

Welcome from the Survey Team!



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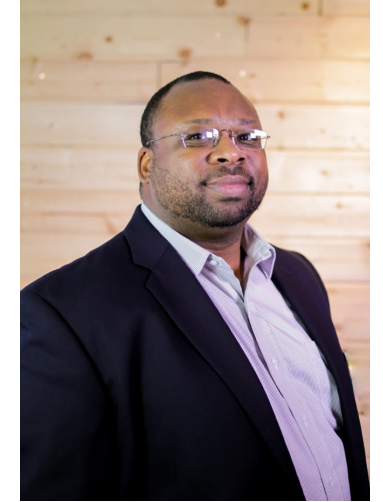
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Agenda

Introduction

Survey Introduction

BIPOC sample

Key Themes

Exploring Survey Data

Building Financial Strength while Responding to Familiar Challenges

Community Connection and Racial Identity

Advancing Racial Equity

Inequitable Funding Persists

What Funders Can Do

Thank you

Poll

In which region of the US is your organization located?

A. Northeastern

B. Midwestern

C. Southern

D. Western

NFF's Mission

Help mission-driven organizations achieve the communities' aspirations through tailored capital, strategic advice, and accessible insights.

Equity at NFF

NFF is committed to making the community finance sector more equitable.

5 guiding principles informed our research design

We outlined **five** guiding principles that informed our goals as well as specific objectives that we sought to accomplish from our research design:

- 1. Collaboration and Inclusiveness:** Community input to design the most useful, well-crafted survey instrument
- 2. Transparency:** From design to sharing of the results
- 3. Service:** Informative and widely available as possible
- 4. Intentionality:** Intentional in addressing racial equity in this survey
- 5. Celebrating Strengths:** We celebrate the strengths of all nonprofits, and specifically highlight those of BIPOC-led organizations that often face great systemic hurdles.

Goals and objectives

1. Develop framework for engaging with BIPOC-led organizations, understand their relationship with nonprofit finance, and assess willingness to participate in this survey
2. Foster & facilitate a channel of participation and information collection from BIPOC-led organizations.
3. Uplift the experiences of accessing funding and financing by BIPOC-led organizations, including accomplishments, challenges, and community investment.
4. Understand the scope and barriers in entry points for all nonprofit organizations when accessing financial support from foundations and philanthropic organizations
5. Assess the diverse representation of leadership by race, ethnicity, gender-identity and sexual orientation in hopes to highlight their successes.
6. Understand equity in access and information, and assess system change to drive impact in the nonprofit financial sector

Constructing a diverse sample

1. General sample

An open call to all nonprofits within the United States and its territories

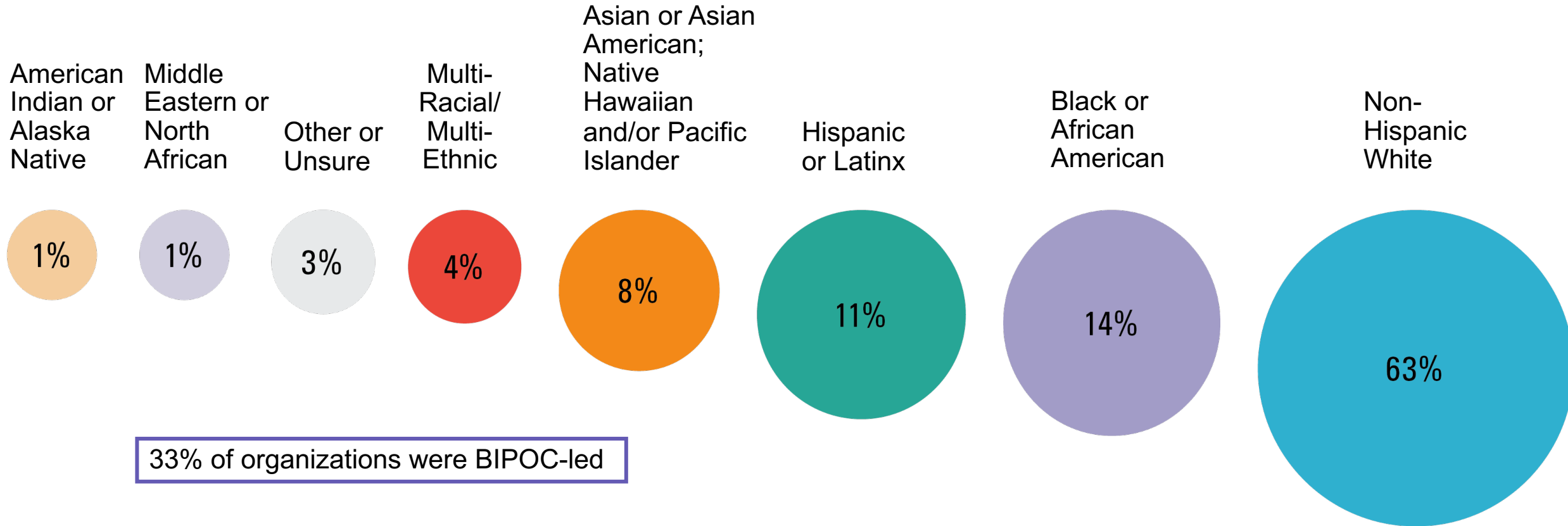
2. Special outreach efforts to recruit targeted populations of importance

Targeted outreach to BIPOC-led nonprofits

Targeted outreach to 2018 survey respondents

Targeted outreach to Los Angeles-area nonprofits

Racial/Ethnic Identity of Responding Organizations' Leaders



*For purposes of this survey, we define BIPOC-led as having an Executive Director or CEO who is Black, Indigenous, or other person of color.

So Much Rich Data!

What We'll Cover Today

- Findings from BIPOC-led organizations
- A closer look at racial equity in the sector, including the experiences of BIPOC-led vs. white-led organizations

Stay Tuned...

