

Funding in Practice: Literature Review

Introduction:

The existing literature on unrestricted and multi-year funding is directionally consistent, but uneven in terms of both rigor and geographic scope. To help distinguish between different types of evidence, we organize the reviewed literature into three broad tiers. These tiers are intended as an analytical framework for this report, rather than a formal evidence-grading methodology, and some sources may span more than one category.

Tier 1: Evaluative evidence on effects (causal association between funding type and organizational outcome)

Tier 2: Descriptive evidence (how funding is used in practice; self-reported changes in organizational capacity and outcomes)

Tier 3: Perception, adoption, norms or advocacy (what funders and nonprofits believe or prefer; understanding of ecosystem)

Within each section below, sources are presented in chronological order.

Key Global Studies

Study	Evidence Tier	Hyperlink	Type of Grant	Key Findings
BUILD Developmental Evaluation - Final Report	Tier 1 - Evaluative evidence on effects	Source link	Five-year grants; ~60% fully unrestricted GOS, ~40% "core support for institutional strengthening"	83% (88% of U.S. grantees, 76% Global South) of organizations more financially resilient 91% reported that BUILD's support for institutional strengthening contributed to ability to achieve mission impact to large extent (70%) or some extent (21%) 98% reported BUILD was beneficial in enhancing support for their fields and networks and making them stronger, at least to a small extent BUILD enhanced key organizational aspects: responding to opportunities (95%), strengthening financial situation (94%), strengthening strategies and strategic clarity (92%), retaining and developing staff (91%), increasing organization's external profile (90%). BUILD enabled organizations to adapt strategy and/or programs (65%), strengthen systems and procedures (60%), strengthen organizational culture (51%), consolidate and/or deepen existing strategy and/or programs (49%). BUILD strengthened existing level and quality of programmatic work (77%) Ability to build operating reserve of 3+ months (34%) 94% reported more strategic and trusting relationships with Ford staff.
CEP Giving Big - Year 1	Tier 1 - Evaluative evidence on effects	Source link	Large, one-time unrestricted gifts	>90% believe grant will significantly strengthen (80%) or moderately strengthen (14%) organization's ability to achieve its mission 63% believe grant will significantly strengthen long term financial stability 64% believe grant will significantly strengthen operational capacity 98% using grant to support new or existing programmatic work; new initiatives (84%); more constituents served (84%); improve existing work (84%) 73% using grant to contribute to reserves and/or endowments; 68% create fund for special opportunities; 56% start fundraising campaign 73% hiring more staff; 62% increasing salary and/or benefits; 59% improve tech infrastructure; 53% professional development
CEP Emerging Impacts - Year 2	Tier 1 - Evaluative evidence on effects	Source link	Large, one-time unrestricted gifts	>90% believe grant has / will significantly strengthen (70%) or moderately strengthen (24%) organization's ability to achieve its mission 58% believe grant has / will significantly strengthen financial stability

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				61% believe grant has / will significantly strengthen operational capacity 69% significantly increased ability to pursue opportunities that had not been possible with previous funding 80% using funding to engage in new programmatic initiatives or improve existing initiatives >67% able to innovate or take risks
CEP Breaking the Mold: Final Report - Year 3	Tier 1 - Evaluative evidence on effects	Source link	Large, one-time unrestricted gifts	~90% reported grant has moderately or significantly strengthened long-term financial sustainability (confirmed by 990 data). <10% anticipate having a lot of difficulty covering ongoing costs of initiatives funded by the grant 81% encountered no challenges related to use or receipt of the grant; 17% encountered minor challenge. >90% believe grant has / will significantly strengthen (70%) or moderately strengthen (23%) organization's ability to achieve its mission >85% believe grant has/will significantly strengthen (57%) or moderately strengthen (29%) fields or communities in which organization seeks to have impact 56% very successful in engaging in new programmatic initiatives; 61% very successful in expanding existing programs to new populations; 60% very successful in expanding existing programs to new geographies.
CEP / Bridgespan – Impact of Large, Unrestricted Grants - A Five-Year View	Tier 2 - Descriptive evidence	Source link	Large, multi-year (5) unrestricted grants	100% used grants to strengthen and scale programs and services 72% improved financial health by increasing cash reserves 89% improved core functions (data systems, staff development, fundraising)
CEP – New Attitudes, Old Practices: Provision of Multiyear General Operating Support	Tier 2 - Descriptive evidence	Source link	MYGOS	57% nonprofits unable / significant risk of being unable to cover essential operating costs Benefits of MYGOS: Ability to plan for future (66%); opportunity to focus on work (30%); capacity to invest in staff (26%) 41% of grantees received MYGOS 58% of foundations provide MYGOS; 60% provide it to <25% of grantees; 29% provide to 26-50% of grantees; 11% provide to 51 - 99% of grantees.
Epic Foundation – Impact Study	Tier 2 - Descriptive evidence	Source link	Unrestricted, multi-year (minimum of \$100k USD /year, minimum of 3 years)	100% of grantees think support that is multi-year is decisive; 100% think the same for unrestricted. Only 30% receive support from other funders that is "substantial, multi-year AND unrestricted"

