



2024 Annual Report



Nonprofit Finance Fund[®]

MISSION

Through capital, consulting, and advocacy, NFF boosts the collective success and power of nonprofits to advance community wealth and well-being.

VISION

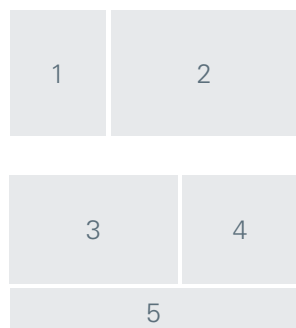
We envision a world of equitable prosperity, where communities have the capital, community assets, knowledge, and agency to thrive.

Nonprofit Finance Fund® (NFF®) is a nonprofit lender, consultant, and advocate. For more than 40 years, we've helped organizations access the money and resources they need to realize their communities' aspirations. Alongside others, we're working to build community wealth and well-being and put affordable housing, essential services, quality jobs, and excellent education within reach of more people. As a community development financial institution (CDFI) NFF manages a portfolio of \$344 million. Since 1980, we have provided \$1.3 billion in financing and access to additional capital in support of over \$4.1 billion in projects for nearly 1,000 organizations nationwide.

We have the highest possible impact performance rating of four stars from Aeris®, a Policy Plus distinction, and an A+ financial strength and performance rating.

To learn more, visit nff.org.

Cover images:



1. NFF's Sarah Champnois, Director, Consulting, presents on nonprofit financial management for a cohort of nonprofits that preserve audiovisual materials.
2. Tamarrin Goldstone installs insulation in a house under construction in Newark's West Side neighborhood as part of YouthBuild Newark, a program of NFF consulting client Newark Opportunity Youth Network.
3. NFF's Michelle Legaspi Sanchez (left) and Sendy Alcidonis (right), Directors, Consulting, with Carlos Aponte, Founder and Executive Director of NFF client We Love Philly.
4. Children at NFF Boys & Girls Clubs of Puerto Rico, an NFF financing client that launched Vimenti Charter School. Photo courtesy of Boys & Girls Clubs of Puerto Rico.
5. The Collins community solar project in Barneveld, New York, built by SunLight General Capital with NFF financing. Photo courtesy of SunLight Capital.

“The greatness of a community is most accurately measured
by the compassionate actions of its members.”

—Coretta Scott King

Dear Friends,

The last few months have offered constant reminders of the value of Nonprofit Finance Fund’s work building community wealth and well-being by increasing access to financial resources. 2024 feels at once distant and defining; already this year communities across the country and the nonprofits that serve them have faced immense pressure, from the Los Angeles wildfires to deepening legal and political attacks. Yet it is within these communities that we also find hope. They connect us and sustain us as we fight for fairness and justice. NFF’s mission is to advance **community** wealth and well-being because **community** is where we believe the greatest change is possible. We all benefit when communities are equipped not just to endure, but to build and lead toward a more just future.

Community Development Financial Institutions (CDFIs) like NFF exist to expand economic opportunity in communities that are underserved by mainstream finance. NFF’s unique contribution as a CDFI is to serve the social sector – organizations that uplift individuals and families by alleviating poverty, developing affordable housing, providing essential healthcare, fostering environmental resilience, and educating tomorrow’s leaders.

NFF is invested in the transformative power of community. Since 1980, we have invested \$1.3 billion in nearly 1,000 organizations, impacting more than 10.3 million people. Our consulting has served thousands of organizations and hundreds of thousands of individuals.

Our lending, consulting, and advocacy help nonprofits directly support their communities and build their resilience and sustainability. Here is a look at what we accomplished in 2024.

Capital

In 2024 we originated \$90 million in total new loans to 36 organizations, which was leveraged to support over \$366 million in total project funding. Our 2024 financing benefits more than 735,000 individuals and families, as our clients build 1,800 units of affordable housing and create or preserve 1 million square feet of space across 18 educational and community facilities. We partnered with 10 other lenders to help bring these projects to life.



