

WORKING TOWARD DIVERSITY & INCLUSION

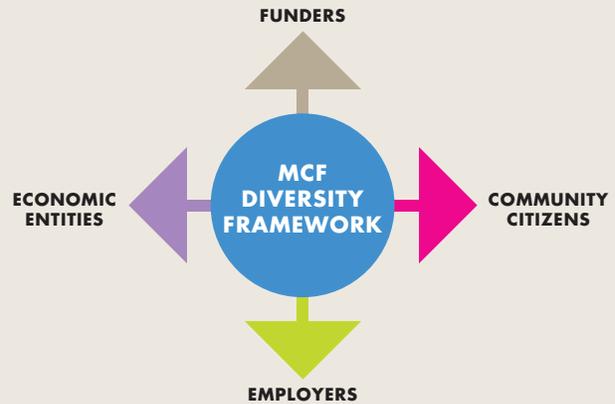
MCF DIVERSITY FRAMEWORK

Roles of Grantmaking Organizations

In developing the Diversity Framework, the Minnesota Council on Foundations found it helpful to frame the discussion around four roles that grantmaking organizations play in a civil society as funders, employers, economic entities and citizens of the community.

The Framework serves as a guide to help grantmakers discuss and take action on diversity issues. It enables foundations and corporate giving programs to adopt more inclusive practices that demonstrate their core belief that grantmaking organizations are more effective and successful when they reflect the cultural diversity of the communities they serve.

Every grantmaking organization can act on its responsibility and capacity to understand issues of diversity and inclusiveness by addressing each of the following roles.



Grantmakers as Funders

Grantmaking organizations are responsible for the prudent management and distribution of charitable funds. In this role grantmakers improve the quality of life of identified groups, respond to community needs and address the root causes of problems. Funding priorities reflect the diverse needs and opportunities of communities served through grantmaking. To better understand and respond to the diverse issues of their constituents, grantmaking organizations need to mirror the diversity of the communities they fund.

Grantmakers as Employers

Increasing staff and board diversity enriches grantmaking. Without a diverse workforce, we cannot achieve excellence. Grantmakers, like the organizations and individuals they support, are operating in an increasingly diverse society. In order to be accountable to their constituencies, grantmakers have the responsibility to be exemplary: they must have a workforce that reflects the diversity of the communities they serve through their grantmaking.

Grantmakers as Economic Entities

Funders have both an obligation and opportunities to create economic opportunities for all members of the communities they serve through their grantmaking. Through investments and purchasing decisions, funders can support minority-owned businesses and participate in the development of a healthy economic system employing a diverse workforce.

Grantmakers as Community Citizens

As an essential community resource, foundations and corporate giving programs have a responsibility to serve the public good. In their role as citizens, grantmakers must be engaged in and responsive to the communities they serve through their grantmaking. Through this involvement, grantmaking organizations will strengthen their ability to recognize and support diversity. This is a critical component of serving increasingly diverse communities and maintaining the highest quality of life.



My Actions

What steps can my organization and I take to advance diversity and inclusion?

As a funder?

As an employer?

As an economic entity?

As a community citizen?



My Actions

What steps can my organization and I take to advance diversity and inclusion?

WORKING TOWARD DIVERSITY & INCLUSION **TAKE ACTION: GRANTMAKERS AS FUNDERS**

Are Grant Dollars Reaching Diverse Populations?

In the *Working Towards Diversity IV* survey, MCF asked grantmakers to examine their mission statements and grant guidelines and report on which population groups they specifically name as key constituencies for their grantmaking.