- Part 3: What funders can do
- Additional analyses:
 - A “before and since COVID-19” look at 311 organizations that took the survey in both 2018 and 2022
 - A comparison of the experiences of smaller-budget and larger-budget organizations
 - Possibly more!

Survey collected insights from **384 nonprofit leaders, who self-identified as BIPOC**, across the nation about the **impact of the past two years, from the pandemic to events that activated calls for racial justice**. Here's what leaders had to say about how their organizations have been faring and the investments they need to secure their long-term futures.

Key Themes

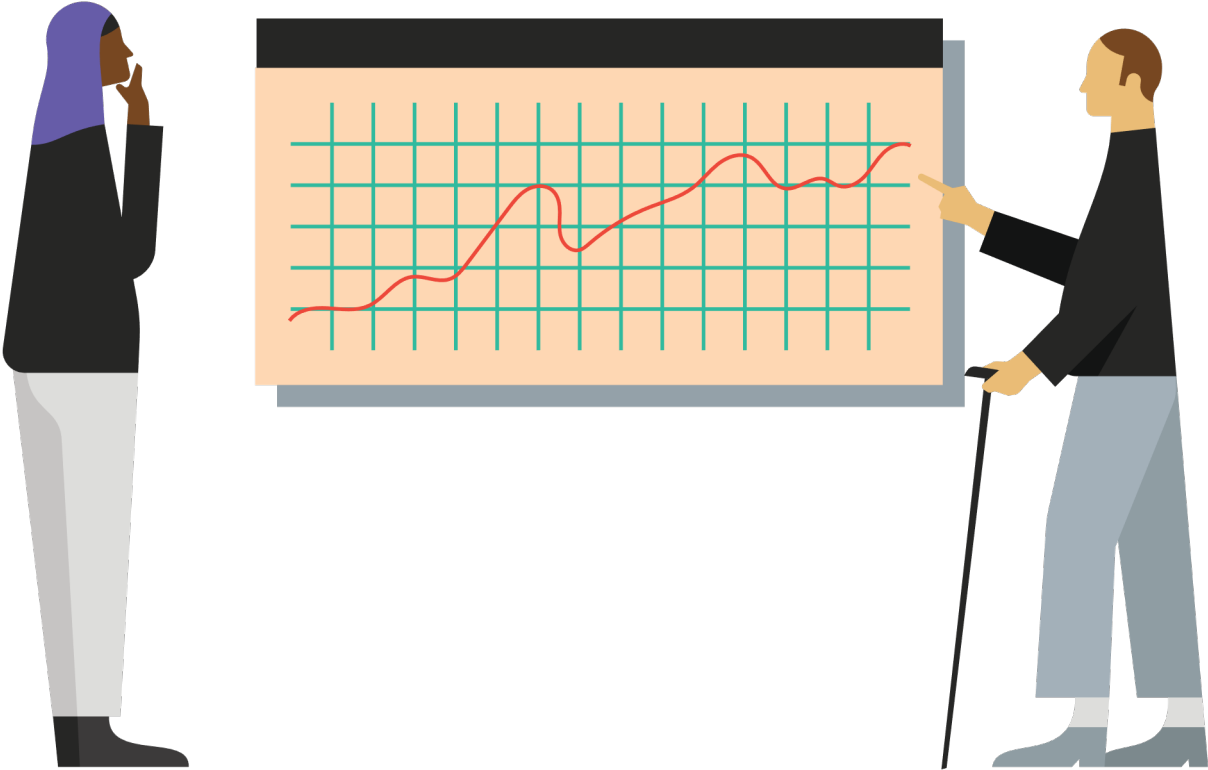
When times got tough, government, philanthropy, and community members turned to nonprofits, and nonprofits responded.

Events of the last two years also accelerated a racial reckoning in this country. The murders of innocent Black Americans like George Floyd and Breonna Taylor sparked widespread calls for racial justice. The anti-Asian attacks in places like Atlanta and San Francisco ignited the Stop Asian Hate movement. **As with the COVID-19 response, nonprofits were on the frontlines of these movements for racial justice and equity.**

BIPOC-led nonprofits are deeply connected to communities' aspirations and needs. They need to be supported financially in a way that honors their work, and the long-held racial bias in the nonprofit funding system must be overcome.

