




# Reimagining Capacity Building:

**Navigating Culture, Systems & Power**



# About GEO

Grantmakers for Effective Organizations is a community of funders committed to transforming philanthropic culture and practice by connecting members to the resources and relationships needed to support thriving nonprofits and communities. We envision courageous grantmakers working in service of nonprofits and communities to create a just, connected and inclusive society where we can all thrive. With more than 6,000 grantmakers who belong to philanthropic organizations of all sizes and types across the globe, we work to lift up the grantmaking practices that matter most to nonprofits and that truly improve philanthropic practice.



Since 1997, GEO has provided opportunities for grantmakers to come together to share knowledge and inspire each other to act. We recognize that being in community with other grantmakers, learning alongside our peers, is what helps us achieve the changes we want to make. Knowing better is not enough to do better – we know it takes more than knowledge to change. It takes intentional attention to culture, change management and learning alongside others.



Working with our members, we design conferences focused on exploring the latest challenges, foster peer connections and learning through member networks, and craft publications that frame key issues and highlight examples from across the field. Through these means, GEO creates the forum for grantmakers to hear from and absorb actionable information and insights from experts across the philanthropic and nonprofit sectors. Together, we are learning more about what works and applying our knowledge and resources to improve our communities.



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# 1 Introduction

Strengthening nonprofit organizations is not just a nice-to-have but an essential part of our work as grantmakers to ensure that nonprofits have the resources they need to address today’s most pressing social concerns.

Indeed, the vast majority of staffed foundations – 86 percent – do just that, invest in organizational strengthening in areas such as leadership, fundraising, evaluation, communications and technology.<sup>1</sup>

While capacity building is a critical part of our work, traditional models of capacity building tend not to account for culture, systems and power in their design, too often “rendering them inadequate for communities of color.”<sup>2</sup> The limitations of models that do not consider dynamics of power and issues of equity have never been more apparent than they are now.

At the time of this writing, we are navigating a deadly global pandemic and bearing witness to massive protests for racial justice, both of which are bringing renewed attention to the deep and persistent racial inequities that exist in society writ large, including within philanthropic institutions.

In the midst of these seismic societal shifts, our field is taking stock of how we as individuals and institutions are participating in systems that perpetuate inequity, engaging in deep dialogue and reflection on how we can do better, and adopting more equitable and transformative philanthropic practices. And although we must make changes across the breadth of our institutions to become more equitable, capacity building is a particularly powerful case study of how racial inequities show up in our practices and how we can take intentional steps to mitigate those inequities.

GEO’s 2016 report *Strengthening Nonprofit Capacity* offered principles to guide thoughtful and impactful capacity-building practice. Here, we revisit that report to explore how capacity-building practices can be more firmly grounded in approaches that acknowledge and center racial equity.

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- 1 Grantmakers for Effective Organizations, “Is Grantmaking Getting Smarter: A National Study of Philanthropic Practice,” (2017): 28-29.
  - 2 Delta Vision Project, “The Delta Vision: Building Capacity for and by Communities of Color,” 2018. Available at [https://communities-rise.org/wp-content/uploads/2021/05/NAC\\_Delta\\_Exec\\_Summary\\_DRAFT11\\_web.pdf](https://communities-rise.org/wp-content/uploads/2021/05/NAC_Delta_Exec_Summary_DRAFT11_web.pdf).



Based on a review of the literature and 43 interviews with nonprofit leaders, grantmakers and consultants, this guide:

- examines critiques of traditional approaches to capacity building and describes how such approaches reinforce or exacerbate racial inequities;
- outlines principles that can help grantmakers engage in capacity-building efforts through a racial equity lens;
- lifts up what racially equitable capacity-building approaches look like in practice; and
- explores how funders and consultants can strengthen their own capacity for racially equitable capacity building.

Given the myriad and complex ways that racial inequities surface within philanthropic practice, GEO does not intend this guide to be comprehensive. Rather, we hope it inspires critical reflection on capacity-building practice, coupled with intentional steps (no matter how big or small) to adopt more racially equitable approaches to capacity building.

## About This Report

With racial equity becoming more and more central to the work of grantmakers, in this guide GEO explores how considerations related to racial equity can apply to the full range of grantmakers' capacity-building efforts – everything from financial management to human resources to leadership development.

Advancing racial equity in philanthropy, of course, calls for a systemic response that extends beyond capacity-building practices. At the same time, given the prevalence and importance of capacity-building initiatives within the GEO community, it behooves us to take a specific and critical look at how we can make the practice of capacity building more racially equitable – and ideally apply these principles more broadly to our work within the sector.

Of note, this guide does not focus on equally important and related efforts on racial equity capacity building – in other words, the training and activities organizations participate in to deepen their understanding of racial equity itself.

For organizations interested in racial equity capacity building, we can suggest many excellent resources, including these:

- *[Awake to Woke to Work: Building a Race Equity Culture](#)* (Equity in the Center)
- Resources and trainings by *[Race Forward](#)*
- *[Race Equity and Inclusion Action Guide](#)* (Annie E. Casey Foundation)
- *[Diversity, Inclusion and Equity Tools and Resources for Grantmakers](#)* (Ford Foundation)



# 2 Capacity Building Revisited

## The Role of Culture, Systems and Power in Capacity Building

Capacity-building initiatives can be a game changer for a nonprofit. The right mix of supports can help shore up internal systems, promote financial stability and lend critical assistance to the organization's leaders, positioning the organization to become stronger.

Although capacity-building efforts have generated many positive outcomes for nonprofits, we must also recognize that in many ways capacity-building practices in our sector have fallen short in addressing and advancing equity considerations, causing particular harm to Black, Indigenous, and People of Color (BIPOC)-led organizations and to BIPOC nonprofit staff and constituents.

Sarah EchoHawk, a longtime nonprofit leader and chief executive officer of the American Indian Engineering and Science Society, shares the following experience:

“Because we’re a Native organization, the assumption is made that we don’t know what we’re doing or that we need a lot of help, so we get a very condescending kind of support. One funder wanted to help us with capacity building and our IT systems and essentially came in and dictated to us what we needed to do differently after examining our systems without even really understanding the context in which we work. The attitude is . . . they need to fix us instead of coming to us and talking to us about where we would like to be working and what we would like to be doing.”



# Capacity Building Defined

Traditional definitions of capacity building, including GEO's, focus on the technical aspects of the endeavor. In its 2016 report, for example, GEO described capacity building as the “funding and technical assistance necessary to help nonprofits increase specific capabilities to deliver stronger programs, take risks, build connections, innovate and iterate.”

The authors of a 2020 article in *Stanford Social Innovation Review*, “[Transformational Capacity Building](#),” define capacity building as the “process of building and strengthening the systems, structures, cultures, skills, resources, and power that organizations need to serve their communities.”

By amplifying the importance of power, culture and systems and emphasizing organizational mission, this definition better centers equity considerations in capacity building and more closely reflects GEO's current understanding of capacity building.

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GEO recognizes that the term “capacity building” is imperfect, in part because it assumes a deficit orientation. During our interviews, some field leaders offered alternate terms such as “organizational strengthening,” “trust-based capacity building,” “liberatory capacity building” and “transformational capacity building.”

For the purposes of this guide, we use the term *capacity building* given its prevalence in the field and the lack of a clear alternative, but we do so with sensitivity.

Student poster presentation at the American Indian Science and Engineering Society's 2019 National Conference  
Photo Credit: American Indian Science and Engineering Society



EchoHawk's experience is not singular. Many of the nonprofit leaders we interviewed for this guide shared similar reflections. Such candid feedback sparks important questions for grantmakers concerned with equitable capacity building and amplifies the importance of paying attention to both the explicit and implicit roles that culture, systems and power can play in how capacity building initiatives are designed and implemented:

## CULTURE

Who are our capacity builders, and how does that influence design and implementation? Organizational development theories and tools are often designed by white consultants for mainstream, white-led organizations with limited input from BIPOC practitioners. As a result, tools and approaches can feel disempowering to BIPOC communities and fail to achieve the desired outcome.<sup>3</sup> Because of this mismatch, capacity-building initiatives can miss important nuances related to identity and culture through designs that do not account for linguistic or cultural norms.

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<sup>3</sup> April Nishimura, Roshni Sampath, Vu Le, Anbar Mahar Sheikh and Ananda Valenzuela, “Transformational Capacity Building,” *Stanford Social Innovation Review* 18, no. 4 (2020): 31–37.

## SYSTEMS

What values underlie capacity-building initiatives? What broader systems influence organizational practices? The values embedded in capacity-building efforts often go unstated. For example, is there an assumption that a larger organization is more effective? What are our values regarding how to measure success? In addition, capacity builders often fail to consider how the larger ecosystem – other organizations within the field, for example – as well as systemic forces such as policies and practices that contribute to institutional racism might affect how capacity-building initiatives are designed and carried out. Without fully assessing assumptions and values, capacity building can reinforce norms of white dominant culture and patterns of systemic racism. In so doing, traditional capacity-building efforts can encourage assimilation into existing norms rather than seed new models that are more transformative in nature.

## POWER

Who defines capacity building, and how? Too often, capacity-building initiatives start by analyzing the limitations of nonprofit organizations and prescribing what needs to be “fixed.” When grantmakers define the capacities that need to be strengthened, determine the nature of the intervention and choose the consultants who will help, capacity-building approaches can reinforce power dynamics and reflect historic patterns of paternalism within philanthropy – that funders know best, even though many funders have not managed a nonprofit themselves or lived experiences that reflect those of the communities nonprofits serve.

# Why a Focus on Racial Equity?

## Historical Legacy of Racism and Colonialism

No matter the outcome we are working toward, our institutions and systems were built to advantage some but not all – and data show that inequities persist to this day.

Let's start with some historical context.

Critiques of capacity building are a byproduct of the complicated intersections among racism, colonialism and capitalism that exist in the wider society and within philanthropy in particular.

The pioneers of U.S. philanthropy, not coincidentally, were known as “robber barons,” white men who accumulated large amounts of wealth—often by extracting labor and resources from Black, Indigenous and immigrant communities.<sup>4</sup> The persistent gaps in wealth, income and opportunity that exist today, divided starkly along racial lines, trace their origins to this history.

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<sup>4</sup> Anand Giridharadas, *Winners Take All: The Elite Charade of Changing the World* (New York: Knopf, 2018); Ibram X. Kendi, *How to Be an Anti-Racist* (New York: One World, 2019).

# Racially Equitable Capacity Building: Core, Overarching Considerations

Conducting capacity building through a racial equity lens requires attention to the roles that power, culture and systems play in the design and implementation of capacity-building initiatives and a belief that capacity building can and should advance equity. Here are a few questions to help practitioners begin thinking about considerations related to power, culture and systems:

## Power:

Is the capacity-building initiative being done to the nonprofit or with the nonprofit, in partnership?

To what extent are people directly affected by inequity involved in the design of the initiative?

Who will ultimately benefit from the initiative?

How are organizational strengthening priorities determined, and by whom?

What role do nonprofits play in choosing consultants?

Is there flexibility in the timing and scope of the engagement?

How can equity be advanced through this capacity-building initiative?

## Culture:

How are cultural and linguistic norms integrated into the design of the initiative?

To what degree do consultants have knowledge of the local culture?

How might organizational dynamics related to race and culture influence the initiative?

How are historical and political context being taken into account?

## Systems:

What values and assumptions underlie the capacity-building initiative?

