



STATE OF THE WORK

2013

**Inspiration & Ideas for Advancing Diversity,
Equity, & Inclusion in Philanthropy**

D5 IS A FIVE-YEAR EFFORT TO GROW PHILANTHROPY'S DIVERSITY, EQUITY, AND INCLUSION. COMPRISING MORE THAN A DOZEN ORGANIZATIONS, WITH CONNECTIONS TO THOUSANDS OF GRANTMAKERS, THIS EXPANDING COALITION INCLUDES:

Asian Americans/Pacific Islanders in Philanthropy

Associated Grant Makers

Association of Baltimore Area Grantmakers

Association of Black Foundation Executives

Council of Michigan Foundations

Council on Foundations

Donors Forum

Florida Philanthropic Network

Foundation Center

Funders for LGBTQ Issues

The Funders' Network

Hispanics in Philanthropy

Horizons Foundation

Joint Affinity Groups

Lake County Community Foundation

Minnesota Council on Foundations

National Association of Latino Funds

Native Americans in Philanthropy

Northern California Grantmakers

Philanthropy New York

Philanthropy Northwest

Philanthropy Ohio

San Diego Grantmakers

Women's Funding Network

Rockefeller Philanthropy Advisors
serves as D5's program office.

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FOREWORD



During a strategy retreat last year, my D5 colleagues and I posited that we are far more than a coalition; we are a movement. This statement expressed a conviction I've had ever since becoming D5's director.

We are a movement because we are continually widening our group of stakeholders, recognizing that this is the best avenue toward meaningful impact. We will keep expanding beyond the original core of foundations and philanthropic infrastructure groups, while doing the hard work of reaching consensus on strategies for increasing diversity, equity, and inclusion.

As a movement, we have a mandate—and an exciting opportunity—to pause at regular intervals and reflect on our progress. That's been the purpose of the *State of the Work* reports dating back to the first major D5 publication in 2011. Once a year we show how this movement is unfolding and share the lessons learned from the successes and setbacks along the way.

A response we often get to the D5 call to action: "I'm interested. What do you want me to do?" In this report, your peers model the answers to that question and help inform the all-important "how" of advancing diversity, equity, and inclusion. The learning profiles featured in this *State of the Work* edition were drawn from a deeper analysis of the best policies and practices that we will roll out this year. They reflect the growing range of institutions that engage diversity and inclusion as an essential component of excellence and effectiveness.

The profiles lead me to the last element of our movement I want to highlight, and that is the urgency of action. With our partners, we are building collective will and plan to remain a source of information and guidance. But the success of this movement ultimately depends on more and more individuals picking up this work in their organizations. We all know that a report, after all, is just that: a report on our collective progress—which we hope will provide inspiration and ideas. But it's not the "work" itself.

This is hard work, but it is a vital effort and together we are making progress. Regardless of whether this cause is new or familiar to you, I would urge you to reach out to others—the Joint Affinity Groups, your regional association, the Council on Foundations or population-focused funds—to share what you're learning and to strengthen the community of people who have come together in common purpose.

Our collective action on diversity, equity, and inclusion put us on a path toward exciting growth opportunities and greater impact in advancing the common good.

We hope you will join us in this movement to strengthen philanthropy.

Kelly Brown
D5 Director

THE FACE OF AMERICA IS CHANGING.



NONWHITES
WILL CONSTITUTE
A MAJORITY OF
CHILDREN IN THE
U.S. **BY 2015.**¹



Between 2000 and 2010 the population of the **American South** grew by **14%**. The **Latino** population in the South grew by **57%**.²



ONE IN FIVE AMERICANS HAVE A DISABILITY, and most Americans will experience a disability at some point in their lives.³



IN CALIFORNIA, **LATINOS** WILL **OUTNUMBER** WHITE PEOPLE BY THE END OF THIS YEAR.⁵



SAME-SEX
COUPLES LIVE
IN **93%** OF
THE **COUNTIES**
IN THE **U.S.**⁴



57%
OF **COLLEGE**
GRADUATES ARE
WOMEN.⁶

IS PHILANTHROPY STAYING AHEAD?



Philanthropy lacks the data collection mechanisms to accurately answer this question. Despite the mountains of data that foundations do collect, as a field philanthropy still cannot speak reliably about its impact on an increasingly diverse and complex world.

INTRODUCTION

“WHAT MAKES AMERICA EXCEPTIONAL ARE THE BONDS THAT HOLD TOGETHER THE MOST DIVERSE NATION ON EARTH, THE BELIEF THAT OUR DESTINY IS SHARED.”

BARACK OBAMA, FROM HIS 2012 ELECTION NIGHT SPEECH

So what is the American diversity that President Obama mentioned during that momentous speech? How is the face of America changing? Consider the figures on the preceding page.

Of course, the numbers themselves are less important than the realities they represent. A great source of America's strength is its diversity, and the fact that this diversity is fluid and will keep our demographics continually changing in exciting ways. We also know that this diversity represents enormous potential, and to realize it our country and its major institutions—especially philanthropy—need to be more inclusive and equitable.

D5 is a five-year effort to grow philanthropy's diversity, equity, and inclusion. We envision a sector in which foundations draw on the power of diverse staffs and boards to achieve lasting impact, forge genuine partnerships with diverse communities, and increase access to opportunities and resources for all people. We believe the cumulative impact of these efforts is a stronger sector that more effectively advances the common good. (See inside front cover for more on D5 and its full list of partners.)

Our efforts are guided by four big sector goals we've set for philanthropy to achieve by the end of 2015:

- **Leaders:** Recruit diverse leaders for foundations—including CEOs, staff, and trustees;
- **Action:** Identify the best actions we can take in our organizations to advance diversity, equity, and inclusion;
- **Funding:** Increase funding for diverse communities and ensure that foundations offer all constituencies equal opportunity to access the resources they need;
- **Data:** Improve data collection and transparency so we can measure progress.

The purpose of the *State of the Work* series is to inform the field of our movement toward these goals, as well as the challenges and obstacles we face. *State of the Work 2013* contains four main sections that feature learning profiles, each of which is focused on a particular goal area. This structure serves to illustrate these goals in action and shed light on how organizations are making progress in spite of the tough challenges they face.

The remainder of the report contains ways that you can take action on these issues, recent D5 achievements and milestones we've set for 2013, and a list of top-caliber resources on diversity, equity, and inclusion.

DEFINING DIVERSITY, EQUITY, AND INCLUSION

Diversity

The word “diversity” can mean different things to different people. We define it as those who bring a unique perspective or life experience to the decision-making table, but focusing particularly on:

- Racial and ethnic groups: Asian-Americans and Pacific Islanders, Hispanics/Latinos/Latinas, African-Americans and other blacks, and American Indians and Alaska Natives
- LGBT populations
- People with disabilities
- Women

D5 uses this broad definition of diversity for three reasons. First, this is what diversity looks like in the 21st century. Second, our definition encompasses populations that historically have been—and remain—underrepresented in grantmaking and among practitioners in the field, and have historically been excluded from the broader society. Third, to be a national leader, organized philanthropy must get in front of diversity, equity, and inclusion issues and do so in a comprehensive way. We acknowledge and respect that this is one of many ways to define diversity, a concept that can encompass many other human differences as well.⁷

Equity

Improving equity means promoting justice, impartiality, and fairness within the procedures and processes of institutions or systems, as well as their distribution of resources. Tackling equity issues requires an understanding of the underlying or root causes of outcome disparities within our society.⁸

