

# Stronger Nonprofits Initiative



Five years of investment, impact, and evolution across the Midwest

To support nonprofit organizations working to close racial equity gaps through their programming, it is crucial to invest in closing the disparities these nonprofits led by leaders of color and serving communities of color experience in accessing financing and real estate. Five years ago, IFF joined BDO FMA and JPMorgan Chase to create a unique, intentional approach to investing in nonprofits and their leaders by launching the Stronger Nonprofits Initiative (SNI). Since its launch in 2017, the program has developed insights and a model that other CDFIs, funders, and leaders can learn from and apply towards their own work.

SNI is a capacity-building program supporting nonprofits led by people of color to navigate systemic barriers to accessing capital and real estate opportunities. The program launched in Chicago and expanded throughout the Midwest with additional cohorts in Detroit, Milwaukee, St. Louis, Indianapolis, and Kansas City.

The program has four goals:



#### Equity

Acknowledge the validity of the stories of nonprofit leaders of color who experience disproportionate barriers to accessing capital and real estate opportunities.



#### Financial Stability

Foster financial stability among nonprofits led by people of color by providing opportunities to improve and apply fiscal management skills.



#### Access to Resources

Provide nonprofits led by people of color with the resources necessary to empower decision making and ultimately circumvent barriers to accessing capital and real estate opportunities.



#### Network Building

Increase interaction with influential networks including funders focused on improving equitable access to capital resources, as well as a network of peer nonprofit leaders of color who can support leadership growth.

SNI cohorts partake in a comprehensive curriculum including: training sessions focused on team-based fiscal management, one-on-one financial coaching, customized real estate consulting, expert panel discussions, special network opportunities, and more. By the end of 2023, almost **100 nonprofits**, led by people of color, will have participated in the program, strengthening their organizations and deepening their impact in the communities they serve across the Midwest.

# 5 Years of Evolution

Since its launch, SNI has evolved to better serve nonprofits led by people of color. In 2019, IFF evaluated the Chicago pilot programs and identified three core opportunities for strengthening the program as it expanded across the Midwest:

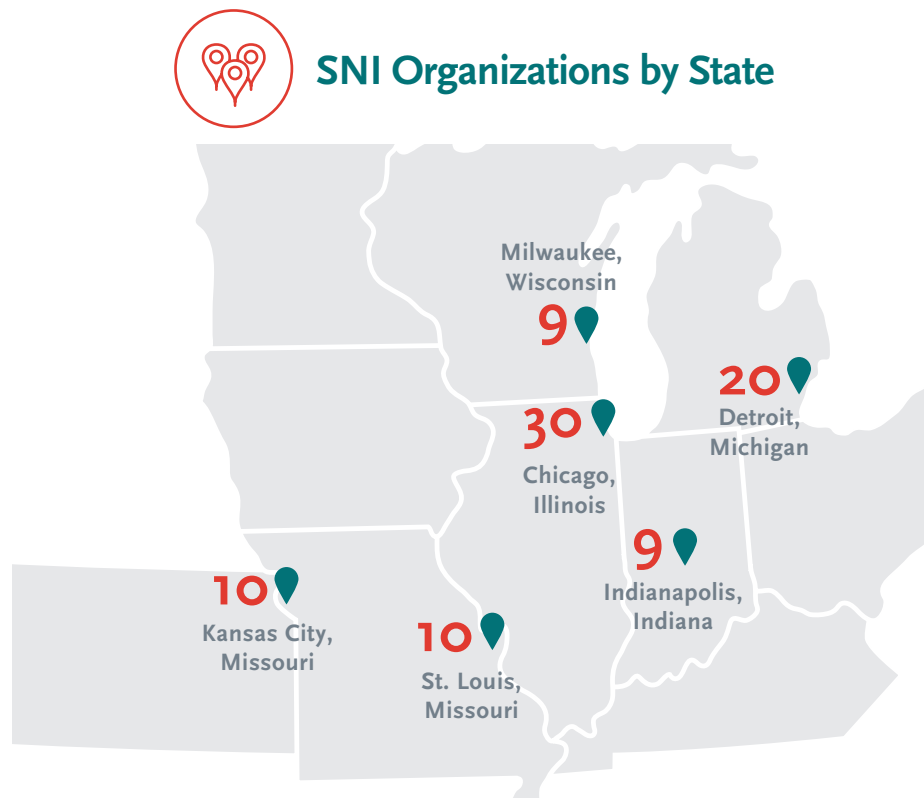
1. The program better integrated the financial and real estate trainings by amending the fiscal management training curriculum and introducing sessions focused on capital and real estate.
2. The program developed more intentional selection criteria. The program now prioritizes nonprofits explicitly led by people of color and considers not only the individual organization, but also the cohort as a whole.

