



TORONTO
FOUNDATION

9 TIPS

from Sector Experts

Giving in the **Pandemic**

March 2021

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9 Tips from Sector Experts

Toronto Foundation released the [*Fallout Report: Insights for an Equitable Recovery*](#) in November 2020, tracking the knock-on effects of COVID-19 on marginalized communities in the city. Public health data continues to show that the virus has disproportionately impacted previously vulnerable populations. The [*Fallout Report*](#) uniquely brought to light that the necessary social distancing measures enacted have also contributed to further marginalization. The rise in financial insecurity, mental health challenges, violence, and other issues have impacted low-income and racialized communities the most, along with the nonprofits most invested in addressing them.

Embedded in the [*Fallout Report*](#) were findings from a first-time survey of Toronto nonprofits, as well as a series of one-on-one interviews. This brief delves more deeply into the *Toronto Nonprofit Survey* data with insights from more than 300 leaders, both quantitative and qualitative. Their knowledge and experience are the essential building blocks of a fair and just recovery. We have crafted their inputs into a series of recommendations for philanthropists. We hope that you will consider these in your giving plans.



TIP 1

Acknowledge the inherent power imbalances in philanthropy



TIP 2

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Give unrestricted funding



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Pool your donations to magnify impact




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Support advocacy



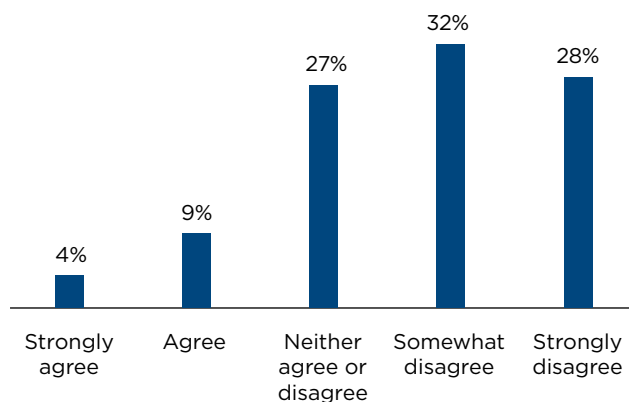
TIP 9

Remember that a better future is possible

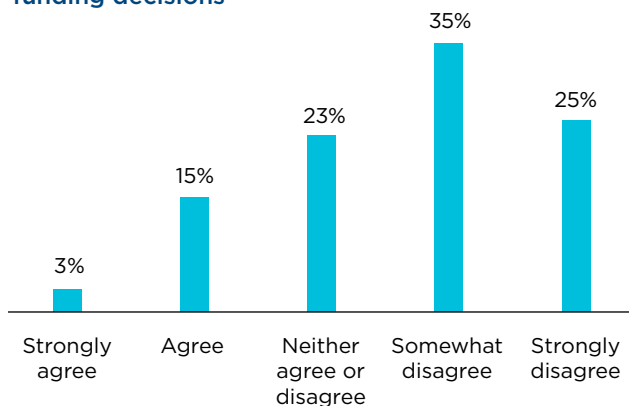


1 Acknowledge the inherent power imbalances in philanthropy

Initiatives led by and for communities they serve get a fair allocation of philanthropic funds



Funders have done a good job at ensuring vulnerable communities have a voice in funding decisions



Source: 2020 “Toronto Nonprofit Survey” conducted by Toronto Foundation. Data includes responses from 286 leaders. Sample sizes vary slightly by question. For full details, see the Appendix of Toronto Foundation’s [Fallout Report](#). Respondents who were unsure were excluded from the charts in this report.

Among the respondents to the 2020 *Toronto Nonprofit Survey*, very few nonprofit leaders felt that funders and philanthropists had done a good job funding initiatives led by and for communities they serve and ensuring that vulnerable communities have a voice in funding decisions. Less than 1 in 5 agreed that funders and philanthropists were doing well in either of these areas.

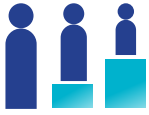
“If you’re going to donate your time, money, and skills to Indigenous organizations,” says Lindsay (Swooping Hawk) Kretschmer, executive director of the Toronto Aboriginal Support Services Council, “you need to take direction from the Indigenous people who are leading, designing and doing the work.”

