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The State of Nonprofits in Southeast Louisiana in 2021:
Adaptability & Racial Equity in Year One of the COVID-19 Pandemic

Technical Report
September 2021
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Executive Summary

The Greater New Orleans Foundation partnered with the University of New Orleans’ (UNO) Political Science Department to conduct a study of the regional nonprofit sector in Southeast Louisiana, exploring demographics of the sector’s leadership and its adaptability to the COVID-19 pandemic. This study was a follow-up to a survey conducted in spring 2020, focused on the pandemic’s immediate impact.

Methodology

The UNO survey research team emailed an online survey to a total of 756 nonprofits between January 12 and February 15, 2021. Included were public charities registered under 501(c)3 of the federal tax code with an address in Southeast Louisiana, that had filed IRS Form 990 since 2018, except for hospitals, clinics, universities, charter schools, foundations, and congregations.

A total of 335 nonprofits (44%) submitted a survey; 226 (30%) also responded in 2020. The sample represents the population’s metropolitan areas (MSA), mission types, and annual revenues, with two exceptions. The sample under-represents nonprofits with revenues below $150,000, and those of “other” mission types besides arts and culture and human services.

Leadership Demographics

In the 13 parishes of Southeast Louisiana, 44% of inhabitants are Black, Indigenous, and People of Color (BIPOC), and 31% are Black. Among nonprofit Chief Executives in the sample, 31% are BIPOC, and 26% are Black. Similarly, among Board Chairs, 30% are BIPOC, and 25% are Black.

Two-thirds (67%) of nonprofit executives identify as women, as do 47% of Board Chairs.

Throughout this report, the terms “Black-led” and “BIPOC-led” nonprofits refer to nonprofits with a Black/African American or BIPOC Chief Executive, respectively. In this regard, executives of arts and culture nonprofits least represent the region, at only 14% BIPOC and 10% Black.

Three-fifths (61%) of nonprofits reported that 40% or less of their board, excluding the Board Chair, is comprised of BIPOC members. Likewise, 49% under-represent BIPOC individuals on their senior management teams reporting directly to the Chief Executive. BIPOC-led nonprofits have a significantly higher average percentage of BIPOC board members and senior staff.

Operations

Three-quarters of nonprofits (76%) are operating and providing services virtually, 55% are operating from their office, and 44% are operating “in the field.” Nonprofits with larger budgets and a Continuity of Operations Plan (COOP) are more likely to operate out of their office.

Respondents were asked an open-ended question about operational changes their nonprofit made in response to the past year’s accelerated movement to end racial inequities. Of those who answered (n=167), 62% made an explicit change in the past year. These included internal changes (e.g., board and staff recruitment, DEI efforts), and/or external (e.g., communications).
“The board member recruitment and selection processes conducted in late 2020 were done with an intentional eye toward having a board that is more representative of the Greater New Orleans community.”

Programs and Services

BIPOC-led nonprofits are more likely to target all specific demographic groups listed in the survey through their programs and services. In particular, a majority of BIPOC-led nonprofits target Black/African American communities (61%), versus 36% of all respondents.

Likewise, both BIPOC-led and BIPOC-targeting nonprofits are significantly more likely to engage in grassroots advocacy and organizing than their counterparts. While approximately 70% of these organizations engage in any kind of advocacy, 53% of all respondents do so. Overall, only 27% of arts and culture nonprofits advocate.

More than two-thirds (69%) of BIPOC-led nonprofits reported an increase in community demand for their services over the past year, versus 50% of all respondents. However, there were no differences in ability to meet the increased demand. More staff and a reserve fund enhanced a nonprofit’s ability to meet the increased demand.

In terms of service adaptations over the past year, majorities incorporated new activities, shifted services online, adopted new strategies, and eliminated, suspended, or delayed services. Nonprofits targeting services towards BIPOC communities were significantly more likely to make all adaptations listed, except for service reductions.

“We shifted to meet the COVID needs of our clients. More emphasis on education and direct services.”

Staffing

There were no differences in average staff “full-time equivalent employees” (FTEs; i.e., adjusted such that a full-time staff member counts as 1 FTE, half-time staff member counts as 0.5, etc.) between BIPOC- or Black-led and white-led nonprofits in either the 2021 or 2020 surveys. A total of 1,788 FTEs are employed by BIPOC-led nonprofits (34% of all FTEs reported), and 1,701 (32%) are employed by Black-led nonprofits.

Large majorities of all nonprofits provide paid sick leave and/or health insurance to employees; 62% provide both. BIPOC-led nonprofits are significantly more likely to provide staff with funds for professional development; 62% provide this benefit, versus 51% of all respondents.

Respondents overall lost 2 FTEs on average since spring 2020, for a net loss of 10% of the region’s total FTE staff. However, 63% of nonprofits maintained or increased staffing levels. Arts and culture nonprofits, and those with mid-sized budgets, laid off the largest percentage.
For staffing reductions besides layoffs, nonprofits overall were most likely to increase staff workload and delay planned new hires, and least likely to reduce staff pay or benefits or cancel planned contracts. Nonprofits targeting services to Black communities were significantly more likely to increase staff workload over the past year, at 47% versus 30% of their counterparts.

Looking ahead to the next year, 42% of nonprofits plan to increase staffing levels, 38% plan to maintain current staffing, and 19% are unsure. Majorities of BIPOC-led and -targeting nonprofits plan to increase staffing, as do nonprofits with larger budgets.

“We are just now starting to hire for vacancies and return to the pre-pandemic plan.”

**Finances**

White-led nonprofits have significantly greater cumulative assets on average compared to BIPOC-led nonprofits. Indeed, BIPOC-led nonprofits make up 28% of nonprofits in the sample, a comparable 29% of sum total revenues, and just 13% of sum total assets.

Of all nonprofits, 82% have enough cash on hand to cover at least three months’ expenses, and 67% have enough total cash on hand and reserves to cover at least six months’ expenses. However, less than half (43%) have a reserve fund, and just 35% have three months of reserves. Only 38% of Black-led nonprofits have a reserve, and 25% of them can cover three months.

Over half of nonprofits (52%) reported their annual budget decreased since March 2020; 21% increased their budget. Arts and culture nonprofits were more likely to report a budget decrease (72%), while BIPOC-led nonprofits were more likely to report a budget increase (32%). That said, BIPOC-led nonprofits entered 2020 with 2 fewer months of cash on hand on average.

Despite budget cuts, from 2020 to 2021, a greater percentage of nonprofits had at least three months of cash on hand (79% to 65%) and reserves (32% to 24%). Overall, the average months covered by cash on hand, reserves, and the combined total all increased significantly from 2020 to 2021, by one month of cash and reserves, and 2.5 months total.

Budget adjustments – including staff reductions, new private foundation grants, and PPP funds – helped nonprofits increase cash on hand and reserves in the past year. The disparity in cash on hand between BIPOC- and white-led nonprofits was reduced, but it increased in reserves.

The percentage of nonprofits receiving at least some funds from each type of funding source listed in the survey, with the exception of PPP funds, decreased since March 2020; corporate sponsorships showed the largest decrease. From 2020 to 2021, 20% of nonprofits lost at least one listed funding source overall. Prior to March 2020, BIPOC-led nonprofits received funds from fewer total types of sources on average, but that disparity decreased since then. Still, BIPOC-led nonprofits were less likely to receive federal PPP funds (60% versus 78%).

“We depend on sponsored fundraiser events with large crowds to fund our project. The pandemic dangers have halted our fundraising.”

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**Note:**

1. **BIPOC** refers to Black, Indigenous, and People of Color.

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Collaborations and Capacity-Building Needs

Nonprofits most often partner with other nonprofits (88%), followed by businesses (68%) and K-12 schools (56%). They most often engage in joint programming with partners (69%), and to a lesser extent, fundraising, sharing resources and referrals, and advocacy (all just below 50%). BIPOC-led nonprofits reported more types of formal partners on average, and more kinds of partnership activities. Partnerships are associated with increased staffing and budget.

Next year, 62% of nonprofits plan to pursue a new collaboration, while many others (33%) are unsure. Nonprofits engaging in advocacy or joint programming with partners are more likely to seek new collaborations. BIPOC-led nonprofits are more interested in pursuing an additional collaboration than white-led nonprofits, 74% versus 61%, as are BIPOC-targeting nonprofits.

The most common area identified as a capacity-building need by nonprofits was fundraising, followed by writing and researching grant proposals. One-fifth (20%) identified both. BIPOC-led nonprofits were more likely to identify capacity-building needs in advocacy (15% versus 6%), but less likely to identify need for training in DEI (10% versus 26).

“Without an increase in overhead, and with trusted partnerships and support in place, we were able to significantly increase our community impact since March 2020.”

Key Findings on Adaptability

1. **Nonprofits in Southeast Louisiana are adaptive, but they need sustained support.**  
   Nonprofits overall appear to be in a better short-term financial position compared to 2020, but more than half (52%) decreased their budget, and less than half (43%) have a reserve fund. Receipt of all funding sources declined. How did many nonprofits improve their financial position despite budget cuts? The short answer is a combination of PPP loans, and staffing reductions that helped nonprofits cut costs and stretch limited funds.

2. **Arts and culture nonprofits were particularly hard hit by the pandemic in terms of staffing reductions and budget cuts.** Layoffs in the sector were highest for arts and culture nonprofits, which lost 17.1% of their full-time equivalent staff since spring 2020 and are also most likely to have experienced a budget decrease (72%).

3. **Nonprofits serving BIPOC – and especially Black – communities have been particularly adaptive to expand services to their target populations at a time of need, but the workload has been hard on staff.** These nonprofits were more likely to expand services (44%) and increase workload (47%). They rose to the challenge of serving those disproportionately harmed by the pandemic.
4. **Nonprofit leaders have an array of capacity-building needs, and they intersect around finances, continued adaptation, and collaboration.** The greatest capacity-building needs are in fundraising (45%) and grant writing (34%), but other capacities also contribute to financial sustainability. A majority (62%) plan to pursue new collaborations but need support.

**Key Findings on Racial Equity**

1. **The nonprofit sector in Southeast Louisiana suffers from a racial leadership gap.** Just over half (56%) of the inhabitants across Southeast Louisiana’s 13 parishes are white, while closer to 70% of nonprofit Chief Executives and Board Chairs are white.

2. **Talent exists in the senior ranks of nonprofits to reduce that gap, if those aspiring leaders have opportunities to advance.** Nonprofits appear to be making meaningful progress towards incorporating DEI, but more urgency is required. In turn, nonprofits with BIPOC and Black executives develop more racially diverse staff and boards.

3. **Racial representation in nonprofit leadership translates into strategies that are responsive to BIPOC communities and focused on addressing root causes of racial inequities.** BIPOC- and Black-led nonprofits are more likely to direct services towards marginalized communities and advocate and organize in support of their constituencies. These nonprofits are deeply committed to advancing racial justice.

4. **BIPOC- and Black-led nonprofits continue to lack equitable access to capital.** Coming into the pandemic, these nonprofits faced existing disparities in accumulated assets, financial cushion in terms of reserves and cash on hand, and access to diverse funding sources. They were less able to secure PPP funds from federally backed banks.

5. **More – and more flexible – funding continues to be necessary for BIPOC- and Black-led nonprofits to meet the steep demand for their services now and going forward.** Operating on thin margins and staff passion is not sustainable. More increases in financial support are essential.

