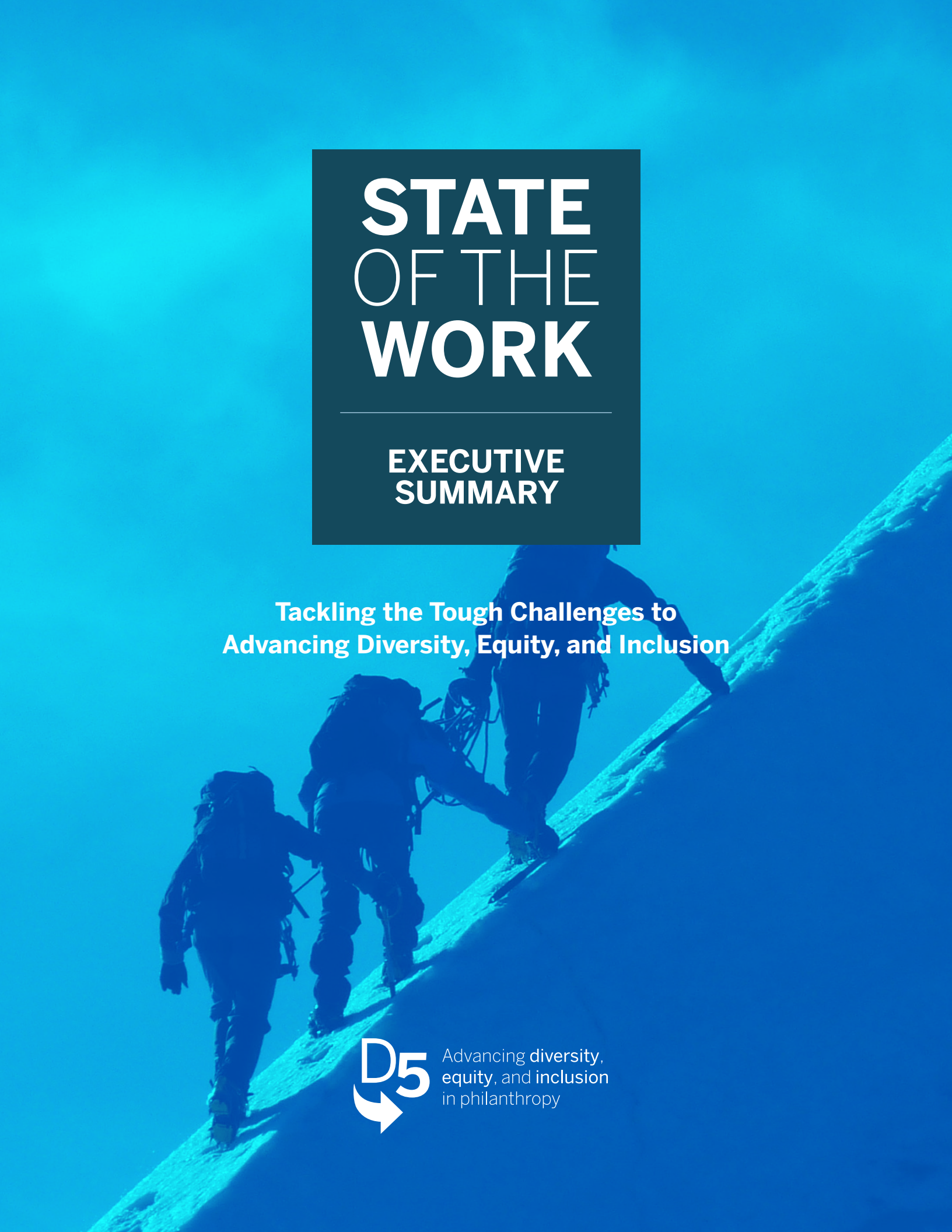
STATE OF THE WORK

EXECUTIVE SUMMARY

Tackling the Tough Challenges to Advancing Diversity, Equity, and Inclusion



D5 Advancing **diversity**, **equity**, and **inclusion** in philanthropy

DIVING DEEP INTO DIVERSITY, EQUITY, AND INCLUSION

Now solidly in D5's fourth year, we are seeing momentum toward advancing diversity, equity, and inclusion (DEI) in philanthropy. Long-time advocates are redoubling their efforts while an expanding network of philanthropic leaders are bringing fresh energy to the cause.

The State of the Work provides an opportunity to share many of the lessons we are learning from this rising interest in strengthening the common good by advancing diversity, equity, and inclusion. In prior State of the Work reports, D5 has outlined data and activity. In 2011, we shared what we knew in terms of numbers, data, and best practices. In 2012, we shared the perspectives of advocates within philanthropy to increase the sector's attention to these issues. In 2013, we offered in-depth learning profiles of foundations tackling these issues, along with the perspectives of thought leaders facilitating efforts within their own institutions.

