Understanding the philanthropic landscape

How grants data can inform funder decision-making

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pfc

This brief is the second in a series of learning materials on data and evidence-based grantmaking created for Canadian funders, by Philanthropic Foundations Canada and Powered by Data.

ABOUT PFC

Established in 1999, Philanthropic Foundations Canada (PFC) is a national member association of grantmaking foundations, charitable organizations and corporate giving programs. PFC seeks to promote the growth and development of effective and responsible foundations and organized philanthropy in Canada through provision of membership services, resources and advocacy. To learn more, visit: pfc.ca

ABOUT POWERED BY DATA

Powered by Data's mission is to maximize the availability and impact of data for public good. Through an approach that blends data policy and data strategy development, Powered by Data helps establish infrastructure and governance frameworks that will enable the social sector to better share, use, and learn from data. Powered by Data works with nonprofits and civil society groups, government, funders, and global data initiatives. To learn more, visit: poweredbydata.org

Powered by Data operates on Tides Canada's shared platform, which supports on-the-ground efforts to create uncommon solutions for the common good.

Which initiatives should I fund? How can grants data help me decide?

Most funders want to make informed decisions around how to best distribute their funds to effect social change. Having a "big picture" understanding of how grants are being allocated across the sector can help funders plan their investments. **What causes and organizations are already being funded—and by whom? Which initiatives are new, and where are there gaps? Are there specific regions, demographics, or causes that are being underfunded?**

Grants data are more than a record of funder-grantee transactions; they also help answer questions around what nonprofit activities exist, and which are being supported. This second brief of our Data and Evidence-Based Grantmaking Series will highlight:

- How grants data are already being used to understand Canadian philanthropy
- Limitations of current approaches on accessing data on grantmaking
- Two case studies from the USA and the UK on how grants data are accessed and used
- What sharing grants data could look like for Canadian funders

Data on grantmaking are already being leveraged to understand the philanthropic landscape in Canada.

Canadian funders and charitable associations already use data to further their work on philanthropy. Currently, the most comprehensive, public dataset comes from the **Canada Revenue Agency (CRA) T3010 annual charity tax returns dataset,** which contains financial and activity information on Canadian charities.[1] These data have been used to:

- **Create a directory of Canadian foundations and corporations:** Imagine Canada uses a combination of T3010 data and information on grants pulled from annual reports and foundation websites to create **Grant Connect**, a directory of funders that helps charities find prospective funding.[2]

- **Understand trends in Canadian philanthropy:** Philanthropic Foundations Canada (PFC) uses T3010 data to create snapshots of Canadian philanthropy, illustrating trends such as changes in foundation giving over time.[3] PFC also uses this data to understand funding to

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[1] *T3010 datasets on Open Government Portal, Government of Canada.* Available at: https://open.canada.ca/data/dataset?keywords=T3010

[2] *Grant Connect, Imagine Canada.* Available at: http://www.imaginecanada.ca/grant-connect

[3] *Snapshot of Foundation Giving in 2015, Philanthropic Foundations Canada* (2017). Available at: https://pfc.ca/wp-content/uploads/2018/05/pfc-snapshot-giving-2015.pdf

specific issue areas, such as Canadian higher education.[4]

- **Map the Indigenous funding economy in Canada:** The Circle on Philanthropy and Aboriginal Peoples in Canada used the T3010 dataset to illustrate philanthropic trends with respect to First Nations, Métis and Inuit communities, and identify Indigenous-focused "charities".[5] This research can help identify challenges and gaps, and inform strategies for strengthening the Indigenous philanthropic sector.

Although data from the CRA have been valuable for understanding the Canadian philanthropic sector, these data do not capture important details. The data is restricted to the name of the grantee and the dollar amount of the grant. It does not reveal the purposes of grants. This restricts the scope of questions these data can answer. **For example, the CRA T3010 dataset, in isolation, was not a sufficient data source for PFC's analysis of grants made to higher education.** A key piece of the analysis involved a breakdown of how funding was allocated to different areas, such as infrastructure development, student services, or individual student development. Because T3010 data lacks details on grant purposes, PFC collected this manually— contacting individual foundations directly and visiting foundation websites.

