

2022 Annual Report



“We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly.”

 **Rev. Dr. Martin Luther King, Jr.**
LETTER FROM A BIRMINGHAM JAIL

Dear Friends,

Upon joining NFF, I spent my first few months as CEO on a listening tour, getting to know NFFers, their projects, our partners, and – most importantly – the leaders of the communities we serve. I walked away from these conversations inspired by the stories I heard and the multitude of ways we’re connected in the pursuit of community wealth and well-being.

Across the country, I experienced the many ways community-centered nonprofits are driving economic resiliency and equity:

- With NFF staffers in **Boston**, I volunteered with our partner, Community Servings, to help create nutritious meals for people with chronic medical conditions.
- In **New York** I witnessed the ongoing challenges nonprofits face due to delayed government payments and how financing and capacity building support are helping bridge this gap – including through NFF’s new \$4 million revolving loan fund made possible by Empire State Development.
- In **Philadelphia** I heard how corporate, federal, and local leaders are addressing the compounding issues of the opioid crisis and rapid gentrification.
- In **Los Angeles** I visited Los Angeles Christian Health Center, a Federally Qualified Health Center that built a new health and wellness center for people who are unhoused in the Skid Row area, supported by NFF’s New Markets Tax Credits (NMTC) and financing.
- In **Oakland** I toured Fruitvale Village, a project of long-time NFF partner The Unity Council. Their transformative, mixed-use development exemplifies a community-centered approach, housing locally owned retail spaces, affordable rental units, a school, community spaces, and more.



I saw over and over how nonprofits’ financial security allows their programs and services to flourish, leading to dignified jobs for diverse residents, local ownership of critical community assets, and neighborhood stability and wealth.

But 2022 exacerbated many ongoing challenges to nonprofit financial stability, notably racist financial exclusion, rising inflation and interest rates, staff burnout, and – critically – philanthropy rolling back the flexible support that helped nonprofits weather the pandemic. To address these challenges, in this *network of mutuality*, as King called it, we all must listen more deeply, focus on relationships, and center equitable funding and resource practices.

As NFF centers relationships and racial equity, we are following those closest to the work and providing the capital, resources, and access necessary to meet communities’ aspirations.

Here are a few of the ways we listened and responded in 2022:

\$34 million in lending and NMTC investments.

At a time when SOAR was experiencing increased demand for its services, pandemic restrictions and restrictive funding nearly led the youth development nonprofit to close its doors. A bridge loan and tailored financial consulting from NFF helped SOAR manage cash flow challenges and focus on serving its community. Read the full story on page 5.

280 clients received direct, tailored financial consulting.

LifeWay Network centers the experiences of survivors of human trafficking to create supportive, healing programs – but funders often didn't recognize the flexible full-cost funding needed to sustain them. NFF staff coached LifeWay leaders to optimize financial decision-making and tell its unique financial story to boost flexible, full-cost funding to expand support for survivors of human trafficking. Read the full story on page 7.

1,100+ nonprofit leaders shared how to build a better social sector.

NFF's State of the Nonprofit Sector Survey collected and shared data, stories, and advice from over 1,100 nonprofit leaders on the impact of the past two years, from the pandemic to events that activated calls for racial justice. "We need more permanent funding and not just a temporary patch or symbolic response to current conditions," wrote one leader. See more survey results on page 8.

In NFF's 44th year we are strengthening our commitment to diversity, equity, and inclusion (DEI), while adding *belonging* as a critical component (DEIB) to invite acknowledgment, acceptance, and authenticity for all in the workplace. We're bringing more flexible resources and sustainable financing to projects. And we're partnering with communities to co-create products and services to support their efforts.

As I learned in my listening tour, there are 117 NFFers with 117 stories

about why they work here. They bring to NFF decades of experience in nonprofits, for-profits, philanthropy, and government. NFFers are dynamic, multigenerational, talented, kind, and creative, and many of us have valuable lived experience in the communities and types of nonprofits we serve.

As I reflect on 2022, I feel gratitude:

- For **nonprofits** who trusted us – and pushed us – to work differently.
- For our **philanthropic supporters** who give us the resources necessary to achieve our goals in new, better ways.
- For **staff** who continue to drive us forward, innovate, and center our partners in all our work.

As Dr. King encouraged all of us, we are not standing idly by in the communities where we live and work. We are listening to our partners and clients, actualizing the aspirations of communities, and prioritizing the places and spaces NFF can help build community wealth and nonprofit financial stability.

