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## WRITTEN TESTIMONY

New York City Council Committee on Oversight and Investigations Meeting April 30, 2020

### Disparate Impacts of COVID-19 on Communities of Color

**To:** The Honorable City Councilmember Ritchie Torres

**From:** Chai Jindasurat, Policy Director, Nonprofit New York

**Date:** April 30, 2020

Dear Councilmember Torres,

We appreciate the opportunity to submit written testimony to the Committee on Oversight on behalf of Nonprofit New York and our 1,500 nonprofit members. Thank you for your leadership to address the disparate impact of COVID-19 on communities of color in New York City. While we defer to public health experts on the social determinants of health and environmental drivers contributing to the disproportionate impact of COVID-19 on communities of color, we join in our city's concern and call for resources and attention to the fact that Black New Yorkers are twice as likely to die from COVID, and fatalities among Latinx New Yorkers are the second highest in the city.

One issue of concern fully in the power of the City Council to address is Council discretionary funding. We know the city is in a challenging financial position. We are advocating as strongly as we can with the New York Congressional Delegation for federal relief for New York's budget deficits. Even with federal aid, the City will have to find efficiencies in the budget. However **any cuts to City Council discretionary funding are an equity issue and will have a damaging impact on smaller organizations serving communities of color.** The nonprofit sector has a racial leadership gap, and minority-led organizations often struggle to compete for resources.<sup>1</sup> Grassroots organizations led by and serving communities of color often do not have the organizational capacity to engage in the onerous City agency RFP process.

We stand with our partners in the nonprofit sector advocating against any cuts to discretionary funding. While the most recent guidance from the City Council to city agencies on April 24th is closer to the reassurance nonprofits seek, the requirements and guidance for **reimbursement for work done after March 22** have us concerned as most of the organizations receiving discretionary contracts are deep rooted in communities and have shifted their services to continue to serve community members and should not experience retroactive cuts.

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<sup>1</sup> For a fuller discussion on the sector's diversity challenges, please see the appendix.

But the communities most impacted by COVID-19 are the communities heavily reliant on discretionary funding, which only accounts for **0.42%** of the city budget. **Discretionary funding is how small organizations closest to New Yorkers and organizations led by people of color get access to public funding.** Instead of cutting discretionary funding, we call on the city to find more impactful efficiencies, while maintaining a low-cost budget line with huge impact for under-served communities. We also support what other nonprofits are calling for: restricted funding to be made general operating support, eliminating the hearings requirement for FY20 contract registration, no retroactive cuts, and at least two weeks planning time if a program must end. These concrete actions the Council can take will support community based organizations led by and serving those most impacted by COVID-19.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chai Jindasurat'.

Chai Jindasurat  
Policy Director

## Appendix

### **Diversity Challenges in the Nonprofit Sector**

Based on survey responses from Nonprofit New York and NYC Service's report *What Lies Beneath: The State of NYC Nonprofit Board Diversity, Equity, and Inclusion*<sup>2</sup>, a majority of New York City nonprofit CEOs/EDs and board members are white, between the ages of 46 and 64, cisgender, and heterosexual. A majority of respondents also said they do not believe their board reflects the diversity of their constituents. A report from BoardSource in 2017 found that people of color comprised only 10% of CEOs, 10% of Board Chairs, and 16% of Board members, but make up 40% of the working population.<sup>3</sup> Building Movement Project's (BMP) report, *Race to Lead: Confronting the Nonprofit Racial Leadership Gap*<sup>4</sup> discovered that EDs/CEOs of color were more likely to experience leadership challenges like inadequate salary<sup>5</sup>; lack of relationship with funding sources<sup>6</sup>; and being called on to represent one's entire community<sup>7</sup> (53% leaders of color vs. 23% white leaders). Nonprofits hire inequitably, leaders of color are vastly underrepresented (and underinvested in) in the sector<sup>8</sup>, and more are leaving every day.<sup>9</sup> Leaders of color who do make it to a CEO position are often undermined and unsupported.<sup>10</sup> Research by Fund the People found challenges for immigrants, including that senior leaders born outside the U.S. were significantly more likely to say their ability to succeed was hindered by funders' "wait and see" practice.<sup>11</sup> BMP also found that women of color experienced both subtle and blatant bias that negatively impacted their career aspirations, and were passed over for others with comparable or even inferior credentials. Further, having an advanced degree had no impact for women of color and women of color with high educational degrees were more likely to be in support roles and earn less than white counterparts with less training and education.<sup>12</sup>

