

## Nonprofit Success? It's a Matter of Black and White

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Rarely in matters related to race can the issues be boiled down to contrasts between black and white. Typically, there are shades of gray that add nuance as to why situations are as they are and we find ourselves debating in those blurred lines.

That blurriness is about to gain clarity with a new report recently released by the Philadelphia African American Leadership Forum (PAALF) looking at the disparity between African American-led nonprofits and their mainstream counterparts as it relates to funding, sustainability, obstacles of the past and opportunities for the future.

In 2013, the PAALF, with funding from the United Way of Southeastern Pennsylvania and Southern New Jersey, commissioned a study of African American-led nonprofits in Philadelphia to understand whether the experiences and needs of African American-led nonprofits in Philadelphia differed in important ways from white-led nonprofits.

The study included a survey of 145 Executive Directors or CEOs (“EDs”) of human service-oriented nonprofits in Philadelphia, two focus groups with African American EDs, and four interviews with local funders. Of the survey respondents, 74 are African American (51 percent), 63 are White (43 percent), and 8 are another race/ethnicity (6 percent). Those survey findings were compared between African American and White EDs to uncover similarities and differences in their experiences and organizations.

What we found was enlightening.

While running any nonprofit (regardless of who is at the helm) is tough, black-led organizations struggle more than their white-led counterparts and typically have fewer resources to do so. The study found that organizations led by African Americans are smaller, as defined by the number of staff and volunteers. African American-led organizations have fewer cash reserves and are more dependent on government grants than white-led organizations. These findings regarding cash reserves and government funding may make African American-led organizations

more vulnerable to recessions and changes in government, and thus more financially precarious than white-led organizations.

Knowing the differences is not as important as what we do about the differences.

Regardless of the challenges, our city has tremendous, talented and determined nonprofit organizations led by African American leaders, doing terrific work. However, as a city, we must be intentional about our commitments to diversity and inclusion if things are going to change.

The recommendations coming out of the report show us a clear course of action to honoring our diverse sector and building greater inclusion.

First, PAALF will need to work with funders and intermediaries to ensure that all African American led nonprofits have adequate access to technology and are using data collection resources well so that they can demonstrate their impact. This kind of capacity building combined with professional/leadership development initiatives for ascending and emerging African American nonprofit leaders will help make our organizations sustainable and effective.

Secondly, our research revealed that African American led nonprofits are operating in relative isolation and lack the social capital necessary to position our organizations for funding or simply afford our leadership access to influential individuals in the city. The PAALF will be deliberate in promoting more collaboration and engagement among African American led nonprofit leaders and the regional philanthropic community.

Our study also uncovered that while there is a pool of African American talent, there is no pipeline for leadership, especially among those African American senior or middle management professionals working in majority led organizations. To that end, PAALF will work with CEOs and HR staff at majority led nonprofits to ensure that all African American senior and middle management staff are afforded appropriate and consistent professional development opportunities required for upward mobility.

But none of this will be successful without changes in how we recruit and employ African American nonprofit talent.

With that, PAALF will promote a nonprofit hiring policy similar to the NFL's "Rooney Rule" whereas every available leadership position in the philanthropy and nonprofit sector must solicit the PAALF for qualified African American candidates

for consideration and be guaranteed interviews. We will create, cultivate, and manage a talent data base comprised of African American nonprofit senior level managers and executive directors and partner with employers and/or search firms in the nonprofit and philanthropic sectors to place qualified candidates in available leadership.

In addition, by promoting philanthropy in the African American community, like the Black Philanthropy Network of Philadelphia, to develop “Giving Circles” in an effort to support high priority issues confronting our community, we can pool our resources to combat community issues.

Further, the PAALF will develop, cultivate, and manage a talent database comprised of prospective African American board candidates with skills in business development; fiscal management; and wealth creation, and match these prospects with African American led nonprofit organizations. PAALF will also work to ensure that more African-Americans are represented on majority white boards in an effort to cultivate leadership.

Ultimately, these efforts will build a stronger and more vibrant nonprofit sector, one where leaders of African American-led organizations will be able to access the full wealth of opportunities, networks, resources and tools they need to do the important and impactful work they do in the communities that depend on them.

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