Exploring the Survey Data

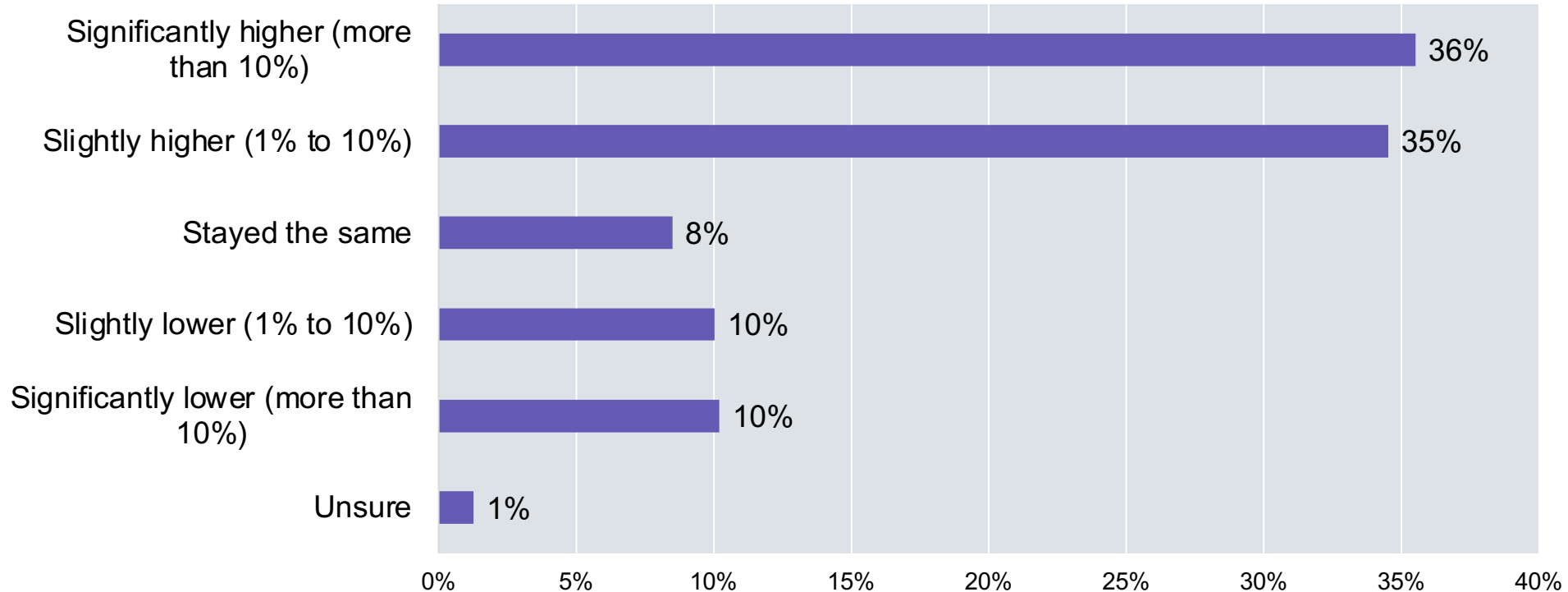
Digging into the details



Building Financial Strength...

Funders responded to this critical moment for nonprofits and communities

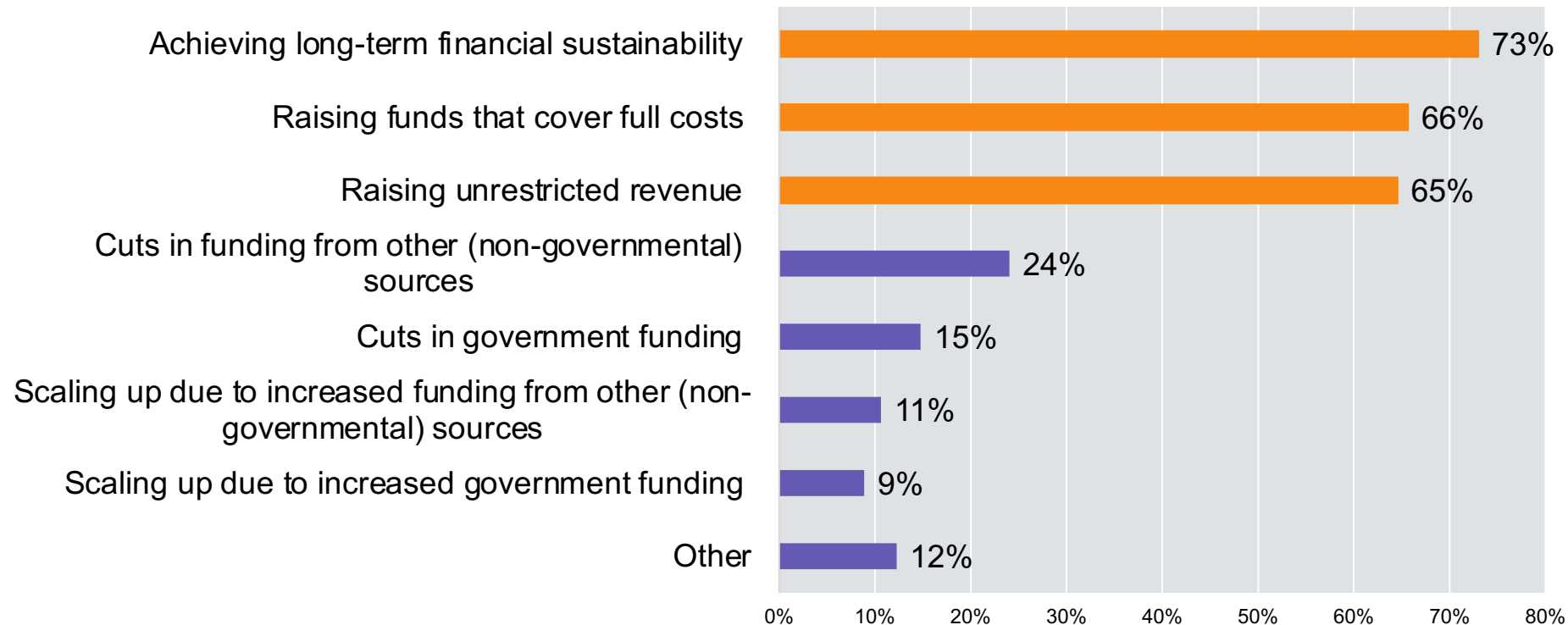
Compared to FY2019, our current funding is...



- 23% of BIPOC-led orgs say that their funding increased as a result of events surrounding George Floyd’s murder, compared to 10% of white-led orgs
- More BIPOC-led orgs (27%) saw their reserve balances double than white-led orgs (12%).

