Pay-What-It-Takes to Maximize Impact



Funding practices affect NGOs' ability to serve communities

NGOs can't effectively scale impact without true cost support*





84%

of NGOs face challenge in recovering core costs



82%

of NGOs do not invest enough in organisational development



HOW IT AFFECTS THEM



Challenges in fundraising



Low financial resilience



Lack of innovation and improvement

*Based on findings from Pay-What-It-Takes (PWIT) India Initiative reports launched in 2021 and 2022.

Nonprofits led by Dalit, Bahujan, or Adivasi (DBA) leaders, and those in non-metro areas, need more attention. Seventy percent of DBA-led NGOs and 66 percent of non-metro/rural NGOs had no operating surplus in the past three years.



Pay-What-It-Takes India Initiative



Informs and influences mindsets and practices of funders, NGOs, and intermediaries

Adopt five principles of grantmaking to unlock NGOs' impact potential



Develop mulityear funder-NGO partnerships

Partner for the long term and build mutual trust with NGOs



Pay a fair share of core costs

Cover NGOs' expenses for day-to-day operations



Invest in organisational development

Support NGOs' growth in key areas



financial resilience

Contribute to reserves, or corpus, that provide a safety net for NGOs



Embed relevant diversity, equity, and inclusion lens

Recognise and address the needs of underserved individuals and communities



*True costs = Core costs/indirect costs + organisational development investments + reserve funding

Core Costs: Shared administrative or support function expenses not tied to a specific program (e.g., salaries of non-programme employees, rent and electricity for a central office, etc. also known as non-programme costs, administrative costs, or indirect costs)

Organisational Development: Investment in institutional growth and sustainability, such as in strategic planning, leadership and talent development, financial management, fundraising, measurement etc.



