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# RACE, CULTURE, POWER, AND INCLUSION IN FOUNDATIONS

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A REPORT CONDUCTED FOR THE  
ANNIE E. CASEY FOUNDATION

March 2005

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## FORWARD

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Several years ago, a group of staff here at Casey wondered:

“Who in the field of philanthropy has experiences and lessons to share about tackling tough issues around race and equity? What can we learn from our peers about addressing these issues as they relate to internal dynamics of an institution (i.e. staff /consultant diversity, equitable compensation for consultants and vendors of African American, Asian American, Latino, and Native American descent, etc.) and our external grantmaking that aims to improve outcomes for children and families of color?”

Guided by these and other learning questions, this group – an internal and diverse network of staff named RESPECT – engaged Marga Incorporated to scan the field of philanthropy for such an inquiry. This paper shared some of what we found through interviews and two follow-up meetings. While we summarize some of our learnings in this document, it’s important to note that this is an ongoing agenda for us – we plan to continue talking to peers so we can continue to grow Casey’s capacity in these areas. As such, we want to thank our foundation colleagues who took the time to share their thoughts and experiences on this subject and invite other colleagues to join us in peer learning in the future. And, we thank David Maurrasse, Ph.D., and the entire Marga team for helping to make this happen.

Most importantly, this reconnaissance reinforced our understanding that forums for internal reflection and dialogue are critical for foundations to handle issues of race and indifference – we know that we are on the right track! At Casey, we have three forums to do so:

- RESPECT, a staff led and run group, is committed to ensuring 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 future 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 Foundation’s Organizational Priority Workgroup on Equity, one of several Casey priorities developed by our President, Doug Nelson, aims to increase the Foundation’s capacity to set goals and track performance with regard to racial,

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ethnic, and gender implications of our staffing, consultants, contracting, site selection, grant-making, and policy priorities. The Equity Priority Workgroup aims to ensure that all of the Foundation's resources work together to increase equal opportunity in a society where the "profile of disadvantage" is increasingly diverse.

- The Diversity Initiative of Casey Family Services (CFS), the direct services arm of the Casey Foundation, ensures that its work is carried out by staff diverse in race, ethnicity, gender, and perspective.

We use these forums to address our internal and external agenda around issues of race and equity and each brings different contributions and strengths. We would encourage the need for both kinds of opportunities (staff-led and management sanctioned) in an organization the size of Casey.

Let's learn together!

Susan Taylor Batten, Senior Associate  
Facilitator of the RESPECT Forum  
Annie E. Casey Foundation

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## INTRODUCTION

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This report was sponsored by the Annie E. Casey Foundation, more particularly, by an internal group at the Foundation called RESPECT. This group seeks to improve the ways in which the Foundation addresses issues with respect to race, class, culture, and power both internally and externally. Although various dimensions of this very broad topic are broken down and addressed in this report and in the questionnaire, the results of this study clearly indicate that internal and external hiring, grantmaking, grantee relations, and board recruitment are all interrelated when it comes to race, class, culture, and power.

The purpose of this “quick and dirty” study was to learn about practices in philanthropy in order to provide ideas and guidance around these issues. We did this by exploring the multiple ways in which dynamics around race, class, culture, and power are manifested in the management, operations, programs, and external relations of foundations of all shapes and sizes, from around the United States. We entered this project with the assumption that different types and sizes of foundations could learn from each other, despite the distinct realities among them.

The methodology for this research included interviews with approximately thirty current and former foundation representatives, drawn from a list of about eighty persons. This report is also informed by a scan of some of the recent studies conducted on similar issues, as well as two “consultative sessions” where Casey invited foundation representatives to discuss the state of policies and practices in philanthropy with respect to these issues.

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## SECTION I: IDENTIFYING AND CLARIFYING FOUNDATION-WIDE GOALS

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A critical first step for philanthropic organizations interested in addressing race, class, culture, and power issues is to clearly identify goals and outcomes. What makes sense, given an institution's mission, with respect to race, class, culture, and power? For example, being effective around inclusion is more than a matter of achieving diversity. In a changing world, where populations have converged and come to cohabitate more than ever, a greater understanding of race, class, culture, and power is necessary. Especially given the philanthropic industry's focus on societal improvement, a foundation that includes diverse viewpoints more effectively comprehends the complexities of race, class, culture, and power. Since navigating these dynamics is integral to the furtherance of a foundation's mission, a more enlightened and inclusive foundation around these issues is a more relevant one.