This year we are going for something different. What has been most encouraging to me, after almost 30 years of work on these issues in the field of philanthropy, is the willingness of a broader and often unexpected array of philanthropic leaders to take on meaningful conversations, to take their organizations beyond checking boxes and posting diversity statements. Going deep requires an analysis and an informed point of view. This is especially true around the most complex issues such as equity, the role of leadership, and the use and meaning of data.

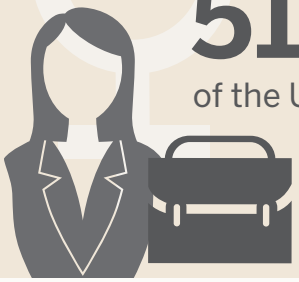
In the 2014 issue of the State of the Work, we asked three scholars/practitioners to provide perspectives and analysis on these issues and to present a charge to their peers in philanthropy. We hope that their perspectives will push the field to go deeper, to engage in dialogue and debate, and to keep at it.

As we enter the home stretch of D5's five-year effort to advance philanthropy's diversity, equity, and inclusion, we are focused on motivating leaders in philanthropy—like you—to take action in support of this cause. I invite you to participate in our Take 5 Campaign (d5coalition.org/the-take-5-campaign) and commit to advancing diversity, equity, and inclusion within your organization or the broader field. Together, we are making philanthropy stronger.

Kelly Brown
D5 Director

DIVERSITY, EQUITY AND INCLUSION:
CHALLENGES & OPPORTUNITIES

Members of the **baby boom generation** are more likely than previous generations to have a **disability.**[1]



Women are **51%** of the U.S. workforce, but only **5%** of Fortune 500 CEOs.[2]

The gap in median income between white and Hispanic households in **2012** is worse than what it was in **1972.**[3]

In 2012, **African American** Millennials who said they voted outpaced **white** Millennials 65% to 58%.[4]

People of color are **79% more likely** than whites to live in neighborhoods where **industrial pollution** is suspected of causing **health problems.**[5]

The power of LGBT people in national elections continues to rise. **1 million more voters identified as LGBT in 2012 than in 2008.**[6][7]

1. http://www.prb.org/Publications/Articles/2013/us-baby-boomers.aspx;
2. http://management.fortune.cnn.com/2013/05/09/women-ceos-fortune-500/;
3. http://www.pewresearch.org/fact-tank/2013/09/18/four-takeaways-from-tuesdays-census-income-and-poverty-release/;
4. http://harvardpolitics.com/hprgument-posts/african-american-millennials-extremely-politically-engaged-hispanic-millenials-less-enthusiastic/;
5. https://www.dosomething.org/tipsandtools/11-facts-about-environmental-racism
6. http://www.washingtonblade.com/2012/11/07/exit-poll-gay-voters-made-up-5-percent-of-2012-electorate/;
7. http://www.fec.gov/pubrec/electionresults.shtml

WHERE WE STAND WHAT CURRENT DATA SAY ABOUT DIVERSITY, EQUITY, AND INCLUSION IN PHILANTHROPY

The current data on progress toward the four major sector changes, presented below, are very similar to the data from State of the Work 2013. If the data are accurate, then philanthropy is not keeping up with the changing face of America. But unfortunately we can't tell definitively if philanthropy is ahead or behind. Not all foundations report on the demographic makeup of their organizations and their grantmaking. We are working on improving the data collection mechanism that currently exists, and are optimistic that this system can be streamlined and made more accurate and efficient. But we will only really be able to answer questions about diversity, equity, and inclusion if more foundations are transparent with the data already at their fingertips and engage with their peers to design systems that accommodate the diverse approaches of our field and accurately reflect the true nature of our investments.

Note that the currently available data—presented below—have limitations: 1) the relatively small number of foundations that share demographic information about their boards, staff, and grantees represent only a slice of philanthropy and are not reflective of the sector as a whole; 2) only funding that is specifically identified as benefiting a given community is counted toward funding for that community.

Foundation Staff & Board Diversity

	CEOs/ Presidents[1]	Other Full-time Executive Staff[1]	Board/ Trustees[2]	Program Officers[1]	Total U.S. Management/ Professional Workforce Composition[3]
RACE/ETHNICITY					
Caucasian	92%	84%	87%	64%	82%
African American	3%	5%	7%	16%	9%
Latino	2%	4%	4%	11%	8%
Asian/Pacific Islanders	1%	4%	5%	7%	7%
American Indian	.4%	.4%	.5%	1%	N/A
Bi/Multi-racial	.4%	1%	N/A	1%	N/A
Other	.3%	1%	N/A	.3%	N/A
GENDER					
Female	54%	64%	38%	77%	51%
Male	46%	36%	62%	23%	49%
LGBT	N/A	N/A	2%	N/A	
PEOPLE WITH DISABILITIES	N/A	N/A	1%	N/A	

