

Building Diverse and Inclusive Foundations ~ Lessons from Michigan ~ Summer 2009

This document synthesizes themes and highlights examples and lessons from the *Knowledge Symposium on Diversity and Inclusion in Philanthropy: The Michigan Experience* convened by the Council of Michigan Foundations and the Diversity in Philanthropy Project on March 2-4, 2009 in Detroit and pre-symposium interviews with approximately 20 Michigan foundations and 17 national content experts. The Symposium was the launch of CMF's five-year *Transforming Michigan Philanthropy Through Diversity and Inclusion* initiative.



INTRODUCTION: MINING FOR LESSONS IN DIVERSITY & INCLUSION

What does it take to build a foundation's ability to constructively address diversity and inclusion, so that it maximizes its effectiveness and impact?

This scan examines this question primarily from the perspective of foundation CEOs, trustees, and staff, and national diversity experts from within and outside the philanthropic sector who were asked:

- Why is it important for philanthropy to become diverse and inclusive?
- What are the barriers and challenges that need to be overcome?
- What is the role of foundation leaders in catalyzing and sustaining change?
- What kinds of specific strategies, practices, policies, and programs have foundations used and found to be effective in growing diverse board, staff, and grantmaking?
- Where would you like to continue making progress in terms of diversity and inclusion; what kind of support would help you do this?

The stories and experiences shared through these thoughtful interviews and during the symposium lift up the various ways that philanthropy leaders define diversity, the reasons they believe diversity is valuable to their institutions and the field, their thoughts on the challenges that make building diversity and inclusion in philanthropy so difficult, and examples of their on-the-ground experiences implementing diversity efforts in their institutions. They combine to form a landscape scan that examines the realities of shifting foundation culture and practice toward one that honors, celebrates, and capitalizes on diversity and inclusion, inside and out.

A few caveats.

First, this piece was developed initially as a background piece for the CMF-DPP Symposium, held on March 2-4, 2009 in Detroit. It is a distillation of lessons shared by Michigan foundation leaders and national resource people in interviews and during the event itself. It ends with a series of *Conversation Starters* – notes and questions to prompt further reflection and experience sharing to continue building our body of knowledge.

This working paper can serve as a catalyst for continued discussion as Michigan foundations work to build a more diverse and inclusive sector in Michigan, in other regions, and nationally.

Second, while we hope that this document will be shared broadly within philanthropy, it does not provide a comprehensive answer to the question of how foundation leaders go about building diverse, inclusive, and highly effective boards, staff, vendors, investments, and grantmaking programs. The possible strategies and avenues for success are too varied and idiosyncratic to be fully captured in a single document. And, maybe more importantly, foundation leaders interviewed agreed that there is no particular mystery involved in building an organizational culture and grantmaking program that recognizes, honors, and maximizes the power of diversity. What is needed is a commitment to examining culture and practice, and lots of patience to explore and try new ways of doing business. As one interviewee put it: *It's not rocket science. It's mining.* So here's an attempt to start the excavation process.

Perspective from Diversity Experts:



In addition to foundation leaders in Michigan, we interviewed 17 national content experts on diversity from within and outside the sector. Their comments shaped the development of the symposium.

- 1) Building diversity requires foundation boards and CEOs to have and sustain the will to make change. Beyond that, there are many ways to be successful.
- 2) The field needs: an intentional effort to build will and capacity, a way to assess which resources have been most helpful, and a strategy for gathering and sharing lessons learned about developing and sustaining a culture to support diversity.
- 3) Storytelling is one of the most powerful ways to share these messages – particularly stories from CEOs and board members beyond the 'usual suspects'.
- 4) The sector has been talking about how to increase diversity and inclusion in philanthropy for a long time. To be effective, the symposium – and especially CMF's follow-up – must be oriented toward action, not rhetoric.

WHAT IS THE VALUE OF DIVERSITY & INCLUSION IN PHILANTHROPY?

Michigan foundations leaders agreed that diversity and inclusive practice are essential for *impact* in philanthropy. The point is not to be diverse and inclusive just to do the “right thing,” they asserted. More specifically, foundation leaders interviewed identified the following interwoven motivations driving their efforts:

1. To be relevant and secure a positive public image

Without a positive public image, philanthropy can still function, but it can't forge the partnerships and authentic relationships that it needs to succeed in bringing change to communities. Most people don't think about philanthropy at all, let alone picture it as a bold and risk-taking force for social good. According to the Philanthropy Awareness Initiative (PAI), very few people can give examples of philanthropy's impact on community, and even fewer can cite philanthropy's impact on an issue they care about.¹ When a foundation looks nothing like its community, and fails to bring in community perspectives, its chances of success are diminished. And, as the recent bouts of legislative scrutiny have demonstrated, all philanthropy (not just foundations that work in disadvantaged communities) runs a risk when foundations are perceived as insular. Much of how a foundation is seen depends on local relationships, not national media campaigns, so how a foundation behaves in its own backyard becomes highly relevant.



“Philanthropy could not be more relevant than it is at this moment if it works strategically and effectively on this issue...”

