Arabella Advisors Impact Report 2020

Doing Good Better

Arabella is a business with a mission: Help changemakers turn inspiring ideas into life-changing impact. In 2020, fulfilling that mission became more important than ever. Here’s a look at how Arabella responded.
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Dear Colleagues and Friends,

2020 was a pivotal year for the philanthropic sector. The world faced intersecting crises: the global pandemic, threats of economic collapse, and an overdue reckoning with racial injustice. In response, our clients—foundations, philanthropic families and individuals, corporations, and nonprofits—sought to deploy more capital to do more good than ever.

For over a decade, Arabella has proudly provided administrative services to nonprofits working to build a better world and helped philanthropists on their journeys from idea to impact. In 2020, we had to put everything we knew to work at once, on a larger scale than ever. In the report that follows, we share stories and data about the work we did to support our clients and their grantee partners. While the credit for impact belongs to them, we hope you will find some valuable information here about the part we play in helping them create it.

It was our privilege to be witnesses to work that strengthened our communities, worked toward a more equitable future, defended democracy, protected the planet, and more. We fervently believe that these efforts have positively impacted the communities of which we are a part. We also know that there is more for us to do alongside others to shape the world and sector we wish to see. As always, we welcome your feedback and are grateful for the chance to work alongside you.

Sincerely,
Sampriti Ganguli, CEO
Helping Changemakers Build a Better World

From 2016-2020, Arabella helped our clients and partners make...

8400+ grants to 3500+ grantees located in 105+ countries

and in all 50 US States, plus DC and Puerto Rico
Unprecedented:

Philanthropy’s Response to COVID-19

Prior to 2020, Arabella had spent 15 years working with hundreds of clients and thousands of nonprofit organizations pursuing impact across the country and around the world. Not surprisingly, our work in 2020 was deeply influenced by trends unfolding throughout the philanthropic sector. These included:

- A sense of urgency and desire to get resources to those who needed them faster
- A growing recognition of the need to focus on enhancing equity
- The effects of enormous gifts from a handful of individuals
- An increasing openness to using changemaking levers such as policy advocacy, impact investing, and donor collaboration
- The growing use of giving intermediaries, including donor-advised funds and fiscal sponsors

Fiscal sponsorship has grown rapidly over the past decade and represents a key component of Arabella’s impact. A fiscal sponsor is essentially a nonprofit organization that provides a legal and fiduciary home to other, smaller nonprofit initiatives. Often behind the scenes, fiscal sponsors have helped launch and scale some of the boldest changemakers of the past decade, including the Malala Fund, Resilient Cities, Co-Impact, Black Lives Matter, and more. Arabella provides expert administrative services to several of the nation’s largest fiscal sponsors, including the Sixteen Thirty Fund and the New Venture Fund. Through that support, we’re proud to help advance the work and impact of our nonprofit clients, the projects they host, and the donors that fund those projects.

$2.3T
Estimated size of the impact investing market in 2020
(International Finance Corporation)

$471B
Total charitable giving in the United States, 2020 (Giving USA)

$142B
Total assets held in donor-advised funds, 2019 (National Philanthropic Trust)

$88.5B
Total foundation giving, 2020 (Giving USA)

75%
Percentage of foundations that report increasing engagement in advocacy (Center for Effective Philanthropy)
Working to Meet the Moment:

Arabella in 2020

Arabella is a certified B Corporation—a company that seeks to help our clients accomplish philanthropic goals more efficiently, effectively, and equitably. We first earned our B Corp certification nearly a decade ago and were subsequently named a “Best for the World” company, a “Great Place to Work,” and a “Best Entrepreneurial Company,” all based on our service to our clients, the philanthropic sector, and our team.

As the intersecting crises of 2020 took hold, more people than ever looked to us for help. Some wanted our advice on how best to respond, especially since philanthropy typically operates on grant and reporting cycles that don’t fit the timelines of a global emergency. Others needed implementation support—to get new rapid-response efforts off the ground or to adapt their grant-making programs to speed up giving or to increase equity. Still others asked for help giving through collaborative funds, coordinating with community-based groups, using new types of loans and investment vehicles, and engaging in direct giving to individuals. Many also committed to systems-level change and funded bold advocacy efforts. Meanwhile, our nonprofit clients needed additional support as they and the projects they host pivoted to meet the rapidly expanding needs of a radically changed world.

