



A Summary from the

ENVIRONMENTAL GRANTMAKERS ASSOCIATION'S

TRACKING THE FIELD: VOLUME 4

ANALYZING TRENDS IN ENVIRONMENTAL GRANTMAKING



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INTRODUCTION

We are pleased to present this summary of *Tracking the Field: Volume 4*, which analyzes the grants made by members of the Environmental Grantmakers Association and provides a picture of grantmaking beyond that of our members to encompass the entire field of environmental philanthropy. The full *Tracking the Field* report was published in the fall of 2013 and is available to EGA members.

The Environmental Grantmakers Association's (EGA) strategic framework includes the objective of "establish[ing] a comprehensive, measurable, up-to date analysis and understanding of the current field of environmental philanthropy." *Tracking the Field: Volume 4* does just that. While pursuing improvements in the report each year, the basic methodology and taxonomy has remained consistent, allowing EGA to evaluate trends from 2007 to 2011 and analyze more than 42,000 grants. This report examines philanthropic trends prior to the 2008 economic crisis (2007), to the depths of the recession in 2009, and finally through the slow recovery of foundation assets in 2010 and 2011.

METHODOLOGY

The grants and foundations analyzed in the *Tracking the Field: Volume 4* report include the environmental grants of nearly 200 EGA member foundations from 2010 and 2011. EGA collected data from 22,217 grants, totaling over \$1.13 billion dollars, using a customized CiviCRM database. The database includes all grants regardless of size as well as grants committed, but not distributed, in 2010 or 2011, but excludes those given to individuals or described as association fees.

The data-collection team referred to members' websites to obtain a list of grants or the IRS Form 990 to identify members' grants for 2010 and 2011. In cases where the researchers used the members' website, the website was directly compared to the 990 to verify that all grants were included. For those foundations for which researchers were unable to find grant data, the foundation was contacted directly to obtain a list of grants from 2010 and 2011. The researchers reviewed all grants given by a foundation, not just grants given by the "environment program," ensuring that all environment-related grants were reviewed.

Each grant entered in the database was categorized based on the following information: the issuing foundation's name; the city and state in which the foundation is headquartered; the amount given (in U.S. dollars); the recipient's name, city, and state; the year the grant was made; and the primary and secondary environmental issue area, strategy, and geographic region

EGA partnered with the Foundation Center on each report to provide continuous comparisons between EGA members' grantmaking and that of the entirety of environmental philanthropy, as well as the ebb and flow of philanthropy as a whole. The tracking of environmental philanthropy creates an important narrative as we look forward in our effort to create a more sustainable planet and better communities.

The findings of this document and the full report are broken into four main areas:

1. Total Environmental Giving from All U.S.-Based Environmental Grantmakers and, more specifically, EGA Members;
2. Giving by Issue, from EGA Members;
3. Strategies Funded by EGA Members; and
4. Geographic Distribution of EGA Members' Environmental Grants.

the grant affected. The grant's description, grantee's mission statement, and grantee's website were also recorded if the information was available.

To categorize each grant, researchers first looked for information in the grant description and then searched the grantee's website for mission statements and program descriptions. In most cases, the researcher was able to determine the information necessary to categorize the grants based on the mission statement and the grantee's program areas as described on the website. If a grant description did not contain enough information to identify the appropriate issue area or if the information on the grantee's website was too broad to allow the researcher to identify a specific environmental issue area, the grant was categorized as "General Environment / Multi-issue Work." Because environmental issues are interrelated, which often results in overlapping issue areas for a single grant, the researchers were instructed to use their discretion to select the environmental issue area that best corresponded to the subject of the grant. Each grant was reviewed by a second research consultant before it was accepted into the searchable *Tracking the Field* database.