We invite you to listen, act, and support NFF's journey as we carry forth our collective network of mutuality.

Truly yours,

Aisha Benson

Aisha Benson
President & Chief Executive Officer
Nonprofit Finance Fund



LENDING

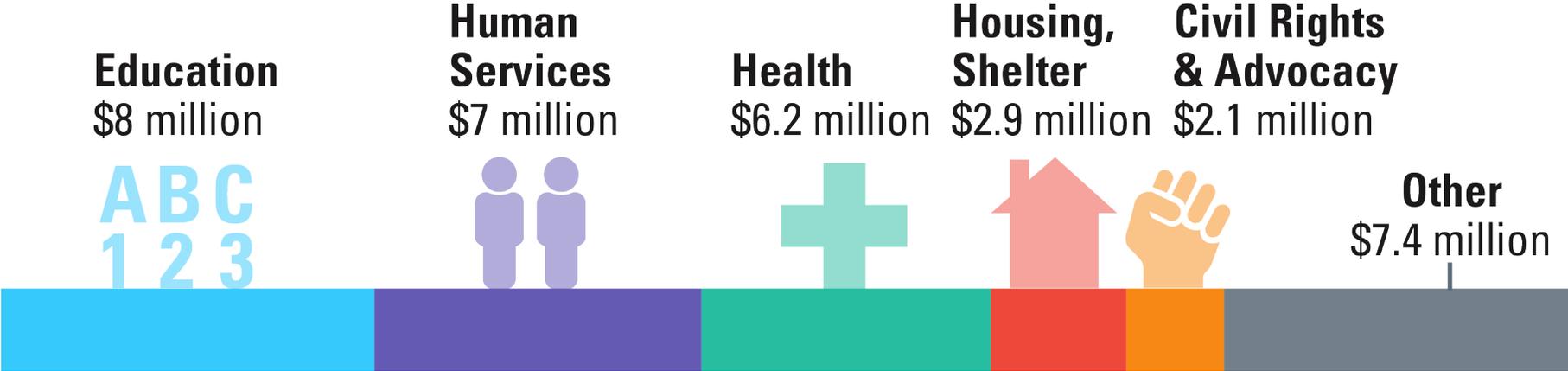
In 2022 we originated **\$34 million** in total new lending and NMTC investments to **56** organizations, financing that will benefit more than **2.6 million** individuals and families.

This money was leveraged to support **\$134 million** of total project funding.

We continued to expand access to capital in communities of color, with **more than three-quarters of our loans closed** and **more than two-thirds of our lending dollars** supporting organizations led by people of color. And through our special loan funds we're pairing flexible financing and tailored approaches with technical assistance to help nonprofits that are new to borrowing.

Our loan funds and NMTC placements support organizations across the social sector with financing to acquire and build facilities, bridge late government payments, manage daily operations, and fund future growth.

New Loans Originated in 2022:



Client Spotlight: Churches United for Fair Housing

Churches United for Fair Housing (CUFFH) uses community organizing, youth engagement, and social services to create inclusive North Brooklyn communities. CUFFH partners with churches, nonprofits, schools, and activist groups to reach thousands of community members across New York City – and they serve over 6,000 families annually through weekly workshops, youth organizing, social services, job training, legal support, and more.



Photo provided by CUFFH.

NFF’s bridge loan is helping CUFFH pay a deposit on a permanent home for their operations, with a lower interest rate thanks to NFF’s financial assistance award from the CDFI Fund.

