



# On the Frontlines: Nonprofits Led by People of Color Confront COVID-19 and Structural Racism



Building Movement Project



**SOLIDARITY IS**



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## About Building Movement Project

The Building Movement Project (BMP) supports and pushes the nonprofit sector by developing research, creating tools and training materials, and facilitating networks for social change. Through sector-wide surveys, focus groups, and organizational assessments, BMP explores how nonprofits can transform internal structures and systems to become more equitable workplaces and tackle the most significant social issues of our times. BMP's trainings, workshops, and resources support organizations and activists engaged in social change. BMP's movement building work includes SolidarityIs, a project that provides tools, trainings, and narratives intended to foster cross-racial solidarity among activists and social change organizations.

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## Acknowledgements

We are grateful to the nonprofit leaders who took the time to respond to our survey and interview requests during a time of crisis.

This report's coauthors are Jen Douglas, independent researcher, and Deepa Iyer, BMP's Director of Movement Building. BMP's national team significantly contributed to this report. Ofronama Biu, Senior Research Associate, provided the data analysis and conducted interviews. Co-Directors Sean Thomas-Breitfeld and Frances Kunreuther aided with interviews and report editing. Tessa Constantine, Research Analyst, Catherine Foley, Communications and Operations Associate, Alicia Lueras Maldonado, BMP's New Mexico consultant, and Olivia Peña, Networks and Learning Practice Coordinator conducted interviews. Gerry Pearlberg edited the report.





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## Executive Summary

The Building Movement Project's report, *On the Frontlines: Nonprofits Led by People of Color Confront COVID-19 and Structural Racism*, shines a spotlight on how 2020's social upheavals are affecting people of color-led (POC) nonprofit organizations and their communities, programs, leadership, and financial sustainability. The report also provides recommendations to strengthen these nonprofits, leaders of color, and their communities well beyond the crisis response and recovery period and for decades to come.

The nonprofit sector, the third largest employer in the United States,<sup>1</sup> is in a state of uncertainty and flux in the wake of the pandemic and economic instability. Not surprisingly, POC-led nonprofits, which tend to be smaller, less resourced, and community-based, face an even more challenging set of circumstances. Their very survival—and that of the communities who rely on them—is at stake.

Simultaneously, POC-led nonprofits are leading and participating in advocacy and organizing efforts for equity and justice. The uprisings of 2020 against anti-Black racism have galvanized POC-led organizations to build cross-racial coalitions and to push for systemic and structural changes.

As this report shows, POC-led nonprofits are on the frontlines of response and recovery efforts related to both the pandemic and the calls for systemic change. As a result, their programs and strategies are shifting, and their financial and leadership needs are increasing. Despite these conditions, POC-led nonprofits are refusing to return to business as usual. They are charting new paths for systemic change, solidarity, and sustainability. The nonprofit sector, philanthropy, and government actors must follow the lead of POC-led nonprofits in order to secure a more equitable and just future for everyone.

“

As we talk about recovery and resiliency, those words are attached to systems change. We know there's no going back to business as usual. We shouldn't want to go back to business as usual. That's what got disrupted. The light has shined. We know the disparities. We know the inequities. This is our moment to fix it and get it right, to treat people with dignity and respect.

—Keisha Browder, United Way of Santa Cruz County

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## Key Findings Overview

**1 | Organizations led by people of color are preparing for multiple crises in the immediate future due to unmet survival needs, a resurgence of COVID-19, and policies that criminalize communities of color.**

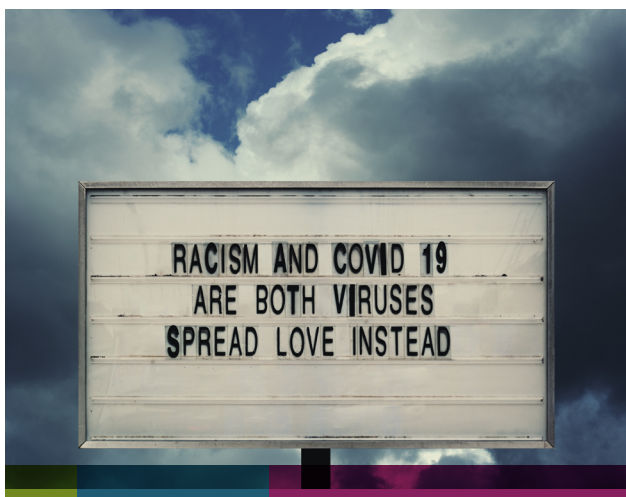
Many leaders of color expect that unmet survival needs related to food insecurity, jobs, housing, more COVID-19 illnesses and deaths, and harsh economic consequences will significantly increase over the next year. Some leaders are also anticipating the potential for backlash to the uprisings against police brutality and systemic racism, as well as an uptick in surveillance and criminalization of communities of color.

“

We see a tsunami coming at us in the months ahead.

—Margaret Mitchell, YWCA Greater Cleveland

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**2 | POC-led organizations that are responding to the uprisings against anti-Black racism need partnerships and investments that deepen their organizing, advocacy, and solidarity efforts.**

The mass uprisings against police violence and systemic racism have catalyzed advocacy and solidarity efforts among Black-led and non-Black people of color led groups alike. Yet, Black-led groups reported decreases in funding in the immediate aftermath of the pandemic. Organizations led by non-Black people of color identified the importance of centering Black communities through solidarity efforts.

“

We have the direct line to a lot of local elected officials. I think the anger and the frustration of protesters, we can use that as a kind of wind to say, “Hey, governor, what are you doing around this? You see all these people behind us? Here are some policy demands that we have.

—Angela Lang, Black Leaders Organizing for Communities (BLOC)

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**3 | Since the start of the pandemic, organizations have been pivoting to meet the pressing demands of their communities and filling the gaps left by ineffective government policies and systems.**

COVID-19 has only exacerbated existing needs and inequities caused by structural racism, poverty, and inequitable policies. In response, POC-led nonprofits are implementing new programs and activities, launching food banks and mutual aid programs, serving as multilingual information hubs, and experimenting with ways to connect with their members and constituencies given social distancing guidelines.

“

We have to be super flexible, roll with the punches, and not get attached to any one way of our work looking over the next year, because every few weeks, we get new information.

—Kandace Vallejo, Youth Rise Texas

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**4 | The toll on nonprofit leaders of color, particularly women of color leaders, is immense.**

The overwhelming consensus is that the current climate is taking an immeasurable psychological, physical, and emotional toll, especially on women of color leaders. POC leaders identified the importance of creating a culture of well-being and sustainability within their organizations and in the nonprofit sector as a whole.

“

When we get out of this, six months later, a huge disproportionate number of leaders of color will disappear from this work because of the burnout.