Exploratory data analysis was utilized as an added measure to ensure data integrity as well as to discover new insights about EGA members grants both awarded and received in 2010 and 2011. To put EGA members' giving into perspective, EGA

partnered with the Foundation Center to gather data on environmental giving by larger U.S. foundations. All numbers included in this report which represent environmental giving by U.S. foundations, were provided by the Foundation Center. The Foundation Center data focuses on patterns of giving

based on all grants of \$10,000 or more awarded by a sample of 1,122 large grantmaking private (independent, community, corporate, and grantmaking operating) foundations in 2011. In addition, the Foundation Center provided 2011 estimates of all environment-related funding by U.S. foundations.

OVERALL GIVING



KEY FINDINGS:

- In 2011, estimated funding to environmental issues by all U.S. foundations reached an all-time high of \$2.8 billion.
- Total environmental giving by EGA Members for 2011 equaled \$1.13 billion, representing a 2% increase in 2011 over 2010. Giving had dropped 18% in 2009 from 2008.
- EGA’s 50 largest foundations gave \$1 billion in grants for environmental issues in 2011, accounting for 90% of all environmental giving by EGA members and an increase from previous years.
- EGA member’s giving makes up approximately 40% of environmental philanthropy.

How much did U.S. foundations give in 2011?

In 2011, the nearly 82,000 U.S.-based foundations gave \$49 billion to all philanthropic issues, an increase of 6.9% from 2010. This followed decreases across the board in response to the 2008 Great Recession. While giving grew in 2011, U.S. foundation assets (\$662.3 billion) remained well below the 2007 peak of \$682.2 billion.¹ This 2.2% drop in philanthropic giving is slight compared to the estimated median asset drop of 28% between 2007 and 2009.²

How much went to the environment?

According to the Foundation Center estimates, environmental grantmaking overall did not experience the effects of the economic crisis until 2010. Between 2007 and 2009, environmental funding by U.S. foundations stayed consistent at \$2.7 billion. The overall environmental movement experienced a 2.4% drop in funding in 2010 but bounced back in 2011 reaching an all-time high of \$2.8 billion. Environmental giving by EGA members dropped 17% in 2009 but experienced gains of 28% and 2% in 2010 and 2011, respectively, to \$1.1 billion. EGA members’ giving makes up approximately 40% of U.S. environmental philanthropy.

Top 50 U.S. Foundations Awarding Environmental Grants Based on EGA Subject Categories, circa 2011

| | Foundation Name | State | Foundation Type ¹ | Total Dollars Awarded | No. of Grants |
|-----|---|-------|------------------------------|-----------------------|---------------|
| 1. | Gordon and Betty Moore Foundation | CA | IN | \$134,438,760 | 251 |
| 2. | The David and Lucile Packard Foundation | CA | IN | \$121,016,258 | 207 |
| 3. | Walton Family Foundation, Inc. | AR | IN | \$76,218,045 | 105 |
| 4. | The William and Flora Hewlett Foundation | CA | IN | \$53,439,469 | 115 |
| 5. | The Rockefeller Foundation | NY | IN | \$43,809,793 | 117 |
| 6. | Sea Change Foundation | CA | IN | \$43,149,911 | 42 |
| 7. | Richard King Mellon Foundation | PA | IN | \$29,080,000 | 41 |
| 8. | Robertson Foundation | NY | IN | \$28,507,000 | 16 |
| 9. | The John D. and Catherine T. MacArthur Foundation | IL | IN | \$24,204,500 | 60 |
| 10. | Ford Foundation | NY | IN | \$23,922,840 | 108 |

Source: The Foundation Center, 2013. Based on grants of \$10,000 or more awarded by a national sample of 1,122 larger U.S. foundations. For community foundations, only discretionary grants are included. Grants to individuals are not included in the file. Giving for the "environment" is based on EGA subject categories.

