Evaluation of the Capacity Building for Minority-Led Organizations Project

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I.   INTRODUCTION

"It is our strong belief that achieving meaningful and sustained improvements in the health of underserved communities cannot be achieved unless we invest in the innovation and leadership efforts by community leaders and organizations who directly confront the challenges themselves. Social problem-solving emerges from the ground up, and not the other way around."

--Robert K. Ross, M.D.,
President and CEO of The California Endowment

Community-based, grassroots organizations are on the front lines of promoting the health and well-being of local communities—serving as a safety net for social services, offering training and education, promoting cultural arts, and acting as advocates and facilitators for individual and community voice. Given the concentration and persistence of inequities facing low income communities of color, minority-led organizations with deep knowledge and earned trust of the communities they serve are particularly critical for advancing community health and well-being.   In many underserved communities across the state, minority-led organizations represent pillars of ethnic community support and survival.

At the same time, as the diversity of California's population grows, the actual number of minority-led organizations lags far behind. Further, existing minority-led grassroots organizations face significant and historical challenges to accessing philanthropic resources to carry out their missions and, ultimately, to sustain and grow their organizations. Many have limited knowledge of or access to traditional funding and capacity-building networks, or else face challenges in navigating the complex processes and unspoken norms of philanthropy. Others struggle with a fundamental misalignment of priorities between foundations and the diverse communities they represent, and face challenges in bridging this cultural disconnect. Still others grapple with a deeply rooted cultural mistrust of public sector and philanthropic organizations, resulting from long histories of exclusion and/or exploitation.

Capacity Building for Minority-Led Organizations Project

This is the context in which The California Endowment (TCE) launched the *Capacity Building for Minority-Led Organizations Project* in late 2008. TCE has a long-standing commitment to diversity and equity. A 2008 Foundation Center report on California grantmaking to diverse communities found that TCE accounted for more than 50 percent of grant dollars (approximately $80 million annually) allocated to

minority communities at that time.[1] Yet, recognizing the continuing need in the communities they serve, TCE –as part of a coalition of nine additional funders with aligned goals—saw the *Capacity Building for Minority-Led Organizations* Project as an opportunity to augment its commitment to diverse communities, specifically by investing in capacity building for minority-led community organizations. As demonstrated by Dr. Ross' opening quote, TCE's capacity-building philosophy recognizes and honors the cultural assets of organizations on the front lines of their communities. Therefore, TCE staff also saw this project as an opportunity to learn about capacity-building approaches that are based on nonprofit management best practices, but also deeply rooted in the cultural realities of communities color.

Ultimately, TCE made an initial $1.4 million investment to strengthen the organizational capacity of grassroots organizations focused on improving the health and well-being of communities of color.

Recognizing its own limitations in awarding small grants to emerging community-based organizations, TCE funded eight intermediary funders across the state to regionally regrant capacity-building resources to strengthen minority-led organizations working in the fields of health, social/human services, and or community development. Over a two-year period, funding partners regranted resources to 79 minority-led organizations across the state, with awards ranging from $3K to $25K.[2] Two additional technical assistance providers were supported by the project to specifically strengthen the fundraising capacity of minority-led organizations. Finally, all funded partners were brought together in a learning community, through a series of convenings and webinars focused on sharing common challenges, innovative tools and promising practices in building the capacity of minority-led nonprofits.

> **The *Capacity Building for Minority-Led Organizations Project* Model**
>
> ➢ $1.4 million over two years awarded to:
> - 8 intermediary funders
> - 2 technical assistance providers
> ➢ Capacity building resources ultimately regranted to 79 minority-led organizations across California
> ➢ All partners brought together as a learning community focused on the issue of capacity building within communities of color

TCE's focus on "minority-led" organizations (MLOs) was intentional, in explicit recognition of the historic unequal distribution of resources and funding to communities of color. MLOs were originally defined as those that not only have an explicit mission to serve racial and ethnic minority populations, but also that are led by a staff and board that are representative of the racial/ethnic minority populations they serve. Since 2008, the "minority-led' term has been expanded to include all underrepresented populations, such as women, lesbian/gay/bi-sexual/transgendered individuals, and persons with disabilities.

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[1] "Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and Other Grassroots Community-Based Organizations: A Report from the Foundation Coalition", December 2008.

[2] While this report focuses on the initial MLO Project investment from 2008 to 2010, an additional phase of investment in this set of funding intermediaries is currently underway.

Our Evaluation & Overview of this Report

Social Policy Research Associates was contracted to serve as an evaluator of this effort in October 2009. The research questions guiding our evaluation focused on understanding the outcomes of TCE's investment in strengthening minority-led organizations, as well as learning about successful strategies of capacity building and leadership development utilized by intermediary funders. Recognizing some of the limitations of traditional capacity building frameworks, tools, and approaches when applied to culturally diverse grassroots organizations,[3] we were specifically charged with documenting some of the unique challenges faced by minority-led organizations, as well as identifying *culturally relevant* capacity-building practices and strategies that speak to the realities of California's diverse communities. Finally, our efforts were also driven by a broader TCE interest in understanding how funders, like TCE, could best support capacity building within communities of color through a regranting model.

The following report provides a summary of our findings and lessons learned. It is informed by a series of qualitative and quantitative data collection activities over a two year period from December 2009 to December 2011, captured to the right. The report is organized into three main sections. The next section provides an **overview of the portfolio of organizations** supported by the *Capacity Building for Minority-Led Organizations Project,* both in terms of the intermediary organizations that TCE selected to partner with and the community grantees these intermediaries ultimately supported. From there, we delve into a **discussion of capacity-building approaches** utilized within this project, as well as **emerging outcomes** and **lessons learned**. Finally, this report closes with an **analysis of TCE's approach**, including key successes and challenges within the design and implementation of this effort as well as implications for future investments in capacity building within communities of color.

Summary of Evaluation Methods

➢ **Intermediary Interviews.** Two rounds of interviews in Summer 2010 and Fall 2011, with all regranting intermediaries (N=8) and technical assistance providers (N=2).

➢ **Intermediaries Learning Community Activities.** Facilitation and documentation of peer sharing opportunities across funding and technical assistance intermediaries, including two half-day convenings and two webinars.

➢ **Survey of Community Grantees.** Online survey of community grantees (N= 46 out of 79 possible) to document demographics of community served, capacity challenges, as well as reflections on outcomes and lessons learned related to culturally competent capacity building.

➢ **Interviews with Community Grantees.** In-depth interviews with a subset of nominated community grantees (N=5) that have demonstrated innovative thinking and gained from capacity-building activities.

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[3]   See for example, "Approaches to Technical Assistance Delivery that Build Community Capacity," Jemmott Rollins Group, Inc., December 2009

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II.   THE *CAPACITY BUILDING FOR MINORITY-LED ORGANIZATIONS PROJECT* PORTFOLIO

As described in the previous section and shown in Exhibit 1 below, the funding model behind the *Capacity Building for Minority-Led Organizations Project* is multi-layered, where TCE directly awarded to two types of partners: (1) funding intermediaries, and (2) technical assistance (TA) intermediaries. These intermediaries in turn disbursed capacity-building resources and/or technical assistance support to a wider array of community-based organizations and individuals serving low-income communities of color throughout the state.

Exhibit 1. The Capacity Building for Minority-Led Organizations Project Funding Model
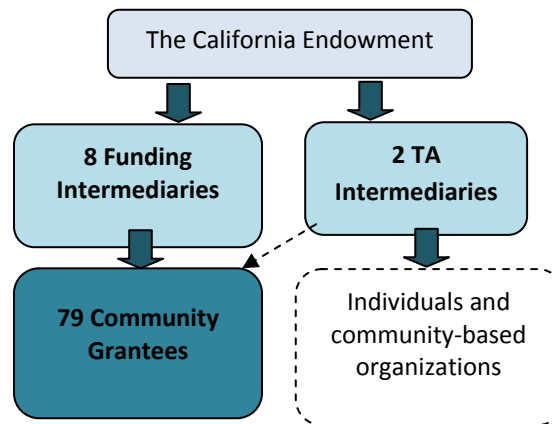
By design, our data collection and analysis focused most intensely at the intermediary level.   Given that the bulk of TCE's investment fell within the regranting strategy, we also collected information from the recipients of grants from the funding intermediaries, referred to throughout this report as "community grantees."

In order to provide critical context for understanding the approaches, outcomes, and lessons learned emerging from this work, this chapter provides an overview of the funding and TA intermediaries, as well as the community grantees supported through the *Capacity Building for Minority-Led Organizations Project.*

Funding & Technical Assistance Intermediaries

Core to the theory of change behind the *Capacity Building for Minority-Led Organizations Project* are the intermediary partners who served as the direct recipients of TCE funding. TCE chose a specific pool of intermediaries to provide funding in the Central Valley, Northern California and other areas of the state that typically have fewer resources available for minority-led organizations.

As a group of 10, they represent a diverse group of funders and technical assistance providers from across the state.   Collectively, they represent statewide, regional, and even neighborhood-based funders and technical assistance providers. Some are regional in their specialized focus, some focus on specific populations (such as women or low income communities), others are racially or ethnic-specific in their target population. While two-thirds of funding intermediaries report annual giving amounts of approximately $2 million or higher, a cluster of funders report much smaller annual giving, with one at the low end reporting approximately $40,000 in annual giving. Most are fairly established, with roots dating back 30 to 40 years, but among this group are also relative newcomers, established within the last 10 to 12 years.

Despite this diversity, this set of intermediaries also has some notable core elements in common. Specifically, almost all intermediary partners were previous recipients of TCE funding. With established track records of successful programming and as known entities to the foundation, they presented little risk as grantees. Each organization also brought a strong connection to grassroots community organizations, a shared commitment to capacity building in low-income communities of color, and a commitment to advancing learning about innovative approaches to culturally-competent capacity building. Finally—and most significantly—all of the funding intermediaries within the Capacity Building for *Minority-Led Organizations Project* are **minority-led** themselves.   According to TCE staff, this intentional decision was rooted in a fundamental belief that minority-led organizations are best positioned to intimately know the diverse communities that they serve.

> **Informal Criteria Used in Selecting Funding & TA Intermediaries**
>
> ➢ Shared commitment to capacity building in low income and communities of color
>
> ➢ Diverse leadership, reflective of the community the organization ultimately serves
>
> ➢ Strong connection to grassroots community organizations that could be leveraged
>
> ➢ Organizational capacity to pass through resources and provide direct technical assistance
>
> ➢ Interest in contributing to learning about innovative approaches to culturally competent capacity building

Exhibit 2 on the next page details each of the funding and technical assistance intermediaries, the focus of their TCE-supported work and the geographic regions targeted.

