



BEFORE AND AFTER 2020



HOW THE COVID-19 PANDEMIC CHANGED
NONPROFIT EXPERIENCES WITH FUNDERS



THE CENTER FOR
EFFECTIVE PHILANTHROPY

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AUTHOR

Katarina Malmgren

FOR MORE INFORMATION, CONTACT

Elisha Smith Arrillaga

Vice President, Research

(628) 333-2871

elishas@cep.org

ABOUT THE CENTER FOR EFFECTIVE PHILANTHROPY

CEP provides data, feedback, programs, and insights to help individual and institutional donors improve their effectiveness. We do this work because we believe effective donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

ACKNOWLEDGMENTS

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INTRODUCTION

In 2020, amid the COVID-19 pandemic and the national racial justice reckoning that followed the murder of George Floyd by police in Minneapolis, the Center for Effective Philanthropy (CEP) examined the reactions of funders and chronicled the changes they made in their practices to support their grantees and communities in a [series of three reports](#). Among these changes in practice, we detailed how funders streamlined their processes to reduce the burden on grantees and provided more unrestricted support. In [a follow-up study in 2021](#), we reported that funders intended to sustain these changes. A [survey of our Nonprofit Voice Project](#) in early 2023 showed that a majority of nonprofits reported increased trust from funders over the past year, as well as changes in specific practices.

But are these shifts in practice as reported by funders further corroborated in our [Grantee Perception Report \(GPR\)](#) — a comparative grantee survey process used by hundreds of foundations? In the GPR, we have asked nonprofits for decades about their experiences with their funders. In [previous research](#) on changes over time, we've found that, overall, foundations that have conducted their first GPR recently receive similar feedback compared to foundations that conducted their first GPR a decade ago. However, we have identified improvements by funders that commit to getting consistent feedback from their grantees through repeated GPRs.¹ Based on the shifts funders reported to us in 2020 and 2021, would we see changes in the GPR that are more pronounced than these historic patterns?

To answer these questions, CEP compared the data from 61 funders based in the United States whose grantees we surveyed before the pandemic and again in 2021 or 2022, which we will refer to as pandemic GPR data.² By comparing the feedback for the same funders at both points in time, we were able to directly examine changes in practice, excluding other factors that may affect grantees' experiences, such as funder size and type. From this review, there were some distinct patterns:

1. Grantees are spending less time on application and reporting processes than they were before the pandemic and finding the proposal process to be more helpful in strengthening the efforts funded by the grant.
2. Funders are providing slightly more unrestricted support than they were before the pandemic.

Some of these changes made by funders during the pandemic are consistent with past trends in repeat GPR users; however, the *magnitude* of the change is larger than we have seen in the past. This finding suggests that the focus on the nonprofit experience among funders in the immediate aftermath of the pandemic, and articulated in a [pledge](#) that many funders signed, has catalyzed change beyond what we normally see among foundations committed to obtaining and acting on grantee feedback. The rest of this short report goes into more detail on these shifts and includes insights from several grantmakers who have successfully adapted their practices to better support their grantees.

DATA SOURCE FOR THIS PROJECT

Data for this report come from CEP's Grantee Perception Report® (GPR), which is a tool that funders commission to gather candid comparative feedback from their grantees. When a funder commissions a GPR, we send confidential online surveys to their grantees and ask them questions about a number of topics, including about the funder–grantee relationship, the funder's understanding of grantee organizations and the contexts in which they work, and grantee perceptions of the funder's impact.

