



Strategically investing in communities of color by strengthening local nonprofits

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Executive Summary

In 2018, Venture Philanthropy Partners (VPP), a regional philanthropic investment organization, partnered with the Prince George's County Council to launch the Ready for Work Nonprofit Capacity Building Program (NCBP) in Prince George's County, Maryland, a majority Black suburb of Washington, DC. The larger Ready for Work: Champions for Career and College Ready Graduates in Prince George's County initiative focused on bringing together networks of community-based organizations to provide an integrated series of student supports that improve the educational attainment and socio-emotional development of high-school aged youth at the selected high schools. The NCBP began as an effort to build the capacity of county- based nonprofits to expand that work and serve more children and youth.

Council leadership identified preparing young people for successful futures as a top priority and realized nonprofits embedded in the community would be key players in realizing the goal. They further recognized that nonprofits were a key sector in their communities and wanted to strengthen their Black and Latinx led organizations. Therefore, the Council endorsed and supported the NCBP's purpose to increase the capacity of youth-serving nonprofits in the County to provide opportunities for more children to succeed and to strengthen organizational practices to ensure sustainability. VPP chose Fair Chance, a social change organization with an equity-informed capacity building model tailored to the needs of small and emerging organizations and serving mostly Black-led nonprofits, to deliver the three- year program.

The NCBP launched in 2019 with four community-based organizations selected through a rigorous process. All served high school aged youth, ages 14-18, with a slightly different focus such as college access, academic achievement through music education, workforce development through cultural arts, and youth leadership and career preparation.

As per the Fair Chance model, at the beginning of the program, Executive Directors were assigned a Capacity Building Specialist (CBS) as a "partner" to support individual learning and organizational change. In the first few months, CBSes and Executive Directors collaboratively completed a baseline assessment rating the organization on 132 items grouped into eight areas of organizational practice (i.e., board development, fundraising,

financial management, human resources, communication and outreach, leadership development, program evaluation, and strategy and planning). Program workplans were developed for each organization, growth was assessed annually, and at the end of three years.

To obtain these results, each organization received an average of 10 hours of support per week for 50 weeks over three years – or 1,500 hours of support for each organization. In addition, they were engaged in quarterly workshops to expand and demonstrate learning. VPP operated a mini-grant program element that afforded the organizations the opportunity to practice and strengthen their grant writing, grant management, and report writing skills and capacities in the safe space of the program.

Each organization was able to compete for mini-grants (up to \$25,000 each) which were used to support the organizational capacity and/or program capacity building goals they were working on during this program.

Lessons learned from the NCBP show the benefits of investing in longer term, intensive and community- centered capacity building approaches to address specific needs of small nonprofits

working in communities of color. This could be a model for local governments needing to strengthen their nonprofit sectors to provide more services post COVID, or for philanthropy to consider in making more just and sustainable investments with traditionally overlooked populations.

AFTER THREE YEARS

- All organizations **showed substantial improvement from the baseline assessment to the final post-assessment in all eight areas of practice.**
- All organizations showed **substantial growth in both numbers of children served and budget size (as a marker of sustainability).**
- Organizations also **added an average of two staff and diversified their funding sources, reducing their dependence on government grants.**

Purpose and Overview

After the 2020 murder of George Floyd, corporations and foundations across America were compelled to address issues of racial justice. Many made unprecedented commitments to fund Black-led organizations and causes. In addition, new approaches such as trust-based and inclusive grantmaking are helping philanthropy drive more resources to previously overlooked communities of color. **However, missing from the conversation is the potential for strategic capacity building investments to accelerate results and sustainability for these organizations and communities.** This report looks back on a three-year investment to increase the capacity of four community-based organizations in a majority Black suburban community with a growing immigrant population outside of Washington, DC.

This report provides background on the program, participants, results, lessons learned, and implications for future practice. The work was designed and delivered based upon the belief that racially-conscious capacity building programs could be a vehicle for improved organizational strength and stability leading to improved outcomes in historically under-resourced communities.

Background

In 2018, Venture Philanthropy Partners (VPP), a regional philanthropic investment organization, partnered with the Prince George's County Council to launch the Ready for Work Nonprofit Capacity Building Program (NCBP) in Prince George's County, Maryland.