AISHA BENSON, PRESIDENT AND CEO

We also successfully piloted our community ownership strategy, Building Equitable Assets for Communities and Nonprofits (BEACoN), in New Jersey. The \$20 million fund supports local control of community assets through development and preservation of affordable housing and community facilities. This work would not be possible without our partners: the Robert Wood Johnson Foundation, Citizens Bank, PNC, and Prudential Financial, as well as BNY Mellon, which continues to support early BEACoN explorations in New York and Boston. See page 5 to learn how NFF’s BEACoN strategy is supporting affordable housing in New Jersey. See page 6 to learn about our work in Los Angeles preserving community assets and a sense of place.

Our education lending continues to grow under the leadership of Senior Director Anne Robinson. You can learn more about our charter school lending in an interview with Anne on page 7.

Consulting

In 2024 we provided more than 25,700 hours of financial management and financial consulting to nearly 200 nonprofits. We also reached over 2,000 nonprofit leaders through events, workshops, and webinars. And we delivered \$1 million in pass-through grants to 26 organizations through support from The Prudential Foundation and The Colorado Health Foundation.

NFF's consulting and coaching services help nonprofits strengthen their financial capabilities, equipping them to navigate uncertainty and pursue long-term goals. Our support is tailored to each organization's unique needs, whether it's building financial strategy, clarifying full cost needs, managing economic uncertainty, or planning for sustainable growth.

For philanthropic funders, engaging NFF extends impact beyond the check. By pairing financial support with capacity-building services, funders can help nonprofits unlock other essential forms of capital – social, intellectual, and organizational – that are just as vital for achieving mission. This blended approach ensures that new dollars don't just flow into communities, but also build the internal resilience and strategy nonprofits need to make those dollars matter. Read more about how the Hilton Foundation partnered with NFF to provide this kind of integrated support on page 11.

NFF's Consulting team combines intellectual rigor with deep listening and a human touch. I urge you to read the interview with Manager Preethi Kumaran on page 13 for a glimpse of our approach to nonprofit financial management.

Advocacy

2024 marked the first year that advocacy was formalized as a pillar of our work, but we bring over four decades of financing, consulting, and thought leadership to bear on our recommendations to lawmakers and philanthropy leaders.

Our core focus areas include ensuring sufficient funding for the CDFI industry to invest in communities that have been disinvested of their resources, overcoming federal funding barriers around delayed contract payments to nonprofits, and correcting status-quo funding flows that underfund nonprofits.

In 2024 we worked with the Los Angeles Opportunity Youth Collective – convened by the Alliance for Children's Rights and UNITE LA – to assess the full cost needs of youth workforce development nonprofits and make recommendations for future improvements. The findings, recommendations, and a video documenting the experiences of youth workforce development staff are [available on our website](#).

Also in 2024 we conducted a survey with Black Equity Collective to understand and uplift the economic contributions of Black-led and Black-empowering organizations (BLOs) as vital foundations for their communities and contributors to local economies. A report diving into the survey results, as well as recommendations to funders to unleash BLOs' full potential, is [available on our website](#).

Looking Ahead

NFF's work was reaffirmed in Fall 2024 with a series of investments in our future:

- **\$35 million in New Markets Tax Credits** (NMTC) from the US Department of the Treasury's Community Development Financial Institutions Fund, with which we will finance high-impact community facility projects.
- **\$22 million in general operating support** from MacKenzie Scott, which we are using to grow our portfolio and impact by increasing lending capital, supporting flexible financing solutions, leveraging external capital for strategic priorities, and multiplying the impact of our financial consulting.
- A **\$2.3 million Financial Assistance Award** from the CDFI Fund to provide financing capital to nonprofits.

Investments like these make it possible to expand our offerings and our flexibility to serve nonprofits through the years ahead.

CDFIs and nonprofits have always adapted to new realities in their pursuit of community wealth and well-being. During the Great Recession, we partnered with donors to support communities as unemployment doubled. In the COVID-19 pandemic, the CDFI sector supported underserved businesses and nonprofits with \$34 billion in Paycheck Protection Program loans to keep community institutions running and families afloat, while nonprofits adapted their programs to respond to immediate needs – like supplying food and masks and providing remote services.

NFF's resilience in the face of those challenges, and our accomplishments in 2024, set us up to meet the social sector's needs in 2025 and beyond. Every day, nonprofits bring their hard work and unique insights to address entirely new challenges in their communities. As we have seen, nonprofits' commitment is their strength and the source of their enduring resilience. I hope you'll join us as we continue to support them and champion community wealth and well-being.