Who leads and who decides are fundamental questions for funders. Community leaders are clear that decision-making must be bottom-up to be effective. But our traditional approaches have maintained a status quo that holds power in place rather than sharing it.

Utcha Sawyer, executive director of the Boys and Girls Club of East Scarborough, explains: “The community must be at the table and the planning teams representative of the culture that we’re hoping to impact. There are so many different grassroots initiatives and leaders within local communities that can speak truth to power and provide insights on the cultural practices needed to succeed in the community.”

The executive director of the North York Women’s Shelter, Mohini Datta-Ray, underlines the sensitivities inherent in the donor/recipient dynamic that in many cases is connected to race.

“The people in power in Canada happen to be white...so talking about any structural issues that exist can immediately offend some people,” says Datta-Ray. “It is very difficult to both ask for someone’s money and worry about offending them at the same time.”

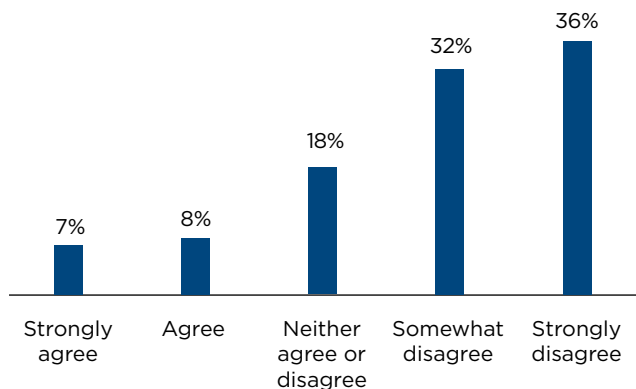


2 Apply an equity lens to your giving

Inequality has been growing in Toronto for decades, a topic covered in the [2019/2020 Toronto's Vital Signs Report Growing Pains Amid Narrow Gains](#). Notable findings cited in the last Vital Signs report shows that the inflation-adjusted median market income of the top 1% increased by \$99,400 from 1982 to 2016, while the bottom half saw their median market income decline by more than \$6000 over the same time period. Perhaps one of the most telling statistics about the growth of income inequality in Toronto is that the median net worth of the lowest 20% has increased by \$2,100 in 2016 dollars between 1999 and 2016, while the median net worth of the top 20% increased by \$644,600.

With this backdrop, nonprofit leaders surveyed pointed to how inequality manifests structurally, specifically in the distribution of resources. Only 15% felt that organizations working with the most vulnerable get an adequate share of funding. Almost seven in ten disagreed (68%), with more than a third (36%) strongly disagreeing with this sentiment.

Organizations working with the most vulnerable get an adequate share of funding



Source: 2020 "Toronto Nonprofit Survey" conducted by Toronto Foundation.

"This pandemic has highlighted the inequities that exist now and will increase in the future if funders and philanthropists don't shift their focus and prioritize these areas in their funding decisions," explained one leader, who wishes to remain anonymous.

"In the past 20 years, Toronto has become a city divided, with increased poverty and lack of funding and resources to the outskirts of the city, primarily Scarborough and Etobicoke," added another nonprofit leader, who also wishes to remain anonymous.

Further: "Not surprisingly, lack of opportunities and mentorship programs for youth have increased levels of violence and crime in those neighbourhoods. Seniors have become more isolated and vulnerable. Barriers to access to health care and social services compound the issues."

We also asked nonprofit leaders in the city what role they thought philanthropy was playing in reducing inequality, and 59% agreed that "a lot of philanthropy does nothing to reduce inequalities in our society." And while not all philanthropy is intended to look at inequality issues, the overall sentiment was clear that philanthropists and other funders need to do things differently.

