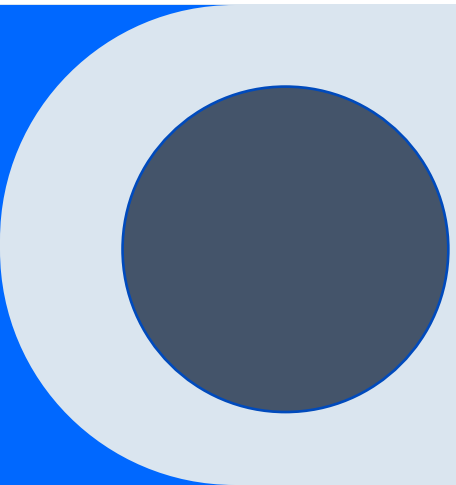
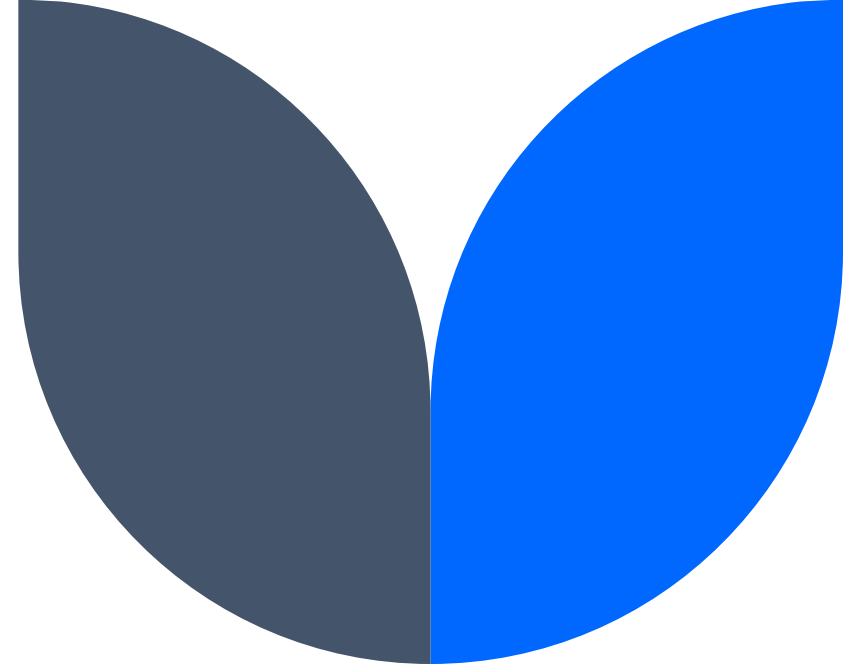


Black-Led Social Change Project: Philanthropic Landscape Study

Cindy Alvarado



Agenda

- Introductions & Norms
- About the Project
- Philanthropic Landscape Study Findings
- Recommendations
- Breakout Sessions



Meet the Team



Cindy Alvarado

Consultant Team
Funder Workgroup



Brandi Brown

Leader-in-Residence
Collaborations & Community
Engagement



Kelli King-Jackson

Lead Consultant



Marvin Pierre

Leader-in-Residence
Financial Sustainability
Workgroup



Dr. Angeliqueca Avery

Consultant Liaison



Erin McClarty

Consultant Team
Vision Workgroup



Bridget Samuels

Consultant Team
Nonprofit Needs and Trends
Workgroup

About the Project

The Black-led Social Change Project is a multi-disciplinary planning effort facilitated by a team of Black practitioners and activators from across Harris County that launched in May 2022.

This project aims to create an action plan by and for Black-led organizations with a focus on strengthening how Black-led organizations are supported in social change through collaboration, community engagement, and financial sustainability. This multi-disciplinary planning process includes the voices of multiple stakeholders, including philanthropy.

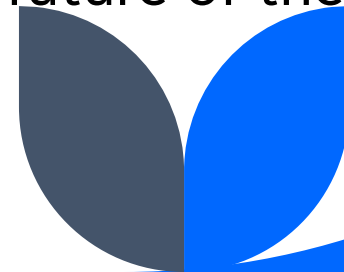
Purpose of Funder Survey

Only 1.8% of philanthropic dollars goes to Black-led organizations (ABFE)

If we want to move the needle on the most pressing issues of today, we must consider *what we fund, who we fund, and how we fund*

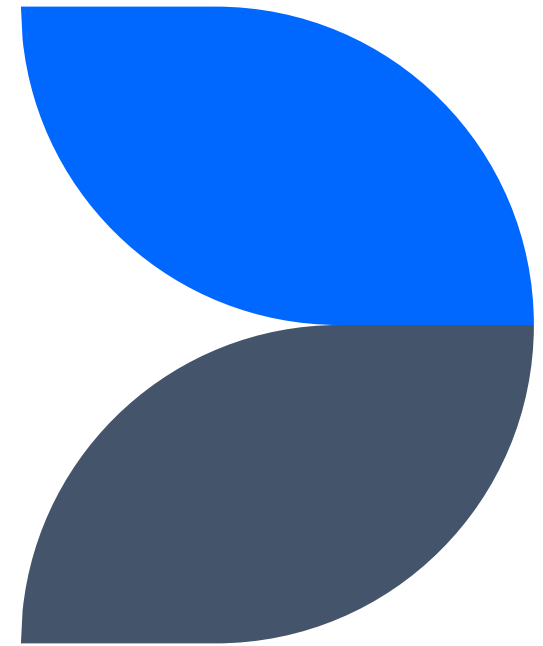
Objectives:

- Share insight into current philanthropic practices and funding processes, as well as recommendations to better support Black-led organizations
- Share guidance on how to navigate within Houston philanthropy
- Share national case studies that can inform the future of the local funding community



Philanthropic Landscape Study

Thematic Learnings and
Recommendations

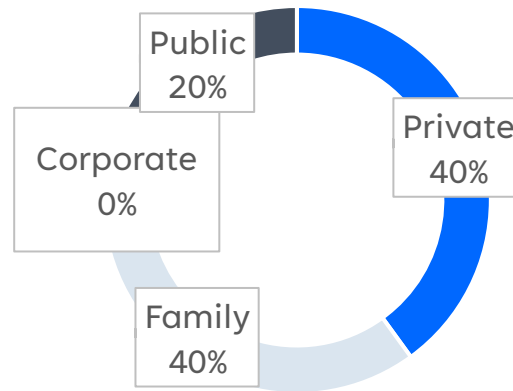


Survey Respondents

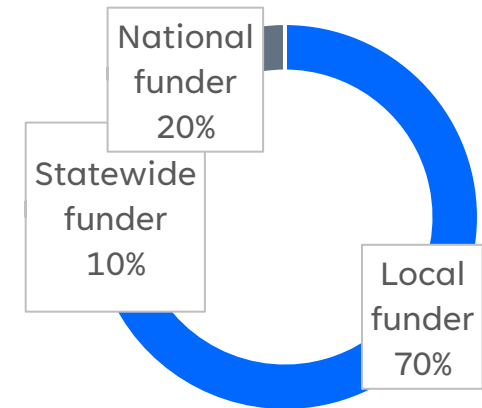
About the Survey

- Outreached to local, regional, state, and national funders who a) fund in the Greater Houston area and b) fund Black-led organizations
- Total of 10 completed survey responses

