The Nonprofit Racial Leadership Gap in Memphis: A *Race to Lead* Brief

Introduction

The Building Movement Project's *Race to Lead* series investigates why there are so few leaders of color in the nonprofit sector and documents the challenges people of color face as they reach for and attain senior leadership roles. In 2019, the Building Movement Project (BMP) conducted an updated national survey to assess changes in the sector since the data collected in its original 2016 survey. *The Nonprofit Racial Leadership Gap in Memphis: A Race to Lead Brief* is part of a series of regional reports and includes findings from the more than 5,200 nationwide respondents who took the newest survey and the subset of almost 190 people who work for organizations in Memphis.[1] This report also includes an analysis of interviews with local leaders and focus groups that took place in Memphis in February 2020.[2] The report explores:

1 The leadership aspirations of current nonprofit employees and the racialized barriers to advancement identified in Memphis;

2 The current racial composition of nonprofits in the area and how those demographics impact the experiences of staff;

3 The importance of funding and opportunities to ensure financial sustainability of organizations led by people of color; and

4 The range of perspectives shared by local nonprofit staff on how to make change in nonprofit organizations and the sector.

Race and Inequality in Memphis

Memphis has a rich history in the ongoing struggle for civil rights and racial justice. In the 1890s, journalist Ida B. Wells began her nationwide anti-lynching campaign in the aftermath of the murders of three black friends just outside Memphis.[3] In 1968, Dr. Martin Luther King Jr. was assassinated in Memphis during a visit to support a strike by the city's predominantly Black sanitation workers.[4] In the past year, Memphis residents have continued that vibrant history of activism through protests in the wake of the murders by police of George Floyd, Breonna Taylor, Tony McDade, and countless other Black people around the country.[5]

Memphis is a majority-Black city; 64% of its population is Black, 26% is white, 7% is Latinx, and 2% is Asian. A similar pattern is evident in the encompassing Shelby County, where 54% of residents are Black and 35% white.[6] Black people in Memphis are more than twice as likely to live in poverty (23%) than white residents (10%).[7] In the ongoing COVID-19 pandemic, economic inequalities and related health disparities have been visible in disproportionate rates of coronavirus infection and death among Black communities and other communities of color.[8] Black people are also more likely to have comorbid medical conditions as a result of longstanding disparities in health, lack of access to healthcare, and working in jobs classified as "essential" that result in continued exposure to illness, all compounding factors that put people in this community at greater risk.[9]

The Memphis *Race to Lead* Sample

The Memphis respondents to the 2019 *Race to Lead* survey differ most significantly from the national sample regarding race/ethnicity, with a larger percentage of people of color (52%) than white people (48%), compared to the national sample of 41% people of color and 59% white respondents. Virtually all respondents included in the Memphis sample work within the city, but the respondent demographics are more representative of Shelby County. As shown in *Figure 1*, the Memphis sample had a much larger share of Black/African American respondents (49% compared to 14% nationally) and a much smaller percentage of other races and ethnicities: just 2% Latinx respondents (compared to 10% nationally), 1% Asian American respondents (compared to 7% nationally), and no Native American/Indigenous respondents (compared to 1% nationally).
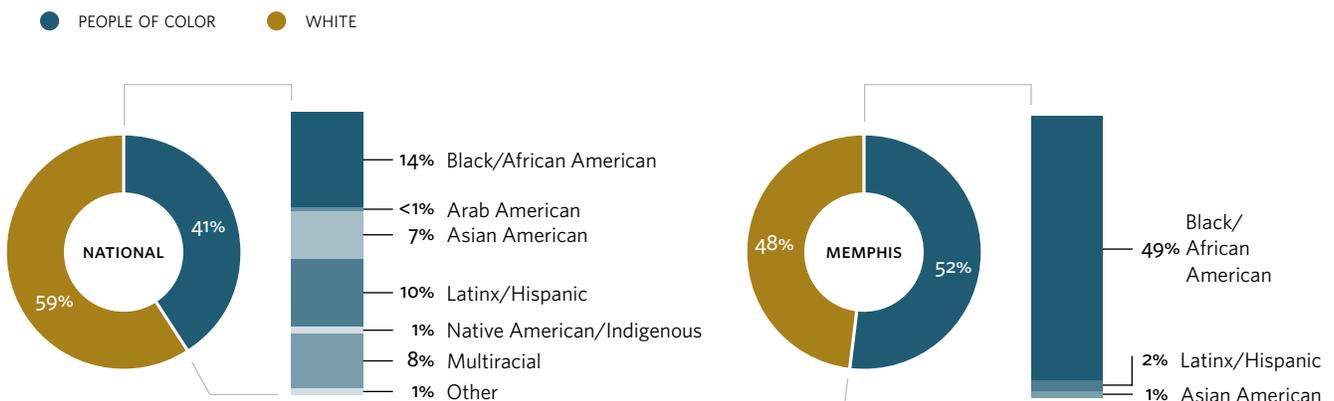
FIGURE 1 | RACE/ETHNICITY

● PEOPLE OF COLOR   ● WHITE

NATIONAL: 41%, 59%
14% Black/African American
<1% Arab American
7% Asian American
10% Latinx/Hispanic
1% Native American/Indigenous
8% Multiracial
1% Other

MEMPHIS: 48%, 52%
49% Black/African American
2% Latinx/Hispanic
1% Asian American

FIGURE 2 | GENDER IDENTITY

● WOMEN*   ● MEN*   ● GENDER NON-BINARY/NON-CONFORMING/GENDERQUEER

NATIONAL   81%   16%   3%
MEMPHIS   85%   15%   0%

NATIONAL
1%   2%   10%   6%   33%   48%

MEMPHIS
7%   8%   43%   41%

● WOMEN OF COLOR
● WHITE WOMEN
● MEN OF COLOR
● WHITE MEN
● GENDER NON-BINARY/GENDER NON-CONFORMING/GENDERQUEER PEOPLE OF COLOR
● GENDER NON-BINARY/GENDER NON-CONFORMING/GENDERQUEER WHITE PEOPLE

