



## State of Funding in Information and Media among Community and Place-based Foundations

February 2012

### INTRODUCTION

The opportunity for community and place-based foundations to play a role in addressing their community information needs has attracted increased interest from the field. This report highlights findings from the *State of Information and Media Funding Survey*. The purpose of the survey is to understand how and to what extent community and place-based foundations are engaged in addressing their community information needs; the findings in this report focus on three primary issues related to foundation engagement:

- How foundations describe and define information and media grantmaking
- How foundations are engaged in addressing their community information needs
- What motivates and supports foundations' involvement in addressing community information needs

This year, 162 community and place-based foundations responded to the field survey, representing 16% of the foundations contacted by email to participate. Half of this year's respondents are community foundations (n=81) and half are place-based foundations (n=81).<sup>1</sup>

### "INFORMATION AND MEDIA" INCLUDES MANY TYPES OF ACTIVITIES AND CATEGORIES

Many community and place-based foundations have seen a decline in locally relevant news and information in their communities. A substantial percentage of survey respondents (26%) reported that the availability of local news and information vital to civic life has declined over the past three years.<sup>2</sup> While some foundations are working to fill the information gaps in their community, there is no widely held, consistent definition of "community information" or "information and media-related" grantmaking. Knight Foundation has used the following definition of information and media-related funding when asking community and place-based foundations how much they contribute to these efforts:

- **Creating information and media content** (e.g., creating online news content, documentary films)
- **Developing greater information and media infrastructure** (e.g., supporting new media outlets, increasing regional broadband access)
- **Influencing information and media policy** (e.g., promoting government transparency, building coalitions to promote local information and media policy)
- **Increasing digital media literacy among residents or specific populations** (e.g., training for youth or senior citizens)
- **Otherwise using information and media to address other community issues**, such as health or education (e.g., publishing community indicators, engaging in an awareness campaign about education reform)

<sup>1</sup> This is consistent with the response rate for the April 2010 field survey, which had 135 total responses (15% response rate overall); 92 responses (13%) for emails sent by the Council on Foundations and 43 (22%) for emails sent by Knight Foundation. For more information on respondents, please see the appendix.

<sup>2</sup> 38 of 147 respondents said "availability of locally relevant news and information has decreased" over the past three years, 48 (33%) said that it "has increased," 50 (34%) said it "has stayed the same," and 11 (7%) "don't know." Responses are largely consistent with responses from the 2010 survey, in which 36% reported that it had increased, 38% that it had decreased, 20% that it had stayed the same, and 6% reported "don't know."



## ...BY FUNDING INFORMATION AND MEDIA

Respondents currently funding information and media estimated contributing at least \$58.6M in the past year; however, one respondent reported spending \$28M in information and media-related grantmaking, greatly skewing the average contribution among these 67 foundations. The median contribution for community and place-based foundations was \$97K. When excluding this place-based foundation, the average contribution to information and media-related projects reported by survey respondents is \$463K and the median is \$25K. Foundation contributions estimated are higher than last year's survey, but changes in survey methodology make direct comparison difficult.<sup>3</sup>

On average, place-based foundations reported contributions significantly larger than community foundations. The average contribution of place-based foundations, (excluding the outlier) is \$663K with a sum of \$57.8M in total information and media-related contributions.<sup>4</sup> The median contribution of place-based foundations was \$250K. While more than half of foundations (51%) report an annual contribution of less than \$100,000 to information and media, community foundations were especially likely to contribute less than \$100,000. Average contributions by community foundations amounted to \$35K; which is also lower than previous estimates.<sup>5</sup>

There are at least two possible reasons for the substantial difference in contributions to information and media between community and place-based foundations. First, community foundations may have fewer assets than place-based foundations. Of community foundation respondents, 81% (n=55) had less than \$50M in total assets; in contrast, only 28% of place-based foundation respondents (n=18) had fewer than \$50M in assets, and 21% had assets of \$1B or more (n=14).<sup>6</sup>