As all our clients sought to meet the moment, we had the privilege of helping with a wide range of critical work.
Strengthening Communities: Rapid Response to the Global Pandemic

As COVID-19 spread, communities faced an emergency-response crisis unlike anything seen in at least a century. Arabella’s clients and partners stepped forward in a dizzying number of ways: In direct response to the pandemic, Arabella helped our clients deploy more than $100 million in philanthropic capital toward COVID response in 2020 alone. We helped set up 16 response initiatives and execute more than 600 grants to more than 230 different grantees in 43 US states and 30 other countries.

Meanwhile, we adapted ourselves. To keep our clients’ efforts moving forward, we hired 72 new people, moved to a fully remote work environment (in which we remain), opened a virtual office in Durham, North Carolina, added updated COVID benefits programs, and more. Working on ourselves was important. Working with our clients to help them strengthen communities was critical and inspiring. To learn more about some of that work, read more about the five sample projects below.

In 2020, we helped make 600+ COVID-response grants to 230+ grantees in 30+ countries

Oakland Fund for Public Innovation: Rapidly Deploying Funds for Economic Relief

Crises as fast-moving as COVID-19 require rapid responses. On March 17, 2020, the Oakland Fund for Public Innovation turned to the New Venture Fund and Arabella to create a rapid-relief fund. Within three days, the fund was operational. Within a week, it had $2.5 million in the bank and was already disbursing grants to support COVID-19 testing and economic relief. The response team’s agility enabled the fund to quickly allocate $5.7 million to more than 25,000 households and small businesses. The fund continues to address the structural inequities that exacerbated the pandemic’s effects on its community, with the goal of rebuilding a more equitable and just economy in Oakland.

James Beard Foundation: Collaborating to Increase Restaurateurs’ Resilience

During the COVID-19 pandemic, the restaurant sector’s entire operating model was upended overnight. Knowing that restaurants needed support immediately, the James Beard Foundation worked with the New Venture Fund and Arabella to quickly stand up its Food and Beverage Industry Relief Fund, providing independent restaurants with grant funding to pay bills and avoid long-term closures. The fund secured more than $4.8 million in donations and has provided critical operating support to 312 small restaurants in 40 states and territories, 62 percent of which had fewer than 25 employees. It thereby helped close a key gap in the federal government’s original PPP funding.
Bedford-Stuyvesant Restoration Corporation:

Helping a Community Begin to Build Back Better

For more than 50 years, Restoration Plaza has served as the cultural and economic hub of the Bedford-Stuyvesant neighborhood in Brooklyn. To continue its work preserving the neighborhood’s cultural identity while also expanding educational and employment opportunities, the Bedford-Stuyvesant Restoration Corporation (BSRC) is redeveloping Restoration Plaza, creating an Innovation Campus focused on helping residents thrive in the new tech-driven economy. In 2020, Arabella worked with BSRC to pilot a new workforce education model for Bed-Stuy residents seeking high-tech careers. Arabella continues to work with BSRC to attract new funders and partners, advancing BSRC’s work to reduce the racial wealth gap and help the Bedford-Stuyvesant community thrive in the future economy.

SPARC:

Ensuring Open Access to Basic Science to Fight COVID-19 and More

The Scholarly Publishing and Academic Resources Coalition (SPARC) was founded with a straightforward premise: If American taxpayers are paying to support scholarship and research, then they should have free access to the results. SPARC partnered with the New Venture Fund and Arabella to promote the open sharing of knowledge and reshape policies from the institutional level to the national. SPARC also hosted a virtual Open Education Leadership Program to convene education specialists, policymakers, and other experts to discuss equitable, inclusive ways to make knowledge accessible to all communities—to fight COVID-19 and a wide range of other problems.

Rare Impact Fund:

Mobilizing Support for Youth Mental Health

As the turbulence and uncertainty of 2020 swept through young people’s lives, youth mental health rose in the public consciousness as a critical, time-sensitive issue. Rare Beauty—a new beauty brand founded by Selena Gomez—enlisted the Hopewell Fund and Arabella to help use its resources to promote mental health. Together, we launched the Rare Impact Fund, a multi-million-dollar effort to support mental health among young people, especially women, LGBTQ+ individuals, and people of color. The Rare Impact Fund has already made its first grants to support leading mental health nonprofits in target markets, putting better outcomes for young people closer than ever.
Defending Democracy:
Civic Engagement and Voter Protection in a Pandemic

Ongoing threats to democratic institutions and practices became increasingly urgent in 2020, as the pandemic threw up new barriers for the 2020 census, the nation’s ability to carry out a safe and fair election, and access to the ballot for tens of millions of voters, especially people of color. In the face of such threats, Arabella worked closely with a wide variety of funders, community leaders, advocates, and on-the-ground partners to help defend democracy.

