

NACEDA Family Snapshot 2022

BY CHANSE SONSALLA

INTRODUCTION

The 2022 snapshot highlights the adaptability and significance of NACEDA members over the course of a year. It focuses on the important role that state and regional associations play as capacity builders for community development organizations around the country — and how the supply and demand for capacity building services have changed since the pandemic.

The data presented in this report is drawn from the NACEDA Family Snapshot survey, administered May-June 2022. The results reflect financial information from the 2021 fiscal year. Survey questions asked about NACEDA members' capacity building efforts.

NACEDA Members

38 regional, state, and national community development associations, in

25 states and the District of Columbia

Community-Based Development Organizations (CBDOs)

A nonprofit, community-based organization that improves the future of a place to benefit the people who live there. CBDOs are usually located in low-income, underserved neighborhoods. Traditional activities include real estate development, business and economic development, affordable housing, and community organizing.

Capacity Building

Funding or technical assistance provided to CBDOs to improve their ability to achieve their missions and visions for uplifting their communities.

- Analysis revealed a significant increase in demand from CBDOs for capacity building services. Dramatic shifts also occurred in state associations' ability to supply these services, including a renewed focus on equity-oriented resources. While overall demand for capacity building has increased, NACEDA members continue to grapple with shifting trends among funders, staff, and the CBDOs they serve.

DEMAND FROM COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS

100% of NACEDA members agree that providing capacity building is and should be an important component of their mission to support strong, impactful organizations.

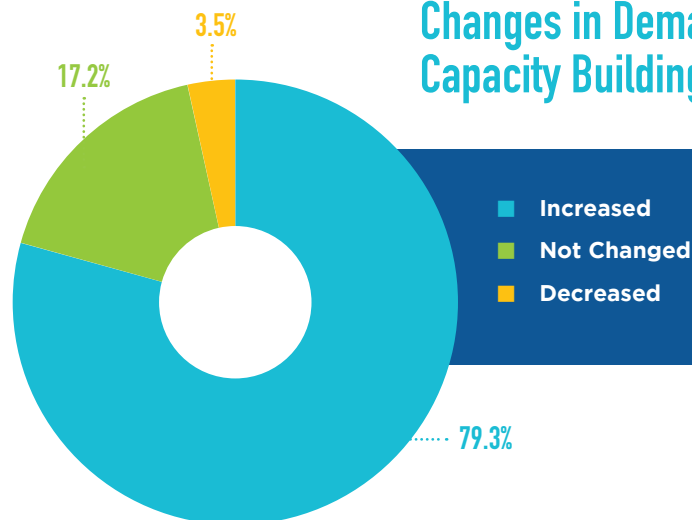
NEARLY 80% of members report an increase in demand for capacity building services, attributed to organizational experiences of the pandemic.



At the height of the pandemic, it was revealed that many of our member organizations possessed deficits that prevented them from accessing governmental resources deployed specifically for their use.”

– Georgia Advancing Communities Together (Georgia ACT), describing why demand for capacity building has increased in their state.

Changes in Demand for Capacity Building Services



- While CBDO’s demand for opportunities to build their capacity has increased, their ability to utilize resources available to them is impeded by **staffing and funding constraints**. Other NACEDA members provided context and identified limitations to CBDOs’ demand for capacity building services.
- **Limited staff capacity** among CBDOs **reduces their ability to participate** in capacity-building offerings. Organizations that are short staffed struggle to identify and effectively implement offerings.
- Funders are not providing enough resources for the specific types of organizations seeking services. CBDOs serving hard to reach communities, such as rural and BIPOC-led organizations, are **not receiving the targeted funding necessary** to respond to their community’s needs.

SUPPLY FROM MEMBER ASSOCIATIONS

Virtually all NACEDA members facilitate capacity building in each of the following areas:

POLICY DEVELOPMENT AND RESEARCH

“ This year, EBHO also relaunched our Leadership Academy for residents of affordable housing for the first time since 2020 and graduated nine new organizers. Leadership Academy is a free course for residents of affordable housing about organizing skills and housing policy. This program was born out of an idea from our resident organizers who wanted to reduce the barriers to organizing for housing justice.”

