



Amy - Good morning everyone and welcome to our 2020 Philanthropic Landscape event We are so grateful to have you with us, though of course we miss our favorite part of the usual Landscape event – the chance to see and talk with all of you and to provide the chance for all of you to talk with one another. My name is Amy Rome and I’m the founder and principal of The Rome Group. I decided recently that I was ready to step back from the day to day operations at The Rome Group and began an exhaustive search for a CEO. I am delighted to say I

found in Dayna Stock a strong leader who would continue The Rome Group's commitment to excellent service to the nonprofit community and fit with our collaborative culture. When she started at the beginning of February, we had no sense of just what a monumental task she would be asked to take on, but she has risen to a difficult situation admirably. Please join me in welcoming Dayna Stock.

Dayna – Good morning, and welcome again everyone. We especially appreciate you joining us for what could easily feel like yet another Zoom meeting in a Zoom-packed day. To make the most of your time with us, we're going to do our best to keep things moving and to provide you with interesting, helpful, actionable information and advice in a variety of ways so that the next 90 minutes is both helpful and hopeful.

Those of you who have attended our event in the past know that we typically do this in late July or early August. Like many of you, who have had to rethink major events, we wrestled with what to do. Do we take a year off, try to do something in person with social distancing, or go virtual.

When we made the decision in July to move forward virtually, there was little discussion over the topic. Yes, history will remember 2020 as the year of the COVID-19 pandemic, but 2020 was also a reminder that the work that began after the shooting of Michael Brown is not done.

The May 25th death of George Floyd at the hands of Minneapolis police sparked renewed urgency around dismantling systemic racism. Nonprofit and philanthropic organizations again issued statements decrying racist practices and vowing to address the role of white supremacy in perpetuating inequities, but many also struggled with what actions to take in order to truly create change.

Albert Einstein said, “The world is a dangerous place, not because of those who do evil, but because of those who look on and do nothing. This is not something we are going to fix with one strategic plan, or one diversity training, or one virtual Philanthropic Landscape. But the work is clearly not done, and we all have a role to play in seeing it through.

We decided to use our platform, the Philanthropic Landscape event, to advance the conversation.

It is our goal every year to give nonprofit leaders actionable steps to enhance their work and advance their missions. We usually invite nonprofit leaders and experts to share their successes and advice. This year, we've engaged speakers who have dedicated themselves to the cause of diversity, equity and inclusion. That is not to say that there aren't organizations out there who are dedicated to advancing DEI, only that sometimes it pays to call the experts. And we think this is one of those times.

At The Rome Group, we know that we have our own work to do, so we look forward to learning with you and hearing what they have to say.

Our Mission: Strengthening the nonprofits that strengthen our communities

Our Vision: Stronger Nonprofits. Stronger Communities.

Our Work:

- Fund development
- Organizational planning
- Operational performance



the**rome**group
INSIGHTS. STRATEGIES. SOLUTIONS

Before we jump in, a few words about The Rome Group.

I think most of you are familiar with our work, but in case you are not, we are a consulting firm here in St. Louis that provides strategic support to nonprofit organizations in the areas of fundraising, planning and organizational development.

We also host a job board for nonprofit organizations and professionals seeking a match. Last year over 1,000 jobs

were posted, with over 850,000 hits on the site.



We've served the community for over 25 years and we are a mighty team of 11, not including our four-legged friends.

You will meet the team a little later in the program, but I wanted to share this photo as an acknowledgement of the times we are living in.

Many of us have been working remotely at least part of

the time, and many of us have not seen our offices since March.

I say this every chance I get: the nonprofit sector has been so creative and resilient throughout days that have taxed us physically, mentally, emotionally, spiritually and financially. This has been inspiring. Nonprofits get a bad rap for being slow to embrace change, but that has certainly not been true of 2020. Organizations have done in weeks what would have taken years before.

The slide features a purple gradient sidebar on the left with the text "Cultivating a Culture of Diversity, Equity & Inclusion" and "Agenda". The main content area is white with a pink vertical bar at the top right. It lists three agenda items: I. National & Local Philanthropic Trends; II. Keynote Address: Attracting, Hiring, and Retaining Diverse Fundraising Talent - Are You Truly Prepared? featuring a photo of Birgit Smith Burton, Executive Director of Foundation Relations at the Georgia Institute of Technology in Atlanta; and III. Panel Discussion & Q/A featuring Denise DeCou from Washington University in St. Louis and Maranda Richardson from MWR Coaching and Consulting. A copyright notice for 2020 The Stone Group is at the bottom right.

Cultivating a Culture of Diversity, Equity & Inclusion

Agenda

I. National & Local Philanthropic Trends

II. Keynote Address:
Attracting, Hiring, and Retaining Diverse Fundraising Talent - Are You Truly Prepared?



Birgit Smith Burton, Executive Director of Foundation Relations at the Georgia Institute of Technology in Atlanta

III. Panel Discussion & Q/A

Denise DeCou, Washington University in St. Louis
Maranda Richardson, MWR Coaching and Consulting

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Today's program will be in three parts.