¹ Lowell Weiss, "How Funders Can Get Better at Getting Better," *Washington Monthly*, January 12, 2020, <https://washingtonmonthly.com/2020/01/12/how-funders-can-get-better-at-getting-better>; Phil Buchanan, Ellie Buteau, Ph.D., and Shahryar Minhas, "Can Feedback Fuel Change at Foundations?" (Cambridge, Mass.: Center for Effective Philanthropy, 2011), <https://cep.org/portfolio/can-feedback-fuel-change-at-foundations/>

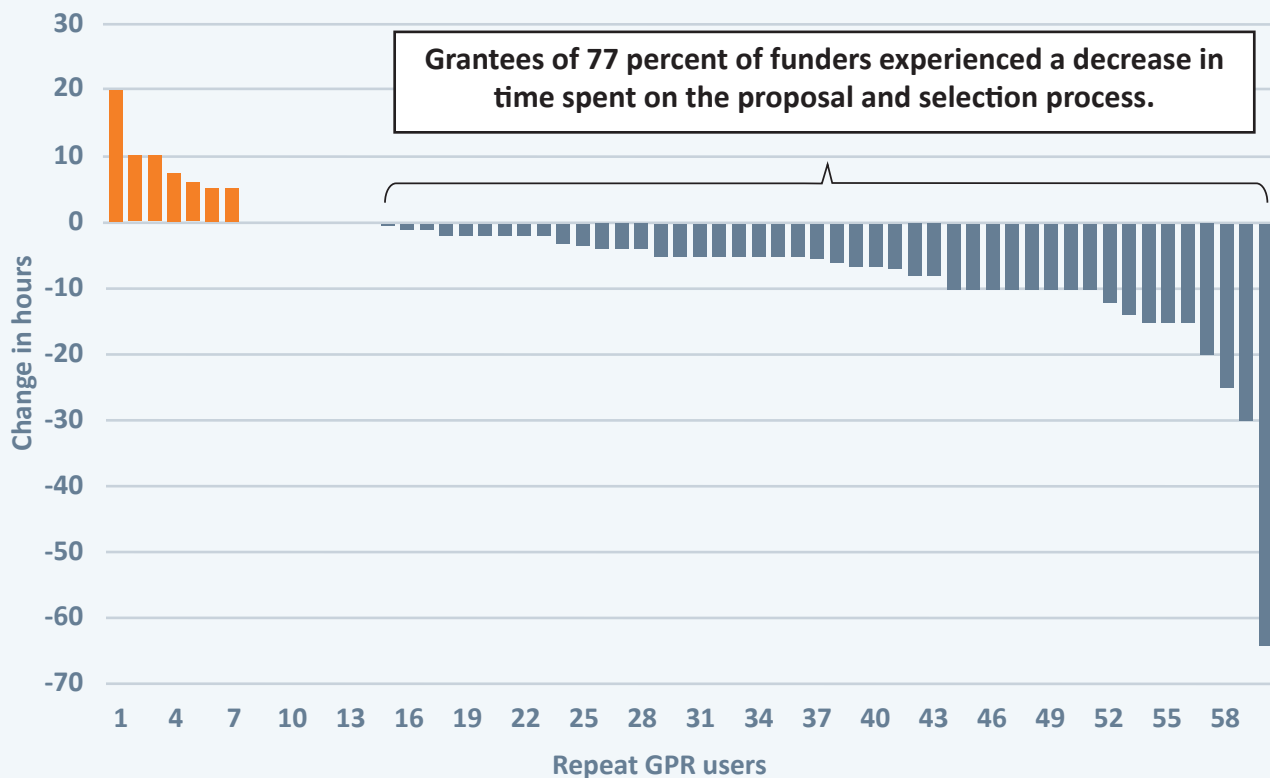
² Data collected from surveys administered in 2020 were removed from this analysis due to difficulty in interpretation.

PROPOSAL AND SELECTION PROCESSES

In our 2021 study examining foundations' self-reported practices, more than three fourths of foundation leaders said they changed their foundation's application processes to reduce the burden on grantees. The overwhelming majority — more than 90 percent — said they planned to sustain at least some of those changes. As one explained, "We said, 'Let's take a red pen and see if we can't skim off 50 percent of the questions we're asking, because we're probably not using it.' And so far, so good."

Our analysis of nonprofit experiences through the GPR suggests that these changes have been felt by nonprofits. In aggregate, grantees of repeat GPR users report that they are spending 25 percent less time on the proposal process during the pandemic than before the pandemic. Pre-pandemic, the median number of hours spent on the proposal process was 20. Subsequently, during the pandemic, the median number dropped to 15 hours. While grantees' experiences differed across funders in the GPR sample, grantees of the majority of funders experienced a decrease in time spent on the proposal process. The largest decrease for a single foundation was 64 hours. (See Figure 1).

