



LGBTQ+ Nonprofit Organizations in the United States: Growth, Trends, Concerns, and the Outlook for Philanthropic Giving

Colton C. Strawser, Ph.D., CFRE

A report from



LGBTQ+ Nonprofit Organizations in the United States: Growth, Trends, Concerns, and the Outlook for Philanthropic Giving

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Project Team

Colton C. Strawser, Ph.D., CFRE

Jack Padovano

Rich Frazier, CFRE

Jon Durnford, MBA

Russ Phaneuf

Curtis G. Schmitt

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Data Sources

- IRS Form 990 and 990-EZ public charity returns, circa 2015-2019 (IRS e-file and GuideStar digitized datasets), DataLake Nonprofit Research (www.datalake.net)
- LGBTQ+ Nonprofit Leaders Survey 2022
- Key Informant Interviews

Notes

- Some numbers may not add to 100% due to rounding
- Some quotes were slightly edited for clarity and anonymity

About IPM Advancement

IPM Advancement is a full-service agency focused on nonprofit fundraising, communications and analytics. Since 2007, we've delivered smart, cost-effective solutions designed to engage target audiences and get them to take action.

IPM provides a comprehensive menu of fundraising, advocacy and membership solutions — combining the creative services of a design firm, full production capabilities, and deep nonprofit consulting expertise. We've worked with a wide range of clients — from national healthcare and engineering associations to regional library cooperatives, arts organizations, hospitals, museums, and nonprofits that champion equality, social justice, education, the environment, and more. For more information, visit: <https://www.ipmadvancement.com>

Welcome



Dear Friends,

In communities across the United States, LGBTQ+ nonprofit organizations are fighting every day for equality and making a real difference in the communities they serve.

The U.S. Supreme Court's ruling on marriage equality in 2015 was a historic victory for equal rights, and we are proud to have helped nonprofits and advocates secure this important win. However, just seven years later, we now find ourselves in a place where current justices on the Court are openly questioning prior rulings on marriage equality, same-sex intimacy, contraception and more.

This report, "LGBTQ+ Nonprofit Organizations in the United States: Growth, Trends, Concerns, and the Outlook for Philanthropic Giving," provides a snapshot of the current state of LGBTQ+ nonprofits in the U.S. It shows that, while the number of organizations serving this community has increased since 2015, there are still places in America where LGBTQ+ people have few (or no) locally based organizations to engage with and benefit from. Perhaps most striking, the report also shows that very few LGBTQ+ organizations engage in lobbying — which puts many in a reactive mode where it can be difficult to build on policy gains.

Now more than ever, it's important that we defend our progress and move forward with a united voice to advance equality. What's at stake is nothing less than our fundamental rights.

Thank you for taking the time to read this report, and please do not hesitate to contact us at report@ipmadvancement.com with any feedback, comments or questions you may have.

In solidarity,

A handwritten signature in black ink, appearing to read 'Jack Padovano', written over a white background.

Jack Padovano
Owner and Lead Consultant
IPM Advancement

Since 2007, IPM Advancement has worked with leading LGBTQ+ nonprofits and organizations of all types that are fighting to secure full equality. We are proud to be recognized as a certified LGBT Business Enterprise (LGBTBE®) through the National LGBT Chamber of Commerce (NGLCC) Supplier Diversity Initiative, and we are committed to advancing equality on all fronts.

Introduction



To date, very little research has been conducted on LGBTQ+ nonprofits (Meyer, Dale, & Willis, 2021; Surfus, 2013)^{1,2} and how they function. For example, in a recent study of academic literature, Meyer et al. (2021) discovered only 40 academic articles published within the last 46 years on various LGBTQ+ issues and how they intersect with nonprofits. Just over 25% of these articles were published in the last five years. Furthermore, before 2000, most articles only focused on HIV/AIDS. Therefore, many unknowns exist regarding LGBTQ+ nonprofits and how they function as entities.

As a certified LGBT Business Enterprise (LGBTBE®) through the National LGBT Chamber of Commerce (NGLCC) Supplier Diversity Initiative, IPM Advancement has a passion and history of working with LGBTQ+ nonprofits. With 2-5% of the general population of every state identifying as a member of the LGBTQ+ community, we felt there was a need to better understand how these organizations operate and identify issues that would be helpful to share with these organizations, LGBTQ+ donors, policymakers, and other stakeholders concerned with the quality of life for members of the LGBTQ community.³



1 Surfus, C. R. (2013). Equity issues in LGBT funding: Inequality remains despite national progress. SPNHA Review, 9(1), 7.
2 Meyer, S. J., Dale, E. J., & Willis, K. K. (2021). "Where My Gays At?" the status of LGBTQ+ people and queer theory in nonprofit research. Nonprofit and Voluntary Sector Quarterly, 08997640211021497.
3 Williams Institute (2019).

