



A PODCAST WITH RUSTY STAHL | S7 EP2

Breaking News: This Journalist Covers Funding for the Nonprofit Workforce

WITH

Dawn Wolfe
Inside Philanthropy



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RUSTY

Welcome to Fund The People podcast, the only show 100% focused on why and how to invest in America's nonprofit workforce. Today, I am pleased to welcome Dawn Wolfe. She is the first journalist we've had here on the pod. Dawn is a Michigan based journalist whose past work has appeared in publications including: The Appeal Daily Kos and Between the Lines, Michigan's LGBTQ newsweekly. Dawn is now a staff reporter at the online publication called Inside Philanthropy, that covers funders and funding trends in the nonprofit sector. Among the various topics Dawn is covering for the last several years, she's been writing stories about the need for foundations to invest in the nonprofit workforce. So welcome to the show, Dawn.

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DAWN

Rusty, thank you, and thank you for having me. It's going to be a pleasure talking about this with you.

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RUSTY

Well, the pleasure is all mine and thank you for your coverage of the issue, as I've said to you in our numerous conversations. You know, there has not been enough continuous and consistent coverage of this issue either in, you know, the mainstream press or in the nonprofit industry press. So it's really great to have you doing that reporting as a beat and great to have you on the show. So I'd love it if you could tell our listeners some of the basics about Inside Philanthropy. When did it get started and what is it?

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DAWN

Well, we were founded in 2014. People might know David Callahan, our founder, primarily from his book *The Givers: Wealth, Power and Philanthropy in a New Gilded Age*, from 2017. What we do is we explore giving by institutional funders: foundations, the new LLC staffs and mega wealthy donors. Where they're moving money, where they're not, and the impact of those choices. We are almost entirely subscription based, we don't accept funding from anybody we cover. So, no funders, no venture capitalists. This lets us be critical when necessary and not have to hedge our bets around possibly losing money or from somebody we've covered in maybe a negative light. On the flip side of that, it puts us behind a paywall, which can be kind of frustrating because I wish we could share our work more widely.

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RUSTY

Well, today you've got a chance to share your work widely, without a paywall here on this podcast. So, we recognize that everybody's got to make money, including nonprofits. So when did you start at Inside Philanthropy, and how have you established this beat about philanthropic support for the nonprofit workforce?

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DAWN

Well, I started freelancing in November of 2020 with Inside Philanthropy, I'd answered an ad I forget where, and became a full time employee in March 2021. Now, I had been freelancing forever at that point, and I think we all know March 2021 was such a nice stress free time to be making the leap from freelancing to a full time job, but somehow we've made that work and it's been extremely fulfilling to be with the team that I work with. When it comes to nonprofit workforce issues, I think it started, I went through all the past stories and past emails with Durfee Foundation sabbaticals for nonprofit leaders, and then I started looking at other funders like Imago Dei (I could be mispronouncing that) and General Service Foundation that were funding sabbaticals.

And I don't know, I could not find if it was the National Council of Nonprofits who emailed me or I stumbled on it somewhere else. But they had done in 2021, a report on the nonprofit hiring crisis. Now some things really stood out. One, because of low pay and horrible working conditions, we had nonprofit workers leaving for retail jobs. If you have ever worked in retail and in my partially misspent youth I had some of those jobs. It's an abuse of low paying, rather horrible environment for the most part. We've got nonprofit workers leaving for retail because it pays better. That says something terrifying about the nonprofit sector. And then there was a quote from their survey that has kept me thinking for a long time. The number of nonprofits that had given up even having waiting lists to provide services to people, because waiting lists give people hope that they're going to get served. Now, we know in 2023 about the survey showing trust in the nonprofit sector having dropped. And I wonder how much of that was due to desperate people going to their local nonprofit, knowing that that's the last place you go when you're desperate and they couldn't be served because nobody could afford to work at that nonprofit.

