



Narrative Change for Racial Equity in Nonprofit Funding: An Exploratory Report on Community-Centric Fundraising in the Arts and Culture Sector

Key Takeaways for Arts and Culture Funders and Donors



Introduction

While POC and white allies have organized within various networks and coalitions to address racial inequities in nonprofit funding, Community-Centric Fundraising (CCF) stands apart as the most visible fundraiser-led initiative in this space. Seeking to center the experiences of POC fundraisers and other nonprofit professionals working at POC-led organizations, the *Narrative Change for Racial Equity in Nonprofit Funding* report grounds its analysis in ethnographic interviews. The report responds to two core needs expressed by research participants: a more robust articulation of the “why” of CCF—or the movement’s overarching vision for systemic change—and more specificity around the “how” of CCF—or what the movement’s work looks like in practice. The report’s landscape analysis and interview findings offer both context and tools for those striving not only to cultivate and steward increased support for POC artists and POC-led arts organizations, but also to upend the structural barriers in fundraising and philanthropy that stand in the way of racial equity in arts funding.

Fundraising as a Narrative Change Strategy: Disrupting White Supremacist Systems in Arts and Culture Philanthropy (Landscape Analysis)

This section contextualizes the CCF movement within the arts and culture field through a review of literature and media. Key findings include:

- POC and POC-led organizations face pervasive labor exploitation and racial inequalities within the current arts and culture funding landscape.
- Moving toward a future of arts and culture philanthropy rooted in racial equity requires a reframing of existing donor-centric narratives.
- Paths to racial equity in arts funding not only require building new structures outside of the Nonprofit Industrial Complex (NPIC), but also subverting systems within it—such as fundraising and philanthropy.
- CCF engages in systemic change by setting new rules for fundraising in the NPIC.
- CCF in the arts and culture field points to the potentials of amplifying POC narratives in order to change donor-centric fundraising paradigms..
- Developing narrative change as a thematic frame for insights contributed by research participants deepens collective understanding of the “how” and “why” of CCF.

Key Data Points on Racial Inequities in Arts Philanthropy

- Of 925 US cultural organizations with budgets over \$5 million, fewer than 50 are dedicated to POC artistic traditions and/or communities.
- While POC make up 37% of the US population, only 4% of private philanthropic funding for arts and culture went to POC-serving organizations.
- Even where POC-serving organizations constitute 25% of local cultural organizations, these groups only receive 10% of local cultural funding.¹
- A 2020 survey of arts grantmakers found that 51% of respondents reported increased giving to Black, Indigenous, and People of Color-led organizations.² However, while \$11.9 billion in overall philanthropic dollars in 2020 was pledged in support of racial equity in the US, only \$3.4 billion of these awards were confirmed as of October 2021.³

¹*Not Just Money: Equity Issues in Cultural Philanthropy*, (New York: Helicon Collaborative, 2017), 5 -8, <http://notjustmoney.us/>.

²Eddie Torres, "Arts Grantmakers' Changes in Practice: Present and Future," *Grantmakers in the Arts*, November 5th, 2020, <https://www.giarts.org/blog/eddie/arts-grantmakers-changes-practice-present-and-future>.

³"2020 estimates of racial equity funding off by as much as two-thirds," *Alliance Magazine*, October 6th, 2021, <https://www.alliancemagazine.org/blog/2020-estimates-of-racial-equity-funding-off-by-as-much-as-two-thirds-actual-figure-far-less-finds-research/>.

Reflections and Provocations for the Future of the Fundraising

A donor-centric paradigm explored in this landscape analysis is the "crisis of relevancy," which suggests that nonprofits need to develop better narratives to explain the impact of arts and culture to funders and donors. The report shares powerful replies from POC arts leaders:

- POC-led arts and culture organizations should be funded in order to express their own narratives as opposed to being asked to supply narratives that determine their worthiness of being funded.
- Rather than POC-led arts and culture organizations making a better case for their relevance, philanthropy and other gatekeeping institutions need to become more relevant by decentering Western artistic standards.
- Conversations about how to convince philanthropists to donate more money to arts and culture must be replaced by discussion of how to fundamentally change the sphere of arts philanthropy to serve racial justice aims.

Do you or your funding institution contribute to the paradigm of a "crisis of relevancy"? Does your or your institution's decision making prioritize Western standards of artistic excellence over racial equity in funding for creative and cultural expression? What barriers stand in your or your institution's way of engaging in more racially equitable funding practices for arts and culture? What opportunities might there be for removing these obstacles? What would it look like for arts philanthropy to work in service of racial equity and/or racial justice goals?

Toward Autonomy, Accountability, and Abundance: Three Narrative Shifts Supporting Racial Equity in Arts & Culture Fundraising (Interview Findings)

The interview findings section of this report centers the voices of twenty resource builders, the majority of whom identified as POC and/or worked for a POC-led arts organization based in the US. Through three narrative shifts, the report explores the “why” and “how” of CCF.

Narrative Shift #1: Toward Autonomy

MOVING FROM:

Nonprofits survive by engaging in transactional relationships that give outsized power and influence to high net-worth donors and funders.

- **Oppressive power dynamics in fundraising and philanthropy emerged as a central theme throughout the study’s interviews.**
- **Nonprofits can gain greater autonomy by uplifting community members as core supporters of and contributors to an organization’s mission.**
 - *For examples of organizations cultivating people power and non-monetary contributions, see report pages 50 -51.*
 - *For examples of organizations raising small gifts in combination with people power, see report pages 51-53.*

TOWARD:

Nonprofits thrive by fostering authentic, transformational connections and partnerships with community members, external donors, and institutional funders alike.

