

DIVERSITY IN PHILANTHROPY BEST PRACTICES STUDY

CHILDREN, YOUTH AND FAMILY PHILANTHROPY

PRÉCIS

Following is the second in a series of Diversity in Philanthropy Project case studies designed to surface lessons and best practices for promoting inclusivity and effectiveness in various social investment arenas. This report, researched and written by Robin Templeton, former Project Manager at the JEHT Foundation and currently a Chancellor's Fellow at The Graduate Center of the City University of New York, highlights the considered experiences and views of leading children, youth and family grantmakers across the U.S. concerning key insights they have gleaned about practices that either advance or impede diversity in areas ranging from governance and staffing to grantmaking and contracting. The presentation includes a summary of key findings concerning various practical aspects of promoting and managing diversity that readers should find especially valuable. By broadly sharing these insights, we hope that other private grantmaking organizations will gain knowledge and encouragement to replicate and/or adopt some of these approaches to the broader benefit of their core constituents and guiding missions. We welcome thoughts and reactions from our readers regarding this and related content, and encourage those who wish to share their own ideas and suggestions on the issues to do so by writing us at info@diversityinphilanthropy.org.

INTRODUCTION/OVERVIEW

Demographically speaking, there is no such thing as an “average” American family. While the Census Bureau estimates that people of color will comprise half of the United States population by 2050, children of color under the age of 15 are already the majority in one-third of the nation's large metropolitan areas.¹ Children of color comprise 40 percent of all school students in the United States and one in five school students is the child of immigrants.² Moreover, one-third of today's students are low-income. Nearly 20 percent live in rural communities and an estimated one in three homeless teenagers and young adults are lesbian, gay, bi-sexual, transgender or questioning their sexual identity.³

In light of these profound and shifting demographics—unprecedented in the history of the United States—the diversity work of grantmakers invested in the well-being of children, youth and families merits particular consideration and early intervention. Gaps in student achievement attributable to race and income begin showing up as early as kindergarten and profoundly shape the life chances of disadvantaged children and youth.⁴ Sherece West, Ph.D., President of the Winthrop Rockefeller Foundation, delineates the significance of all this diversity data: “For foundations that really choose to be effective, that seriously intend to make an impact, diversity is an essential ingredient. And as our national demography shifts towards greater degrees of multiculturalism, this will be even more critical in the years to come.”

Given these realities, the future of U.S. philanthropy is increasingly intertwined with the future of American families. When Council on Foundations President and CEO Steve Gunderson testified before Congress in 2007, he cited data projecting that people of color, women and immigrants will comprise as much as 85 percent of the growth in the U.S. labor force by 2010 and said of organized philanthropy:

“Too often, we have not been champions of diversity—whether defined by ethnicity, gender and race, or by philosophies, ideas, and religions.”⁵

How are children, youth and family funders defining diversity? To what extent is this sector of grantmakers explicitly prioritizing inclusivity, diversity and equity, through which means, and to what ends? This report, based on extensive interviews with leading grantmakers, sets forth answers to these and related questions.

For many children, youth and family funders we surveyed, their bottom-line focus on improving outcomes for all necessitates placing an institutional priority on committing resources to equalize access to quality education and health care in order to meet the needs of young people and families from diverse and structurally disadvantaged communities. In this context, W.K. Kellogg Foundation President Sterling Speirn describes diversity as an essential response to institutionalized racism and other structural inequities: “As a Board of Trustees of a large national Foundation charged with meeting the needs of the nation’s children, we have had to confront the correlation between race, poverty and the well-being of vulnerable children. We’ve reached the conclusion that we can’t talk about vulnerable kids without talking about racism.”

Freeman A. Hrabowski III, Ph.D., Board Chair of the Marguerite Casey Foundation and President of the University of Maryland Baltimore County similarly frames diversity in terms of its relationship to philanthropic effectiveness as well as the broader national significance of inclusion. “Diversity,” Hrabowski explains, “is not an end in and of itself; rather, it is an ongoing pathway or means to achieve excellence for all.”

In order to achieve “excellence for all,” children, youth and family funders often focus on improving entrenched systems and bureaucracies—from departments of education and child welfare to the juvenile justice system and family courts—that function to determine vital outcomes and indicators of future well-being. Many children, youth and family funders are also guided in their work by theories of change centered on grassroots empowerment and the elevation of indigenous community leadership into positions of policy influence, systems reform and service management.

In addition, many leading children, youth and family funders are looking internally, often including—implicitly, explicitly or both—in their personnel policies and practices the notion that diversity begins at home. Many are taking steps to ensure that their boards, staffs, policies and practices reflect the equality of opportunity they seek to achieve in the external field.

Across their wide range of experiences and viewpoints, there was indisputable agreement among those interviewed for this report that efforts to employ diversity as a solution to entrenched inequality require serious, ongoing commitment. Many observed that learning is a constant process demanding self-reflection and mutual support. Those who are committed to diversity have to consistently ask one another “How are we doing? How can we improve?”

While every grantmaking institution has to implement diversity strategies in tune with its specific priorities as well as its own particular mission, culture and infrastructure, this report’s findings warrant consideration across the broader field. A summary of key points derived from our exploration of diversity principles and practices among leading children, youth and family grantmakers follows.

SUMMARY OF KEY FINDINGS

Defining Diversity

- A majority of the grantmakers surveyed spoke of diversity not only as an end in and of itself, but also as a means of achieving maximum impact and effectiveness.
- Structural racism and institutionalized inequality were consistently named as useful conceptual frameworks for shaping strategies in this area of social investment.
- Interviewees concurred that, as it applies to their work and practice, the definition of diversity is not static or formulaic but, rather, must be adjusted in its application to the breadth of children, youth and families issues, and the changing demography of the field.

Prioritizing Diversity

- Numbers matter to the leaders we interviewed, but they are not all that matters. Diverse representation must be matched with diverse strategies.
- Children, youth and family funders are increasingly taking a pragmatic approach, weighing diversity considerations in terms of board leadership, staff recruitment and advancement, program investments, vendor relations and intra-sector collaboration—all of which they relate to enhanced institutional performance.
- The experts we consulted reported that, when introducing more inclusive practices in their work, both formal and informal approaches are important.
- In addition, interviewees observed that embracing and practicing expanded organizational inclusivity requires authorization from the top *and* momentum from below. Diversity is best advanced when the voices and input of board executives, staff officers and community leadership engage one another.

Board and Staff Leadership

- Diversity requires constant leadership and commitment from foundation boards of directors, presidents and CEOs.
- Community members can play an important advisory function to foundation boards and can be brought forward through conscientious decisions such as holding meetings periodically in grassroots venues and instituting formal community advisory boards.
- Mentoring is critical for diverse program staff to advance in the field and for foundations to benefit fully from these professionals' skills and insights.
- Many suggested that the field could do more to develop policies and practices that promote institutional diversity as a core operating imperative at all staffing levels, including creating more opportunities for promotion and advancement and taking steps to create more family friendly work environments.

Vendors and Investments

- A growing number of children, youth and family funders agree that a diversity lens should take into account the allocation of foundation dollars to contracts with vendors, suppliers and consultants.
- An area with strong potential for additional consideration by field leaders concerns foundation capital investment policies as they pertain to diverse businesses and communities.

Collaboration and Field-Building

- According to most of our interviewees, diversity best practice invites internal education within the field and engenders robust information exchange among grantmakers who share priorities.
- Participation in leading affinity groups, field collaborations and exemplary partnerships are essential for foundation impact in this area.

- Framing problems and naming solutions in strategic and nontraditional ways can help move the field's interests forward in ways that encourage support, rather than resistance, both within and outside of foundation walls.