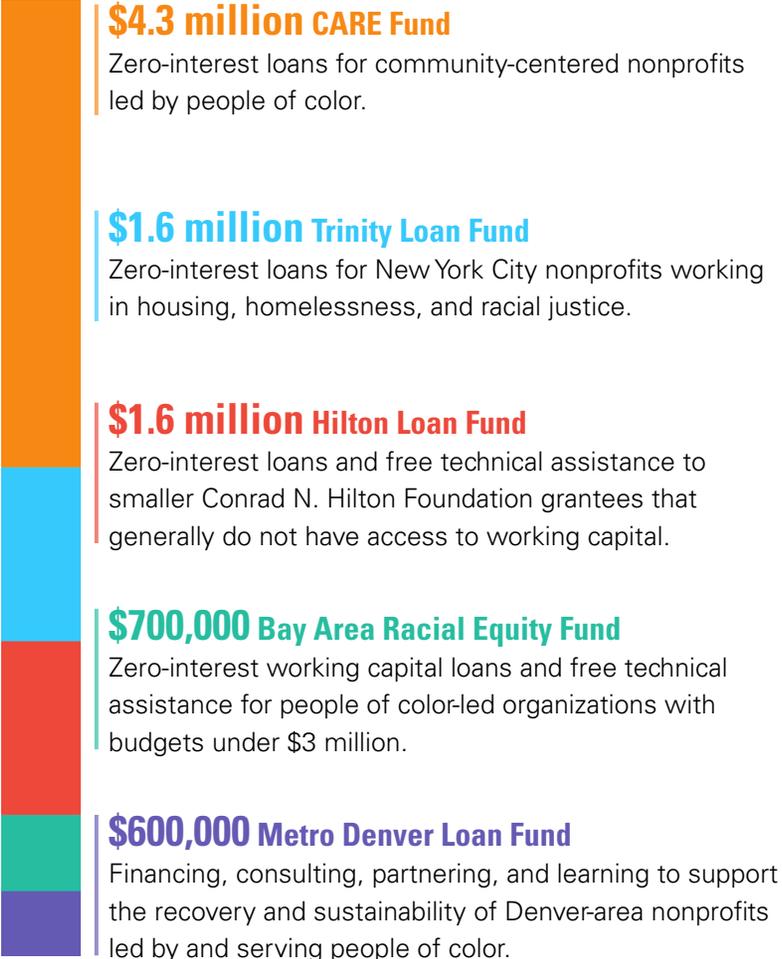
“From the very beginning, there was this understanding of what we wanted to do here at CUFFH and just incredible support about making it happen. Ben [from NFF’s team] threw me a light. And I thought, ‘All right, I think I can do it.’”

 **Rob Solano**
CO-FOUNDER AND EXECUTIVE DIRECTOR, CUFFH

SPECIAL LOAN FUNDS

Since 2020 we have raised over \$145 million in special zero-interest loan funds and strategic initiatives to meet nonprofits’ real-time needs with flexible financing and tailored approaches like consulting services and key partnerships – moving money quickly so organizations have the resources they need to change, grow, and thrive.

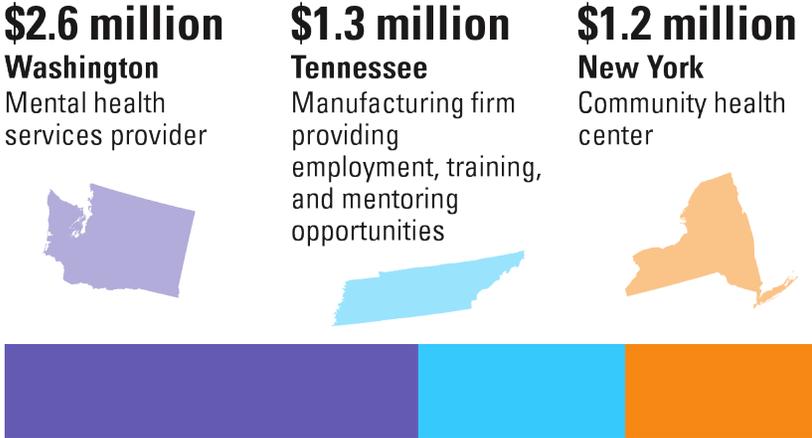
Special Loan Fund Lending Originated in 2022:



NEW MARKETS TAX CREDITS (NMTC)

This US Treasury program provides federal tax credits to attract private investment in low-income communities. NFF’s three tax credit placements in 2022 were made through our NMTC Small Loan Fund, which offers low interest rates to borrowers with financing needs too small to qualify for traditional NMTC leverage structures.

2022 NMTC Placements:



NFF’S NMTC TRACK RECORD:

\$401 million deployed to **50 projects** in 18 states, serving **\$1.2 million** clients and creating **10,000 jobs**. **67%** of recipient organizations were led by people of color.

[Learn more about NFF’s financing options, approach, and clients.](#)

OPPORTUNITIES TO GROW: SOAR

METRO DENVER LOAN FUND



Three teenagers participate in a SOAR outdoor adventure program. Photo provided by SOAR.

Seeing Our Adolescents Rise (SOAR) connects middle and high school students with advisors, tutors, and community partners who help them define and achieve their goals. The activities they provide – mentorship, educational support, field trips, and community service opportunities – offer young people hands-on learning environments where they can work on their academics, explore new activities, and build life skills.

“Our goal is to find what they’re passionate about and what they really like or what they’re interested in,” says Chantae Thomas, Executive Director, SOAR. “Then we try to place those things in front of them to give them an opportunity to grow.”