Sterling Speirn, President & CEO
W.K. Kellogg Foundation

In community and other public foundations, the relevance issue has even more immediacy, since these organizations need to demonstrate their relevance to community to attract the donors who sustain them. Unlike private foundations, public and community foundations have an external economic imperative – as well as a moral imperative – to be representative of and relevant to their constituencies. Several community foundation leaders interviewed articulated the belief that their foundations cannot be effective if they fail to represent their entire constituency. *“If you want to be relevant, you've got to be in touch with the times, in all respects”* said one community foundation CEO.

2. To maximize effectiveness

While the empirical link between effectiveness and diversity in philanthropy is still under exploration, the connection seemed intuitive to the leaders interviewed. *“How can you hope to have impact without diversity?”* asked one foundation representative. Diversity and effectiveness were described as linked in the following ways:

- **Diversity makes for better grantmaking.** Interviewees claimed that having diverse – and representative – perspectives informing grantmaking means less of a gap of experience and perspective between grantmakers and grantseekers and more chance that funding will actually have the desired impact in the communities and organizations that receive it. *“I think that it will help Michigan foundations to be more*

¹ PAI, *Philanthropy's Awareness Deficit*, downloaded from <http://www.philanthropyawareness.org/Philanthropys%20Awareness%20Deficit.pdf>

effective in their work if they include diversity and inclusion as a value and as a policy and practice,” said Carol Goss, President & CEO of the Skillman Foundation. “They will be exposed to a variety of perspectives that will help them to make better decisions in their grantmaking, on the human resources side, and in their services side. I just think that it’s too easy for the philanthropic sector to become insular.”

- **Diversity and inclusion open doors.** Even well-intentioned and well-conceived projects are easily derailed when they aren’t planned with the right players at the table – whether through foundation insularity, because the relationships just aren’t there, or because of a perception that funding has to move too quickly to engage communities in authentic ways.
- **Diversity of thought is necessary to address complex, entrenched issues.** Michigan foundation leaders believe that the increasing complexity of the long-standing social problems that their foundations address require teams that can look at the issues from different perspectives. And their perspective is backed up by mounting empirical evidence. As Scott Page asserts in *The Difference*, “...cognitive diversity improves collective performance. We see strong evidence that collections of people with diverse training perform well...To sum up, the benefits of diversity do exist. They’re not huge. We shouldn’t expect them to be huge. But they’re real, and over time, if we can leverage them, we’ll be far better off. We’ll find better solutions to our problems. We’ll make better predictions. We’ll live in a better place.”²
- **Diversity and inclusion efforts help foundations practice what they preach.** For foundations focused on dismantling structural barriers to equality and expanding resources to include populations underrepresented and among the most disadvantaged and underserved in our society, diversity and inclusion efforts present a way to remedy these inequities among their philanthropic decision making and grantee ranks.

“Embracing the principles of inclusion... requires more than just hiring new faces or channeling grants to a bypassed nonprofit. It requires opening minds and doors to new perspectives and worldviews that often don’t find a place at the grantmaker’s table.”

Building on a Better Foundation: A Toolkit for Creating an Inclusive Grantmaking Organization
Donors Forum of Chicago, Minnesota Council on Foundations, Northern California Grantmakers, and Philanthropy New York, 1999.

3. To respond to political realities

Michigan foundation leaders reminded us that tackling diversity may not be a matter of choice for philanthropy in the future. Advocacy groups, like the California-based Greenlining Institute, are pushing for legislation to compel stronger diversity reporting and investment by private foundations in key states. Regardless of individual opinions about the proposed policy interventions, foundation leaders seemed to see these efforts as an important wake-up call to the sector. “*Increasing our own diversity is a pre-emptive strike against whatever the legislatures are cooking up,*” was the blunt assessment of one interviewee.

² Page, S. (2007). *The difference: How the power of diversity creates better groups, firms, schools and societies*. Princeton University Press, pp. 334-335.

WHY IS DIVERSITY WORK SO HARD?

Even foundations with sincere and stated commitments to being diverse and inclusive find it difficult to build diverse and inclusive boards, staff, grantmaking programs, and foundation operations. There are real reasons that foundations have trouble moving beyond the rhetoric: the issues seem intractable, foundations are often culturally complacent, and the questions that need to be asked are hard, even taboo, to discuss. The issues within any given foundation are compounded by broader social, organizational and sector-wide factors.



1. It's a sociocultural issue

It is impossible to disconnect foundation diversity and inclusion work from its broader social context, nor should we try to do so. Despite historical trends that allow us to track marginalization and underrepresentation of certain groups, the dynamics of our culture are constantly shifting, making it difficult to define, let alone declare, sustainable success.

