



POWER IN PARTNERSHIP:

Funding Health Equity Through Trust & Flexibility

2023-2024 GENERAL OPERATING SUPPORT
GRANTMAKING REPORT

TABLE OF CONTENTS

Introduction

Past Learning Summaries

3

2021-2022 | Investing in People, Strengthening Organizations

2022-2023 | Expanding Needs, Deepening Relationships

2023-2024 | Power in Partnership: Funding Health Equity Through Trust & Flexibility

Emerging Pressures on Community Health

4

Multi-Year Funding Partners: Listening and Learning

6

“Centering Community Through Flexible, Multi-Year Funding”
by Nora Garcia, Outgoing Director of Programs

7

Building for the Long-Haul: Organizational Sustainability

9

“Healing & Resilience: Building a Leaderful Health Ecosystem”
by Tina Ramirez Moon, Sr. Program Manager of Healing & Resilience

12

Financial Health Realities

13

“Why Systems Change Needs a Long-Term Commitment”
by Julián Lazalde, Program Manager of Policy and Advocacy

15

Closing Reflection: “Our Work by Streams”
by Gillian Knight, Program Manager of Learning & Evaluation

17

ABOUT THIS REPORT

This report highlights how our 2024 grantee partners and first multi-year (2021-2024) cohort have used general operating support to address barriers to care, opportunity, and well-being, which are key to advancing health equity across our region. Grounded in [our Theory of Change](#) and [evaluation framework](#), these insights reflect an iterative learning process that began with 2024 grant reports and in-person reflections with our first multi-year cohort, and continued with feedback from our second cohort in early 2025.

Together, these perspectives show how flexible funding fuels resilience, innovation, and systems change across our region, while also shedding light on the ongoing challenges and emerging opportunities in our region's health equity landscape.

Looking ahead to the rest of 2025 and into 2026 and beyond, the insights from the 2023-2024 grant period are informing the next phase of our grantmaking strategy in response to what we have learned from our partners and the shifting political and economic landscape. Our belief that advancing health equity demands addressing root causes of health inequity with longer-term investments in systemic change and justice-centered work is being reaffirmed in this moment. This perspective is shaping how we think about our partnerships and where we will direct our support moving forward.



RECENT HCF LEARNING REPORTS

2021-2022: Investing in People, Strengthening Organizations

In 2021, we began assessing the impact of flexible funding on multi-year (Year 1) and one-year partners and tracked how investments in organizational resilience, staffing, and capacity building supported partners during a critical time in the nonprofit sector.

We launched Resilience grants in 2022 based on these insights to support one-time efforts that strengthen organizational resilience. We designed these grants to elevate and deepen the expertise of local health leaders, regardless of title or role, with a particular focus on smaller-budget organizations.

KEY LEARNINGS

Staffing was the top investment. Flexible and committed funds enabled partners to raise salaries, expand wellness support, and hire key roles, especially critical during the peak of staff burnout in 2022.

Multi-year support deepens impact. Partners cited strategic capacity building moves made possible by our three-year commitment, which were essential in responding to urgent and evolving needs.

2022-2023: Expanding Needs and Deepening Relationships

Amid inflation and rising service demands, flexible funding was crucial for one-year and multi-year partners during this period. Multi-year partners emphasized the need and desire for stronger connections with us and each other.

In 2023, we began reviewing our multi-year and annual partners to develop a recommendation for a second multi-year cohort that would include more partners (20 to 32) for an extended grant period (3 to 5 years), based on what we learned from them.

KEY LEARNINGS

Rising Operational Costs. Inflation drove up expenses, making flexible funds essential for covering wage disparities, operational essentials, and programmatic expansion.

Specialized Staff and Knowledge Retention. Flexible funds helped policy and advocacy organizations retain specialized staff and preserve institutional knowledge.

Strengthening Connections. Some partners valued our light-touch approach, while others called for more structured convenings and deeper engagement across the local health ecosystem.

POWER IN PARTNERSHIP:
Funding Health Equity Through Trust and Flexibility

**2023-2024 GENERAL OPERATING SUPPORT
GRANTMAKING REPORT**

Emerging Pressures on Community Health





2023-2024: FLEXIBILITY, RESPONSIVENESS, AND RELATIONSHIPS

Since 2020, our partners have faced a series of overlapping crises, including COVID-19, migrant arrivals, and shifting healthcare policies. Against this backdrop, we gathered insights from 55 grantee partners in 2024 through written reports and in-person reflections.