Note: Percentages may not total 100 percent due to rounding and missing data

1. Based on a sample of 864 independent, family, community, corporate, public, operating, and other foundations that provided full-time staff details. Data from Grantmakers Salary and Benefits Survey, Council on Foundations, 2013.
2. Based on a sample of 518 independent, family, community, and public foundations. Data from COF Management Survey, Council on Foundations 2010.
3. Bureau of Labor Statistics; Race/Ethnicity figures, 2012; Gender figures, 2013

Funding Diverse Populations

	Annual Average (2009-2011)		
	Amount	**%**	**% of Total US**
Ethnic or Racial Minorities	$1,860,687,814	10.4%	37%
Women & Girls	$1,313,742,520	6.7%	50.8%
People with Disabilities	$745,998,296	3.8%	19%
LGBT	$57,485,116	0.3%	2.8%
OVERALL GRANTS TOTALS	**$19,795,451,115**		

Funding Ethnic or Racial Minorities

	Annual Average (2009-2011)		
	Amount	**%**	**% of Total US**
General (Unspecified)	1,194,879,952	6.1	n/a
African Americans & Blacks	348,051,068	1.8	13.1
Hispanics & Latinos	265,048,718	1.4	16.9
Native Americans	72,874,234	0.4	1.2
Asians & Pacific Islanders	62,504,705	0.3	5.3
Other Minorities	43,865,963	0.2	.5

Source: Foundation Center 2014. Based on an average of all grants of $10,000 or more awarded between 2009-2011 by a matched sample of 737 of the largest foundations (by total giving). U.S. Census Bureau: 2012 State and Country QuickFacts.

PERSPECTIVES ON DIVERSITY, EQUITY & INCLUSION

Advancing diversity, equity, and inclusion is hard—but developing a deep understanding of the challenges to success is critical to ultimately achieving it. We've asked three authors to lay out some of the barriers to realizing success in key areas—achieving equity, advancing diverse leaders, and building the will to improve data collection and transparency. Below are brief summaries of the three essays that appear in the State of the Work 2014.

Charting a New Destiny: Walking the Equity Walk

By Ange-Marie Hancock, Associate Professor, Political Science & Gender Studies, University of Southern California

The growing movement to advance diversity, equity, and inclusion in philanthropy is bolstered by research that suggests diverse work environments can contribute to higher productivity. It is easier than ever to make the business case for starting the conversation about diversity, equity, and inclusion.

This said, diverse leadership doesn't guarantee equity, and the arrival of new and diverse leadership is sometimes followed by the assumption that attention to equity will follow. The key is to utilize intersectionality to understand the complex forces behind our biases, to institutionalize social equity, and to overcome skepticism and resistance to policy changes.

Advancing Diverse Leaders: The Importance of Allies & Leadership

By Todd Vogel, Managing Director, Loom

Foundation leaders are often best positioned to make change and should be proactive about taking race into account when addressing societal problems. Racism is too often reduced to distant stories about a few people acting horribly, and leaders need to look more broadly and manage how their organizations focus on race. It's about changing institutions and structures in society that have privileged some and disadvantaged others.

Leaders need to ensure that key building blocks are in place to change their organizations and to advance diverse leaders, including: clearly articulating how diversity helps achieve a foundation's mission; defining the difference between individual and structural racism and focusing on the latter; putting data and metrics in place to assess progress; creating tools and resources for all staff members so the work of advancing diversity, equity, and inclusion becomes everyone's responsibility; and offering support systems for change makers.

Elusive Philanthropy Data: Identifying Populations Served & Ensuring Foundation Participation

By Gerri Spilka, Founding Director, OMG Center for Collaborative Learning

Philanthropy needs data to know and understand the communities in which it invests and works, and many in the field are working to build the systems and processes that will make this capacity accessible and feasible for all. The face of America is changing, but we don't actually know if philanthropy reflects and effectively meets the shifting demands of the constituencies that foundations serve. Better data are necessary for philanthropy to maximize the impact of investments.

For philanthropy to be more transparent and fully understand its impact on society and on our communities, the field must first develop a common, dependable system for collecting and reporting data on diversity, equity, and inclusion. Such a system must address concerns about increased data demands and the unique political issues that diversity data collection carries. The solution involves learning to coordinate across the sector and to use standardized data collection templates, building the capacity of foundations to report their data, and building the will for broad participation by making the case that better data will increase foundation effectiveness.

D5 ACTION IN 2013

D5's five-year effort reached its midpoint in 2013, and in the first half of its time-frame laid the groundwork for a growing movement. Here are a few highlights from 2013.

