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I. About the Race and Equity in Philanthropy Group

History of the Group

The Race and Equity in Philanthropy Group emerged from a study commissioned by the Annie E. Casey Foundation, which assessed a variety of internal and external practices in philanthropy with respect to race, inclusion, and equity. The study's methodology was largely qualitative. Conducted by Marga Incorporated, a consulting firm that advises philanthropic initiatives, the research included interviews with approximately thirty foundation representatives. Additionally, focus groups provided the opportunity for The Annie E. Casey Foundation to exchange ideas and share practices with The Rockefeller Foundation, The California Endowment, The San Francisco Foundation, and the Evelyn and Walter Haas, Jr. Fund. This dialogue surfaced some collective desire to create a forum for continuous peer learning and exchange. Subsequently, the Race and Equity in Philanthropy Group was formed.

Started with the five aforementioned foundations, later adding the W.K. Kellogg Foundation, this Group provides an opportunity for member foundations to improve their own approaches to race and inclusion primarily in the area of internal operations, policies and procedures through peer learning. Marga Incorporated facilitates and staffs the Group.

Goal

Intentionally practical, the Race and Equity in Philanthropy Group intends to directly enhance the various ways in which foundations can make greater contributions to communities of color. These include vendor, workforce, and grantee diversity, and strengthening internal practices and policies of foundations. The Group also seeks to catalyze greater dialogue and enhance practices around race and equity in the broader field of philanthropy, and offer best practices and other resources to assist foundations in becoming exemplary in this field of endeavor. Through involvement in the Group, each Foundation makes an implicit commitment to continually improving its practice in supporting communities of color and pursuing racial justice.

Current Learning Exchange

After several meetings, the aim of the Group – to enhance practice through deliberate learning exchanges – began to take form. Given the numerous and overlapping concerns that arise in the assessment of the impact of grant making on communities of color, as well as the level of conversation in the field about these issues, the Group decided that this type of assessment was an appropriate initial issue. This concept has many dimensions, including how to:

- Make and measure grants to organizations led by people of color,
- Define what it means to be an organization representing particular communities of color,
- Bring about concrete improvements in communities of color, and
- Measure short and long term improvements in communities of color.

Given its practical orientation, the learning exchange within the Group centered on the range of specific approaches that can be taken to measure grantmaking to communities of color. First of all, do foundations actually measure and gather data around the racial and ethnic demographics of grantees and grantee communities? If so, how are communities and grantees defined? What constitutes an organization of color? How does a foundation set benchmarks around funding to organizations of color? And, even if a foundation measures its contributions to organizations defined as representative of communities of color, how can one measure the impact of those dollars on the actual communities of color?

Foundations come in all shapes and sizes. Therefore, how these questions are addressed varies. For example, a community foundation would be required to look at its mix of core and donor advised funds, and a foundation with a mission to serve a particular locality's grant distribution is shaped by the demographics of the region. The experiences of the member foundations profiled in this report provide a diverse picture of the various experiences and approaches engaged by different types of foundations.

Group Members

The foundations in the group bring their own diversity and are represented by individuals who do not necessarily speak for their foundations on all of these issues.

- The Annie E. Casey Foundation seeks to "Foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families," and has an endowment of $3.1 billion.
- The San Francisco Foundation provides support in a particular geographical area, representing a community foundation's point of view; it has an endowment of $960 million.
- The Haas, Jr. Fund is a relatively small, family foundation with $600 million in assets, seeking to "Fulfill our founders' vision of a just and caring society where all people are able to live, work and raise their families with dignity."
- The Kellogg Foundation is the largest and oldest of the foundations in the group. With assets of $7.3 billion, spreading funds all over the world, it is seeking to "Help people help themselves through the practical application of knowledge and resources to improve their quality of life and that of future generations."

- The youngest of the foundations in the Group is The California Endowment, founded in 1996. It focuses on expanding "Access to affordable, quality health care for underserved individuals and communities," and promotes "Fundamental improvements in the health status of all Californians"; it is a private foundation with an endowment of $4.2 billion.

II. Measuring Grant Making and Impact on Communities of Color

Significance

While, in many cases, the intended beneficiaries of foundation endeavors are disadvantaged and vulnerable populations, we know that people of color disproportionately confront many of today's key social challenges – the very issues emphasized by private foundations. Foundation dollars could provide valuable contributions to improve the lives and life opportunities of communities of color. Simultaneously, we are witnessing the United States population moving toward people of color being the majority. These factors suggest that philanthropic dollars would significantly flow toward communities of color, but where are foundation dollars actually going?

Recent Research

A number of recent studies assessed the relative distribution of foundation dollars to communities of color (see Table 1). In itself, the concept of giving to communities of color brings complications. By what means could a foundation make such contributions? The most commonly discussed approach is to provide resources to organizations led by people of color, sometimes referred to as, "minority led organizations". Funding to communities with large or majority populations of color is another approach. People of color, for the purposes of this report, include African Americans and people of African descent, Asian Americans and Pacific Islanders, Native Americans, and Latinos.

Applied Research Center (ARC) examined the distribution of foundation resources flowing to communities of color in *Short Changed: Foundation Giving and Communities of Color* (2004). Based on that report, 2001 foundation dollars given to grantees serving communities of color were as follows: African American: 1.4%, Asian American/Pacific Islander: 0.5%, Latino: 2.1%, Native American/American Indian: 0.5%, and Immigrant and Refugee: 0.7%.

In another study, the Greenlining Institute (2006) analyzes trends in giving to communities of color. The report classifies giving according to the leadership

composition of grantee organizations, but also emphasizes the nature of the work of these organizations with respect to communities of color (what Greenlining calls, "minority communities"). According to the report, a "minority-led organization" is:

- "One whose staff is 50 percent or more minority,"
- "Whose board is 50 percent or more minority", and
- "Whose mission statement and charitable programs aim to predominantly serve and empower minority communities."

The report examines giving among the nation's largest independent foundations (24) and California's largest by independent (10) and community (5) foundations. Overall, the largest national independent foundations contributed 7.7% of their 2004 grants and 14.7% of their 2004 grant dollars to minority-led organizations.