What does this mean in practice? How can a foundation clearly define a broad operational framework around race, diversity, and power and filter such a philosophy throughout multiple dimensions of the institution? Significant attention to these issues, in some foundations, might rest in particular units and examples of these are included in this report. It appears that the great challenge is establishing an institution-wide commitment.

The following are some examples of foundations that have conceptualized and attempted to implement a broad institutional commitment to equity around race, class, culture, and power:

- *Ford's extended mission statement notes, "we believe that the best way to [accomplish our mission] is to encourage initiatives by those living and working closest to where problems are located; to promote collaboration among the nonprofit, government and business sectors, and to ensure participation by men and women from diverse communities and at all levels of society." The concept of inclusion stands out in this statement, and according to former Ford Vice President, Melvin Oliver, race and diversity is addressed in every aspect of the institution. The Foundation's grants have historically pushed for policy changes around racism and power, such as their work to defend affirmative action. Each program contains a diversity element, and staff are informed by internal briefings that often address issues related to diversity. All staff levels are diverse, influenced by the hiring process, which must include interviewers from various backgrounds. According to Susan Berresford, the Ford Foundation's current president, the hiring process for internal managers should incorporate five elements: 1. headhunters who follow Ford's diversity instructions; 2. a diverse interviewing team that utilizes its own diverse networks; 3. active recruitment from diverse graduate schools; 4. incentives for recruiters who hire diverse candidates; and 5. flexibility to create jobs and positions for diverse talent. The key ingredients to diversity, Berresford argues, include: "understanding the direct connection between excellence and diversity, sticking to the principle of the connection and being committed to that connection, and listening carefully to the experience of the people you bring in once they get there." The grantmaking process at Ford also requests*

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*a “diversity profile” to ensure that prospective grantees are diverse at all levels, and program officers are trained to look at their field through this lens. During his tenure, Oliver sometimes directly reviewed existing grantees that were not upholding principles around race and diversity. Berresford and the Foundation’s board continue to review the diversity profiles that are prepared by Human Resources and uphold policies around the demographics of vendors and consultants. A performance management team maintains “behavioral markers” and holds everyone accountable.*

- *At The New World Foundation, promoting and actually implementing a foundation-wide commitment to inclusion and equity takes effort, a willingness to engage in difficult conversations, and leadership. The Foundation had historically supported community organizing that challenges racism. Some years ago, upon reflection, the Foundation needed to set broader goals around race, culture, and power. Some aspects of the Foundation were not reflecting their optimal levels of diversity. According to Colin Greer, New World’s President, the Foundation set high goals to improve its representation of the communities it serves. They made a conscious effort to recruit board members who are reflective of the grantee communities, which have been heavily of color. This approach has been at work for the last fifteen years, and it has led to a board that is 80% of color. Vendors, which were once overwhelmingly white, are now 60% of color. The staff has tended to be diverse, but, like most organizations, New World maintains a certain hierarchy. While every staff member is not at the same level in the institution, the Foundation created an equal benefits and wellness program, which is shared by all staff. New World has also been cognizant of how class enters into its work. The Foundation has made a particular effort to support the work of people in the communities they serve, largely low-income communities of color. The Bannerman Program, for example, provides six-month sabbaticals for community workers. The program recognizes that working for social change usually means long hours at low pay with few escapes from day-to-day pressures and little time to stop and reflect. The Bannerman Program awards 10 organizers of color the financial support and freedom to take a break and recharge.*

## SECTION II: GRANT PROGRAMS

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A review of the field suggests that the range of potential grantmaking strategies to address race, culture, and power is wide. Grant strategies include the following:

- Funding systems and policy change (which includes advocacy);
- Supporting community organizing and small, grassroots organizations;
- Direct support of key social services; and
- Race-specific programs that tend to include all of the above.

In addition to these strategies, ideas on how foundations can gather input from diverse audiences and roles they can play as a community convener on these issues are discussed below.