BACKGROUND AND METHODOLOGY

The Diversity in Philanthropy Project is a collaborative initiative of more than fifty of organized philanthropy's most respected trustees, CEOs, staff executives, philanthropic network principals and researchers who are dedicated to increasing independent sector effectiveness by expanding diversity and inclusivity in foundation governance and staffing, program investments and vendor relations. In order to surface lessons learned and illuminate innovative practices that could be shared with the broader philanthropic field, the Project has commissioned a number of case studies aimed at highlighting progress in various social investment arenas. The second in this series, the following report by Project consultant Robin Templeton presents promising practices and lessons learned from selected children, youth and family foundations committed to improving outcomes and equalizing opportunity within our nation's increasingly diverse communities.

The intention of the report is to distill commonly shared insights on why and how leading children, youth and family grantmakers prioritize diversity and to examine winning strategies, as well as barriers that have emerged in the course of their efforts to address inequalities based on race, gender, class, ability, sexual orientation, age and geography among marginalized children, youth and families. To that end, the report highlights successes achieved as well as challenges faced.

Among the questions we asked respondents to consider were: How are leading funders in the children, youth and families field defining diversity and with what rationale? Which practices among children, youth and family funders have been particularly innovative and effective in marrying diversity investments with expanded equity, fairness and field impact? How have these strategies developed and what are the origins and calls to action underlying them? What specific value-added impacts are resulting? And what are the critical lessons learned that can be gleaned from this leadership relative to achieving desired outcomes on the issues?

The findings herein were gleaned from interviews with nearly twenty presidents, chief executive officers, board directors, senior program officers and other field executives representing institutions that conduct significant grantmaking to promote the well-being of children, youth and families. These findings in turn were supplemented by a broadly probing review of research, literature and resource material relevant to and frequently referenced within the field. We extend our deepest appreciation and gratitude to the following key informants for candidly sharing their insights and wisdom:⁶

- Susan Batten, Senior Associate, Annie E. Casey Foundation
- Victor De Luca, President, Jessie Smith Noyes Foundation
- Loren Harris, Program Officer, Ford Foundation
- Freeman A. Hrabowski, III, Ph.D., President of the University of Maryland Baltimore County and Board Chair, Marguerite Casey Foundation
- Nicole J. Jones, Program Director, California Wellness Foundation
- Gara LaMarche, President and CEO, The Atlantic Philanthropies
- Jane Isaacs Lowe, Ph.D., Senior Program Officer, Robert Wood Johnson Foundation
- Bart Lubow, Program Director, Annie E. Casey Foundation
- Jackie Mann, President, Elias Foundation and Board Member, Youth Justice Funding Collaborative
- Yazeed Moore, Associate Program Officer, Charles Stewart Mott Foundation
- Dwayne C. Proctor, Ph.D., Senior Program Officer, Robert Wood Johnson Foundation
- William Porter, Executive Director, Grantmakers for Education

- Lata Reddy, Vice President, Prudential Foundation and Board Chair, Grantmakers for Education
- Miguel Satut, Program Director, W. K. Kellogg Foundation
- Joe Scantlebury, Senior Policy Officer, Bill and Melinda Gates Foundation
- Kristin B. Schubert, Program Officer, Robert Wood Johnson Foundation
- Jennifer Skillicorn, Program Manager, Grantmakers for Children, Youth and Families
- Sterling Speirn, President and CEO, W.K. Kellogg Foundation
- Donna Stark, Director of Leadership Development, Annie E. Casey Foundation
- Sherece West, Ph.D., President, Winthrop Rockefeller Foundation

In the pages that follow, we strive to surface interviewees’ most candid reflections on the importance and rationale of pursuing this work, which strategies have worked and why, and where challenges still remain. The report highlights a select sampling of recent diversity and inclusiveness strategies and experiences. It is by no means a comprehensive review of efforts by grantmakers primarily invested in children, youth and families—a huge swath of the independent sector, comprising approximately forty percent of U.S. philanthropic institutions.

DEFINING DIVERSITY: PRINCIPLES AND PRACTICES

In the context of my work, the goal of diversity is framed around fairness. It’s about kids having access to opportunity. My job is to work with colleagues to determine how to invest in approaches that ensure that young people—especially young people of color, who tend to be at risk compared to their white counterparts—have opportunities to get into good schools and to succeed. If we do our job and that happens, then more people will have opportunities to help build a diverse society. My work is at the center of creating the next generation of leadership in our global society.

--Yazeed Moore, Charles Stewart Mott Foundation

When asked how diversity is defined in the course of their work, program officers and executives shared various frameworks and explained diversity through a range of conceptual lenses. For many, diversity comes down to ensuring better outcomes for disadvantaged children. For funders whose work prioritizes equal access to opportunities including quality education for children, diversity is often defined not as an end in and of itself but, rather, as a means to the end goals of social equity and fairness, as the lead quote above from C.S. Mott Foundation’s Yazeed Moore suggests. Still other field grantmaking leaders and education network executives see diversity as a way to benefit the entire society and/or to advance gains in allied fields ranging from education and healthcare to criminal justice.

William Porter, Executive Director of Grantmakers for Education, a network of 250 foundations, corporate giving programs and individual donors, explains: “The commonality among funders in our network is improving education outcomes—and much of the work to achieve results comes down to closing achievement gaps. So we don’t necessarily approach our efforts to support funders with an explicit diversity lens because the achievement gap itself is rooted in racial inequity and poverty. You can’t work in education very long without stumbling on the core, dual issues of equity and excellence. To close achievement gaps in U.S. education, we really have to lift all boats.”

For health funders, diversity priorities targeted to children, youth and families can also translate into better strategic outcomes that transcend the direct benefits to those groups alone. Robert Wood Johnson Foundation’s Jane Isaacs Lowe, Ph.D., explains: “Our focus is health, but health outcomes are determined by social factors. Ignoring these factors will not allow us to produce the best outcomes.

Poor people bear a disproportionate burden of disease. We look at the social context of diseases as well as the interplay of health problems with community institutions. In our work, we promote the understanding that many of the disparities in health care result from a failure of education, housing, employment and poverty.”

The Robert Wood Johnson Foundation’s program area named “Quality/Equality” reflects this approach in its stated goal to help “communities set and achieve ambitious goals to improve the quality of health care in ways that matter to all patients and their families, and in particular to patients from specific racial and ethnic backgrounds who often experience lower-quality care.”⁷

But to get to improved outcomes, many field leaders spoke of the importance of intention. The Annie E. Casey Foundation’s Senior Program Officer Bart Lubow says: “It boils down to intentionality. How much do the issues get raised explicitly within the institution and then translate into concrete things that people can do?”

Sherece West, Ph.D. of the Winthrop Rockefeller Foundation echoes this sense of the importance of “intentionality” in her reflection on the field’s need to address structural racism: “What I find, ultimately, is that effective philanthropy is about undoing racism. It’s about making investments that change these structural imbalances. This requires white people to make conscious and intentional decisions about diversity and inclusion. Those in power need to feel responsible to and accountable for those who don’t have equal access to power.”

Many of the realities and observations presented to this point have directed children, youth and family funders to address diversity as a community-specific problem that requires grantmakers to take a holistic approach, building on multiple strategies in order to be more effective. As the Annie E. Casey Foundation’s Susan Batten puts it: “A major focus of our work is facilitating neighborhood transformation. If we want kids to do well, then parents have to do well, then the entire community needs to do well. We have to put in place a series of strategies that aim to impact children’s immediate environment.”