Second, community foundations may have fewer discretionary funds available for grantmaking compared to place-based foundations. Community foundation respondents that are currently funding information and media had on average \$857K in annual unrestricted giving, compared with place-based funders of information and media, which reported \$33.0M, on average, in annual unrestricted giving.<sup>7</sup>

Despite the challenges in interpreting respondents' current financial contributions to information and media, data indicate that there are positive trends related to past and future perceptions of foundations' funding to address community information needs. Nearly half (49%, n=44) of survey respondents who reported currently funding information and media or having funded in the past said that their funding of information and media had increased in the past three years. Furthermore, 38% (n=38) of past and current funders expect funding to increase over the next three years. This is consistent with findings from last year's survey.<sup>8</sup>

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<sup>3</sup> Using a different methodology last year, we approximated at least \$23.3M in total spending, with an average contribution of \$193K. In last year's survey, respondents were asked to indicate their level of giving among ranges of dollar amounts, i.e., "\$1M or more," "\$500K – 999K," "\$100K – 499K," or "less than \$100K" in four separate categories. FSG aggregated the responses using the minimum in each range (for the lowest range, we used the midpoint, or \$50K).

<sup>4</sup> Last year, average place-based foundation contributions were estimated at \$453K; but changes in methodology make comparison difficult.

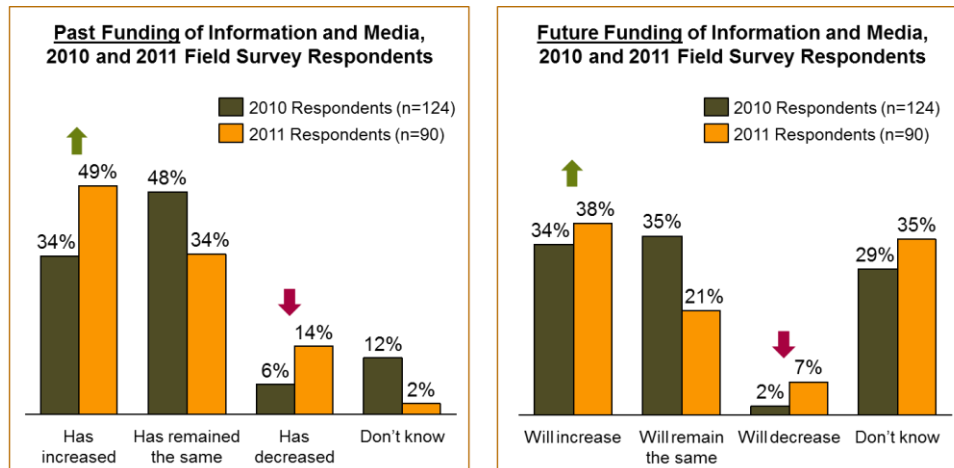
<sup>5</sup> In 2010, average community foundation contributions were estimated at \$78K (roughly twice as much as this year's average). However, the sample size this year is nearly one-third of last year's sample and, given the small sample size, variability is expected to be high from one year to the next and outliers can greatly skew the data.

<sup>6</sup> Data reflects the 68 community foundations that provided information on asset size and 68 place-based foundations that provided information on asset size (13 respondents in each category left this question blank).

<sup>7</sup> Data reflects the 21 community foundations and 46 place-based foundations that reported both current funding contributions and unrestricted giving.

<sup>8</sup> The funding trend data from the 2010 survey reflects responses from both non-funders and funders of information and media; the 2011 survey only asked these questions of those who had ever funded information and media.

In addition, only a small percentage of respondents (10%) have stopped funding information and media-related activities, and many (56%, see page 6) have been funding information and media for more than three years. This suggests a commitment to community information among an important sub-sector of the field.