Inequality takes many forms, but the pandemic gave rise to the particular injustices experienced by racialized Torontonians. Toronto Foundation's [Fallout Report](#) pointed to a number of these inequalities, including the most racialized neighbourhoods in the city having ten times more COVID-19 infections than the least, unemployment rates for racialized youth in Canada being considerably higher than for non-racialized youth (32.3% versus 18% as of August 2020), and about 40% of Black, Arab, Southeast Asian, and Filipino Canadians having difficulty meeting their financial obligations compared to 23% of non-racialized Canadians.



2 Apply an equity lens to your giving

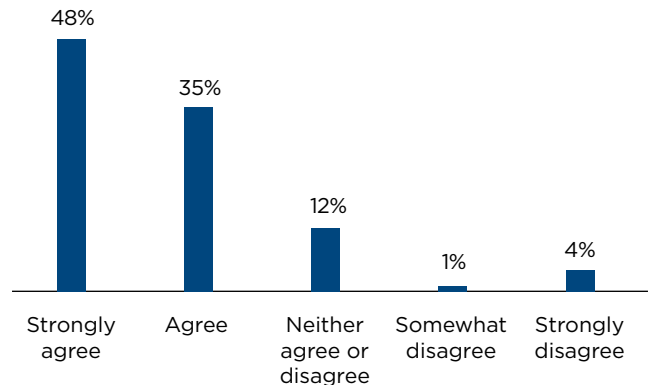
“I’ve been around for almost 27 years in the sector, and the problems are getting worse, and the money allocated in response to the pandemic is going to emergency response, without funds going to the recovery,” says amanuel melles, executive director of the Network for the Advancement of Black Communities.

“We need to start looking at where the source of the problem is and invest in changing that originator of where disparities come from,” adds Liben Gebremikael, executive director of TAIBU Community Health Centre.

melles explains this point in the context of gun violence in Black communities. “I talk to so many mothers that have lost their sons to gun violence. They tell you the challenges of their son started in high school, how they dropped out of school, and how that led to the activities that later lost them their lives.”

“We want to work with schools on a long-term basis to change practices, so we don’t have too many Black youths being expelled or suspended unnecessarily for some behaviour that is understood in a different context, because of bias and prejudice. Instead, the focus needs to be working with our youth to develop their capacity, their leadership skills, and other areas,” adds Gebremikael. Most nonprofit leaders we surveyed felt that too often, the focus is on the symptoms of these profound challenges instead of on the root causes. In fact, 83% agreed that the sector needs to focus more resources here. This means shifting funding to organizations working on the root causes of issues and also prioritizing long-term operating support over project-based funding.

The nonprofit sector needs to focus more resources on the root causes of racial inequities



Source: 2020 “Toronto Nonprofit Survey” conducted by Toronto Foundation.

melles explains: “Wicked systemic problems, like Black youth unemployment, Black poverty, Black mental health challenges, they cannot just be resolved by running programs and running on short-term cycles.” Too much of the burden has been placed on short-term projects instead of understanding and changing the systems that allow these problems to continue to thrive.

For those intending to work with Indigenous organizations, Tanya Chung-Tiam-Fook, senior lead of Indigenous engagement at Evergreen Canada, explains the role of history in the building of effective partnerships. “These relationships have been broken, and they need to be repaired and set right before moving forward.”



2 Apply an equity lens to your giving

She encourages donors to “be critically self-reflective, open to redressing some of the colonial legacies and its by-products that impact every level of society. This includes the unconscious biases that can perpetuate some of the struggles and experiences of exclusion that Indigenous and other marginalized communities can face in cities like Toronto.”

“It’s also important that settler organizations and philanthropists remember that Indigenous peoples are self-determining and have agency and rich knowledge that need to be championed and enabled through philanthropy,” says Chung-Tiam-Fook.

Philanthropic support has also traditionally favoured larger organizations that are typically not led by the communities they serve. Donors interested in tackling inequality will need to look to smaller and newer organizations and, in so doing, re-think what constitutes risk.

“Many racialized communities don’t have the luxury of having organizations with a 100-year history as a not-for-profit,” adds Neethan Shan, executive director of the Urban Alliance on Race Relations. “The perception that funding these small organizations is high risk is part of the systemic barriers.”