Together, the data reveal how flexible funding enables rapid response and how sustained, trust-based investment fosters long-term impact. This deepens our understanding of what it takes to advance resilience, responsiveness, and systems change in the HCF region.

Emerging Pressures on Community Health

Partners identified the following social determinants of health as urgent and growing concerns impacting their communities, particularly affecting smaller organizations and those led by Black, Indigenous, Latine, People of Color (BILPOC) leaders.

Rising Cost of Housing

- Organizations with budgets under \$1M were most likely to flag housing costs as a top concern.
- Partners note that affordable housing is not always healthy, citing issues like poor air quality and unsafe built environments.

Mental Health Access

- BILPOC-led organizations were more likely to cite mental health (especially youth mental health) as a priority.
- Concerns include long waitlists, a lack of providers offering culturally or linguistically relevant care, and rising suicidal ideation among youth.

Food Access and Affordability

- Inflation strained household budgets, forcing families to make tough choices between food, housing, and medication.
- Organizations in food security reported a significant increase in emergency food requests.

Historically, spikes in pantry usage have correlated with rising gas prices or unemployment rates. However, in 2024, the increase suggests a more sustained level of food insecurity, which signals a growing reliance on emergency food resources.

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Funding Health Equity Through Trust and Flexibility

**2023-2024 GENERAL OPERATING SUPPORT
GRANTMAKING REPORT**

**Multi-Year Funding
Partners: Listening
and Learning**

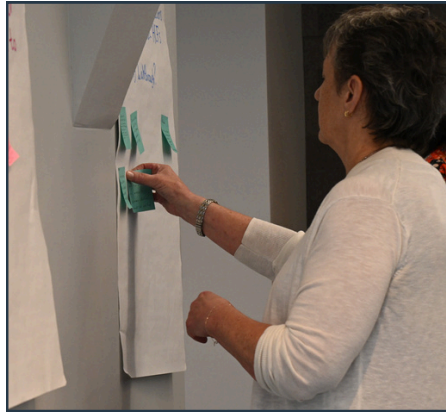
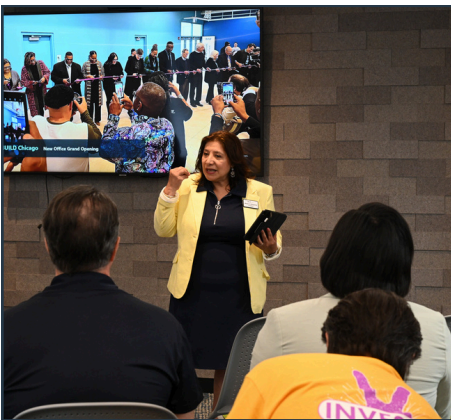


Multi-Year Funding Partners: Listening and Learning

At the end of 2023, multi-year partners shared a desire for more structure and opportunities to connect with their peers and with us. In response, we hosted a summer gathering in 2024 to reflect on the impact of general operating support since 2021, strengthen peer connections, and explore how we can better support their health leadership across our service region.

“Flexibility of funding is appreciated and not jumping through hoops to get funds is huge.”

—HCF multi-year partner



Through interactive activities and open dialogue, partners shared candid reflections on staff well-being, community misconceptions, and our role as a funder. Their insights highlighted the power of unrestricted support in promoting organizational health and the value of “solidarity over charity”, as one partner shared.

“Our communities are not simply objects of change. They can change their own lives.”

—HCF multi-year partner

This gathering also marked a turning point:

Our Board announced a five-year commitment for the next cohort of multi-year partnerships (2024-2029), reinforcing the Foundation’s belief that long-term investment is key to a meaningful impact on the health and well-being of community members in our region.

This represents a significant \$20M+ investment over five years, more than a third of our total funding since 2017, and reflects our deepening commitment to long-term partnerships that sustain organizations and support systemic change in our service region.

TEAM REFLECTIONS

Centering Community Through Flexible, Multi-Year Funding

In 2018, the Healthy Communities Foundation began aligning its grantmaking with strategies, principles, and values focused on upstream health equity. In 2021, in response to the COVID pandemic, HCF launched a bold three-year plan that significantly increased funding. **Since then, the Foundation has distributed nearly \$60M (nearly 50% of its current endowment) in grants to nimble community-based and advocacy organizations that anchor the local health equity ecosystem and public safety net.**

A Deeper Commitment in 2024

In 2024, HCF deepened its community-centered, trust-based approach by expanding unrestricted multi-year grants from 20 to 32 organizations and extending support from three to five years. This shift builds on three core goals:

1. Build deep partnerships with communities, leaders, and organizations
2. Invest in community-defined solutions
3. Strengthen intersectional strategies toward health equity.