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				Epic's support strengthened organizational capacity: 72% structure consolidation; 33% economic sustainability; 68% innovation; 68% network, connections, visibility; 56% credibility. 88% developed capacity to innovate; 92% took more risks; 96% gained confidence in pursuing other funding. 96% of grantees reported Epic support enabled increased direct beneficiaries; 92% reported improved practices/methods for supporting beneficiaries. "Impacted Life Indicator" shows number of lives that have been transformed due to Epic's support.
Fund the People - Long-Haul Grantmaking	Tier 2 - Descriptive evidence	Source link	7-year \$500k/year unrestricted grants (orgs encouraged to use for job quality and staff well-being)	All grantees formalized staff-related systems; increased pay and benefits, leading to better staff retention; better work-life balance. Orgs spent less time fundraising; collaborated with other grantees. Reported more program impact (better community relations, more long-term strategic planning)
Wiepking & DeWit, Unrestricted Funding & Nonprofit Capacities: Developing a Conceptual Model	Tier 2 - Descriptive evidence	Source link	Multi-year unrestricted grants	Grantees reported better financial stability; better operational capacity (due to being able to fund core costs and overhead); better staff management (morale, recruitment and retention); adaptive capacity (ability to respond to changing context); strategic planning; mission orientation (ability to remain independent); innovation and risk taking.
IVAR - Under the bonnet of unrestricted (with Lloyds Bank Foundation)	Tier 2 - Descriptive evidence	Source link	Unrestricted funding	Unrestricted funding gives grantees flexibility to better respond to complex needs and to innovate
Community Foundation Northeast - Third Sector Trends in England & Wales 2025	Tier 2 - Descriptive evidence	Source link	All funding types	Percentage of SPOs receiving unrestricted or "core" funding rose from 46% (2019) to 60% (2022) then dropped back to 56% (2025) In 2019 and 2022, 32% SPOs received long-term funding; now number has risen to 40% 82% SPOs hold reserves; 27% have used reserves for essential purposes like rent or wages.

Asia - Evidence, Practice, Gaps

Study	Evidence Tier	Hyperlink	Type of Grant	Key Findings
AVPN – Giving Trust: The Result of Unrestricted Giving on Asian Nonprofits	Tier 2 - Descriptive evidence	Source link	One-time unrestricted COVID-relief grants	Organizations reported using funds for ‘unfundable’ costs (e.g. staff travel expenses to deliver services to hard to reach communities); enabled new initiatives and improved morale.
D.H. Chen Foundation – Project Fuel Impact Report	Tier 2 - Descriptive evidence	Source link	Core operational funding (restricted to defined core operational costs)	Funding boosted team morale; improved existing services; supported resources for talent development and longer-term planning; enhanced internal operation and efficiency; increased capacity to speed up new service developments.
Bridgespan – Building Strong, Resilient NGOs in India: Time for New Funding Practices	Tier 2 - Descriptive evidence	Source link		India's NGOs are chronically underfunded; this constrains their ability to grow programs and reach communities in need. Summarizes that restricted, short-term, low-overhead funding constrains resilience, retention, systems, and scaling. 83% struggled to get funding for indirect costs 18% invest adequately in organizational development 54% have less than 3 months of reserves.
OECD Centre on Philanthropy – No Strings Attached? Making sense of flexible financing in philanthropy	Tier 2 - Descriptive evidence	Source link	Flexible funding defined as "core budget support"	Between 2016 - 19, flexible funding represented only 16% of philanthropic donations. Some movement from U.S. foundations towards more flexible giving, but most still operate through earmarked funding. Notes South Asia and East Asia & Pacific among least likely to receive unrestricted donations (<2% probability in cited analysis).
CAPS – Doing Good Index 2024	Tier 2 - Descriptive evidence	Source link		Finds persistent trust deficit among Asian philanthropists; estimates potential philanthropic spend if Asia matched US %GDP giving.
CAF – World Giving Index 2024	Tier 2 - Descriptive evidence	Source link		Countries that donate the most money: Indonesia #1, Myanmar #2, Singapore #5, Thailand #8, Philippines #30.
Sasakawa Peace Foundation – Triple Ripple: Unlocking the Power of Catalytic Philanthropy in Asia	Tier 2 - Descriptive evidence	Source link	Discusses ‘flexible funding models’ (not always precisely defined)	Some interviewees emphasize that flexible funding improves grantee resilience, and ultimately increases impact.
Freedom Fund - Funding That Goes Further	Tier 2 - Descriptive evidence	Source link	One-time unrestricted USD \$50k grants	8 out of 10 interviewed grantees had never received unrestricted funding before.