1. IN = Independent; CS = Corporate; CM = Community.

ISSUE AREA

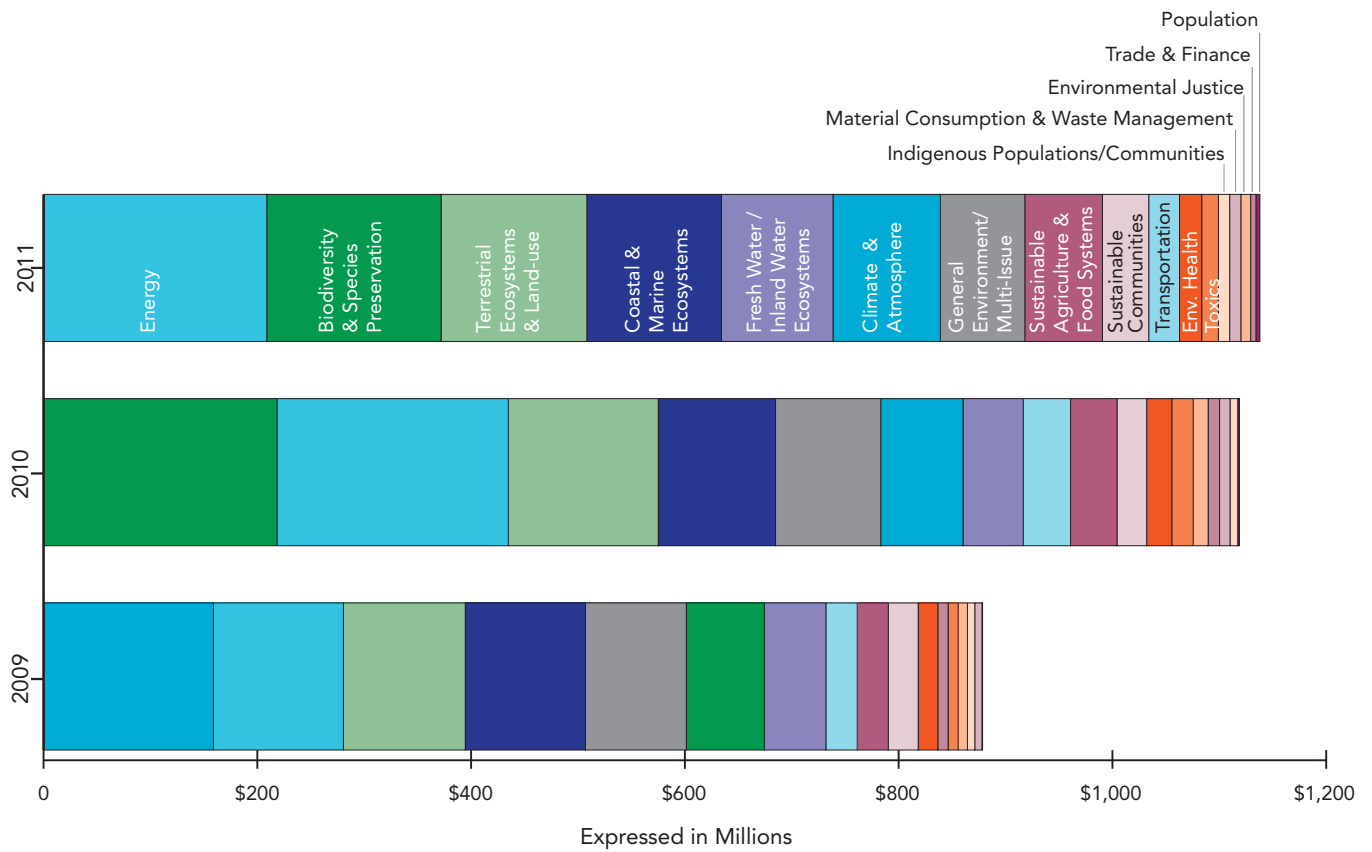
KEY FINDINGS:

- The top three most funded primary issue areas in 2011 were: "Energy" (18%), "Biodiversity & Species Preservation" (14%), and "Terrestrial Ecosystems & Land Use" (12%).
- Funding for "Population" and "Sustainable Agriculture & Food Systems" grew dramatically from 2009 to 2011.
- "Fresh Water / Inland Water Ecosystems" experienced an 85% increase in funding by EGA members in 2011, reaching an all-time high.

