

THE STATE OF NONPROFITS IN  
SOUTHEAST LOUISIANA IN 2021:

**ADAPTABILITY AND  
RACIAL EQUITY  
IN YEAR ONE  
OF THE COVID-19  
PANDEMIC**

GREATER  
NEW ORLEANS  
FOUNDATION



THE UNIVERSITY *of*  
NEW ORLEANS



To our community,

**In Southeast Louisiana, nonprofits have long provided for the basic needs of our community, such as food, shelter, and healthcare.** They help us teach our children and care for our elders. They produce and share the outstanding art, music, and culture for which our region is so well known. They are also employers—as of 2017, for instance, in the New Orleans/Metairie metro, the nonprofit sector employed roughly 12 percent of the workforce.<sup>1</sup>

**The COVID-19 pandemic has been devastating for our community. It has been tough on our nonprofits, too.** Many stepped up as essential service providers. Their teams worked long hours in stressful conditions. Some saw increased funding from donors and the federal government, but these nonprofits also had new expenses. Other nonprofits, often those in arts and culture, saw interest and funding wane as focus shifted to direct pandemic relief. The COVID-19 shut-downs also limited the earned revenue of these nonprofits. Just over half of all nonprofits across the region endured budget cuts.

**For many, this year brought greater awareness of the racism and inequity in our nation that people of color have experienced for so long.** The nonprofit sector is not isolated from our nation's inequities. Many nonprofits address these issues directly. Demand for their work increased this year, as systemic inequities meant the virus had a disproportionate impact nationally on people who are Black, Indigenous, and People of Color (BIPOC). In Louisiana, Black residents under 65 are dying from COVID-19 at a rate almost four times that of white residents.<sup>2</sup> Perhaps in part because of this greater awareness, some nonprofits prioritizing BIPOC communities were able to grow their funding.

**We have seen waves of need and support like this before.** Following Hurricane Katrina, our community was supported with great generosity and significant government relief, yet much of the funding waned in the years that followed. Greater New Orleans' nonprofits relied on these resources, and some were unprepared when it dropped off. We are seeing a similar surge in funding as the region recovers from Hurricane Ida, though this will likely wane as well.

**We expect that the surge in funding for pandemic-related relief will slow down, too.** At the Greater New Orleans Foundation, we aim to ensure that our nonprofits are ready and able to adjust. This will involve helping them plan for the future, build partnerships, and reimagine how they structure and operate their work. We will also continue working to eliminate existing financial disparities between nonprofits with white leaders and those with BIPOC leaders.

**As with last year's study, this research reinforced our knowledge that the nonprofits of Southeast Louisiana are immensely creative and adaptable.** We are confident this will serve them well through times of drastic change. No matter the circumstance, the Greater New Orleans Foundation is here to stand with our region's nonprofits. We know their good work. We trust their leaders and teams. We see their impact. And we are committed to supporting them to reach their full potential.

In partnership,



**Andy Kopplin**

President & CEO  
Greater New Orleans Foundation



**Kellie Chavez Greene**

Vice President for Programs  
Greater New Orleans Foundation

## THE FOUNDATIONS AND AIMS OF OUR RESEARCH:

# ABOUT OUR STUDY

In June of 2020, the Greater New Orleans Foundation and the University of New Orleans (UNO) released [\*The State of Nonprofits in Southeast Louisiana: The Impact of COVID-19\*](#). The report examined how our region's nonprofits were responding in the early months of the pandemic. **In January and February of 2021, UNO's research team reached back out to nonprofits across our region for updates.** We sought answers to two broad sets of questions about adaptability and racial equity in our region's nonprofit sector.

## OUR QUESTIONS

- **How have our region's nonprofits adapted to the pandemic, both financially and in terms of how they serve our community? What toll did the pandemic take on nonprofits? Did opportunities emerge from the challenge?**
- **What is the state of racial equity in our region's nonprofits, and how do funding opportunities and outcomes differ based on the racial identity of leaders? How did the amplified national conversation around racism impact nonprofits?**

## WHY WE LOOKED INTO THESE ISSUES

In last year's report, we saw how powerfully many of the region's nonprofits were stepping up in a time of crisis, even as the pandemic took a toll on their operations or affected jobs and hours. It took an emotional toll, too; nonprofit staff members often faced the stress of responding to COVID-19 both at work and at home.

**In this report, we aimed to better understand how the pandemic was affecting our region's nonprofits almost a year later, and how it might affect them in the future.**

This knowledge makes our support more responsive and impactful.

We wanted to share this information with nonprofits so they could use it as a mirror and a benchmark. We also wanted to offer it to their supporters, such as donors, partners, and institutional funders, so they could learn and respond as well.

Having watched funding streams rise, then decrease, in the years after Hurricane Katrina, we wanted to assess how prepared nonprofits would be to adjust as funding patterns change in the months and years to come. **We sought to understand funding patterns in our community and get a sense of nonprofits' financial stability.**

The Foundation embarked on this project with a deepening awareness of the racism and racial inequities in our region, our nation, and our world. We know we must continually examine our efforts for inequities and address them. **We fundamentally believe that equity is key to a thriving Greater New Orleans**, and we are committed to using our resources to help address disparities and ensure all residents of our region are able to thrive.

**We also believe that our work, and all work, is stronger when it is inclusive of many voices, experiences, and identities.** Our region's nonprofits, too, are more powerful when their leadership and teams are as diverse as our region at large. Over and over again, research<sup>3</sup> has found that diverse teams are more creative and innovative than homogenous ones. An equitable nonprofit sector is more powerful.

## THE NONPROFITS WE LEARNED FROM

**We sent an online survey to the roughly 750 nonprofits in a 13-parish region of Southeast Louisiana listed as 501(c)3 public charities that had filed complete tax returns since 2018** (except hospitals, clinics, universities, charter schools, foundations, and religious congregations). Because only nonprofits with annual budgets of over \$50,000 are required to file complete tax returns with the IRS, our sample only included nonprofits with budgets of at least that size.

### GREATER NEW ORLEANS FOUNDATION'S 13-PARISH SERVICE REGION



WE HEARD  
FROM OVER

330

NONPROFITS  
IN JAN/FEB 2021

**We heard back from a diverse sample of 335 nonprofits.** More than half of the sample fell into one of two main categories based on the type of work they do: human services (often pandemic–essential work), or arts and culture. We also identified whether nonprofits of any category specifically aimed to support Black or BIPOC communities and individuals, and whether nonprofits were led by Black or BIPOC executives.

Throughout the process, we engaged a diverse and thoughtful **advisory group** of nonprofit leaders and partners to help our work remain inclusive and relevant.

## LIMITATIONS OF OUR STUDY

As with all research, this process had its limitations. Though our sample was largely representative of the regional sector, and 14 percent were all–volunteer organizations with no paid staff, **the sample underrepresents smaller nonprofits with budgets under \$150,000.** We also know that many of our region’s most powerful arts, culture, mutual aid, and community groups are not formally registered as nonprofits; their work is not reflected here. Some nonprofits had budgets that were too small for the purposes of this study, though their impact is very large. Some nonprofits may not have had the time, ability, or interest to answer our questions, or may not primarily correspond over email. Though the work of such nonprofits is not examined here, it is essential.

We also know that surveys are just one way of measuring the work and impact of nonprofits. We continue listening, learning, and pursuing an ever–more inclusive and representative process for hearing from nonprofits about their challenges and needs.