In addition to intentionality, our expert interviewees spoke about the importance of conducting their work in an informed, affirmative and strategic manner, building on rigorous analysis, taking a proactive orientation, and working in close consultation with those closest to the issues. To this end, several interviewees referenced the value of certain tools and frameworks. Loren Harris of the Ford Foundation, as one example, cited a report by the Aspen Institute that links the advancement of youth development to structural racism: “A structural racism lens does not call for the abolition of our national values. It calls instead for the rearticulation of those values in ways that recognize where all Americans stand because of their historical group experiences on these shores. The tension here is that structural racism focuses on unequal group outcomes while our core national values emphasize social, economic and political philosophies that are centered on the individual ... Where one starts out in life affects where one ends up to a greater degree than our national sense of economic mobility would have us believe.”⁸

Kellogg Foundation Program Director Miguel Satut speaks of the importance of grantmakers thinking not only in terms of structural barriers, but also in terms of structural advantages at play vis-à-vis established philanthropy and under-resourced communities: “We’re here in the United States, working in private grantmaking organizations that are, structurally, very powerful institutions. Part of our challenge and opportunity is to recognize our accountability to this power and to use our structural advantages to increase equity and inclusion.”

In its concept paper titled “The Challenge of Diversity,” the Jessie Smith Noyes Foundation describes how it came to set an institutional priority on diversity for important utilitarian reasons: “In the early

1980s, the family trustees of the Jessie Smith Noyes Foundation looked at the world's most urgent problems and chose to address those that would be irreversible if not dealt with immediately ... They refined the Foundation's mission as protecting and restoring Earth's natural systems, and promoting a just and sustainable society. Recognizing the complexity of these issues, the family saw that it needed a broader pool of expertise and perspectives. And, like many family foundations, it faced the problem of its own sustainability as the first generation of board members aged. So began the long process of building a professional staff and a more varied board, representative of the [diverse] communities being served."

Regardless of analysis or approach, most of those surveyed for this report agreed that leadership from the top is essential in order for concern about diversity to develop into an institutional priority.

BOARD DIVERSITY

Commitment at the top is enormously important. If the values of honoring diversity and promoting equity are clearly stated at the board level, this institutional undertaking will filter down to all levels of the organization.

--Grantmakers for Children, Youth and Families⁹

According to the Council on Foundations, the percentage of female board members in the United States increased markedly over the past two decades, from 22.6 percent in 1982 to 35.4 percent in 2002. During the same period, the number of board members who are people of color more than doubled.

But in light of the persistent and historical homogeneity of U.S. philanthropy, the net significance of this increase in female and minority representation in board governance is modest at best: Over the past two decades, the total number of foundation board members who are people of color has increased from a slight 4.3 percent to about 11 percent. By comparison, women and people of color currently comprise, respectively, more than half and about one-third of the national population. Further, while the overall proportion of people of color on foundation boards has increased somewhat in recent decades, only two in five foundations surveyed by the Council on Foundations in 2002 (314 of 704) had one or more persons of color on their boards.¹⁰

Many of the experts we interviewed expressed concern about these data and their implications. According to Loren Harris of the Ford Foundation: "I've seen boards at several national foundations become less diverse in recent years, instances in which positions filled by board members of color have expired and white appointments haven't taken their place at the board of director's table." As to the root causes of this reversal in board diversity, Harris explained: "One of the challenges is leadership. Social networks can either inform or fail to inform the executive leadership in philanthropy. You really have to have people on the board who are going to say 'Our communities, our national demography, are not predominantly white and male and we want a board that reflects our communities and our nation.'"

Elucidating this concern, Grantmakers for Children, Youth and Families points out in resource materials it distributes to its membership that "board service on the 'right' boards is *de rigueur* for both women and men who are upwardly mobile (or have arrived) in high-status social and business communities and networks, and many elite trustees also serve on private, family and community foundation boards." Grantmakers' materials go further to assert that it is important to name "these wider cultural and public policy dimensions of the philanthropic sector ... because they demonstrate the multifaceted—and often

unacknowledged—weight and influence both charitable giving and foundations hold in our social, political, and economic sectors.”¹¹

Recruitment and Composition

Of course numbers cannot be the only consideration in connection with board diversity and indeed many leading children, youth and family funders are looking as well to get at more qualitative inclusivity in their trustee appointments. For example, Luz Vega-Marquis, President of the Marguerite Casey Foundation, says of the process employed at her Foundation: “In terms of board replacement, we made a commitment to maintaining a balance in terms of diversity. This isn’t a quota, but we are very conscious, vigilant. What we’re trying to get at is the values, not just the numbers.”¹²

Whether from a quantitative or a qualitative perspective, however, most agree that a vigorous commitment to recruiting diverse candidates to fill board positions is necessary. A guide by Grantmakers for Children, Youth and Families offers the following strategic advice regarding the recruitment of diverse board candidates: “It is important to analyze the actual board recruitment process you have in place. Are you searching out the best sources for candidates who are representative of communities with which you are not as familiar, or are you tapping the very same few [diverse community leaders] that everyone goes to? Diversifying the board is not as simple as finding one ... individual to whom the foundation can point and state that they have ‘covered that base.’”¹³

The Annie E. Casey Foundation’s Race Matters Project further stresses the importance of institutional leadership pushing itself not to rely on traditional networks and, rather, to see beyond the customary pool of applicants. The Project’s “Guidelines for Achieving Staff and Board Diversity” advises: “Invest time in expanding your professional networks” by, for instance, connecting with local universities including Historically Black Colleges and Universities, Hispanic-Serving Institutions and Tribal Colleges, as well as community-based and faith-based organizations that are “closely connected to the range of populations in your community.”

Program officers we interviewed also described the importance of the commitment of board members—of all backgrounds—to catalyze then institutionalize an investment in diversity. The Kellogg Foundation’s Miguel Satut characterizes this as “authorizing the environment,” explaining: “You need an authorizing environment in order for diversity work to become the rule, not the exception, so that it becomes integral to organizational operations across the board. When the people who call the shots create the opportunities and provide the resources—the meetings, convenings, bringing in experts, holding workshops, doing site visits, having people go through learning experiences to surface the concerns that they have—in order to advance diversity work, this is when the stars align.”

In its report “Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance,” the Center for Effective Philanthropy (CEP) offers the following explanation of why and how a governing body’s diversity figures into the determination of board effectiveness:

The question of board effectiveness is particularly important because, as many have noted, most foundations are accountable only to their boards, the IRS and state attorneys general. They are generally isolated from market or fundraising pressures that influence other organizations in our society, arguably making the role of the board even more important for foundations than for other types of organizations ... Given that there is no universal, comparable performance measure for foundations—no analog to a company’s stock price or profitability, for example—it is difficult to connect governance practices to foundation performance in order to determine conclusively which board practices correspond with better performance.

In order to arrive at a definition of board effectiveness, CEP surveyed approximately 600 trustees and 50 CEOs of 53 large U.S. foundations, “the largest study ever undertaken on a broad set of foundation boards.” Based on its exhaustive research, CEP reports:

Despite the diversity in foundation and board characteristics, there is a shared sense of what constitutes board effectiveness among foundation trustees. Across foundations of different sizes and types and across dimensions of board structure, five key characteristics emerged as the most significant predictors of trustee perceptions of foundation effectiveness.

A summary of these five characteristics is as follows:

1. Appropriate mix of trustee capabilities and utilization of those skills
2. Engagement in strategy development and impact assessment;
3. Focus on discussion of important topics;
4. Positive relationship with the CEO; and
5. Opportunity for influence and respectful dissent in board meetings.

