

Nonprofits as agents of democracy

By Nonoko Sato

A formally incarcerated citizen is confused about their eligibility to vote. A rural-based citizen cannot reach their ballot box miles away from home because they do not have access to a reliable form of transportation. A new citizen whose primary language is not English is unsure if their mail-in ballot was counted.

Roads towards meaningful, community-centered change all lead to the ballot box, and community-based nonprofits have played relatively silent, but significant roles in ensuring people most often marginalized can use their power and voices and participate in our democratic process.

In 2020, Minnesota kept our eight Congressional seats by a very small margin in large part thanks to the community-trusted nonprofits who mobilized their communities to be counted in the census. Nonprofit workers knocked on doors, translated critical

voter turnout rate, in large part due to same-day registration and our culture around voting and civic engagement, the disparities widen by race, ethnicity, age, geography, socio-economic status, among others, due to a history of voter disenfranchisement, unequal access to polling places, and language barriers (MNReformer & MinnPost). The lack of trust, engagement, and participation in our democratic process by our most marginalized communities compounds other disparities in policies, laws, and procedures that have long protected systems that only benefit those with wealth and resources.

Minnesota Council of Nonprofits (MCN) celebrates the diverse work of Minnesota's nonprofit sector, from volunteer led parent-teacher associations/organizations (PTA/PTO) to large nonprofit hospitals and colleges. Everywhere in between we have incredible theater, arts, and culture organizations; outdoor recreation programs; media companies; culturally and/or issue specific organizations that empower marginalized communities; capacity building and human services organizations; and associations all leading to a rich and robust sector of over

37,000 tax exempt groups (including 9,000 nonprofits that have at least one paid staff).

As most nonprofits are 501(c)(3) and laws prevent us from engaging in partisan policy work, we are well-positioned to be agents of democracy. Many nonprofits have trust of the communities they serve and can support the communities to mobilize



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materials and resources, corrected misinformation, and emphasized the importance of civic engagement in addition to their day-to-day work, because they understood that stronger participation in our democracy contributes to our shared vision towards healthy, just, and equitable societies. While Minnesota boasts a high overall

for positive changes they need to thrive. Nonprofits also have unique expertise in their specific area of focus, who better to testify about the need for affordable housing than a housing expert or even better, the person experiencing homelessness? Young people participating in academic support nonprofits have raised their voices in support of their teachers and advocated for meaningful investment into public schools. 75% of nonprofit workers in Minnesota identify as a woman, and we too have a unique voice in advocating for paid family leave and affordable childcare that will impact our current and future workforce. Our sector is strong, powerful, and well-connected, and yet our constant challenge continues to be lack of capacity.

Over the past two years, nonprofits have seen an increase in demand for services while funding sources remain unpredictable and unstable. Foundations that have promised change throughout the challenges of the dual pandemic of COVID and the racial uprising following the murder of George Floyd have rarely followed through on their promises to “center equity” by eliminating unnecessary barriers for under resourced organizations



MCN meeting with Nexus Community Partners during Voting is Love tour.

and trusting community by simply granting unrestricted dollars. In fact, some may believe that this state of emergency we have experienced during the past two years is over, demonstrating the privilege they hold by not witnessing the constant and ongoing hardships and struggles of not just the nonprofits themselves, but the communities they serve. It is hard to let go of power, and funders eager to return to the “way things were” demonstrate that their statements and temporary changes to their granting processes were simply performative, and they continue to be unwilling to use this critical moment for actual systemic changes they have the influence to make. The tone is harsh because we see day-to-day the disparities of measurements of community health (rates of graduation, homeownership, generational wealth building, physical and mental health, among others) continue to worsen for people of color and other marginalized, intersectional identities. The adrenaline that nonprofit workers felt at the early onset of the pandemic has dissipated into bone tiredness, and tragically without our ability to compete in the job market, our workers are being enticed by other sectors with promises of better pay, benefits, and flexible work schedules. And we don’t blame them.

We know that it is important for those serving community to reflect the demographics of that community, and yet

we cannot expect community members to be activists and agents of democracy when they do not have safety and security for themselves and their families. Similarly, we cannot continue to expect community nonprofits and their staff to do more with less, when they have barely enough to keep up with basic but rising demands from the communities they serve. The inability to add more work, even for something as important as civic engagement is understandable when nonprofits do not have the time and resources they need. Yet the consequences of inaction are devastating, and philanthropy is poised to play a transformational role.

Be part of the transformation that gives trusted nonprofits the ability to engage their communities in our democracy.