## TERMS USED IN THIS REPORT

We define *adaptability in nonprofits* as the ability to creatively pivot and manage through disruptive change. While some adjustments are made out of short–term necessity, they may also help with nonprofits’ long–term sustainability. Though it may increase impact and efficiency in time, the process of adapting can be draining and difficult for leaders and staff.

Given the effects of the pandemic, we closely examined *human services nonprofits*, which provide for basic needs in our community. They include nonprofits like food banks, shelters, and mental health and substance abuse treatment centers. We also looked closely at *arts and culture nonprofits* that help preserve the vibrant artistic and cultural fabric of our region. These nonprofits include museums, dance studios, and music and theater ensembles, among many others.

To assess the impact of the pandemic on nonprofit finances, we looked at their financial health. *Financial health* can be defined in many ways, but a nonprofit is often seen as financially healthy if it has enough cash on hand to cover three months of operating expenses, and enough flexible savings or “reserves” to cover an additional three months of operations. We also asked nonprofits how their organization’s budget had changed since March 2020, in terms of their total revenues available for spending on their services and operations.

We asked nonprofits if, in their work, they targeted their services toward a particular group of people. Some nonprofits reported they *prioritize their services towards communities predominately composed of people who identify as Black, Indigenous, and/or People of Color (BIPOC)*. Some of these nonprofits support Black or BIPOC art, history, and education. Some address issues disproportionately affecting Black or BIPOC communities, which meant many directly confronted the impact of the COVID-19 pandemic and the existing racial inequities it exacerbated.

We also aimed to assess *racial equity in nonprofit leadership* in terms of both opportunities and outcomes within our regional nonprofit sector. To do so, we examined if the racial identity of nonprofit executive leaders and boards was roughly proportional to the racial identity of people in our region overall, as estimated by the United States Census Bureau.

Racial equity in our sector would also mean that nonprofits with Black or BIPOC leaders have access to the same resources and opportunities as those with white leaders. Reaching this goal requires intentional efforts to call attention to and address long-standing racial disparities.

We defined *BIPOC-led*, *Black-led*, and *white-led* organizations as those with BIPOC, Black, and white executive directors, respectively, while recognizing that nonprofit boards, executive teams, and other staff and volunteers also perform critical leadership functions.

In the pages that follow, we offer a review of our findings. [You can access a more thorough analysis in our technical report.](#)



# THE STATE OF NONPROFITS IN SOUTHEAST LOUISIANA 2021: AN OVERVIEW

Our survey asked nonprofits questions about how they **adapted to the pandemic** in terms of their finances, services, and operations. We also looked at **racial equity**, examining if there were racial disparities in leadership, funding, and demands on their services.

## HOW OUR REGION'S NONPROFITS FARED NEARLY A YEAR INTO THE PANDEMIC

We looked into how nonprofits fared financially and operationally by January and February 2021. Because race intersects with so many aspects of this work, we tracked differences along racial lines. Below, we summarize key findings from the survey. Throughout this report, we also include open-ended reflections that nonprofits shared, as they are the ultimate authorities on their work.

### KEY FINDINGS

- **Our region's nonprofits creatively adapted and largely "held tight" through the first year of the COVID-19 pandemic**, sometimes by shifting their funding, services, and operations. Nonprofits rose to meet the challenge of the pandemic and expand their support for our region.
- **Human services nonprofits** saw the greatest increase in community demand for their services and were more likely than other types of nonprofits to maintain or even increase their budgets, while **arts and culture nonprofits** were most likely to lose program participants and funding.
- As with so many aspects of our lives, the pandemic shifted most operations to **virtual formats**. Nonprofit leaders and staff carried the heavy burden of managing these adaptations amidst the many other stressors created by the pandemic.
- As COVID-19 had a disproportionate impact on **BIPOC and especially Black communities**, nonprofits prioritizing services to these communities experienced increased demand and increased staff workload to meet it.
- Over half of nonprofits maintained or even increased their staff, but almost 40 percent of them—disproportionately arts and culture nonprofits—had to **reduce staff to stay afloat**. The majority of nonprofits prioritizing services to Black and BIPOC communities planned to **increase staffing** this year to meet the continued increase in demand for their services within these communities.





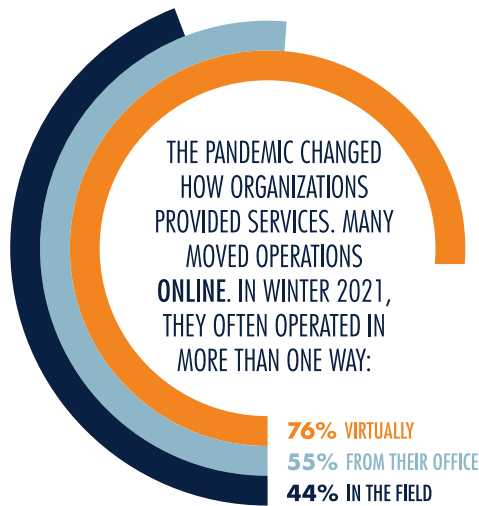
- While a sizable percentage of nonprofits have Black and BIPOC executive directors, executive teams, board chairs, and board members, **the region's nonprofit leaders across these positions are disproportionately white** compared to the demographics of the region's residents overall. This racial disparity in nonprofit leadership is especially pronounced within arts and culture nonprofits.
- As the public conversation around racial inequity and racism amplified, there was **an increase in funding for some Black-led and BIPOC-led nonprofits**, especially in the form of new and increased private grants. However, this funding **has not eliminated racial disparities** in nonprofits' financial resources, and it is unclear whether it will continue.

## NEW LOCATIONS, NEW DEMANDS:

# NONPROFIT OPERATIONS DURING THE PANDEMIC

Our region's nonprofits are creative and persistent. Their experience coming into 2021 reflects the challenges of the pandemic. **Nonprofits were adaptable; they shifted services online, adopted new strategies, and suspended services as needed.**

By and large, nonprofits providing human services—often on the “front lines” of responding to the pandemic and its impacts—faced greater community demand for their services and, partially as a result, generated more funding than nonprofits working in arts and culture.



**Location:** Faced with the constraints of the pandemic, nonprofits adjusted their locations. They worked in new ways and new places, often online. By winter 2021, they maintained a **mix of simultaneous operations**: 76 percent were engaging in at least some operations virtually, 55 percent were providing services out of their physical office, and 44 percent were offering services in the field. When we first surveyed nonprofits at the start of the pandemic in spring of 2020, 73 percent had already shifted to virtual operations, and just 40 percent were using their office.

**“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.”** – Nonprofit Leader

**Services and demand:** Nonprofits also stepped up to meet the needs of their community and changed their services in response to the pandemic. **Almost half of nonprofits (47%) reported increased community demand for their services** since the start of the pandemic in spring 2020. Over half (56%) expanded some or all services to work with new people or address new concerns, such as COVID-19. At the same time, 56 percent of nonprofits suspended some or all services, especially because of an inability to operate in-person.

**“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 provide much needed services, like COVID testing at our community center in the 9th ward.”** – Nonprofit Leader

**“As we moved along, demand for our normal services increased and created a strain on personnel.”** – Nonprofit Leader

## BY TYPE OF NONPROFIT

The types of services a nonprofit provides shaped their patterns of demand in the first year of the pandemic. **Sixty-two percent of nonprofits providing human services, often the “essential work” of the pandemic, experienced increased community demand for their services**, compared to 43 percent of all other nonprofits.