### **Race Specific Programs**

A few major foundations that often fund organizations confronting institutionalized (or structural) racism and push for policy change have also developed substantive programs that explicitly address race and racism. Some of these programs have been successful in upholding civil rights and keeping dialogue around race at the table. However, these efforts run the risk of being marginalized if they do not influence other programs or units in the foundation.

#### *Mott Foundation*

*The Mott Foundation's Board and management felt strongly that issues of race and racism were addressed throughout the Foundation's grantmaking. Therefore, it had an explicit portfolio entitled Race and Ethnic Relations that was housed in the Foundation's "Civil Society" division, and also had strong programmatic interest in race in Mott's other program areas, such as "Environment" and "Pathways Out of Poverty," local work in Flint, and national and international efforts as well. According to the former manager of the portfolio, Lori Villarosa, it was critical to have a dedicated program focused on issues of race and racism to build the capacity of the research, practice and advocacy base that was advancing racial equity work. However, it was equally important that issues of racial justice were addressed within grantmaking programs across the foundation. The findings from the dedicated program often helped to advance the cross-cutting efforts and staff in other areas reported that the existence of a named portfolio on race helped to give them "permission" to be more explicit about the issues in their areas.*

*Mott's "Race Relations" portfolio supports: intermediary organizations that facilitate dialogue on race in communities and stimulate action to address race and racism; the dissemination of tools and products that stimulate and inform local and national conversations on race; and leadership and networking opportunities that ensure the representation of diverse voices in local and national dialogues.*

*Recently, Mott's "Race Relations" portfolio supported the BRIDGE Project of the National Network for Immigrant and Refugee Rights – a curriculum designed to enhance comprehension of race, immigration, and globalization, and build coalitions among immigrants, people of color, and social activists. Some other grantees include the Joint Center for Political and Economic Studies (a group of eighteen organizations to facilitate the Network of Alliances Bridging Race and Ethnicity and to encourage collaboration in understanding and combating racism), and the Faith and Politics Institute (to bring twelve members of Congress to South Africa for shared learning around race and democracy as a part of its Congressional Conversations on Race Program).*

### **Targeting Systems & Policy Change**

Ricardo Millett, President of the Woods Foundation, makes the distinction between “strategic philanthropy” and “charity.” Charity, according to Millett, maintains existing systems of inequality while strategic philanthropy focuses on systems change. Foundation programs that seek to change policy can get to some of the core issues around race, class, culture, and power. Advocacy, research, media, and legal action are a number of strategies that could be geared toward changing policy.

- *The Rockefeller Foundation and the Ford Foundation provide an example of leadership among grantmakers with their support of legal defense and civil rights organizations. For instance, these institutions helped to establish the Racial Justice Collaborative, which supports innovative civil rights work by creating partnerships among community groups and lawyers in order to utilize litigation as a means to address unfair economic and social disparities faced by minority groups. The goal of the collaborative is to break down structural barriers to opportunities, resources, and policymaking all of which remain embedded in political, economic, and social systems, especially for minorities.*

### **Supporting Community Organizing**

Long-term change for communities of color is dependent upon voice and influence. Some grantmaking strategies to address race, class, culture, and power focus on strengthening the capacity of communities to organize themselves and hold decision-makers accountable. The various Funding Exchange foundations tend to fund community organizing of this sort.

#### Reaching community organizations that are “closest to the ground”

The concept of “risk” surfaced quite often in the interviews. Some respondents suggested foundations, particularly larger ones, have a tendency to shy away from smaller organizations for fear that they will not deliver measurable outcomes. Often larger foundations’ concern with reputation fuels the concern around smaller organizations. These dynamics are central to issues around race, class, culture, and power because these smaller organizations are often closer to the communities they serve and people of color often do not run some of the larger agencies that receive many grants.