All of these studies raise compelling questions about the nature of philanthropy in relation to communities of color such as what are appropriate roles for foundations in supporting communities of color? They also make significant contributions to how we understand the flow of resources to organizations led by and serving communities of color; however, the impact of grants to such organizations on communities of color is less clear and more difficult to measure. The Race and Equity in Philanthropy Group has begun to address not only the demographics of grantees, but the role of grant making in improving the lives and life chances of communities of color. What kinds of strategies could expand the continuum of financial investments from organizations led by and serving people of color to organizations transforming communities of color, and finally to organizations changing the balance of power and resources within communities of color? What kinds of results would be pursued and how would they be measured? What would be the profiles of grantees, which could advance such strategies?

The Annie E. Casey Foundation

Each investment portfolio at the Foundation is to include the reduction of racial disparities in outcomes as a key strategy. For this reason, all program staff collect data on racial disparities in their portfolio and when processing a grant, report on the diversity of their grantees using a scale of "very diverse" to "not diverse at all". In addition, the Foundation is taking additional steps to ensure racial and ethnic diversity amongst grantees. Elements of Casey's new strategy include the following:

- Synthesizing available data on the diversity of grantees from past grantee surveys and the Foundation's grants management system;
- Once the available data has been gathered, developing a workplan on their strategies to collect missing data on the diversity of their grantees and consultants. This effort will establish a reliable baseline for each Foundation programmatic unit and, when necessary, managers and staff of each unit will develop plans to strengthen the diversity of these pools; and
- Having these plans will be reviewed quarterly by the Foundation's Senior Leadership Team (Vice Presidents, the Senior Vice President and the President) to track progress on reaching diversity goals and benchmarks.

Program: The California Endowment's (TCE) Boundary Crossing Leadership

Goal: Develop grassroots leaders and the leadership of communities of color throughout California, by supporting programs aimed at building "boundary crossing" leadership. It is using the Boundary Crossing framework to build cross cultural, racial/ethnic (as well as class, religion, sector, etc) alliances for changes in health systems and to improve the overall long-term health of underserved communities.

Strategy: Through this program, TCE addresses leadership capabilities and takes a specific step to simultaneously enhance interracial collaboration in the communities TCE serves. The concept, developed by Asian-Pacific-American Legal Center, initially to facilitate the development of shared policy agendas among Black and Latino leaders in Los Angeles, seeks to address isolation and fragmentation often faced by communities working to address systemic inequities.

Duration and Outcomes: This program is currently under development.

Casey's intention is not to hold individual grantees to diversity "benchmarks" or "litmus tests" – rather these data will be used as a tool to assess the diversity of an overall portfolio and to guide ongoing decisions on building partnerships with potential grantees.

The challenges in gathering such data are multi-layered. Casey, in this approach, attempts to get multiple programs on the same page around reducing racial outcomes in addition to gathering data on grantees. Of course, different programs approach race and

ethnicity in various ways; however, Casey's target population is heavily comprised of people of color.

The California Endowment

The California Endowment encourages prospective grantees to begin designing the ways in which their proposed efforts will impact communities of color regardless of whether the prospect is led by someone of color. The role of underserved communities in the project is a key factor in TCE's grant review process. Grants are increasingly required to show how they are connected to such communities via design, delivery, or evaluation of a project. The presence and participation of underserved communities in the leadership and conception of the project is also important. TCE's grant assessment requires a distinct link to systems change that improves health care and social and physical environments for underserved communities, including communities of color.

The San Francisco Foundation

In its grant application process, The San Francisco Foundation requests information on demographics of staff, board, and constituents. According to the Foundation, "We analyze this information to ensure that prospective grantees serving diverse communities, including communities of color, reflect those communities through their governing board and staff." This approach draws the direct link between grantees and the communities they serve. Subsequently, when grantees are reflective of the communities they are serving, grants are actually supporting the communities in question.

W.K. Kellogg Foundation

The Kellogg Foundation "diversity-related" grantmaking is an area where the foundation has identified significant growth. According to an evaluation by Social Policy Research Associates in 2005, "the level of U.S. diversity-related investment at WKKF increased almost five-fold from $12.5 million in 1999 to almost $74.5 million in 2003. The majority of these grants provided access to services, opportunities to diverse communities, promoted self-empowerment and self-determination, and improved the capacity of service providers to serve diverse populations." The report noted that some areas within the Foundation have taken more deliberate actions to continue to sharpen their understanding of diversity and racism and engage it in a way that heightens the impact of the work. With regards to institutional support for the integration of diversity, Social Policy Research findings also indicate that all staff is beginning to share a foundation-wide vision for operationalizing this principle. Personal readiness continues to have a critical role in the integration.

Overall, the measurement of grants to organizations led by and serving communities of color, and grants to address race and equity and support communities of color emerges from deliberate decision-making at the outset. A foundation would have to intentionally prioritize various aspects of race and equity in order to identify indicators to measure. Due to the importance of strategy and intentionality, leadership is critical to the success of any philanthropic approach to race, equity, and communities of color.

The experiences of the members of the Group demonstrate great variance, but they all hold in common a commitment from leadership and some willingness to learn and grow around these issues. The Group agrees that more should be done within their own boundaries as well as throughout the industry. The longer term challenge, even for the foundations that maintain explicit strategies and measure progress, is to create approaches and measures that lead to the transformation of communities of color and bring about racial justice.

Program: The Annie E. Casey Foundation's Partner Organizations of Color Portfolio

Goals: To diversify its' pool of grantees providing technical assistance (TA) to its Making Connections initiative. The Partner Organizations of Color portfolio is a prototype.

Strategy: Over the course of four years, the program aims to build capacity of organizations through the development of new knowledge, skills and competencies among key Partner staff; new and/or stronger areas of work among Partner grantees that align with Foundation interests; development of new relationships between Partner grantees and others in the Foundation; and concrete examples of the application and contribution of the skills, perspectives and talents of Partner organizations to the Foundation's investments. Organizations also receive TA and coaching from an independent consultant, participate in networking opportunities, and have internal connections and introductions to program staff and managers across the Foundation.

