

Damaging Dishonesty

July 26, 2021 by [Betsy Leondar-Wright](https://classism.org/author/betsy-leondar-wright/) (<https://classism.org/author/betsy-leondar-wright/>).

I guess you could call me a liar. Back when I had fundraising responsibilities at several small nonprofit organizations, I lied to foundations all the time.

I assumed, often correctly, that funders wanted to believe that their money would directly bring about specific program impacts, so I told them it would. That meant hiding some of the organization's other costs, including the time I spent fund-raising.

Some funders had caps on spending on overhead, sometimes as low as 10%, an impossible number to reach. But even when they didn't require it, I would submit project budgets that left out essential administrative, management and development costs.

And that meant that the organizations I was supporting ended up with too few unrestricted funds. So we did the same kinds of ridiculous, time-wasting work-arounds that Vu Le documents in his Nonprofit AF blog. For example, once I used a keyboard with no "3" key for a year, pasting in all my "3"s one by one. Much-needed staff hours were wasted on glitches in outdated software. But the greatest harm I caused was leaving good staff members without raises for years. Naturally, high turnover followed. Once, as an ED, I could afford to offer only an individual health plan to an employee who was a single mom with children. I'm sure our funders had no idea of the human damage caused by these cut corners.

That's what moves me so much about Lisa Ranghelli's brave article "[Low Pay and Poor Working Conditions Forced a Vital Nonprofit to Shut Down. I Was Complicit in Its Demise](https://www.philanthropy.com/article/low-pay-and-poor-working-conditions-forced-a-vital-nonprofit-to-shut-down-i-was-complicit-in-its-demise)" (<https://www.philanthropy.com/article/low-pay-and-poor-working-conditions-forced-a-vital-nonprofit-to-shut-down-i-was-complicit-in-its-demise>)" (*Chronicle of Philanthropy*, May 11, 2021): she faced funders' lack of awareness head-on. I wish everyone involved in giving grants to nonprofits would read this heartfelt confession of complicity.

Ranghelli tells the story of encountering the same small nonprofit two ways, first as a funder and later as a board member. The Prison Birth Project (PBP) received grants from the Women's Fund of Western Massachusetts for its valuable work helping pregnant women and new mothers in prison, and advocating for better policies affecting them.

While at the Women's Fund, she didn't realize that the staff members were all working long hours with inadequate pay, some supporting children, sacrificing their own financial stability and health for this labor of love. She only learned of their burnout years later when she joined the board of the PBP. She was part of disbanding the organization due to chronic underfunding.

Ranghelli writes,

"In retrospect, the problem was in plain sight. Although the Women's Fund always reviewed grant applications thoroughly, including an organization's budget, we failed to appreciate how little the three women who ran the Prison Birth Project were paying themselves. We didn't see the long hours they routinely worked and missed the signs of encroaching burnout. We didn't ask the right questions or invite frank dialogue. We were focused on the bottom line of the budget, not the details of how they were making it all happen or whether they were appropriately valued."

It was learning about [Staffing the Mission](http://www.classism.org/programs/staffing-the-mission) (<http://www.classism.org/programs/staffing-the-mission>)'s work that inspired Lisa to look through an equity lens at this painful experience. She feels that it was her "privilege-blinders" as a white middle-class woman that kept her from noticing the toll that underfunding was taking on the employees:

"I failed as a grant maker to ask myself fundamental questions about what the Prison Birth Project needed to thrive — namely, the pay, benefits, and working conditions that would allow staff to support their own families and personal well-being while also fighting for the incarcerated women of Massachusetts."

Lisa Ranghelli advocates that funders "dismantle the endemic hoarding practices that predominate in philanthropy" and do a "close examination of the low pay, inadequate working conditions, and race and gender disparities we have accepted as the norm for those who choose nonprofit careers. We can start by exploring the steps necessary to achieve needs-based and equitable pay."

The culture of philanthropy is slowly changing, thanks to efforts such as CHANGE Philanthropy, Justice Funders, Fund the People and Nonprofit AF. Unrestricted grants for general operating expenses became more common during the pandemic. “Trust-Based philanthropy” is now seen as a step to racial justice, as mostly white donors loosen restrictions to support initiatives by people of color. The philanthropy sector has new lingo: “Full Cost Funding” is now an accepted antidote to the “Nonprofit Starvation Cycle.” It’s exciting to watch this transformation unfold.

But the quality of grantee staff jobs is almost invisible in many of those conversations. That’s where [Staffing the Mission](http://www.classism.org/programs/staffing-the-mission) (<http://www.classism.org/programs/staffing-the-mission>)’s work comes in.

Funders, you need to let your applicants know that you support good jobs for their staff. If you’re not explicit about that, they may assume you prefer a lean, impact-oriented operation, and that you don’t care if that means poverty-wage or otherwise burnout jobs.

It’s easy for you to gather the information you need to find out whether any applicant or grantee staff members lack health insurance or paid time off, or earn less than the local cost of living.

We want to hear how you are (or aren’t) rising to this challenge in our confidential [survey of foundations](http://tinyurl.com/SurveyOfFoundations) (<http://tinyurl.com/SurveyOfFoundations>).

Since the lowest paid nonprofit job categories (administrative, community outreach and care-giving) are predominantly held by women of color, putting your equity values into practice means donating to meet their unmet human needs.



About Betsy Leondar-Wright

Betsy is an associate professor of sociology at Lasell University. She has worked for economic justice nonprofit organizations, including as the communications director of United for a Fair Economy and as the program director Class Action. Betsy’s books on class and classism include *Missing Class: Strengthening Social Movement Groups By Seeing Class Cultures*.