VPP initiated this program as part of a larger, six year partnership with the Prince George's County government to improve career and college readiness outcomes for young people. Prince George's is the country's largest majority Black County with a growing Latinx and immigrant population located in the Washington, DC suburbs. The leadership of the County Council was dedicated to engaging the smaller youth-development nonprofits serving the community and believed they could be recognized and supported to achieve the Ready for Work goals. At a time when many governments are struggling with

the growing challenge of disconnected youth, the County Council stepped up to fund new solutions by investing in the community-based organizations that serve them. While VPP had a long history of building the capacity of larger youth serving organizations to scale evidenced-based results, they chose Fair Chance, a DC-based capacity building organization with an equity-informed model tailored to the needs of small, mostly BIPOC-led organizations, to implement the program.

The NCBP was launched with an initial cohort (Cohort One) of four nonprofits. VPP identified a pool of eight candidates with the assistance of the County Council, and each nonprofit completed Fair Chance’s application and selection process eventually resulting in four selectees. Fair Chance and VPP agreed that the NCBP should work collectively and individually with all four organizations and their leaders through Fair Chance’s unique “partnership” capacity building model over a period of three years.

The first step in the NCBP involved each nonprofit “partner” completing Fair Chance’s baseline assessment process designed for small organizations, which results in the co-creation of a work plan based on baseline assessment scores and organizational feedback. During the three year program, nonprofit leaders worked with their Fair Chance Capacity Building Specialist (CBS), as well as their own staff and board members, to address various organizational challenges and then build toward achievement in eight organizational areas of practice.ⁱ At the end of each year, Fair Chance administers an annual assessment to capture progress on the eight practice areas. For Cohort One, each of the four nonprofits completed an end-of-NCBP assessment at the end of year three, which Fair Chance then compared to the baseline assessment from 2018. Fair Chance also examined changes in several other measures over the three years, including number of young people served and revenue growth.

Characteristics of Cohort One

The organizations selected to participate in Cohort One of the NCBP were well-established and at least 20 years old. Each of the organizations’ founders continue to serve as the Executive Director. Given that the majority of nonprofits in Prince George’s County report annual revenues of less than \$25,000ⁱⁱ, these organizations with an average budget of \$484,000 at the time of selection were considered “larger” than peer nonprofits in the

County. All four organizational leaders were over 50-years old and three of the four identified succession planning as a key need at the beginning of the program. However, although known to, and highly thought of by County Council members, these organizations were not necessarily sustainably resourced.

All four organizations in Cohort One served young people ages 14-18. Eighty four percent of participants served by these organizations lived in Prince George's County, with the remainder of the participants living elsewhere in Maryland, the District of Columbia, or Virginia. Fifty six percent of the young people served identified as Black, with 33% Latinx, 5% White, 3% two or more races, and 1% Asian/Pacific Islander. Each organization had a slightly different area of programmatic focus. End Time Harvest Ministries concentrates on youth leadership and career preparation, The Foundation for the Advancement of Music & Education on academic achievement through music education, Joe's Movement Emporium on workforce development through cultural arts, and First Generation College Bound on college access. Based upon the first year's success, the Prince George's County Council decided to add a second cohort (Cohort Two) of four nonprofits, and then a third (Cohort Three) so that by the end of the third year of the first cohort, three cohorts totaling twelve youth-serving nonprofit service providers were participating in the program.

Core Elements of the Capacity Building Program

The three-year NCBP is based on Fair Chance's intensive one-year participant-centered and comprehensive model, and also incorporates lessons learned from VPP's experience partnering with high performing organizations over the past 20 years. The foundation of the program is the relationship between the nonprofit leader and a carefully assigned Fair Chance Capacity Building Specialist (CBS).

Believing that transformation and growth happen best in an environment of safety and trust, Fair Chance Capacity Building Specialists focus on building equity-based relationships first.

A core component of the program is finding and training the right staff to serve as CBSes who understand the unique challenges of small nonprofits. The CBSes are experienced

coaches and consultants, culturally intelligent, and share in Fair Chance’s commitment to racial justice and equity-informed practices. The CBSes appointed to support Cohort One were either County residents or had done extensive work within the County and knew the nonprofit landscape.

Fair Chance uses a proprietary assessment tool developed specifically for small human service nonprofits to inform and guide the capacity building process. This assessment tool underwent validity testing and was determined to be a reliable and consistent measure of changes in small nonprofit organizational capacityⁱⁱⁱ.