Inclusion

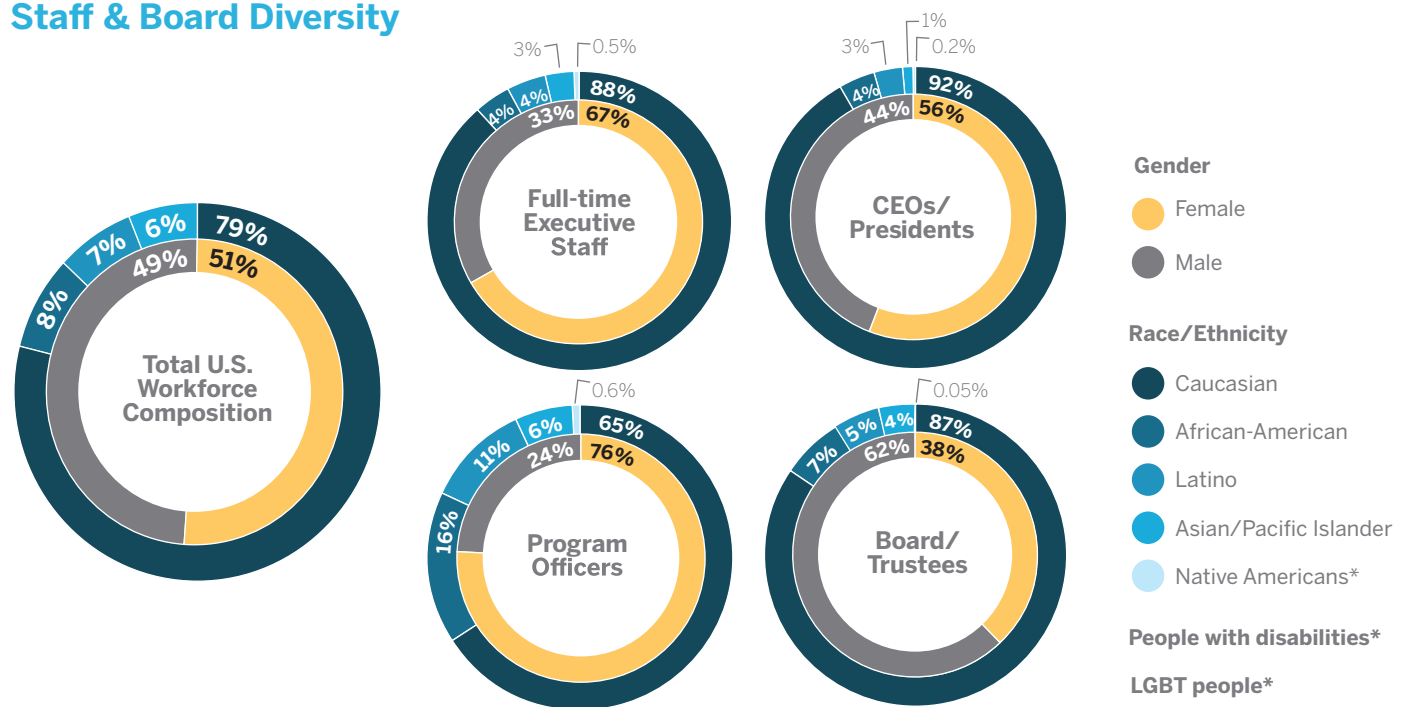
This refers to the degree to which diverse individuals are able to participate fully in the decision-making processes of an organization or group. While a truly “inclusive” group is necessarily diverse, a “diverse” group may or may not be “inclusive.”⁹

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

If the currently available data presented below 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 these questions 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 several 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 specifically identified as benefiting a given community is counted toward funding for that community.

Staff & Board Diversity



*In some instances, data are not available on Native Americans, people with disabilities or LGBT individuals. LGBT individuals make up 2% of foundation boards/trustees and people with disabilities make up 1% of foundation boards/trustees.

Sources: Total workforce composition based on Bureau of Labor Statistics data. Executive staff, program officer, and CEO diversity: Council on Foundations, based on a 2012 Salary and Benefits survey of 857 foundations. Board diversity: Council on Foundations, based on a 2010 Management Survey of 518 foundations. Percentages may not add up to 100% due to rounding and missing data.

Funding Diverse Populations

Ethnic or Racial Minorities	\$1,878,758,437	11.1%
Women & Girls	\$718,965,711	4.4%
People with Disabilities	\$520,779,425	3.2%
LGBT	\$47,163,582	0.3%

Source: Foundation Center, 2013. Based on an average of all grants of \$10,000 or more awarded between 2009-2011 by a sample of more than 1,000 larger foundations (by total giving), representing approximately half of total giving by all U.S. foundations.

Funding Ethnic or Racial Minorities

General (Unspecified)	\$1,141,679,455	6.7%
African-Americans & Blacks	\$329,677,681	2.0%
Hispanics & Latinos	\$254,831,417	1.5%
Native Americans	\$76,876,658	0.5%
Asians & Pacific Islanders	\$61,410,111	0.4%
Other Minorities	\$9,784,318	0.1%

The image features a large, bold, white text "LEARNING FROM THE FIELD" centered on a solid blue background. The text is surrounded by a circular pattern of white icons. The top half of the circle consists of stylized human figures, alternating between male and female symbols. The bottom half consists of stylized hands, with the palms facing upwards. The icons are arranged in a way that they appear to be part of a larger, repeating pattern that forms a complete circle around the text.

LEARNING FROM THE FIELD

To provide you with inspiration and ideas for advancing key goals related to diversity, equity, and inclusion—leaders, action, funding, and data—we’ve interviewed leaders who represent four foundations about what they’ve learned in these areas. We also asked four thought leaders in philanthropy to offer their insights. Enjoy.



The American Express Foundation
New York City, NY



The Baltimore Community Foundation
Baltimore, MD



Access Strategies Fund
Cambridge, MA



Silicon Valley Community Foundation
Mountain View, CA



DIVERSE LEADERS

THE AMERICAN EXPRESS FOUNDATION

BASED ON AN INTERVIEW WITH **RICHARD BROWN**, VICE PRESIDENT OF PHILANTHROPY

GOAL: DEVELOP DIVERSE TALENT IN THE NONPROFIT SECTOR

The corporate sector understands that more diverse personnel help to optimize relationships with more diverse markets. The American Express Foundation appreciates the value of diversity for the nonprofit world as well—it, too, must relate effectively to diverse communities. So it has committed some of its resources specifically to promoting the development of talent for nonprofit sector leadership.

CHALLENGE: GETTING AHEAD OF CHANGING DEMOGRAPHICS

Rapidly changing demographics make this work all the more important. According to Richard Brown, Vice President of Philanthropy, “Our work with the Initiative for Nonprofit Talent and Leadership is about understanding and appreciating the demographic and generational shift that’s taking place in the United States. The Initiative speaks to the importance of inclusion of up-and-coming leaders from a much more diverse generational cohort than the ones that preceded it.”

SOLUTION: DIVERSIFIED STRATEGIES TO BUILD NONPROFIT MANAGEMENT SKILLS

American Express’s commitment to leadership development is multifaceted. In 2008, the American Express Leadership Academy was launched. More than 1,000 participants have been trained on the personal, business, and leadership skills needed to run a successful nonprofit enterprise in the “new normal” of today’s complex economic climate. Beyond that, its leadership development giving assists programs that support emerging talent of various ethnicities, generations, and gender, such as the National Urban Fellows program. For over 40 years, it has developed diverse talent through providing Fellows with meaningful work experience as well as master’s degrees in public administration.

American Express also works with organizations that advance people of color—for example, the National Urban League, the United States

Hispanic Leadership Institute, and Americans for Indian Opportunity in New Mexico.

“We identify organizations that we think would be prime groups to fund and partner with because of their reputation in the community,” said Brown. “It’s one way to ensure our grants are going to organizations that not only are supporting people of color, but are governed by people of color.”

Diverse leadership development infuses many other projects of the American Express Foundation. Brown noted as an example, “We are proactive in trying to help our nonprofit partners achieve their stated missions. Columbia University has a significant presence in Harlem.

We made the suggestion that it might be a place where Columbia Business School could focus their training, and they embraced the idea. We provided funding to train 25 nonprofit leaders from the West Harlem community. Columbia is building a second campus above 125th Street. Part of this effort was to provide assistance to some of the organizations that call that community home.”