**62%** OF HUMAN SERVICES  
NONPROFITS SAW INCREASED DEMAND  
**24%** OF HUMAN SERVICES  
NONPROFITS INCREASED THEIR BUDGETS



**47%** OF ARTS AND CULTURE  
NONPROFITS SAW DECREASED DEMAND  
**72%** OF ARTS AND CULTURE  
NONPROFITS FACED BUDGET CUTS

**“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.”** – Nonprofit Leader



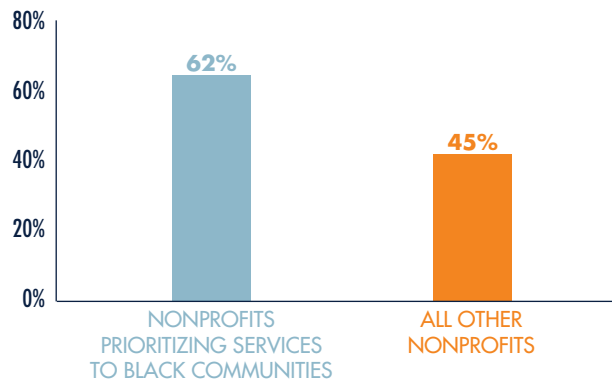
**“We have expanded from just serving the youth to serving adults as well this year to meet the increased demand for job training to access high wage, high demand careers.”** – Nonprofit Leader

On the other hand, **roughly half (47%) of arts and culture nonprofits saw a decrease in demand for their services**, compared to just a fifth (20%) of all other types of nonprofits. Museums and theaters, for example, were often fully closed to visitors or only open in reduced capacity due to the pandemic.

## BY COMMUNITIES SERVED

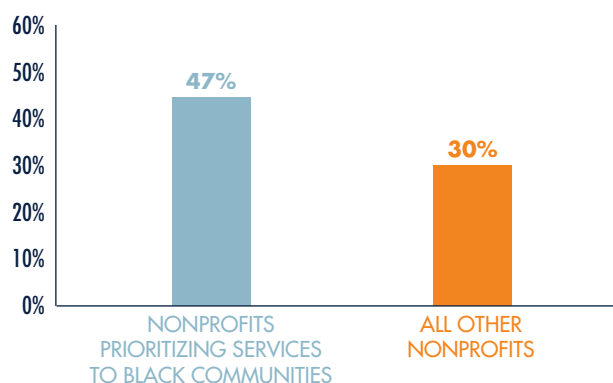
**Nearly half (45%) of nonprofits that completed our survey indicated they specifically prioritize their services towards Black or BIPOC communities.** This means they explicitly name and intentionally aim to support these communities. This may reflect the significant portion of our region’s residents who identify as Black or BIPOC and the longstanding racial inequities they face. **Roughly 60 percent of nonprofits that reported they prioritize services to Black or BIPOC communities faced increased demand during the pandemic**, compared to about 45 percent of other nonprofits.

### PERCENTAGE OF NONPROFITS WITH INCREASED DEMAND



Nonprofits prioritizing services to BIPOC communities responded to that increased demand, often with strategic shifts and innovations. These nonprofits were **more likely to adapt their activities or strategies** for providing services: 83 percent did so, compared to 67 percent of nonprofits that do not specifically prioritize BIPOC communities. They were also **more likely to expand services** to include more clients and activities: 67 percent of BIPOC-focused nonprofits did so, compared to 48 percent of other nonprofits. In the face of increased demand and service expansions, nonprofits prioritizing services specifically towards Black communities were **more likely to increase staff workload** during the prior year, at 47 percent versus 30 percent of all other nonprofits.

### PERCENTAGE OF NONPROFITS WITH INCREASED STAFF WORKLOAD

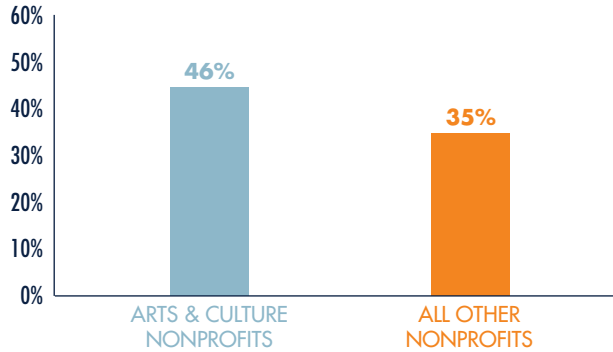


We believe these different experiences based on who nonprofits prioritize in delivering their services **stemmed in part from the impact of COVID-19 and the systemic inequities it exacerbated**. The Centers for Disease Control (CDC) reports that “racism, both structural and interpersonal, are fundamental causes of health inequities, health disparities and disease.” They also note that “the COVID-19 pandemic, and its disproportionate impact among communities of color, is another stark example of these enduring health disparities. Recent COVID-19 data show that Black/African American, Hispanic/Latino, American Indian and Alaska Native populations in the U.S. are experiencing higher rates of hospitalization and death compared to white populations.”<sup>4</sup>

In Greater New Orleans, Black, Hispanic/Latino, and Asian residents earn lower median incomes than white residents, and are more likely to live under the poverty line. Those who earn lower incomes in the city are more likely to have “frontline” jobs, which may have conditions more likely to spread the virus.<sup>5,6,7,8</sup>

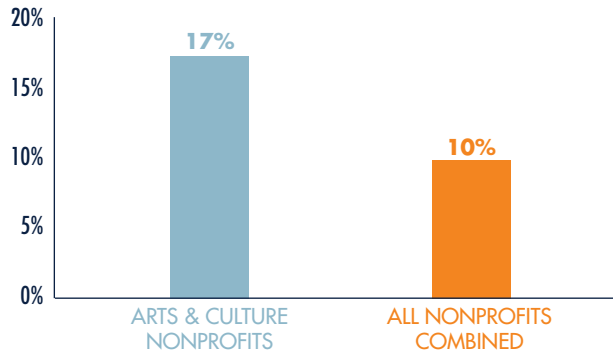
**Staffing:** Most nonprofits' teams (63%) expanded or held steady in terms of number of full-time equivalent employees, but patterns in staffing often mirrored patterns in demand. **Thirty-seven percent of nonprofits had to reduce staff.** Almost half (46%) of arts and culture nonprofits reduced staffing, compared to 35 percent of all other types of nonprofits.

### PERCENTAGE OF NONPROFITS THAT REDUCED STAFFING



As of last winter, arts and culture nonprofits had lost 17 percent of their total full-time employees across the region, compared to a 10 percent reduction in full-time employees for all nonprofits in the region combined.

### PERCENTAGE OF TOTAL FULL-TIME EMPLOYEES LOST FROM 2020 TO 2021

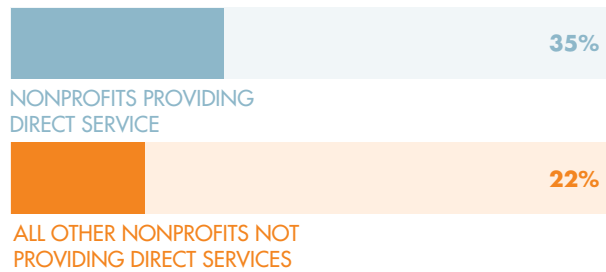


**“We did have to lay off employees whose roles became non essential as our in-person events and programming disappeared.”**

– Nonprofit Leader

Nonprofits providing human services more often kept and sometimes increased their staff, likely to meet increased demand caused by the pandemic. **Less than a third (32%) of human services nonprofits reduced staffing.** Likewise, 35 percent of nonprofits that described themselves as “direct service providers” in response to the pandemic hired more team members, compared to just 22 percent of nonprofits that do not provide direct services.