Warm regards,



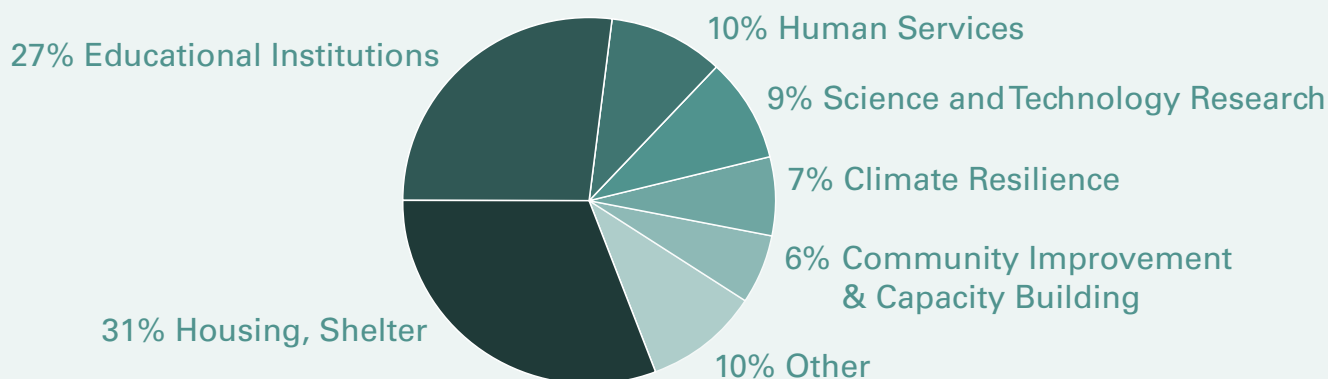
Aisha Benson
President and CEO, NFF

Capital

Our loan funds and New Markets Tax Credits (NMTC) investments support organizations across the social sector with financing to acquire and build facilities, bridge late government payments, manage daily operations, and fund future growth.

Learn more about our financing options and approach at nff.org/financing.

2024 FINANCING



LENDING ACROSS THE UNITED STATES



Harbor Care Foundation

\$500,000 zero-interest bridge loan to provide recuperative care services while awaiting government funding. This loan – at zero interest thanks to the support of Cedars-Sinai – will help Harbor Care Foundation expand its services to a new 23-bed facility in **Lancaster, California**, while waiting for late reimbursements from its CalAIM Community Supports contracts.

Photo courtesy of Harbor Care Foundation.



Philadelphia Technician Training Institute

\$3.3 million participation in a \$4.8 million construction loan, led by PIDC, to expand PTTI's **Philadelphia** facility to boost enrollment capacity by 50%. PTTI prepares its graduates for careers in construction, automotive, and medical trades, and provides students with supportive services including food, transportation, mental health care, and post-graduation assistance.

Photo courtesy of PTTI.



SunLight General Capital

\$6.4 million participation in an \$8 million loan to finance the construction of two community solar projects in upstate **New York** in partnership with New York City Energy Efficiency Corporation (NYCEEC). The project will save low-income families money, support clean renewable energy, create quality solar industry jobs, and generate returns for SunLight General Capital's investors.

Photo courtesy of SunLight General Capital.

2024 Financing by the Numbers

THE WORK



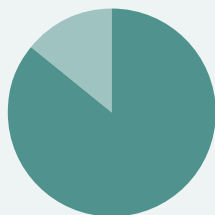
\$90 million

in total new financing



36

organizations served



86%

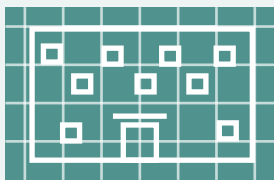
of loans supported organizations primarily serving low-income communities

CLIENT OUTCOMES



\$366 million

of total project funding made possible by leveraging NFF financing



1 million

square feet of educational or community space will be created or preserved, across 18 facility projects



1,801

units of affordable housing will be created

LONG-TERM IMPACT



735,463

individuals and families benefit from NFF's new 2024 lending

LENDING PORTFOLIO IMPACT

NFF managed a 2024 portfolio of **\$344 million**.
As a result of this financing:



4,122

permanent jobs were created or retained by NFF clients



2,796

construction jobs were created



2.9 million

individuals and families benefit

Building Quality Affordable Housing in Greater Newark, NJ

Sierra House is a community-centered New Jersey nonprofit that fosters independence for youth, low-to-moderate income families, and homeless young adults in the Newark area through housing, education, and community services.