**Conclusion**

The nonprofit sector in Southeast Louisiana has proven to be adaptive, but the sector’s financial health is tenuous, especially for BIPOC- and Black-led nonprofits. The commitment to racial equity from 2020 must extend into 2021 and expand if the region is going to institutionalize deeper structural changes to address longstanding racial inequities.
Methodology

The Greater New Orleans Foundation partnered with the University of New Orleans’ (UNO) Political Science Department to conduct a study of the regional nonprofit sector in Southeast Louisiana, exploring demographics of the sector’s leadership and its adaptability to the COVID-19 pandemic. This study served as a matched follow-up to a survey conducted with regional nonprofits between March and May 2020, focused on the immediate impact of the pandemic in the region. The 2020 survey report also provided context on the Foundation’s 13-parish service region, including the regional nonprofit sector’s size and economic impact pre-pandemic.¹

Sampling Frame

This study updated the sampling frame from the 2020 survey based on the most recent data available on nonprofits with addresses in the region, retrieved from the Urban Institute’s National Center for Charitable Statistics (NCCS). NCCS provided a cleaned version of the Internal Revenue Service’s (IRS) Business Master File (BMF) for April 2020, listing all tax-exempt organizations actively registered with the federal government at that time.² This list was matched to email contacts derived from public websites and the Foundation’s internal contact database to construct a sampling frame of 756 nonprofits with viable contact information.

Included in the sampling frame were public charities registered under 501(c)3 of the federal tax code that had filed IRS Form 990 since 2018 – that is, nonprofits with total annual gross receipts of at least $50,000. Nonprofits with annual budgets below this threshold do not report financial data to the IRS, and therefore their active operation could not be readily verified. Excluded from the sampling frame were uniquely large nonprofits – hospitals, clinics, universities, charter schools, and foundations – and religious congregations, which have the option of filing with the IRS. The sampling frame was expanded to include smaller and newly formed nonprofits that had applied for or received a grant offered by the Foundation or a national or regional private foundation serving Southeast Louisiana, but whose IRS filings did not appear in the BMF file.

Data Collection

An online survey consisting of about 40 questions was developed by the UNO research team based on existing instruments used nationally in the nonprofit studies field. The survey was refined with input from leadership of the foundation partners for the study, as well as an advisory group consisting of eight nonprofit leaders based in the region and a consultant with technical expertise in survey design. Five members of the advisory group piloted the survey and offered additional feedback for refining the final instrument.

The final survey was emailed to the full sampling frame on January 12, 2021, and remained open until February 15, 2021, for a total of almost five weeks. Email reminders were sent at least weekly. Executive Directors were asked to complete the survey on behalf of their nonprofit whenever possible. The survey took an average of 20 minutes to complete. Respondents who completed the survey by February 1 were entered into a drawing to receive
one of four $50 gift cards to a local business. After February 1, the UNO survey research team and foundation partner representatives made direct email and phone outreach to nonprofit leaders included in the sampling frame to encourage participation.

**Response Rates**

A total of 283 nonprofits out of the 756 viable contacts included in the sampling frame (37%) submitted the full survey, and 335 nonprofits (44%) submitted at least part of the survey. A total of 226 nonprofits (30%) responded to all or part of both surveys conducted in spring 2020 and winter 2021, and therefore their responses could be directly compared over time. Figure 1 displays the characteristics of the overall sampling frame, the 2021 survey sample (full or partial), and respondents to both surveys, on three characteristics from the IRS BMF file used to assess the samples’ representativeness: (1) the metropolitan statistical area (MSA) of the nonprofit’s address; (2) the nonprofit’s mission type; and (3) the nonprofit’s annual revenues.

**Figure 1: Response Rates by Group and Characteristics**

[Diagram showing response rates for different groups and characteristics, including MSAs, mission types, and revenue tiers.]

- **Sampling frame (n=756)**
- **2021 respondents (n=335)**
- **Also responded to 2020 survey (n=226)**
The vast majority of respondents to the 2021 survey (89%) were based in the New Orleans-Metairie MSA, which consists of eight of the 13 parishes served by the Foundation. Respondents were most likely to have missions related to human services (39%), or “other” types of mission (42%), and least likely to have missions related to arts and culture (19%). Other missions included education, health, and an assortment of missions related to issues such as the environment and animals, international affairs, civil rights, and so on. These nonprofits were grouped together in a miscellaneous category because the sampling exclusions discussed above prevent valid generalization of responses to the overall population of nonprofits with these mission types.

In terms of annual revenues, the sampling frame was divided into thirds: a top third of nonprofits with at least $650,000 in total annual revenues, a middle third ranging from $150,000 to $650,000 in total annual revenues, and a bottom third with less than $150,000 but at least $50,000 in annual gross receipts, as discussed above in relation to sampling exclusions. Respondents to the 2021 survey consisted of 37% of the top revenue category, 37% of the middle revenue category, and 26% of the bottom revenue category, as displayed in Figure 1.

**Sample Representativeness and Limitations**

The samples of nonprofits that responded to all or part of the 2021 survey, and to both the 2020 and 2021 surveys, were broadly representative of the region’s nonprofits, with a few notable exceptions. First and most importantly, the samples under-represent nonprofits that filed IRS form 990 since 2018 but fall in the bottom third of revenues in the sampling frame, with total annual revenues below $150,000. Nonetheless, there was no difference in average revenues between nonprofits that responded to the survey and those that did not.

Second, the samples over-represent arts and culture and especially human service nonprofits, and under-represent nonprofits of “other” mission types. Third, the samples under-represent the Houma-Thibodaux MSA; indeed, because of the relatively small percentage of nonprofits in the sampling frame located outside of the New Orleans-Metairie MSA, this report does not present differences in responses by MSA except in rare cases where they are notably large.

In addition to the limitations in the samples’ representativeness discussed above and displayed in Figure 1, it is important to note that survey responses were self-reported. Because the survey was sponsored by funding intermediaries, it is possible that respondents (most often nonprofit Executive Directors) felt pressure to respond in socially desirable ways. The direction of this potential bias is unclear: while some respondents may have felt pressure to present their nonprofits favorably, others may have felt pressure to present their nonprofit as dealing with particular hardship and therefore needing funding support. That said, comparison of survey responses over time and with IRS data supported the veracity of responses to the 2021 survey, as did detailed responses to open-ended questions throughout the survey provided by a majority of all respondents.
**Data Analysis**

Quantitative survey responses were analyzed descriptively by the UNO survey research team (e.g., frequencies, averages, medians, ranges, examination of outliers). In addition, comparisons were made across subgroups – including the sample characteristics noted above, as well as the racial demographics of the nonprofit’s executive leadership and target populations – and across time for respondents to both the 2020 and 2021 surveys. Categorical variables were compared through cross-tabulations with chi-square tests of statistical significance. Averages of continuous variables were compared through independent samples or paired samples t-tests of significance. Bivariate correlations among continuous variables were explored for relationship patterns. However, multi-variate analyses were not conducted for the purpose of this study.

Throughout this report, findings described as “significant” denote a $p$-value less than 0.05 – that is, less than a five percent probability that the observed difference is due to random chance. Other marginally ($p<0.10$) or otherwise practically significant differences are noted without use of the term “significant.” If differences across factors were not reported, the reader can assume they were analyzed and no meaningful difference was found.

Open-ended survey responses were read, coded for themes, and where appropriate, quantitatively analyzed by the UNO survey research team. Three members of the research team each coded two questions, including one focused on nonprofits’ incorporation of racial equity concerns into their operations, to establish acceptable inter-coder reliability (Krippendorff’s alpha>0.60 on each code reported). Then, due to time constraints, the remaining open-ended survey questions were coded by one team member each and checked for quality by the team lead. Coding results are presented thematically throughout the report.
Leadership Demographics

To help understand and promote racial and gender equity, diversity, and inclusion within the regional nonprofit sector, this study gathered demographic data concerning leadership of the region’s nonprofits. Specifically, respondents were asked to indicate (if willing) the race/ethnicity and gender of the nonprofit’s Chief Executive (e.g., Executive Director, CEO) and current Board Chair at the time of the 2021 survey. They were also asked to report the number of board members and senior management staff (i.e., the nonprofit’s paid leadership team reporting directly to the Chief Executive) who belong to each racial/ethnic group.

Responses are reported below. For comparison, the 13-parish region of Southeast Louisiana is comprised of almost 1.8 million inhabitants, 56% of whom (just over one million) are white, 31% of whom (about 550,000) are Black/African American, and the remaining 13% of whom belong to other races or ethnicities, predominately Latinx/Hispanic followed by Asian/Pacific Islander. In total, 44% of the region’s inhabitants are Black, Indigenous, and People of Color (BIPOC). Demographics of nonprofit leaders were compared to those of the overall region to assess the degree to which BIPOC individuals are proportionally represented in the sector.

Chief Executive

Figure 2 displays the percentage of the region’s nonprofit Chief Executives belonging to each racial/ethnic group, overall and by each mission type, for all respondents providing these data (n=269). Over two-thirds (69%) of Chief Executives are white, well above the 56% of the region’s inhabitants identifying as white (see the red line in Figure 2). About one-quarter of Chief Executives (26%, n=70) are Black/African American, while the remaining 5% (n=13) are divided among other races and ethnicities, most commonly Latinx/Hispanic (3%).

Human service nonprofits (n=105) come closest to representing the region’s racial/ethnic demographics, with 35% of them employing Black Chief Executives, and a total of 42% employing BIPOC executives. Arts and culture nonprofits (n=52) are least representative, with only 14% employing BIPOC executives. Nonprofits of “other” mission types (n=112) fall in the middle in terms of adequately representing the region’s overall BIPOC communities in their executive leadership. In addition, nonprofits in the largest revenue category are more likely to have Black or BIPOC Chief Executives, while those in the smallest category are less likely; however, there is no difference in average revenues across executive race/ethnicity.

Throughout this report, the terms “Black-led” and “BIPOC-led” nonprofits are used to refer to nonprofits with a Black/African American or BIPOC Chief Executive, respectively. All subsequent survey responses were compared across the race/ethnicity of the Chief Executive, and statistically or practically significant differences (i.e., between Black-led or BIPOC-led and white-led nonprofits) are reported whenever they were found. In areas where similar differences were found for both groups, the results for BIPOC-led nonprofits are reported due to the larger sample size of these nonprofits and therefore greater statistical confidence in results.
In terms of gender identity of the Chief Executive, for the region overall, 67% of nonprofit executives identify as women, 33% identify as men, and the remaining executives comprising less than one percent of the total identify as trans, gender non-conforming, or non-binary (see Figure 3). Human service nonprofits have a lower percentage of women executives, at 63%. However, all mission types over-represent women compared to the regional population, which is comprised of about 51% women and 49% men. About one-fifth of all nonprofits (21%, n=57) are led by a BIPOC woman executive, and 16% (n=44) are led by a Black woman executive.

For comparison, a national survey of a convenience sample of nonprofit Chief Executives, conducted in 2017, suggests that 90% of executives are white and 72% are women, both higher than the percentages found in this study. Likewise, a 2020 survey of “startup” for-profit businesses in a ten-parish region surrounding New Orleans found that 64% of startups have white founders, compared to 24% with Black founders, and 58% were founded by men, findings comparable to those reported in this study in terms of race/ethnicity but not gender.
The racial/ethnic composition of the region’s nonprofit Board Chairs at the time of the survey is similar to that of nonprofit Chief Executives, but also more consistent across mission types (see Figure 4). Overall, 70% of Board Chairs are white, and one-quarter (25%) are Black. Arts and culture nonprofits are less likely to have a white Board Chair than Chief Executive, while the opposite is true for human service nonprofits. Across the regional nonprofit sector, 38% of nonprofits have at least one Black leader (either the Chief Executive and/or Board Chair), and 44% have at least one BIPOC leader, which brings the sector closer in line with the overall racial/ethnic demographics of the region.

In terms of gender identify (see Figure 5), 53% of Board Chairs identify as men, while 47% identify as women. A larger percentage of arts and culture nonprofits have a Board Chair who is a woman (60%), whereas a larger percentage of human service nonprofits have a Board Chair who is a man (62%). Men are more likely to chair the boards of nonprofits with larger budgets compared to women. Across the region, 14% of nonprofits (n=35) have a Board Chair who is a Black woman, and 16% (n=39) have chair who is a BIPOC woman. For comparison, 58% of Board Chairs who responded to the national survey were men in 2017, slightly higher than the percentage reported here, while 90% were white.7
Figure 4: Race/Ethnicity of Nonprofit Board Chairs, Overall and by Mission Type

Figure 5: Gender Identity of Nonprofit Board Chairs, Overall and by Mission Type
**Board Members**

Across all 2021 survey respondents providing data on their board (n=292), boards range in size from two to 85 total members, for an average of 13 members. Respondents (n=254) reported that their boards, excluding the Board Chair discussed above, are comprised of 31% Black members on average, and 39% BIPOC members on average. Put differently, and again excluding the Board Chair, boards have on average three Black members, and four BIPOC members.