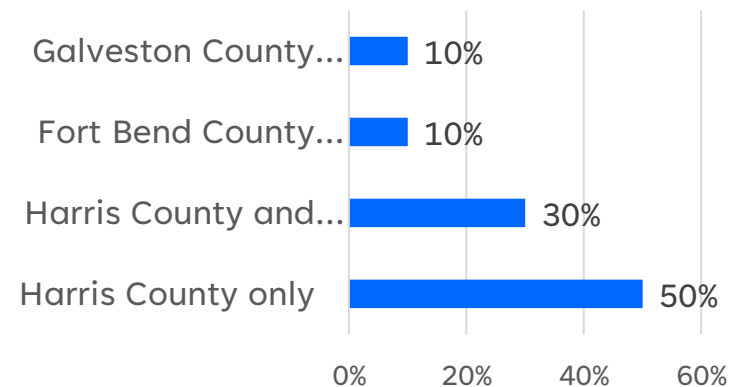
Type of Foundation



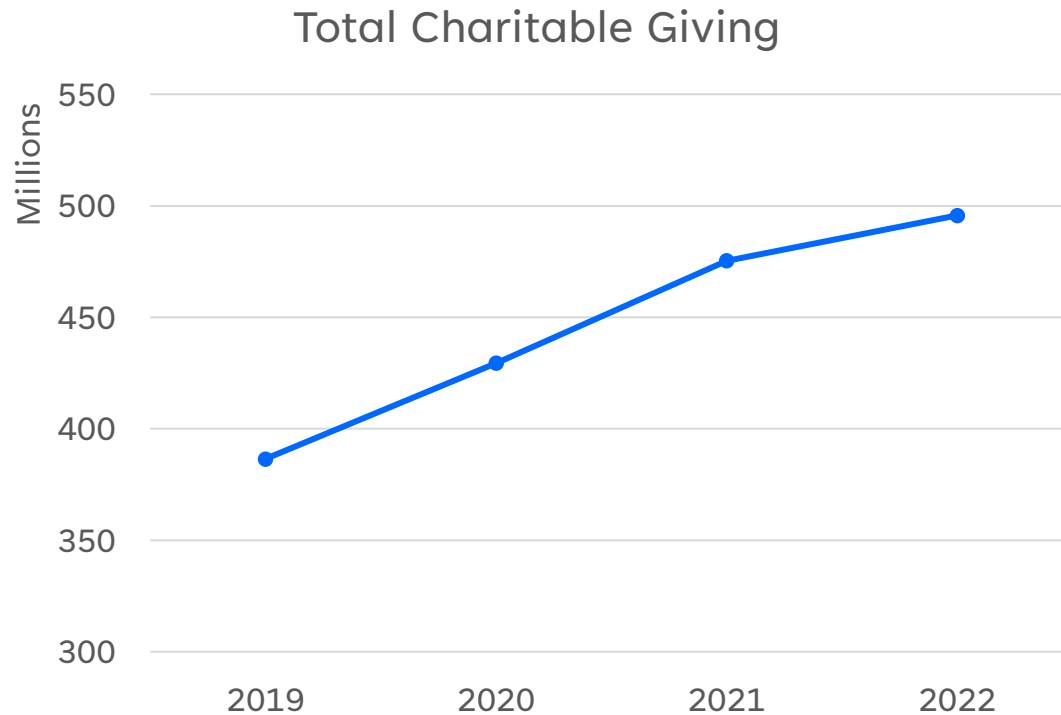
Geographic Constraints



Funding in Greater Houston



Charitable Giving Trends



Total charitable giving has increased year over year, with a 22% increase from 2019 to 2022

10% increase from 2019-2020
10% increase from 2020-2021
4% increase from 2021-2022



Organizational Demographics

	Board	Senior Leader
White	59%	60%
Black	13%	30%
Hispanic/Latinx	2%	-
Asian	6%	-
Multiracial	1%	-
Unknown/Do Not Track	16%	10%

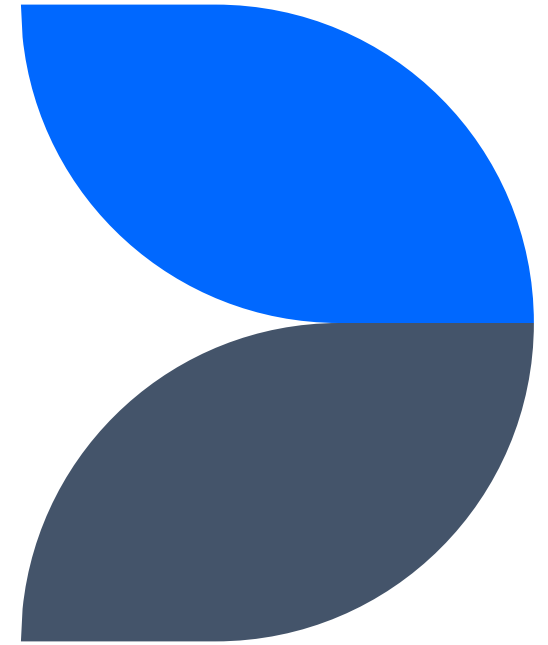
Program Staff

- Majority White 30%
- Majority diverse 40%
- Unknown/Do Not Track 20%

There is a lack of diverse representation in leadership positions, with slightly more diversity found at the program staff level.



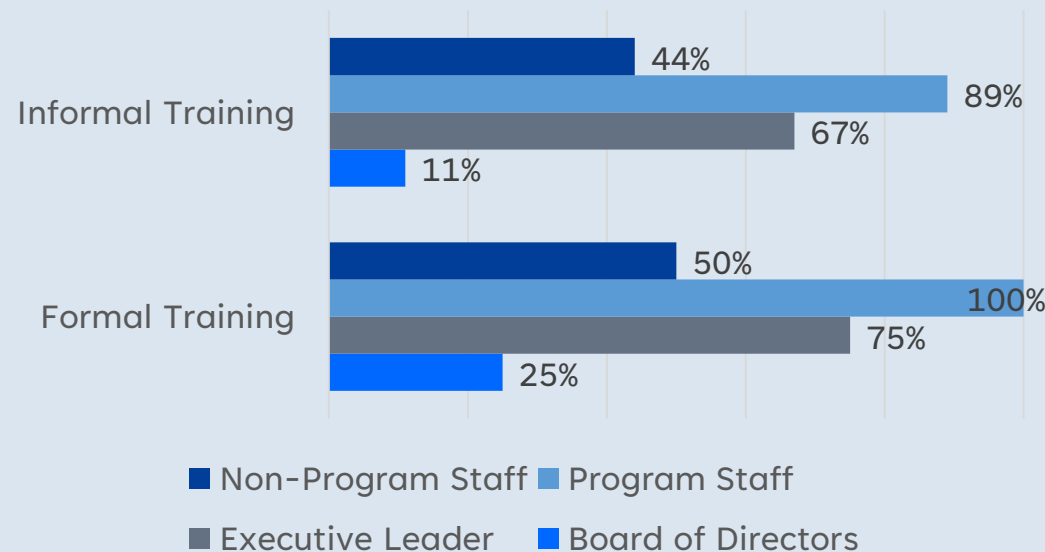
Organizational Equity Journey



Equity Training

- Almost all respondents (90%) have undergone informal equity training, such as staff-led initiatives
- Only 40% of respondents have undergone formal equity training, such as through a third-party consultant/trainer
- 30% of respondents have undergone both formal and informal equity training

Participation in equity trainings trends heavily toward program staff and executive leaders. Non-program staff and board participation is minimal.