* Both cisgender and transgender respondents are included in the "women" and "men" categories.
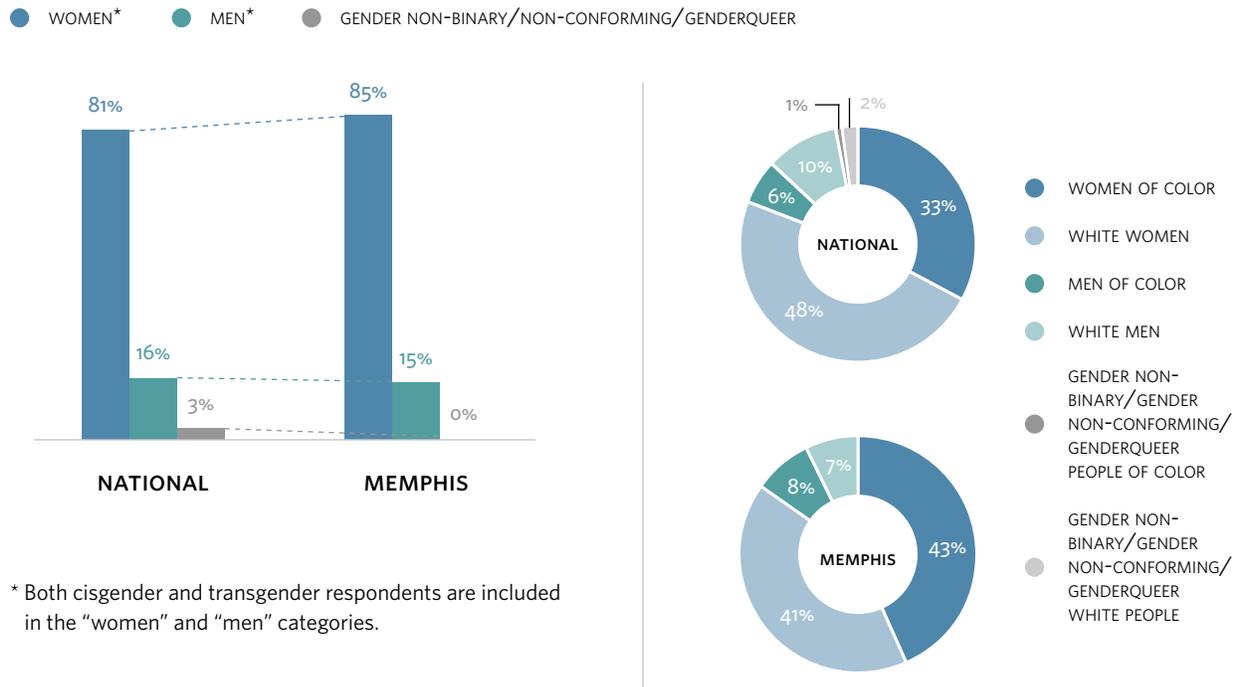
Regarding gender identity, *Figure 2* shows that 85% of respondents from Memphis were women (compared to 81% nationally) and 15% were men (compared to 16% nationally). None of the respondents from Memphis self-identified as gender non-binary/gender non-conforming/genderqueer (compared to 3% nationally). Looking at race and gender locally, 43% of the sample were women of color, 41% were white women, 8% were men of color, and 7% were white men. As *Figure 3* shows, respondents from Memphis were about half as likely (10%) to identify as LGBTQ+ as respondents in the national sample (21%).
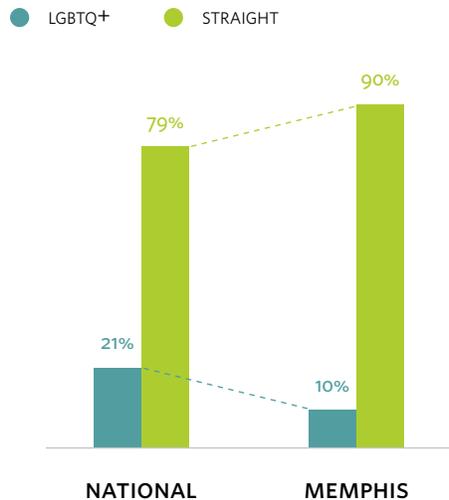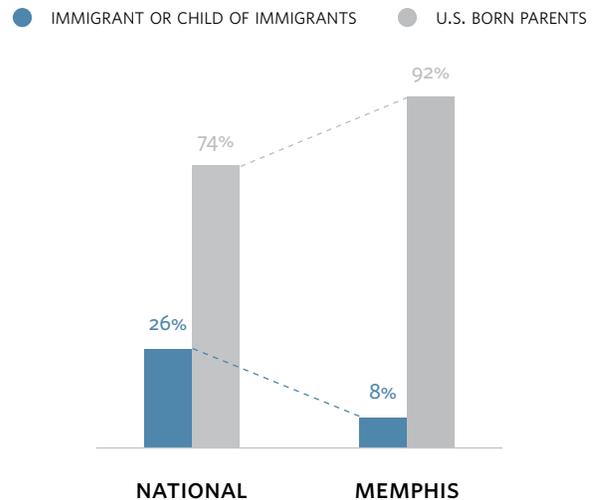
FIGURE 3 | SEXUAL ORIENTATION

● LGBTQ+   ● STRAIGHT

NATIONAL   21%   79%
MEMPHIS   10%   90%

FIGURE 4 | IMMIGRATION EXPERIENCE

● IMMIGRANT OR CHILD OF IMMIGRANTS   ● U.S. BORN PARENTS

NATIONAL   26%   74%
MEMPHIS   8%   92%

The local sample had a much higher percentage of children of U.S.-born parents than the national sample (92% compared to 74% nationally) and fewer immigrants or children of immigrants (8% of both categories combined locally, compared to 26% of both categories combined nationally), as shown in *Figure 4* on the previous page.
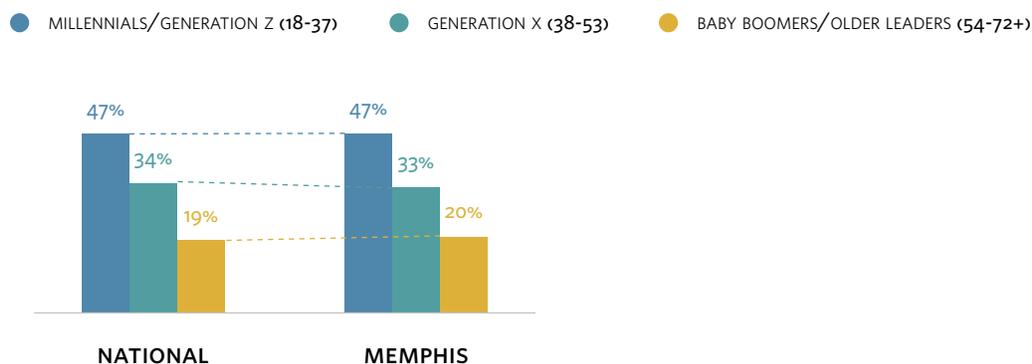
Respondents in the Memphis area were somewhat more likely to work in senior manager/director roles (35%) and executive director or chief executive officer (ED/CEO) roles (25%) than the national sample (31% and 23% respectively). They were also somewhat less likely to work in middle management roles (17% compared to 20% nationally) and line/administrative staff positions (23% compared to 26% nationally), as seen in *Figure 5*.

FIGURE 5 | CURRENT ROLE/POSITION

● NATIONAL   ● MEMPHIS

	Executive Director/CEO	Senior Manager/Director	Middle Manager	Line/Administrative Support
National	23%	31%	20%	26%
Memphis	25%	35%	17%	23%

Figure 6 shows that the Memphis sample had a similar age distribution as the national sample. Millennials[10] made up 47% of both the local and national samples, while 33% of Memphis respondents identified as Generation X (34% nationally), and 20% were Baby Boomers or older leaders (19% nationally).

FIGURE 6 | AGE/GENERATION

● MILLENNIALS/GENERATION Z (18-37)   ● GENERATION X (38-53)   ● BABY BOOMERS/OLDER LEADERS (54-72+)

	Millennials/Gen Z	Generation X	Baby Boomers/Older Leaders
NATIONAL	47%	34%	19%
MEMPHIS	47%	33%	20%

The educational attainment of the Memphis sample was similar to national survey respondents, as seen in *Figure 7*. Thirty-nine percent of local respondents held a bachelor's degree (compared to 40% of national respondents), and 54% had obtained a master's degree (52% nationally). Forty-one percent of people of color from Memphis reported their highest level of education was a bachelor's degree compared to 37% of white respondents locally, while 50% had obtained a master's degree or other terminal degree (PhD, JD, MD, etc.) compared to 58% of white respondents in the area.

FIGURE 7 | EDUCATIONAL ATTAINMENT

● NATIONAL   ● MEMPHIS

Bachelor's Degree — 40% / 39%
Master's Degree (or more) — 52% / 54%
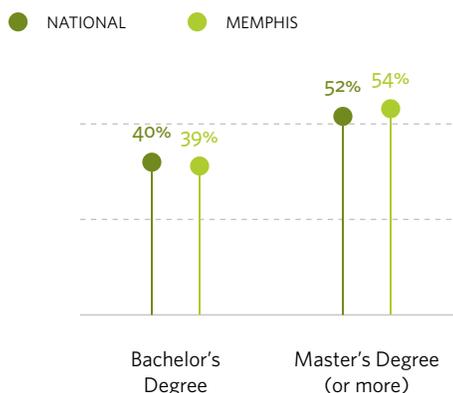
Another difference between the Memphis and national samples is the type of organization employing survey respondents. The largest share of Memphis respondents (20%) indicated that their organization focused on arts and culture, while in the national sample the percentage of respondents who worked for arts organizations was only 7%. The other top five Memphis employer types were organizations focused on education (16% in Memphis compared to 11% nationally), human and social services (12% in Memphis compared to 22% nationally), community or economic development organizations (11% in Memphis compared to 6% nationally), and grantmaking and capacity building (10% in Memphis compared to 7% nationally).

