

NORTH TEXAS ASSET FUNDERS NETWORK

EQUITY IN ASSET BUILDING RELAY GRANT

INTRODUCTION

North Texas Asset Funders Network (NTX AFN) is a regional chapter of grantmakers who advance equitable wealth building and economic mobility. In 2023, NTX AFN launched a relay grant program to intentionally resource and elevate nonprofits led by people of color. Simultaneously, the grant program opened decision-making to leaders to distribute resources to their peers who are doing work in the communities. This report shares details and lessons learned about the grant program with the goal of inspiring learning and replication.

BACKGROUND/CONTEXT

In 2023, NTX AFN established the Equity in Asset Building Relay Grant program. Its purpose was to deliberately elevate grantmaker visibility of and investment in nonprofits led by people of color working on economic mobility and asset building issues¹ within Dallas and Tarrant Counties, North Texas.

Funders are aware that the racial wealth gap is inextricably connected to a racial funding gap. Organizations led by people of color who are addressing economic security issues broadly and deeply remain unknown and/or underfunded due to structural racism, implicit bias, and inequitable access to the philanthropic community. Yet leaders of color who

are closest to the problem of wealth inequality are closest to the solutions that could have the greatest impact toward economic equity, with more power and resources.

To address historic under-resourcing and foster greater equity in asset building, NTX AFN leveraged its collaborative leadership, history of innovation and action, and 10-year anniversary to design a grant program that explicitly and intentionally funded nonprofits led by people of color and empowered leaders of color to elevate and allocate resources to peers who are doing asset building work in communities.

PARTICIPATING FUNDERS

Charles Schwab Bank
Communities Foundation of Texas
The Dallas Foundation
Holloway Family Foundation
JPMorgan Chase & Co.
The Meadows Foundation
Rainwater Charitable Foundation
Texas Women's Foundation
Wells Fargo

¹ Financial coaching and financial health, affordable housing and homeownership, workforce supports, free tax preparation, and/or access to credit for small businesses.

EQUITY IN ASSET BUILDING RELAY GRANT PROGRAM

The program provided streamlined, unrestricted \$10,000 grants to a cohort of 10 nonprofits led by people of color working on economic mobility issues within North Texas. Funds were allocated using a relay format and trust-based philanthropy principles (e.g., unrestricted funding, streamlined applications). After the first round, each grantee cohort selected new organizations to receive grants in the next round of funding. Eligible grantees included economic security and mobility organizations led by a person of color, with an annual budget of less than \$700,000, and providing services in either Dallas or Tarrant County.

For the first round, a list of eligible organizations was generated from Communities Foundation of Texas’ (CFT) nonprofit database and input from NTX AFN Steering Committee Members. Staff from CFT and AFN used a randomizer to choose the first two grantees – one in Dallas County and one in Tarrant County and input from NTX AFN Steering Committee Members. The first two grantees nominated the next grantees for four rounds of relay selections.

NTX AFN committed to learning and doing through the program - making grants through a new approach and exploring with grantees how the process was and what impacts the program had. At the end of the grant program, grantees participated in learning activities (experience survey and briefing with funders) and were compensated through a \$1,000 stipend for their time and contribution.

RELAY GRANTEEES		
ROUND	DALLAS COUNTY RECIPIENT	TARRANT COUNTY RECIPIENT
1	AES Literacy Institute	Jewel's Comfort Keeper
2	Stars United Global Outreach	Aaliyah is Healed Foundation
3	Southern Progress CDC	Cuidado Caseros Foundation
4	Zan Wesley Holmes Jr. Community Outreach Center	Hispanic Women's Network-Fort Worth Chapter
5	3n1 Trinity Services	MANA

WHAT WAS THE IMPACT?

