

Capacity Building Across the Region: Needs and Opportunities

*Coordinated Capacity Building Initiative
Presentation*

September 18, 2024

OVERVIEW OF PHASE 1 PROCESS & DATA

Background

Origins of the Coordinated Capacity Building Initiative

- ▶ Three sets of findings on capacity building
- ▶ Presented at 2023 Philanthropy Network convening
- ▶ 13 local funders came together to explore ways to collectively, accessibly, and equitably support nonprofits in the region
- ▶ Goal: To enable the funding community to understand what a more fully supported, equitable, and coordinated system might look like and the role funders should play.

Our Consulting Team



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Our Approach



PHASE ONE

Data Collection



PHASE TWO

Theory of Change
Process



PHASE THREE

Implementation and
Evaluation Plan

Phase 1 Goals

Gather funder, nonprofit, and capacity building provider perspectives on:

- ▶ How capacity building is defined
- ▶ Gaps and opportunities in the capacity building landscape
- ▶ What a more fully supported, equitable, and coordinated system might look like and the role funders should play

Our Methods

Participants & Sources of Data (2023)

- ▶ **The Pew Charitable Trusts** - 44 participants, including 24 nonprofit leaders across Pew Philadelphia funded programs, and 20 national and local funders and TA providers (*Poling Consulting and Yoder Consultancy*)
- ▶ **ImpactED** - Insights from a variety of internal evaluations over the last year across programs (*ImpactED*)
- ▶ **Foundation for Delaware County** - 61 nonprofit professionals in various roles representing organizations of varied sizes and types, representing varying areas of Delaware County, issue areas, and budget sizes (41% with budgets under \$500K) (*Stamm Consultancy, Inc.*)

Our Methods

Participant & Sources of Data (Phase 1)

- ▶ **Nonprofit Focus Groups**
 - ▷ 3 Focus Groups with 15 Participants
 - ▷ Mix of counties, organizational size and focus
 - ▷ Mix of BIPOC and white-led organizations
- ▶ **Survey of Capacity Building Providers** - 49 Responses
- ▶ **Review of coordinated and collaborative capacity building models** locally and nationally
- ▶ **Survey of Funders** - 41 Responses
- ▶ **Interviews with 7 local funders**



IDENTIFYING & ENGAGING WITH THEMES

Setting the Stage: Defining Capacity Building & The Role of Fundors

When funders bolster the entire ecosystem... they're not just helping individual groups – they're laying the groundwork for transformative, lasting change in our neighborhoods. By championing capacity building, funders can attract more resources and partners to the cause. It's a ripple effect that turns grant dollars into catalysts for thriving, equitable communities.