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Exhibit 2. Overview of Intermediary Organizations Funded

| Name of Intermediary	Grant Focus	Regional Focus
Funding Intermediaries		
Akonadi Foundation	To make grants to minority-led nonprofits focusing on racial justice in Oakland.	Oakland
Bay Area Black United Fund	To make grants to minority-led community organizations offering services through prisoner reentry programs.	San Francisco Bay Area
Liberty Hill Foundation	To provide core support and capacity building to minority-led nonprofits through its *Fund for Change* and *Special Opportunity Fund.* Additional funding to Liberty Hill will be used to offer training opportunities to all grantees through its Wally Marks Leadership Institute for Change.	Los Angeles, Orange, San Bernardino and Riverside counties
Los Angeles Brotherhood Crusade	To make grants to minority-led, health-focused organizations that address the physical, mental and environmental health needs of underrepresented low- to moderate-income communities of color.	South Los Angeles
Seventh Generation Fund for Indian Development	To make grants to grassroots Native American organizations and tribal endeavors engaged in health, social services and community building throughout California.	Statewide
Sierra Health Foundation	To make grants to health-focused minority-led nonprofit community organizations.	Sacramento/ North state region
Tides Foundation/CA Fund for Youth Organizing	To offer direct support of leadership of youth of color-led organizations to effect policy changes that address health disparities in communities of color.	Statewide
Women's Foundation of California	To support health-focused, minority-led organizations though it's Central Valley Nonprofit Infrastructure Program.	Central Valley
TA Intermediaries		
CompassPoint Nonprofit Services	To plan and implement the Fundraising Academy for Communities of Color to increase the capacity of at least 40 minority-led nonprofits to secure individual donations, corporate sponsorships, governmental contracts and foundation grants.	Los Angeles & San Francisco/ East Bay Area
Grassroots Institute for Fundraising Training (GIFT)	To help organizations based in Spanish-speaking communities in California build and strengthen their individual donor fundraising programs.	Statewide

Community Grantees

A key indicator of the success of TCE's investment is the number of grassroots community-based organizations reached through pass-through resources and technical assistance support. Ultimately, funding intermediaries of the *Capacity Building for Minority-Led Organizations Project* supported 79 minority-led community-based organizations throughout California. As a group, these community grantees share a fundamental commitment to the diverse communities they serve, with 100% of those funded led by individuals from diverse backgrounds. At the same time, the cohort of community grantees is also characterized by some key distinctions:

Size of organizations[4]. As testimony to the grassroots nature of the organizations reached, and using annual budgets as an indicator, over 60% of the funded community grantees can be classified as small or mid-sized organizations that have annual budgets under $500,000, with a significant portion of the portfolio (23%) representing organizations with annual budgets under $100,000. One-third of community grantees do not have 501(c)3 status, 43% have three or less full-time staff, and nine organizations have no full-time staff. Regranting resources, however, reached a broad spectrum of minority-led organizations; on the other end of the continuum, 21% of community grantees have organizational budgets over 1 million dollars, with upwards of 70 full- and part-time staff.

**Community Grantee Portfolio
At A Glance**

➢ Over 60 percent of community grantees have organizational budgets under $500,000.

➢ Community grantees varied in organizational focus. The largest majority of grantees focus on advocacy and organizing.

➢ Over 70 percent of grantees report working on behalf of low-income communities.

➢ In terms of reaching minority populations, grantees approach their work by serving multiethnic, cross-racial communities, as well as working in distinct ethnic/racial communities.

➢ Fifty percent of the MLO portfolio had never received prior funding from TCE. Notably, almost 70% of these organizations have organizational budgets under $500,000.

Exhibit 3. Community Grantees by Annual Budget Size (N=66)

- 21% Over $1 million
- 23% Under $100,000
- 17% $501,000-$1 million
- 39% $101,000-$500,000

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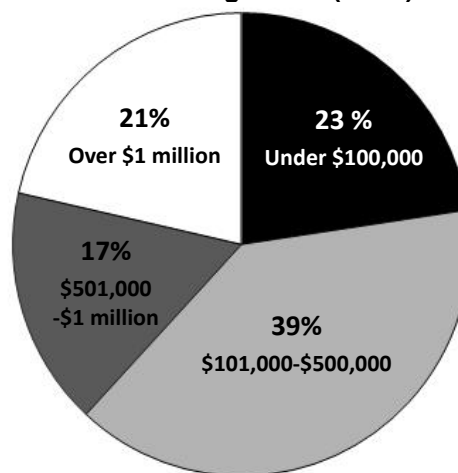
[4]   Data as reported by funding intermediaries as of June 2011; reported percentages are based on a denominator of 66 organizations for which we have specific data (85% of the portfolio).

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Communities served. While broadly dedicated to serving communities of need, community grantees are extremely diverse in the specific populations served. As shared by their funding intermediaries, community grantees are targeting populations ranging from low-income African American women in South Los Angeles, to members of the Latino LGBTQ community, to Arab American and Muslim youth, to members of the Barbareno Chumash indigenous community, to women and children suffering from homelessness, addiction, mental illness abuse and incarceration. Within the portfolio, just under two-thirds are serving multiethnic or broad cross-racial communities, while others are targeting their service and advocacy to distinct racial, ethnic, or tribal populations. In terms of specific populations within these categories, some are even more narrow in their focus—either by *geography* (e.g., Mayan people relocated to the San Francisco Bay Area or Hmong refugees located in Butte County), *age* (e.g., Native American youth), *religion* (e.g., members of the African American faith community), *employment* (e.g., day laborers or restaurant workers), or *sexual orientation* (e.g., members of the Latino LGBTQ community). When directly surveyed, over 70% of grantees reported that their target populations represented low-income communities.

Type of organization. Community grantees are equally diverse in terms of their organizational focus and programming provided. The text box to the right provides a snapshot of some of the types of community organizations funded. A review of organizational missions indicates that the community grantees supported through the

Snapshot of Community Grantee Organizational Objectives
➤ Congregation-based community organizing to empower people, build community and support unity in diversity
➤ Community access to health services and awareness of health-related issues, such as nutrition, reproductive health, and mental health
➤ Promotion of healthy families through parenting skills education and workshops
➤ Empowerment of community members to engage in environmental justice work
➤ Promotion of arts education as a tool to help create more just and equitable communities
➤ Improvement of quality of life for farm worker communities
➤ Social service supports, including residential care for foster youth that are pregnant and parenting mothers, as well as their children
➤ Improvement of the lives of at-risk youth through sports, academics, and scholarships
➤ Restoration and revival of indigenous California languages so that they are retained as a permanent part of the living cultures of Native California

Capacity Building for Minority-Led Organizations Project are a critical presence in the diverse communities they serve. All are providing meaningful education, service, or advocacy that speaks to the nuanced cultural realities of minority populations. When directly asked to identify one category that best reflected their organizational focus, the largest group identified their organizational focus as advocacy and organizing (35%), with the next largest subgroups identified as research (15%) and health/mental health service (9%).

Previous access to TCE funding. To assess the degree to which TCE's regranting strategy enabled TCE to successfully expand its network and commitment to a broader range of minority-led organizations, we also surveyed community grantees about their sources of funding. Significantly, approximately 50% of the community grantees who responded to our survey indicated that they had not received funding from TCE previously. Of further note, among those organizations, *almost 70%* have annual budgets under $500,000. This serves as an indicator that not only has TCE expanded its reach to more minority-led organizations, but they have also reached smaller, more marginalized organizations that are generally less likely to have access to mainstream philanthropic resources. Beyond philanthropic resources, community grantees reported other sources of funding as: individual donors (76%), government funding (37%) and fee-for-service activities (35%). Membership fees and federal funds made up the smallest pools with (22% and 15% respectively.)

Capacity challenges. We directly surveyed community grantees to get an overall sense of some of the capacity challenges within the cohort. While Appendix B provides a more comprehensive list of reported challenges, Exhibit 3 below highlights the capacity areas that over 50% of the cohort indicated as challenges that they face.[5] Overall, the areas of greatest challenge are not surprising, reflecting what other capacity-building initiatives have also found as general challenges of nonprofit organizations. Fund development challenges top the list, with 76% of community grantees reporting challenges in this area, followed by technology/IT systems (70%), leadership and succession planning (67%), and gaining web presence and/or leveraging social media (67%).

Exhibit 3. Areas of Greatest Reported Capacity Challenge, By Percentage (N= 46)

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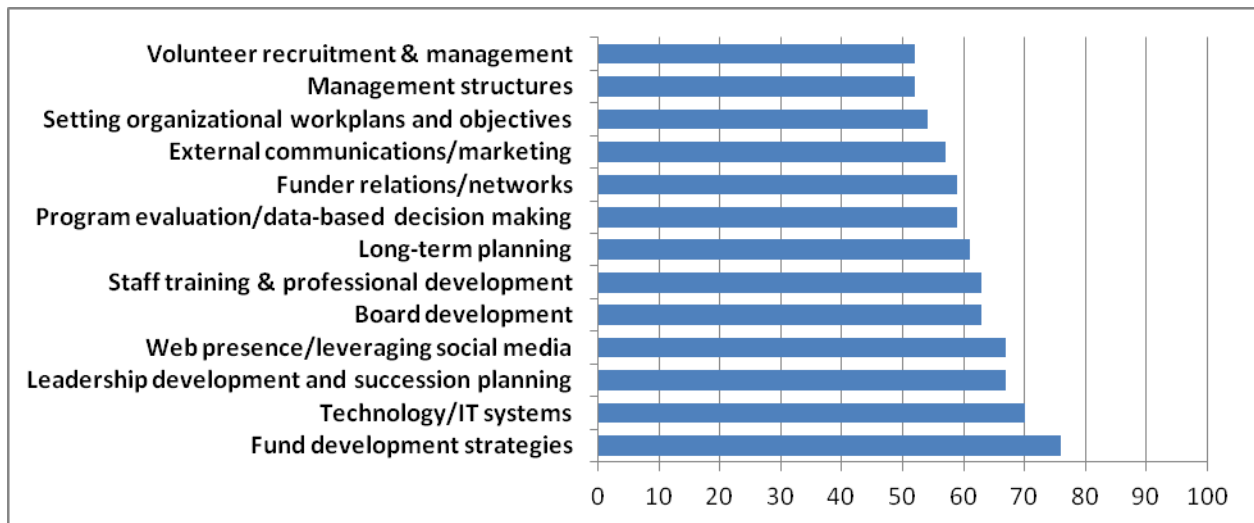
[5]   Notably, community grantees were surveyed at the *end* of their participation the *Capacity Building for Minority-Led Organizations Project.* Therefore the challenges identified represent those that continue to be areas of challenge for them after engaging in capacity-building activities.

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As notable as the areas of greatest challenge are the areas of *least* challenge. Here, findings confirm what funding intermediaries across-the-board have shared with us – that the organizations reached through TCE's investment are those well-positioned in their respective communities, with a firm sense of mission and systems to best serve community needs. As shown in Exhibit 4, only 13 percent of community grantees report challenges with community trust and accountability, 15 percent reported challenges with formalizing their mission/vision and 17 percent reported challenges with their diversity policies and practices, personnel policies and case management systems.

Exhibit 4. Areas of Greatest Reported Capacity Challenge, By Percentage (N=46)
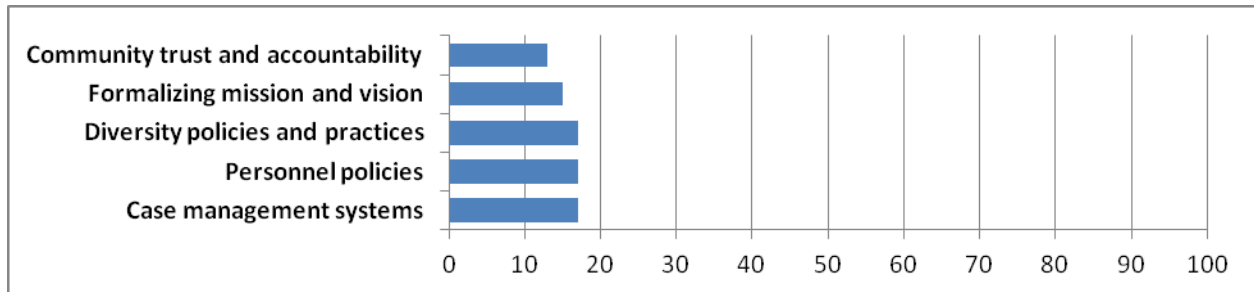
In addition to providing a rich sense of the community grantees reached by TCE's investment, the findings above present a useful lens to interpret some of the capacity building promising practices and outcomes discussed in the next chapter.
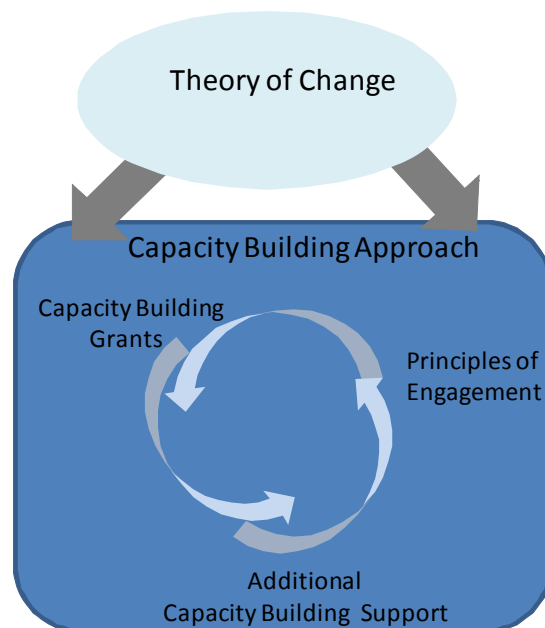
III.   APPROACHES, OUTCOMES & LESSONS LEARNED

The Capacity Building for Minority-Led Organizations Project was created based on an understanding of the distinct capacity-building opportunities and challenges facing minority-led organizations and the diverse communities they serve. With the aim of learning from the experience of minority-led intermediaries and community grantees, this chapter provides a summary of capacity-building approaches, outcomes and lessons emerging from this effort to date. This chapter is organized into three main sections: (1) Intermediary Funding and Capacity Building Approaches, (2) Emerging Capacity-Building Outcomes, and (3) Lessons Learned About Culturally-Competent Capacity Building.