What We Learned

Insights from our evaluation framework guided the expansion of multi-year funding, which proved effective in:

- **Stronger Organizations:** 70% of multi-year partners retained or added staff, while one-year partners focused more on launching new programs or services.
- **Increased Resources to the HCF Region:** 89% leveraged HCF's unrestricted support to attract new and increased funding.
- **Greater Responsiveness:** Nearly two-thirds of partners said they adapted quickly to the pandemic in 2021 and the local asylum seeker crisis in 2023 by adjusting programming, resources, and staff. Partners consistently cited unrestricted support as critical to their response strategies.

What's Ahead

Today, 65% of HCF's total grantmaking is multi-year and nearly 90% is unrestricted. **Over the next five years, HCF will refine its grantmaking strategy to balance responsiveness with grantmaking that cultivates power and health equity systems change.** Our multi-year partners have shared what matters most to them, and their input (listed below) will continue to shape HCF's grantmaking through 2030 by centering:

- **Flexible Funding** - allowing partners to shift and respond as needed.
- **Consistency** - predictable grants that offer greater stability than crisis-focused cash infusions.
- **Context First** - strategy and action informed by community leaders at the hyper-local level.



Nora Garcia, Outgoing Director of Programs

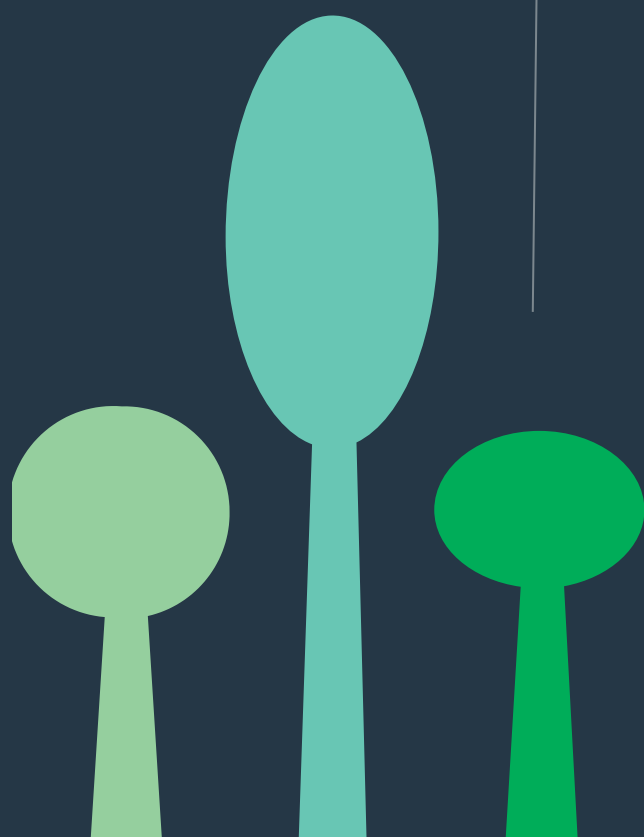


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Funding Health Equity Through Trust and Flexibility