Equity Journey



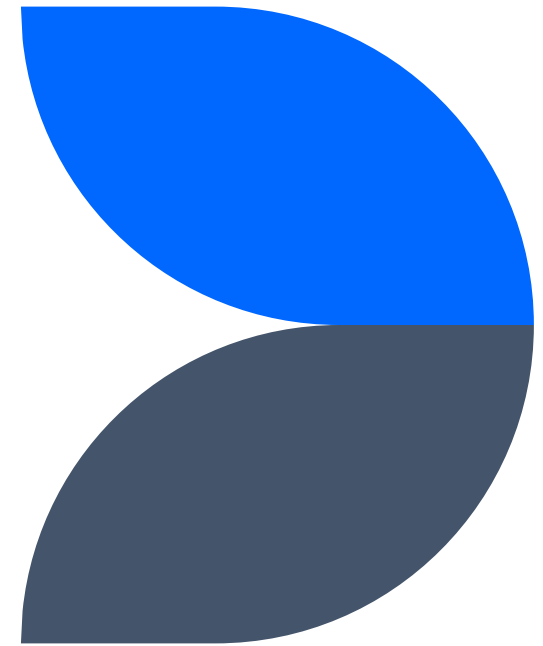
- Has Not Started
- At Beginning Stages
- Implementing Plan or Strategy

Respondents rated where the biggest opportunity to move the work forward lies within their institution. The following were ranked medium/high:

- Grants department
- Executive leader
- Board
- Program Staff
- Operations



What You Fund

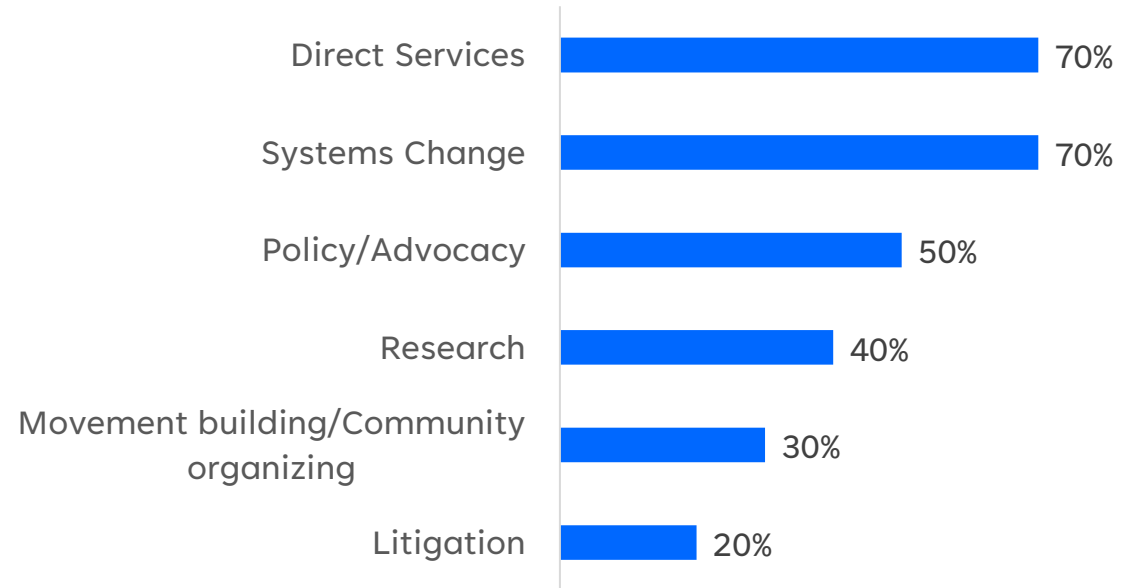


What You Fund

Issue Areas – Top 5

1. Education
2. Environment
3. Arts and Culture
4. Community and Economic Development
5. Health

Type of Work



How Funders Support Racial Equity Efforts in the Community

Internal

- Committing to an internal learning journey, with dedicated time, resources, and metrics
- Adopting equity principles to inform the grantmaking process
- Analyzing where funding is being directed and who is most impacted

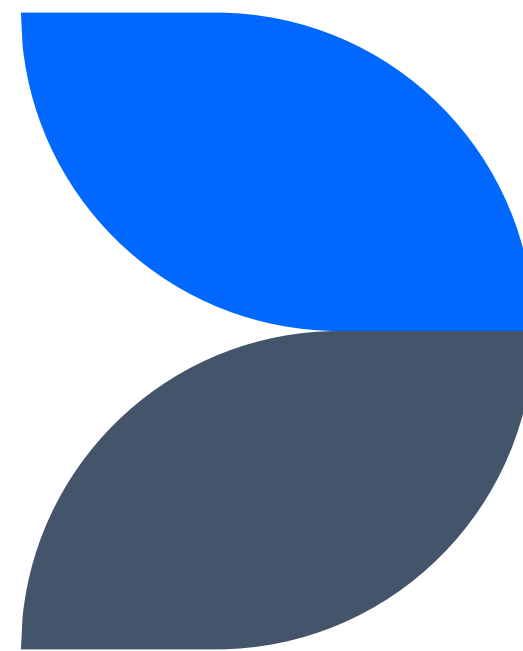
External

- Being open to funding smaller NPOs and supporting financial capacity needs
- Launching initiatives specifically for BIPOC leaders and organizations
- Providing more hands-on support with prospective applicants

