

Future-Proofing Nonprofits for the Post Pandemic World | The Voice of Charities Facing COVID-19, Volume 6

Host: Ted Hart | President & CEO, CAF America

Guest: Jessie Krafft | Senior Vice President of External Affairs

Speaker: [00:00:00] *Future-Proofing Nonprofits for the Post Pandemic World, The Voice of Charities Facing COVID-19 Volume 6.*

Today's presenters are Ted Hart, President and CEO of CAF America. An internationally recognized speaker, Ted has over 30 years of experience in advising global philanthropy and is an expert in regulatory frameworks governing both domestic and international philanthropy and risk management.

He's joined by Jessie Krafft, CAF America's Senior Vice President of External Affairs. **[00:00:30]** Jessie has been with CAF America for almost 10 years and is responsible for developing and executing services, assisting donors with strategic grant-making, philanthropy planning, and investing charitable assets.

Without further ado, I'll pass the floor to Ted Hart, President and CEO of CAF America.

Ted Hart: Thank you so much. I want to share just a little bit about CAF America. We are a US public charity that offers streamlined process through which individuals, foundations and corporations can make charitable donations to domestic **[00:01:00]** and international organizations around the world. Everything that we do at CAF America comes back to our central premise that we call the three Rs; regulatory compliance, risk management, and reputation protection. Next slide. Act two of Shakespeare's play *Romeo and Juliet*, Juliet asks, "What is in a name?" It was one year ago today that we learned a **[00:01:30]** new name.

One, that one year later, would be forever attached to over 100 million plus people infected and over 2.3 million plus people dead. That name is COVID-19. One year ago today, the director general of the World Health Organization announced that this new disease caused by the novel coronavirus would be named COVID-19. Following global best practices and despite the efforts of some **[00:02:00]** to shame rather than educate, the name of the disease was chosen to avoid inaccuracy and stigma, and would not refer to a geographical location, an animal, an individual, or a group of people.

It was one year ago next week that the WHO urged world leaders, "*to reduce COVID-19 illness and death, they must embrace the large-scale implementation of high quality, non-pharmaceutical* **[00:02:30]** *public health measures, such as case detection and isolation, contact tracing and monitoring, quarantining, and community engagement.*" They warned, "*Much of the global community is not yet ready in the mindset and materially to implement the measures that have been employed to contain COVID-19.*" The WHO called upon world leaders to immediately activate the highest level of national response management protocols to **[00:03:00]** ensure that all of government and all of society have what they needed to contain COVID-19.

I share these milestones with you as a reminder of how in the early days of this global pandemic, healthcare professionals urged world leaders to participate in the future, to anticipate the future, to develop strategies to minimize the effect and shock of what would, within one month, become known by another name: global pandemic. **[00:03:30]** This is the business of future-proofing. The literal definition of future-proofing is, *"a process of anticipating the future and developing methods of minimizing the effects of shocks and stresses of future events."* And this is what we want to discuss with you today.

It is time for all philanthropic leaders, the hundreds of you who registered for today, the thousands who will listen to this recording, the tens of thousands who you are networked to **[00:04:00]** our listeners and donors, and the millions who are affected by the philanthropy you represent. It is time to future-proof the world's nonprofits. The nonprofits we rely on to provide service to some of the world's most vulnerable communities to educate, to heal, to entertain, to enrich, and to illuminate our lives. Since the early days of this global pandemic, CAF America has been surveying and reporting on the effects this relentless global pandemic is having **[00:04:30]** on the global charitable sector.

It is clear, if we want charities we donate to, the charities we support, the charities we care about most to be strong, to be resilient, to survive, we must understand that the status quo will not meet this challenge. It's vitally important that we all take an honest look at what is happening to charities in every country and every community around the world. They too, are sick and injured. **[00:05:00]** They, too, are dying. Charities are facing disruption of fundamental core support at an unprecedented rate. They have been called upon to persevere and through sheer tenacity, they have learned to pivot literally on the fly.

These are tragic statistics. Yet, they mask the enormity of the loss to families and communities affected by those who are sick, infected, have lost their lives and who have died, who **[00:05:30]** have lost their jobs and who have died. There's now a shadow pandemic, that of mental illness and substance abuse emerging with a historic wave of depression and other mental health problems approaching. Who will be there to help heal our people, rebuild our communities, educate the next generation, save the environment and endangered species, preserve our culture and artistic accomplishments?

In each of these communities, there are volunteers and nonprofit **[00:06:00]** organizations struggling to help meet the needs of those afflicted and affected. In many cases, the organizations themselves fear for their own survival. If they cannot find relief to the triple threat many are facing: that of decreased funding, increased demand on services and increased costs due to PPE and other costs due to COVID. According to the report released just last month by Johns Hopkins University Center for Civil Society Studies, **[00:06:30]** nonprofit organizations in the United States have reduced their workforce by 7.4%. That equals 930,000 jobs lost by charities during this period in the United States alone.