- *The California Wellness Foundation tries not to overlook the organizations that are most useful to the communities they serve. They don't automatically assume that the organizations with the most infrastructure will do the best work. They search for, what they call "cornerstone" organizations. The Foundation identifies geographic areas where it wishes to make an impact and then "digs deeper" to "find the most underserved populations and the organizations that generally serve them," according to Program Director, Nicole Jones. All nonprofits struggle with the limited availability of general support funding. This is especially true for organizations that lack certain capacities up front. Addressing these concerns, the California Wellness Foundation has converted the majority of its funding to multi-year general support.*

### **Feedback from Grantees and Communities to help Reach Equity Goals**

In addition to directly investing in specific strategies, some foundations have explicitly requested *critical feedback from grantees and grantee communities* to inform their grantmaking. The type of foundation is a significant factor in this respect, as community foundations and small "progressive" foundations seem more likely to inform grantmaking (or even make grant decisions) through target constituencies. This concept is significant to race, class, culture, and power since the communities confronted with pressing social issues tend to be low income and of color. The lack of transparency, particularly in larger foundations, is often perceived as insensitive to community needs and lacking accountability.

- *The San Francisco Foundation is conducting a "customer service" survey of grantees. The Foundation has "listening sessions" in grantee communities, which have reached 650 people. The Foundation has learned from these community voices, identifying issues from the nature of grants to the grantmaking process. As a result of such feedback, the Foundation is seeking to shorten the turn around time for a grant, which is often challenging for organizations with limited capacity to endure.*
- *The Woods Foundation in Chicago, a small family foundation, holds "grantee convenings," which give grantees the opportunity to provide feedback on the Foundation's mission and programs.*
- *The various foundations within the Funding Exchange Network actually make grant decisions through "community funding boards" that are comprised of former grantees and other representatives of their grantee base. These boards co-exist with traditional boards that are more tailored toward broader governance and fundraising.*

### **Beyond Grantmaking: an Anchor Role on Issues of Race, Class, Culture, and Power**

Foundations, particularly larger ones, often take on the role of anchor institutions and are placed in the position of community engagement beyond grantmaking. Anchor institutions are generally defined as institutions that have a significant infrastructure investment and

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interest in their community and are therefore grounded or unlikely to relocate to another location.

- *In recognizing local demographic shifts, as a result of a foundation-supported research project, the Northwest Minnesota Foundation developed a Valuing Diversity Program to promote multi-racial and cultural understanding. The Foundation took on the role of convener among the Native, White, and recent Latino immigrant populations in the community. The Program provided a series of workshops through which biases were unearthed and discussed.*

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### SECTION III: INSTITUTIONAL (INTERNAL) MECHANISMS

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Recent data from the Council on Foundations' Joint Affinity Groups has only reminded the philanthropic community of its limited diversity. The positions of the greatest influence, are those with the least racial and ethnic diversity. In the year 2000, only 10.5% of foundation trustees and 20.6% of managerial staff were people of color, down from 23.3% in 1998. Slightly over 5% of foundation CEO's are of color. One of the more compelling aspects of the COF study is the limited amount of movement in the demographics between 1996 and 2000. (www.cof.org)

Foundations have employed a range of strategies to diversify their stakeholders and increase internal equity – these include:

- staff recruitment strategies (including diversifying the field of potential foundation staff);
- internal forums and dialogues;
- policies addressing use of vendors and consultants;
- strategies to diversify foundation boards; and
- performance policies and guidelines.

#### **Staff Recruitment and Diversifying Fields of Interest**

A number of dynamics around staff diversity emerged throughout the interviews. As suggested in the dynamics, many people of color do not have access to the highest managerial levels. This can lead to low staff morale, as some find themselves lacking upward mobility. In some foundations, this has led to significant turnover. One program officer noted how difficult it is for anyone to understand the criteria for promotion.

Below are thoughts about strategies to recruit program officers of color – both of which also address diversifying the fields of interest to foundations.

- *As San Francisco Foundation Chief Operating Officer, Anthony Tansimore, noted, training for people of color has typically not been diverse, especially in certain fields. He makes an effort to recruit people of color for their environmental program, for example. In many of the large foundations, one might see most of the program staff of color concentrated in particular areas. Carla Dartis and Stephanie McAuliffe of Packard pointed to their difficulty in diversifying their “Conservation” area. All other areas of the Foundation maintain some diversity, but they have trouble with that particular unit. A part of the challenge is that certain fields (outside of the foundation) lack diversity. As a result, some foundations are sponsoring initiatives to train underrepresented groups in particular fields. The California Endowment, for example, is embarking on an extensive initiative to diversify the health care profession.*