First, we will, as usual, share our take on the 2019 Giving USA survey data, with the understanding that 2019 can now feel like a lifetime and another reality ago. And, we moved our annual philanthropic landscape survey later in the year, so that we could give you a real-time snapshot of how St. Louis organizations and funders are addressing the challenges posed for by the pandemic. We are grateful to our partners at Gateway Center for Giving – Deb Dubin and Kelly Connor – for sharing the


grant maker survey with their membership.

Second, our keynote speaker Birgit Smith Burton, Founder of the African American Development Officers Network and Executive Director of Foundation Relations at the Georgia Institute of Technology in Atlanta asks “Attracting, Hiring, and Retaining Diverse Fundraising Talent – Are You Truly Prepared?”

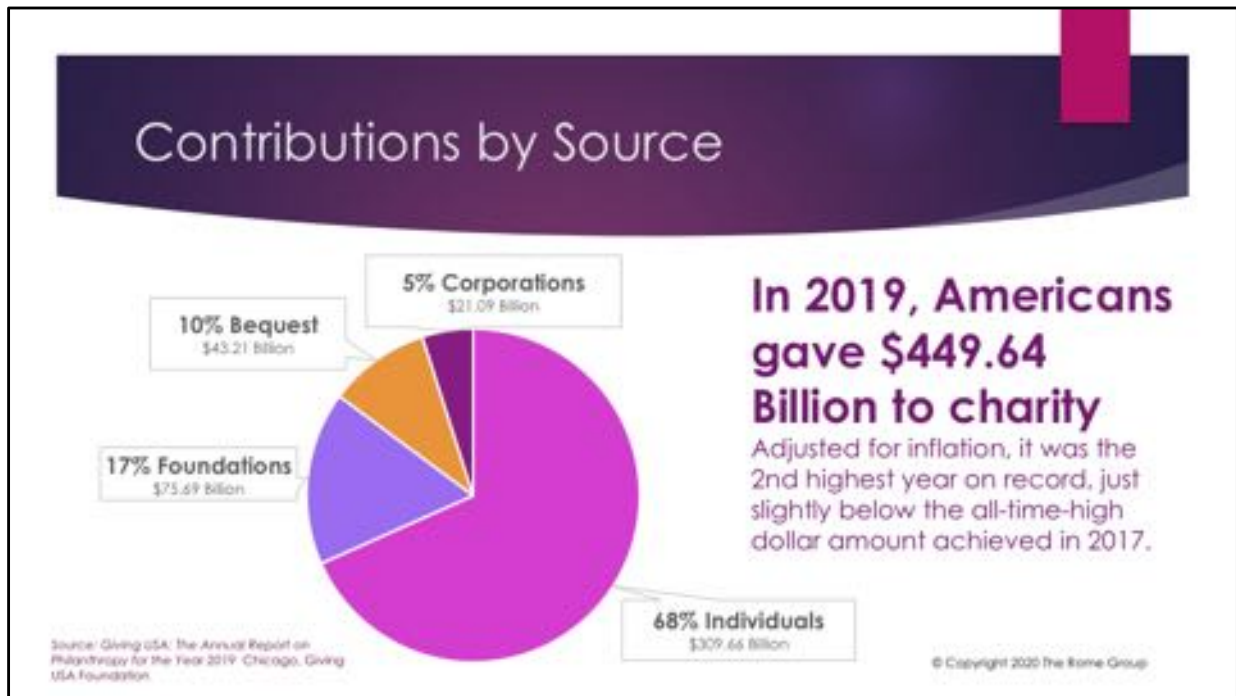
Finally, we will conclude by inviting two hometown experts to join the conversation and discuss what is happening on the local front with regard to diversity, equity and inclusion. Panelists include: Denise DeCou of Washington University in St Louis, Maranda Richardson of MWR coaching and consulting.



Giving USA 2020



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One of the questions going in to 2019 had to do with changes in the federal tax laws and their impact on charitable giving. We saw a dip in 2018, when far fewer people itemized deductions and giving decreased by almost 2% in inflation adjusted dollars. We all wondered if those declines would persist.

What we saw would suggest not. Giving in 2019 increased from \$428 billion to almost \$450 billion.