FOUNDATION MISSION

The American Express Foundation supports programs that develop high-potential nonprofit leaders so they are prepared to tackle the important issues of our day—and the emerging issues of tomorrow.

IMPACT: PERSONAL GROWTH, PROFESSIONAL PROMOTION

In follow-up surveys and testimonials from the Leadership Academy, participants describe these trainings as transformative in terms of their personal growth and their ability to be more effective leaders in the organizations they represent. Most importantly, according to Brown, “We do know that people have been promoted post-training within their own organizations as well as promoted into other organizations within the nonprofit sector.”

WHAT’S NEXT FOR THE FIELD: RECRUITING & INCORPORATING DIVERSE TALENT

The pipeline of diverse leaders within philanthropy has grown sig-

nificantly over the years, thanks to programs such as the Council on Foundations' Career Pathways, Native Americans in Philanthropy's Circle of Leadership Academy, and many, many more. The sector now must ensure that these investments are fully realized by attending to related issues: Assist search firms to widen their nets, encourage the

use of trustee and staff selection policies and processes that advance diversity, and build organizations that value and incorporate the diverse talent, perspectives, and networks that new leaders bring and that our changing world demands.

Resources

Council of Michigan Foundations, Diversity and Inclusion in the Foundation Boardroom: Voices of Diverse Trustees, 2012

Presents the practical knowledge and experiences of diverse individuals who have served on foundation boards over the last two decades and provides questions to raise when organizations feel their diversity and inclusion work has stagnated.

http://www.michiganfoundations.org/s_cmf/bin.asp?CID=9485&DID=58769&DOC=FILE.PDF

State Bar of California, Creating a Model Work Environment for Lesbian, Gay, Bisexual, and Transgender Individuals, 2007

Includes an introductory section of basic definitions; specific recommendations regarding employment policies and procedures, benefits, training, outreach, hiring and retention; and model practices or policies used by some employers in California.

www.calbar.ca.gov/portals/0/documents/caf/Model-Work-Environment.pdf

U.S. Business Leadership Network, Leading Practices on Disability Inclusion

Offers a Workplace Disability Assessment Tool that covers recruitment, employment, vendors/suppliers, technology access, and marketing/communications. Includes case examples of successful strategies from the Leading Practices on Disability Inclusion initiative.

http://usbln.org/pdf-docs/Leading_Practices_on_Disability_Inclusion.pdf

LESSONS LEARNED

Use diverse channels to identify new and emerging talent.

- Fellowship programs of affinity groups like ABFE, HIP, and COF are good places to start.
- Networking with local and regional population-specific organizations can expand your reach.
- Diverse grantees may be rich sources of talent identification.

Review your policies and practices to ensure that they encourage diverse leadership.

- Be sure that outreach, hiring, and promotions policies and practices do not have inadvertent disparate impact, which would reduce your chances of having diverse voices in positions of leadership and influence.
- Review your grantmaking guidelines to ensure that they do not inadvertently reduce the opportunity to invest in strengthening the voice and power of under-addressed organizations and the people who lead them.

Adopt policies and practices that enable the workplace to respect and utilize the talents of all people.

- Understand the issues that affect different population groups in the workplace.
- Recognize that a variety of successful leadership styles exist.



THE TIME IS NOW: INCREASE DIVERSITY ON FOUNDATION BOARDS

BY GRAHAM GRADY

In view of the recent murder in Chicago of a teenage African-American girl, freshly back from Washington, DC, where she watched the inauguration of President Barack Obama, there is an even greater need to prevent such crimes, enhance educational attainment, and lift up our communities of color. By populating foundation boards with diverse directors, we can draw upon their energy and perspective, as well as the pain and impatience they feel about such crimes as the death of Hadiya Pendleton, the honor student gunned down in a park near the Obamas' home.

I see progress, as a few African-Americans, Hispanics, LGBT people, and other diverse individuals have been appointed to serve on foundation boards in Chicago. However, few boards have more than a smattering of diversity, apparently following a 'one black' rule. The irony, of course, is that although a significant percentage of the grantmaking by many foundations targets problems that plague poor communities, few people at the decision-making table are from those very communities.

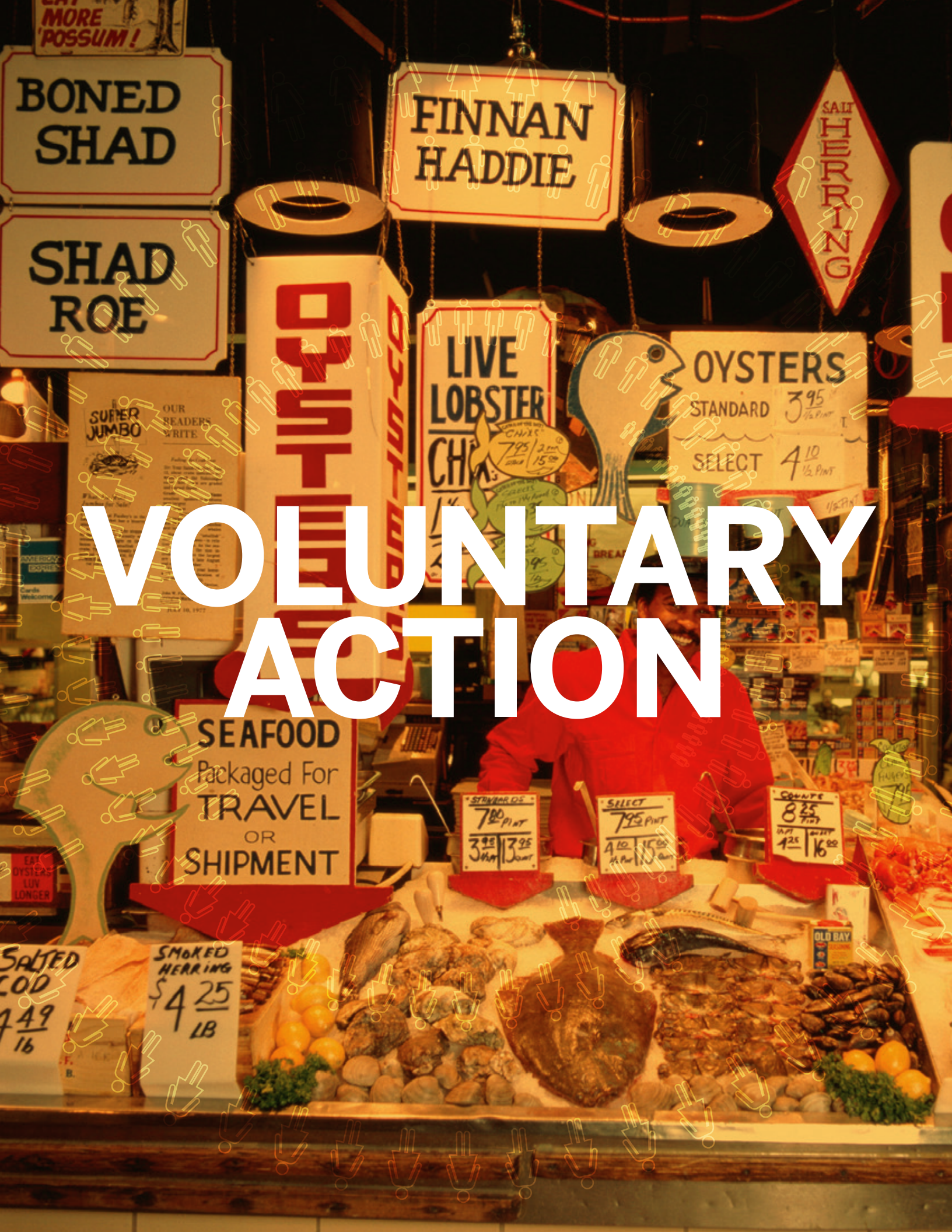
I grew up on the South Side of Chicago. Although I was fortunate to have strong and supportive parents and other role models, I am forever grounded by my experience

in that community. I feel the pain when I see a young man selling drugs on the corner, having dropped out of a public education system that failed him. I feel the pain when I see a young woman denied the chance to achieve her full potential because of the circumstances around her. I feel the pain when I see so much lost opportunity.