BMP released a special report with the same data from *Race to Lead*, *Working at the Intersections: LGBTQ Nonprofit Staff and the Racial Leadership Gap* which found that LGBTQ people of color reported significantly more challenges in almost every area of their career as opposed to straight people of color and both LGBTQ and straight white people.<sup>13</sup> Respondents reported anti-LGBTQ bias in nonprofit spaces, and LGBTQ organizations were perceived to have a race problem.<sup>14</sup> Funders for LGBTQ Issues has been leading efforts to understand homophobic, biphobic, and transphobic inequities within philanthropy. Their report, *The Philanthropic Closet*, found that LGBTQ people are

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<sup>2</sup> Nonprofit New York (formerly NPCC) and NYC Service. (2018). *What Lies Beneath: The State of NYC Nonprofit Board Diversity, Equity, and Inclusion*. Retrieved from [https://gallery.mailchimp.com/e3163e2ee79e21b79cf36982c/files/4af5a3c8-3046-4bbf-a9da-037df2482641/Nonprofit\\_Board\\_DEI\\_Report.pdf](https://gallery.mailchimp.com/e3163e2ee79e21b79cf36982c/files/4af5a3c8-3046-4bbf-a9da-037df2482641/Nonprofit_Board_DEI_Report.pdf)

<sup>3</sup> BoardSource. (2017). *Leading with Intent: 2017 Index of Nonprofit Board Practices*.

<sup>4</sup> Thomas-Breitfeld, S., and Kunreuther, F. (2017). Building Movement Project, *Race to Lead: Confronting the Nonprofit Racial Leadership Gap*. Retrieved from: [https://www.buildingmovement.org/reports/entry/race\\_to\\_lead](https://www.buildingmovement.org/reports/entry/race_to_lead)

<sup>5</sup> 49% of leaders of color reported experiencing this problem versus 34% of white leaders. *Id.*

<sup>6</sup> 49% leaders of color vs. 33% white leaders. *Id.*

<sup>7</sup> 53% leaders of color vs. 23% white leaders. *Id.*

<sup>8</sup> Thomas-Breitfeld, S., and Kunreuther, F. *Ibid.*

<sup>9</sup> See, Vu Le, *Why More and More Executive Directors of Color Are Leaving Their Positions, and What We Need To Do About It*, at: <https://nonprofitaf.com/2019/06/why-more-and-more-executive-directors-of-color-are-leaving-their-positions-and-what-we-need-to-do-about-it/>

<sup>10</sup> See, Building Movement Project, *Race to Lead: Confronting the Nonprofit Racial Leadership Gap* (2017) at: [http://www.buildingmovement.org/pdf/Racetolead\\_NonprofitRacialLeadershipGap.pdf](http://www.buildingmovement.org/pdf/Racetolead_NonprofitRacialLeadershipGap.pdf).

<sup>11</sup> Fund the People. (2018). *Talen Justice Report*. Retrieved from <http://fundthepeople.org/toolkit/tji/report/>

<sup>12</sup> Thomas-Breitfeld, S., and Kunreuther, F. *Op. Cit.*

<sup>13</sup> Thomas-Breitfeld, S., and Kunreuther, F., Building Movement Project. (October 2017). *Working at the Intersections: LGBTQ Nonprofit Staff and the Racial Leadership Gap*. Retrieved from <http://racetolead.org/lgbtq/>

<sup>14</sup> Thomas-Breitfeld, S., and Kunreuther, F., Building Movement Project. (October 2017). *Working at the Intersections: LGBTQ Nonprofit Staff and the Racial Leadership Gap*. Retrieved from <http://racetolead.org/lgbtq/>

more likely to be out in the corporate sector than the philanthropic sector, even within foundations with a social justice or LGBTQ focus.<sup>15</sup> These resources highlight inequities across race, gender, sexual orientation, and gender identity within the nonprofit sector. These inequities are not exhaustive.

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<sup>15</sup> Funders for LGBTQ Issues (October 2018). The Philanthropic Closet. Retrieved from: <https://lgbtfunders.org/research-item/the-philanthropic-closet-lgbtq-people-in-philanthropy/>