- **Diversity work is never done.** Interviewees warned that it's easy to believe that a foundation has achieved meaningful and sustainable diversity and inclusion when the foundation staff appears to be diverse. *"It's easy to lose intentionality once you've passed the color test. Once you feel that you look good, it's easy to let the competing priorities take the place at the front burner,"* said one representative. Because the work of growing diversity and inclusion is so long-term, explained another interviewee, it's easy to have years of what he coined *arrested development*. He commented that, *"without a robust, aggressive, ambitious, authorizing environment to do this work, you can easily fall back and turn to other things and not continue to push."*
- **Long-time stakeholders may be alienated.** Is it possible to be truly inclusive, marginalizing no one? Can a foundation leader take a stand on diversity and inclusion without alienating a trustee, board member, grantee, community leader, or religious leader? Several foundations commented that their values-based stance on diversity came into conflict with the values of some of their stakeholders. For example, foundation inclusiveness policies, which explicitly deny funding to organizations that discriminate on the basis of sexual orientation, may be challenged by religious groups that feel that such a policy marginalizes their religious tenets.
- **Well-intentioned efforts may not work.** Resistance can come from the communities served as well. Foundation representatives described encountering anger when they least expected it: when they were rushing to get money out the door as quickly as possible to address an urgent need. To their distress, the community they wanted to assist seemed offended, a response described by one interviewee as *"what are you rich white people from the suburbs doing coming in here and telling us how we should do things?"* Because diversity and inclusion work in this country always happens against the backdrop of the historical structural disenfranchisement and marginalization of certain communities, particularly communities of color, well-intentioned efforts may still cause anger and resentment if they are not developed in a participatory manner.

2. It's a foundation culture issue

Foundation leaders interviewed agreed that while numbers are important to diversity, numbers are not enough. Indeed, a diverse organization can still behave in a way that is fundamentally white, upper class, straight, and Christian, if there has been no deliberate effort to ensure an inclusive culture that values and capitalizes on diversity. Organizational culture needs to be attended to. If it is not, diversity efforts will fail. Additional culture observations from our interviews included:

- **Many foundations have deeply entrenched cultures.** Long-standing cultures exert a powerful force and can make it very hard for foundations to accept difference and new ways of thinking. According to author and activist, Mary Ellen Capek, *“Elite institutions especially expect new people coming into the organization to fit in to the dominant culture. Anybody who wants to be part of it has to accept that culture, which becomes a kind of lead weight, dead weight. So the challenge becomes how you keep the good parts of organizational culture—the history, the traditions that everybody really loves and values—and at the same time, look at what the dead weight really is.”*³
- **Foundations often hire to fit their culture, rather than develop cultures that mirror their hires.** Many foundations have a “way that we are,” a culture that is embedded and hard to perceive by those in the midst of it. This makes it difficult for any new individual, particularly those with different experiences and perspectives to find their place and want to stay over the long-term.
- **Wealth and power make honest dialogue difficult.** *“The power dynamic of the foundation makes everything harder,”* said one foundation executive. All other diversity-related issues aside, philanthropy inhabits a rarified world of wealth and privilege, which creates an imbalance of power under the best of circumstances. Philanthropic organizations often work with living donors, family members, or founders, who may have a high level of commitment, but whose experience and perspective may be discordant with the communities that they are committed to engaging. Since foundations rarely receive candid feedback from grantees, and foundation boards of directors and executive leadership are unlikely to hear honest criticism from foundation staff, the misperception that the status quo is fine can easily flourish.

REAL APPROACHES TO GROWING DIVERSITY FROM MICHIGAN FOUNDATIONS

How do you get beyond the rhetoric when it comes to building a diverse and inclusive foundation? For many of the foundation leaders interviewed, it's a matter of articulating values explicitly and creating structures, policies, and consistent practices that put diversity and inclusivity at the core of foundation operations. Take the plunge and *do* the work, rather than just talk about it, said interviewees. As one sector leader expressed, *“you don't plow a field by turning the soil over in your mind.”*

1. Shout and model a commitment to diversity and inclusion from the top

Across the interviews, foundation leaders echoed the need for people in formal leadership positions to take responsibility for articulating and modeling a commitment to diversity and inclusion. Several spoke to the particular importance of white male leaders carrying the banner for this work, and all asserted that efforts to build diversity and inclusion would go nowhere without strong and consistent championing from foundation leadership at the board and executive levels.

³ Mary Ellen Capek, Interview, February 2008. http://www.diversityinphilanthropy.org/voices/interviews/mary_ellen_capek/

Since the will to make change was identified as the single most important factor, we wondered whether there were specific moments, learning opportunities, pieces of data, or experiences that were critical to building will. As it turned out, none of the leaders interviewed claimed to have had a singular moment of epiphany that drove them to care about diversity and inclusion; instead, they spoke about having grown up valuing diversity, having that value as part of their “DNA,” or having a particular sensitivity toward diversity and inclusion issues from their own life experiences. In their roles as foundation leaders, however, they recognized that changing foundation culture and operations needed to begin with them. To that end, leaders recommended the following as essential for creating change:

- **Have courage.** It is hard to challenge hidden values that are both invisible and seemingly non-negotiable. Interviewees warned that philanthropy leaders must realize and accept that taking a stand on issues related to diversity and inclusion will, sooner or later, create conflict. Their advice: *don't even try to please everyone.* Model self-reflection, transparency, and the willingness to have the “awkward conversation.”
- **Confront issues as they arise, rather than sweeping them under the rug.** Interviewees stressed the importance of dealing with conflict – from staff, board, or community – directly and in a timely manner. Unfortunately, the philanthropic field’s culture of politeness can undermine a leader’s ability to step out on a limb.
- **Get comfortable talking about difference.** Sometimes, beginning with a relatively ‘easy’ topic like work-style difference (Myers Briggs, Eneagram, or True Colors training) can get the conversation started and help people begin to feel comfortable discussing different backgrounds, world views, and perspectives.
- **Keep issues of diversity and inclusion at the center of the conversation.** For some, this meant building the values of diversity and inclusion into the strategic plan and core values of the organization.
- **Stay the course, even though you will become weary.** “I’m tired” was a common statement from foundation leaders who have been pushing for diversity and inclusive practice in their foundations for a long time.
- **Be the change.** By modeling self-reflection, questioning, and learning, foundation leaders set an essential example. Although this behavior can be counter-intuitive, research from Robin Ely, Debra Meyerson, and Martin Davidson has shown that “leaders who question themselves and learn from others in the service of clear goals do not bespeak a lack of confidence; rather, they demonstrate humility, clarity, and strength.”⁴

⁴ Ely, Robin J., Debra E. Meyerson, and Martin N. Davidson. "Rethinking Political Correctness." *Harvard Business Review* 84, no. 9 (September 2006).

2. Clearly and intentionally define what you mean by diversity

Generally, foundation leaders interviewed talked about diversity broadly, as encompassing a wide spectrum of human differences, including gender, race, ethnicity, sexual orientation, disability/ability, age, and class. In some of the conversations, leaders described additional aspects of diversity that were central to their work, including geography, religion, and positional power.

Defining diversity broadly may be a good pragmatic choice, a deeply felt value, or both in an institutional context. For some, a broad definition acknowledges and honors the full range of human difference and allows everyone to see themselves within the diversity paradigm. Others may have a constituency or community that doesn't include much racial and ethnic diversity, so the foundation's efforts to be diverse and inclusive may target other elements of difference, such as age, gender, educational level, etc.

Foundations focused on tackling structural inequities in our society may specify race, ethnicity, sexual orientation, gender, or other population categories as priorities. They may feel that while all diversity is valuable, the work to be done first is the work of social justice and dismantling systemic disenfranchisement.

It is most important, interviewees said, to articulate the approach that makes the most sense for your own organization, given its particular institutional culture, mission, and priorities. Do not, they warned, let defining diversity become an excuse for not taking action. *"You can spend a lot of time on process and definitions that keep you from taking the next step,"* noted one interviewee.

3. Build the values of diversity and inclusion into formal policies

It is easier to say that an organization values diversity and inclusion in general than it is to develop specific policies and practices that actively support them. And policies make a difference. Indeed, research increasingly shows a connection between organizational diversity and organizational policies related to diversity⁵. Some examples that interviewees felt held promise included:

- **Implement policies that explicitly express the foundation's commitment to social justice, including policies related to LGBT domestic partnerships and families.**

The Skillman Foundation Policies to Support Practices



For The Skillman Foundation in Detroit, Michigan, building an explicit commitment to diversity and inclusion into organizational policies is the next frontier. *"Skillman has been very intentional about practice,"* said President & CEO, Carol Goss. *"For the most part, staff reflects the communities that we serve. But we haven't been as intentional about policies. We don't have policies in place that would support our practices, so if people left, those things might change over time."* As part of its upcoming work, The Skillman Foundation will be reviewing and revising its Procedures and Policies manual to reflect the values that the foundation already holds.

⁵ E.g., see Michigan Organized Philanthropy Demographic Survey Results, April 2009, Johnson Center at Grand Valley State University; and Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance, November 2005, the Center for Effective Philanthropy

- **Integrate criteria related to cultural competency and inclusive practice into performance assessments at all levels.**
- **Build specific protocols for ensuring that diversity and inclusion stay on the table.** For example, one foundation uses three specific questions to examine board nominating decisions: 1) Who is at the table? 2) Who do we understand might not be at the table? 3) How do we go about getting those folks to the table?
- **Infuse diversity and inclusion into grantmaking policies.** Many of the foundations interviewed have grantmaking guidelines that require grantseekers to sign a non-discrimination statement or indicate the ways in which they reflect diversity and inclusion. In some cases, the adoption of these guidelines meant saying goodbye to long-time grantees, such as the Boy Scouts, which have discriminatory practices.

4. Test practices and structures that can nurture and incubate diversity and inclusion

Diversity and inclusion efforts need formal authorization and support. Foundation representatives described strategies that create safe spaces for dialogue and allow diversity and inclusion to grow.