Millions of nonprofit jobs have been lost worldwide. We must come together to future-proof charities. Your favorite charities, the charities you work at, you volunteer for, you donate to. Today, we will share with you the results of our global survey that seeks to report **[00:07:00]** to those who can make the difference; our donors, our philanthropists, our charity partners, and nonprofit leaders. We share with you lessons learned during this ongoing pandemic and provide a roadmap towards what will be required of nonprofits who will survive and thrive in the post-pandemic world.

We will speak of technology, communications, finance, fundraising, and leadership. We will provide some data and insight into the long overdue and much needed healthy discussion **[00:07:30]** between donors and charities they support about the role diversity, equity, and inclusion will play in a new dynamic of the post-pandemic world. Before we end this webinar, we will share with you the six key competencies nonprofits must address, rebuild, and enhance. These are six key competencies around which donors can have a dialogue with charities they support. What can donors do to help strengthen the charities in support of one or more of the six key competencies? **[00:08:00]**

The IRS commissioner is quoted as saying, "Our nations charities are struggling to help those suffering from COVID-19." Many deserving organizations can use all the help they can get. Will you help? This is future-proofing. This is not hoping for a better world, but building it one grant at a time, one improvement at a time, one charity at a time -- intentionally, and not waiting until there is a crisis of global pandemic proportions before we think there's anything that **[00:08:30]** needs to be done. Joining me today, as was mentioned earlier, is our Senior Vice President of External Affairs, Jessie Krafft. Jessie, thank you for joining us today.

I want to get right into this report. We'll go right to the next slide, please. Jessie, our partnerships with the Lilly Family School of Philanthropy and The Resource Alliance have produced a truly global report. Give us some of the **[00:09:00]** parameters of what is going to be in this report and who's participated.

Jessie Krafft: Yes, this partnership has really been a wonderful addition to this volume with the Indiana University Lilly Family School of Philanthropy and The Resource Alliance. They assisted us in bringing this group together. We polled 805 organizations in 152 countries, which is an incredible showing and really speaks to the diversity of responses within this report. **[00:09:30]** What's really significant here is sustained interest in this topic from our audience and from our survey responses. Because we can see that there's a lot of fatigue in a lot of different areas of our world right now, but I think there's still interest in this particular topic and in what we can do to help charities respond to these crises.

Ted: This is the largest number of countries who have participated in any of our six surveys. It would appear that **[00:10:00]** interest in these topics is actually growing. Next slide.

Jessie, how does regional representation of charities in the study look? Is this truly a representative story coming through the data?

Jessie: Of course, we would love to see a lot more data from some of these regions. I think we're really proud to see that we've gotten significant increases from some regions of the world through this particular survey. You can see the overlay of each of the surveys and the regional **[00:10:30]** response from each of those. We're really proud of the effort that went into this and the network we were able to reach through the partnerships that we facilitated during this volume.

Ted: Let's go to the next slide. Jessie, the majority of survey respondents work in social services, education, and healthcare, but there's a broad spectrum of charity missions that are represented in this report.

Jessie: Yes. There's a broad spectrum here, as you can see in these figures. It's important to note that **[00:11:00]** the sum of the proportions is greater than 100% because as we know, there are many organizations that work in two or more of these fields. We have quite a diversity of groups represented here.

Ted: Terrific, let's go to the next slide. Many donors have shown that they have long cared for diversity, equity, and inclusion. These topics of social justice have come to the fore during this pandemic. We **[00:11:30]** asked about support for marginalized and underserved communities. What did we learn?

Jessie: We can see a broad range of beneficiaries here that are represented in the findings of this report. I think more than anything this slide helps us understand that the services and support that these beneficiary groups are used to receiving from nonprofit organizations have been severely impacted as we'll see in the data later. **[00:12:00]** These groups that are represented here are really feeling the weight of the challenges that their nonprofit partners that usually provide services to them are facing. It's good to see solid representation from a number of these groups as beneficiaries within this poll.

Ted: Terrific. Jessie, we've shown that we have broad global participation, many more countries participating, a large diversity in the missions of those **[00:12:30]** who are participating and serving underserved and marginalized communities. Let's go to the next slide because going back to the beginning of the pandemic and in every CAF America COVID report, we have asked about the effect of the pandemic on charities. What have we learned over these 6 volumes in nearly 12 months?