—Eric Ward, Western States Center

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## 5 | *The long-term financial stability of POC-led nonprofits is unclear.*

While most of the organizations surveyed are on somewhat stable ground for the immediate future due to flexibility extended by foundation grants, emergency funds, and Paycheck Protection Program (PPP) loans via the CARES Act, many are concerned about their long-term sustainability.

“

We need money, and trust. When we tell you, “We know what we’re doing,” you can believe us. We need not just funding for this six-month period of crisis, not just for a year, but multiple years of funding so we are enabled and have the capacity and resources to create transformation. That would be my biggest hope.

—Jamila Medley,  
Philadelphia Area Cooperative Alliance

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*POC-led nonprofits and their communities have been fundamentally re-shaped in 2020. It is clear that there will be no return to normalcy in the wake of the pandemic, economic instability and the national uprisings to address anti-Black racism. That is why the nonprofit sector, policymakers, and philanthropy all have vital roles to play in creating a more equitable and just future for all our communities.*



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# Respondent Demographics

In May 2020, the Building Movement Project (BMP) invited nonprofit executive directors and CEOs of color from across the United States to complete an online survey about the effects of COVID-19 on their communities, organizations and themselves. 433 nonprofit leaders of color responded to the survey. In June 2020, BMP conducted one-on-one interviews with 41 executive directors of color, drawn from the pool of survey respondents. These interviews took place after the start of the national uprisings, and explored questions related to both COVID-19 and anti-Black racism.

The 433 nonprofit leaders of color who participated in the survey come from 45 states and Washington, D.C., with larger portions from California (16%) and New York (9%). They identify as women of color (71%), men of color (25%), and gender nonconforming people of color (3%).<sup>2</sup> As *Figure 1* shows, 23% of respondents identified as Asian American; 39% as Black; 21% as Latinx/Chicanx/Hispanic; 11% as multi-racial or other race; 5% as Native American/Indigenous; 1% as Native Hawaiian/Pacific Islander and 1% as Arab American.

Survey Respondents/Interviewees  
by Race/Ethnicity

Figure 1

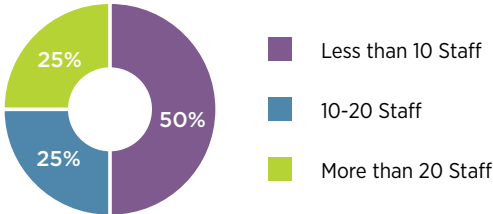
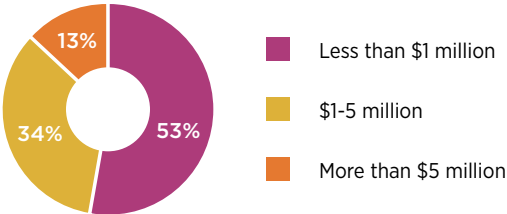
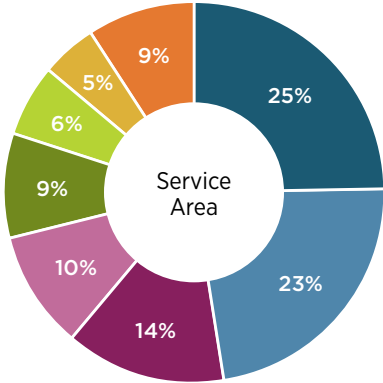
Race/Ethnicity	Responded to Survey	Interviewed
Asian American	23%	22%
Black/African American	39%	24%
Latinx/Chicanx/Hispanic	21%	29%
Multi-racial/Other Race	11%	15%
Native American/Indigenous	5%	7%
Native Hawaiian/Pacific Islander	1%	2%
Arab American	1%	-

Survey respondents overwhelmingly lead organizations that work with communities of color in various ways. As shown in *Figure 2*, 25% of groups provide their communities with vital health and human services, while 23% engage in advocacy and 14% organize at the grassroots level. Others engage in education, community economic development, arts, and capacity building. Organizations range in size but are predominantly small- and medium-sized in terms of budgets and staff members. More than half of the organizations surveyed have budgets under \$1 million and three-quarters have 20 or fewer staff members, revealing that POC-led nonprofits were managing with limited infrastructure and resources well before the pandemic.

Figure 2

## Respondent Demographics

by Service Area, Staff, and Budget







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## Key Finding 1

Organizations are surviving for now, but more struggles are on the horizon

*Leaders reported that their communities and organizations will be in a vulnerable position in the near future.*

While they scramble to meet the immediate aftermath of the crisis in their communities, many leaders of color emphasized that basic survival needs will increase in terms of food insecurity, jobs, housing, a resurgence of COVID-19 illnesses and deaths, education and technology. They observed that these needs will be worse if local and federal governments do not effectively manage the economic and health effects of the crisis. A Latinx leader noted: “I can’t even foresee the breadth and depth of the continued suffering at the community level.”

Some leaders are also anticipating the potential for backlash to the uprisings, along with heightened surveillance and criminalization of communities of color. The director of a Muslim civil liberties organization shared: “I’m waiting for the other shoe to drop.” A Black leader from the Midwest said: “We’re just at the beginning. The bumpy part has yet to happen.”

These future scenarios are likely given what we already know about the pandemic’s disproportionate impact on communities of color. The pandemic has both revealed and reinforced the long-standing racial and economic inequities at the heart of policies, systems and institutions in the United States. The failure to address and eliminate the disparities and inequities caused by white supremacy, anti-Black racism, and xenophobia has resulted in this unprecedented moment. Black, Indigenous, and Latinx communities are three times more likely to contract COVID-19 and twice as likely to die from it as white people.<sup>3</sup> Communities of color are contending with the worst effects of the economic crisis, with high rates of unemployment, housing instability, and lost health insurance coverage above the national average.<sup>4</sup> Over one-quarter of Latinx and Black adults were already food insecure at the start of the pandemic.<sup>5</sup>

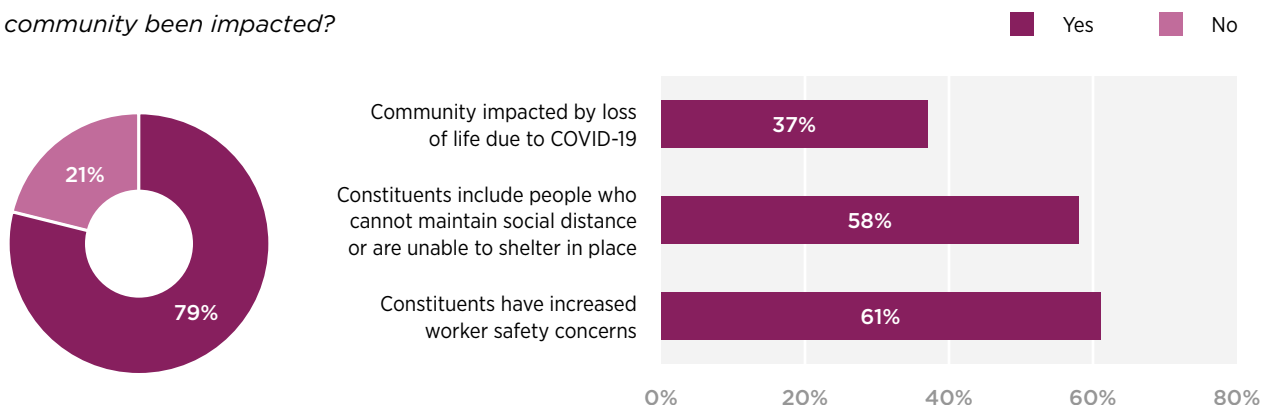
### Survey respondents confirmed that their communities are bearing the brunt of COVID-19.