- **Provide safe spaces and formal avenues for surfacing difficult issues.** For example, in one foundation, staff has access to an outside facilitator at any time for conversations about difficult topics related to diversity and inclusion issues. The facilitator is responsible for bringing difficult topics anonymously to the CEO when necessary.
- **Offer ongoing opportunities for staff development specifically related to diversity.** Trainings, dialogues, speakers, movies, and workshops that offer information, new perspectives, and promote dialogue can create transformative experiences. To be effective, these opportunities must be offered consistently and not as short-lived or one-shot efforts. Foundation staff and board members should know that the topic won't "just go away" if ignored.
- **Expand the diversity of voices at decision making tables.** A grantmaking committee allowed one foundation to gradually overcome board resistance to diversifying its membership. The committee was developed to bring more diverse voices to the table and to allow prospective board members beyond the "usual suspects" to become known and credible to the existing board. According to one of the foundation's trustees: *"Sometimes you have to demonstrate the value of something before you can communicate about its value."*
- **Endow staff with authority to push the envelope.** An ad-hoc committee of staff devoted to increasing one foundation's own inclusive practice and strengthening congruence between values and practices has been meeting with the full endorsement of the foundation CEO. Ultimately, the conversations of the committee will be rolled out more broadly to include the rest of the staff and the board.
- **Develop a culture that is forgiving and free of judgment and the skills for talking about difficult things.** Foundations have found that they make progress when staff feels able to say things that might not be "politically correct" and to challenge each other in a constructive way. It goes without saying that this doesn't just happen, but is only possible with consistent modeling and encouragement. Foundation executive leadership and board members are in the best position to model this culture.

5. Bring on the right people – develop boards and staff with a diversity lens

Intentional hiring and board development practices were identified as essential to becoming more diverse and making sure that the values of diversity and inclusion are shared across the organization. Approaches varied. In some foundations, the nominating process for the board involves an intentional and detailed analysis of who is currently at the table and who is needed in order to be more fully representative of the whole community. Other organizations do not have a formal process of seeking diversity, but instead try to take diversity into “consideration” in every decision.

Interviewees gave the following advice:

- **Be deliberate: to hire diverse staff means having a diverse applicant pool that is both broad and deep.** Foundation leaders often turn to the networks that they know well when hiring, but these networks are unlikely to bring new kinds of people to the foundation. Interviewees stressed the need to look beyond those automatic networks for referrals and advice.
- **Work with search firms that have experience with building diverse candidate pools.**
- **Expect to take more time than usual to recruit and hire, at least until your foundation has built broad and diverse networks.** According to Tonya Allen, Vice President at the Skillman Foundation, the idea that it is “hard” to hire a diverse, yet qualified, staff is pervasive, but untrue. *“It may seem hard”, said Allen, “but only if you are not looking in the right places.”*
- **Be clear about the foundation’s explicit commitment to diversity and inclusiveness when hiring.** Not only does this clarity make your foundation more attractive to diverse candidates, it will also help to ensure that diversity and inclusion are part of the value system of new hires.

Hiring Decisions at the Fisher Foundation



When Doug Bitonti Stewart, the executive director of the Max M. and Marjorie S. Fisher Foundation, needed to hire a new executive assistant, he first turned to the networks he knew well.

“I went through the normal course of what I’ve done in my career to find a new assistant,” he explained, “I called people I know.”

After interviewing three people, he realized that all of the candidates were very much like him in terms of background, and that none needed the job in the way that members of the community that the foundation was working in might need it. He worried that he was unwittingly perpetuating structural discrimination. *“So we ended up scrapping the process and saying: We’ve got to start again,” he said.*

The foundation is now working together with some of its grantees in the neighborhood, trying to find someone for the position. According to Stewart: *“That’s our responsibility – personally and institutionally.”*

6. Shore up organizational culture to support diversity

"If you don't couple this work with good O.D (organization development) techniques, you can do harm," said one CEO interviewed. No matter how diverse a board or staff may be, it will not function well if the culture of the organization doesn't promote learning and inquiry. Some suggested approaches to tackle difficult organizational culture issues.

- **Identify the norms that underlie your organization's culture.** Only once these hidden norms have been brought to light, can you consider whether they are serving your needs and change them. One foundation realized that its board, while racially and ethnically diverse, had a culture that privileged formal, positional power, making it an inhospitable climate for some of the more 'grassroots' community leaders who came aboard. To begin to address this, the organization has implemented a process of orientation that gets new board members active right away.
- **Understand and be transparent about the organization's history and where it is headed.** It may be useful to acknowledge a foundation's historical lack of diversity, rather than gloss over the fact. Conversely, when building a diverse and inclusive board and staff is a priority, it is useful to be open about the aspiration.
- **Recognize that hiring is only the beginning.** People are not likely to stay or bring their full selves to their work unless they are valued for all that they bring
- **Develop diverse staff at all levels.** Large foundation representatives described a common phenomenon in which administrative and entry-level staff are highly diverse, but executive staff are much less so. A staff with this profile may look diverse, but probably lacks an inclusive culture.
- **Be sure that staff and board members aren't boxed into *representing* a particular community or perspective,** simply because of their race, ethnicity, gender, sexual orientation, etc.