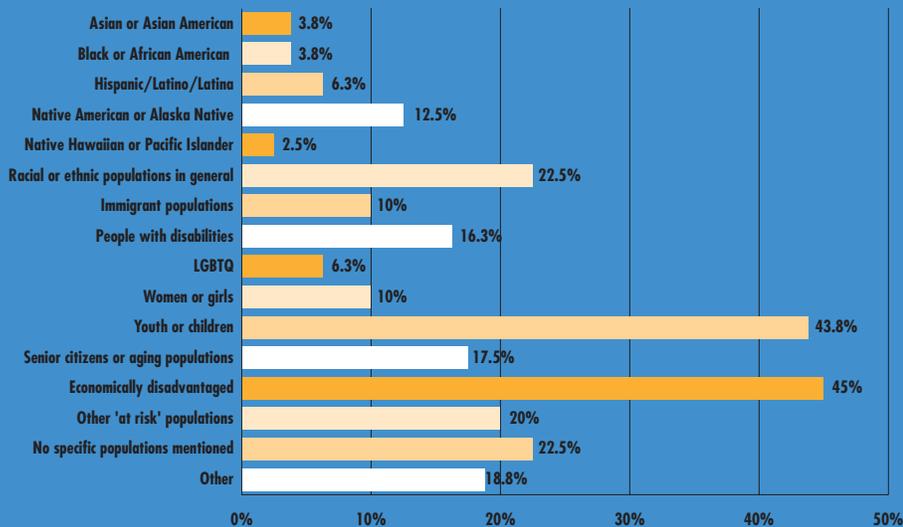
The figure below shows that the economically disadvantaged and youth/children are named most often by far. Nearly 23 percent of the respondents cited racial or ethnic populations in general, and lesser percentages target specific minority groups.

Some survey respondents noted that, by targeting children or low-income groups, they are also achieving diversity goals. Stated one grantmaker: "It is a forgone conclusion that diverse populations will benefit from our programs because the schools and organizations we support are all servicing from 50 to 93 percent minorities."

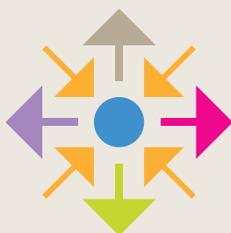
Another commented: "While Latinos and Somalis are not formally named in our guidelines, we are mindful of the communities in which these are significant populations. We proactively work with the people of color and organizations that are serving these populations through convenings, special initiatives and funding."

Because many grants serve multiple purposes and multiple populations, it is difficult to pinpoint who is benefitting. Just over half of the survey respondents stated that they intentionally "seek out and support nonprofit programs that specifically address diversity, inclusivity and equity issues."

Percentages of Minnesota Grantmakers Naming Key Constituencies in Their Missions or Grant Guidelines



Source: Minnesota Council on Foundations, Working Towards Diversity IV (2011)



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Intentions must be supported by sound data gathering and grantmaking practices. Grantmakers reported that they are not, in some cases, gathering comprehensive data about minority populations. For example, respondents reported that they collect data about the populations served by nonprofit grant applicants at the following rates: Race/ethnicity – 61 percent, disability status – 38 percent, sexual orientation/gender identity – 23 percent, gender – 48 percent.

When foundations and giving programs that collect nonprofit information were asked whether they use demographic data about their grant applicants' boards, staffs and populations served, 29 percent selected "always," 63 percent reported "sometimes," 6 percent said "never," and 2 percent were not sure.

Quantifying the gap between grantmakers' intended beneficiaries and who is actually served by nonprofits must be a top priority for grantmakers. Solid information and practices will propel diversity, inclusivity and equity forward.

For more from *Working Towards Diversity IV*, visit www.mcf.org/research/diversity.