New Jersey's high cost of living and high property prices make quality, affordable housing unattainable for many families. Since 2017, 40% of home sales in Newark have gone to institutional investors, which has driven up property prices and risks displacing long-term residents. Fifty-eight percent of renters in Newark are cost-burdened, which means they spend more than 30% of their income on housing – and the city's median household income is \$35,199, compared to \$82,545 for the state.

Sierra House is working to keep housing affordable and keep home ownership within the community.

CEO Keely Freeman, a Newark native, is guiding Sierra House as it purchases land and newly developed properties, and renovates existing homes, making them available as quality affordable housing for Essex County residents who might not otherwise be able to afford housing in their neighborhoods.

“Going to a finance agency that understands our needs, understands our budget, understands our financials, and that can provide a product that’s mission driven so that we can better serve our communities together, is absolutely amazing.”

—Keely Freeman, CEO, Sierra House

NFF's Work with Sierra House

In 2024, NFF made **\$450,000 in facility loans** to Sierra House to support their work building quality affordable homes around Newark, New Jersey.

Since 2021, NFF has provided **\$825,000** in support of Sierra House's work.



One of Sierra House's new apartment buildings.



Inside one of Sierra House's newly constructed properties.



Check out our video on Sierra House's impact providing vital services and affordable housing in Newark, New Jersey.



At the groundbreaking of the First Street North building.

Preserving Cultural Legacy in LA's Little Tokyo

Little Tokyo Service Center (LTSC) provides social and community development services in Los Angeles' Little Tokyo Historic District and neighboring Asian American and Pacific Islander communities. LTSC serves about 10,000 clients annually – 90% of whom are low income.

In partnership with the City of Los Angeles and Go For Broke National Education Center, a nonprofit dedicated to sharing the experiences of Japanese American World War II veterans, LTSC is transforming a decades-old parking lot into a mixed-use development that will include 248 much-needed affordable housing units – including 80 permanent supportive housing units – and 45,000 square feet of commercial space. The project will preserve several legacy businesses from the Little Tokyo community that have faced the pressure of rising rents, including Fugetsu-Do, a sweet shop in operation since 1903, and East West Players theater group, the nation's longest-running Asian American theater.

The site will also create a permanent headquarters and exhibit space for Go For Broke National Education Center and provide additional office space for LTSC's growing supportive services department.

Through this project, LTSC and Go For Broke are helping preserve the cultural and historic legacy of the Little Tokyo neighborhood for generations to come, from the heart of the community.

NFF's Work with LTSC

NFF made a **\$4 million loan** as part of \$12 million in financing with two other CDFIs to construct the First Street North project, which will house legacy businesses and provide much-needed affordable and permanent supportive housing in Los Angeles.

Since 2019, NFF has provided **\$4.5 million** in support of LTSC's work. NFF also partnered with LTSC to provide a **\$200,000 no-interest loan** to a community land trust to renovate an affordable housing facility.

Little Tokyo Service Center
Preserving Cultural Legacy in LA's Little Tokyo

Check out our video on LTSC's work to preserve Little Tokyo as the cultural, residential, and commercial center of its community.

Getting to “Yes” for Charter Schools

A CONVERSATION WITH ANNE ROBINSON SENIOR DIRECTOR, EDUCATION

If you had to describe NFF’s charter school lending in one word, what would it be?

“Collaborative.” One thing I love about working at NFF is our commitment to meeting clients where they are and taking a learning approach toward our borrowers. **Financing is complicated, and often a charter school will come to us with a proposal that would be a “no” from a traditional bank. Here at NFF we find creative solutions to get to “yes.”** Our team is really good at listening to discern a client’s true needs and then partnering to tailor a solution so that the financing benefits the school in a more comprehensive and sustainable way than a traditional loan.

What draws you to this work?

Simply put, it starts with children and then ripples out into the community. Charter schools have unique, community-centered models that meet children where they are and provide creative approaches to fulfilling academic, social, and emotional needs. Especially in low-income communities, families and caregivers also benefit when schools feed children and offer programs and services that would otherwise be unaffordable – things like afterschool activities, clubs, and athletics.