Respondents were asked to explain why they think that their future funding will change or stay the same. In general those who reported that future funding “will increase” gave *strategic* reasons for the change, underlying their commitment to addressing community information needs. For example, respondents indicated that information and media helps them support their other program-related goals, and therefore, they expect funding to increase. Respondents who expect funding “will decrease” reflected a more *responsive* approach to information and media grantmaking. For example, foundations in the “will decrease” category anticipate a decline in funding opportunities in the area; one respondent mentioned the end of a one-time large cash infusion toward an information project.

### ...BY SUPPORTING NON-GRANTMAKING ACTIVITIES

Half of respondents (52%) are convening community stakeholders to impart or share knowledge or take collective action to address a local information need.

Non-Grantmaking Activities Foundations Engage in to Support Information and Media in Their Communities (n=151)	n	%
<b>Convening</b> community stakeholders to impart or share knowledge or take collective action to address a local information need	78	52%
<b>Building the information and media capacity</b> of our grantees	59	39%
<b>Contributing to research</b> or assessing information needs/gaps or practices in our community	57	38%
<b>Creating public awareness campaigns</b> around our community's information needs and/or a project the foundation is funding	57	38%
<b>Advocating for policy change</b> to increase access to information or to strengthen the information and media infrastructure	30	20%
<b>Making program-related investments</b> to information or media projects	9	6%
None of the above	36	24%

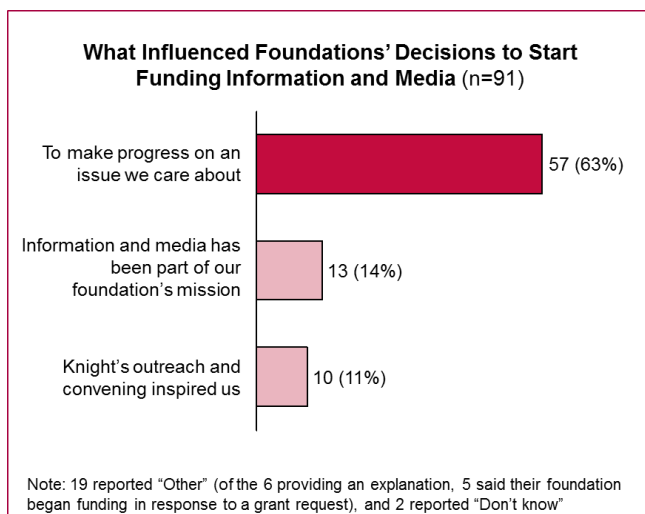
In 2010, 74% of the field survey respondents indicated that they were engaging in at least one supporting activity. The most frequent responses were the same as this year's responses: convening (46%), capacity building (43%), creating an awareness campaign (27%), and conducting research (25%).

## FOUNDATIONS ARE MOTIVATED TO ADDRESS COMMUNITY INFORMATION NEEDS

This year's survey highlighted several key motivations for foundations' entrance and continued involvement in addressing their community's information needs. Foundations are motivated to engage in information and media-related activities for several reasons.

### 1. Information Helps Foundations Make Progress on Issues They Care About

Current and past funders of information and media were asked what influenced their decision to start funding information and media. Most foundations (63%) began funding information and media to make progress on issues they care about. Respondents explained how information and media helped them address issues that they care about saying:



*"We realize that public awareness, engagement, and mobilization are critical components to get civic leadership [...] to take decisive action."*

*"We recognized the important role storytelling plays in helping nonprofits build capacity not only to reach their target audiences [...] more effectively, but also to articulate their outcomes to potential funders."*