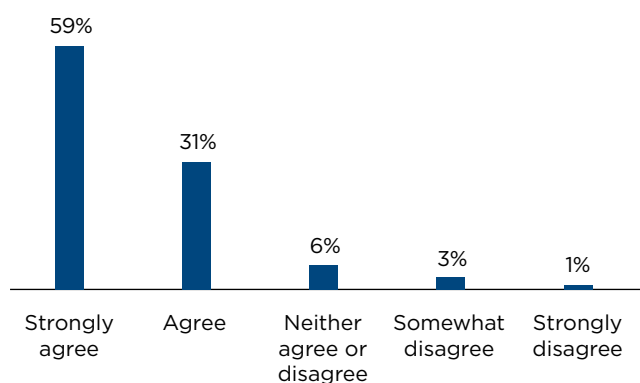
3 Earmark support to the grassroots

Traditional philanthropy continues to be focused on a small swath of organizations; just 1% of organizations receive more than [66% of all revenue](#).

Our research indicated broad agreement among nonprofit leaders that grassroots organizations were among the hardest hit organizations in the pandemic. Nearly all leaders surveyed noted the vulnerability of small grassroots organizations to the pandemic.

In Toronto Foundation's [Fallout Report](#), we noted that about one in five (20%) of small organizations with annual revenues of less than \$500,000 per year rated themselves at high-risk of closure. This compares to only 5% of the organizations with \$3 million to \$10 million in revenue, and none of the organizations with \$10 million plus in revenue (see Chapter 5, Civic Engagement and Belonging for a more fulsome discussion.)

Small grassroots organizations were more vulnerable to the impact of the pandemic due to inadequate funding



Source: 2020 "Toronto Nonprofit Survey" conducted by Toronto Foundation.

The lack of funding for grassroots organizations is "one of the biggest problems I've seen in my role," says Cheryl Prescod, executive director of Black Creek Community Health Centre. "Resources are needed desperately in communities, but those communities that are hardest hit are those that are least resourced with staff to write proposals and report back to funders."

"This means not necessarily funding who has the shiny website. It means funding the organization that may be less responsive than a donor might be used to because they're incredibly busy," explains Foodshare Toronto's executive director, Paul Taylor.

"They have been unable to accumulate all of the benefits from white supremacy and have been unable to grow their team. Funders should be reducing their expectations to come in person and think about how they can get that experience in other ways, because that's poverty tourism. I have a hard time having some donor come and go through a space that we're intentionally holding as a space for low-income, predominantly racialized folks to be valued, seen, and heard and then taking over. That's really harmful."



4 Make multi-year funding a regular part of your philanthropy

The majority of survey respondents disagreed that their funders had made long-term commitments after the shutdowns began.

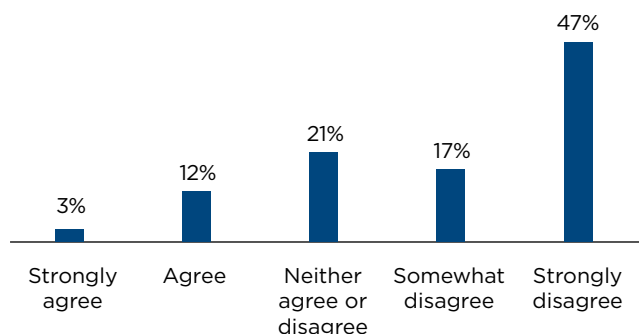
While it should come as no shock that donors and funders can play a major role in organizations' financial health, this is particularly pronounced for small organizations.

Despite the lack of long-term commitments, the majority of organizations thought that five years from now, the pandemic would still have major impacts on their organization.

For small organizations (those with less than \$500,000 in annual revenue) that had received new multi-year commitments since the beginning of the pandemic, none reported that they were at high risk of closure. For small organizations that had not received any long-term funding, more than 1 in 4 (28%) reported they were at a high risk of closure.

The ability to effectively and creatively respond to challenges is also connected to multi-year support. Only 16% of organizations that did not receive multi-year funding versus 47% that did reported innovating in response to the pandemic.

Our funders have made new long-term (multi-year) commitments to us after shutdowns began



Source: 2020 "Toronto Nonprofit Survey" conducted by Toronto Foundation.