2023-2024 GENERAL OPERATING SUPPORT
GRANTMAKING REPORT

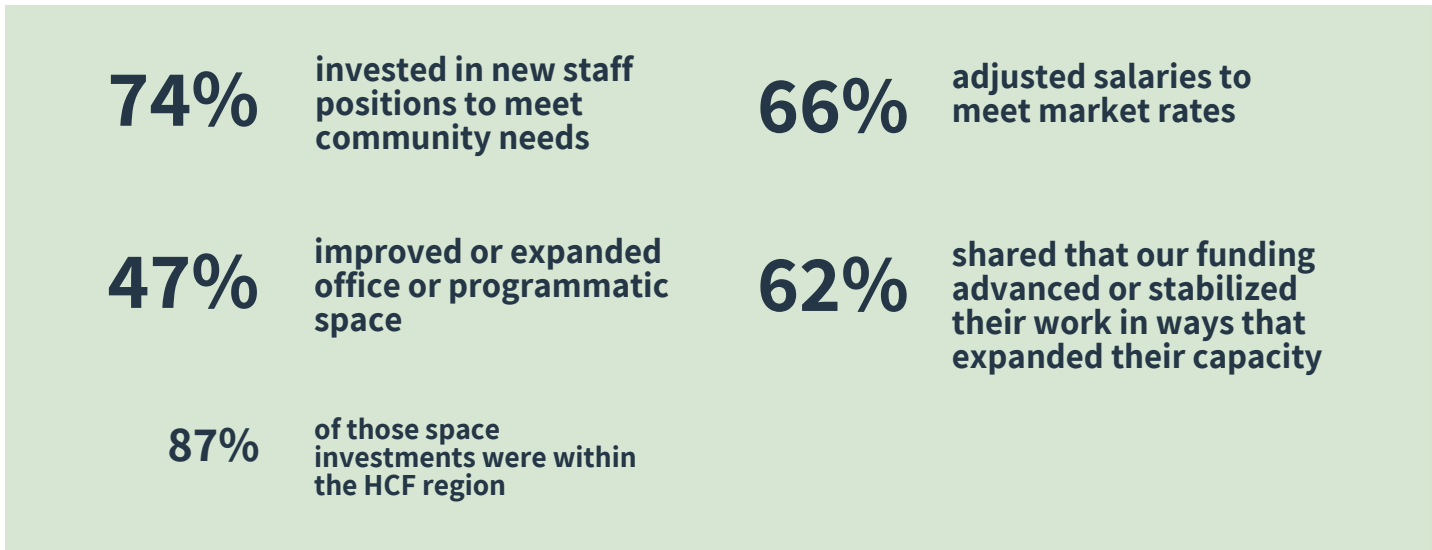
Building for the Long-Haul: Organizational Sustainability



Building for the Long-Haul: Organizational Sustainability

Investing in People, Systems, and Structures

Most grantee partners emphasized that the value of general operating support lies in its flexibility, allowing them to direct resources where needed most, especially in staff, the heart of nonprofit work. Flexible funds supported well-being, leadership development, and staffing needs while expanding organizational capacity. This was particularly important for suburban and regional partners facing rising demand amid shifting demographics and the political and economic environment, creating complex, urgent needs.



A consistent theme in partners’ reports is that their people make organizations strong, responsive, and community-rooted.

However, the strategies that keep teams connected and resilient often fall outside traditional budgets. Flexible funds allowed partners to prioritize these investments, which are essential for long-term sustainability.



PHOTO CREDIT: EQUAL HOPE

“We’ve invested significantly in staff morale, communication and wellness. This is shaping our organization’s culture and strategy.”

—HCF grantee partner

Building for the Long-Haul: Organizational Sustainability

Centering Connection as a Strategy for Sustainability

For BILPOC-led organizations and those with budgets under \$1M, “connection” was key to sustainability.

This included:

INTERNAL

Partners prioritized team cohesion and culture through mental health days, cross-program collaboration, and celebrating wins, which are critical to staff retention and values-driven work.

COMMUNITY

Sustainability was supported by deeper community engagement, such as hiring bilingual staff, strengthening alum networks, and participating in local community convenings to build trust.

PUBLIC SECTOR

Some partners aligned with government priorities or co-designed services with public institutions, positioning themselves for long-term funding and policy impact.

Partners, particularly those who received ARPA funding, also used flexible funds to strengthen the physical infrastructure and internal systems that make high-quality services possible. From improved office space to better technology and operations, these often-overlooked investments are key to long-term resilience.

“We know that human service work is hard, and we want to be an employer of choice in the sector.”

—HCF grantee partner



Healing & Resilience: Building a Leaderful Health Ecosystem

As the social sector braces for the impact of federal budget and policy changes, HCF continues to reflect on who we are and what we are about. When our evaluation framework took root during the pandemic, we planted the seeds for our approach to Healing and Resilience, which centers local leadership, healthy organizations, and collaborative relationships in all that we do. While we draw from our lived and professional experiences in our service region, we make no assumptions about the compounded crises and uncertainty our communities have faced and how that impacts the day-to-day work.

To us, “healing” and “resilience” are explicit orientations towards building organizational capacity and cultivating a leaderful health ecosystem that transforms “what is” into “what is possible”.