Consistent with national trends on wealth and income, the survey found that economic circumstances for respondents of color in Memphis were overall less favorable than for white respondents. People of color were more likely (38% locally and 28% nationally) than their white counterparts (20% locally and 26% nationally) to report that their salary fell within the survey's lowest salary band of less than $50,000 annually. *Figure 8* shows the percentage of Memphis residents who chose survey responses indicating that they *often* or *always* face challenges related to inadequate or inequitable salaries. Although this figure was lower in Memphis than the
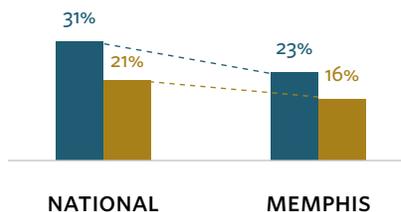
FIGURE 8 | SALARY CHALLENGES

● PEOPLE OF COLOR   ● WHITE   RESPONSES: **OFTEN OR ALWAYS**

Inadequate Salary

NATIONAL: 47% / 38%
MEMPHIS: 43% / 26%
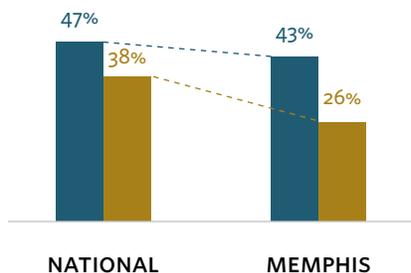
Inequitable Salary

NATIONAL: 31% / 21%
MEMPHIS: 23% / 16%

national sample, it showed the same gap in responses based on race. Respondents of color in Memphis were more likely to report that they *often* or *always* faced the challenge of not being paid a salary that met their needs (43% compared to 26% of white respondents), or that they were paid less than colleagues for the same work (23% compared to 16% of white respondents).[11] There were similar differences between people of color and white respondents—locally and nationally—regarding increases in pay from their organizations *(Figure 9)*. People of color in Memphis were much less likely to report having received a cost of living increase (28%) than white respondents (42%). They were also less likely to have received a performance-based raise (26%) than white respondents (45%). These differences in remuneration could reflect both the failure to recognize and appropriately compensate individual people of color as well as the broad disparities between funding for organizations led by and employing large numbers of people of color versus white staff. The results have direct impact on the wellbeing of nonprofit workers. In focus groups with Memphis nonprofit employees—which took place before the COVID-19 pandemic and resulting economic crisis—people of color indicated that low pay contributed to their hesitation about remaining at their organizations in the near future.
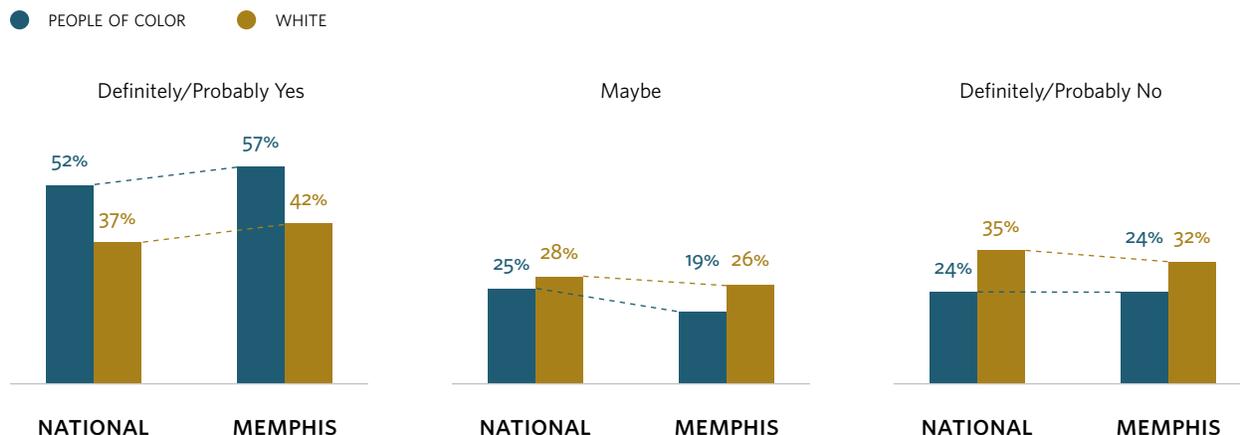
FIGURE 9 | RESPONDENT COMPENSATION

● PEOPLE OF COLOR   ● WHITE

I received a cost of living raise.   *I received a performance-based raise.*
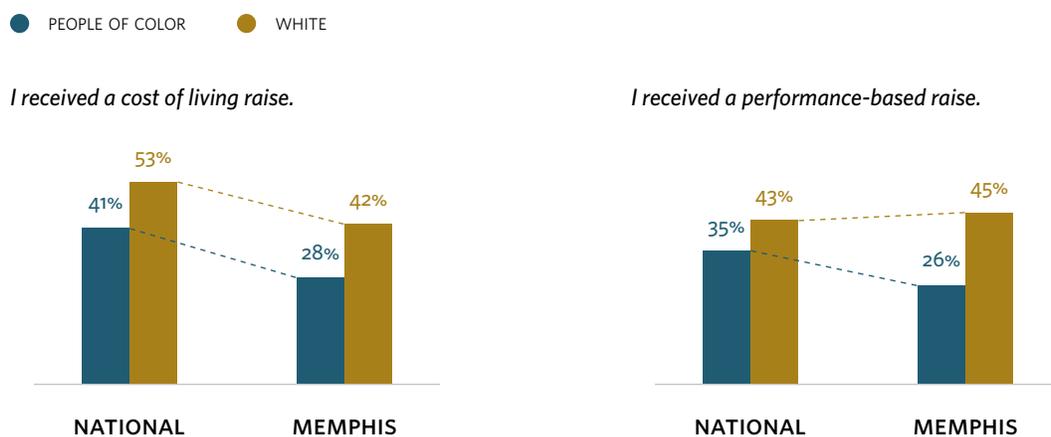
Aspirations and Barriers to Leadership in Memphis

One of the main findings in the national *Race to Lead* report series was that respondents of color were more interested in pursuing nonprofit leadership positions than their white counterparts. This was also true among survey respondents in Memphis. More than half of respondents of color who were not already executive directors or chief executive officers of nonprofits indicated that they *definitely* or *probably* wanted to pursue a nonprofit executive director or chief executive officer (ED/CEO) role (57% locally compared to 52% nationally), compared to less than half of white respondents (42% locally compared to 37% nationally),[12] as seen in *Figure 10*. The percentage of both white respondents and people of color in Memphis who were interested in leading a nonprofit was higher than in the national sample, although the gap between responses based on race was the same: fifteen percentage points.

● PEOPLE OF COLOR   ● WHITE

Definitely/Probably Yes

52% 57%
37% 42%

NATIONAL   MEMPHIS

Maybe

25% 28%   19% 26%

NATIONAL   MEMPHIS

Definitely/Probably No

35%   24% 32%
24%

NATIONAL   MEMPHIS

Although local data on leadership aspirations mirrored national findings, Memphis respondents diverged from the national sample regarding access to mentors, an important metric of nonprofit career support. As *Figure 11* shows, people of color in Memphis were much more likely than white peers to report that they had received advice, support, and connections from mentors outside their organization (76% and 62%, respectively). This fourteen-percentage-point gap was more than four times the national difference between people of color (58%) and white people (55%) reporting that they had received mentorship from outside their organization. Although people of color in Memphis were slightly less likely to report mentorship inside their organization compared to white people, the Memphis sample only showed a two-percentage-point gap between people of color and white respondents (56% and 58%) on this form of career support, compared to an eight-percentage-point gap between respondents of color (48%) and white people (56%) nationally.

FIGURE 11 | ROLE MODELS AND MENTORS

● PEOPLE OF COLOR   ● WHITE

48%
56%

I had mentors *within* my job/organization

56%
58%

58%
55%

I had mentors *outside* my job/organization

76%
62%

50%   0%

NATIONAL

0%   50%

MEMPHIS

People of color also reported racialized barriers to their advancement that were similar to the national findings. As *Figure 12* shows, more than half (52%) of people of color in Memphis said their race had a negative impact on their advancement, compared to 49% of people of color nationally. Both locally and nationally, a majority of white respondents said their race had a *positive* impact on their career (61% in Memphis and 67% nationally). People of color in Memphis were more likely than white peers to say they *often* or *always* lacked social capital and networks (20% and 12%, respectively),[13] although this gap was smaller than the national difference between people of color (29%) and white respondents (16%).

A larger contrast with the national data was reflected in the differing perspectives between people of color and white respondents about the impact of networks on advancement in the nonprofit sector. As *Figure 12* shows, 87% of white respondents from Memphis indicated that their networks and connections had a *slightly positive* or *very positive* impact on their career advancement, compared to 80% nationally. People of color responded similarly to this question in the Memphis and national samples (73% and 74%, respectively), resulting in a racial gap of fourteen percentage points among Memphis respondents that was double the national gap of six percentage points.[14] In addition, people of color agreed with the statement *"It is harder for people of color to advance in the nonprofit sector because they tend to have smaller professional networks"* at similar rates in Memphis (68%) and nationally (69%). In contrast, less than a third (31%) of white respondents in Memphis agreed with the statement compared to 41% nationally. The resulting gap between white respondents and people of color is even larger in Memphis (thirty-seven percentage points) than nationally (twenty-eight percentage points).

