



Delaware Valley Grantmakers (DVG), the association of grantmakers dedicated to advancing the most effective and meaningful practice of philanthropy in our region, conducted a Philanthropic Outlook Survey of its members in February 2009. The purpose of this study, which follows a brief survey of members in October 2008, was to assess how the nationwide economic crisis would impact the regional giving represented by DVG members in the coming year.

As reported in DVG's 2008 study, *Commonwealth Giving*, local foundations together grant more than \$1 billion annually, business and individual giving multiply that amount, making philanthropy an important player in our regional economy. While philanthropy alone cannot take the place of government funding, it is an effective partner in helping to address pressing community needs, initiate change and improve the quality of life.

One member commented, "The grantmaking situation is fluid and ever changing." As the economic landscape continues to shift, DVG will monitor trends in our members' giving.

### KEY FINDINGS

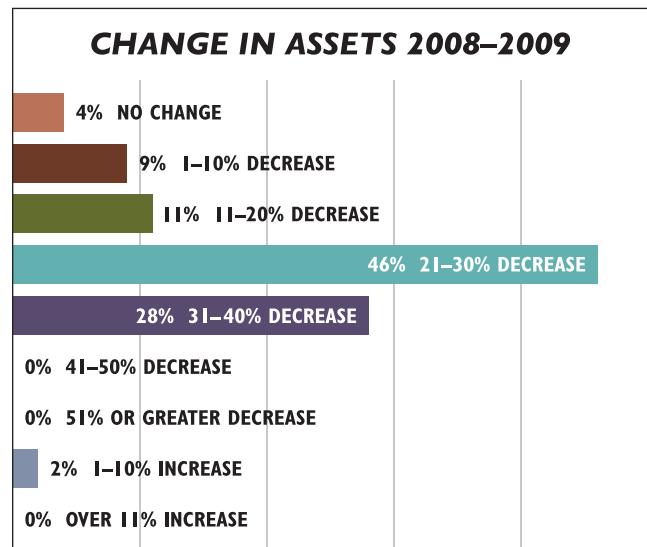
- While most funders have suffered significant losses in assets, DVG members are committed to maintaining giving levels in 2009 to the degree possible.
- Despite the severe economic downturn of the past months, the impact on estimated 2009 giving has been mitigated by foundations' use of a multi-year rolling asset average on which to base their grant budgets.
- Grantmakers have serious concerns about the toll the economic downturn may have on nonprofit services and operations.
- In addition to reviewing their grantmaking budgets, funders are assessing their own policies and practices in order to reduce administrative costs and allocate funds effectively.

### PROFILE OF RESPONDENTS

Of the 50 organizations that completed the survey, over half (58%) were private foundations, nearly one-third were public foundations/charities and the remainder were corporate foundations/giving programs. Nearly two-thirds (65%) of respondents reported assets in excess of \$5 million; another 27% reported assets in the \$1 to \$5 million range.

### ASSETS

- The greatest number (46%) reported a drop in net assets of 21–30% between mid-2008 and today, with 28% reporting a decrease of between 31–40%.
- Over half (57%) said they are currently assessing or plan to evaluate their asset investment strategy.

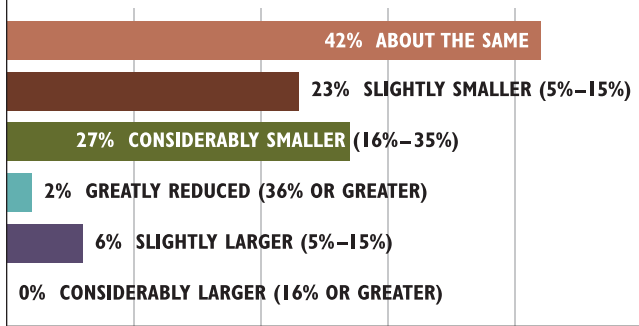


### GRANT BUDGETS

- 42% of respondents said their grant budgets would remain about the same from 2008 to 2009.
- Over 50% said their budgets were reduced over last year.
- 6% percent indicated a slight increase in their grants budgets this year.

***"Philanthropy must set an example of wise use of money. We cannot expect to have a single vision because the components of philanthropy are diverse—in size, scope and priorities. We have to rethink how we can best help during these difficult economic times."***

## CHANGE IN GRANT BUDGET 2008–2009



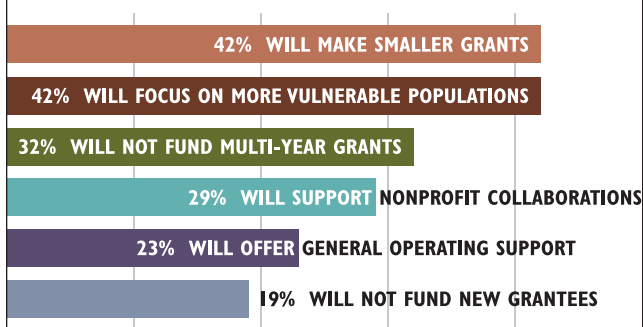
- Reporting on how annual grant budgets are determined, one-third use a 12-month average of assets; one-third use a three-year rolling average; the remainder use varying approaches.
- 78% cited a reduction in net assets as the primary reason for their reduced grantmaking budget this year.
- Moving forward, 72% plan to re-evaluate their budgets in the next six months.

## SHIFT IN 2009 GIVING PRACTICES

- Nearly two-thirds (64%) said they expected to review their areas of giving and/or funding practices in 2009.
- The greatest number indicated that they will make smaller grants (42% each) and focus their grantmaking on vulnerable populations.
- A significant number will not provide multi-year grants and will place a greater emphasis on supporting nonprofit collaborations.

## SHIFT IN 2009 GIVING PRACTICES

Respondents selected all that apply



## NUMBER OF FUNDING REQUESTS AND GRANTS

- Slightly over 40% of respondents received approximately the same number of funding requests as compared to the same period last year, while about half reported an increase in grant applications of between 5% and 35%.
- Nearly one-third (32%) expected to fund 46% or more of the grant proposals they received.
- Over 50% said they would award approximately the same number of grants.
- 37% expected to make fewer grants.

## IMPACT ON NONPROFITS

- Over one-third (36%) of funders cited a high level of concern that the economic crisis would force program or personnel cuts at nonprofit organizations.
- Other top concerns were that the quality of nonprofit services would suffer due to decreased funding and that nonprofits might be forced to close their doors.

*“[We must] keep channels of communication open so that nonprofits understand what’s happening to different funding organizations, and can adapt their own plans and expectations pro-actively as a result.”*

## GRANTMAKERS ADJUST THEIR OWN OPERATIONS

- Nearly all respondents reported implementing cost-cutting measures in their own organizations as a result of the economy.
- Well over half said they were traveling less for work and not participating in national (out-of-state) conferences.
- 45% said they were cutting back on dues and subscriptions.
- 11% said they had reduced staff, and a few cited a freeze on salaries.