Our clients at the Sixteen Thirty Fund stepped up in a major way. As Amy Kurtz, the Sixteen Thirty Fund’s president, has previously explained, the fund worked with its projects to “invest hundreds of millions to shore up election infrastructure, ensure access to the ballot, and educate communities around the country about what was at stake.” In so doing, it relied on administrative support from Arabella’s operations, finance, legal, account, and compliance teams. We were proud to provide such support to Sixteen Thirty Fund and to other clients working to defend democracy in different ways.

Arabella also aligned with companies across the country to support employees’ access to the polls via the “Time to Vote” campaign, standing alongside fellow B Corporations like Patagonia, Athleta, and Ben & Jerry’s. We also instituted policies to ensure that Arabella employees could volunteer to serve as poll workers, to help transport elderly voters to the polls, or to support their chosen candidates on and leading up to Election Day. We have always supported every employee’s right to exercise their franchise, and we were proud to work with our clients to defend voting rights for all citizens.

In 2020, we helped make **530+** civic engagement grants to **290+** grantees in **34** US states plus DC

The 2020 Census Project:
Helping Foundation Leaders Collaborate and Adapt

A fair and accurate census is essential to ensure equitable representation in government—but it’s difficult to achieve, even without the complicating factor of a global pandemic. Recognizing the urgency of the moment, the 2020 Census Project convened more than a dozen foundation leaders to manage an effort to support on-the-ground partners ensuring an accurate 2020 census count. The project also engaged hundreds of donors across the country, with some giving directly to grantees and others giving through a fund hosted at the New Venture Fund (NVF). With operational support from Arabella, the NVF fund disbursed over $50 million to more than 160 local partners, bolstering a national civic engagement network and spearheading the fight for an accurate census amid the pandemic.
The Heartland Fund: Incubating Civic Engagement in Rural Communities

Local civic organizations are the heart of a strong democracy, but many in rural areas lack the funding and infrastructure to maximize their impact. The Heartland Fund, hosted at the Windward Fund with Arabella’s assistance, aims to address this gap. Founded in 2018, the Heartland Fund supports organizations in rural areas in their work to address economic, environmental, and social disparities and build civic power in their communities. In 2020, the project launched a 501(c)(4) companion, Rural Victory Fund, that invested in advocacy, resource development, and political engagement in rural communities, particularly rural communities of color. Since the 2020 election, the fund has shifted its focus to promoting permanent infrastructure, important rural issues, and rural civic leadership.

PIT-UN: Protecting the Public Interest Amid Technological Changes

Public interest technology is an emerging field with the potential to dramatically advance the public good, power better, more transparent government, and help to renew our democratic systems. Hosted by the New Venture Fund, New America’s Public Interest Technology University Network (PIT-UN) is a network of colleges and universities working to build public knowledge of and support for the field of public interest technology. PIT-UN has launched an ambitious grant-making program promoting equitable, innovative, and impactful public interest technology efforts at 43 different colleges and universities, with Arabella helping to oversee grant-making strategy and logistics.
Protecting the Planet: Environmental Justice, Climate, and Conservation

Even as we were preparing this report, the Intergovernmental Panel on Climate Change issued a report declaring “code red” for humanity on climate change. Meanwhile, wildfires raged in the western United States, hurricanes smashed into the Gulf Coast and Eastern Seaboard, and the inequitable impacts of climate change on communities across the country and around the world became ever clearer.

Since our founding, the Arabella team has worked with clients and partners seeking to conserve our natural resources, protect the planet, and reverse or at least mitigate the increasingly existential crisis that climate change represents. During the pandemic, that work has continued—and it has increasingly involved recognizing the intersections of the climate crisis, the need to enhance equity, and the importance of strengthening communities.

In 2020, we helped make 550+ conservation and climate grants to 340+ grantees in 20+ countries.