The distribution of percentages of board members who are BIPOC individuals across nonprofit respondents is displayed in Figure 6. Three-fifths (61%) of responding nonprofits reported that 40% or less of their board is comprised of BIPOC members, and their board therefore under-represents the regional BIPOC population. Arts and culture nonprofits have the least BIPOC representation on their boards, while human service nonprofits have the most. Nonprofits with a BIPOC executive have a significantly higher average percentage of BIPOC board members (65%) than white-led nonprofits (27%).

**Figure 6: Percentage of Board Members Who Are BIPOC, Excluding Board Chair (n=254)**

Over half of all boards (55%) are represented by exactly one race/ethnicity in addition to white, while 23% are represented by exactly two races/ethnicities in addition to white. On the other hand, when also including the Board Chair (n=227), 33 nonprofits (15%) include no Black members on their board, and 21 (9%) include no BIPOC board members; 10 of these boards have 10 or more members, up to 18 total members. At the opposite extreme, 13 boards (6%) are entirely comprised of Black members when including the Chair, and 17 (7%) are entirely comprised of BIPOC members; however, only two of these boards have 10 or more members.
Figure 7 displays the race/ethnicity of all board members, excluding Board Chairs, combined across the 292 nonprofits that answered the survey questions on board member demographics. The survey sample reported on over 3,000 board seats (although not necessarily unique individuals, as members could serve on multiple boards). Across the region, two-thirds (67%) of all board seats are held by white members, and one-quarter (25%) are held by Black members. In aggregate, board members are slightly more racially diverse than Board Chairs, except for on the boards of arts and culture nonprofits. For comparison, nationally, approximately 84% of board members were white in 2017, and 8% were Black.8

![Figure 7: Race/Ethnicity of All Nonprofit Board Members Combined, Overall and by Mission](image)

**Senior Management Staff**

Across all nonprofits responding to the 2021 survey who reported at least one senior management staff member (n=189), senior management teams (i.e., the nonprofit’s paid leadership team reporting directly to the Chief Executive) range in size from one to 12 staff
members, with an average of three members. These executive teams (n=174), excluding the Chief Executive discussed above, are comprised of 35% Black members on average, and 46% BIPOC members on average. Put differently, senior management teams have on average one Black or BIPOC member.

The distribution of percentages of senior management staff members who are BIPOC individuals is displayed in Figure 8. About half of nonprofits (49%) reported that 40% or less of their senior management team, excluding the Executive Director, is comprised of BIPOC members, and their team therefore under-represents the regional BIPOC population. As with boards, arts and culture nonprofits have the least BIPOC representation on their senior management teams, while human service nonprofits have the most. Nonprofits with a BIPOC Chief Executive have a significantly higher average percentage of BIPOC senior management staff (61%) than white-led nonprofits (37%).

Figure 8: Percentage of Senior Management Staff Who Are BIPOC, Excluding CEO (n=174)

When also including the Chief Executive (n=166), 60 nonprofits (36%) include no Black senior management, and 35 (21%) include no BIPOC senior management; however, 14 of these nonprofits have only one senior staff member in addition to the Chief Executive. At the opposite extreme, 19 senior management teams (11%) are entirely comprised of Black members when including the Chief Executive, and 27 (16%) are entirely comprised of BIPOC members; however, 11 of these nonprofits have only one senior staff member in addition to the Chief Executive.
Figure 9 displays the race/ethnicity of all senior management staff, excluding Chief Executives, combined. The survey sample reported on over 500 total senior staff, 54% of whom are white. Unlike for other categories of nonprofit leaders discussed above, senior management proportionally represents the regional BIPOC population, especially within human service nonprofits, although not within arts and culture nonprofits. These findings are comparable to results from a national survey of a convenience sample of paid nonprofit staff (albeit of any level) conducted in 2019, which found that 59% of respondents were white.\(^9\)

**Figure 9: Race/Ethnicity of All Nonprofit Senior Staff Combined, Overall and by Mission**

![Bar Chart](chart.png)
Operations

The study explored nonprofit operations – including whether nonprofits operate a physical office, have a written, up-to-date continuity of operations plan (COOP) covering relevant types of disaster, operate in various modes, and routinely collect demographic data from their board, staff, and service recipients – and compared results across the race/ethnicity of the Chief Executive and other nonprofit characteristics. Results are reported below. This section concludes with themes and quotes from open-ended responses sharing how nonprofits have adapted operations in support of racial equity over the past year.

Physical Office and Continuity of Operations Plan (COOP)

Of all respondents to the 2021 survey (n=333), 82% have a physical office outside of a private residence. When comparing nonprofits that responded to both the 2020 and 2021 surveys (n=221), the percentage of nonprofits with a physical office increased, from 80% to 83%. Ten respondents that did not have a physical office in 2020 gained an office by 2021, while four lost their office in the past year. Nonprofits with a Black or BIPOC Chief Executive are equally likely as their white-led counterparts to operate a physical office outside a private residence.

Of all 2021 respondents (n=329), 47% have a written, up-to-date continuity of operations plan (COOP) to guide response to a hurricane or natural disaster, 30% have a COOP covering pandemic, and 27% have a COOP covering both of these types of disaster. Half of respondents (50%) have no COOP. Other types of disaster covered by COOPs or within related documents (e.g., employee handbooks) include fire, flood, tornado, power outage, exposure to hazardous materials, intruder, domestic terrorism, data loss, and economic downturns. BIPOC-led nonprofits are less likely to have a full COOP covering both hurricanes and pandemics (24%, versus 31% of white-led nonprofits). Not surprisingly, nonprofits with larger budgets and those operating a physical office are more likely to have a COOP, as are human service nonprofits.

In open-ended comments, respondents reported they are currently working on a COOP, it is not written down formally, they lack capacity and guidance or samples to create a plan, or they recently developed a plan or adapted it to include pandemic or other disasters, sometimes with support from the Foundation. Nonprofits specializing in disaster response noted existing expertise and guiding principles that could be applied to different types of disaster. One respondent shared:

“"We created our COOP for the pandemic in real time as we neared the eventual shutdown, and I'm glad we thought to write it all down as we went."

Among nonprofits that reported actively working on a COOP in the 2020 survey (n=114), 38% had a COOP covering hurricanes by 2021, 25% had a COOP covering pandemic, and 21% had a COOP covering both. A net total of 41 nonprofits (20% of the 203 respondents to both surveys) gained any COOP between 2020 and 2021. Figure 10 summarizes the discussion above comparing nonprofits with a physical office and COOP across the two surveys and years.
Operating Modes

Respondents reported the modes in which they are currently operating and providing services: in person at a physical office, in person “in the field,” and/or remotely via virtual platforms, as well as in other formats or not currently providing services. Results are displayed in Figure 11. As of winter 2021, three-quarters of nonprofits (76%) are operating and providing services virtually, over half (55%) are operating from their physical office, and 44% are operating “in the field.” Only five percent are not currently providing services. Nonprofits also reported operating by phone, following hybrid models (e.g., alternating between virtual and in person work), limiting indoor capacity, providing curbside services, or moving gatherings outdoors.

“Loss of informal communications through in-person networking hurt operations.”

Figure 10: Comparison of Nonprofits with a Physical Office and COOP from 2020 to 2021

Figure 11: Modes for Nonprofit Operations and Service Delivery (n=322)
Almost two-thirds (64%, n=170) of nonprofits with a physical office outside a private residence are operating there, including 68% (n=73) of nonprofits that reported closing their office temporarily in the 2020 survey. A large majority (84%, n=118) of nonprofits that reported shifting to remote work in the 2020 survey continue to operate virtually in 2021.

There were no differences in operating modes between Black- or BIPOC-led and white-led nonprofits. However, nonprofits with larger budgets and those with a COOP are more likely to operate in every mode, and especially in person at a physical office. Human service nonprofits are more likely to operate in person, while nonprofits with “other” missions and those located in the New Orleans-Metairie MSA are more likely to operate virtually.

**Demographic Data Collection**

Respondents reported whether they collect demographic data from the following groups as part of routine operations: board, staff, clients or recipients of services, and/or other groups (see Figure 12). More than three-quarters (78%) collect board demographics, and slightly less collect these data from staff (74%). Closer to half collect demographic data on people served (58%) or all three of these groups (52%). Only 16% reported collecting no demographic data on a regular basis. Other comments noted collecting data from independent contractors, or collecting data on service recipients’ gender and age but not race/ethnicity.

**Figure 12: Groups from Whom Demographic Data Are Collected (n=294)**

BIPOC-led nonprofits are significantly more likely to collect demographic data from people served (72%) compared to white-led nonprofits (57%). Among different mission types, human service nonprofits are most likely to collect demographic data from each group, and arts and culture nonprofits are least likely; indeed, 30% of arts and culture nonprofits collect no demographic data, compared to 7% of human service nonprofits.
Recent Adaptations in Support of Racial Equity

Respondents were asked an open-ended question about any changes their nonprofit has made in their operations in response to the past year’s accelerated movement to end racial inequities. Of those who answered (n=167), 46% (n=76) described changes to their internal operations, 40% (n=67) described changes to their external programming and communications, and 23% (n=38) described changes in both of these areas, for a total of 62% (n=104) that made an explicit change in the past year. Less than one-third (31%, n=52) shared they have not made explicit changes in the past year beyond ongoing efforts. These broad categories of responses did not differ by the race/ethnicity of the nonprofit’s Chief Executive or whether they specifically target BIPOC or Black communities in their programs and services.

In terms of internal changes, respondents discussed recruiting more racially diverse board members and staff (such as by targeting recruitment efforts, changing job descriptions to remove barriers to employment, or creating new internship programs), participating in diversity/equity/inclusion (DEI) trainings or intentional conversations about race with board and staff, establishing board or cross-organizational committees or teams focused on racial equity, conducting internal equity audits (often with the help of consultants, and including assessments of external contracts), adopting explicit statements, codes, or values related to equity, improving policies and procedures (e.g., compensation structure, support for self-care), and/or creating new plans to set strategies, metrics, and targets for enhancing internal equity.

“The board member recruitment and selection processes conducted in late 2020 were done with an intentional eye toward having a board that is more representative of the Greater New Orleans community.”

“We have a strategic planning committee whose purpose for 2020-2021 is increasing board and staff awareness of DEI issues and solutions, increasing the number of board members and festival participants who are BIPOC, and establishing anti-racist guidelines for our organization.”

“We have conducted an audit of our vendors and are focused on supporting and moving our business to Black-owned businesses.”

Externally, respondents discussed conducting intentional outreach and forming new partnerships to target or expand programming to more diverse and marginalized communities, establishing new strategies, programs, and advocacy efforts aimed at addressing root causes of inequities, conducting joint fundraising efforts in support of Black-led organizations of all kinds, and making public statements in support of anti-racism efforts. Many nonprofits noted that
their internal and external diversity, equity, and inclusion efforts encompass BIPOC and marginalized individuals more broadly, such as people with disabilities.

“Our mission explicitly includes ‘advancing racial justice’ as one of our core purposes, and in the last year we have continued to expand this aim by developing new programs exclusively for BIPOC individuals and communities and aligning all our advocacy and cultural policy work with racial justice.”

“The core of the mission has always been to end racial inequities, but this year we have doubled the number of participants we serve.”

“We are now clear that all of our advocacy and services aim to end racial inequities. We explicitly talk about race in most of our external communications.”

“Staff and board worked together to draft a statement on our commitment to racial justice, built it into our mission page on our website, and have it accessible as a stand-alone page.”