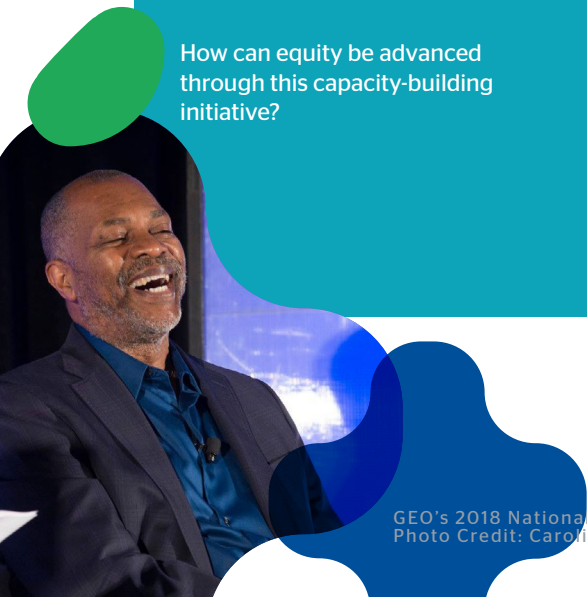
To what extent are those values and assumptions consistent with those of grantee partners?

What opportunities exist to strengthen the field (and its ultimate goals), not just the organization?

How do funder policies and practices influence the nature of the engagement?

How do broader social policies and practices, including those that perpetuate systemic racism, influence the design of the initiative?

What impacts will the capacity-building initiative have on those both inside and outside the organization?



# Defining Racial Equity

Racial equity is both an outcome and a process.

As an outcome, we achieve racial equity when race no longer determines people's socioeconomic outcomes — when everyone has what they need to thrive, no matter where they live.

As a process, we apply racial equity when those most affected by structural racial inequity are meaningfully involved in the creation and implementation of the institutional policies and practices that bear on their lives.

When we achieve racial equity:

- people, including people of color, are owners, planners and decision-makers in the systems that govern their lives;
- we acknowledge and account for past and current inequities and provide all people, particularly those most affected by racial inequities, the infrastructure they need to thrive; and everyone benefits from a more just, equitable system.

Source: Race Forward, "What is Racial Equity?"

Available at <https://www.raceforward.org/about/what-is-racial-equity-key-concepts>.

When we consider philanthropy's roots in capitalism, we should not be surprised that the legacies of racism and colonialism are literally baked into the enterprise of philanthropy. Here are just a few of the ways in which those legacies show up in the nonprofit and philanthropic sectors today:

- Although people of color make up about 40 percent of the population, they are not proportionately represented in the philanthropic workforce. The vast majority of foundation presidents — 90 percent — are white, as are 73 percent of full-time foundation staff.<sup>5</sup>
- Data on nonprofit executive leadership are not much better, with about 82 percent of executive directors and 84 percent of board members identifying as white.<sup>6</sup> Only 11 of the top 100 nonprofit organizations in the United States are led by people of color.<sup>7</sup>
- Although nonprofit and philanthropic leadership remains predominantly white, a survey of more than 5,200 nonprofit practitioners found that 64 percent of them reported that more than half of their organization's constituents were people of color.<sup>8</sup>
- Data from *Race to Lead*, an initiative of the Building Movement Project, highlight a "white advantage" in the nonprofit sector. This advantage shows up in multiple ways: BIPOC-led organizations receive less funding than white-led organizations and, as a result, tend to be smaller, with fewer resources available to them for communications, financial management, evaluation and learning, and so on. In addition, BIPOC nonprofit staff working in white-led organizations say they have more negative experiences than those working in other organization types.<sup>9</sup>

5 Council on Foundations, "2020 Grantmaker Salary and Benefits Report: Key Findings," 2020.

6 BoardSource, "Leading with Intent: 2017 National Index of Nonprofit Board Practices," 2017; Daring to Lead, "Daring to Lead 2011: Demographics and Salary." Available at <http://daringtolead.org/demographics/demographics-salary/>.

7 Michael Theis and Dan Parks, "Diversity on Hold," *Chronicle of Philanthropy* 32, no. 11 (2020).

8 Frances Kunreuther and Sean Thomas-Breitfeld, "Race to Lead Revisited: Obstacles and Opportunities in Addressing the Nonprofit Racial Leadership Gap," Building Movement Project, 2020. Available at <https://buildingmovement.org/reports/race-to-lead-revisited-national-report/>.

9 Ibid.



- Looking at Black-led organizations specifically, an analysis of Echoing Green’s 2019 applicant pool found that 492 Black-led organizations raised \$40 million, compared with \$61 million raised by 396 white-led organizations. In its research, Echoing Green identifies four barriers for leaders of color in accessing capital that reflect a pattern of systemic bias: getting connected, building rapport, securing support and sustaining relationships.<sup>10</sup> ABFE bluntly describes these resource disparities as “philanthropic redlining.”<sup>11</sup>

As these data points illustrate, white people control the majority of resources and power in the nonprofit and philanthropic sector, a reality that often translates into capacity-building initiatives that do not fully account for dynamics of race and culture and thus fall short of their full promise and potential, undermining our effectiveness as a sector. To achieve the impact we desire – to see all communities thriving – it becomes critical to bake racial equity considerations into our work.

## Racial Inequity Within Foundations and Nonprofits

**90%** of foundation CEOs are white.

**73%** of full-time foundation staff are white.

**84%** of nonprofit board members are white.

**82%** of nonprofit executive directors are white.

**64%** of nonprofits say more than half of their constituents are people of color.



## Norms of White Dominant Culture

Although none of us can erase the history of colonialism and racism in philanthropic work, we can name it, make purposeful efforts to understand how it influences our present-day practices and strive to be intentional about improving our practices to achieve greater equity.

Culture is like the air we breathe – essential to our survival, yet invisible. It can be hard to even articulate its influence on us even though our values, norms and assumptions about the world are shaped in large part by our culture. In the United States, the dominant culture – the one that most informs everything from the movies we watch to the way we write and speak – is largely shaped by that of the white middle class.

<sup>10</sup> Cheryl Dorsey, Jeff Bradach, and Peter Kim, “Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact at the Table,” Echoing Green and The Bridgespan Group, 2020. Available at <https://www.bridgespan.org/insights/library/philanthropy/disparities-nonprofit-funding-for-leaders-of-color>.

<sup>11</sup> ABFE, “The Case for Funding Black-Led Social Change,” 2019. Available at <https://abfe.issueelab.org/resource/the-case-for-funding-black-led-social-change.html>.

*The norms of white dominant culture* — individualism, a sense of urgency, worship of the written word, to name a few — are so infused in our professional and personal lives, notes scholar Tema Okun, that they can show up in “all of us, people of color and white people,” and in any organization, “whether it is white-led or predominantly white or people of color—led or predominantly people of color.”<sup>12</sup>

By no means are these norms inherently problematic. However, in a country that is home to an incredibly diverse set of cultures, such norms become harmful “when they are used as norms and standards without being proactively named or chosen by the group.”<sup>13</sup>

If we take a careful look at our assumptions, we find that the norms of white dominant culture are often embodied in the practice of capacity building. Section 4 of this guide examines how such norms can surface in greater detail, but here are several illustrative examples:

<sup>12</sup> Tema Okun, “White Supremacy Culture,” Dismantling Racism Works. Accessed October 14, 2020, <https://www.whitesupremacyculture.info/>.

<sup>13</sup> Ibid.

## **Supporting White-Led/Predominantly White Organizations in Racially Equitable Capacity Building**

While this guide centers the experience of BIPOC-led organizations, given the significant inequities they experience, it is important to note that a racial equity lens applies to all organizations, regardless of their composition.

Race to Lead’s data show that the majority of nonprofit staff work in organizations with predominantly white leadership and boards, yet many of those same organizations primarily serve communities of color. Without centering racial equity, such organizations risk compromising their desired impact.

The practice of racially equitable capacity building in these organizations may look different than it would in primarily BIPOC organizations, but the underlying questions about embedding considerations of racial equity in capacity building are the same — how are mainstream white organizations attending to dynamics of power, culture and systems?


For predominantly white organizations, this can mean reckoning with their own privilege, taking a critical look at how they share power with staff and communities of color, and taking steps to diversify their executive and board leadership. It can mean interrogating norms of white dominant culture and taking responsibility for self-education and reflection on how racial inequities show up in their work.

Organizations can also look at other organizations in their ecosystem and explore ways to partner more effectively with and support BIPOC-led organizations, with a commitment to mitigating the documented financial and resource inequities between white-led and BIPOC-led organizations.




- Foundations and the field of philanthropy have been known to look to business as a model for how nonprofits can operate more effectively and efficiently. Betsy Merzenich, senior director at Hirsch Philanthropy Partners, has seen this tendency in her work with funders and nonprofits in the Bay Area. She says that in addition to the danger of fostering transactional rather than transformational relationships, there is a “highly questionable benefit of applying return on investment, profit-driven and related business frames to collective, community-centric processes. We focus instead on trust-based, relational and collaborative approaches.”
- Foundations may view capacity-building initiatives as a way to help nonprofit organizations grow their scale. Some funders operate on the assumption that bigger organizations achieve greater impact. Whereas some nonprofits may want to expand, the assumption that bigger is better can be problematic when neither an organization’s leadership nor its constituents seek growth or when growth may have adverse consequences for the community.
- Foundations often invest in executive leadership as part of their capacity-building support, yet doing so can reinforce Western models of leadership, which focus on individuals rather than the collective. Monisha Kapila, founder and co-CEO of ProInspire, observes, “The traditional mindset of coaching is not rooted in race equity. It’s this idea that each person can solve their own problems. It does not address the fact that we have systems of oppression that impact people of color and women in the workplace differently.” Given this reality, for some nonprofits, a commitment to racial equity means developing models of shared leadership.

As these examples show, dismantling racism and moving toward more equitable capacity building is about recognizing and valuing the diverse and complex perspectives we bring to our work and regularly checking our assumptions about the “right” way to do things. Specifically, taking a racial equity-centered approach to capacity building requires examining how considerations related to culture, systems and power are playing out in organizations and supporting those organizations to engage in a capacity-building process that centers racial equity, ultimately producing outcomes that are more equitable for their staff and constituents of color.



**Dismantling racism and moving toward more equitable capacity building is about recognizing and valuing the diverse and complex perspectives we bring to our work and regularly checking our assumptions about the ‘right’ way to do things.”**



## Norms of White Dominant Culture and Their Antidotes

Here are some examples of norms of white dominant culture – particularly those likely to surface in the design and implementation of capacity-building initiatives – and their antidotes. Critical reflection on how these norms show up in our work and how to shift our practice can help move us toward capacity building that is more racially equitable.