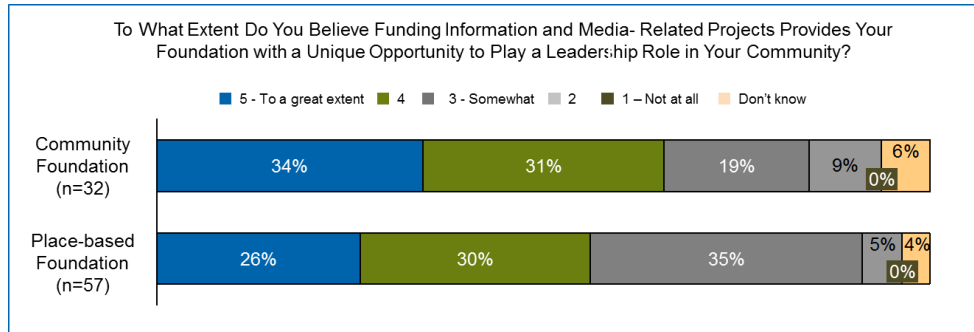
These foundations are using information and media to make progress on a variety of issues, including education, health, civic engagement, disaster preparedness, and nonprofit capacity building.

Foundations see information as vital to carrying out this work and having a greater impact in the communities they serve. This reflects in large part, a *strategic* orientation toward information and media grantmaking, whereby information and media is a vehicle for having a greater impact in the foundation's strategic priority areas.

### 2. Information Provides an Opportunity for Community Leadership

Respondents believe that addressing community information needs can support and enhance their foundation's community leadership. Overall, 60% (n=53) of survey respondents that currently or have previously funded information and media activities believe that funding information and media-related projects provides their foundation with a unique opportunity to play a leadership role in their community.<sup>9</sup> Last year, 52% of current foundation funders believed that these efforts provided an opportunity for community leadership.

<sup>9</sup> 53 of 89 foundations who were currently funding or had funded information and media in the past responded "4" or "5 – To a great extent" on a 5-point scale.

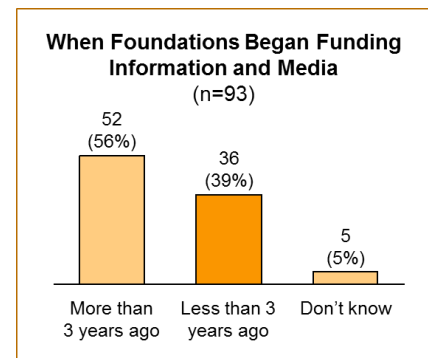


These findings provide further evidence that there is an important connection between addressing community information needs and the role of community leadership.

### 3. Knight Foundation Support Peaks Interest and Leverages Foundation Funds

While only a few respondents (n=10) report that they started funding information and media because of Knight Foundation’s outreach and convening, other responses to the field survey indicate that Knight plays an important role in supporting foundations’ activities in this area. Nine respondents indicated that learning about or applying to the Knight Community Information Challenge (KCIC) inspired their foundation’s decision to start funding and six indicated that the Media Learning Seminar (MLS) played a role.

Knight Foundation began its efforts to increasingly engage community and place-based foundations in this work when it hosted its first Media Learning Seminar (MLS) in February 2008. The Media Learning Seminar (MLS) has attracted roughly 300 organizations annually and is designed to catalyze interest and awareness about their role in addressing community information needs and to create an environment for peer-to-peer learning. A substantial number of survey respondents (39%) indicate that they began funding information and media less than three years ago, which is after Knight took a more proactive role in engaging the field in these efforts. This data suggests that Knight Foundation may have provided an important opportunity for more foundations to learn about and initiate community information projects.



Despite Knight Foundation’s outreach and successful engagement of a subset of the community and place-based foundation field through MLS and KCIC grant awards, awareness of the KCIC was low among this year’s survey respondents. This year, 31% of respondents reported being aware of the KCIC; this is a much smaller percentage of respondents who are aware of the KCIC than in last year’s survey (61%). Of those who were aware of the KCIC, 40% (n=18) had applied to the KCIC, and of those, nine received funding. Respondents that were currently funding information and media had higher awareness of the KCIC (42% reported being aware), compared to respondents who formerly funded information and media (13% reported being aware) and those who never funded (21% reported being aware).