**PERCENTAGE OF NONPROFITS THAT INCREASED STAFF**



**About 37 percent of nonprofits prioritizing services to Black and BIPOC communities increased their total number of full-time equivalent employees,** compared to about 25 percent of nonprofits that do not specifically prioritize these communities through their services.

**PERCENTAGE OF NONPROFITS THAT INCREASED STAFF**



We again believe this is in part a response to the disproportionate impact of the pandemic on Black and BIPOC communities, and the need—and in some cases, new funding opportunities—for nonprofits to expand services to these communities.

**Nonprofits’ plans for staffing in the rest of 2021 reflect their patterns and experiences in the first year of the pandemic.** Sixty percent of nonprofits intentionally aiming to reach Black communities, and over half (55%) aiming to reach BIPOC communities, planned to increase staffing above existing levels by the end of 2021, versus 33 percent of other nonprofits.



## CHALLENGE, CHANGE, AND PERSISTENCE:

# NONPROFITS' FINANCIAL HEALTH

Our region's nonprofits can do their best work when they have the funding they need to deliver their services and support their employees. For this reason, we looked at their financial health.

**Unsurprisingly, this year brought significant financial challenges.** Some nonprofits took on the costs of new projects and services. Some lost funding when they could not hold the in-person fundraising events they relied on, or collect fees for services, such as tickets to performances or programming in schools.

**"Our expected earned income this fiscal year has almost completely disappeared, due to our inability to present performances."**

– Nonprofit Leader

## OVERALL FUNDING SHIFTS FOR NONPROFITS



**54% OF NONPROFITS  
LOST FUNDING  
SINCE SPRING 2020**



**22% OF NONPROFITS GAINED  
FUNDING THROUGH NEW SOURCES  
LIKE PAYCHECK PROTECTION  
PROGRAM (PPP) FORGIVABLE LOANS,  
DONATIONS, AND PRIVATE GRANTS**

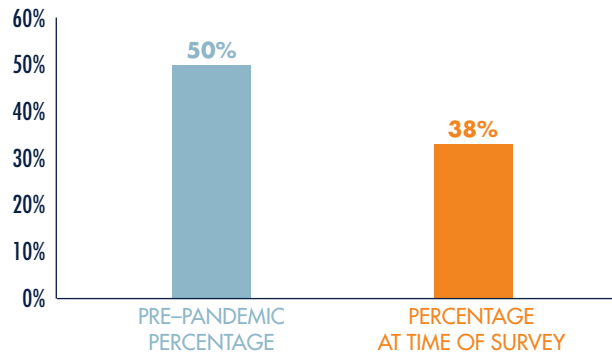


**“We depend on sponsored fundraiser events with large crowds to fund our project. The pandemic’s dangers have halted our fundraising.”** – Nonprofit Leader

The percentage of nonprofits receiving any funding from every type of funding source, such as private foundation grants or fundraising campaigns, decreased since the start of the pandemic, with the exception of forgivable Paycheck Protection Program (PPP) loans guaranteed by the federal government through the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020. **The majority of our region’s nonprofits (69%) received PPP loans, which were a stabilizing force.** These loans made an enormous difference in nonprofits’ ability to operate, support their staff, and maintain and/or expand their services.

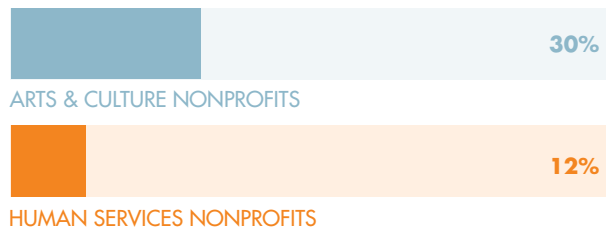
**Corporate sponsorship of nonprofits went down most of all**, with the portion of nonprofits receiving funds from this source dropping from 50 to 38 percent. This may reflect the pandemic’s negative economic impact on many corporations.

#### PORTION OF NONPROFITS RECEIVING CORPORATE SPONSORSHIPS

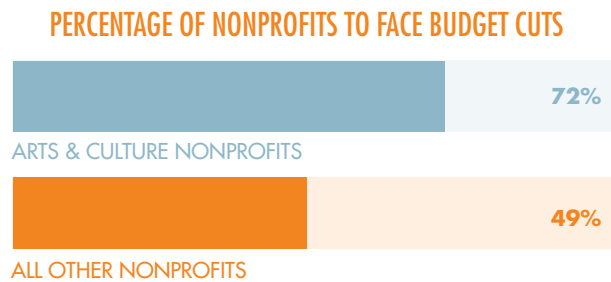


Arts and culture nonprofits were more likely than other types of nonprofits to lose a funding source: 30 percent of them lost one, compared to just 12 percent of human services nonprofits.

#### PERCENTAGE OF NONPROFITS TO LOSE A FUNDING SOURCE



Perhaps as a result, **arts and culture nonprofits faced the greatest budget cuts**; 72 percent reported a decrease in their budget since spring 2020, compared to less than half (49%) of all other types of nonprofits.



**Loss of earned income** may have disproportionately harmed arts and culture nonprofits, which had to shutter venues like museums and theaters at times. In fact, coming into the pandemic in spring 2020, 62% of arts nonprofits brought in at least some earned income, compared to 32% of other types of nonprofits. By winter 2021, 15% of arts nonprofits had lost all earned income as a funding source, compared to 7% of other nonprofits.

While the pandemic meant that the work of some nonprofits attracted fewer sales and donations, **it galvanized fundraising for others**. Many nonprofits applied for and received new grants and federal funds, often related to COVID-19 relief. Some funders and grants shifted to COVID-19 response and issues facing Black and BIPOC communities, which often overlapped. Some funders were driven to use donations and grants to help address racial inequities.

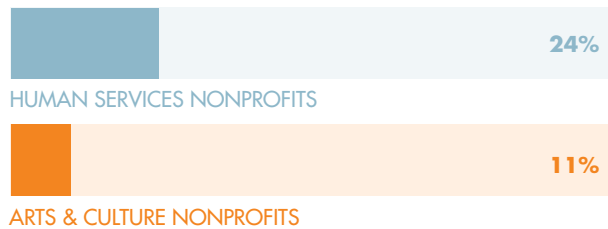
**“We have lost out on grants for two reasons. One, we were unable to do the programming that was required of the grant. Two, our grantmakers shifted their support to deal with direct COVID-19 issues.”** – Nonprofit Leader

The front-line role of human services nonprofits during the pandemic affected their funding, much as it affected their operations. **Human services nonprofits were most likely to maintain or increase their budget**: around a quarter (24%) increased their budget, while just 11 percent of arts and culture nonprofits did.





### PERCENTAGE OF NONPROFITS TO INCREASE BUDGETS



That said, all nonprofits were financially affected by the pandemic, and more than half (52%) of in-demand human services nonprofits saw a budget decrease.