The list is not comprehensive. Take a look at the resources noted at the end of the table for a more in-depth exploration of the norms of white dominant culture.

| White Dominant Culture Norm   | Antidote  |
|---|---|
| <p><b>Either/or thinking</b><br/>Belief in binaries such as right/wrong, good/bad, us/them; danger of oversimplifying</p>                           | <p>➔ <b>Systems and complexity thinking</b><br/>Appreciation for context, contradictions and intersectionality</p>  |
| <p><b>Paternalism</b><br/>People with positional power make decisions affecting others without consultation or transparency</p>                     | <p>➔ <b>Partnership</b><br/>Transparency around who makes decisions and why they were made; consultation with others, especially those who are directly impacted</p>                |
| <p><b>Individualism</b><br/>Focus on charismatic leaders, working in isolation</p>  | <p>➔ <b>Community and collectivism</b><br/>High value on teamwork, interdependence and shared accountability</p>  |
| <p><b>Fear of open conflict</b><br/>Politeness valued over honesty; white comfort is prioritized</p>  | <p>➔ <b>Direct feedback</b><br/>Openness to hard conversations; view of conflict as constructive, with opportunities for organizational learning and growth</p>                     |
| <p><b>Worship of the written word</b><br/>Focus on writing things down; anything that doesn't represent "Standard American English" is devalued</p> | <p>➔ <b>Multiple forms of communication</b><br/>Consideration for what needs to be written and what doesn't; appreciation for other forms of communication (visual, oral, etc.)</p> |
| <p><b>False sense of urgency</b><br/>Sense of urgency for funder-driven timelines based on board meetings, internal deadlines, and so forth</p>     | <p>➔ <b>Realistic timelines</b><br/>Timelines that account for grantee engagement, community building, equity work and unexpected events</p>  |
| <p><b>Transactional relationships</b><br/>Emphasis on efficiency and "professional" communication</p>   | <p>➔ <b>Transformational relationships</b><br/>Focus on relationships based on care, trust, understanding and shared commitments</p>  |
| <p><b>Progress is bigger, more</b><br/>Focus on scale, quantity</p>   | <p>➔ <b>Progress is sustainability and quality</b><br/>Cost-benefit analysis includes all costs, including cost of growth on people and communities</p>                             |
| <p><b>Objectivity</b><br/>Belief that one should be neutral and logical; focus on quantitative data and metrics</p>                                 | <p>➔ <b>Subjectivity</b><br/>Appreciation for and understanding of diverse worldviews; focus on process and outcomes, integration of qualitative data</p>                           |

Source: Adapted from Tema Okun, "White Supremacy Culture," available at <http://www.whitesupremacyculture.info/>; and Cuyahoga Arts & Culture, "White Dominant Culture & Something Different: A Worksheet," available at [www.cacgrants.org/assets/ce/Documents/2019/WhiteDominantCulture.pdf](http://www.cacgrants.org/assets/ce/Documents/2019/WhiteDominantCulture.pdf).



# Principles for Supporting Capacity Building Through a Racial Equity Lens

GEO believes that every capacity-building engagement, from a one-time workshop to deep organizational culture work, can integrate racial equity considerations in its design and implementation. Doing so involves an orientation to capacity building rooted in principles such as sharing power, developing trust and listening to what grantee partners need to thrive.

In other words, equity is as much or more about how the work is done as it is about the content of the work.

Holly Delany Cole, director of the Flexible Leadership Awards, a program of The LeadersTrust (formerly the Haas Leadership Initiatives), elaborates on this point: “The way that our program has — over the past 15 years — come to understand this work about centering intersectional racial equity is that it is also about the way you, the grantmaker, are in the work. It is the way you do the work, by including grantee partners in design, by consulting with them before you offer to do something and by putting them in the driver’s seat. It is about affirming to grantee partners, ‘There’s no messing up or doing it wrong, you won’t lose this leadership development award if you don’t ‘meet’ your original objectives. We understand that things change, and the uses of the funding have to change along with it.”

The Flexible Leadership Awards program reflects many of the principles GEO sets out in its 2016 report *Strengthening Nonprofit Capacity: Core Concepts in Capacity Building*. In that publication, GEO calls for capacity-building support that is contextual (avoiding one-size-fits-all approaches), continuous (long-term) and collective (coordinated with multiple funders and nonprofits and inclusive of multiple levels of leadership within an organization).

In this section of the guide, we revisit those three C’s with an explicit focus on their relevance to racial equity, while lifting up three additional principles that tap into the importance of sharing power and building authentic relationships: leading with mission and values, nurturing trust-based relationships and taking a systems perspective. Importantly, these principles incorporate the three core, overarching considerations — power, culture and systems — highlighted in the previous section.





OVERARCHING  
CONSIDERATIONS

# Power Culture Systems

THREE C'S

## Understand and account for **context**.

Reflect on how organizational context (including staff composition) may influence capacity building, and push for designs that are rooted in culturally and linguistically relevant content and allow for flexibility in the face of changing conditions.

## Provide **continuous** support for capacity building.

Advocate for multiyear commitments and general operating support, signaling trust and an understanding that organizational strengthening efforts take time.

## Incorporate **collective** approaches.

Consider models of shared leadership and approaches that center the experiences of those most directly affected. This includes advocating for grantee and community partners to co-create capacity-building engagements and supporting peer learning cohorts.

THREE MORE

## Lead with mission and values.

Articulate values related to equity, ensuring that capacity-building initiatives are aligned with these values and in the service of mission and desired impact.

## Nurture trust-based relationships.

Build and support models that are rooted in partnership and authentic, not extractive, relationships.

## Integrate a systems perspective.

Consider how the social sector ecosystem is being strengthened and understand how structural forces, including funder practices and policies, may influence capacity building.



# Understand and account for context

In *Strengthening Nonprofit Capacity*, GEO stresses the importance of creating customized capacity-building initiatives rather than one-size-fits-all programs that may not account for an organization's size, budget, needs and so on. Considering the idea of context through a racial equity lens includes considering the racial or ethnic composition of nonprofit staff and the related internal dynamics, as well as cultural values that may influence design. In addition, flexibility in the face of changing conditions can signal a commitment to equity.

## Organizational Context

Organizational dynamics related to race can play an important role in how capacity-building approaches land, yet traditional assessment tools do not account for this context. What is the size and composition of the staff? How inclusive is the staff culture? Have there been tensions around race or culture that might influence the design or implementation of a capacity-building initiative?

Sarah EchoHawk explains why being mindful of organizational dynamics related to race is important: “We don’t necessarily have all Native staff, but we’re working on Native issues. So, if capacity building is happening around organizational culture, for example, there must be support for having dialogue around the issues that are specific to Indian country. Where does white privilege fit into that? Where does colonization fit into that?”

An understanding of organizational demographics and dynamics can inform design in meaningful ways. When working with white nonprofit staff, capacity builders may need to be attentive to dynamics such as white guilt and defensiveness, whereas working with BIPOC staff may require sensitivity to the ways past and current experiences with discrimination and trauma might surface in the workplace.

## Relevance of Content

Lori Bartczak, senior director of knowledge and content at Community Wealth Partners, noted that her colleagues always remark that putting equity at the center means that “grantees need to have voice, choice and fit to ensure that capacity building isn’t something that’s done to an organization, but that they have some agency in deciding what this looks like and what need is being met.” This means engaging grantees in the design of capacity-building approaches and trusting that they know best the context of their work and what types of support are likely to make the biggest difference.

**Grantees need to have voice, choice and fit to ensure that capacity building isn’t something that’s done to an organization, but that they have some agency in deciding what this looks like and what need is being met.”**

Community Wealth Partners

Attention to cultural and linguistic context to ensure relevance is especially critical. Understanding that values about money can vary among cultures, for instance, may influence the design of capacity-building efforts focused on board development or fundraising. For example, a board development consultant working with a Vietnamese nonprofit in Seattle advised the group to require its board members to make a financial contribution to the organization. The consultant did not realize that such mandates reminded board members, who were predominantly Vietnamese refugees, of predatory and exploitive practices they had experienced in Vietnam under communism. Rather, board members felt more comfortable giving in other ways – offering their time and reputation to help the organization succeed.<sup>14</sup>

## Flexibility

As grantmakers, we are often beholden to timelines associated with grant cycles and board docket. Yet capacity building rarely adheres to dates on a calendar. Flexibility in when and how capacity-building initiatives are implemented is important from an equity standpoint, particularly for BIPOC-led and BIPOC-serving organizations that may be especially vulnerable to internal and external shocks.

The California Immigrant Policy Center, the immigrant rights organization that Cynthia Buiza leads, for example, had been working closely with a consultant to develop a new strategic plan, but the outcome of the 2016 election threw it all into disarray. Buiza says the flexibility of its support from the Flexible Leadership Awards program of The LeadersTrust played a critical role in ensuring the organization could regroup and adapt its strategy and timeline to a changing environment.

# Provide continuous support for capacity building

In *Strengthening Nonprofit Capacity*, GEO emphasizes the importance of taking the long view and advocates for multiyear general operating and capacity-building support, recognizing that organizational development is an ongoing process. In centering racial equity within capacity-building initiatives, the principle of the long view not only holds but takes on added importance for BIPOC-led organizations and organizations serving BIPOC communities. Because the issues such organizations are trying to address are especially complex, often with deep historical roots in systemic bias and racism, making a long-term commitment to organizational health is one way to support them in navigating challenging terrain.

## Longer-Term Commitments

Given that BIPOC-led organizations face greater obstacles to funding, making longer-term grants signals both a commitment to equity and an understanding of what it means to invest in a pipeline of leadership development. Moreover, longer-term grants also recognize that capacity building is an ongoing process as organizations adapt to changing conditions and, in the words of one funder, help organizations “imagine transformation.”

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<sup>14</sup> Nishimura et al., “Transformational Capacity Building.”



The Ford Foundation's BUILD initiative, which makes a five-year commitment to its grantee partners, includes both general operating support as well as resources specifically for institutional strengthening. The initiative's evaluation and learning efforts show that the five-year commitment is essential to its success, as it gives organizations the space to devote time and energy to their organizational development.<sup>15</sup>

## General Operating Support

One way to show that relationships are rooted in trust and commitment to mission is to provide general operating support, paired with capacity-building support. This demonstrates a commitment to racial equity given that data consistently show that BIPOC-led organizations are less likely to receive grant dollars than white-led organizations. When they do receive funding, they are more likely to receive lower levels of both general operating and capacity-building support than their white-led counterparts.

General operating support also helps BIPOC-led nonprofits hire the staff they need. Having appropriate staffing in place can amplify the impact of capacity-building initiatives, creating an opportunity for staff to inform capacity-building engagements and deepen their skills, rather than the putting-the-cart-before-the-horse phenomenon of bringing in consultants to do the work before the right staffing is in place.

## Incorporate collective approaches


*Strengthening Nonprofit Capacity* highlights collective approaches to capacity building on a number of fronts – focusing on leadership at multiple levels, working with other grantmakers, and building collaborative capacity among nonprofits and networks. This guide reinforces the importance of focusing on multiple levels of leadership in the context of racial equity, while highlighting co-creation and peer learning as collective approaches that help us move away from “expert”-driven capacity building and harness the value of lived experience and local knowledge.

## Shared Leadership


Capacity-building engagements are often coordinated with executive directors or other senior leadership. At the same time, data from the Building Movement Project show that while BIPOC nonprofit leaders have similar levels of education and expertise and aspire to advance in their organizations, their ranks among senior nonprofit leadership remain low. By engaging multiple levels of leadership in the design and implementation of capacity-building initiatives, models of shared and distributive leadership can emerge, providing leadership opportunities to BIPOC staff and catalyzing more equitable leadership structures in the sector.

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<sup>15</sup> Victoria Dunning. “Letting Grantees Lead: What We’re Learning from the BUILD Evaluation,” Ford Foundation, 2019. Available at <https://www.fordfoundation.org/work/learning/learning-reflections/letting-grantees-lead-what-we-re-learning-from-the-build-evaluation/>.



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## Co-creation

Co-creating and customizing solutions, rather than implementing top-down or off-the-shelf interventions, can make capacity-building efforts less of an add-on that generates mixed results and more of an exercise that seeds lasting shifts that can be integrated into the ongoing work of an organization. Co-creating solutions can also be a way to share power with nonprofits.

The Ms. Foundation, for example, engaged in a co-creation process with a diverse group of women of color—led organizations in the South to ensure that the design of its capacity-building initiative was grounded in their lived experiences and met their needs. As part of the process, advisory design team members comprising activists and movement leaders from the South met over a period of six months and were coached and supported with flexible mini-grants to design and run a short experiment on how to strengthen their resiliency, sustainability and connectivity. A powerful insight generated from the process was that Ms. and Southern activists were modeling a trust-based partnership by sharing power, soliciting and acting on feedback, and co-governing together. Another insight that is now informing the capacity-building programming is that organizations are rarely provided with funding and coaching to address their own resiliency, healing, well-being and sustainability. Having the opportunity to test out solutions to support resiliency, sustainability and connectivity gave organizations the time, space and flexibility, which in the words of one activist “allowed us to create differently, upending our usual practices of focusing narrowly on deliverables.”