Opportunities for Action

- Provide educational opportunities for staff and board about the impact of disparities on diverse communities. Help staff, leaders and board members understand the difference between grantmaking that benefits people from diverse communities and grantmaking that intentionally addresses disparities, diversity, inclusivity and equity.
- Analyze your grant applicants and recipients. Assess the diversity of their missions, target audiences, staff and boards to determine alignment with your organization's commitment to diversity, inclusion and equity.
- Establish collection procedures and uses for diversity-related grantee data.
- Conduct an external assessment of perceptions about your organization among diverse communities. Use the feedback to strengthen grant programs and outreach.
- Engage diverse grant review panels/committees. Ensure that reviewers reflect diverse backgrounds, experiences and relationships so you understand the best solutions for unique challenges in diverse communities.
- Explore opportunities to help constituent-led organizations increase their organizational and leadership capacity.
- Engage affinity group leaders in identifying best practices for inclusive and equitable philanthropy in diverse communities.
- Seek collaborative opportunities that allow you to leverage funding with other grantmakers to advance outcomes that address inequities in diverse communities.
- Participate in peer learning with other grantmakers to share best practices.

More Resources for Learning and Action

- *Grantmaking with a Racial Equity Lens*: bit.ly/grantcraftguide
- Racial Equity Resource Directory: www.mncompass.org/disparities/resource-directory.php



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TAKE ACTION: GRANTMAKERS AS EMPLOYERS

Do Grantmakers Look Like Minnesotans?

Who is leading and working in grantmaking institutions in Minnesota? Are board and staff representative of the state's overall population or reflective of their nonprofit constituents?

The table below from MCF's *Working Towards Diversity IV* research study compares different categories of grantmaking personnel to major race/ethnicity and gender categories of the Minnesota workforce population.

Grantmaker percentages sometimes mirror population percentages. In the Black/African American and the Native American categories, grantmakers appear more diverse. But in the Asian/Asian American and the Hispanic/Latino/Latina categories, boards and staff leaders are behind the population curve. The research also shows that men predominate as board chairs and board members.

If one were to compare grantmakers to nonprofits and their constituents, would philanthropy appear even less diverse?

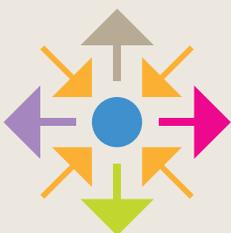
Percentages of Grantmaker Board and Staff Demographics Compared to Minnesota Workforce Population*

Race/Ethnicity	MN Workforce Population	Board Chairs	Board Members	Chief Executives	Executive Staff	All Staff
Asian or Asian American	3.2	2.6	2.0	0	1.8	3.6
Black or African American	3.8	3.9	4.3	7.5	5.5	5.6
Hispanic/Latino/Latina	3.1	1.3	2.4	1.9	1.8	2.7
Native American or Alaska Native	0.95	2.6	3.8	1.9	2.7	2.0
White/Non-Hispanic	86.6	89.6	86.9	86.8	88.2	83.5
Gender						
Male	49.4	61.5	58	43	42.7	26.2
Female	50.6	38.5	42	57	57.3	73.5

* Grantmaker percentages based on a sample of 1,617 individuals from 80 Minnesota foundations and corporate giving programs. Gold numbers fall at least 0.5 percentage points below workforce percentages; white numbers are at least 0.5 percentage points above workforce percentages.

Source: Minnesota Council on Foundations, *Working Towards Diversity IV* (2011)

Written policies lead to greater diversity. The *Working Towards Diversity IV* research indicates that corporate and community/public grantmakers are more likely than other grantmaker types to have written diversity policies for board, executive staff and all staff. Paralleling that, corporate grantmakers appeared to have more diverse staffs than other types of grantmakers, and community/public foundations had more racially and ethnically diverse boards.



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Research about diversity in philanthropy from other areas of the U.S. has confirmed the connection between policies and staffing. By creating written diversity policies, grantmakers intentionally put their principles into practice.

For a more detailed analysis of Minnesota grantmaker policies and demographics, including information on race/ethnicity, gender, disability and LGBTQ status and analysis by organization type, size and location, see the *Working Towards Diversity IV* research at www.mcf.org/research/diversity.