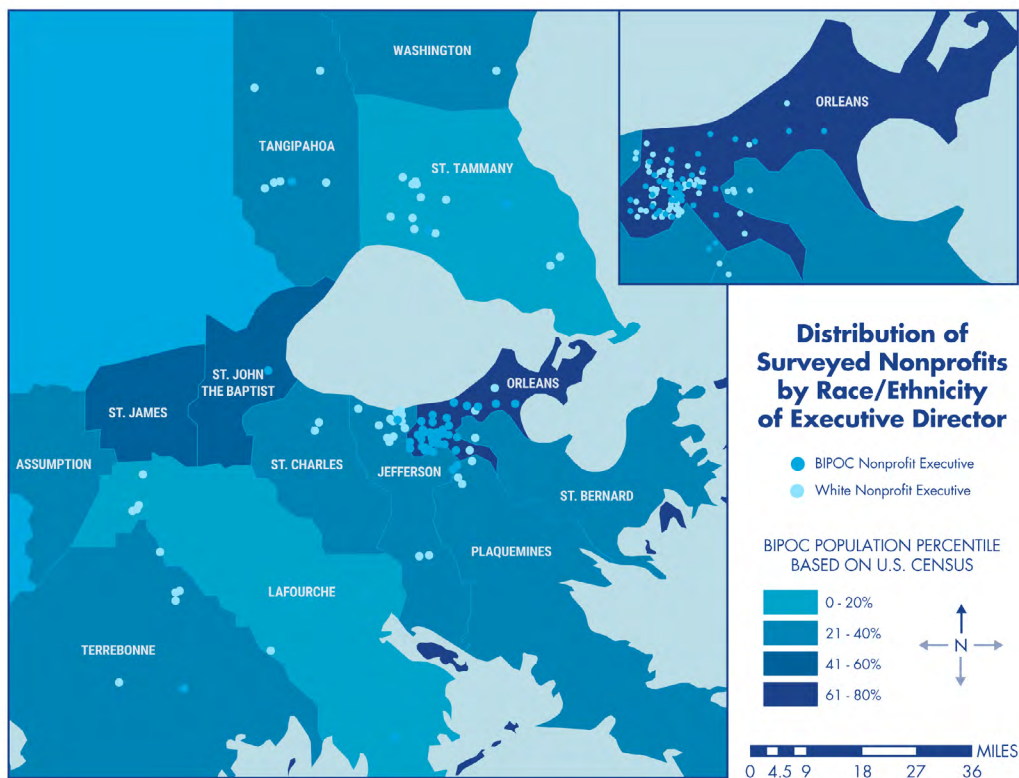
**“[We had an] increase in funding related to COVID-19 preparations, testing, and vaccines.”** – Nonprofit Leader

**The federally-backed PPP loans offset financial losses of the pandemic and improved financial health for many nonprofits that received them.** Nonprofits that received PPP loans were more likely to increase their months of operating cash during 2020 compared to those that did not (61% to 37%), as well as to increase their reserves (32% to 12%). Perhaps as a result, nonprofits receiving PPP loans were more likely than nonprofits that did not to expand services to new people or concerns in response to the pandemic (67% to 42%).

# A CLOSER LOOK AT BLACK-LED AND BIPOC-LED NONPROFITS

We believe that diversity and equity are critical in our nonprofits, not just because they align with our values at the Foundation, but because they make teams and organizations stronger. We found certain patterns across our region's nonprofits with Black and BIPOC leaders.

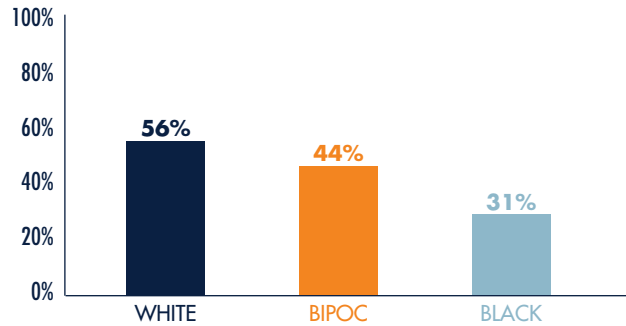
## NONPROFIT LEADERSHIP



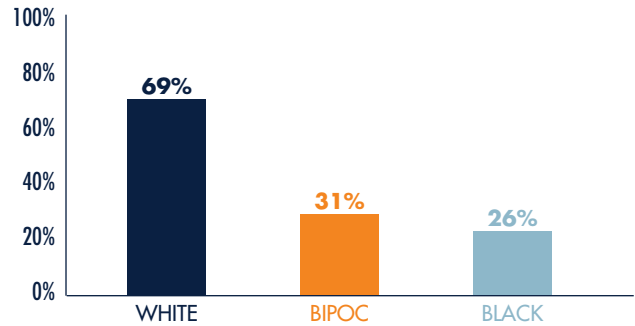
There is diversity among nonprofit leaders in our region, but not equitable representation of the region's overall population. When we compare the racial demographics of all residents of our region to those of nonprofit leaders, that disparity is clear. According to recent U.S. Census Bureau data, **44 percent of all people living in our region identify as BIPOC<sup>9,10</sup>, but just about 30 percent of nonprofit executive directors and board chairs identify as BIPOC.** While nearly a third of all people in our region identify as Black, only about a quarter of nonprofit CEOs and board chairs do.

## RACIAL DEMOGRAPHICS OF REGION AND NONPROFIT EXECUTIVE DIRECTORS

REGION



NONPROFIT EXECUTIVE DIRECTORS



Leaders of nonprofits providing human services more closely align with the demographics of Southeast Louisiana, and leaders of nonprofits in arts and culture are least likely to represent the region's racial demographics. Forty-two percent of human services nonprofits have BIPOC executive directors, and 35 percent have Black executive directors. Among arts and culture nonprofits, only 14 percent of executive directors identify as BIPOC, and just 10 percent of executive directors identify as Black. **About half (49%) of all nonprofits underrepresent BIPOC individuals in their senior management team.**

Boards, which play an important role in fundraising and shaping the strategic priorities of nonprofits, also underrepresent our region's Black and BIPOC communities. **Three-fifths (61%) of nonprofit boards (excluding the chair) have 40 percent or fewer BIPOC individuals as trustees.**

### NONPROFIT SERVICES

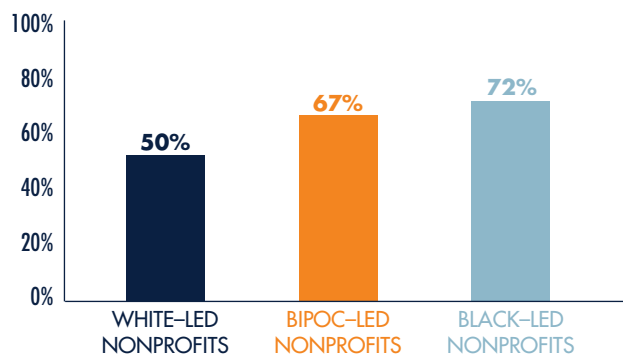
Black-led and BIPOC-led nonprofits in our region, many of which aim to serve Black and BIPOC communities, have played a large role in responding to the pandemic.

Nonprofits in human services, and those providing direct services in general, are more often led by Black or BIPOC executive directors than other types of nonprofits. **Almost three-quarters (72%) of Black-led nonprofits and two-thirds (67%) of BIPOC-led nonprofits more broadly provided direct services in response to the pandemic from the very start**, compared to half (50%) of white-led nonprofits.





