



Race and Equity in Philanthropy Group

Paper Series

Incorporating Racial Equity and Inclusion
into Institutional Strategy

First Edition – Summer 2020



Incorporating Racial Equity and Inclusion into Institutional Strategy

I. Background

Marga Incorporated provides strategic advice and research to philanthropic initiatives and community partnerships. Its Race and Equity in Philanthropy Group (REPG) brings together foundations committed to improving their ability to effectively promote racial equity and various aspects of inclusion in their policies, systems, and practices. It is an active resource regarding numerous specific practices in philanthropy such as measurement, results, networks, evaluations, and community impact. By way of learning exchanges, member foundations bring ideas and practices from peers into their respective efforts, raising the overall bar of how philanthropic institutions consider systemic strategies designed to combat inequities. Any foundation hoping to increase responsiveness to communities of color and other historically underserved and disenfranchised populations, reflect a commitment to racial equity and inclusion in their practices, improve internal communication around

race, or diversify its own internal demographics and those of external partners could find value in the REPG.

REPG's thirteen member foundations not only connect to learn from each other, but also commit to sharing their lessons-learned and stories broadly with the field. This brief is the first in a thematic series exploring how foundations are addressing racial equity, diversity, and inclusion in a variety of categorical practices. This particular brief focuses on how foundations are prioritizing a commitment to these issues in their overall strategic priorities. Five foundations from REPG's membership are profiled herein. Their experiences help our understanding of common themes, important techniques and practices. Profiled foundations include:

1. Winthrop Rockefeller Foundation
2. The San Francisco Foundation
3. W.K. Kellogg Foundation
4. The California Wellness Foundation
5. East Bay Community Foundation

Staff from each of these institutions agreed to share their stories on these issues via a brief interview. The text below first summarizes the status of the field on incorporating racial

equity and inclusion in philanthropic strategy as well as the challenges in doing so. Foundation profiles then follow for each institution named above. Marga’s thoughts on common themes and broad implications for the field are provided at the conclusion of this brief.

II. Status of the Field on Embedding Racial Equity and Inclusion into Institutional Strategy

Foundations with bold missions and visions spend significant time developing and reflecting on *institutional strategy* – namely, their assumptions on *how* they will realize their goals and increase impact. While the 90,000+ foundations in the U.S. represent varying degrees of wealth and privilege, individually, these institutions must consider the most effective ways to deploy their finite resources to solve complex social problems. The process of developing institutional strategy is not finite or “fixed”; it can change due to internal factors (changes in a foundation’s corpus; new foundation leadership; changes in strategic plans, etc.) or external factors (new or reduced state, local

and/or federal funds directed at aligned issues; emerging and/or growing community needs; etc.). As such, foundation leaders have ongoing opportunities to reflect on strategic assumptions and priorities and often include important stakeholders, including community leaders, public officials and residents, to do so.

In recent years, more foundations are taking steps to integrate racial equity and inclusion into their strategic priorities. These efforts acknowledge the long-standing role of race and racism in the United States, and associated deep racial disparities, as barriers to this country’s future well-being. The aspiration of grant makers on this journey is to embed these values and principles into *what* they fund as well as *how* they operate. These efforts are also attempting to make racial equity and inclusion central to the make-up of a foundation rather than treating these efforts as stand-alone projects and/or initiatives. While this level of transformative change is underway in the philanthropic sector, it is difficult for many organizations, as it requires a deep commitment of time and resources. For example, in [Leading by Example: Diversity, Inclusion, and Equity in](#)

