Statement for the Record by
David Biemesderfer
President & CEO
United Philanthropy Forum

Submitted to
Homeland Security and Governmental Affairs Committee
United States Senate

“Improving Access to Federal Grants for Underserved Communities”
May 15, 2023

Chairman Peters, Ranking Member Paul, and Members of the Committee, thank you for allowing me to submit this statement for the record on improving access to federal grants for underserved communities.

United Philanthropy Forum (the Forum) is a membership organization of nearly 100 regional and national philanthropy-serving organizations or PSOs. The Forum uses “PSO” as something of a catch-all term to describe a diverse and dynamic group of philanthropy associations and networks that bring funders together with a focus on a geographic region, funding issue, identity/population group or philanthropic practice.

As the largest and most diverse network in American philanthropy, United Philanthropy Forum holds a unique position in the social sector to help increase philanthropy’s impact in communities across the country. Our members, who represent more than 7,000 foundations and other funders across the country, work to make philanthropy better. Through our members and their networks, we reach almost every state and district, promoting a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

We appreciate the opportunity to highlight some of our members who are transforming philanthropy by advancing equitable, effective grantmaking practices and can serve as a resource and example for this Committee’s work. Some of these member organizations include:

1) Grantmakers for Effective Organizations
2) PEAK Grantmaking
3) The Center for Effective Philanthropy
4) Council of Michigan Foundations
5) Philanthropy New York
6) Minnesota Council on Foundations

We have observed some trends over the past few years that may serve as an inspiration for how this change is possible. Sparked by 2020, hundreds of grantmakers quickly pivoted practices to respond to urgent and growing community needs by loosening or eliminating restrictions on grants, reducing the burden on nonprofits, increasing transparency in decision making, committing to listening to communities that are least heard, and supporting policy and advocacy efforts.
Our members understand that supporting systems change requires sustained funding over time. Federal grant programs cannot just do a carve out of 5% for Tribal entities or 10% set-aside for culturally specific organizations and expect transformative change in underserved communities. Smaller, community-based organizations (CBOs) who have the trust of their community are hamstrung by limited internal capacity to apply for federal grants and then abide by the overwhelming reporting requirements. If the nonprofit does receive a federal grant or contract, many times it does not cover the actual cost of service delivery or account for the complexity of the process.

It is very hard for these groups to secure funding to invest in rigorous evaluation necessary to prove their model is evidence-based or evidence-informed. Typically, grants are inflexible with how the funds can be spent that impedes innovation or intersectional work. Some commonsense solutions include simplifying the application process, offering more consistency and transparency regarding grant application procedures and criteria, and allowing greater flexibility in the use of grant funds.

Many times, CBOs are cobbling together small sources of funding from private donations and city and local public funding on shoestring budgets each year. And, fundraising, which has always been difficult and time-consuming, is getting more so. According to recent data released by the Association of Fundraising Professionals, there was a decrease in money raised last year by nonprofits as compared to 2021 and that’s without factoring in further losses via inflation.

The Forum is very proud that PSOs have become more transformative and less transactional; PSOs are placing a more central focus on racial equity and on holding the field accountable on equity issues (including equitable grantmaking processes); PSOs are displaying new kinds of bold leadership in partnerships with government and the private sector.

We appreciate this opportunity to submit testimony about such a vital issue. The Forum stands ready to work with this Committee as a partner and resource into the broader philanthropic landscape of the country and are eager to be part of the solution to improving access to federal grants for underserved communities.

If the committee would like to explore ways to connect the sector and government on this issue, please contact the Forum’s Senior Director of Public Policy, Matthew L. Evans at matthew@unitedphilforum.org. We’re happy to answer any questions.

Thank you for your consideration.

Sincerely,

Dave Biemesderfer
President and CEO
United Philanthropy Forum