However, the difference in awareness of the KCIC between this year and last year’s surveys may also be due in part to the greater proportion of place-based foundations in this year’s survey (50% in 2011, compared to 32% in 2010). Community foundation respondents again reported greater awareness of the KCIC than place-based foundations;

in 2011, 38% of community foundation respondents were aware of the KCIC compared to 23% of place-based foundation respondents.

## FOUNDATIONS ARE BUILDING THEIR INTERNAL CAPACITY TO ADDRESS COMMUNITY INFORMATION NEEDS

What is needed for foundations to more actively and effectively engage in information and media-related activities in their communities? Besides funding multiple community information projects and taking an approach that leverages multiple foundation assets – e.g., their ability to convene, build nonprofit capacity, inspire awareness of important issues, and even advocate – foundations are building their internal capacity to address information needs in their communities.

Foundations report that they are making internal changes that will enhance their ability to use information and media in meaningful and effective ways. Nearly three-quarters of respondents indicated that they actively use their website and social media to share information about their work, grantees, and local issues with the broader public (74%) and

Ways Foundations Are Building Their Internal Capacity to Address Community Information Needs (n=129)	n	%
We actively <b>use our website and social media to share current information</b> about our work, the work of grantees, or about local issues	95	74%
We are <b>allocating more staff time</b> to information, media or communications activities	70	54%
We are <b>hiring new staff</b> or <b>training existing staff</b> (e.g., to use social media to engage our stakeholders)	35	27%
We are <b>talking with our foundation’s donors</b> about the importance of local information and media to leverage additional resources	24	19%
We ask grantees to <b>designate a certain percentage of their grant budget</b> to information and communications related to their project	3	2%
None of the above	5	4%

almost one in five are talking with donors about the importance of local information and media. These findings suggest that there may be important organizational benefits, such as improving the foundation’s ability to communicate and connect with its constituents and donors by getting involved in community information efforts.

## ADDITIONAL SUPPORT FOR FOUNDATIONS’ EFFORTS ARE NEEDED

Even though foundations are better able to use information and media to communicate and engage with communities in new ways, the survey highlighted a few areas where additional support is needed. More than half of the respondents (56%) reported wanting **stories of successful information and media projects**.<sup>10</sup> The other top-ranked supports were: **consultative help to identify community information needs** (43%), **training and how-to workshops** (38%), and **consultative help on how to use the latest technologies** to address community needs (35%).<sup>11</sup>

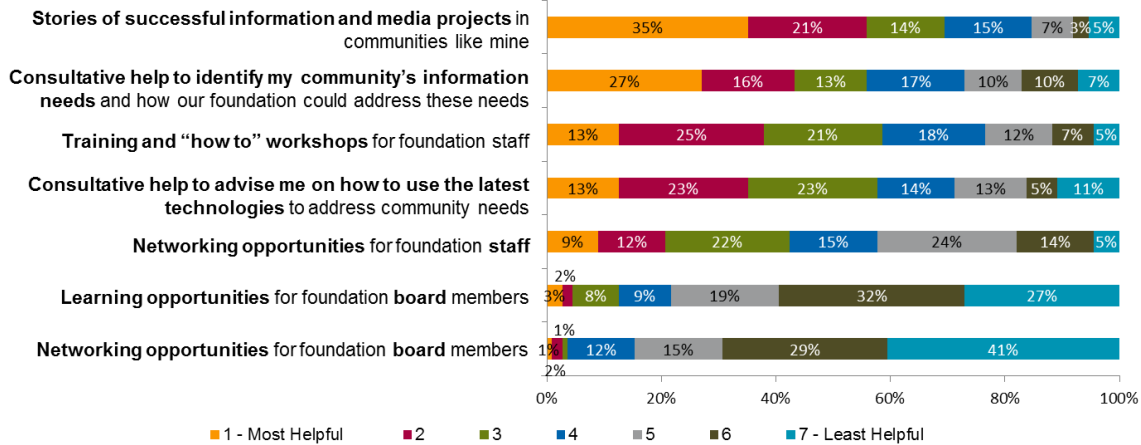
<sup>10</sup> 62 of 111 foundations ranked “stories of successful information and media projects in communities like mine” as “1” or “2” on a 7-point scale.