[Community Foundations](#), authors suggest that increasing diversity, inclusion, and equity throughout a foundation requires CEO leadership and commitment, staff engagement, sufficient funding, and board commitment.¹ Specifically, as it pertains to tackling inequity and racism through foundation investments, foundation leadership and grantees must commit to learning new skills and competencies about drivers of racial disparities as well as openness to the “not-so-precise” practice of social change. For example, in the article [Strategic Philanthropy for a Complex World](#), authors argue that “strategic philanthropy assumes that outcomes arise from a linear chain of causation that can be predicted, attributed, and repeated, even though we know that social change is often unpredictable, multifaceted, and idiosyncratic.”² This is true of efforts designed to tackle structural inequity which

tests funders’ ability to explore, take risks and invest in long-term change to address root problems versus symptoms of racial inequity. Accordingly, [Grantmaking with a Racial Equity Lens](#), suggests “for grant makers and foundation leaders, using a racial equity lens means paying disciplined attention to race and ethnicity while analyzing problems, looking for solutions, and defining success”.³ These articles cite the new “muscle” that foundations must develop to embed race and equity into their internal and external operations to achieve positive results.

The five foundations highlighted in this brief have all described ways that they are integrating racial equity and inclusion into their core strategy; Marga is creating space for cross-learning and analysis amongst these REPG members.

¹ Coalition of Community Foundations for Youth and California Tomorrow, *Leading by Example: Diversity, Inclusion, and Equity in Community Foundations* (n.d).

²John Kania, Mark Kramer, & Patty Russell, “Strategic Philanthropy for a Complex world”, *Stanford Social Innovation Review* (Summer, 2014).

³ Grantcraft and Philanthropic Initiative on Racial Equity, *Grantmaking with a Racial Equity Lens* (n.d.).

III. REPG Stories

Winthrop Rockefeller Foundation (WRF)

Mission: To relentlessly pursue economic, educational, social, ethnic, and racial equity for all Arkansans.

Story Told By: Cory Anderson, Chief Innovation Officer

“The status quo has failed to advance equity and prosperity in our world. Racial bias, combined with a desire to maintain a status quo that benefits certain people over others, creates an incredibly strong opposing force against change. It keeps those in power from questioning their decisions and embracing evolution, even when evidence tells us it’s not as hard as we think and that sticking with the status quo isn’t really in the world’s best interest.”

-- Dr. Sherece West Scantlebury, President and CEO

(Stanford Social Innovation Review. March 2019)

Integrating Racial Equity and Inclusion into the Foundation’s Core Strategy

From its inception, the Foundation, building on the legacy of its founder, incorporated racial equity and inclusion in its work. From 1967-71, Winthrop Rockefeller was Governor of Arkansas. In office, he took action to advance economic, racial, and social equity across the state. He was the first southern governor to appoint African Americans to his cabinet, and he was the only southern governor to commemorate the life of Martin Luther King, Jr., after his assassination. WRF has built on Governor Rockefeller’s legacy for nearly 45 years, and racial equity has continued to be embedded in the Foundation’s DNA. Today, WRF uses its time, talent, and resources to build a thriving and prosperous Arkansas that benefits all Arkansans. WRF supports the transformation of the public education system in Arkansas to ensure every student graduates high school prepared to succeed in college and the workplace,

regardless of race, income, or geography. WRF continues to invest in closing opportunity gaps for kids of color and in rural areas. Similarly, the Foundation makes investments to increase prosperity through small business development, workforce development, and equitable access to employment opportunities. The Foundation also invests in research and narrative change to re-shape perceptions of communities of color as well as to inform and develop better public policy to affect long-term, systemic change.

Key Factors in Their Progress to Integrate Racial Equity and Inclusion in Foundation Investments and Operations

The Foundation’s progress on incorporating racial equity is a credit to Governor Rockefeller’s vision and legacy. WRF has built internal capacity to understand the root causes of inequity in Arkansas and continuously learn from other foundations on ways to advance racial equity and adopt these best practices to match the contexts of Arkansas communities and the State as a whole. Such detailed and strategic processes have helped WRF collaborate with families, educators, community and business leaders, and policymakers to effect meaningful change in terms of racial equity and inclusion in Arkansas.