LGBTQ+ Nonprofits are Growing

- The number of nonprofits focused solely on the LGBTQ+ community grew by more than 12% between 2015 and 2018.
- Many states lack nonprofits explicitly dedicated to serving the LGBTQ+ community, especially in the Midwest, South, and Northwest.
- No states saw a significant increase or decrease in the number of LGBTQ-focused nonprofit organizations between 2015 and 2019 – indicating that existing organizations are becoming more prominent and new organizations are less common.
- LGBTQ+ nonprofits surpassed \$1 billion in annual revenue in 2017, with increases in all three major revenue categories (program revenue, contributions, and government grants) of more than 10%.

Philanthropic Giving to LGBTQ+ Nonprofits Significantly Increased After the 2016 President Election

- While unable to directly correlate the 2016 Presidential Election with giving in this instance, there was a significant increase in revenue for LGBTQ+ nonprofits (15%) between 2016 and 2017, with an 18.6% increase in philanthropic contributions. In comparison, total giving to nonprofits in the US only grew by 2.7% between 2016 and 2017³.

Lobbying Expenses Increase, Number of Organizations Decrease

- Only a few LGBTQ nonprofits (20) spent money on lobbying efforts—representing 4% of LGBTQ+ organizations. A total of \$1,000,000 was spent in 2018 on lobbying expenditures which is the most spent between 2015 and 2018; however, the number of organizations spending funds on lobbying has been decreasing.

To date, there has not been a comprehensive list available of LGBTQ+ nonprofits; therefore, we had to craft a strategy that would identify these organizations. While the IRS utilizes various codes to categorize LGBTQ+ nonprofits, these codes are often limited. Therefore, we pulled the mission statements of each nonprofit organization that e-filed their tax return (990) (412,153 organizations) in the last completed fiscal year where data was available (2018). We used Python programming and conducted a qualitative analysis to identify keywords related to the LGBTQ+ community such as Gay, Lesbian, Transgender, Queer, Pride, and Equality to distinguish organizations focused on primarily serving individuals within the LGBTQ+ community.