Like all schools, charter schools are community pillars that benefit everyone. They provide meeting places for community groups and nonprofits. Nonprofits will sometimes operate out of the same facility, for example, hosting food banks, health service providers, and workforce development programs. They provide services customized to the unique needs of the community. When NFF talks about building community wealth and well-being, charter schools are powerful examples of what that looks like in practice.

What trends are you seeing in charter school financing?

One trend I’m seeing is cost increases. The costs of materials and labor have been increasing since the COVID-19 pandemic, and with current market trends it looks like this will continue. The upshot is that CDFIs have become more collaborative as lending partners because project costs exceed just one organization’s



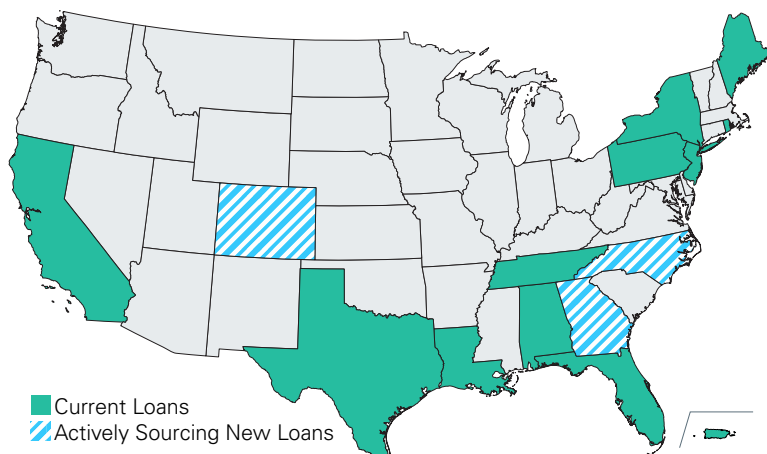
ANNE ROBINSON
SENIOR DIRECTOR, EDUCATION

lending limit. It’s a wonderful reminder that we’re all in this work together, aligned in our missions to support quality education for the next generation of children. We all want the best things for our borrowers, our children, and our communities.

I also see schools across the country facing uncertainty about federal and state education budgets. NFF is seeing more requests for working capital loans, especially because many CDFIs don’t offer working capital loans for charters. Another trend is that for schools needing building modernizations, say for a gym or to meet new storm shelter requirements in their state, it can be a strain financially to service a loan without adding new enrollment slots. **Again, that’s where our creativity comes in. We have many sources of capital to make the project still work in the school’s existing budget.**

Visit nff.org/charter-school-financing to learn more about NFF’s charter school financing.

2024 Charter School Financing



At a Glance:

- NFF has worked with 70 charter schools since 2003.
- Charter schools comprise 25% of NFF's lending portfolio.
- Financing options include capital for facility pre-development, acquisition, and renovation; equipment purchases; and working capital.

CHARTER SCHOOL FINANCING IN ACTION



Photo provided by GALS LA.

Girls Athletic Leadership School Los Angeles

Financing: \$4.4 million facility construction loan supported by NFF's Department of Education Credit Enhancement Grant.

Lending Impact: Construction of a new campus, doubling student capacity to 330 and featuring 17 classrooms, a dance studio, conference room, multipurpose room, and administrative offices.

Community Impact: GALS LA is a first-of-its-kind all-girls middle school preparing a generation of young women to become confident, capable leaders of their own lives. Integrating an innovative health and wellness curriculum that addresses the unique emotional and physical needs of adolescent girls, GALS LA uses daily movement and athletics to help girls build confidence, boost self-esteem, and find joy.



Photo provided by Elevate Collegiate Charter School.

Elevate Collegiate Charter School

Financing: \$4 million construction loan supported by NFF's Department of Education Credit Enhancement Grant, and a \$2 million subordinated loan from Texas Charter School Development.

Lending Impact: Renovation of 24,000 square feet of space to create 18 classrooms, support offices, a shared kitchen, a multipurpose room, and a 3,100 square-foot mezzanine level for student use. The renovation will accommodate 472 students in Pre-K through fifth grade.

Community Impact: Elevate Collegiate is located in Houston's Third Ward, home to some of the most critical institutions in Houston's Black community. The school supports students' diverse educational needs through a culturally responsive curriculum that includes small-group instruction informed by frequent progress monitoring and a focus on literacy and math to close gaps.