It is this fifth characteristic, the report explains, which *illuminates the mutually reinforcing relationship between board diversity and board effectiveness*:

People of color on boards with only one or two other minorities gave lower ratings than other non-minority trustees when asked about the extent to which each board member has equal opportunity for influence. Once minority membership reaches higher absolute numbers—three or more—ratings of opportunity for influence do not vary between minority and non-minority members ... The number of minorities on a board is related to ratings of equality of opportunity to influence the board—with members of minorities who are one of only one or two minorities in the boardroom perceiving less equality of influence ... For those boards that have only one or two board members who are members of racial minority groups, it is important to understand the dynamic that appears to exist with respect to perceptions of equality of opportunity to influence the board. Understanding that dynamic creates an opportunity for it to be addressed and ameliorated, such that members of racial minorities feel able to influence outcomes in the boardroom to the same degree as their non-minority colleagues.¹⁴

Engagement and Effectiveness

Interviewees for this report agree that diverse race, gender, class and sexual orientation representation around the Board of Directors table is an essential element in a foundation’s quest for responsiveness and impact. By all accounts, who is there matters. But it also matters what they do when they get there and how much support they have from more established colleagues. Lifting up the value of more diverse board composition relative to foundation effectiveness and culture can be inherently complicated for both logistical and cultural reasons. Sherece West suggests that the question is not only “How do you change the composition of your board of directors?” but also ‘How do you evaluate those changes?’ to insure that greater diversity in board composition leads to and is appreciated for greater innovation in foundation practice.”

Beyond board appointments and how they relate to one another is the importance of how boards of directors choose to engage in the communities served in their institutional name. As Susan Batten of the Annie E. Casey Foundation explains: “People used to ask us, ‘why don’t you let family and community members talk to your Board?’ Well, now that happens.” The Annie E. Casey Foundation, Batten says, now holds executive meetings in cities in which the Foundation conducts its grantmaking and community change efforts. The success of this approach, Batten says, is evident in the fact that “senior leadership organizes dinners and conversations among board members and grantees so they can talk about their work in a conducive environment. Everyone is literally sitting at the same table.”

Leadership

Many program officers interviewed for this report enthusiastically credited their institution's executive leadership with opening up possibilities not only for their programmatic work but also for people of color and other diverse professionals to enter into leadership positions. Dwayne Proctor, Ph.D. of the Robert Wood Johnson Foundation described: "It's been stressed by our senior leadership, including the chief of staff's office that we all need to prioritize diversity. Toward this end we've had meaningful conversations about what to prioritize when developing programs, for example, and we're embedding the importance and practice of being inclusive in multiple areas of our Foundation's work."

Joe Scantlebury of the Bill and Melinda Gates Foundation expressed his respect and appreciation for a senior colleague's leadership in diversifying staff appointments: "He intentionally sought people of color to join the foundation, then shepherded candidates through the selection process and put his thumb on the process; if there was equal choice among equally qualified candidates, he made sure to emphasize diversity."

Miguel Satut also speaks to the importance of this approach in describing his experience at the Kellogg Foundation: "One of the biggest lessons I've learned is that the more you do in the diversity and inclusion arena that's integrated, the better the results. The work often gets sparked by a champion. But then it quickly needs to spread across the institution. You can't just decree that every part of the foundation will suddenly 'be diverse.' True successes occur when diversity goals get integrated into every aspect of the foundation. But you need the board and the leadership of the foundation to embrace and authorize the work in order for it to spread and take hold."

STAFF DIVERSITY

We're talking about demystifying a rarified world. Our field represents an entire way of being that is alien to many cultures—even to people of color who have studied at and worked within other highly privileged institutions. I've found that in philanthropy, there is still almost always a need for translation on behalf of professionals who are entering our field.

--Anonymous Senior Program Officer

Many program officers interviewed for this report, though appreciative of strong board leadership for diversity aims at their institutions, also spoke of having on occasion to push their boards of directors and CEOs so that their diversity work "on the ground" could "trickle up" to the level of standard organizational policy and practice.

Grantmakers for Children, Youth and Families includes in its diversity toolkit of member resources concrete, step-by-step pragmatic advice for dealing with these circumstances: "If you are a staff member, then finding a trustee who will champion the [diversity] learning experience with the board may be the key to their acceptance. Understanding both your audience and the weight of your position with that audience will help you better plan and tailor and your presentation to their specific characteristics."

Joe Scantlebury of the Gates Foundation explains that the most strategic scenario is one in which board members and program officers reciprocally drive the diversity agenda in order to maximize institutional effectiveness: "If you think of philanthropy as a business, it makes sense that the board of directors

would create opportunities for junior staff to serve as stakeholders who are committed to the institution's growth and success. The question for program officers then becomes, how do you grow to see yourself as a strategic partner invested in helping lead the institution, especially in issue areas like diversity in which you may have more expertise than some members of the board? If the board invites a program officer to participate in serious deliberations on the foundation's strategy and impact, to present or to take part in evaluating program work in the context of diversity, which doesn't happen very often, then you have to be ready."

Dwayne Proctor of the Robert Wood Johnson Foundation notes that "by having more people of color work in foundations, diversity and inclusiveness become part of the fabric of the institution. It's no longer an argument that needs to be made. When there are very few people of color in leadership positions within a foundation, it can feel like you're carrying your entire race on your back. There is the constant worry that you might be the only one who's going to stand up and call the question: 'What would this proposal or program mean for Black communities?' When I stand and raise the challenge, I often wonder: is anyone else going to stand up?"

Others convey that numbers are necessary, but insufficient. Gara LaMarche, President of The Atlantic Philanthropies, explains: "Too often the frame of diversity puts an emphasis on bodies, not strategies. That's not to say that numbers aren't important, because you need a critical mass of people of color and diverse community leaders whose voices are being heard if you are to carry forward a meaningful social justice analysis. The two things are not disconnected. But one doesn't necessarily lead to the other. Diversifying staff doesn't necessarily lead to diversifying strategies. The real issue is taking various forms of structural racism and institutionalized exclusion into account in your overall grantmaking. This requires a strategic change in orientation for most foundations, a new way of looking at what we do and how we do it."

Recruitment and Mentoring

The Annie E. Casey Foundation's Race Matters project has developed "Guidelines for Achieving Staff and Board Diversity." The Guidelines suggest that in order to increase staff diversity, it is important to start early and build your applicant pipeline. According to Foundation experts, leadership development programs often offer the best first steps. The Guidelines accordingly encourage foundation and leaders to "seek a diverse set of interns—from nearby colleges and universities or professional organizations serving people of color [or other underrepresented groups] who can turn into employees or can tell others about your organization." The Guidelines further suggest that inviting "Board members of color to participate in the recruitment and interview process may create a more comfortable atmosphere for [diverse] candidates."

Creating a comfortable atmosphere is also necessary in light of what some interviewees described as a kind of "code switching" that is necessary for diverse professionals to work effectively within philanthropy, in that the field is seeped not only in norms that are tied to race and gender but also class. One program officer who asked not to be identified explained that in his experience "foundations are driven by personalities and can be as eccentric as they want to be. You have to learn how to practice a level of subtlety that is not familiar within many other fields. Philanthropy is driven by an incredibly privileged culture. There are not many diverse people who are prepared for—and therefore good at—making the kinds of translations that are necessary for diverse newcomers to the field. This is true in other fields as well, but within the golden halls of foundations people are reticent to take on issues that may evoke conflict."

Other program officers spoke to the importance of staff diversity in order to facilitate bringing the right information and partners into the institutional environment, pointing out the importance of not only recruiting but also promoting people who are not necessarily as well published or credentialed, who “don’t have all of the bona fides of people from academia” as one interviewee put it.