The Hive Fund: Simultaneously Addressing Climate, Gender, and Racial Justice

The environmental movement and its funders have too often failed to include Black, Indigenous, and brown leaders, especially women and youth. Using the Windward Fund’s fiscal sponsorship services and the support of a team from Arabella, the Hive Fund for Climate and Gender Justice developed and executed a participatory grant-making process that engages these historically overlooked leaders as co-strategists and uplifts organizations led predominately by women of color that are addressing the intersecting climate, gender, and racial justice crises in the United States. So far, the Hive Fund has made more than $12 million in grants, a major stride toward making philanthropy’s response to climate change more intersectional, equitable, and effective.

The Andes Amazon Fund: Conserving Rain Forests to Combat Climate Change

Climate change, deforestation, and unsustainable development all pose an existential threat to the biodiverse ecosystems of the Andes mountains and lowland Amazon. The Andes Amazon Fund is determined to protect this vibrant region. With fiscal sponsorship from the New Venture Fund and access to Arabella Advisors’ deep grant-making expertise, the fund supports on-the-ground grantees in Peru, Colombia, Bolivia, and Ecuador working to conserve and maintain the environmental health of the Andes and Amazon region so that Indigenous cultures and nature can flourish. Since 2015, the Andes Amazon Fund and its grantees have conserved nearly 27 million acres, established 92 protected areas (which include Indigenous reserves), and titled 22 Indigenous lands.
Good Food Ventures:

Investing in a More Sustainable Food System

Many philanthropists and investors have seen how the food system is broken. To help impact investors make smart, effective investments addressing the long list of challenges that inhibit an affordable, sustainable, and accessible food system for everyone, Arabella Advisors created Good Food Ventures, an impact investment club that provides members with professional underwritten early-stage investment opportunities poised to transform the domestic food system. As of this year, Good Food Ventures has connected four cohorts of investors with investment opportunities and helped companies access the capital to pursue and grow their vision of better health, sustainably managed resources, and a more equitable society.

The Forsythia Foundation:

Creating and Catalyzing Green Chemistry

An individual donor came to Arabella with an ambitious goal: to eliminate toxic chemicals in the supply chain, protecting both consumers’ health and the health of the environment. Arabella’s strategic insight and analysis guided the donor to begin the work in earnest, even incorporating boundary-pushing tactics such as an early-stage green chemistry accelerator. After a decade of implementation partnership with Arabella, the donor’s foundation is at the forefront of the environmental health and green chemistry field, collaborating with nonprofits and policymakers to develop safer products and advance critical legislation to protect consumers.
Enhancing Equity: Moving Systematic Change Forward

Racial equity became an even greater focus in 2020, both for the philanthropic field and for Arabella. Even as we helped funders and changemakers deploy a variety of types of philanthropic capital to advance equity and social justice goals, we also went to work to make grant-making processes more equitable. In partnership with our clients at the Windward Fund, the Hopewell Fund, and the New Venture Fund, Arabella drew on our grant-making experience to help develop new streamlined processes designed to reduce or eliminate barriers that had unnecessarily allowed systemic biases to prevent funding from reaching communities and leaders of color.

We also kept working on ourselves. Last March, we hired our first head of diversity, equity, and inclusion. Shortly thereafter, we released a collective DEI statement developed over the prior six months under the leadership of one of our internal working groups. We also piloted a new DEI performance competency, trained staff members on power dynamics and equitable management practices, and adopted new leave and hiring policies designed to increase equity. These collective efforts were focused on increasing the racial and ethnic diversity of our leadership team, assessing and improving our organizational culture so it is proactively self-reflective and inclusive, identifying and understanding power dynamics in the workplace and the sector, and ensuring our managers are aware of their biases and striving to challenge them.

We are proud of the progress we have made and committed to continue to work toward these ends. We also recognize that our DEI work is an ongoing learning journey: We will continue to use data, feedback from our staff members, and lessons we learn from clients, partners, and the field to live further into our DEI commitments. At the same time, we will continue to help our clients and partners advance equity across the country and around the world through inspiring efforts like the ones described below.