Opportunities for Action

- Determine your organization's value proposition: What is the benefit of having an employee base, leadership team and board that fully reflects the diversity of the communities you serve?
- Assess the diversity of your staff and board (age, disability status, gender, race/ethnicity, sexual orientation). Determine if staff members – at all levels and in all positions – reflect the diversity of the available workforce, and set measurable goals for increasing diversity. Commit to having a board that reflects the diversity of the communities you serve and develop strategies to achieve this diversity.
- Establish goals for professional networking in diverse communities to broaden applicant pools for positions that typically get a lower response from diverse candidates.
- Formally or informally assess your organization's culture to identify what facets support your commitment to diversity and inclusion and what facets do not. Develop a plan with a diversity professional to help further advance the culture.
- Assess staff and board inclusiveness by asking individuals to provide honest and open feedback about their experiences, perspectives, and concerns. Develop strategies for building a fully inclusive staff and board. Measure progress.
- Establish policies and procedures that support your commitment and intentions for diversity and inclusion within the organization and provide a framework for employees and board members to operate within.
- Build relationships with affinity groups and their members who can help promote employment and board service opportunities in diverse networks.
- Ensure that professional development, mentoring and coaching opportunities are available to employees of all backgrounds to ensure that the pipeline for leadership positions is reflective of the diversity of your organization.

More Resources for Learning and Action

- Asian Americans/Pacific Islanders in Philanthropy: www.aapip.org
- Association of Black Foundation Executives: www.abfe.org
- COF Diversity Resources: www.cof.org/programsandservices/diversity
- Emerging Professionals in Philanthropy: www.epip.org
- Hispanics in Philanthropy: www.hiponline.org
- Funders for LGBTQ Issues: www.lgbtfunders.org
- Native Americans in Philanthropy: www.nativephilanthropy.org



My Actions

What steps can my organization and I take to advance diversity and inclusion?

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TAKE ACTION: GRANTMAKERS AS ECONOMIC ENTITIES

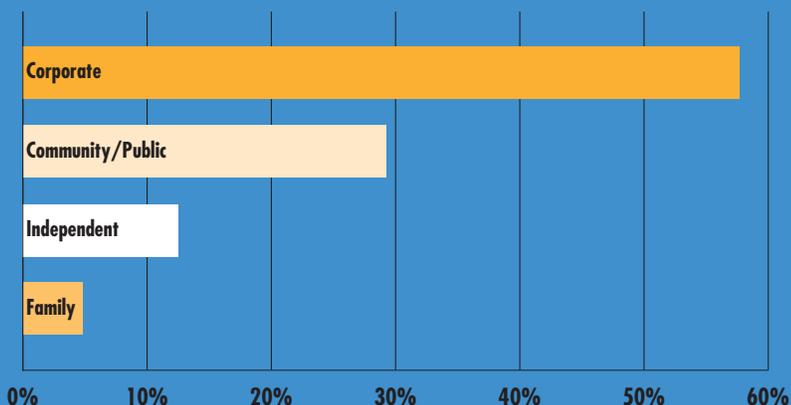
Vendor Policies Build Diversity

In the *Working Towards Diversity IV* survey, MCF asked grantmakers to share information about their diversity and inclusion policies and procedures. Overall, 30 percent of the 80 Minnesota grantmakers participating in the research indicated that they have adopted vendor diversity policies.

The figure below shows the differences in practices among grantmaker types. Corporate grantmakers led the way. Nearly 58 percent reported having vendor policies – a reflection perhaps of the great number of companies that have vendor policies as a part of their overall enterprises. Family foundations were least likely to have written policies.

Not surprisingly, the sizes of grantmaking organizations and their likelihood of having policies were directly correlated. Nearly 44 percent of the large grantmakers (\$10 million or more in grants annually), 35 percent of mid-size grantmakers (\$1 to \$10 million annually), and 17 percent of the small grantmakers (less than \$1 million annually) had policies.