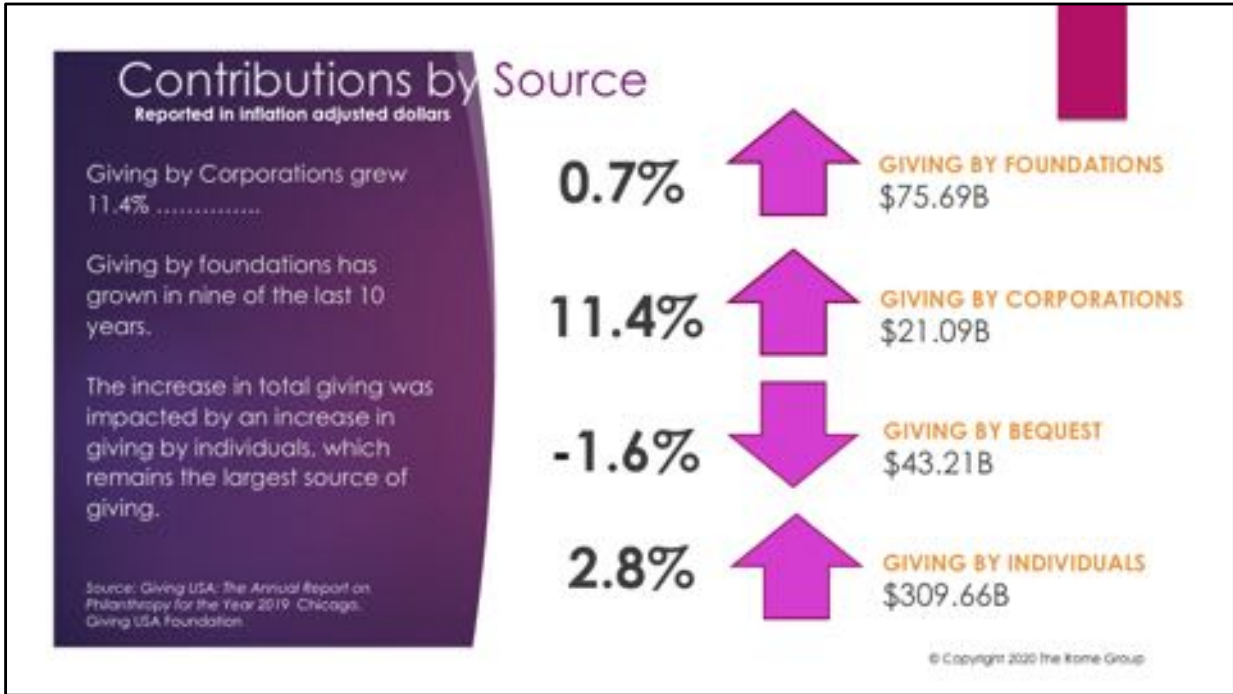
In inflation adjusted dollars, it was the 2nd highest year

on record, just behind the all-time high in 2017, and an increase of 2.4% (again, inflation-adjusted) over 2018.

Corporate giving was the driver of the increase – up 11.4% in inflation-adjusted dollars. Strong economy.

Giving by individuals, which continues to be the largest source of giving, rebounded from a decline in 2018 and was up slightly in 2019.

Foundation giving was flat, with an increase of less than 1%.



Corporate giving was the driver of the increase – up 11.4% in inflation-adjusted dollars, due in large part to the strength of the economy.

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Contributions by Recipient Type

Recipient Organization	Dollars (billions)	% Share of Total	% change from 2018	(Percent change has been adjusted for inflation)
Religion	\$128.17	29	+0.5	
Education	\$64.11	14	+10.1	
Human Services	\$55.99	12	+3.1	
Foundations	\$53.51	12	+0.6	
Health	\$41.46	9	+4.9	
Public Society-Benefit	\$37.16	8	+11.1	
International Affairs	\$28.89	6	-2.2	
Arts, Culture, & Humanities	\$21.64	5	+10.6	
Environment/Animals	\$14.16	3	+9.4	
Individuals	\$10.11	2	+0.4	

Source: Giving USA
The Annual Report
on Philanthropy for
the Year 2019
Chicago, Giving
USA Foundation

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Religious organizations received the largest share of charitable dollars in 2019 with 29% of total giving.

The education subsector was second with 14% of total gifts; human services was third with 12%.

Even after adjusting for inflation, education, public-society benefit (which includes United Way, plus gifts to national commercial DAFs*, and advocacy organizations) and arts, culture & humanities, saw double-digit growth in 2019.

Giving to public-society benefit organizations grew the most over 2018, at 11.1% (inflation-adjusted).

Giving to environmental and animal organizations increased 9.4% in 2019, marking the sixth consecutive year of growth for this subsector.

*Community Foundations are not public-society benefit; they are counted in Foundations



The Local Landscape

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Nonprofit Organizations – 211 respondents



"We are not doing any fundraising due to the economic fallout of COVID"

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211 organizations responded to the Landscape Survey. Thank you very much.

69% of you reported increases in contributed income in 2019, which was up from 60% of you who saw increases in 2018.

59% of you reached your fundraising goal, a percentage that's down slightly from 2018 (60%).

Perhaps most telling – over half of the respondents expect a decrease in 2020, and if we did the survey again now, that number would probably go up giving the lingering uncertainty around the pandemic.



In contrast to the national results, 48% of local respondents reported increase in giving by foundations.