Intermediary Funding & Capacity Building Approaches

One of our primary objectives in this evaluation was to uncover and lift up models of capacity building that are particularly effective with minority-led organizations serving low-income communities of color. In some ways, this has proven challenging since –as funding intermediaries emphasize—there is no "one size fits all" approach to supporting capacity building for minority-led organizations. At the same time, we observed key commonalities across funding intermediary approaches that can inform a working framework on how to support minority-led organizations through a regranting capacity-building model.[6]

The framework shown to the right is designed to provide a holistic picture of how the funding intermediaries approached capacity building in ways that were culturally relevant to the organizations and communities they served. It highlights not only *what* funding intermediaries did and *how* they did it, but also what *drove* or *motivated* their actions and how they chose to *engage* in this work. This section discusses each element of the framework separately.

Theory of Change

Capacity Building Approach

Capacity Building Grants

Principles of Engagement

Additional Capacity Building Support

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[6] Given TCE's primary interest in successful elements within the *Capacity Building for Minority-Led Organizations Project's* regranting strategy, this section focuses primarily on the approach of funding intermediaries.

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Shared Theories of Change

One aspect of this initiative that stands out when compared to other capacity-building initiatives is that the primary funder (TCE) specifically invited participation from funding intermediaries who were themselves minority-led organizations. These organizations were therefore able to approach this work with an intimate cultural understanding of minority-led organizations, including their unique contexts, strengths, and challenges. In many cases, we observed that their own lived experiences allowed intermediaries to serve as effective border-crossers and advocates in community grantee support.

Further, as a group, almost all funding intermediaries bring an orientation to their theories of change that acknowledges the historical context in which minority-led organizations have existed. While recognizing the potential risks and challenges sometimes associated with supporting small minority-led community grantees, most funding intermediaries have framed the issue not as an *organizational* deficit but rather as an outcome of the kind of deeply embedded structural racism[7] that has, throughout this nation's history, served as a barrier to equity for low-income communities of color. As explained by Maya Thornell-Sandiflor of the Women's Foundation of California,

> *Across the board with the grantees…there is a difference between their level of "professionalism" [in terms of] how they articulate themselves in their grant applications and reporting… [but we recognize that] there is a long period of time where they haven't had access to things like consultants that are culturally competent and can work with them on their level of "professionalism." They have a long history of working under resourced and working as scrappy organizations, and that's not necessarily their fault. The field of philanthropy needs to pay more attention to how specific communities have not been resourced…We need to have a historical lens, so when you are looking at an organization through those requirements, you are also looking at the context, so they don't automatically get discounted because they don't meet the requirements.*

As a result of this broader lens, the theories of change articulated by several funding intermediaries are concerned with more than just providing organizational support to individual organizations. Rather, the capacity of minority-led organizations was discussed as a critical and important step in service of a larger

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What is Cultural Understanding?

Throughout this report, when we refer to "culture," it is important to note that we are *not* referring simply to racial/ethnic culture—but rather the multiple layers of culture in which minority-led organizations are embedded. These might include cultures associated with specific *target populations* (such as faith-based, women, LGBT, or disability communities), or the culture of *geography* (for organizations located in the San Joaquin Valley or isolated low-income neighborhoods), or types of culture associated with *organizations* with a range of histories, sizes or services—or more realistically— **the intersection of all of these**.

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[7] Structural racism refers to the differential access to resources and opportunities that has become normalized in mainstream institutions and that results in the perpetuation of inequities amongst historically marginalized communities.

mission focused on *community building, movement building,* and *systems change* to address the health and well-being of their respective communities. As shared by George Weaver and Charisse Bremond-Weaver, from the LA Brotherhood Crusade,

> *So if we can help our institutions become better at what they do, they will be*
> *able to serve more individuals, and more of the individuals in the community*
> *that need help, as well as they will understand how do I translate my direct*
> *service into system change and how do I affect policy change and system change*
> *throughout the community; so we can make that dent that is necessary to be*
> *made so they can transform this marginalized community.*

Echoed throughout our interviews with funding intermediaries and in group discussions, we see these beliefs driving how funding intermediaries approach and implement their capacity building support for minority-led organizations. Namely, it shapes how these funders consider risk and readiness within the granting process, as well as the level of commitment and resources they bring in providing the intense type of capacity-building support required to advance community grantees to the next level of growth and sustainability.

Capacity-Building Grants

A core element of capacity-building support provided through the *Capacity Building for Minority-Led Organizations Project* is the pass-through resources awarded to community grantees. As shown in Exhibit 5 below, each funding intermediary supported a portfolio of minority-led organizations, ranging in size from four grantees to 26 grantees, with grant awards from $3,000 to $20,000.

Exhibit 5. Number and Size of Grant Awards, by Intermediary[8]

Name of Intermediary	# of Grants Awarded	Size of Grant Award
Akonadi Foundation	26	$7,500
Bay Area Black United Fund	4	$3,000 - $5,000
Liberty Hill Foundation	10	$10,000-$20,000
Los Angeles Brotherhood Crusade	7	$5,000-$20,000
Seventh Generation Fund for Indian Development	16	$5,000
Sierra Health Foundation	8	$6,753 - $10,000
Women's Foundation of California	7	$5,000-$20,000

As shown in Exhibit 6, funding intermediaries report that the focus of capacity-building grants covered a wide range of areas, with the highest level of support for "leadership/staff development" activities (27 organizations, or 40% of grants awarded), followed by improvements in "programmatic capacity" (20 organizations, or 29%) and "organizational management" (19 organizations, or 28%). Notably, although

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[8]   Ultimately, the CA Fund for Youth Organizing did not regrant any resources to community-based organizations.

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fund development capacity topped the list of capacity challenges within the community grantee portfolio, only 15 grants (22%) were targeted for fund development support.

Exhibit 6. Numbers of Grants Awarded, by Capacity Building Focus
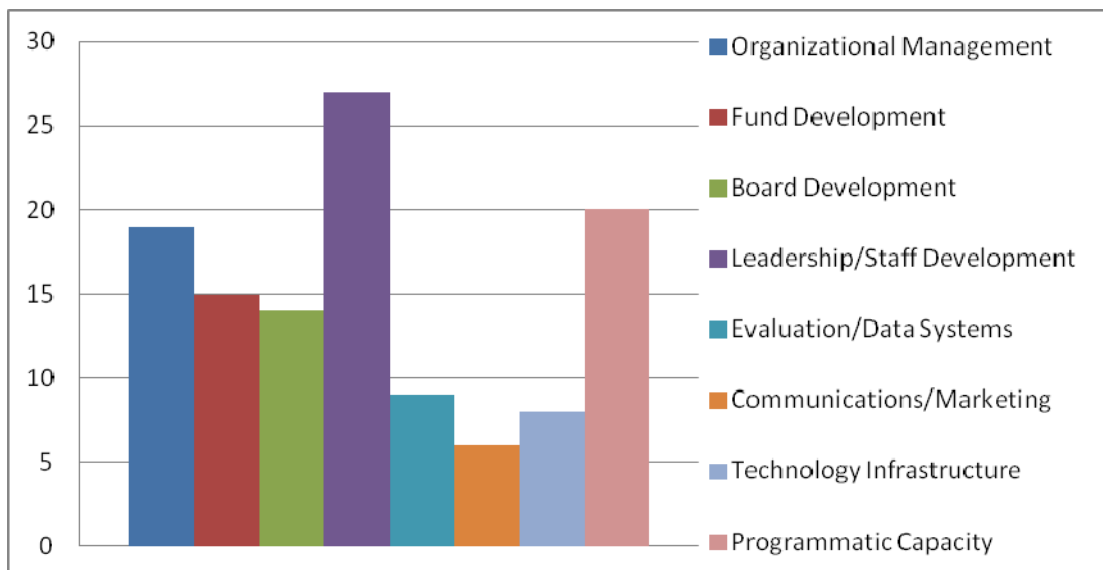
Within these broad categories, specific funded activities included:

- *Hiring external consultants.* This was a common use of resources, with community grantees accessing a range of board development, human resources, communications, legal, and fund development consultants to support them in their capacity-building work.
- *Conducting organizational assessments and/or strategic planning.* In many cases, resources were earmarked for needed organizational assessments, including assessments of data tracking systems, staffing capacity, or effectiveness of program delivery tools. A number of grantees also engaged in three- and five- year strategic planning efforts with TCE grant dollars.
- *Resources for trainings.* Beyond the trainings provided directly by funding intermediaries themselves, community grantees sent staff and board members to board development or leadership development trainings, and/or brought trainings in-house.
- *Infrastructure investments.* Examples of grants in this area included supporting staff expansion and the purchase of financial management software. In some cases, grants were used to support a portion of newly hired program staff, as well as hiring of external support staff (e.g., drivers for residential van pools that transport women to access health services).

Notably, some funded capacity-building work did not fall easily into the capacity-building categories generally associated with mainstream organizational development work. For example, the primary project of the Barbareno Chumash Council centered on nation-building and a key activity was learning how to leverage the United Nations' Declaration on the Rights of Indigenous People in their nation-building work. While this does not fall under traditional capacity-building foci in an obvious way, one of the council co-chairs notes that the organization's capacity-building goals are to become completely self-sufficient and self-determined. To strategically leverage this declaration is a critical step toward

achieving this goal. Another grantee, Grupo Maya, used soccer as a vehicle for organizational- and community capacity building (see text box below). The unique capacity building projects of these two groups, both of which were grantees of the Seventh Generation Fund for Indian Development(SGF), underscore the point that capacity-building endeavors by mainstream philanthropic organizations are often limited by pre-defined notions of what "capacity" is or what it could be, especially for organizations serving communities of color.

**Seventh Generation Fund for Indian Development (SGF):
Breaking Beyond "Prescribed" Ideas of Capacity Building**

One of the most unique features of SGF's approach has been their highly reflexive relationship with grantees, which is motivated by their commitment to honoring cultural integrity and their perspective that solutions exist within communities themselves. Indeed, program director Jonathon Freeman said that staff members at SGF are "continually trying to challenge [themselves] so that we are always learning and not acting as if we know what's best." Specifically, he noted that SGF makes an effort to "be open to the community defining not only the goal but also the pathway," which can often lead to non-traditional but immensely valuable and effective work. For example, Grupo Maya, one of their grantees, had approached them about starting a local soccer team in their community. Though the capacity-building goal was not immediately obvious, SGF trusted Grupo Maya and supported them in their endeavor. Ultimately, Grupo Maya was able to provide support and cultural structure to the soccer league and its 120 players, most of whom were immigrants lacking strong ties to their families, community, and culture. In fact, Jonathon explained that the grantee was essentially rebuilding an entire community through soccer:

> They were bringing in the cultural values so these guys would have an understanding of what their role is, what they're about, and what's expected of them as a Mayan community member…They were doing mixed courses on how to be a legal citizen, Spanish as a second language, dealing with domestic violence, dealing with all these different things, having the Mayan ceremonies, and all of these things – through the gateway of soccer.

