NONPROFIT BURNOUT

A LISTENING SESSION PRESENTED BY AUDACITY GROUP

OCTOBER 24, 2023
BALTIMORE CENTER CLUB

AUDACITYGROUPLLC.COM

Until the lion learns to speak, every story will always glorify the Hunter.

SUBSCRIBE

SIGN UP FOR A LITTLE AUDACITY IN YOUR INBOX!

AUDACITY GROUP™

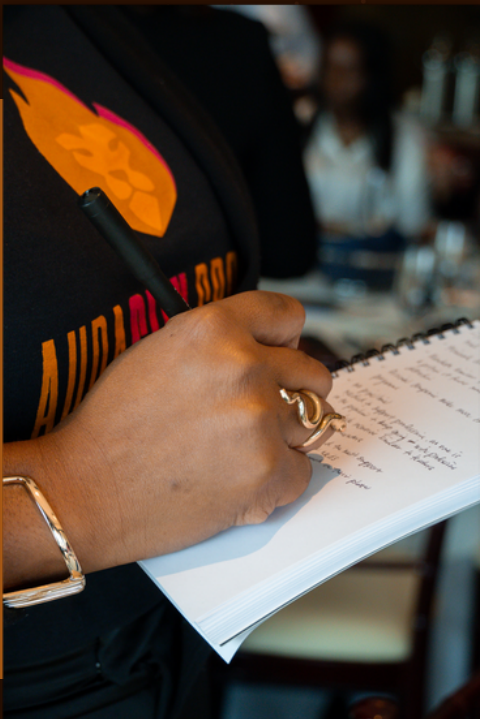FINAL

TABLE OF CONTENTS

BELIEVE THE STORIES

No number will ever supersede a story.

The responsibility for telling the stories of America's major urban cities lies with the grassroots organizations that serve the people.

Based on Audacity Group's listening sessions, nonprofit and grassroots organizations represent the culture shapers and storytellers of major urban cities. And, Executive Directors of nonprofit organizations believe it is essential to incorporate more qualitative data such as emotions, experiences, and motivations, because they provide a more comprehensive understanding of a situation and lead to more effective solutions.

Stories have the power to move people and inspire them to take action. Grassroots and nonprofit organizations may not always have the resources to collect and present data in a numerical format, but the impact they make on people's lives is immeasurable.

While quantitative data is important in measuring and analyzing certain aspects of a situation, it cannot capture the entirety of the human experience and the nuances that come with it.

Executive nonprofit leaders rallied around the idea of encouraging funders and private companies to "Believe the Stories."

Sharing stories of individuals and communities that have been positively affected by these organizations can help others understand the importance of their work. These stories can also inspire people to get involved and support these causes, even if they don't have precise numerical data. It's crucial to recognize the value of the story "and continue to share them to help people believe in the power of grassroots and nonprofit organizations."

Believe the story. Believe in the experience. It will tell you everything that you need to know.

People think that quantitive data is objective, but it is not. Everything operates through a context. And, context can only be explained qualitatively. It would be great if funders could simply recognize this for themselves.
— nonprofit leader

TALE OF TWO BALTIMORES

According to the feedback received during the listening session, it was pointed out that using "Nonprofit Organizations" and "Grassroots Organizations" as separate terms further highlights the issue at hand.

Based on the group's summations, nonprofit organizations, and grassroots organizations share the same mission, but grassroots are not viewed with the same level of credibility or prominence.

This results from surviving generational challenges, such as race and poverty, that continue to widen the gap between sustaining an organization and serving the people.

Funding leaders of color is crucial as they bring strategies that understand the racialized experiences of communities of color and their issues.

Nonprofit Perception	Grassroots Organizations
• Viewed as white-run or white-established. They have more resources and a capacity for growth. They are viewed as credible, and they have the ability to leverage long standing relationships.	• Viewed as Black-led organizations, on the ground, with sparse resources, a small working network, and less credibility.
• Tax Exempt under section 501(c)(3)	• Tax Exempt under section 501(c)(3), fiscally sponsored, or Pending
• A commitment to serving the greater good.	• A commitment to serving local low-income communities.

Politicians will say, "Inner City" & "Roland Park"..."Inner City" & "North Baltimore"..."Inner City" & "Govans". Yet Roland Park is only 3.1 miles away from the 2100 block of Hilltop.

RACIAL EQUITY IN PHILANTHROPY

In a recent article by the Bridgespan Group entitled "Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table states:

Revenues of the Black-led organizations are 45 percent smaller than those of the white-led organizations, and the unrestricted net assets of the Black-led organizations are 91 percent smaller than the white-led organizations—despite focusing on the same work."