Acting on What We Learn

As Resemaa Menakem and Prentis Hemphill have reminded us, trauma, if left unaddressed, compounds. Transforming ourselves and our systems happens most effectively in the context of relationships. This idea shapes our work.

We recommend reading Resmaa Menakem’s “My Grandmother’s Hands: Racialized Trauma and the Pathway to Healing our Hearts and Bodies” and Prentis Hemphill’s “What It Takes to Heal: How Transforming Ourselves Can Change the World”.

Since 2021, our evaluation framework has helped turn community insights into practice by:

- Hosting community roundtables to foster connection and collective strategy
- Piloting Resilience grants to strengthen organizational culture, operations, or systems.
- Investing in resources such as AMPT Chicago and the Mission Sustainability Initiative.

Building a Bigger “We”

In 2024, we convened regional community leaders focused on building civic power, a key social driver of health, in their communities. We aimed to “build a bigger ‘we’” by strengthening relationships across aligned, though distinct efforts—some emergent, others with deeper history and infrastructure.

That November, we brought a delegation of community leaders, local resident physicians, and HCF staff and Board members (right) to Race Forward’s Facing Race conference in St. Louis to learn from multi-sector systems change efforts and take cues from our partners on the way forward.



A powerful moment was a fireside conversation with Eric Ward, EVP of Race Forward, who reminded us that moving in deep solidarity across differences requires a shared identity, one rooted in humanity, abundant vision, and collective purpose.

Looking Ahead

That call feels more apt than ever as it helps us gather the clarity and courage to lead through the unprecedented moment that our communities face today.

We continue to root in relationship with our partners and in our commitment to a resilient local health ecosystem, where organizations, and the people who power them, have what they need to lead, heal—and thrive—now and for the long haul.



Tina Ramirez Moon, Sr. Program Manager of Healing & Resilience

POWER IN PARTNERSHIP:
Funding Health Equity Through Trust and Flexibility

**2023-2024 GENERAL OPERATING SUPPORT
GRANTMAKING REPORT**

Financial Health Realities



Financial Health Realities

Covering the True Cost of Community-Centered Work

55%

said general operating support helped cover the true cost of delivering services, particularly those not reimbursed through traditional sources.

This was more pronounced among regional (69%) and suburban (57%) partners.

This theme has remained consistent since 2021, with a strong emphasis from partners focused on policy and advocacy—85% of whom said general operating support was essential for growth and maintaining stability and momentum within coalitions during 2024.

Flexible funding helped fill critical gaps in mental health services and free and charitable health clinics/FQHCs and suburban provider operations facing reimbursement delays, low rates, and wage challenges. It also supported retention of experienced staff with community ties and institutional knowledge with raises and benefits, and advocacy efforts, where core functions like planning, messaging, and organizing are often unfunded.



PHOTO CREDIT: AUSTIN COMING TOGETHER

“Flexible funds allowed us to respond to community with intention—co-creating, adapting programming based on feedback, and staying grounded in our values. This flexibility helps us listen well and convene with youth and neighbors”

—HCF multi-year grantee partner

TEAM REFLECTIONS

Why Systems Change Needs a Long-Term Commitment

As our strategic plan outlines, systems change—addressing the structural causes of inequities and racism—has been a key priority of our grantmaking since 2018. These structural inequities are a root cause of poor health outcomes, and achieving health equity requires addressing the policies, practices, and power dynamics that uphold them.

Residents in HCF communities called for a foundation focused on transformational partnerships and long-term change.

Informed by residents' voices and lived experiences, our plan challenged us to move away from philanthropy's legacy of limited accountability to grantee partners and the communities they serve. Since 2018, crises that have affected us all have disproportionately impacted communities in our service region. The COVID-19 pandemic hit especially hard in the 67% of our region made up of Black and Latiné residents, who experienced higher rates of cases and deaths, highlighting longstanding health and socioeconomic inequities. The racial reckoning following George Floyd's murder further exposed deep-rooted racial tensions, particularly between Black and non-Black Latiné residents in our service region. Meanwhile, shifts in federal policies, namely immigration policy, have heightened fear and mistrust among the 25% of our population who are immigrants.

These moments reinforced HCF's belief that movements and systemic change work led by and accountable to communities require sustained and parallel investments in people, places, and priorities identified by those directly impacted.