SGF worked closely with Grupo Maya to help them build their organizational capacity to do this work. Thus, as they worked to develop and strengthen this soccer team, Grupo Maya also increased its knowledge about and experience with community fundraising, strategic decision-making, leadership development, and community outreach. SGF's program director notes that the work of Grupo Maya reinforces the importance of breaking beyond conventions and "prescribed ideas" about how to approach capacity building.

Additional Capacity-Building Supports

In addition to providing financial resources, a key feature of the funding intermediaries' approaches to capacity building was providing a wide-range of activities to suit the capacity-building needs, life-cycles, and cultures of the organizations that they were supporting. We observed two distinct areas of capacity-building support—pre-funding support and post-award support.

Intensive Pre-Funding Support

The pre-funding capacity-building support that funding intermediaries provided was notable both in terms of its intensity and duration. Almost all funding intermediaries reported a much slower start-up than initially envisioned; six months after the launch of the project, five of the eight had not completed their regranting process, and one had not even begun to recruit potential grantees. As shown in the text

box to the right, funding intermediaries were deeply reflective about some of the barriers they and their community grantees faced. Further, recognizing the role that historic structural racism plays in negatively impacting an organization's "readiness" to engage in capacity-building work, funding intermediaries expressed a strong commitment to investing front-end support to minority-led organizations.

Specific practices of funding intermediaries included:

- *Multiple rounds of more focused outreach.* Several funding intermediaries reported dismal response rates in their initial recruitment efforts. In response, they did more targeted outreach to organizations they thought would benefit from this initiative. They also engaged in multiple recruitment cycles in order to provide prospective grantees with a greater amount of time to get support during the application process.

- *Capacity building education*. Funding intermediaries also provided technical assistance designed specifically to help potential grantees understand the benefits of capacity building. Some offered workshops about the purpose and promise of capacity building. Others provided individual coaching to help organizations identify and prioritize their capacity-building needs.

> ## Barriers to Accessing Philanthropic Resources
>
> Our interviews revealed barriers community grantees faced in the proposal process that provides context for their pre-award support. These are particularly relevant to consider for smaller organizations with little previous access to mainstream foundation resources:
>
> - *Community-level disconnect with the language and protocols of philanthropy.* Given their historical marginalization in the funding world, some community grantees were described as lacking exposure to "foundation speak" as well as to certain "norms" of funding application format and deadlines.
>
> - *Limited understanding of capacity building.* Intermediaries also noted that, given an historic focus on seeking programmatic or operations support, many lacked a fundamental understanding of capacity-building itself and/or how it could serve their organizations.
>
> - *Historical mistrust of philanthropy.* Minority-led organizations in some communities were described as having an historical mistrust of philanthropy. Based on previous experience, some would rather not receive short-term funding at all than to have their communities come to depend on resources that are not rooted in a more comprehensive vision for sustained support.
>
> - *Organizational capacity to turn around proposals.* A final fundamental challenge is the limited capacity of organizations targeted. This was framed both in terms of familiarity with the philanthropic process, as well as the sheer challenge of short-staffed organizations struggling to even make time to participate in a proposal process.

- *Navigation and "translation."* Many prospective grantees struggled with funding applications in large part because they were unfamiliar with the language, protocols and procedures of mainstream philanthropy. Funding intermediaries responded by providing workshops or coaching sessions to help demystify these aspects of philanthropic processes.

- *Increased flexibility with application requirements*. Recognizing that this was the first time that many of their applicants had applied for capacity-building grants, funding intermediaries were more

flexible with their application requirements. For example, they extended application deadlines or allowed applicants to reapply if their initial applications were inadequate or contained errors.

Culturally Aligned Post-Award Support

Once grants were awarded, funding intermediaries provided high levels of support to their community grantees. The level of engagement ranged from funder to funder, but all played some role in marshalling additional resources, expertise, or networks to support community grantees in their capacity building. In fact, some funding intermediaries also served as the primary technical assistance provider for their grantees, a decision motivated in large part by the dearth of culturally-competent capacity-building providers. These particular intermediaries were well-positioned to better serve their grantees because they had a deeper understanding of the layers of culture that needed to be acknowledged, honored, and incorporated into capacity-building work with their communities.

> *"It is not just about getting money to organizations, it is about building the readiness to access these resources…For organizations to prioritize the kind of stuff we are talking about over the work itself, it is very, very, very hard for them to do. It is hard for any individual to do, and it is hard for any organization to do."*
> - Shane Goldsmith, Liberty Hill Foundation

- *Building bridges to other resources*. Through networking events, invitations to trainings offered by partner organizations, and the sharing of tools, frameworks, and vetted consultant lists, the funding intermediaries connected grantees with a number of external resources to help overcome the historic isolation that often encumbers non-profits inwardly focused on their own survival or program implementation.

- *Convening peer-learning events*. Almost all funding intermediaries included the hosting of peer-learning events as part of their approach to capacity building. Some convened just the TCE initiative grantees. Others invited their TCE-initiative grantees to larger convenings that included peer organizations that were funded through other sources. These events provided grantees with opportunities to learn from and with peer organizations while also creating a space for community-building, which is extremely critical, given the feelings of isolation often reported by minority-led organizations.

- *Serving as translators and guides*. Even beyond the funding application process, funding intermediaries continued to serve as translators and guides for grantees who struggled in their attempts to navigate the language, protocols, and procedures of mainstream philanthropy. Reporting requirements, for example, were noted as a particular challenge for grantees, not only because it was new terrain for some, but also because these organizations simply did not have staff time that they could devote to this endeavor. Towards that end, regranting intermediaries provided various levels of coaching to help their grantees through the process.

- *Leveraging existing programs to maximize opportunities*. Several funding intermediaries, such as the Liberty Hill Foundation, Women's Foundation of California, and LA Brotherhood Crusade, were able to provide their grantees with capacity-building support beyond what was afforded

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them through TCE funds. They did this by providing grantees with access to their larger portfolio of programs and trainings including those created through different funding streams. As shared by one funder, *"When we grant to an organization, it is like bringing them into a community, where they gain access to resources, other organizations, and information they wouldn't have had before."*

What is most notable about the additional capacity-building support provided by intermediary funders is how well positioned they were to attend to the complexity of communities to whom they were providing support. For example, Bay Area Black United Fund (BABUF) leveraged its familiarity with the unique nature of the African American faith-based community, ultimately earning the trust of Black churches where African American consultants without a faith background failed. Similarly, given decades of existence in the community, LA Brotherhood Crusade also brought to bear a deep understanding of not just the African American community, but the specific geographic context of South Los Angeles. Finally, Seventh Generation Fund for Indian Development, Inc. (SGF) described its capacity-building approach as one that not just integrates distinctions between federally-recognized and non-federally -recognized tribes, but also articulates a strong principle of valuing cultural rituals over philanthropic protocol. For example, recognizing that decision-making processes with native groups require complete consensus , SGF honors the process of consensus building over meeting a grant application deadline.

Los Angeles Brotherhood Crusade:
Building Capacity for Systems Change

The Los Angeles Brotherhood Crusade has stood out within this effort due to its dual role as both a regrantor and a technical assistance provider. In an effort to strengthen the overall community, Brotherhood Crusade has provided specific capacity-building trainings to its grantees, as well as more general trainings to other minority-led organizations throughout the community "whose work is necessary to promote everyone's work." In fact, between February 2010 and June 2011, the organization conducted 17 small group and individual training sessions on topics such as recordkeeping, accounting, and fundraising. Brotherhood Crusade also provided 20 workshops to its grantees on topics such as "how to effectively serve men and boys of color," "teaching pro-social skills," and "helping communities succeed." These training sessions were available to all minority-led organizations serving residents of South Los Angeles, not just Brotherhood Crusade grantees. During this same timeframe, Brotherhood Crusade facilitated 10 additional reflection and networking events for its grantees. Aside from the sheer quantity of trainings, workshops, and events that Brotherhood Crusade provides for its grantees, the funding intermediary is also notable in terms of the quality of their support. Most of Brotherhood Crusade's trainings emphasize customized support to grantees and are led by their own staff members. For example, the organization's controller has done significant one-on-one coaching with their grantees, as a way to support them to not just "get by" but "get to the next level." Ultimately, as elaborated by Charisse Bremond-Weaver and George Weaver,   Brotherhood Crusade views its mentoring approach as crucial to transforming organizations, and therefore transforming communities.

Principles of Engagement

While it is important to document *what* capacity-building practices worked well for the minority-led organizations in this initiative, what we found even more illuminating was *how* they engaged in this work. While the approach of each funding intermediary was unique, we observed commonalities in their engagement practices that resulted in strong and mutually-beneficial relationships between funder and grantee. We identify these factors as "principles of engagement" and believe that these principles form the heart of the culturally-relevant capacity building work carried out in this initiative. These principles include:

- *Long-term commitment to grantees*. Funding intermediaries emphasized the importance of building long-term relationships with their grantee organizations. This is especially important for minority-led organizations, which intermediaries note are often treated as the "flavor of the month" and then quickly dropped, subject to the whims of foundations' strategic planning.

- *Asset-based in their approach.* As noted earlier, the intermediaries in this initiative approached their work with grantees not from a deficit-based lens but one that acknowledges and builds upon the strengths of these organizations.

- *Acknowledgement of historic, structural racism*. The funding intermediaries in this initiative openly discussed issues of historic, structural racism and how this has hindered the advancement of minority-led organizations as well as communities of color in general.

- *Recognition of unequal power dynamics*. The intermediaries recognize and openly acknowledge that unequal power dynamics between funder and grantee can serve as a hindrance to building healthy and trusting relationships and they seek to counterbalance these dynamics.

- *Trust-building.* Trust building is a key facet of the funder intermediaries' engagement processes, as they recognize that long histories of exploitation can make minority-led organizations wary of the intentions of mainstream philanthropy.

- *Flexibility*. Intermediaries' willingness to meet grantees "where they are" and their willingness to adjust accordingly enables grantees to participate more meaningfully in capacity-building endeavors.

- *Reflexivity*. Safe and intentional space is created for active listening regarding what might and might not be working for both the intermediary and its grantees. This feedback is readily incorporated into future practice to ensure a healthy and mutually beneficial relationship.

- *Community-driven work.* The goals of capacity-building work are focused on a larger goal of sustaining and strengthening communities and not simply a single organization or pool of organizations.

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The Akonadi Foundation:
Building a Sustainable Learning Community through Co-Design

The Akonadi Foundation's key focus in the *Capacity Building for Minority-Led Organizations Project* was to develop a learning community for minority-led organizations in the Bay Area to "think, act, and talk in ways that build social change movements to eliminate structural racism." In fact, the foundation had previously launched its Race and Place (RAP) program in 2008, wherein six organizations were selected to be part of a grantee learning circle as a way to support "cross-agency dialogue and problem-solving." Building upon these previous efforts, Akonadi decided to fund the same cohort of grantees for the *Capacity Building for Minority-Led Organizations Project* and worked with them to strengthen their learning community through a distinct co-design process. With the help of National Community Development Institute (NCDI), the foundation engaged the organizations themselves to "inform *and* facilitate" their grantee convenings and peer exchanges. Specifically, each of their gatherings were designed by "a collaborative team of NCDI staff and a team of grantee partners." In doing so, grantees were able to both identify and shape their own needs. They also self-selected their own leaders, four of which have had "instrumental roles" in the co-design process and the overall program. Indeed, RAP's program officer, Melanie Cervantes, said that these leaders "had a lot of facilitation experience that employed skills in popular education [which] made the process much richer." She also said that Akonadi's programmatic activities were strengthened by the fact that organizations became more trusting of them and one another through co-designing. Ultimately, Melanie reflected that in using this co-design process, Akonadi was able to gain "another level of buy-in" from grantees, which has made their capacity-building work with grantees more effective and sustainable.