Likewise, Borealis Philanthropy uses advisory committees and brief surveys to collect candid and anonymous information that helps guide everything from capacity-building priorities to the providers chosen to how the content is delivered. Once a capacity-building initiative is in place, Borealis takes care to collect ongoing feedback so pivots can be made quickly.

## Peer Learning

Nonprofits consistently cite the benefits of peer support, saying it is where they get some of their most valuable insights as they seek to strengthen their organizations. Peer learning cohorts that share a clear sense of purpose and bring intentionality to their learning can be especially powerful. The Conservation Fund’s Resourceful Communities program uses this approach to great success and notes that investing in developing and supporting peer networks is a way to build community capacity, not just organizational capacity. In a similar vein, peer consulting and co-consulting models allow nonprofit leaders to share their wisdom with one another, an antidote to expert-driven models.



# The LeadersTrust

Since 2005, the Evelyn & Walter Haas, Jr. Fund has provided partners multiyear, general operating funding to become stronger and more effective social sector organizations. In addition to these funds, organizations and their leaders are invited to participate in the *Flexible Leadership Awards*, a program where they receive several years of financial awards enabling them to focus on leadership and organizational development and be accompanied by a Capacity Coach who informs their efforts over time. In 2021, the FLA became one of several programs operating within The LeadersTrust, which also houses sister initiatives that offer this type of long-term program to grantee partners of other foundations (Packard, Irvine, Heising-Simons, Grove).

The program has long received accolades from participants for its design, flexibility and transformative impact. As the awards program has evolved, it has increasingly centered equity in its theory of change, working from the belief that “leadership – when infused with joy, resilience, and a commitment to equity and shared power – is transformative.”

## **Here are some ways in which the design embodies principles of racially equitable capacity building:**

### **Leading with values.**

In its values, the FLA and other programs of The LeadersTrust lead with an explicit commitment to equity and a commitment that “anti-racism be central.” The LeadersTrust’s programs also name relationship and connection, self-determination and agency, flexibility, honest dialogue and reflection, depth and constancy, and love, service and support as orienting values.

### **Systems perspective.**

Its vision further articulates a deep commitment not only to individual and organizational development, but also to movement building, stressing the importance of “seeding the ecosystem” with resources and opportunities.

### **Trust-based relationships.**

Relationship and connection are core to the approach. The programs center trust, transparency and respect. Grantees are equal partners and their self-determination and agency guide the work. By prioritizing both general operating support and capacity-building funds via The LeadersTrust, the Haas, Jr. Fund signals that it recognizes how difficult the work is and that it trusts and believes in its nonprofit partners.

Learn more at: <https://theliderstrust.org/>

# Lead with mission and values

## Alignment Between Values and Practice


Capacity builders who center racial equity in their engagements emphasize the importance of leading with mission and values. Focusing on what the organization wants to accomplish and what is important to it can help ensure that even a seemingly technical task, such as creating a new database or developing a human resources (HR) manual, reflects its values.

For example, by leading with values, one organization created HR policies centering wellness (rather than sickness) for its predominantly BIPOC staff, recognizing that it was important to prioritize healing and self-care for staff who were coping with historical and contemporary trauma. In this way, a seemingly transactional process became a transformational one for the organization.


Likewise, after the Warehouse Worker Resource Center grew from one staff member to 17 in a few short years, it began the work of enhancing its information technology (IT), HR, and financial systems. In setting up its IT systems, it was important not to use technology products developed and sold by the companies the group often organizes against. Instead, WWRC worked with its consultant to create a proprietary worker database, an approach that aligned more closely with its mission and took worker safety and power dynamics into account.

## Focus on Impact

Getting grounded in mission and values can amplify impact. Maricela Morales, executive director of Central Coast Alliance United for a Sustainable Economy (CAUSE), notes that the Irvine Foundation's explicit naming of equity as a value made a "qualitative difference" in their partnership. By naming equity, they were able to talk more openly about the funder-grantee power dynamic and to have more constructive conversations, better positioning the organization for success in its capacity-building work.



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In some cases, beginning with mission and values may lead an organization to realize that developing in-house capacities, which may reflect outdated notions of organizational effectiveness, takes away too many resources from its core mission. Instead, outsourcing back-office functions can be a better use of time and energy and allows the organization to focus on what it does best.



For instance, RVC, a Seattle-based capacity builder, provides operations support specifically for BIPOC-led and BIPOC-serving organizations, recognizing that such organizations are often smaller and underresourced. RVC offers services ranging from payroll processing to managing legal compliance, to a host of local nonprofits. The strategy of centralizing operations for a critical mass of smaller organizations enables the organizations themselves to focus on mission-aligned activities.

## Nurture trust-based relationships

### Authentic, Not Extractive, Relationships

Many of the foundation leaders we interviewed for this guide said that trust-based philanthropy is a guiding value in their capacity-building work, and nonprofit leaders of color consistently said that feeling trusted (or not) was an important factor in whether a capacity-building project was successful.

Trust-based philanthropy is rooted in practices such as soliciting and acting on feedback from grantee partners, simplifying and streamlining paperwork, being transparent and responsive, and supporting grantee partners beyond the check.<sup>16</sup>

For Kiesha Davis, director of partnership and capacity building at Deaconess Foundation, trust-based philanthropy means, first, connecting with people as individuals. As the impacts of COVID-19 reverberated across the nonprofit sector in her community, Davis says, “I had so many conversations with our capacity-building partners, first and foremost connecting with the leaders as individuals to understand how they were experiencing the changes within the environment before identifying how it’s impacting their work. That was really important to us because we know that work can’t get done unless the people are attended to.”

Trust-based practices can help mitigate dynamics like the ones identified by a three-person-staffed nonprofit in New Orleans focused on youth empowerment: “Our experience is that — and this relates to white supremacy culture — it’s just access, access, access, take, take, take for one small drop of something. For \$5,000 a year, funders want us to agree to be in a cohort twice a month for a year and then disrupt all of our programming to bring all the young people together to ask them questions (that you won’t get genuine answers to because they don’t actually know you), bring all our staff together and ask the board to leave work early and come to the office. It’s honestly not worth \$5,000, but you can’t say that because in the culture of benevolent givers, it seems disingenuous if you’re not grateful. It’s a really difficult power dynamic to navigate.”

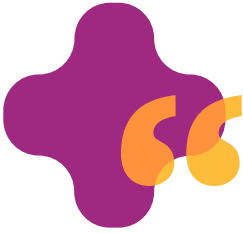
Masha Chernyak, at the Latino Community Foundation, told us, “My love for people is what drives this work. I sincerely care for and love every single leader in our cohort. It’s so much bigger than trust-based relationships for me. It’s about being fully seen for who we are; it’s about our collective humanity. And at LCF, we measure impact by how people feel that love from us. Because we are emotional human beings, not just robots who are here to produce outcomes.”

<sup>16</sup> Trust-Based Philanthropy Project, “Trust-Based Philanthropy: An Overview,” 2021. Available at <https://www.trustbasedphilanthropy.org/resources-articles/tbp-overview>.


## Partnership

A deep, trusting relationship is, at the core, a partnership. Being in regular and routine communication with grantee partners can help funders get less-filtered information about how changing conditions are affecting them and how they can work in partnership to recalibrate capacity-building priorities as needed.

Highlighting the notion of partnership, the James Irvine Foundation uses the term *acompañamiento* to describe its unique capacity coaching approach, borrowing this term from its grantee partner, The LeadersTrust, formerly known as the Haas Leadership Initiatives. In partnership with LeadersTrust, the James Irvine Foundation makes possible the organization and delivery of capacity-strengthening resources to their worker rights groups.



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Virginia Mosqueda, senior program officer, explains, “It’s the Spanish word for accompaniment. It acknowledges the power differential between funder and grantee, and it aims to meet the grantee wherever they are at. It’s meeting the person where they are at and walking alongside them, thereby acknowledging the imbalance in the partnership. In *acompañamiento*, the grantee is leading and you’re accompanying them in their process and in their journey.”



# Integrate a systems perspective

## Social Sector Ecosystem

Capacity-building efforts generally focus on strengthening individual leaders or organizations, yet no one person or organization can solve today's most pressing challenges. Increasingly, capacity builders who center racial equity are thinking more deeply about network and field capacity. By taking a systems approach, one that recognizes the value of collective power, capacity builders can help develop a complementary set of capacities within a network that goes beyond that of any one organization and is, thus, more closely aligned with a fieldwide mission.

The Packard Foundation, which supports capacity building across multiple portfolios, is increasingly bringing a systems lens to its work. Linda Baker, director of organizational effectiveness at the foundation, describes how Packard's approach has evolved in recent years: "Our work today is no longer just about organizational development, but also about the relationships that are needed in order to create change. What kinds of relationships, organizations, networks and leaders are the most important to invest in for the whole ecosystem to move forward together to make that change more durable over time? What does it look like to invest in leadership development programs and fieldwide network-building programs that can support much larger numbers of leaders and organizations in not only investing in their own capacities, but also in investing in the relationships that they need to get their work done?"

The Hellman Foundation is taking exactly this approach through its [\*Collaborative Change Initiative\*](#), which supports cross-sector collaborations in the Bay Area across a variety of issue areas, from early childhood education to access to healthy food. The foundation's funding not only supports collaborations financially but also invests in responsive capacity building intended to promote success at scaled and systems change levels. In the words of initiative leader Betsy Merzenich, capacity-building resources target the "complex web" of stakeholders who are engaged in collective change – individual organizations, the cohort of participants as a collective, the collaboration's backbone as well as the community itself. Elevating community leadership, voice and engagement is a central priority of the Initiative's capacity-building work.



# Beyond 2020: Shifting the Tide in Philanthropy

The year 2020 was unlike any other. A highly contagious, deadly pandemic swept across the globe, bringing racial health and economic disparities into stark relief. At the same time, uprisings against racial injustice sparked greater awareness about the ways in which systemic racism operates across all aspects of our society.

In response, philanthropy rose to meet the moment. Foundations converted program grants to general operating support grants so nonprofits could pay their staff. Many grantmakers simplified or eliminated reporting requirements. Numerous foundations made their commitment to equity explicit, and many also created new portfolios to support BIPOC-led organizations and communities. Such shifts in practices and priorities often take years in philanthropy, but the events of 2020 compelled foundations to make such changes in a matter of days, weeks and months.

As we reimagine our world, philanthropy has an opportunity to reimagine itself too – to consider what racial equity looks like in principle and in practice, to take a deep look at philanthropy’s privilege and power, and to understand the ways it needs to cede and share power.

In building upon the lessons of 2020, philanthropy can start to dismantle the systems that perpetuate inequity and to make all aspects of philanthropy – including capacity building – more equitable.





Our work today is no longer just about organizational development, but also about the relationships that are needed in order to create change.”

Linda Baker  
The Packard Foundation



## Structural Systems

Working from a systems perspective also means understanding how structural policies and practices contribute to racial inequities. For example, most foundations adhere to a 5 percent payout rate, even though there is no rule that precludes a higher payout rate. Sticking to the bare minimum, coupled with grantmaking processes that privilege certain types of organizations, can perpetuate disparities in resource distribution and the underfunding of BIPOC-led nonprofit organizations.

In response to the COVID-19 pandemic, foundations demonstrated tremendous nimbleness in disbursing funds, flexibility in modifying application and reporting requirements, and creativity in tapping into new sources of financing. For many in the philanthropic sector, this illustrated the ways in which long-entrenched policies and practices can shift and ultimately contribute to systems that are more equitable and that mitigate the power dynamics inherent in philanthropy.