- Grantees used funding to strengthen or grow their services and directly impact their communities.** Their work spanned the continuum of economic mobility and asset building services: employment, entrepreneurship, generational wealth building, economic mobility, education, credit building, transportation, emergency cash assistance, and re-entry support (financial assistance and wraparound services).
- Both funders and grantees appreciated the grant program.** Grantees reported that the program was responsive to their needs, a worthwhile investment, and equitable. They also shared that the funders’ collective support was important to them and that they were interested in more relays. Funders also felt that the program was worthwhile and equitable. Funders’ collective support was noted by funders as important, enabling them to take a collective risk and experiment with trust-based practices. The majority of funders expressed interest in another program round due to the success in achieving the grant program’s objectives of deliberately elevating and resourcing small nonprofits led by people of color. In the next round, some want to see program modifications that increase organizational sustainability, build relationships between funders and nonprofits, and strengthen the local nonprofit networks.
- The visibility of nonprofits led by people of color was elevated and appreciated.** At the briefing, leaders indicated that they felt seen and heard through the program. Some felt affirmed to continue their work. Funders appreciated connection to new community-based organizations and contributing to their impact.

WHAT DID WE LEARN?

- **Funding and wage inequities persist. Only one grantee had a paid staff member.** The rest were volunteer organizations carrying out asset building work, where leaders are carrying other full-time jobs.
- **More support is needed.** Grantees appreciated \$10,000 unrestricted funds and shared how continued funding at least \$25,000/annually would be more impactful. In general, leaders would benefit from larger grants with longer terms. One leader indicated that fundraising is 50% of their job, and another said they have 250 people on their waitlist. These shares illustrate how grantees are small organizations with significant community trust and connections that fuel demand for services that far outpace their capacity. More funding would enable them to expand their reach and impact.
- **Grantees want to be more connected to philanthropy.** The grant program helped break down access barriers for grassroots organizations to philanthropy. And they are interested in more - new relationships and networking with grantmakers, building long-term relationships with funders, and gaining knowledge and information on resource development. One leader shared how difficult it is to get a foot in the door with funders, and another expressed the failings of communicating their work through a grant proposal. Multiple leaders indicated that the relay grant was their first grant.
- **Leaders want more knowledge and capacity alongside funding to become self-sufficient and sustainable.** Leaders are balancing a lot, and they are interested in the fundamentals of budgeting, resource development, financial statements, and 990s. For the most part, they prefer direct capacity building (training and mentoring) that is strategically timed and comprehensive over outsourcing fundamental tasks.
- **Relay criteria was a balance to stay open and intentional.** NTX AFN wanted to reach organizations led by people of color and make the application process easy, but sometimes the verification process was more difficult than anticipated due to the organization's small size and limited online presence. To maintain accessibility, that sometimes meant adjusting criteria along the way. For example, NTX AFN decided to be the most diligent with the first round, ensuring that those organizations met the full criteria (using several random number generators and calls to verify board composition). Over time, they learned that board membership criteria were hard to validate, so the application was updated to include a statement about preference. To help reach the intended organizations and remove some barriers for the relay organizations, the language in the application was "our preference is that at least 50% Board members are people of color."
- **There are service and network gaps in Fort Worth.** While there are organizations led by people of color providing programs and services adjacent to economic mobility, there are gaps in asset building and connections across organizations in Fort Worth. In Dallas County, most organizations already knew each other from past cohort participation and other facilitated conversations through the Federal Reserve and United Way over the last decade or so, making it easy to nominate peers in the relay process. The ongoing connection also led to added continuing education and more robust services in Dallas. Tarrant County representatives, on the other hand, reflected a lack of exposure to continuing education or networking opportunities for nonprofits to learn about or from each other. There is an opportunity to provide targeted capacity building and networking opportunities for leaders of color related to economic mobility in Tarrant County, with interest to engage from both local nonprofits and funders.

WHAT'S NEXT?

The grant program was meaningful to grantees and funders. To build on the relationships and impacts, NTX AFN has committed to administer a second round that goes deeper on funding, relationship building, and capacity building with the same organizations. To that end, NTX AFN formed a committee to explore what other potential grants or learning programs to offer to the organizations. Funders are also exploring what is needed in Fort Worth for increased capacity and network building. At the same time, NTX AFN is sharing its model and lessons with other AFN regions to implement similar grant programs.

Acknowledgements

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