Despite its clear impact, SOAR faced the very real prospect of closing its doors due to the pandemic. And the funding Thomas found was restrictive – and created cash flow issues that made her work begin to feel impossible.

NFF offered SOAR a \$50,000 bridge loan through the Metro Denver Nonprofit Loan Fund, a zero-interest loan fund for community-centered Denver-area nonprofits led by and serving people of color. NFF paired this loan with technical assistance that helped Thomas and her board understand how debt could be used appropriately to manage cash flow challenges.

“[The NFF consultant] came to our board meetings [and] coached our board around the decision before we made a final decision,” Thomas says. “He gave them some education around what the lending process would look like and what the repayment process would look like.”

Having money available immediately freed up Thomas to actually run her organization instead of spending countless hours cobbling together restricted funding from dozens of different sources. The result: Thomas was able to make SOAR’s outdoor adventures a permanent program – one she’s looking to grow in the future.

[Read the full story on nff.org.](https://nff.org)

Client Spotlight: Glowmundo

Metro Denver Loan Fund

Through a social emotional learning curriculum for students, teacher trainings, parent programs, and more, Glowmundo cultivates resilience, self-awareness and self-regulation while supporting the mental health of young people in multiple school districts across Colorado.



Photo provided by Glowmundo.

In 2022, Glowmundo served 1,300 children, parents, teachers, and caregivers – and it anticipates serving at least 3,000 clients in 2023. NFF’s \$250,000 zero-interest loan ensures Glowmundo has the working capital it needs to consistently offer these essential programs and achieve their long-term goal of expanding services beyond Colorado.

[Read the full story on nff.org.](https://nff.org)

CONSULTING

In 2022 we provided **15,174 hours** of services to nonprofits. We provided direct, tailored financial consulting to **280 nonprofit organizations**, working alongside leaders on everything from budgeting and financial storytelling to how to have conversations with funders about covering full costs. **54%** of this technical assistance supported organizations led by people of color.

We reached **nearly 1,800 nonprofit leaders** through shorter engagements, events, and consulting webinars.

2022 Consulting Clients:



[Learn more about NFF’s consulting approach and solutions.](#)

Client Spotlight: ISAAC

Innovative Space for Asian American Christianity (ISAAC) is a faith-based nonprofit in Los Angeles that mentors Asian American and Latina women faith leaders, facilitates conversations between scholars and church leaders, and curates resources for local churches.



Group gathering. Photo provided by ISAAC.

With support from Trinity Church Wall Street, NFF’s consulting team is working with ISAAC’s leadership on how they can be financially sustainable so they can ensure these programs are available for years to come.

[Read the full story on nff.org.](#)

Client Spotlight: PEACE Network

PEACE Network was born from two organizations – Fighting Back Santa Maria Valley and Community Health Centers of the Central Coast (CHCCC) – to bridge systems that support youth and offer holistic care and services.



Photo provided by PEACE Network.

Short for Positive, Equitable, and Affirming Childhood Experiences, PEACE Network and NFF worked together on improving financial planning and storytelling skills while creating a space for CHCCC and Fighting Back to share insights and find new ways to work together.

[Read the full story on nff.org.](#)

STORYTELLING FOR SUSTAINABILITY: LIFEWAY NETWORK

LifeWay Network's safe house feels like a home. It's a simple concept, but one that makes LifeWay Network stand out in its work to support survivors of human trafficking. There's a living room, a private bathroom, a kitchen where women prepare and share their meals. These women live together, eat together, heal together.

At the center of LifeWay's work are credible messengers – people with lived experience of human trafficking.

"They have such a bird's eye view on the problem that is a lot more important than an outside observer," says Marion Kendall, Executive Director, LifeWay.

NFF's work with LifeWay began in 2020 amid social unrest and the COVID-19 pandemic. As LifeWay adapted the way it provided services

for survivors of trafficking, NFF worked with its leaders on financial decision-making to sustain the work – things like multiyear planning, budgeting, and finding funding opportunities. NFF also helped LifeWay tell its financial story to make the case for the flexible, full-cost funding the organization needed.

[Read the full story on nff.org.](https://nff.org)



The living room of LifeWay Network's safe house. LifeWay's safe house is designed to feel like a home for the women who stay there. Photo by NFF.

"NFF has helped us to craft out a language and a narrative to share with funders to show them without the human capital, the programs cannot be realized ... That is probably my biggest takeaway in support from NFF – is how to tell that story for both capacity building and for program sustainability."