Consulting

Nonprofits are bringing their deep expertise and community knowledge to solve some of our greatest challenges. We're here to help them navigate ongoing systemic issues around government contracting, funding streams, and financial management, as well as growth and change opportunities like facility acquisition and development, leadership transition, and financial downturns.

Our consulting work is rooted in mutual trust and leaders' expertise. We work together through coaching, mentoring, skill-building, and partnering toward practical, customized solutions. Our work spans nonprofits of all sizes across the US, both one-on-one and in cohorts, ranging from community health clinics to small art collectives.

Learn more about our consulting work and approach at nff.org/consulting.



A look at clients served through the Newark Nonprofit Capacity Accelerator, a partnership with the Prudential Foundation to deliver tailored financial consulting and coaching to strengthen the financial resilience of Newark nonprofit intermediaries. Clockwise from top left: Jaquita Helms participates in a community discussion hosted by Newark Public Safety Collaborative and Unified Vailsburg Services Organization, Newark Opportunity Youth Network participant Marquis Wright works on a YouthBuild Newark construction project, Newark Arts staff, and a mural on Treat Place in downtown Newark.

2024 Consulting by the Numbers

THE WORK



189

clients served through consulting engagements



25,789

hours of consulting provided



2,126

attendees at NFF workshops, webinars, and events



\$1 million

in pass-through grants awarded to 26 nonprofits

LONG-TERM IMPACT



3.5 million

individuals collectively served by **189** nonprofits that received direct consulting from NFF in 2024

CLIENT OUTCOMES



75%

of consulting supported organizations primarily serving low-income communities

OUTCOMES SPOTLIGHT

Through our work with Black Equity Collective member organizations in the BUILD Initiative:

83%

of participants reported having a greater understanding of financial concepts including budgeting, building projections, creating a profit and loss statement, and preparedness for managing debt

83%

of participants reported making progress toward their financial and strategic goals through their work with NFF

92%

of participants reported that working with NFF will improve their ability to deliver the work in the future



A volunteer directs a car at one of Safe Parking LA's facilities. Photo courtesy of Safe Parking LA.

Capital + Consulting: A Powerful Combination

The Best of Both Worlds

In partnership with the Conrad N. Hilton Foundation, NFF runs a \$9 million bridge loan fund offering zero-interest, no-fee loans and free financial management consulting to Hilton grantees working in areas like foster and opportunity youth, early childhood education, and homelessness. The capital helps organizations keep staff, run payroll, and maintain services when government doesn't pay its contracts on time. The technical assistance is tailored to each nonprofit's particular needs, helping leaders better understand and address unmet financial challenges, as well as prepare for future financing.

"Offering capital and technical assistance together is the best of both worlds," explains Dominique Fortune, Senior Director, Investor Relations. "It allows nonprofits to address their immediate cash flow needs while gaining a better understanding for their finances and planning for the future."

A Financial Game-changer

Safe Parking LA employs underutilized lots to provide safe overnight parking for people living in their vehicle due to housing instability. In addition to its zero-interest, no-fee loan, the nonprofit received financial training and analysis for its executive staff and board to help navigate fiscal challenges.

"Our organization would not have achieved its current position without the invaluable support of our partners at NFF," says Matthew Tecle, Executive Director, Safe Parking LA. "In addition to their generous financial assistance, NFF has provided significant ongoing technical support and training. They have delivered comprehensive dashboards, analyses, and presentations to senior executives and Safe Parking LA Board members. Those resources have been a game-changer in understanding our financial position and creating a strategic framework for executing our mission."

(continued)

The Right Tools for the Job

NFF consultants worked with leaders on a range of topics. They conducted full cost analyses to understand the economics of their programs and funding sources and advocate for funders covering the full cost of providing services. They dived into data to understand how changes to a business model would affect a nonprofit moving forward, and created dashboards to keep board members informed and engaged. With a better understanding of their financial position and a framework for moving forward, organizations built stability and strength to guide them into the future.

“We were able to provide diagnostics to help many organizations understand their financial needs,” explains Alex Chan, Senior Director, Consulting. “Many had experienced recent growth due to influxes of funding, and needed assistance with understanding and leveraging their data, accounting, and finances.”

