

# BUILDING A DIVERSE & EFFECTIVE NONPROFIT SECTOR



Often, and perhaps understandably, donors and funders of nonprofits focus on supporting projects that seem more “tangible,” from providing meals to families in need to improving literacy outcomes for students. In doing so, however, these same nonprofits may not receive the support needed to fulfill day-to-day operations, which over time can reduce organizational impact. Capacity building, which we define as the development of internal processes, procedures, plans, and people, particularly in organizations led by and serving people of color (POC), is increasingly important to thrive. Data has shown that nonprofit organizations led by executive directors of color face additional challenges to accessing capital compared to peer organizations with white leaders.

The Triangle Capacity-Building Network (TCBN) was born in 2014 after a local nonprofit organization’s seemingly sudden financial collapse. This unforeseen outcome spearheaded a group of concerned Triangle funders to collaborate on better supporting the region’s nonprofit sector. This, coupled with the data, prompted the group to pool resources to commission research and engage nonprofits in conversations about capacity building, systems, and need. These findings led to changes in how we act as funders.

## AS A FUNDER COLLABORATIVE WE ARE COMMITTED TO:

- **Changing our philanthropic behavior** by prioritizing funding to nonprofits for capacity building and organizational strengthening, and embracing participatory grantmaking, trust-based philanthropy, and full cost funding;
- **Reducing the power imbalance between funders and nonprofits** through greater transparency and honesty; and
- **Focusing on organizations led by and serving people of color** that have traditionally been excluded or overlooked by power structures and funding cycles.

## GRANTMAKING

Since 2014, funders including Fidelity Charitable Catalyst Fund, John Rex Endowment, Oak Foundation, The Mary Duke Biddle Foundation, and Triangle Community Foundation have been working together to support impactful capacity building for nonprofit grantee partners:



### PROJECT: STRATEGIC FUND DEVELOPMENT MODEL – BUMP: THE TRIANGLE

“The support from the Triangle Capacity Building Network has been incredibly valuable to me as an African-American woman leading a BIPOC nonprofit organization! BUMP was at the crux of a major pivot and transition when I took the lead. This grant and all that came with it was an anchor through all of the transitional stressors and the pandemic. I deeply appreciate the time spent with the Foundation’s team and with this grantee cohort. I have benefited through networking, learning, and sharing with other nonprofit leaders in my local community, and forging new meaningful relationships and potential future alliances.”

**Joy Harrell – Goff**, Executive Director



### PROJECT: IMPROVE MONITORING AND EVALUATION PRACTICES – HISPANIC LIAISON OF CHATHAM COUNTY

“We are incredibly grateful to TCBN for being nimble and responsive to our needs as grantees. It was extremely helpful to have our capacity-building grant be modified to general operating support so we could focus on addressing the community crisis caused by the pandemic. We appreciated the recognition that minority-led, rural nonprofits had been “left behind” by funders for many years and that TCBN made a conscious effort to equalize the playing field by helping to build our capacity and improve our financial sustainability. Their investment has made a huge difference for our organization and community.”

**Ilana Dubester**, Executive Director



### PROJECT: PROGRAM DESIGN, MANAGEMENT AND EVALUATION – EQUITY BEFORE BIRTH

“I was able to combine our capacity-building grants to hire four new staff members to support me in this work. Three of our team members are now full-time and we have increased our ability to serve families, meet needs, and plan for sustainability. The new Chief of Staff is key to streamlining culture and policies, creating an organizational chart, getting performance reviews in order, and so much more. We’ve also hired a Family Sponsorship Coordinator to focus on connecting families to critical support. The organization had a waitlist of 40-50 families but that no longer exists thanks to the coordinator’s work!”

**Joy Spencer**, Executive Director

2019

**\$150,000**

**9 organizations** led by and serving people of color in the region to strengthen their operations.

2020

**\$ 290,000**

**29 organizations** led by and serving people of color in the region to support staff and organizational ability to modify during COVID-19.

2021

**\$ 312,000**

**24 organizations** led by and serving people of color in the region to strengthen their operations

## WHAT'S NEXT

The realities of a global pandemic have exacerbated existing struggles of many nonprofits, and as we look to the future, there is always more we can do to foster a successful nonprofit community. In collaboration with our nonprofit partners, our strategic priorities for the next three years include:



### Creating back-office infrastructure & shared services

Facilitating partnerships and access to resources that allow nonprofits to maintain their operations without redirecting time and effort from programming, creating greater organizational impact.



### Providing access to funding & diversified revenue streams

Offering educational opportunities to Executive Directors (EDs) and Boards on diversifying revenue streams, including access to individual donors.



### Building networks of nonprofit coaching & peer support

Creating spaces for networking and sharing of resources through grantee convenings and community partnerships while also providing options for coaching and support through POC ED circles.



### Identifying and funding leadership training & capacity building

Further developing programming that allows for multiyear grants and professional development funding for grantees.



### Supporting nonprofit leader self-care

Continuing to offer funding for sabbaticals while also providing planning support/resources. Creating self-care fund for grantee partners.



### Redefining, redirecting, and shifting philanthropy

Embracing full cost funding, amplifying nonprofit voices in funder spaces, and exploring portfolio sharing with external funders to broaden grantee visibility for potential funding.

## JOIN US

We invite you to join us in creating a funding ecosystem that allows Triangle nonprofits not only to survive but thrive well into the future. They are counting on us.

**Interested in learning more about our efforts?** Email Sarah Guidi at [sarahg@trianglelcf.org](mailto:sarahg@trianglelcf.org) for more information.