This type of structural analysis can lead to initiatives that help us imagine new ways of working, rather than potentially replicating existing systems of harm. This often requires longer-term organizational development efforts that foster lasting cultural shifts for both nonprofit organizations and their funding partners. As Elissa Sloan Perry, co-director of Change Elemental (formerly Management Assistance Group), states, “We don’t want to just recreate the same systems with different color people on top, right? Doing our own relearning and reweaving other ways of being in the world is just as important as harm reduction, if not more so.”



# **4 In Practice: Capacity Building Through a Racial Equity Lens**

Capacity-building initiatives vary widely in their complexity, duration and goals – from longer-term, highly customized engagements focused on deep shifts in organizational culture and practice to one-time webinars or trainings on discrete topics, or anything in between.

Regardless of the nuances of an engagement, opportunities exist for capacity builders to integrate racial equity considerations thoughtfully and proactively into all capacity-building initiatives. GEO believes that it is critically important to be intentional and specific in this effort. Conversations about racial equity often occur in the abstract, but to move toward more equitable practices, we must take concrete steps to shift our good intentions into action.

Importantly, even though changes in practice may feel daunting, integrating a racial equity lens does not require starting from scratch. Foundation efforts can involve modest shifts in existing practice that can deepen and expand over time as grantmakers progress with their own racial equity journey.

To help move us to action, this section examines how inequities can surface in capacity building, offers strategies to counter those inequities and suggests critical reflection questions to begin this work.

The section is organized around four key touchpoints within any capacity-building initiative: access to capacity-building supports, assessment of capacity-building priorities, design and implementation of capacity-building initiatives, and measurement of outcomes. Each touchpoint offers us opportunities to address the ways culture, systems and power show up in capacity-building engagements.



# Access

## How Racial Inequities Show Up

### BIPOC organizations are left out from the get-go.

Equity starts at the outset. Grantmakers often reserve capacity-building support for their existing slate of grantee partners, but organizations often must negotiate multiple layers of gatekeeping to even enter a funder's orbit. As a result, many organizations, particularly those that are smaller, those without a 501(c)3 designation, and those led by people of color, are locked out of capacity-building opportunities from the beginning.

Because most foundations do not accept unsolicited proposals, relationships often determine which organizations have entrée to grant funding, a process that disadvantages BIPOC-led organizations. When they do get funding, grant awards are based on organizational budget, and because BIPOC-led organizations tend to have smaller budgets due to being historically underfunded, they receive smaller grants.

### BIPOC organizations are subject to systemic bias.

A slew of implicit and explicit biases affect how BIPOC leaders and their organizations are perceived. Several nonprofit leaders of color interviewed for this guide say that their organizations are perceived to be less well run and less strategic by funders.

Lariza Garzon, the Latina executive director of the Episcopal Farmworker Ministry in rural North Carolina, shares an especially painful reality she encounters: "There is no trust with our organization. This is even hard to say out loud, but in our organization, every single person on our staff is a first-generation immigrant and we all have accents, and I feel like sometimes donors don't trust us to do our work because we're not native speakers."

These biases often show up implicitly, with concerns that BIPOC-led organizations are "risky" because they may be smaller, be less established, or simply do their work in a way that does not conform to the norms of white dominant culture.

### The application process creates systemic barriers to accessing funds.

Application processes are especially susceptible to the norms of white dominant culture, as they often privilege written expression and can create a false sense of urgency with short turnaround times or unrealistic deadlines. In addition, overly complex, time-consuming application requirements can create obstacles for organizations without development staff.



## Antidotes

### Create a more open and inclusive process for identifying prospective grantees.

Funders can employ a range of strategies to ensure a diverse slate of applicants. For example, if an open application process is too burdensome, a foundation can begin by creating an open call for a particular portfolio. For closed processes, foundations can expand their community-based networks, take advantage of word-of-mouth outreach, and partner more closely with organizations that have credibility and trust in BIPOC communities to ensure a more diverse set of prospective grantees.

### Conduct portfolio reviews to benchmark equity indicators.

Given the ways in which implicit biases can influence funding decisions, foundations can periodically review their portfolios to illuminate giving patterns. This can range from simply tracking the demographic profiles of applicant and grantee organizations to more in-depth equity audits. When such data are collected with care and transparency, they can provide important baseline information to track progress and develop accountability mechanisms.

Funders who have done so often find the exercise eye-opening. As the Vitalyst Health Foundation becomes more intentional about its equity work, David Martinez III, director of capacity building and engagement, explains how tracking demographic data helps the foundation reflect on equity considerations: “We are collecting this demographic and geographic information and hope to use it for baseline setting. We know we want to intentionally work with organizations that represent the demography of Arizona and populations experiencing the greatest disparities in health, including the Latino community, which is about a third of Arizona’s population.”

### Simplify application procedures and streamline selection criteria.

Funders can reexamine their application processes and selection criteria with an eye toward what is truly necessary to guide decision-making. Offering different options for applying – phone calls and videos, for instance – can also contribute to a more equitable process. Paula Morris, director of the Resilience Initiative, notes that in the project’s recent round of grantmaking, applications were designed to be as “light touch and engaged” as possible. The application centered on two basic questions: what’s on your mind, and how is this moment impacting you? Answers to those questions prompted conversations with grantee partners about the type of support needed, with virtually every idea for organizational strengthening approved.





## Reflection Questions

- How are we identifying prospective grantees? Are there ways to be more inclusive of BIPOC organizations?
- For an open process, what are we doing to cast a wide net? Is the information only on our website, which may exclude those with limited broadband access? How are we working with community-based networks with credibility in BIPOC communities to spread the word?
- What information are we not using that we can stop collecting? What can we collect instead?
- Is a written application needed? Will a phone call suffice?
- Are grantmaking and capacity-building portfolios representative of communities we seek to serve?
- How well represented are organizations led by and serving people of color in our portfolio?
- Are certain selection criteria (such as budget size) inadvertently getting in the way of a more diverse portfolio?

## Assessment

### How Racial Inequities Show Up

There is an undue focus on assessing “readiness.”

In some cases, funders and consultants assess nonprofit “readiness” for capacity building at the beginning of a potential engagement. Do they have the staff, budget and organizational infrastructure needed to engage in capacity building?

Like many capacity builders, TCC Group, a leading consulting firm in the field, traditionally took this approach. In recent years, as they have started to integrate racial equity into their work, they have shifted their thinking.

Debika Shome, associate director of nonprofit effectiveness at TCC Group, shares, “We used to say, ‘you need to have capacity to build capacity.’ And we don’t say that anymore because we realize that if you say that, there are certain organizations that are always left out of the equation. The groups that are considered not to have the capacity are often organizations that are very grassroots and often led by people of color.”





## Capacity-building priorities are assessed by the funder, consultant and/or executive director.

Racial inequities can be exacerbated in capacity-building assessment when decision-making about priorities is limited to leaders with positional power. Because funders, consultants and nonprofit leaders are predominantly white, odds are that junior staff or program constituents, who are more likely to represent communities of color, are excluded from the decision-making.

## Consultants and foundations take a narrow, technocratic approach to assessing capacity-building priorities.

The assessment process can be a top-down, narrow one that focuses on predetermined “buckets” of capacity at the expense of what the organization may need in that moment. As a result, the assessment is not useful or may not uncover the capacities needed to achieve organizational mission. Relatedly, the assessment may not consider overarching organizational values or internal dynamics related to race that may influence the implementation of a capacity-building initiative.

## Consultants and foundations begin with a deficit-based approach.

The assessment process inherently requires vulnerability. Because BIPOC-led organizations already have trouble getting access to capital, they may be more reluctant to seek out capacity-building support due to concerns that such requests may signal organizational weakness.

Karen Marshall, executive director of Rethink, shares how the reality of racial bias plays into requests for capacity-building support: “There are foundations who don’t recognize how coded and loaded capacity building can actually be. On one hand you have to be honest enough about where you have weaknesses to ask for support and to build those capacities, and on another hand if you’re a Black, woman-led or person of color-led organization, it’s not a good look to let people know your weaknesses. It comes back to you later and can be used against you when it comes to funding. So, there’s an inherent sense of, ‘Can I actually be honest about this, or not?’”

## Antidotes

### Rather than assessing readiness, look for priorities, timing and fit.

Rather than assessing “readiness,” funders and consultants can have a dialogue about what capacities are needed and when and how to structure an engagement to align with the organization’s work versus dismissing the opportunity outright.

### Get multiple perspectives on an organization.

Getting multiple perspectives, including those of midlevel staff and community constituents, can help generate a more holistic perspective on how an organization can strengthen itself. In gauging a nonprofit’s readiness for an assessment process, TCC Group has started to incorporate

ethnographic methods – visiting the grantee organization and spending time onsite to observe and get a full 360-degree view of how an organization operates, rather than relying solely on a funder’s assessment or a survey diagnostic tool.

If formal assessment tools are used, they should allow for broad input. The Ford Foundation uses the Organizational Mapping Tool for its BUILD program, which includes funds for organizational strengthening. The OMT, while providing structure to the assessment process, uses an assets-based, qualitative, consensus-driven approach facilitated by a consultant of the organization’s own choosing. The tool avoids jargon, is available in multiple languages, and encourages participation by all members of an organization, creating a more equitable and inclusive model.<sup>17</sup>

## Be open to organizational capacities that do not fit into predetermined categories.

When we think about organizational capacity building, we often think of traditional domains, such as financial systems, board governance, executive leadership or communications. By being open to what “capacity” constitutes, grantmakers can be more inclusive and equitable in their approach.

For many BIPOC-led nonprofits, this can include making sure their staff feel resilient in the face of racism and discrimination, what one Black leader described as the “blatant racism where you truly feel like your life is being threatened every day.” This can include supports such as trauma-informed approaches to healing or community care, in contrast to Western frames of self-care.

## Use an asset-based approach.

By taking an assets-based perspective and a relational approach that allows for both honesty and vulnerability, funders and consultants can support organizational strengthening in a way that helps nonprofit leaders grow their skills organically, while generating a sense of possibility.

As one consultant shared, she often begins her engagements with questions that focus on opportunity rather than shortcomings: “I ask organizations where is the future already alive and thriving inside of your organization? Where are you receiving the organizational strengthening that you really need? What has been wildly successful that may or may not be tied to funding?”



GEO’s 2019 Learning Conference  
Photo Credit: Carolina Kroon

## Spotlight

*The Solutions Project*, which primarily supports women of color executive directors working on climate justice, provides intensive communications capacity building. In working with their partners on communications capacity, the Solutions Project team noticed high levels of burnout.

In a pilot effort to help mitigate burnout and support collaborative, feminine leadership, The Solutions Project honed in on the goal of supporting Black and Indigenous leaders in the Gulf South, centering autonomy and flexibility to learn from participants about what type of leadership supports they would choose if they had the freedom to do whatever they wanted.

In the end, six leaders, nominated by their own networks, received pilot *Fighter League* grants of \$10,000 each. They could choose to do whatever they wanted with the funds as long as it supported their wellness and increased their capacity to collaborate in times of mounting crisis.

Sarah Shanley Hope, founding executive director of The Solutions Project, describes how the flexibility of the award helped the organization learn more about what it means to provide culturally resonant forms of leadership support. “One of the leaders purchased land in her community for her organization. She had been dreaming of having the land for gardening and building out of a land-based healing program for young people – and that would have never occurred to us. But of course, in hindsight it makes sense. So much of indigenous practices are around putting your pain and your trauma into the earth as a way of healing.”

Read more at <https://thesolutionsproject.org/the-solutions-project-helps-build-a-fighter-league-in-the-south/>.

<sup>17</sup> Kathy Reich, “Changing Grantmaking to Change the World: Reflecting on BUILD’s First Year,” Ford Foundation, 2018. Available at <https://www.fordfoundation.org/media/4184/build-report-final13.pdf>.