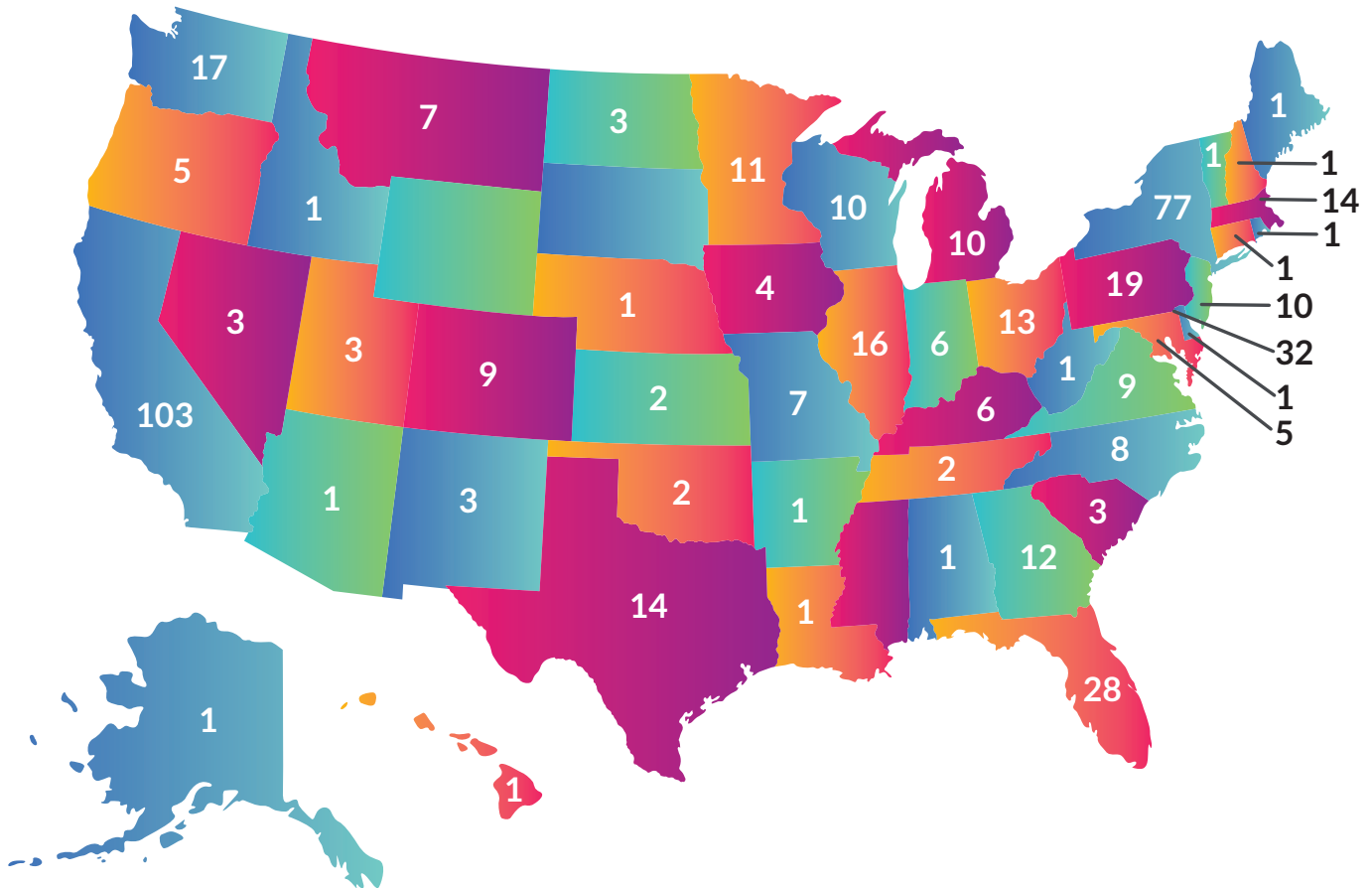
We searched both the names of organizations as well as their mission statements. Organizations that did not have a mission that primarily served individuals within the LGBTQ+ community were removed from the dataset. A total of 483 nonprofit organizations were identified, with a majority of the organizations located in California (103), New York (77), Washington, DC (32), and Florida (28).

In addition, interviews with individuals that currently or previously worked with an LGBTQ+ nonprofit organization were interviewed to highlight any important field developments that have impacted fundraising in recent years. Finally, a small sample of LGBTQ+ nonprofit leaders was also invited to complete a survey to supplement the findings from the nonprofit tax filings.

Organizations by State



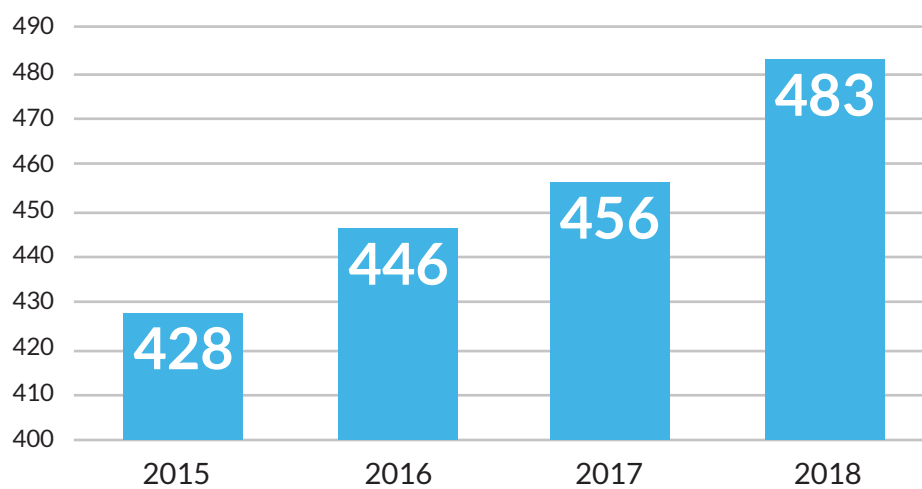
A majority of the identified LGBTQ+ nonprofits are located on the coasts, with a limited number of organizations identified in the Midwest and South. The states with more LGBTQ+ nonprofits had many similarities, including a majority being blue states in the 2020 Presidential Election, having hate crime laws that included sexual orientation and gender identities (Movement Advancement Project), and having a higher concentration of the population identifying as LGBTQ+ (Williams Institute, 2019).