- *One compelling training program to diversify the pipeline of diverse prospective foundation professionals is the San Francisco Foundation's Multicultural Fellowship Program. This effort has become a vehicle for staff recruitment for the Foundation. The program gives young professionals of color an opportunity to work in the Foundation over a two-year period. Six fellows per year are chosen. The program now has over thirty alumni, five of whom are permanent staff. Others are dispersed throughout the nonprofit sector.*

### **Internal Dialogue/Formations**

A few foundations have created internal initiatives to facilitate dialogue around how the institution addresses race, ethnicity, and inclusion. The Rockefeller Foundation, for example, created the Internal Conversation on Race and Ethnicity (ICORE) and the Packard Foundation has established a “diversity committee.” Both of these efforts have helped to foster critical internal dialogue around the concern that grantmaking institutions, often guided by individual donors or families and relatively isolated from market forces, have been less likely to prioritize the diversification of their staff and board. Both Rockefeller and Packard are engaging in dialogue in order to enhance internal diversification with respect to race, ethnicity, sexual orientation, class, and disability.

Many respondents noted the significance of internal dialogue in unearthing true feelings about these issues. However, some of these efforts struggle if they are comprised of “the converted” and not tied to senior leadership. As with race-specific programs, internal committees run the risk of being marginalized. As Heron Foundation President, Sharon King, noted, “Usually when discussions around diversity are scheduled, only those who believe attend and participate.” Although Rockefeller’s ICORE had not tended to encourage significant ongoing involvement from senior staff, it was able to join with the Foundation’s president to institute a category on sensitivity to race and ethnicity in the evaluation of managers.

### **Vendors and Consultants**

Often based on relationships, vendor and consulting contracts remain among the least regulated areas in foundations. More often than not, it is unlikely that foundations maintain policies on the demographics of contractors. Some, however, have begun to pay more attention to the need to support a more diverse array of businesses.

- *The Packard Foundation has included a statement on the diversity of vendors in its mission statement. They have instituted a system for tracking the demographics of the vendors with which they contract. Packard official language on vendors is as follows: “When selecting vendors, the Foundation is committed to doing business with all people, without bias, and consistent with our diversity standards.” As a reflection of this commitment, vendors are asked*

*to identify themselves as a women- or minority-owned business when applicable, and these data will be tracked by the Foundation.*

*Packard keeps a database of “Diversity Resources” that includes “diversity recruitment firms” (such as Corporate Diversity Search, Ibispano, and the Hawkins Company), a variety of diversity websites (especially race-specific professional associations), “minority technical job fairs,” and others.*

- *Ford maintains policies around the demographics of vendors and consultants and uses diversity profiles to analyze potential grantees.*

## **Boards**

As previously noted, Boards are the least diverse influential bodies in the philanthropic community. The ultimate decision-making power still rests with boards. Foundation type is quite significant in this respect, with less diversity among board members in family foundations. The process of diversifying such entities can be complex and daunting.

- *Family foundations often have the least diverse boards, as they are often comprised of representatives of wealthy white families. As the Wieboldt Foundation shifted its focus to grassroots community organizing, it found the need to develop a board that is more inclusive of its grantees. As a result, Wieboldt recruited from its target communities, and developed a 15-member board that is one-third community representatives. The other two thirds remain family members.*

## **Staff Performance Policies and Guidelines**

A few foundations have developed guidelines to assess staff performance as it relates to diversity/cultural competence, etc.

- *Ford has a performance management team that uses “behavioral markers” for staff and everyone is held accountable.*

## **CONSIDERATIONS IN INTERNAL STRATEGIES – DIVERSITY IN DECISION-MAKING**

The level of involvement of people of color in decision-making in philanthropy is often reflected in demographics. However, institutions are more complex than that. The level of involvement of the board, grantees, management, and staff varies by foundation. In some ways, smaller foundations, such as the New York Foundation and Z. Smith Reynolds are more able to be inclusive across the board in decision-making. The entire staff determines grantmaking (12 of them) at Z. Smith Reynolds, as the Foundation does not maintain any

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individual portfolios. This would be difficult for a large foundation to achieve, but these strategies might be employed to widen the scope of decision making.

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#### SECTION IV: PERFORMANCE MEASUREMENT ON ISSUES OF RACE, CLASS & CULTURE

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Many of the foundations interviewed did not have performance measurement tools focused on measuring the impact of their investments on race, class, culture, and power. Foundations either articulate a rhetorical commitment that is not assessed or there is an internal assumption that race, class, culture, and power are embedded because of the nature of the work and the communities benefiting from the programs.