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				Interviewed grantees used the funds for internal capacity (53%), hard infrastructure (33.5%) and direct program delivery (13.5%) In addition to improved financial sustainability, recipients described improvements to staff retention, morale and wellbeing.
Bridgespan - Momentum Builds to Fund Indian Nonprofits' True Costs	Tier 2 - Descriptive evidence	Source link	"Pay what it takes" funding	Signs indicate a shift in funder behavior where 1) funders and non-profits are engaging in more dialogue on true-cost support; 2) funder-grantee relationships have deepened; 3) non-profits are increasingly investing in organisational development; and 4) funders increasingly recognize the importance of core-cost support
Hong Kong Open Letter to Funders	Tier 3 - Perception, adoption, norms or advocacy	Source link		Requests trust and flexibility; asks funders to convert restricted to unrestricted funding.
JustCause / Firetree: Covid-19 & grantmaking going forward in Southeast Asia and Hong Kong	Tier 3 - Perception, adoption, norms or advocacy	Source link		100% of funders allowed grantee project timelines and goals to shift; > 80%+ of funders provided additional funds; only 41% 'unrestricted' their funding. Nonprofits wished for more unrestricted, longer-term funding.
Asian Charity Services (HK) – The Significance of Unrestricted Funding for Sustaining an NGO	Tier 3 - Perception, adoption, norms or advocacy	Source link		Urges funders to provide more unrestricted funding; argues that funders should be willing to pay for overhead.
Singapore EDB – Philanthropy Handbook: Giving Effectively from Singapore to Asia-Pacific	Tier 3 - Perception, adoption, norms or advocacy	Source link		Encourages unrestricted funding
Bridgespan – Bridging the Gap on Funding the True Costs of NGOs in India	Tier 3 - Perception, adoption, norms or advocacy	Source link		68% of funders think they are flexible re: indirect costs, but >80% of NGOs say they can't get funders to fully cover indirect costs. 9% funders support grantees in building reserves Funders identified NGO practices and regulatory compliance as greatest barriers to true-cost funding
Bridgespan – Funder Practices that Strengthen Nonprofit Resilience: Lessons from India	Tier 3 - Perception, adoption, norms or advocacy	Source link	"Pay what it takes" funding	Funder journeys in "paying what it takes"

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HSBC Private Banking – Trust-based philanthropy the Asian way	Tier 3 - Perception, adoption, norms or advocacy	Source link		Defines TBP and outlines perceived benefits and critiques.
Bridgespan – High Impact Philanthropy: Giving Better Across Asia and the World	Tier 3 - Perception, adoption, norms or advocacy	Source link		High impact grantmaking means long-term support, often with unrestricted funds. Failure to fund non-programme costs stunts impact by limiting organizational strength.
Alliance Magazine – Asia is now shaping, not just participating in, global philanthropy	Tier 3 - Perception, adoption, norms or advocacy	Source link		Cites a survey from Planet Indonesia, noting that 75% of CSOs in Indonesia have little access to both core funding and overhead funding. Indonesian CSOs want to see more core / unrestricted / flexible funding (63%), multi-year funding (54%) and funding that prioritizes impact or outcomes over project-based grants (50%).

Practice & Norms (Non-Asia)