Now, I am not saying that people who do not come from similar communities are incapable of feeling that pain. I am not saying that they cannot wisely make grantmaking decisions. But, by way of example, I look at who has been in charge of our public education system since the end of Jim Crow and World War II and I ask myself: "Would things have been better if some African-American women—who are the mothers of the students who are dropping out of school—had been on the school board? Would things have been allowed to fall to such a low?"

We have a wealth of talented diverse women and men—people with MBAs, law degrees, and high-powered corporate experience—who are from the community and part of the community, and are well positioned to set policy for grantmaking programs. Let's tap that resource broadly. Let's tap that resource now.

Graham Grady is a trustee of the Lloyd A. Fry Foundation and serves on the Board of the Donors Forum of Illinois.



MORE POSSUM!

BONED SHAD

SHAD ROE

FINNAN HADDIE

SALT HERRING

OYSTERS

LIVE LOBSTER



OYSTERS
STANDARD 3.95
SELECT 4.10

SUPER JUMBO
OUR READERS WRITE

VOLUNTARY ACTION

SEAFOOD
Packaged For
TRAVEL
OR
SHIPMENT

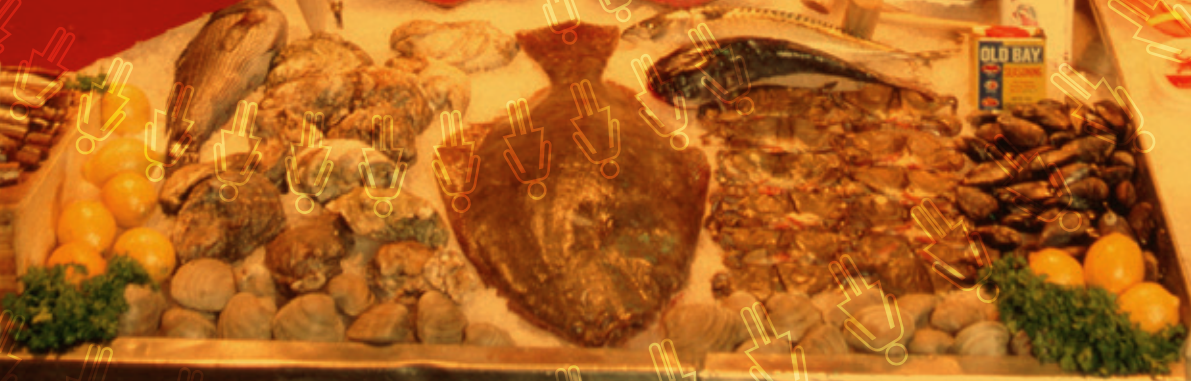
STANDARD 7.80
3.25 3.25

SELECT 7.95
4.10 4.10

COUNT 8.25
12.5 16.00

SALTED COD
4.49
16

SMOKED HERRING
\$4.25
LB



OLD BAY

THE BALTIMORE COMMUNITY FOUNDATION

BASED ON AN INTERVIEW WITH **KEVIN GRIFFIN MORENO**, SENIOR PROGRAM OFFICER

GOAL: MAKE DEI BUSINESS AS USUAL

Prior to its 2010 strategic planning process, the Baltimore Community Foundation (BCF) had included “diversity” as one of its nine investment paths. “It was an acknowledgment that diversity was a value, but it hadn’t gone any further than that ... we made (only) a couple of grants,” said Kevin Griffin Moreno, Senior Program Officer. “There were a few people both on the board and on the staff who felt that as we began to undertake this new strategic planning process, diversity had to become something—either we jettison it entirely or we turn it into something that has actual meaning in the way that we do business.”

BCF did turn it into something that has actual meaning and value, and added a commitment to equity and inclusion as well. Within that commitment, it decided to focus on issues of race first.

CHALLENGE: GETTING ALIGNMENT AROUND DEI GOALS

Moreno described the challenge that BCF faced this way: “I wanted to make sure that before we started talking to anybody in the community, particularly our grantees, about a commitment to diversity, equity, and inclusion, that we—the board, staff, and volunteers—had a clear sense of what that meant for us. We had to be prepared to demonstrate how we were adopting those principles and putting them into practice before we breathed a word about incorporating them into our grant guidelines, to the way we run initiatives or in the way we manage investments.”

SOLUTION: EDUCATE OURSELVES, EMBODY OUR PRINCIPLES, MODEL IT FOR THE COMMUNITY

To tackle this challenge, the foundation outlined four steps. “First we sought to educate and inform ourselves internally—board, staff, committees—about shared terms, goals, definitions, etc.,” said Moreno. “Our second step was to identify certain aspects of BCF’s operations

in which we could see the extent to which we were embodying equity and inclusion principles. The third step was for our Racial Equity and Inclusion Task Force to make recommendations for improvement in each of those areas. The fourth step was to see how we could carry this experience into our grantmaking initiatives, advocacy, and executive leadership.”

BCF made a special commitment to address racial equity issues, which sometimes invited questions. Said Moreno: “We regularly had members of the board and staff ask: ‘Why isn’t our policy being inclusive of every single demographic group?’ It was helpful for us to say, ‘it’s not that those concerns are not important, it’s just that it’s not what we agreed to talk about right now.’”

BCF realized that race is an overriding issue in Baltimore that would require concerted attention, and that what it learned in the process could inform subsequent work on other dimensions of diversity.

IMPACT: GRANTEEES WELCOME & COMMIT TO SIMILAR GOALS

The commitment to DEI has changed BCF’s operations in meaningful ways. It has added

language to its website about its commitment to diversity, equity, and inclusion, and diversified its investment managers. The committees that oversee discretionary grantmaking in education and neighborhoods agreed to embed the principles of diversity, equity, and inclusion into grant guidelines. BCF provided the two neighborhood organizations to which it made significant grant commitments with the same training that board, staff, and committees received around racial equity, from which the organizations lifted up distinct racial equity goals for their work. BCF regularly gets data disaggregated by race to inform its policy decisions.

FOUNDATION MISSION

The Baltimore Community Foundation inspires donors to achieve their charitable goals from generation to generation and to improve the quality of life in the Baltimore region through grantmaking, enlightened civic leadership, and strategic investments.

WHAT'S NEXT FOR BCF: CODIFY POLICIES & PROCESSES

BCF's recognition that a DEI commitment is cross-cutting means that its next steps will be to deepen the work where it has already taken hold and determine how to embed DEI considerations into those areas that are still to be addressed, such as BCF's advocacy work. BCF also recognizes that good practice should be captured in policy and processes, and is working to codify those.

WHAT'S NEXT FOR THE FIELD: INTEGRATE DEI INTO FOUNDATION OPERATIONS

For many foundations, a DEI lens is critical to achieve their missions for the communities and issues that they care about. Beyond the programmatic considerations, a foundation can impact DEI through how it conducts business. BCF launched its work by taking an across-the-board look at what it could achieve and began by considering the interplay of operational and programmatic issues. Other foundations may choose to sequence their work differently. But everyone's work will benefit from all parties having a shared understanding of what DEI entails so that they are working in concert toward shared aspirations.

Resources

Association of Black Foundation Executives, Foundation Investment Management Practices: Thoughts on Alpha and Access for the Field

Results and recommendations from a roundtable focused on barriers to engaging minority investment managers.
http://www.abfe.org/FCDOCS/Inclusive_Foundation_Investment_2012.pdf

Annie E. Casey Foundation, Advancing the Mission Toolkit

The story of the foundation's DEI efforts around race/ethnicity over multiple years, offering an institutional assessment quiz, guidance for affinity group activity and vendor diversification, templates for data collection, ideas for hardwiring DEI into policy, and structures for management and staff accountability.
<http://www.aecf.org/~media/Pubs/Other/A/AdvancingtheMissionToolsforEquityDiversityand/respect.pdf>

Donors Forum of Chicago et.al., Building on a Better Foundation

Assistance on how grantmaking organizations can address inclusivity in their roles as funders, employers, businesses, and community citizens. For each role the toolkit gives case examples, questions for discussion, and action steps.
http://www.mcf.org/system/asset_manager_pdfs/0000/0118/DiversityToolkitPF_1_.pdf

LESSONS LEARNED

Determine how DEI is critical to accomplishing your mission.

