



STRATEGY PAPERS COMMITTEE

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GPA Strategy Papers offer practical solutions to current and emerging issues facing grant professionals. The GPA Strategy Papers Committee accepts concept proposals on a quarterly basis and uses a double-blind peer review process.

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Grants Are Part of Sustainability

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GPC Competencies: #2: Knowledge of organizational development as it pertains to grant seeking

Abstract

Grantmakers often ask how an organization will sustain a program after the grant period ends (i.e., an organization's sustainability plan). This paper aims to debunk a common notion that many funders harbor -- that organizations must wean themselves off grants. Drawing from surveys of nonprofit executives and grant professionals and academic research, along with a hypothetical case study, the author makes a case that grants play a critical role in sustainability for most community-based nonprofits, organizationally and programmatically, and that grants belong in their fundraising plans and income streams. Grant professionals can use these concepts to help answer the sustainability question on applications.

Introduction

This strategy paper aims to show that grant funding will always be needed to sustain community-based programs and organizations: cultural, environmental, human services, youth development, and educational organizations that make up the fabric of a thriving community. With this knowledge, the author encourages grant professionals to educate funders about the enduring and necessary role of grant funding in an organization's revenue. This suggests grant makers should recognize that sustainability includes continued grant funding for programs and operations for community-based organizations. The author's research focused primarily on finding an answer to two questions: "What percentage of community-based nonprofits receive foundation funding?" "For those organizations that do receive grant funding, what percentage of their income comes from foundations?" Note: This strategy paper focuses on community-based nonprofit public charities with annual budgets under \$10 million. This excludes higher education, hospitals, private schools, government entities including K-12 public schools, and houses of worship. The research is oriented towards private foundation grant makers. Findings are applicable to established organizations.



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Giving USA 2025: The Annual Report on Philanthropy for the Year 2024

At a high level among all types and sizes of nonprofits, we know that foundation funding is growing as a percentage of overall charitable giving as individual giving has declined over the past generation. A ten-year look back shows that, in 2015, giving by individuals accounted for 71% of all philanthropic giving and foundations contributed 15%. By 2024, individual giving had fallen to 66% and had been falling steadily in the ten-year period, while giving by foundations grew to 19% (Giving

Giving USA Review of Charitable Giving Sources

	Individuals	Foundations	Bequests	Corporations
2024	66%	19%	8%	7%
2023	67%	19%	8%	7%
2022	64%	21%	9%	6%
2021	67%	19%	9%	4%
2020	69%	19%	9%	4%
2019	68%	17%	10%	5%
2018	68%	18%	9%	5%
2017	70%	16%	9%	5%
2016	72%	15%	8%	5%
2015	71%	16%	9%	5%

USA, 2015-2025).

This data suggests that, collectively, nonprofit organizations of all sizes and types have become more reliant on, and successful at, securing grant funding over the past ten years.

The 2025 State of Grantseeking Report (GrantStation)

A more targeted data source is the 2025 State of Grantseeking Report (GrantStation, 2025) with 1,258 respondents. In 2024, 81% of grant seekers reported acquiring funding from private foundations, and 36% reported that private foundations were their largest source of funding. Eighty-two percent of respondents represented organizations under \$10M annual budgets. The median annual budget of respondent organizations was \$854,000. Nearly half of respondent organizations were Human Services, Arts and Culture, or Education.

The survey on which this report is based is geared toward organizations that seek grants and might not typically attract respondents whose organizations do not rely on or seek grants. However, it does provide a data point that may be considered the high end of the range of nonprofits that rely on grant funding for some portion of their revenue.



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Nonprofit Finance Fund 2025 National State of the Nonprofit Sector Survey

The Nonprofit Finance Fund (NFF) National State of the Nonprofit Sector Survey is conducted every three years and is more general. The 2025 survey (2,206 respondents) found that “progress is mixed when it comes to supportive funder practices” (The Nonprofit Finance Fund, 2025, p.16). In the report, NNF makes several recommendations for private funders to improve their practices, including “Give multi-year, flexible funding...Flexible funding (unrestricted funds, general operating support, etc.) and multi-year funding allow organizations to spend less time fundraising and more time delivering services to communities” (The Nonprofit Finance Fund, 2025, p.22). This suggests that nonprofits will be in a stronger position if they can rely on grant funding. However, only 40% of respondents said foundation funders have been less restrictive since 2022, with 21% reporting more restrictions. Still, 81% of nonprofits reported receiving grant funding in 2024. About half of respondents represented human services, arts and culture, and education organizations. 62% of respondents have budgets under \$2M.

How Can a Grant Professional Use this Data?

Next described is a real example from my work as a grants professional.

Organization: A basic needs organization with an annual cash budget of \$700,000 serving a densely populated region north of Boston assisting 60,000 clients annually. Clients are primarily immigrants and children of immigrants. The organization is 20 years old.

Prompt from Request For Proposal: *“What steps are being made to ensure the sustainability of your project or organization beyond this grant period?”*

Answer provided to the funder: “Grant funding is about 20% of organizational revenue. This is consistent with other small- and medium-sized organizations like ours, according to the Nonprofit Finance Fund. For our organization, grant funding is growing in size, though not as a percentage of income. Other income sources -- individual and corporate donations, events, earned income, and agency fees -- are also growing year over year.”

The answer does not rely entirely on these data, but helps provide more context and justification that our organization will continue to seek grants.



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Conclusion

These resources may help grant professionals answer the sustainability question in a richer way that may also educate funders. These sources provide evidence that grant funding will always be a part of revenue for community-based nonprofits.

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Biographical information

Ellen Gugel is a grant professional with twenty years' success fundraising for nonprofits. She has developed over 900 proposals and had success with 120 different funders, helping dozens of organizations win grants from private foundations, corporations, and government. She can be reached at Grants & More: emgugel@verizon.net.