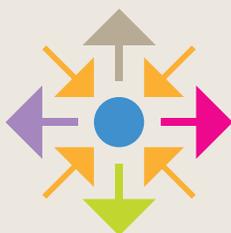
Percentage of Grantmakers by Type with a Written Vendor Diversity Policy



Source: Minnesota Council on Foundations, *Working Towards Diversity IV* (2011)

Large or small, staffed or unstaffed, grantmakers can leverage their economic resources. No matter their size or type, foundations and corporate giving programs can intentionally direct their purchasing power toward building more diverse communities. Conscious financial choices – about everything from investment vehicles to everyday purchases – can enable grantmakers to further their missions and achieve their goals of becoming more inclusive.

Creating written vendor diversity policies is one specific way grantmakers can put their principles into practice. One grantmaker shared this example: “We have a



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certificate of non-discrimination that all of our vendors and all of our grantees sign off on. Everybody sees that the way we do business matches our values.”

For more details from the *Working Towards Diversity IV* research, visit www.mcf.org/research/diversity.

Opportunities for Action

- Adopt and adhere to a written vendor diversity policy.
- Identify the goods and services you purchase that you could source from minority-owned businesses. Consider everything from financial services to office supplies, printing to catering.
- Set measurable financial goals for increasing spending with minority-owned businesses.
- Prepare employees who make purchases with strategies and tips for reaching out to potential new vendors and building relationships.
- Examine government minority purchasing guidelines for suggested best practices.
- Collect information from majority-owned investment firms, law firms, and other professional services providers about the diversity of their staffs and boards. Ensure diverse individuals receive billable hours within your contract.
- Attend events in the communities you support in order to get to know residents and businesses who can help establish new vendor relationships.

More Resources for Learning and Action

- Chinese American Business Association of Minnesota: www.cabam.org
- Hispanic Chamber of Commerce of Minnesota: www.hispanicmn.org
- Midwest Minority Supplier Development Council: www.mmsdc.org
- Minnesota American Indian Chamber of Commerce: www.maicc.org
- Minnesota Black Chamber of Commerce: www.minnesotabcc.org
- Minnesota Hmong Chamber of Commerce: www.hmongchamber.com
- National Minority Supplier Development Council: www.nmsdc.org
- Quorum: www.twincitiesquorum.com
- Women’s Business Enterprise National Council: www.wbenc.org



My Actions

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TAKE ACTION:

GRANTMAKERS AS COMMUNITY CITIZENS

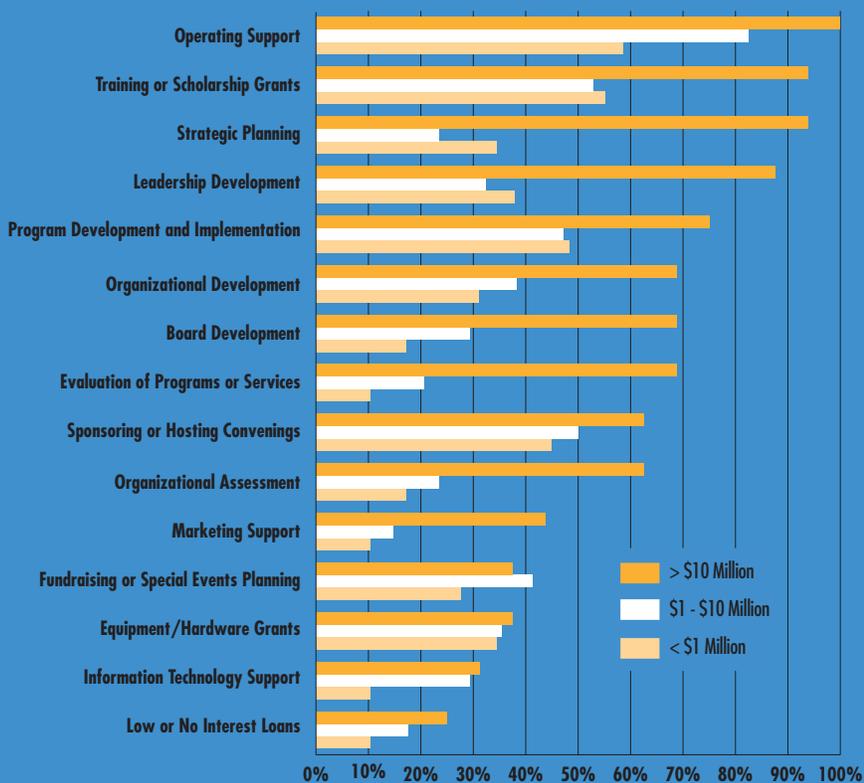
Building Capacity of Minority-Led Nonprofits