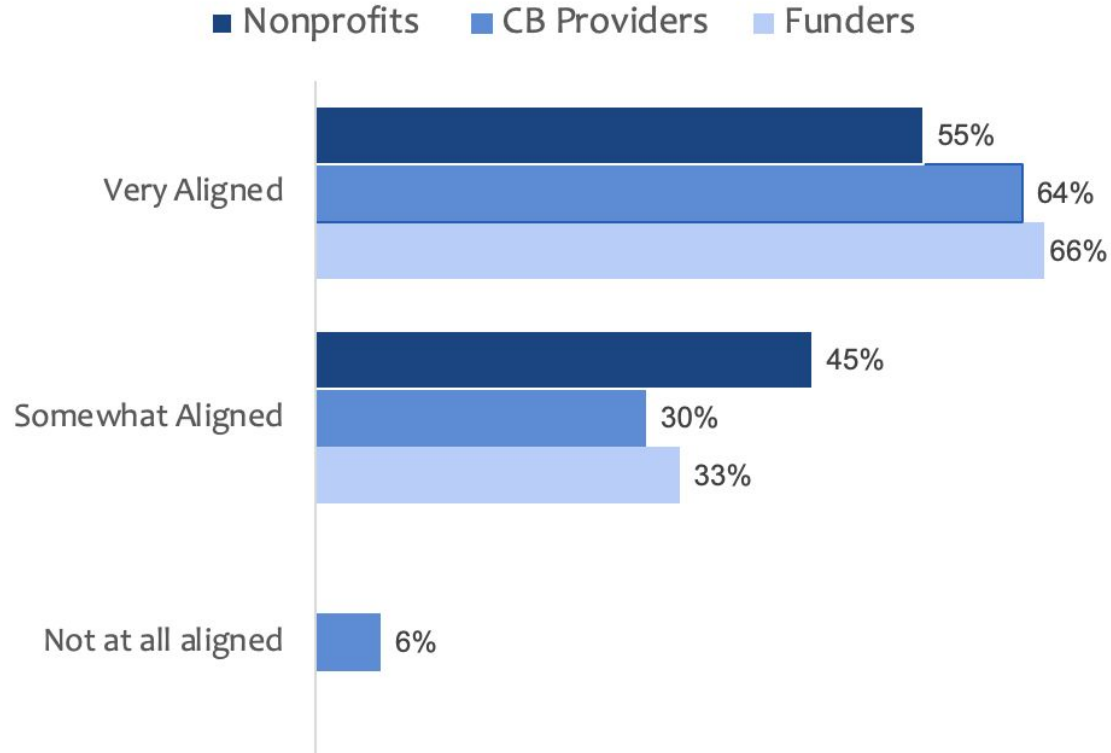
-Nonprofit Capacity Building Provider

Defining Capacity Building

Capacity building is the process of building and strengthening the systems, structures, cultures, skills, resources, and power that organizations need to serve their communities.

- *Grantmakers for Effective Organizations*

To what extent does this definition align with how your organization thinks about capacity building?



Reflections on the Definition

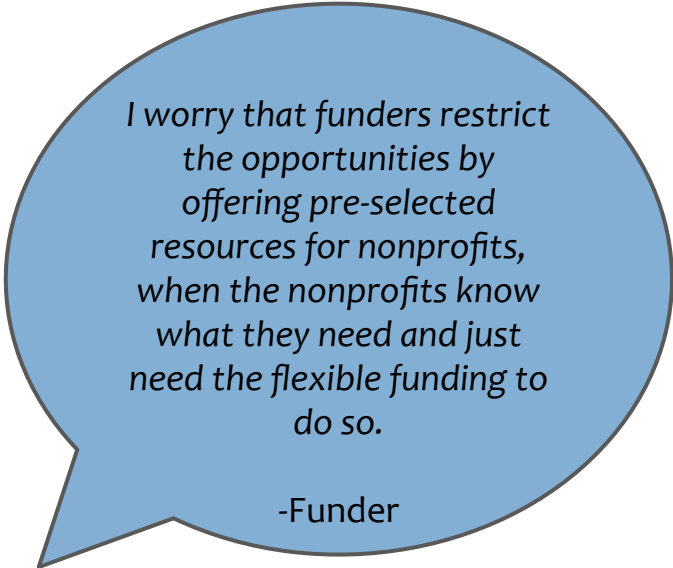
For those that answered “somewhat aligned,” themes focused on the following:

- ▶ **Greater emphasis on strengths:** The definition lacks an asset-based frame, with insufficient recognition of existing expertise in organizations.
- ▶ **More human/relationship-centered:** Focus language around humans doing the work as active participants.
- ▶ **Expand beyond “service” frame:** Some funders, nonprofits, and capacity builders view the impact of their work beyond “serving” their communities to include systems change.

** Several nonprofits and capacity builders in particular noted the need to acknowledge the influence of external systems and structures on nonprofit capacity, including philanthropy.*

The Role of Funders in Building Nonprofit Capacity

- ▶ Provide unrestricted funding and release control. **General operating support is a form of capacity building** and should be a primary practice. *(This was the most common response to the question about the role of funders.)*
- ▶ Funders should **coordinate with and learn from their peers to provide access** to other kinds of needed capacity building supports in way that centers nonprofit voice.