Funders and donors can keep nonprofits alive – small charities that reported multi-year funding were not at risk of closure

0%

Of small charities and nonprofits that reported receiving significant multi-year funding were at risk of permanent closure

28%

Of small charities that did not receive multi-year funding from funders were at risk of permanent closure

Source: 2020 "Toronto Nonprofit Survey" conducted by Toronto Foundation.

At the time of our survey, 24% of those who had not received long-term support had already permanently closed a program or location, compared to only 6% of those with long-term support.

As one of our survey respondents phrased it, "COVID-19 has perpetuated the dominance of well-funded organizations. Many of the 'usual suspects' who receive more stable and consistent government funding received the lion's share of emergency resources, when the most responsive engagement came from grassroots groups."

Others we spoke to pointed to the relationship between long-term funding and systems change. "You cannot change a systemic issue by just funding a one or two-year project. Government and philanthropists need to shift how they're thinking about funding and programs or projects and look at system change and long-term funding with a larger group of collaborators," says Liben Gebremikael of TAIBU Community Health Centre.

Evergreen's Tanya Chung-Tiam-Fook reinforces this point: "They need to know that it's not a short-term fix, but it is for the long term. It's not just a transactional thing for this one project but part of a committed and mutually beneficial relationship of between unsettled settlers and sovereign Indigenous peoples."



5 Consider the health and wellbeing of nonprofit leaders

The pandemic has brought with it incredible strain and mental health challenges for everyone, but nonprofits are at particular risk for a number of reasons. While the resilience of the sector and its leaders are often lauded, there is a lack of understanding of the toll this takes.

“It’s exhausting to be in a constant state of pivoting,” shares Alica Hall, executive director of Nia Centre for the Arts. “To continue to put resources into something that you know you might have to cancel is just really, really challenging.” For arts organizations like hers, this has been a constant battle.

Among the nonprofit executives we spoke to, the pandemic’s strain has been severe and increased as time went on.

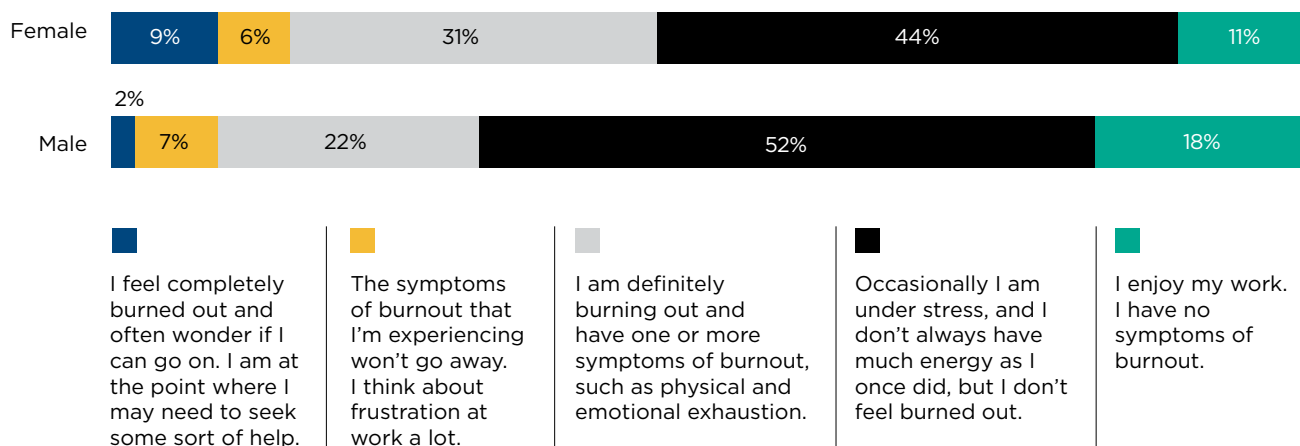
A full 42% of respondents reported either current or risk of burnout. This compares to 39% of physicians reporting burnout on the same question in a survey by consulting company McKinsey [early in the pandemic](#). In the medical field, burnout rates at a much lower level than this have been flagged as a major issue for years.