The issue of class diversity is particularly evident when measuring the recruitment of diverse staff to the field and their advancement within particular institutions, as well as the progression of program officers leaving one institution for another, reentering, perhaps at a higher level. Numerous program officers we interviewed addressed the need for mentoring to help newcomers to the field assess how to make cultural translations and join the sometimes rarified conversations that take place within the walls of foundations.

A representative view, expressed by Joe Scantlebury, is that “the kind of mentorship needed to create an even playing field has to be intentional” which means “insuring that junior colleagues know what is important and valued at the foundation.”

Opportunities for Advancement

Respondents pointed out that recruitment and mentoring are not the only tactics that are needed to achieve staff diversity. Many expressed that foundations should be encouraged in their human resources practices to engage more vigorously in promotion from within. Several shared their concern that they have found very few avenues for promotion within the field and especially for program officers to move up within their current institutions.

The absence of greater opportunity for upward mobility among even seasoned children, youth and families program staff members arguably precludes the field from benefiting more fully from the accumulated wisdom and insights of philanthropy practitioners with hands on, ground level experience. This is especially problematic when such experience flows from individuals who are themselves, by virtue of their diverse community backgrounds, most familiar with populations that are at greater risk for societal inequality.

Bart Lubow of the Annie E. Casey Foundation characterizes the severely limited career ladders within the field as “a fixed caste system.” What career ladders do exist, Lubow says, “are not easy to access, especially within large children, youth and family foundations, which often recruit from child welfare and other large governmental agencies to fill senior positions.”

Some have proposed changes to job classification systems to increase opportunities for people of color and other diverse program officers and associates to move up within foundation ranks. The essential point, it seems, is that foundations in the children, youth and families field might do more to develop policies and practices that promote institutional diversity as a core operating imperative at all staffing levels.

Grantmakers for Children, Youth and Families’ “Statement on Equity and Inclusion” is noteworthy for addressing and lifting up this imperative: “GCFY follows an equal opportunity employment policy, and employs personnel without regard to race, creed, color, religion, national origin, sex, sexual orientation, age, physical or mental ability, veteran status, and marital status.” In particular, the Statement makes explicit that: “This policy also applies to internal promotions, training, opportunities for advancement, terminations, relationships with outside vendors and customers, use of contractors and consultants, engagement with members and friends, and in dealing with the general public.”¹⁵

PROGRAM INVESTMENTS

A funder succeeds by actively engaging its partners—the individuals, institutions and communities connected with an issue ... To ensure collective “ownership” of education problems and their solutions: Provide the means for stakeholders to help define the problem; Identify viable solutions and participate in the design of the intervention; Help build a broad constituency in support of solving the problem; [and] Engage and respect a diverse range of community stakeholders. Resist the temptation to think that funders have the answers.

--Grantmakers for Education, “Principles in Effective Education Grant Making”¹⁶

An end goal of leading children, youth and family funders is diversity that enhances social justice and champions equity. One key part of the equation concerns the foundation’s own internal policies, priorities, and actions.

Susan Batten of the Annie E. Casey Foundation and the philanthropic partnership known as the Race and Equity in Philanthropy Group, underscored this point in her interview comments for this report: “We’re trying to be more explicit about race and racism across every issue we fund, whether it’s child welfare, housing or juvenile justice. We say to our program officers that a focus of your work is disparities and how disparities by race have been established and maintained. It’s a strand of work that goes across all portfolios; a racial equity lens informs all of our grantmaking.”

Another key part of the equation relates to the ways in which leading field practitioners frame the issues. For example, Miguel Satut shared that “a lesson for the Kellogg Foundation was that, in the midst of the affirmative action debate, you could look at the results of higher education—which was deplorable when you look at outcomes among Native Americans, Blacks and Latinos—and see, objectively, how much work was yet to be done. But the very political toxicity to many of the mere term ‘affirmative action’ led the Foundation to bring a different rationale and public explanation to its work on the issues. We kept framing the conversation in terms of the outcomes that we wanted for *all* young people. It wasn’t about making a statement as to whether or not affirmative action was needed. We kept the focus on needing to graduate people who weren’t otherwise getting into school and graduating.”

Stakeholder Engagement

There was agreement among the children youth and family funders we surveyed on the importance of engaging community stakeholders, both on the front end when defining problems and in order to engage the community in pursuing the most viable solutions. In short, the experts we interviewed concurred that it is not just to whom you grant, but *how* that matters. The need to build egalitarian relationships and empowered community leadership was referenced again and again.

Those interviewed for the report also agreed that the conceptual principle of empowerment necessitates or implies a way of structuring the work, building first and foremost on the perspectives of indigenous leaders. Yazeed Moore of the Charles Stewart Mott Foundation explains: “The foremost strategy is that you have to look for grassroots leadership, people who have vision and are deeply rooted in their communities, but may not have ‘name recognition’ outside of their communities. Then, when you find the leadership, you have to invest in it. If you invest in community leaders early, they will be part of the change process for the long term.”

Moore further raised the importance of engaging grassroots leaders in assessing the key problems that need to be solved. Funders should see themselves “not just as purse strings, but rather as conveners that can get other people to the table, who can use influence to facilitate honest conversations, for instance by inviting city officials to be at the table with diverse community members, acting as credible support for community groups, and, when needed, to help build local capacity. These relationships need to be seen in the long-term; it takes time to develop trust and real relationships. For example, if you’re talking about hiring someone internal to a community in which you are investing, it might take time to train that person. One’s commitment to this process must go beyond the short-term, recognizing that solutions are not going to be realized right away.”

Putting into practice the perspective that community engagement is essential, the Robert Wood Johnson Foundation has created a formal mechanism to gain diverse community input into its internal and programmatic decision-making. In many areas of its work, the Foundation has established national advisory committees as vehicles for community engagement. The committees review proposals and advise the Foundation on programs in ways that help to improve their ultimate beneficial impacts. At the same time, this unique approach provides diverse community members with structured experiences interfacing with foundation decision-makers, providing opportunities to gain professional training and affiliations that can be added to CV’s or resumes, and signaling meaningful experience in the philanthropic arena.

Summarizing this approach, Mary Ellen Capek and Molly Mead, co-authors of *Effective Philanthropy: Organizational Success through Deep Diversity and Gender Equity*, define “democratized” philanthropy as that which “encourages responsive ‘bottom-up’ grantmaking, as well as effective ‘top-down’ funding initiatives that include stakeholder input and stress the importance of responsible, mutually respectful relationships between funders and grantees.” According to Capek and Mead, this type of grantmaking “makes an effort to include in foundation decision making and priority setting those working ‘closest to the ground,’ grantees as well as foundation staff and trustees—all of whom have either (preferably both) firsthand experience or breadth of knowledge in the areas foundations seek to fund.”¹⁷

Place-Based and Community-Driven Investments

Social science research data demonstrate that the nation’s most vulnerable children and families live in fewer than 700 disinvested inner-city neighborhoods and declining rural regions across the country. In the estimation of most experts, location-based approaches are key to allowing diverse community leadership to come forward and be heard, and to devise the best strategies to meet the needs of these vulnerable populations.

Consensus seemed to exist among those we interviewed that program investments and portfolios intended to improve the lives of needy children, youth and families have maximum impact when developed specifically in response to what specific communities say they need and want. The Annie E. Casey Foundation’s Susan Batten spoke to this sentiment in describing the Foundation’s strong belief that families have to be at the center of program investment design strategies.