What issues did EGA members fund? Where were the gaps?

The top funded issue areas by EGA members in 2011 were: "Energy," "Biodiversity & Species Preservation," "Terrestrial Ecosystem & Land Use," and "Coastal & Marine Ecosystems." These issue areas accounted for the largest proportion of environmental grants received from 2007-2011 with the exception of 2009. Grants to climate change related issues made up 30% of EGA members' giving, land issues were 26%, and water was 20%. Population and Trade & Finance were the least funded issues in 2011, receiving less than 1% of EGA members' funding. The inclusion of secondary issue areas in the *Tracking the Field* report allows members to see the cross-cutting relationship between many environmental issue areas and grants.

EGA Members' by Primary Issue Area, 2009, 2010, 2011

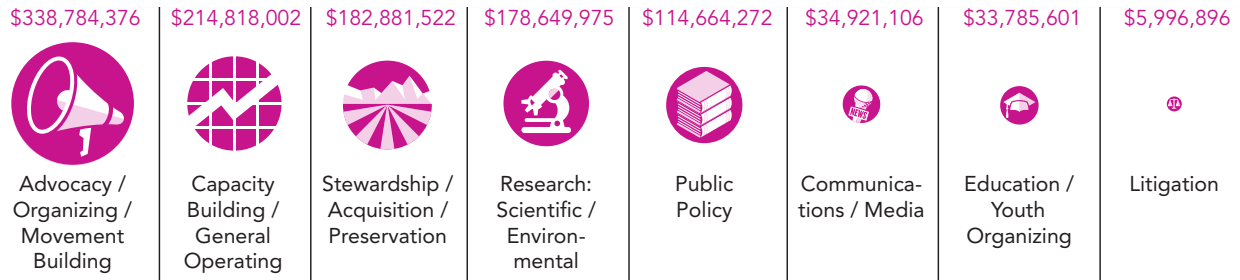


LEGEND

- Population
- Sustainable Agriculture & Food Systems
- Trade & Finance
- Material Consumption & Waste Management
- Sustainable Communities
- Biodiversity & Species Preservation
- Terrestrial Ecosystems & Land-use
- Coastal & Marine Ecosystem
- Fresh Water / Inland Water Ecosystems
- Climate / Atmosphere
- Energy
- Transportation
- Environmental Health
- Toxics
- Environmental Justice
- Indigenous Populations/Communities

STRATEGIES

EGA Members' Grantmaking Strategies, circa 2011



KEY FINDINGS:

- “Advocacy/ Organizing/ Movement Building” was the most funded strategy across all 3 years (2009, 2010 and 2011), followed by “Capacity Building/ General Operating.”
- The trends in strategies echo the issue areas that received the most funding and therefore vary according to the geographic region.
- During the recession, foundations generally chose to decrease the number of grants given rather than decrease the size of their grants.