Study	Evidence Tier	Hyperlink	Type of Grant	Key Findings
Bridgespan – The Nonprofit Starvation Cycle	Tier 3 - Perception, adoption, norms or advocacy	Source link		Describes how underfunding overhead/infrastructure perpetuates weak performance
Forus – Funding Civil Society Organisations & Networks (Promising Approaches...)	Tier 3 - Perception, adoption, norms or advocacy	Source link		Respondents value donors offering flexible funding models and longer-term support; many struggle to fund core costs and advocacy
Grant Givers Movement – Beyond Words: Power & Trust in UK Grant Making	Tier 3 - Perception, adoption, norms or advocacy	Source link		Frames more unrestricted, multi-year funding as demonstrating trust
CEP – Making it Happen: Resource for foundations to start/increase multiyear GOS	Tier 3 - Perception, adoption, norms or advocacy	Source link	MYGOS	Nonprofits believe MYGOS would benefit their organizations and increase impact Disconnect between foundation beliefs and practices (e.g. foundations say they believe in effectiveness of MYGOS, but v. few provide it) No clearly identified barriers preventing foundations from providing more MYGOS
CEP – Making the Case: Foundation Leaders on Multiyear GOS	Tier 3 - Perception, adoption, norms or advocacy	Source link	MYGOS	Rationales from foundations providing multi-year unrestricted funding; advice for other funders.
Inside Philanthropy – Why Big Philanthropy Falls Short at Supporting the Grassroots	Tier 3 - Perception, adoption, norms or advocacy	Source link		Discusses funding patterns affecting grassroots orgs (incl. restricted vs flexible dynamics)
CEP – Foundations Respond to Crisis: Lasting Change?	Tier 3 - Perception, adoption, norms or advocacy	Source link		> 60% foundation leaders reported higher unrestricted share vs pre-pandemic; two-thirds planned to continue; but only ~27% provided more multi-year unrestricted support than before.
IVAR - The Holy Grail of Funding: Why and how foundations give unrestricted funding	Tier 3 - Perception, adoption, norms or advocacy	Source link	Mix of restricted and unrestricted funding	Funders note seven key benefits of unrestricted funding: 1) better use of expertise; 2) more flexibility and agility; 3) more effective work; 4) better relationships; 5) building organizational confidence; 6) reduces bureaucracy for both parties; 7) reduces organizational risk and improves resilience.

Study	Evidence Tier	Hyperlink	Type of Grant	Key Findings
Trust-Based Philanthropy Project – 2022 Community Survey Insights	Tier 3 - Perception, adoption, norms or advocacy	Source link		Only 29% reported >50% of grantmaking as unrestricted and multi-year. In general, multi-year grants are likely to be restricted.
Trust-Based Philanthropy Project – 2022 Nonprofit Focus Groups Report	Tier 3 - Perception, adoption, norms or advocacy	Source link		Reports that unrestricted and multi-year grants still represent only a small percentage of nonprofits' funding.
IVAR - Get the basics right: findings from the Funding Experience Survey	Tier 3 - Perception, adoption, norms or advocacy	Source link		92% agreed / strongly agreed that multi-year funding is important 88% agreed / strongly agreed that unrestricted funding is important
IVAR - Evidence Review: Why restrict grants?	Tier 3 - Perception, adoption, norms or advocacy	Source link		The commonly stated rationales for why restricted funding is better are largely unsupported by evidence. Other evidence actually suggests that unrestricted funding benefits both funded organizations and funders.
IVAR - Making the case for unrestricted funding	Tier 3 - Perception, adoption, norms or advocacy	Source link		88% of charities agree that unrestricted funding "would make a huge difference to our ability to respond to changing circumstances and the things that matter most to our community / cause"
IVAR - Exploring approaches to assessing the impact of unrestricted funding	Tier 3 - Perception, adoption, norms or advocacy	Source link	Unrestricted funding	Presents multiple approaches to assessing impact of unrestricted funding
Social Impact Alliance for Central & Eastern Europe - Power of Unrestricted Funding	Tier 3 - Perception, adoption, norms or advocacy	Source link	Unrestricted funding	
Trust-Based Philanthropy Project – 2024 Grantmaker Survey	Tier 3 - Perception, adoption, norms or advocacy	Source link		70% reported introducing/increasing unrestricted grants; 66% introducing/increasing multi-year over past five years
CEP – Bibliography on Core Funding	Tier 3 - Perception, adoption, norms or advocacy	Source link		

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CEP – State of Nonprofits 2025: What Funders Need to Know	Tier 3 - Perception, adoption, norms or advocacy	Source link		Nonprofit leaders generally concerned about inflation and day-to-day operating needs; high levels of staff and leadership burnout due to insufficient time for strategic planning and professional investment
Trust-Based Philanthropy Project – Embracing Flexible and Responsive Grantmaking Models	Tier 3 - Perception, adoption, norms or advocacy	Source link	Responsive grantmaking models (incl. unrestricted elements)	
Feedback Labs – Listening in this Moment: A Guide for Funders	Tier 3 - Perception, adoption, norms or advocacy	Source link		
Grantmakers for Effective Organizations (GEO) – 2025 National Study of Philanthropic Practice	Tier 3 - Perception, adoption, norms or advocacy	Source link	All	Multi-year funding provided by 87% (up from 79% in 2014 and 2017) Median GOS at 38% of grantmaking budgets (after ~20 years at 20%) Capacity building support provided by 77% (down from 86% in 2017)
Schott Foundation - Sustainable Grantmaking Benchmark	Tier 3 - Perception, adoption, norms or advocacy	Source link		Multi-year funding becoming the norm; shift towards more unrestricted funding and more generous indirect cost rates More flexible disbursement policies More adoption of TBP