- How does DEI relate to your mission or organizational values?
- How can a focus on DEI enhance your role in your community or your area of influence?

Ensure that all stakeholders have a shared understanding of DEI work.

- Do all parties understand terms and strategies in the same way?
- Have diverse stakeholders been part of the development of strategies to advance DEI?

Launch DEI work strategically.

- Be sure to have buy-in from those who will be accountable for results.
- Identify "champions" for the work at multiple levels of foundation leadership.



TACKLING TRIPWIRES

BY MARY ELLEN CAPEK

Thanks to D5 and its predecessor, the Diversity in Philanthropy Project (DPP), and decades of work by key foundations and affinity groups, increasing numbers of funders are focused on the importance of diversity and inclusion—and not just because it’s “the right thing to do.” Funders deeply engaged in this work find that diverse organizations that bring new voices and perspectives to the table are more effective at advancing the common good. Diversity and inclusion help foundations better identify creative solutions to our internal challenges, and those faced by the communities we serve.

As this report attests, much progress has been made. Basic steps are now in place in many organizations: defining diversity as an organization-wide priority, included in mission statements and long-range planning documents; and expanding networks, outreach, and resolve to reach more diverse candidate pools for staff and boards. These and other strategies shared through D5 and the DPP have begun to move the needle on diversity within the sector.

Unfortunately, hurdles remain, too often ignored or not recognized in the day-to-day processes of doing this work. No organization can successfully implement, much less sustain, productive diversity and inclusion without tackling tripwires: unarticulated organizational assumptions and taboos. Even the most self-reflective organiza-

tions need regularly to revisit expectations that “go without saying.” These range from “norms” for dress and hair styles that may exclude how some traditionally express themselves to taking someone less seriously because he or she has a high-pitched voice to more obvious navigation hazards like knowing whom to cc: on a memo or take to lunch. These assumptions crop up like LDL cholesterol when you least expect them, and we too often assume new staff will “read” the culture and fit in (often without mentoring).

Surfacing and naming these tripwires is an essential strategy for institutionalizing diversity. These efforts are hard work that involves creating a safe space for people to share perspectives—through surveys, individual interviews, and small groups—and developing policy recommendations that flow from them. This kind of organizational “uncovering” requires leadership involvement and commitment. But the goal becomes facilitating an environment that gives those working at all levels in the organization the most opportunities to succeed and bring their best selves to work. To the extent that staff and board members don’t have to cover to fit in—and understand themselves to be heard, encouraged, and valued—all do better work. And the organizations engaged in these thoughtful processes are much more likely to achieve successful and sustained diversity and effectiveness.

Mary Ellen S. Capek is Principal of Capek Consulting and co-author of Effective Philanthropy: Organizational Success through Deep Diversity and Gender Equality (MIT Press, 2006).



FUNDING DIVERSE COMMUNITIES

ACCESS STRATEGIES FUND

BASED ON AN INTERVIEW WITH **KELLY BATES**, EXECUTIVE DIRECTOR

GOAL: INCREASE CIVIC PARTICIPATION OF DIVERSE COMMUNITIES

Access Strategies Fund exemplifies a foundation for which DEI is mission-central. Its goal is systemic change in communities. To that end, the Fund provides nonpartisan funding and technical assistance to nonprofit organizations that build the civic participation and power of women, people of color, low-income people, immigrant communities, people with disabilities, and other groups that have been denied power in the Commonwealth of Massachusetts.

CHALLENGE: ENSURING DEI CONTRIBUTES TO IMPACT

A foundation for which DEI is mission-central seeks to infuse that commitment throughout its grantmaking. At its best, the commitment will be found in both the funding process and the results of grantmaking investments. Access Strategies Fund pays attention to both of these aspects.

SOLUTION: EQUITABLE GRANTMAKING DRIVEN BY DIVERSE DECISION-MAKERS

Kelly Bates appreciates the value of a funding process that itself shifts the power balance. “We have a grantmaking committee that is made up of people who live in the communities that we support. In our process of evaluating grant proposals, there are formal criteria where they have to look at the degree to which the applicant organizations are supporting the leadership and development of women and people of color in their organizations. Organizations aren’t always great at it or conscious of it. Some do it better than others. They may be doing great work, but if they don’t have that orientation, they need to go somewhere else for support. That’s tough, but we know somebody is probably going to fund them. And we know that our communities don’t have access to funders the way that others do.”

Access Strategies Fund invests in interrelated initiatives to advance its

mission. The Drawing Democracy Project promoted a transparent and accountable redistricting process and seeks to empower communities by creating fair voting districts. The Massachusetts Census Equity Fund supported a campaign to increase participation of underserved communities in the 2010 Census, which formed the basis for redistricting. The Access-supported Massachusetts Voter Table and the Civic Engagement Initiative seek to increase nonpartisan voter registration and voter turnout in communities of color and low-income communities in Massachusetts. Toward these ends, Access Strategies Fund also provides technical and legal assistance and media support.

IMPACT: DRAMATIC INCREASE IN POLITICAL REPRESENTATION

The Drawing Democracy Project, according to Bates, “significantly expanded seats in the legislature that communities of color could run for and win. We’re seeing the results now—more candidates are running and winning. We doubled the number of minority-majority districts—from 10 to 20 in our State House of Representatives and from 1 to 3 in the State Senate. Maps were drawn to make improvements to U.S. Congressional districts as well.”

FOUNDATION MISSION

Access Strategies Fund, a family foundation in Cambridge, MA, harnesses the collective power of underserved communities to use the democratic process to improve their lives.

WHAT’S NEXT FOR ACCESS STRATEGIES

FUND: CRITICAL SELF-REFLECTION

Critical self-reflection is a way of doing business at Access Strategies Fund. Kelly Bates observed, “One of the challenges we often avoid in philanthropy is, ‘What does it mean to be in a place of privilege where you give money to others?’ We take it very seriously that we have a lot of power and are holding a lot of resources, and how do we do that thoughtfully, responsibly, and respectfully? Too often, we don’t deal with the elephant in the room. Philanthropy can be the great equalizer. If we do it right, we can give resources to communities that others have forgotten and overlooked. But if one is not careful, you can also use it in ways that can disenfranchise a community.”

WHAT'S NEXT FOR THE FIELD: FOCUS ON OUTCOMES

As philanthropic leaders begin to ask what portion of investments goes to specific population groups, it is important to recognize this as a means to an end—the availability of resources to achieve certain outcomes. The field needs to complement the funding question with “results” questions, such as: Are the funds supporting and building the sustainability of organizations led by the designated population groups? Where those funds are applied, are gaps being closed? Does equity result?

Kelly Bates acknowledges the importance of more philanthropists who value diversity, equity, and inclusion becoming more out front about it. “Sometimes you feel a little lonely. You feel like you may be the only funder raising these questions and then get pigeonholed as the foundation that funds equity. We need more resources for our communities.”

Resources

Disability Funders Network, A Screening Tool for Disability-Inclusive Grantmaking

A series of questions about organizational knowledge, attitude, programming, and participation by people with disabilities, intended to advance inclusiveness in grantmaking.

<http://www.disabilityfunders.org/screen>

Funders for LGBTQ Issues, The Common Vision Guide to Structural Change Grantmaking

A step-by-step process for structural change grantmaking utilizing an intersectional lens. Includes a Structural Analysis Worksheet, an Impact Assessment tool, and sample RFPs.

<http://www.lgbtfunders.org/programs/vision.cfm>

Grantcraft, Funding for Inclusion: Women and Girls in the Equation, 2012

A call for explicit gender analysis and the difference it can make in grantmaking and internal operations.