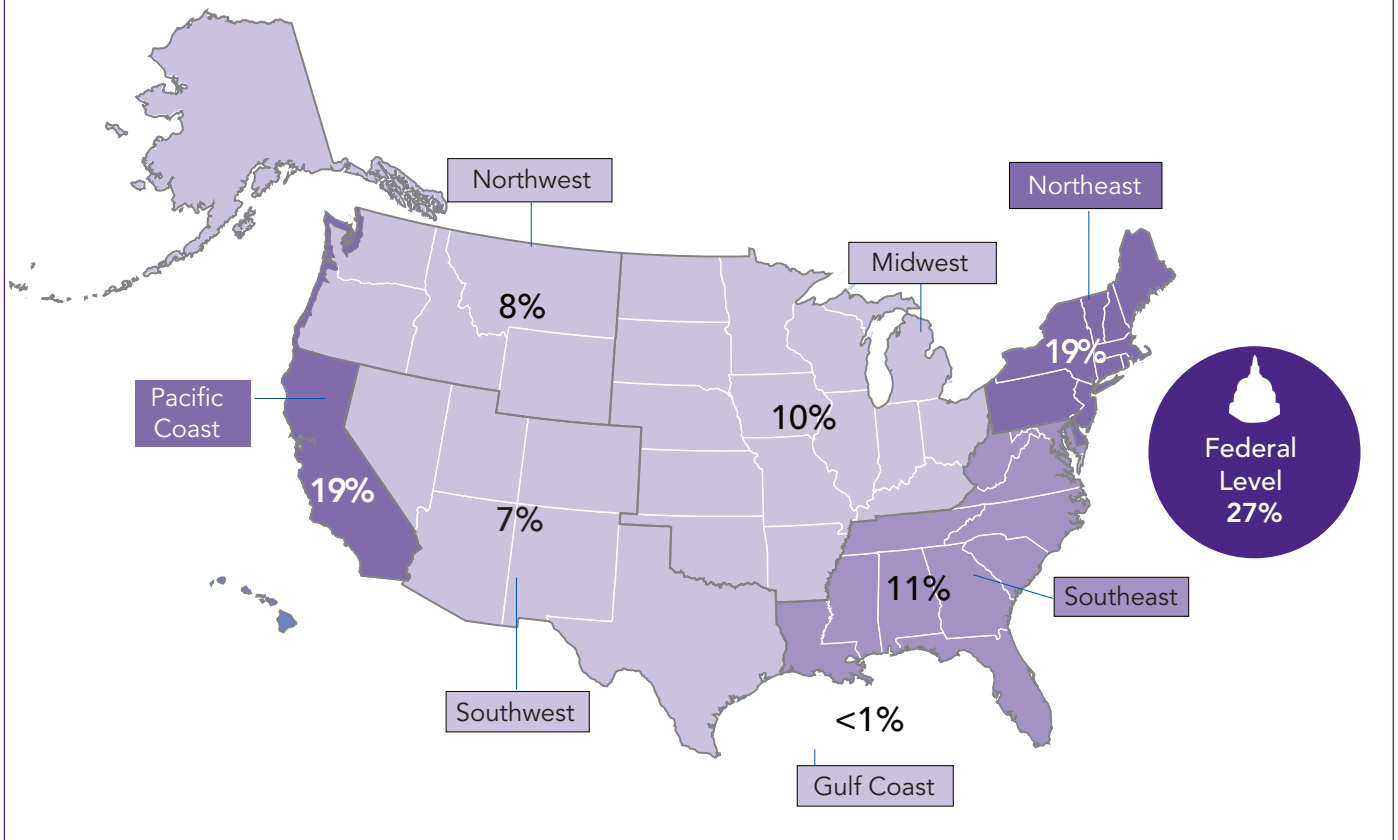
What strategies are environmental funders using?

“Advocacy/ Organizing/ Movement Building” has remained the most funded strategy overall since 2009, representing 31% of grants in 2011. The steady portion of grants given to

“Capacity Building/ General Operating,” the second most funded strategy in 2011, reflects an ongoing conversation within the nonprofit and grantmaking community about the importance of funding and strengthening capacity for nonprofit organizations. Foundations are more likely to employ specific strategies depending on the issue focus of each grant. Thus, shifts in strategies being funded across years or geographic regions therefore can often be explained by shifts in the issue areas being funded. For example, grants funding Land and Water mostly used “Stewardship/ Acquisition/ Preservation,” while grants to Energy & Climate relied primarily on “Advocacy, Organizing/ Movement Building.” Grant sizes vary by strategy, too, and the decision to give smaller grants to more organizations or fewer larger grants is a strategy in itself. Between 2007 and 2011, the average size of grants changed very little. This shows that during the recession, foundations generally chose to decrease the number of grants given rather than decrease the size of their grants.