3. Trainings are race-explicit and now incorporate opportunities for leaders of color to broaden their access to capital through a Funders Panel and a Diversifying Capital Panel event.

Then, in 2020, SNI continued to pivot response to the COVID-19 pandemic. Not only did the program transition to become virtual, but also the curriculum was further adapted to provide timely supports by addressing the unprecedented challenges nonprofits faced. Program partners came together to make online trainings and events relevant, interactive, and effective.

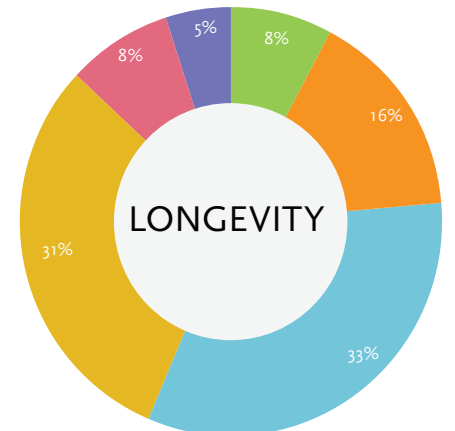
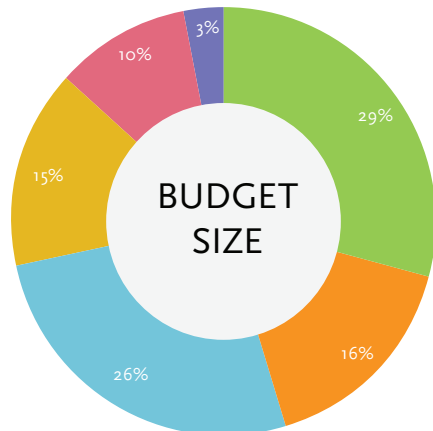
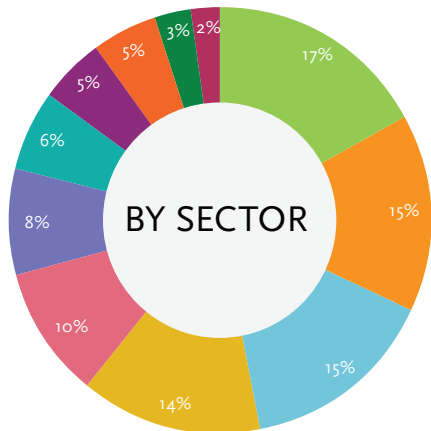
To this day, the program continues to evolve, closely considering feedback from participants and the specific local needs of nonprofits led by people of color. As SNI has expanded across the Midwest, each city has presented different challenges and opportunities, and the program attempts to respond to these differences.

As of February 2023, 88 nonprofits across six Midwestern cities have participated, or are currently participating, in SNI, with an expected additional cohort in Chicago launching in Summer 2023. This map represents the locations of the 88 organizations.



# SNI at a High Level

In addition to representing six cities across the Midwest, the 88 nonprofits that have participated in SNI represented a wide array of sectors, organization budget sizes, and longevities when they joined the program.



- Other
- Community Development
- Workforce Development
- Housing
- ECE
- Youth Services
- Arts
- Education
- Health
- Multi-sector
- Environment

- \$60K-\$500K
- \$500,001-\$1M
- \$1,000,001-\$3M
- \$3,000,001-\$6M
- \$6,000,001-\$12M
- \$21M-\$37M

- 0-5 years
- 6-10 years
- 11-29 years
- 30-49 years
- 50-99 years
- 100+ years

These organizations and their leaders have participated in the 14-month program through a variety of ways, including:

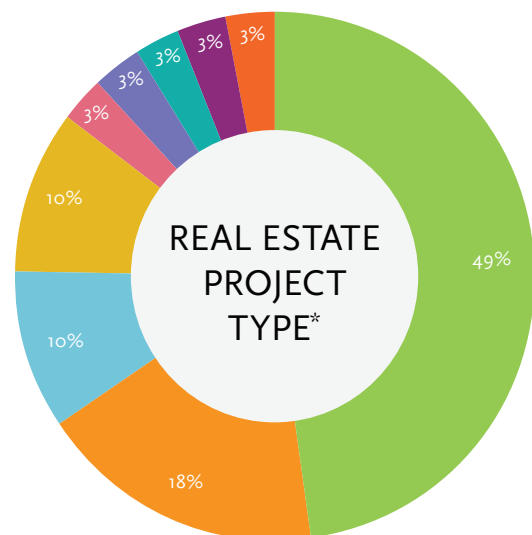
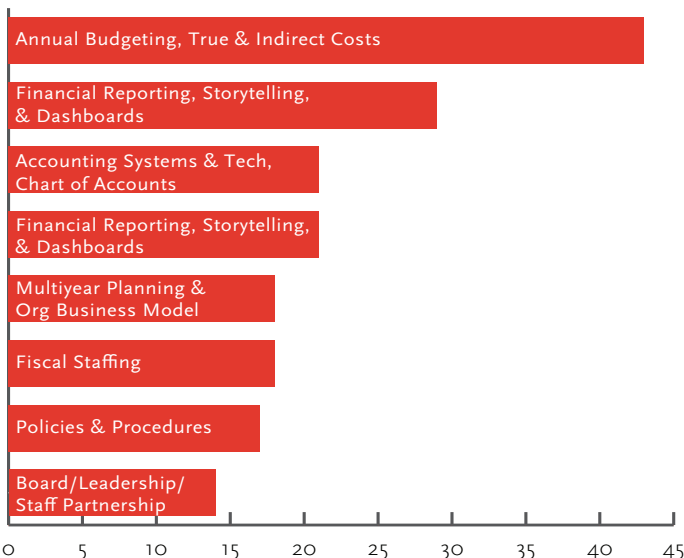
156 training hours\*

966 coaching hours\*

39 real estate projects\*

Over 70% of organizations covered multiple financial management coaching topics:

## SNI ORGANIZATIONS BY COACHING TOPIC



- Feasibility Study
- Facility Assessment
- Feasibility Analysis
- Strategic Facilities Plan
- Predevelopment
- Site Search & Due Dilligence
- Owner's Representative Services
- Technical Assistance
- Visioning Session

\* Does not include data from the SNI cohorts underway in February 2023 or planned for summer 2023, which in total includes 30 organizations.

# Key Findings & Learnings

Reflecting on five years of SNI provides the opportunity to witness the impact of the program and takeaway key learnings that can inform future capacity-building programs dedicated to empowering leaders of color.

Ribbon cutting of North Lawndale Employment Network, an SNI Chicago cohort member.

## Expanding access to resources for nonprofit leaders of color

From 156 hours of financial management workshops to Funders Panels, SNI has expanded access to resources for nonprofit leaders of color across the Midwest. Overall, 89% of surveyed participants believe they will use the information provided from the SNI program to improve their organization's strategy and approach towards accessing capital. And, several organizations saved on operational costs due to having access to real estate facility assessments and studies through the program.

## Increased financial stability

Through SNI, the majority of organizations and their leaders experienced improved knowledge and comfort with financial storytelling. For example, multiple organizations reported that they delivered budgets to their boards for approval punctually for the first time.

## Networks are integral to capacity-building programs

Organizations are better integrated with other local nonprofits, particularly organizations serving communities of color. Detroit cohort members, The Yunion and Developing K.I.D.S., were able to utilize the SNI network to form a partnership with each other and other youth development groups to seek funding for after-school programs and expand youth services.

## A race-explicit program must name the problem: systemic racism

SNI is a racial equity program leveraging financial management capacity building, which requires acknowledging the lived experiences of people of color and designing a curriculum that is race-explicit. Over 75% of surveyed participants felt that the program adequately provided a space to discuss racial equity challenges, especially as they related to capital opportunities.

## Regional capacity-building programs have local implications

While leaders of color face similar barriers to accessing capital and real estate across the Midwest, each city has its unique challenges and opportunities. For instance, the philanthropic environment looks very different in Chicago and St. Louis. These differences have implications for the types of resources and supports that a regional capacity-building program can offer locally.

*“The entire process has been grounded in a historical context and I can be honest in the room. There are so many times as a Black leader you feel like you're making an excuse. But then when you're hearing these brilliant leaders with years and years of experience, you realize they are saying the same things with their experience. It grounds you in reality and it helps you be able to navigate those barriers.”*



**MONIQUE THOMAS**  
EXECUTIVE DIRECTOR  
CORNERSTONE CORPORATION  
ST LOUIS, MO

# Impact Stories

SNI has had a direct impact on over 250 leaders across the Midwest. Three of these leaders share their stories and the impact the program has had on their respective organizations.