FIGURE 12 | IMPACT OF RACE AND NETWORKS ON CAREER ADVANCEMENT BY RACE/ETHNICITY
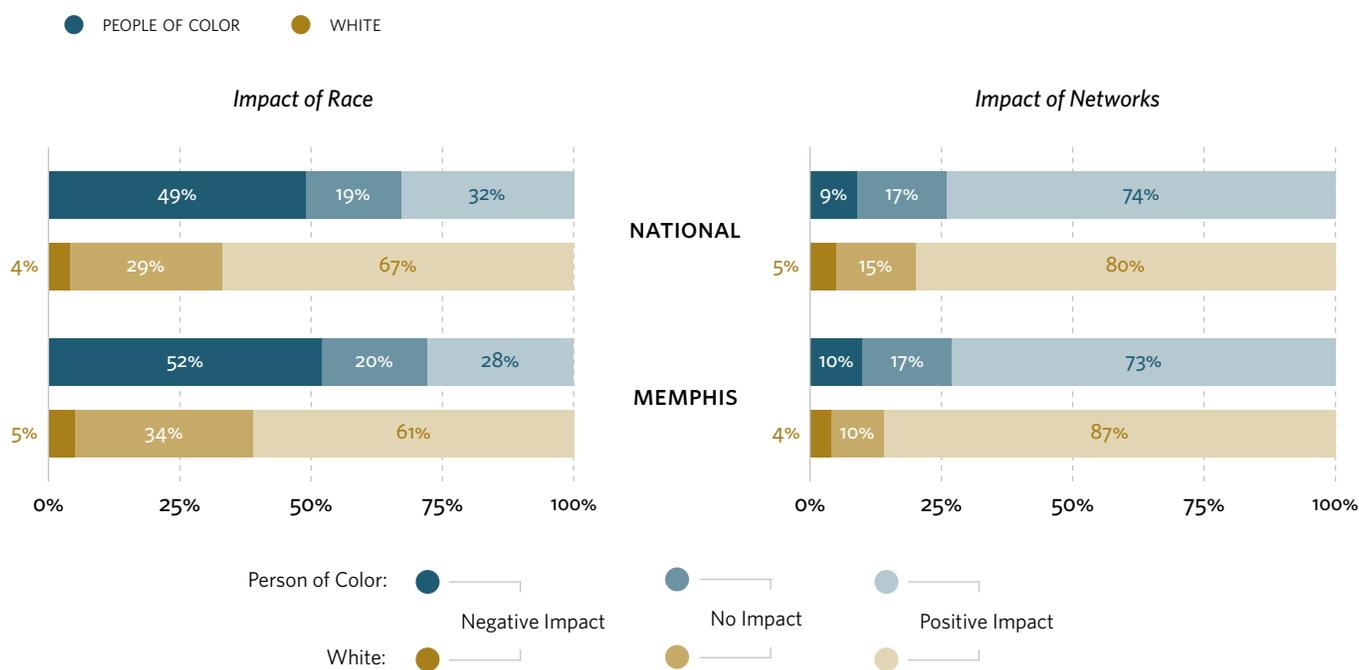
The greater access to mentorship reported by people of color in Memphis may be a reflection of the city's majority-Black demographics and suggests the possibility that informal support and connections are more readily available to Memphis-based nonprofit workers of color compared to peers nationwide. But the contrasting responses from people of color who largely agreed that smaller professional networks limit career advancement suggests that the networks and mentorship available to people of color and white people in Memphis have distinctly different capacity to contribute to professional advancement. This dynamic was the subject of nuanced conversations among focus group participants in Memphis.

Although it is common wisdom that well-connected job seekers will have an advantage when seeking a new position, the focus group participants in Memphis emphasized social networks as particularly key to acquiring nonprofit positions in the area. Several people of color said white peers seem to navigate local nonprofit social networks with greater ease, and often do not recognize this advantage. Multiple people of color in focus groups described that name-dropping is a more useful local interview strategy than emphasizing credentials. The importance—and exclusivity—of local networks was reinforced by white focus group participants who emphasized that high school credentials and relationships are instrumental to Memphis networking. Given the highly segregated status of public education in Memphis— analysis shows that schools in the city are less racially diverse now than before school desegregation five decades ago[15]—a local networking climate that draws on personal connections from high school would reinforce racialized differences in the potential for nonprofit workers to leverage their social network to advance in the sector.

IN THEIR OWN WORDS

"

I feel like the white peers that I talk to are not really aware that these networks exist … They may perfectly well be [qualified], but maybe they got five interviews because of all these personal connections that I know people of color would not have."

—Person of Color Generation X/Baby Boomer
Focus Group Participant

"

It took me two years in Memphis to get a job and I think I have an exemplary network … [But once] I put the names of two white people in my application and cover letter … I got the job."

—Person of Color Millennial/Generation Z
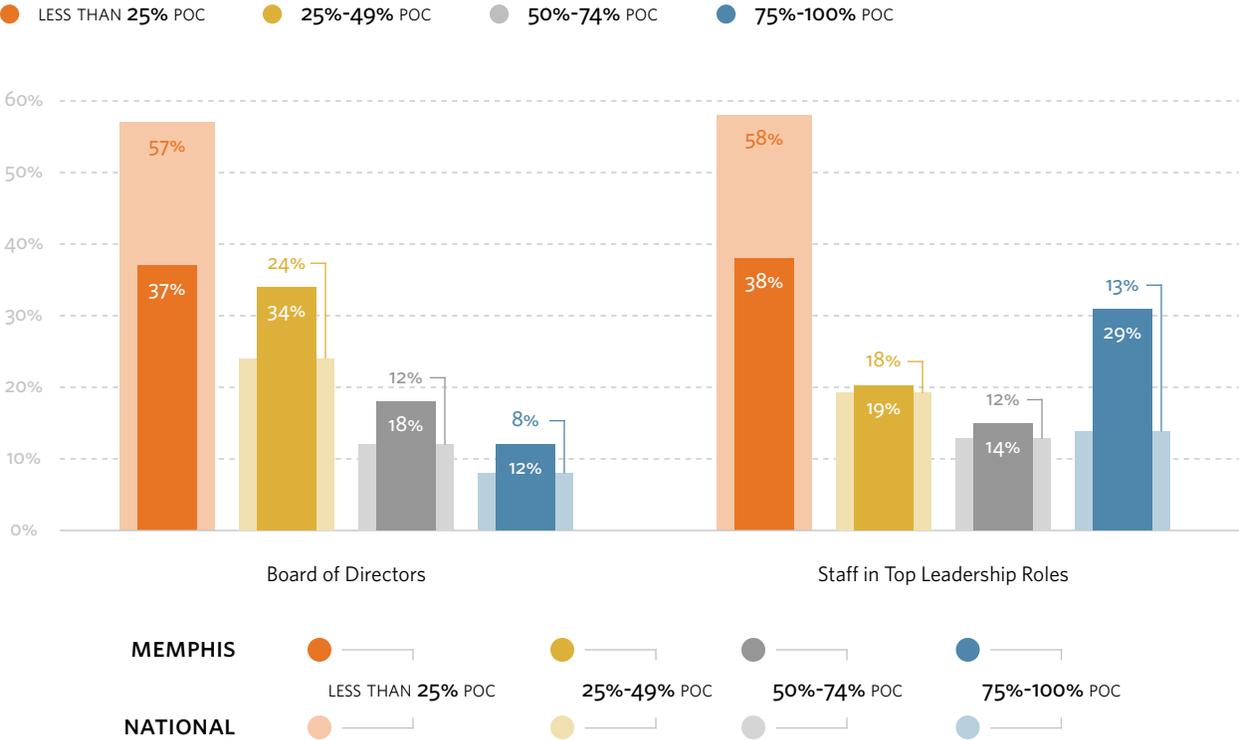Focus Group Participant

"

Some of these [board members or funders] have a hard time with people of color because they didn't go to the same high school."

