



Economic Impact on Philanthropy in Iowa

In the Fall of 2008, one of the most trying economic times the country- and world- has faced, challenged all sectors in the economy. This economic downturn has had an impact on personal finances and individual retirement accounts, as well as the nonprofit sector. Colleagues have watched many foundation assets decline while simultaneously hearing neighbors articulate even more needs in communities. In order to better understand the impact this economic climate has on the grantmaking community in Iowa, the Iowa Council of Foundations conducted an **Economic Impact Survey** in January of 2009. The Iowa Council of Foundations felt that in difficult times, it is important to characterize the valuable impact grantmakers have in Iowa communities; the survey results below help to define trends in Iowa.

When government funding for important social programs is decreasing, and individual donors are pressed for support by numerous nonprofits, many eyes turn to private and public philanthropies to fill the gaps. Although organized philanthropy cannot take the place of government or individual funding, grantmaking organizations are an important part of the fabric of the nonprofit sector in Iowa.

Survey Respondents

The sample of 27 respondents to the Economic Impact Survey includes organized philanthropy that provides support through grants to Iowa communities. In addition, those that participated in the survey also represented a variety of types of grantmaking institutions.

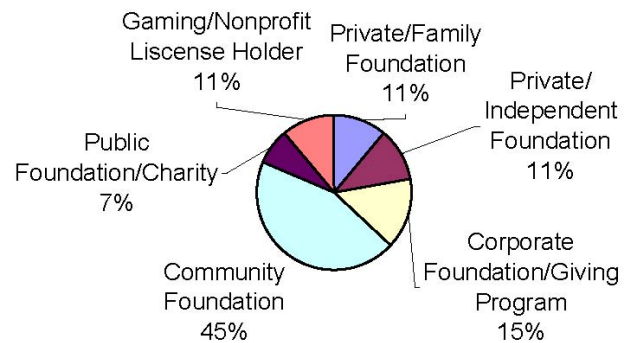
Respondent Locations

The respondents are located in all corners of Iowa.

- Northeast: 26%
- Southeast: 11%
- Central: 44%
- Northwest: 7.5%
- Southwest: 7.5%
- Out of State: 4%

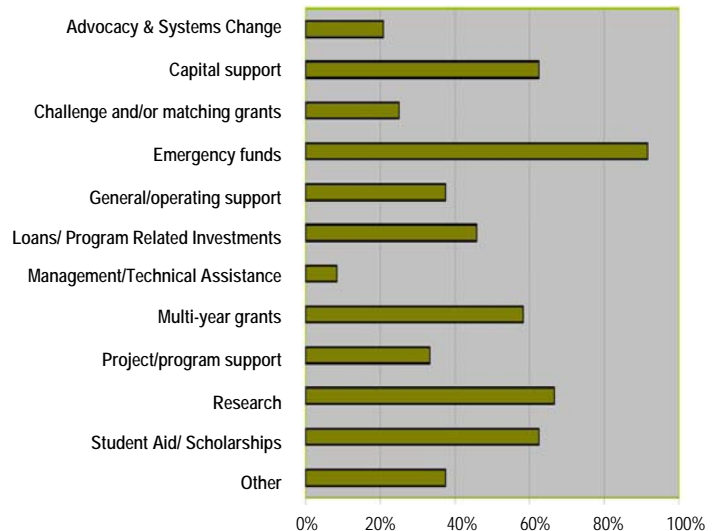
Respondent Types

The respondents represented all types of organized philanthropy in Iowa (see pie chart below).



Types of Grant Support

Of those who responded, many provide a variety of grant support currently in the communities they serve (see bar graph below).



Grantmaker Assets

The survey posed questions to respondents about asset comparisons from 2007 to 2008. Based on this timeframe, those who responded indicated:

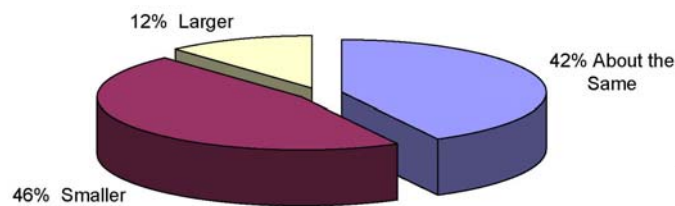
- 74% experienced a *decrease* in assets
 - 26% noted a decrease in assets between 11% and 20%
 - 30% noted a decrease in assets between 21% and 30%
- 22% indicated *increased* assets.

Of the respondents, 76% identified *return on investments* as the factor that contributed most to the change in assets seen at their grantmaking organization from 2007 to 2008; other reasons noted include major gifts given and grant payouts.

Grantmaker Budgets

In 2008, grant budgets stayed about the same for 50% of respondents to the survey; 17% indicated the range was considerably smaller and 29% noted the budget was slightly larger as compared to grant budgets in 2007.

When considering 2009 grant *budgets*, 42% of respondents indicated they will remain about the same as in 2008 with 46% projecting smaller budgets and 12% anticipating larger grant budgets (*see pie chart below*).



Of the respondents, 46% anticipate that they will award the same *number* of grants in 2009 with 31% anticipating less grant awards and 12% anticipating more.

In regard to volume of requests, 42% of respondents indicated that inquiries and requests have increased moderately over the past year with the highest amount (44%) coming from human service nonprofits. 68% of respondents are preparing for what they anticipate to be an increase of requests in 2009. This increase is expected because of the economic downturn (88%),

decreased public donations to nonprofit service providers (53%) and decreased government funding for social programs (47%).

Grantmaking Strategies

35% of respondents said that their organization will refocus or review its funding priorities/areas of giving in response to the anticipated 2009 grants budget; 50% of respondents will not. As opposed to making changes in funding priorities some grantmakers anticipate making fewer, larger grants (54%).

When looking at grantmaking strategies in 2009, some respondents indicated a focus on specific initiatives such as those noted here:

- Long Range Flood Relief/ Disaster Recovery
- Capacity Building Grant Program
- Neighborhood Capacity Grant Program
- Poverty Reduction Strategies

Overall, very few grantmakers plan to *add new areas of support* to their current grantmaking strategies in 2009.

Capacity Building

Nonprofit sustainability, general operating support, and capacity building are areas of increasing importance to not only nonprofits but also to grantmakers. Survey respondents were asked to indicate in which of the following areas their grantmaking organization plans to implement strategies-funding or other support (*see bar graph below*).