Duration: Since 2003

Outcomes: Four Partner organizations have experienced the program and the Foundation has recently identified two additional organizations to begin the four year funding/program cycle. This expansion has started a discussion about how the Foundation defines a "minority-led" organization suggesting that relying on an Executive Director of color as the major criterion may not be broad enough. As such, future efforts may take into account a broader definition that includes the percentage of board and staff of color within the organization.

IV. Recommendations for Philanthropy

While each of the foundations in the Group brings unique perspectives due to varying characteristics and approaches, the Group believes that their collective experiences help draw some general conclusions about the state and future of philanthropy with respect to communities of color.

First of all, institutional philanthropy has been inconsistent as a significant transformative force in communities of color. There is far too much variation in approaches to grant making from foundation to foundation in order to expect such a rapid shift. While some foundations have developed systems for measuring grant making to organizations led by people of color, capturing the impact of grants on improvements in communities of color has been more challenging, or simply not pursued. It appears a great task for the future will be to demonstrate transformed communities of color. In the present, it has been more feasible to focus on organizations – defining organizations of color, their composition, and measuring the quantity of dollars flowing to these organizations.

As recent studies have indicated, funds to organizations led by and serving communities of color are relatively limited. The experiences of the Group suggest that increased funding to such organizations would not be the most significant step in improving the lives, voices, and opportunities of communities of color; however, it would be a good beginning. Some consistency in the definition of organizations led by and serving communities of color, and consistency in measuring the flow of dollars toward such organizations would, at the very least create some systematic means through which the philanthropic industry makes important contributions to communities of color.

The results of the Group's learning exchanges led Marga Incorporated to make the following recommendations and observations:

- *Developing an industry-wide definition of organizations led by and serving communities of color;*

  It would not be unprecedented for an industry to define "organizations of color". The U.S. Federal Government, for example, operates with its own definition of minority-led businesses to which supplier diversity efforts adhere. The Race and Equity in Philanthropy Group does not think it is enough to define organizations based on composition alone. The composition of the organizations and their missions both matter. If philanthropy were to agree on a definition, the Group believes it should include organizations led by people of color, with a majority Board of people of color, and serving communities of color, at the very least. The Group realizes arriving at a definition brings many complexities, but feels it is worth the effort to foster greater consistency in understanding not only

where philanthropic dollars flow today, but where and how they can contribute in the future.

- *Increasing support to such organizations;*

  With a more common definition, it is easier for any foundation, regardless of type or size to forge strategies to increase funding in support of communities of color. Although philanthropy does not operate with its own definition of organizations of color to date, we know enough to see that dollars to organizations led by and serving communities of color could and should be increased.

- *Increasing communication with such organizations;*

  While philanthropy has become more professional in how grants are disbursed and how indicators are defined and how results are measured, relationships still matter a great deal in this industry. A part of the lack of diversity among grantees stems from closed networks and lines of communication. Indeed, philanthropy emerges from wealth, and this is reflected in race and class, on Boards and staffs. Those with relations to foundation Boards and staff are subsequently more frequently considered for grants. Greater lines of communication between organizations led by and serving communities of color and foundations could go a long way in placing organizations on the radar screens for grant strategies. Communication, especially in person and in neighborhoods, could also enhance foundations' cultural competency to work in particular communities.

- *Developing systems for measuring how dollars flow to such organizations;*

  Measuring demographics in philanthropy requires an internal commitment. It is not automatic that, even when a foundation with numerous grants to organizations of color, data on grantees will be disaggregated, measured, and analyzed. In order to collect data, one must request it, and even verify it. An investment and a commitment are required in order to agree to request demographic data, measure data, analyze it, and use that data to inform grant strategies. This also suggests foundations set goals and make difficult decisions. In some instances, foundations have instituted consequences for foundations that do not support diversity, for example.

- *Assessing the needs of these organizations;*

  Another benefit of greater communication between foundations and organizations led by and serving communities of color is information that can lead to improvements. Foundations can serve grantees and grantee communities more effectively by understanding the realities facing these organizations. This information can lead to improved investments.

- *Supporting capacity building for these organizations;*

  The capacity needs of smaller, community based organizations can sometimes be great. Organizations led by and serving communities of color are often in this category. Stronger organizations are better positioned to effectively implement their stated goals. If their grants are always strictly for programs, they will never be able to grow, learn, and adapt. Resources to explicitly support capacity building could lessen the challenges facing organizations of color. Having received fewer and smaller grants on the whole, the capacity of these organizations is inherently limited. As foundations request greater capacity from grantees to bring stronger results, those organizations that do not already possess significant capacity find it harder to compete. Capacity building for organizations of color can strengthen both the ability to secure grants and to execute them.

- *Designing grantmaking strategies that can improve communities of color (influenced by input from grantees representing communities of color and others);*

  As noted in this paper, the longer term challenge is providing the kinds of resources that can assist in the transformation of communities of color and bring about greater racial justice. It is more difficult to achieve this aim, and no singular foundation's strategy can tackle challenges of such a magnitude. However, it is important for foundations to think strategically about more significant social change, and the role that their investments can play toward goals that transcend singular grants and specific organizations. Working with a collection of grantees around their common interests, for example, could provide space through which more expansive conversations could take place. With multiple foundations in any given field, it is difficult to measure the particular contributions of one foundation's grants. However, partnerships among foundations with communities of grantees could increase the likelihood of a common vision and direction, and corresponding collective efforts.

- *Providing Internal Spaces for Dialogue*

  The experiences of foundations in the Group suggest that internal open dialogue around issues related race and inclusion can inform strategies to support communities of color. It is difficult to forge foundation strategies to explicitly address race and inclusion without internal dialogue and a commitment from leadership.

Overall, these experiences reflect the special effort that is required to provide resources to organizations and individuals of color that are beyond financial support. The Partner Organizations of Color, the Multicultural Fellowship, the Boundary Crossing Leadership, and Capitalizing on Diversity are examples of foundation programs that all point to a need for a capacity building element in addition to the funding elements.