So in 2023, the National Council of Nonprofit did a follow up. Those numbers had improved a bit, but part of that could be because they started measuring it a bit differently. But at the time, waiting lists were still a huge issue. A quarter of the responding nonprofits reported their waiting lists for longer than a week, 11% had people waiting for 1 to 4 weeks, nearly 13% said people were waiting more than a month and some stretching more than a year. So, again, nonprofits are unable to hire enough people to provide the services because they're not able to pay enough and who suffers? It's the people trying to access a food bank. It's the people who are waiting to get mental health services at their local clinic. No wonder trust in this sector is going down. But it's not the fault of the nonprofits. If you can't hire people, you can't provide programs. So that's kind of how I got started. And I've been at it since, because I feel this is vitally important. I believe in workers rights. I believe that anybody who does a job deserves to have a living wage. And in the nonprofit sector, which is supposed to be the better sector, it's supposed to be the sector that is of service, that has higher standards. Why are we allowing that to be part of the race to the bottom for working conditions in this country? So it's why I'm passionate about it.

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RUSTY

And just to follow up on that, has it been controversial at all internally at Inside Philanthropy or have you had to sort of make the case extra to cover this versus, let's say, an issue area or a particular social movement?

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DAWN

Absolutely not. I've been completely supported at IP in this. My editors understand that this is a vitally important issue. I can be a little bit more fiery sometimes, and they do a brilliant job editing my rhetoric when I want to get on a soapbox to something that's going to be approachable for our readers, because I'm really not trying to beat anybody over the head, Rusty. It's just the injustice of this. The people who are already giving of themselves and have decided to make a profession of giving of themselves, should have to work for substandard wages.

Going back to Durfee for a moment, they started a Lark Awards program, which is small, welling the subsidy specifically for staff and something that just hurt to read was one of those staffers who was able to buy books for the first time in her adult professional life. We aren't paying nonprofit workers enough so they can buy a book? I'm astounded by that. And another piece I did, I was looking at a report of nonprofit workers in the homeless services sector in California. They are being paid so low an amount, a number of them are housing insecure themselves. I can't fathom why we would tolerate this as a society. So no, IP has been completely supportive of this work.

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RUSTY

Yeah. When you came on full time staff, was it 2021 or 2020?

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DAWN

March 2021.

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RUSTY

Still a stressful time.

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DAWN

Oh, it was not fun, but it was also an opportunity to look at issues that I had already covered from other perspectives and look at them entirely from the perspective of philanthropy and the impact of philanthropy. Because really, following the money is what we should all be doing.

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RUSTY

Right. And so that's how you've handled this topic of the worker shortage and issues impacting the nonprofit workforce, is really following the money. What are the forces that create these low paying positions and these working conditions? And that's in keeping with Inside Philanthropy, it's also in keeping with what we've taken as an approach here at Fund The People. That's why we're called FUND the People.

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DAWN

Yeah, well, some of the key things that really stood out for me is, one, this hiring crisis should not have come as a surprise to anybody. One, a piece I did, I stumbled on and went down a rabbit hole and found out the first time that funders were really given a heads up that funding overall for nonprofits was substandard, the grants for nonprofits were substandard, and they should be funding more of the full costs was in the 1980s with the RAND report.

We had the Stanford Social Innovation Review in 2009 coining the term nonprofit starvation cycle, which, as we all know, is this cycle where you get substandard grant funding and so you can't do as much as you could do otherwise. And then the funders come back and say, well, you know, what's your overhead? We don't find overhead, but without a building to conduct programs, without staff to conduct programs, without computers to conduct programs, where's that money supposed to come from?

And the founder's attitudes and priorities on this also filters down to individual donors. If you go to one of the sites that rate nonprofits and they'll laud the ones with the lowest overhead cost, that's because that's what the big funders want and that's what teaches individual funders to want that. The nonprofits then end up with a rock in a hard place position. They have to fall in line and where do you start cutting? If you have to have a computer, you take it from the salaries.

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RUSTY

Yeah, I love how you tracked back, I remember when you were doing that, you were tracking back where did this real costs conversation start and when in the sector and, you know, when did this conversation actually begin about: Hmm, our funding practices might be hurting the groups that were actually trying to help by funding them. So that's one of your stories, right? And I believe in the publication, and we can link to that so people can see that history. I guess the 1980s is getting further and further in the past, but it's not that long ago in the grand scheme of things to start acknowledging these issues which have been going on for, you know, at least 150 years or longer. So tell us more about some of the other key stories. What are some of your favorite articles you've written on this or issues or ideas that you've covered in this area?