Batten also explained that while there are numerous definitions of cultural competency, within the Annie E. Casey Foundation “it largely means that we are committed to trying to build on the resources, principles, culture, norms and values inherent in neighborhoods in which we invest.”

Similarly, when the Kellogg Foundation wanted to respond to the problem of low graduation rates among enrolled Latino college students, it invested heavily in the program Engaging Latino Communities

for Education (ENLACE). ENLACE created thirteen local partnerships in seven states, encouraging community-based leaders and youth to identify root issues and solutions. At its core, the program was heavily community-driven. Miguel Satut explains: “We don’t do our work in isolation and we recognize that true power and expertise come from within the community. Sometimes the most important role of a grantmaker is to create space that allows community members’ own solutions to come forward.”

Organizing and Advocacy

Many of our interviewees commented passionately on the need for greater elevation of diverse community voices and leadership to ameliorate historic exclusion and inequality. A logical extension of this sentiment was a substantial emphasis on community organizing and advocacy.

Sherece West, Ph.D. of the Winthrop Rockefeller Foundation explains: “For long term systemic change to occur, there needs to be civic participation by an organized constituency that has the ability to set priorities, use data and research and influence policy change so that policies are fair and just and result in an infusion of resources into their community. Social problems are most effectively resolved when the people most affected by the issues are centrally involved in shaping and implementing the responses.”

One of the nation’s most aggressive funders of children, youth and family-focused organizing and advocacy efforts in recent years has been the Marguerite Casey Foundation. The Foundation principally defines its constituency in terms of *families*. It emphasizes a holistic program approach that sees and supports pre-existing community assets in multicultural and low-income neighborhoods. According to the Foundation’s CEO, Luz Vega-Marquis, “Marguerite Casey Foundation hopes to foster a movement of working families advocating for long-term change. We recognize that social movements are made up of many constituencies and organizations—that success of these movements is dependent on these groups converging to build on common strengths and goals. To this end, the Foundation funds organizations across a wide spectrum of issues, with the end goal of creating a strong and diverse movement of families ... A Marguerite Casey Foundation grantee is an organization whose leadership is indigenous to its community and accountable to its constituency. Organizations that we fund embrace movement-building, and recognize the role that they play, as one of many, working to close the gaps in wealth, health, privilege and power in our society.”

Grantmakers for Education Executive Director William Porter also endorsed the value of this kind of work in the field, highlighting the importance of reaching for leverage, influence and collaboration. “If you’re working in the public school system,” he reported, “you have to pay attention to advocacy.”

DIVERSITY IN CONTRACTING AND INVESTMENTS

We believe that it is essential to reduce the dissonance between philanthropic mission and endowment management.

--Jessie Smith Noyes Foundation Statement of Fiduciary Responsibility

Children, youth and family funders are also thinking and acting outside the box in recognition that diversity can be promoted by reframing and retooling their business practices, asset management and purchasing models. By aligning their mission-related program goals with their work in these areas, such funders are increasingly seeking to utilize all of their many resources in support of the communities in

which needy children, youth and families are most heavily concentrated. Foundation vendor and capital investment policies and practices are increasingly focal points of this work.

Vendors

The Annie E. Casey Foundation is exemplary among children, youth and family funders for the steps it has taken to ensure that its vendor relationships are in keeping with the Foundation's vision and values. The Foundation's "Guidelines for Promoting Racially Equitable Purchasing," created as an occasional update to its "Race Matters" toolkit series, are a noteworthy resource. While the Foundation is based in Baltimore and defines its primary mission as fostering "public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families," the Guidelines may serve as an indispensable starting place for grantmakers interested in diversifying their engagement with vendors, regardless of their size, geographic location or issue-focus. Helpful excerpts from the Guidelines include:¹⁸

If you're looking for ways to ensure that your organization's purchasing decisions are racially equitable, consider these three steps:

Step 1: Identify the likely reasons that your choice of vendors is not diverse.

Step 2: Note that the solutions are embedded in explanations.

Devise strategies for change based on where the explanations lead you. For instance, if one reason your vendor pool is not diverse is "We don't have a diverse set of vendors to call on," You may want to invest time in expanding your purchasing networks ... Your local government may have a list of vendors who have registered for its targeted programs. If not, ask around. You are likely to be surprised at the range of options that this work uncovers.

If another reason is "We make these decisions quickly, so we rely on our usual vendors," build your information base. Once you've expanded your networks, this won't be an issue.

If an additional reason is "We select vendors based on their advertising and marketing," consider whether or not you are looking in advertising outlets used by vendors of color. If not, learn about and review new outlets (e.g. newspapers and radio stations with significant minority audiences and publications of faith-based and nonprofit organizations serving communities of color). Because businesses of color are likely to operate with limited capital, and thus fewer dollars for extensive advertising, don't depend on solely on advertising to identify your vendor options ... Be sure to invite vendors of color specifically to your annual vendor orientation. Those who have not had your business in the past are less likely to come without your outreach to encourage them to do so.

If there is the concern that vendors of color may be too expensive, be sure to test this assumption. In our experience, and at the risk of over-generalizing, vendors of color can actually help your organization save on costs. Because they tend to be smaller businesses, their overhead costs may be lower than those of bigger businesses. So don't assume—test this out. If the cost turns out to be marginally higher (which can happen where smaller businesses size can't benefit from economies of scale), there is an argument to be made for the fact that diversified business choices are good for the community and good for your organization's reputation—and thus a second bottom line is being served. Operating your organization in a way that consciously promotes racial equity is a positive reputation builder.

What else? Other reasons you identified for having a less than diverse set of vendors are also likely to have solutions embedded in them.

Step 3: Maintain the strategies you've identified as a routine part of organizational practice and (re)commit to work that produces racial equity.

The above practices are healthy for your organization's community connectedness and reputation over the long term.

Be aware that the achievement of vendor diversity without attention to aligned organizational operations risks losing newly recruited vendors and thus undermining equity. For example, if businesses of color are more likely to be smaller enterprises, they will rely on quick turnaround times for payment

after delivery of services. Your payment system may need to be altered to ensure that you can retain their services. More generally, while working to recruit more diverse vendors, look at relevant organizational operations to be sure they are not inadvertently undermining your commitment to utilize a wider range of vendors.

Also recognize that a commitment to equity in organizational operations as well as in program and policy work—while essential in its own right—sends a strong positive signal to diverse staff, Board and the larger community.

Celebrate your achievements in producing racial equity in organizational purchasing. Then be prepared for the success to create its own set of next step challenges. For example, you may find that others want to emulate the purchasing model you are now known for. At some point vendor capacity may be fully tapped, creating unmet demand. At this juncture, there's an exciting opportunity for business expansion and an identified demand for it. Help interested vendors find partners in the community to advance this opportunity for job creating and wealth-building within communities of color.

Of course, comparable efforts could also be made on behalf of other important diverse groups of interest to a given foundation or cluster of foundations interested in children, youth and family issues.

Consultants

In addition to looking at the diversity of board, staff and grantees, children, youth and family grantmakers are increasingly considering the importance of retaining consultants and consulting groups led by diverse professionals. The impulse to move in this direction is largely informed by efforts among foundation leaders to work closely with diverse groups and the recognition that smaller grassroots organizations serving diverse groups may have less structure, be newer to foundation funding and find non-traditional technical assistance providers to be more affordable and responsive to their needs.

In response to these realities, some funders in the field have developed formal programs to provide grantee and foundation consulting services in areas ranging from program development to strategic planning. Other funders have moved in this direction using more informal practices that build on identified pools of diverse consultant support.