As Figure 3 shows, nearly eight in 10 surveyed leaders (79%) run organizations that serve communities confronting the direct effects of the pandemic. More than one-third (37%) of nonprofits are helping community members who have lost loved ones while over half (58%) are serving in communities where it is difficult for residents to shelter in place or practice social distancing. Close to two-thirds (61%) serve people who face unsafe conditions at work.

#### Community Effects of COVID-19

Has your community been impacted?

Figure 3



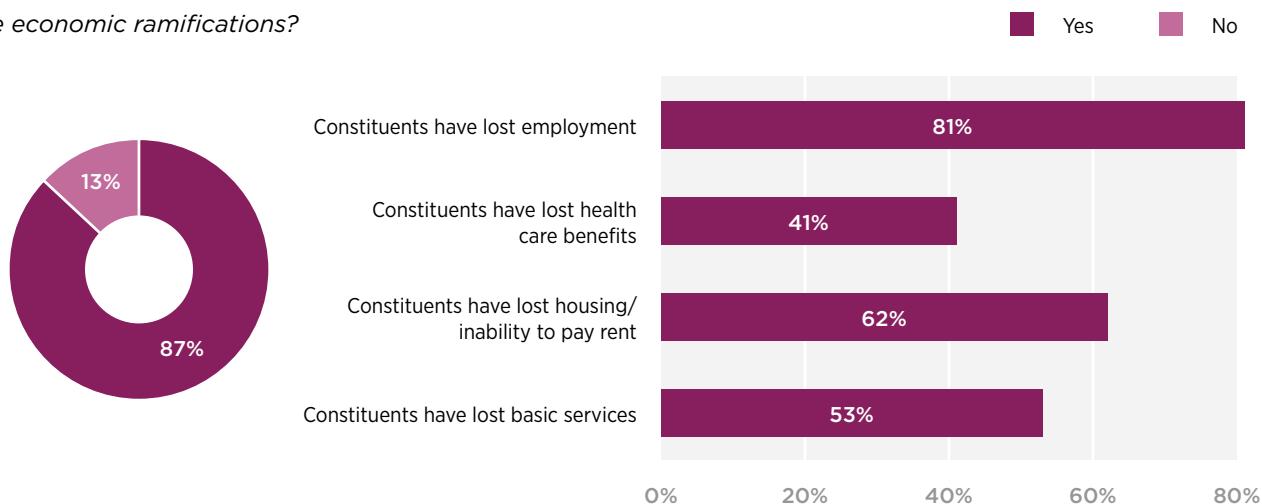
### Nearly nine in 10 organizations are responding to the dire economic crisis.

As Figure 4 shows, the vast majority (87%) of respondents are working in communities hit hard by one or more aspects of the economic crisis. 81% are serving communities affected by loss of employment. Almost two-thirds (62%) of respondents are working with constituencies who are not stably housed and over half (53%) are assisting people who have lost basic utilities like water. Many leaders observed that community members lack necessary supplies including diapers, menstrual supplies, masks, and hand sanitizer. Leaders also emphasized the need for cash to cover rent and utilities especially for undocumented residents excluded from federal relief.<sup>6</sup>

#### Economic Effects of COVID-19

Are there economic ramifications?

Figure 4





### *Many communities of color are dealing with COVID-related discrimination, harassment, and violence.*

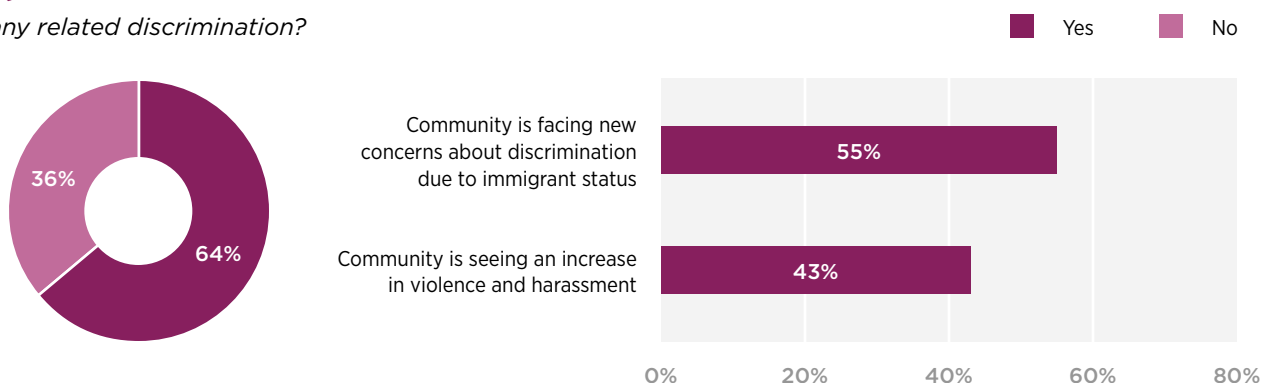
As shown in *Figure 5*, over half (55%) of survey respondents report that their communities are confronting discrimination related to their immigration status and COVID-19. Alarming, 43% of organizations report that their constituents are facing an increased level of harassment and even violence. Asian American and Latinx respondents were somewhat more likely to report higher incidences of discrimination. Asian American leaders were the most likely to report violence and harassment, reflecting the nationwide surge of harassment targeting Asian Americans during the COVID-19 outbreak and the subsequent scapegoating of China and Chinese Americans from the highest levels of government.<sup>7</sup> An Asian American leader noted: “In the middle of responding to COVID, we are also dealing with racism, bigotry, and Islamophobia.”

Another significant concern for many survey respondents is the rise in domestic violence. The leader of a South Asian domestic violence organization noted that their staff is assisting with multiple cases in which “survivors do not feel safe leaving abusive circumstances because they don’t want to expose themselves or their children to the pandemic.”