FIGURE 1. Difference in Median Number of Hours Spent on Proposal and Selection Process Before and After 2020



This figure displays the median change in hours spent on the proposal and selection process by grantees of a funder in the 2021–2022 GPR compared to pre-2020. Each bar represents the change of one of the 60 funders in this dataset.

Even more encouraging, while nonprofits report spending less time on the proposal process during the pandemic, they are also finding the selection process to be more helpful on average in strengthening the efforts funded by the grant. The average rating for the helpfulness of the selection process increased by more than double previous improvement trends.

CASE EXAMPLES

FUNDERS ADVANCING THEIR MISSION BY SIMPLIFYING PROCESSES

The following grantmakers have succeeded in reducing the amount of time their grantee partners spend on application and reporting processes, and they each share what they hoped to achieve by simplifying their processes.



Alicia Harris
The Grove Foundation
Program Officer



“I think I can sum it up as ‘Additive, not extractive.’ If the idea is that we are resourcing organizations and movements, then part of that is not taking up the time that they would otherwise be using to further their important work.”



Jenny Herrera
The Libra Foundation
Knowledge & Grants Manager



“We wanted to simplify because we wanted to demonstrate tangibly that we honor grantees’ time. We know they are doing incredible work that benefits communities, and us as well, especially when it comes to the climate crisis and gender justice and all the other facets of our work. This is movement work.”



Michael Parsons
Virginia Foundation for Healthy Youth
Director of Programs



“As a funder, one of our priorities is to make it easy for our grantees to do their job. If it’s a choice between making a difference by working with kids or doing paperwork, we would rather them be in the field working with kids.”