Marion Kendall
EXECUTIVE DIRECTOR, LIFEWAY

RESOURCES FOR A STRONGER SECTOR

The [2022 State of the Nonprofit Sector Survey](#) gathered input from 1,100+ respondents across the US and shared data and insights to build a more resilient social sector. Our top findings:

- The COVID-19 pandemic upended nonprofit funding practices, leading funders to give more flexible and unrestricted funding to support essential community services. These changes were both welcome and needed. But with most nonprofits anticipating rising demand for services, we must act to preserve these gains well into the future.
- Despite the many commitments to racial equity and to diversity, equity, and inclusion, long-standing inequities persist in a nonprofit funding system that favors white-led organizations. BIPOC-led organizations continue to have less access to unrestricted funding and corporate donations than their white-led counterparts.

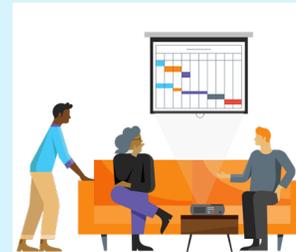
We also [dove deep into the experiences of LA nonprofits](#), finding they responded to rising demand and that many leaders remained concerned about financial health. Here, too, we saw racial disparities in funding for BIPOC-led versus white-led nonprofits.

A SAMPLE OF OUR OTHER RESOURCES SUPPORTING THE NONPROFIT SECTOR:



[Nonprofit Budgets: How to Get Started](#)

breaks down the basics for nonprofit leaders new to budgeting. Leaders can learn at their own pace through instructional videos and workbooks.



The [Fundraising Guide for Nonprofits](#) is packed with resources for grant seekers and funders on planning for fundraising, advocating for funding, and meeting full costs.

“As an organization that has served artists and communities of color for over 20 years, we have seen an influx of funding after the mainstream attention of the murder of George Floyd (however, this is not a new phenom of wrongful deaths by those who have vowed to protect and serve). However, the sustainability of this funding is questionable and also frustrating because it makes it extremely hard to project future budgets which in turn has an impact throughout the organization (staffing, programming, etc.).”



Survey respondent from mid-sized arts & culture nonprofit, Northeastern region, leader identifies as Black

NFF Voices

RESPONDING TO COMMUNITY NEEDS



Annie Chang

Vice President, Community Engagement
Nonprofit Finance Fund

What were you most excited to see happen at NFF in 2022?

I loved seeing how the [Strategic Innovation Fund](#) continues to be used. The Fund tells a story of trust. Philanthropic funders and NFF's board trusted us to use this money to flexibly respond to community needs. This trust gives us the power to say yes to financing and consulting engagements in new and exciting ways.

[Learn more about NFF's partnerships to advance racial equity.](#)

What's one thing NFF learned in 2022?

We learned a lot from our loan funds, particularly the CARE Fund, which focuses on community-centered nonprofits led by people of color. From talking to clients, we learned that the zero-interest loans we provided during the pandemic were effective not primarily because of the interest rate, but because they addressed needs in ways we'd not anticipated. Their real value was the opportunity they presented to nonprofits to cope, adapt, and change. We're applying those lessons to our lending strategy to better serve community-centered organizations led by and serving people of color.

What are you looking forward to in 2023?

I'm really excited about the ways NFF is listening and showing up in its commitment to racial equity. In this work, everything is local. We work with organizations [rooted in particular communities and geographies](#) and take insights from that work to make wider systemic change. At a local level, the focus is on things like politics, schools, health care, and community services. We're showing up with these communities to work together and create change.

Especially as the world reopens more after years of pandemic restrictions, we're prioritizing getting into communities to have conversations, to listen, to just be present again. It's good to have lunch with people, to just sit at a table and talk.

What's one thing everyone should know about NFF?

NFF frames its work in terms of "finance," but usually that's just the entry point to larger issues of organizational and systemic change. Money is a sensitive topic. Race is a sensitive topic. And I'm proud to be part of an organization that is having productive conversations about both, and finding solutions for organizations' unique challenges, as well as the broader sector.

DIVERSITY, EQUITY, INCLUSION, & BELONGING



Lacy Serros

Director, Diversity, Equity, Inclusion, & Belonging
SIEC Project Leader
Nonprofit Finance Fund

What were you most excited to see happen at NFF in 2022?

This year saw the inaugural **Social Innovation and Equity Council** (SIEC) “graduate” and a new, larger cohort come aboard, more fully representing the organization. The 12-member council is building on the foundation of the first cohort to help NFF navigate issues around diversity, equity, inclusion, and belonging (DEIB). Belonging is the outcome of our DEI efforts! And it will allow us to fulfill our role supporting community-centered organizations.