### COVID-19 Related Discrimination

*Is there any related discrimination?*

Figure 5



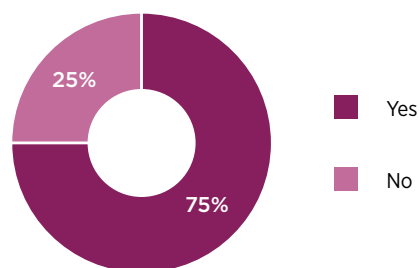
*Given these overall conditions, it is not surprising that many respondents identified mental health as an issue of deep concern.*

As *Figure 6* shows, three-quarters (75%) of respondents are observing mental health consequences in the communities they serve. One executive director explained: “After people have a roof over their heads and they have enough food to eat, the next emergency is family violence and mental health issues.” Another leader in South Dakota added: “I’m really worried about the trauma in our communities. No one’s talking about it. Our state is 85% white, but 70% of the COVID positive cases have been people of color.”

Figure 6

### Mental Health Effects of COVID-19

*Are there any mental health concerns?*



## Leaders of color are very worried about what is ahead for their communities.

When asked about community needs over the next three to six months, leaders identified food insecurity, homelessness and housing instability, education losses, and joblessness among others (*Figure 7*). In anticipation of the growing struggles ahead, leaders of color shared that their future plans include investments in digital literacy and access; protective equipment for staff returning to the office or engaging in community work; programmatic changes to adapt to the changing needs of community members; and disaster planning and future forecasting to address the long-term effects of COVID-19. Many leaders emphasized the importance of obtaining support from funders, government agencies, community donors, and organizational partners in order to keep their organizations afloat for the long run.

Figure 7

### Anticipated Community Needs

*What needs do you anticipate in your community over the next 3–6 months?*

 <p>Ongoing urgent need for food</p>	 <p>Housing instability and homelessness, with evictions and foreclosures</p>	 <p>Ongoing joblessness and loss of health insurance</p>	 <p>Mental health problems and trauma from compounded stresses</p>
 <p>Resurgent outbreaks of COVID-19</p>	 <p>Ongoing need for PPE for essential workers confronting unsafe workplace conditions</p>	 <p>A wave of domestic violence while sheltering in place</p>	 <p>Disenfranchisement/obstacles to voting, exacerbated by the need to social distance</p>
 <p>Education losses for children/youth unable to access remote education and for youth who leave school to earn money for their families</p>	 <p>Small business closures, impacting owners and workers, representing a loss of essential neighborhood institutions</p>	 <p>Surveillance/criminalization of communities of color, immigrants, and activist community members exacerbated by the pandemic</p>	 <p>Rise in drug overdoses/increased need for harm reduction related to managing addiction</p>





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## Key Finding 2

Organizations led by people of color are responding to the uprisings against anti-Black racism through organizing, advocacy, and solidarity efforts

*In addition to dealing with the pandemic, organizations led by people of color are responding to the call to end anti-Black racism.*

During the spring of 2020, in the wake of the murders of Black people including George Floyd, Breonna Taylor, Ahmaud Arbery, Brayla Stone, and Merci Mack by police or vigilantes, Black people around the country organized uprisings to condemn anti-Black racism and to call for justice.<sup>8</sup> The uprisings have provided opportunities for grassroots community education and organizing, cross-racial solidarity, and movement mobilization like never before. With inequities in sharper view and mass protests against white supremacy and anti-Black racism emerging around the country, the momentum for structural change is palpable.

POC leaders described efforts to align their organizational objectives with the policy demands from Black-led groups. This work is happening along a continuum. Those who have already been working on related campaigns—such as reducing municipal expenditures for policing or building a citywide campaign about racism as a public health issue—are better positioned to pursue their direct advocacy with a new sense of possibility. Others are guiding decision-makers to make connections between criminalization and deportation as intertwined issues related to public health.

*Many non-Black POC leaders identified a desire to engage in political education, strategy development, and generative conversations with other leaders of color about anti-Black racism and solidarity.*

They are creating opportunities internally for staff learning, and externally for relationship building with Black-led groups in their communities. For example, a Native leader is incorporating “indigenous values of responsibility, relationship and reciprocity” into local campaigns to remove Confederate statues. A Chinese-led group is educating community members about both anti-Chinese racism related to COVID-19 and state violence against Black people. Many non-Black leaders of color were also honest that it will take significant time and capacity to build authentic solidarity. An Asian American leader noted: “This moment is calling for us to center African Americans. That path is not clear to me yet. We need to deepen our analysis.”

*Given the role of Black-led groups in the current environment, it is alarming that in the sample, grant revenue losses since COVID-19 hit have had the most negative impact on Black-led organizations.*

As seen in *Figure 8*, about one-third of organizations across race reported no change in public and/or foundation grant revenue as a consequence of the pandemic. For the two-thirds that did experience changes, Black-led groups were the most likely to report grant losses. Nearly half (46%) of Black-led organizations reported a loss in grant revenue, with less than a quarter (23%) experiencing an increase. Among Asian-led and Latinx-led organizations, approximately one-third reported grant increases and about another third reported losses.

Black-led organizations are struggling to meet two urgent issues: COVID-19 response and recovery, as well as anti-Black violence and racism. It is vital to buttress their resources so that they can be prepared to lead in this time of multiple crises, and beyond.

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Right now, as we're living this uprising, this is the moment to fully invest and make visible the Black-led organizations that have always been operating, many times with minimal resources.

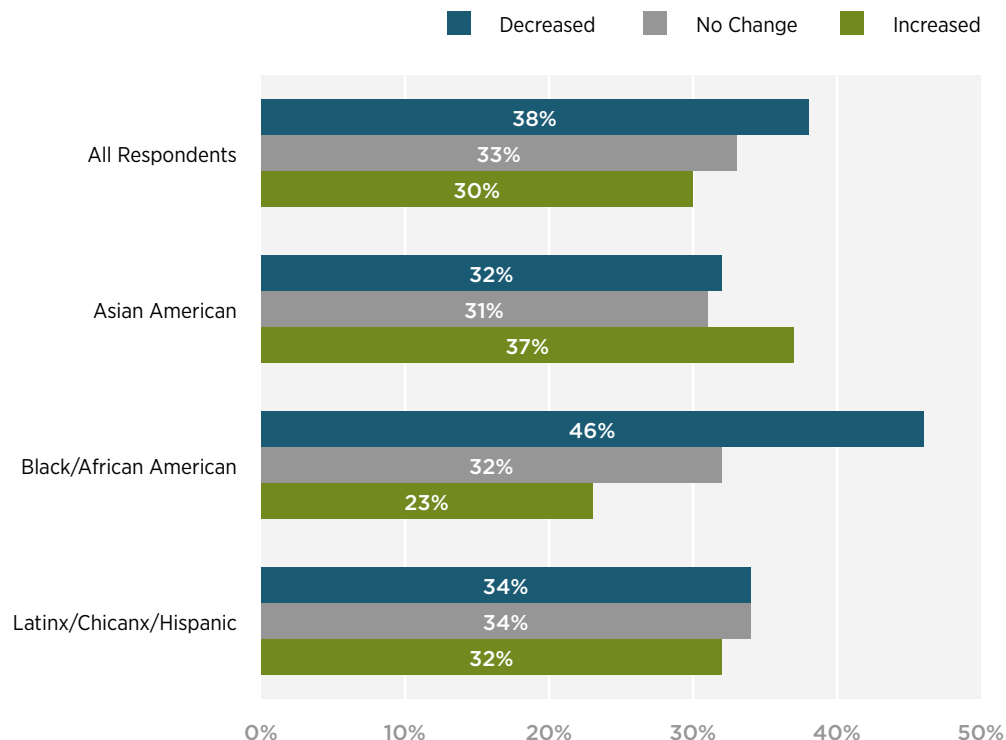
—Angelica Salas, Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA)