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DAWN

Well, one thing I want to really stress, because I know that there's some disagreement about this, people start talking about: well, the nonprofits should speak up, the nonprofits should advocate more. In my opinion, the problem lies almost solely with funders. And I'm not calling out just private philanthropy, because we know government funding is also, in many cases, worse. But what are nonprofits supposed to do? I have to follow the guidelines you set out for the grant or I don't get the grant. If I speak up too much, maybe I get labeled as too problematic an organization and other funders aren't going to be interested.

So I think what private philanthropy can do is not only reform their own practices, but those who hold wealth in this country have a disproportionate share of the power of influence. They can go to government and they can say these are reasons that government needs to reform. They can go to the publications that rate nonprofits and say, you know, we'd really rather hear about how effective they are by these measures and whether the nonprofits are paying living wages, and whether the people that work there have paid time off. Our funders have incredible influence that they're not using right now. And that's one thing that I think doesn't get highlighted enough.

And another piece that I really loved that I did was the Report Card. If you want to be a nonprofit worker friendly funder, here's what you do. Make it clear you want to fund living wages and time off and other benefits for the people carrying out the work you say you want to have done. Be open and public about the fact that you're doing this, and if you want extra credit use your social influence to encourage others to do the same. And I've got to say, you know that I went out and looked for, it was like looking for the one honest man, I looked for funders that have done this right and found very few. But I will call out the Walter and Louise Haas Foundation because with their Endeavor Fund, they also go to their grantee partners other funders, and say, we're providing this and we're talking to you about not decreasing what you're giving these nonprofits that we fund. They're really doing above and beyond in the work.

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RUSTY

So just to point out for folks and we'll put this in the show notes, that story, the piece you did about the report card is called: *What Makes a Funder Worker Friendly? Here's a Handy Report Card*.

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DAWN

Yeah, that was a lot of fun.

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RUSTY

And we've had on Jamie Allison from Haas Sr Fund on this show now talking about the Endeavor Fund. So if folks are interested in hearing more about that, definitely can look that up. That was season six episode one. Tell us about another story you've covered or another article you've published on this.

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DAWN

Well, I also referenced the California piece, where we had workers in the homeless service sector being housing insecure themselves. And one thing this pointed out to me is the difficulty of finding data. It's very difficult to find data about what nonprofit workers in different sectors are being paid and how that tracks against what's a living wage in those areas. That's the kind of work that really needs to be done, I would argue, by funders. If you're funding in a given geographic area, to use the tools available to find out what living wages are versus what's being paid and see what you can do to help even that out. Like you can go to Candid Foundation Directory online and you can find different funders, but you can't see them rated by, you know, do they provide trust based grants? How are their application processes? Do they make allowances for the full costs of what you're doing? Do they have restrictive overhead limits? The California piece really pointed that out to me. And then I have really enjoyed covering Fund the People, and I'm thrilled that Staffing the Mission has merged with you because both of your organizations have been doing great things in this to nudge both funders and nonprofits. And I think you're going to do some great work together.

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RUSTY

We appreciate the coverage. Certainly one of the reasons we nudge nonprofits to speak up is because good funders will respond when they hear from their nonprofit partners, their grantees, that this is an issue. In fact, we're putting on this conference in California about all of these issues and the reason that the James Irvine Foundation funded us to put on this conference and partnered with us is because they heard from grantees, again during the pandemic, about these issues. A lot of times nonprofits have this fear of speaking the truth about what they're facing to their funders. But if they don't speak that truth in a productive way, in an authentic way, the funder can't know. And so it becomes a blind spot where the funders are trapped by their own power, no one will tell them the truth, and so they can't respond to it. And so nonprofits, even though, yes, as you said, they have to follow these guidelines and they think they need to follow

the money all the time, they do have power. It's a soft power, but it's the power of telling the truth about what they can and cannot do, given the strings that are attached to their funding, and ask their funders to help them. And it may not be an immediate fix that that funder can do, but if they listen well, and this is where I think the trust based grant-making comes in, it's not only that funders ought to trust grantees more, it's also that nonprofits ought to be able to trust their funders more. If the funders act in a trustworthy way toward their grantees that opens up a space where the nonprofits can speak their truth, the funder can hear the problems and then consider how do we deal with this? And it may not be easy to change funding practices, but if they never hear the implications, the impact of those practices, then they don't know what needs to change. And so it really is a cyclical issue, where everybody is part of the problem and everybody can be part of the solution.