Emerging Community Grantee Outcomes

Although this evaluation was not designed to be an outcomes study, we wanted to create a space to lift up the progress achieved through the support of TCE's investment and the hard work of the intermediary organizations and community grantees. In the following section, we therefore discuss some of the anecdotal evidence that TCE's and their intermediary partners' investments are making a meaningful difference in the communities that they serve.

Increased Organizational Capacity of Community Grantees

Again, the intended outcomes of the initiative were to provide support for capacity-building and leadership development activities, including but not limited to the areas of: organizational management, fund development, board development, leadership and staff development, evaluation and data systems, communications/marketing, technology infrastructure and improved programmatic capacity. To get a sense of the type of outcomes emerging from the *Capacity Building for Minority-Led Organizations Project*, Exhibit 7 on the next page provides a broad overview of successes reported by funding intermediaries and community grantees in each of these areas. Recognizing that the list provides only a glimmer of the richness of these success stories—as well as of their associated challenges, changes in capacity, and benefits for the larger community—we also include mini-case studies of success on pages 22 and 23.

Exhibit 7. Examples of Reported Community Grantee Outcomes

Area of Investment	Examples of Outcomes
Organizational Management	➢ Development of multi-year strategic plans and/or work plans ➢ Fine tuning of mission and of by-laws, in preparation for applying for 501(c) status ➢ New or strengthened organizational policies and procedures ➢ New tools to assess organizational staffing needs ➢ Formalization of practices for community input into organizational and programmatic direction
Fund Development	➢ Increased skills for seeking out and applying for funding ➢ Greater attendance at fund development events ➢ Increased return on fund development efforts ➢ Leveraging of existing grants to receive additional funding from nonprofit and public sector funders
Board Development	➢ Greater understanding among new and/or community-based Board members about their responsibilities for serving on nonprofit boards ➢ Greater active participation of board members in fund development and program outreach activities on behalf of the organization ➢ Improved relations between board members and executive staff
Leadership/Staff Development	➢ Improved skills for effectively leading organizations, including greater attention to self-care strategies ➢ Increased diversity among staff certified to provide counseling support ➢ Improved networks of leaders of minority-led organizations to provide mutual support ➢ Focused attention on succession planning
Evaluation/Data Systems	➢ New systems and tools to support ongoing assessment of programs ➢ Greater comfort and sense of direction in interpreting existing evaluation data ➢ New strategies for capturing community feedback on programming via focus groups
Communications/ Marketing	➢ New or Improved websites ➢ Creation of culturally based promotional videos and other marketing materials ➢ Greater facility in articulating advocacy goals within a racial justice framework
Technology Infrastructure	➢ Creation of new database and case management systems ➢ Movement from a manual entry to an electronic financial records system
Programmatic Capacity	➢ New programs or services serving diverse communities ➢ Revisions in training curricula to better meet the needs of client populations ➢ Expansion of services to meet the needs of greater numbers of clients

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Mini Case Studies of Community Grantee Outcomes

African American Unity Center:
Building Capacity around Fund Development

Founded in 1991 during the L.A. Riots, the African American Unity Center (AAUC) started as a safe haven to get food and other resources to community members. Since then, AAUC has been a staple in the community with continuously evolving supports that strive to enrich the lives of at-risk youth, seniors, homeless populations, and economically disadvantaged families in South Los Angeles. AAUC was one of eight grantees funded by the LA Brotherhood Crusade for this initiative. Program Director Will Harris, said that AAUC has worked with Brotherhood Crusade off and on in the past, so when they heard of Brotherhood Crusade's involvement in this initiative, they were the "first one at their door." In addition to receiving core-operating support so that staff members can attend outside trainings, Will Harris and program staff members have attended Brotherhood Crusade's trainings and capacity-building workshops, primarily those focused on fund development.

> *I know that partnering with the Brotherhood Crusade, it has always been positive …the outcome has always been good because of their knowledge of the community…. [It increased] my level of being able to go out and talk to sponsors now and potential sponsors from the workshops that we have gotten from Brotherhood; it has helped me, it has helped my staff.*

From this training, Will said that they have built their capacity to engage funders. They learned the process and procedures to approach funders, how to write letters for funding as well as how to incorporate program evaluation to "tell funders your story around outcomes." This led to AAUC introducing measurable outcomes into some of its educational programs, including basic intro tests, interim tests, and a post-test to assess their students' progress and AAUC's impact. Additionally, Brotherhood Crusade provided a list of funders that they have worked with in the past, which introduced AAUC to potential corporate funders-a network to which they had no prior access. AAUC said that they also learned how to leverage the funding, explaining "*I did not have that before, knowing how to leverage everything that I was getting. It helped to stretch.*"

Center for Fathers and Families:
Increased Staff Capacity to Support Expanded Programming

Established in 1994, The Center for Fathers and Families (CFF) has a strong history of responding to the needs of fathers and their families in the Greater Sacramento Region by offering programs and services that lead to family growth, enrichment, and empowerment. In order to offer anger management services to the youth and adults that they serve, CFF requested funding to support training and certification in the Anderson & Anderson model of facilitation for a group of multi-lingual staff that reflect the demographics of the served community.

As a result of the Sierra Health Foundation's modest investment, the Center increased its capacity to grow its program and its service community. Anger management classes were incorporated into the Parent Center, and more than 200 low-income adults have completed 12 weeks of anger management since the program began in May 2010. Monthly anger management groups also began at the Natomas Teen Center in September 2010, and more than 105 students participated in anger management activities and approximately 820 youth participated in anger management classes through another youth program. From there, anger management staff working with youth recognized a need to work with the parents and teachers of youth. The program developed a relationship with the Twin Rivers Unified School District, which requested a customized anger management program for children at one of its elementary schools. At the request of the School District, based on its success, the CFF has also since created "Parents as Partners," a new program of workshops for teachers and Saturday conferences for parents to increase positive communication between parents and schools. According to Sierra Health Foundation staff, "*The Center for Fathers and Families has exceeded its goals and expanded its anger management services beyond expectations.*"

Hmong Cultural Center of Butte County:
Leveraging Improved Organizational Management Capacity

The primary provider of social services to nearly 10,000 Hmong community members in Butte County, the Hmong Cultural Center of Butte County (HCC) was a relatively small operation prior to receiving its capacity-building grant from the Sierra Health Foundation. Because it was still relying on a manual hand-written and Excel spreadsheet system of accounting, the grant supported HCC with funds to purchase a non-profit version of QuickBooks and to engage a consultant to support staff training on how to use the software. The organization immediately benefited from the standardization of financial records and automation of routine report production, with Program Director Seng Yang sharing that Quickbooks "makes a lot of difference" in saving time and as "an easier way to report to board members and funders."

Significantly, however, the organization was able to not only attain its capacity-building goals but also to use these concrete accomplishments to yield more intangible and much broader successes. Namely, the organization has been able to leverage its increased ability to demonstrate sound financial management practices and, along with its increased visibility as a result of being a Sierra Health Foundation grantee, to strengthen its credibility among funders. Recently, the HCC was awarded a multi-year mental health grant from Butte County, a funder that they had been unsuccessfully courting for years. This additional funding has enabled HCC to double its staff size from two full-time and one part-time staff members to six full-time staff members, which will help to sustain the organization's successes going forward. Seng summarized:

> *The California Endowment is really great because they've been able to help us to gain what we want to gain and experience ideas and to support the organization; so we were really appreciative of that. It was a good opportunity and we've been able to open our eyes with other agencies because we [now] have some capacity in that we will be able to move [forward].*

Pomona Economic Opportunity Center
Building Programmatic Capacity for Community Organizing

Since 1998, the Pomona Economic Opportunity Center (PEOC) has provided a wide array of supports for day laborers. While the organization began with an initial focus on assisting day laborers in finding temporary employment, its current mission has expanded to include providing opportunities for day laborers to find safe work at a fair wage, to organize and advocate for themselves in relation to policies that impact their lives, to obtain new trades and skills that improve their employability and quality of life, and to improve overall conditions for all immigrant workers.

Through the funding provided from this initiative, the PEOC was able to hone its mission through continuing participation in the Liberty Hill Foundation's *Wally Marks Leadership Institute.* The experience was transformative for the organization. As part of a community organizing training, PEOC's board president, executive director and another board member collaboratively developed community organizing goals for their organization. They were then matched with a consultant who provided follow-up support, including a two-day retreat focused on integrating a community-organizing focus into their work. Since then, with coaching, PEOC has modified its mission statement, reexamined organizational staffing and budget to align with this mission, and started more clearly articulating its theory of change to reflect its shift in focus. Ultimately, PEOC has become more involved in immigrant rights organizing and its board president, John Nolte, shared that the organization is making *"steady steps towards making the systems that we need to make campaigns, execute them, and we understand what that means and what it takes."* In reflecting on the capacity-building support received, he shared,

> *We are grateful for Liberty Hill...They have been transformative in terms of the funding they provided and the way it has turned our organization into something even better than it was.*

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Organizational Social Capital Outcomes

While the emerging outcomes and stories described above represent evidence of how TCE's regranted investments have led to concrete changes in organizational capacity and operations, we observed another level of meaningful impact among community grantees participating in the *Capacity Building for Minority-Led Organizations Project.* Simply by virtue of receiving capacity-building support, organizations report gaining a level of *organizational social capital* that positions them to continue to leverage and sustain investments in capacity building.

> ### What is "Organizational Social Capital"?[9]
>
> While the concept of individual or community-level social capital is relatively established in sociological thinking, the concept of "organizational social capital" is largely unexplored to date. Defined as "**established, trust-based networks among organizations or communities that an organization can use to further its goals**,"[4] organizational social capital can be a particularly useful frame within which to think about capacity building with minority-led organizations given the historic isolation and systemic racism that has persistently faced communities of color.

Early on, in discussing community grantee progress, funding intermediaries highlighted outcomes that extended beyond traditional capacity building outcome categories (e.g., improvements in organizational leadership, management, or technical capacity). Instead, many stressed more foundational indicators of growth and readiness—a deeper understanding of and access to capacity-building frameworks, consultants and tools; greater connections with other minority-led organizations in their region; and/or increased opportunities to connect with funders and funding opportunities. In most cases, funding intermediaries directly tied these outcomes to their specific investments in proposal development, coaching, or networking convenings. Many funding intermediaries emphasized the significance of these outcomes given the context in which their most vulnerable minority-led organizations operate.

The concept of organizational social capital is meaningful within a capacity-building context because of its outward focus. Literature suggests that—especially in times of economic scarcity—organizations tend to look *inward* to find resources for their own survival. The idea of attending a conference or training, or seeking out consultants to support a strategic planning process, is not the natural instinct of nonprofit leaders, which then leads to further isolation of the very leaders and vulnerable organizations that might benefit from outside support and resources.[9] A comment made by a community grantee underscores this point, and frames additional challenges that minority-led organizations face in this regard:

> *Especially, as organizations led by people of color, many of us have not been trained formally or studied non-profit administration, so I think that a lot of people just try to keep their problems within their organization, rather than soliciting help externally.*

Based on this assumption, and building upon organizational social capital literature and the themes emerging from funding intermediaries, we directly asked community grantees in our final survey to

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[9] Schneider, J. "Organizational Social Capital and Nonprofits," *Nonprofit and Voluntary Sector Quarterly* 2009

retroactively assess what, if anything, they gained from their experience using eight pilot measures of increased organizational social capital. We hypothesized that community grantees would report benefitting from mutually enforcing outcomes of: (1) exposure to capacity-building thinking and tools; (2) access to capacity-building information, tools, and consultants; and ultimately (3) relationships with each other, their intermediary funders, and a broader range of mainstream funders and capacity-building partners who could support them in their mission.