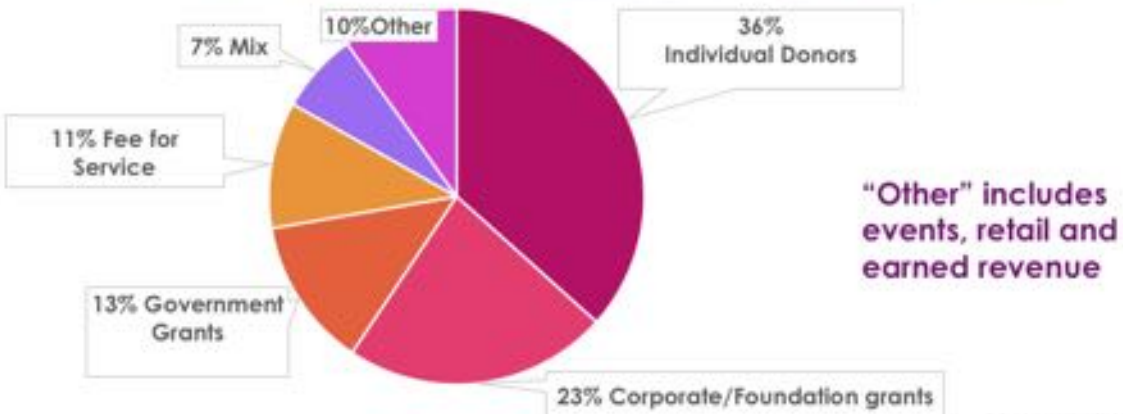
And, not surprisingly, 67% of local funders surveyed reported that they increased their giving in 2019.

65% of local nonprofit organizations reported increases in giving by individuals, which affirms the national trends.



Grant writing and special events continue to hold the top spots in terms of effective strategies for organizations.

Largest portion of budget - 2019



Individuals are the largest source of revenue for over a third of local organizations, followed by corporate and foundation grants.

Individual giving continues to be the primary source of funding for many organizations

- ▶ Find donors who connect with your mission and help them invest in a cause they care about- you
- ▶ Make donor retention a priority
- ▶ Evaluate your major gift and planned giving efforts

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Perhaps the biggest takeaway from the 2019 numbers is that they no longer seem relevant, in light of the pandemic.

No surprise, individual giving continues to be a primary source of funding for many organizations, so its worth noting that they should be a focus of your fundraising plans.

CARES ACT Provisions related to charitable giving

Elimination of adjusted gross income caps for individuals' charitable deductions

- Households can deduct cash gifts of up to 100% of their adjusted gross income, effectively eliminating their federal tax liability in 2020.
- May be used to make new gifts, or to prepay an existing multi-year pledge.

Universal Charitable Deduction

- Non-itemizers can claim a deduction for up to \$300 in charitable giving (possibly \$600 for a household filing jointly).

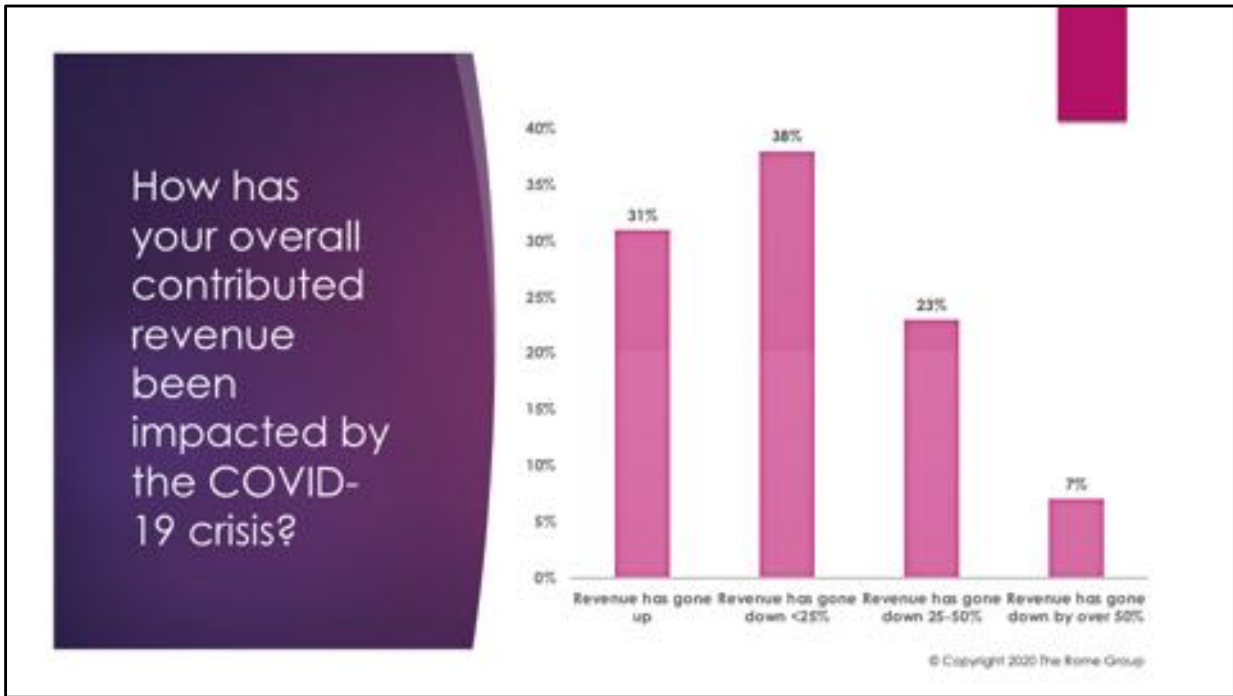
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The CARES Act has several provisions that incentivize giving this year.