...While Facing Familiar Challenges

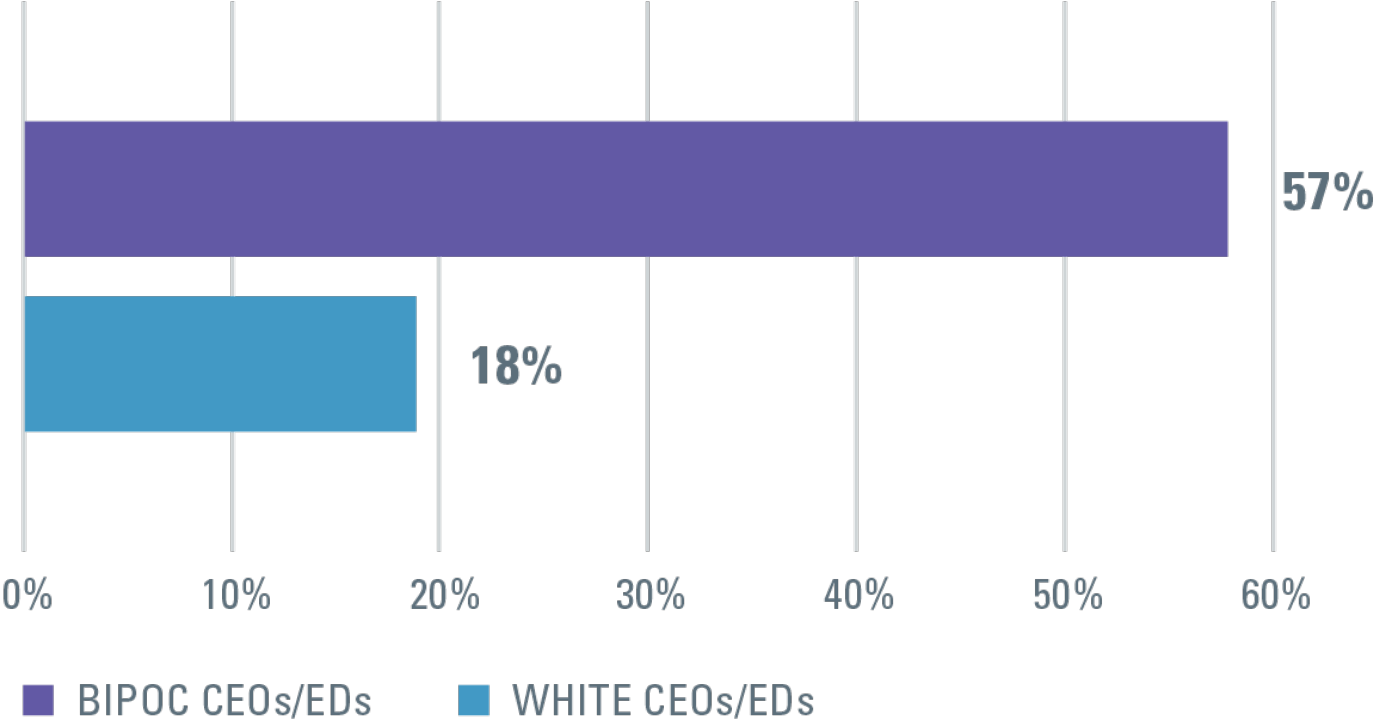
Top 3 Financial Challenges



82% of BIPOC-led organizations reported long-term sustainability as a top challenge, as did 69% of white-led organizations.

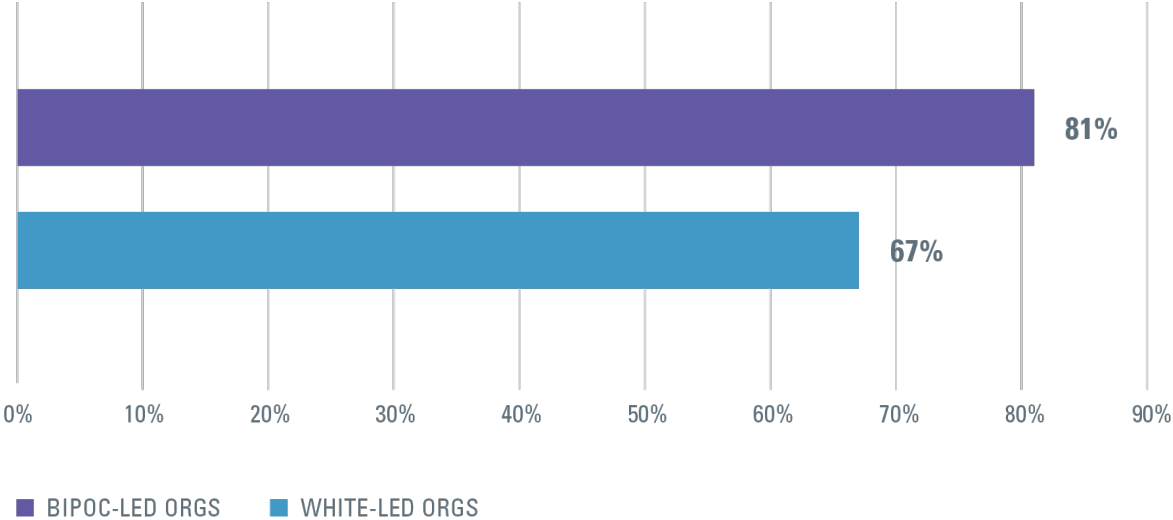
BIPOC-led Organizations Connected to Communities