Deepening the Foundation’s Commitment to Racial Equity and Inclusion

About three years ago, the Foundation deepened its commitment to racial equity and inclusion by digging deep into related research about structural racism, philanthropic strategies for advancing equity, and best practices on advocacy and systems change. In September 2018, the WRF board ratified a new, bolder mission statement for the Foundation. The new mission statement is “The Winthrop Rockefeller Foundation exists to relentlessly pursue economic, educational, social, ethnic, and racial equity for all Arkansans.”

The new mission is a mandate from the Foundation’s board, which understands that true, long-term, systemic change cannot occur without action to address the root causes of

inequity within Arkansas. The board made this mandate after carefully reflecting with partners and analyzing relevant data from the past decade of implementing the Foundation’s previous strategic plan. Furthermore, this commitment to economic equity suggests that, in addition to strengthening the education and workforce-training systems, WRF needs to contribute to asset-building for people of color. The Foundation will be unapologetic about its decision to focus more resources in places that need them most.

Moving Forward: Guidance Sought from Others

WRF would like to learn from other foundations’ racial equity success stories. For example, the Foundation is interested in learning: “Who has made progress in asset-building for people of color and in isolated areas, and how did they do it?”

San Francisco Foundation (SFF)

Mission: To mobilize resources and act as a catalyst for change to build strong communities, foster civic leadership, and promote philanthropy in the San Francisco Bay Area.

Story Told By: Fred Blackwell, President and CEO

“There is a difference between working on racial equity and actually trying to achieve racial equity. I think it’s important for institutions that are engaged in this work to deeply understand which one of those pathways they are on. If you’re just working on racial equity, it’s okay to have an equity grantmaking program and some staff members focused on racial equity and make a few grants focused on racial equity. But actually trying to achieve equity is a very different endeavor, and it requires a top-to-bottom examination of your institution and how you approach your work.” -- **Fred Blackwell, President and CEO**

(Giving Compass. February 2019)

Integrating Racial Equity and Inclusion into the Foundation’s Core Strategy

In 2016, the San Francisco Foundation (SFF) adopted a North Star to advance racial equity and economic inclusion in the San Francisco Bay Area. This change impacts all aspects of the Foundation, including its grantmaking, partnership with donors, civic leadership, policy work, impact investing, and internal operations.

For its grantmaking work, this has meant moving away from siloed issue areas, and toward an interconnected framework it describes as “People, Place and Power” – the pathways to ensuring that everyone in the Bay Area has a chance to get a good job, live in a safe and affordable home, and have a strong political voice.

Key Factors in Their Progress to Integrate Racial Equity and Inclusion in Foundation Investments and Operations

After Fred Blackwell joined the SFF in 2014, he spent a lot of time listening. In fact, he and the staff spent more than a year listening to everyday residents throughout the Bay Area share, first-hand, what they were struggling with, what they were worried about, and how SFF was best positioned to improve their lives. SFF hosted listening sessions in the five counties it serves: Alameda, Contra Costa, Marin, San Francisco, and San Mateo.

To supplement the stories that people shared, the Foundation also collected [in-depth, disaggregated data](#) that showed where the greatest disparities lie in the Bay Area. One third of residents here, for example, have virtually no savings that would help them pay for an emergency. And only half of eligible Asian/Pacific Islander voters in the region are registered to vote. With these facts in hand, SFF made sure that its work was not only driven by data, but also by community members most impacted by such inequities.

In partnership with the Public Equity Group, the Foundation also engaged its Board of Trustees, its donors, and a team of staff members to analyze data and resident feedback and translate it into a programmatic strategy. In 2016, SFF officially announced its institution-wide commitment to racial equity and economic inclusion.

Deepening the Foundation's Commitment to Racial Equity and Inclusion

In doing this work, it's been important for SFF to differentiate between working on racial equity and trying to achieve racial equity. If an organization is just working on racial equity, then it makes sense to provide some grants focused on racial equity and to employ some staff members who are passionate about the issue. But for an organization that is actually trying to achieve racial equity, this work looks very different. It requires a top-to-bottom examination of an institution and all of the ways in which it approaches its work. For SFF, it has meant applying an equity lens to all aspects of its work, from grantmaking to its

partnership with donors, and from mission-related investing to internal equity within its own office walls.