Nonprofits that **did not make an explicit change** in the past year stated they already worked to end racial inequities internally and/or externally and continued these efforts as before, they serve individuals and engage board members and staff of all races/ethnicities without preference, or the pandemic severely hampered their capacity to make organizational changes.

“This was the work we already focused on, which made the stress level increase because there were many more organizations, people, and funders who wanted to join in the space.”

“We continue our work to serve as diverse a spectrum of the New Orleans community as possible.”

“We are a nonprofit and do not engage in any advocacy and/or political considerations.”
Programs and Services

The study next explored nonprofit programs and services, including any target demographic groups for services, nonprofit engagement in advocacy for policy change, changes in community demand for services, and adaptations to programs and services in the past year. Results are reported below. This section concludes with themes and quotes from open-ended responses sharing how nonprofits’ programs and services have changed over the past year.

**Target Demographic Groups**

Respondents to the 2021 survey were asked whether their nonprofit specifically targets any demographic groups through its programs and services, based on race/ethnicity, gender, and/or status as youth/children or LGBTQ+ individuals. Figure 13 below displays the results, both for all respondents combined (n=295), and specifically for BIPOC-led nonprofits (n=84).

**Figure 13: Target Populations for Nonprofit Programs and Services, Overall and BIPOC-led**

Youth/children are targeted by 40% of all respondents, women or girls by 25%, and LGBTQ+ individuals by 15%. In terms of race/ethnicity, 45% of all respondents target BIPOC communities in general or any specific group, most commonly Black/African American communities (36%), followed by Latinx/Hispanic (24%), Asian/Pacific Islander (11%), and Native American/American Indian (10%). More than one-third (35%) of all respondents do not target any specific group in their programs and services.

Nonprofits with a BIPOC Chief Executive are more likely to target every group listed; indeed, only 17% of these nonprofits do not target specific populations in their programs and services. In particular, a majority of BIPOC-led nonprofits target BIPOC communities in general or any specific group (71%), as well as Black/African American communities (61%). Nonprofits targeting these groups are also more likely to provide remote services than their counterparts.
There were no differences in target populations by the nonprofit’s mission type. However, in general, nonprofits with larger budgets are more likely to target specific populations, perhaps because they offer more programs and services overall. In addition to the demographic groups listed in Figure 13, other groups targeted in nonprofit programs and services include young adults and “opportunity youth,” people or families experiencing food insecurity or poverty, veterans and military families, seniors and elders, the uninsured, people with mental or physical disabilities, incarcerated people and/or those with criminal records, musicians and artists, men and fathers, people experiencing homelessness, children in foster care, hospitality workers, people of certain religious faiths, people experiencing specific illnesses like cancer, and business owners. Some respondents noted their grant-funded programs target specific populations.

**Advocacy Activities**

Respondents next shared details about any advocacy activities for policy change they conduct as part of their programs and services. Results for all respondents, as well as separately for BIPOC-led nonprofits, nonprofits targeting BIPOC communities, and arts and culture nonprofits, are displayed in Figure 14. Of all respondents (n=288), almost half (47%) do not conduct any advocacy activities, while the remainder participate in grassroots advocacy (e.g., public information campaigns with a call to action; 42%), community organizing (25%), lobbying with policymakers (18%), and/or legal advocacy through the court system (12%).

**Figure 14: Nonprofit Advocacy Activities for Policy Change by Activity Type and Group**

Both BIPOC-led and BIPOC-targeting nonprofits are significantly more likely to engage in grassroots advocacy and organizing than their counterparts; these differences are similar for nonprofits that are more specifically Black-led or targeting Black communities. Arts and culture nonprofits are the least likely mission category to engage in advocacy; almost three-quarters (73%) do not advocate. Human service and “other” nonprofits are more likely to advocate.
Nonprofits with larger budgets are more likely to engage in advocacy, especially grassroots advocacy and lobbying; medium-sized nonprofits are most likely to engage in legal advocacy. In open-ended comments, some nonprofits shared the challenging nuance of engaging in certain forms of advocacy—especially the legal definitions of “grassroots advocacy” and “lobbying”—while maintaining tax-exempt status as a 501(c)3 public charity.

**Community Demand for Services**

Of all survey respondents (n=322), almost half (47%) reported the overall community demand for their programs and services increased in the past year. About a quarter each reported that demand decreased (24%) or remained the same (23%); the remaining 6% were unsure. Of those nonprofits reporting an increase in demand (n=149), 58% are able to meet it, while 34% are not; another 8% are unsure about their nonprofit’s ability to meet the increased demand.

BIPOC-led nonprofits were significantly more likely to report an increase in demand, 69% compared to 45% of white-led nonprofits; the difference was similar for Black-led nonprofits. Likewise, nonprofits targeting BIPOC communities were significantly more likely to report an increase in demand, 59% versus 39%; again, the difference was similar for nonprofits specifically targeting Black communities. However, there were no differences between any of these groups in the percentage of nonprofits able to meet the increased demand.

Human service and “other” nonprofits were more likely to report an increase in demand, while arts and culture nonprofits were more likely to report a decrease. Nonprofits with larger budgets were more likely to report an increase in demand, and the largest budget category was most able to meet that demand. Indeed, results suggest that larger staffing levels and a reserve fund all enhanced a nonprofit’s ability to meet increased demand for its programs and services.

**Adaptations to Programs and Services**

Nonprofits were asked how their programs and services changed in the past year, since March 2020. Results are displayed in Figure 15 for all survey respondents combined (n=321), and specifically for nonprofits targeting BIPOC communities (n=133). Overall, majorities of nonprofits reported incorporating new activities, shifting services online, adopting new strategies, and eliminating, suspending, or delaying services. Nonprofits were least likely to reduce the number of clients or populations served, and to a lesser extent, expand services to more clients or new populations. A very small percentage of nonprofits (3%) made no changes to their programs and services since March 2020.
Nonprofits targeting their services and programs towards BIPOC and Black communities were significantly more likely to have made all service adaptations listed, except for those reducing (as opposed to adapting or expanding) services. These nonprofits were equally likely to eliminate, suspend, delay, or reduce services as their counterparts. Nonprofits with BIPOC or Black Chief Executives were significantly less likely than white-led nonprofits to eliminate, suspend, or delay services, but no other differences were found by executive race/ethnicity.

Human service nonprofits were more likely than nonprofits with other mission types to make accommodations to continue to provide services in person. Nonprofits with larger budgets were more likely to expand services, shift them online, and make in-person accommodations. In general, nonprofits that made more positive adaptations were more likely to have a COOP and reserve fund, receive federal PPP funds, experience an increase in community demand for their services, and avoid staff and budget reductions in the past year.

“We modified our operations to provide emergency services to the community as needed between our regular program services, which has left our staff exhausted as well as overwhelmed with all of the COVID protocols needed to be in place.”
**Description of Changes to Programs and Services**

Respondents were asked an open-ended question about how their nonprofit’s programs or services have changed since March 2020, and a total of 182 provided comments. Over half of those who answered the question (52%, n=94) explained that they **shifted services online or to hybrid formats**. They described the challenges of offering virtual services and adapting to new technologies, especially for arts and culture nonprofits providing performance-based programming without crowds or to virtual audiences. Others described transitioning to telehealth and virtual counseling services, as well as providing mental health resources online.

“Our festival was cancelled due to COVID less than two weeks before opening night, so we pulled some of the programming and adapted it to a virtual format and presented it during the summer. Our entire programming schedule for 2021 is set to be presented virtually in March.”

“In the wake of COVID, we suspended normal operations to create an online platform to deliver mental health and self-care services to folks who lie outside our target population. As we moved along, demand for our normal services increased and created a strain on personnel.”

“We have continued in-person activities, as appropriate, but with smaller numbers of mentees and following social distancing guidelines. We have moved other activities to a remote platform entirely. We have found that some mentees’ participation in our program has actually increased because of the remote/virtual offerings (for example, if transportation was previously a barrier to their attendance).”

About one-third of respondents (32%, n=59) described **expanding services** in the past year to serve new target populations and respond to emergent community needs, including greater need for financial counseling and information of all kinds, as well as a steep rise in demand for direct community assistance. Many noted the challenges of providing direct services while maintaining COVID-19 safety protocols. Indeed, almost half of respondents who described expanding services (47%, n=28) also noted shifting them online or to hybrid formats.

“We have expanded from just serving the youth to serving adults as well this year to meet the increased demand for job training to access high wage, high demand careers.”

“While basic needs assistance is not our primary function for the families we serve, the pandemic has forced us to expand our services to help families with basic survival/necessities.”
“We became more innovative, creating events and programs that appeal to more of the general public rather than just public schools since they have not been permitted to participate in field trips in any phase of reopening.”

On the other hand, about one-quarter (25%, n=45) described reducing the services they are able to provide, especially those requiring in-person interaction. A third of these nonprofits (33%, n=15) reduced services despite shifting at least some programming online and to hybrid formats. In addition, loss of staff, volunteers, and funding, as well as cancellation of major events, forced many nonprofits to cancel or suspend programming.

“In-person community and engagement-related activities have largely ceased.”

“Forced to virtual platforms for many of our in-person clinics, self-help desks, and other community programs. This has led to a decrease in the number of people served – although we do find that people have been able to use our new virtual services. We have limited the number of clients in our office in order to adhere to CDC recommendations. Volunteer engagement has decreased, leaving more volume to be managed by staff.”

“Unfortunately, because of the COVID pandemic, pretty much everything in 2020 was put on pause. We are slowly ramping back up now in 2021 with getting donations and planning events for summer 2021.”

About one-fifth of respondents (21%, n=38) described redirecting services or making accommodations to continue working in person, without explicitly noting an expansion or reduction. Services were adapted to be more COVID-conscious, such as by reducing traffic in the building at any one time and focusing services more intentionally on the local community.

“We shifted to meet the COVID needs of our clients. More emphasis on education and direct services… We also worked hard to meet the felt needs of people through our affordable housing and thrift store. And, provide much needed services, like COVID testing at our community center in the 9th ward.”

“Our national programs normally focus on support for artists touring/performing – we’ve reallocated those funds for other ways of supporting performing artists. Canceling our annual conference and other in-person programs allowed us to reallocate funds to an emergency relief grant for Louisiana artists. We’ve focused more on our local community in the past year (rather than nationally) so we can scale our impact. Basically, everything programmatic has adapted and shifted!”
“We used COVID-19 to ‘press reset’ on our organization and restructure internal operations, which needed to happen regardless. While our work from the community’s perspective has largely stayed the same, the way we do it internally has completely changed.”

A small number of these respondents who reported making accommodations have been able to resume prior in-person services since March 2020, especially after summer 2020.

“As a research center, we reduced the number of researchers in the reading room per the CDC guidelines. We also adhered to social distancing with our staff, so we redesigned office logistics, provided [personal protective equipment] for all staff, and created a flexible schedule to allow staff to work remotely if needed.”

“Our organization went fully operational in June 2020 and we were able to build out programming that followed COVID-19 guidelines and kept community safe.”
**Staffing**

The study next explored nonprofit staffing levels, including staff sizes and employee benefits, changes to paid staffing levels since March 2020, and staffing plans looking ahead to the next year. This section concludes with open-ended responses sharing how nonprofits’ staffing levels and staff experience have changed in the past year.

**Staff Sizes and Benefits**

Of all respondents to the 2021 survey (n=314), self-reported full-time equivalent staff sizes (FTE; i.e., adjusted such that a full-time staff member counts as 1 FTE, half-time staff member counts as 0.5, etc.) ranged from no paid staff (n=43, 14% of the sample) to a maximum of 480 FTEs. The 2021 survey sample’s distribution of staff sizes is very similar to the distribution found in the 2020 survey (see Figure 4 in the 2020 report). On average, nonprofits in the 2021 sample employ 18 FTEs, but half of the sample employs 3.5 or fewer FTEs, and over one-quarter (28%, n=87) employ one or fewer FTE. That said, 11 nonprofits in the sample employ 100 or more FTEs. The 2021 sample employs a grand total of 5,730 FTEs.