<http://www.grantcraft.org/index.cfm?fuseaction=Page.ViewPage&pageId=3722>

Philanthropic Initiative for Racial Equity, Critical Issues Forum: Mobilizing Community Power to Address Structural Racism. Vol. 4, September 2012

A critical look at the intersections and intricacies of structural racism, community organizing, and civic participation.

<http://racialequity.org/docs/CIF4FullWeb.pdf>

LESSONS LEARNED

Institutionalize equity in grantmaking criteria.

- Review guidelines and decision-making protocols to ensure that underserved groups have a fair chance at being funded.
- Encourage proposals that advance equitable results and ask how that impact will be achieved through the investment.

Use your influence with other foundations and donors to advance an equity approach.

- Utilize “the power of the question” to raise critical DEI issues in philanthropic discussions.
- Be an advocate for strong DEI practice by helping others understand how a focus on equity is essential to accomplishing most foundation and donor aspirations.

Support your peers in addressing challenges around equity work.

- Share your lessons learned and your strategies that succeeded.
- Recognize that challenges are inevitable, but the potential for enhanced impact provides reason to keep moving ahead.



EVERYONE IN THE ROOM

BY RICHARD WOO

“A sustainable and peaceful world for people, places and communities.” That’s the vision of The Russell Family Foundation. We’re driving toward this goal, with three principles: 1) taking a place-based approach, 2) embracing difference, and 3) being a learning organization.

An example of the interplay among these principles is the Foundation’s newly launched Puyallup Watershed Initiative, a 10-year funding and civic engagement project to help steward the waters that run from Mount Rainier to the Puget Sound in Washington state. The Puyallup Watershed—which takes its name from the Puyallup tribe of Indians, who have lived along the shores of Puget Sound for thousands of years—is a meandering landscape of bio-, geo-, and social diversity. It covers roughly 1,000 square miles; includes more than a dozen governing jurisdictions; is home to the Puyallup tribal government; supports rural, urban, and suburban economies; and is host to communities that are growing more diverse by race, ethnicity, class, and other social measures. Local county officials describe the watershed as a place with “nearly every land use imaginable.”

For the Foundation to have a meaningful impact in this area, we need to take equity into consideration. We must ensure that our grantmaking benefits the broad range of stakeholders connected to the watershed, because their involvement is critical to success. To set ourselves up to be equitable in the end, we have begun by being inclusive of those diverse stakeholders so they can inform our grantmaking decisions.

When the Foundation’s program team convened the first meeting of a community advisory group, the guest list

reflected different and emerging local voices—not simply those historically tied to the watershed as an environmental platform. The list included farmers, business people, tribal leaders, sport fishers, scientists, educators, young urban artists, youth philanthropists, government officials, a farmworkers union activist, and environmentalists. People of color were represented across many of these groupings. There was no one dominant group—much like the coming future of America.

One guest, a prominent water scientist who happens to be Caucasian, later told us how surprised he was not to know the majority of the people in the room, as he’d been working on the issue for years. Since that convening, he’s been wondering how to make the work of his organization more meaningful to the new people he met. In a similar fashion, another guest took me aside before dinner to express his genuine puzzlement at being invited to an “environmental watershed” event when his day job is leading a youth philanthropy board at another local foundation. This fellow is a twenty-something Asian American working with 18 young philanthropists, 80% of whom are youth of color. By the end of the evening, the guest said to me and I paraphrase: “The youth I serve care about health, so if this effort is about the environment and its impact on community health, then this is important to our work.”

These anecdotes represent small steps toward embracing difference and building stronger ties so that ultimately the community’s collective voice helps direct the Foundation’s resources toward a Puyallup Watershed that is environmentally healthy, economically vibrant, and socially equitable.

Richard Woo is the CEO of The Russell Family Foundation.



DATA COLLECTION

SILICON VALLEY COMMUNITY FOUNDATION

BASED ON INTERVIEWS WITH **ELEANOR CLEMENT GLASS**, CHIEF GIVING OFFICER; **DON AGUILAR**, VICE PRESIDENT, HUMAN RESOURCES; **MANUEL SANTAMARIA**, GRANTMAKING DIRECTOR

GOAL: CLOSER CONNECTION TO THE COMMUNITY

Diversity and inclusiveness are two of the Foundation's stated values. These emphases are not driven with quotas, but rather they are embraced because of the recognition that diversity of thought and interests within the Foundation helps it build bridges to the diverse populations that make up the communities SVCF serves.

CHALLENGE: HOLDING OURSELVES ACCOUNTABLE

The aspiration for diversity began at the board level and has spread from there. The values of diversity and inclusion have been expressed in staff hiring and grantmaking as well, with a focus on documentation and accountability for these values in action.

SOLUTION: DATA TO DRIVE EQUITY

Today, SVCF publishes data on its website regarding the gender and racial / ethnic diversity of its staff and leadership, and lists the grants it provides to organizations or programs serving ethnically diverse populations: <http://www.siliconvalleycf.org/content/diversity#leadership>. A data dashboard on staff diversity is prepared for quarterly board meetings. Once a year the issue gets specific board discussion.

Eleanor Clement Glass, Chief Giving Officer, noted that "In hiring, we were very aware that we had a pool that was not initially diverse, but [now] we really do have a microcosm of the community represented." When asked how they would advise others on diversifying staff, Don Aguilar, Vice President, Human Resources, said, "we very rarely use search firms, and when we do, we try to diversify that as best we can. We utilize all our networks. For instance, when a position opens up, I'll put it out to our leadership team and board, which are diverse. These dynamics build on themselves. Diverse people have diverse networks. Social media has been our best friend because the networks are so

much broader than they used to be."

With regard to diverse grantmaking, Manuel Santamaria, SVCF's Grantmaking Director, described an 18-month process of dialogue with the community "that positioned us to learn things about the community that we didn't really know." SVCF RFPs ask applicants how they serve specific target populations, and the Foundation codes every proposal for specific populations—such as LGBTQ youth, homeless adults, and immigrant families—and the geography served.

In order to obtain background information on diversity that an applicant may not otherwise feel comfortable providing, SVCF incorporates voluntary questions into a third-party application process where people can self-identify. It has found that this enables applicants to open up about the perspectives they can bring to the table.

FOUNDATION MISSION

Silicon Valley Community Foundation (SVCF) employs visionary leadership, strategic grantmaking, and world-class experiences to partner with donors to strengthen the common good locally and throughout the world.

In its community leadership, SVCF uses data to advance equity. Data from its education work revealed that children of color and children in low-income families were not being placed into algebra classes. After asking superintendents, "have you looked at your data?" the Foundation was able to influence the development of placement policies so that, according

to Glass, "low expectations didn't bump kids out."

Another area where SVCF knew that data count was the 2010 Census. Said Glass: "We brought our grantees together to get the trusted messenger organizations information because we decided to focus on the hard-to-count census tracts. As a result of a number of different things, including an app that could get 18- to 24-year-old Latinos and Asian-Americans filling out those forms, the Census Bureau told us we increased the count in the hard-to-reach census tracts we targeted by 18%."

IMPACT: RESOURCES FOR COMMUNITIES THAT NEED THEM MOST

Over the past five years, SVCF has put in place a more diverse board, staff and top leadership; more targeted grantmaking to specific constituencies; and data-driven advocacy for equity. It is committed to public accountability through the publication of board, staff, and grantmaking data.

WHAT'S NEXT FOR SVCF: ADDRESS ISSUES OF DIVERSITY BEYOND RACE / ETHNICITY

Work has been more robust around race/ethnicity than other areas

of diversity. These other areas are viewed as further opportunities for the Foundation to continue to live by its guiding values. The diverse networks SVCF has developed and its reputation for valuing diversity offer a strong platform for its next DEI steps.

WHAT'S NEXT FOR THE FIELD: DATA-DRIVEN ADVANCEMENT OF EQUITY

Philanthropy is now collecting data on the diversity of boards and staff, and is working on ways to categorize grantmaking to diverse constituencies. The field would benefit from more examples of the data-driven advancement of equity, as the SVCF education example illustrates.