Conclusions and Considerations

This report captures the thinking of a unique learning exchange among a diverse group of foundations. The foundations each strengthen their own capacity to improve communities of color by understanding and discussing their respective approaches. This paper is the first of a series taking on various aspects of race and equity in the philanthropic industry.

Marga's recommendations are presented in the spirit of enhancing foundations' capacity to work in communities of color and make meaningful contributions in a country where people of color will soon be the majority. As the Council on Foundations is gradually increasing its own dialogue about race, ethnicity, culture, diversity, and inclusion, an opportunity to further industry-wide communication has expanded. At the same time, it is not easy to agree on definitions and approaches in a field with such great variety. It seems the Council can be one place where some broad concepts and principles can be addressed, and affinity groups of community foundations, small foundations, and others could be spaces where more specific, tailored strategies can be developed. ▪

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Appendix

The Annie E. Casey Foundation

Size and Scope of Resources Going to Communities of Color

The primary mission of the Annie E. Casey Foundation (AECF) is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. AECF does not track the size and scope of resources going to communities of color, however, given that the country's population of vulnerable children and families includes a disproportionate share of children and families of color, AECF thinks deliberatively about the circumstances and aspirations of people of color and their implications for how the Foundation fulfills its' mission. In 2007, AECF grant payout will total approximately $184 million dollars – almost all of the Foundation's placed-based investments (or targeted investments in select cities and neighborhoods) are in localities with sizeable populations of color. Specifically, 83% of the families living in AECF's 10 *Making Connections* and three (3) Civic sites are families of color.[1] In this work, the community-based organizations that carryout the work are largely composed of people of color. In addition, its human service reform and policy/advocacy work supports efforts to address conditions disproportionately faced by children, families and communities of color.

What Is Meant By "Communities of Color" at AECF

AECF does not have a definition for "communities of color" although, as stated above, much of its system reform and placed-based investments are in cities and neighborhoods with sizeable populations of color.

Explicit Commitments to Communities of Color

AECF does not make explicit commitments to communities of color. Rather, the effect of race and ethnicity on the status of vulnerable families has led the Foundation to make an explicit commitment to addressing racial disparities in child, family and community outcomes. With a long and deep commitment to building better futures for vulnerable children and their families in the United States, AECF recognizes the cumulative, compounding and enduring effects of embedded racial inequities on the life opportunities of so many families of color. As such, AECF's work on ensuring equity for all children cuts across all of its major initiatives and investment areas and can be organized into several broad strategies: ending racial and ethnic disparities in systems, promoting

[1] This is based on the 2000 Census.

diversity, developing cultural competence and supporting community assets in place-based efforts, and examining policy through a race and ethnicity "lens".

Although promoting equity is a goal of all investment portfolios, below are a few highlights of AECF's work in this area. This includes targeted investments for select populations of color including immigrant and refugee families. AECF also has made a commitment to supporting organizations led by people of color in its work.

- ***Ending Racial/Ethnic Disparities in Public Systems***

AECF firmly believes that strong families and healthy communities are the most powerful predictors of children's success. But families and communities can't do their jobs without access to the most helpful, accessible and responsive public systems, services and supports possible, particularly in high risk neighborhoods. As such, system reform remains a major focus of the Foundation's work – central to the system reform work are efforts to reduce inappropriate disparities related to race and ethnicity – this happens in three specific ways:

- First, almost all of AECF's system reform initiative sites are cities and states whose public systems are disproportionately affecting families and children of color. When we help those systems do a better job--for example, by locking up fewer kids in juvenile detention, or decreasing the time a child stays in foster care--the children and families who are better off are usually children and families of color.
- Second, AECF's system reform initiatives require participating sites to conduct analyses and develop strategies to address the underlying institutional/structural dynamics that drive disproportionality in public systems.
- Third, much of AECF's work in this area attempts to address the misfit between existing systems and institutions and the cultural preferences and needs of the families they impact. For example, in the areas of health, adolescent reproductive health and maternal depression, the Foundation supports the development of alternative pathways to services and supports that fit the needs of families with different perspectives, beliefs and experiences than the mainstream health or mental health paradigm. A frequent strategy used in this area are peer mentors or "promotores de salud". These strategies engage the voice of different communities in defining what kinds of systems work for them.

For example, in the area of child welfare, African-American children and families are over-represented in systems in 46 states, Native Americans in 24 states, and Latinos in six states (although data on Latino and Asian children are unreliable). The Foundation's *Family to Family Initiative* (F2F) supports a core set of strategies to allow more children to remain safely with their own families or be connected to permanent and stable families. Launched in 1992, the program is now active at 60 sites in 17 states. Addressing racial disparities is a key issue for F2F. As part of the program's nine outcome measures, states and counties must have data systems in place to measure and understand whether disparities exist. In addition the Casey Alliance for Racial Equity, a group that includes representatives from AECF as well as from Casey Family Programs,

the Marguerite Casey Foundation and the Jim Casey Youth Opportunities Initiative, has as its goal to significantly reduce the over-representation of children of color in the child welfare system through the use of targeted strategies in partner jurisdictions across the country.

The Foundation's *Juvenile Detention Alternatives Initiative* (JDAI) is a juvenile justice reform initiative that has helped systems safely reduce incarceration through the better use of data, objective screening tools, community-based programs and expedited case processing. JDAI is now the largest juvenile justice reform initiative in the nation, reaching into almost half of the states and the District of Columbia and repeatedly demonstrating that these systems can simultaneously reduce secure detention populations and improve public safety outcomes. JDAI is also among the first reform endeavors to successfully reduce racial disparities in the operation of juvenile justice systems. A key report summarizing JDAI's work in this area is Reducing Racial Disparities in Juvenile Detention which explores why youth of color are overrepresented in the juvenile detention system and reviews what has been done to reduce the number of minority youth in detention.