For nonprofits at high risk of closure, the level of burnout was even more extreme, with 67% of these leaders reporting burnout compared to only 17% for those who said their organization was in strong financial health. Similarly, more than half of leaders at organizations reporting less than adequate support from donors were suffering from burnout.

The risk of burnout was exceptionally high among women, many of whom have been juggling caring for children and relatives during the pandemic, among other challenges. Among our survey respondents, 46% of women and 31% of men, reported being burned out.

Through our interviews, many nonprofit leaders wanted to highlight the extent of the impact on human resources. One leader commented: “Our team – that was already stretched – is working at an incredible pace that we can only sustain for so long. We are desperately in need of significant funding and people resources to stabilize our organization.”

Levels of burnout reported by nonprofit leaders



Source: 2020 “Toronto Nonprofit Survey” conducted by Toronto Foundation.



6 Give unrestricted funding

Unrestricted funding is essential to nonprofits being able to function properly, and the pandemic reinforced this reality. Many organizations found themselves with commitments to run projects that could not be offered during the pandemic but no ability to pay staff to pivot the projects. While some philanthropists and funders were open to the shift, many nonprofits thought much more was needed.

“Especially this year, donor requests for projects rather than support for core funding are very frustrating and difficult to implement,” one survey respondent shared.

For certain organizations, the historical lack of core investment created even more vulnerabilities: “Many of the Black community leaders were already struggling before the pandemic,” says mellees of the Network for the Advancement of Black Communities. “There was no reserve capacity to deal with this.”

“The biggest thing for agencies is the capacity and freedom to respond to the communities the best way that they know how,” says Pamela Hart, executive director of Native Women’s Resource Centre of Toronto. “These agencies are very capable, but they often work under very firm constraints. Having the resources and capacity to do the actual work...and the freedom to respond in the way they know is correct for the community they serve is critical.”

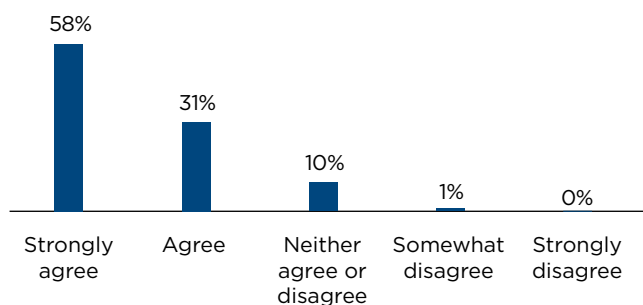
In our survey of nonprofits in Toronto, few statements received as widespread agreement from nonprofit leaders as the following: “Funding strategies that do not invest in core funding made the nonprofit sector more vulnerable to the impacts of the pandemic.” Close to 90% agreed, and only 1% of respondents disagreed with this sentiment. The short-term focus on funding projects and programs instead of organizations and capacity

meant that organizations were often handcuffed in their ability to pivot and innovate by committing resources where they were most needed.

A 2020 article on [transformational capacity building](#) in the nonprofit sector explains the critical role of unrestricted, multi-year giving: “Flexible, long-term funding gives organizations the greatest freedom to use dollars most effectively, as opposed to dictating that money be only for specific uses. It also radically decreases the amount of paperwork, tracking, and invoicing that burdens staff and prevents them from doing the actual work of serving their communities. Giving multi-year grants enables organizations to plan for the long term. Small organizations that receive multi-year grants are more likely to hire essential staff—often their greatest capacity need— as they are certain that they can pay for such positions for multiple years.”

Another participant of the Toronto Nonprofit Survey, who wishes to remain anonymous, had this to say: “Every funder wants us to do something shiny, new, and innovative instead of continuing to fund our key, core programming that is proven to work and that the community loves, but we don’t want to chase the shiny new thing. We also don’t need more money for capital projects. We want to pay our staff a living wage.”

Funding strategies that do not invest in core funding made the nonprofit sector more vulnerable to the impacts of the pandemic



Source: 2020 “Toronto Nonprofit Survey” conducted by Toronto Foundation.