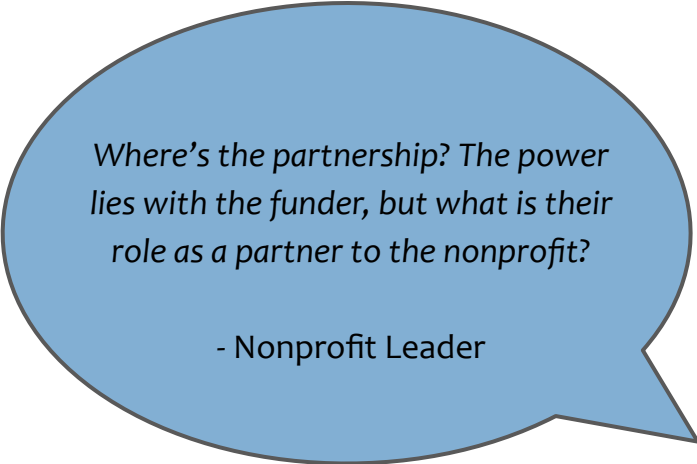


I worry that funders restrict the opportunities by offering pre-selected resources for nonprofits, when the nonprofits know what they need and just need the flexible funding to do so.

-Funder

The Role of Funders in Building Nonprofit Capacity (continued)

- ▶ Focus on **building the ecosystem** - think beyond your own grantees
- ▶ There is ongoing need for **trust-based practices** including streamlined paperwork, being transparent and responsive, and providing support beyond the grant (*ex. connecting, being a thought partner, providing access to tools and resources*). This can **lessen the administrative burden on nonprofits** while building their social capital.