Using the assessment tool, nonprofit leaders rated their organization on 132 items grouped into eight areas of practice at the beginning of the partnership and at the end of each of the subsequent three years. This resulted in quantitative data measures of nonprofit capacity obtained at four different periods of time during the lifetime of the program.

Each of the eight areas of practice contains up to 30 individual items. For example, the “Strategy and Planning” practice area contains the following item: “the strategic plan or over-arching strategy document is used to guide management decisions.” Executive Directors rate all 132 items using the following scale:

0	Not addressed	Indicates this practice is not addressed by the organization
1	Emerging	Indicates this practice is in development or conceptual/ planning stage
2	In Practice	Indicates at least some components of the practice exist, but may not be fully documented, comprehensive, systematized, or routine
3	Institutionalized	Indicates a practice that is comprehensive, documented, systematized, and a routine part of the organization’s practice

Ratings for each individual question within each area of practice are averaged, creating a score for each practice area (such as a 1.5 for Strategy and Planning). The assessment also identifies further questions for exploration in the administration of the survey. For example, the item which asks about an organization’s strategic plan includes these follow-up questions: “how often is the document reviewed?” and “who is involved in the review?”

After each assessment, the CBS and the Executive Director review the scores and co-develop a work plan outlining specific goals (either addressing needs or building on assets) to work toward over the defined period of time.

Fair Chance communicates the intensive nature of the partnership through the recruitment process and reinforces the time commitment at the beginning of the partnership. While the original Fair Chance model required 8 hours per week from both the CBS and the assigned Executive Director, once the NCBP began, the CBSes documented they spent an average of 10 hours per week with each organization. The hours included a two-hour weekly meeting, collaborative research to gather community feedback or lessons learned, coaching phone calls, customizing tools, and training for staff and board members.

Another component of the program is quarterly workshops bringing the Executive Directors and selected staff or board members together to increase knowledge in a specific area of practice for peer sharing, and to build a sense of community and trust across the Cohort. Following each workshop, Fair Chance CBSes provided specific coaching on the concepts learned and tailored materials to meet the needs of each organization.

To build each organization's fund development skills, VPP facilitated a mini-grant competition for up to \$25,000 per organization at the beginning of the second and third years of the program (for a total of \$50,000 per organization). After completing workshops covering program evaluation and grant writing, each organization practiced their skills through the mini-grant competition. In addition, each Executive Director and board chair were invited to a gathering to build relationships with key local funders interested in expanding investments in Prince George's County. The nonprofits received feedback on their mini-grant applications from VPP staff, as well as this 'community' of funders, in a low-stakes effort to improve grantwriting skills. Participants used mini-grant funds to build internal capacity in various ways, further reinforcing the efforts of the NCBP.

Over the three years of the NCBP, each organization received an average of 10 hours of support per week for 50 weeks over three years – or **1,500 hours of support for each organization.**

At the conclusion of the NCBP, Fair Chance publicly celebrated each partner's accomplishments and welcomed the graduates to the Fair Chance Alumni Network where they receive ongoing resources and peer learning opportunities. When Cohort One completed the three-year program at the beginning of 2021, the virtual graduation celebration included Prince George's County Council members and other notable leaders in the community.

Program Results

With the NCBP, VPP and Fair Chance sought to achieve the following outcomes: 1) increase the capacity of youth-serving nonprofits in Prince George's County to provide opportunities for more children to achieve educational success, develop healthy behaviors, prepare for postsecondary and career opportunities, and successfully transition to a self-sustaining adulthood; and 2) strengthen Boards of Directors and organizational practices such as strategy and planning, fiscal management, and fundraising.

Overall, Cohort One organizations exhibited substantial growth from the baseline assessment to the final post-assessment at the three-year mark. Over that time period, three of the four organizations in increased by at least one level (a 1.5 to a 2.5 for example) from the pre-assessment to the final post-assessment in all eight organizational practice areas (board development, outreach and communications, program evaluation, financial management, fundraising, leadership development, human resources, planning and strategy). All four organizations achieved at least Level 2 "in practice" for all eight practice areas.