The median age of the identified LGBTQ+ nonprofits was just over 20 years, indicating that many organizations serving and advocating for the LGBTQ+ community were created at the beginning of the 21st Century. Moreover, there has been a growth in the number of organizations that filed a 990, identified from 2015 (428) to 2018 (483), increasing 11.4%.

Of note, 2018 estimates indicate that approximately 300 other organizations filed a 990-EZ, indicating they are small/emerging nonprofits that are not captured in most of the data presented in this report.

Organizations

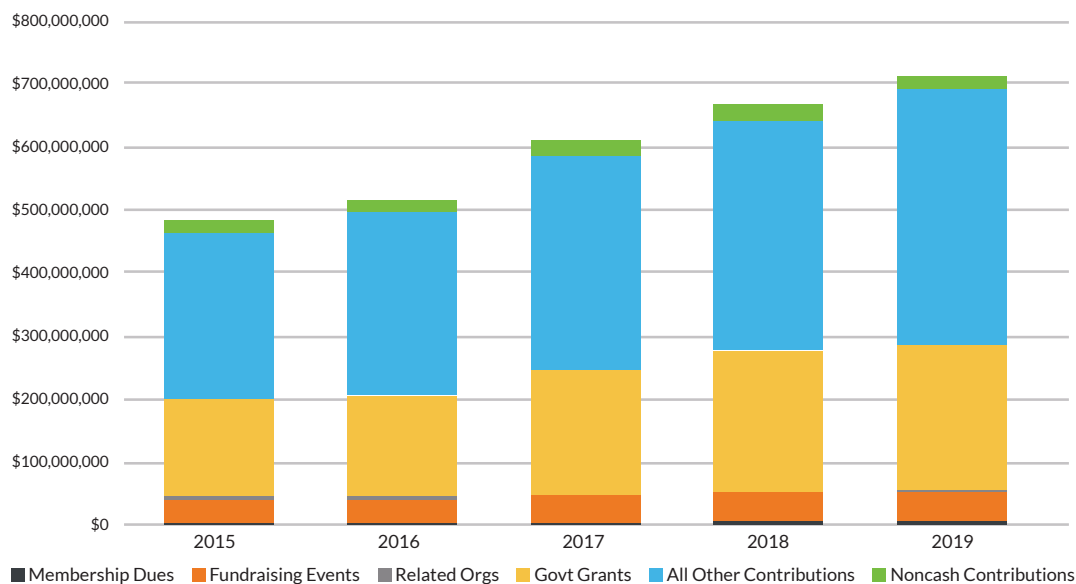


LGBTQ+ Nonprofits Continue to Grow

Most funding for LGBTQ+ nonprofits comes from program revenue, contributions and grants (foundation and corporate), and government grants. While the philanthropic contributions to LGBTQ+ nonprofits are increasing, they represent a smaller portion of the total revenue earned by the organizations. Many LGBTQ+ organizations have increased their program service revenue, generating more money, with philanthropic contributions representing a smaller percentage. Fundraising events consistently represented less than 1% of revenue for the organizations included in this study.

Growth in Revenue

The total revenue generated by LGBTQ+ nonprofits has been steadily increasing in previous years, increasing by 32% between 2015 and 2018 – with individual and foundation giving increasing by 36% (\$145 million). The most significant percentage increase was membership dues which increased nearly 50% between 2015 and 2018 (\$3 million). Government grants also increased by nearly a third, resulting in an additional \$74 million in revenue for LGBTQ+ nonprofits.



Contributed Revenue by Source

	Membership Dues	Fundraising Events	Related Organizations	Government Grants	All Other Cont/Grant	Noncash Contributions
2015	\$4,013,029	\$35,511,772	\$3,459,528	\$157,417,830	\$262,580,184	\$17,729,694
2016	\$3,250,869	\$37,216,802	\$3,699,444	\$160,187,990	\$292,939,134	\$17,074,002
2017	\$4,123,909	\$44,704,670	\$197,434	\$198,065,409	\$337,790,638	\$22,504,999
2018	\$7,068,750	\$45,764,869	\$504,780	\$221,829,422	\$367,855,663	\$23,568,047
2019	\$7,247,373	\$46,737,089	\$667,864	\$231,282,409	\$407,765,772	\$20,407,009
Total	\$25,723,821	\$210,339,314	\$8,529,050	\$970,036,053	\$1,674,362,040	\$101,338,470

Contrary to many misconceptions, nonprofit organizations can lobby as part of their efforts. While many organizations tend to advocate instead of lobby, the increase in legislation targeting the LGBTQ+ community could be seen as an opportunity to engage in the political process; however, many organizations chose not to spend money on lobbying. As a result, only \$1 million in expenses were allocated towards lobbying in 2019 – the only year since 2015 to be over a million.

