

Submitted to: NYC Mayor's Office of Equity & Racial Justice (MOREJ)

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Re: Feedback on the 2026 Preliminary Racial Equity Plan

Nonprofit New York (NPNY) applauds NYC Mayor Mamdani and the Mayor's Office of Equity & Racial Justice (MOREJ) for their commitment to centering equity and racial justice through policy and practice across NYC agencies to improve conditions throughout our City. As the only sector-wide intermediary for nonprofits in New York City, NPNY greatly appreciates the clear set of priorities focused on empowering nonprofits, advancing racial equity, and improving outcomes for marginalized communities across the city.

While the Preliminary Racial Equity Plan represents a definitive first step towards realizing these goals, we believe this plan misses some critical opportunities to name and outline goals that will improve the nonprofit sector and outcomes for the New Yorkers they serve. We offer recommendations and an invitation to continued collaboration between Nonprofit New York, our members, and the Mayor's Office of Equity and Racial Justice.

Framing Racial Equity Through an Intersectional Lens

Be explicit and intentional about delivering programs and measuring impact through an intersectional equity lens. Developing and delivering services through a singular identity frame risks missing people whose lived experiences are intersectional and complex. This is an exciting opportunity for innovation that should be centered in this ambitious and critical plan.

Wage Equity and The True Cost of Living (TCOL)

Nonprofit and human services workers are essential to the delivery of critical public services and the advancement of racial and economic equity, yet too many remain underpaid despite the indispensable nature of their work.

The True Cost of Living (TCOL) measure reinforces the urgency of this challenge, demonstrating that many nonprofit and human services salaries fall significantly below what is required for economic stability in New York City. In some cases, a single adult would need to work upwards of 90 hours per week to meet the TCOL threshold. Persistent wage inequities contribute to high turnover, workforce shortages, burnout, and barriers to recruitment and retention, particularly among frontline staff and workers from historically marginalized communities.

As New York City advances major initiatives such as the expansion of childcare and other human services programs, it will be critical to ensure that the workforce tasked with

implementing these priorities is compensated fairly and equitably. Investments in service expansion must be matched with investments in the workers who sustain these systems.

- Articulate clear goals and priorities that establish a meaningful wage floor for nonprofit and human services workers that reflects the True Cost of Living in New York City.
- Commit to annual Cost-of-Living Adjustments (COLAs) in city contracts to ensure nonprofit wages keep pace with inflation and rising living expenses.
- Advance sector-wide compensation reforms that address long-standing wage disparities across nonprofit and human services sectors.
- Ensure city contract rates adequately account for salary increases, employee benefits, and workforce retention needs.
- Prioritize equitable compensation for frontline workers, childcare providers, and direct service staff who are disproportionately women and people of color.
- Support pay equity initiatives that address racial and gender wage disparities within the nonprofit workforce.
- Align workforce investments with broader racial equity goals by recognizing nonprofit workers as essential contributors to the City's civic and social infrastructure.

Equity in Contracting and Leadership

The City has long overseen a contracting system that fails to pay nonprofits and other human services providers on time. These delays have caused irreparable harm to organizations and the sector as a whole by instigating layoffs, reductions in services, and cash flow problems that further strain organizations who are constantly asked to do more with less. We understand that the Mamdani administration has inherited a decades old set of problems related to contracting but this is a problem too critical to be missing from the Plan. Providers facing contracting challenges are often led by Black and Brown New Yorkers, and are in service of the most vulnerable communities in the city. To address the contracting and procurement issues, we recommend the city:

- Simplify procurement processes for smaller nonprofits by reducing insurance requirements, paperwork burdens, and lengthy prequalification procedures.
- Prioritize faster contracting, invoicing, and reimbursement timelines, particularly for smaller community-based organizations.
- Expand access to capital and bridge financing programs for nonprofits awaiting government reimbursement.
- Expand opportunities for first-time contractors and smaller organizations through set-asides or equity-focused procurement goals.
- Standardize transparent reporting on where city nonprofit funding is distributed geographically and demographically.
- Require city agencies to publicly track demographic data related to nonprofit contracting and leadership diversity.
- Encourage equitable indirect cost reimbursement policies that reflect the true operational costs nonprofits incur when delivering city services.

Capacity Building and Support

The NYC nonprofit sector continues to play a vital role in delivering critical services to the most vulnerable New Yorkers. While the needs of our communities continue to rise, the capacity and support to meet these needs becomes increasingly stretched. To address these challenges, we recommend the city:

- Establish a dedicated “Nonprofit Equity Capacity Building Fund” that provides multi-year operational support with special attention to emerging and small community-rooted organizations.
- Increase the use of unrestricted and multi-year funding models to provide nonprofits with greater stability and flexibility.
- Invest in advocacy and civic engagement training for nonprofits, recognizing advocacy as a core component of equitable systems change.
- Support workforce sustainability through funding for nonprofit staff retention, leadership succession planning, and living wages.
- Develop specialized support programs for small nonprofits disproportionately impacted by delayed payments and cash-flow instability.
- Create standardized citywide technical assistance hubs to help nonprofits navigate procurement, compliance, data reporting, and reimbursement systems.
- Require racial equity impact assessments in funding decisions to ensure investments reach historically underfunded communities and organizations.

Community Partnership, Engagement, and Inclusion

Nonprofit organizations are trusted partners, cultural connectors, and critical infrastructure within communities across New York City. Achieving the goals outlined in the Racial Equity Plan will require sustained collaboration with nonprofits not only as service providers, but as co-creators of policy solutions and community engagement strategies. The City should prioritize long-term, equitable partnerships that recognize the expertise of community-based organizations, reduce administrative burdens, and ensure engagement processes are accessible, inclusive, and responsive to the needs of historically marginalized communities.

- Formalize nonprofit advisory councils across agencies to ensure community organizations are involved in policy design, implementation, and evaluation.
- Compensate nonprofits for participation in city planning, engagement, and advisory processes to recognize their labor and expertise.
- Create cross-agency partnership structures that reduce duplicative outreach and administrative burdens on nonprofits.
- Expand partnerships with trusted community-based organizations for culturally competent outreach during emergencies, public health campaigns, and service delivery initiatives.
- Encourage collaborative funding opportunities that support nonprofit coalitions and shared service models rather than competition among organizations serving similar communities.

- Ensure all city-funded nonprofit engagement efforts are accessible through translation, interpretation, disability access, and multiple participation formats.
- Support digital equity initiatives that help nonprofits improve outreach, accessibility, and constituent engagement.
- Develop metrics that evaluate the quality and inclusiveness of community engagement efforts, not just participation numbers.

Conclusion

We commend the Mamdani administration's commitment to equity and racial justice and view this Plan as a critical first step toward a city where all New Yorkers can thrive. To fully realize this vision, the City must also commit to addressing the structural conditions that continue to hinder the nonprofit sector's ability to serve communities effectively. Nonprofits are essential civic infrastructure and indispensable partners in advancing racial equity across city systems, yet many organizations continue to face barriers related to contracting, workforce sustainability, payment delays, and long-term organizational capacity.

As the City moves from planning to implementation, we encourage the administration to incorporate accountability mechanisms that allow nonprofits to provide ongoing feedback on contracting practices, partnership structures, and implementation challenges. We also urge the City to align its racial equity goals with broader investments in nonprofit workforce development, organizational resilience, and equitable funding practices, while incorporating nonprofit sector health indicators into future equity reporting and evaluation efforts.

Nonprofit New York welcomes partnership and collaboration with the administration and the Mayor's Office of Equity and Racial Justice in the amplification and implementation of these critical initiatives.

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