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## Grant Changes During Pandemic

by Race/Ethnicity

Figure 8





## Key Finding 3

Organizations are adapting to meet the pressing demands of their communities and filling gaps left by ineffective government policies and systems

*In the current climate, POC-led nonprofits have become the vanguard of crisis response in their communities.*

Given the slow and/or ineffective responses of government actors, communities of color have come to rely on POC-led nonprofits for urgent assistance. In response, organizations are coordinating emergency provisioning, advocating for immediate services and structural change, and identifying innovative ways to fill gaps left by government agencies. As one survey respondent based in Memphis noted: “We never closed. We actually had to hire more people in order to meet the demand that was put on us by COVID.”

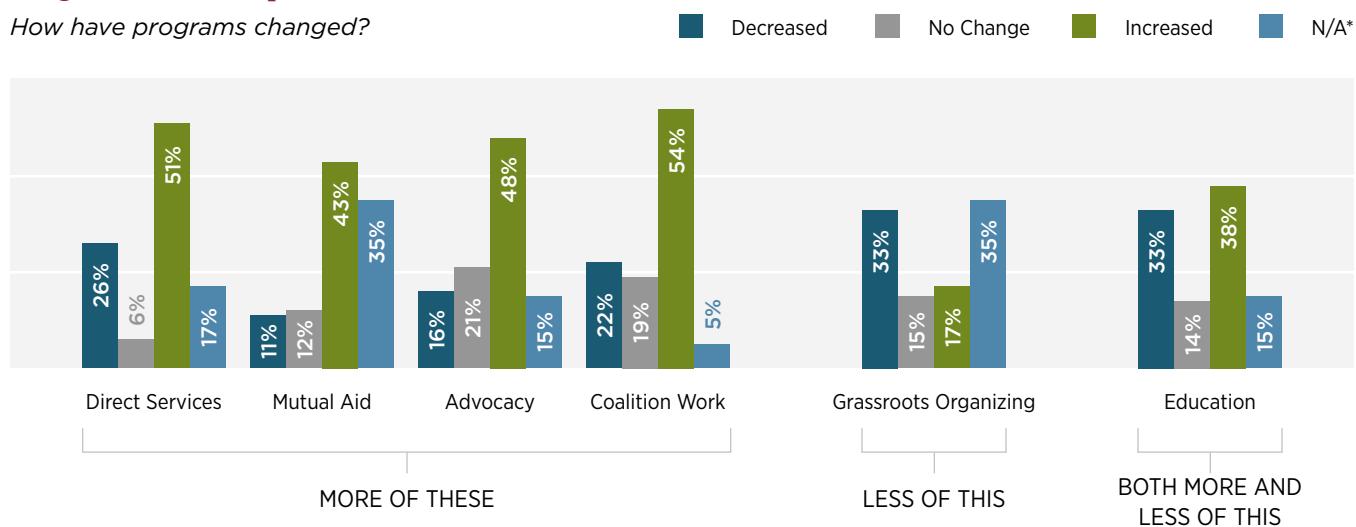
*POC-led organizations are creating new direct service programs and reshaping existing ones.*

As Figure 9 shows, a majority (51%) of organizations have increased services by a little or a lot. Just under half (43%) have increased mutual aid support which includes providing basic services through existing relationships with individuals, families, and partners. Over a quarter (26%) of organizations are providing fewer services because some or all of their work cannot be easily adapted to a remote mode.

Figure 9

### Programmatic Adaptations

How have programs changed?



\* Respondents selected an answer option that read “Not Part of Our Program Work”



*Many organizations are adding new programs that they have not implemented in the past.*

Some groups have launched food banks while others are distributing cash grants with an emphasis on vulnerable communities such as undocumented residents. In addition, many organizations are serving as multilingual information hubs to reach community members with limited or no English proficiency given that many government health advisories are provided only in English. POC-led groups are translating and disseminating public health and safety guidelines, making referrals, and assisting with unemployment applications.

*In addition to providing needed services, nonprofit leaders of color are engaging in advocacy for their communities.*

As seen in *Figure 9* above, advocacy work increased for about half (48%) of the survey respondents in the wake of the pandemic. This increase was evident in two-thirds of organizations that typically engage in advocacy, and in half of grassroots (53%) groups and health and human services (50%) organizations. Respondents noted that their advocacy is focused primarily on ensuring that policymakers and government agencies are meeting the needs of communities of color, immigrants, and refugees, particularly with respect to crisis response and recovery plans. For example, a coalition of indigenous groups worked with companies and municipalities to obtain low-cost Internet for community members. A Latinx group advocated for the relocation of Wi-Fi hot spots to residential areas where refugees and low-income households are concentrated. An Asian American and Pacific Islander health organization pushed for public health responses to be designed and delivered in a culturally and linguistically appropriate manner.

*As a result of COVID-19, POC-led groups that traditionally engage in organizing as a core activity are facing changed circumstances.*

As shown in *Figure 9*, one-third of organizations engaged in grassroots organizing have had to decrease their efforts at a time when they are acutely needed. Social distancing has led to a marked shift in the ways organizations typically build community power. For example, some groups are investing in new digital technology for outreach and programming. Others are asking recipients of services to become organizational members. Other groups are recognizing that the current environment requires them to train and rely on their staff for advocacy campaigns rather than utilize a community-centered model. For many organizations to survive past the pandemic, creativity and flexibility will be required.

“

What we did as an organization was pivot and shift and try to get access to personal protective equipment (PPE). We also started a food box program for Native families here in the city, because they've been left out of a majority of conversations. We gave upward of 30 stipends to victim advocates in the amount of \$500, just to say, “Thank you for doing what you're doing. We realize that your roles have changed.” We put some big organizational money where our mouth is.