“There are broad structural funding problems that cannot be solved by cashflow planning alone,” Chan notes, “but the combination of capital and technical assistance helps organizations navigate challenges and understand their options in an uncertain funding environment.”

PARTNERING TO INVEST IN COMMUNITIES

NFF is putting money to work to advance community wealth and well-being and meet nonprofits’ real-time needs with investment funds and trust-based partnerships that bring flexible, low-cost capital, financial management resources, and planning tools to communities based on their own aspirations and needs.

NFF activates program-related investments, impact loans, donor-advised fund investments, and charitable contributions to support responsive, high-impact lending. In addition, NFF currently partners with 12 financial institutions whose investments in NFF give them credit toward the requirements of the Community Reinvestment Act.

Are you a funder looking to increase the impact of your investment in communities? Visit nff.org/investing-in-communities to learn more.



Safe Parking LA's Program Manager shares information at an event. Photo courtesy of Safe Parking LA.

A Tax Status, Not a Business Model

A CONVERSATION WITH PREETHI KUMARAN, MANAGER, CONSULTING

How can thinking about personal finance help us better understand nonprofit finance?

When you think about how you're managing your paychecks and expenses like rent, groceries, and transportation, I don't think it's anyone's goal to spend everything down to net zero every month. That's because we know things happen that we can't account for: rent goes up or the car needs repairs. We have retirement or home ownership goals we need to plan for. We need savings to fall back on.

It's the same with an organization. If you're spending down to zero every year, you're not saving. Savings help nonprofits adapt to unexpected changes like inflation or emergencies. Having that extra cushion also helps nonprofits plan for the future, such as by saving up for launching new programs that will have many upfront costs before they're able to generate revenue. Savings for all of these and more are something you can have only when you generate surpluses, not when you're just breaking even every year. At NFF we love saying, "Nonprofit is a **tax status**, not a **business model**." Surpluses generate the money nonprofits need to achieve stability and adaptability in the long run, just like we work to do on a personal finance level.

Since "nonprofit" isn't a business model per se, can you tell me more about a nonprofit's business model and how it differs from a for-profit company's?

A for-profit business can charge a price that covers the full cost of the product or service they're delivering, and then some (the profit). Nonprofits cannot do that because they serve populations that cannot pay the full (or sometimes even partial) cost of the services they offer – such as healthcare, housing, and even access to arts and culture. This means that there is a gap in meeting the cost of delivering a nonprofit's services. Nonprofits fill that gap by essentially running two different businesses. They have their mission business for the community they serve, and they have their subsidy businesses to fill the gaps in covering costs, by pursuing other revenue sources like foundation grants, individual contributions, or other earned income streams. No nonprofit is started with a mission or passion centered on applying for grants. Pursuing grants is just what they have to do in order to pursue their actual purpose in the community.

(continued)



PREETHI KUMARAN
MANAGER, CONSULTING

"A for-profit business can charge a price that covers the full cost of the product or service they're delivering, and then some (the profit). Nonprofits cannot do that because they serve populations that cannot pay the full (or sometimes even partial) cost of the services they offer – such as healthcare, housing, and even access to arts and culture. This means that there is a gap in meeting the cost of delivering a nonprofit's services."

Because it is hard to secure those subsidy revenue opportunities, as well as maintain the capacity and resources to run those subsidy businesses, nonprofits usually find creative ways instead to cover those gaps in delivery costs – things like relying on volunteers or donated supplies, putting in sweat equity by working unpaid hours, managing with less-than-functional equipment to avoid replacement costs, and so on.

What should funders know about funding nonprofits to meet the needs of their communities?

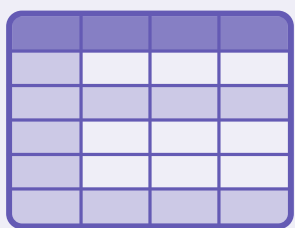
Going back to the personal finance analogy, we all want a better world for ourselves, our family, and our community. But we can't get there by living paycheck to paycheck, unable to prepare for growth, change, or supporting ourselves in the long run. One thing funders can do to combat this cycle is to eliminate grant restrictions so organizations can use their funds responsively based on their needs, rather than having to allocate every dollar to what funders deem as the most appropriate expenses. Funders are not the ones

on the ground observing and assessing what it takes to meet community needs, so they need to learn to trust that nonprofits know how to use their resources best, whether that means spending on current program costs or saving for emergencies or future organizational goals. Funders can also talk about what full cost funding would really look like for their grantees. This would allow them to discuss and understand all the resources it would take to run an effective and sustainable organization without having to cut corners and overextend themselves in order to get by in ways that are ultimately detrimental to the organization's health.

