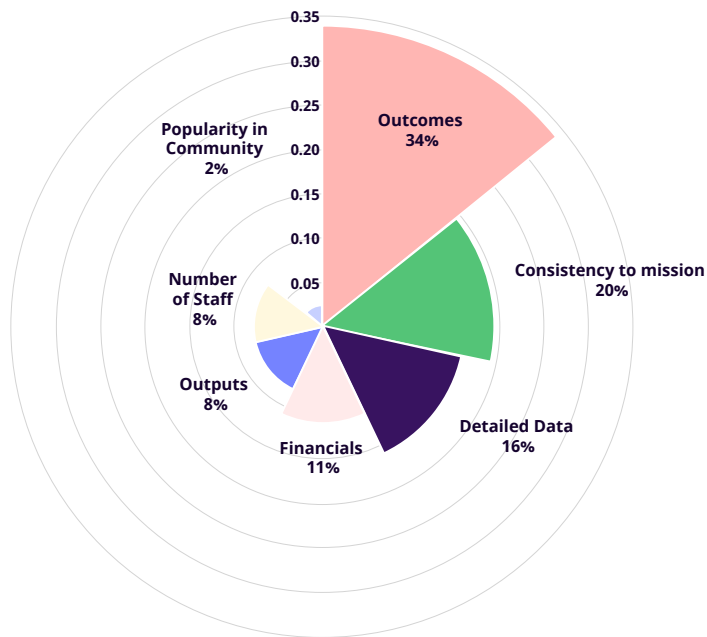


FUNDING CONSIDERATIONS 2017

EVALUATING IMPACT

#1 way to evaluate impact

When we asked about evaluating an organization's impact, 34% of funders told us that the single best indicator of success is outcomes, while 20% answered consistency to mission, and 16% said detailed data. The 2017 results told a similar story, with a much heavier preference for outcomes (67%).



EVALUATING IMPACT



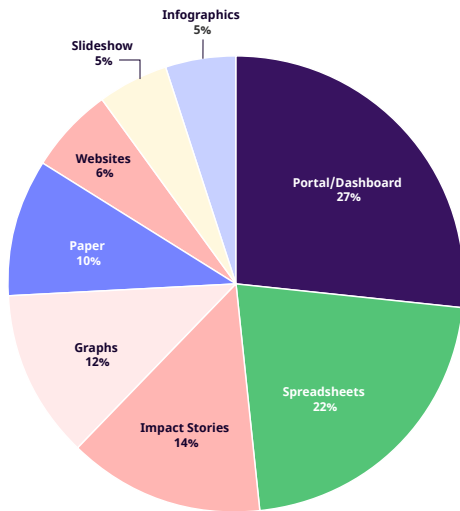
REPORTING FORMAT

Funders' preferred reporting formats

We asked funders to tell us their top preference in reporting format when determining an organization's impact. Here's how their answers changed over time:

2022

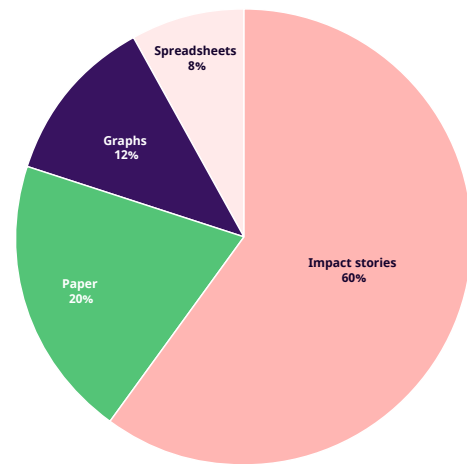
- Portal/dashboard (27%)
- Spreadsheets (22%)
- Impact stories (14%)



REPORTING FORMAT 2022

2017

- Impact stories (60%)
- Paper (20%)
- Graphs (12%)



REPORTING FORMAT 2017



digitization

The results reveal a marked increase in the preference for digitization and data-based reporting.

REPORTING INFORMATION TYPE

Top 3 things funders look for in reporting

In 2022, program outcomes was the top component survey respondents said they look for in reporting materials. Program outcomes was followed closely by mission and, interestingly, impact stories ranked least important.

2022 top reporting information:

1. Program outcomes
2. Mission
3. Donation usage
4. Programs
5. Budgets
6. Program outputs
7. Objectives
8. Past performance
9. Impact stories

mission

Across the board, the importance of mission is on the rise and promises to be a key focus in 2022.

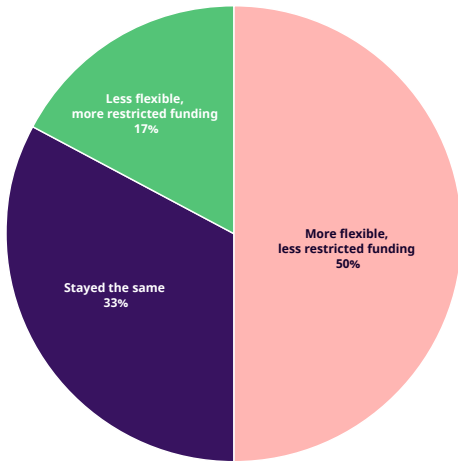


A reprieve in reporting requirements

The global pandemic has shifted the way organizations operate, communicate, and deliver services. We wondered if funders have changed their reporting requirements as a result of COVID-19.

Over **50%** of respondents said that their requirements are now more flexible, with less restricted funding.

Only **17%** reported less flexibility and more restrictions in funding.