There were no differences in average staff FTEs between BIPOC- or Black-led and white-led nonprofits in either the 2021 or 2020 surveys. White-led nonprofits (n=182) have a median of 3.5 FTEs, while BIPOC-led (n=84) and Black-led (n=69) nonprofits have a median of 5 and 6 FTEs, respectively. A total of 1,788 FTEs are employed by BIPOC-led nonprofits (34% of all FTEs reported), and 1,701 FTEs (32% of all FTEs reported) are specifically employed by Black-led nonprofits. Arts and culture nonprofits (n=61) employ the fewest FTEs on average (7), while human service nonprofits (n=120) employ the most (25.5). Indeed, in total, arts and culture nonprofits employ just 7% of the combined FTEs in the sample, versus 52% for human services.

Figure 16 displays the benefits the surveyed nonprofits provide to employees (n=276). Large majorities of nonprofits provide paid sick leave and/or health insurance to employees; 62% (n=170) provide both. Just over half (51%) provide employees with funds for professional development, and 40% (n=109) provide all three of these benefits. Other benefits provided include vision and dental insurance, retirement contributions, paid time off and holidays, cell phone reimbursement, life insurance, health savings accounts, disability coverage, a “work from home” or technology stipend, parental and bereavement leave, and a “self-care budget” or mental health days. Some nonprofits provide discounted or free products or services to staff.

“We have, somewhat informally, significantly increased scheduling flexibility and employee personal choice regarding which activities to participate in during COVID.”

Nonprofits that are BIPOC- or Black-led are significantly more likely to provide staff with funds for professional development. Nonprofits that target BIPOC or Black communities are significantly more likely to provide all three benefits listed in Figure 16, and especially health insurance. Not surprisingly, nonprofits with larger budgets are more likely to provide any benefits. There were no differences in benefits across nonprofits of different mission types.
Changes in Overall Staff FTEs in the Past Year

Among nonprofits that reported FTE staffing levels in both the 2020 and 2021 surveys (n=209), respondents lost an average of 2 FTEs; however, over half of the sample was able to maintain or increase their staffing levels. Indeed, overall, 37% of respondents to both surveys lost FTE staff in the past year, 34% maintained the same staffing level, and 29% added FTEs. The matched sample reported a total net loss of 424.25 FTEs, which is a 10.4% reduction in staffing levels from the 2020 total of 4,073.75 FTEs. These percentage changes in net staff, compared to 2020 staffing levels, are displayed in Figure 17, which also notes differences in staffing changes according to the race/ethnicity of the Chief Executive, mission type, and revenue category.

*One BIPOC-led nonprofit lost 200 FTE staff in the past year; if they are removed from the analysis, BIPOC-led nonprofits gained a net total of 42 FTEs (+3.3%) from 2020*
White-led nonprofits in the matched sample lost a total of 247 FTEs, or 9.2% of their 2020 total, while BIPOC-led nonprofits lost a total of 158 FTEs, or 12.4%. Results were similar for Black-led nonprofits. However, one large Black-led nonprofit reported net losses of 200 FTEs in the past year, while the remaining BIPOC-led nonprofits in the sample gained a net total of 42 FTEs, or 3.3% of their 2020 total. Put differently, BIPOC-led nonprofits lost about 3 FTEs on average, but with the removal of this outlier, gained one FTE on average. White-led nonprofits lost an average of 2 FTEs since 2020, similar to the overall sample of matched respondents.

Nonprofits in the smallest revenue category gained a net total of 11 FTEs, or 17.6% of their already lean staffing levels. This was the only revenue group to gain FTEs, whereas both the medium and large categories lost substantial numbers of net FTEs over the past year, 178.5 and 257.75 total FTEs respectively. All mission types lost net FTEs: human service nonprofits lost the largest number of FTE staff (336 FTEs), while arts and culture nonprofits lost the largest percentage of 2020 FTEs (17.1%, based on a net loss of 61.5 FTEs). Nationally, 7.7% of nonprofit jobs were lost over the past year (individual employees as opposed to FTE staff), and arts and culture nonprofits were likewise the mission category with the highest percentage of losses.\textsuperscript{11}

Nonprofits targeting BIPOC and Black communities were significantly more likely to increase staff FTEs over the past year. Likewise, more than one-third (35%) of nonprofits describing themselves as direct service providers in response to the pandemic in the 2020 survey (n=106) increased staff FTEs in the past year, compared to 22% of nonprofits that did not report providing direct services. A disproportionate percentage of these direct service providers were BIPOC-led (36%); indeed, two-thirds of BIPOC-led nonprofits (67%) provided direct services.

\textit{Types of Changes in Paid Staffing Levels}

Respondents were also asked to indicate the specific types of changes made to their paid staffing levels since March 2020, beyond overall changes in the sizes of their FTE staff (n=274). Results are displayed in Figure 18. Nonprofits overall were most likely to increase staff workload and delay planned new hires, while they were least likely to reduce staff pay or benefits or cancel planned employee contracts. About a quarter of respondents each reported increasing paid staffing in any form (25%) or maintaining existing staffing levels (22%).

There were no differences in any staffing change category between BIPOC- or Black-led nonprofits and their white-led counterparts. However, nonprofits targeting Black communities in their programs and services were significantly more likely to report increasing staff workload over the past year, 47% compared to 30% of their counterparts who do not target these communities. They were also significantly more likely to increase paid staffing, 35% versus 22%. Nonprofits targeting BIPOC communities in general, as opposed to Black communities more specifically, were significantly more likely that their counterparts to cancel planned employment contracts and delay planned new hires.
Arts and culture nonprofits were significantly more likely to cancel planned employment contracts and reduce staff hours. Nonprofits in the smallest budget category were significantly more likely to cancel planned employment contracts and maintain existing staffing levels. Larger nonprofits were significantly more likely to delay planned new hires, increase staff workload, and lose staff due to turnover. Nonprofits that reported providing direct services in response to the pandemic in the 2020 survey were also significantly more likely to increase staff workload, lose staff due to turnover, and to a lesser extent, increase paid staffing in any form.

In open-ended comments, respondents reported additional staffing changes not specifically listed in Figure 18, including reducing contract staff and at times replacing them with volunteers, eliminating performance bonuses or other benefits like tuition reimbursement and retirement contributions, replacing full-time staff with part-time staff or interns, reducing pay for specific staff such as the Chief Executive, or increasing overtime or hazard pay.

“The way our staff has responded has been phenomenal. Staff stepped up to make sure that our youth were taken care of and that our families’ needs were met. We had staff go above and beyond to connect families to resources.”

**Anticipated Changes to Staffing over the Next Year**

Respondents were asked to share whether their nonprofit plans to increase, maintain, or reduce staffing over the next year, through the end of 2021 (n=310). Looking ahead to the next year, 42% plan to increase staffing levels, 38% plan to maintain current staffing, and just 1% (n=3) plan staff reductions; an additional 19% were unsure. Changes in staff levels made over the past year were not predictive of planned changes for the next year.
The majority of BIPOC-led nonprofits (60%) plan to increase staffing levels over the next year, compared to 38% of white-led nonprofits; there was also less uncertainty about future staffing among BIPOC-led nonprofits. Over half (55%) of nonprofits targeting BIPOC communities through their services and programs plan to increase staffing over the next year, versus 33% of their counterparts. This percentage rises to 60% for nonprofits that specifically target Black communities. Nonprofits with larger budgets were more likely to predict staffing increases, while smaller nonprofits were more likely to predict maintaining current staff. There were no differences across mission types in anticipated staffing changes.

“We are just now starting to hire for vacancies and return to the pre-pandemic plan.”

Description of Changes to Staffing Levels and Staff Experience

Respondents were asked an open-ended question about how their nonprofit’s staffing levels and staff experience have changed since March 2020. Of those who answered (n=147), just over one-third (35%, n=52) described increasing their overall staff capacity and compensation in the past year, either through hiring additional staff (27%, n=39) or increasing staff pay, hours, or benefits (12%, n=18). New staff of a variety of types (e.g., full-time, part-time, paid interns, contractors) were often funded by new grants and contributed staff capacity to expanded programming, communications (especially in the virtual realm), and development. Increases in benefits often focused on more generous sick and mental health leave during the pandemic.

“Because of the switch to remote communication, we hired a full time Community Outreach Coordinator who works exclusively on increasing our messaging and communication efforts.”

“Additional services have been contracted to help relieve some of the workload on employees.”

“We retained all staff throughout the pandemic and implemented two retention bonuses.”

“Brought all employees to living wage salaries.”

“No paid sick days are taken away when employees must stay home due to COVID-related illness.”

One-third of respondents (33%, n=49) described no net change to their staffing levels, often because the nonprofit is comprised of all volunteers, but in other cases because they were able to rehire lost staff or restore hours later in the pandemic with support from PPP funds. In some cases, the nonprofit also delayed new hires or noted they plan to add staff in the near future.
“I am delighted to say that we have kept our full staff at their full salaries with benefits.”

“We received a PPP loan that enabled us to keep all staff, but we are now struggling to keep everyone employed.”

“Our organization is all volunteer, and we have retained the volunteer pool.”

Slightly fewer respondents (28%, n=41) described reductions in overall staff capacity and compensation, either by reducing the number of staff (18%, n=27) and/or reducing staff pay (13%, n=19). Reductions to the number of staff (including contract employees) resulted from layoffs and cancelled contracts, but also turnover (not always attributable to the pandemic) and caution about replacing the lost positions with new hires.

“We have reduced staff hours and proportional pay, and have also furloughed several employees.”

“We did have to lay off employees whose roles became non-essential as our in-person events and programming disappeared. However, we did give modest pay increases to remaining staff to offset increased workload and to aid in sense of security during such a scary time.”

“All of our part-time artists and contract employees have lost the majority of their employment for the year. Our chorus, made up of part-time union employees, has not worked since March of 2020.”

Many nonprofits (16%, n=23) described shifting staff responsibilities and workloads, often adding burden on staff retained during the pandemic.

“Staff is made to pitch in more as we have not been able to fill the open positions, due to lack of funding stability.”

“We had planned on hiring a new staff member in May 2020. With fundraising uncertainty, this hire was delayed, and our two existing staff took on the workload. Our savings for this hire got us through 2020.”

Some respondents expressed optimism for new hires in the coming year (and even coming weeks) to meet increased community demand for services, at times to offset losses or delayed hires from the past year, although there is still much uncertainty in finances and the pandemic.

“We delayed new hires in 2020. We will start filling those roles in coming weeks.”

“Really need to backfill critical positions but need to ensure that there is funding certainty.”
Finances

This study explored nonprofit finances, including nonprofits’ overall annual revenues and cumulative assets reported to the IRS in recent years, the number of month’s operating expenses that could be covered by the nonprofit’s cash on hand and flexible reserve fund (if one exists) at the time of the 2021 survey, changes in total annual budget (revenues) and specific funds over the past year, and changes in receipt of specific funding sources since March 2020. This section concludes with open-ended responses sharing how nonprofits’ funding sources have changed in the past year.

Total Annual Revenues and Cumulative Assets

Table 1 displays the average and median annual revenues and cumulative assets, based on the nonprofit’s most recently available self-reported financial data in IRS Form 990 since 2018 (but before the start of the pandemic in 2020), for the following groups: the full sampling frame for the 2021 survey (n=711), all respondents to the 2021 survey for whom such data were available (n=307), nonprofits with different mission types, and nonprofits with a white or BIPOC Chief Executive. The table also displays the sum total revenues and assets for each group.