Of course, the CRA is not the only source of data on Canadian philanthropy. To promote understanding around the scope of environmental grantmaking, the Canadian Environmental Grantmakers' Network (CEGN) collects data about grantmaking from a combination of sources, including data submitted by funders, information about grants listed on foundation websites, and summary grants statistics listed in foundation annual reports. With these data, CEGN developed an interactive platform that visualizes how over 100 grantmakers are funding Canadian environmental issues such as energy, environment and social justice, biodiversity, and sustainable cities.[6]

Obtaining information on grants manually is a time-consuming process. Although many funders track data on grants and store them in internal grants management systems, most funders do not share these data publicly or with each other—and a potentially rich information source on philanthropy remains largely siloed.

How has this challenge been tackled outside of Canada? In the next section, we present case studies that illustrate how data on grants have been used to paint a picture of the philanthropic landscape in the US and UK.

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[4] *Education and Research: A Grantmaking Snapshot, Philanthropic Foundations Canada* (2016). Available at: https://pfc.ca/wp-content/uploads/2018/01/grantmaking-snapshot-education-2016-en.pdf

[5] *Measuring the Circle 2017, Emerging Trends in Philanthropy for First Nations, Métics and Inuit Communities in Canada: A focus on Manitoba* (2017).

[6] *Canadian Environmental Grants Database, Canadian Environmental Grantmakers Network.* Available at: http://grants.cegn.org/

Foundation Center's mission to understand philanthropy through data

Foundation Center is a non-profit that gathers data about philanthropy in the United States, with the goal of creating data-driven knowledge tools to support funders in their strategic decision making. The Center gathers data from a range of sources, including:[7]

- Form 990 data from the Internal Revenue Service (equivalent to the CRA T3010 dataset)
- Data shared publicly by funders on their websites
- Publicly available data on federal government spending
- Grants data shared directly by funders to Foundation Center

Foundation Center combines these data to develop a number of online tools. Website visitors can explore grants data across funders and generate tables and charts according to specific queries. Their online mapping platform, Foundation Maps, visualizes how funds from over 93,000 foundations flow to recipients around the world. The Foundation Landscapes platform offers customized online hubs that centralize resources, funding maps, and funder directories for specific issue areas such as youth, ocean protection, and Sustainable Development Goals (SDGs). These are valuable tools for funders looking to research specific grantmaking areas, identify collaborators, or understand funding gaps they could help address.

THE EREPORTING PROGRAM AND THE REPORTING COMMITMENT

Funders can submit their grants data to Foundation Center through their eReporting program which requires funders to provide details on individual grants—including program areas, geographic location, dates, and more. Though not all of these information categories are mandatory, the data collected contain far more detail than would be found in a 990 or T3010 tax return. In exchange for submitting their data to the eReporting program, Foundation Center provides foundations a customized interactive map visualization of their grantmaking. Foundation Center also has a more extensive "Reporting Commitment"—an initiative that encourages US foundations to share their data publicly on a quarterly basis using their hGrant data standard.[8] Currently, twenty funders participate in the Reporting Commitment.

Data submitted to Foundation Center are not openly licensed. This means that although some of the data are freely available for the public to explore, they are not classified as open data—restricting the range of potential use cases for this information.

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[7] *Data Sources, Foundation Center.* Available at: http://foundationcenter.org/gain-knowledge/foundation-data/data-sources

[8] *About the Reporting Commitment, Glasspockets, a service of Foundation Center.* Available at: https://glasspockets.org/philanthropy-in-focus/reporting-commitment-about

360Giving's mission to open up grants data in the UK

In 2015, Fran Perrin, the Director and Founder of Indigo Trust, founded 360Giving—a nonprofit initiative that encourages UK grantmakers to share their grants data as **open data: data that are publicly accessed online in a machine-readable format, and licensed for reuse for any purpose.** The initiative was born after she was not able to find data to inform her foundation grantmaking decisions.