Jessie: Unfortunately, we've learned that there's not been much improvement. 3% roughly **[00:13:00]** over this 12-month period is really not a great sign of strength in the sector. It shows that, despite a lot of efforts that have occurred to support organizations in certain countries, some countries have received government support, many have not. They're still struggling despite any small support that they might have received during this time.

Ted: Jessie, I think it's fair to say that regardless of what sort of donor you are, what sort of volunteer you are, [00:13:30] what sort of person you are, working at or supporting a charity, nearly no charity is immune to these negative impacts from the pandemic.

Jessie: Yes, that's right. We're really seeing this across the board in all of the various sectors that responded to the survey.

Ted: Let's go to the next slide. Jessie, every volume that we've published in 2020 showed a disruption in the fundamental support of charities and what they [00:14:00] rely on. What did we learn from these reports about the kinds of challenges and barriers that charities are dealing with in, again, over nearly 12 months?

Jessie: I won't read all of this different data, but if you go through it, it's really quite an interesting picture to watch some of this data evolve over time. Really, one of the top lines that you can see is that contributions have been reduced for the majority throughout [00:14:30] this period. Between June and September we had 17% and then 10% saying that they did not receive any funding during those particular months in which they were polled. The negative impact on charities continues to worsen as their contributions keep dropping as we see through some of these trend lines. In April, 67% reported that contributions had been reduced, but in May this had increased, for example. [00:15:00]

Throughout the entire period, the financial burden manifests itself in challenges covering staff salaries and overhead costs and things like that. You see here that in April, 48% experienced staffing disruptions. In May, that was 39%. In June 70% indicated that they needed funding to cover staffing in particular. You see this variation over time and a growing need for things like [00:15:30] overhead costs to be supported. We're seeing some really challenging trend lines throughout these surveys.

Ted: As I said of in the opening, a relentless pandemic on many people and certainly many, many charities. Let's go to the next slide. Jessie, as you've just pointed out on the earlier slide, 2020 was a tough year for most and felt certainly by almost all charitable organizations. What does the [00:16:00] survey forecast for 2021?

Jessie: What this question is looking at is where they expect to experience challenges in 2021. All of these, if you read every single one of these categories, they all demonstrate basic operational challenges and fundamental disruptions and operations that are incredibly challenging for these organizations. There have been huge efforts on the part of nonprofits to maintain their [00:16:30] service levels despite these consistent challenges. We've seen varying degrees of success in maintaining service levels, really, depending on the sector they're in and what resources they do have.

But really, any well-resourced company, for-profit company even, would have incredible difficulty managing these types of structural challenges in their operation, particularly since many of these are occurring simultaneously. Many of the organizations [00:17:00] chose multiple of these

challenges in their responses. Knowing that there are many small organizations that are already operating on a shoestring that are experiencing these challenges gives us a real appreciation for the struggle they're enduring right now.

Ted: Jessie, let's go to the next slide here. Charities have been called upon to pivot literally on the fly throughout this pandemic. You just mentioned just how difficult these challenges have been [00:17:30] and how these problems and challenges multiply and then build upon themselves. What have charities tried? We've been quite impressed in these reports with the innovation and the resilience of charities in the face of, again, all of these issues that keep piling up on themselves. What strategies have the most promising results?

Jessie: This chart is really fascinating. The left shows the [00:18:00] innovations that they've implemented, or they've tried, and the right shows whether those initiatives were successful or how successful they were for these groups. This is also not representative of all the different innovations that were reported back. The actual report has a broader view of this, which is really interesting to look at all of those different responses. Generally, in the comments and the responses, we see that many organizations attempted to, for example, create new [00:18:30] fundraising strategies. Many of those strategies weren't successful.

I think a bit of similar silver lining to this story is that in our Volume 4 survey and also in our practices, in the grantmaking, we facilitated during 2020, we learned that while corporate donors gave significant funds toward COVID-19 relief strategies and work on the frontline, they still continued on with many or most of their current grantmaking programs. I think that [00:19:00] in terms of the challenges with fundraising strategies that we're seeing here was at least a bit of a silver lining is that some donors continued their normal programs. Many of the COVID-19 relief grants focused on number one on this list. Number one, being adapting programming to the digital realm.

In the very beginning, we did see a lot of grantmaking go toward things like purchasing laptops or getting organizations set up with space in the [00:19:30] cloud or things like that to help them build their capacity to provide their services digitally. There's a lot to unpack here in terms of looking at the different strategies that they took and what they found success in. What we see here is really significant creativity in the ways that these organizations tackle new challenges. Though it's not always successful, they're trying different things and future-proofing their organizations. They're really stepping up [00:20:00] to try to survive this pandemic.