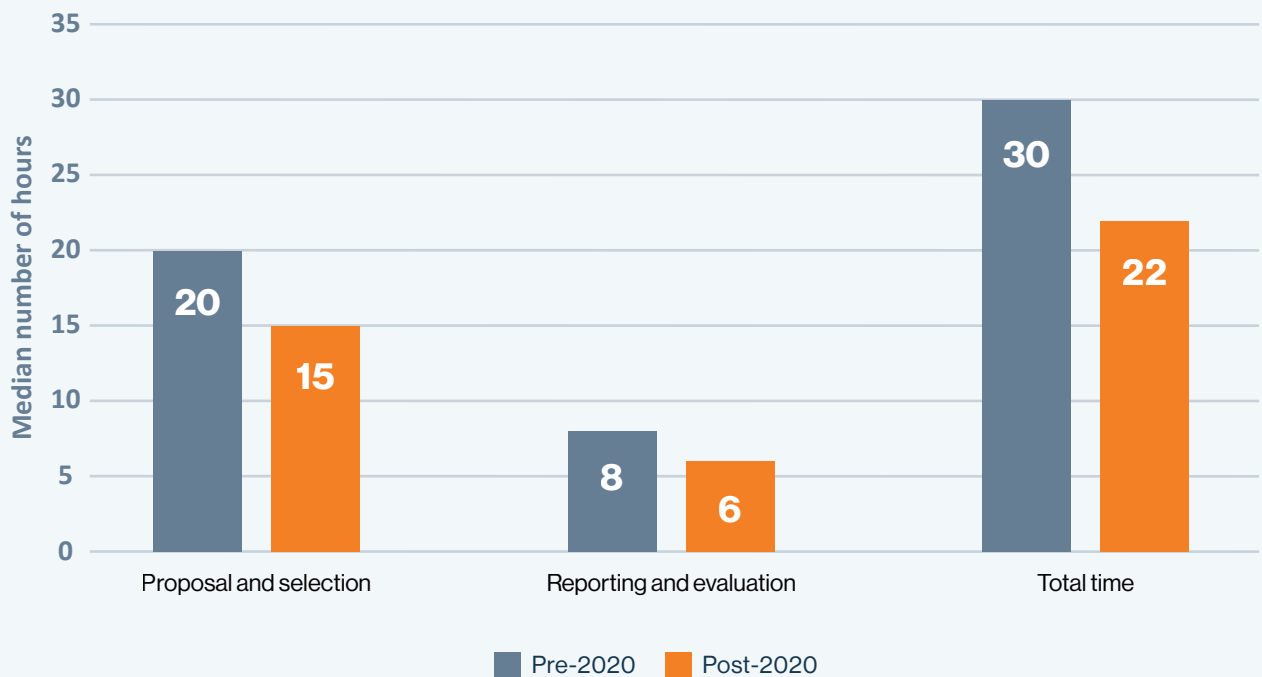
REPORTING AND EVALUATION PROCESSES

When it comes to reporting and evaluation processes, again more than three quarters of foundations reported to us in 2021 that they made changes to reduce the burden on grantees, and almost 90 percent said they would be sustaining at least some of these changes.

Among our sample of repeat GPR users, in aggregate, grantees reported spending fewer hours on reporting and evaluation than they were before the pandemic. Grantees reported spending a median of eight hours annually pre-pandemic on funder-required monitoring, reporting, and evaluation. In the years since the onset of the pandemic, the median number of hours decreased to six hours. Here again, grantees' experiences differed across the funders in the sample, but about two thirds of funders saw grantees spend fewer hours on required monitoring, reporting, and evaluation.

Taken together with the decrease in time spent on the proposal, nonprofits are reporting a median of eight fewer hours spent on funder processes — a full day of work — for just a single funder. (See Figure 2.) If we were to extrapolate this saved time across all of a nonprofit's funders, nonprofit organizations would be able to repurpose a significant amount of time and energy.

FIGURE 2. Median Hours Spent on Processes for a Single Funder Before and After 2020



AMID A PANDEMIC: “WHAT DO WE ACTUALLY NEED TO KNOW?”

The following funders were dedicated to simplifying their processes before the pandemic and continually asked themselves the guiding question, “What information do we really need?” In some cases, the context of working in the pandemic made this question even more crucial.

“Flexibility is always relevant but particularly in the context of a pandemic. Early on, especially when more people were working remotely, dealing with illness and other responsibilities, we were able to see it, but it’s important to be mindful that those things are happening in people’s lives all the time. Remember that we don’t know what’s happening for everyone, and trying to be as accommodating as possible is a basic thing we can do to be supportive.”

– ALICIA HARRIS

The Grove Foundation
Program Officer

“What do you absolutely need to make out the grant? What do you already have, and what can you let go of? What labor can be shared between grantee and funders? Sometimes, funders just need to learn for themselves that this is possible.”

– JENNY HERRERA

The Libra Foundation
Knowledge & Grants Manager

“There was a lot of stress on the part of grantees trying to pivot to respond to a public health crisis while also continuing to provide needed services to young people. It was vitally important that they continue to do their work on the ground, and they were also responding to so many crises that the last thing we wanted them to do was answer onerous report questions that wouldn’t help them achieve their mission or help us as a foundation better support them.”

