

PRESS RELEASE

FINANCIAL & SOCIETAL PRESSURES DRIVING RISE IN GRANT APPLICATIONS, SAY CHARITY GRANT-MAKERS, YET DIGITAL SKILLS GAP & LEGACY PROCESSES HAMPERING EFFORTS

Commissioned by The Good Exchange, Vanson Bourne surveyed charitable grant-makers and applicants on the current grant application landscape, finding hundreds of hours are being spent completing application forms per year, when just two in five are successful

Newbury, March 6, 2019 – Not-for-profit cloud platform, [The Good Exchange](#), has today announced the results of new research ‘Technology in the Charitable Sector’, into the current grant application and distribution landscape. The findings have revealed significant levels of dissatisfaction with current processes and an increased appetite to embrace digital to reduce wasted efforts and enable collaboration to address societal issues, with charities contending with the ongoing impact of government cuts to funding. Conducted by global research company, Vanson Bourne, respondents from 100 UK grant-making organisations and 191 applicant organisations (fundraisers) were interviewed throughout January and February 2019.

Key findings of the research include:

For many, the grant application system is broken

Respondents from applicant organisations said that their organisation typically completes 33 separate grant applications per year, with each taking eight hours to fill in on average. This equates to 264 hours in total spent applying for funding. Often undertaken by volunteers or as part of other full-time job roles, this can be a significant burden for applicant organisations.

While hundreds of hours per year are currently spent on filling in grant applications, almost three in five (59%) are ultimately unsuccessful according to the applicants surveyed (equating to 22 working days per year of wasted effort per applicant organisation).

What’s more, the time taken by applicants to fill in their application forms is being significantly underestimated by grant-makers, perceived at two hours less per application than applicants claim, or ten working days less per year on average (per applicant organisation).

Myriad societal pressures, including ongoing Government cuts, driving increased applications for funding

The survey revealed several issues facing applicant organisations, with many stemming from financial and resourcing pressures. Indeed, while government grants accounted for 17% of charities’ income in 2003/04, this had fallen to just 8% by 2015/16ⁱ and the resulting funding gap continues to widen. When asked about issues facing their organisation as a result, nearly 70% of applicant respondents reported having to look for new sources of income/new ways to fundraise, and over half (54%) said they are having to increase the number of funding applications made to charitable trusts, foundations and other funding sources.

On the grant-making organisation side, 58% reported an increase in the number of funding applications received as a result of the widening funding gap. 56% noted an increase in the number of charitable organisations closing down and 51% said there had been an increase in the amount of money being requested by applicants.

Technology: an increased awareness and desire to do more, but digital skills gap and other obstacles blocking progress

Most grant-making organisations are using technology in some form, however, the survey revealed low levels of satisfaction with some of the technology used to assist key areas in the grant-giving process. Around six in ten (57%) stated that their current processes are perceived to be working well; the fact that there was near universal agreement among grant-making organisations that technology can help with the grant management process (95%) highlights that these organisations are unwilling or unable to change. Further, 75% agreed that technology can enable better collaborative working with other grant-makers.

The research also revealed an appetite for a single stage one/initial application from both grant-makers and applicants which could help to improve processes, reduce wasted efforts and to measure funding impact. 87% of applicants agreed that this was a good idea, compared with a slightly smaller proportion (56%) of grant-makers. Nearly two thirds of grant-makers said a reduction in the number of ineligible applications would likely incentivise their organisation to move toward a technological change in the way it processes applications.

Trend moving towards location and theme-based collaborative funding

Almost half of all grant-makers said they do not currently collaborate online with other grant-makers. Three-quarters of grant-making organisations said they were likely to collaborate with other funding organisations and partners to enter into location-based or theme-based giving to tackle pressing social issues in communities such as homelessness or youth knife crime, whilst maintaining autonomy of funds. Further, 87% would be likely to move toward a technological change if they were able to invite other grant-makers to support applicants they are funding or want to fund but can't; while 91% would do so if it gave them a more effective way to measure funding impact.

“The results of this independent research, combined with the view of the grant-makers and fundraising applicants we speak to on a daily basis, confirm change is in the air and that grant-makers now appreciate that technology can help overcome some of the previous barriers with regards to enabling a more collaborative and simplified grant seeking and making process,” said Ed Gairdner, COO of The Good Exchange. “Since we launched the platform in September 2016, we have definitely seen the tide turning and grant-makers becoming more willing to take the initiative to improve the process and evaluate what advantages technology can bring. Embracing technology can enable them to simultaneously tap into the growing trend towards local collaborative charitable initiatives that we know are the lifeblood of many communities contending with years of austerity.

“We’ve been delighted to work with a number of exceptional and forward-thinking grant-makers over recent years; while they were once in a minority, we’re now seeing real change and innovation across the industry. It’s heartening to confirm there is an appetite from grant-makers (and not just beleaguered applicants!) to improve process efficiencies via a simplified online application, which will reduce wasted efforts and create a more collaborative, efficient and transparent industry for all those involved.”

“This latest research highlights the challenges that everyone involved in funding – whether as a fundraiser or a grant-giver – will recognise,” said James Banks, Director, London Funders. “We know that funders are keen to get processes and procedures right, to ensure that available resources are

used for the greatest impact for our communities, and that technology is a key part of the improvements we need to see. We also know that technology can enable collaboration between funders, as well as promoting a 'total assets' approach that maximises the value of time and talent as well as money in tackling the issues we face in our communities today; I am excited by the development of the Good Exchange platform.”

To download the full research report, please click here:

<https://thegoodexchange.com/resources/research-charity-technology>

The Good Exchange is a transformational not-for-profit cloud platform specifically designed to match those organisations and individuals who have money to give to good causes with those who need it most; on a local, regional and national basis. As the only platform to bring together grant-making, donations, charitable projects and fundraising in one place, the automated matching system with its simple single on-line application form will revolutionise charitable giving, making it more accessible, transparent and collaborative. For the first time, those seeking to raise money for local good causes will be able to access **all sources of funding** including charitable trusts, corporate givers, fundraisers and public through a single process.

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and their ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets. For more information, visit www.vansonbourne.com

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ⁱ <https://data.ncvo.org.uk/a/almanac18/income-sources-2015-16/>