As the Annie E. Casey Foundation's Susan Batten explains: "Small organizations, including those led by people of color, women and gay people, often do not have the capacity to interface with large foundations that require certain scale and reporting requirements. So we've educated ourselves about the institutional policies and procedures that can serve as barriers for organizations that are smaller and disproportionately led by people of color and others from diverse backgrounds."

Investments

Finally, foundations increasingly seek both to diversify those to whom they give their business and to "do no harm" in terms of not investing their endowment in companies whose practices may violate their institutional missions and values. Many grantmakers that are moving in this direction are interested in using their investment capital more strategically to create economic development opportunities for diverse, low-income groups. Others are moving in the direction of socially responsible investment in order to ensure greater integrity and complementarity relative to their stated charitable interests.

For instance, in the wake of a *Los Angeles Times* report that at least \$8.7 billion of the Bill and Melinda Gates Foundation's \$30 billion endowment was invested "in companies that ran counter to its socially conscious values," the Foundation announced a review of all of its investments.¹⁹

Victor De Luca, President of the Jessie Smith Noyes Foundation, explains: “The IRS tells grantmakers that we have to spend 5 percent of our assets to advance social good, but says nothing about the remaining 90 percent. We should recognize and take advantage of the fact that foundations can use 100 percent of our assets to advance our missions. Too often, foundations have ceded control of their endowment portfolios to outside investment managers and erected an ironclad wall between the grantmaking and investment sides of their overall institutional assets.”

De Luca goes on to explain: “The traditional reasoning for this by foundation leadership is that they have a responsibility to maximize returns on investments; the assumption being that pursuing socially responsible investing would yield smaller returns. But this is simply not the case. It requires being more strategic on the investment side, but there is no lack of options through which foundations can get healthy market returns while simultaneously advancing the mission and values reflected in their grantmaking.”

The Jessie Smith Noyes Foundation’s “Investment Policy and Statement of Fiduciary Responsibility” emphasizes affirmative opportunities to advance the institution’s charitable goals via its capital investment strategies: “We recognize that our fiduciary responsibility does not end with maximizing return and minimizing risk ... We believe that foundations have a particular role to play in this process, seeing their mission not only in terms of the uses of income to fund programs, but also in terms of the ends toward which endowment assets are managed. We believe that it is essential to reduce the dissonance between philanthropic mission and endowment management.”²⁰

Among key considerations to this end, the Noyes Foundation looks at “issues of equity within a corporation, particularly with regard to participatory management, employee ownership, salary structures, workforce diversity, employee benefit programs and other demonstrated commitments to the well-being of all individuals involved in an enterprise.” The Noyes Foundation includes equity and diversity in its investment screening process, giving favorable consideration to the following:

1. Companies that have a demonstrated record of women and people of color serving on their boards of directors and in the top two levels of management.
2. Companies with hiring practices and supportive environments that foster diversity and inclusiveness and/or are included on lists like *Fortune* magazine’s 50 Best Companies for Minorities and *Working Mother* magazine’s 100 Best Companies for Working Mothers.
3. Companies that support the construction of and/or provide financing and mortgages for affordable and low-income housing.
4. Companies with demonstrated leadership on charitable giving, innovative approaches to community development, environmentally friendly building designs and excellence in the public education system.
5. Companies that purchase goods and services from minority and women owned businesses and actively promote contract opportunities for minority and women owned suppliers and service providers.
6. Companies whose labor practices and compensation standards support collective bargaining, living wage and pay equity.

Further, Noyes excludes from consideration:

1. Companies that have paid significant penalties for violating occupational health and safety laws and regulations and/or have been continuously cited as having major workplace health and safety issues.
2. Companies that repeatedly have violated affirmative action standards, practiced discriminatory labor practices based on disability, gender, age, race, religion or sexual orientation, or engaged in anti-union activities.
3. Companies that have significant operations in countries with repressive regimes where internationally recognized human rights organizations have documented a pattern of human rights abuses and that have resisted shareholder initiatives to sign codes of conduct or to divest operations in such countries.
4. Companies that produce small firearms for personal use.

Other leading funders whose work seeks to support disadvantaged children, youth and families have developed similar mission-driven investment strategies, including among others the F. B. Heron Foundation, the W.K. Kellogg Foundation and the David and Lucile Packard Foundation.²¹

COLLABORATION AND FIELD-BUILDING

The depth and range of problems in education make it difficult to achieve meaningful change in isolation ... A funder is more effective when working with others to mobilize and deploy as many resources as possible in order to advance solutions.

--Grantmakers for Education, "Principles for Effective Education Grantmaking"

Beyond the disbursement of grant and vendor investments, children, youth and family grantmakers are also using creative approaches and investing impressive levels of time and energy in collaborative partnerships and joint learning initiatives. Field affinity group strategies to achieve higher impact, collective returns on investment and sector-wide knowledge enhancement efforts are especially robust among diversity-focused, children, youth and family grantmakers.

Affinity Groups and Shared Resources

Numerous foundation representatives communicated that a key lesson learned was the value of collaboration. They agreed that foundations can be very powerful when they align interests with one another, putting aside various institutional agendas in order to advance collective diversity goals on behalf of marginalized children, youth and families.

Recognizing the power of numbers in common causes, several anchor affinity groups have formed in recent years to support mutual action and exchange among groups of like-minded children, youth and family funders.

Lata Reddy, Vice President of the Prudential Foundation cites the collaborative *Fund for Education Organizing* as an exemplary innovative model that prioritizes community engagement, the empowerment of parents, and grassroots advocacy. Recognizing that long term sustainability depends on local and broad-based leadership, the Fund is guided by the principle that community members have to be at the center of education reform efforts.

Grantmakers for Education (GFE), founded in 1995, is a national network of over 200 funders.²² In the process of determining what kind of framing would work for its members broadly, the organization has focused on the achievement gap, not so much from an equity perspective per se, but rather from an "equity = excellence" in education standpoint. Materials disseminated by the affinity group reinforce this message.

GFE has advanced an eight-part "Principles in Effective Education Grant Making" agenda, to help shape and influence the field of education funding. One of the principles encourages funders to work in partnership with local stakeholders to identify both problems and solutions. GFE's recent work has also led to the publication of a "Primer on the U.S. Public Education System" that provides a succinct summary entitled, "Make a Difference: Consider These Seven Critical Needs in K-12 Education." The report outlines "areas where needs in K-12 public schools are greatest—and where philanthropy is in ideal position to help," including:

- Since racial, ethnic, and income-based achievement gaps between students are not closing fast enough, and since U.S. students are behind students from several other nations in science and math ... Support efforts and school designs aimed at both closing achievement gaps and raising overall student performance.
- Since black, Latino, and low-income students—the groups with the most significant achievement gaps—tend to be concentrated in low-income areas...Target reforms on inner-city schools.
- Since the percentage of immigrants and English language learners is growing ... Focus on ways to help students learn English quickly and well while ensuring they master academic subjects.”

In addition to the aforementioned activities, GFE supports a practitioner-focused knowledge center, an education funders’ toolkit, and case study documentation of winning strategies to promote educational gains in diverse communities.

Grantmakers for Children, Youth and Families (GCYF) began as affinity group of the Council on Foundations in 1985.²³ Its mission is “to increase the ability of organized philanthropy to improve the well-being of children, youth and families.” As such, GCYF serves as “a forum to review and analyze grantmaking strategies, exchange information about effective programs, examine public policy developments and maintain ongoing discussions with national leaders.”