7 Pool your donations to magnify impact

“Philanthropists have a lot of power. They have a lot of capital and a lot of social capital,” explains Datta-Ray of North York Women’s Shelter. “Use that power; don’t just donate dollars.”

One of the ways that philanthropists can leverage their social capital is by forming and working in giving circles.

Giving circles are groups of philanthropists who come together around issues and networks of common interest and who donate together to magnify their impact.

A fall 2020 report on [*inclusive philanthropy*](#) in the Stanford Social Innovation Review talked about the growing role that giving circles have played in philanthropy, with giving circles tripling in number from 2007 to 2017, according to data from the Collective Giving Research Group.

These groups are beneficial for charity leaders – often implementing all of the other recommendations about giving outlined in this brief. But moreover, the report found that the giving circle approach leads to more volunteering, more giving, and higher involvement in the community while increasing knowledge and thoughtfulness around giving strategies.

Giving circles also present numerous opportunities for philanthropists to deepen relationships with the organizations they fund. Members of giving circles often help fundraise for organizations they support and provide other technical and professional expertise.



8 Support advocacy

Datta-Ray points to another way that philanthropists can use their power and influence. Policy change takes time and requires multiple stakeholders. She says that philanthropists need to be “actively taking a risk and pushing for political change alongside organizations, rather than just donating.”

The pandemic’s inequitable impacts have pointed to systemic issues that pre-dated the crisis and have been magnified as a result. Calls for racial justice and movements to advance policies such as a living wage have gained momentum as our shared knowledge and concern have grown. Nonprofit leaders are at the forefront of social change, but their role in systems change has typically been under-the-radar and its legitimacy questioned.

“Nonprofits often act as conduits for issues, particularly for those who are underrepresented or marginalized,” [writes](#) Liz Sutherland, director of policy, Ontario Nonprofit Network and Alexa Briggs, director policy and research, Calgary Chamber of Voluntary Organizations in a January 2021 article. “Nonprofits hold expertise, experience, and knowledge about issues from an important perspective and our contributions to policy advocacy should not be limited by the positions that governments or political parties may hold on policy issues.”

Paul Taylor of FoodShare Toronto agrees, pointing out that “pushing for good policy is also increasingly falling to the charitable sector.” He sees “numerous policies introduced with big announcements, where the actual impact has been pretty minimal” and believes better collaboration with the nonprofit sector could have avoided these problems. He believes that nonprofits need to be working on the big policy issues to drive impact.

Sutherland and Briggs write that “we cannot allow political parties to claim ownership over policy issues and thereby coerce nonprofits into silence, over fear of accusations of partisanship. Silence on important issues is acquiescence to a status quo that is failing too many people, as well as the planet.”

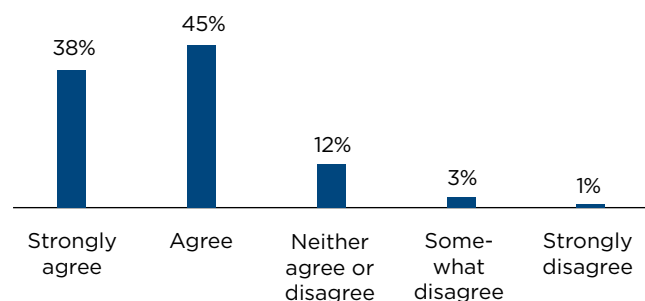
At the same time, recent federal policy changes have clarified that policy advocacy is indeed charitable as long as it is non-partisan. But a wide gap remains between acceptance of this important work’s role and the ability for charities to carry it out. Sutherland and Briggs discuss this further [in their article](#).

A full 84% of organizations we surveyed agreed that more resources will need to be dedicated to advocacy to respond to the pandemic’s long-term impact.

One government official we spoke to, who asked to remain anonymous, was buoyed by the potential for greater community-led advocacy as it falls outside the traditional power structures of government:

“One of the things I think that is exciting about philanthropy is the ability to step into the fray and advocate for things some would consider radical.”