Moving Forward: Guidance Sought from Others

SFF is by no means done with this work, nor does it always get it right. This is a journey, and the Foundation knows it will stay on the right path if it keeps listening and putting the community at the forefront of its work.

[Read more](#) about how the San Francisco Foundation committed to an organization-wide commitment to equity.

W.K. Kellogg Foundation

Mission: The Foundation supports children, families and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society.

Story Told By: Arelis Diaz, Director

“There was a time when Americans didn't want to speak about race, and the fact that race-focused conversations are more common today and we have a shared vocabulary that we can use to discuss these issues is something we at the Foundation are pleased about. That change required leadership, and I think we were willing, and our board was willing, to step into that leadership space and name, squarely and forthrightly, what was happening in our country and the impact it was having on our children.” -- **La June Montgomery Tabron,**

President and CEO

(PND/Candid. June 2018)

Integrating Racial Equity and Inclusion into the Foundation's Core Strategy

At Kellogg, racial equity is key to accomplishing the Foundation's mission to support children, families and communities in creating and strengthening the conditions in which vulnerable children succeed. The Foundation aims to dismantle racial and structural inequities that limit opportunities for children of color and makes sure that this is a focus on every project they launch and/or support.

Key Factors in Their Progress to Integrate Racial Equity and Inclusion in Foundation Investments and Operations

Equity and inclusion have always been a part of the Foundation's work both directly and indirectly. This is a credit to the founder, W.K. Kellogg. Mr. Kellogg's thinking around community and serving communities in a way that empowers and invests in people, still

drives their work. He believed in investing in the most vulnerable children, who often tend to be children of color. The Foundation's strategic areas include ensuring that children are educated and healthy and that they grow up in economically secure families. The Foundation focuses on people of color as far too many children of color live in racially isolated neighborhoods in metropolitan areas, and in segregated rural and tribal communities across the U.S.

Deepening the Foundation's Commitment to Racial Equity and Inclusion

Achieving the Foundation's mission requires that they actively pursue racial equity for all children by addressing structural racism and its consequences. In 2016, the Foundation launched the Truth, Racial Healing & Transformation (TRHT) framework, a national and community-based process to plan for transformational and sustainable change to address the historic and contemporary effects of racism, which builds on Kellogg's decades-long commitment to advancing racial healing and racial equity throughout the country. While national grantmaking is already in place, the Foundation believes there is a need for additional work and targeted resources. For example, there is interest in targeted investments focused on the most severe inequities and the highest barriers to success faced by children of color across the country. This could be done by strengthening the foundation's existing efforts through the TRHT.

Moving Forward: Guidance Sought from Others

Kellogg is interested in seeing how other foundations come up with innovative strategies, campaigns, and projects to have a concrete impact on the ground, that goes beyond the promotion of racial equity and the advancement of the conversation about race. The Foundation is open to fostering a continued dialogue with other foundations that share the same interests and concerns.

The California Wellness Foundation

Mission: To protect and improve the health and wellness of the people of California by increasing access to health care, quality education, good jobs, healthy environments and safe neighborhoods.

Story Told By: Tina Eshaghpour, Director of Organizational Learning and Evaluation and Crystal Crawford, Program Director

“We’re really tired of just talking about DEI at Cal Wellness. We know the issues, and we know what we need to do. It’s time to stop talking and start acting. My board is telling me to make it happen! Let’s just do this!” -- **Judy Belk, President and CEO**

Integrating Racial Equity and Inclusion into the Foundation’s Core Strategy

Racial equity and inclusion are essential to Cal Wellness’ core mission. The Foundation lifts up a set of values and beliefs that describes their efforts to align racial equity and inclusion into its strategic priorities. They include the following:

- We believe that everyone, regardless of race, gender, education, economic position or legal status, should have the opportunity to enjoy good health and experience wellness.
- We believe wellness is more than health. Wellness touches upon the potential for healing that encompasses body, mind, spirit and honors the human desire for justice, equity and voice.
- We believe wellness requires social justice, a deep commitment to diversity equity and inclusion, and sustained efforts to eliminate systemic barriers that prevent access to health care, education, employment and safety.