For Cohort One, the final year of the NCBP took place during the COVID-19 pandemic, which resulted in an increased focus on finances and fundraising (including understanding the CARES Act), transition to virtual programming, and understanding a variety of tools and platforms to offer socially distant services. With the assistance of their CBSes, all four organizations in Cohort One were able to incorporate these new practices into their operation during the pandemic. Executive Directors made several comments on their final end-of the Partnership survey referring to their pandemic experience including: **"the**

infrastructure and mindset changes made during the first two years prepared me for the challenges of COVID-19” and “having my CBS as a ‘sounding board’ during the year was key to our success.”

Cohort One organizations showed substantial growth in both number of children and young people served and budget size (as a marker of sustainability). Before starting NCBP, the four nonprofits in Cohort One served a total of 2,492 young people. At the completion of Cohort One, the number of total youth served grew by 32% to 3,668. The aggregate budget size for the cohort grew by an average of 53% from \$484,415 at baseline to \$1,030,670 at the end of NCBP.

Average staff makeup for the four organizations before beginning NCBP was 6.5 fulltime staff, 3 part-time, 7 contract employees, and 6 regular consultants. By the end of NCBP, the four nonprofits added an average of two full-time employees each year. Regular consultants increased by 50% while dependence on contract staff decreased by 50%. In final reports, Executive Directors reported that the focus on building a disciplined human resource practice was fundamental to recruiting and orienting the right new employees to complement and advance their organizational culture and team.

In addition, the mix of funding sources changed during the three years the organizations participated in the NCBP. At the outset, Prince George’s County government officials expressed a desire to see a decrease in dependence on County grants and an increase in the capacity of these organizations to seek and secure non-governmental funding. **The desired outcome was achieved with all four organizations in Cohort One reporting significant increases in support from foundation sources and decreases from local government sources.** This result was likely due to the targeted work on grant writing skills followed by specific efforts to introduce Cohort One leaders to foundation leaders, the mini grant program, and providing opportunities for Executive Directors to practice sharing their stories of success.

As for the effect on the young people served, CBSs worked with Cohort One organizations on program evaluation and performance measurement systems. As an example of progress made in achieving outcomes for young people, one CBS reported:

“At the beginning of the engagement, FAME was apprehensive about collecting feedback and evaluation. Prior to Year 2, Quarter 3, the nonprofit occasionally tracked varied data on student academic improvements. More recently, the executive director has embraced both feedback and evaluation. FAME conducted a series of feedback sessions with its internal constituents and plans to get feedback from external stakeholders later in the year. Additionally, FAME created an evaluation plan for the music component of its program. It will track GPAs, SAT scores, and student attendance using a software program that allows staff to see all student data in one location and better track student improvements over time.”^{iv}

FAME, or the Foundation for the Advancement of Music and Education, serves 1,500 students, mostly from Prince George’s County, through several different music education, performance, and academic support programs. The organization has now instituted regular data collection methods and reports.

“Students in the program improve their music reading and technical skills, enhance their performance of prepared and improvised music, and demonstrate the skills and confidence to maintain independent mastery of music. On the academic front, their grades and test scores exceed the state average and all who complete the program graduate from high school and go on to attend major colleges and universities.”^v

Lessons Learned

Organizations Overrate Their Organizations Early On

At the beginning of NCBP, the VPP and Fair Chance team made several assumptions regarding the first cohort of organizations. All four nonprofits had been in existence for at least two decades, had long- standing leadership in place, complete groups of board members, and continued to maintain budgets close to a half a million dollars. These characteristics led VPP and Fair Chance to assume each organization had some level of formal infrastructure in place designed to ensure continued success and sustainability.

This was reinforced during the selection process and by Executive Director ratings on the first set of baseline assessments.

However, after the program began, it was discovered that each organization had less formal structures in place than originally thought and Executive Directors had actually over-rated their capacity. As an example, an organization might have had a published HR manual, but upon further discovery, the manual might have been missing critical pieces.

One founding Executive Director in Cohort One described the situation this way:

“People think they are doing a good job but they don’t really know what it takes to run a nonprofit before they start one. Passion and heart will only take you so far. Most people don’t understand the need for infrastructure, and they don’t pay attention to it.”^{vi}

Many nonprofit leaders, particularly founders of community-based nonprofits like the four in Cohort One, come into their roles because they see a challenge and come up with an innovative way to address it. Most do not start with an aspiration for nonprofit leadership and learn the job through determination and a commitment to succeed “for the sake of the kids.” Each is also understandably protective of their organization and its reputation.