Nonprofits will need to dedicate more resources to advocacy to be able to address the long-term consequences of the pandemic



Source: 2020 “Toronto Nonprofit Survey” conducted by Toronto Foundation.



8 Supports Advocacy

This enthusiasm was shared by many but not all in our survey of nonprofit leaders, with 49% of respondents agreeing that “increased attention on inequities in the city will lead to policy solutions for some of Toronto’s most pressing issues.” Most of the rest of our survey respondents were on the fence, seeing potential, but expressing significant skepticism as well.

This need for policy advocacy also ties into the need to listen to the voices of the community. “What frustrates me is that people making these policy decisions, they haven’t a clue about what it’s like to live on the street. They have never ever walked one inch in their shoes,” says Patti Pettigrew, executive director of Thunder Woman Healing Lodge Society. “And you hear people in powerful positions who make important decisions making statements showing they don’t understand at all.”

But her work at the lodge has also “opened up my heart... some politicians have stepped up to the plate and have been absolutely amazing. There are so many people out there who have really good hearts and want to do the right thing.”

FoodShare’s Taylor encourages philanthropists to take a hard look at themselves and what they fund and highlights that “white supremacy and white universalism” have had a huge impact on “public policy priorities in the nonprofit sector.” He believes this has shifted attention away from critical issues like addressing the vast racial gap in food insecurity and the factors that contribute to it. He encourages funders to “support nonprofit folks to develop plans to dismantle or revise practices and procedures” that are currently in place.



9 Remember that a better future is possible

While the pandemic has brought with it huge constraints, many nonprofit leaders shared optimism that the pandemic could lead to lasting change.

The potential for new policy solutions was one ray of hope. One survey respondent shared their sense of optimism: “I am hopeful that the sustained attention to the inequities (poverty, racism) that the pandemic revealed will lead to policy and system changes that benefit the most marginalized individuals in our communities. Open hearts and open minds can only make things better for society.”

The rapid move online also presents opportunity. “Our pivot to virtual program delivery has proven the need for our work is limitless and unveiled new populations for us to serve,” explained one survey respondent. “As an organization dedicated to bridging isolation, we have been actively supporting on the front lines and will continue to do so in the aftermath of COVID.”

The necessary shift to online program delivery may also lead to filling the current gap in access. “The pandemic has brought to light the critical need for digital access for all. I am optimistic that this issue will engage new actors to increase digital connectivity for vulnerable populations and remote communities.”

With outdoor connections being the only safe way to come together in person, park usage has been high. Many hope that this increased access to nature will outlive the pandemic. “There is a new appreciation for nature and its role in building healthy individuals and communities,” reflected another survey respondent. “That has been heartening. I hope that this recognition continues as we return to a ‘new normal.’”

Perhaps the most hopeful sign for the future is an overall openness to change. Liben Gebremikael sums this up nicely: “One good opportunity that has come out of this is that people are listening more. There is more engagement from non-Black institutions with Black-led, Black-serving organizations, including from corporations. We have seen a lot of engagement from stakeholders who did not traditionally consider providing support here.”

Patti Pettigrew, executive director of Thunder Woman Healing Lodge Society says of the pandemic, “Hopefully we will have a greater, deeper and more profound appreciation of one another. We have to start talking about what kind of system we want and how we can create that. We have to think about our children, our grandchildren, our great-grandchildren And we have to come together as people and say ‘what kind of world do we want, together?’”

Recommended Resources for Giving Well

GUIDE

[*How to start or join a giving circle*](#)

by Toronto Foundation

BOOK

[*Decolonizing Wealth*](#)

by Edgar Villanueva

WEBSITE & GUIDE

[*Trust-based Philanthropy Project*](#)

REPORT

[*How Community Philanthropy Shifts Power*](#)

by Grantcraft

Report prepared by Steven Ayer of Common Good Strategies on behalf of Toronto Foundation. Gobika Sriranganathan lead many of the interviews over the summer and fall of 2020 for the [*Fallout Report*](#). We would also like to acknowledge the numerous nonprofit leaders who provided feedback through in-depth interviews and through Toronto Foundation's survey. Without them, this piece would have been impossible.