- ***Strengthening Immigrant and Refugee Families***

Children of immigrants now represent more than 20 percent of the 0-17 child and youth U.S. population and by 2015 are projected to represent almost 30% percent. Based on AECF funded research, the Foundation believes that limited English proficiency (LEP) is a critical risk factor to address if vulnerable immigrant families and children are to succeed at work and in school. AECF's goals in this area are to increase:

- the number and share of LEP children and adults who succeed in learning English;
- the number of LEP families who are connected to public benefits, work supports and quality school options by reducing language barriers; and
- the number of LEP families who use lower cost financial services, particularly in relation to sending remittances, and help more families access credit by using their remittance-sending histories.

AECF's work on immigrant and refugee children and families also supports organizations that conduct research and communication strategies that can help move the field toward more relevant policies in the above areas.

- ***Supporting Families on the Southwest Border and Native American Communities***

We believe that Southwest Border and Native communities are strong, resilient, and wise. These families, however, are among the most vulnerable in the country. Our investment in these communities is grounded in our knowledge of their considerable assets, and in our belief that they face growing need, isolation from resources, and insufficient attention from many institutions. For example:

- in 9 of 10 KIDS COUNT indicators of child well-being that AECF tracks nationally, Southwest Border and Native children do worse than their mainstream counterparts.
- these communities mark important trends for the United States: Native Americans are now the fastest growing minority group, and 59 percent of all Latino children live in Border States.
- more than 80 percent of Southwest Border kids are living in two-parent working families, yet more than one in three are still poor -- twice the national rate.

Our strategies include building family economic success, attracting increased co-investment, building local capacity, and using data to inform and enable people to improve outcomes for Border and Native children and families.

Method for Measuring the Empowerment of Communities of Color and/or Method for Pursing/Measuring Demonstrable Impact in Communities of Color

AECF uses multiple methods for determining the results of all of its work. As it relates to communities of color, the Foundation tracks whether its' efforts have:

- had any *impact* on populations of interest – i.e., whether its system reform and/or placed-based efforts have closed gaps in racial disparities and/or improved outcomes for children, families and communities of color;
- *influenced* key audiences to advocate for recommended policies, adopt effective practices and/or change beliefs on the importance of ensuring equity for all children; and
- *leveraged* additional resources, beyond AECF funding, to support efforts that aim to address racial equity and/or improve outcomes for children, families and communities of color.

- ***Collecting Racial and Ethnic Data on AECF Grantees***

Each investment portfolio at AECF includes the reduction of racial disparities in outcomes as a key strategy. For this reason, all Program staff collects data on racial disparities in their portfolio and when processing a grant, report on the diversity of their grantees using a scale of "very diverse" to "not diverse at all". The Foundation is taking additional steps to ensure for racial and ethnic diversity amongst grantees. Elements of AECF's new strategy include the following:

- staff are in the process of synthesizing available data on the diversity of grantees from past grantee surveys and the Foundation's grants management system;
- once the available data has been gathered, program staff will develop a work plan on their strategies to collect missing data on the diversity of their grantees and consultants. This effort will establish a baseline for each Foundation

programmatic unit and, when necessary, managers and staff of each unit will develop plans to strengthen the diversity of these pools; and

- these plans will be reviewed quarterly by the Foundation's Senior Leadership Team (Vice Presidents, the Senior Vice President and the President) to track progress on reaching diversity goals and benchmarks.

AECF's intention is not to hold individual grantees to diversity "benchmarks" or "litmus tests" – rather these data will be used as a tool to assess the diversity of an overall portfolio and to guide ongoing decisions on building partnerships with potential grantees.

- ***RESPECT***

RESPECT is an internal affinity group of the Annie E. Casey Foundation focused on the role that issues of race, ethnicity, class, and power play in the communities AECF seeks to serve. RESPECT's mission is as follows:

> "to ensure that the Foundation's resources and expertise are marshaled toward fighting racism and promoting equity as we believe these efforts are essential to fulfilling the Foundation's mandate to help create successful futures for children, families and communities. RESPECT is further committed to strengthening the Foundation's capacity to work effectively in diverse communities, and to maximizing our contributions to the development, empowerment, and well-being of children and families in disinvested neighborhoods. By promoting and modeling approaches and solutions and programs that work to reduce the effects of historical and institutional privilege, we believe that RESPECT can lead the Foundation toward more equitable, long-term results for the communities we serve."

The work of RESPECT is supported by participation from the Forum, a twelve member Steering Committee, and five workgroups. The Forum is an open opportunity, scheduled monthly, where AECF staff members can participate in and help guide the development of RESPECT-related work within the Foundation. The Steering Committee, which is responsible for overseeing all administrative and budget work, planning monthly Forum meetings, and managing tasks of the workgroups, is designed so that it includes proportional representation from each of the major units within the Foundation, across unit titles/positions, and with diverse representation of the Foundation's racial/ethnic, gender, and cultural diversity.

The California Endowment

Size and Scope of Resources Going to Communities of Color

TCE supports underserved communities of color throughout the state by providing grant funding to programs and projects that expand access to quality health care and improve the overall health of underserved communities of color. TCE grants approximately $160 million per year (equally over 1.7 Billion in grants over 10 years) to health related organizations and efforts throughout California. Over $600 million dollars in 10 years has been granted to direct service, educational activities, advocacy or research directly benefiting organizations and/or communities of color: $400 million has been granted to Latino organizations and communities, $111 million to Black/African American Communities, $68 million to Asian/Pacific Islander Communities and $27 million to American Indian/Native American organizations and communities. These numbers do not reflect the organizations and efforts that identified as multi-ethnic, or "no single ethnicity targeted."

What Is Meant by "Communities of Color" at TCE

TCE's funding codes capture the following communities of color: American Indian/Native American, Asian/Pacific Islander: East Asian, Pacific Islander, South Asian, Southeast Asian, Black/African American: Central African, East African, Southern African, West African, Latino: Caribbean, Central American, Mexican, South American. We acknowledge that this list is certainly not reflective of all racial/ethnic groups in California and are equally committed to funding underserved racial/ethnic communities that are not reflected in this list. TCE staff periodically review and upgrade grant coding to reflect ongoing changes in our grantee communities, include the growth of specific racial/ethnic communities. We acknowledge, for instance, that Arab communities are among the fastest growing communities in California. These communities are defined by shared culture as opposed to national origin include people from the Middle East and North Africa. TCE's current funding codes do not capture this level of identity.