GEOGRAPHIC DISTRIBUTION

EGA Members' Domestic Grants By Geographic Region, 2011



KEY FINDINGS:

- Domestic grantmaking by EGA members has increased each year between 2009 - 2011, and consisted of 65%, 68%, and 75%, respectively, of members' total giving.
- In some cases, the geographic distribution of member funding varied in response to external events. For example:
 - *Internationally* Leading up to the 2012 Rio+20 Earth Summit, funding in South America increased by 99% 2009-2010, and an additional 9% in 2011 (representing 14% of total member international funding)
 - *Domestically* In 2011, funding to the Gulf Coast decreased after being at an all-time high in 2010, which had increased by 133% from 2009, due to EGA members' attention to the environmental effects of the Deep Water Horizon drilling disaster in April 2010.

What is the geographic distribution of environmental grants awarded by EGA members?

The proportion of domestic and international grantmaking changed by almost 10% between 2009 and 2011, with the percentage of grants going to domestic grantees increasing each year, and representing 75% of members' total giving in 2011. In line with 2009 and 2010, the majority of international grants made by EGA members in 2011 covered more than one international region and were categorized as Global. For domestic funding in 2011, there was a proportional increase in grants going to individual domestic regions and a slight decrease in grants to the Federal Level (crossing multiple domestic regions). The Northeast domestic region saw the largest increase in funding by EGA members in 2011, but the Pacific Coast, with just 0.1% more funding than the Northeast region, was the most funded individual domestic region. As a total of domestic funding in 2011, the Federal Level category however, still remained the most funded category at 27% (versus 34% in 2010).