As of 2018, there are over eighty UK funders publishing data openly on over 280,000 grants through the initiative. Funders participating in the initiative must publish their grants data in a specified format and structure—**the 360Giving data standard**—so that datasets across funders can be combined and compared against one another.[9] Publishing involves uploading a templated spreadsheet to the funder's website, and then linking this data to the 360Giving registry. As with Foundation Center's eReporting program, 360Giving data can include details on grant descriptions, beneficiaries, grant dates and geographic information.

Anyone can freely search and download 360Giving data through their **GrantNav platform.**[10] 360Giving data also forms the basis of **Beehive Giving**, a platform that helps non-profit fundraisers easily identify suitable funding opportunities and sources.[11] 360Giving data can be compared to data submitted to Foundation Center's eReporting program, but have an additional benefit of being publicly accessible and openly licensed for reuse, enabling a wider range of potential use cases for this information.

Towards a culture of sharing grants data in Canada

The Circle on Philanthropy and Aboriginal Peoples in Canada has highlighted how a "*lack of information leads to funding gaps, inefficiencies, and other barriers required to fully realizing the potential impact of Philanthropy and to add strength to Indigenous communities*".[12] Our inability to easily access the data needed to understand the grantmaking landscape has real consequences on the communities we aim to support.

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[9] *The 360Giving Standard, 360Giving.* Available at: http://www.threesixtygiving.org/support/standard/

[10] *GrantNav, 360Giving.* Available at: http://grantnav.threesixtygiving.org/

[11] *Beehive Giving.* Available at: https://www.beehivegiving.org

[12] *Measuring the Circle 2017, Emerging Trends in Philanthropy for First Nations, Métics and Inuit Communities in Canada: A focus on Manitoba* (2017).

How do we address this need for more shared, and more open, data on philanthropy? Foundation Center's Reporting Commitment and 360Giving's open data initiative are examples of potential avenues for addressing the siloed nature of philanthropic information. Both illustrate how a rich dataset on philanthropy can be created when grants data are shared and compiled across funders. These initiatives are, however, still nascent: there are twenty foundations participating in Foundation Center's Reporting Commitment, and eighty funders publishing data openly to the 360Giving standard. These datasets capture information on only a fraction of funders, and do not yet offer a thorough view of the UK or US philanthropic landscapes.

The practice of sharing grants data is new in Canada, but some funders are already joining the open data movement. In 2015, Ontario Trillium Foundation became the first funder in Canada to publish its grants data openly.[13] Canada Council for the Arts, the Edmonton Community Foundation, and Tides Canada are other funders who have followed suit.

As more funders in Canada begin to share their data, they may want to standardize how these data are published in order to optimize their utility and ability to be aggregated across different funders. Both 360Giving and Foundation Center's eReporting templates are examples of data standards—standardized methods for publishing data that enable consistency between how different organizations publish information. This is an opportunity for development of a key piece of the philanthropic infrastructure landscape, customized for Canada. Adopting a model such as the 360Giving data standard is one possible avenue.

FURTHER READING AND RESOURCES

Valuing Data: How to use it in your grantmaking, Plum Lomax, Ruth Gripper, Shona Curvers. New Philanthropy Capital (November 2016)
https://www.thinknpc.org/publications/valuing-data/

The Missing Piece of the Puzzle – Using Data to Improve Funding Practice, Lorena Klos. Human Rights Funder Network (January 2018)
https://www.hrfn.org/community-voices/the-missing-piece-of-the-puzzle-using-data-to-improve-funding-practice/

360Giving
http://www.threesixtygiving.org/

Foundation Center
https://foundationcenter.org/

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[13] *Open Data, Ontario Trillium Foundation.* Available at: https://otf.ca/open

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