—Angel Charley, Coalition to Stop Violence  
Against Native Women

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## Key Finding 4

The current environment is taking an immense toll on nonprofit leaders of color

*Women of color leaders in particular observed the immense psychological, physical, and emotional toll on themselves.*

In interviews and survey write-in responses, leaders of color report that they are facing a cascade of new responsibilities, all the while balancing personal challenges brought on by the pandemic. Leaders of color shared that the demands on their time and energy have been substantial, with many carrying workloads they describe as “nonstop,” “constant,” and “overwhelming.” Some leaders are playing all the roles in their organizations to some degree, making it difficult to set boundaries on work time.

As a result, many leaders expressed that they feel stressed, overwhelmed, isolated, and anxious. One leader observed: “I’m holding the organization even more: staff emotions, constant fundraising, worries about revenue, balancing childcare.” Another said: “I feel like I need therapy and am the therapist for my organization.”

*The impact seems especially heavy on women of color leaders.*

Roughly 70% of the survey’s respondents were women of color, and in interviews, women reported performing vastly more emotional labor since the pandemic began. A survey respondent shared: “I am carrying the entire load for the organization. Two staff members have lost close family members to the virus and I have had to provide emotional and financial support to them, which has been extremely exhausting.” On top of their own work and familial caregiving duties, many women leaders of color are managing staff anxiety and responding to the well-being needs of staff and board members and their families. As one director astutely observed: “For women of color, there’s an extra expectation that we show up as not just leaders, but like mom and sister, especially in a time of crisis like this one.”

“

At times, it feels overwhelming and intense to represent something to so many people. And, it is easy to forget that as leaders, we often come into this work with our own complicated histories. Through this journey, I am learning to take a step back, process, and be kind to myself.

—Kavita Mehra, Sakhi for South Asian Women

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*In response, leaders of color are experimenting with a range of accommodations and practices.*

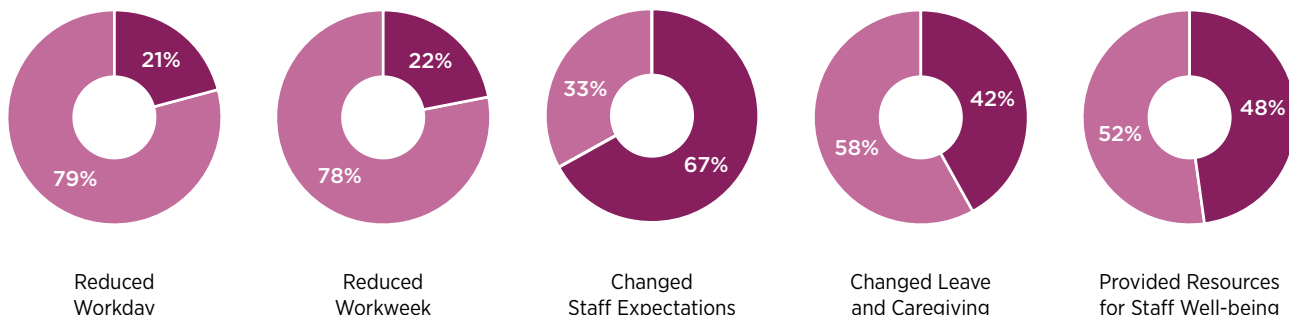
As Figure 10 shows, many have reduced the workday or workweek, changed expectations for staff, and developed policies around leave and caregiving in recognition of how staff are balancing work and home responsibilities. Almost half (48%) are providing resources to support staff including access to mental health services and wellness stipends for self-care.

Figure 10

## Staff Accommodations

Has COVID-19 changed the workplace?

■ Yes ■ No



Leaders are also incorporating and modeling sustainability practices in day-to-day interactions. Many are encouraging staff to take breaks and time off. For example, a Native leader noted that her staff takes time to “honor the organizational trauma that has manifested as a result of COVID-19 and its effects on tribal communities.” Clearly, the current climate is prompting and shaping the development of a much-needed culture of care and well-being within many organizations.



# Key Finding 5

## The long-term financial stability of POC-led nonprofits is unclear

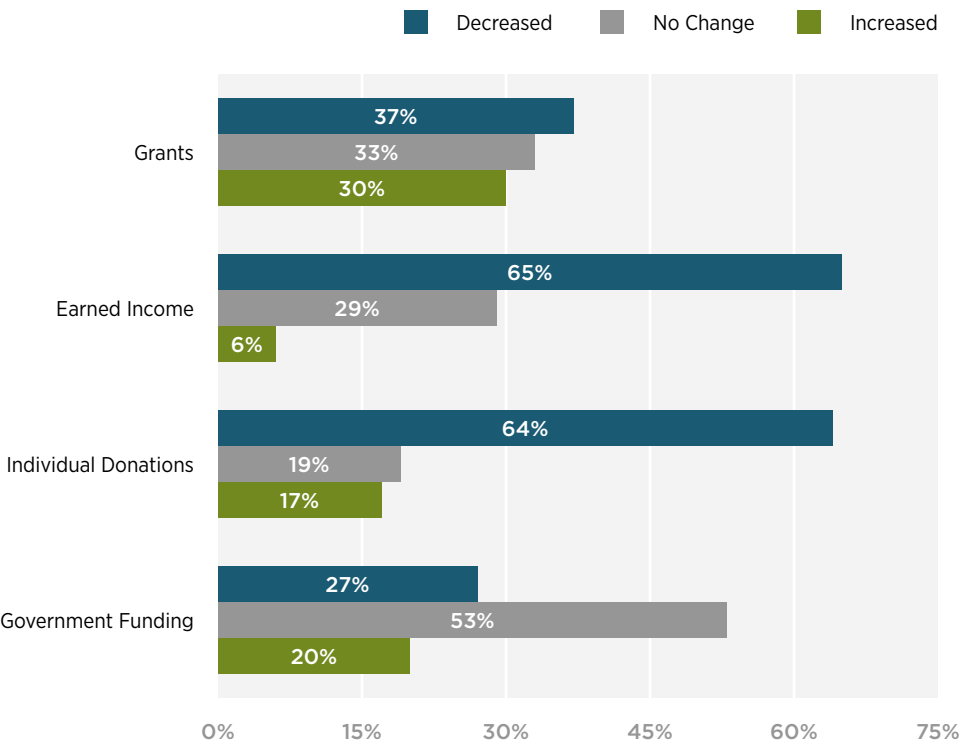
*While most of the organizations surveyed are currently on somewhat stable ground due to flexibility extended by foundation funders, emergency funds, and Paycheck Protection Program (PPP) loans created by the CARES Act, many are concerned about their longer-term sustainability.*

As seen in *Figure 11*, grant income is up for some and down for others, with a general trend of decline. Earned income is down for most. Individual donations are declining for most, but up for some, as donors are seeking ways to contribute to crisis-response efforts. In addition, emergency revenue increased for 62% of organizations, offsetting operating revenue losses that were reported by 45% of organizations. Government funds are comparatively consistent because contracts were already committed prior to the pandemic. This is likely to shift as states lose tax revenues and begin to cancel or withhold contracts to nonprofit service providers, leaving vulnerable communities without access to basic social services.<sup>9</sup>