Ted: Jessie, before we go to the next slide, I just want to point out to our listeners today that we've set up the data that we've already learned, the lessons that have been learned and the participants. At this point, you and I are going to take this webinar in a bit of a different direction, and specifically, speaking to this issue of future-proofing. What skills and competencies have helped those charities who have survived, [00:20:30] thrived during the pandemic and moving towards success? What will it take to future-proof these charities in the post-pandemic world?

The pandemic is not over by any means. One of the things that I think any listener, any donor might be asking is, "Why do we care about this? Where do we go from here?". Those are some of the topics that we're going to cover from here on out. We can go [00:21:00] to the next slide. Jessie, technology underscores all future success for charities. That's very clear in this report, this survey. What specifically have we learned that the charities are doing now?

Jessie: For the organizations that have remained operational throughout this period, we learned that 92% of the respondents did work to adapt their approaches to online operations. That's a significant [00:21:30] proportion of organizations that went to digital strategies. An overwhelming number are now operating in these environments, which has, of course, come with different challenges in various countries. We hear about issues with internet access or unreliable networks, then power outages, and things like that in certain countries.

Of course, there are various challenges across borders. It's really wonderful to see that 65% have been able to provide services [00:22:00] online, as we note in the data here. The nature of many nonprofit activities simply doesn't translate to a virtual format. We're also, of course, hearing from different arts and theater groups and things like that. Some of them have adapted some of their content to online, but many of them haven't been able to continue.

Ted: Jessie, going to the next slide, how can donors and charities [00:22:30] come together now around this topic of technology to future-proof technology for nonprofits?

Jessie: In all of these questions in the coming sections of this presentation, we've really targeted our questions towards specific areas of organizational management to understand the skills that charities feel they're equipped with already and then those that they feel like they need to further develop. We're seeing a lot of great tenacity here. Donors [00:23:00] should generally still feel very confident in the dollars that they're investing.

In the area of technology, what we're seeing is that finding ways to fundraise digitally is by far one of the most frequent responses, not only on this slide but in other questions that we asked throughout. It's really clear that storytelling and the need to fundraise digitally and tell their story and share their value in a different way really comes out [00:23:30] as an important tool that they need help with to move forward.

Ted: Jessie, just to point out for our viewers today, you'll notice a little house in the upper right-hand corner of the presentation. You'll see that part of that house is shaded. You'll see that change during the presentation. There is meaning to that. Stick with us, and we'll share with you what all that points to. Let's go to the next slide. [00:24:00] How are charities using communications to get through this pandemic?

Jessie: The social sector's connection to underserved communities is critical for global development. We saw that over 72% of organizations do have communications plans in place to guide their messagings to stakeholders, which is really important that they have planning, and they do strategize around it. It's a good showing here [00:24:30] of organizations that they feel

that they're communicating effectively. Given that communications are really a charity lifeline, and it is their connection with their donors, these numbers still indicate that they're seeing significant gaps in capacity in these areas.

72% is good, but then we see further below that 69% feel that they're effectively engaging, another 69% feel that their publications online [00:25:00] and offline are helping promote their cause. Actually, in the comments that came along with this question in the survey, many organizations reported that one of their innovations was shifting the roles of their staff members or their volunteers to meet the changing circumstances. A few organizations actually found success in empowering their volunteer base to undertake their own digital fundraising through their networks instead in lieu of in-person volunteer work that they were no longer able [00:25:30] to accomplish. Different communication strategies came out in the comments as well that I thought were really interesting to show some of what they're trying to do.

Ted: Jessie, going to the next slide here, how do donors and charities come together to future-proof communications?

Jessie: What I found really interesting and surprising here is that organizations are feeling more challenges in communicating [00:26:00] with beneficiaries than with donors. I found that to be a surprising fact that came out of this question. I think this, of course, likely speaks to the lockdown environment in some countries, which many have tried to change by doing things such as distributing tablets where feasible and where meaningful to their programs. It's also noteworthy in this data that there were many respondents that commented that their biggest challenge is engaging with governments.

That's not actually [00:26:30] represented here, but many in the comment section said that that was their biggest challenge in terms of communications. Another thing that came out in the comments is that some organizations reported that their communication activities were successful this year when they were fundraising for frontline COVID-19 relief. Then on the flip side, they weren't successful in promoting their normal programs after they shifted their messaging away from COVID-19, [00:27:00] which to me highlights two things.

One, we're seeing a shift in donor interests, for obvious reasons and understandable reasons. And two, that in order to succeed in communications and storytelling about their programs, that charities also need to adapt the storyline in order to underscore their needs and the value of their programs under different and evolving contexts.

Based on this question, a majority of respondents agree that they do need to develop capacity [00:27:30] in this area.