<table>
<thead>
<tr>
<th>Group</th>
<th>Average revenues</th>
<th>Median revenues</th>
<th>Sum of all revenues</th>
<th>Average assets</th>
<th>Median assets</th>
<th>Sum of all assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Sampling frame (n=711)</td>
<td>$1.87 million</td>
<td>$270,000</td>
<td>$1.36 billion</td>
<td>$2.83 million</td>
<td>$329,000</td>
<td>$2.01 billion</td>
</tr>
<tr>
<td>2021 Survey respondents (n=307)</td>
<td>$1.91 million</td>
<td>$370,000</td>
<td>$616 million</td>
<td>$2.97 million</td>
<td>$406,000</td>
<td>$913 million</td>
</tr>
<tr>
<td>Arts and culture (n=63)</td>
<td>$1.08 million</td>
<td>$347,000</td>
<td>$68.2 million</td>
<td>$3.86 million</td>
<td>$366,000</td>
<td>$243 million</td>
</tr>
<tr>
<td>Human services (n=121)</td>
<td>$1.89 million</td>
<td>$364,000</td>
<td>$239 million</td>
<td>$3.42 million</td>
<td>$355,000</td>
<td>$413 million</td>
</tr>
<tr>
<td>Other mission types (n=123)</td>
<td>$2.33 million</td>
<td>$394,000</td>
<td>$309 million</td>
<td>$2.09 million</td>
<td>$421,000</td>
<td>$257 million</td>
</tr>
<tr>
<td>White-led (n=182)</td>
<td>$1.80 million</td>
<td>$379,000</td>
<td>$327 million</td>
<td>$4.07 million</td>
<td>$476,000</td>
<td>$741 million</td>
</tr>
<tr>
<td>BIPOC-led (n=66)</td>
<td>$1.74 million</td>
<td>$552,000</td>
<td>$136 million</td>
<td>$1.67 million</td>
<td>$434,000</td>
<td>$110 million</td>
</tr>
</tbody>
</table>
In terms of mission type, arts and culture nonprofits had the lowest average and median annual revenues of the three categories, but the highest average (though not median) cumulative assets. Indeed, arts and culture nonprofits account for 21% of nonprofits in the sample, but 11% of sum total revenues and 27% of sum total assets. Nonprofits of “other” mission types are the largest in annual revenues on average, but the smallest in average assets.

White- and BIPOC-led nonprofits do not significantly differ in average revenues, but white-led nonprofits have significantly greater cumulative assets on average. Indeed, BIPOC-led nonprofits make up 28% of nonprofits in the sample, a comparable 29% of sum total revenues, and just 13% of sum total assets. These disparities are lessened for Black-led nonprofits, which are larger on average than BIPOC-led nonprofits overall. Nonprofits targeting BIPOC and Black communities are larger than other nonprofits in both revenues and assets (results not shown).

**Finances in 2021**

The 2021 survey asked respondents to share the number of month’s operational expenses covered by their current cash on hand and reserve fund, if one exists. Of all respondents in 2021 (n=271), 82% have enough cash on hand to cover at least three months’ expenses, and two-thirds (67%) have enough total cash on hand and reserves to cover at least six months’ expenses. There were no significant differences in the percentage of nonprofits meeting these benchmarks by executive race/ethnicity, mission type, or revenue category.

However, less than half of nonprofits in the sample (43% of n=292) have a reserve fund, and another 8% are unsure. About one-third of all reporting nonprofits (35% of n=253) have enough reserves to cover at least three months’ expenses in case of an emergency. Figure 19 displays the percentage of respondents with a reserve and whose reserve funds cover at least three months’ expenses, overall and by executive race/ethnicity, mission type, and revenue category.

### Figure 19: Percentage with Reserve Fund Covering Three Months, Overall and by Group

<table>
<thead>
<tr>
<th>Category</th>
<th>Reserve fund</th>
<th>Three or more months reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Respondents (n=259)</td>
<td>47%</td>
<td>35%</td>
</tr>
<tr>
<td>White-led Nonprofits (n=150)</td>
<td>49%</td>
<td>39%</td>
</tr>
<tr>
<td>BIPOC-led Nonprofits (n=72)</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Arts &amp; Culture (n=50)</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>Human Services (n=99)</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Other Types (n=104)</td>
<td>46%</td>
<td>47%</td>
</tr>
<tr>
<td>Top Third of Revenues (n=64)</td>
<td>63%</td>
<td>45%</td>
</tr>
<tr>
<td>Middle Third (n=96)</td>
<td>41%</td>
<td>34%</td>
</tr>
<tr>
<td>Bottom Third (n=64)</td>
<td>32%</td>
<td>25%</td>
</tr>
</tbody>
</table>
White-led nonprofits are slightly more likely than BIPOC-led nonprofits to have a reserve fund at all or covering three months’ expenses. Likewise, 38% of Black-led nonprofits (n=64) have a reserve, and just 25% of them (n=61) can cover three months’ expenses with this fund. Arts and culture nonprofits are slightly more likely than other mission types to have a reserve. Nonprofits in the largest revenue category are significantly more likely than smaller nonprofits to have a reserve fund at all or covering three months’ expenses.

Changes in Finances in the Past Year

Over half of nonprofits overall (52% of n=293) reported their total annual budget (revenues) decreased since March 2020; another 24% reported maintaining their budget, 21% increased their budget, and 3% are unsure. Arts and culture nonprofits were significantly more likely than other mission types to report a budget decrease (72%), and less likely to report a budget increase (11%). Likewise for the smallest category of nonprofits (63% decrease and 16% increase). BIPOC-led nonprofits were more likely to report a budget increase (32%) and less likely to report a decrease (45%) versus white-led nonprofits (19% increase and 57% decrease); results were similar for Black-led nonprofits, and those targeting BIPOC and Black communities.

Figure 20 displays the breakdowns of operating months of cash on hand, reserves, and the combined total in 2020 and 2021, for respondents to both surveys (n=158). By 2021 a greater percentage of nonprofits had at least three months of cash on hand (79% to 65%), reserves covering three months (32% to 24%), and total funds covering at least six months (63% to 45%).

Figure 20: Percentage with Months of Cash on Hand, Reserves, and Combined Total (n=158)
Indeed, in 2020, 32% of nonprofits in the matched sample had a reserve fund, compared to 40% in 2021. In the past year, 22 nonprofits gained a reserve fund, while 12 expended their reserves. Likewise, from 2020 to 2021, 55% of nonprofits increased their cash on hand (versus 28% that reduced cash on hand), 26% increased their reserves (versus 13% that reduced reserves), and 19% increased both (versus just 5% that reduced both). Almost one-tenth of the matched sample (9%, n=13) drew from reserves to maintain or increase cash on hand. Overall, the average months covered by cash on hand, reserves, and the combined total all increased significantly from 2020 to 2021, by one month of cash and reserves, and 2.5 months total.

It appears that certain budget adjustments helped nonprofits increase cash on hand and reserves in the past year despite the majority reporting a decrease in their overall budget. Almost two-thirds (65%) of nonprofits that reduced their staff FTEs were able to increase the number of months covered by cash on hand. Likewise, nonprofits receiving a grant from a private foundation were significantly more likely to increase their cash on hand, and those receiving federal PPP funds were significantly more likely to increase both cash and reserves, whereas their counterparts lost months of operating expenses in both categories on average.

In 2020, BIPOC-led nonprofits had significantly fewer months of cash on hand on average (4 versus over 6 months for white-led nonprofits). Over the past year, BIPOC-led nonprofits significantly increased their average months of cash on hand, reserves, and the combined total, although white-led nonprofits increased in all three areas as well, less on average in cash on hand, but more in reserves and the combined total. While the disparity in cash on hand was reduced by 2021, BIPOC-led nonprofits nonetheless had fewer combined total months this year (9.5 versus 12.5 months), a difference driven in large part by fewer months of reserves (by almost two months on average). This disparity in 2021 was greater for Black-led nonprofits.

**Changes in Funding Sources**

In the 2021 survey, nonprofits reported whether they received any funds from a list of common nonprofit funding sources, both before and since March 2020. Results are displayed in Figure 21. Private foundation grants and individual donor campaigns were the most common nonprofit funding sources both before and since March 2020, with roughly three-quarters receiving some amount of funding from each. Other funding sources mentioned in open-ended comments included membership dues, individual donations not part of a campaign, and matching or in-kind gifts.

The percentage of nonprofits receiving every funding source decreased since March 2020, except for federal Paycheck Protection Program (PPP) or other Small Business Administration (SBA) funds, which increased dramatically in the past year due to the CARES Act and other federal stimulus in response to the pandemic. Corporate sponsorships showed the largest decrease in the past year, followed by lines of credit (possibly replaced by PPP funds) and fee for service contracts. From 2020 to 2021, one-fifth (20%) of nonprofits lost at least one funding source overall, 36% maintained the same number of funding sources, and the remaining 44% gained at least one new funding source.
Prior to March 2020, BIPOC- and Black-led nonprofits received funds from fewer total sources on average than their white-led counterparts, but that disparity was reduced in the past year. Since March 2020, BIPOC-led nonprofits are more likely than white-led nonprofits to have received a private foundation grant (84% to 74%), whereas equal percentages of the two groups received grants prior to that (82% each). Results were similar for Black-led nonprofits.

Likewise, in the past year, BIPOC- and Black-led nonprofits reduced but did not totally eliminate disparities with their white-led counterparts in receipt of individual donor campaigns and corporate sponsorships, through a combination of BIPOC- and Black-led nonprofits’ gaining these sources at greater rates, and white-led nonprofits’ losing them. However, BIPOC-led nonprofits were significantly less likely to receive federal PPP funds (60% versus 78%); this disparity was slightly more pronounced for Black-led nonprofits (57% versus 78%).

Nonprofits targeting BIPOC and Black communities through their programs and services were more likely to receive private foundation grants at both time points than their counterparts, although all groups lost grants overall in the past year. There were similar patterns for government grants, fee for service contracts, and earned income. BIPOC- and Black-targeting nonprofits were more likely to gain individual donor campaigns and especially corporate sponsorships in the past year. These groups did not differ in receipt of PPP funds.

Arts and culture nonprofits were more likely than other mission types to lose at least one funding source since March 2020. Nonprofits with larger budgets were more likely to receive funding from every source listed in both periods, and especially PPP funds in the past year, but with the exception of individual donor campaigns. Donor campaigns in either period are associated with a nonprofit’s greater likelihood of having a reserve fund. Receipt of campaigns increased a nonprofit’s chances of increasing staffing FTEs in the past year, while receipt of private foundation grants helped nonprofits increase their budgets since March 2020.
“Our decision to pivot operations in the wake of COVID resulted in over 200 clients from around the world receiving mental health and self-care services. Luckily, that decision also attracted financial support from local and national foundations.”

**Description of Changes in Funding Sources**

Respondents were asked an open-ended question about how their nonprofit’s funding sources have changed since March 2020. Of those who answered (n=140), about half experienced a reduction in overall funding (49%, n=69), especially from lost grants due to shifts in funder priorities and the economic downturn caused by the pandemic, as well as lost earned income, corporate sponsorships, donations, and membership fees from programs and events cancelled due to the nationwide shutdowns and social distancing measures for COVID-19.

“If our expected earned income this fiscal year has almost completely disappeared, due to our inability to present performances.”

“We lost some corporate sponsorships due to the festival being cancelled and others due to the virtual format. We are seeking new funding from grants and sponsors related to online events.”

“We depend on sponsored fundraiser events with large crowds to fund our project. The pandemic dangers have halted our fundraising.”

A common hurdle encountered by many was difficulty remaining eligible for previous grants or acquiring new grants.

“We have lost out on grants for two reasons. One, we were unable to do the programming that was required of the grant. Two, our grantmakers shifted their support to deal with direct COVID-19 issues.”

“Other regularly received grants have been awarded at significantly lower amounts. The competition for larger national and government grants seems especially tough as we have not had success with emergency response or general operations grants from these groups.”

Almost a quarter of respondents (24%, n=33) described a shift in their mix of funding sources, losing some while gaining new sources, especially PPP or other federal loans and funds. Some questioned the longer-term sustainability of new funding sources.

“While the overall amount of our income has relatively stayed the same, there have been shifts in specific revenue-generating areas. Our earned income has been significantly reduced, but our grant income has increased. Our individual giving appears to be on track with our campaigns last year. While the donations have been smaller, we have experienced a significant increase in the number of donors.”
“We were unable to hold our annual fundraiser and relied heavily on the PPP to fill the shortfall.”