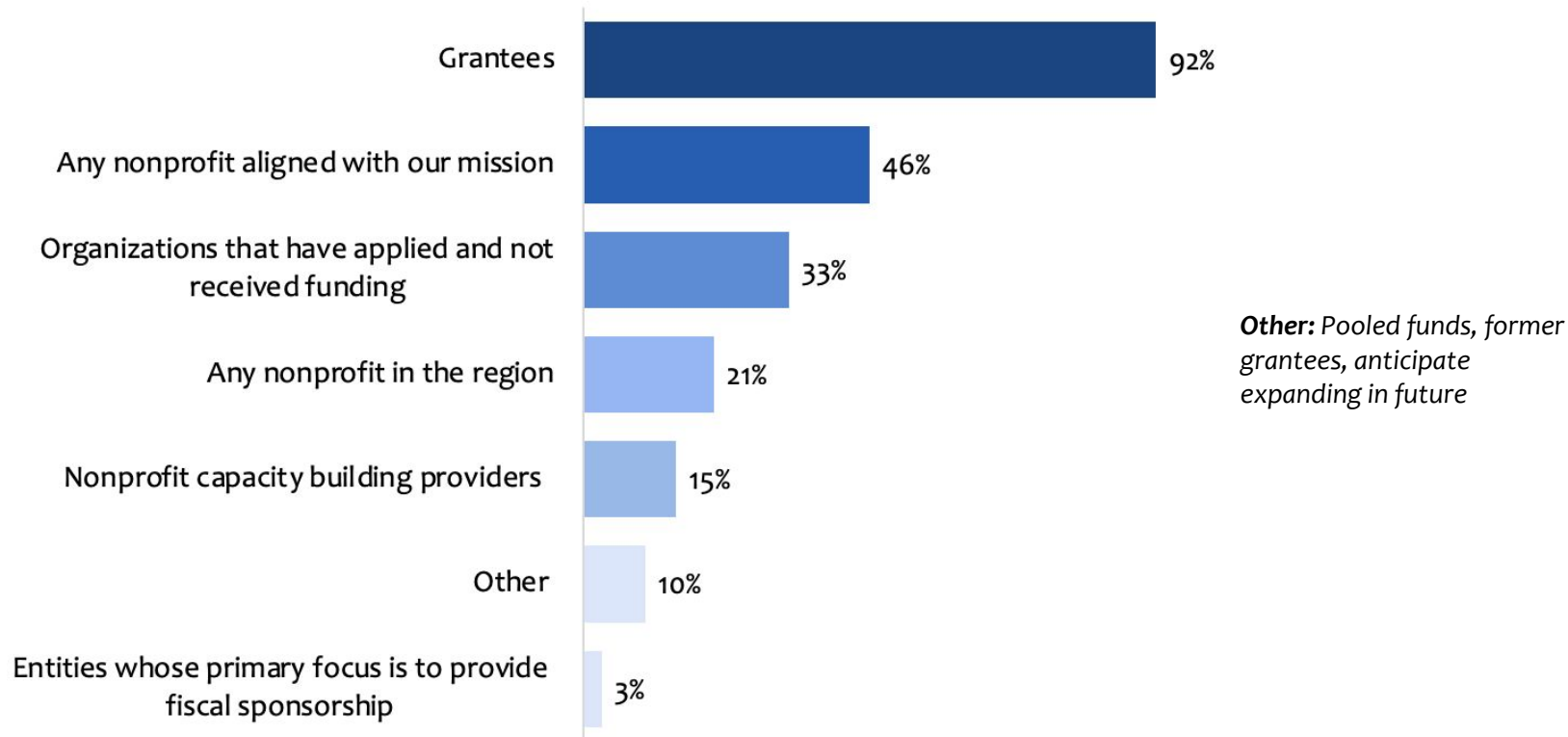


Where's the partnership? The power lies with the funder, but what is their role as a partner to the nonprofit?

- Nonprofit Leader

**Who, How and What
is getting funded?**

Types of organizations to which funders provide CB support



Where are gaps in support?

Through the data there is a recurring theme related to the **absence of awareness and attention to the overall system of capacity building supports**. Participants reflect a concern that lack of access to capacity building impacts individuals and organizations and also the sector.

- ▶ Small organizations led by and serving historically marginalized communities
- ▶ Fiscal sponsors and intermediary nonprofit capacity builders
- ▶ Organizations in the counties surrounding Philadelphia