Ted: Let's go to the next slide. Jessie, 30% of charities are not equipped to remain financially sustainable. What have we learned and what is working for those who are reporting, thankfully, that they feel that they are equipped to remain financially sustainable?

Jessie: It's great to see that about 70% are saying that they're equipped to remain financially sustainable through this period. [00:28:00] That's really positive, but if you look at the data, only 54% have financial reserves, only 53% have risk mitigation strategies, and only 41% say that they have robust fiscal management to support future growth and sustainability. These numbers are quite low. Another thing that it shows here is that smaller local organizations are experiencing the greatest challenges and need.

Organizations with [00:28:30] 20 or fewer employees were less likely to maintain financial sustainability, which is really a dangerous situation as some of these smaller organizations are typically more integrated into communities and have a strong understanding of local needs. That's a resource that really needs to be protected. They're so important to the civil society infrastructure. We're really seeing some challenges here in terms of the long term financial sustainability of the smaller organizations. [00:29:00]

Ted: Some very small numbers there in terms of being truly equipped. Let's go to the next slide here. When we're turning our attention here to the roadmap to resilience, what must be done by donors and charities to future-proof the finances of charities?

Jessie: In this survey question, it was really clear that [00:29:30] building and sustaining financial reserves was quite high on the list of things that organizations need support on in order to improve. They need assistance with strategic planning and contingency planning. Some of these key and underlying financial controls are lacking for some of these organizations. I think they're feeling the weight of that during this challenging year. [00:30:00] Hopefully, they'll find the ability to support themselves in these areas.

Ted: You can also imagine, Jessie, in the setup for today's webinar and the direction that we're going in here in terms of this partnership between donors and supporters and nonprofit organizations as there's so many topics here that are ranked so very low in terms of capacity for charities, lots of opportunities for [00:30:30] donors, and those who are good money managers to provide additional support in areas such as strategic planning and contingency planning, budgeting and financial reporting. These are very important areas that need to be built up and strengthened if we're going to truly future-proof nonprofit organizations in the area of finance. Let's go to the next slide here.

During this pandemic, donors have stepped up, [00:31:00] and you mentioned that earlier in this presentation. Charities have pivoted their fundraising strategies, which you also pointed out in an earlier slide. What have we learned specifically about this pivoting and this stepping up in this partnership as we're still in this pandemic?

Jessie: Here, again, we're seeing creativity and innovation with almost 70% that have started new fundraising activities this year. In the comments to the section, [00:31:30] a few organizations noted that their donors responded positively to digital campaigns early in the pandemic but less

so recently. I think many of these organizations are starting to fear this donor fatigue and see that setting in and see that increasing and really creating a lot more uncertainty.

In the results here, we see that 60% of existing donors responded positively to fundraising [00:32:00] campaigns. Only about 60% felt that they were effectively using digital technology to fundraise and 44% said they were successfully engaging. They're trying new things and feeling like some of them have been successful, maybe not every time, but they're innovating in digital fundraising.

Ted: There's no one easy way to success. A lot of trying, a lot of hard work. [00:32:30] Jessie, let's turn our attention. Donors and charities are used to partnering for fundraising, it's the nature of charities and their donor supporters for success. How will this focus on this partnership help future-proof fundraising for charities? Go to the next slide.

Jessie: Yes, the next slide. In this partnership in the educational opportunities, there's really important areas [00:33:00] of support and advice that we could provide. Number one is really identifying new avenues for fundraising through digital technology. I think fundraising is always a challenge for charities. Despite the pandemic, this is always an area for growth and opportunity, but I think we're seeing that need really grow this year. They need assistance in cultivating new and existing donors [00:33:30] to diversify their funding sources.

In that area in particular, in the comments, a few organizations noted that their struggle is due to the fact that they typically primarily rely on local donations, so smaller grassroots fundraising, which have really dried up to perhaps economic difficulties in the local economies or lack of in-person access to local donors. Some organizations have noted that, in particular, they're trying for and need more [00:34:00] access to international donors to make up for this gap because the local economic situation does not appear that it will improve anytime soon. Those that rely on that local funding are particularly looking to find ways that they can cultivate new donor relationships perhaps internationally.

Ted: Jessie, this goes back to that triple-whammy, if you will, that are hitting so many charities and decreasing their funding, [00:34:30] increase in costs and an increase in demand for their services. That's really putting a squeeze on nonprofit organizations. The fundraising that is successful gets spread so much further for organizations. That brings us to the next slide here, Jessie. Leadership is extremely important in the best of times for nonprofit organizations, even more stress [00:35:00] on the leadership of nonprofit organizations around the world because of the global pandemic. There's a bit of a bright point here in that there is really true confidence in the resilience of nonprofit leadership. What do we know about leadership and governance during this pandemic?