A Model for Impact



PHOTO CREDIT: BRIGHTON PARK NEIGHBORHOOD COUNCIL

One long-standing HCF partner advancing this work is Brighton Park Neighborhood Council (BPNC). As a grantee partner since 2018 and part of our first and second multi-year funding cohorts, BPNC has led community-informed, justice-oriented policy advocacy in our region.

They led the creation of Treatment Not Trauma, a community-led initiative that calls for investing in public health infrastructure to address mental health emergencies through care and support rather than criminalization. This campaign has mobilized thousands of community members from historically disinvested Chicago neighborhoods—many within our region—to organize and advocate for these vital public health investments.

Since 2023, BPNC's sustained organizing has led to major milestones: the reopening of three city-run mental health centers and the launch of a pilot non-police crisis response program by the City of Chicago.

Sustained Giving, Sustained Change

These milestones are well worth celebrating. Still, it has taken this campaign eight years of dedicated issue education, organizing, and advocating to see tangible steps towards addressing the enormous disparity in available mental health supports across Chicago.

These hard-won changes show why multi-year support for systems change work is essential and why we hope our funding model contributes to a greater shift in philanthropy toward sustained investments in community-led work for a healthier and more equitable future for our service region.



Julián Lazalde, Program Manager of Policy & Advocacy



Financial Health Realities

Disparities in Funding

It is well documented that nonprofits led by people of color, particularly those serving communities of color, continue to face greater funding barriers than white-led organizations.* Our data also reflects this inequity.

When asked about financial health milestones in the past year, white-led and BILPOC-led organizations reported different realities:

Rank	White-Led Organizations	BILPOC-Led Organizations
1	Met budget (78%)	Invested in new staff (74%)
2	Adjusted salaries to market (74%)	Adapted a program/service (69%)
3	Invested in new staff (74%)	Joined a coalition/taskforce (66%)

While white-led organizations reported more signs of financial stability, BILPOC-led organizations prioritized investments in people, programming, and collaboration, often with fewer resources and less secure funding.

We believe those closest to the issues are best positioned to drive solutions. These findings affirm our commitment to data-informed, community-led strategies and to long-term, flexible support, especially for organizations that have historically been underfunded. Many of our BILPOC-led partners are leveraging this support to attract new funding, grow their teams, and expand their community impact.

*Recommended Reading from Candid Highlighting Funding Disparities

“Women in the Nonprofit Sector: Underrepresented, Underpaid, Underfunded--But Making Progress “

An honest look at the persistent gender inequities in the sector, with a hopeful lens on how women are leading change despite systemic barriers.

“Black Women and Gender-Expansive Nonprofit Leaders: Combating the Absence of Trust”

This explores how deep-rooted biases erode trust in Black women and gender-expansive leaders, and what it takes to build it back.

“The More You Know: Key Facts About Black Nonprofit Leadership”

A snapshot of data-backed insights about the realities facing Black nonprofit leaders, produced in partnership with ABFE.

“The State of Diversity in the U.S. Nonprofit Sector”

This report offers a summary of the nonprofit sector’s demographics--race, gender, sexual orientation, and disability status--to increase transparency and highlight key trends.

TEAM REFLECTIONS

Our Work by Rivers and Streams

At HCF, we often describe our work using the metaphor of a stream, which is a powerful image that reflects the interconnected nature of community health and the roles our partners play across different points of community needs.

- **Upstream work** involves addressing the root causes of health inequities by shifting systems and structures to prevent harm before it happens.
- **Midstream work** connects upstream and downstream efforts, ensuring collaboration and real-time insights flow into policy and systemic solutions.
- **Downstream work** responds to urgent needs, providing direct services and resources to individuals and families.



DESPLAINES RIVER NEAR HCF'S OFFICE IN RIVERSIDE, IL

A story brings this to life: during a hike, a group of friends spots a toddler floating down a fast-moving stream. Some jump in to rescue the child, others build a net, while one heads upstream to understand how the child ended up in the stream to begin with.

Like these friends, our partners work across the stream—meeting urgent needs while also working to change the conditions that create them, aiming to reshape them in ways grounded in history, justice, and equity.

In this work, we are reminded that no one is alone. While not everything can be done all at once, these interconnected efforts to address root causes of health inequity—when woven together—become stronger than the sum of their parts.

Through our investment in these community health weavers, we are helping to strengthen a more connected, responsive, and sustainable ecosystem, one that supports health and healing now and a healthier world in the future.



Gillian Knight, Program Manager of Learning & Evaluation