## Initial Revenue Impacts

during the COVID-19 pandemic

Figure 11



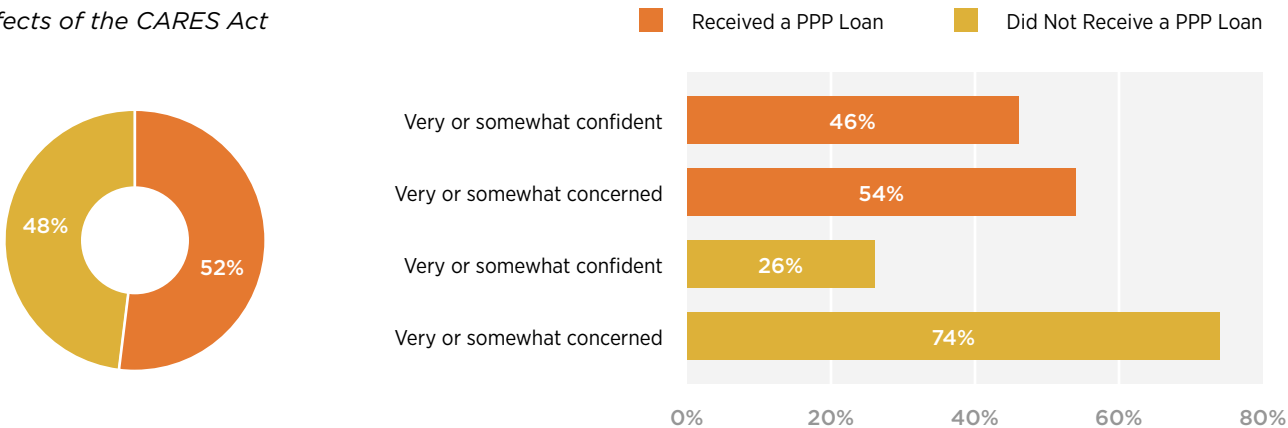


A significant boost arrived with the passage of the CARES Act, which provided loans to small businesses and nonprofits. Overall, 52% of survey respondents reported receiving PPP loans, as shown in *Figure 12*. Some groups reported that the application process was smooth and that they benefited from existing banking relationships. But for many other groups, the process was confusing and unpredictable; they filed paperwork that went nowhere, faced long delays, and spent a lot of staff time on the process. Receipt of a PPP loan seems to correlate with less overall financial stress. As shown in *Figure 12*, 74% of those who did not receive a PPP loan are very or somewhat concerned about their organization’s financial stability a year from now, compared to 54% of those who received a PPP loan.

Figure 12

## Financial Stability

and effects of the CARES Act



*Regardless of current stability, many organizations are concerned about their long-term sustainability, six months from now to two years out from the pandemic.*

One leader observed: “We are running full-force ahead right now — increasing staff and spending money to save as many lives as possible. And we are doing so with deep anxiety that the money might run out.” Those who receive government support are expecting cuts and austerity measures because of declining tax and investment revenues.

While many survey respondents commended the immediate response from philanthropy which included grant extensions, reduced application and reporting requirements, and the conversion of program funds to flexible general operating support, they expressed concerns that these practices would not become permanent. Some leaders noted that large, well-resourced and often white-led groups are the ones that typically receive substantial funds for crisis recovery, and that POC-led groups are still perceived as “risky” investments that have to compete with each other for limited resources.

“

Even during COVID-19, there is philanthropic inequality. Bigger organizations are resourced even more, while those doing the work at the community level are still struggling. It’s like Reaganomics philanthropy. Trickle-down philanthropy doesn’t always address real needs.

—Glenn Magpantay, National Queer Asian Pacific Islander Alliance

By design, and as a result of the system we live in, communities of color are pitted against one another for resources. We shouldn’t be fighting over meager resources but be supported to work in solidarity with each other.

—Janeen Comenote, National Urban Indian Family Coalition

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POC-led nonprofit organizations and their communities have been fundamentally re-shaped in 2020. While communities of color have experienced the brunt of crises before—from 9/11 to Hurricane Katrina to the 2008 recession—2020’s events have had an unprecedented impact that will last for years, and perhaps decades, to come.

Mere survival is no longer sufficient or acceptable. We must do everything we can to ensure that POC-led, community-based groups not only make it through the national emergencies of 2020 but that they are positioned to thrive. This moment requires no less of us. This is the time for bold purpose and action.





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## Systemic and Policy Changes

Policymakers must put in place laws and policies that result in equitable outcomes for everyone, particularly communities of color, queer and trans people, women, the working poor, and immigrants. Respondents in the survey and interviews recommended changes across the following policy issues and priorities.<sup>10</sup>



### Access to Basic Services

- Expanding emergency food assistance programs
- Expanding protections for renters and homeowners, including federal and state moratoriums
- Ensuring free access to quality health care, including COVID-related testing and vaccinations



### Public Welfare and Progressive Taxation

- Providing Universal Basic Income (UBI)
- Ensuring free public transportation
- Ensuring technology access
- Changing the tax system to make it fairer and more redistributive



### Defunding and Dismantling Policing

- Defunding the police and investing in communities
- Dismantling the school to prison pipeline
- Monitoring and challenging new surveillance technology
- Abolishing law enforcement and immigration enforcement entities



### Public Health

- Disaggregating data related to health disparities and outcomes
- Providing universal access to health care, including mental health
- Increasing government funds for nonprofit health providers



### **Workers' Rights**

- Increasing federal minimum wage
- Expanding paid sick and medical leave
- Ensuring safe and healthy work conditions
- Safeguarding rights of essential workers
- Ensuring a robust and accessible unemployment insurance system



### **Immigrant Justice**

- Ensuring that all immigrants, including undocumented people, obtain COVID-19 relief
- Securing linguistic access to benefits and services
- Providing pathways for legalization and citizenship
- Safeguarding the asylum and refugee process





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## Recommendations for Philanthropy

The philanthropic sector must support POC-led organizations and their leaders with resources that are commensurate with the import and weight of the many roles these organizations and leaders play in their communities. Survey respondents recommended the following actions.



### **Commit to Supporting Black- and POC-led Organizations**

- Fund more POC-led groups with unrestricted and multi-year funding — trust them to know the needs of their communities and to develop responsive programs, services, and efforts.
- Make targeted investments to support Black-led organizations.
- Expand long-term support of grassroots organizing, civic engagement, and mobilization efforts.
- Make funding priorities more transparent and prevent “gatekeeping” through affirmative outreach to POC-led nonprofits via briefings, in-language information, and informational interviews.
- Provide resources for multiracial collectives and coalitions to emerge and grow.
- Buttress the ability of non-Black people of color groups to deepen their political education and solidarity efforts with Black-led groups and Black communities.
- Support infrastructure of POC-led groups by including funds for general operations and administrative resources as part of all grants.