Jessie: It's really interesting because in this data, you can see that most nonprofits indicated that they have confidence in their leadership team's ability to lead them through the crisis. [00:35:30] Some of the other responses below indicate that they would still benefit from capability building,

especially related to managing change and building crisis-resilient teams. There seems to be a bit of discrepancy in the numbers here between a really high confidence that they have effective leadership in place, as well as indications that there's room for improvement.

In some of the comments to the section, it was clear that the discrepancy is really attributable to the fact that these organizations are in uncharted territory. **[00:36:00]** They're confident in their leadership, but they have a lot to learn as they navigate the challenges of this new type of global crisis.

Ted: Isn't that the true essence of a good leader, is to know that you can always still learn and you can always still improve?

Jessie: Absolutely, yes.

Ted: Jessie, for all the confidence and you hinted at this in the leadership of nonprofits - we can go to the next slide - there's a lot of work to be done to truly future-proof **[00:36:30]** leadership and governance. For all of this confidence, looking at these numbers, this is one of the areas that needs more help than some of the others.

Jessie: Yes, definitely. Here at the top of the list we see that 56% say that they need support in managing change during and beyond the crisis. They need help in strategic planning, which we saw with responses in their financial questions as well. **[00:37:00]** I think the organizational mental health and wellbeing is standing out here to me too because it actually came out a lot in the comments as well.

It seems like leadership management of burnout of smaller staff and staff groups with more work is really key. In addition to the emotional toll that we're all experiencing this year, there are some small nonprofit staff that are really struggling with increased workloads **[00:37:30]** due to layoffs, or increased demand for their services, or things like that. I think that's an important piece of what leadership is being called upon to do in the work this year.

Ted: Important work to be done in this area but, again, very strong support and belief in the leadership. Quite honestly, Jessie, we see that. The resilience of a lot of these charities in the **[00:38:00]** face of all of the problems that have come to them, now 12 months on, just the pressure and the stress that leadership is under. It's impressive what charities around the world are able to do. The real question here is, what can we do as a support group of donors and professionals to provide a stronger opportunity for future-proofing these charities? **[00:38:30]** We go to the next slide, Jessie, because many tragedies of the last year have brought to the fore, terrible deep divides in our society, divides of access and resources that are literally killing.

Diversity, equity, and inclusion matter to donors, and certainly has their attention. We've added this question based on this last year and what we all can see and read and in the news, **[00:39:00]** but also based on earlier responses and questions in Volume 4. What did we learn about diversity, equity, and inclusion, and how this relates to the organizations in the survey?

Jessie: In Volume 4, we really heard a loud and clear message, particularly from US-based corporate donors, that there is interest in supporting social justice initiatives, and that they're shifting their strategies [00:39:30] accordingly. This section in the survey was really interesting because I think it helps us gain an understanding of how many organizations already have diversity, equity, and inclusion policies in place that are actively practiced and how that then fits into the composition of their board and staff on the side as well. What's important to note here is that actually, we learned earlier in this presentation that 73% of respondents to the survey noted that they [00:40:00] supported children and youth as one of their beneficiary categories.

Which if you look at the sidebar here is, of course, going to skew the data a little bit because what we're seeing here on the sidebar is the percentages of employees and board of directors that belong to the marginalized populations that they support. Of course, children and youth wouldn't be represented here, which is likely skewing these numbers just a bit, especially if they only support children and youth. I think [00:40:30] it's noteworthy to understand this data a little bit. Overall, this is a really complicated topic. US companies are increasingly requiring that their grantees have active diversity, equity, and inclusion policies in place before they provide funding to them.

In this survey we asked about active and effective policies, not just whether they have a piece of paper. What we see here in the sidebar [00:41:00] is a really honest picture of how complex it actually is. Most of the organizations have active policies, but marginalized groups are still not often presented. Children and youth might be skewing that a little bit. The complexity also arises in the huge differences in definitions and activation of these types of policies across borders.

Ted: I want to ask you about, Jessie. What we see, and we've of course known this for years in our grantmaking, but [00:41:30] it is a challenge for a lot of funders. These words; diversity, equity, and inclusion have so much meaning and so many different cultures and they don't always mean the same thing. You have some examples of just very well-meaning people who look at this topic in very different ways.

Jessie: I thought it would be worthwhile to share a few anecdotes of what we've seen across borders [00:42:00] and in this type of question about non-discrimination policies and diversity, equity, and inclusion policies generally. In one example, I was working on I was working with a school in Mexico, and I was collecting a non-discrimination policy from them as part of the review process. They said, "We don't have one." I asked why, and he said, "They didn't need one because everyone is the same race in Mexico." [00:42:30] Which, of course, we know not to be true. That's then also not considering people with disabilities, it's not considering gender or things like that.