Explicit Commitments to Communities of Color

TCE's overall mission emphasizes improving health and health care to benefit all "underserved" communities throughout California. Because communities of color are disproportionately impacted by negative health outcomes, experience multiple barriers to accessing adequate health care and are underrepresented in the health care delivery systems, TCE's programmatic focus is aimed at addressing these systemic inequities. The following initiatives described below represent a sample of TCE's grantmaking has efforts explicitly aimed at improving health and health care outcomes for communities of color:

- ***Workforce Diversity***

The focus of this work is on increasing the racial and ethnic diversity of the health work force and improving the geographic distribution of health providers, particularly in rural and underserved areas. Under this funding priority, TCE supports efforts that increase recruitment, retention and promotion of racial and ethnic minorities in health care organizations, the training and certification and employment of foreign trained health professionals of color, health workforce pipeline training and development programs for underserved youth and adults of color, expansion of nursing education and training for people of color, particularly men of color, and diversifying the oral health profession.

- ***Cultural Competency and Language Access***

TCE invests in programs designed to advance the knowledge, attitudes, skills and experience of health providers and health systems to effectively serve California's diverse communities. Through supporting policies and best practices that increase the cultural and linguistic competency of health providers and systems, the goal is to ensure that all persons will have access to the highest quality health services. TCE has supported policy and advocacy efforts to ensure language access, documentation and development of training programs and standards for health care interpreters; applied research to demonstrate the effectiveness and impact of language assistance services; and development of technological solutions to increase language access. TCE has also supported the education and engagement of physicians and other health care providers to increase awareness of language barriers and the need for trained health care interpreters. Finally, The Endowment has supported a multi-lingual social marketing campaign that engages Limited English Proficient consumers through ethnic media increasing awareness of their rights to health care interpreters.

- ***Cover California's Kids Initiative***

The Endowment has taken a leadership role to ensure greater access to health care among underserved populations, particularly children. In October 2003, TCE launched a $45 million, 5-year initiative intended to achieve a simple but important goal: all children, regardless of immigration status, should have health insurance. Through this Initiative, TCE has funded local public-private partnerships called Children's Health Initiatives (CHIs). These local coalitions have emerged in counties throughout the state, and are responsible for (1) developing culturally competent outreach, enrollment, and retention strategies intended to help children of color get greater access into public programs such as Healthy Families and Medi-Cal, and (2) creation of a new health insurance program called "Healthy Kids" for children (many of whom are Latino) who are not eligible for public programs. CHIs have been responsible for providing direct health coverage to more than 85,000 children across California, and have helped enroll thousands of previously eligible but enrolled kids into Healthy Families and Medi-Cal. TCE has also funded policy reform activities focused on improving the efficiency, effectiveness and coordination of existing public health coverage programs intended to serve low-income families and individuals, many of whom are from communities of color.

- ***Agricultural Workers and Immigrant Rights***

Since its inception, TCE has taken an active leadership role to address the needs of the vastly underserved agricultural workers in California. In 2001 TCE committed a $50-million dollars for the development and implementation of programs and strategies to improve the health and living conditions of California's estimated 1 million agricultural workers and their families: $10.5 million for community-based, nonprofit organizations across California to strengthen and support health-related services; $33 million was dedicated to Agricultural Worker Health & Housing Program to effectively link health services with the provision of safe, decent and affordable housing in rural communities across California. Support was provided to non-profit radio stations to implement Spanish-language health education and information campaigns in agricultural communities and the nation's first comprehensive, statewide health survey of hired agricultural workers was conducted, results of which have been captured in the publication, *Suffering in Silence*. In addition, TCE support helped initiate the California-Mexico Health Initiative, aimed to develop strategic alliances and policy commitments with high-level members of the Mexican government, and to develop bi-national strategies for improving health, housing and work conditions for transient worker populations.

- ***Hmong Resettlement Health Project***

In 2004, more than 5,000 Hmong refugees resettled in California when they were forced to leave behind the only home many knew – the squalid Wat Tham Krabok camp in Thailand. Many of the refugees who arrived in America had very limited access to health services in Thailand. An April 2004 health survey of the Hmong refugees at Wat Tham Krabok indicated that they are a relatively young population likely to arrive in the U.S. with significant health issues, such as respiratory illnesses, poor oral health, malnutrition, parasites, skin conditions, tuberculosis and other infectious diseases. Refugees surveyed also displayed moderate to clinical levels of depression.

To assist the special needs of this emerging community in California, The California Endowment developed and funded the Hmong Resettlement Health Project, which brings together a number of health and advocacy organizations to the table. The ultimate goal of The Endowment's Hmong Resettlement Health Project is to fill the gap in services provided by government assistance programs—by ensuring that services exist to address specific health access challenges in counties that are sheltering the highest number of Hmong refugees. The Endowment awarded $1,050,000 in grants to eight organizations located in the Central State and North State regions of California. The funding helped ensure that the Hmong refugees settling in California have access to essential health and mental health care services. As part of the project, The Endowment also held a series of convenings to provide training to the grantees as well as an opportunity to discuss their progress and challenges. As a result of these convenings, critical policy issues emerged around language access and culturally competent health services.

- ***Obesity Prevention: Health Eating Active Communities***

Through this statewide $26-million initiative, TCE's has aimed to address the disproportionate impact of heart disease and diabetes on communities of color through

fighting the growing childhood obesity epidemic in California. Partners in the initiative will work toward increasing opportunities for physical activity and healthy eating for children and families, particularly in low-income and rural communities, and developing state policy changes that will reduce the risk factors for diabetes and obesity.