A Relationship of Trust is Foundational

We believe the trusted relationship between the Executive Directors and Capacity Building Specialists unaffiliated with the funders (VPP and the Prince George’s County Council) was critical to uncovering the true nature of each organization’s situation and the opportunity to work on needed infrastructure for growth. The CBS as a neutral party is an important component to making an accurate assessment of a nonprofit’s strengths and challenges. It can also take several months for trust to build and for a nonprofit ED to feel “safe” to share honestly about an internal situation without fear of judgment.

Therefore, the unique background of the Capacity Building Specialists as well as their commitment to the three-year program was one of the most critical inputs.

Both CBSes were extremely experienced, culturally-intelligent Black coaches, trainers, facilitators, and consultants who either lived in or had worked extensively in Prince George’s County. Fair Chance’s experience recruiting, training, and supporting these positions was an advantage and contributed to the retention of talent and needed

consistency over time. CBSes were also assessed and selected based upon the expressed values of the program and belief that at the core, the work is about building trusted relationships.

While Fair Chance had not previously worked in the County, the Capacity Building Specialists had. In addition, VPP was a trusted organization and partner in the community through their established Ready for Work partnership with the County Executive, County Council, and the Prince George's County School System.

Organizational Change is Not Always Linear

Based on our assessment data collected over a three-year period, Fair Chance identified three patterns for how organizational capacity increased. The first pattern consists of a year of large growth followed by two years of smaller growth. The second was a consistent growth of roughly 20% each year, while the third was a decrease in scores in year one (meaning Executive Directors scored themselves higher on the baseline and then lower on the first-year post-assessment as they came to understand more about effective practices) followed by large increase(s) in following year(s).

Peer Learning and Networking Activities is Additive

All four Executive Directors in Cohort One identified the “cohort-based” workshops and networking designed to complement the intense individual capacity building as a valued component of the program.

Reflecting on their own leadership growth, Executive Directors shared that increased interaction with other Executive Directors made them feel “less alone.” As they shared common experiences and challenges, the leaders reported feeling more confident in themselves and realistic in their expectations of others.

Institutionalization of New Practices Requires a Multiplicity of Approaches

Adults bring different learning styles to the capacity building process. The NCBP consists of several different components, including an assessment of organizational strengths and challenges, a tailored workplan for capacity building, delivery of workshops on topics aligned with the areas of practice, regular coaching of leaders, design of change

management processes, and organizational development activities with staff and board. These components are further complemented by opportunities to meet funders, apply for grants, share with peers, and network over the course of an extended period. In the post-partnership survey, nonprofit leaders identified different aspects of the program which best suited their needs. In discussion, further study to isolate the effectiveness of different elements of the program for different types of leaders and organizations would benefit future planning and implementation.

Institutionalization of New Practices Requires Ongoing Support and Commitment of Time

Fair Chance's DC program is mostly identical to the Ready for Work Capacity building program in Prince George's County except for duration and intended impact. The DC program commits to eight hours/week of a Capacity Building Specialist's time over the span of a year. Given the time horizon, the expected outcome is that nonprofits will increase their ratings by 25% in four out of the eight areas of practice. VPP's desired outcome was for nonprofits to achieve progress in all eight areas of practice. As a result, the NCBP was designed for CBSes to devote eight hours/week over three years.

However, through accurate time keeping, Fair Chance discovered CBSes averaged 10 hours/week of capacity building support for each nonprofit. VPP and Fair Chance did not want to scale back the work of CBSes, and therefore increased the NCBP budget in years two and three to support higher intensity capacity building.

Longer Engagements Equal Greater Results

Ninety percent of the nonprofits in Fair Chance's year-long DC-based program show progress in four of the eight areas of practice. However, in the three-year NCBP, three of the four nonprofits in Cohort One made significant progress in all eight areas. This is consistent with the findings of Fair Chance's external evaluation of the DC program which included a set of nonprofits who took advantage of an optional second year when offered. The findings showed an association between the duration and investment of capacity building support with stronger nonprofit outcomes.^{vii}

Suggested Refinements to the Fair Chance Model

Throughout the NCBP program, VPP and Fair Chance convened quarterly to review organizational progress and to reflect on learnings throughout the partnership. Through these sessions, VPP and Fair Chance teams identified opportunities for refinement. In particular, while the areas of practice have resonated with participants as a guiding framework, a more intentional integration of racial equity through each of the capacity areas is needed, including how the content of some of the practices might be shaped by White dominant culture. In addition, there is a desire to revise the scales of the assessment tool and allow for a greater focus on maximizing strengths as opposed to improving deficits and for participants to be able to retrospectively mark their own progress.