- Invest in democracy and public policy work. They may not always give you the sexy outcomes you want. Recognize that this work is critical to our missions and for our community
- Support organizations that have trust from communities who have historically low voting participation rates and if they ask, connect them to each other for resources and support
- Fund democracy work during mid-terms and off election years, not

just during presidential election years. Local elections generally have extremely low turnout, and so each individual vote is particularly impactful. Local and state officials hold a great deal of power, and those elections influence our lives and our country just as much as the presidential elections.

- Help organizations build a strong foundation and support capacity building initiatives. Trust that your grantees know what they need, and give them as much flexibility in funding – ideally as unrestricted and multi-year - as much as possible
- Adjust for inflation for multi-year grants – that \$10K you’ve been giving for 10 years is wonderful, and it will not meet the same needs in attracting strong talent and paying for materials in this current market
- If you have to give program-restricted grants, add on (or at least carve out) the administrative costs associated with running that specific program. Understand that those administrative costs as core program support.
- Eliminate unnecessary barriers & #FixTheForm: don’t ask for information that is already publicly



MN VISTA cohort touring the Minnesota Capitol Rotunda.



MCN Staff with MN DEED Commissioner Steve Grove at Coffee with Commissioners event.

accessible or you've asked before and you know the information hasn't changed

- In times of crisis and critical moments (bonus if you do it all the time), consider the annual 5% pay-out of your assets as the floor and not the ceiling
- Be bold beyond performative actions and public statements. Use your own power to advocate on behalf of nonprofits who lack capacity and resources and the communities they serve. If there are legal limits to how much advocacy your foundation can conduct, find the line and go right up to it.

Public trust in the nonprofit sector is critical to sustain our work, and it feels like a constant battle having to educate the public and policy makers about the unique structure and role of nonprofits. Our financials and IRS filings are public information, and yet we are often scrutinized and criticized on how we are to spend our dollars, constantly pressured to do more with less. The past two years alone have demonstrated the devastating consequences when lawmakers lack understanding about the nonprofit sector. MCN's research has shown that nonprofits were generally left behind on one-time relief funds due to nonprofits lacking capacity to identify and navigate complicated state and federal guidelines. Small nonprofits without pre-established banking partners could not access PPP loans and struggled to

answer the question "who owns your business." While large and well-resourced companies and organizations have their own in-house policy directors or the ability to hire expensive lobbyists, 99% of nonprofits would not be able to afford such an important luxury. As of this writing, MCN is advocating against a bill created without stakeholder input, which would force nonprofits to comply with duplicative and unnecessary government oversight as we continue to push for a dedicated Nonprofit Relief Fund, which would distribute much needed funding to some of the most vulnerable nonprofits in our state.

As rare as they can seem, we do celebrate joy and small victories. There are strong coalitions of people, organizations, and companies working together on a wide range of issues and utilizing their collective wisdom, voice, and knowledge to push for systemic changes at the local, state, and national levels. We recognize the leadership of some of our largest and most well-established institutions and philanthropic organizations that are being courageous despite their typical aversion to change, and stumbling bravely through actions to forward initiatives that bolster anti-racism initiatives. Minnesota celebrates Give to The Max, our own charitable giving holiday and we raised a record breaking \$34 million for Minnesota nonprofits in 2021. Ten "cultural treasurers" of Minnesota, organizations that are led by and serve communities of color, were awarded

\$500K each to ensure their sustainability during the pandemic. Twin Cities mutual aid programs flourished, especially during and after the racial justice uprising in the summer of 2020. Funds for Black-led and owned nonprofits and businesses like the Transformative Black-Led Movement Fund, were created and distributed. The few foundations that do give money for democracy work increased their giving this year for community – MCN is proud to partner this year with McKnight Foundation and other philanthropic partners to regrant critical dollars to small, rural, and/or culturally specific organizations to ensure communities that are too often under-counted have what they need to use their power and voice, and vote.

Minnesota Council of Nonprofits (MCN) is the largest state association for nonprofits in the country, representing over 2300 nonprofit members in our state. We are proud of the strength and resiliency of our nonprofit sector and our communities. We are witnessing heartbreaking news around our inability to meet rising demands and unfortunate closures of critical programs due to reasons so often beyond our control; and yet we know we will persevere through this moment – we always have, and we always will – and we hope we can do so with continued and renewed collaboration with our philanthropic partners.

We often hear that foundations' missions and visions center around supporting the community. There is no better way to genuinely support communities' self-determination than to actively invite community members into the democratic process, support all the ways nonprofits can use their own voices for positive change, and acknowledge that we need each other to meet our respective missions.

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