PRESS RELEASE

Funders Form Collaborative Partnership to Further Support Organizational Health of Local Nonprofits; Publish Report on Initial Findings

Research Triangle Park, November 14, 2017 - A unique partnership of leaders from 14 funders has been working together as a collaborative to learn more about capacity building in the nonprofit sector, and the opportunity for growth. The group commissioned a research project with North Carolina State University's Institute for Nonprofits, specifically focused on better understanding the capacity building needs of local nonprofits to support their organizational health and sustainability.

The project was funded by <u>Blue Cross and Blue Shield of North Carolina Foundation</u>, <u>Cary Oil Foundation</u>, <u>John Rex Endowment</u>, <u>Mary Duke Biddle Foundation</u>, <u>North Carolina Community Foundation</u>, <u>Oak Foundation</u>, <u>Triangle Community Foundation</u>, and <u>United Way of the Greater Triangle</u>. Others local funders have actively participated and contributed to the concept and design of this work. The group will continue working together on strategies to employ the research, and build a stronger network of nonprofits in our community, to create better outcomes for the people and causes they serve.

Over an eight-month period, NC State's research team worked with the task force to design and implement a study which included data collection through focus groups and nonprofit surveys. In June, the research team issued a <u>final report</u>.

Key findings from the NC State study indicate that:

- o There is a need for both technical (short-term, immediate) and adaptive (long-term, systems changing, and relational) capacity building.
- o Communities of practice are needed to enable participants to draw on the unique experiences and knowledge of the people and agencies involved. This type of peer-to-peer learning environment promotes shared learning and development.
- o There is a need to broaden donors' and funders' understanding of the importance of utilizing unrestricted funds to build strong, effective, and efficient business practices within the nonprofit model.
- o Clarifying terminology around capacity building would be beneficial to funders, donors, and nonprofits to be able to work towards a common goal.

The study was led by Dr. Richard Clerkin, Executive Director of NC State's Institute for Nonprofits. Clerkin shared, "By engaging nonprofits, donors, capacity building consultants, as well as government and business funders in this research we engaged the many different stakeholders it will take to enhance nonprofit capacities. It will take all segments of our Triangle community dialoging with each other to overcome the myths and challenges of nonprofit capacity building so that our nonprofits are able to better achieve their missions. These diverse voices and perspectives are an integral part of the data we collected in this project and are an excellent starting point for collaboratively building nonprofit capacities going forward."

The funders' collaborative plans to work in partnership with local nonprofits to begin implementation of strategies identified in the report. It is the goal of the group to shift the broader perception of the importance of funding capacity building which is an essential ingredient in the development of building strong local nonprofits who can effect change, which is a separate and necessary investment beyond operational and administrative costs. Grantmakers for Effective Organizations, an expert in the field of nonprofit support, suggests that through capacity building nonprofits have the resources necessary to increase specific capabilities to deliver strong programs, take risks, build connections, innovate and iterate.

"More and more, we are asking nonprofits to work more closely together, to share services and measures, and to be more innovative and accountable in achieving and articulating their outcomes," said Lori O'Keefe, President and CEO of Triangle Community Foundation.

"As funders, we believe we need to practice what we preach. If the nonprofits don't have the necessary resources for capacity building – think research and development for the nonprofit sector – then they will not be able to sustain, grow, and expand services," reflects Stan Holt, VP of Community Impact at United Way of the Greater Triangle.

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