The Act eliminated the adjusted gross income caps for charitable deductions, meaning that for those who do itemize, they can now deduct up to 100% of their AGI for gifts of cash.

Donations to DAFs do not qualify; this is to encourage immediate giving.

That said, many donors are relying on their DAFs to maintain support of the charities they care about, so if you know who supports you from a donor-advised fund, be sure to promote giving by DAF in your communications, make it easy for them to direct gifts to you by using tools like the DAF widget on your website, and acknowledge and recognize them as appropriate.



Taking a more recent view... we asked questions related to how organizations have been affected and have been responding to COVID-19.

Many social service organizations are really feeling the squeeze. As the economy shrinks and unemployment grows, the need for their services is increasing. At the same time, coronavirus restrictions make it challenging to operate, meet community needs, and raise additional funds.

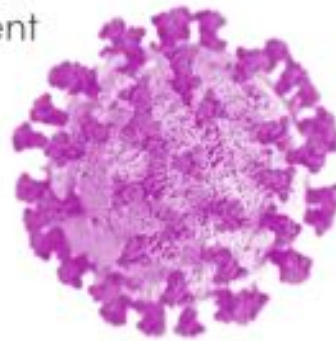
Almost 2/3 of organizations reported some decrease in contributed revenue as a result of the crisis.

The Arts have been profoundly impacted due to their reliance on earned revenue and large gatherings.

Events

93% of respondents were forced to cancel or re-envision an event as a result of COVID-19

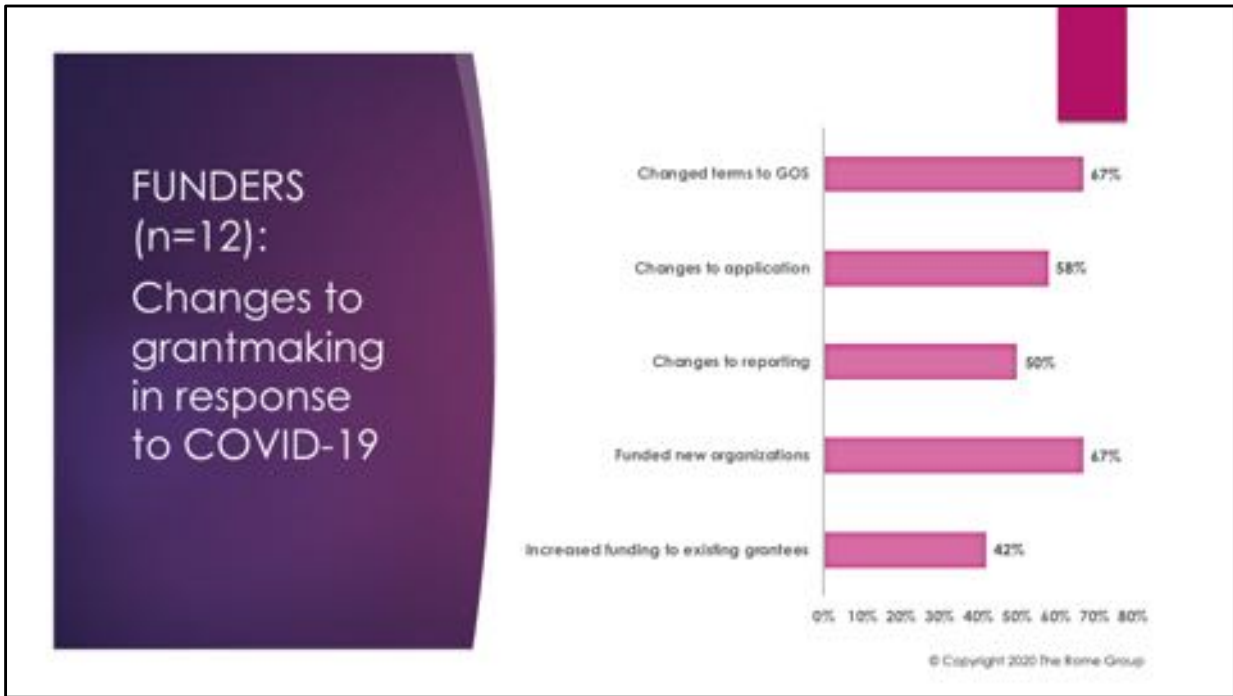
- ▶ Postponed 19%
- ▶ Cancelled 28%
- ▶ Went Virtual 38%



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Overall, 93% of organizations that responded have cancelled, postponed or re-envisioned an event.