Implications for Funders and the Nonprofit Sector

Historical lack of support for capacity building and disagreement on the best strategies to use across the funding community have led to capacity building initiatives which are episodic or narrow in scope.

Philanthropic and government leaders tend to prefer short-term, inexpensive engagements focused on a single issue such as fundraising or financial management.^{viii} Or, if engagements are longer, they might take the form of a series of workshops totaling less than 10 hours of generic instruction designed to teach content to multiple nonprofits at the same time or a facilitated community of practice.

However, there is a growing body of evidence that extended capacity building engagements, those lasting more than a year and providing continuous support, may lead to greater impact.^{ix} This more intensive approach to nonprofit capacity building allows organizations and their leaders to internalize and reflect on instruction provided over an extended period while also applying lessons learned to their own organizational contexts. The commitment to longer engagements also signals an understanding that authentic organizational transformation takes time and a willingness on the part of funders to “trust the process,” the providers, and grantees.^x

In addition, traditional capacity building efforts often apply a “one size fits all approach” where an “expert” delivers content to a receiving audience. This more “Western model of learning” is not “rooted in race-equity” but an unequal power-dynamic reflected more in the norms of White dominant culture.^{xi} Through our work over the past 20 years, Fair

Chance has had to challenge assumptions and defend the integrity of the model when funders have asked to be involved in capacity building decisions or to shorten the timeframe to reduce costs. Building authentic relationships of shared power and trust to co-create the capacity building experience takes time and can cost more than what the funding community has been willing to invest.

Further complicating matters, most of the “outcomes” that have been measured at the end of capacity building engagements and reported in the literature are actually “outputs” – e.g., the creation of new management systems, policies, and procedures – as opposed to evidence that the new processes and systems actually lead to demonstrably better performance.^{xii} **Using a validated assessment tool, the Fair Chance NPCB program demonstrates that an intensive and value-based model of shared learning leads to improved nonprofit effectiveness, growth, and sustainability, particularly for small, BIPOC-led community-based nonprofits.**

The annual direct cost per cohort for the NPCB program is roughly \$250,000, with an additional \$200,000 for mini-grants to the cohort organizations. This amount is comparable to several other similar cohort-based pilot programs in other locations. A somewhat comparable year-long cohort model called “The Practitioners Leadership Institute” and targeted to Black grassroots leaders of start-up organizations in under-resourced neighborhoods in Baltimore, was successfully implemented by the Annie E. Casey Foundation’s (AECF) Center for Civic Sites and Community Change from 2018-2020 (two cohorts) with impressive results. However, the \$200,000 annual price tag was more than that individual unit at the AECF could sustain without collaborative investments from other funders. While other funders expressed interest, none had carved out that level of support for capacity building in the previous year’s budget and was therefore, unable to commit. As a result, the program is no longer available.

Another funder-driven example from Philadelphia is the Evaluation Capacity Building Initiative currently in its third year. While this program is narrower in scope focusing on building the capacity of a group of foundation grantees “to monitor their programs, evaluate their results and use data to inform their work,” the annual cost for the engagement is similar.

We hope that by sharing our results of the NCBP program, foundations and government grant-makers will seriously re-evaluate capacity building and see it as a core way to invest rather than as an “add on.” In communities historically overlooked by traditional

grantmaking practices, the way forward is to invest more resources. However, increasing grant amounts without consideration of the need for infrastructure development may be counterproductive.

Our evidence suggests that grantmaking organizations should prioritize strategic investment in thoughtfully designed capacity building approaches that are community-centric, relationship-based, customized, co-directed, and of sufficient duration for new practices to be embraced and implemented. Multi-year and intensive approaches lead to increased and sustainable nonprofit capacity providing a solid foundation for future growth and impact.