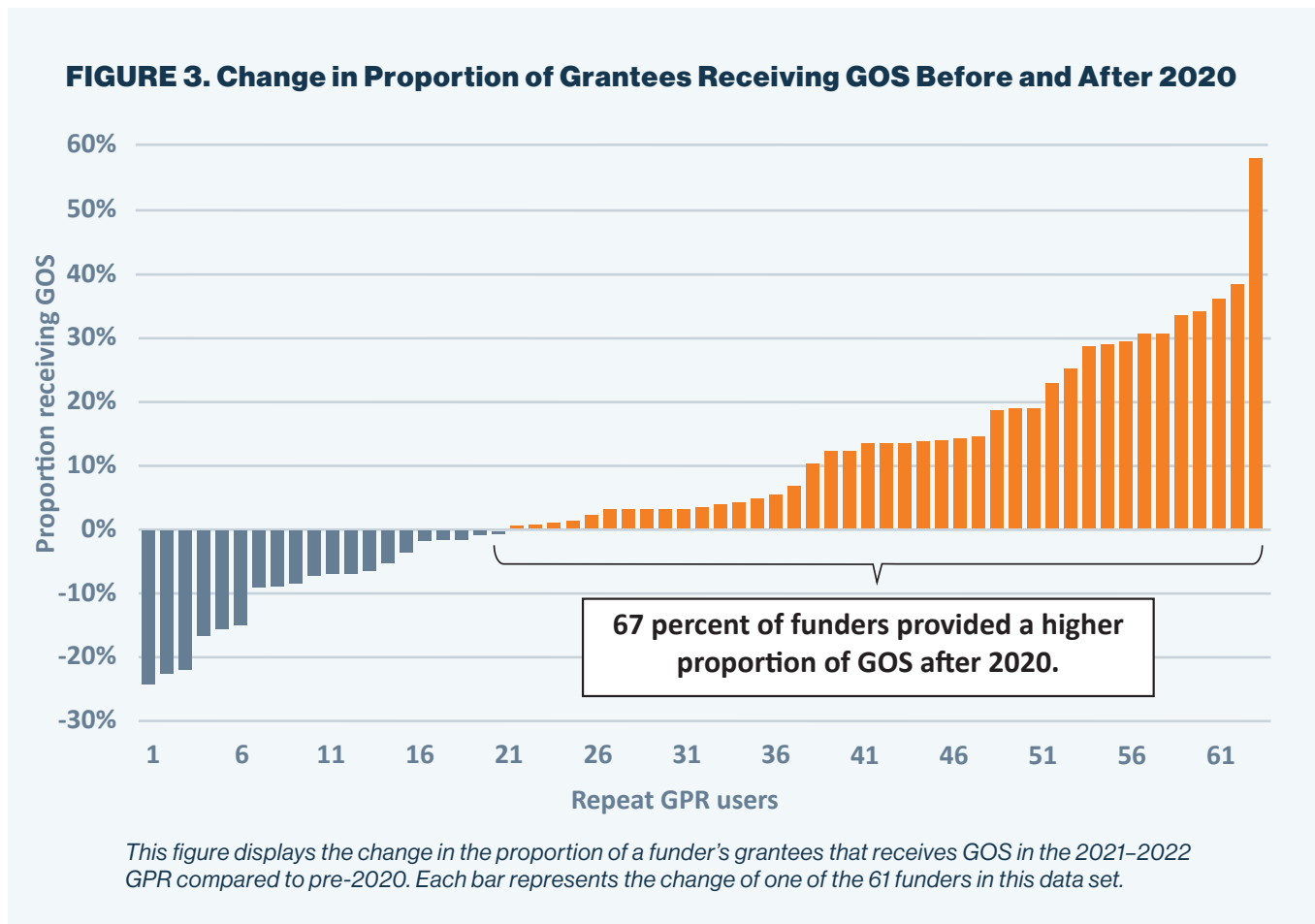
– MICHAEL PARSONS

Virginia Foundation for Healthy Youth
Director of Programs

UNRESTRICTED SUPPORT

Grantees similarly corroborate foundation self-reporting when it comes to the receipt of unrestricted support. In 2021, slightly more than 60 percent of foundation leaders in our study reported that their foundation was providing a higher percentage of unrestricted grant dollars compared to pre-pandemic giving levels. Of these, almost two thirds said they plan to continue at these new, higher levels in the future.

In the GPR, the average proportion of grantees receiving general operating support (GOS) increased slightly from 23 percent to 30 percent after 2020.³ Similar to our reporting in 2021, according to grantees, 67 percent of these funders for which CEP had pre- and pandemic era data are providing a higher proportion of unrestricted support than they were before 2020. (See Figure 3.)



CEP previously found that funders generally offered similar levels of unrestricted support to their grantees between their first and second GPRs. It wasn't until subsequent rounds of feedback through the GPR that foundations modified the types of funding they provided.

We observed a similar pattern with these repeat users in the pandemic. Funders that were conducting their second GPR did not significantly increase their provision of unrestricted support after 2020. However, the funders that commissioned their third GPR (or more) did significantly increase their proportion of general operating support by nine percent on average, approximately double the increase of past repeat GPR users.