PERCENTAGE OF NONPROFITS PROVIDING DIRECT SERVICES FROM THE START OF THE PANDEMIC

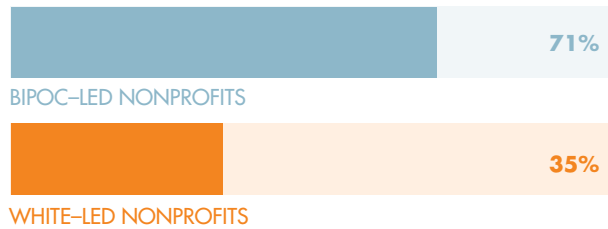


The pandemic increased our community’s need for direct human services, and BIPOC-led nonprofits profoundly felt that need. **More than two-thirds (69%) of BIPOC-led nonprofits reported an increase in community demand for their services over the past year**, versus 45 percent of white-led nonprofits.

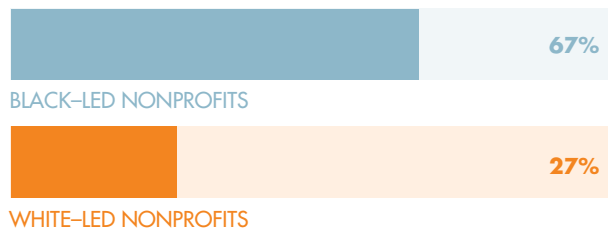
This demand may reflect the disproportionate impact of the pandemic by race. **Nearly three-quarters (71%) of BIPOC-led nonprofits prioritize services towards BIPOC communities**, compared to closer to one-third (35%) of white-led nonprofits. Similarly, two-thirds (67%) of Black-led nonprofits prioritize services specifically to Black communities, compared to 27 percent of white-led nonprofits.



### PERCENTAGE OF NONPROFITS PRIORITIZING SERVICES TOWARD BIPOC COMMUNITIES

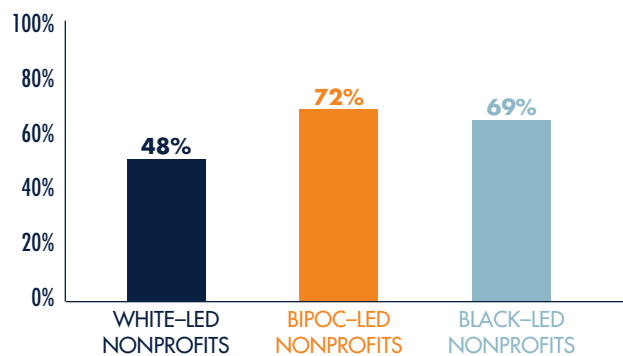


### PERCENTAGE OF NONPROFITS PRIORITIZING SERVICES SPECIFICALLY TOWARD BLACK COMMUNITIES



In addition to their work providing direct services to the people of Southeast Louisiana, **Black-led and BIPOC-led nonprofits are more likely to publicly advocate in support of their constituencies**, including through grassroots campaigns and community organizing to mobilize people and change public policies. Large majorities of BIPOC-led nonprofits (72%) and Black-led nonprofits (69%) engage in some form of advocacy, compared to less than half (48%) of white-led nonprofits.

### PERCENTAGE OF NONPROFITS THAT ENGAGE IN SOME FORM OF ADVOCACY



BIPOC-led nonprofits are eager to grow in this area as well: 15 percent named a desire to build more capacity in advocacy, compared to just six percent of white-led nonprofits.

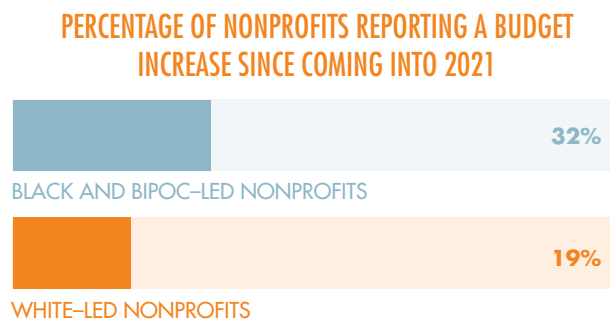
This may suggest that **racial representation in nonprofit leadership translates into greater responsiveness to BIPOC communities**, often in the form of direct human services addressing the effects of racial inequities, such as inadequate access to healthcare and housing. By directing services towards and advocating with Black and BIPOC communities, Black-led and BIPOC-led nonprofits work to meet these communities' immediate needs while also fighting for sustainable, long-term change.

Black-led and BIPOC-led nonprofits are interested in **forming new partnerships** to support this important work. Nonprofits partner for a variety of reasons, including co-providing services, joint fundraising, and sharing resources and referrals to stretch their limited resources. Around 75 percent of Black-led and BIPOC-led nonprofits were interested in pursuing a new partnership in the coming year, compared to 61 percent of white-led nonprofits.

**“[We are] looking to establish deeper relationships to build a coalition for broad-based equitable policy change.” – Nonprofit Leader**

## NONPROFIT FINANCES

Perhaps because of the greater demand for their services since spring 2020, **Black-led and BIPOC-led nonprofits were more likely to report a budget increase** coming into 2021: about a third of each (32%) increased their budget during the pandemic, compared to less than a fifth (19%) of white-led nonprofits.



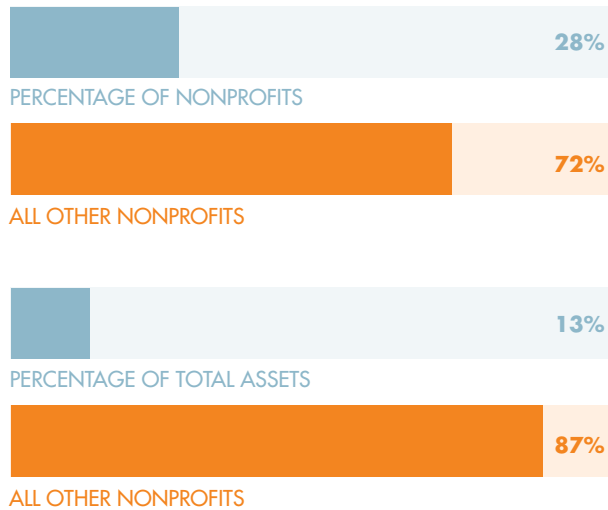
While over half (57%) of white-led nonprofits saw a decrease in their budget since spring 2020, less than half (45%) of Black-led and BIPOC-led nonprofits had their budget drop.

**Black-led and BIPOC-led nonprofits were also more likely to receive funds from new types of sources since spring 2020.** In prior years, these nonprofits received funding from fewer different types of sources than white-led nonprofits, but coming into 2021, that disparity was reduced. For instance, between March 2020 and early 2021, Black-led and BIPOC-led nonprofits were more likely to receive at least one private foundation grant: about 84 percent of Black-led and BIPOC-led nonprofits did, compared to 74 percent of white-led nonprofits.

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

Though they may have gained access to more funding opportunities during the pandemic, **Black-led and BIPOC-led nonprofits had less funding to support their work** coming into it. On average, by winter 2021, BIPOC-led nonprofits had two months’ fewer operating expenses covered by flexible reserves than white-led nonprofits. BIPOC-led nonprofits also had fewer cumulative assets: they made up 28 percent of nonprofits we surveyed, but held just 13 percent of the total assets of nonprofits across the region. This financial disparity suggests **racial inequities in access to funding** prior to 2020 hindered Black-led and BIPOC-led nonprofits’ ability to accumulate assets.