- ▶ Mid-level and frontline staff
- ▶ Cross-sector collaboratives

What Nonprofits Say They Need/Want

**Sources: The Pew Charitable Trusts Report, The Foundation for Delaware County Report, and Phase 1 focus groups.*

Individual & Organizational Wellness

- Coaching/mentoring for leaders at different levels
- Wellness funds and sabbatical funds
- Secondary trauma education and mitigation
- Equitable recruiting and retention in the midst of a very tough labor market

Addressing Racial Equity & Justice

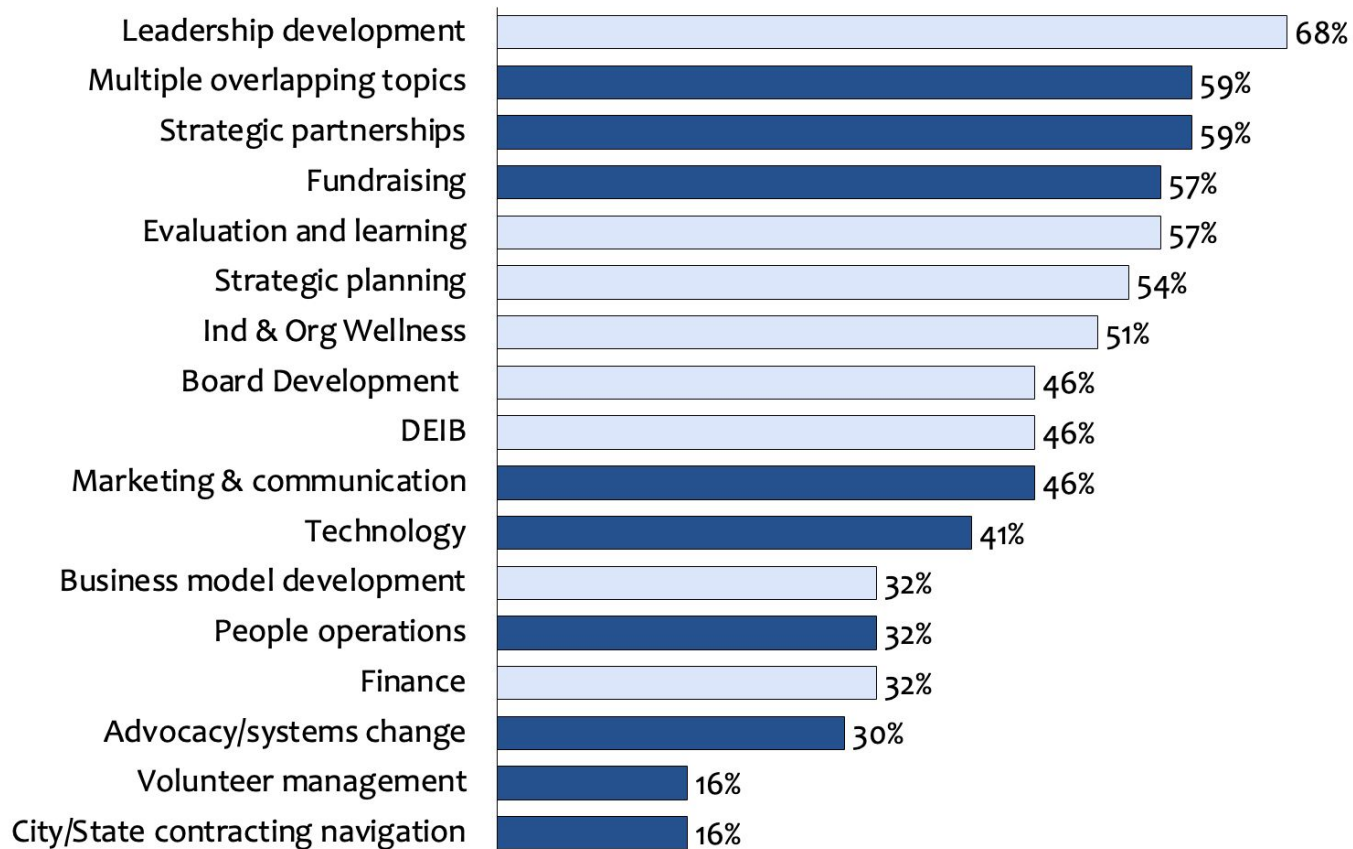
- Culturally Competent Coaching
- Support to systematize and operationalize DEIJ work into every aspect of the work
- Investment in intermediaries that provide back office services
- Investment in existing programs that address systemic underinvestment in leaders of color