Sometimes there's a gap between grantmakers' funding intentions and their actual ability to create positive change in the community. For instance, grassroots, minority-led organizations who are well-positioned to serve their communities may not have the capacity to seek funding or to meet various non-diversity-related requirements within grantmakers' guidelines.

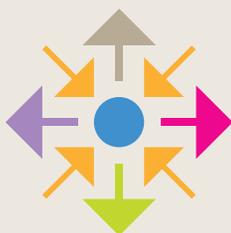
This connection between capacity-building and diversity work is not always obvious, as noted by some of the *Working Towards Diversity IV* survey respondents.

Constituent-led organizations, like many small nonprofits, often face challenges with low budgets for such activities as training, education, equipment, strategic planning, organizational and board development and fundraising. A funder may believe that a constituent-led nonprofit is uniquely positioned to provide services within a particular community, yet that nonprofit organization does not have the capacity to work as effectively or comprehensively as many other mainstream organizations.

Percentage of Minnesota Grantmakers Supporting Selected Capacity-Building Activities, By Grantmaker Size Based on Annual Giving



Source: Minnesota Council on Foundations, Working Towards Diversity IV (2011)



My Actions

Grantmakers can make a true difference when they intentionally seek to close that capacity gap for constituent-led nonprofits. A survey respondent emphasized the fundamental importance of minority leadership: "Systems and institutions should be representative of the communities they serve. Social problems are best solved when those affected participate in defining the challenges and finding the answers."

More operating and capacity support is needed. The figure above shows the extent to which grantmakers of different sizes provide grants and nonfinancial support for nonprofit capacity building. In the research, large grantmakers and independent and community/public foundations appeared most likely to support capacity building.

Large grantmakers and independent foundations were also significantly more likely to have discussions about building nonprofit leadership in historically underrepresented communities. Often, meaningful conversations are essential first steps in becoming more engaged citizens who advance diversity, inclusion and equity in our communities.

For more details from the *Working Towards Diversity IV* research, visit www.mcf.org/research/diversity.

Opportunities for Action

- Identify key issues for diverse communities that align with your organization's mission and funding priorities.
- Meet with nonprofit and community leaders in diverse communities to identify ways that your institution can use its leverage, position and reputation to give voice to critical issues and solutions.
- Dedicate time to attend and actively participate in community forums, town halls, and civic events in diverse communities, so you can build authentic relationships, hear concerns first-hand, and brainstorm ways to support identified needs.
- Explore opportunities to co-host a convening or forum to engage philanthropic and nonprofit leaders in discussions about diversity, inclusion and equity in diverse communities.
- Offer to serve as a site visit host, speaker or panelist for MCF programs to showcase the results, challenges, and successes of your organization's efforts to advance diversity and inclusion.

More Resources for Learning and Action

- D5 Coalition: www.d5coalition.org
- *Diversity in Action: Strategies with Impact*: www.rockpa.org/document.doc?id=22
- *Do Nothing About Me Without Me: An Action Guide for Engaging Stakeholders*: www.geofunders.org/stakeholder-engagement.aspx
- MDC, Expanding Opportunity, Advancing Equity: www.mdcinc.org/home
- Organizing Apprenticeship Project: www.oaproject.org
- Racial Equity Resource Directory: www.mncompass.org/disparities/resource-directory.php