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DAWN

And I don't disagree. I know I talk about funders a lot. I want to make it clear that I understand that this is more complicated than just telling funders you need to start doing this and write bigger checks. We have, like you've pointed out, over 100, 150 years of culture, of history, of habit that says this is how you do funding, right? When you have newer funders coming up and they're trying to learn how to do philanthropy, unless they run into somebody like the Solidaire Network, they're going to learn from the people who came before them. And then, when you have government funders that are part of a space, you can get into a situation where if I as a foundation one, tell my grantee you need to pay living wages and I'm going to provide money for you, the grantee can look at me and say, if I do that, my government grant goes away. And depending on how much of my money comes from the government versus from you, you're putting me in a bad position.

So it is a juggling act. I do believe that funders have most of the power. They have most of the ability to go out and learn these things. They have staff that are supposed to be researching the issues. And one of the issues we have right now is a sector that is starving and having trouble providing services. So we can keep going with what we're doing and keep having impacts that are less than what we could possibly have or we can look at the actual reasons. And again, Rusty, we're talking the Rand report in the 80s, funders have been having these conversations among themselves for decades. Not all of them, grant it, so maybe that information hasn't been disseminated that widely and nonprofits do need to step up and talk about it. But the funders themselves have been getting educated on this issue. They have the staff and the means and the monetary wealth and influence to learn about the issue. So, please do so. You know, if there's one overarching message that I have for funders, if your mission include social justice, alleviating or addressing issues about poverty, if you say you support workers rights more broadly, if you say you support equity and health care and you aren't prioritizing living wages, benefits like health insurance and paid time off for the employees that make your mission possible, you're not part of the solution, you're contributing to the problem.

Even with the best intentions in the world, even wanting to serve your mission, you are stabbing yourself in the back. I am at a good financial place in my life right now, Rusty, but that wasn't

always the case. So I don't have the kind of blinders that I imagine come with always having had a certain degree of safety for having wealth. I have a lot of sympathy for those blinders because you can't see outside of your environment unless you've been exposed to different things. I get to have this perspective because I have been poor and now I'm not. And let me tell you, the things that money makes easy, it can make it easy to forget that not everybody can do things the way I do. So all I'm asking funders to be aware of is -and I'm not talking about the program officers, because they probably are- I'm talking about the decision makers: be aware that you're in a bubble, find voices outside of your bubble, listen to them. That's all.

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RUSTY

Thank you for that. So tell us what you're looking into or thinking about writing next in this area. What's coming in the future in this beat?

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DAWN

Well, you have sent me that excellent information about the five place based funders and the reasons they are more apt to support full cost funding because they see the impacts in their own communities. But also, and I'm really excited about this because I think it's related, I have a piece I'm researching right now on Vu Le's crappy funding practices. You know how I said before, you can go to Candid to find funders, period, but you can't find funders that are providing living wages benefits. Well, you also can't look up easily this funder is going to expect us, this was one on crappy funding practices, to provide ten copies of a 26 page application and we encourage hand delivery. You're not going to find the funder that insists that nonprofit employees make donations back to the funder if you get this grant. And by the way, you can't do your own fundraising for a full quarter of the year if we give you a grant.

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RUSTY

That's great. It is an important resource and also an outlet for people to share some of the outrage and frustration that they feel as fundraisers when they come across some of these things. All right. Well, now, when people want to read your stuff, what are some of the other topics you cover yourself Inside Philanthropy or what are some of the other things that the publication is covering that people might want to look into?