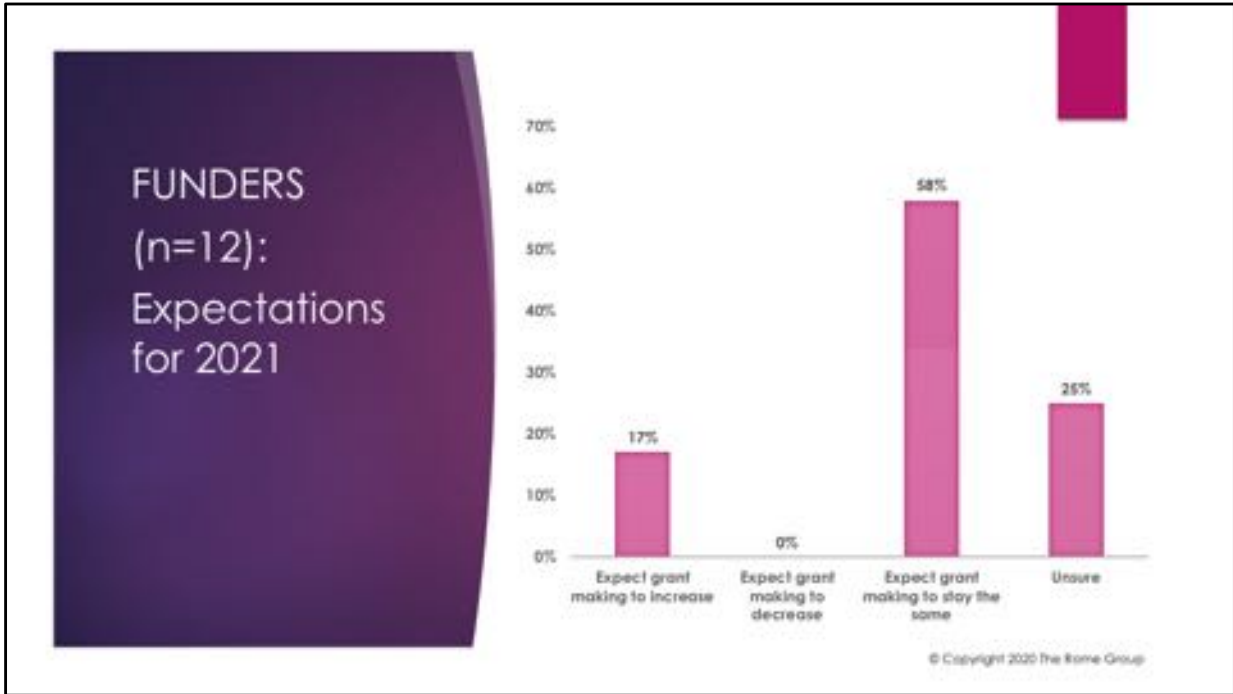
In addition to surveying nonprofit organizations, we also surveyed grant makers. It's important to note that our response rate of 12 represents a very small sample, thus we should use caution when interpreting these results too broadly. This represents only a small sliver of funders in the region.

When we asked funders how they were navigating the crisis, most indicated that they had made changes to their grant making processes.


Two-thirds said that they had funded new organizations, and equal number reported changes to the terms of their grants to general operating support.

And over half reported that they had made changes to their applications.

These changes – especially the pivot to general operating support – was a relief for many agencies who needed that flexibility to continue serving their clients in the best possible way.



We also asked funders about their expectations for 2021. Three-quarters of respondents said that they expected their grantmaking to increase or stay the same. None of the 12 who responded anticipate a decrease.



While there is
uncertainty, all
is not lost

- ▶ Use your year-end appeals to share how you are continuing to make a difference
- ▶ Include those who have already supported you
- ▶ Remember the \$300 above-the-line charitable deduction

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So the key takeaway here: While there is uncertainty, all is not lost.

Despite ups and downs in the past few days, the stock market has been surprisingly robust and we know that those who can give have been generous so far.

Use your year-end appeals to share how you are continuing to make a difference.

Go back to those who have supported you, tell them

how their gift mattered and create an opportunity for them to give again.

Remind folks about the \$300 universal charitable deduction, another provision of the CARES Act, designed to encourage giving.



Diversity, Equity and Inclusion

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Most common efforts to address DEI

- ▶ **73%** Actively recruiting board members of color
- ▶ **67%** Focusing on diversity in recruiting and hiring staff
- ▶ **64%** Diversity, equity, and inclusion are explicitly stated as organizational values
- ▶ **54%** Leaders are talking to staff about the importance of racial equity and diversity

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The third set of survey questions asked organizations about their efforts in the Diversity, Equity and Inclusion space, which is, of course, the focus of today's keynote and panel discussion.