Resources

The California Endowment, Diversity and Inclusivity Report Card, June 29, 2011

A thorough audit of the progress being made by The California Endowment to increase the effectiveness of its grant portfolio and institutional operating practices. Of particular note are efforts around staff and vendor orientation and ADA and language accessibility.
<http://www.calendow.org/uploadedFiles/about/TCE%202011%20Diversity%20Audit%20Report.pdf>

Greenlining Institute, Supplier Diversity Report Card, 2012

Focused on supplier diversity efforts taken on by California utilities and telecommunications companies, the report offers ideas for creating report cards for philanthropy in this area of DEI.
<http://greenlining.org/issues/energy/2012/supplier-diversity-report-card-2012/>

Rockefeller Brothers Fund, RBF Diversity Report, 2012 Update, March 2012

Based on a foundation-wide project to assess and improve diversity within its operations and grantmaking, the report summarizes the progress made to collect and analyze data on the Fund's human resources, operations, grantmaking, public programs, and conference activities.
<http://www.rbf.org/sites/default/files/DiversityReportUpdate2012.pdf>

LESSONS LEARNED

Develop mechanisms for regular accountability around DEI.

- At least once a year, engage your board in a discussion of your DEI data—what they mean, what the foundation's aspirations should be, how the work can become even stronger.
- Create a grants coding system for applicants and grantees; review the data with staff and community partners regularly to check the accuracy and to discuss the efficacy and implications.

Create a reputation for valuing DEI so that the data you collect are viewed as credible.

- Review materials that ask for DEI data to ensure that their wording invites openness.
- Review HR policies to ensure that they reflect inclusiveness, as these can meaningfully affect your numbers.

Record and share examples of how data drive the quest for equitable results.

- Explicitly ask grantees to share their examples.
- Since data really don't speak for themselves, share lessons on effective messaging around DEI data.



TRANSPARENCY FOR IMPACT & LEARNING

BY HALLIE PRESKILL

As a longtime evaluator who has been deeply committed to using evaluation findings, I am excited when I hear that foundations are looking to be more “transparent” in the ways they do their work, the decisions they make, and what they learn from their evaluation efforts. Yet I don’t see much evidence that many are truly embracing this idea of transparency when it comes to sharing evaluation findings and other types of grantmaking data.

While there are many reasons organizations may be hesitant about sharing evaluation results, a true learning organization will understand that with any good evaluation, there are important insights and lessons that deserve to be shared both internally and externally. A learning organization also knows that a good evaluation must start with sound data on whom the organization is trying to impact

and the contexts in which they operate, including data related to demographics.

This doesn’t mean foundations have to publicize mean scores, quotes from those interviewed, or volumes of evaluation findings. Instead, it means being committed to collecting relevant, credible, and useful information that is strategically informative; being open to sharing what was learned from the evaluation process in ways that help others think about their own work more critically; growing and adapting their practices to be more effective; and finding ways to achieve greater social impact. When evaluation and research activities and findings are made transparent, inquiry can be a powerful catalyst for facilitating individual, group, organization, community, and field learning.

Hallie Preskill is a Managing Director of FSG.

TAKE ACTION

Armed with practical knowledge and the examples set by colleagues, we can build on the momentum we now have and commit to action in our organizations. Here is a list of possible action steps for organizations at any level of experience:

Learn ways to advance diversity, equity, and inclusion.

- Visit D5coalition.org to access a wide range of resources.
- Talk to others working on these issues—from Joint Affinity Groups to regional associations to infrastructure groups to foundation leaders.
- Participate in a training offered by a D5 Partner or other DEI resource.

Commit to taking the next step that's right for your organization.

- Conduct a DEI organizational audit and set goals based on the results.
- Make your commitment to DEI explicit in your communications.
- Participate in efforts to strengthen your data collection systems so that you are clear on the communities your investments are impacting.

Engage your trustees, grantees, vendors, or colleagues in the conversation.

- Start—or elevate—discussion of this issue at your next board meeting.
- Join the Take 5 campaign and recruit others to join the effort.
- Conduct a cultural competency training for your board, staff, and external stakeholders.
- Talk to your search firm and make DEI an explicit criterion for your next hire.

Share stories of your successes and challenges to inspire others.

- Write a guest post for the D5 blog that talks about the impact of investing in diversity, equity, and inclusion.
- Participate in and promote more systematic DEI data collection.
- Tell us about a story idea and we'll have our communications team pitch it to the media.

Help D5 help the field.

- Link to D5 from your website.
- Make a grant to support the work of a partner organization that is moving this work forward.
- Attend annual events at national conferences when D5 showcases its work and the work of philanthropic leaders who are implementing these values within their institutions.

TAKING STOCK: D5 ACTION & LEARNING IN 2012

In 2012, D5 continued to make progress toward our four big goals for the sector. We launched several projects, formed new partnerships, and strengthened existing ones, all in the service of expanding from a nascent coalition to a movement within philanthropy. Here are a few highlights from 2012 in each area.

LEADERS

FORGING PARTNERSHIPS AROUND THE COUNTRY

D5 hosted several panel discussions on diversity, equity, and inclusion throughout the year, raising the visibility of the issue and engaging philanthropic leaders in thoughtful discussion about the “hows” and “whys” of DEI. Presentations included:

- Breakfast meeting at the Council on Foundations (COF) Annual Conference, Los Angeles
- COF Conference for Community Foundations, Yes You Can! Keys to Building a Strong Diversity Strategy for Your Community Foundation Board, New Orleans
- Northern California Grantmakers Diversity in Philanthropy Series: Diversity in All Dimensions, San Francisco
- Funders' Network board presentation, Dubuque
- Breakfast meeting at the Forum of Regional Associations of Grantmakers Annual Conference, Pittsburgh

D5 supported the work of its partners Donors Forum and the Lloyd A. Fry Foundation to bring together diverse trustees at an October convening in Chicago.

D5 used traditional and social media to reach leaders and to raise the visibility of DEI:

- An op-ed authored by D5's Director, “A New Kind of IPO for Facebook's Millionaires,” was featured on the homepage of the *Chronicle of Philanthropy*
- An op-ed by Jasmine McGinnis that called for research to investigate the impact of DEI on philanthropy, and another op-ed by Mary Ellen Capek in response to Sheryl Sandberg's new book, “Lean In,” were featured in the *Stanford Social Innovation Review*
- D5 was featured on several blogs, including Philanthropy Northwest and the Foundation Center's *Transparency Talk*
- Several guest bloggers were featured on the D5 blog, thus drawing in a larger audience: Maria Mottola, New York Foundation; Joyce White, Grantmakers of Oregon and Southwest Washington; Lynne O'Hara, Special Hope Foundation; Seema Shah and Grace Soto, Foundation Center
- An article by D5's Meghan McVety, “The Path to Innovation and Creativity Runs Through Diversity,” appeared in the *Philadelphia Social Innovations Journal*

ACTION

EQUIPPING THE FIELD WITH POLICIES, PRACTICES, MESSAGES, & LESSONS LEARNED

Identifying the Best Policies and Practices

D5 commissioned a comprehensive scan of print and web-based resources from philanthropy and the more general fields of organizational effectiveness and social justice to identify policies, practices, and tools that can inform philanthropic action to advance diversity, equity, and inclusion. In addition, seven foundations were interviewed, to provide texture to specific issues and to illustrate how some foundations are embedding DEI more thoroughly into their operations and programs.

The scan yielded nine important conclusions, six about the state of DEI work and three about the availability of tools, programs, models, and other guidance for philanthropic action.

Equipping Advocates With an Inspiring Message

With the assistance of a national communications firm, we conducted a communications audit of 20 philanthropic institutions on the leading edge of DEI to identify the themes and language currently used to describe and promote DEI. We then developed messages designed to inspire foundation leaders to take action on these issues and tested them in a series of 25 in-depth interviews. The insights from the audit and interviews informed the development of a communications strategy for D5 and a message our whole movement can use to help inspire target audiences to act on our collective goals. In the coming months, we'll be releasing this manual to the field and training organizations throughout the country on how to use it effectively.