- ***Mental Health Special Initiative***

Initiated in 2001, the goal of TCE's five-year Mental Health Special Initiative was to address the mental health and well-being for populations at high risk of acute or chronic mental illness with a focus on ethnic minority or linguistically isolated populations, and adolescents in the child welfare and probation systems. Grants totaling $24 million were awarded to 46 organizations who are working to increase access to mental health services, enhance the pool of a culturally competent mental health work force, and involved in policy development and advocacy. Example projects include: *Action Against Crime and Violence Education Fund, a* $880,000, three-year grant to improve access to mental health services for adolescents involved in the juvenile court system in California by developing and implementing a statewide targeted policy education and advocacy campaign; *California Institute for Mental Health - Cultural Competence Planning Project, a* $356,000, 18-month grant to support the process for developing a statewide technical assistance plan to improve cultural competence for the public mental health system; *Coastal Family Therapy Services - Cultural Competency Training, a* $123,503, 18 month grant to plan and pilot a series of formal trainings for staff to further bolster their cultural competency skills; and *Feather River Tribal Health, Inc. - Family Healing Circle Project, a* $398,000, three-year grant to provide integrated, wraparound mental health services stressing family strengths and traditional Native American values through an intergenerational family and mental health approach in Butte County.

- ***Focused Funds***

In 2000, TCE launched a new funding initiative called the Focus Funders Program (FFP) designed to collaborate with various population-specific community funds (such as the Bay Area Black United Fund, Seventh Generation Fund, Destino, the Brotherhood Crusade and the Asian Pacific Fund) throughout California to deepen their capacity to support and promote health organizations in these communities. In particular, the effort aimed to respond to funding gaps to grassroots communities of color and to other underserved communities by helping larger private and community foundations more effectively target their grant making through these grassroots funding institutions.

- ***Grassroots and Emerging Organizations***

For the past ten years, TCE has consistently provided $12 million per year in support to small grassroots and emerging organizations. TCE is committed to funding these organizations because they are closest to the underserved communities they represent, are best aware of the health needs, often provide culturally appropriate care and are often led by members of these communities. In communities of color, grassroots organizations are often the only vehicle by which the voices of these communities are heard and their need addressed.

Method for Pursuing/ Measuring Demonstrable Impact in Communities of Color

In TCE's grant review process, a key factor in determining support for an organization or project is the level at which underserved communities are involved in the leadership and/or conception of the project and the delivery of the work. Increasingly, TCE grants—whether submitted by a health system, an educational institution, a large policy group or by a grassroots group—are required to show connections to underserved communities in their design, delivery, and/or evaluation. TCE's grant assessment requires a distinct link to systems change that improves health care and social and physical environments for underserved communities, including communities of color.

The San Francisco Foundation

The San Francisco Foundation (TSFF) is a regional Community Foundation serving five counties in the San Francisco Bay Area. With assets over $900 million, TSFF is a leading agent of Bay Area philanthropy, ranking seventh in grantmaking and assets among the nation's community foundations. Our core areas of support include arts and culture, community development, community health, education, the environment, and social justice. Last year we awarded 5,703 grants (competitive and donor advised) totaling more that $68.1 million.

Size and Scope of Resources Going to Communities of Color

TSFF does not specifically track the size and scope of its resources going to Communities of Color. However, diversity and equity in philanthropy is a priority for TSFF and a core tenet of the way we do our work. As part of our grant application process, we seek information from prospective grantees regarding the diversity of their service areas and constituents; Board of Directors; and staff. We analyze this information to insure that prospective grantees serving diverse communities, including communities of color, reflect those communities through their governing board and staff.

In a report on foundation giving to minority-led nonprofits released by the Greenlining Institute in the fall of 2006, TSFF ranked third among California Community Foundations analyzed in percentage of competitive grants to minority-led organizations (25.8%) and in competitive grant dollars to those same organizations (29.7%). We believe this is directly attributable to our efforts to highlight and recognize diversity and equity in our grantmaking process, as well as demonstrate our commitment to diversity and equity through maintaining a diverse staff and promoting greater diversity in philanthropy and the non-profit field.

TSFF believes that grantmaking is only part of what is needed to fully address diversity and equity in philanthropy. Philanthropic institutions should lead and model diversity in their Board, staff, and activities. For TSFF, people of color currently constitute 45% of its Board of directors and 57% of its staff. As importantly, TSFF for the past 25 years has offered the Multicultural Fellowship program, a two-year full-time fellowship designed to assist in the development of professional of color who can then assume leadership positions in philanthropy, the non-profit, public, and private sectors.

What Is Meant By "Communities of Color" at TSFF

TSFF identifies "communities of color" as those communities where the residents of color make up more than 50% of those living in that community.

Explicit Commitments to Communities of Color

TSFF does not make explicit commitments to "communities of color", but uses its diversity and equity in philanthropy values to guide and measure its impact in such communities. Its grant application process is designed to identify potential grantees whose focus is communities of color, and TSFF's due diligence process verifies that focus, as well as whether the organization's Board and staff reflects the communities it serves. TSFF does analyze by program area, size of grant, geographic area, and organization the competitive grant dollars that are awarded. Because of the race and culture data we collect from prospective grantees, we are able to analyze the number of grants and dollar amounts going to these organizations, and therefore to the communities of color they serve.

Method for Measuring Dollars Going to Communities of Color

As stated above, TSFF can identify dollars that go to communities of color by analyzing the grant amounts and geographic areas of grantees who indicate they serve such communities.

Method for Measuring Empowerment for Communities of Color

While TSFF does support activities intended to empower communities of color, overall methods of measuring empowerment have not yet been developed. We believe empowerment for communities of color include vibrant and sustainable community based organizations able to provide services, advocacy, and policy in issue areas most relevant to community needs; active and effective leadership; and mobilizing resources from the community, public, private, and philanthropic sectors to catalyst change and build a stronger community. We measure advancement through evaluation of the grants we provide, as well as reports of their progress from grantees.

Method for Pursuing/Measuring Demonstrable Impact in Communities of Color

TSFF does not currently single out communities of color when measuring demonstrable impact. Our overall approach for measuring impact include examination of interim and final reports from grantees, evaluations by outside consultants where appropriate, convenings of grantees and other stakeholders, and engagement with our Board of Trustees during the grant approval and reporting processes. TSFF is currently re-evaluating our framework and structure for evaluation and organizational learning to better understand the impact of our grantmaking and guide us in the future.