The biggest takeaway here, which I am sure will come as no surprise to anyone, is that there is plenty of work to be done. Two areas stood out as particular challenges:

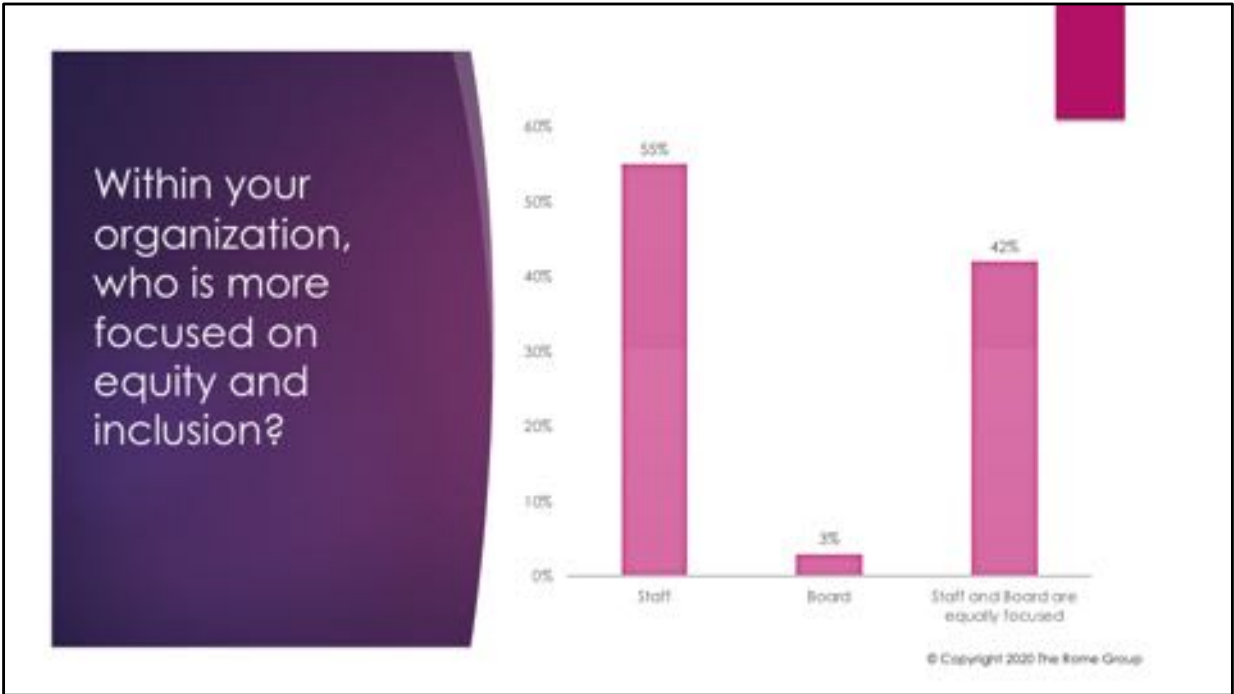
1) building accountability around diversity and inclusion efforts, and 2) bringing boards along in the work. Less than half of organizations said the focus on equity and inclusion is coming from boards or board and staff equally.

When asked about efforts to address DEI, 73% of organizations said that they were actively recruiting board members of color, and 67% indicated that they were focused on diversity in recruiting and hiring staff.

What we know is that diversity is really just a first step in the process dismantling pervasive bias and equity issues that plague our institutions, including our organizations and our boards. Equity and inclusion require more than simply changing faces.

Luckily, we have some folks here today who can offer

some advice on how to do that.



Less than half of organizations said the focus on equity and inclusion is coming from boards or board and staff equally. The majority of respondents said that DEI efforts are being driven by staff.

My Organization:

	Always		Never	
	2015	2020	2015	2020
Understands and communicates that reducing racial inequities is mission-critical	35%	42%	8%	4%
Offers training on cultural competency for board and staff	13%	25%	24%	21%

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The question read as follows:

1. On a scale of 1 to 4, with 1 being never and 4 always, please provide responses below regarding your organization. My organization...
 - Understands and communicates that reducing racial inequities is mission critical
 - Proposes strategies for its work that consider inclusion and equity
 - Collects and analyzes data by race/ethnicity for programs and operations
 - Offers training on cultural competency to increase the staff and/or board's ability to work with diverse groups
 - Values diversity, and inquires about the cultural competence of staff to work with diverse groups
 - Has mechanisms for management accountability around racial equity, diversity and inclusion
 - Has mechanisms for staff accountability around racial equity, diversity and inclusion
 - Supports the efforts of internal groups to work on issues of equity, diversity and inclusion

The first four bullets were included in the survey in 2015 and again in 2020. This slide and the following slide show differences in responses between the 2 years.

The trend is moving in the right direction, with more organizations reporting that they always engage in this way, and fewer reporting that they never do.

My Organization:

	Always		Never	
	2015	2020	2015	2020
Collects and analyzes data by race/ethnicity for programs and operations	37%	42%	12%	13%
Proposes strategies that consider inclusion/equity	41%	45%	4%	3%

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Again, these bullets were asked in 2015 and again in 2020:

1. On a scale of 1 to 4, with 1 being never and 4 always, please provide responses below regarding your organization. My organization...
 - Understands and communicates that reducing racial inequities is mission critical
 - Offers training on cultural competency to increase the staff and/or board's ability to work with diverse groups
 - Collects and analyzes data by race/ethnicity for programs and operations
 - Proposes strategies for its work that consider inclusion and equity
 - Values diversity, and inquires about the cultural competence of staff to work with diverse groups
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 - Supports the efforts of internal groups to work on issues of equity, diversity and inclusion

My Organization:

	Always	Frequently	Occasionally	Never
Values diversity and inquires about the cultural competence of staff to work with diverse groups	48%	36%	13%	4%
Supports the efforts of internal groups to work on issues of equity, diversity and inclusion	53%	27%	14%	6%

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A majority of organizations reported that their organization always supports the efforts of internal groups to work on issues of equity, diversity and inclusion.