The Foundation’s grantmaking is grounded in the social determinants of health research that states that where people live and work, their race and ethnicity, and their income can impact their health and wellness. It is the Foundation’s desire to help “level the playing field” and they have a long history of focusing on underserved communities that face the

greatest obstacles—particularly those that stem from race and ethnicity. The Foundation’s grantmaking programs reflect that priority, and equity and inclusion are core values.

Key Factors in Their Progress to Integrate Racial Equity and Inclusion in Foundation Investments and Operations

California Wellness is a relatively new foundation. Since its founding in 1992, the board and staff have reflected the diverse communities they serve in California and this intentional diversity has served them well, shaping their analysis of issues and their grantmaking priorities. The Foundation is proud of its diverse team and the grants they’ve made prioritizing communities of color and low-income communities. There is also pride in the language used to commit to racial justice and diversity, equity and inclusion, as reflected in the statements on their website explaining their vision, mission, work and beliefs. The Foundation often uses its voice to speak out on these issues in response to news and events that impact their work with communities of color. Most importantly, the Foundation’s grantees have also reported (through surveys conducted in partnership with the Center for Effective Philanthropy) that the organization approaches its work as grant makers with a strong diversity, equity and inclusion lens. Each year, Foundation staff craft an annual operating budget that includes adequate resources earmarked for achieving DEI goals. Cal Wellness has implemented policy to bring DEI considerations into the selection process for new investment managers.

Deepening the Foundation’s Commitment to Racial Equity and Inclusion

The Foundation’s staff and board collaborated on the revision of their mission, vision, work and belief statements in 2017 to highlight their commitment to racial justice. Also, in 2017, Cal Wellness engaged with Race Forward to conduct racial justice trainings for board and staff, and now anyone new to Cal Wellness attends racial justice training as part of their onboarding. In 2018-19, the organization created learning sessions on racial justice issues for board and staff at quarterly board meetings, including presentations and discussions

with John A. Powell, Kenneth V. Hardy, investment managers working to integrate DEI principles into mission-related investment efforts, and Native American leaders Sara Eagle Heart and Maya Solis-Austin.

To incorporate racial justice and DEI throughout operations, the Foundation developed a work plan of activities with key deliverables for every department. For example, as part of an effort to transition to a new grants management system, they revised their application process to apply a stronger DEI lens to all facets, including collecting better data from potential grantees without creating undue burden and discussing how they will use the data to inform decisions in their grantmaking.

Moving Forward: Guidance Sought from Others

The Foundation is always open to learning from the journeys that others have taken, and any lessons they have learned. Currently, there is so much attention to racial equity in the field and so many resources available, that some guidance as to where it is appropriate to use which tools, would be helpful for the Foundation. Moreover, having a better understanding of the time commitment that is required to truly integrate racial equity work within a foundation would also be helpful.

East Bay Community Foundation (EBCF)

Mission: The East Bay Community Foundation partners with donors, social movements, and the community to eliminate structural barriers, advance racial equity, and transform political, social, and economic outcomes for all who call the East Bay home.

Story Told By: James Head, President and CEO

“EBCF is committed to using philanthropy to advance the cause of racial equity and social justice to bring about the health and well-being of communities. We have taken the view that addressing structural inequities requires directing resources to support community-led social movements to build civic engagement that advances political and legislative solutions.” -- **James Head, President and CEO**

(EBCF Website: Message from the President and CEO. August 2019)

Integrating Racial Equity and Inclusion into the Foundation’s Core Strategy

The principles of racial equity and inclusion are a fundamental part of the Foundation’s DNA. As EBCF positions itself to fully advance social justice, the Foundation has an operational plan to institutionalize this strategy, however not all elements of the plan have been fully implemented [as of the printing of this publication.] There is an ongoing discussion both at the staff and board level about the ways in which inclusion and equity not only serve as key values but are also integral components of the Foundation’s programs and processes.