Leaders: Growing Opportunities & Engagement

Building upon prior work by the Council on Foundations and others, D5 conducted an inventory of leadership pipeline programs to identify ways to support people of color with career advancement in philanthropy. The results will be converted into a searchable tool on the D5 website. Through panels, presentations, and convenings, D5 expanded its outreach efforts to new leaders, while building synergies with existing champions by connecting them to others facing similar challenges across the country.

Action: Creating Tools & Spreading the Word

In the fall of 2013, D5 released a comprehensive analysis of scores of resources on policies, practices, and programs that advance diversity, equity, and inclusion. The analysis revealed five critical elements to advancing DEI as well as ideas for models, tools, and on-ramps for DEI the work. D5 complemented its national work by implementing a regional strategy, targeting resources and providing support to local networks in select geographic regions of the country—initially focused on Philadelphia and the Pacific Northwest. This work will help build long-term capacity and extend D5's impact beyond 2015.

Funding: Spotlighting Population-Focused Funds and Diverse Donors

D5 recently released Population-Focused Funds: Positioning for the Future, one of philanthropy's most comprehensive studies of PFFs to date. The study, conducted by The Bridgespan Group and based on an analysis of 400 PFFs, identifies strategies to increase the financial sustainability and impact of PFFs, and presents examples of successful models and approaches. In 2013, D5 also expanded the "We are Philanthropy: New Voices in Giving" film series—which seeks to raise the visibility of diverse donors to include versions tailored to the African American and LGBT communities. These videos are a resource for a wide range of organizations within philanthropy to tee up discussions about specific communities.

Data: Gathering Insights & Developing Collection Standards

D5 commissioned a series of research projects to explore career opportunities and barriers facing people of color in philanthropy, to empower foundation leaders to take on diversity, equity, and inclusion, and to facilitate interactions between foundations and their grantee partners that result in advancements around diversity, equity, and inclusion practices. 2013 also saw progress on the effort to build field-wide standards for data collection and transparency. In the spring of 2013, the Foundation Center and the Donors Forum of Illinois launched a pilot tool designed to facilitate the sharing of DEI information about foundations and their grantmaking. D5 hosted a convening in December 2013 to discuss a data collection template developed by Marga, Inc. and the Foundation Center. The convening drew upon learnings from the data collection efforts of the foundations involved in the Race and Equity in Philanthropy Group as well as from foundations involved in data collection efforts in Oregon and Indiana to develop more refined strategies for advancing the development of standardized data collection and sharing in the field.

THE PATH FORWARD: PRIORITIES FOR 2014

At the heart of D5's work has been support for foundations and other partners that seek to advance DEI. That purpose will continue with even deeper intensity as D5 reaches its fifth year and puts a laser-like focus on catalyzing action. We will continue to provide support for local, regional, and national efforts to advance DEI with communications tools and training; research, case studies and resources; connections to partners with expertise in implementation of aspects of DEI; and connections to peers engaged in similar work.

While we have set a clear path forward, we know that the work will not be linear, nor will it ever be complete. But by articulating a framework and priorities for the coming months, we are optimistic about the prospects for real and tangible progress. **Together, we are making philanthropy stronger.**

Take 5 Campaign

The Take 5 Campaign will continue to be the organizing principle and yardstick for progress for D5's work as we intensify efforts to move foundations to take action. With the tools and resources already developed and with support provided by D5 and partners, Take 5 is a key way in which D5 will help mobilize champions to act within their own institutions and the field—and inspire their peers to do the same.

Data Collection

Development and implementation of field-wide standards for data collection and transparency is a top priority for D5 in 2014. Data collection templates are in the final draft stages of development and will be piloted. We are increasing the number of stakeholders around the table, thereby expanding the breadth of competencies, resources, and institutions engaged in and committed to this collaborative work.

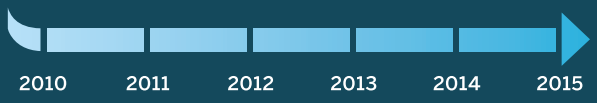
Diverse Leaders

Executive leadership work—or increasing the number of diverse CEOs and trustees—has been a challenge for D5. Effective strategies for advancing this goal have been elusive, but the path forward is emerging. The research commissioned by D5 on career pathways of people of color in philanthropy as well as critical conversations with CEOs, trustees, foundation human resources departments and executive search professionals, have confirmed the importance of organizational culture and readiness in attracting and retaining diverse leadership. D5's work in 2014 will develop and execute strategies that build on this learning as we engage leaders to take an increasingly prominent role in advancing this work.

TARGETING BIG CHANGES

Our vision is that by 2015:

1. **Leaders:** New foundation CEO, staff, and trustee appointments more closely reflect U.S. demographic trends.
2. **Action:** More foundations take meaningful action to address diversity, equity, and inclusion issues in their organizations.
3. **Funding:** Annual funding for diverse communities increases substantially.
4. **Data:** Philanthropy has the research capacity to be more transparent about progress on diversity, equity, and inclusion.



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