What’s one thing NFF learned in 2022?

Our Social Justice Onboarding and employee resource groups proved to be valuable resources for staff. Through the Social Justice Onboarding, all new staff review about 14 hours of content – on social justice, community engagement, and building an anti-racist culture – and discuss these topics in small groups to orient around these issues. We also learned through staff feedback that we should keep the learning going through refresher courses and deeper dives into additional topics.

Our employee resource groups, which debuted in 2021, are proving to be welcome spaces for honest discussions about our work in 2022. I’m looking forward to digging in more around how they build our culture and help us better support clients and communities.

What are you looking forward to in 2023?

We’re entering our seventh year explicitly working toward racial equity, and we’re living out that vision in exciting ways. In 2023 we will conduct an organizational equity audit to assess our gaps and blind spots on internal practices, policies, and procedures, which in turn will inform the development and operationalization of an equity framework.

We’re also doing a lot of work internally to build a stronger culture of care so we can better serve communities. In particular, I’m excited to bring in speakers to talk about creating a culture of care and belonging, equity, and learning. This is especially important because we did a lot of hiring in 2022 and we’re all still getting to know each other!

What’s one thing everyone should know about NFF?

We’ve been resilient through the organizational changes and external events of the last few years. We don’t talk enough about the successes of those changes, which have been difficult at times but have brought us closer to communities and led us to be more honest with one another. I look forward to seeing how our work continues to progress!

2023 AND BEYOND

NFF is part of a vast web of nonprofits, philanthropy, government entities, and for-profit businesses supporting communities across the United States. So how do we know we're making an impact? And – knowing that NFF and many other CDFIs have been part of an inequitable funding system that has historically denied access to organizations led by and serving people of color – how do we need to change to increase that impact?

In 2022 we interviewed dozens of staff, clients, partners, funders, investors, and board members in developing a Theory of Change to provide strategic guidance and alignment for our work. The Theory of Change captures the outcomes we expect to see as NFF works to become a more equitable lender, consultant, influencer, and advocate in nonprofit finance. Our work with clients and partners, as well as at the systems level, will make these changes possible.

Community wealth and well-being was the uniting thread of stakeholder responses. In practice, this looks like:

- **Greater agency of community members to control community resources.** When the language of finance is more accessible to more people, residents can better band together to make decisions for their communities and oppose the forces of gentrification to keep resources within the community.
- **More jobs and services that support thriving local economies.** When nonprofits are anchors of communities, growth and expansion can provide construction jobs in the short term, as well as more long-term jobs and services.
- **Healthier, more vibrant communities.** Many of our clients provide physical and mental health care, but this also includes the things that lead to a high quality of life in communities, like artistic outlets and access to green spaces.

In 2023, our strategic planning team will work to sharpen our focus so we have a clear sense of where, how, and with whom NFF must conduct its work to make the greatest gains in community wealth and well-being.

HOLDING OURSELVES ACCOUNTABLE

2022 was our second year guided by Plan 50%+, a set of targets committing us to at least half our lending, consulting, and influence work supporting organizations led by people of color. We will continue to hold ourselves accountable to these metrics as we refine our methods for making and measuring impact.

2022 Results for Plan 50%+

Lending to support organizations led by people of color:



Direct, tailored financial consulting with nonprofit leaders of color:



Communications that advocate for racial equity in funding or center organizations led by and serving people of color:



A team that is at least half people of color:



Learn more about NFF's [lending](#), [consulting](#), [community engagement](#), and [social sector influence](#).

Like what we're doing? Learn how you can [partner](#) with us and [invest in communities](#) at [nff.org](#).

Review our [financial statements and board resolutions](#) on [nff.org](#).

Nonprofit Finance Fund® (NFF®) is a nonprofit lender, consultant, and advocate. For more than 40 years, we've worked to strengthen nonprofit organizations and improve the way money flows to social good. We believe that alongside others we must build a more equitable and just social sector, and are committed to helping community-centered organizations led by and serving people of color access the money and resources they need to realize communities' aspirations.

As a community development financial institution (CDFI) NFF manages a portfolio of over \$393 million. Since 1980, we have provided over \$1.1 billion in financing and access to additional capital in support of over \$3.5 billion in projects for thousands of organizations nationwide.

We have the highest possible impact performance rating of four stars from AERIS®, a Policy Plus distinction, and an AA- financial strength and performance rating.

To learn more, visit us at [nff.org](#).