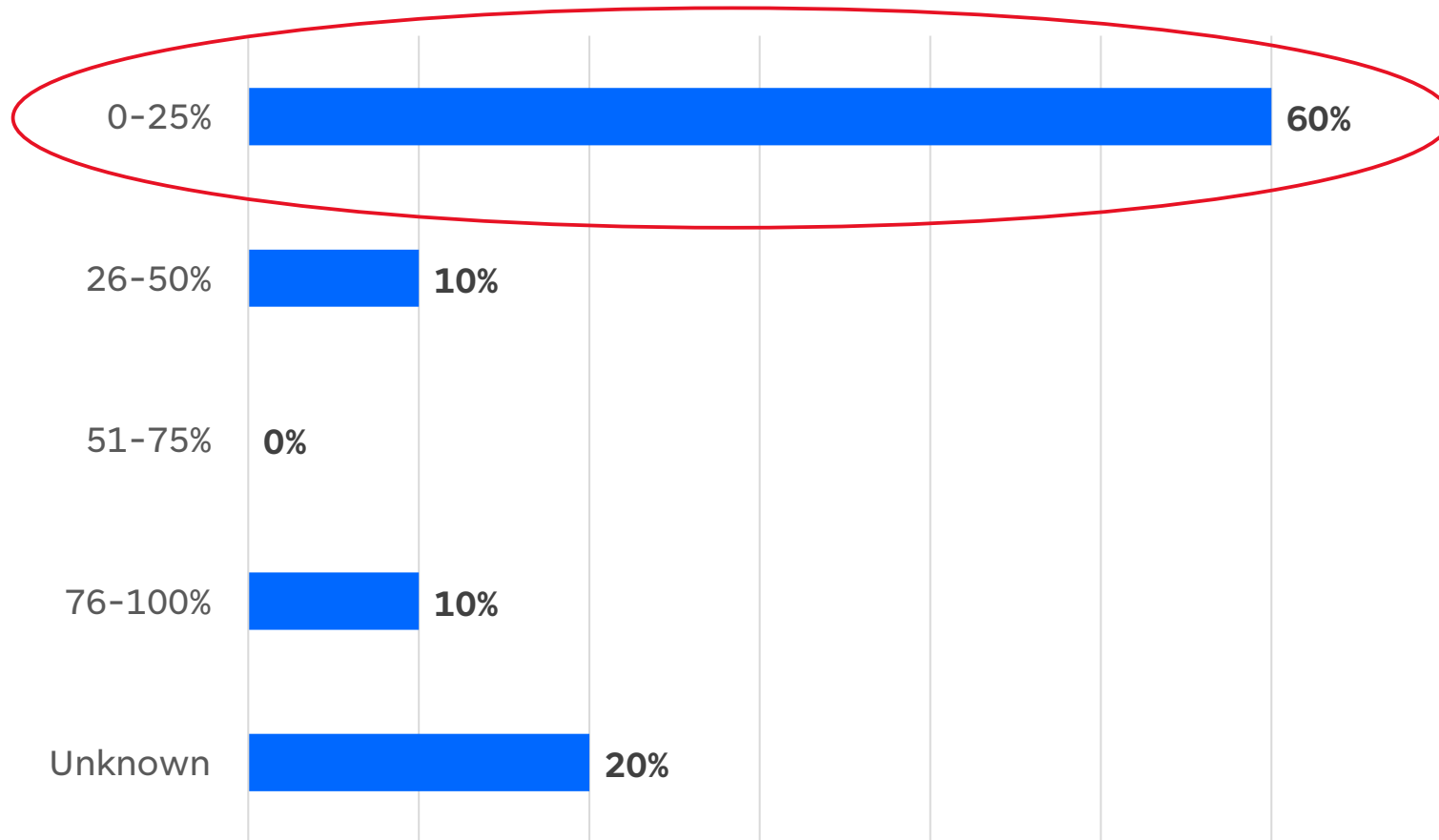
Internal work is needed to help support external goals. This includes internal data and metrics to ensure funders are on track.



Who You Fund



New Grant Partners in Portfolio

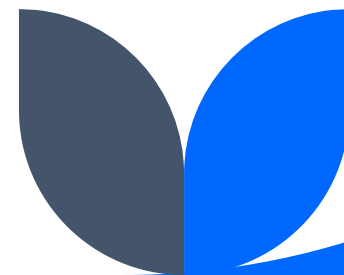


The majority of respondents introduce up to 25% new grant partners into portfolio.

Who You Fund

- 80% of respondents track nonprofit leadership demographics, but the ‘how’ varies
- Who determines demographics?
 - Foundation staff or nonprofit applicant
- What data is being tracked?
 - Leadership and staff levels were most common breakdowns
 - Also common was to ask for demographic data of clients

Consider career development and leadership pipelines to ensure BIPOC staff aren't solely at lower levels.



Who You Fund

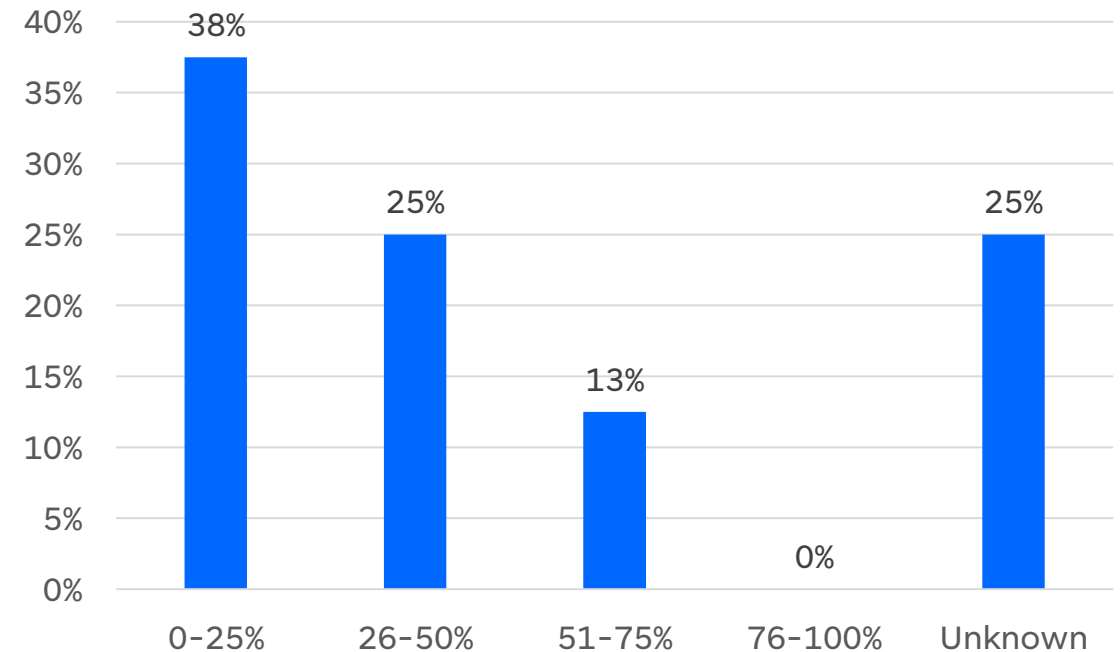
Increasing Support for Black-Led Organizations

88% of respondents reported an increase in their level of funding to Black-led organizations since the onset of pandemic.

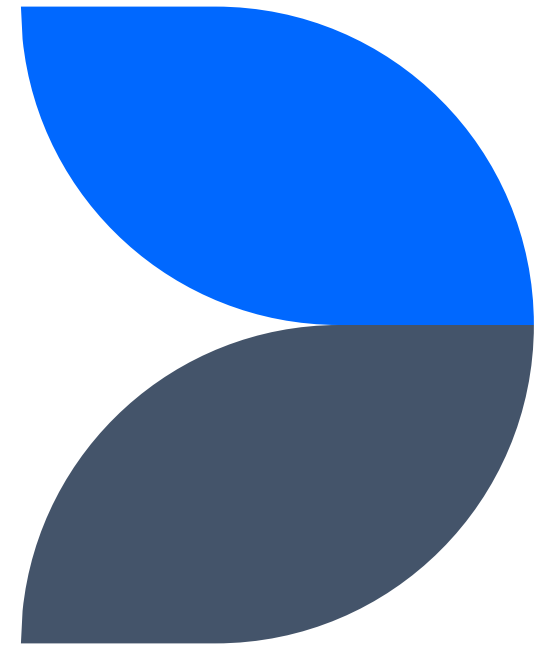
Reasons cited include:

- Responsiveness to community requests
- Intentionality in increasing equity
- Inclusion of DEI questions for applicants
- Increasing board awareness and education efforts

Percentage of Organizations Funded that are Black-Led



How You Fund

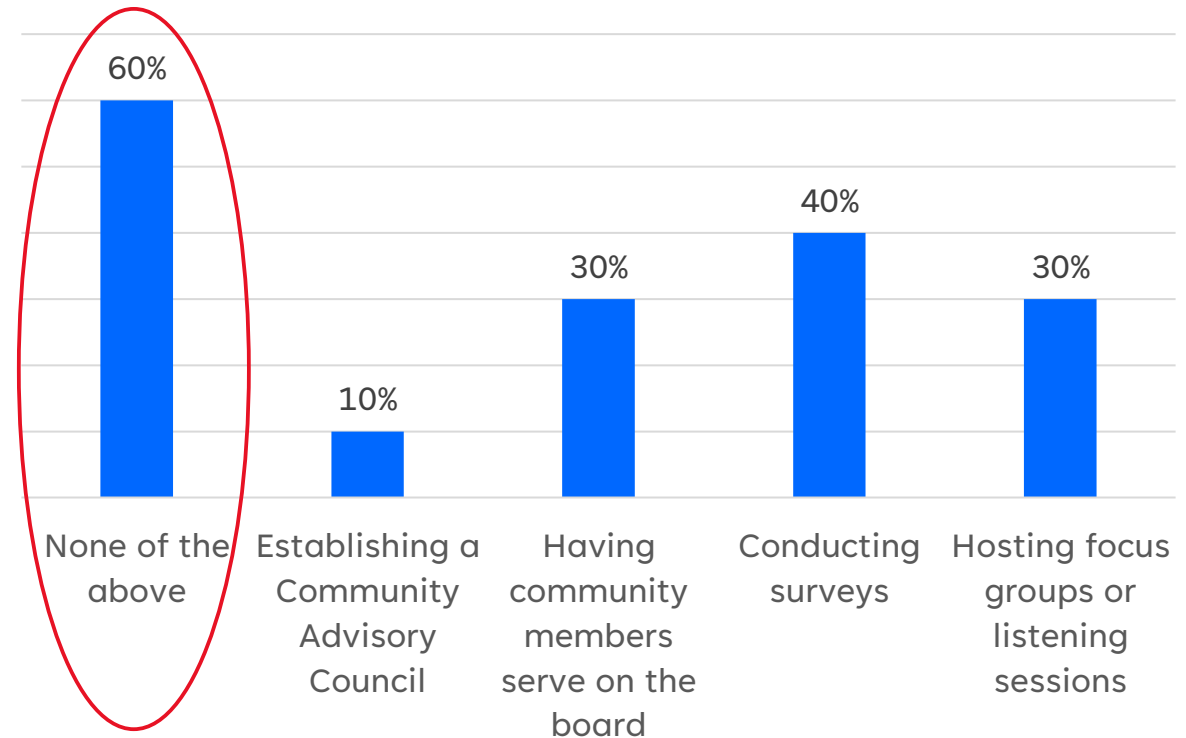


Strategy Development

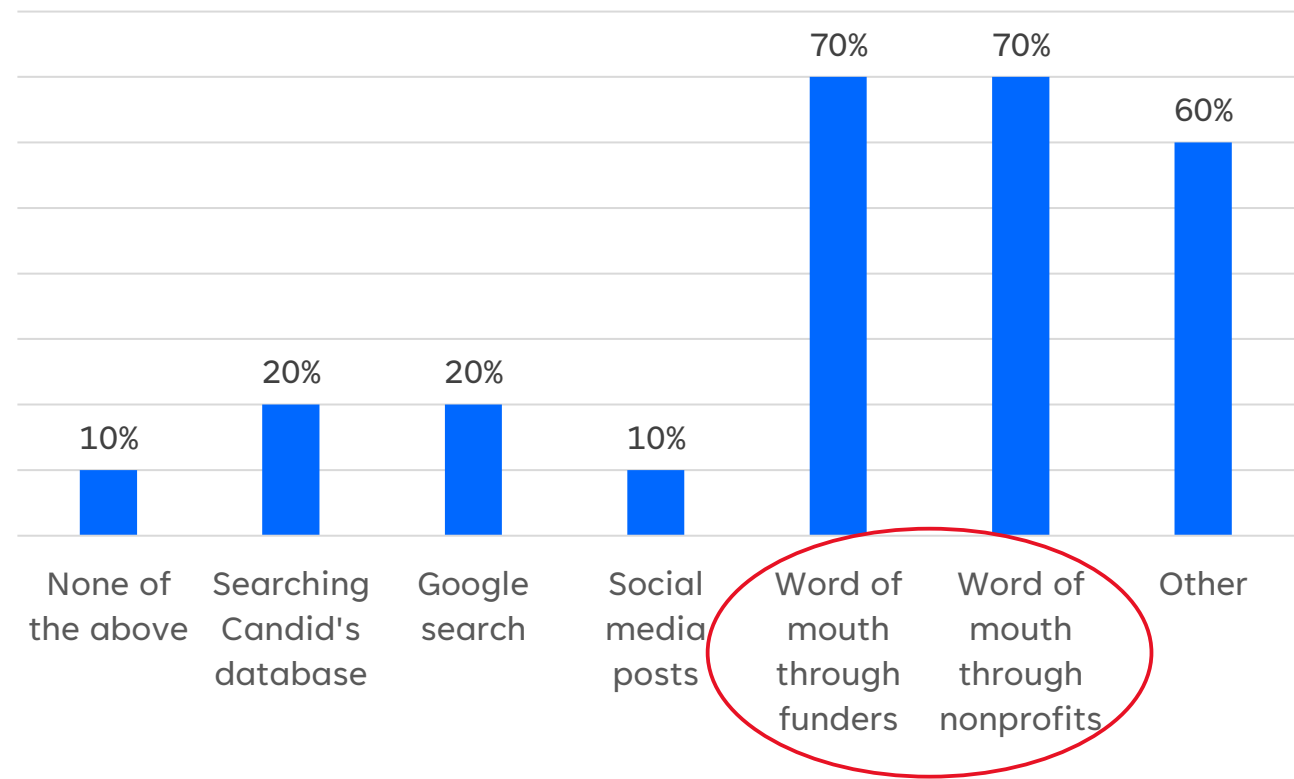
Centering Community

Some funders mentioned looking for grant partners to have these practices in their programming, utilizing data/assessments that consist of community voice, or having special programming or initiatives

Opportunity for funders to learn from or with nonprofit partners and 'walk the walk'