HAVE LIVED EXPERIENCE REPRESENTATIVE OF ONE OR MORE COMMUNITIES SERVED

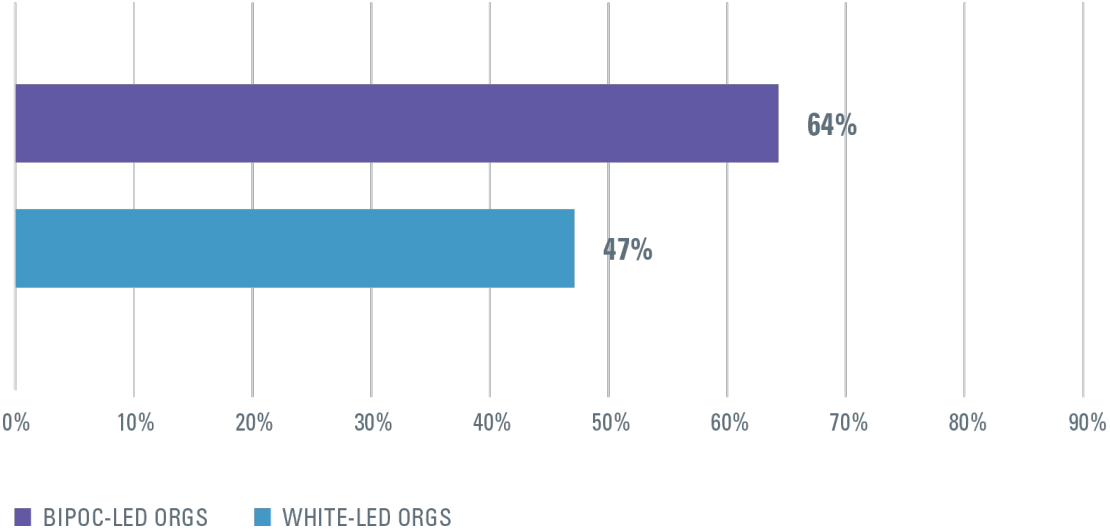


BIPOC-led Organizations Services in Demand

SAW AN INCREASE IN SERVICE DEMAND



SAW A SIGNIFICANT (10%+) INCREASE IN DEMAND



“Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and Organization's achievement as well.

Mid-sized youth services, Southern region, leader identifies as Black



Board Composition

50% or more of the Board identifies as...

Identity	BIPOC-led orgs	White-led orgs
Immigrant	13% (20% AAPI; 20% Hispanic)	0%
BIPOC	58%	11%

Additional identities included: LGBTQ+, Female, non-binary, a person with a disability, and a person whose lived experiences are representative of one or more of the communities your organization serves

Newer Organizations were More Likely to be BIPOC-led

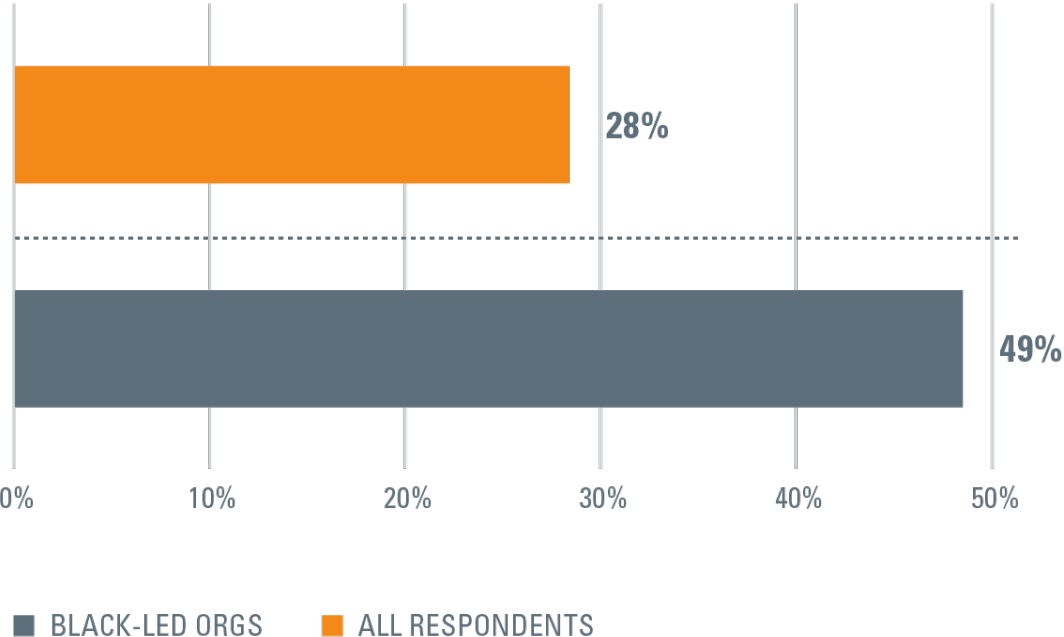
The majority of young nonprofits (founded since 2017) are BIPOC-led

- In the 2022 survey sample, 74 of the 1168 nonprofits were established in 2017 or later.
 - 57 of these are BIPOC-led (77%)
 - 56 of these had annual expenses of less than \$500,000 (76%)

Impact of racially motivated events

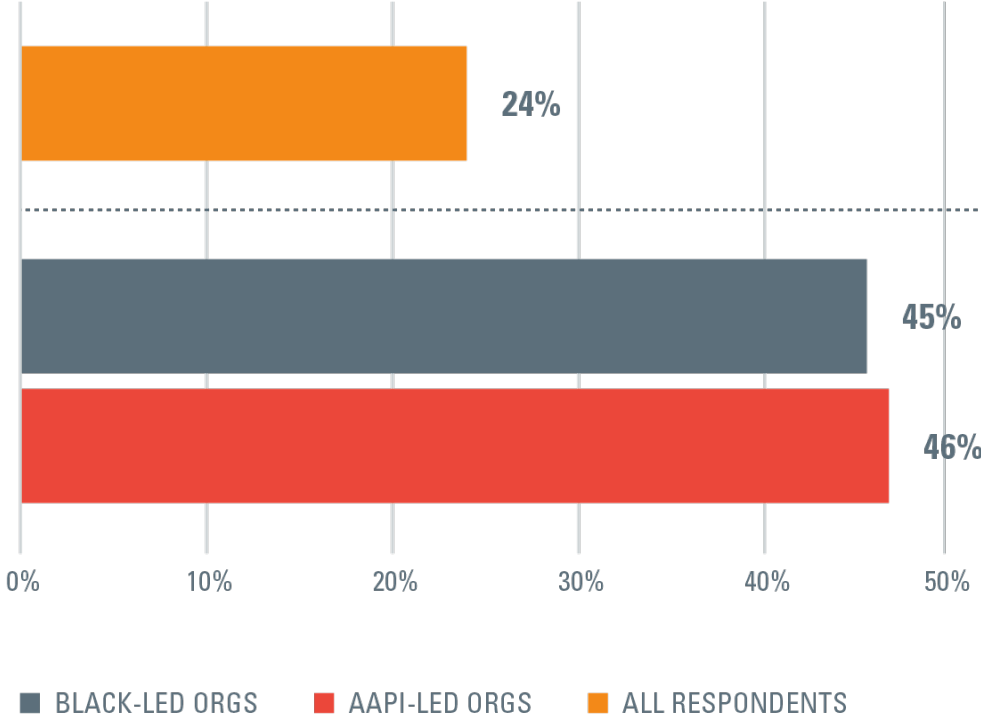
GEORGE FLOYD

Respondents were impacted a great deal by events surrounding the murder of George Floyd.