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DAWN

Oh, my God, I am part of such an amazingly brilliant team. We cover all the major sectors of giving, environment, education, health care, the arts. My particular beats, I work with racial justice issues, but I'm not the only writer on our staff who does that. I work on women's and girls giving with an emphasis on abortion access in these incredibly fraught times for that, economic justice... And all through the lens of philanthropy, so where's the money moving and what's the impact of those decisions. I have a sideline also in funding for a nonprofit tech that comes from

having a spouse who is a systematic geek, and so when there are questions about what does this tech do, so I can write about it intelligently, I have somebody I can ask.

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RUSTY

Always helpful...

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DAWN

Well, it takes a village because my colleagues are all incredibly helpful, I was new to the philanthropy sector when I came in, and my editors, Philip Royce and Tate Williams and our founder, David Callahan and the other writers have all been incredibly supportive and nurturing in teaching me, you know, this is how you look at it from this, here's a resource you wouldn't know about because you didn't come up in this sector. They have made me a better writer, they've made me a better reporter, and they've made it possible for me to do what I do.

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RUSTY

That's fantastic. It sounds like a great place to work, speaking of workplaces. So how can folks connect with you, give you story ideas or find your articles?

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DAWN

www.insidephilanthropy.com and if you search Google with my name, and that, you'll find my pieces. I'm on LinkedIn and you can follow me there. A social media link will allow you to read an article, you know, if you haven't subscribed yet. I really recommend people subscribing if they have the budget for doing that. We have a lot of other services too, for people trying to find grants on our site that I think would be helpful. And we started also providing advice to donors and then in terms of getting in touch with me, email dawnw@insidephilanthropy.com. It's absolutely the best way to get me, people IM me on LinkedIn and sometimes that gets lost, but email is always there and I can find it.

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RUSTY

Well, thanks, Dawn. Thanks for your passion and your reporting on this and thanks for your time today. We'll look forward to your next pieces and continue to follow along. And I hope folks listening will get in touch with you if they can serve as a source, provide story ideas in this area or the other areas you cover. So thank you so much, Dawn, I really appreciate it.

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DAWN

Thank you, Rusty. Hey, can I add something, I would absolutely love funders who are getting this right, who are trying to get this right, to get in touch with me and let me know about their efforts. I might sound like I'm all about just tearing down the funders, but I want to build up the

good examples. How are we going to help new funders along the way learn how to get this right, unless we're holding up good examples. So please get in touch with me. If you're a nonprofit and you want to talk about your funder, that's amazing, let me know. If you want to tell me about your funder that isn't and why, you don't have to be on the record with this, but let's elevate the conversation into one, so that we can have mutual understanding about why the sector has these needs. Yeah, this is no longer a sector served by people who are volunteering, we don't have that culture anymore where there are a bunch of women who aren't allowed to participate in the workforce and or don't need to, who are doing all of this work. This is professionalized now and we've got to start elevating the conversation so that we understand that as a culture, value that work, and compensate it so people can do it.

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RUSTY

Absolutely, I really appreciate you inviting both funders and nonprofits to share those stories. Because you're absolutely right, we don't have enough. You know, we have some great examples like the Durfee Foundation, which you mentioned at the beginning, which has been investing in nonprofit people in Los Angeles for years, very intentionally. And so there are great examples of that in the sector, I'm sure there are more out there who we just, you or I, haven't heard of or they haven't told the story publicly for one reason or another. So I always encourage them also to, even if you don't have an evaluation report that's public, share what you're learning, share your story, share your practices, share why your board thinks this is great. It doesn't have to be a formal evaluation or a formal, you know, publication. We need all the stories and examples that we can get.

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DAWN

Absolutely. Change is messy, change is chaotic, it's not always going to look like a spreadsheet. And we're asking for and we need a massive change here. So, let's engage in the messy process of learning it together.

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RUSTY

That's a great way to end. Thank you so much Dawn.

OUTRO

I hope you enjoyed my conversation with Dawn Wolf. I so appreciate her reporting about the need for philanthropy to better invest in the nonprofit workforce and I encourage you to reach out to her. If you have stories you want to share.