“We were HEAVILY dependent on revenue from special events and have had to diversify since March 2020. Thankfully, we had enough awareness and trust within the community to grow revenue WITHOUT our annually scheduled special events. However, we are unsure the amount of newly acquired support that may be sustainable.”

“We have to ask twice as much just to keep up with previous levels. Donors are being quite generous but are getting fatigued.”

In contrast, there were some respondents who experienced an expansion in funding (18%, n=25), due to a combination of new grants supporting COVID-19 response or other emergent needs, new or increased donations, and PPP and other federal funds.

“Increase in funding related to COVID-19 preparations, testing, and vaccines.”

“Because of the impact on small businesses – specifically Black-owned businesses – our organization was an attractive target for philanthropic funding.”

“The organization received funds from new donors to address the issues of racial injustice.”

“We have received both the first and second round of PPP funding. This funding has allowed us to extend a foundation grant back to 2023 which will make it easier for us to continue to grow.”

A select few saw no change in their funding sources over the past year. While some of these nonprofits were optimistic about an increase in funds in the coming year, others were concerned about their ability to sustain current grants up for renewal in the near future.

“Anticipate potential future changes with likely increased federal investments for public health and related work with the new administration.”

“We had a couple multi-year grants prior to the pandemic that carried us through. However, those will be needing renewal or replacement in the future, and our leadership is working to proactively prepare for those needs.”
Collaborations and Capacity-Building Needs

Finally, the study explored nonprofit collaborations – including the types of organizations nonprofits partner with and kinds of activities engaged with them, as well as their interest in pursuing new collaborations – and their expressed capacity-building needs. This section concludes with open-ended responses sharing more information about nonprofits’ prioritized capacity-building needs. In the survey and throughout this section, “partners” are defined as organizations with which the nonprofit has a formal agreement, such as a written memorandum of understanding (MOU) or contract. However, one respondent noted that they often partner informally, and this may be true of many nonprofits in the regional sector.

Types of Partners and Partnership Activities

Almost all respondents to the 2021 survey (91%, n=262) reported a formal partnership with at least one type of partner. Table 2 displays the percentage of total respondents reporting at least one partner type and partnership activity (n=258) that engage with each kind of activity with each type of partner organization listed in the survey. Other types of partnership activities identified in the survey include co-writing grant proposals and subcontracting funds, supporting partner programs through in-kind donations, strategic planning and organizing, shared professional development, sharing building space (including new construction costs), conducting joint research, case management, and collaborating on disaster response efforts.

Table 2: Percentage Engaging in Each Activity with Each Type of Partner (n=258)

<table>
<thead>
<tr>
<th>Partner Types</th>
<th>Joint programs</th>
<th>Fund-raising</th>
<th>Sharing resources</th>
<th>Advocacy</th>
<th>Sharing referrals</th>
<th>Sharing back-office support</th>
<th>Any Activity Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other nonprofits</td>
<td>67%</td>
<td>43%</td>
<td>43%</td>
<td>43%</td>
<td>40%</td>
<td>11%</td>
<td>88%</td>
</tr>
<tr>
<td>Businesses</td>
<td>50%</td>
<td>39%</td>
<td>33%</td>
<td>33%</td>
<td>31%</td>
<td>9%</td>
<td>68%</td>
</tr>
<tr>
<td>K-12 schools</td>
<td>46%</td>
<td>27%</td>
<td>30%</td>
<td>23%</td>
<td>25%</td>
<td>8%</td>
<td>56%</td>
</tr>
<tr>
<td>Local government</td>
<td>38%</td>
<td>25%</td>
<td>26%</td>
<td>31%</td>
<td>29%</td>
<td>7%</td>
<td>50%</td>
</tr>
<tr>
<td>Higher education</td>
<td>37%</td>
<td>26%</td>
<td>27%</td>
<td>26%</td>
<td>24%</td>
<td>6%</td>
<td>47%</td>
</tr>
<tr>
<td>Congregations</td>
<td>31%</td>
<td>21%</td>
<td>22%</td>
<td>25%</td>
<td>24%</td>
<td>5%</td>
<td>42%</td>
</tr>
<tr>
<td>State government</td>
<td>33%</td>
<td>21%</td>
<td>21%</td>
<td>27%</td>
<td>26%</td>
<td>6%</td>
<td>42%</td>
</tr>
<tr>
<td>Federal government</td>
<td>27%</td>
<td>17%</td>
<td>16%</td>
<td>22%</td>
<td>23%</td>
<td>5%</td>
<td>34%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>21%</td>
<td>12%</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>4%</td>
<td>26%</td>
</tr>
<tr>
<td>Any Partner Type</td>
<td>69%</td>
<td>48%</td>
<td>48%</td>
<td>45%</td>
<td>41%</td>
<td>11%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Nonprofits most often partner with other nonprofits for all partnership activities identified, and especially for providing joint programs, which is the most common activity overall. Businesses are the second most popular type of partner for nonprofits in the sample, followed by K-12 schools. Hospitals and the federal government are the least common types of partners. Sharing back-office support is the least common activity engaged with partners across all types listed.
BIPOC-led nonprofits reported significantly more types of formal partners on average (5 versus 4), and significantly more kinds of partnership activities (3 versus 2.5), compared to white-led nonprofits. Results were similar for Black-led nonprofits. Specifically, BIPOC- and Black-led nonprofits are significantly more likely to partner with congregations and faith-based organizations, state and federal government, institutions of higher education, other nonprofits, and, to a lesser extent, businesses. BIPOC- and Black-led nonprofits are also significantly more likely to engage in advocacy for policy change and sharing client referrals with partners.

Likewise, nonprofits targeting BIPOC and Black communities through their programs and services reported significantly more types of formal partners and kinds of partnership activities on average, compared to their counterparts. These differences span all partner types, and all kinds of activities except fundraising.

Human service nonprofits have more types of partners on average, and especially more partnerships with congregations and all levels of government, compared to other mission types. Nonprofits with larger budgets also have more types of partners on average. Partnerships, especially those with congregations, all levels of government, other nonprofits, and hospitals, are associated with a nonprofit’s greater likelihood of increasing its staffing FTEs and increasing or maintaining its budget over the past year.

“Without an increase in overhead, and with trusted partnerships and support in place, we were able to significantly increase our community impact since March 2020.”

**Interest in Pursuing New Collaborations**

The majority of nonprofits responding to the 2021 survey (62% of 231 total respondents to the question) indicated they plan to pursue an additional collaboration in the future; only 6% do not, while the remaining one-third (33%) are unsure. Nonprofits pursuing a new collaboration have significantly more existing partnerships, with an average of 5 types of partners versus only 2 for nonprofits not interested in a new collaboration. Nonprofits engaging in advocacy or joint programming with partners are more likely to seek additional collaborations.

BIPOC- and Black-led nonprofits are more interested in pursuing an additional collaboration than white-led nonprofits, 74% versus 61%. Likewise, nonprofits targeting BIPOC and Black communities are more likely to pursue a new collaboration, 78% compared to 49% of their counterparts. There was no difference in nonprofits’ interest in a new collaboration by their mission type. However, nonprofits with smaller budgets are more unlikely to pursue an additional collaboration or more likely to be unsure.

“Looking to establish deeper relationships to build a coalition for broad-based equitable policy change.”

“We are always looking for better ways to collaborate.”
**Capacity-Building Needs**

Survey respondents were asked to identify the top three areas in which their nonprofit is most in need of training or capacity-building, in any order, from a list of 17 categories. Figure 22 displays the results for all respondents (n=282). The most common area identified was fundraising, followed by writing and researching grant proposals. Indeed, one-fifth of nonprofits (20%, n=57) identified both of these areas as two of their top three greatest capacity-building needs.

**Figure 22: Percentage Indicating Capacity-Building Needs in Each Area (n=282)**

BIPOC-led nonprofits were significantly more likely than white-led nonprofits to identify capacity-building needs in advocacy (15% versus 6%), and less likely to indicate having no needs (0% versus 5%). On the other hand, white-led nonprofits were significantly more likely to identify training in diversity/equity/inclusion (DEI) as a need (26% versus 10% of BIPOC-led nonprofits). Results were similar for Black-led nonprofits specifically. For context, in terms of the nonprofit’s age since founding, BIPOC-led nonprofits are younger than white-led nonprofits by almost 5 years on average, for an average age of 22 years between founding and early 2021.

Nonprofits targeting BIPOC and Black communities were significantly more likely to identify capacity-building needs in advocacy, program evaluation, and human resources, and, to a lesser extent, leadership development and succession or transition planning. Nonprofits with larger budgets identified greater needs in advocacy, DEI, human resources, and leadership development, and are older on average. Smaller nonprofits were more likely to indicate needs in fundraising and writing grant proposals, but they were also the least likely to need any support. There were no differences in capacity-building needs by the nonprofit’s mission type.
“We’ve certainly learned that you spend so much time planning, but there will always be things you can’t plan for or anticipate.”

**Description of Capacity-Building Needs**

Nonprofits were invited to provide comments explaining their greatest capacity needs and the kinds of support that would be most helpful to them at this time; 132 did so, elaborating on the capacity-building areas discussed above. These areas are grouped into related themes and discussed below with reference to examples and quotes provided by respondents.

First, in terms of their process for prioritizing specific needs, some respondents shared that their top three capacity-building needs are closely intertwined and all focused on the nonprofit’s long-term financial sustainability, and another wrote the following:

“My selections reflect areas where we do not have resources or expertise on our board or through our current partnerships.”

In the areas of **fundraising and writing and researching grant proposals**, many respondents noted they lack professional fundraising, grantwriting, and/or development staff and expertise.

“We mostly need funding and a team with experience to generate funding through grants and high level strategic donors/sponsors. We have a motivated group but need to start paying people.”

Such expertise is especially important as nonprofits seek out creative ways of replacing lost event income and plan for longer-term sustainability.

“In 2021, we are moving away from events. Therefore, we need to develop a fundraising strategy that helps us raise development revenue in more creative ways.”

Respondents are particularly seeking connections to private foundations and grant opportunities.

“Our greatest need is funding. We would love any advice on grants/foundations to apply to. We are continually applying, but need more leads.”

“Access to funders and decision-makers, or trainings on how to build those relationships, would be very helpful.”

Some respondents voiced a specific need for unrestricted and multi-year grants providing flexibility and stability for their budgets.
“We are a Black-led nonprofit that experiences the same barriers to access to funding as other Black-led nonprofits. The greatest capacity-building you can do for us is facilitate our access to unrestricted dollars and help us get on a path to mission-driven sustainability.”

However, respondents also need support with other types of fundraising strategies to expand their funding sources and geographic reach.

“Fundraising, especially in regards to individual donors and corporate sponsors, is an area that we desperately need to grow.”

“We need help expanding our view of fundraising BEYOND New Orleans, looking to national and international funders to support our work.”

Some respondents explained how fundraising relates to other concerns, such as developing new partnerships and collaborations.

“It is easy to find partners when all parties involved can bring resources to the table. Therefore, fundraising is and will continually be of upmost importance.”

In the areas of strategic planning and program evaluation, respondents explained how this is a critical time for establishing their nonprofit’s strategic direction or refreshing existing plans.

“Our program staff is continuing to move forward, but without a strategic plan, the direction is more reactive than responsive.”

However, strategic planning processes need to evolve to match the uncertain and turbulent post-pandemic landscape.

“Strategic planning is a continual function but now must be modified for the new and unanticipated external realities.”

“Often, nonprofits spend an abundance of time and resources going through a strategic planning process that ultimately creates a plan that is outdated or otherwise un-actionable due to changing and unpredictable conditions. How might nonprofits create better, more adaptive strategic plans that allow for greater flexibility?”

Effective strategic planning, in turn, connects to program evaluation to enhance services as well as fundraising efforts.
“This is a critical time for us to ensure we are being strategic and also evaluate areas of strengths and areas that are places we need to improve our organization to meet the increased demand for our training and services.”