As shown in Exhibit 8, strong majorities of community grantees report increases in exposure, access and networks to advance their organizational sustainability and growth. Reflecting the intermediaries' guiding principles of engagement highlighted earlier, the strongest areas of overall reported impact were in the areas of *relationships*—most pronounced with their respective intermediary funder, but also with capacity-building consultants and other minority-led organizations in their regions.

Exhibit 8. Percentage Reporting Increased Organizational Social Capital, by Budget

Which of the following areas have been impacted as a result of your experience with this grant?	$100,000 and under	$101,000-500,000	Over $500,000
A clearer vision for thinking about my organization's growth and development	64%	56%	58%
A stronger relationship with the intermediary organization (such that I can talk candidly about challenges my organization is facing)	91%	75%	58%
Greater exposure to capacity building tools or systems	55%	44%	47%
Greater exposure to funder networks and funding opportunities	45%	25%	37%
Greater familiarity with general foundation language and processes	55%	31%	32%
My ability to think about challenges that my organization is facing within a "capacity building" framework	55%	69%	58%
New/improved relationships with other minority-led organizations in my region	73%	69%	63%
New relationships with capacity building consultants	55%	25%	32%

When responses are filtered by organizational budget, notable distinctions emerge in what community grantees report gaining from their experience. Findings suggest that those who fall on the lower end of the "readiness" spectrum (using those with budgets under $500,000 as an imperfect proxy) may have the most to gain from participation. This is meaningful for considering how to continue to strengthen organizational readiness for capacity building. As captured by the quote to the right, we assume that greater exposure, access, and networks gained through this experience will lead to greater capacity building success in the future.

"This was the first opportunity since our founding that provided discretionary funds to invest in our own development and infrastructure. We work primarily with service providers who are constantly in crisis, providing services to populations most impacted by health disparities and poverty. There never seemed to be the "right" time to focus on our own development. The support from this project created a space and time to make it happen. I understand better now that it is essential, not a luxury, to continuously take care of ourselves, to work smarter, and reach out for assistance."

--Community Grantee

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In Their Voices…

Community Grantee reflections on how their organization has benefitted from the *Capacity Building for Minority-Led Organizations Project*

"Throughout the economy, many non profits have cut back staff, especially in outreach. Having the support of our grant writers, has allowed us to really focus on what we can do as partners, especially when it comes to funding… it has broadened our vision and understanding in grant writing, along with the needs of the community. It has allowed [or organizations] extensive training, better understanding, and stronger confidence level in making decisions pertaining to [our] community."

"Resources are many times limited and this funding gave us the opportunity to focus on an area in our organization that needed significant development. The funding helped us sustain a valuable program that serves primarily low-income young teen girls."

"The project allowed us to build the skills of senior staff women of color around supervision, conflict resolution, and fundraising. Through these trainings, the senior staff also identified the need to be more explicit in work our around racial equity both internally and externally. We also were able to have conversations at the board level about increasing the gender and racial diversity of our board."

"Our project has placed us in a position to address some of [our greatest capacity challenges]. It has provided needed resources to face some of the giants that we have been ignoring. For example, we have understood the need to develop a long term strategic plan we have not had the resources nor the structure for doing it. We have also desired to create a website to help better market our agency and we are now working on that."

"Since our inception, we have provided services to needed individual and recreational activities to enhance the lives of families and youth we serve. The support we have received from this project has helped us to properly document how we are affecting the lives of those we serve. Our documentation and case management is 100% better. With this [in place] we are in a position to write proposals and seek grants to help us provide vitally needed services to those we assist."

"This kind of grant supports smaller organizations so that we are able to move along with the other larger organizations that have more funding to do their own capacity building without the help of mini-grants. Without The California Endowment and Sierra Health Foundation, smaller organizations would not be able to sustain and would not be able to stay with the community without this grant."

"We wanted to thank The California Endowment for having those grants so that foundations like Sierra Health can support us to move forward with the community. Because the community is really in dire need of this kind of activity but we do need the capacity building, with which we'll be able to help our communities…I want the California Endowment to know that the funding that they provided to Sierra Health was really useful and was not a waste."

Lessons Learned about Capacity Building for Minority-Led Organizations

As funding and technical assistance intermediaries reflected on the successes of the past year, many underscored that simply having resources dedicated to organizational stability and growth was a meaningful investment, particularly given the many underserved minority-led organizations and communities they were able to reach in their portfolios. At the same time, many thought that their work was often constrained by traditional capacity-building notions and support, which they found to be inadequate in terms of understanding and acknowledging the unique context in which minority-led organizations operate. To better serve these organizations, their capacity-building needs, and the communities of color that depend on them, intermediaries offered specific lessons that emerged from their work with *The Capacity Building for Minority-Led Organizations Project.*

Lesson Learned #1. Being open to alternative ways of conceptualizing capacity-building is key to providing culturally relevant, effective, and meaningful support. Recognizing that there is often a disconnect between how mainstream organizations and community organizations define capacity, many intermediaries shared that they regularly suspended both their preconceived notions of and plans for capacity-building support. In fact, some partners were proactive in maintaining an openness to, and even encouraging, community-defined notions of organizational needs and opportunities. For example,

> *"Our obligation is to see how we can learn from the organizations on the ground, instead of funders/TA providers creating the 'logic model' to 'fix' nonprofits…We need to make each other accountable to go in with a strengths-based lens."*

some felt that "*[their] job is to lift up that [community grantees] have management skills, but it is defined in a different way."* Others explained that, because minority-led organizations generally view their work as inseparable from cultural values, funders and capacity-building providers must constantly ensure that they are not inadvertently imposing a different set of values through funding stipulations or training curricula. As shared by Jonathon Freeman of the Seventh Generation Fund for Indian Development,

> Grassroots and community people who are really driven to do the work are still trying to maintain the cultural integrity and the value systems which they bring to their work. They are trying to do that together in a way that they want to do it so that the act of maintaining your identity and your culture aren't lost in the effort… [minority-led organizations] want to keep that out front and make sure the eyes stay on the prize.

Limited feedback from community grantees themselves suggests that they appreciated the flexibility in thinking about capacity-building needs and the discretionary nature of the funding provided. Some explicitly praised TCE and funding intermediaries for allowing them to be active participants, instead of recipients, of their own capacity-building work. Specifically, community grantees valued being able to

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self-identify areas for organizational investments, rather than participating in a pre-defined capacity building agenda or working with a pre-determined set of consultants.

Lesson Learned #2. Reconceptualizing "readiness" is an essential step in capacity-building efforts aimed at closing the "access gap" for minority-led organizations. Intermediary partners note that traditional measures of "readiness" (e.g. annual budget size of a certain level, 501(c) 3 status), have historically served as barriers to funding for small minority-led organizations that often do not meet these requirements. Several intermediaries therefore expressed discomfort with the concept of "readiness" as used in traditional capacity-building efforts. These intermediaries emphasize that, unless they are experiencing major transitions or crises that would serve as serious distractions, almost all organizations could benefit from *some level* of capacity-building work. As one intermediary partner put it, "If there is a willingness even without some of the capacities, I still think there are some things they can implement and learn that can set the stage for greater work down the line."

Thus, the intermediaries indicate that the concept of "readiness" for capacity-building would be more useful in work with small, minority-led organizations if it was conceptualized as a *continuum* for measuring capacity-building *potential* as opposed to a checklist for meeting capacity-building eligibility criteria. While many small, minority-led organizations would likely fall on the early end of the continuum, thereby posing some investment risk, intermediaries stress that it is equally important to deeply consider the potential *value* of this investment. Arguably, it is

> *"It's a chicken-and-egg kind of dance: organizations need a good chunk of capital to grow the organization to a place where they can attract bigger grants. But in order for them to get that capital, some funder needs to be comfortable with taking that risk."*

these organizations that have the most to gain in terms of growing its social capital and becoming "ready" to access greater philanthropic resources. The intermediaries emphasize that a willingness to work with "risky" minority-led organizations is crucial to ending the Catch-22 that often inhibits the growth of such organizations.

Finally, intermediary partners also suggested that the notion of "readiness" should be equally applied to the philanthropic organizations that purport a commitment to supporting minority-led organizations. Readiness criteria for philanthropic organizations that wish to work effectively with minority-led organizations should include the willingness to provide flexibility in their practices and procedures in order to accommodate the different organizational, cultural, and community contexts of minority-led organizations. Readiness criteria might also include a shift in mindset and engagement strategies, (e.g. being more comfortable with potentially higher risk and being willing to have a more relationship-based approach to their work.) Ultimately, intermediary partners note that "readiness" must be conceptualized as a two-way street and capacity-building partners must be willing to "do the work." As one intermediary partner noted:

> *I think readiness is a useful and important concept, but some of the places I've seen it used, I feel like it is used too much as a barrier to keep organizations from being able to participate. I think it is more about us as providers…to make our work available at different stages at levels. (For example,) how can we allow a*

group to have any entry point without overwhelming them? And that's for us to do – not the organizations.

Lesson Learned #3: Operational support and capacity building are mutually reinforcing aspects of serving minority-led organizations. Though the *Capacity Building for Minority-Led Organizations Project* focuses on building the capacity of minority-led organizations, funding intermediaries frequently found that they needed to provide both operational support and capacity-building assistance to their grantees. Specifically, funding intermediaries said that this dual support was necessary not only to ensure the overall well-being of these organizations, but also to enable community grantees to engage in capacity building work. In fact, funding intermediaries said that "there is a need for funding, period" for minority-led organizations, since mini-grants, though helpful, are usually still "just a drop in the bucket." Funding

> *"The [communities] are appreciative of getting to attend trainings to build their capacity and at the very same time, they are still trying to carry out their program…It would be great, if there was a way, in the future of doing a partnering grant [so that] there is a capacity building grant and an operating grant; something of that nature to help them keep the lights on as they are trying to build the capacity to keep the lights on."*

intermediaries also highlighted that another way to provide minority-led organizations with more comprehensive support is to assist them with costs associated with participating in capacity-building programs, such as travel stipends and reimbursements.

Lesson Learned #4. Meaningful investments of time for trust and relationship-building are especially critical for working with minority-led organizations. While good practice for any capacity-building endeavor, the importance of trust and relationship building takes on deeper meaning within the context of minority-led organizations. Intermediaries were extremely self-critical about how philanthropy has historically marginalized minority communities and organizations, which has contributed to deep feelings of mistrust among many minority-led organizations. Intermediaries shared examples of minority-led organizations feeling that they must continuously "over justify" their work to an audience that they feel fundamentally misunderstands the context of what they are trying to achieve and the challenges they face.

To foster relationships with grantees, most funding intermediaries adopted a very hands-on approach, often balancing multiple roles as funders, technical assistance providers, and network brokers. Most also made a deliberate effort to solicit input from grantees and their community members to inform their program design, which helped to demonstrate that they respected and valued the insights of minority-led organizations and their constituents. In their capacity-building efforts, intermediaries were explicit in engaging in meaningful relationship building that shifted perceptions of funders and capacity-building providers from "gatekeepers" of funding or information to true partners in strengthening organizations and the communities they serve. CompassPoint Nonprofit

> *"Mainstream foundations [and community organizations] are so far apart in how they see the world that it really is a challenge for us to figure out a way to bring those two divides together, where each side understands the reality of the other and each side is able to develop and partnership that is respectful of each other that is beneficial to both sides…"*

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Services staff, for example, discussed how meaningful it was for funders and grantees to participate in an all-day fundraising training together. Similarly, LA Brotherhood Crusade shared how having TCE staff spend "a day in the life" of a South Central Los Angeles resident has facilitated greater understanding on both sides. As simple steps, intermediaries emphasized the importance of engaging *personally* as a regular practice*;* for example, GIFT technical assistance providers regularly start training sessions with the "story" of who they are not just as an organization, but also as individuals.