THREATS OF VIOLENCE

Respondents were impacted a great deal by instances of politically or racially motivated violence and threats.



Advancing Equity

The following statements “describe us [our organization] perfectly.”

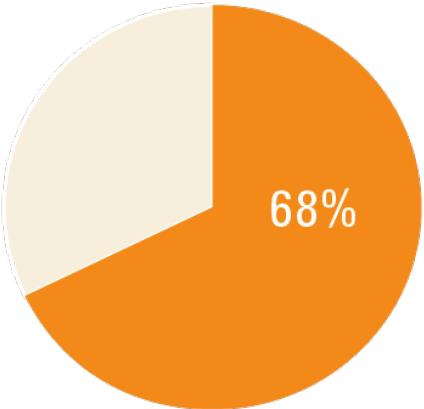
Programmatic focus	BIPOC-led orgs	White-led orgs
Addressing economic inequality is a major programmatic focus of our work	37%	20%
Advancing gender equity is a major programmatic focus of our work	23%	9%
Advancing racial equity is a major programmatic focus of our work	49%	15%

“We advance racial equity every day. 95% of our staff are people of color and 98% of the kids we serve are students of color. Everything we do is grounded in the advancement of people of color and racial equity.”

Mid-sized youth services nonprofit, Western Region, leader identifies as Black



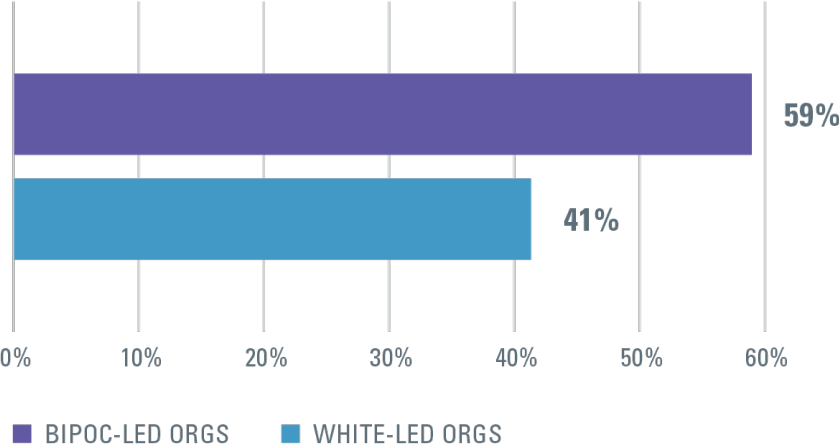
Advancing Racial Equity



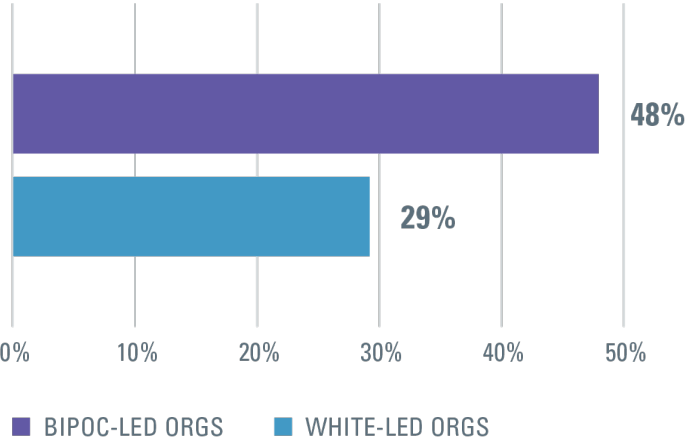
INCREASED THEIR FOCUS ON ADVANCING RACIAL EQUITY OVER THE PAST TWO YEARS

64% of BIPOC led organizations developed, improved and/or expanded services to Black, Indigenous, or other people of color, as compared to 52% of white-led organizations.