- **Building trust-based relationships with donors and funders can strengthen an organization’s values alignment in their fundraising efforts.**
 - *For examples of both formal and informal ethical gift acceptance policies and practices, see report pages 54 - 55.*
 - *For examples of using fundraising as a site of negotiation, radical honesty, and trust-building with funders, see report pages 55 - 58.*

Reflections and Provocations for the Future of the Fundraising

- Some question the “return on investment” for cultivating volunteers and small gifts, which requires a lot of time and labor with relatively low short-term financial gains. However, such approaches center the needs and concerns of community members and add value to organizations beyond traditional monetary measures of fundraising success. How might major donors and funders follow the lead of and increase support for community-centered campaigns and resource building initiatives?
- What is your familiarity with the origins and histories of the funding sources you, or your institution, draw from to provide support to arts and culture organizations? How do these origins and histories inform your, or your institution’s, philanthropic practices and relationships with nonprofits seeking and receiving funds?

Narrative Shift #2: Toward Accountability

MOVING FROM:

Fundraising success equals increased funding, regardless of who provides the money, how it's secured, or how it's spent.

TOWARD:

Fundraising success equals cultivating and stewarding funding in ways that are accountable to an organization's mission, values, and community.

- Tensions between an organization's development practices and its larger work recurred as a theme throughout conversations with research participants.
- Participants tied the lack of congruence between development practices and organizational values to the larger problem of how white supremacy culture breeds lack of accountability, manifesting throughout the NPIC.

⁴Thekla Morgenroth, Teri A. Kirby, Michelle K. Ryan, and Antonia Sudkamper, "The Who, When, and Why of the Glass Cliff Phenomenon: A Meta-Analysis of Appointments to Precarious Leadership Positions," *Psychological Bulletin* 146, no. 9 (July 2020), 1 - 100, [DOI:10.1037/bul0000234](https://doi.org/10.1037/bul0000234)

- Nonprofit accountability in fundraising can look like applications and reporting to grantmakers that embody respect for organizations' communities and advocate for their best interests.
 - For examples of nonprofit organizations using asset-based language and intentional budgeting to communicate organizational politics, values, and standards, see report pages 62 - 63.
- Prioritizing the needs and interests of the community over maximizing financial gains for the organization requires designing accountable development and impact measurement plans and processes.
 - For discussion of how fundraising workflows can orient toward goals and incentives that are community-centered, see report pages 64 -68.

Reflections and Provocations for the Future of the Fundraising

- Accountable development language and budgeting deepens trust and transparency with community members. How do you or your funding institution create space for nonprofits to communicate about their work in ways that uplift POC communities rather than emphasizing deficit to demonstrate funding need?
- Organizational self-evaluation is typically spurred by a crisis point. Scholars have coined the term "the glass cliff" to describe the phenomenon where women and POC are most likely to be selected for executive leadership positions during moments of organizational crisis.⁴ These moments open up the opportunity for individuals most impacted by lack of accountability to POC communities to address broken systems. However, POC leaders tasked with solving crises can also become vulnerable to career disruption and job insecurity. How can arts and culture philanthropy better support leaders of color put in pivotal, but precarious, positions to evolve organizations and their fundraising plans toward greater accountability to community?

Narrative Shift #3: Toward Abundance

MOVING FROM:

Resources are scarce and nonprofits must compete against each other for their organizations to survive.

- Participants spoke on the unrelenting difficulties that small arts organizations, especially those that are POC-led, face in securing support for their work.
- Small, POC-led organizations face a sense of scarcity created by white supremacist systems threatening their survival. Established white-led nonprofits often perpetuate capitalist norms exacerbating these conditions.

TOWARD:

Resources are abundant and community ecosystems thrive when nonprofits engage in reciprocity and collaboration

- Fundraisers and organizations can engage in advocacy and organizing promoting the funding needs of entire arts and culture ecosystems.
 - For examples of organizations and fundraisers serving as informal interlocutors between funders and their communities, see report page 74.
 - For examples of intermediary organizations' formal approaches to fundraising advocacy and organizing, see report pages 75 - 78.
- Nonprofits in privileged positions and circumstances can pay forward access and resources to organizations and individuals within a shared community.
 - For examples of organizations paying forward money, social capital, and other resources, see report pages 78 - 82.

Reflections and Provocations for the Future of the Fundraising

- Advocacy and organizing efforts featured in this report largely centered on local ecosystems within particular municipalities. However, many of the issues they addressed center on racial inequities in arts funding that affect communities throughout the U.S. How might you, or your funding institution, support local advocacy and organizing efforts? What opportunities exist for funders and donors to help harness momentum toward making strides within arts and culture philanthropy on a national level?
- How could you, or your funding institution, work to mitigate competitive conditions within the NPIC rather than perpetuate them? How could arts and culture philanthropy encourage and support ecosystems-based fundraising approaches?
- Smaller POC-led organizations and POC artists experience lower access to capital, resources, and networks. How can funders and donors better account for and cater to various levels of socio-economic organizational advantage or disadvantage in their philanthropic practices?

To share your thoughts, questions, and feedback, or to have this research presented at your organization, please contact report author Erika Pettersen directly at ejpettersen@gmail.com.