Lesson learned #5: The current capacity-building infrastructure needs strengthening in order to serve the unique needs and complex cultures of California's diverse communities. Across the board, funding and technical assistance intermediaries underscored the importance of culturally-aligned and culturally-competent capacity building supports. At the same time, they reported that their capacity-building efforts with minority-led organizaitons were frequently frustrated by the limitations within the available capacity building infrastructure. This included both limited numbers of consultants who reflect target communities and who share an understanding of different cultures and/or tribes, norms of respect, the roles of immigration, place, and language, methods of communication, and the ways in which leadership is defined and manifested in different cultures. Others emphasized the dearth of training curricula and tools that have been developed for and informed by target communities and the grassroots organizations that serve them.   Even in cases where good models exist—for example GIFT and CompassPoint's fund raising training programs—these models are not widely available for all communities and in all geographic areas, such as the Central Valley.

> *"There's an importance of cultural competency in this arena [training] that blows everything out of the water. And by cultural competency, we don't just mean the race and ethnicity of the person providing the capacity-building support; but it means that the level of distrust among these groups for people in those positions is high, so in order to provide capacity building folks are willing to receive, it needs to be done by people who have done the work they're doing, had success at it, who do match their race/ethnicity generally, have experiences that they can speak to, have experience…putting in infrastructure for new organizations or further developing skill sets for strong organizations."*

Lesson Learned #6: Constituency-based models are particularly powerful. As discussed earlier, the majority of intermediaries gathered community grantees together for group trainings and/or peer sharing. These were described by community grantees as powerful (and otherwise rare) opportunities to meet with other like-minded community organizations in a space dedicated to sharing challenges and promising strategies. A sample of comments about particularly successful aspects of their experience follows.

> *The peer support sessions were especially helpful to raise organizational issues and receive input, advice, and counsel from peers working in similar contexts.*

> *The time and opportunity to sit and speak with peers about other capacity building needs was very useful, particularly in a space that was non-judgmental and oriented towards working together in helping each organization to succeed.*

> *Opportunity to connect with other like organizations and engage in honest conversations regarding the environment [were an effective aspect of our experience.]*

Technical assistance intermediaries note that they are continuing to move towards constituency-based models where *"people who are directly impacted are involved and at the table in a shared relationship, and are seen as valued assets and the true experts."* Emphasizing again the importance of having community voices drive capacity-building work, intermediaries felt that the kinds of capacity-building support provided to individuals and organizations through the *Capacity Building for Minority-Led Project* was an important step towards building the pipeline of experts who could ultimately extend the impact of this work to the larger community.

IV.   ANALYSIS OF TCE'S APPROACH

The *Capacity Building for Minority-Led Organizations Project* is one of a few funding initiatives targeting support for grassroots organizations serving low-income communities of color.[10] These efforts are similar in their goals and approach, focusing on the capacity building of grassroots organizations through investments in regranting partners and technical assistance support.   Launched around the same time, each are beginning to report meaningful outcomes, as well as surface lessons about how larger funders like TCE can best support the capacity-building needs of small and emerging grassroots organizations in communities of color. This chapter is concerned with lifting up specific aspects of The California Endowment's approach that might yield learning not just for TCE, but also for the broader community of foundations currently funding or considering funding in this arena.

Successful Elements of TCE's Approach

 By simply confronting, head-on, the issue of minority-led organizations' historical marginalization in philanthropy, TCE has demonstrated critical leadership in and commitment to addressing structural inequities that impact communities of color. There are, however, some additional, more specific aspects of TCE's approach that appear to reinforce and build upon this commitment.

The "so what" of the work is held front and center. One of the distinguishing aspects of TCE's *Capacity Building for Minority-Led Organizations Project* is the underlying assumption behind its capacity-building investment. Namely, at key points throughout this initiative, TCE emphasized that this effort was not simply about building stronger nonprofit organizations.   Rather, the larger goal of investing in organizational capacity building was to strengthen *whole communities* and ultimately address the racial and ethnic disparities facing individuals and families of color.

This distinction is important on multiple levels.   On a fundamental level, it has introduced an asset-oriented approach to capacity building. The focus of capacity building was not on what minority-led organizations need relative to some objective measures of organizational capacity. Rather, the focus was on what they need to strengthen their organizational capacity in order to ultimately accomplish goals around improving community-level health and well-being.   Further, because this philosophy was largely aligned with how funding intermediaries frame their investments, it lent a sense of authorization

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[10]   For example: The Hewlett, Packard, and Irvine Foundation-funded "Community Leadership Project," and the California Wellness and Weingart Foundation-funded "Capacity Building for Minority-Led and Minority-Serving Organizations."

in how intermediary funders structured their own approaches, targeted who they funded, and ultimately reported outcomes.   For example, Seventh Generation Fund for Indian Development. described how liberating it was for them to not force their grantees into a traditional "organizational development framework," and instead focus on the kind of organizational capacity support grantees required to achieve their ultimate goals of self-determination of Native communities. Similarly, the the Akonadi Foundation's portfolio of grantees was able to focus on building specific skills to address structural racism as a worthy capacity-building goal. Multiple intermediary funders specifically appreciated TCE's flexibility in this regard. As one funder notes:

> *We understand traditional organizational development support, [but] we also need to think about movement at the community level, not just at the organizational level. Because what we're trying to do is not just build organizations, but build movement.*

Selection of regranting partners. As discussed in Chapter 2, TCE was intentional in its selection of regranting partners. By honing in on minority-led funding intermediaries, TCE shared that they assumed a baseline level of readiness to understand and engage within the cultural context of targeted communities. This operating assumption was a key facilitator of the *Capacity Building for Minority Led Organizations Project's* success to date.   Across the board, we documented examples of intermediaries leveraging pre-existing networks and trust within the communities they supported in order to reach a broader and more diverse set of grassroots organizations than might have been reached by TCE directly. Further, at least one intermediary partner acknowledged feeling well-positioned enough in the community to take calculated risks with its support (e.g., assessing a community organization's potential beyond "traditional" indicators of readiness).

As a community of funders, the *mix* of intermediaries was also key.   While all fundamentally shared theories of change about supporting minority-led organizations, they offered different vantage points for thinking about the work. For example, as larger funders with significant regranting experience, Liberty Hill Foundation and the Women's Foundation of California were poised to critically analyze the strengths and shortcomings of mainstream philanthropy in supporting communities of color, as well as draw from their larger portfolios to cull promising practices in supporting capacity building for minority-led organizations.   Seventh Generation Fund for Indian Development, LA Brotherhood Crusade, Bay Area Black United Fund, and the California Fund for Youth Organizing were closest to the ground and therefore contributed critical insights as advocates for community voice and culture. As smaller funders, however, the associated "risk" was that they were more likely to struggle with their own sustainability, with two (the Bay Area Black United Fund and the California Fund for Youth Organizing) ultimately not participating in the second round of TCE funding due to capacity challenges.

Fostering a project learning community. A key design aspect of the *Capacity Building for Minority-Led Organizations Project* was the formation of a learning community of funded intermediaries. This aspect of the initiative was intended to require a minimal investment of time—two in-person half-day convenings at the start and end of the effort, as well as two to three webinar discussions. In reflecting on their experience, a strong majority of funding intermediaries emphasized how much they

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appreciated the opportunity to come together as a group to discuss common challenges, present their different approaches, and share innovative tools.   They shared,

> *I learned so much from just hearing about how others were approaching the work and hearing how the organizations are looking at the work and just knowing that we weren't alone in doing some of the challenges and that we weren't crazy.*
>
> *Those are the things that I didn't imagine would be worthwhile but they were! I really enjoyed meeting other folks in the state doing this kind of work and walked away with… good ideas, tools, confirmation that we were on the right track, and people that will always will be on my outreach list if I need them.*

While building community and growing their networks were cited by intermediaries as positive outcomes of this initiative, equally important were the more tangible resources they were able to bring back to their communities. At the second convening, for example, Seventh Generation Fund for Indian Development shared its "Proposal Writing Handbook" which was designed to demystify the process of applying for philanthropic funds by taking the user through the process while also providing definitions for philanthropic jargon. Intermediary partners remarked on the clarity and user-friendliness of the tool. Seventh Generation staff noted that part of the tool's accessibility stemmed from the fact that it was generated by community to fulfill community needs (rather than re-purposing an existing tool and trying to reframe it to fit indigenous communities). Other resources shared at this convening included a training guide for facilitating fundraising training in Spanish-speaking immigrant communities by GIFT, an organizational development measurement tool for social change organizations, and a CompassPoint Nonprofit document about lessons learned from their Cultural Competence Learning Initiative (CCLI).

Recognition of the need for *multiple* layers of capacity building. Another intentional aspect of TCE's approach was avoiding a top-down approach to capacity building. As articulated by TCE staff, the *Capacity Building for Minority-Led Organizations Project* was not exclusively about building the capacity of minority-led organizations, but also about building the capacity of the regranting partners, The California Endowment, and the broader field. This framing was critical in that it fostered a subtle shift in power and thinking about where expert knowledge resides. Specifically, whereas traditional capacity-building efforts may focus on bringing external "expert" knowledge to bear via capacity-building consultants, tools and frameworks, the *Capacity Building for Minority-Led Organizations Project* was characterized by TCE's recognition of limitations in current thinking about capacity building. This resonated with and was appreciated by intermediary partners, with one explaining,

> *A lot of times we stereotype minority-led organizations and grassroots, and say they need to be helped in a culturally competent way, instead of using the resources to lift up what they know and share their resources with others.*

In practice, this took the form of TCE leaders being transparent about their expectations for this project as a collective learning endeavor. From the first meeting, funded intermediaries were engaged in a candid discussion about the "state of" the capacity building landscape for minority-led organizations, and –throughout the initiative—were invited to offer their critical insights into the limitations and

opportunities related to mainstream philanthropy's support of grassroots organizations in communities of color.

Investments in capacity-building infrastructure.   Finally, as stated earlier, TCE also provided funding for curriculum development and train-the-trainer support through grants to Compass Point and GIFT (the two non-funding intermediaries). In addition to a series of workshops and trainings that ultimately reached over 70 minority-led organizations throughout the state, the TCE grant supported the development of GIFT's first training guide for facilitating fundraising training in Spanish-speaking immigrant communities, *Comunidades del Futuro: Guía para Facilitadores de Recaudación de Fondos.* Created by a small cohort of trainers from the diverse Latino community– indigenous communities, Mexico, Central America, and South America—the comprehensive guide is aimed at moving away from a reliance on outside consultants, and at building capacity of an organization's own staff members to play the role of "experts" and lead trainings of colleagues.

While these were the only two technical assistance intermediaries funded through this effort, the investment represented an important acknowledgement of a fundamental gap in the infrastructure of capacity-building support for minority-led organizations.   Ultimately, this infrastructure-building aspect of TCE's approach reinforced a commitment to addressing the long-term *systemic* challenge embedded in providing capacity-building support for minority-led organizations, as well as extended the foundation's reach to a broader set of grassroots organizations that might benefit from exposure to targeted fund development support.   Pricilla Hung, from the Grassroots Institute for Fundraising Training (GIFT)pinpointed the value of TCE's investment, sharing,

> *Without the grant, we could provide some scholarships, some programming, some random trainings here and there but not as in-depth and intentional as we wanted. With the grant…we are able to for the first time to convene the trainers specifically working with Spanish speaking immigrant communities and to do it in Spanish and to create a curriculum and to pull together case studies with the groups we were working with. A lot of this behind the scenes work ended up being real crucial, and that's a key piece we used the grant for. We never had the opportunity to do this before.*

Challenges & Potential Missed Opportunities

Despite the success of the last two years, a retrospective analysis of what has been accomplished also yields some challenges and potential missed opportunities of note. These are not intended to be presented as criticisms of the design and implementation of the *Capacity Building for Minority-Led Organizations Project* per se*.*   Rather, they highlight some of the trade-offs and missed opportunities that naturally emerge with strategic investment of limited resources:

- **Greater engagement and networking of community-level grantees.** Both the design of the *Capacity Building for Minority-Led Organizations Project* and our evaluation centered on learning and listening activities at the intermediary-level. While each intermediary was asked to invite one community grantee to participate in the second convening, most were unable to do so and the few organizations that did attend were described as not being well integrated

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into the dialogue.   Because of the richness of what emerged from *intermediary-based* discussions about how to best support capacity building of minority-led organizations, we assume that hearing more directly from community grantees themselves would have further deepened and grounded the conversation.