Outreach and Identification

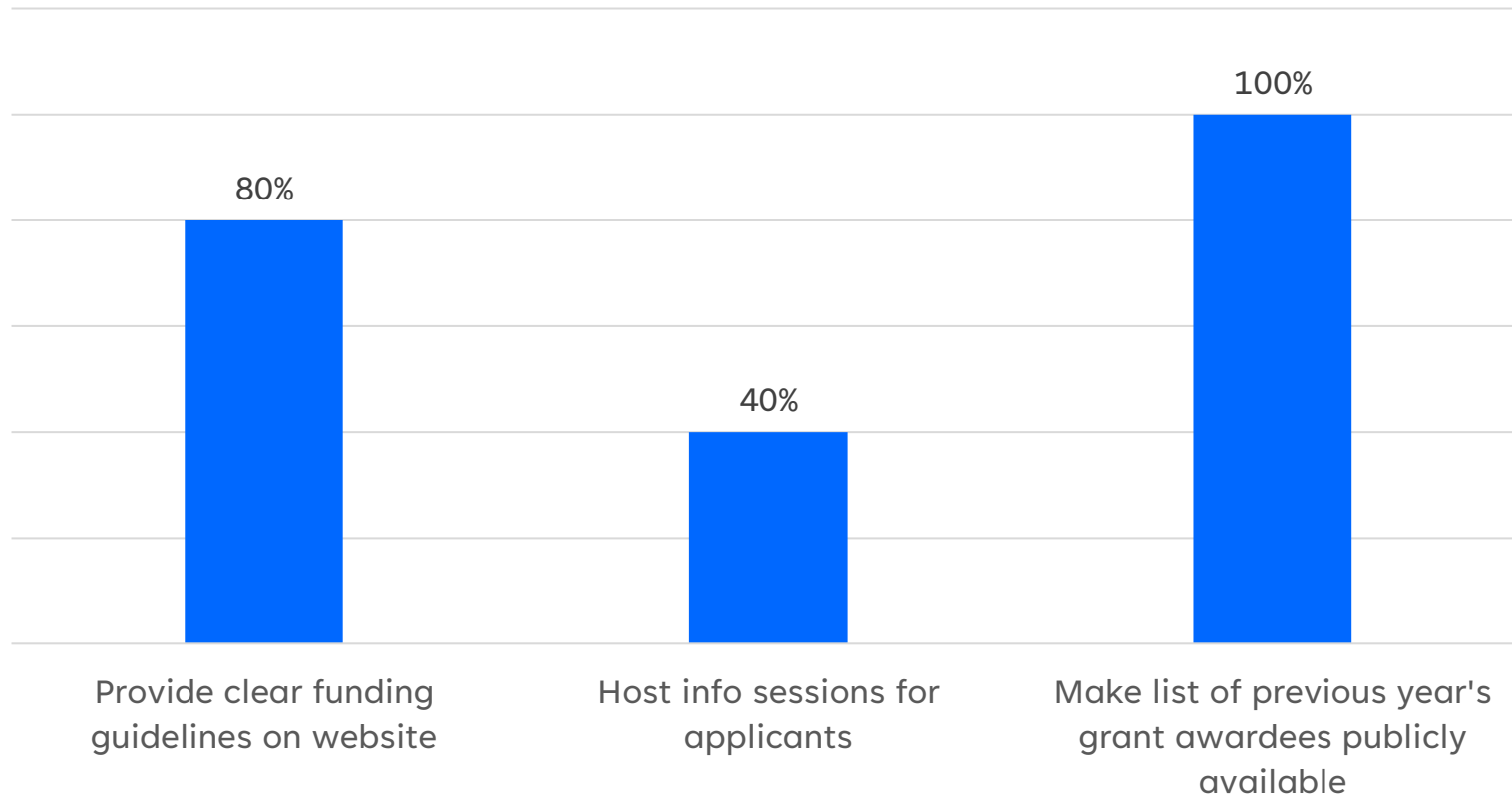


How can we create more equitable opportunities for organizations to self-advocate for their work?

Other responses: included subject matter experts, community news, conferences, resource guides (e.g., [GHCF Giving Guide of Houston Black-led Organizations](#))

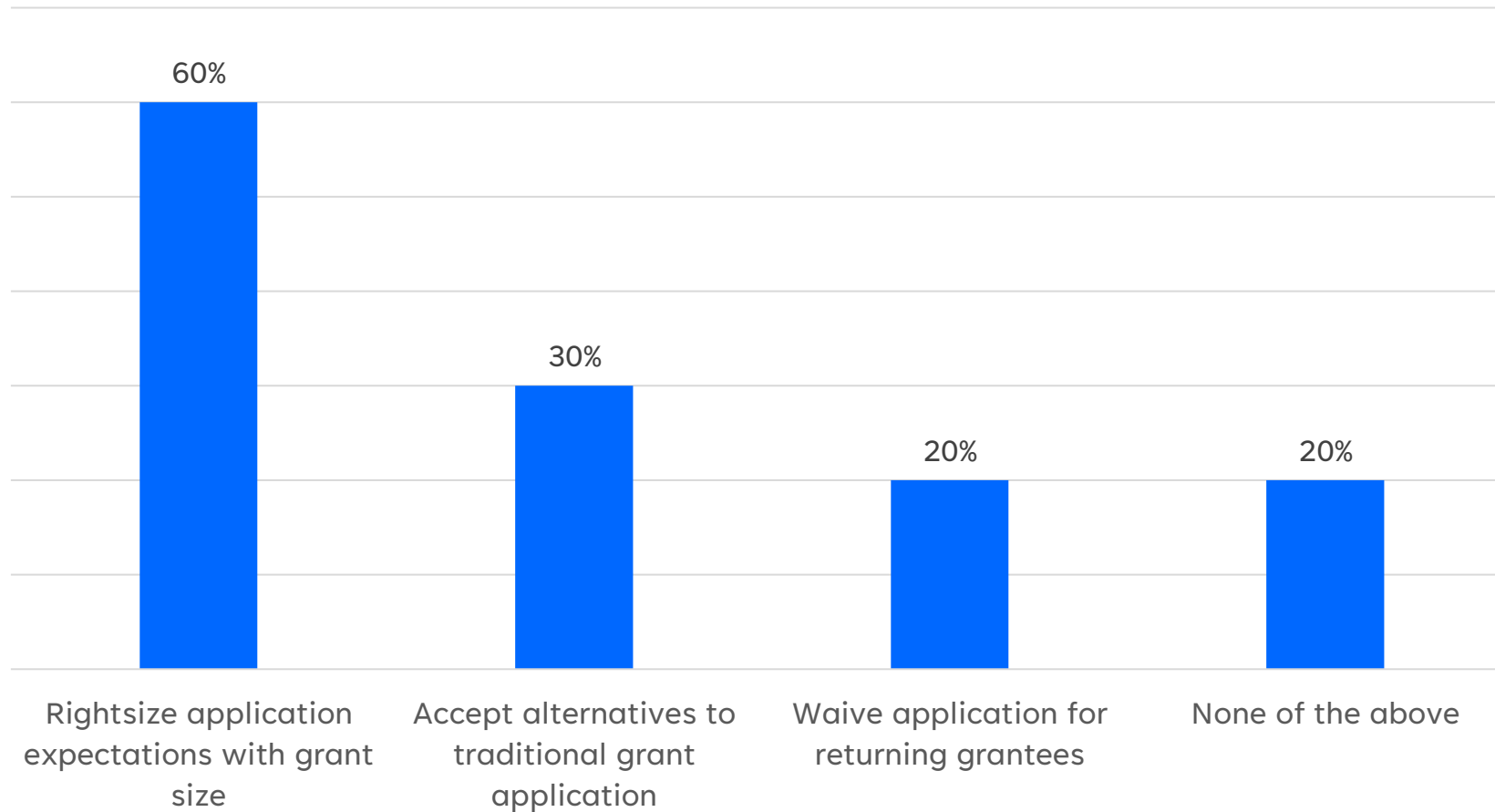
Improving Accessibility

How can we create more **structured, interactive** opportunities for nonprofits to learn about funders?