Conclusion

Research shows that Black and Brown households have experienced disproportionate educational, economic, and health impacts from the COVID-19 pandemic.^{xiii} In the under-resourced communities where most of these families reside, a scattered network of nonprofit organizations are on the front lines of addressing widening gaps and providing opportunities and services for children and youth. These small nonprofits are very often under-resourced, overstretched and thus at risk of failure. In one study of nonprofit organizations in Los Angeles, those serving primarily Black neighborhoods were found to have a much higher rate of failure than others.^{xiv} This organizational vulnerability results from racial inequities in philanthropic funding and other challenges BIPOC leaders face in responding to overly- burdensome requirements on unrealistic timelines.

On the other hand, because they are embedded in the community, BIPOC-led local nonprofits have greater capability to understand the needs and values of community residents. These nonprofits can build lasting bonds with their neighbors, establish support networks, and have better understanding of what works to meet the needs of members of the community and foster innovation.

Our results suggest that the Ready for Work NCBP led to lasting improvements in the performance, growth, and sustainability of four small, community-based nonprofits in a majority Black and Brown suburban community outside a major urban center. This model

shows promise as an accelerator for improving nonprofit capacity and incorporates many of the equity-informed capacity building practices championed in recent publications.^{xv} Lessons learned from the NCBP program show the benefits of investing in longer term, intensive, and more collaborative capacity building approaches to address specific needs of small community-based nonprofits. These results were gathered and assessed for the first cohort of a program that is ongoing, and launching its fourth cohort later this year. This could be a model for local governments who, like Prince George's County, see the value of strengthening their nonprofit sectors to provide more services to increasing numbers of residents post COVID, or for philanthropy to consider in making more just and sustainable investments with traditionally overlooked populations.^{xvi}

Endnotes

- i The eight areas of organizational practice are board development, financial management, fundraising, human resources, leadership development, program evaluation, outreach and communications, and planning and strategy. For definitions, please visit www.fairchance.org/why-capacity-building/.
- ii *Nonprofits by the numbers: Prince George's County, Maryland Nonprofits*, 2011. Retrieved January 29, 2021 from <http://www.pfccoalition.org/Flyers/Facts%20about%20Prince%20George's%20Nonprofits.pdf>.
- iii Praxis Validity Analysis memo published by SPR Associates, Spring 2021.
- iv Performance Milestones for Cohort One For the Investment Period: October 16, 2018 –October 15, 2019, submitted by Fair Chance to Venture Philanthropy Partners
- v Candid Guidestar Report for FAME, September 21, 2021.
- vi Personal conversation with Joe Fisher, Executive Director of First Generation College Bound, on March 13, 2022.
- vii Draft Praxis Evaluation Final Report, Social Policy Research Associates, to be released in 2022.
- viii Support nonprofit resilience: Capacity building. Grantmakers for Effective Organizations. Retrieved August 17, 2015 from <https://www.geofunders.org/smarter-grantmaking/nonprofit-resilience-capacity-building>. www.geofunders.org/smarter-grantmaking/nonprofit-resilience-capacity-building.
- ix Reimagining capacity building: Navigating culture, systems & power. Grantmakers for Effective Organizations. (2021, October 20). Retrieved January 29, 2022, from <https://www.geofunders.org/resources/reimagining-capacity-building-navigating-culture-systems-power-1340>
- x Ibid, 14
- xi Ibid 11, 12
- xii Wing, K.T., Assessing the Effectiveness of Capacity-Building Initiatives: Seven Issues for the Field, *Nonprofit and Voluntary Sector Quarterly* 33(1):153-160 (March 2004).
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- xiv Dorsey, C., Bradach, J, and Kim, P. Racial equity and philanthropy: Funding disparities for leaders of color leave impact on the table. The Bridgespan Group (May 5, 2020). Retrieved January 29, 2021 from <https://www.bridgespan.org/insights/library/philanthropy/disparities-nonprofit-funding-for-leaders-of-color>.
- xv Yeheskel, Z., Hesenfeld, M., Garrow, E., Parent, B. and Guihama, J. Spread thin: human services in poor neighborhoods: State of the Nonprofit Sector in Los Angeles Report. Center for Civil Society: UCLA 2013.
- xvi Reimagining capacity building: Navigating culture, systems & power, 2021.