<sup>11</sup> Reflects the percentage of respondents who ranked each item a “1” or “2” on a 7-point scale.



## Which Support Would You Find Most Helpful Based on Your Foundation's Needs?

(n=111)



## CONCLUSION

Data for this survey was collected in July of 2011, providing an opportunity to compare responses with findings from last year's *State of Information and Media Funding* survey.<sup>12</sup> While certain questions were significantly revised for the 2011 survey, including the assessment of foundation contributions to information and media related grantmaking, there are important similarities in findings from the 2010 and 2011 surveys:

- Respondents expect that their future funding of information and media will increase.
- Respondents believe that funding information and media projects allows them to play a leadership role in the community.
- Knight Foundation has national, regional, and local peers that are also known for their own information and media-related funding.

In addition, this survey builds on past findings by identifying a key motivation behind foundations' decisions to fund information and media projects – to make progress on issues they care about – and highlights how foundations themselves are changing as a result of engaging in information needs projects.

Nonetheless, this survey provides only a limited picture of the total community and place-based foundation funding for information and media-related projects. In the future, surveys or document reviews that capture data from a targeted sample of community and place-based foundations will greatly help inform our understanding of how much the field is funding and whether their contributions are truly increasing over time. To help the systematic collection of foundation funding related to addressing community information needs, Knight Foundation is working with the Foundation Center and Guidestar to tag and code data to adequately capture the diversity of community information projects.

Knight Foundation is one among many information and media funders who are trying to enhance the information and media capacity in the communities they serve. This report provides an opportunity for foundations, especially place-based funders, to learn from others' perspectives in the field.

<sup>12</sup> Respondents may vary from year to year, and since respondents were granted confidentiality and not required to self-identify, we are unable to compare responses by the same foundation across years.



## APPENDIX

### WHO TOOK THIS SURVEY?

Surveys were sent to 992 community and place-based foundations in July 2011. Of those, 162 foundation representatives responded (16% response rate). Response rates differed slightly by community and place-based foundations. Of the 697 surveys delivered<sup>13</sup> to community foundations through an email sent by the Council on Foundations, 81 responded (12% response rate). Of the 295 surveys delivered to place-based foundations through an email sent by Knight Foundation, 81 responded (27% response rate).

Data used in the analysis came from 162 respondents, of whom 137 (85%) completed the survey, and 15 partially completed the survey with sufficient information on information and media contributions to be included in the analysis.<sup>14</sup>

Nearly half of the respondents have assets less than \$25M and unrestricted assets totaling less than \$1M (46% and 49%, respectively).

Nine survey respondents indicated that they were a Knight Community Information Challenge grantee.

Foundation Asset Size (n=136)	n	%
Less than \$25M	62	46%
\$25-99M	25	18%
\$100-499M	27	20%
More than \$500M	22	16%
<b>Grand Total</b>	<b>136</b>	<b>100%</b>

*\* 26 respondents left the question blank*

Foundation Annual Unrestricted Giving (n= 131)	n	%
<\$1M	64	49%
\$1-24M	48	37%
\$25-49M	7	5%
\$50-99M	7	5%
\$100M or more	5	4%
<b>Total</b>	<b>131</b>	<b>100%</b>

*\* 31 respondents left the question blank*

<sup>13</sup> "Delivered" refers to emails sent to addresses that did not receive bounce backs.

<sup>14</sup> This is consistent with the response rate for the April 2010 field survey, which had 135 total responses (15% response rate overall); 92 responses (13%) for emails sent by the Council on Foundations and 43 (22%) for emails sent by Knight Foundation.