Today, the organization’s membership of grantmaking executives and practitioners exceeds 500 individuals and institutions. In keeping with its fundamental commitment to equity and inclusion, GCYF has developed an innovative series of learning materials intended to assist member organizations and practitioners to expand their understanding of and responsiveness to diverse constituencies. These include:

- A Power Point presentation in various formats that helps to focus foundation leaders on a range of diversity-related strategies that work for various kinds of philanthropies;
- A planning guide for taking action on the issues; and
- A DVD and discussion guide with starter questions like “How is racial equity different from the promotion of diversity or cultural competency?” and suggested activities such as creating an Organizational History Map on foundation diversity performance.

An additional collaborative forum through which grantmakers are exploring complementary strategies is *Youth Transitions Funders Group* (YTFG).²⁴ YTFG’s focus is on facilitating successful transitions of youth through various points of change in their lives, as well as the related machinations of educational, foster care and juvenile justice systems that impact their life chances. YTFG focuses particular attention on low-income young men and women aged 16-24 from diverse backgrounds and supports efforts to increase foundation responsiveness to young people’s needs through publications, an online toolkit and collaborative funding efforts. YTFG supports convenings and networking opportunities that encourage funders with shared interests to work together and learn from one another.

Jackie Mann, President of the Elias Foundation, cites her experience serving on the Board of Directors of the *Youth Justice Funding Collaborative* (YJFC) as a particularly innovative and effective model of collaboration. YJFC is structured as an equal partnership between philanthropists and activists who are committed to eliminating inequities in the juvenile justice system.²⁵ YJFC’s mission, reflected in its leadership structure, is driven by the belief that social change requires grassroots organizing and leadership development. Mann notes that YJFC’s funding priorities reflect areas in which relatively few funding dollars are traditionally allocated, including direct organizing against the prison industrial complex, cultural work that examines the inequities of the criminal justice system and popular education programs that explore the structural causes of abuses in the juvenile justice system.

CONCLUSION

We don't know all the answers about diversity. But we do know that it's worked for us ... It has helped us renew our commitment to work for social, environmental, economic and political justice and to use our power more strategically.

--"The Challenge of Diversity," Jessie Smith Noyes Foundation²⁶

The Diversity in Philanthropy Project is committed to increasing philanthropic effectiveness by advancing equity and diversity through promising new partnerships and strategic investments.

If our national demographic destiny *is* diversity, the independent sector could do no better than learning from the lessons and examples set by grantmakers whose work supports diverse groups of children, youth and families in low-income communities across the nation. These grantmakers' investments run the gamut from funding direct services, to investing in grassroots organizing, to seizing opportunities to shape policies that directly impact the environments in which children, youth and their families learn, live and grow. Through this work, leading funders are bringing forward new thinking, new solutions and promising practices that utilize and leverage diversity in order to achieve more optimal institutional performance and results.

Grantmakers of all types can and must learn from these leaders' example. Indeed, it is more imperative than ever that we do so, especially considering the growing impact of our nation's increasingly diverse population base on the quality and sustainability of life not only within the U.S. but increasingly around the world.

In his 2007 Congressional testimony, Council on Foundation's President Steve Gunderson appropriately concluded:

We must find a way to work together to produce healthier communities, more educated children, higher rates of employability and employment, decent housing, and compassion for those who cannot compete ... Healthy children and communities are not 'programs,' nor are they mere ideals. They are outcomes that flow from hard and sometimes dangerous work ... Communities are not clouds that drift by or wishes that go gently to sleep; they roar with traffic and crying children, they grow with investment and a neighbor's sturdy nature; they shrink and collapse when poverty grinds them down ... They are resurrected when leaders come forward with integrity and a vision built on better knowledge, keener listening, greater diversity, and a commitment to finer outcomes.²⁷

Through concerted efforts to respond in thoughtful, intentional and collaborative ways, children, youth and family grantmakers are helping lead the way towards what philanthropic action can achieve in the 21st century, using diversity as an asset and an engine for needed social progress and change.

ENDNOTES

-
- ¹ The Brookings Institution, W.H. Frey, 2006, “Diversity Spreads Out: Metropolitan Shifts in Hispanic, Asian and Black Populations Since 2000.”
- ² Between 1993 and 2003, the proportion of U.S. students with limited English language proficiency increased by over 50 percent. Cited in “A Primer on the U.S. Public Education System: What a Donor Needs to Know About the Biggest Challenges and Biggest Opportunities,” Grantmakers for Education, www.edfunders.org/educationdonor/2Primer.pdf.
- ³ See “Why Rural Matters 2007,” www.ruraledu.org and www.thetaskforce.org, January 30, 2007 Press Release, respectively.
- ⁴ Grantmakers for Education, *ibid*.
- ⁵ <http://www.cof.org/Council/content.cfm?ItemNumber=10739>
- ⁶ Interviewees titles and affiliations listed herein are based on their status at the time of our interviews during late 2007 and early 2008.
- ⁷ <http://www.rwjf.org/programareas/programarea.jsp?pid=1142>
- ⁸ Aspen Institute Roundtable on Community Change, “Structural Racism and Youth Development: Issues, Challenges and Implications,” 2005, page 23. publications@aspeninstitute.org.
- ⁹ Grantmakers for Children, Youth and Families (GCYF) Publication, *Insight*, Summer 2006.
- ¹⁰ *Foundation Management Series, 10th Edition, Volume II—Governing Boards* (Washington, DC: Council on Foundations, 2002), <http://www.foundationnews.org/CME/article.cfm?id=3063&issueID=&authByte=33419&profileID=173727>.
- ¹¹ Grantmakers for Children, Youth and Families. *Insight*. Summer 2006.
- ¹² Quoted in *Effective Philanthropy: Organizational Success through Deep Diversity and Gender Equity*. Mary Ellen Capek and Molly Mead. MIT Press, 2006. Page 104.
- ¹³ GCYF, *ibid*.
- ¹⁴ “Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance,” A report on Phase II of the Center for Effective Philanthropy’s Foundation Governance Project, pp 1-3 and 19.
- ¹⁵ http://www.gcyf.org/aboutus/aboutus_show.htm?doc_id=444277.
- ¹⁶ http://www.edfunders.org/downloads/GFEprinciples_6.13.05.pdf.
- ¹⁷ Mary Ellen Capek and Molly Mead. *Effective Philanthropy: Organizational Success through Deep Diversity and Gender Equity* (MIT Press, 2006), pages 4-5.
- ¹⁸ The complete “Guidelines for Promoting Racially Equitable Purchasing” can be found at <http://www.aecf.org/~media/PublicationFiles/Racematters2.pdf>
- The Annie E. Casey Foundation describes the Race Matters Toolkit as “designed to help decision-makers, advocates, and elected officials get better results in their work by providing equitable opportunities for all ... The toolkit deals specifically with policies and practices that contribute to inequitable outcomes for children, families, and communities ... and presents simple, results-oriented steps to help you achieve your goals.” The Toolkit is available from the Annie E. Casey Foundation, 701 St. Paul Street, Baltimore, MD, 21202, racematters@aecf.org
- ¹⁹ *Vanity Fair*, October 2007.
- ²⁰ <http://www.noyes.org/investpol.html>
- ²¹ See “Philanthropy’s New Passing Gear: Mission-Related Investing,” Rockefeller Philanthropy Advisors, New York, February 2008.
- ²² www.edfunders.org
- ²³ www.gcyf.org
- ²⁴ www.ytfg.org
- ²⁵ <http://youthjusticefund.org/content.asp>
- ²⁶ http://www.noyes.org/admin/noyes_brochure13.pdf
- ²⁷ Steve Gunderson, President and CEO, Council on Foundations. Congressional Testimony before the House Ways and Means Oversight Subcommittee, July 24, 2007. <http://www.cof.org/Council/content.cfm?ItemNumber=10739>.