Shallow Review of Grant Writing

Grants are gifts of money given by one organization to another (usually non-profit) to further some goal. The major sources of grants are governments, private foundations, and corporations/corporate foundations. Most grants have a goal in mind (e.g. "global poverty", "early childhood education in King county", "save the whales"), and are distributed at least officially based on merit in advancing that goal. Applicants attempt to demonstrate how they serve that goal with their application. Most grants are organized as competitions, with many non-profits submitting applications and only the best being funded, however a few foundations view themselves as talent limited, and fund anything over their quality bar. Some grants are no-strings-attached, others carry conditions, which can be anything from "% employees from the population being served to" to "matching funds from individual donors" to how the goal is pursued.

Grants are helpful because they are large infusions of cash, saving organizations from the hassle of constant fundraising. But every organization wants that, so competition can be intense. Simply finding grants is a project, and applying to them is time consuming; if your organization doesn't win that grant, the time is lost. Overreliance on a few large grants can leave organizations fragile and vulnerable to changes.

Research

Finding and writing grants is a skill. A dedicated grant writer is considered administrative overhead by Charity Navigator and similar services, so charities are often penalized for having them. Many charities respond by pushing grantwriting onto program workers, preventing specialization.

Freelance grant writers charge $40-$200/hour, and foundation grants average 15 - 25 hours. Government grants can take over 100 hours [1]. Effective Altruism (EA) charities may have a slightly easier time of it because they already keep such extensive records. $2,000,000 is considered a small government grant [2].

The expected value of a grant is [monetary value] * [likelihood of receiving it]. Unfortunately there aren't good numbers for this. 35% of agencies fund at least half of their applicants, but those are more likely to be smaller or hard to find [3]. The average is around 20%, however CS's target charities may be harder to raise for than average [4].

Not all grant making institutions hold open applications- some require a personal relationship. If one can acquire that relationship, applications have a higher success rate by dint of less competition [5]. Cultivating these relationships is another potential value add for Charity Science, because it can be a point of contact for multiple small charities.

Charity Science has previously applied experimented with grants. It spent $7,000 (plus volunteer time) and raised $10,000 plus $240,000 in adwords [6].

Subjective Sense

Charity Science could offer an enormous value add to target charities by taking on grant writing. If applying costs CS exactly the same as the charity, it is already helpful, by avoiding the hit on administrative costs on Charity Navigator. Moreover, Charity Science may be able to develop expertise or economies of scale in grantwriting that charities couldn't (either because they're too small, or because they're avoiding specialization to improve their Charity Navigator evaluation).

On the other hand, many GiveWell recommended organizations already receive enormous grants from multiple foundations. They may already have the resources to apply for every grant they want. Alternately, they may already know what grants they would like to apply to but lack the manpower, which CS could supply.

There is an outside chance that CS applying for grants could be beneficial even if they don't win, by educating grantors about better effectiveness measurements. It also builds capacity within CS for future grant writing.

Expected Potential

The size and competitiveness of grants varies so much that estimating returns is pointless. An easier estimate of value is what organizations pay professional grant writers: $40-$200/ hour for 15-25 hours of work, which gives a floor of $600-$5000 of expected marginal value (on top of whatever the expected value of the org applying on its own is). One caveat: almost all grants are zero sum games. If your charity gets the money, someone else doesn't. If a grant already has several very effective applicants it may not be worth the time to apply, even if CS's target charity is slightly more effective.

On the other hand, Charity Science did a six month grant writing experiment and found it very low return. Unless we can identify why that happened and change it, there's no point in trying again.

Minimum Experiments

Apply for grant, paperwork done by CS staff. This has already been tried, and raised more than it cost, but was not a great rate of return.

Hire a freelancer to apply for grants for small a organization. This would test the possibility that the problem was with the quality of the applications.

Ask potential beneficiaries if there are grants they would like to apply for but lack the staff, or if CS could collaborate with them on a grant application.

Further Research

- ❖ Ecivics grant management software - http://www.ecivis.com/
- ❖ Grant Writing for Dummies - http://www.dummies.com/how-to/content/grant-writing-for-dummies-cheat-sheet.html
- ❖ Investigate personal networks for connection to small foundations

Grant Databases

- ❖ US Government (all) - http://www.grants.gov/

- ❖ Canadian Government (international only) - http://www.international.gc.ca/development-developpement/funding-financement/fun-fin.aspx?lang=eng
- ❖ Private foundations (USA-focused) - http://foundationcenter.org/
- ❖ European Governments

References

1. http://www.grantwriters.org/how-to-hire-a-freelancer#
2. http://www.usaid.gov/work-usaid/get-grant-or-contract/opportunities-funding
3. http://grantspace.org/tools/knowledge-base/Funding-Research/Statistics/Percentage-of-funded-grant-proposals
4. http://www.charityscience.com/grant-writing.html
5. https://www.guidestar.org/rxa/news/articles/2009/applying-for-funding-from-family-foundations.aspx
6. http://www.charityscience.com/grant-writing.html