Data Findings:
https://www.bridgespan.org/insights/disparities-nonprofit-funding-for-leaders-of-color?gclid=CjwKCAiApuCrBhAuEiwA8VJ6Js9d54AW_OfvIHkcE7FdwJjPO5BEg5uhHzNArfbGFKba82V85yAbnxoCRCIQAvD_BwE

One glaring reason for this disparity is more than likely due to "92 percent of foundation presidents and 83 percent of full-time staff members are white". And if we get past the foundation presidents, we then have to be scrutinized further by the foundation's boards.

"The composition of a foundation's board is a driver of what gets funded, said Darren Walker, president of the Ford Foundation. "Foundations will never change until foundation boards internalize diversity and inclusion," he said. (New York Times)

current disparities

Four Key Barriers to Captial Faced by Leaders of Color

Getting Connected
Leaders of color have limited access to philanthropic networks that enable connections.

Building Rapport
Leaders of color may experience interpersonal bias as mistrust and microaggressions, which can hinder relationship-building and create emotional burdens.

Securing Support
Funders often lack an understanding of culturally relevant approaches, causing them to rely too much on familiar evaluation methods and strategies.

Sustaining Relationships
Renewing grants can be difficult if there is distrust, and funding may be at risk if the funder prioritizes white-centered strategic goals and progress metrics.

NO MORE TRICKLE-DOWN

In an economic system, it is necessary to rely on someone to sustain your value.

However, in order to ensure equitable and effective programming, there needs to be a shift in the dynamics of grantmaking. This can be achieved by strengthening the capacity of grantees' organizations, which will enable them to deliver better programming.

CAPACITY BUILDING

In an effort to better support individuals and organizations who are directly engaged with people within our local communities, philanthropic groups, and private businesses must focus on strengthening the capacity of nonprofit organizations.

There seems to be a false assumption that grassroots organizations are not business structured when in reality, their mission can not be sustained if the nonprofit organization does not reinforce their skills in marketing, communications, fundraising, financial expertise, board leadership, and more.

The conversation disclosed that certain funders have a tendency to selectively choose organizations based on their personal comfort level or personal preference. This can pose a challenge for those organizations that lack the capacity and operate beneath the radar in an industry that anticipates proactive outreach by organizations.

We've been trapped in a system where nonprofits are constantly competing for the same funding, which only strengthens the existing power structure and prevents collaboration. Some Executive Directors argue that there needs to be more collaboration between private funders and city agencies.

BUILDING RELATIONSHIPS

This is a key challenge, as expressed during the discussion:

Learning should be a two-way process. While social impact organizations that have the necessary resources can invest time in researching grants and building relationships, most grassroots organizations, due to their limited resources, must divert their attention from serving those in need to compete against partner organizations.

If you are in the philanthropic space, Executive Directors of grassroots organizations are asking funders to think beyond and provide infrastructure. The aim should be sustainability. This would allow organizations to be weaned off of services, providing opportunities for others.

The impact that is being made by these organizations offers a greater opportunity for connection beyond a financial transaction. Funders both private and public need to be a friend of those organizations doing the work.

Executive Directors pointed out an imposed division, where Group A provides funding to Group B, and then Group B provides grants/funding to Group C.

Group B is rewarded based on their proximity to the work being done by Group C, but Group C does not receive the full benefit. Group D continues to be underserved based on this cycle.

Group A: Funders, Private Companies, City Agencies

Philanthropic executives and private companies often expect nonprofit/grassroots organizations to handle outreach and research for funders aligned with their goals.

Group B: Nonprofit
Larger organization, more resources, closer relationship to Group A.

Group C: Grassroots

Group D: People

LEGACY OF RESOURCES

In major urban cities across the nation, there are several notable large nonprofit organizations such as United Way, Johns Hopkins, Boys & Girls Club, and Outward Bound.

These organizations have built a reputation over time that gives them a level of credibility that is not easily attainable for grassroots organizations.

During the discussion, it was noted that many grassroots organizations face significant challenges that often lead to their failure. To be successful, a first-time nonprofit organization should have at least three years' worth of reserves and resources. Unfortunately, most Black-led nonprofit organizations lack these crucial resources, which makes it difficult for them to succeed. As a result, these organizations often find themselves in a continuous cycle of starting and stopping, which makes it impossible for them to make any real progress. This constant struggle leaves little breathing space for these organizations to grow and thrive.