- East Bay Housing Organizations (EBHO), Oakland, CA

COMMUNITY ECONOMIC DEVELOPMENT

Our recent Michigan CED industry report found an overwhelming majority of our members in need of additional capacity to better support their communities. In response, we partnered with several state agencies to offer real estate development training, Economic Inclusion grants, AmeriCorps members and Community Development Fellows to over 100 organizations.”

- Community Economic Development Association of Michigan (CEDAM)

NONPROFIT ORGANIZATIONAL DEVELOPMENT

“ BLDG Memphis’ effort to build capacity in its member organizations begins with the administration of a yearly capacity assessment diagnostic tool. The results of this test are used to create a customized capacity building work plan for each member organization. The organizations are then able to take advantage of BLDG Memphis yearly workshop and lunch and learn programs, along with free technical assistance, provided either by BLDG Memphis staff or external consultants.”

- BLDG Memphis

Our members also regularly provide capacity building for the following efforts:

■ GENERAL AFFORDABLE HOUSING DEVELOPMENT

Strategies related to the acquisition, development, financing, and management of property for residential purposes

■ MICRO & SMALL BUSINESS DEVELOPMENT

■ HOMEOWNERSHIP

Resources related to the provision and administration of homeownership initiatives or housing counseling programs.

■ TENANT PARTICIPATION & PRESERVATION OF LOW-INCOME HOUSING

■ AFFORDABLE HOUSING: MIXED-USE DEVELOPMENT

■ CREATIVE PLACEMAKING

Programs intended to foster public art installations, creative building and public works design, mixed-use design with artist workspace, and public performance spaces.

■ HOMELESS SERVICES

Usually led by staff

Usually led by consultants



NACEDA’s members engage in important work supporting the community development field — and the financial resources available to them continue to change.

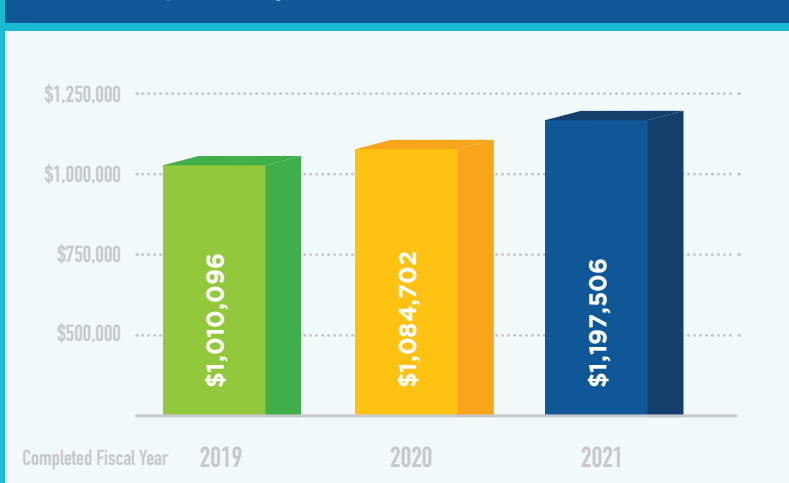
Here is where the NACEDA network stood at the conclusion of their last completed fiscal year.

Organizational Revenue for the Last Completed Fiscal Year

Average	\$1,861,693
Median	\$857,562
Maximum	\$14,747,823
Largest	\$139,763

* Surplus of COVID relief grants removed from the total revenue of an outlying member

Average Yearly Revenues of NACEDA Members



Since 2020, the average yearly revenues of NACEDA members has increased annually.

* Averages based on organizations who provided data across all 3 years.

In the last year, organizations consistently followed through on staffing intentions discussed in NACEDA’s 2021 COVID-19 report.

Number of organizations that...