The Solutions Project, whose grantees are predominantly women of color-led organizations focusing on climate justice, takes care to design capacity-building support that builds on organizational strengths. Founding executive director Sarah Shanley Hope explains, “Where our partners look to us for expertise, we absolutely share it, but we’re not prescriptive. We really see them as the experts and the agents in their own change and the change that they seek. Our capacity is about supporting their process to hone their expertise.”



## Reflection Questions

- **Do our assessment tools and/or exploratory conversations probe about organizational composition, values related to equity and/or internal dynamics related to equity and inclusion?**
- **How are we making room for vulnerability and honesty, recognizing that BIPOC-led organizations may not feel comfortable fully sharing their weaknesses?**
- **Who determines capacity-building priorities? Do those perspectives reflect those who are affected most directly, such as junior staff or community constituents?**
- **Are we assessing strengths as well as areas for growth? Are we thinking about how those strengths can be leveraged to increase the power of capacity-building initiatives?**
- **Are we open to supporting capacity building that addresses grantee needs but might be considered outside of the box?**

## Design and Implementation

### How Racial Inequities Show Up

Lack of attention to linguistic, cultural and organizational context can result in an ill-suited intervention.

Without attention to the unique cultural context of organizations, capacity-building engagements can fall short of expectations and can create extra burdens for already stretched nonprofits.

For example, one nonprofit leader shared her experience with a corporate funder that provided pro bono business and strategy planning services to her Latina-led, Latina-serving nonprofit organization. Overall, the executive director describes the engagement as positive, but she also notes that the funder did not send any Spanish-speaking consultants, even though most of the program curriculum and materials were in Spanish, creating extra work to translate the documents for the consultancy.

Some nonprofit leaders described scenarios in which they cooperated with consultants who were not a good fit or agreed to an unhelpful capacity-building intervention to avoid damaging a relationship with a funder who was providing important programmatic resources.

## Reliance on experts can promote paternalism.

Consultants are often viewed as experts, and while they bring important knowledge and experience, an overreliance on outside consultants can reinforce power dynamics and a focus on short-term outcomes that may not result in longer-term results. Some nonprofits say that bringing in consultants can breed a reliance on consultants when they need to do more to tap into and strengthen internal expertise and engage those who most directly feel the impact.

## Interventions can reinforce norms of white dominant culture.

When capacity building is thought of as a value-free, technical exercise, we can lose sight of how power, equity, culture and history can influence whether capacity-building interventions are ultimately successful. Because consultants, like funders, are often steeped in the norms of white dominant culture, norms – such as a false sense of urgency or a focus on individual, rather than collective, leadership – are likely to influence what interventions are proposed and how they are implemented.



**When capacity building is thought of as a value-free, technical exercise, we can lose sight of how power, equity, culture and history can influence whether capacity-building interventions are ultimately successful.”**



## Equity is not considered at all or is an afterthought.

Although inequity is embedded into the very DNA of our society, and by extension, the organizations to which we belong, capacity builders may not explicitly consider how inequities might factor into the design and implementation of an initiative or project, and to the extent that they do, they may see the solution as an add-on. For example, in working with a consultant to plan a series of trainings on board governance, one funder shared that its consultant responded to the foundation's request to integrate racial equity by adding a separate session rather than integrating those issues throughout the full series.

## A technical or transactional approach is used when a transformative one is needed.

Oftentimes, capacity building focuses on discrete pieces of work. Sometimes this may be exactly what an organization needs, but often it results in inadequate attention to deeper issues of equity. In the long run, one-off interventions may have minimal impact and do little to seed the

organizational and systems change that are often required to integrate racial equity considerations in a meaningful way.

## Antidotes

### Consider cultural, linguistic and organizational context.

From the get-go, just as organizational development priorities are reviewed and assessed, so should the context of the organization. Every effort should be made to ensure the consultant has the linguistic and cultural expertise to work effectively with an organization, its staff and its constituents. Doing so can minimize the burden on nonprofit organizations of having to educate or teach their consultants and ensure that the approaches resonate. In cases where a consultant does not have the context needed, the consultant can pair up with someone who does.

An understanding of cultural and linguistic context includes an appreciation that there is more than one right way to do things. For example, board development work with a Native American organization might look different than it would with a mainstream, white-led organization.

In addition, it is important to consider the organizational composition and internal dynamics related to race and culture that might influence the design and implementation of a capacity-building initiative.

### Co-design initiatives with grantee partners.

Engaging grantee partners in the design process can help ensure that cultural and organizational context is integrated in the design and that the design meets the needs of the organization. When the Social Sector Accelerator began its work with the Oak Foundation on an initiative to strengthen strategic communications, it quickly realized that meeting the diverse needs of partners whose priority areas and geographies varied widely would not be easy. The Social Sector Accelerator instead undertook a month-long participatory design process to develop a sense of what interventions would be most helpful.

### Support peer learning models.

Oftentimes, the most valuable part of cohort-based capacity-building initiatives is the peer learning component. Peers can support problem-solving based on their own experiences navigating similar scenarios. Peer learning can also morph into more formalized peer coaching and peer consulting models, shifting away from expert-driven capacity building.

## Spotlight

Nexus Community Partners' support for capacity building in the Twin Cities is a powerful example of centering culture and equity.

In supporting the local Somali community, for example, rather than investing in traditional approaches to financial management and fundraising that were at odds with community norms and values, Nexus has supported the *development of worker cooperatives* — a model that emphasizes democratized labor.

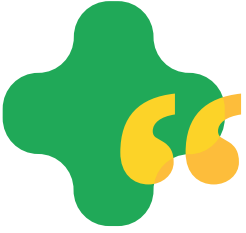
The model also emphasizes the notion of anchoring wealth in underresourced communities, keeping it in the hands of the people who are helping to generate it. Moreover, unlike most financial management and fundraising approaches that are rooted in the exchange of money, cooperative models center relationships and the need to care for one another.

Learn more at [www.nexuscp.org/our-work/community-wealth-building/](http://www.nexuscp.org/our-work/community-wealth-building/).



Peer support can be especially important for leaders of color who often report that they feel isolated and face a unique set of challenges. The Kresge Foundation, the Deaconess Foundation and others have all supported cohorts specifically for leaders of color, so they can receive support that takes into account their racial and ethnic identities.

Of course, there are cases when consultants are needed. Consultants who bring an equity lens to their work say that rather than leaning into their role as experts, they aim to offer deft facilitation that fosters learning. This is an orientation Elaine Ng, CEO of TSNE MissionWorks, brings to her work: “Foundationally, equity means that you have to respect the knowledge other people bring and understand what their experiences are. Your job is to facilitate and lift up the knowledge that is already there – to make the cake out of all the ingredients that are already there.”



**Foundationally, equity means that you have to respect the knowledge other people bring and understand what their experiences are. Your job is to facilitate and lift up the knowledge that is already there.”**

Elaine Ng  
TSNE MissionWorks



## Integrate issues of race and equity throughout an intervention.

In designing and implementing capacity-building initiatives, it can be helpful to take a step back and think deeply about the myriad ways in which race and equity surface in our work and then think critically about how to attend to those dynamics within an engagement.

FMA, a consulting firm that provides financial management support to nonprofits, has taken purposeful steps in integrating equity in its work. To ground its financial management trainings in racial equity, for example, FMA lifts up the role of discriminatory practices such as redlining and acknowledges how they have affected communities of color. FMA also considers the hiring and staffing systems that can perpetuate inequity. For example, given that many frontline finance staff are people of color while C-suite executives tend to be white, FMA works intentionally with organizations to name this and consider ways to increase the talent pipeline for financial management professionals and diversify the ranks of senior financial management leaders.

## Move toward a transformative and liberatory approach to capacity building.

A growing cadre of capacity builders are taking capacity-building approaches that are rooted in transformation and liberation, approaches that are longer term and center the organization and the development of individuals within the organization, as well as in the broader field. Such capacity builders work with a vision that is not just about building a stronger organization, but a system that is more just and equitable.

This often entails taking a deep and critical look at how many of the systems we work within are rooted in the norms of white dominant culture. An example of this is the act of fundraising, which is central to nonprofits' very survival, yet is rooted in a deference to white wealth. [\*The Community-Centric Fundraising\*](#) initiative lays out a vision for fundraising that has racial equity at its center and seeks to change the ways white dominant culture has shaped fundraising models. Principles of community-centric fundraising include working with donors as partners with relationships based in honesty and transparency; viewing fundraising as a collective exercise, rather than one that focuses on individual nonprofits; and ensuring that fundraisers have training in anti-racism, equity and wealth inequality.<sup>18</sup>

<sup>18</sup> Community-Centric Fundraising, "CCF's 10 Principles." Accessed October 12, 2020, <https://communitycentricfundraising.org/ccf-principles/>.



## Reflection Questions

- **Who is designing the initiative? Do those who feel the impact directly (junior staff or community constituents, for example) have input in the initiative's design?**
- **Are we taking the time up front to have a shared conversation about our guiding values, particularly with regard to equity?**
- **How are issues of language and culture accounted for in the design? Are capacity builders bringing in knowledge of relevant local and cultural context? If not, how are we involving people who do have that knowledge?**
- **Have we identified local or peer consultants who can support our capacity-building efforts?**
- **Is racial equity an add-on to the initiative, or have we considered potential points of relevance across the initiative?**
- **How are we, along with consultants, holding space for difficult conversations, particularly those that involve equity and inclusion?**
- **What resources and tools are used within the capacity-building engagement? Do they reflect diverse voices, or do they primarily reflect the norms of white dominant culture?**
- **How are power dynamics showing up in our relationships with consultants and grantees, and how will they be acknowledged and mitigated?**



GEO's 2019 Learning Conference  
Photo Credit: Carolina Kroon

# Outcomes

## How Racial Inequities Show Up

### Results of capacity-building initiatives can reinforce inequitable outcomes.

If attention has not been paid to issues of equity in access, assessment and/or implementation, it is unrealistic to expect that an initiative's outcomes will advance equity within the organization or the field more broadly.

For example, executive coaching as a way to support leadership development may leave out staff in the middle, who are more likely to be people of color, thus exacerbating the already broken talent pipeline. Likewise, executive coaching for BIPOC leaders that does not account for their unique experiences may not do much to stymie the high level of burnout and churn among leaders of color. A communications-focused capacity-building engagement that doubles down on creating strong written materials when an organization or its constituents would have benefited from more dynamic and diverse communications channels, too, is likely to deepen inequities.

### Metrics may not capture relevant outcomes.

The metrics we develop to measure shifts in organizational capacity may be granular in nature (increased funding from donors, for example) and not fully account for the systemic and intangible factors that ultimately create stronger, more effective organizations.

Masha Chernyak, vice president of programs at the Latino Community Foundation and the founder of its Nonprofit Accelerator, for example, lifts up the sense of hope, confidence and trust that participation in the Accelerator, which focuses on communications and fundraising support, generates. "In our program, we talk about the real things – like our hopes, our fears, our relationship to money and why it's so difficult to fundraise when you come from a working-class family. We invite people to be real, and we model it by being fully ourselves. It is not a performance, it's not a show. Because of that, participants felt they had a place to call home. A place where you could be seen, heard, and truly understood. That's what builds confidence, that's what builds trust. And at LCF we measure it, because it matters to us. We ask participants, 'Do you feel more hopeful about your organization's future? Do you feel like you can stand taller and be bolder?'" Chernyak asserts.

Culture and systems can be left out in evaluations of capacity building, too. Some nonprofit leaders lamented reporting on quantitative metrics without being able to capture more holistically how their capacity-building work helped them accomplish what they wanted for their organizations and communities more holistically.

The consequence of not having culturally resonant interventions and using incongruent measures of progress is predictable. As one nonprofit leader states, "The initiative will fail and funders won't get the results that they want. And then they come back to us and say this failed, and we get blamed for it. And then they say, 'That community or that organization is not worth investing in again because they didn't produce what we expected,' even though it was set up to fail from the beginning."