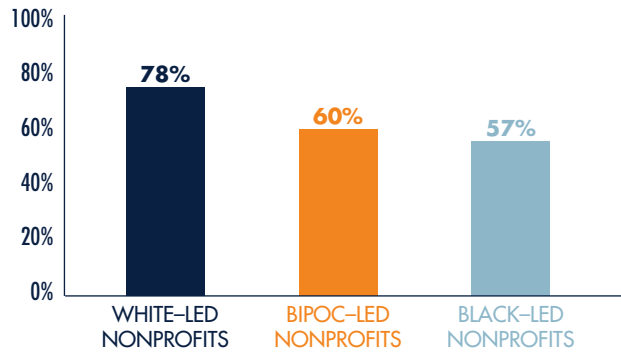
### DISPARITY IN ASSETS FOR BIPOC-LED NONPROFITS



**“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.”** – Nonprofit Leader

While most of our region’s nonprofits received federally backed PPP loans created in response to the pandemic, **white-led nonprofits were more likely to access these loans**. In fact, 78 percent of white-led nonprofits received PPP loans, compared to just 57 percent of Black-led and 60 percent of BIPOC-led nonprofits.

PERCENTAGE OF NONPROFITS THAT ACCESSED PPP LOANS



## WORKING TOWARDS RACIAL EQUITY

We reached out to nonprofits at a time of growing national and global conversation around racial inequities. Many organizations worldwide made changes in their workplaces as a result. We asked all the nonprofits we surveyed an open-ended question to learn more about these types of changes in service of racial equity. Of those who answered, **around 60 percent named an explicit operational change they made to promote racial equity in 2020**, such as implementing recruitment efforts to diversify their board and staff, engaging in equity training, and creating more inclusive policies. Some hired external consultants to do equity audits of their own work and developed new strategies and metrics for making their workplaces more equitable. Some established new advocacy efforts around addressing the root causes of inequities.

**“Although we are Black-led, employ a diverse staff, and primarily serve children of color, we recognize that there are many areas where we can continue to improve our efforts to increase diversity across our organization.”** – Nonprofit Leader

**“We passed a strategic plan in 2018 that had a specific goal of becoming an anti-racist organization. So we doubled down on those efforts in light of the events of 2020.”** – Nonprofit Leader





**“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.”** – Nonprofit Leader

**A quarter (26%) of white-led nonprofits shared with us that they would like support in implementing diversity, equity, and inclusion (DEI) efforts.** This capacity-building need was the fourth-highest ranked overall by nonprofits in the survey, following needs for support with fundraising, grant writing, and strategic planning.

## OUR ACTIONS:

# WHERE WE GO FROM HERE

**Our region's nonprofits have been rising to the occasion over the past year and a half to adapt and serve during trying times.** As we reviewed our survey findings, we were given confidence by seeing nonprofits' responsiveness and stability. We also gained a deeper understanding of the areas where nonprofits need additional support.

Many of the region's nonprofits address the urgent, basic needs of those most impacted by the pandemic. These are often human services nonprofits, nonprofits with Black and BIPOC leaders, and/or those nonprofits prioritizing services to Black and BIPOC communities. They provide the **"essential services"** our community requires, like offering COVID-19 testing and helping connect people to food and housing.

Because many **arts and culture nonprofits** do not provide these types of immediate pandemic relief, they were not always seen as "essential." Their offerings were also sometimes harder to adapt to the virtual environment. As a result, they suffered greater financial shortfalls than other types of nonprofits. This threatens the great cultural and artistic vibrancy of our region.

Amidst these changes in funding and demand for services, nonprofits were agile and responsive, and they took the necessary steps to stay afloat. **Some reduced expenses (sometimes by reducing staff), and many obtained PPP loans, attracted new donations, and/or secured new grants.** Nonprofits were strategic with their funding, shifted operations to meet the moment, and offered critical services to our community in a time of great need.

## WHERE DO WE GO FROM HERE?

### HOW THE FOUNDATION IS TAKING ACTION:

**Our findings offer up new questions about the future of our nonprofit sector.**

**For instance, will new, more equitable funding patterns persist and expand?**

The increased budget of some human services nonprofits, nonprofits with Black and BIPOC leaders, and/or those serving Black and BIPOC communities is hopeful.

It is also reminiscent of an influx of funding after Hurricane Katrina, which surged, then eventually decreased as the recovery progressed.<sup>11</sup> We hope that new funding opportunities for nonprofits continue beyond the immediate crisis, and that the disparities in operating funds and assets between nonprofits with Black or BIPOC leaders and those with white leaders are eliminated, but we know this is not a given. The Foundation is committed to working for equity with urgency and intentionality.

**Our nonprofit sector must continue making and institutionalizing progress on diversity, equity, and inclusion.** Our nonprofits will be most effective when their leaders bring a wider range of perspectives and experiences to their work and when they are more representative of our region at large. **The executive leadership and boards of our nonprofit sector as a whole do not yet fully represent the diversity of our region.** This is particularly true within arts and culture organizations. We hope that the new, renewed, or sustained focus of many nonprofits on racial equity will continue and grow, and we will work toward this ourselves.

**We also know that Black-led and BIPOC-led nonprofits are working toward racial equity in various ways.** Nonprofits with Black and BIPOC leaders have been more likely to offer direct services in response to the pandemic, engage in grassroots advocacy, and direct their work specifically to Black and BIPOC communities. In so doing, they address the causes and effects of racial inequity.

To achieve broad, shared prosperity, **Southeast Louisiana needs a financially stable and racially equitable nonprofit sector.** At the Greater New Orleans Foundation, we will continue to help foster this.

## WE WILL:

**Be responsive to nonprofits' capacity-building needs by providing timely, relevant training and support services.**

We pride ourselves on being responsive to the needs of our nonprofit partners. Our region's nonprofits know what they need, so we intend to listen closely and provide the best possible resources.

## OUR ACTIONS

As soon as we learned about the **CARES Act and PPP loan program**, we delivered webinars and technical assistance to help nonprofits access this critical funding. We engaged in dedicated outreach to ensure our region's Black-led and BIPOC-led nonprofits had information about and access to these funds. We believe this support was instrumental in helping nonprofits in Southeast Louisiana manage their finances and adapt and sustain services during the pandemic.

When nonprofit leaders reached out about **diversity, equity, and inclusion training**, we responded quickly. We contracted with an organization with experience in delivering these trainings to provide a webinar series for our nonprofit partners.



The Foundation's **Nonprofit Leadership and Effectiveness (NLE) department** will continue to respond to the needs expressed by our region's nonprofits through our robust training calendar, which includes high quality workshops, webinars, and leadership development programs delivered by the best national and local experts. We will engage our nonprofit partners to co-design learning opportunities and create space for them to connect, build their networks, learn from one another, and share best practices.

As we moved programming online during the pandemic, we realized the power the medium can hold beyond the crisis. Online programming will make our work more accessible and expand our reach to those who might have been unable to travel to our offices. At the same time, we know that our leaders long to be together and build relationships in-person. Moving forward, we will deliver **both online and in-person training** to accommodate all of our partners. We have invested in an online learning platform that will create a hub for easy access to our curriculum and materials and facilitate community building among our training participants.

### **Invest in helping nonprofits restructure and build strategic partnerships**

This crisis may present an opportunity for nonprofit leaders to reimagine their work. By adjusting their structure or operations, strengthening their partnerships, and in some cases, consolidating or merging with other organizations, nonprofits can gain capacity, become more efficient, and grow more sustainable. This will increase their impact.