Sharing Lessons Learned

D5 and its partners gave several presentations to a range of audiences to share what we are learning. They included:

- COF Family Philanthropy Conference sessions: Embracing Diverse Perspectives for the Common Good, and D5 Coalition Data Findings on Diversity Programs, Policies, and Practices, San Jose
- Association of Black Foundation Executives Conference: Casting A Wider Net: Know-How and Networks for Investing in Minority- and Women-Owned Firms, New York
- Roundtable luncheon hosted by strategy consulting group FSG, led by D5 partner Associated Grant Makers

FUNDING

RAISING THE VISIBILITY OF DIVERSE DONORS & POPULATION-FOCUSED FUNDS

To develop the capacity of, and draw attention to, population-focused funds (PFFs), we:

- Analyzed the results of \$100,000 in capacity-building support provided to 10 PFFs to build fundraising capacity and increase access to the philanthropic sector.
- Launched a business model analysis to assess the unique and compelling role of population-focused funds in the contemporary and dynamic philanthropic environment. The project will produce clear models of success for a range of PFF types, and will surface key guidelines for strategic action and the arenas where PFFs are most likely to achieve their optimal impact.
- Added a graphical map interface to our online PFF directory so foundations and philanthropic infrastructure groups have a better visual of PFFs—who they are, where they fund, and the community causes they support.

To raise the visibility of diverse donors, we:

- Co-hosted, with Rockefeller Philanthropy Advisors (RPA), a convening in Chicago, which brought together diverse donors from the Midwest for a day of celebration and learning.
- Conducted a session at the 2012 COF Annual Conference in Los Angeles: *We Are Philanthropy*.
- Featured the D5/RPA-produced “I Am a Philanthropist” video at the above convenings and on the D5 website. It has also been incorporated into the Annenberg class on philanthropy and distributed through the New York City College system.

DATA

BUILDING A FIELD-WIDE DIVERSITY AGENDA & DATA COLLECTION

We continued to support ongoing efforts to standardize data collection on diversity-related issues. These efforts were led by the Foundation Center in collaboration with regional associations and other allies committed to strengthening philanthropy’s data collection capacity.

To facilitate this, we are working with Marga Inc. to scan and analyze existing constituency data collection practices, tools, and protocols and to work with the Foundation Center and other partners to refine a potential beneficiary system.

To address the qualitative aspects of diversity, equity, and inclusion behind the numbers, three Insights on Diversity research projects were commissioned that will contribute to the body of research on effective policies, practices, and tools that philanthropic leaders can draw upon to help drive meaningful change. Topics being explored include:

- Philanthropic career paths of people of color.
- How foundations in the Northwest are adapting to changing demographics.
- How foundation-grantee interactions can provide opportunities to increase diversity.

The first of these studies is likely to be complete in summer 2013.

D5 LESSONS LEARNED IN 2012

As we worked to help the field advance diversity, equity, and inclusion over the past year, we learned much that will strengthen our future efforts. We saw firsthand that advancing DEI is not a linear process. Rather it is hard work that, while iterative, often happens in frustrating fits and starts. Despite the challenges, we have been encouraged by the generosity of spirit that drives leaders to share their wisdom and experience as they forge their own paths toward our shared goals. D5 launched a survey of our core stakeholders in the fall of 2012. Here are just a few of our learnings and observations this year that will inform our work for years to come:

- **Foundation staff and board members are primarily concerned with their organizations and the impact of their work.** They are driven by their mission to advance the common good. It is D5's task to connect advancement of DEI to helping philanthropic leaders fulfill their missions by providing them with effective and tangible support, measures for tracking their own progress, and clear paths for taking action.
- **Even champions of DEI talk about equity differently.** Our communications audit revealed that leaders use different language to define equity. If we want those less committed to DEI to be moved to act, it's critical that we speak with a common vocabulary. Research suggests that using the terms "creating opportunity" to help describe equity speaks to the audience we seek to influence, but this remains a point of debate among allies.
- **People want concrete resources that help them implement DEI changes in their organizations.** Specifically, survey respondents most often asked for "best practices" stories, toolkits, and funding support. D5 continues to expand the library of resources available on our website, analyze the effectiveness of different tools, and pave the way for new ones by commissioning research.

The survey conducted by D5 in the fall of 2012, completed by 280 individuals active in the field of philanthropy, revealed several lessons that will help us grow the movement. We learned that:

- **People are familiar with the goals of D5, but they need to know more about what we're doing to reach those goals.**
- **D5 is reaching philanthropic support organizations more than foundations.** This is in line with our underlying strategy of drawing on the network of our intermediary partners, but more needs to be done to reach foundations in order to truly grow the movement.
- **Word of mouth is a powerful means of spreading the message about D5 and DEI.** People frequently reported learning about D5 from their colleagues. D5 will build on this strength through the Take 5 campaign.

LOOKING AHEAD: D5'S ACTIONS IN 2013

Take 5 Campaign

In 2013, we'll be launching a major effort to encourage hundreds of foundation leaders to take action in support of diversity, equity, and inclusion in their own foundations.

Here's how the campaign will work. We'll recruit dozens of champions who agree to participate. Each champion will identify five foundation colleagues and ask them to take the next step to advance DEI that's right for their organization. Champions will provide D5 with a list of who they've contacted, and we'll then act as a helpful guide and connect leaders to the tools and resources they need to succeed.

We're putting the finishing touches on the campaign plan and will formally launch it this fall. You can expect to hear from us with more details soon. We'd like nothing more than for you to participate!

A Regional Lens

D5 recognizes that much of the hard work to advance DEI happens through local and regional networks that reflect the broad range of philanthropic cultures. For this reason, we will approach our work from a regional perspective as we mobilize resources to engage new partners to advance DEI in philanthropy. By building capacity in targeted regions, D5 will leave behind a network of relationships, resources, skills, and practices to support diverse, equitable, and inclusive philanthropy for years to come.

To each targeted region D5 will bring research and lessons learned to form the basis for regionally tailored programming. D5 will support local affinity groups, regional associations, population-focused funds and other infrastructure groups as they build stronger networks and capacity. And not least, D5 will connect regions to the national DEI movement and leadership and all of the resources they bring to bear.

Look for targeted D5 action in two regions during 2013.

Strengthening Population-Focused Funds

A comprehensive study of population-focused funds (PFFs) is already underway for 2013. The study will shed light on factors that could lead to greater relevance, viability, and impact of the funds as a whole. The project seeks to uncover relevant trends and drivers of success by conducting extensive research, including a trend line analysis of PFF revenue data, expert interviews, focus groups, and a sector-wide survey. The final product will include case studies of successful models; customized reports for PFFs, institutional funders, and individual donors; and a summary of recommendations for measuring PFF performance and impact.

Actionable Research

In 2013 D5 will continue to execute its research agenda that calls for:

- Dissemination and engagement of the results from the three Insights on Diversity research projects.
- Pilot of the internal diversity data tracking system in additional regions and integrate lessons from pilots into a final tool.
- More focused and rigorous studies that explore the relationships between diversity and effectiveness.

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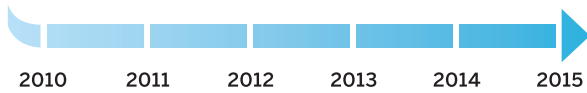
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TARGETING BIG CHANGES BY 2015

- 1. Leaders:** Recruit diverse leaders for foundations—including CEOs, staff, and trustees;
- 2. Action:** Identify the best actions we can take in our organizations to advance diversity, equity, and inclusion;
- 3. Funding:** Increase funding for diverse communities and ensure that foundations offer all constituencies equal opportunity to access the resources they need;
- 4. Data:** Improve data collection and transparency so we can measure progress.



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