Rendering of BUILD, courtesy of BUILD, an SNI Chicago cohort member.



## ADAM ALONSO, CEO, BUILD CHICAGO, IL

A member of the first SNI cohort in Chicago in 2017, Adam Alonso is the CEO of BUILD, a youth services nonprofit that helps young people on the West Side of Chicago overcome systemic obstacles to thriving futures through mentoring and other programming. Now, Alonso is leading BUILD's development of a new headquarters campus that opened in February 2023 and includes space across two facilities that greatly enhance the organization's capacity to serve its community. For BUILD, credibility in the community wasn't a barrier in moving forward with

its plans for growth. Instead, the organization needed technical assistance to build its financial capacity, guidance to navigate real estate decisions, and a partner willing to buy into its vision for community development on Chicago's West Side.

"We were invited to be part of the first cohort in 2017 of the Stronger Nonprofits Initiative, and at that time we were experiencing growth," says Alonso. "We had started to outgrow our space, which was a 10,000-square-foot former bank. One of the benefits of being part of SNI was being able to do a feasibility study, which we did. Getting that deep of a look at price tags based on square footage, I knew I was in way over my head. And I'm grateful to IFF for helping calm me down a bit and walk me through: 'Yes, it's scary, but there's always a path.' A little less than a year later, we made the decision to move forward with plans for a new, 51,000-square-foot youth and community center on our property."

## CONSUELO LOCKHART, FOUNDER AND EXECUTIVE DIRECTOR, LATINAS WELDING GUILD INDIANAPOLIS, IN

Consuelo Lockhart founded the Latinas Welding Guild in 2017 with the goal of empowering women personally, creatively, and economically through welding. The Indianapolis-based nonprofit provides courses, public workshops, and events to support Latinas and non-Latina women gain access to welding skills and certification preparation, while also offering job placement support. Over the past five years, the organization has steadily evolved with goals to expand and engage more Latinas, and in 2021, Lockhart and the Latinas Welding Guild joined the SNI Indianapolis cohort.



"I feel like our board is coming together a bit more now," shares Lockhart. "A lot of our board members don't have nonprofit experience, or they've never sat on a board before. The fact that we're able to give those women and folks the opportunity to join their first board and show them some of the ins and outs, and have them be more involved, is super important. By participating in SNI, they're talking and asking more questions about our finances. Unfortunately, a lot of the time, minorities are never at those tables during those discussions. I think for the few of us who were able to go through SNI and share our knowledge and experience it has been very enlightening, especially for the board members who might not feel comfortable asking some of the questions or don't know what to ask."



## LINDA LITTLE, PRESIDENT AND CEO, NEIGHBORHOOD SERVICE ORGANIZATION (NSO) DETROIT, MI

Linda Little is the President and CEO of Neighborhood Service Organization (NSO), a Detroit-based nonprofit that provides holistic care and safety net services that address social determinants impacting health, education, and economic stability. Shortly after Little became the President and CEO of NSO, she joined the SNI Detroit cohort in 2019. Though Little brought extensive experience in the health care industry to her new role, participating in SNI provided a deep dive on nonprofit financial management that helped NSO significantly strengthen its outlook. In February 2023, Little and NSO celebrated the completion of a Healthy Housing Campus that includes the Detroit Healthy Housing Center.

“I spent almost 30 years as a health care executive before taking over as president and CEO of Neighborhood Service Organization, and I had an MBA, but what SNI helped me do was translate that to the nonprofit world,” Little explains. “When I took over the organization, there were some financial challenges that I had to overcome very quickly. Within the first year, we were able to turn a \$3.5 million deficit into a \$1.5 million surplus. The next year, we had a \$2.5 million surplus, followed by a \$3.5 million surplus the year after that. To shift 300 staff members on a dime to rally around this issue to be able to create an environment and a culture that focuses on operational efficiency and revenue optimization is very difficult, and I attribute our ability to do that to the training through SNI. We now have about 200 days of cash on hand, we’ve built up reserves, and we’ve completed a renovation project with one of our facilities that’s incorporating new clinic space, new staff areas, and new work areas to deliver programs and services. We’ve also developed a new, innovative campus to create access to health care and housing for those in need. And, using surplus dollars, we were able to create an endowment fund for the agency and support major facilities updates.”

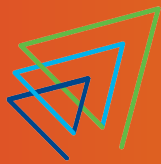
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Neighborhood Service Organization (NSO) staff distributing COVID relief packages, photo courtesy of NSO, an SNI Detroit cohort member.

Thank you to our program funders and partners!

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