—White ED/CEO Focus Group Participant

Organizational Demographics and Experiences

Survey respondents reported on the racial composition of the nonprofit organizations they worked for by indicating the percentage of people of color among the board of directors, staff in top leadership roles, staff outside of leadership, and the community served by the organization using a scale with four percentage categories: less than 25%, 25-49%, 50-74%, and 75-100% people of color. As *Figure 13* shows, Memphis survey respondents work for organizations that have larger percentages of people of color among their boards and leadership compared to the national sample. However, there were clear contrasts between the demographic composition of organizations and the communities served. Approximately three-quarters of Memphis residents are people of color, and more than half (54%) of respondents from Memphis indicated that the constituency served by their organization was at least 75% people of color (compared to 34% nationally). In contrast, just 12% of respondents in Memphis reported that their organization's board of directors was 75% or more people of color (compared to 8% nationally), and 29% of Memphis respondents indicated that staff in top leadership roles was 75% or more people of color (compared to 13% nationally).
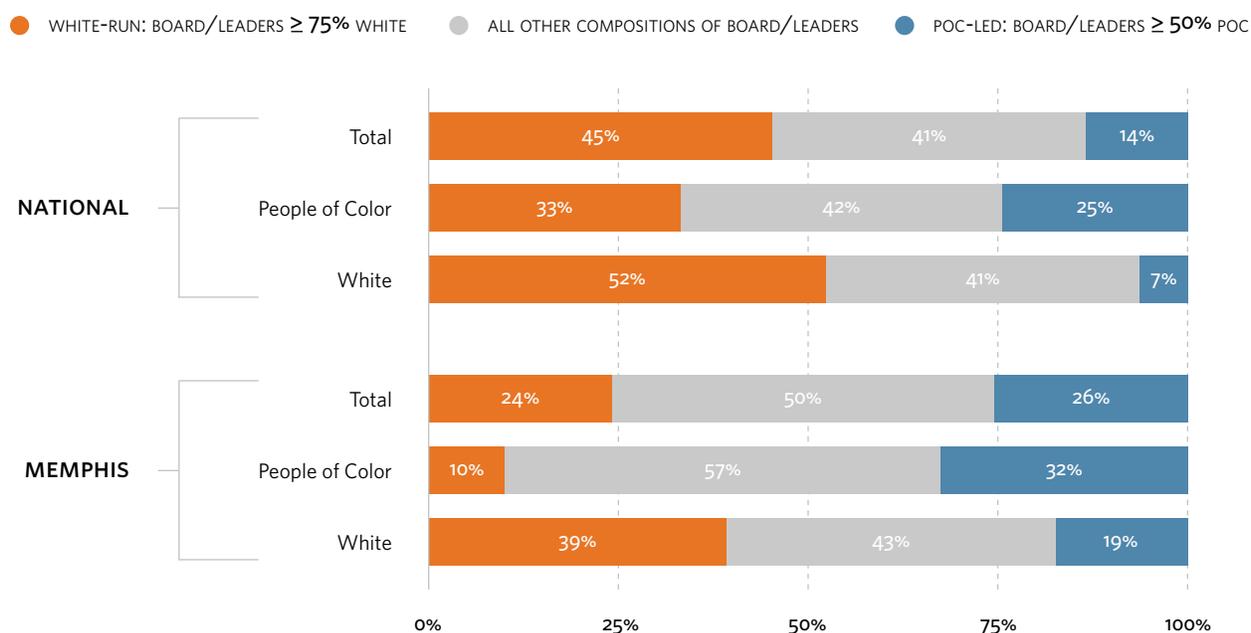
FIGURE 13 | RACIAL COMPOSITION OF ORGANIZATIONAL STAKEHOLDERS

LESS THAN **25%** POC   **25%-49%** POC   **50%-74%** POC   **75%-100%** POC

Board of Directors

- MEMPHIS: 37%, 34%, 18%, 12%
- NATIONAL: 57%, 24%, 12%, 8%

Staff in Top Leadership Roles

- MEMPHIS: 38%, 19%, 14%, 29%
- NATIONAL: 58%, 18%, 12%, 13%

MEMPHIS / NATIONAL

LESS THAN **25%** POC   **25%-49%** POC   **50%-74%** POC   **75%-100%** POC

To assess the experiences of survey respondents in organizations with different degrees of leadership by people of color, BMP's *Race to Lead Revisited* report published in June 2020 categorized nonprofits into three categories based on the racial composition of both boards of directors and staff in top leadership roles. The White-run category consists of organizations in which both the board and staff leaders are less than 25% people of color, meaning that white people constitute at least 75% of those in the top levels of leadership. The POC-led category includes organizations that have 50% or more people of color on the board of directors and in staff leadership. The third category of All Other organizations includes groups that do not meet the threshold for either the White-run or POC-led designations.
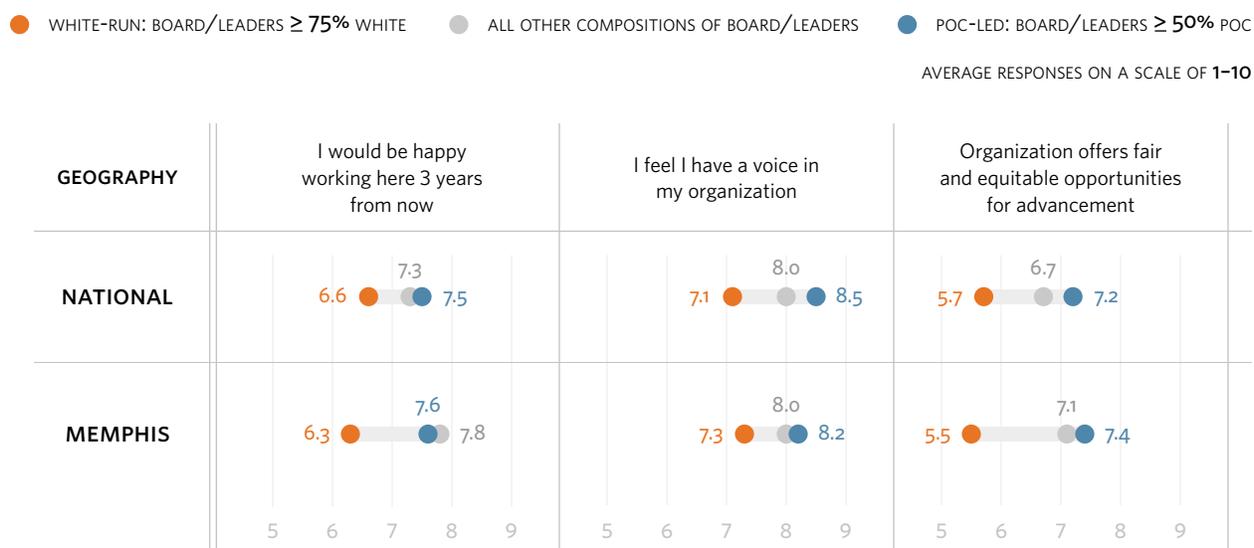
Nationally, 45% of respondents reported working for organizations where the board of directors and staff in top leadership roles were at least 75% white; in Memphis, 24% of respondents worked for White-run organizations (*Figure 14*). In contrast, 14% of respondents nationally worked for POC-led nonprofits—where at least half of the board and staff leaders are people of color—compared to 26% of Memphis respondents. The remaining 41% of respondents nationally reported working for All Other organizations that did not meet either threshold; 50% of Memphis respondents worked for this organization type. As *Figure 14* shows, people of color from Memphis were much less likely to report working for White-run organizations (10%) compared to the national sample (33%), and white people from Memphis were more likely to report working for POC-led organizations (19%) than nationally (7%). Although the limited size of the Memphis sample did not allow for a meaningful analysis of the distinct experiences of people of color and white respondents within these three organizational types locally, Memphis responses echoed the broader national trends that staff of POC-led organizations report the most positive workplace experiences.

FIGURE 14 | ORGANIZATION TYPES BY RACE/ETHNICITY OF RESPONDENTS

● WHITE-RUN: BOARD/LEADERS ≥ 75% WHITE   ● ALL OTHER COMPOSITIONS OF BOARD/LEADERS   ● POC-LED: BOARD/LEADERS ≥ 50% POC

NATIONAL
Total — 45% | 41% | 14%
People of Color — 33% | 42% | 25%
White — 52% | 41% | 7%

MEMPHIS
Total — 24% | 50% | 26%
People of Color — 10% | 57% | 32%
White — 39% | 43% | 19%

0%   25%   50%   75%   100%

As *Figure 15* shows, Memphis respondents who worked for POC-led or All Other organization types indicated higher average agreement with three positive statements about their nonprofit organization than respondents who worked for White-run organizations. In response to the statement *"I would be happy if I worked at this organization three years from now,"* respondents in White-run organizations had an average level of agreement of 6.3 compared to 7.6 for respondents in POC-led organizations and 7.8 in All Other organization types. The same pattern holds true for the statement *"I feel I have a voice in my organization,"* for which the average agreement was 7.3 in White-run groups compared to 8.2 in POC-led groups and 8.0 in All Other organization types. Finally, for the statement *"My organization offers fair and equitable opportunities for advancement and promotion,"* the average level of agreement for respondents in White-run groups was 5.5 compared to 7.4 in POC-led organizations and 7.1 in All Other organization types. There is a clear correlation between organizations that have more people of color in board and staff in top leadership roles and agreement from staff regarding positive statements about the nonprofit workplace.