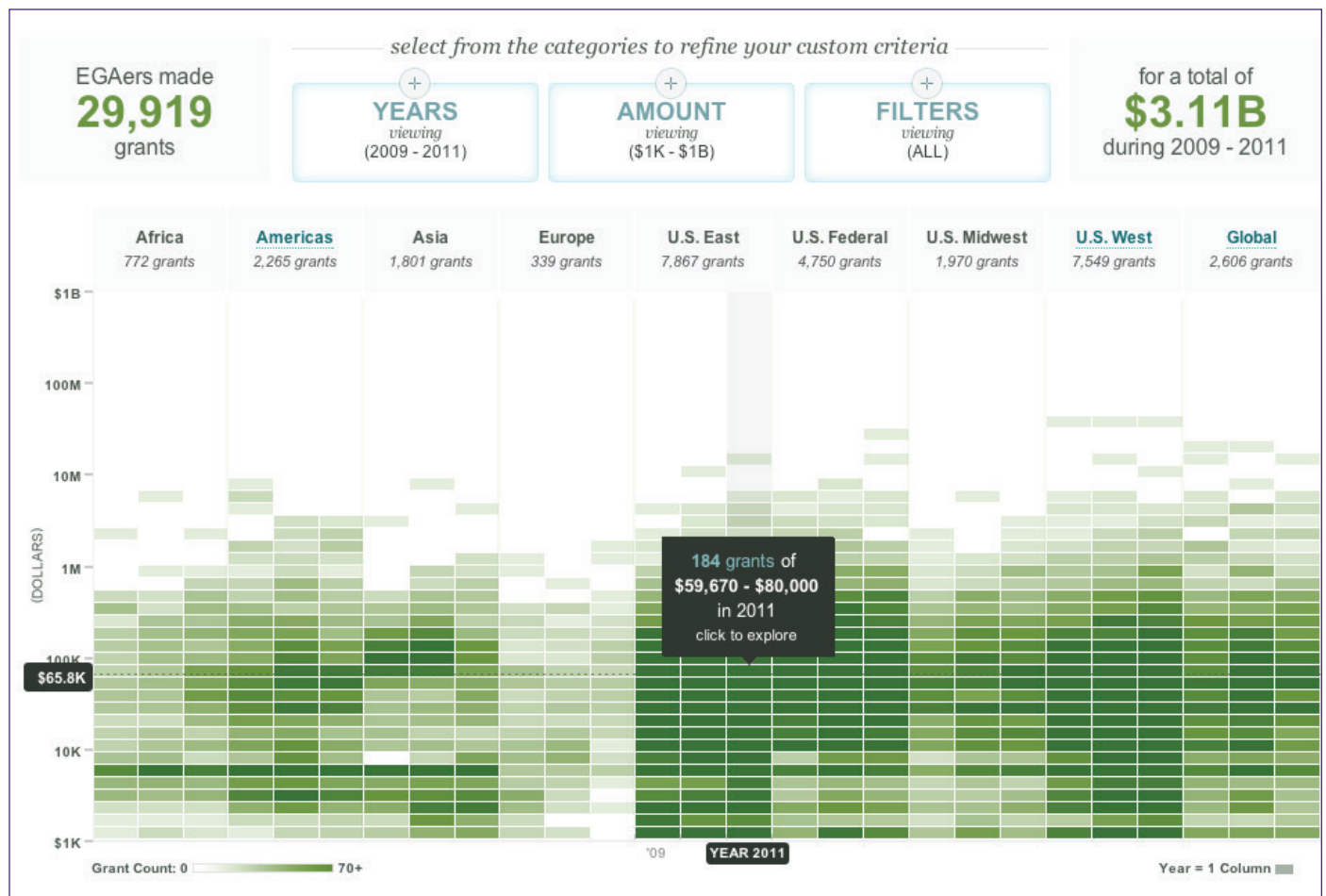
TRACKING THE FIELD—BEYOND THE REPORT

The goal of *Tracking the Field* is to continue to update and analyze our data collection, but also to experiment and improve the way that our members can experience this information. EGA strives to allow members to "... have access to new tools and knowledge to make more effective and strategic investments."³

In fall 2011, EGA revamped its website to incorporate a new rich search tool that allows advanced access to the data in this report. EGA members are able to search the coded grants by primary and/or secondary issue, geography, strategy, grantor and/or grantee, or any combination thereof. In addition to

access to grants, the website allows EGA members to review other categories of interest, including: all grants made by a member, members' contact information, and all grants received by a grantee.

In 2013, EGA is taking this web component of *Tracking the Field* a step further. With the generous sharing and adaptation of a tool created by the William and Flora Hewlett Foundation, EGA members can now access an interactive "heat map" of members' grants. This tool highlights well-funded areas and gaps in environmental funding, each categorized by specific strategies, geographic regions, and issues of interest.



<http://ega.org/ttfinteractive/>

CONCLUSION

2011 was a year of recovery related to grantmaking for environmental philanthropy. EGA members' funding and total environmental grantmaking by U.S. foundations were above pre-recession giving, totaling \$2.8 billion.

While funding has bounced back since the recession, the grant dollars are not consistently returning to the pre-recession issue area focuses. With a changing political environment of the Tea Party, the Occupy Movement, and the lack of progress in the climate policy landscape, 2010 and 2011 illustrated a significant transfer in issue area funding. Shifting priorities, EGA members for the first time funded "Energy" as the primary issue area of their grants rather than "Climate & Atmosphere," reflecting an alternate path to carbon emission reductions. With attention being drawn to local food solutions, drought and food scarcity, "Fresh Water / Inland Water Ecosystems" and "Sustainable Agriculture & Food Systems" both saw significant increases in funding as well.

Our goal is to help build a knowledge base of what is being funded, and to increase transparency and provide illumination on what is not being funded. Priorities and gaps are both important in our shared understanding of the landscape, and we aim to keep increasing our focus on both areas in future editions of this report, and with our interactive tools.

Notes

1. Lawrence, Steven, *Foundation Growth and Giving Estimates, 2012 Edition* (New York: The Foundation Center, 2012). pp. 1.
2. Barton, Noelle and Ian Wilhelm. "Taking a Big Hit." *The Chronicle of Philanthropy*. 12 Feb. 2009. Web. 28 Aug. 2013.
3. EGA Strategic Framework.

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The mission of EGA is to help member organizations become more effective environmental grantmakers through information sharing, collaboration and networking.

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