In 2020, we helped our clients make 600+ equity and social justice grants to 450+ grantees in 30+ countries

The Kataly Foundation:
Ramping Up Unrestricted, Equity-Focused Funding

During the pandemic, a timely infusion of funding could mean the difference between a nonprofit weathering the storm and shutting down forever. Knowing this, the Kataly Foundation enlisted Arabella to provide additional grants-management capacity, enabling it to scale up its grant making and support social justice and racial equity organizations. By shifting its grant-making cycle and further streamlining its processes, the foundation was able to award $20 million in funding during March and April 2020 alone. This unrestricted funding gave leaders the autonomy to identify and address their communities’ most urgent needs, providing the sector with a powerful example of trust-based philanthropy.
**Fenomenal Funds: Helping Women’s Funds Build a More Equitable World**

Fenomenal Funds works to strengthen the visibility, resilience, and sustainability of global women’s funds, empowering them to continue advancing feminist movements around the world. As the COVID-19 pandemic created catastrophic setbacks for women’s funds, the New Venture Fund and Arabella helped the collaborative pivot to virtual steering-committee and working-group meetings, finding innovative technical solutions and bridging cultural divides to launch an equitable, inclusive, and impactful emergency grant-making cycle. In 2020, the collaborative awarded 42 unrestricted rapid-response grants of $75,000 each to women’s funds around the world, with the goal of keeping each fund operational throughout and beyond the pandemic.
Scaling Up Operations

Each of the nonprofit fiscal sponsors Arabella works for hosts dozens of different projects that pursue social and environmental impact every day. Often in conjunction with their hosted projects, these nonprofits award grants to thousands of organizations working in communities across the country and around the world. Arabella provides the administrative and operational support necessary to help manage all that grant making. Arabella’s legal and compliance teams make sure the grants comply with all relevant laws, regulations, and agreements; Arabella accountants help ensure that the money gets where it’s supposed to go; and Arabella HR experts support hundreds of hiring processes and handle benefits administration for the nonprofits’ employees.

In 2020, our nonprofit clients and the projects they host all had to adapt rapidly while continuing to pursue their missions. We were proud to work alongside them and provide an operational platform that enabled them to get resources to communities in need, with speed, at a larger scale than ever. When we developed the technologies, systems, and processes to support nonprofit operations at scale, we didn’t have the demands of a global pandemic in mind. But when the intersecting calamities of 2020 put us and our systems to the test, we were ready.
Looking Ahead:

The Future of the Social Sector and Our Shared Destiny

The challenges our society continues to face are complex and interconnected, and sometimes they can seem insurmountable. The pandemic rages on, efforts to advance racial equity keep meeting resistance, disinformation and efforts to disenfranchise voters endanger our democracy, and the climate crisis is at “code red”—to name just a few of our biggest challenges. Meanwhile, people everywhere understandably feel exhausted and overwhelmed.

In this context, continuing to meet the moment will require the philanthropic sector to become ever more effective, efficient, and equitable. Together, we will need to continue deploying even more of the right resources to the right people at the right times to accomplish necessary social and environmental change. We will need to use every tool, approach, resource, and type of capital we can find. And, we will need to do so while reckoning with additional challenges tied to confusion, exhaustion, and increasing political polarization—including claims that efforts to register eligible voters, increase racial and gender equity, protect the planet, combat disinformation, and advance social justice are inherently partisan rather than philanthropic.

So, where do we begin?

In 2021, Arabella hosted a series of virtual convenings and conversations that we called “The Future of the Social Sector” designed to amplify the voices of those working on the front lines of these major challenges. In these dialogues, we covered numerous themes that are shaping the current philanthropic field in America, and we look forward to continuing them over the coming year. Even as we do, we will ask ourselves and our colleagues to consider a foundational question: How can we continue to promote a culture of “shared destiny,” one that takes as its bedrock principle that no matter our differences, we as individuals can only thrive when all of us do?

Ultimately, we recognize that we can only hope to overcome the challenges we face by acknowledging our shared fate and creating solutions together. We also know that at the root of every philanthropic effort, there is love—love for one another and for the humanity we share, which expresses itself in art, music, religious practice, and so much more, including the act of giving itself. From this root flows gratitude, compassion, desire for justice, generosity, joy, and the other ingredients that form the better angels of our nature. These ingredients, in turn, provide the fuel for ideas that can lead to transformative change, as well as the energy needed to convert those ideas to impact. For the Arabella team, this is where it all begins, even as it is where this report ends. We are in this together. Our job is to help build a better future. We can, we must, and we will continue to do good better.
About Arabella Advisors

Arabella Advisors provides guidance and support to changemakers pursuing significant social and environmental impact. An award-winning consulting firm and certified B Corporation, Arabella is dedicated to making philanthropic work more efficient, effective, and equitable.

For more information, visit: www.arabelladvisors.com