

Who helps the helps?

Analyzing the Capacity Needs of Nonprofits

www.hypatiacollaborative.co

About

The Hypatia Collaborative is a nonprofit capacity-building organization dedicated to advancing equity and sustainability in the social sector. We support historically marginalized, community-led nonprofits by providing strategic services that strengthen their infrastructure, leadership, and impact.

Through initiatives like the Shared Services Organization (SSO) in St. Petersburg, we offer tailored support in grant writing, financial management, evaluation, and organizational development. Our work is grounded in culturally responsive and participatory approaches that center community voice, address systemic barriers, and foster long-term resilience.

Hypatia bridges gaps in resources, data, and strategy—empowering nonprofits to thrive and lead transformative change in their communities.

Authors



Naomi Ardjomand-Kermani

Director of Programmatic Operations



Bradlie Nabours

Research and Evaluation Director

Problem Statement

Nonprofit organizations play an essential role in tackling complex societal issues, yet many operate under immense strain. While their missions are vital to community health and development, nonprofits often lack the resources, systems, and support necessary for sustainable success. This gap between ambition and capability compromises their ability to achieve long-term impact.

Key Challenges Included

- **Financial Instability:** Many nonprofits depend on unpredictable funding streams or restricted grants, limiting flexibility and stifling growth.
- **Leadership Gaps:** Nonprofit leaders frequently lack access to mentorship, training, and development opportunities, leading to high turnover and misaligned strategies.
- **Outdated Technology:** Inadequate technological infrastructure and expertise impede nonprofits' ability to track progress, engage stakeholders, and scale programs.
- **Systemic Inequities:** BIPOC-led and grassroots organizations face disproportionate barriers to funding and support, perpetuating inequities.
- Adapting to Change: Global disruptions like the COVID-19 pandemic underscore the necessity for nonprofits to be agile and resilient.

Without targeted investments in capacity building—spanning leadership, technology, financial stability, and equity—nonprofits risk losing their ability to serve the communities that depend on them. This paper examines these challenges and presents actionable solutions to bridge the gap, empowering nonprofits for sustained impact.



Analyses

The Hypatia Collaborative's Nonprofit Needs Assessment provides a detailed look at the challenges and opportunities faced by historically marginalized nonprofits. By analyzing data from 82 organizations across St. Petersburg, key patterns emerge that inform strategies for capacity building:



Financial Constraints

Over two-thirds of participating organizations (approximately 68%) report operating without a clear funding strategy, and nearly half manage on annual budgets of \$50,000 or less. These limited budgets constrain their ability to invest in essential capacities such as recruiting and retaining qualified staff, upgrading outdated technology systems, and implementing systematic program evaluation. This persistent lack of financial flexibility leaves many organizations operating reactively, unable to build the infrastructure needed for long-term stability and growth.

Leadership and Governance

Findings reveal generally strong board engagement, with roughly 85% of organizations meeting the minimum legal board member requirements and nearly 70% reporting clearly defined and respected roles between boards and executive leadership. Yet, 44% indicated a need to add or replace board members—highlighting persistent challenges in governance structure and recruitment. Furthermore, only about 39% conduct annual evaluations of their executive directors, leaving a majority without formalized performance oversight, which can undermine accountability and strategic alignment.



Technology and Cybersecurity Gaps



The assessment underscores significant deficiencies in technological infrastructure: approximately 43% of organizations report using basic or outdated communications and data systems, while 21% indicate that their current tools fail to adequately meet their needs. Only about 17% of nonprofits described their technology and communications tools as well-designed and fully utilized. These gaps in IT infrastructure and digital capacity expose organizations to inefficiencies and operational risks, ultimately constraining their ability to scale, safeguard sensitive information, and effectively engage stakeholders.

Communication and Outreach

While 43% of organizations report using inclusive and equity-focused approaches in their communications, roughly 27% acknowledge only partial integration of power, privilege, and equity considerations. Additionally, 37% of nonprofits lack a formal communications strategy, limiting their ability to deliver tailored messaging and effectively engage key stakeholders.

Diversity and Equity in Leadership

A majority of the nonprofits surveyed are founded or led by individuals from historically marginalized communities: approximately 54% of founders and 62% of CEOs identify as Black or African American. These leaders bring critical lived experience and cultural insight to their organizations' missions, yet they continue to face systemic barriers in accessing funding, capacity-building opportunities, and other essential resources. Notably, many of these Black-led nonprofits also fall into the lowest budget categories and report the greatest needs in fundraising, administrative support, and technology—highlighting how inequities in resource allocation compound the challenges faced by organizations serving marginalized communities.





Benefits and Implications

Investing in nonprofit capacity building has transformative implications for communities, funders, and organizations. Addressing key challenges enables nonprofits to:

- Achieve Financial Sustainability: Diversify revenue streams, improve fiscal management, and reduce dependency on single funding sources.
- Enhance Leadership Effectiveness: Develop resilient leadership pipelines through mentorship, training, and peer networks.
- **Expand Community Impact:** Scale programs and amplify outcomes with robust tools and systems.
- **Strengthen Stakeholder Trust:** Foster credibility through transparent governance and effective communication.
- Advance Equity and Inclusion: Prioritize initiatives that dismantle systemic inequities and empower marginalized communities.

Recommendations

To address these challenges and unlock the benefits of capacity building, this paper offers the following actionable recommendations for funders and stakeholders:

- 1. **Invest in Flexible Funding:** Provide unrestricted grants, allowing nonprofits to allocate resources where they are needed most.
- 2. **Foster Leadership Development:** Support leadership training, mentorship opportunities, and peer networks to strengthen organizational resilience.
- 3. **Bridge Technology Gaps:** Facilitate the acquisition and integration of modern technology alongside staff training programs.
- 4. **Promote Equity-Centered Practices:** Prioritize funding and capacity-building efforts that address systemic inequities and uplift marginalized communities.
- 5. **Encourage Collaboration:** Foster partnerships among nonprofits, funders, and community stakeholders to share resources and amplify collective impact.
- 6. **Support Data-Driven Strategies:** Provide tools and training for program evaluation and impact measurement to enable evidence-based decision-making.

Conclusion

Nonprofits are vital contributors to social change, yet they face significant barriers limiting their ability to achieve long-term impact. This white paper highlights the urgency of targeted capacity-building initiatives to help nonprofits navigate an increasingly complex landscape. Strategic investments in leadership, technology, financial resilience, and equity will empower nonprofits to deliver sustainable, community-driven solutions. By working together, funders, stakeholders, and nonprofit leaders can create a stronger, more equitable sector that meets today's challenges and prepares for tomorrow's opportunities.

Call to Action

Nonprofits are the backbone of our communities, yet too many are forced to operate without the resources, infrastructure, and support they need to thrive. We cannot afford to let these organizations—especially those led by and serving historically marginalized communities—struggle in isolation.

Now is the time for funders, policymakers, and community partners to step forward and invest in sustainable, equity-driven capacity-building initiatives. By providing flexible funding, fostering leadership development, and addressing technology and infrastructure gaps, we can unlock the full potential of nonprofits to create transformative, community-driven change.

Join us in this work. Partner with The Hypatia Collaborative to cocreate solutions, share resources, and amplify impact. Together, we can build a stronger, more equitable nonprofit sector—one that is prepared not only to meet today's challenges but to shape a more resilient and just future.

Contact us at <u>www.hypatiacollaborative.co</u> to explore partnership opportunities and take the next step in supporting nonprofits who make change possible.