W.K. Kellogg Foundation

What Is Meant By "Communities of Color" at Kellogg

This is a relatively new framework that Kellogg uses to advance its work. Its traditional approach is largely in terms of "diversity" within the Foundation's own structures and is embedded in its grantmaking strategy.

Explicit Commitments to Communities of Color

- ***Commitment to Diversity Part of Foundation History***

The W.K. Kellogg Foundation believes all people have the inherent capacity to affect change in their lives, in their organizations and in their communities. Since its inception, the Kellogg Foundation has given voice to the underserved and celebrated the diversity of the nation. Currently, as part of its due diligence, the racial, ethnic, and gender mix of staff and boards of prospective grantees are always explored. The Foundation also seeks to find organizations that represent communities they work for, and/or that have a minority staff assigned to the work. However, the Foundation does not consistently apply any guidelines relevant to this area of funding. Admittedly, there are many challenges in finding and engaging such organizations.

The data now collected on grantees and contractors, and on minority individuals and communities does not include critical components that would provide a more accurate picture of the Kellogg Foundation's financial and resources investments. Nonetheless, it is worth noting that the Foundation's deep commitment to diversity echoes throughout its 76-year history.

Promoting diversity, as the term is now understood, was not a stated goal of the Kellogg Foundation during its first few decades of operation, from 1930 through 1960. Nonetheless, in the pursuit of its values and program interests – such as quality education and health care for all – the Foundation's programs did bring considerable benefits to minorities, women and children, and people with disabilities. Over time, this commitment to diversity has deepened, and, today the Foundation is committed to a multicultural transformation, which by definition, includes an intentional focus on programs that impact people of color. This commitment is strengthened in a Board of Trustees 2006 mandate to "*become an effective anti-racist organization."*

- ***Large-Scale Diversity Investments Made in 1990s***

In the early 1990s, the Foundation began to move from institutional diversity strategies to more support for diverse leadership and grassroots organizations. One example is a $30 million initiative that targeted 10 Historically Black Colleges and Universities, including Tuskegee University, where the Foundation funded a continuing education center. The 1990s also saw parallel initiatives that made large-scale investments in underserved communities and higher education institutions that primarily served communities of color.

In addition to large initiative level grants that largely targeted institutions and communities of color, there have also been a vast array of small strategic grants aimed at building the social and economic capacity of vulnerable populations and the voice of people to tell their own stories and engage existing power structures in new and more meaningful ways. These smaller grants support things like research on structural racism, and grassroots non-profit efforts to provide better services and tackle the policy structures that create barriers to vulnerable groups such as immigrants, adjudicated youth.

- **Internal Team Promotes Diversity Grantmaking and Programming**

Recognizing the growing value of these institutional efforts, as well as the leadership and general capacity building grants and sharing the learning from the work, the Foundation established a Capitalizing on Diversity steering committee in 1996 to examine ways the Foundation's grantmaking might be more intentional and influential in addressing issues which might help society to capitalize on the many strengths of diversity.

In 2005, the Kellogg Foundation staff celebrated its 10-year commitment to supporting communities on their journey to bring diverse people, diverse voices, and diverse ideas to communities. As part of this recognition, trustees and staff engaged in discussions to deepen understanding of how the organization was integrating multiculturalism and diversity into grantmaking. They discussed successes and failures of past and current work, and shared ideas about how the organization could help grantees and communities benefit more deeply from the value that diversity can bring to systems changes that work towards social equity or social justice for all populations. It was a retrospective look at both internal operations and grantmaking.

- **Trustees Involvement Critical to Focus on Diversity**

Furthering their commitment, Kellogg Foundation Trustees participated in several racism awareness sessions in 2006 to explore issues of modern racism and diversity, similar to workshops that staff has participated in with VISIONS, Inc., an organization that has worked with Foundation staff and grantees for more than 10 years to help overcome barriers to communication, relationship-building and organizational development caused by cultural misunderstandings and apprehensions

By fall 2006 the Board charged the staff with working towards becoming "an effective anti-racist organization." By using this term, the Board acknowledged that modern racism and how people think about race in America is one of the most important issues of our society and one that deserves the Foundation's focus. Multicultural transformation with race as a key focal point is a Foundation priority for 2007 and beyond.

More than 10 years of intentional efforts toward the integration of multicultural principles into programs has yielded important lessons about diversity, deepened staff understanding and commitment, and increased grantee capacity to work with diverse cultures. These efforts have gone hand-in-hand with the internal activities that foster

respect and celebrate diversity within the walls of the Kellogg Foundation itself. Without this internal support and commitment, success in the field was not, and is not possible.

Method for Pursuing/Measuring Demonstrable Impact in Communities of Color

These years of activities and intentional effort represent only milestones in the Kellogg Foundation's continuing journey toward the integration of diversity into programming. The Foundation continues to work toward a shared vision of diversity that clearly aligns with respecting individuals, and valuing their collective interests, strengths and cultures.

Current efforts under consideration by the Kellogg Foundation present a roadmap for sustaining and deepening the progress accomplished in its multicultural transformation work to date. These efforts include developing a shared vision for diversity, strategies to maintain and share the visibility of the work both inside and outside the Foundation, and identifying opportunities to recognize all dimensions of diversity.

Lessons learned from programming indicate that critical institutional supports such as engaged leadership, an authorizing organizational culture, and explicit policies and procedures are keys to fully integrating diversity throughout the organization. Developing internal and external systems that support documenting, sharing information and best practices that reflect the Foundation's priorities are a priority. Under consideration is the development of a Foundation-wide accountability plan which would set defined expectations around the integration of diversity into grantmaking and internal operations and develop mechanisms to measure progress.

Moving forward requires collecting data through a variety of methods to obtain a comprehensive assessment of whether or not W.K. Kellogg Foundation investments honor its commitment to the most vulnerable people and communities that disproportionately experience social, economic and health disparities.

To learn more about the Race & Equity in Philanthropy Group, please contact:

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