## Antidotes

### Analyze race and race equity in evaluation and learning efforts.

Evaluation and learning efforts for larger-scale capacity-building initiatives should disaggregate data by race and other identity variables to understand how well an initiative is resonating with different groups and whether it achieves its intended outcomes for different groups. Doing so will help capacity builders understand how approaches may be exacerbating inequity or producing unintended consequences.

As an example, in its leadership development program for emerging leaders of color, Tipping Point Community is beginning to review data related to salaries, raises and promotions to assess the extent to which its race equity goals are being met for its participants.

### Focus on learning, not just outcomes.

By assessing process, as well as outcomes, and using qualitative approaches to do so, funders and consultants can get a better sense of how approaches fell short, what resonated, what didn't, and how racial and cultural factors may have contributed. Moreover, the cultural shifts organizations make through longer-term, more transformative capacity-building work are often not easily captured through a survey.

The Ford Foundation's evaluation of the BUILD program takes place over the course of the initiative, not just at the end. Such a developmental approach prioritizes ongoing learning and evaluation and uses participatory methods to inform the design of the evaluation and the analysis of its findings. In addition to quantitative data, the evaluation includes case studies and stories to provide nuance and learning opportunities.<sup>19</sup>



## Reflection Questions

- **What steps are we taking, informally and formally, to learn about what's working in our capacity-building initiatives?**
- **How are we trying to understand the unique experiences BIPOC staff and communities have with capacity-building initiatives?**

<sup>19</sup> Victoria Dunning, "Five Things to Know About our Evaluation of BUILD," Ford Foundation. Accessed October 29, 2020. <https://www.fordfoundation.org/work/learning/learning-reflections/five-things-to-know-about-our-evaluation-of-build/>

|                         | How Racial Inequities Show up   | Antidotes  |
|-------------------------|---|--|
| Access                  | <p>BIPOC organizations are left out from the get-go.</p> <p>BIPOC organizations are subject to systemic bias.</p> <p>The application process creates systemic barriers to accessing funds.</p>  | <p>Create a more open and inclusive process for identifying prospective grantees.</p> <p>Conduct portfolio reviews to benchmark equity indicators.</p> <p>Simplify application procedures and streamline selection criteria.</p>   |
| Assessment              | <p>There is an undue focus on assessing “readiness.”</p> <p>Capacity-building priorities are assessed by the funder, consultant and/or executive director.</p> <p>Consultants and foundations take a narrow, technocratic approach to assessing capacity-building priorities.</p> <p>Consultants and foundations begin with a deficit-based approach.</p>   | <p>Rather than assessing readiness, look for priorities, timing and fit.</p> <p>Get multiple perspectives on the organization.</p> <p>Be open to organizational capacities that do not fit into predetermined categories.</p> <p>Use an assets-based approach.</p>   |
| Design & Implementation | <p>Lack of attention to linguistic, cultural and organizational context can result in an ill-suited intervention.</p> <p>Reliance on experts can promote paternalism.</p> <p>Interventions can reinforce norms of white dominant culture.</p> <p>Equity is not considered at all or is an afterthought.</p> <p>A technical or transactional approach is used when a transformative one is needed.</p> | <p>Consider cultural, linguistic and organizational context.</p> <p>Co-design initiatives with grantee partners.</p> <p>Support peer learning models.</p> <p>Integrate issues of race and equity throughout an intervention.</p> <p>Move toward a transformative and liberatory approach to capacity building.</p> |
| Outcomes                | <p>Results can reinforce inequitable outcomes.</p> <p>Metrics may not capture relevant outcomes.</p>  | <p>Analyze race and race equity in evaluation and learning efforts.</p> <p>Focus on learning, not just outcomes.</p>   |



GEO's 2018 Learning Conference  
Photo Credit: Carolina Kroon

# Latino Community Foundation's Nonprofit Accelerator: Leading with Love and Culture

“It’s about love. It’s about culture. It’s about values. It’s about getting closer to each other and realizing that we belong to each other.”

This is how Masha Chernyak describes the *Latino Community Foundation's Nonprofit Accelerator*, which provides communications and marketing support to underresourced Latinx nonprofits. The idea emerged, in part, out of Chernyak’s frustration that LCF’s grantees were doing incredible work but having trouble fundraising due to a lack of relationships with funders as well as websites and marketing materials that did not fully capture the impact of their work.

The Accelerator pairs grantee partners with communications and design consultants, along with a Pulitzer Prize-nominated photographer, to make sure each organization can tell its authentic story through its materials in an impactful way. Images and strong copy bring organizations’ work to life.

Participants report that while the communications and marketing support alone are helpful, what makes the Accelerator a qualitatively different experience is its rootedness in Latinx culture – everything from the healing ceremonies to the music and the food served.

Maria Rogers Pascual, co-executive director of Prospera, shares, “Organizations like ours, we’re always in the shadows, and we feel pressured to prove ourselves to get more resources.” The Accelerator was powerful in “its focus on Latinx organizations – it is really important to be able to bring that cultural lens in – I can’t even begin to tell you, there’s such a need for that. To me, the cultural specificity was, ‘How do we lift you up for who you really are?’ The colors, speaking in Spanish, even the pictures that they took–the ways that they helped us shine was so embracing of how we talk about ourselves and what is meaningful to us.

It wasn’t like ‘Here’s how you should talk about yourself,’ it was more like, ‘Let’s see who you really are. And let’s find a way to say that so that people can really hear you and see you.’”



At the core, the Latino Community Foundation's work is relational, both with peer funders and their grantee partners. As part of its Nonprofit Accelerator, LCF brings together funders and grantee partners to connect with one another in a deep and authentic way, rather than in a transactional manner. Funders and grantees ask one another, "Who are you? Where do you come from? What's your story? What gets you up in the morning?" — questions that often get lost in the midst of more transactional solicitations for money. Jacob Martinez, executive director of DigitalNEST, has participated in a range of capacity-building efforts, but states unequivocally, "The Accelerator was the most transformative thing that has happened for DigitalNEST." Through the Accelerator, he built strong relationships with at least six new funders, which has translated into nearly \$1 million in new funding so far.

Martinez also highlights the power of the peer relationships that developed through the cohort: "I work in Watsonville, which is a predominantly Latino community, but most of the nonprofits here are run by non-Latinos. And so to be in a network of folks that are going through the imposter syndrome that we all feel, I knew I could be really open with them." He adds,

"I often found myself coaching and encouraging other leaders. It feels good because I get help from people, but it also feels really good to help others."

In the end, while participants say they are better positioned to raise money and are more strongly connected to one another, the ultimate goal for the Accelerator is for organizations to become more powerful players in the state of California.

Learn more at <https://latinocf.org/latino-nonprofit-accelerator/>.





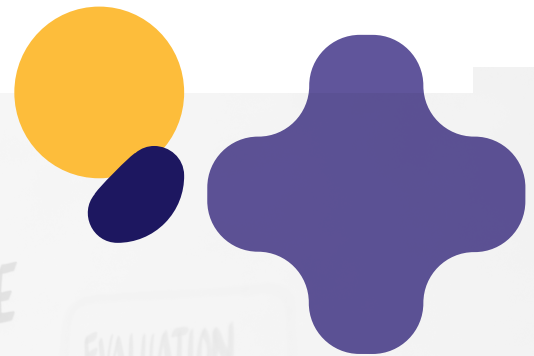


# The Capacity-Building Ecosystem: A Closer Look at Consultants and Funders

The gaze of capacity-building initiatives often falls on nonprofit organizations – how they can improve and evolve. Yet applying a racial equity analysis to capacity building requires an understanding of how power, culture and systems influence capacity building in practice. Those systems include funders and consultants, who often carry a great deal of positional power.

Paula Morris, a longtime organizational development consultant, states, “Sometimes we forget that foundations are organizations too. Whatever dynamics, challenges, external tensions, needs to pivot and stresses that grantee organizations are experiencing, it’s not like any of those dynamics aren’t playing out within foundations. Where foundations have been intentional about capacity building as part of their grantmaking strategy, the capacity-building muscle that they built up actually can strengthen their ability to look within their own institution too.” She adds, “You can’t expect of other organizations the deep work that you’re not willing to do yourself.”


Indeed, to the extent that funders can be transparent about the messiness of their racial equity journey, it can create opportunities to build more trusting, authentic and transformational relationships with grantee partners. In this section, we look at how grantmakers can build the muscle for racially equitable capacity building, as well as how to engage and support consultants to do the same.




# Funder Self-Reflection

## Reflect on racial equity considerations at both the individual and institutional level.

Centering racial equity in capacity building extends beyond diversity and inclusion efforts. Notably, centering racial equity challenges all of us to reflect on our power, privilege and vulnerability and to understand how that shows up in our work at all levels – from the internalized to the systemic. Consultants at Change Elemental call this “deep equity.”<sup>20</sup> Such an examination involves a healthy dose of self-awareness, as well as intellectual and emotional curiosity about and commitment to racial equity.



Centering racial equity challenges all of us to reflect on our power, privilege and vulnerability and to understand how that shows up in our work at all levels – from the internalized to the systemic.”



At the institutional level, organizations committed to equity should demonstrate a commitment to developing a shared vision of what equity looks like in action, with attention to how equity can be a value that is integrated systemically into all aspects of the work, not just parts of it.<sup>21</sup> This includes taking a close look at staffing, operations, communications, and evaluation and learning processes, among other domains.<sup>22</sup>

That process of self-reflection translates into questions such as these: How does inequity surface in our own institutions? How do grantmaking policies and practices reinforce inequities? How are we engaged in ongoing professional growth in the realm of equity? To what extent is our institution explicit about its commitments to equity? Where does our board land on equity considerations? And, most important, how will we use our power to change our institutions?

Linda Baker candidly describes the experience of her team’s equity journey at the Packard Foundation: “We have been called to step up to one of the most urgent questions of our time: how are we at the foundation perpetuating racism, inequity and injustice? Our whole foundation is in the process of examining our grantmaking and operations with the goal of building more just and equitable approaches to our work. We are also examining the organizational development and leadership support we provide through our Organizational Effectiveness grantmaking – asking ourselves and our colleagues to examine who benefits from this support and how to best support BIPOC leaders and those who represent historically underinvested communities. This is the work of change, and it is a work in progress.”

<sup>20</sup> Sheryl Petty and Amy B. Dean, “Five Elements of a Thriving Justice Ecosystem: Pursuing Deep Equity,” *Nonprofit Quarterly*, April 13, 2017. Available at <https://nonprofitquarterly.org/five-elements-of-a-thriving-justice-ecosystem-pursuing-deep-equity/>.

<sup>21</sup> Ibid.

<sup>22</sup> *Frontline Solutions*, “Equity Footprint: A Framework to Advance Change,” 2019; Gita Gulati-Partee and Maggie Potapchuk, “Paying Attention to White Culture and Privilege: The Missing Link to Advancing Equity,” *Foundation Review* 6, no. 1 (2014): 25-38).

## Reexamine assumptions about capacity building.

In addition to doing deep equity work at the institutional and individual levels, it can be helpful to identify and interrogate assumptions about capacity building. Even the most progressive funders, one consultant says, can fall prey to “implicit biases around race and ability. They’re still coming at it from a white dominant lens and not really unpacking the power dynamics at play.”

As the *Social Sector Accelerator* began developing a deeper racial equity analysis in its work, executive director Teresa Crawford noted, “The biggest change in the way that we work is getting the foundations that we work with to dig into the definitions that they’re using of what capacity is, and not really forcing their grantees to fit some model that they have in their heads of what an effective organization is, how capable they are, who they are, and to be able to say, ‘Well, wait a minute, that’s your definition? What’s their definition? What’s the community’s definition of what’s relevant and useful?’”