Key Factors in Their Progress to Integrate Racial Equity and Inclusion in Foundation Investments and Operations

EBCF sees itself as moving in the right direction and redefining what success looks like in the context of advancing sustainable, social change. Specifically, there are current efforts

being made to examine EBCF staff training needs and to diversify its donor base from a race and ethnic standpoint. Similarly, there are concerted efforts to recruit staff with existing knowledge and experience in racial equity and inclusion.

Deepening the Foundation's Commitment to Racial Equity and Inclusion

Given the specificities of targeted East Bay communities and their unique cultural and ethnic values, the Foundation aims to deepen its commitment to racial equity and inclusion by rallying other foundations – and organizations in general – around these issues. In particular, EBCF is helping to build a community foundation cohort focused on racial equity and inclusion to help increase the impact of these place-based funders in these issue areas.

Moving Forward: Guidance Sought from Others

Racial equity and inclusion are very complex and multilayered concepts and an ongoing sector-wide conversation needs to be undertaken on the meaning of these concepts that will in turn, inform the work that needs to be done regarding data collection, success measurement criteria, and learning indicators. EBCF is interested in partnering with other foundations in order to develop innovative and effective tools, models, and approaches to evaluate success. This work requires significant champions at the foundation level. In that respect, EBCF is willing to continue to encourage dialogue and discussions with other community foundations.

IV. Common Themes and Marga's Thoughts

Each of the five foundations share stories that are indicative of other philanthropic institutions in the field. Some have been able to move forward given the values and principles of a founder; others are led more recently by CEOs and boards who are committed to racial equity and inclusion. As a group, these leading foundations share similar experiences in their journey to incorporate racial equity and inclusion into their strategic priorities. For example:

- All of these profiled foundations see racial equity as core to *achieving their mission*. Given their shared interest in providing opportunities for the most vulnerable children and communities in this country, they are clear that strategic philanthropy must consider the history and legacy of racism and other inequities in America and across the world.
- Regardless of whether they were founded with a focus on racial equity and inclusion, each foundation has recently launched more intentional techniques to pursue racial equity; in some cases, this includes revising their mission statements to more explicitly call out racial equity. These activities suggest *the*

ongoing and relentless pursuit required, by organizations driven by white dominant norms and culture, to institute organizational change.

- All the profiled foundations desire open dialogue with others to learn from their racial equity success stories. Research on grantmaking with a racial equity lens suggests that *commitments to openness and continuous learning is critical to sustaining a focus on equity and inclusion* over the long-term.
- Each of the organizations mentioned the engagement of both staff and boards in relation to the conversations, learnings and strategic planning underway on racial equity and inclusion. This underscores the notion that *broad leadership at the staff and governance levels is necessary* to deepen a foundation's work on these issues.

V. Conclusion

Racial equity and inclusion are essential to achieving the missions of these and many other foundations. These issues are not ancillary to the strategic priorities of philanthropic institutions. They are, in fact, central to foundations' ability to achieve strategic goals. The emergence of strategic philanthropy was intended to provide greater

focus and rigor to how foundations address any range of social and economic concerns. The populations most adversely impacted in education, health, climate change, poverty tend to be disproportionately people of color and other groups that have been historically marginalized.

This issue is so deeply embedded in our society's history and structure, that foundations are seeking greater research and collaboration to learn horizontally and from the field. The exacerbation of racial inequities due to the COVID-19 pandemic, the racial injustices manifested in repeated police brutality and the widespread protests and civil unrest emerging out of recent crises only underscore the centrality of racial equity and inclusion to the mission and purpose of philanthropy.

Foundations share many strategies around funding priorities and communicated values, however there is much more to learn regarding best procedures and practices around achieving racial equity and inclusion from the inside out. This is the kind of mutual learning cultivated in REPG meetings. We encourage you to join future

REPG conversations to further build capacity and infrastructure for racial equity and inclusion.