PUBLICLY ADVOCATED FOR POLICIES TO ADVANCE RACIAL EQUITY IN THE COMMUNITIES THEY SERVE



HAVE BEEN ACTIVELY ENGAGED IN ADVANCING RACIAL EQUITY FOR 5+ YEARS

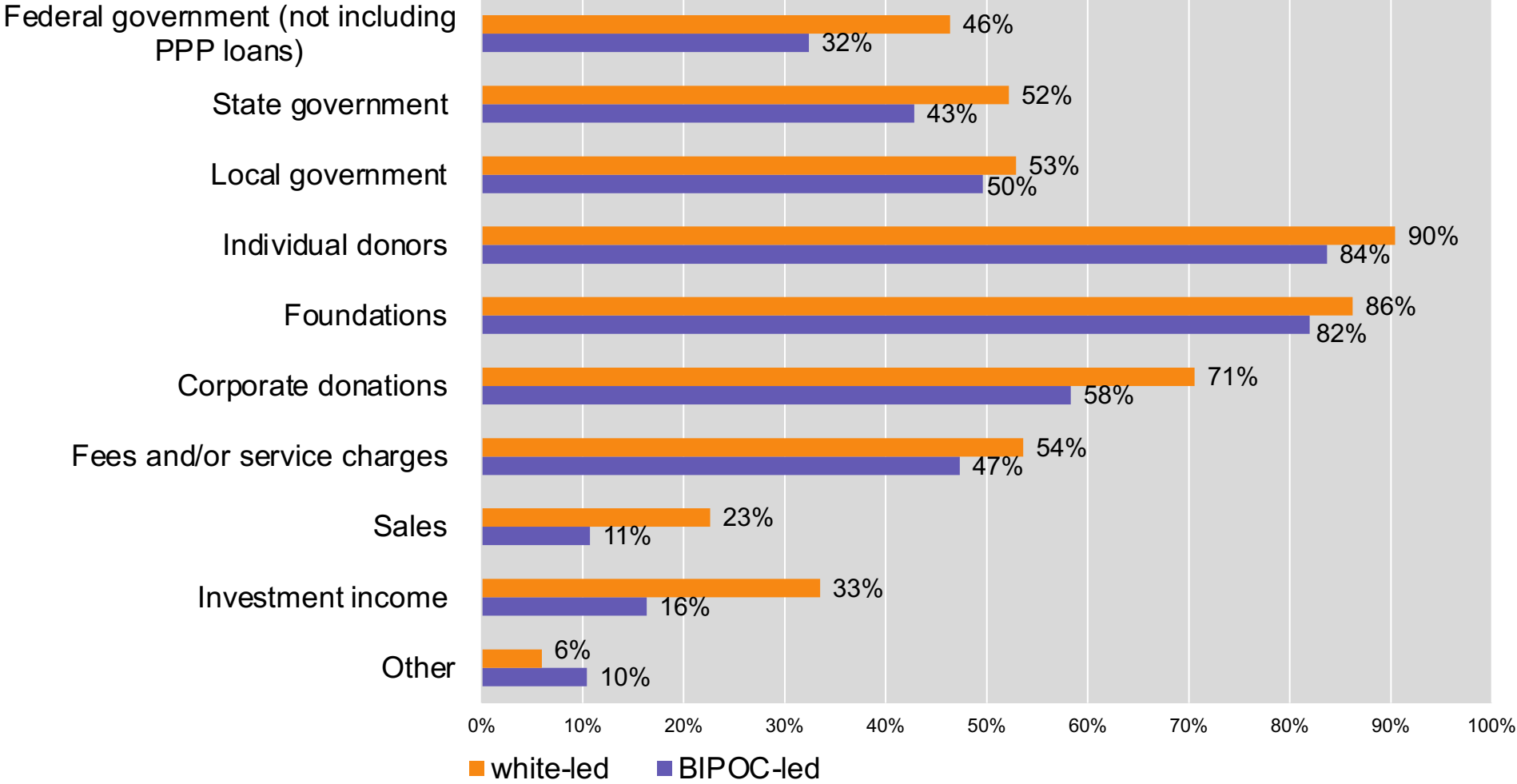


“We use a vetting process to identify vendors and partners that share our commitment to race equity. We seek individuals from various race backgrounds for board and executive director/CEO positions within our organization. We have community representation at the board level, either on the board itself or through a community advisory board. We help senior leadership understand how to be inclusive leaders with learning approaches that emphasize reflection, iteration, and adaptability. We engage everyone, from the board to staff levels of the organization, in race equity work and ensure that individuals understand their roles in creating culture such that one's race identity has no influence on how they fare within the organization.”

Smaller-sized human services nonprofit, Western Region, leader identifies as Latinx

