



Engaging funders in the quest for philanthropic excellence

Grantmakers Forum of New York
919 Winton Road South, Rochester, NY 14618-1633
phone: 585-232-2380 ♦ fax: 585-232-8413

email: gfny@grantmakers.org ♦ web: www.grantmakers.org

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Contact: Liz Wilder, Executive Director

Title: **Grantmakers Planning for a Tight Economy**

ROCHESTER, NY -- “We’ll possibly eliminate some grant areas and concentrate on making sure we have funds available for ‘safety net’ programs,” said one respondent to a recent survey by Grantmakers Forum of New York. Funders across the state were asked about their grantmaking outlook for 2009. The results were released today in a report: *Challenges Ahead: Upstate NY Philanthropy and the Economy*.

The current decline in the stock market has hit private foundation endowments hard. Private foundations are required by the IRS to grant five percent of their endowment each year. With endowments shrinking, that five percent will be smaller in 2009. 75% of them anticipate a 2009 reduction from the amount they invested in Upstate New York in 2007 and 2008. This means less money for the nonprofits who are serving those in need.

Community foundations and other public charity grantmakers have more legal flexibility to budget their grantmaking over a number of years, smoothing changes in investments. Even so, 45% of these organizations in Upstate New York anticipate a reduction in their grantmaking in 2009.

The reduction in assets has been progressive. Most public charity grantmakers and private foundations experienced a decrease in their assets from 2007 to 2008, although a majority distributed about the same amounts each year, dipping into their endowments. In 2009 they will give less money and, at the same time, most expect the volume of requests for funding to increase.

In the face of declining assets, foundations have developed strategies to stretch their charitable dollars for the good of the community. Many focus on strengthening those nonprofits they fund. A majority of the survey sample said they invest in nonprofits to maintain or increase their capacity to do their jobs. They allocate money to support leadership development, strategic planning, mergers, and operating support. “We will continue both our capacity building and neighborhood work, although possibly at lower funding levels,” said one private foundation.

Grantmakers Forum of New York is an association of funders, strengthening and promoting philanthropy throughout the state. For more information, call 585.232.2380 or visit our website at www.grantmakers.org.

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