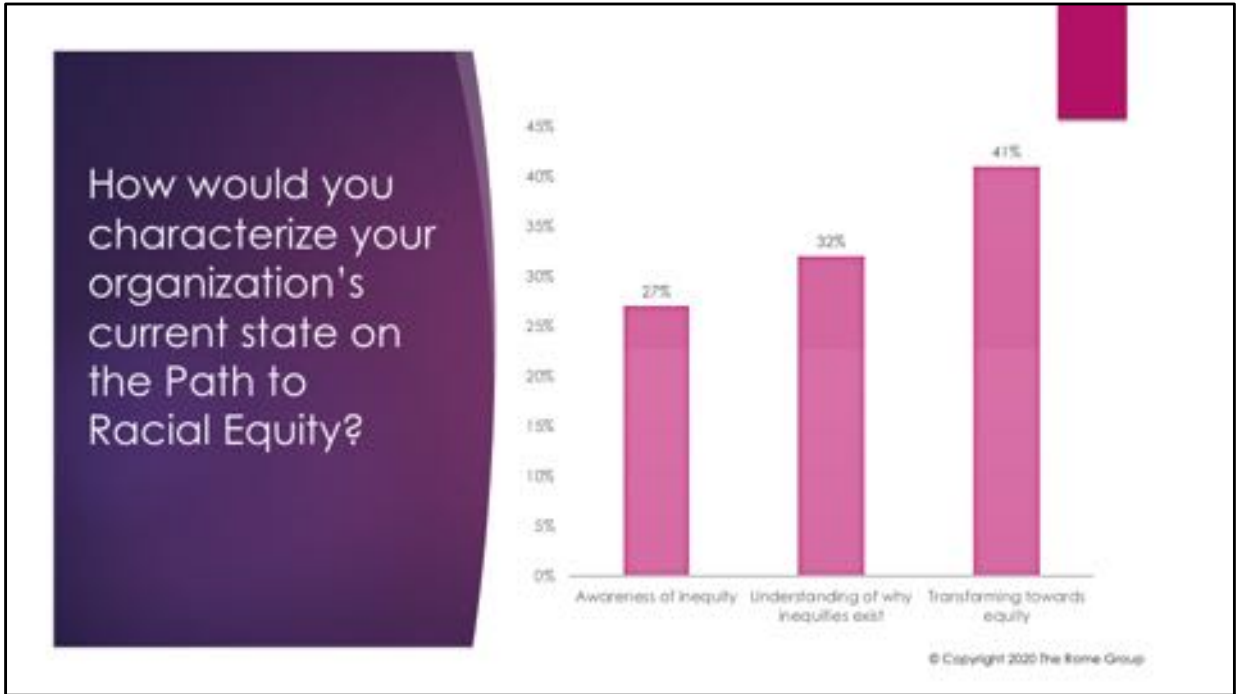
This was the only practice in the list that was cited by a majority of organization as happening always.

My Organization:

	Always	Frequently	Occasionally	Never
Has mechanisms for management accountability around racial equity, diversity and inclusion	16%	28%	39%	18%
Has mechanisms for staff accountability around racial equity, diversity and inclusion	15%	28%	39%	18%

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The largest percentage for each of the activities related to accountability corresponds with happening **occasionally**. This stands out as a challenge for organizations, with less than 20% indicating that this is done **always**.



When asked how they would characterize their organization’s current state on the Path to Racial Equity, as defined in the Ferguson Commission Report, 41% indicated that they were transforming towards equity, 32% understanding of why inequities exist, and 27% awareness of equity.



Birgit Smith Burton is the Executive Director of Foundation Relations at the Georgia Institute of Technology in Atlanta. Birgit is the founding chair of the African American Development Officers Network, which for 18 years has supported diversity in the fundraising profession by promoting professional development and facilitating interaction among its members. Birgit also serves on the board of the International Association of Fundraising Professionals, and chairs the AFP IDEA committee (Inclusion, Diversity, Equity, and Access).



- **Denise DeCou**, Manager, Diversity and Community Outreach in the Human Resources Department at Washington University in St. Louis. She works extensively with recruiters, hiring managers and diverse candidates to accomplish the university's mission of increasing diverse talent in management positions and above.
- **Maranda Richardson**, MPPA, CEO and Principal of MWR Coaching and Consulting. She brings over 15 years of experience working to advance racial equity in the social service, philanthropic, and government

field by working with organizations and in communities least served. She is also the Founder and President of Black Funders of St. Louis, a local giving circle committed to the elevation and transformation of Black communities in St. Louis.



Thank you to all our nonprofit partners, including Gateway Center for Giving, who administered the grant maker survey.

GATEWAY CENTER
for GIVING
HELPING DONORS DO MORE

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