



Funders Flounder with Technology Tools

CONTACTS: Lisa Pool | lisa@tagtech.org | 610-688-6832

Nikki Powell | npowell@gmnetwork.org | 202-495-0419

September 15, 2014 (WASHINGTON, DC) Grantmaking organizations hand out billions of dollars each year to worthy causes, but most foundations are flummoxed by the technology tools they use in their grant operations. This lack of understanding is disconcerting and gives rise to questions about decision-making and leadership in implementation of the software used to manage those billions in funding.

According to a new report by the Technology Affinity Group (TAG) and Grants Managers Network (GMN), more than 75 percent of foundation executives were reported to not fully understand the benefits of technology. This may be a key factor in limiting the potential of technology advances to benefit foundations' strategies and operations. When asked about the extent to which new technologies are causing a paradigm shift in their organizations, the percentage of respondents indicating technology was "causing transformative change" was only 13% with respect to leadership/vision and 19% with respect to both external communications and internal operations.

"While many foundations are very progressive with respect to their grantmaking programs, they are not nearly as forward-thinking with respect to the strategic use of technology in their business practices," said Lisa Pool, executive director of TAG. "Almost half of the survey respondents described their technology adoption as lagging behind. There are many new grants management services and software options, but it is difficult for staff to take full advantage of the software's potential given the lack of strategic vision and comfort with technology reported for most foundation leaders."

Only 23 percent of respondents indicated that their executives "totally get it;" 66 percent said their executives were "supportive but not very knowledgeable." And for the first time since 2005, staffing issues and training needs have replaced online grantmaking as the primary challenge grantmakers feel least prepared to address. These results point to foundation leaders—and foundations themselves—not being ready for newer technologies that are replacing familiar but outdated systems. Also key: foundations reported security as a major concern—and appear to struggle with implementation of new security tools.



“Grantmakers are not keeping up with the pace of technology,” according to Michelle Greanias, executive director of GMN. “This can lead to a host of issues that affect not only funders but their grantees, who have to work within the technology constraints of foundations.”

A total of 211 organizations completed the survey, down from 278 in 2012. The full report of findings is available on the TAG and GMN websites at www.tagtech.org and <http://www.gmnetwork.org/2014techsurvey>, respectively.

###

Grants Managers Network is a thriving national association of more than 2,800 philanthropy professionals with a mission to improve grantmaking by advancing the knowledge, skills, and abilities of grants management professionals and leading grantmakers to adopt and incorporate effective practices that benefit the philanthropic community. By increasing the knowledge of grants managers and the efficiency and effectiveness of funders, GMN helps grantmakers deliver more resources directly to mission-driven activities, leading to better outcomes for grantmakers and grantseekers alike. Learn more about GMN at GMNetwork.org.

The Technology Affinity Group (TAG), www.tagtech.org, is a membership organization of foundations that promotes the understanding of how information and communications technology can help its members further their philanthropic goals. TAG is an active community of professionals responsible for information and communications technology in the philanthropic sector. The community provides the highest quality resources and learning opportunities in an open and trusted environment.