Over half (55%) mentioned being accessible/reachable via phone/email for a pre-conversation and answering questions or providing FAQs

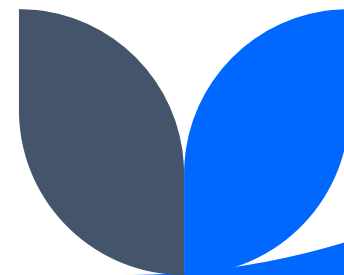
Streamlining Applications



Most respondents are working on rightsizing application expectations with grant size.

Financial Health Assessment

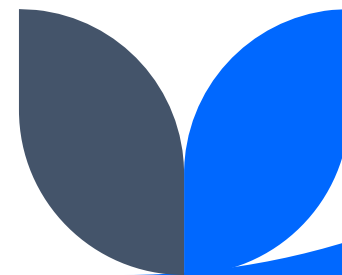
- 70% of respondents use financial health indicators
- What are funders looking at?
 - Surplus/deficits (historical)
 - Liquidity/cash reserves
 - Assets/liabilities
 - Diversity of funding streams
 - Board giving
 - Existence of internal/external controls
- Those that don't use financial health indicators are still reviewing provided financials, budgets, and 990s



Funding Guidelines: “Unwritten Rules”

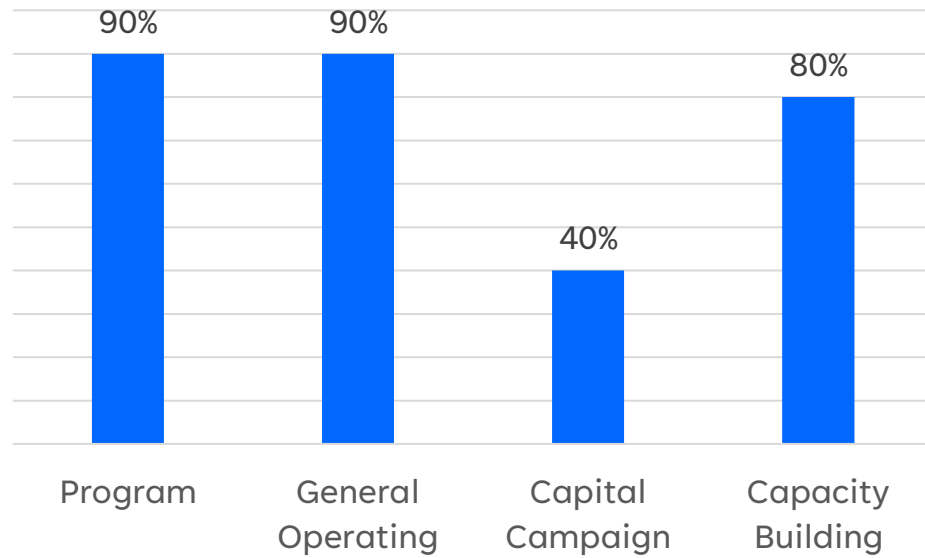
- Budget maximum limit
- Limits on the percentage of an organizational budget a funder will fund
- Preference for a minimum of 1-2 paid staff
- Preference for more established organizations
- Board giving as indicator of financial health
- Overhead limited to 10-20%

Resource: [How to address racially biased financial analysis](#) (Nonprofit Finance Fund)

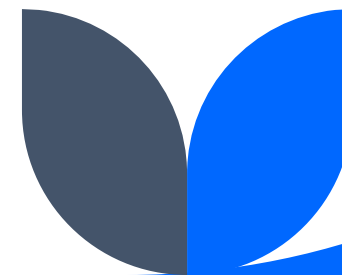
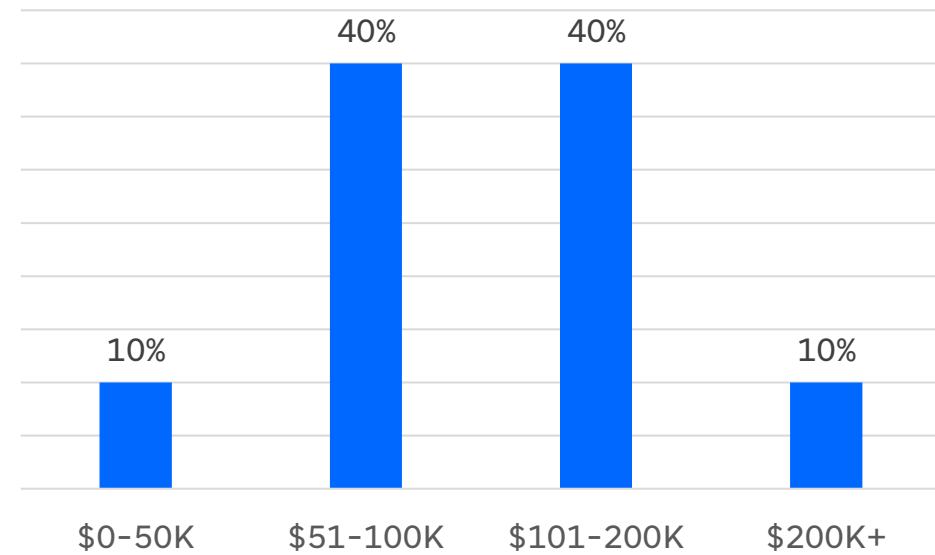


