

# An Open Letter to Philanthropy: COVID-19 and Nonprofits

Nonprofits are facing unprecedented uncertainty... so how are nonprofit leaders experiencing the response from philanthropy during the COVID challenge and opportunity?

By Kara Waddell

**We're living in a moment our children will one day share with their grandchildren.**

Former nightly news anchor and author of "The Greatest Generation" Tom Brokaw a few days ago identified this COVID response



time as, "The greatest challenge America has ever faced." Stocks plummet and financial futures are uncertain at best. COVID-19 is driving unprecedented unemployment, an untested scale of service delivery in health systems, and unanticipated changes to our daily lives. For the nonprofit sector, we face an unknown territory. As COVID-19 hit, we quickly took stock of our financial state while wondering if philanthropic partners would pull back or be slow to react. As nonprofit CEOs, we were only in our first quarter of strategic plans for 2020 when the COVID wave wiped out our normal.

I serve as President-CEO for a large nonprofit focused on low-income families, early education, and child care. A very small percentage of the 1.5+ billion nonprofits in the U.S. today operate with budgets that exceed \$10m; the

organization I lead happens to be one of them. Conversations began in January 2020 with our CFO as she asked for space to help create some continuity plans. She had been watching the news about Wuhan and had a sense of what may be before us. She had traveled to China in her previous work and I had lived in China for 12 years leading a nonprofit – and seeing how bad it was in China, we both sensed that it was going to be a global challenge. We prepared IT infrastructure, consulted with insurance brokers and created a cross-agency response team by early March. Besides some hard lessons learned from my years of disaster relief overseas, little prepared us for the coming disorientation for our work and that of our 550 employees.

**Then COVID-19 happened here.** Community announcements. Questions from employees. HR questions and more HR questions. Immediate needs from families. Liability concerns. Do we order masks? Leadership opportunities. How do we procure infant formula? Change.

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But amidst the dizzying array of video conference calls and text messages, I've been connecting with nonprofit leaders. And I'm hearing some common themes. Curveballs come in all forms of work and any good adaptive leader is prepared for unforeseen

change and the need to pause and pivot. "The pause" is a time to gather your senses, your data and your team and is needed to

lead real-time change (“the pivot”). For leaders during the coronavirus response, the pause and the pivot in our work felt nearly simultaneous. During the last two weeks, I’ve longed for those needed moments to pause – to be on the balcony and scope out the environment to orient our management, internal operations and programmatic responses. Instead, it’s felt all dance floor – immediate response, outward facing needs and rapid decisions. Intense focus on my own organization and its needs has been set aside, replaced by new public-facing leadership roles to ensure safe, healthy care for children of essential workers in our county. And to ensure there is a child care sector for working parents to return to post-COVID.

I’m pretty comfortable with leading in times of uncertainty at work. However, the “stay at home” orders and school closures have disrupted normal life at home as well. It has been disorienting. I’ve grown more accustomed than I should to a racing heart and restless sleep.

I’m certain that COVID-19 has created similar disorientations for the world of philanthropy and social investment. Philanthropy has sometimes impressed me as a sage-like figure on a hill – with a good vantage point and sensibility to help guide and resource the nonprofit space. However, as emergency declarations and closures surged, I’ve watched foundations in our community also challenged to simultaneously “pause and pivot.” We’re all trying to respond to unprecedented need while figuring out the new normal.

**But I’ve also been experiencing something remarkable...** interventions and actions by philanthropy that to me have been extraordinary and non-traditional. Life-

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giving. Not just supportive of those critically in need of immediate service, but personally to me.

In the first 2-3 days of leading our community’s child care response, I received an evening call. My mobile was plugged into the portable charger in my sweatpants’ pocket - my phone kept dying from overuse. It was a call from the head of the North Texas Community Foundation. She was a bit breathless and spilling as much information as she could in preparation for a call the next day. They were convening foundations and she nonchalantly referenced how important it was to help model “best practices” in times like this. I wasn’t fully following when she announced that our organization was one of four in the

community they identified as foundational to a strong community response – and had arranged for a large unrestricted gift for my nonprofit as a match opportunity for other fundholders. I took a deep breath to hold back a few

tears. The foundation community was helping lift up my nonprofit at a time that I could not because I was being asked to lead beyond the boundaries of my organization. It was a remarkable moment.

The next morning, my adrenaline began to rush as I flipped open my Apple and sipped a much-needed coffee. Timed at 5:00 a.m. at the top of my inbox was an email from the head of the Rainwater Charitable Foundation. My heart sunk a bit as I thought about the large programmatic grants they had made to us over previous months. I scanned for “regret to inform” language but found none. It was an open letter to all grantees immediately converting all previous grants received into general operating funds. This remarkable moment

included expressed gratitude for leadership during this time of uncertainty.

Other moments have followed. I called a program officer (who also serves on our Board of Directors) and asked if I could have a mental health moment with her. We manage a large amount of public funding and I received an incredibly discouraging “business as usual” call requiring a great deal of time and distraction for our team. I didn’t rage or cry but definitely dumped emotions. I referenced needing just a normal Friday night at home with my husband and a movie. A few hours later that evening, a delivery man left a remarkable moment on my front door - bottle of wine and dessert for my husband and I with a note of encouragement. Sometimes grants are not enough.

**And I've been hearing about these bright spots** from other nonprofit leaders. The Weinberg Foundation in New York accelerated approved grants and gave operating funds to resource their partners quickly. The Doug Flutie Jr. Foundation for Autism also converted their grants to unrestricted and provided gift cards for grantees to provide to their clients – to quickly get resources into the hands of vulnerable families. The Walter and Elise Haas Fund in San Francisco introduced multiple methods of caring for their grantees including flexibility in grant terms, outcomes and reporting. The R.S. Clark Foundation in New York announced by mid-March that it was announcing another year of funding for all current grantees. They even suggested

buying grantees a year of video conferencing. Remarkable.

Sure, we've all been having the discouraging calls with reduced grants, or the approach of “wait until clarity” which tends to feel like wait and do nothing. Yet as I sit down finally for a Saturday night of puzzles with my boys and a glass of port with my husband, it's those remarkable moments that are lingering with me.

**An open letter to philanthropy?** This is what I'm learning from remarkable foundations and funders about what great philanthropy looks like during what may be our greatest challenge:

- “Be strong, thoughtful and immediate in your response and we've got your back.”
- “Build solutions of scale informed by good data – and we'll help rally others to your solution.”
- “Lead bravely as you make tough and painful decisions, and we'll be here for you personally.”
- “Don't forget to build community for your nonprofit board chairs – they didn't see this coming either”
- “Ask us for thought leadership but also ask us to roll up our sleeves and help in nontraditional ways and we just might do it.”

We're all needing to keep our eyes on “the now” of response and “the next” of unforeseen needs and opportunities. As a nonprofit leader, I'm just glad to know I don't have to walk it alone.

***Kara Waddell** is the President-CEO of Child Care Associates (CCA) in Fort Worth, Texas. She is a graduate of Duke (BA) and the Harvard Kennedy School of Government (MPA) where she was a Fellow in Philanthropy at Harvard's former Hauser Center for Nonprofit Organizations. This article is written in sympathy with a CCA manager who lost her father, brother and uncle to COVID-19 in the last week.*