### Funding Categories At-A-Glance

<table>
<thead>
<tr>
<th>Governments</th>
<th>Program Service Fees</th>
<th>Corporations</th>
<th>High-Net-Worth Individuals</th>
<th>Foundations</th>
<th>Small Gifts (&lt;$10K)</th>
<th>Investment Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide essential services to constituents</td>
<td>Demand for a product or service</td>
<td>Create ties between the corporation’s brand and a meaningful social cause</td>
<td>Build individual and/or family legacy</td>
<td>Invest in sectors and geographies that align with the foundation’s mission and strategy</td>
<td>Contribute to a well-known cause, often in response to social media engagement or mail campaigns</td>
<td>Not applicable; financial returns on invested assets</td>
</tr>
<tr>
<td>Federal funders often prefer project replicability and third-party evaluations</td>
<td>Unmet needs</td>
<td>Finding meaning and joy in deploying wealth to worthy causes</td>
<td>Achieve something distinctive over an extended timeline</td>
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<td>Original source of invested capital could be varied, often high-net-worth individuals</td>
<td></td>
</tr>
<tr>
<td>State and local funders often look for evidence of community support</td>
<td>In some cases, customers’ payment for a service comes from a third-party, such as Medicaid</td>
<td>Motivate employees with volunteering and gift matching</td>
<td>Invest in a personal interest or passion</td>
<td>Maximize tax benefits</td>
<td>Not applicable – emerging category</td>
<td></td>
</tr>
</tbody>
</table>

**Common Funder Motivations**

- Can provide predictable contracts over a defined period with potential to renew
- Most frequent, major source of funding for nonprofits with $50M+ in annual revenue
- Can require high-touch engagement from senior leaders
- Requires a large corpus of information

**Potential Advantages**

- Often restricted funding and may cap overhead rates
- Application process and reporting requirements can be extensive
- Payment often comes after service delivery
- Can be challenging to set spending limits on a meaningful share of an annual budget

**Potential Constraints**

- Often may not have the ability to pay for the full cost of services
- Potential regulatory risk and tax exposure
- May require high-touch engagement from senior leaders
- Requires a large corpus of information

**Assets and Capabilities**

- Lobbying/government relations
- Technical grant writing on RFPs and proposals
- Contracting
- Compliance and reporting
- Customer insights
- Product development
- Pricing
- Marketing and sales capacity
- Billing and payment infrastructure
- Board members with corporate connections
- Branding, marketing, and communications
- Employee volunteer opportunities
- Connections to wealthy individuals
- Board of directors committed to fundraising and willing to make introductions
- Major gift stewardship and solicitation
- Technical grant writing
- Connections to program officers at foundations
- Monitoring, evaluation, and reporting
- Strong brand awareness and widespread appeal
- Marketing, such as digital advertisements and mail campaigns
- Payment infrastructure
- Investment committee to make spending decisions and oversee investments, which is often outsourced to a third party

**Examples of "Natural Match" Domains**

- Human services
- Behavioral health
- Charter schools
- Housing and shelter
- Federally Qualified Health Centers
- Food insecurity
- Chronic health conditions
- Public and societal benefit
- Civil rights, social action, and advocacy
- Medical research
- Civil rights, social action, and advocacy
- Education
- International affairs
- Public and societal benefit

* "Examples of Natural Match Domains" refers to common domains of work for “really big” organizations that relied upon a given funding category. “Really big” nonprofits are defined for this work as organizations found in our research of nonprofits that, as of 2021, had grown to $50 million or more in annual revenue within 30 years of founding. See “A New Look at How US Nonprofits Get Really Big” for more detail. These examples are a starting place for organizations to consider high-potential funding categories; they should not deter organizations from pursuing other promising opportunities based on their own analysis and circumstances.

Source: The Bridgespan Group.