FIGURE 15 | WORKPLACE EXPERIENCES BY RACIAL COMPOSITION OF ORGANIZATIONAL LEADERSHIP

● WHITE-RUN: BOARD/LEADERS ≥ 75% WHITE   ● ALL OTHER COMPOSITIONS OF BOARD/LEADERS   ● POC-LED: BOARD/LEADERS ≥ 50% POC

AVERAGE RESPONSES ON A SCALE OF 1–10

Approximately one quarter (24%) of Memphis respondents indicated that their nonprofit organization was White-run. Although addressing racial equity in the sector extends beyond diversifying the composition of staff and boards, in both survey data and focus groups Memphis participants agreed there was insufficient racial diversity in nonprofit leadership, particularly in light of the city's demographics. Locally, 85% of people of color and 78% of white respondents agreed with the statement *"One of the big problems in the nonprofit sector is that leadership doesn't represent the diversity of the United States,"*[16] a similar percentage of respondents who agreed nationally. Although some people of color from Memphis focus groups and interviews noted recent increases of people of color in leadership positions, particularly in smaller organizations, they were emphatic that more local work is necessary to build representation of people of color in top leadership roles and to support organizations led by people of color.

Support Needed for POC-Led Organizations

Recent studies have documented the lack of funding directed to organizations led by people of color, especially Black women EDs/CEOs.[17] Although the limited size of the Memphis survey sample did not allow for a comparison of organizational leaders on the basis of race or ethnicity, BMP focus groups with EDs/CEOs and the local responses to several survey questions shed light on some of the financial difficulties faced by POC-led organizations.

Among Memphis survey respondents who worked for organizations where more than half of the board of directors and staff in top leadership roles were people of color, 44% reported that their organization had an annual budget of less than $1 million, compared to 28% of respondents working for White-run organizations and 29% of respondents working for All Other organizations. As *Figure 16* shows, this local data reflects a similar pattern in the national sample, in which staff of POC-led nonprofits reported lower organizational budgets than respondents working for White-run groups.

FIGURE 16 | ORGANIZATION BUDGET BY ORGANIZATION TYPE
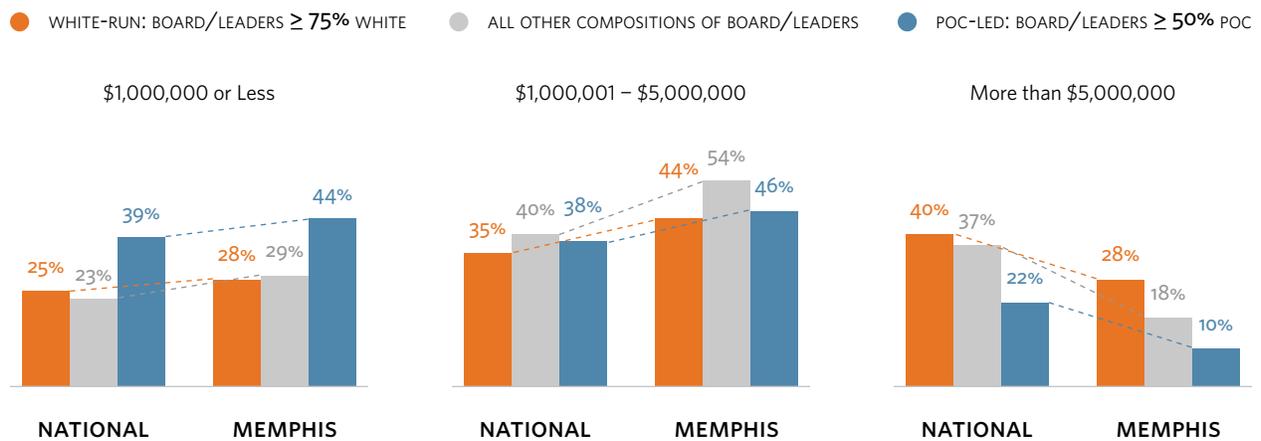
Survey respondents also highlighted the importance of increased funding for POC-led organizations. Respondents were asked to rate the potential effectiveness of a series of strategies to increase diversity at top-level positions and provide support for leaders of color on a scale of 1 (*not effective at all*) to 10 (*extremely effective*). In response to *"increasing philanthropic support for organizations led by people of color,"* people of color in Memphis responded with an average rating of 8.3 (similar to the 8.6 rating of people of color nationally) and white respondents responded with average of at 7.6 (similar to 7.7 nationally).

Although people of color and white respondents in Memphis were similarly likely to report that they *often* or *always* lacked relationships with funding sources (29% of people of color and 28% of white respondents in Memphis, compared to 35% of people of color and 25% of white people nationally), focus group participants had robust discussions about racialized challenges in the local and national funding landscape. A few white participants characterized philanthropy in Memphis as a "good ol' boys" club dominated by wealthy white families and their foundations. Similarly, several CEOs of color described barriers to access to local foundations and a perception that organizations with white leaders can more easily connect with funders, regardless of their organization's impact on the ground.

IN THEIR OWN WORDS

"

There are large pools of money that really are just family controlled … and you've got to know someone to get some money. There are other family foundations with a more transparent review process, but there is not a huge amount of funding available.**"**

—White Millennial/Generation Z
Focus Group Participant

The survey asked respondents who currently lead a nonprofit if their organization received comparable funding to peer organizations doing similar work, and 26% of EDs/CEOs—both in Memphis and nationally—responded that they *rarely* or *never* received comparable funding. In focus groups, CEOs of color described that local foundations support their work but do not provide sufficient funding to meet their organizations' needs, while at the same time these nonprofits feel pressured to "do more with less" and be grateful for what they receive. CEOs of color, especially those in the arts, reported that white-led organizations often receive larger grants and then sub-contract to smaller organizations led by people of color. While leaders of color valued the sub-grants, they noted that this trickle-down funding enabled white leaders to leverage the larger grants and maintain their positions as the primary holders of the relationships with foundations and donors.

Focus groups with both leaders of color and white EDs/CEOs pointed to barriers to securing funding from sources beyond the local philanthropic sector. For instance, several focus group participants observed that large national philanthropic organizations often identify local foundations to act as an "intermediary" or "gatekeeper" even though those local foundations may not have a track record of funding Memphis area nonprofits led by people of color. Leaders of color also described challenges accessing government funding, noting that well-resourced, white-led organizations again have an advantage, such as resources to hire lobbyists in the state capital who help secure public funding. Several leaders of color noted the difficulty of vying for public funds due to the distance between Memphis and Nashville that makes in-person meetings and lobbying challenging for organizations that cannot hire someone to take on that work at the capital. Multiple leaders also expressed that the state's conservative political environment in effect bars nonprofit leaders who take a public stand on progressive issues

IN THEIR OWN WORDS

"

[Funders] expect you to stretch [the money they give]. And if you show capacity, there's not a consideration to increase, unless you have an advocate."

—Generation X/Baby Boomer of Color
Focus Group Participant

"

With a national foundation in town, it still felt like the local connections were really critical because there was a gatekeeper … saying this organization was worth looking at and this one is not."

—White CEO Focus Group Participant

"

We have to develop relationships with national foundations and we have to explain [the barriers to local funding] to them when they ask, '[Why] don't you have any local people funding you?' … Stop hamstringing us because of some principles you have that there has to be local skin in the game."

—Black Woman Interviewee

and organizations working with particularly marginalized communities from securing funding from government sources.

Although the dominant theme in the focus groups related to lack of access to funding, several people of color also discussed the pitfalls for POC-led organizations that become a local funder's "pet project." Some participants expressed concerns about being reliant on the funds of a single organization that could shift its priorities and stop its support at any time. Others worried that reliance on funding from one source requires sacrifices in integrity and truth-telling because it is difficult to confront funders about harmful practices or challenge them on issues of race equity if the organization depends on the foundation's continued favor. Participants described fears that if leaders risk speaking up about harmful dynamics between the organizations or in the community, they risk both losing funding and finding that foundations may not even be willing to listen.