Inequitable Funding Persists

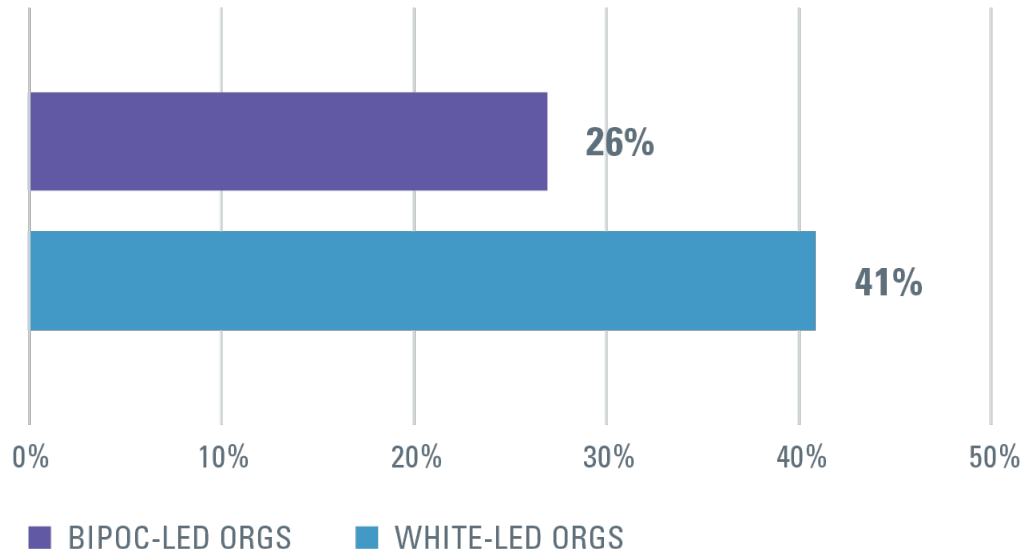
FY2021 Revenue Sources



Inequitable Funding Persists

White-led nonprofits continue to have more financial access

RECEIVED HALF OR MORE OF THEIR FUNDING AS UNRESTRICTED FUNDS IN FY2021

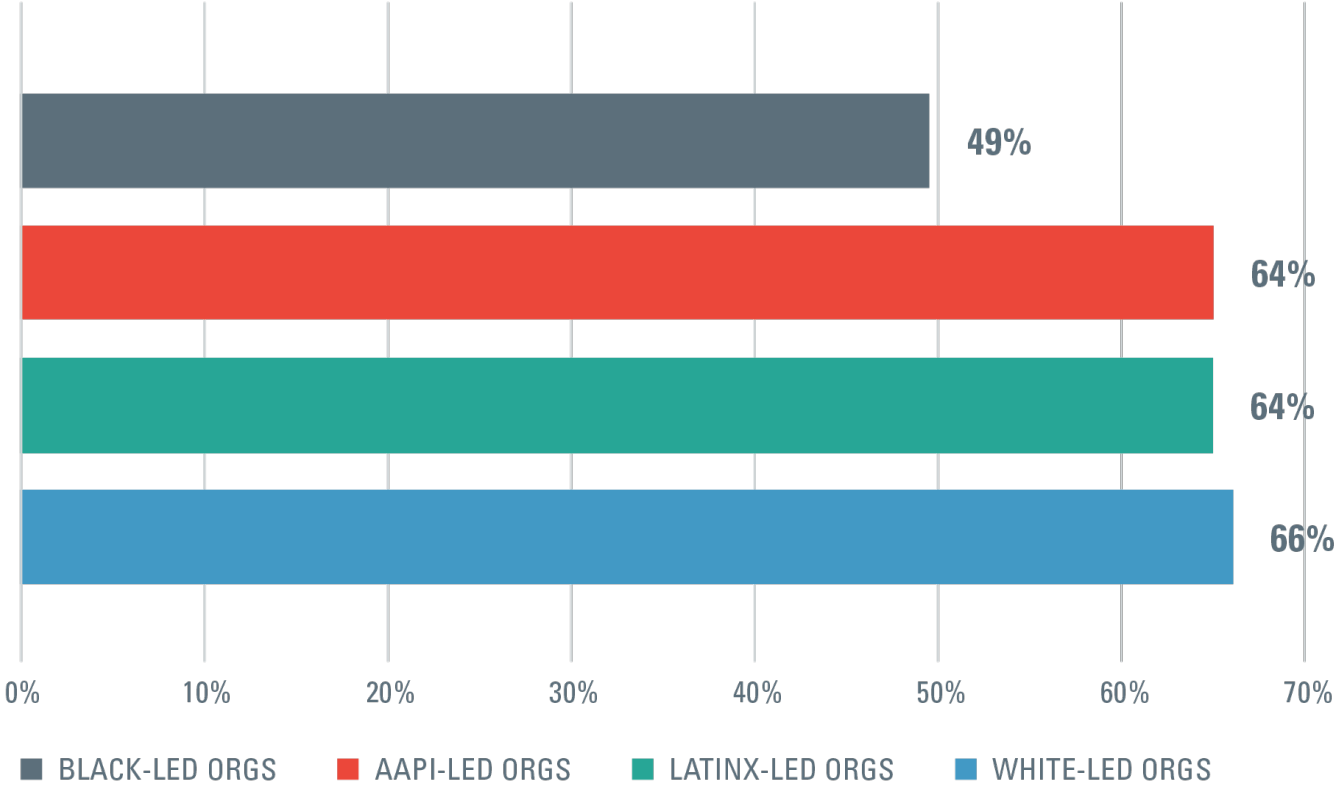


76% of white-led organizations received PPP loans, compared to 58% of Black-led organizations. This may be due to two factors:

- Fewer Black-led organizations applied for PPP loans (64% of Black-led nonprofits as compared to 77% of white-led nonprofits)
- Among those that did apply for PPP loans, 99% of white-led organizations received them versus 90% of Black-led organizations

Inequitable Funding Persists

ENDED FY2021 WITH A SURPLUS



40% of Black-led orgs have an emergency fund, as compared to 58% of white-led orgs.

Using Loans/Lines of Credit to Manage Payment Delays

BIPOC-led organizations are using loans/lines of credit to manage payment delays

- BIPOC-led orgs (45%) are more likely than white-led orgs (24%) to use loans/lines of credit to cover costs while waiting for a grant to come in
 - 53% for Black-led orgs
- BIPOC-led orgs (25%) are more likely than white-led orgs (17%) to use loans/lines of credit to manage delays in payments from government contracts
 - 38% for Hispanic-led orgs

Poll

Based on the findings that have been presented today, please select which option best applies to your organization.

A. These findings are well aligned with the experiences of my organization

B. These findings are somewhat aligned with the experiences of my organization

C. These findings were new data for me, as my organization has not had similar experiences

What Funders Can Do

Transforming your data into an advocacy tool



“It seems as though most grant requirements are written for those who already have access and an incredible infrastructure. If there is a sincere desire to change the common culture in philanthropy and to achieve some type of equitable practice, funders must get rid of inherently racist structures deeply imbedded in the “traditions” of the philanthropic sector.”

Smaller-sized arts and culture nonprofit, Western region, leader identifies as Black



“What we need to best deliver our mission is:

- 1. Multiyear grants that exceed \$500K. This would allow us to incentivize top talent.**
- 2. Their understanding of racial disparities and racial hierarchies in philanthropy and arts/culture sectors.**
- 3. Funding programs and strategies that prioritize and level playfield for BIPOC-led and founded organizations.**
- 4. An understanding that diversity is not inclusion and inclusion is not equity.**
- 5. Their use of capacity indicators other than budget, board, etc.—indicators that are steeped in disparities resulting from segregation and unjust economic policies.”**

Smaller-sized arts and culture nonprofit, Midwest region, leader identifies as Black

NFF Thanks

The 1100+ nonprofit leaders, who

- Took the time to complete the survey
- Stepped up to show the country what's at stake
- Entrusted us to raise their voices

Hundreds of individual and organizational partners who help

- Share the Survey with their networks and stakeholders
- Build this much-needed social sector data set

**Register for Survey
Discussion Series, Part 3!**



NFF thanks the Bank of America Charitable Foundation for generously supporting the State of the Nonprofit Sector Survey since 2010. The 2022 Survey was conducted in partnership with EVITARUS and Ambit 360.