Organizations that are able to sustain into the long run – that are able to adapt or secure more resources – are often those that already had access to more resources to begin with. Investing in the ones that have been systemically prevented from accessing and building up these resources is the first in many steps to undo the historic underfunding of so many sectors, communities, and geographies.

NONPROFIT FINANCE FUNDAMENTALS

Our tools and resources are designed to help nonprofit leaders, funders, investors, and boards navigate change and opportunity. Here is a sample of some of the resources we offer.



**Cash Flow
Projection Template**



**Craft Your Organization's
Financial Story**



**Best Practices for
Nonprofit Boards**



**Best Practices for
Taking on Debt**

Find all of our resources
at nff.org/learn



**Nonprofit Budgeting
Basics**

Advocacy

NFF has long advocated in support of nonprofits and CDFIs, but 2024 marked a milestone for us as the first year that this advocacy was formalized as a pillar of our work. Our advocacy on behalf of nonprofits is informed by deep listening and engagement with hundreds of nonprofit clients, learning from their experiences with government and philanthropic funders. We advocate for improving policies and practices that ensure funding flows fairly to nonprofits, meaning:

1. Government pays on time for the work it contracts.
2. Grants and contracts cover the full cost for nonprofits to do the work.
3. All organizations have a fair shake at getting funding to do the work.

We also advocate on behalf of the CDFI industry so that CDFIs have sufficient funding to invest in communities that have been disinvested of their resources.

SPOTLIGHT ON CLIENTS: FULL COST ADVOCACY AT WORK



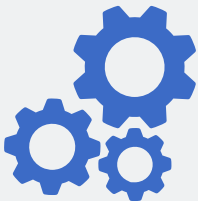
Partnership

2023 NFF begins work with Los Angeles Opportunity Youth Collaborative (OYC), Alliance for Children's Rights, and UNITE-LA, looking at the full cost funding needs of youth workforce development organizations in Los Angeles.



Research

2024 NFF conducts an in-depth analysis of the full cost needs of five youth workforce development organizations. NFF and OYC find that, on average, the youth workforce development organizations have \$1.1 million of unfunded expenses, roughly 26% of their current program budget.



Action

2025 NFF and OYC issue a report sharing their findings, backed by a video exploring the lived experiences of Youth Workforce Development workers and youth, as well as a social media campaign urging funders to understand and pay the full cost for providers to do the work.

As this example makes clear, these efforts require time and focused effort over the long term to create meaningful impact and systems-level change. The work we have put in and the work we have dedicated ourselves to continuing is helping NFF to step up and meet the nonprofit sector challenges we see in 2025 and beyond.

2024 Advocacy by the Numbers

THE WORK



83

pieces of content published, including **20** highlighting the work and expertise of NFF clients



15

legislative visits by NFF staff

REACH OF NFF'S SECTOR INSIGHTS



24,300

emails opened



51,100

social media posts viewed



331,000

views of nff.org

PARTNERSHIPS



9

advocacy letters endorsed



10

coalitions NFF actively participates in to advance our advocacy agenda



NFF staff at our 2024 retreat.

2025 and Beyond

2025 has so far shown the importance of NFF's capital in helping nonprofits address immediate financial concerns and prepare for the future, as well as our consulting and knowledge sharing to help organizations understand their cash flow, adapt to changing realities, and plan for disruptions like government funding freezes and funder retrenchment.

Our deep expertise equips us to offer stability, strategic guidance, and tailored financial solutions that help organizations remain resilient and mission focused. Among the work we are doing in 2025 is helping nonprofits to scenario-plan so they can navigate disruption with confidence and continue delivering critical services and jobs to their communities.

Our goal in all that we do is to promote community wealth and well-being in the form of jobs and services that support thriving communities, and greater agency of community members to control community resources.

Like what we're doing?

Learn how you can [partner with us](#) to support community-led solutions and [invest in communities](#) at nff.org.

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