Grand Rapids Community Foundation Building Diversity...Building Community



Many people thought that the Grand Rapids Community Foundation's goal of having 25% minority subcontractors on the renovation of their new office building was unattainable. When the building was finished, minority participation made up 49% of the total hours worked. President & CEO Diana Sieger wrote on her blog: "*We were told by many people that we were really not going to make our goal of 25% minority subcontractors and that we were being too idealistic. Phooey!*"

In addition to a beautiful building, the community foundation had built the capacity of several minority owned firms, who had not previously worked on such a large project. They also increased the network of minority sub-contractors that were known to building project managers.

7. Establish measurable goals, collect data, and model transparency

Foundation leaders recommend developing specific tactics to measure and track progress on diversity. Suggestions for and examples of ways to set goals and increase transparency include:

- **Post demographic data publically.** The W.K. Kellogg Foundation posts demographic statistics of staff and board, measured over time, on the foundation’s public website, at wkkf.org. Go to the News Room, Foundation Facts, and then Workforce Composition.
- **Report demographic data internally.** Some foundations, while not wishing to post their demographic information publically, measure the diversity of staff and board annually and benchmark from the Council on Foundation’s statistics to track progress annually. This information is then reported to the foundation board.
- **Set specific goals and measure progress.** It can be very useful to develop numerical goals for diversifying boards, staff, and vendors. This allows a foundation to better track and report on progress.

8. Find creative ways to get the perspectives you need

Foundations do not always have easy options for bringing diversity onto the staff or the board or for achieving authentic relationships with the communities that they hope to serve. Sometimes, the small size of the board or staff makes this impossible; other times, a family board may not be able or wish to add nonfamily members. Newer foundations may find that it takes time to build the trust required for healthy partnerships with communities. In these and other instances, foundations have found that they can access diverse perspectives and grow inclusive practice through authentic and creative community partnerships.

- **Build committees of youth grantmakers.** Community foundations with YACs (Youth Advisory Councils) have found that the young people are often ready to tackle issues and have discussions that are challenging for the foundation’s staff and board of directors.
- **Partner with another foundation.** This strategy can be helpful, said foundation leaders, particularly if you are just entering a community or just beginning to fund in an area where another foundation has well-established relationships and credibility.
- **Partner with on-the-ground community organizations,** such as churches, that have well established support of and trust from the community.

With HOPE Comes Progress at CFSEM

The HOPE fund of the Community Foundation for Southeast Michigan (CFSEM) was created in 1994 to strengthen community organizations serving lesbian, gay, bisexual, and transgendered people.

At the time that the HOPE fund was created, it was seen as a risk that many community foundations were not willing to take. CFSEM’s board agreed to move forward with it, even if it meant losing a few donors who weren’t open to a LGBT fund.

Ultimately, the HOPE fund has been highly successful, giving out over a million dollars in grants, attracting many new donors to the organization, and expanding grantmaking beyond the usual suspects.

The success of the HOPE fund means that there are opportunities for success in other areas of diversity as well.

- **Reach out to diverse donors.** For community foundations, setting up funds – such as endowed funds or giving circles – specifically targeting diverse donors and funding issues in their particular communities can be a powerful way to demonstrate a commitment to serving diverse constituencies, as well as to reach beyond the usual suspects in grantmaking.
- **Share the brush.** Be sure, when creating community relationships and partnerships that they are meaningful and not for show. *“Share the brush,”* suggested one interviewee. *“You have to interact with all the parts of the community that can help you paint the picture.”*

9. Create grantmaking programs that embody the salience of the work

A grantmaking portfolio or fund that emphasizes diversity, equity, or social justice can demystify and solidify diversity as an institutional priority.

- **Develop a specific portfolio devoted to the issues.** A specific grantmaking program can bring intentionality to the foundation’s focus on diversity and inclusion, even across program areas. One interviewee explained, *“Our grantmaking focus... and the institutional involvement in that portfolio... changed our level of understanding here about these issues. We were more aware of training opportunities nationally that a number of program officers attended who weren’t doing the direct race grantmaking.”*
- **View all program areas through a lens of social justice and equity.** Foundations without a specific portfolio but working in areas like health, poverty, and education confront inequities that are grounded in race, class, gender, age, or ability diversity, among others. It is hard, asserted foundation leaders, to not see the importance of inclusive practice and diverse voices when trying to have an impact on such entrenched social issues.

THE NEXT FRONTIER: CONCLUSION & NEXT STEPS

Over the course of the next five years, the Council of Michigan Foundations’ (CMF) *Transforming Michigan Philanthropy Through Diversity and Inclusion* initiative will work to increase the effectiveness and accountability of organized philanthropy in Michigan. CMF’s initiative is the first and only effort in the sector aimed at transforming the sector on a state-wide basis.