Skill Building in Particular Areas

- Strategy and Evaluation
- Financial Modeling
- Leadership Development for staff at ALL levels
- Governance

Funder Investments in CB: Topic Areas

% of funders supporting various topic areas*



*Light blue bars represent topics identified by nonprofits as most needed

Quotes from Nonprofit Focus Groups

The staff are from the communities we serve... and funders like that... but where is the support for them?

Sometimes funders will say if you're getting a grant you need to do this capacity building, which can be a diversion and not fit.

Sometimes between the summits, communities of practice, etc. I feel like we have to send someone of a certain level to look like we care, in order to maintain relationships [with the funders]. If funders are going to do this, they should listen to nonprofit needs and provide stipends (costs time + money to go).

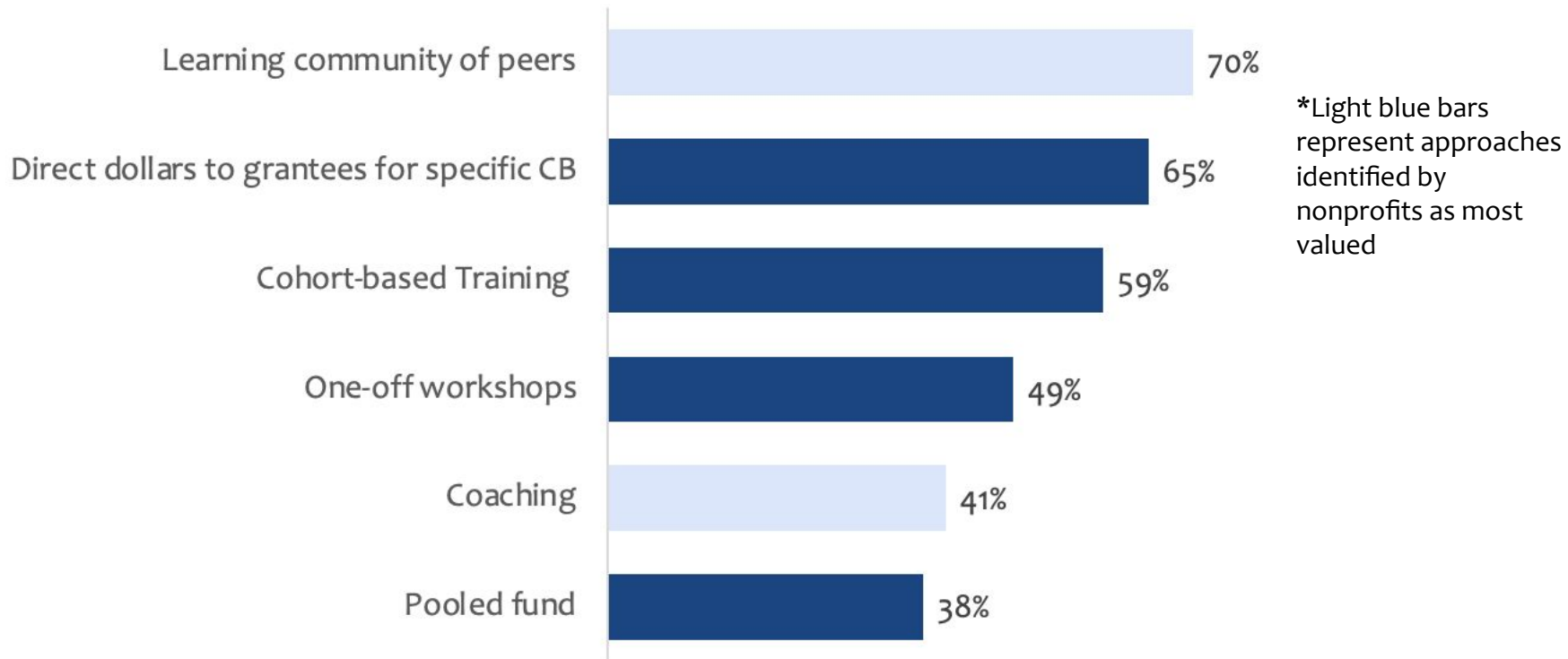
What Approaches Nonprofits Say They Need/Want

- ▶ Ongoing coaching
- ▶ Peer learning and support
- ▶ Casual networking events (*provide a room, lunch and facilitator for group-sourced conversations*)
- ▶ Relationship building events that center grantees highlighting their work; funders as learners
- ▶ Making available funds for one-off learning journeys (*grantee identifies an organization it wants to learn from; funder covers travel and other costs*)

**The Pew Charitable Trusts Report, The Foundation for Delaware County Report, and Phase 1 focus groups.*

Funder Investments in CB: Approaches


% of funders supporting various approaches



**What would a more coordinated
system look like?**

Strengths in the system that could be leveraged

- ▶ **Extensive and growing funder interest** in capacity building
- ▶ **Growth in collaboration among funders**, including pooled funds
- ▶ **Some growth in trust-based funding** to support nonprofit capacity (*letting nonprofits lead, general operating, responsiveness and flexibility*)
- ▶ **Growing attention to racial equity** in capacity building efforts:
 - ▷ *61% of funders and 59% of capacity builders say their organizations systematically prioritize groups led by and serving communities who have historically and currently experienced systemic racism or other forms of oppression in their capacity building*



More funders are open to aspects of trust based work and letting nonprofits & community organizations lead the way to provide CB services that meet actual needs.