Perspectives on the relationship between grant seekers and foundations differed across race as well as across generation. As described above, the survey asked respondents to rate a variety of potential strategies for increasing the diversity of top-level nonprofit leaders, using a scale of potential effectiveness from 1 (*not effective at all*) to 10 (*extremely effective*). Nationally, the largest racial gap was in response to the strategy of *"increasing philanthropic support for organizations led by people of color,"* with respondents of color rating this idea more effective (average rating of 8.6) than white people (average of 7.7). Locally, people of color rated the potential effectiveness of this strategy 8.3 on average, compared to 7.6 among white respondents.

Generational Differences Among People of Color

BMP's *Race to Lead Revisited* noted that the largest demographic change between the surveys conducted in 2016 and 2019 was an increase of nine percentage points of Millennial and Generation Z respondents (38% in 2016 to 47% in 2019), and decreases in the percentage of respondents from Generation X (39% in 2016 to 34% in 2019) and the Baby Boomer and older leaders generation (23% in 2016 to 19% in 2019). This survey data reflects larger trends in the workforce, as research has shown that Millennials have become the largest share of U.S. workers.[18] This growing proportion of younger workers is not only changing the makeup of the sector but leading to differences in perspectives. BMP conducted six focus groups in Memphis, with Millennial people of color, white Millennials, people of color from Generation X and Baby Boomers, white Gen Xers and Baby Boomers, EDs/CEOs of color, and white EDs/CEOs. Although the size of the Memphis sample did not allow for disaggregation of Memphis responses based on both generation and race, the overall generational trends and the views expressed in the focus groups provide interesting insight into emerging generational differences between people of color in Memphis.

FIGURE 17 | CHALLENGES OF IMPROVING DEI IN THE NONPROFIT SECTOR

MILLENNIALS/GEN Z (18-37) GEN X (38-53) BABY BOOMERS/OLDER LEADERS (54-72+)   RESPONSES: **AGREE**

Issues of race and diversity in the nonprofit sector are so complicated it's not clear how to resolve them
National: 28%, 30%, 30% | Memphis: 23%, 25%, 37%

Nonprofits trying to address race and race equity often create tensions they are not equipped to resolve
National: 53%, 57%, 59% | Memphis: 48%, 59%, 59%

One of the big problems in the nonprofit sector is that leadership doesn't represent the diversity of the U.S.
National: 87%, 84%, 75% | Memphis: 80%, 83%, 81%

We know how to improve DEI in the nonprofit sector, but decision makers don't have the will to make changes
National: 65%, 57%, 44% | Memphis: 56%, 66%, 53%

NATIONAL **MEMPHIS**

The survey asked respondents to indicate if they agreed with a series of statements about the challenges of improving diversity, equity, and inclusion in the nonprofit sector. The questions elicited differing levels of agreement between older and younger generations. As *Figure 17* shows, for the statement *"Issues of race and diversity in the nonprofit sector are so complicated that it's not clear how to resolve them and move forward,"* Baby Boomers and older leaders were more likely to agree (37% locally and 30% nationally) compared to Generation X (25% locally and 23% nationally) and Millennials (30% and 28% nationally).[19] A similar pattern of agreement was evident in response to *"Nonprofits trying to address race and race equity in their organizations often create tensions that they are not equipped to resolve,"* for which 59% of Baby Boomers and older leaders (59% nationally) as well as 59% of Generation X (57% nationally) agreed with the statement, while just 48% of Millennials agreed (53% nationally).[20] Focus group conversations suggested that these generational differences are apparent within workspaces, as some people of color in the Millennial focus groups described their perception that older people of color are reluctant to risk disruptions by directly addressing organizational issues related to race equity.

In focus groups, some Millennial people of color expressed frustration that some older people of color in their nonprofits serve as "gatekeepers" who see younger staff as competition and block their advancement. Some CEOs of color in focus groups—who were primarily Gen Xers or Baby Boomers—acknowledged that younger staff could perceive the actions of older leaders as "gatekeeping" but countered that leaders of color may be trying to protect and manage complex institutions, often while navigating difficult decisions about funding and stakeholders, such as the pressures described in the preceding section. Multiple CEOs of color described efforts to cultivate and develop younger generations through board service and employment opportunities.

IN THEIR OWN WORDS

"

[Older people of color] will support you behind closed doors … If they know you're the type of person to keep disrupting spaces, they will help you to navigate the space [with] a text message while you all are sitting in a meeting."

—Person of Color Millennial/Generation Z Focus Group Participant

"

A lot of the Millennials are coming into the field and they're like, 'Okay, you've been doing this for years. It's time for you to pass the baton.' This person that has the baton is like, 'I literally just got the baton, I've been working at this 15 years trying to get it, and now you're looking at me like 'pass it over?'"

—ED/CEO of Color Focus Group Participant

"

I was one of those people that were like 'these old people won't let me do …' until I became an 'old people.' … I think it's really just a conversation that needs to be had. Memphis is very nuanced in how you have to deal and how you have to navigate."

—ED/CEO of Color Focus Group Participant

Some leaders of color acknowledged that these generational dynamics are not new, and require more intentional cross-generational conversations. Given the current resurgence of movement energy led by young activists and the demographic shifts in the nonprofit sector, this is a particularly opportune time for younger and older generations of people of color to remain in dialogue to ensure that efforts to challenge inequality and oppression in Memphis remain the focus of collective action.
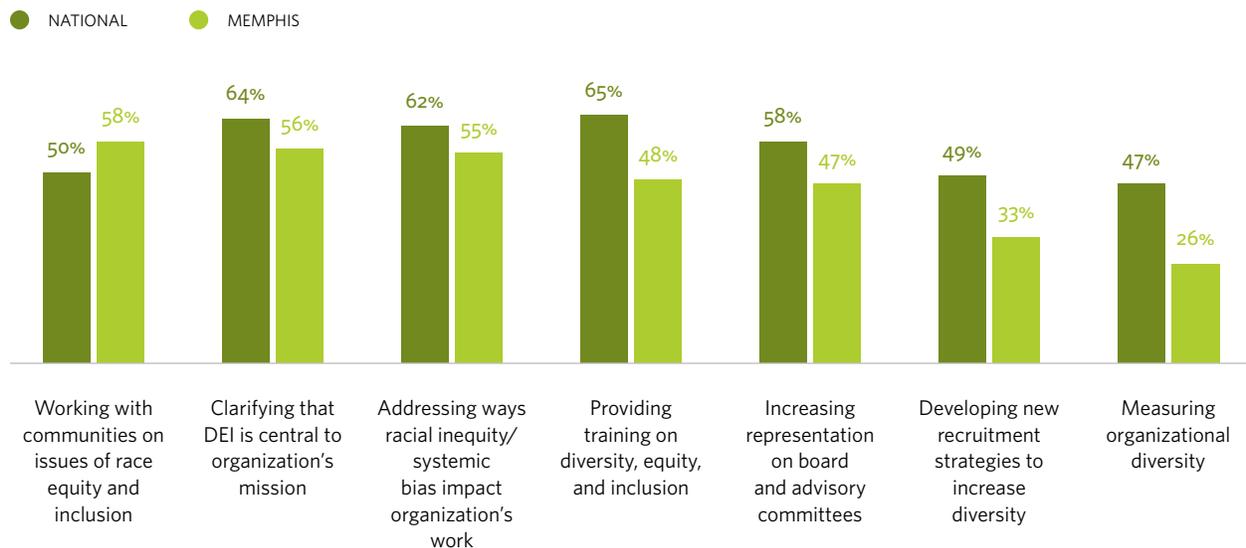
DEI Initiatives in Memphis

Nonprofit organizations across the United States are taking steps to become more diverse, equitable, and inclusive workplaces. This trend was apparent in Memphis, with 68% of respondents (compared to 74% nationally) reporting that their organization had engaged in diversity, equity, and inclusion (DEI) initiatives. Locally, similar shares of respondents of color (67%) and white people (68%) reported that their organizations engaged in these initiatives, compared to 73% of people of color and 75% of white respondents nationally.