- *A few respondents questioned the degree to which anyone can measure an impact on society at large. Many agreed that the demographics of decision-makers and foundations' relative communication with the communities they serve are key aspects that shape an institution's ability to have an impact. Julie Shah of the Third Wave Foundation said, "it is hard for people of color to go into some foundations and not shake things up." Tony Pipa of the Warner Foundation stressed that stating the goals up front and following through is the key. Their goal is to "strengthen African-American communities." Warner is explicit in this respect.*

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## SECTION V: RECOMMENDED NEXT STEPS AND CONCLUSIONS

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### **Steps Toward More Effective Foundations with Respect to Race, Class, Culture, and Power**

A number of recent reports have surfaced, designed to improve the philanthropic community's understanding of race, class, culture, and power. The hard work comes in putting ideas into practice. Recently, the Donors Forum of Chicago, the New York Regional Association of Grantmakers, Northern California Grantmakers, and Minnesota Council on Foundations developed a toolkit to guide foundations through performance measurement around inclusion. The report addresses strategies that philanthropic institutions can pursue in four categories: as funders, as employers, as community citizens, and as economic entities in relation to inclusion. This report can be a helpful guide for foundations that are seeking to enhance their facility with these complex issues.

In its own improvement efforts, the Annie E. Casey Foundation has been building upon the recommendations of the RESPECT group, which has raised awareness within the Foundation and pushed for change at the policy level through knowledge development and the facilitation of internal dialogue. As evident in this report, the commitment of leadership is critical to success. The Foundation created the Organizational Priority on Equity where management takes responsibility for designing goals and policies around race, class, culture, and power and ensuring that the Foundation meets aggressive targets toward greater inclusion and programmatic work that improves the lives of communities of color.

This approach allows Casey both a forum for dialogue and education through RESPECT and a mechanism for commitment at the policy level through both RESPECT and the Organizational Priority on Equity. The two formations communicate with each other to ensure that stakeholders at all levels of the Foundation can be involved in forging and monitoring a foundation that understands, acknowledges, and addresses race, class, culture, and power. Casey has not, by any means, solved everything. A key ingredient for success in this area is understanding that the process is long and that these difficult issues cannot be sufficiently worked through without struggle.

When a foundation decides to embark on a process to improve around race, class, culture, and power, some critical steps that could enhance prospects include:

- honestly assessing the institutional state of affairs, internally and externally;
- researching practices in other foundations and continually staying abreast of efforts that work;
- setting clear goals and designing a vision for exactly what a more inclusive foundation that adequately addresses race, class, culture, and power would look like;

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- mapping out a three to five year plan that would capture key short and long term goals and objectives and the strategies required to achieve them ;
- setting short term objectives around areas where the foundation can make an immediate improvement and making them happen;
- developing decision-making mechanisms that will ensure that goals are being met and opportunities for dialogue are continuous;
- regularly revisiting goals and objectives and making changes where necessary; and
- making sure that senior management and the Board are committed to improving and understanding that greater effectiveness around race, class, culture, and power furthers the foundation's core mission.

### **Ongoing Learning**

The need for ongoing education and dialogue will never cease, especially with such complex issues. No one foundation is alone in its efforts. The Annie E. Casey Foundation has recognized the importance of peer engagement in understanding the variety of approaches that can be pursued and the many hurdles and pitfalls that a foundation could confront along the way.

In the spirit of such peer learning, Casey hosted two “consultative sessions” – learning seminars with others in philanthropy. One took place in June 2004 at Casey’s headquarters in Baltimore, and the other in July 2004, was hosted by the Haas Jr. Fund in San Francisco. The research for this report revealed differences in approach between the East and West coasts of the United States. Therefore, seminars were convened on both coasts.

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The first session included presentations on “Options and Possibilities from the Field” with Darren Walker of the Rockefeller Foundation and Lori Villarosa of the Philanthropic Initiative for Racial Equity. Some interesting ideas that emerged from the first session touched upon the concept of incentives – the importance of incentivizing goals around diversity and inclusion. Walker and Villarosa agreed on the need to establish consequences for certain agreed upon goals regarding race, class, culture, and power.