- **Disconnect between regranting and technical assistance strategies.** Despite the outcomes of the *Capacity Building for Minority-Led Organizations Project's* technical assistance grantees described earlier, one of the missed opportunities was a lack of an explicit strategy for how these efforts could be leveraged to support regranting partners. Intermediaries observed that the regranting and technical assistance strategies operated relatively separately, with little clarity for why they were funded as a cohort and a notable lack of intention about structuring learning to address both types of organizations funded. The *Capacity Building for Minority-Led Organizations Project's* learning community was described as largely "foundation-centric," focusing on funder approaches to supporting capacity building rather than a discussion about capacity building *delivery*. One person shared, "*I understand that it was an intent there…but I felt like it was constantly being driven to have learning around how we are getting the grants out and what are we learning from the grantees as opposed to capacity building.*"

- **Focusing on expanding the pipeline of leaders of color.**   TCE's investment focused exclusively on strengthening existing minority-led organizations and leaders.   By design, it did not directly focus on building the larger pipeline of leaders of color in order to increase the numbers of minority-led organizations. This is notable especially given a 2009 Urban Institute report on the diversity of California's nonprofit sector,[11] which found that the leadership of nonprofit organizations is not as diverse as the state's growing population (with non-Hispanic Whites tending to hold a greater share of leadership positions than their proportion of the state's population).   Knowing that TCE has long supported leadership development within diverse populations, there may be greater opportunity to connect the dots within TCE's theory of change in order to more comprehensively address the challenges facing nonprofits serving diverse communities.

- **Clarity about TCE's commitment to long-term investments.** A challenge expressed by multiple funding intermediaries centered on uncertainty about TCE's long-term commitment to capacity building of minority-led organizations. A few explained that—in their efforts to communicate their intentions and commitments to community grantees—it became difficult for them to convey that this was not a "dive in and leave when the money runs out" kind of initiative. As one funder explained,

   > People have had the rug pulled out from underneath them so many times that we need to have an assurance that things are going to be long-term so that our people don't feel like they are going to get bamboozled again.

   At least one funding intermediary indicated that a four to five year commitment would have changed how they approached their work with community organizations. Specifically, the organization would have been more strategic about sequencing support through long-term investments in an organization's stability, planning, and goal development.

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[11]   De Vita, Carol J., Roeger, K. (2009) *Measuring Racial-Ethnic Diversity in California's NonProfit Sector.* The Urban Institute.

Recommendations for Future TCE Investments in Capacity Building of Minority-Led Organizations

The findings in this report point to a number of potential recommendations for The California Endowment to consider for future funding endeavors in this area:

(1) **Continue to expand regranting partnerships.** Our findings suggest that funding intermediaries have played an important role in the success of the *Capacity Building for Minority-Led Organizations Project.* These include important traditional regrantors such as Sierra Heath Foundation, the Liberty Hill Foundation, and Women's Foundation of California, but also less traditional and ethnic-specific funders. This latter group might have lower capacity than traditional funding partners (and therefore introduce some risk in supporting them), but evidence suggests that they bring an intimate understanding of and on-the-ground relationships with minority-led organizations that serve as essential stakeholders within diverse communities. Going forward, TCE and others may want to explore investing in growing this tier of funders, particularly those who exclusively target specific minority populations (e.g., Latinos, Asian Pacific Islanders, refugee, disabled, or LGBTQ populations).

(2) **Create a continuum-based approach to supporting minority-led organizations.** Findings from this report provide solid evidence for the value of minority-led organizations participating in this initiative—particularly organizations that have little previous experience with capacity building and/or organized philanthropy. For these organizations, exposure and access to capacity-building frameworks, tools, and consultants –as well as the growth of relationships with each other and their respective funders—appear to provide critical organizational social capital that lays the foundation for further growth and development. Intermediary partners were explicit about acknowledging a *continuum* of readiness among minority-led organizations, and the tendency for mainstream philanthropy to exclude from capacity building support those that fall at the early end of this continuum. Going forward, TCE may want to consider how to explicitly invest in a continuum-based approach to supporting and growing minority-led organizations—perhaps investing more heavily in relatively traditional capacity- building support for organizations with baseline readiness to fully leverage these resources, while simultaneously and strategically engaging and supporting minority-led nonprofits at the early end of the readiness continuum.

(3) **Expand learning community to explicitly include community grantees.** Especially given the benefit that intermediaries derived from learning community discussions and tool sharing, going forward, the *Capacity Building for Minority-Led Organizations Project* may want to consider strategies for directly engaging community grantees at the initiative-level. Done effectively, this could serve as a strategy to further expand organizational social capital of community grantees, as well as enrich the dialogue about the contexts, challenges, and opportunities in strengthening minority-led organizations. This could take the form of an all-community grantee meeting and/or strategic coordination of ongoing intermediary convenings to lift up a larger network of minority-led organizations. Regardless of the vehicle chosen, any engagement of community grantees will require thoughtful attention to (and financial support for) inclusive processes to

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enable their participation, including regionally-based meetings, interpretation services, travel reimbursements, stipends to compensate for staff time, and explicit strategies to ensure candid and safe dialogue.

(4) **Continue to build the infrastructure of capacity-building support for minority-led organizations.** Acknowledging the consistent challenges articulated by intermediaries and community grantees with regard to a lack of culturally-aligned capacity building frameworks, tools, and consultant resources, TCE may want to make deeper investments in capacity-building infrastructure going forward. This could take multiple forms, including investments in:

   a. dissemination of curricula and tools developed or shared through this project;

   b. tighter integration of technical assistance and regranting strategies, including leveraging of TCE-supported fund development trainings for community grantees;

   c. development of new capacity building frameworks and tools (or tailoring of existing frameworks and tools) for linguistically- and culturally-diverse populations;

   d. development of additional train-the-trainer models tailored for diverse communities and languages, and in a range of capacity areas (e.g., board development, fund development, leadership development, etc.)

   e. expanding the pool of available consultants with specialized and lived experience with nonprofits serving specific minority populations, and within specific, underserved geographic areas such as the Central Valley.

(5) **Articulate a long-term vision for capacity-building support for minority-led organizations.** As capacity building is an ongoing and long-term endeavor, intermediary organizations voiced a desire for greater transparency about the length of TCE's commitment in this area—in part to plan and strategically sequence capacity-building support, but also so that they could feel confident in their own commitments to long-term support for community grantees. An articulated vision should also include language on TCE's level of intention to target additional minority-led organizations focused on a range of intersecting categories such as women, LGBTQ populations, and persons with disabilities. Finally, an opportunity exists to more strongly articulate TCE's theory of change *behind* its capacity-building investments—specifically how the foundation sees cultural and community assets feeding into organizational capacity building in ways that ultimately result in strengthened communities.

The partners and participants of The California Endowment's *Capacity Building for Minority-Led Organizations Project* have accomplished a great deal over a relatively short period of time. As evaluators, it has been deeply gratifying to us to witness the true spirit of partnership and respect— reflected at all levels—that fueled and sustained this work.

The successes described in this report brings The California Endowment closer to its vision of achieving its vision of "meaningful and sustained improvements in the health of underserved communities" through community investment. Moreover, it positions TCE to be a powerful thought leader in the effort to shift the field of philanthropy to more intentionally consider how it is and is not serving its most vulnerable and marginalized populations. Ultimately, the lessons and promising practices borne out of

the *Capacity Building for Minority-Led Organizations Project* offer meaningful inroads towards building the capacity of the field to better serve California's richly diverse population.

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APPENDIX A.
TCE *Capacity Building for Minority-Led Organizations Project*
List of Community Grantees (N= 79)

Akonadi (26)

1. All of Us or None
2. Alliance of Californians for Community Empowerment (ACCE)
3. Arab Resource Organizing Center
4. Asian Communities for Reproductive Justice
5. Asian Pacific Environmental Network
6. Asian/Pacific Islander Youth Promoting Advocacy & Leadership
7. California Impact of Proposition 209 Coalition
8. Californians for Justice
9. Causa Just: Just Cause
10. Communities for a Better Environment
11. East Bay Alliance for a Sustainable Economy
12. EastSide Arts Alliance
13. Ella Baker Center
14. Intertribal Friendship House
15. Lawyer's Committee for Civil Rights, SF
16. Mobilize the Immigrant Vote California Collaborative
17. Movement Generation
18. Mujeres Unidas y Activas
19. Oakland Rising
20. People's Grocery
21. Public Advocates
22. School of Unity and Liberation
23. Urban Habitat
24. Urban Strategies Council
25. Youth Movement Records
26. Youth Together

Bay Area Black United Fund (4)

1. New Life and Love Recovery Homes
2. Urojas Ministries
3. Healthy Communities, Inc.
4. Bay Area Action Council

Los Angeles Brotherhood Crusade (8)

1. Advocates USA
2. African American Unity Center
3. Black Women for Wellness
4. Center Empowerment for Families
5. Cosmopolitan Youth Foundation
6. Jenesse Center
7. Mothers In Action
8. Why Can't We Make A Difference

Liberty Hill Foundation (10)

1. Black Women for Wellness
2. Congregations Organized for Prophetic Engagement (COPE)
3. Knotts Family Agency, Inc.
4. Latino Equality Alliance
5. Latino Health Collaborative
6. Pacoima Beautiful
7. Pomona Economic Opportunity Center
8. Restaurant Opportunities Centers United
9. Time for Change Foundation
10. Young Visionaries Youth Leadership Academy

Sierra Health Foundation (8)

1. Center for Community Health and Well-Being
2. Center for Fathers and Families
3. Congregations Building Community
4. Hmong Cultural Center of Butte County
5. Lao Family Community of Stockton
6. Latino Outreach of Tehama County
7. ONTRACK Program Resources, Inc.
8. Toiyabe Indian Health Project, Inc.

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Seventh Generation Fund (16)

1. Abya Yala Nexus
2. Advocates for Indigenous California Language
3. Barbareno Chumash Council
4. C.R.I.H.B. Traditional Indian Health Gathering
5. Grupo Maya Qusamej Junan
6. Intertribal Friendship House
7. Karuk Language Restoration Committee
8. Limu Project
9. Local Indians for Education (LIFE Center)
10. Maya Vision
11. Mishewal Wappo Tribe of Alexander Valley
12. Native Youth Coalition
13. Sustainable Nations Development Project
14. Tubatulabals of Kern Valley
15. Urban PEACE Movement
16. Warrior Institute

Tides Foundation/California Fund for Youth Organizing (0)

Women's Foundation (7)

1. Center on Race, Poverty and the Environment
2. Centro La Familia Advocacy Services, Inc
3. Community Water Center
4. El Quinto Sol de América
5. League Of Mexican American Women
6. Matheny Tract Committee (c/o California Rural Legal Assistance)
7. Organización en California de Líderes Campesina

APPENDIX B. Results of Surveyed Capacity Challenges (N=46)

This appendix provides comprehensive results on the survey data collected to measure capacity challenges within the cohort. As shown below, we measured six overarching capacity areas including external relations, fundraising and resources, staffing and human resources management, organizational management, strategic planning, and governance and planning, each with more specific sub-areas. When surveyed, community grantees were asked to identify all of the sub-areas that represent challenges that they are currently facing as an organization.

Areas of Reported Capacity Challenge, By Percentage (N= 46)