Respondents who reported that their organization had ongoing DEI efforts were asked to indicate what specific actions their organization was taking. Most frequently, respondents reported that their organizations were *working with the community on race equity and inclusion* (58% in Memphis and 50% nationally); *clarifying that diversity, equity, and inclusion is central to the organization's purpose and is reflected in the mission* (56% in Memphis and 64% nationally); and *addressing ways that racial inequity and bias impact the issues the organization works on* (55% in Memphis and 62% nationally) (see *Figure 18* on the following page). Other strategies showed larger gaps between the national data and Memphis, including *providing training on diversity, equity, and inclusion* (48% in Memphis and 64% nationally), *increasing representation on board and advisory committees* (47% in Memphis and 58% nationally), *developing new recruitment strategies to increase diversity* (33% in Memphis and 49% nationally), and *measuring organizational diversity* (26% in Memphis and 47% nationally).

In focus groups, participants discussed strategies they thought were most promising to address the diversity, equity, and inclusion challenges in the nonprofit sector in Memphis. Several white EDs/CEOs said that recruiting people of color to the organization at large can help build pipelines for future top leadership positions and provide opportunities for growth and advancement. However, in focus groups with Millennials of color participants emphasized that recruiting people of color with expectations of their future leadership is only meaningful if tied to succession planning in which white leaders in senior positions actually transition their roles to people of color. People of color in the Millennial and Generation X/Baby Boomer focus groups expressed skepticism and concern about recruiting people of color to organizations without meaningful efforts to ensure that the organizational culture and existing team are committed to the inclusion, safety, and empowerment of the new, diverse staff and board members. People of color and white people in focus groups also had divergent perspectives on whether DEI training could be a helpful starting point for organizational change efforts, as many white participants

FIGURE 18 | CURRENT DEI INITIATIVES

NATIONAL **MEMPHIS**

	National	Memphis
Working with communities on issues of race equity and inclusion	50%	58%
Clarifying that DEI is central to organization's mission	64%	56%
Addressing ways racial inequity/systemic bias impact organization's work	62%	55%
Providing training on diversity, equity, and inclusion	65%	48%
Increasing representation on board and advisory committees	58%	47%
Developing new recruitment strategies to increase diversity	49%	33%
Measuring organizational diversity	47%	26%

suggested, or is a perfunctory activity organizations undertake without committing to deeper change, which is how DEI trainings were described by many people of color.

As noted in the prior section on funding, survey respondents indicated high rates of agreement that enhanced philanthropic support for nonprofits led by people of color would improve nonprofit sector diversity, although white respondents showed lower average agreement than people of color on the scale from 1 (*not effective at all*) to 10 (*extremely effective*): 7.6 for white respondents and 8.3 for people of color. Given the funding challenges facing nonprofit organizations and particularly the racial disparities in funding access described by leaders of color, local and national funders and those organizations that are the beneficiaries of significant funding must take the leadership role to invest in transforming the local sector — a sentiment emphatically expressed by younger people of color in Memphis.

IN THEIR OWN WORDS

"

You can recruit all the people of color you want, but ... it seems like there is a lack of understanding that just putting people in the space doesn't change the space. The space has to change.**"**

—Person of Color Millennial/Generation Z Focus Group Participant

"

Talking about doing the diversity training and stuff like that, [too often organizations] check the box and say, 'Yeah, we did it this year.' But, what did you do after you did the training? Nothing.**"**

—Person of Color Millennial/Generation Z Focus Group Participant

Opportunities for Change

The nonprofit sector's widespread investment in DEI activities provides an opening for change on racial equity. One overarching recommendation is that nonprofits take on the challenging work described below with peer organizations with similar goals. For more in-depth descriptions of the change efforts outlined below, see *Race to Lead Revisited: Obstacles and Opportunities in Addressing the Nonprofit Racial Leadership Gap*.

OPPORTUNITY **1**

Focus on Structures <u>and</u> the Experience of Race and Racism

Structural analysis of race and racism, especially for white-dominant groups, is a critical foundation for race equity work. This work must be coupled with efforts to understand and validate the individual and collective experiences of people of color in nonprofit organizations.

OPPORTUNITY **2**

Policies Have Meaning … If Enforced

Groups committed to DEI efforts must examine and change organizational policies to reflect the organizational commitment to equity. A realignment of policies and practices is only effective if they are acted on consistently and universally.

OPPORTUNITY **3**

Put Your Money …

Organizations led by people of color simply need more funding. To interrupt the cycle of replicating the inequities the sector is committed to fight, funders need to examine their own practices and ensure people of color-led groups receive the resources needed to thrive.

OPPORTUNITY **4**

Reflecting the Community: Racial Diversity in Action

Recruiting and retaining racially diverse staff and board leaders takes a sustained investment of time and resources. It also requires shifting power by listening to staff and board members of color and changing organization policies and practices accordingly.

OPPORTUNITY **5**

Responsibility and Results

Organizations committed to DEI must establish thoughtful and measurable ways to assess progress based on a widely-shared plan for what should change, who is responsible, and how results will be documented and reviewed annually.

Endnotes

1   The Building Movement Project distributed and conducted the 2019 *Race to Lead* survey online for eight weeks in the summer of 2019. The result is a convenience sample of those who work for pay in the nonprofit sector in the United States.

2   All but one respondent worked for an organization in the City of Memphis. BMP also conducted phone and video interviews with four nonprofit leaders.

3   *People's Grocery Historical Marker.* Lynching Sites Project Memphis.
    https://lynchingsitesmem.org/archives/peoples-grocery-historical-marker

4   *About the Museum.* National Civil Rights Museum at the Lorraine Motel. https://www.civilrightsmuseum.org/about

5   Tugade, F. A. (2020, June). *Say their names: Protesters listen, answer roll call of dead victims of injustice.* MLK50 Memphis.
    https://mlk50.com/say-their-names-protesters-listen-answer-roll-call-of-dead-victims-of-injustice-5b21e529b6b0

6   United States Census Bureau. *Quick Facts: Shelby County, Tennessee; Memphis City, Tennessee.*
    https://www.census.gov/quickfacts/fact/table/shelbycountytennessee,memphiscitytennessee/PST045219

7   Delavega, E. (2018, September). *Memphis Poverty Fact Sheet.* University of Memphis.
    https://www.memphis.edu/socialwork/research/2018povertyfactsheet.docx

8   Thorbecke, C., Mitropoulos, A. (2020, June). *'Extreme inequality was the preexisting condition': How COVID-19 widened America's wealth gap.* ABC News.
    https://abcnews.go.com/Business/extreme-inequality-preexisting-condition-covid-19-widened-americas/story?id=71401975

9   Wright, W. (2020, June). *COVID-19 Task Force identifies racial disparities in COVID-19 care.* Fox13 Memphis.
    https://www.fox13memphis.com/news/local/covid-19-task-force-identifies-racial-disparities-covid-19-care/3DLUTYFQFZA5XB6CYFDTEFKL5U/

10 In the national survey sample, a handful of respondents indicated they were Generation Z (born 1997 or later). In the Memphis sub-sample, there were no respondents who identified as Generation Z. Generations are categorized based on birth year as follows: Generation Z (1998 or later); Millennial (1982-1997); Generation X (1966-1981); and Baby Boomer (1947-1965).

11 Differences in this report are statistically significant unless otherwise indicated. Despite large differences in percentages, due to sample size and statistical power, we did not detect a statistically significant difference in this comparison. Additionally, due to rounding, some percentages that appear in the figures throughout the report may not precisely reflect the absolute numbers or add to 100%.

12 See endnote 11.

13 See endnote 11.

14 See endnote 11.

15 Kebede, L.F. (2018, March). *Memphis school segregation worse than 50 years ago.* Chalkbeat Tennessee.
    https://tn.chalkbeat.org/2018/3/29/21108492/memphis-school-segregation-worse-than-50-years-ago

16 See endnote 11.

17 Dorsey, C., Bradach, J., Kim, P. (2020, May). *Disparities in Funding for Leaders of Color Leave Impact on the Table.* The Bridgespan Group.
    https://www.bridgespan.org/bridgespan/Images/articles/racial-equity-and-philanthropy/racial-equity-and-philanthropy.pdf

18 Fry, R. (2018, April). *Millennials are the largest generation in the U.S. labor force.* Pew Research Center.
    https://www.pewresearch.org/facttank/2018/04/11/millennials-largest-generation-us-labor-force/
    This study's definition of Millennials varies slightly in birth years (1981 to 1996) from the range BMP used in the 2016 and 2019 surveys (1982 to 1997).

19 See endnote 11.

20 See endnote 11.

Acknowledgements

Building Movement Project

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