Walker discussed challenges faced by the Rockefeller Foundation where issues around race were being pushed into one portfolio, diluting the focus of this program, which Walker ultimately dissolved. According to Walker, the program, while noble in its goals, became isolated over time. Discussing her work at the Philanthropic Initiative for Racial Equity, Villarosa again emphasized the importance of a dedicated portfolio aimed at racial justice work – and the importance of race being addressed throughout other programs. She argued against an either/or dichotomy and specifically cautioned that while the concept of having “race cut across all programs” sounds ideal, in reality, it can be difficult to measure progress and work in all areas may suffer if there aren’t funds to also support the advancement of analysis, tools and advocacy organizations specifically dedicated to addressing racism. She also stressed, like so many others interviewed for this report, the importance of leadership. Ultimately, Villarosa framed commitment from senior leadership as being necessary to catalyze change, saying, “all foundations like to say they are doing well in these areas of race and ethnicity, however, there’s often nothing behind the rhetoric. Actually doing and acting is the hard work. Leadership catalyzes this change.”

The second session included Dr. Sandra Hernandez, CEO of the San Francisco Foundation, Marion Standish, Senior Program Officer of the California Endowment, Sylvia Yee, Vice President of Programs of the Haas, Jr. Fund, and Henry Der, Senior Program Officer of the Haas, Jr. Fund. As with the first consultative session, several examples of efforts to implement a broad institutional commitment to equity around race, culture, and power emerged.

Sylvia Yee of the Haas, Jr. Fund explained that the Fund supports social justice by funding cross-cultural initiatives, community organizing, and legal strategies. According to Yee, the Fund supports place-based work. Therefore, they expect organizations to build their own leadership abilities and organizational capacity to address racial tensions in communities. As the underpinning of their race-related work, the Fund made a deliberate decision to define “Diversity and Inclusiveness” as a separate program area rather than to infuse these themes throughout other areas. Gays and Lesbians and Racial Justice are the two major categories in this program area.

Dr. Sandra Hernandez of the San Francisco Foundation (SFF) noted that their board is particularly interested in advancing SFF’s activities in two major areas: 1) attracting new donors, including a more diverse donor base, and 2) supporting emerging ethnic philanthropies. As part of its support for ethnic philanthropies, SFF now houses the

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Hispanic Community Foundation (HCF). The HCF uses SFF infrastructure and also partners with SFF in program areas. SFF has helped HCF build its board and governance structure. Together, they issued a report on the limits to capital faced by Latino businesses. In a similar vein, SFF also works with the Bay Area Black United Fund (BUF) to strengthen the BUF's governance structure and help grow their endowment.

Finally, Marion Standish of the California Endowment reported that the Endowment addresses equity in three major ways: at the institutional level, at the program level, and at the grantmaking level. According to Standish, the Endowment is currently moving toward supporting systems change, policy solutions, and advocacy, rather than services, a change that could affect current grantees of color who are heavily represented in the service sector. Thus, the Endowment will encourage service providers to include policy change as part of their work.

Overall, these sessions not only provided a forum for collectively digging deeper into the challenges and prospects regarding race, class, culture, and power, they also opened the doors to ongoing dialogue. The philanthropic community does not have many avenues through which foundations can communicate with each other about strategies and practices to improve the ways in which philanthropy can be a greater force for improvement in these areas.

Casey and the foundations participating in these sessions agreed to continue peer learning and sharing ideas. Marga Incorporated will continue facilitating peer exchanges among these foundations and others.

## **Conclusion**

This report attempted to provide a cursory picture of the landscape in the foundation community around race, class, culture, and power. It also attempted to highlight some examples of practices that could give some guidance and insights. However, it should be noted that there were some areas where examples were hard to come by. For example, an effective evaluation of the impact of anti-racist initiatives was difficult to find. Also, strong systems of promotion and rewards that provide staff of color increased upward mobility were elusive. These might be areas where various foundations could develop new models.

With its internal initiatives, RESPECT and the Organizational Priority on Equity, the Annie E. Casey Foundation is investing significant time and resources toward becoming the kind of foundation that could influence promising practices in these areas through its staffing, programming, and overall priorities.