“Our organization does work that is difficult to measure well, and as such we’ve struggled to raise the funds we need to thrive and grow. We have new leadership now and will be working to implement a new strategic plan and overhaul our operations, programming, and communications to better meet community needs. We know the key to communicating our impact is first to capture it, and could use capacity there.”

Support for both planning and evaluation may include funds and leads for hiring consultants, as well as trainings for building internal staff capacity to plan and implement these activities.

“We could use support for training staff on program evaluation and for a short-term consultant to provide feedback on our evaluation systems and processes.”

“We often rely on external evaluation consultants to assess the impact and effectiveness of our programs; our department leads would benefit from evaluation training to acquire skills that they can use to evaluate their programs and reduce reliance on external parties.”

In the area of diversity/equity/inclusion (DEI), some respondents explained that equity work has been ongoing for their nonprofit, but that it demands consistent effort and guidance.

“We are working towards living up to our core value of equity as an institution. We are making progress but need to delve deeper into the more systemic imbalances that may/probably exist.”

“I think most organizations can use equity and inclusion training, even when they think their programs are diverse.”

Other respondents shared that their nonprofit is in earlier stages of prioritizing DEI.

“At this point, we do not have anything formal regarding DEI. It’s not that we do not recognize the need, it’s that we spend a significant portion of our time dealing with crisis. It would be helpful to have materials as well as guidance catered to our organization for DEI.”

“As our DEI work is very new to the organization, we are in need of training and have not budgeted for these expenses. Assistance with developing and implementing a training and workshop series would be extremely helpful to our organization.”
Others echoed the need for designated funding and infrastructure to sustain their focus on DEI.

“We know that this work requires a financial investment and sustained effort, and we want to set up the DEI committee for success and make inclusion a part of our organizational culture.”

A key element of this work is increasing the diversity of board member and service recipients.

“We would really like to attract more diverse board members.”

“We need to better adapt to newer fundraising techniques and adapt our programming to reach wider audiences, thus increasing diversity.”

In the areas of board governance, leadership development, and succession or transition planning, respondents noted that the last year has created challenges and rapid change, placing more demands on the board and requiring continued board development.

“While I would say staff are more engaged through COVID, board have felt more distant and unsure of their role.”

“We need help to keep our board members aware and informed of nonprofit governance and operational norms as we change and grow.”

In particular, training for board members is needed.

“Our board is passionate and willing to do work, but untrained.”

Such training, including in fundraising skills, is especially important due to high board turnover.

“All seats on the new governing board will be filled by newly elected members.”

“Governance training will always be needed as part of our onboarding and education for new board members.”

Executive transitions are also on the horizon for many nonprofits.

“We are about to transition my role and bring in a new Executive Director and feel we could use all the support we can get for executing that well.”
In the areas of technology infrastructure and virtual operations and programming, several respondents, and arts and culture nonprofits in particular, noted the challenges of pivoting to virtual work in the past year and acknowledged they will need to continue to operate virtually.

“With all of the technological changes of the past year, we need funds to update our website and technology platforms in order to provide more recorded/streamed online performances in a meaningful way and therefore be able to provide income for artists...keep the music playing.”

Nonprofits need training to adapt to this new virtual context and maximize use of existing technologies, including for online fundraising and communications.

“COVID-19 has demonstrated the need to operate and perform in the digital world, and [our nonprofit] welcomes any virtual training to improve the organization's communication to its potential funders, residents, businesses, and other non-profits.”

“Other than basic Zoom functions, we do not have many means or knowledge of how to better use our virtual resources.”

Nonprofits also need funding and support to develop and streamline their technology infrastructure, including both software and hardware, which is often “stitched together” and reliant on varying staff equipment and know-how.

“We do not have a budget for an IT person/consultant. We believe we have made some wise technology investments, but we are not certain the several investments complement each other as we would hope.”

“We could also use an upgrade to all of our computers, and we are trying to do this in a way that is not too expensive.”

In the areas of partnering and collaboration and mergers, respondents expressed awareness of the importance of collaborating in areas like service delivery and fundraising.

“Since our inception, we've learned that no one organization has the magic bullet to solve the ailments of New Orleans youth. It is a priority for us to continue to develop partnerships to provide wrap-around services.”

“I believe our fundraising efforts would be more successful if we could partner and work more with other non-profits and local corporate businesses. Having knowledge of how to better connect and work with these groups would help tremendously.”
Nonprofits hope to leverage new partnerships to expand their demographic and geographic reach and build coalitions to further their mission and advocacy efforts. However, many lack the staff capacity, knowledge, “seed funding,” and connections to pursue new collaborations, especially those crossing sectors to work with for-profit businesses, K-12 schools and universities, and government.

“We need capacity funding to facilitate those discussions necessary to joint planning.”

“Nonprofits are often assumed to be in a position of deficit or disadvantage when partnering with for-profit or funding entities, even though they may provide valuable, mutually beneficial services for those entities and the greater community. How can nonprofits better leverage the value they create in ways that encourage and hold partners accountable?”

“The next step in our work to envision a world without youth prisons is to build multi-disciplinary public systems partnerships through our seats on major decision-making tables. It’s imperative that youth-serving public systems come together to work effectively for better life outcomes for youth of color.”

Some respondents mentioned the need for more information on mergers to determine how they differ from other types of collaboration and whether to pursue one.

“I wanted to check both partnerships and mergers because I think part of the capacity-building need is to determine when to collaborate, when to partner, when to merge.”

“We could use additional info on how best to explore possible mergers/acquisitions, especially given the multiple closures or downsizing that fellow nonprofits are and will continue to experience.”

“Looking at the crowded landscape of non-profits, I think learning more about if there is value in mergers is a timely and good topic I would like to hear more about.”

In the operational areas of financial management and planning, human resources, and legal and insurance matters, nonprofits – and especially relatively small and young organizations, or those recently expanding – need support formalizing internal policies and processes.

“Although we have some expertise in Human Resources on our Board, there is not a trained professional on our staff, and an overview of all of our policies and manuals would be welcome.”
“We could use help with processes; for example, creating systems for all accounting processes, grant tracking, and follow up.”

“Like a lot of small nonprofits, we all wear many hats. Sometimes those hats don’t fit.”

“With four chapters across the state, team cohesion and workflow is our greatest challenge.”

Financial management needs were especially prevalent, as nonprofits prepare for financial audits and try to build reserve funds.

“One of the greatest needs of the organization that has arisen is increased sustainability, which I think could be benefited by greater awareness of common financial practices to ensure this.”

Lastly, in the areas of strategic communications and advocacy, respondents described a need to broaden their public communications to increase awareness of their causes and impact.

“One area we have never really succeeded in or have the know-how is getting our vision and contributions out to the community. Really, what we want to learn is, being the size that we are, what communications matter and which do not? Or which ones should we grow and to what end?”

Some nonprofits also lack the capacity to implement advocacy efforts.

“We recognize the criticality of advocacy, but just don’t have the staff bandwidth to effectively address it.”

“We’d like to build our capacity across the staff to participate in advocacy work, and to learn about and engage in efforts locally and regionally.”

“Advocacy is one of our three pillars, but we do not have the communication pathways open for effective implementation.”
Conclusion

This study took a close look at the state of the nonprofit sector in Southeast Louisiana in winter 2021 through two lenses: 1) the sector’s adaptability since the advent of the pandemic in spring 2020; and 2) racial equity within the sector’s leadership, with implications for outcomes and the sector’s capacity to deliver culturally competent services in a time of need. The robust survey data suggest the following trends confronting the sector in 2021 and beyond.

First, in terms of sector-wide adaptability to pandemic:

1. Nonprofits in Southeast Louisiana are adaptive, but they need sustained support. Nonprofits appear to be in a better short-term financial position than in 2020. That said, more than half decreased their budget, and less than half have a reserve fund. Receipt of all funding sources declined. How did many nonprofits improve their financial position despite budget cuts? The short answer is a combination of PPP loans, and staffing reductions that helped nonprofits reduce operating costs and stretch funding.

2. Arts and culture nonprofits were particularly hard hit by the pandemic in terms of staffing reductions and budget cuts. Overall layoffs in the regional sector are estimated at more than 10% of nonprofit staff FTEs sector-wide, but they are even higher for arts and culture nonprofits, which are also most likely to have experienced a budget decrease. Arts and culture nonprofits have likewise been hardest hit nationally.12

3. Nonprofits serving BIPOC – and especially Black – communities have been particularly adaptive to expand services to their target populations at a time of need, but the workload has been hard on staff. These nonprofits were more likely to expand services, and while they were also less likely to cut staff, their staff workload increased nonetheless. In other words, they rose to the challenge of serving people disproportionately harmed by the pandemic.

4. Nonprofit leaders have an array of capacity-building needs, and they intersect around finances, continued adaptation, and collaboration. The greatest capacity-building needs expressed by survey respondents were in fundraising and grant writing, but many acknowledged how other capacities contribute to financial sustainability. A majority (62%) plan to pursue new collaborations, but many of them need guidance and support.

Next, in terms of racial equity within the regional nonprofit sector:

1. The nonprofit sector in Southeast Louisiana suffers from a racial leadership gap. Just over half (56%) of the inhabitants across Southeast Louisiana are white, while closer to 70% of nonprofit Chief Executives and Board Chairs are white. The gap is larger within
arts and culture nonprofits. The demographics of the regional nonprofit sector’s leadership have changed little since a comparable study almost a decade ago.13

2. **Talent exists in the senior ranks of nonprofits to reduce that gap, if those aspiring leaders have opportunities to advance.** The greater racial diversity among senior management is a hopeful sign. Nonprofits appear to be making meaningful progress towards incorporating more diversity, equity, and inclusion into their work, including in recruitment and hiring, but more urgency is required. In turn, nonprofits with BIPOC and Black executives develop more racially diverse staff and boards, further accelerating DEI.

3. **Racial representation in nonprofit leadership translates into services and strategies that are responsive to BIPOC communities and focused on addressing root causes of racial inequities.** BIPOC- and Black-led nonprofits are more likely to direct services towards BIPOC, Black, and other marginalized communities, which have been subject to inequities and disproportionately harmed by the pandemic.14 These nonprofits are also more likely to advocate on behalf of their constituencies through grassroots advocacy and community organizing. They are committed to advancing racial justice.

4. **BIPOC- and Black-led nonprofits continue to lack equitable access to capital.** Coming into the pandemic, these nonprofits faced existing disparities in accumulated assets, financial cushion in terms of reserves and cash on hand, and access to diverse funding sources. Although the philanthropic focus on racial equity over much of the past year has somewhat reduced these disparities in important areas, BIPOC-led nonprofits were less able to secure critical PPP funds from federally backed banking institutions.

5. **More – and more flexible – funding continues to be necessary for BIPOC- and Black-led nonprofits to meet the steep demand for their services now and going forward.** These nonprofits reported increased community demand for their services and a need for more staff and partnerships to meet the continued demand in the future. While adaptations and, at times, staff reductions, helped to stretch resources, operating on thin margins and staff passion is not sustainable. More financial support is essential.

The nonprofit sector in Southeast Louisiana overall has proven to be adaptive. Passionate and responsive nonprofit leaders of all backgrounds are making ends meet and delivering critical services when they are needed most. While most nonprofits have survived – and many have even thrived – in the past year, the sector’s financial health is tenuous.

So is the progress made by BIPOC- and Black-led nonprofits in reducing disparities facing both their organizations and the communities they serve. The accelerated commitment to racial equity from 2020 needs to extend into 2021 and beyond and expand if our region is going to institutionalize deeper structural changes to address longstanding racial inequities.
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ENDNOTES


3 Demographics of the region’s inhabitants were calculated from the United States Census Bureau’s 2019 American Community Survey (ACS), available here: https://censusreporter.org/. Data were aggregated across the region’s 13 parishes, including two MSAs and three additional parishes not belonging to an MSA.

4 https://www.merriam-webster.com/dictionary/BIPOC


14 See https://www.datacenterresearch.org/ for timely and relevant analysis of the COVID-19 crisis in Southeast Louisiana, and inequities in the region across multiple domains