CMF’s objectives are to:

1. To become a model regional association and national resource for the national field of organized philanthropy
2. To increase CMF member awareness, understanding and action in diversity, inclusion and social equity grantmaking
3. To help 20 member foundations achieve their goals for diversity, inclusion and social equity
4. To increase the diversity of foundation staff, executives and trustees

This paper makes a first pass at capturing the ways that Michigan foundations think about their own work to build diversity and inclusion, both ideologically and pragmatically. It lays groundwork for further exploration of the ways in which CMF can work to meet individual and collective member needs around these critical issues. The interviews provided a wealth of lessons, but we have barely tapped the collective wisdom of Michigan foundation leaders. Through ongoing discussion and peer learning, CMF will help Michigan foundations mine and share even deeper lessons about how to undertake and sustain diversity and inclusion work. Learn more at michiganfoundations.org/tmp.

CONVERSATION STARTERS: QUESTIONS FOR FURTHER DISCUSSION

Michigan foundation leaders articulated a set of questions that they would like to explore further. We've taken the liberty of organizing these into thematic areas to guide ongoing discussions and build further understanding of how this work takes shape.

Building Staff Diversity & Cultural Competency

- What are specific techniques for creating a welcoming environment that helps a foundation retain diverse staff over time?
- What are the best training programs for staff and boards around diversity and inclusion?
- How do you manage power dynamics within staff or trustees, beyond skin color, gender, and sexual orientation? How do you address issues of class and positional power?
- Depending on where your foundation is located, or the type of foundation (ie: family) it might be difficult to become diverse in terms of racial and ethnic makeup. How can an organization that isn't very racially or ethnically diverse still be culturally competent and inclusive?



Organizational Policy & Practice

- Where can you get expert advice about inclusion policies and legal issues?
- What are best practices for inclusion in human resources policy?
- How do you integrate a commitment to diversity and inclusion into performance assessment?
- Is it really necessary to have policies, if diversity and inclusive practice are values that are integrated implicitly through the foundation?

The Board and Executive Leadership – Leading for Organizational Change

- What kind of data have foundation staff found useful for helping boards see the need for diversity and inclusion?
- How do you present this work to a board that does not yet have a champion?
- How do you diversify boards, or incorporate diverse perspectives when a board is not open to adding members (as in a family foundation situation)?
- What kinds of diversity/inclusion training, technical assistance, or other resources exist and have been found to be effective for boards?

Building Diversity and Inclusion, Working with Living Founders and Donors

- How should family foundations approach the work of diversity and inclusion? Is it necessary for them to change their board composition?
- When foundations take a stand on issues of diversity and inclusion, some donors may feel their independence and authority is being unnecessarily challenged or that their foundation is in danger of straying from its original purpose. How can this conversation be raised in a sensitive and appropriate way?

Stakeholder Engagement and Inclusive Grantmaking for Impact

- How do other foundations address the tension between their support for LGBTQQ (Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning) rights and the beliefs of faith-based grantseekers?
- How do you overcome the roadblocks you encounter when you work in communities where you don't "live?" Is it possible to do good work without the time-consuming process of building relationships and getting broad input?
- Is it fair to require transparency from grantseekers that our foundation does not provide?
- What is legal and ethical to expect grantees to provide/have (in terms of information about their own diversity/inclusion) in order to get funding?

Connecting Effectiveness and Diversity

- Can you make a case for diversity being important to effectiveness? What is that case?
- How much diversity is needed for success? What kind of diversity? Does it matter?
- How should we measure success in building our foundation's diversity and inclusive practice? What type of evaluation and data can be used to measure success beyond numbers: attitudes, community impact, etc.?

Using Data to Inform Decisions

- What kinds of questions can data/evaluation answer for us related to diversity and inclusion?
- What kind of information should we collect? What are the metrics that we should be using?
- How can you collect data on things like sexual orientation or disability without violating staff, board, or grantee privacy rights?

APPENDIX: INTERVIEWS & CONSULTATIONS

This appendix lists those who were interviewed and consulted for this report.

Michigan Foundation	Participant Names	Role
Ann Arbor Area Community Foundation	Mr. Phil D'Anieri	Program Director
	Ms. Cheryl W. Elliott	President & CEO
Arcus Foundation	Mr. Johnny Lee Jenkins, Jr.	Michigan Program Officer
	Ms. Gloria Z. Royal	Director of Communications
	Ms. Cindy T. Rizzo	Director of Grantmaking Programs
Charles Stewart Mott Foundation	Ms. Kimberly Roberson	Program Officer
	Ms. Maureen H. Smyth	Senior VP Programs and Communications
Community Foundation for Southeast Michigan	Ms. Mariam C. Noland	President
	Mr. Randall S. Ross	Senior Program Officer
	Mr. Chris Smith	Program Officer
	Ms. Elizabeth C. Sullivan	VP of Community Investment
Community Foundation of Greater Flint	Ms. Kathi Horton	President
	Mr. Patrick N. Naswell	VP of Community Impact
Doyle Fund - Nonprofit Workforce Capacity Building	Mr. Garland S. Doyle	Founder
Grand Rapids Community Foundation	Mr. Paul Doyle	Chair
	Ms. Marcia L. Rapp	VP of Programs
Kalamazoo Community Foundation	Dr. Juan R. Olivarez	President/CEO
Mackinac Island Community Foundation	Mr. Wesley H. Maurer, Jr.	Trustee
MASCO Corporation Foundation	Ms. Melonie B. Colaianne	President
Max M. and Marjorie S. Fisher Foundation	Mr. Douglas B. Stewart	Executive Director
Nokomis Foundation	Ms. DeDe Esque	President & CEO
Paine Family Foundation	Ms. Carol Paine-McGovern	President
Ruth Mott Foundation	Mr. Sylvester Jones, Jr.	Program Officer
	Mr. Steven M. Wilson	Executive Director
The John E. Fetzer Institute	Dr. Guillermina Hernandez-Gallegos	Senior Program Officer
	Dr. Paul Ginter	Organizational Learning Officer
The Kresge Foundation	Mr. Andrew R. Gatewood	Program Officer
The Skillman Foundation	Ms. Carol Goss	President & CEO
	Ms. Tonya Allen	VP for Programs
W.K. Kellogg Foundation	Ms. Jacquelynn Borden-Conyers	Program Director
	Ms. Gail C. Christopher	VP for Programs
	Mr. Sterling K. Speirn	President and CEO