REPORTING REQUIREMENTS & COVID-19



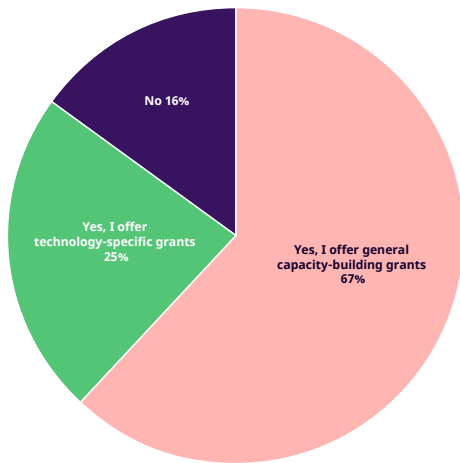
More grants for adapting to change

A recent survey from The Center for Effective Philanthropy (CEP) revealed that foundations are “loosening grant restrictions, providing more unrestricted funding and reducing what they ask of grantees.”

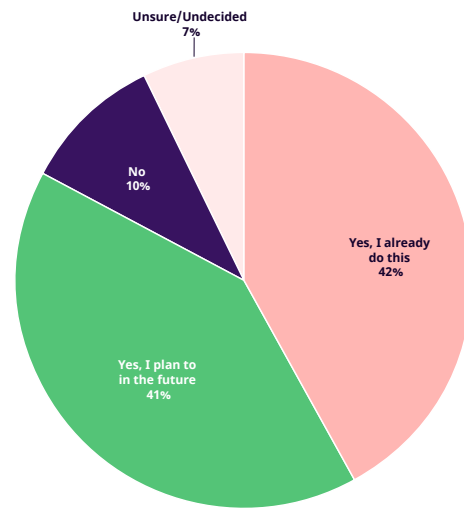
More good news for growing organizations: we found that technology and capacity-building grants are widely available.

- 67% of funders offer capacity-building grants
- 25% of funders offer technology-specific grants

83% of funders surveyed have adopted, or plan to adopt, a more flexible approach.



GRANTS & COVID-19



GRANTS & COVID-19



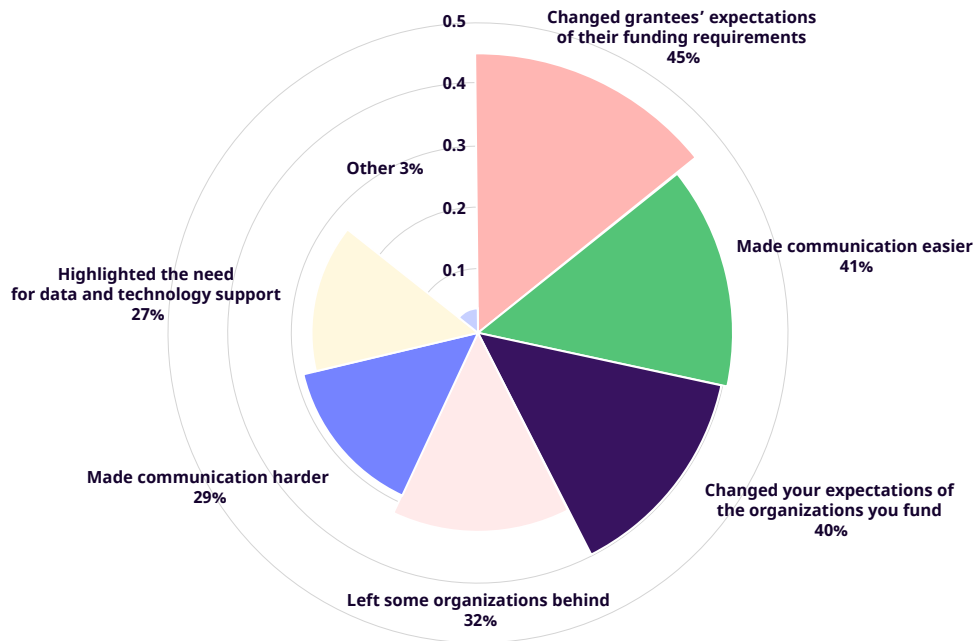
The UN defines capacity-building as “the process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world.”

A surge in digital communications and storytelling

Nearly every industry has had to embrace “going digital” because of the pandemic. So, we asked funders how the digital shift has impacted their relationships with grantees. While there’s evidence of some stumbling blocks, there appears to be a silver lining.

And though 45% of funders felt that their grantees’ expectations of funding requirements have changed due to the pandemic, about 40% told us their own expectations of the organizations they fund has shifted as well.

41% of funders said communication is now easier (while 29% find it harder).



DIGITIZATION AND COVID-19

OPTIMIZING YOUR FUNDING

Secure more funding in the future

Together, these findings suggest that funders are actively embracing—and even prefer—the information available when social good organizations use technology and data to demonstrate their ability to deliver on a clear mission.

Bonterra Program Management's (formerly Social Solutions) Case Management solutions empower nonprofits to secure more funding through easy-to-use technology that revolutionizes care, communications and reporting.



Methodology

In early 2022, we surveyed representatives from foundations, charitable trusts, and corporate giving programs across North America that provide funding to nonprofits of all sizes. Our survey questions were crafted to pinpoint the exact criteria funding organizations use to determine their investment strategy. We changed certain survey methodology from our 2017 survey, but are able to compare some trends over time. All responses were voluntary, confidential and analyzed as a group.

Want to take your nonprofit's donor retention and renewals to the next level? Visit bonterratech.com to contact us or get a demo!