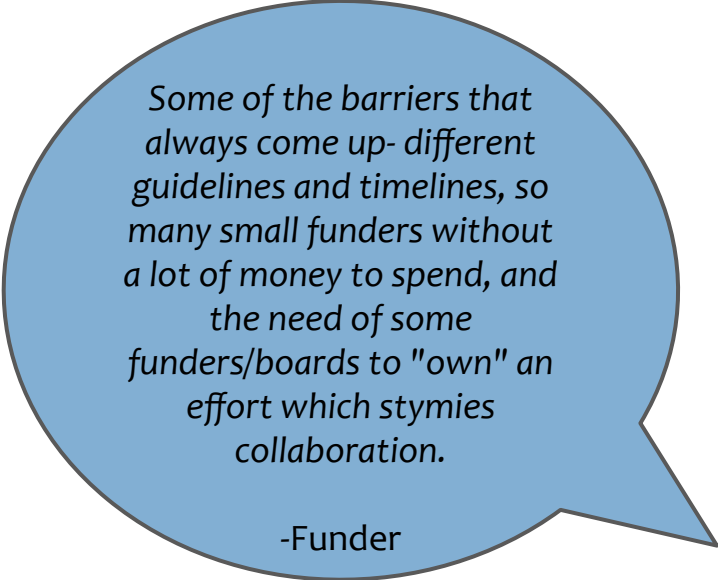
-Capacity Building Provider

Gaps & challenges coordination could address

- ▶ The need for capacity building **practices that recognize nonprofit expertise, center relationships and needs identified by nonprofits**
- ▶ **Focus on individual grantees alone reinforces existing inequities**, leaving out smaller groups, particularly those led by and serving historically marginalized communities
- ▶ **Lack of communication and coordination leads to duplication and confusion** for nonprofits and funders alike
 - ▷ Nonprofit confusion about where to go for what
 - ▷ Funder confusion over what's being offered by their peers and unrealized potential for coordination and greater impact

What are barriers to coordination?

- ▶ Concerns about loss of control
- ▶ Concerns about finding opportunities that align with funder's mission, geography, and approach to supporting nonprofits
- ▶ Lack of common definitions around what qualifies as capacity building and what good capacity building looks like
- ▶ Limited size/funding



Some of the barriers that always come up- different guidelines and timelines, so many small funders without a lot of money to spend, and the need of some funders/boards to "own" an effort which stymies collaboration.

-Funder

Quotes from Nonprofit Focus Groups

Make sure people know what is available - I find out about things that are offered but didn't know it was available.

If you're doing some similar things, why not join up? I'm seeing the same people in different capacity building groups and it reinforces the question of who has access.

Make it so that people can apply and many funders can review - save orgs time - small orgs are particularly disadvantaged because of capacity

What could coordinated CB look like?

When asked opportunities, respondents provided myriad ideas for what coordinated capacity building could look like. Any coordinated CB effort that comes from this process should include:

- ▶ **A transparent, trust-based model co-created with nonprofits.**
Recognize nonprofit expertise. Trust them to know what they need.
Be aware of the power dynamics.
- ▶ **Continuous learning for funders** that provides an opportunity for sharing new practices and holding each other accountable.
- ▶ **Information sharing** about what funders in the region are providing as networking and knowledge sharing.

What could coordinated CB look like? (cont.)

Examples

- ▶ Pool resources and allow organizations to apply for flexible and responsive capacity building supports that meet their needs through one access point
- ▶ Leverage the robust network capacity building providers. Invest in a continuum of supports
- ▶ Resource nonprofit organizations to build one another's capacity (pay leaders as mentors, monetize expertise in particular areas)

Case Study - AMPT

AMPT: Advancing Nonprofits is committed to strengthening the organizational health and supporting long-term development of small nonprofits on Chicago's west and south sides while prioritizing Black- and Latine-led community organizations.

Simultaneously, AMPT is working to transform philanthropy by addressing systemic racial inequities and serving as a model for anti-racist systems and processes.

- *Location:* Chicago
- *Year Launched:* 2015
- *Number of Funders:* 19

Case Study - Triangle Capacity Building Network

The [Triangle Capacity Building Network](#) is a group of 6 Triangle funders who came together following the collapse of a local nonprofit to better support the region's nonprofit sector. The group pooled resources to commission research and engage nonprofits in conversations about capacity building, systems, and need.

The Network focuses on 1) changing philanthropic behavior, 2) reducing the power imbalance between funders and nonprofits, and 3) focusing on organizations led by and serving people of color.

- *Location:* Durham, North Carolina
- *Year Launched:* 2014
- *Number of Funders:* 6

Learn More

If you have questions or would like to learn more about the data, please contact:

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WHAT'S NEXT?

Phase 2: Focus Questions

Will dig deeper into the questions/issues surfaced today...

- ▶ **Why** are we investing in capacity building? What outcomes are we working towards?
- ▶ **Who** is currently being served by capacity building efforts? What are the gaps in access?
- ▶ **What** types of capacity building supports are being provided? How does this map onto nonprofit needs/goals?
- ▶ **How** can we create a more coordinated approach? What strengths can we build on and what barriers need to be overcome?

How will we approach the process?



Engagement Process

Groups we will be engaging

Funders



Capacity Building Providers



Nonprofits



**We will be sending an email following with information on ongoing engagement opportunities.*