³ This difference was of a statistically small effect size.

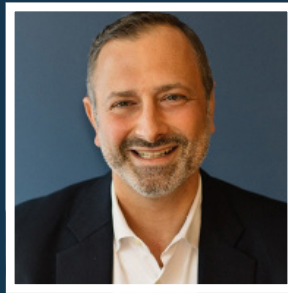
CASE EXAMPLE



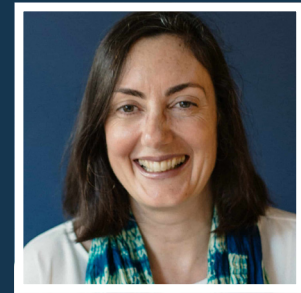
Global Fund for Children is headquartered in Washington, D.C., and according to their website, “invests in community-based organizations around the world to help children and youth reach their full potential and advance their rights.”



Joseph Bednarek
Senior Director of
Global Grantmaking



John Hecklinger
President and
Chief Executive Officer



Corey Oser
Vice President,
Programs

Q *What did you hope to achieve by increasing your provision of unrestricted support?*

Joseph: We hoped to provide a core bit of funding for our grantee partners during the biggest pandemic in 100 years, so very unusual circumstances. And we didn't want them to worry about some of their core costs. We were very intentional in our messaging that we were not going to impose a set of new burdens.

Corey: It might be somewhat of a perception of our partners. It's not that we shifted from project-based funding, but there was just more of it. Particularly for the COVID-19 response and other crisis responses, we were able to give more than our usual annual grant to many of our partners and very quickly. We also continued to reinforce the message that flexible really means it's open to whatever needs the partner defines.

Q *Did you encounter any challenges while implementing these changes in grant type?*

Corey: Because GFC has a number of institutional funders that give funding that's restricted through theme or geography, in a sense we receive what feels like project funding, but we don't offer it as a project fund. The funds are flexible and an investment in organizations. We then balance how we report to our funders. We get the specific information without the partner necessarily feeling like we are only looking for information about one aspect of their work. That is a continual tension that we balance given our role as an intermediary funder.

Q *Do you intend to maintain this higher level of unrestricted funding or make any other changes to the type of grants your foundation provides moving forward?*

Joseph: We've learned that people are appreciative of this upfront, transparent partnership in terms of the flexible funding. We hope there are no continued emergencies that will require such a huge number of emergency grants, but we now know that we can message it and build these relationships. We'll continue to revise relationships with donors, streamline report requirements, and set out those expectations early with donors. We'll continue to shrink the amount of paperwork that grantee partners have to do.

John: The increased engagement in the emergency grantmaking context has unfortunately become a lasting thing as we mobilized a pretty robust response to the Ukraine invasion, taking these principles and reinforcing the fact that our funding has always been flexible. But it feels responsive and flexible in a different way when a grantee gets that quick, flexible funding in a slightly different context. That's something that we're continuing.

Corey: We are eager to continue to learn about the difference that flexible funding makes for our partner organizations, homing in on how flexible funding adds to a portfolio that is maybe not as flexible, and what difference that ends up making. Ultimately, hopefully we'll be able to influence other funders.

Q *What advice would you share with other funders that are interested in increasing the amount of general operating support they provide?*

Corey: We talk a lot about contribution vs. attribution. Be comfortable with the notion that you are contributing to larger change, to the mission that the organization you are supporting is working toward. It can become very tricky to try to trace exactly the outcome of your specific funds when they are contributing to a larger pot. Be comfortable with letting go of some of that control.

Flexible funding doesn't mean that there isn't still an opportunity to have a dialogue or offer advice when it might be warranted. We support typically quite small organizations, and there are often questions about how they are using the money. It's a chance to open up space and talk about goals. That's often the conversation we have — how to make the best use of this funding.

John: It's easier than the alternative as long as you have established mutual trust between grantee and funder. If you have a great track record together, there really is no barrier except getting over some of your internal hang-ups.