I think that really highlighted to me the challenges of definitions and what that means across borders to different groups and how it's represented in local cultures. The other one that I think is noteworthy is that a lot of organizations in Switzerland, for example, have reported in [00:43:00] this area because many believe that racial discrimination is not an issue in the country, which is not true and then leads to certain racial groups for minorities becoming even more marginalized

because discrimination is an issue, but it's not discussed, and there are not any coordinated efforts to prevent it or to have that dialogue.

Those are just two small examples. I think as donors, [00:43:30] thinking about giving across borders, giving internationally and requesting these types of policies, I think it's important to understand the challenges and differences in local contexts.

Ted: Jessie, absolutely. I just mentioned to our readers that we had published a book *Cross-Border Giving: A Legal and Practical Guide*. The very first chapter in that book is about cultural sensitivity and not admonishing people about that, [00:44:00] but pointing out that cultural sensitivity takes on different definitions in different approaches in different societies around the world. Recognizing that difference is also about equity and inclusion as well. Let's go to the next slide, Jessie, because a healthy discussion between donors and charities is really called for in this topic.

As you mentioned, it's complex, it can oftentimes be difficult. What [00:44:30] do charities need to do? I'll just point out Jessie, for those who are playing along at home, that house in the upper right-hand corner is now all colored in.

Jessie: Yes. In the comments in this section, it was really clear that while a lot of organizations do practice these policies, it's not formalized in a policy, but they want to get there. I think that's [00:45:00] a good capacity-building opportunity to take from this section. One organization said that they're beginning work on this journey, and while they do it to some extent, they want to do it in a more structured and focused manner. Then there was another organization that said that they practice diversity, equity, and inclusion from an organizational culture perspective, but they don't have formal policies and procedures in place, and they would like to have some.

Just to share a few quotes that actually came [00:45:30] from this section. It's clear that while many do have that in culture, at least from their perspective, they have some work to do in actual policy writing. Just a short anecdote on this topic, we're actually working on a grant program right now where the donor is providing funding to several different national theater groups who are not operating right now, but they're actually instead taking the [00:46:00] opportunity of this downtime to focus specifically on their diversity, equity, and inclusion programs.

For example, diversity amongst their staffing and their actors, and then their audience in particular, so making sure that they're doing things to bring in different groups into their audience once they are able to operate again. They're doing things to determine how they reach these groups and how they include them in the activities. While these theaters are clearly suffering right now, [00:46:30] I think it's wonderful to see that at the same time how they've honed their focus on something that they can do while they're still on lockdown. It's a bit of a silver lining in midst of the challenges and interesting to see in this grant program, that they're focusing on that activity.

Ted: I think that, Jessie, just the awareness on the part of donors, we certainly see that in the donors that we work with, a very high sensitivity and understanding of the importance of this

topic, and **[00:47:00]** the honesty here of nonprofits to say, "Yes, it's on our radar. Yes, it's something that we care about. Yes, it's something that we need help with."

Jessie: Yes, absolutely.

Ted: Let's go to the next slide. This report provides a roadmap for dialogue, funding and resilience. Where do we go from here? Let's go to the next slide, Jessie. Because right now, everyone can see what we were building towards here. Building this house along this journey on this road, there are **[00:47:30]** six key areas that charities have identified that they need help in future-proofing their own charities for optimum success. They need donors to understand and to partner with them. How can donors help?

Jessie: This is our call to action here. The data from this report has a lot more interesting commentary and data that are presented in the report itself so **[00:48:00]** I encourage you to take a look at that as well. In this slide, we really see a path that funders can follow to understand the needs and the focus areas for how they can best support their charity partners or be creative in the type of support that they give to them. These are key opportunity areas that have been that focus on why they're doing well and then what they need to focus on going forward if they're able to withstand the challenges ahead.

In the **[00:48:30]** corporate survey we did, Volume 4, we saw that donors were taking a lot of flexible actions. They're taking a lot of flexibility towards their grantmaking programs and the way that they worked with their nonprofit partners given the new challenges of this year. We really see that donors are trying, and I think this is a really important roadmap for different ways that they can provide support and capacity-building through **[00:49:00]** skills-based volunteer programs. There are a lot of employee engagement programs, for example, that have had to shift focus. I think looking at this broader area to re-hone their focus as a corporation that wants to support charities is an interesting roadmap to take forward.

Ted: Jessie, you called this a call to action. It certainly is. It's something for every donor to consider. **[00:49:30]** We offer this as a roadmap. We offer this not as something that every donor needs to be involved in every single one of these areas, but most charities need help in each of these areas. A good question is how can you help? What can you do? Where are your skill sets? Where are your interests as a funder to not just provide money but to provide **[00:50:00]** opportunities for charities to future-proof, for them to become stronger, for them to become more knowledgeable and more nimble in the use of technology and the use of communication skills, strengthening their finances, strategic planning, contingency planning, fundraising, strengthening their leadership?