### **Align Internal Commitments to Racial Equity with External Grantmaking**

- Assess the grantmaking impact through a racial equity lens.
- Consult with POC leaders for their ideas on how to deepen racial equity within foundations.
- Invest more funds and for longer periods of time even if investment returns are declining.
- Give above the 5% payout requirement.
- Maintain flexibility of approach by substantially simplifying applications and reporting requirements; accepting verbal reports; and making these changes permanent.



### **Balance Rapid Response Funding with a Decades-Long Strategy**

- Provide ongoing rapid response support with an emphasis on addressing the urgent needs of communities of color and resourcing POC-led groups with deep ties to their communities.
- Provide resources for remote work, PPE for in-person work, and digital organizing and outreach training.
- Fund future scenario planning efforts.



### **Invest in POC Leaders with an Emphasis on Sustainability**

- Support the long-term sustainability of nonprofit leaders of color through coaching, fellowships, sabbaticals, and wellness stipends.
- Include and integrate sustainability funding in all grants.
- Support the leadership of nonprofit leaders of color by resourcing networks, learning and strategy spaces, scenario planning, and skills building.
- Identify ways to strengthen middle management within organizations.
- Provide opportunities for young people of color to explore the nonprofit sector through internships, fellowships, and training programs.



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## Recommendations for the Nonprofit Sector

The nonprofit sector as a whole must create a collective vision for rebuilding our society and fostering organizational cultures of well-being and support in our workplaces. Survey respondents recommended the following actions.



### Create a Culture of Well-Being

- Be honest with funders and partners about the effects of trauma, PTSD, burnout, and fatigue on staff.
- Ask funders to provide resources for a sustainability budget line in all grants.
- Institute policies that create a culture of well-being, including wellness stipends and support for mental health and alternative health care.
- Create a trauma-informed workplace in which supervisors acknowledge the racial trauma that staff might be facing and alter work assignments and timelines accordingly.



### Recognize and Respond to the Effects of the Current Climate

- Institute regular check-ins with staff to understand the impact of the current climate.
- Alter work expectations for staff who are working parents or caregivers.
- Identify ways to support Black colleagues.
- Recognize that the current climate is making it harder for people to perform at peak levels, and reduce expectations of a constant cycle of productivity and performance. Ask whether staff can perform at 100% capacity and whether it is possible to delay or alter program goals and deliverables.
- Speak openly about how one's organization is changing its expectations during the pandemic so that partners can do the same.
- For white-led organizations: utilize privileges and positionalities to open doors for POC-led groups to philanthropic support and policymakers; and defer to the knowledge and experiences of leaders of color.
- Provide opportunities for individuals to engage as volunteers, donors, and helpers.

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## Endnotes

- 1 Johns Hopkins Center for Civil Society Studies' 2020 Nonprofit Employment Report. <http://ccss.jhu.edu/2020-nonprofit-employment-report/>
- 2 Due to rounding, some percentages that appear in the figures throughout the report may not precisely reflect the absolute numbers or add to 100%.
- 3 National Urban League, *State of Black America 2020: Unmasked*; available at: <https://soba.iamempowered.com/2020-report>. Richard A. Oppel Jr., et al., "The Fullest Look Yet at the Racial Inequity of Coronavirus," *The New York Times*, July 5, 2020; available at: <https://www.nytimes.com/interactive/2020/07/05/us/coronavirus-latino-african-americans-cdc-data.html>. Elise Gould and Valerie Wilson, "Black workers face two of the most lethal preexisting conditions for coronavirus – racism and economic inequality," Economic Policy Institute, June 1, 2020, available at: <https://www.epi.org/publication/black-workers-covid/>
- 4 Shena Ashley, et al., "Tracking COVID-19's Effects by Race and Ethnicity," Urban Institute, July 30, 2020 update; available at: <https://www.urban.org/features/tracking-covid-19s-effects-race-and-ethnicity>
- 5 Elaine Waxman, Poonam Gupta, and Michael Karpman, "More Than One in Six Adults Were Food Insecure Two Months into the COVID-19 Recession," Urban Institute, July 2020; available at: [https://www.urban.org/sites/default/files/publication/102579/more-than-one-in-six-adults-were-food-insecure-two-months-into-the-covid-19-recession\\_0.pdf](https://www.urban.org/sites/default/files/publication/102579/more-than-one-in-six-adults-were-food-insecure-two-months-into-the-covid-19-recession_0.pdf)
- 6 Sara McTarnaghan et al., "Including Immigrants in State and Local Support Responses during the COVID-19 Pandemic," Urban Institute, July 6, 2020; available at: <https://www.urban.org/urban-wire/including-immigrants-state-and-local-support-responses-during-covid-19-pandemic>
- 7 Neil G. Ruiz, Juliana Menasce Horowitz, and Christine Tamir, "Many Black and Asian Americans Say They Have Experienced Discrimination Amid the COVID-19 Outbreak," Pew Research Center, July 1, 2020; available at: <https://www.pewsocialtrends.org/2020/07/01/many-black-and-asian-americans-say-they-have-experienced-discrimination-amid-the-covid-19-outbreak/>  
*Stop AAPI Hate, Over 800 COVID-19-Related Hate Incidents Against Asian Americans Take Place in California in Three Months*, July 1, 2020; available at: [http://www.asianpacificpolicyandplanningcouncil.org/wp-content/uploads/CA\\_Report\\_6\\_30\\_20.pdf](http://www.asianpacificpolicyandplanningcouncil.org/wp-content/uploads/CA_Report_6_30_20.pdf)
- 8 *The Washington Post*, "Fatal Force," available at: <https://www.washingtonpost.com/graphics/investigations/police-shootings-database/>; National Center for Transgender Equality, "Murders of Transgender People in 2020 Surpasses Total for Last Year In Just Seven Months," August 7, 2020; available at: <https://transequality.org/blog/murders-of-transgender-people-in-2020-surpasses-total-for-last-year-in-just-seven-months>
- 9 Tim Delaney, "Nonprofits and Funders: Coronavirus Requires Immediate State Advocacy," April 7, 2020; available at: <https://nonprofitquarterly.org/nonprofits-and-funders-covid-19-requires-immediate-state-advocacy/>
- 10 Recommendations sourced from interviews, survey responses, and reports including *Resiliency in Crisis: The Impact of the COVID-19 Pandemic on the Urban American Indian Nonprofit Sector*, available here: <https://static1.squarespace.com/static/5b985402e17ba31b72a52f90/t/5ealc684be7b77187ae6cab9/1587660440040/2020+NUIFC+COVID-19+Report.pdf>;  
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