CONCLUSION

Nonprofit grantees of funders that have used the GPR both before and during the pandemic corroborate funders' self-reported changes. It's important to note that this analysis focuses on a set of 61 funders that commissioned the GPR in the years preceding 2020 and then again in 2021 and 2022. This is a group of funders that are, obviously, interested in obtaining feedback from the nonprofits they fund and motivated to make changes. However, our analysis reveals a level of change that goes beyond the shifts we usually see among GPR users. This finding suggests that the events of 2020 shifted these funders' practices, making them more motivated to support nonprofits in ways that are more sensitive to the needs of these organizations. We hope these changes will be sustained.

Moreover, there are still other open questions on the shifting practices of grantmakers — such as their support and funding of racial equity efforts — that are not answered here. It will take years to fully understand the degree to which 2020 was a watershed year for philanthropic practices — the beginning of an enduring change in how foundations and other funders do their work — or a blip in time. However, this research is one positive indicator that at least those funders we have analyzed here did as they said they would in the wake of the pandemic to better support their grantees and communities.

METHODOLOGY

The findings presented in this report are based on data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). Information detailing the processes for collecting and analyzing the data associated is below.

Survey data discussed in this report were gathered through surveys administered to nonprofit grantees as part of CEP’s Grantee Perception Report (GPR) process. Foundations commission CEP to collect confidential feedback from their grantees on a range of issues, such as:

- Grant characteristics
- Foundation–grantee relationships
- Foundation understanding
- Foundation processes
- Perceptions of foundation impact

The GPR survey consists of about 50 items, many of which used seven-point Likert rating scales. All surveys are fielded online. Grantees are sent a brief email that includes a description of the GPR survey, a statement of confidentiality, and a link to their survey. This email is sent to the main contact the foundation uses at the nonprofit organization. That contact could be the executive director, other senior management, the project director, or the development director, among others.

SAMPLE

The sample in this report was composed of a subset of 61 funders based in the United States that commissioned the GPR in each of the following two time frames: 2012–2019 and 2021–2022. The sample includes data for each of these funders at two points in time. For the earlier GPRs, these 61 foundations’ 21,862 grantees were invited to participate in the grantee survey and 13,818 responded, resulting in a 63 percent response rate. For the more recent GPR, 28,180 grantees were invited to participate in the survey and 16,441 responded, resulting in a 58 percent response rate.

The funders in our dataset varied in type, assets, and giving. (See Table 1.)

Table 1. Funder Characteristics

Funder Characteristic	Percentage
<i>Type (n = 61)</i>	
<i>Community</i>	10%
<i>Corporate</i>	8%
<i>Health conversion</i>	11%
<i>Private</i>	56%
<i>Public charity</i>	10%
<i>Other</i>	5%
<i>Assets (n = 58)</i>	
<i>Range</i>	~\$9M to ~\$34B
<i>Median</i>	\$408M
<i>Giving (n = 60)</i>	
<i>Range</i>	~\$2M to ~\$3B
<i>Median</i>	\$25M

QUANTITATIVE ANALYSIS

To analyze the quantitative survey data used to inform this report, a combination of paired t-tests and analyses of variance was used. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only analyses with medium or large effect sizes are reported.

INTERVIEWS

Four funders from the sample of 61 qualifying repeat GPR users participated in interviews with CEP: three were interviewed about their simplified processes, and one was interviewed about their increased provision of general operating support. The funders interviewed about their process changes were selected because their 2021–2022 GPR results indicated large decreases in the number of hours grantees spent on application and reporting processes, as well as increased ratings of the helpfulness of the selection process. The funder interviewed about its unrestricted support was selected because of a large increase in the GPR in the percentage of grantees who reported receiving general operating support.

Each interview consisted of four to six questions about these funders' motivations for changing their processes and types of support, any anticipated changes in the future, and advice for other funders who might be interested in simplifying their processes or providing more unrestricted support.



THE CENTER FOR
EFFECTIVE PHILANTHROPY

675 Massachusetts Avenue
11th Floor
Cambridge, MA 02139
617-492-0800

131 Steuart Street
Suite 501
San Francisco, CA 94105
415-286-9538

cep.org

 @CEPData