Reexamining assumptions can also mean thinking about grantee support for equity beyond capacity building. For example, if we’re thinking about wellness supports for BIPOC leaders, are we also looking at how we are supporting an organization more holistically to ensure that its staff are being paid a living wage and have access to quality health care?

## Be mindful of the funder–consultant dynamic.

It can be a fine line to walk for funders and consultants to balance power dynamics, objectivity and neutrality across the relationships. To mitigate this potential power dynamic, grantmakers can establish protocols and expectations with consultants that honor the consultant–grantee relationships and remain mindful of the ways power can be wielded unintentionally.

As one nonprofit leader said, “Overall, consultants oftentimes are beholden to the foundation. Even some of the greatest consultants are still trying to subtly push you in the direction of whatever the foundation told them to do, and they’re not actually trying to help you do what it is you’re trying to do.”

Lori Bartczak, from a consultant point of view, observes a similar dynamic: “It’s so easy to let this be a funder-driven process. As a middle person between the funder and the grantee, we might hear a big delta between what the grantees say they want and what the funder intends to provide. Consultants have a responsibility to center grantees’ needs when designing and delivering capacity building and an opportunity to encourage funders to adjust their practices as needed to best meet the needs of their grantees.”



# Funder Engagement with Consultants

## Hire consultants with lived experience.

Lived experience is often the best experience. The complicated dynamics of race and culture are best understood by those who have experienced the realities of being a person of color in the United States. Lived experience, of course, can encompass many different dimensions, not only race and culture. A person of color whose primary experience has been living on the coasts may be ill-suited to work within a distinctive regional culture, such as the South. And many consultants come with impressive organizational development credentials yet have never run a nonprofit. Grantmakers should assess multiple dimensions of lived experience to get a sense of fit.

At the same time, embedding equity in capacity building is a deep-seated, complicated enterprise. It is unrealistic to expect any one consultant to have all the relevant experiences and competencies needed for an engagement, particularly in a racially or culturally diverse environment. Encouraging partnerships and collaborations among consultants is one way to support more culturally responsive capacity-building engagements.

## Cultivate homegrown, local consultants.


An oft-cited concern is difficulty finding consultants who have lived experience and come from a diverse racial and ethnic background. Cultivating local consultants and supporting peer consulting arrangements can be a fruitful strategy as funders seek to expand their network of consultants.

Ellen Liu, senior director of grantmaking and capacity building at the Ms. Foundation, whose new strategy includes a focus on women and girls of color in the South, shares, “We are very keen on supporting those that are already doing this kind of consulting with groups and partners and may not call it consulting. It is a model in which local grassroots groups are already getting supported by these leaders. So part of our strategy is identifying those through our grantees.”

Likewise, Vitalyst Health Foundation’s directory of consultants casts a wide net. David Martinez III states, “Anybody that considers themselves a consultant or has expertise that can be utilized by nonprofit organizations can go to our website and fill out a form to join our team. We really try to promote that if you have lived experience, that’s fantastic! Or maybe you have a specific skillset related to your full-time job, but on the side you might be able to offer consulting or coaching services.”

In some cases, foundations have not only recruited local talent but also invested in their professional development as they help strengthen the local consultant ecosystem. Such investment in homegrown consultants can yield tremendous benefits, since the consultants are more likely to be available for the long term and can engage in deep relationships with local organizations, creating more “sticky” capacity building.<sup>23</sup>

<sup>23</sup> Erin Britton and Naomi Weiss, “Think Local: Local Consultants Are an Untapped Resource for ‘Sticky’ Capacity Building Investments,” TCC Group, March 25, 2018. Available at <https://www.tccgrp.com/insights-resources/insights-perspectives/think-local-local-consultants-are-an-untapped-resource-for-sticky-capacity-building-investments/>.



## Engage consultants who are reflecting on how equity surfaces in their own practice.

Honest discussions about race and racism are inherently personal, emotional and challenging. Consultants who are comfortable with discomfort and who are attuned to dynamics of race and issues of equity will be better poised to guide capacity-building initiatives through a racial equity lens.

Consultants interviewed for this guide note the importance of taking the time to do their own work on equity, including paying close attention to the ways they may fall into the habits of white supremacy and gatekeeping. For one consulting firm we interviewed, this has translated into “difficult conversations about how consultants have shown up, how experts are viewed, what is capacity, who is defining it, and then interrogating our own practices and process to make sure that we are not continuing to do harm.”

## Support communities of practice for consultants.

To encourage consultants’ reflection on and development of racial equity practice, grantmakers can support communities of practice. Across the board, consultants report that communities of practice are valuable opportunities to deepen their work and learn from others.

When the Kresge Foundation created a capacity-building program for its grantees that emphasized racial equity, it also provided an additional \$25,000 for each of the consulting organizations to support its own professional development. The cohort of service providers started meeting regularly to exchange ideas and lay the groundwork for deeper partnership and collaboration. Consultants participating in the cohort said this type of support is almost unheard of and credit the network for providing essential support, particularly as issues of racial justice have come to the fore.<sup>24</sup>

Similarly, The LeadersTrust convenes its capacity coaches in a community of practice to “sharpen the saw with each other.” The coaches share materials, read books together and reflect on dimensions of equity in both their personal and professional lives.

Emily Wexler, a participant in GEO’s Capacity Building Champions group, says, “It’s not enough to do your own work. You have to do it in relationship with others. The GEO community has been holding some pretty powerful spaces for honesty and vulnerability and candor, both about where there’s dissonance in our practice as it relates to equity and also helping us collectively build a set of practices that we want to be letting go of as a sector.” The group, she says, grapples with deep equity-related questions such as “What is our complicity in helping to create and uphold the systems that are resulting in this disproportionate impact on BIPOC communities, and what are the specific practices that are upholding white supremacy?”

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<sup>24</sup> Caroline Altman Smith and Carla Taylor, “Strengthening the Ecosystem of Capacity-Building Service Providers: A Case for Why It Matters,” *Foundation Review* 11, no. 4 (2019): 99-109.

# 6 Call to Action

Longstanding racial inequities within the philanthropic and nonprofit sector mirror society at large, evidenced by leadership that remains primarily white and by persistent funding inequities between BIPOC-led and white-led nonprofit organizations.

Given how entrenched racial inequities are in our field and the historical roots of those inequities, we are long overdue for a reckoning – one that requires us to examine our own privilege and to reflect on the ways we can share power, honor cultural nuance, and reimagine systems and structures that currently reinforce inequities. As we work to strengthen nonprofits through capacity-building initiatives, we need to be intentional and bold if we hope to change the status quo.

We are long overdue for a reckoning – one that requires us to examine our own privilege and to reflect on the ways we can share power, honor cultural nuance, and reimagine systems and structures that currently reinforce inequities. As we work to strengthen nonprofits through capacity-building initiatives, we need to be intentional and bold if we hope to change the status quo.”

This work is difficult and complicated. It requires being vigilant about the ways power dynamics surface and to work constantly to mitigate those dynamics. It requires deep attention to the nuances of cultural context. And it requires interrogating the systems that reinforce inequity and imagining new ways of doing our work.

This work is also joyful and transformative. What does it look like for all of the organizations and leaders we work with to thrive and to achieve the bold visions they have for a better world? What does it look like for us to walk alongside our grantee partners on this journey, to honor their sense of agency, and to support new and innovative ways of strengthening individuals, organizations and entire fields?

As we grapple with the economic and social effects of a global pandemic, coupled with a reemerging movement for racial justice, we find ourselves in a unique historical moment. As grantmakers, we have a tremendous opportunity to take stock of our own work and to use our power and privilege to make both small and significant shifts in our practice and to put racial equity at the center.

It is GEO's hope that the stories and resources in this guide help grantmakers continue to learn, reflect and act as we strive to transform philanthropic culture and practice in the service of supporting thriving nonprofits and communities.



# Resources



## **The Delta Vision: Building Capacity by and for Communities of Color (2018)**

Traditional models of capacity building do not explicitly address racial equity, systems and power, rendering such models inadequate for communities of color. A group of people of color-led capacity-building organizations based in Seattle recognized these challenges and convened to create a model, tentatively called the Delta Vision. This report highlights the limitations of traditional models and offers recommendations for funders.

[https://communities-rise.org/wp-content/uploads/2021/05/NAC\\_Delta\\_Exec\\_Summary\\_DRAFT11\\_web.pdf](https://communities-rise.org/wp-content/uploads/2021/05/NAC_Delta_Exec_Summary_DRAFT11_web.pdf)

## **“Transformational Capacity Building,” *Stanford Social Innovation Review* (Fall 2020)**

This article, written by five capacity builders of color, notes that nonprofits that serve communities of color struggle to survive because of systemic racial disparities and recommends seven approaches for transformational capacity building.

[https://ssir.org/articles/entry/transformational\\_capacity\\_building](https://ssir.org/articles/entry/transformational_capacity_building)

## **Essential Capacities for Equitable Communities (2020)**

This report shares learning from power-building groups across the country about the organizational capacities that are uniquely needed to build community power – including knowledge, resources, and patterns of thinking and being. Among the capacities for building power are three core capacities: the capacity to organize communities, the capacity to deepen equity, and the capacity to cultivate leadership and leaders.

<https://changeelemental.org/resources/essential-capacities-for-equitable-communities/>

## Organizational Mapping Tool

The Organizational Mapping Tool (OMT) is an open-source, organizational assessment tool designed to help nonprofits identify and prioritize their organizational strengthening needs. Used by the Ford Foundation's BUILD grantees, the tool provides qualitative markers of organizational development and is designed to involve the entire staff. It is currently available in seven languages.

<https://www.fordfoundation.org/work/our-grants/building-institutions-and-networks/organizational-mapping-tool/>

## Race to Lead Revisited: Obstacles and Opportunities in Addressing the Nonprofit Leadership Gap (2020)

This report presents findings from a 2019 survey of more than 5,000 paid nonprofit staff on their experiences of race and leadership in nonprofit settings. The data demonstrate that nonprofit organizations are defined by a pervasive and systemic white advantage, a term the report uses to describe the concrete ways that structure and power in nonprofit organizations reinforce the benefits of whiteness.

<https://racetolead.org/race-to-lead-revisited/>

## Trust-Based Philanthropy Project

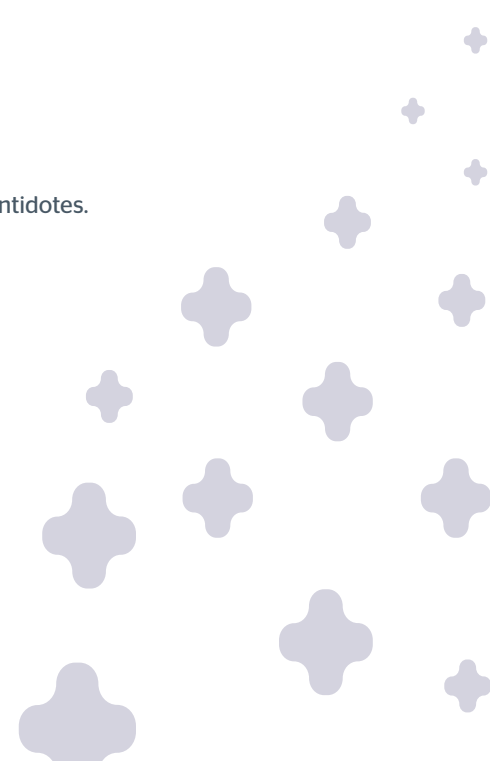
This website includes a guide, webinars and a variety of resources to support practices of trust-based philanthropy.

<https://trustbasedphilanthropy.org/>

## White Supremacy Culture

Tema Okun identifies 15 manifestations of white supremacy culture and their antidotes.

<http://www.whitesupremacyculture.info/>



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