Lack of a Unified Voice and Policy Agenda

In a series of interviews with leaders of LGBTQ+ nonprofits, interviewees shared that the LGBTQ+ lacks a unified voice. Historically, white gay men were the leaders of many movements related to HIV/AIDS and marriage equality – resulting in the wealthy and influential members of the LGBTQ+ community getting what they wanted. However, after marriage equality passed, many interviewees mentioned that the engagement of this substantial donor base was limited since they achieved their vision of success for the community while there was still work to be done on discrimination, trans issues, and other vital issues. These events have resulted in a fractured policy agenda. In many cases, the LGBTQ+ community remains reactive to proposed policy changes rather than proactive in introducing them.

“While Marriage Equality was an important and momentous achievement, advocacy in the LGBTQ+ community seems to have increased in response to the past several years’ nationwide uptick in anti-trans legislation.” – Survey Respondent

“It feels like 10 steps forward, 20 steps backward these last 5 years and it is still continuing today. Many LGBTQ+ people continue to face discrimination in their personal lives, in the workplace and the public sphere, and in their access to critical health care. This experience of discrimination leads to many adverse consequences for their financial, mental, and physical well-being. Nonprofits are continuously being asked to do more, with less money and resources, and direct LGBTQ+ service organizations are getting hit the hardest.” – Survey Respondent

“Our organization has chosen not to lobby primarily because lobbying is not a core element of our mission and secondarily because we have insufficient capacity to engage in lobbying.” – Survey Respondent

Looking Forward



The LGBTQ+ community is still grappling with acceptance issues, and interviewees and survey respondents agreed that transgender issues are a significant challenge. Furthermore, the donor base is shifting, and many nonprofits reported issues with adequately engaging Millennials and younger supporters in fundraising efforts.

In light of this development, and as more states begin to adopt legislation targeting trans individuals, LGBTQ+ nonprofits should consider expanding inclusivity and enrolling all members of the community – including allies – in fundraising and organization development activities.

In June 2022, the United States Supreme Court overturned *Roe v. Wade* in a 6-3 ruling, eliminating the constitutional right to an abortion after almost 50 years. In a separate opinion released after the decision, Justice Clarence Thomas called on conservative colleagues to revisit prior rulings on marriage equality, same-sex intimacy and contraception.

Recommendations

Based on the data gathered from the nonprofits in this study, we encourage LGBTQ+ nonprofits to consider the following as it relates to organizational development and fundraising strategies:

- **Leverage Government Funding Opportunities** – Since gender identity and sexual orientation are protected civil rights at the federal level, government funding is available for LGBTQ+ nonprofits. In addition, many government grants provide additional points for organizations that serve underserved communities, and LGBTQ+ communities and LGBTQ+ individuals have increasingly been included in this category for new funding opportunities.
- **Consider Membership Fundraising** – Membership campaigns appear to be gaining in popularity among some LGBTQ+ nonprofits. Encouraging individuals to become members of your organization while providing them special access to events or other benefits may be a way to engage additional individuals in fundraising.
- **Planned Giving May Become Less Impactful** – Some interviewed individuals indicated that planned giving could see a decline over the next 20 years. In the past, many LGBTQ+ couples were not able to marry and have children, but now many couples have families; therefore, while LGBTQ+ couples were ideal planned giving prospects in the past due to a lack of direct inheritors, this will shift as more LGBTQ+ couples have children. Nonprofits should consider establishing a planned giving program sooner rather than later if they do not already have one.
- **Highlight The Urgency of Giving** – In many cases, the the LGBTQ+ community has been under attack with the introduction and passage of new discriminatory policies and laws; therefore, key fundraising messages could be essential to rally donors to support LGBTQ+ nonprofits providing services to the targeted communities. Consider examining the messaging used in political and advocacy campaigns to create a sense of urgency to support your organization.
- **Consider a Broader Equity Stance** – Many individuals in Black, Indigenous, and People of Color (BIPOC) and immigrant communities have also been targeted over the years, and the members of the LGBTQ+ community are also found within these communities – giving them an unfair dose of intersectional discrimination. Organizations should examine how they are being equitable to all members of the LGBTQ+ community and consider broadening or specifying their equity stance. This clarification could assist in generating additional funding and programs from an intersectional perspective (e.g., queer Black men, Asian lesbians, transgender Latinx).



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