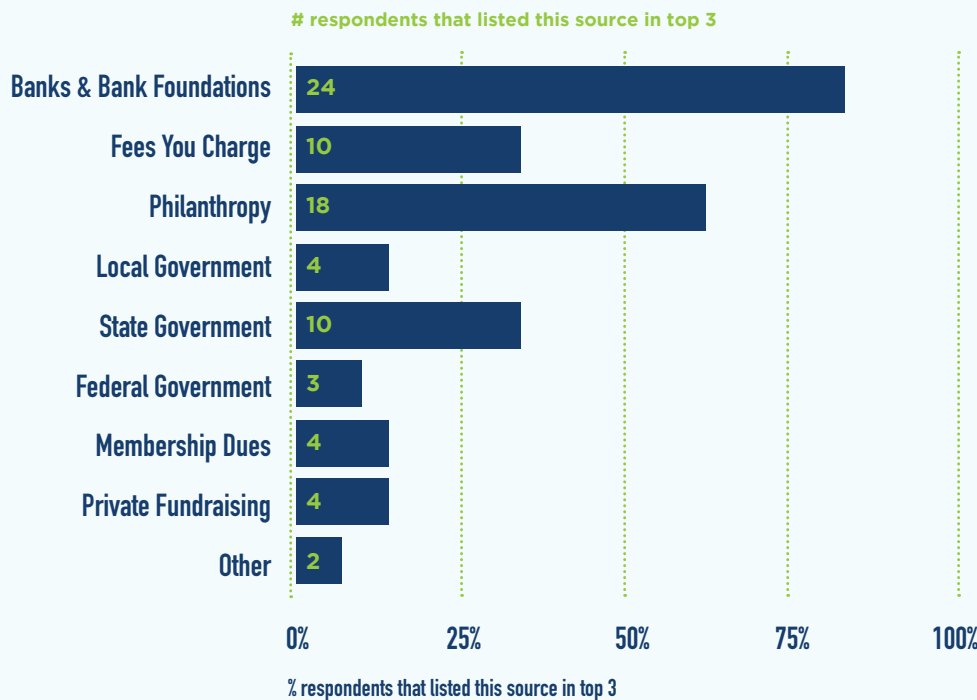
Increased staff capacity	21
Decreased staff capacity	3
No Change	5

Notably, many members who eliminated part-time, volunteer, or intern positions also added a full-staff member - a net increase in staff capacity.



Despite the overall increase in staff, NACEDA members report that their capacity building efforts continue to be hindered by staffing shortages. The “Great Resignation” has impacted many associations’ ability to administer their full set of capacity building programs.

Who are the Primary Funders of Your Capacity Building?



Funding for capacity building came from a variety of sources. Banks and bank foundations, philanthropic organizations, and state governments were the most common funders.

CHALLENGES IN CAPACITY BUILDING

- Despite increases in revenue, **86% of our members report funding limitations** as the most pressing obstacle to the provision of capacity building. In some cases, funders do not provide resources for the types of technical services CBDOs are seeking. However, most members report that **there is simply not enough financial support for capacity building.**
- NACEDA members assert that capacity building is an effective way to advance racial equity. However, a significant number of organizations noted an unhealthy absence of equity-oriented consultants and resources. BIPOC-led CBDOs and associations providing capacity building services were particularly impacted

The survey concluded with a space for NACEDA members to comment on gaps in the capacity building field the survey instrument had not addressed directly. Half of NACEDA members proactively raised concerns related to diversity, racial equity, and BIPOC representation in capacity building resources.



A major challenge is that the top services our members are seeking are general to all nonprofits - specifically human resources, especially through an equity lens, and public policy advocacy.”

“There is a lack of capacity building providers that have an equity and justice lens and understanding.”

“We want more consultants of color.”

“There are gaps between white-led and BIPOC-led organizations in terms of aligned providers.”



Community based organizations that are BIPOC-led have specific capacity needs.”

KEY TAKEAWAYS

Demand is growing among CBDOs for capacity building services. That demand is partially being driven by funders and by society-wide calls for racial justice, not to mention the increasing needs of the communities they serve. CBDOs are also putting more pressure on themselves to be more equitable in the delivery of services and in their general organizational practices.

State and regional associations see NACEDA as an incredibly valuable place to share resources and best practices related to the demands of their own membership capacity building. While NACEDA members are increasing their ability to supply capacity building services, they are not able to keep up with the demand from CBOs, funders, and others. They require more funding, staffing capacity, and access to consultants and trainers able to help them provide capacity building services more equitably.