## **OUR ACTIONS**

At the Foundation, we have a track record of supporting **strategic partnerships and mergers** with nonprofits. Most recently, our NLE team supported a merger to create the Boys & Girls Clubs of Metro Louisiana. This super-regional nonprofit now operates with a centralized administrative office that supports neighborhood-based and school-based clubs with local leaders. By consolidating, the clubs save on administrative costs, free up resources to invest in programming and staff, and expand their impact on youth.

We will collaborate with donors and foundation partners to expand our **Mission Acceleration grants program** to support strategic consolidations, partnerships, and mergers. We will also continue to provide a toolkit, technical assistance, and series of webinars to help organizations navigate these complex processes.

### **Support and invest in Black-led and BIPOC-led nonprofits**

Black-led and BIPOC-led nonprofits face growing demand for their services but continue to be under-resourced due to longstanding inequities in access to funding.

These nonprofits face disparities in accumulated assets, financial reserves, and access to diverse funding sources.

**Although recent philanthropy has lessened some disparities, gaps remain.** Black-led and BIPOC-led nonprofits were less likely to secure critical PPP funds from federally backed banking institutions, for instance. All nonprofits will need increased and more flexible funding, but this is most urgent for Black-led and BIPOC-led nonprofits to offset existing inequities and meet the steep demand they face for their services. It is **not sustainable** for them to operate on thin margins and powerful staff dedication.

## OUR ACTIONS

We will continue to work with our donors and foundation partners to grow our **Racial Equity Fund**, which makes strategic investments in Black-led nonprofits that have demonstrated success in advancing the complex work of racial equity in our region. In the last twelve months, the Foundation awarded \$1,450,000 to 31 Black-led nonprofits from this fund to support organizations that provide leadership in ending institutional racism, help eliminate inequitable systems, and work to close the racial wealth gap. A robust Racial Equity Fund will allow us to continue funding our current grantees and expand our impact by supporting new nonprofits, too.

We are also working to pursue further equity in our own grantmaking. We increased our **outreach and promotion of grant opportunities** to expand the number and diversity of organizations with access to our support. We have been expanding our social media presence, sharing opportunities through our newsletter, and asking local individuals and organizations with expansive community ties to help us get the word out about our funding opportunities.

We have also made **changes to our application, funding, and reporting processes**. Organizations with fewer financial assets may have less staff capacity to fill out lengthy applications or follow through on complex reporting requirements. To address this, we shortened our applications and are giving nonprofits the option to provide reports orally, if that is what is most efficient for them. We want to ensure our nonprofits can focus on their work.

Additionally, to better serve nonprofits with limited cash flow, we have shortened the time between when an organization is approved for a grant and when they receive their funds. To do so, we are moving away from sending checks to using **electronic transfer**.

While we have always aimed to fund a diverse group of nonprofits, we are now **formally tracking the racial identities of the leaders of nonprofits we support, the racial makeup of their boards, and the demographics of the communities these nonprofits primarily serve**. This will help us ensure we are distributing funds equitably across Southeast Louisiana.

## **Address the racial leadership gap**

Our region's nonprofits are stronger when their leadership represents Southeast Louisiana's powerful racial diversity. Currently, while just over half (56%) of people living in the 13 parishes of Southeast Louisiana are white, closer to 70 percent of nonprofit chief executives and board chairs are white. The gap is larger within arts and culture nonprofits.

### **OUR ACTIONS**

We have taken explicit steps to help our region's nonprofit boards of directors grow more diverse. Prior to the pandemic, our NLE department expanded our **Board Governance Series** curriculum to engage more deeply with issues of diversity, equity, and inclusion. As with all DEI work, this is an ongoing effort, and cannot begin or end with a single program or workshop.

Our **Board Builders** program offers support and training for BIPOC community members and others interested in board service. We are working with partners including Emerging Philanthropists of New Orleans, New Orleans Regional Black Chamber of Commerce, the Young Leadership Council, and Urban League of Louisiana Young Professionals to recruit BIPOC individuals and people under the age of fifty for the program. After the program, we connect these trained leaders to nonprofits seeking board members.

We will also continue to offer professional development and support for current and future nonprofit leaders and staff of color in our region. Our **Emerging Leaders** program supports leaders interested in building a career path in the nonprofit sector. While we have always emphasized the importance of DEI in this program, we are working with BIPOC leaders in middle management and senior level positions to strengthen the program's focus on racial equity and reach more leaders of color. We will also provide resources and training on equitable hiring practices, hiring policies, and equitable executive searches and transitions.





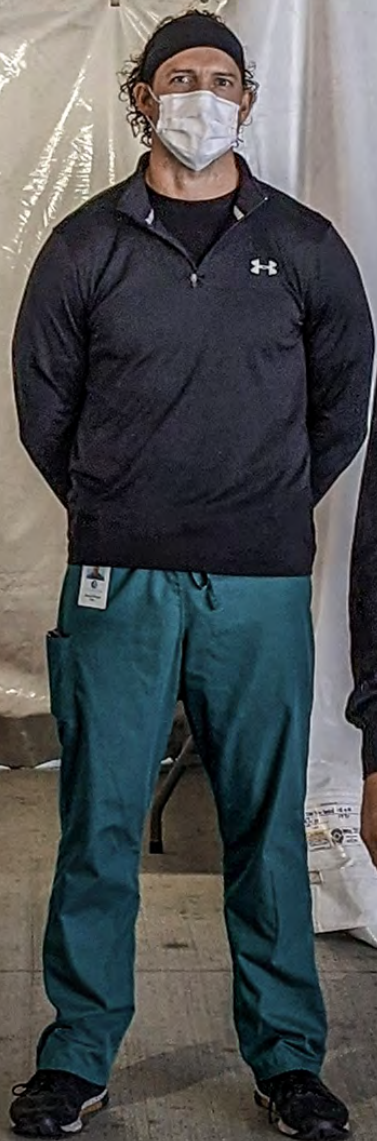
Through all of this, we cannot and will not lose sight of the fact that our region's nonprofit leaders and staff have been **exhausted by the pandemic**. Now, they are further exhausted by the **devastation of Hurricane Ida**. They need rest and time to rejuvenate, especially those whose services faced the greatest demand this year, such as those led by and serving Black and BIPOC communities disproportionately impacted by the pandemic. We will incorporate a focus on **self-care** and managing time and energy into our leadership programming and continue to invest in executive coaching.

There is more work to do from here on the part of the philanthropic community. We must provide our region's nonprofits with **more streamlined operational support, fewer bureaucratic hurdles, and a long-term financial commitment**. We must continue to ask them what they need and trust their responses.

Nonprofits, of course, have work to do, too. In addition to continuing their powerful service to our community, they need to **assess their operations and funding models** to ensure their impact persists as pandemic-related emergency funding winds down. They must also **take a close look at their own racial diversity and pursuit of equity** within and outside of their organizations.

As we at the Foundation work to make good on our promises to nonprofits, we are energized and hopeful about their work. **In our times of greatest challenge, our nonprofits came through for our community. Our commitment to them must be just as steadfast.**







This report was prepared from the thoughtful research of **Prof. Steve Mumford, PhD**, from the University of New Orleans, and UNO Tolmas Scholars **Mckenzie Howell, Mitzi Kogas, Kathleen Mendoza**, and **Kielee Clement**.

That research, and our presentation of it, is guided by input from many, including members of our **advisory committee** comprised of diverse group of executive directors from across Southeast Louisiana. We are grateful to the **Greater New Orleans Funders Network** for their partnership and investment in our study.

Finally, thank you to all the **nonprofit leaders** in our region who took the time to complete our survey and share their perspectives.

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Credit: Katheleen Mendoza