I would urge funders to invest in sustainable infrastructure, allowing organizations to become self-sufficient and creating opportunities for others.

PROXIMITY TO GOOD

The group raised concerns about the implicit bias of philanthropic and private giving when viewed from a racial justice perspective.

Larger nonprofits receive direct access to funding resources based on their proximity to grassroots organizations that are predominantly led by and for communities of color. They pointed out that organizations founded and well-funded by predominantly white donors are often viewed as more credible and less of a risk compared to investing directly in the grassroots organization.

If a nonprofit is meant to serve low-income communities, then that organization should demonstrate direct engagement and an open line of communications specific to those communities. Based on the current structure large non-profits are receiving off of the backs of the demographics that the grassroots organization service.

If the grassroots were able to receive this funding directly, they would be able to build capacity.

WHAT DOES REJUVENATION LOOK LIKE?

When the topic of "rejuvenation" was brought up, there was a noticeable sigh.

Nonprofit organizations that are separate from grassroots have the privilege of hosting retreats and investing in their staff. However, most grassroots organizations are overworked and don't have the same opportunities for rest and rejuvenation.

We are all struggling to stay above the poverty line. Rejuvenation looks different depending on where your resources are going or not going.

During the discussion, attendees highlighted that this system has been in place for a long time and has taken a toll on the mental health of these leaders, leading to depression, suicide, and sickness. We rely heavily on philanthropy, which unfortunately contributes to the ongoing marginalization of nonprofit leaders and the communities they serve.

We are competing against other organizations and feel like we have to diminish ourselves to prove our worth. Grassroots leaders have expressed the need to think beyond their own limitations.

REIMAGINING THE FUNDING MODEL

NO ONE IS ASKING FOR FREE MONEY, JUST A FREE MIND.

When asked to describe rejuvenation, the group emphasized the mental freedom that comes when nonprofit leaders are relieved from the grueling burden of chasing funds.

The unrestricted net assets of the black-led organizations are 76 percent smaller than those of their white-led counterparts. The stark disparity in unrestricted assets is particularly startling, as such funding often represents a proxy for trust.

Unrestricted Grants Ideas & More…

- Funders provide resources for General Operation Support

- Offer medical benefits

- Provide self-care resources. Examples: The Nap Ministry and True North Design

- *Invest in sabbatical programs for grassroots organizations and their staff.*

- *Free grant writing classes for social change.*

- *Offer Business Coaches, Cohorts and Incubators*

- *Membership to Business Centers*

- *Provide accounting and marketing support from private industries*

- *Provide grants for programming and infrastructure (back office assistance)*

- *Philanthropic organizations, private/public companies, and city agencies should collaborate and combine their resources to provide longitudinal funding.*

- Require companies to pay a social equity tax where a small percentage of funds are placed into one bucket, similar to the Baltimore City Youth Fund.

REIMAGINING THE FUNDING MODEL

It is far easier to build a widget than to run a non-profit. We are not a conveyor belt, we are a social enterprise. We are not buttering bread, this is humanity's work.

Nonprofit organizations are burdened with excessive paperwork and metrics to obtain limited project funding instead of being viewed as businesses.

Nonprofit organizations are considered social enterprises. If grant funding was converted to actual hourly wages, the grassroots organization would not be able to afford making a community impact.

The group discussed the need for philanthropic groups and private companies to reconsider their grant design to ensure the sustainability of nonprofits.

Example:

A company was offering a $2000 Mom Adult Grant. As a single mother, who worked full-time and also ran a nonprofit, the grant was very appealing. It recognized the real-life stress and strain of trying to be a mother while building and sustaining a business.

But the stipulation was the potential awardees had to explain, "How they would use the money to restore themselves."

Though this is broad, it does not work in my particular case, and I wouldn't qualify. I need to replace my engine, I need to re-do the house with copper piping to get filtered water and I would like to take my children out for an experience. All of this would restore and rejuvenate me.

There is no organization that can decide what would be needed to make my life better.

ACKNOWLEDGEMENTS

Participants

Baltimore Renters United	Code In The Schools
Women Leading Baltimore	Baltimore Family Alliance
Baltimore Corps	Restoring Destiny Mental
Sunlight & Yoga	The Charm City Maven / Creative City Public Charter School
Project Pneuma	Baltimore Homecoming
Jeremiah Program	South Baltimore Community Land Trust
Discoverme : Recoverme	Art With A Heart
Audacity Group	Banner Neighborhoods
Parks and People	The Be. Org
Baltimore Peace Movement	Baltimore Mediation Center	Park Heights Renaissance