Of course, on everyone's mind and we hear this, as we pointed out here, diversity, equity, and inclusion, certainly on the minds of charities, definitely on the minds of donors. Jessie, **[00:50:30]** that's the call to action, as you said today. This is the information that we have, but there's a few more things we want to share with folks before we get to the Q&A. We want to remind everyone

that you can ask questions down to the bottom of the screen, just click on Q&A and ask your questions there. We will answer questions live here. Jessie, if we go to the next slide, there's a lot of resources and a lot of information that CAF America has provided and has developed from the beginning of this pandemic. Walk us through what's available.

Jessie: [00:51:00] As I've been mentioning through the presentation, the COVID-19 report series has a lot more data than what we've presented here. I urge you to take a look. There are now six reports for free on our website, so you can log on and see those. We took a lot of different actions to support charities throughout the crisis. On our website, we also have the charities that are responding. We have a list of organizations [00:51:30] that you can give to and that are eligible with us. Then all of our past webinars on prior reports and beyond that are all included on our website as well as podcasts that focus on all of these different topics. There's a lot of content. Of course, you can also contact us if you have questions outside of that.

Ted: Jessie, just to clarify, if people go to our website, we have 1.8 million charities that we can expedite grants to [00:52:00] around the world. These charities that are pointed out specifically here. We have been in contact with and validated that they are providing direct COVID-19 support in 56 different countries around the world. This is a resource for donors who want to be able to revise their gift specifically in support of a COVID-19 on the ground. We're going to go to the next slide, just to note that we're going to go to questions and then go to the next slide there. We'll just leave [00:52:30] that slide up as we get to the questions. Jessie, we do have a question here.

"Have you seen differences in pandemic financial stability based on the type of charity? Example: social services organization or arts organizations?"

I do have some information on that, but you may want to add to this. Respondent organizations have expressed confidence in their financial stability. We're more likely to work in education versus social services, human rights, or the environment. [00:53:00] We saw that in this particular survey. You also see that in your day-to-day work along with you and your team. Anything you want to add to the differences in the financial stability of organizations around the world that have different missions?

Jessie: Yes. I think in these survey comments as well I think the reason that educational groups are primarily coming out as being more financially stable than other types of issue areas is mostly because [00:53:30] many of them are schools that might be publicly funded or some educational programs tend to have a higher likelihood of access to government funding. I would say that's probably one of the reasons that we're seeing that in the data. To answer that question, it's leaning toward education in terms of financial stability.

Ted: Jessie, next question. In this report, as we shared just in this webinar, it provided an insight into what nonprofits [00:54:00] are predicting or forecasting for 2021.

"Do you have any insight into what donors are predicting or forecasting about their giving?"

You mentioned a little bit about that as it related to our Volume 4 report. Give us a little bit more insight into that.

Jessie: Our Volume 4 survey was taken in July and I believe the results were released in August, so a bit of time has passed. **[00:54:30]** We were seeing a good amount of stability in terms of corporate giving in particular. Two-thirds of corporate donors anticipated that they would maintain their current levels of giving or increasing those levels of giving in that Volume 4 survey. I can also say just anecdotally from a CAF America perspective, at least in the work that we do, we're still seeing consistency **[00:55:00]** in the donor programs that we manage.

We're really not seeing major shifts in what their normal plans would have been, save for a few programs that were focused on activities that just can't happen under lockdown. They're redirecting that funding to other locations. At least from what we can see, that that's the data that we have to provide right now. Of course, **[00:55:30]** there's a lot more out there in terms of what donors are thinking and planning for the next year.

Ted: We've also learned, Jessie, that a lot of donors, corporates, and foundation, even individual donors surge, they're giving at the height of the need and the shock of the pandemic, but are continuing their planning. As you mentioned, two-thirds of corporate donors anticipate maintaining the current levels, which is an elevated level of giving **[00:56:00]** or actually increasing their funding going into the future that, hopefully, looking at finances and fundraising and some of the other issues that we're working on are certainly very important issues and insights into what may lie ahead for funding of charities.

With that, we're going to just give you a peek into where we will be going with our reports next. We will be **[00:56:30]** looking at the one-year anniversary of this pandemic, the effects on charities around the world. Again, our focus is always to give insights into donors who work with CAF America, rely on CAF America to provide them with up-to-date information and resources to be successful in their cross border and domestic giving. We thank you very much for joining.

[00:56:53] [END OF AUDIO]