National Resource Organizations	Name	Role
National Committee for Responsive Philanthropy	Mr. Aaron Dorfman	Executive Director
Forum of Regional Associations of Grantmakers	Mr. Ernest B. Gutierrez, Jr.	Acting President
Frameworks Institute	Mr. Frank Gilliam	
Ford Foundation, GrantCraft	Ms. Jan Jaffe	Project Leader
Rockefeller Philanthropy Advisors	Ms. Jessica Chao	Vice President
Johnson Center, Grand Valley State University	Dr. Joel J. Orosz	Distinguished Professor
Grantmakers for Effective Organizations	Ms. Kathleen Enright	President
Foundation Center	Mr. Lawrence T. McGill	Senior VP for Research
The Center on Philanthropy at Indiana University	Mr. Larry Smith	Director, Millennium Initiative
Philanthropic Initiative for Racial Equity	Ms. Lori Villarosa	Executive Director
Capek & Associates	Ms Mary Ellen S. Capek	Philanthropy and Nonprofit Research
Brazzel Associates: Organization and Diversity Change	Dr. Michael Brazzel	
Council on Foundations	Ms. Renee B. Branch	Director Diversity & Inclusive Practices
Council on Foundations	Ms. Kristin Lindsey	Senior Vice President and Chief Operating Officer
BoardSource	Ms. Vernetta Walker	Director of Consulting
University of Michigan Stephen M. Ross School of Business	Dr. Lynn Wooten	Clinical Associate Professor
Regional Associations of Grantmakers	Name	Role
Council of Michigan Foundations	Ms. Kimberly Burton	VP of Corporate Services and Director of Diversity and Inclusion
	Mr. Robert S. Collier	President & CEO
	Ms. Susan Howbert	Director, Family Philanthropy
	Mr. David R. Lindberg	VP, Finance and Administration
	Ms. Donnell Mersereau	Director Community Foundations
	Ms. Vicki Rosenberg	VP, Education, Communications & External Relations
Associated Grant Makers (Massachusetts)	Ms. Miki Akimoto	Vice President
	Mr. Ron Ancrum	President
Donors Forum (Illinois)	Ms. Valerie S. Lies	President and CEO
Grantmakers of Oregon and Southwest Washington	Ms. Joyce B. White	Executive Director
Indiana Grantmakers Alliance	Ms. Marissa Manlove	President/CEO
Minnesota Council on Foundations	Mr. William King	President
Philanthropy New York	Ms. Ronna D. Brown	President
Northern California Grantmakers	Ms. Dion Ward	Program Associate



The Council of Michigan Foundations (CMF) is a nonprofit membership association of more than 350 grantmaking organizations working together to strengthen, promote and increase philanthropy in Michigan.

CMF strives to model and promote diversity and inclusion as a means to strengthen the work of grantmakers.

We do so by working to create an environment in which men and women from different national origins, ethnicities, races, and cultures, of different generations, religions, economic backgrounds, gender identities and sexual orientations, and with different skills, abilities, lifestyles, and beliefs are respected, valued, and encouraged to participate. We seek to understand, represent and share the range of philanthropic perspectives held and traditions followed by our members. And, we actively attempt to serve a diverse membership, be governed by a diverse Board of Trustees, and to attract and retain diverse staff members.

- *Adapted from 2002 CMF Board of Trustees Value Statement on Diversity & Inclusion*

michiganfoundations.org

Diversity Philanthropy

The Diversity in Philanthropy Project (DPP) is a voluntary three-year (2007-2009) effort of leading foundation trustees, senior staff and executives committed to increasing field-wide diversity through open dialogue and strategic action.

diversityinphilanthropy.com

Research and writing for "Building Diverse and Inclusive Foundations, Lessons from Michigan" was conducted by Jessica Bearman and Anna Pond, consultants, Diversity in Philanthropy Project, and Vicki Rosenberg, Vice President, Education, Communications & External Relations, Council of Michigan Foundations.