



**Fund the  
People Toolkit**

Equity & Inclusion  
**Invest In Equity Inside  
the Nonprofit Workforce**





# Invest In Equity Inside the Nonprofit Workforce

Fund the People envisions an inclusive nonprofit sector that supports a highly-inclusive, high-performing, high-impact, and high-endurance nonprofit workforce.

It is crucial to place equity and inclusion at the heart of investing in the nonprofit workforce. Organized philanthropy and the social sector will not end the deficit of investment in the nonprofit workforce until organizations have the incentives, political will, resources, and skills they need to build teams that reflect, understand, and represent America's diverse communities. On the other hand, we will not ensure equity and inclusion until we maximize overall investment in the nonprofit workforce.

Unfortunately, the issues of nonprofit human capital and equity and inclusion are not commonly addressed as a single challenge. Too often, the discussion on nonprofit equity and inclusion does not explicitly address the need for investing in the nonprofit workforce; and too often, the discussion on the nonprofit workforce does not explicitly address equity and inclusion.

The nonprofit workplace is not immune from the forces of unconscious bias and systemic racism. These and other pernicious social diseases are layered beneath outmoded myths that encourage us to treat staff and staff development as overhead, and expect unreasonable and counterproductive self-sacrifice from nonprofit professionals. Allowing these issues to fester has a detrimental impact on governance, management, fundraising, and ultimately, on the effectiveness and sustainability of nonprofits and their staff.

There are numerous instances when the lack of investment in nonprofit professionals diminishes the equity and inclusiveness of the nonprofit workforce. Here are *several examples* Fund the People has identified:

- **Unpaid Internships:** Unpaid internships are a major entry-point into nonprofit careers. But only people who can afford to forgo income can participate. This unintentionally filters out many non-college bound youth; community college students; first-generation college students; and people from low-income, working and middle-class backgrounds. Perhaps this filtering process is one of the reasons people of color represent only an estimated 17% of nonprofit board and executive ranks.
- **Compensation and Development:** Nonprofit compensation is generally below-market, particularly for social service and social justice jobs. In some cases, nonprofit workers who help to lift community members out of poverty are being paid poverty wages themselves. Compensation is also unequally distributed. For example, research from Bayer University shows that in the Pittsburgh, PA-area, women make up 74% of the nonprofit workforce, but make 74 cents on the dollar compared to their male colleagues. Staff development—widely desired by our workforce and often the counterweight to poor compensation—is generally the last to be added and first to be cut from nonprofit budgets. Our research indicates that nonprofits use 0-3% of their budgets for staff development, which is about 20% less than standard business practice. Lack of pay and development resources combine to create an exclusionary environment rife with high turnover among people with family responsibilities and without independent means.
- **Executive Transitions:** During nonprofit executive transitions, when organizations hire people of color, women, younger, and/or LGBTQ people as successors to long-serving white and/or male and/or straight and/or older executives, these new leaders are often unintentionally set-up to fail. For example, when funders take a “wait-and-see” approach to determine



whether or not the incoming leader is successful before they provide new or renewed funding, this negatively impacts the cash flow of the organization, and creates a negative view of the executive's ability to fundraise.

These challenges, of course, also offer a *plethora of opportunities!* For example:

- **Unpaid Internships:** Nonprofits can start offering well-paying internships and recruit far and wide to find diverse candidates for these roles. Funders can enable and encourage this by investing heavily in well-paid internships. Additionally, nonprofits can serve as hosts for apprenticeship programs that recruit and place diverse people in organizations. Organizations and their funders can also allocate funds for short and medium-term entry-level jobs and consultancies. This provides interns and apprentices an opportunity to continue contributing as they search for their next professional opportunities.
- **Compensation and Development:** Nonprofits can set strategic intentions and budgetary goals to offer sustainable compensation and robust staff development, and funders can reciprocate by allocating grant dollars toward these important priorities.
- **Executive Transitions:** Nonprofits can strive to develop a deep bench of diverse team members who become

plausible internal candidates for the executive director role. When they hire for diversity, they can also make sure to support incoming executives in fundraising success. Rather than taking a wait and see approach, funders can proactively reach out to new executives and provide runway funding to enable them to succeed from the start.

We recognize that investing in the nonprofit workforce is not a simple task; neither is ensuring equity and inclusion. But when done together, it creates a powerful and positive force in the lives of our people, organizations, and causes.

Fund the People is pleased to offer the [Literature Review](#) and [Annotated Bibliography](#) that accompany this statement. The Field Stories in our new Fund the People toolkit offer important examples of successful investment in equity and inclusion in the nonprofit workforce. We will continue to offer research and tools to help the field maximize equity and inclusion in the nonprofit workforce. Fund the People is committed to building a healthy organizational culture that is intentional about equity and inclusion. We take action on this in our hiring processes, in building our Advisory Council, in contracting with vendors, and throughout our work. We look forward to partnering with you on these efforts. To learn more, visit [fundthepeople.org](http://fundthepeople.org).



## About Fund the People



Fund the People is the national campaign to maximize investment in the nonprofit workforce. To achieve this goal, we make the case, equip for action, and build a movement to change the attitudes and behaviors of funders, fundraising nonprofits, and the intermediaries that support them. There is a long-standing, sector-wide deficit of investment in the nonprofit workforce. Nonprofit professionals work in environments typified by high burnout and stretched resources. So there is a real demand for equitable salaries and benefits, more and better professional development, improved

human resources functions, and healthy organizational culture. Together, we can address these challenges by reshaping existing resources to prioritize nonprofit people as the central asset of nonprofit performance. Now more than ever, we can ensure that America's civic leadership is diverse, well-supported, high-performing, and sustainable for the long haul. Launched in 2014 and headquartered in Beacon, NY, Fund the People (originally known as Talent Philanthropy Project) is a project of Community Partners. Our work is informed by an Advisory Council of diverse leaders and a team of skilled staff and consultants, and is supported by a coalition of regional and national foundations.

**To learn more about Fund the People visit:**  
[fundthepeople.org](http://fundthepeople.org)

## Acknowledgments

**Rusty Stahl** is President and CEO of Fund the People, which he founded in 2014. He is also a Visiting Fellow at New York University's Wagner Graduate School of Public Service. Connect with him on Twitter at @fundthepeople.

**Financial support** for Fund the People's Toolkit has been generously provided by American Express, Annie E. Casey Foundation, David and Lucile Packard Foundation, Durfee Foundation, Ford Foundation, Kresge Foundation, Robert Sterling Clark Foundation, and W.K. Kellogg Foundation.

**Fund the People is appreciative of** the following individuals for reviewing, editing, and providing helpful input on content throughout the Fund the People Toolkit: Jessica Bearman, Yolanda Caldera-Durant, Biz Gormley, Rebecca Schumer, Mark Sedway, and Rusty Stahl. We're also grateful to the following Fund the People Advisory Council members who provided informative feedback and guidance on the Toolkit: Caroline Altman-Smith, Kelly Brown, Cynthia Chavez, Gali Cooks, Amber Cruz-Mohring, Ann Goggin-Gregory, Lupita Gonzalez, Sonia Ospina, Pratichi Shah, James Shepard, and Sean Thomas-Breitfeld.