Grant Structure

Type of Grant

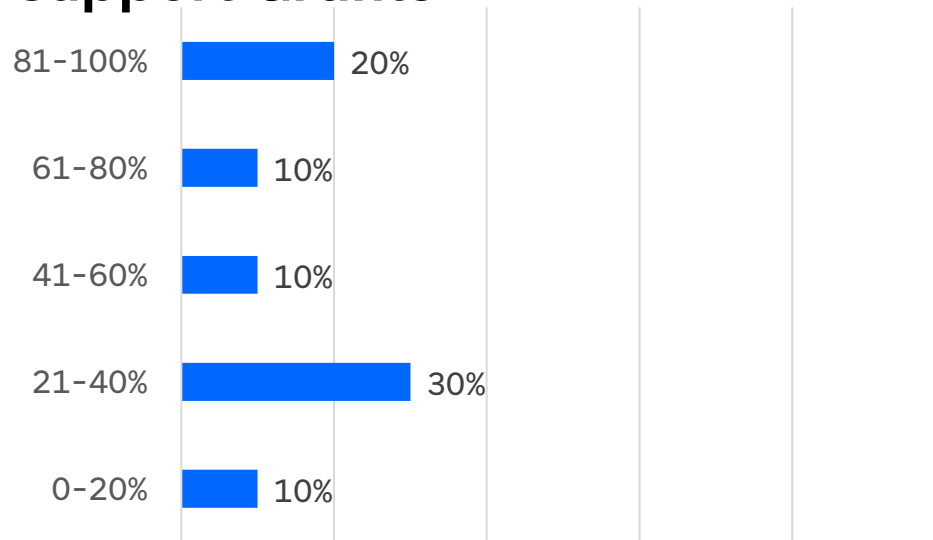


Median Grant Size

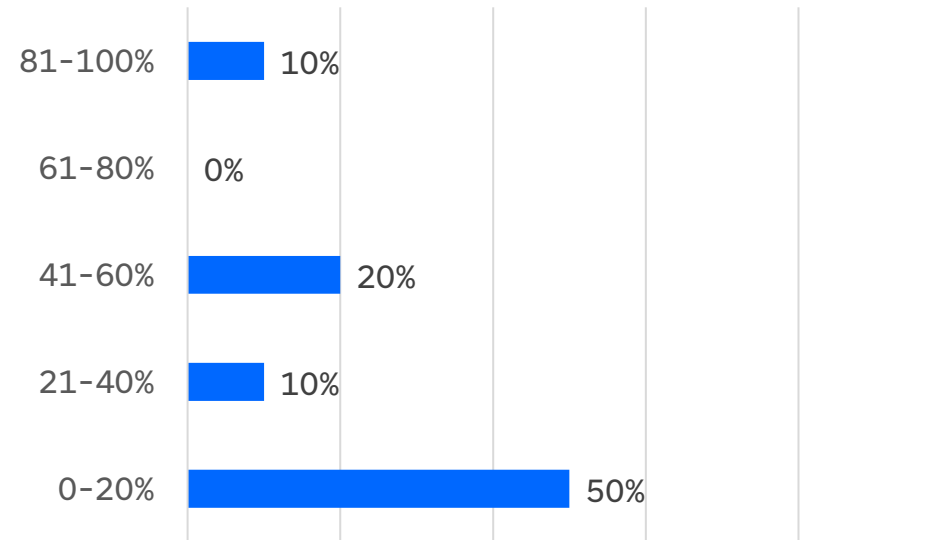


Trends in GOS & MYG

Percentage of General Operating Support Grants



Percentage of Multi-Year Grants



Since the pandemic, GOS has increased but MYG have remained the same. Looking forward, respondents expect that GOS will remain the same (40%) or increase (30%) while MYG will increase (40%)



Support Beyond the Check

1. Making introductions to other funders
2. Promoting grantees' work
3. Offering meeting space
4. Writing letters of support

Applicants can ask for these supports, and funders can make space for responsive supports.



Recommendations for Funders

Maximize Your Impact

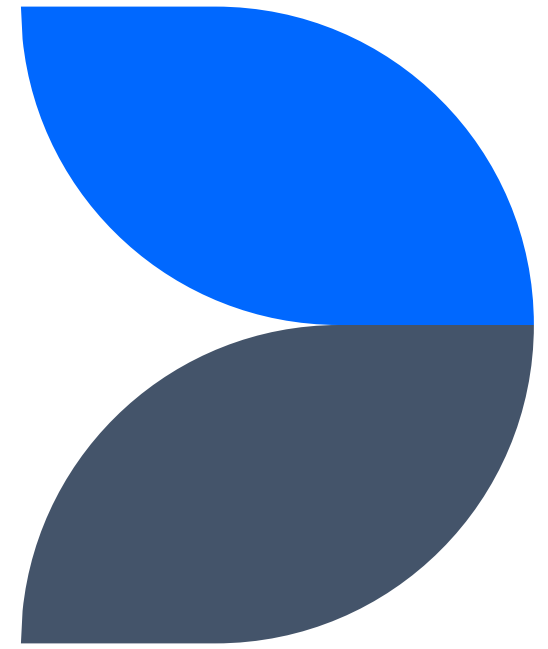
- Establish actionable feedback practice
 - Fund for Shared Insight's [Listen4Good](#)
 - [Center for Effective Philanthropy](#)
 - [GrantAdvisor](#)
- Be in community with partners
 - [NCRP Power Moves](#)
 - [Choir Book: A Framework for Social Justice Philanthropy](#)
 - [Trust-Based Philanthropy Project](#)

Support Nonprofit Partners

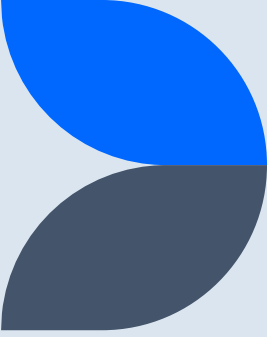
- Focus on your internal equity journey
- Improve outreach and accessibility
- Diversify your support beyond the check



Future Possibilities



Philanthropic Initiatives



THE GRANTMAKING PYRAMID



Ford Foundation's Building Institutions and Networks (BUILD) Initiative

- 5-year, \$1B effort (flexible, multi-year, organizational strengthening)
- General operating support increased from 33% to 80% in 6 years
- BUILD 2.0 launching with commitment to support organizations in regular Ford grant processes

LEARN MORE:

<https://www.fordfoundation.org/work/our-grants/building-institutions-and-networks/>

Black Funds



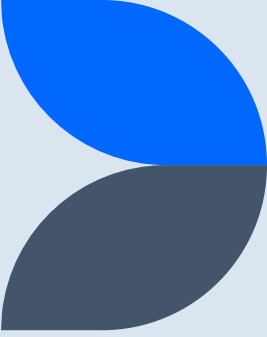
LEARN MORE:

<https://www.seattlefoundation.org/blueprint-for-impact/repair>

Seattle Foundation's REPAIR—Racially Equitable Philanthropy Aimed at Initiating Reparations

- 5-year, \$25M effort to Black-led nonprofits and contractors
- First year was relationship building and deep listening
- BLOC (Black-Led Organizations Cohort) developed giving framework and advises the foundation
- Targeted universalism approach

Philanthropic Collaboration

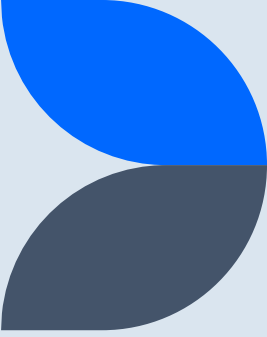


Abundance is a collaboration between three Chicago-area grantmakers

- Resourced program that provides forum for funders to learn from one another on how to change their practices to better support BLOs
- Goals:
 - Commit to increase funding to BLOs
 - Examine culture, policy and practices to address barriers faced by BLOs to access and secure significant funding over time

LEARN MORE: <https://www.abundancemovement.org/>

Philanthropic Intermediaries



United Way of Greater Atlanta's United for Racial Equity & Healing Fund

- Launched in 2020
- Developed new approach grounded in equity and centering community voices
- Distributed \$3.2M to support racial justice work to date
- Offers capacity building support in addition to funding

LEARN MORE: <https://nonprofitquarterly.org/building-a-racial-justice-fund-in-greater-atlanta-one-united-ways-journey>



Thank you!

Contact: Cindy Alvarado
cmalvarado2010@gmail.com

Breakout Sessions

1. What learning surprised you the most?
2. What areas of your work could benefit from community voice?
3. What future possibility most resonated with you and why?
4. How do you plan to use this information? What is one action step you will take when you leave here today?