

THE CHRONICLE OF  
**PHILANTHROPY**  
*Connecting the nonprofit world with news, jobs, and ideas*

**Opinion**

April 3, 2011

## **Foundations Must Conquer Myths in Order to Lead on Diversity Issues**

*By Stephen Heintz, Robert Ross, and Sterling Speirn*

April marks anniversaries of gulfs and bridges in American history. One hundred fifty years ago this month, the first shots were fired in the Civil War. April is also the month we commemorate the signing of the first federal law against housing discrimination more than 40 years ago.

As our country continues to grapple with questions of diversity, division, and justice—on immigration issues and anti-Muslim violence, to name just two examples in the headlines—organized philanthropy is doing some reckoning of its own.

For example, this month a coalition of 18 national and regional philanthropy groups that we help to lead will release “State of the Work 2011,” the first in an annual series mapping the state of philanthropy when it comes to diversity, equity, and inclusion.

It demonstrates that the demographics of foundation executives and trustees don’t reflect the nation’s overall diversity; fewer than a third of foundations have diversity policies and practices in place; available data suggest that diverse communities don’t get as much from grant makers as others; and philanthropy needs more standardized data collection on diversity-related issues.

As co-chairs of the [D5 Coalition](#)—so named because we’re aiming for big diversity changes over the five years of the effort, 2010 to 2015—we’re proud that so many philanthropy organizations are participating.

But here’s the rub: For all its weight and acceleration, this effort simply won’t get off the ground unless foundations provide the lift. Foundations can and must do more to make philanthropy more diverse, equitable, and inclusive.

What stands in the way? For starters, as foundation leaders, we've encountered—and have sometimes fallen prey to—three myths:

**Myth: Diversity is just about skin color and head counts.** The truth is that diversity is about much more. We use a broad definition, focusing not only on racial and ethnic groups but also on women; people with disabilities; lesbian, gay, bisexual, and transgender people; and many others.

And focusing on diversity, though important, is just the beginning. We need to dig deeper to improve justice, impartiality, and fairness in how society's institutions operate and distribute resources.

We also need to make sure individuals are able to participate fully in decision making by those institutions—including philanthropy.

**Myth: Diversity is about external appearances.** For our foundations, promoting equity and inclusion is important mostly because it makes our own operations more effective. Diverse perspectives within foundations can help build better relationships with grantees, improve team problem-solving, and lead to better outcomes.

As Scott Page, a University of Michigan professor, documents in his book *The Difference*, diverse groups outperform like-minded ones on various innovation and performance measures.

And in his bestseller *The Wisdom of Crowds*, the journalist James Surowiecki demonstrates how multiple perspectives are more effective than limited ones in problem solving and just plain getting to the right answer.

**Myth: Given all the problems in American society, diversity is a diversion that foundations can't afford.** We believe just the opposite, and our trustees agree.

For today's foundations, diversity is about relevance in a changing world. With demographics in flux—for instance, California is expected to become majority Latino this decade—and an economy that is restructuring before our eyes, nonprofit organizations are scrambling to keep up. Foundations must respond.

And it's not limited to philanthropy—witness how companies of all stripes are adapting to the changing needs of diverse customers to stay relevant.

Once foundations get past the mythology, then comes the harder part: making changes to policies and practices. We won't pretend that it's easy. Indeed, helping push our foundations

forward on diversity, equity, and inclusion has been among the hardest things we've done in our entire careers. Of course, we also count them among the most rewarding.

Our foundations—and many others, small and large, private and public—have found three especially promising ways to make progress.

**Look inside.** “State of the Work 2011” finds that foundation policies and practices that focus on building diversity, equity, and inclusion are still the exception.

It doesn't have to be that way. In 2008, for example, the Rockefeller Brothers Fund began a foundationwide process to assess and improve diversity within operations and grant making. An internal assessment and series of discussions with trustees and staff members led to the conclusion that diversity was more than “the right thing to do”; it was a mandate of the foundation's mission. The process established an everyday commitment to promoting an inclusive work environment.

After its board of directors adopted a 15-point diversity plan, the California Endowment commissioned an independent audit to measure performance against the plan. The result is a report card, with good grades and bad, that has been shared with the foundation's board and will be made available on its Web site in June. One of the better grades was for the fact that the foundation's CEO now is accountable for meeting diversity goals as part of his performance evaluation.

**Reshape your grant making.** The big finding from “State of the Work 2011” is that we don't have nearly enough data on foundation grant making to get a full picture of where money is going.

But the data we have indicate that diverse communities—ethnic and racial minorities; women and girls; people with disabilities; and lesbian, gay, bisexual, and transgender individuals—don't get a sufficient share of philanthropic dollars.

Foundations are working to change that. For example, the California Endowment gathers data to determine where grants are going and which types of people are being served.

And last year the W.K. Kellogg Foundation started America Healing, a multiyear commitment to invest in efforts to assure racial equity. For the Kellogg foundation, racial healing—and dealing with the consequences of structural racism in education, health, and family economic security—is the kind of provocative work that many might not expect from philanthropy, yet it is the kind that we think foundations are in a perfect position to take on.

**Help philanthropy lead the way to a more diverse society.** Individually, foundations can make a difference by improving their policies and practices on diversity and reshaping their grant making. Those are critical first steps. But think about the power foundations have collectively to make organized philanthropy more diverse, inclusive, and equitable and in turn to help show the way on these issues in American society.

Leaders in philanthropy have more opportunities to add their voice and ideas to collective action on diversity than ever before. We encourage our colleagues to participate in these efforts. Making real progress to end bias and marginalization is hard work. It's easier, better, and more fulfilling when done together.

Maybe the biggest obstacle we find standing in the way of foundation action is a nagging, often unspoken question: Why now?

We see several reasons for urgency. Making progress on diversity, equity, and inclusion is more than just a "nice thing to do," it's the right thing to do. And it's the practical thing to do: A changing world requires foundations to act differently to stay relevant. Our work in communities will not be fully realized until the people representing philanthropy represent the populations we serve.

We also see our highest personal purposes as foundation leaders embodied in this effort. Each of us knows that our days with the privilege to work in this field are limited. (Despite our best efforts, we're not getting any younger.)

Imagine the burden we'd impose on the next generation of philanthropy leaders if we didn't do all we could to make philanthropy more diverse, equitable, and inclusive in a changing world. Imagine the legacy we'd leave if we did.

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(Posted with permission from the *Chronicle of Philanthropy*. For the original article, go to: <http://philanthropy.com/article/How-Foundations-Can-Lead-the/126954/>)