Philanthropic Applications of a Racial Equity Lens

Ten Essential Questions for Philanthropic Grant-Making, Policies and Practices

ABC

CHANGING THE FUTURE

Stepping Toward Equity…

In recent years, foundations and other funding institutions across the nation have turned their attention to the concept of incorporating a "DEI (Diversity, Equity, and Inclusion)," "REI (Racial Equity and Inclusion)," "REEI (Racial and Ethnic Equity and Inclusion)," or "Healing and Reconciliation" Lens in their grantmaking processes.

Not discussed as often is the analytical frame that undergirds these marketing terms; the "change" the institutional funding entity is trying to address: *expanding "diversity"* — a more balanced blend of who they fund without changing any of the underlying power dynamics that maintain root causes; *increasing "inclusiveness"* — deciding upon what increased agency funding entities will allow grantees while maintaining control of the rules, practices, and process of funding; or *re-envisioning philanthropy by honestly addressing and working to change current "whiteness-normed"*[i] power dynamics that truncate systemic change in funding relationships and in greater society.

Modern American philanthropy has been based on a mixture of four traditions: philanthropy as "relief" (benevolence; charity ["almsgiving"]; giving to those in need from "noblesse oblige"); philanthropy as "improvement" (giving to "maximize human potential"); philanthropy as "social reform" ("…to identify and solve public problems…through experimentation and the innovative use of venture capital," through the foundation's ability to "…spot emergent problems, diagnose them, and test alternative ways to deal with them"); and philanthropy as "civic engagement" ("…investing resources in strengthening relationships and nurturing conversations among citizens, in order to build…more reflective and resourceful local communities").[ii]

In each of these traditions, however, as well as in the ways in which modern American grantmaking is turning attention to re-envisioning itself toward "equity grant-making," adjustments given in this journey have been weighted more toward *bending* historical grant-making rules than *re-defining* them. Regardless of the race, economic class, or other historic "ism" identifier of the people within grant-making institutions, philanthropic giving is still governed according to the power dynamics and operational norms that have been steady practices of modern, whiteness-normed, philanthropic giving.

This pocket guide is a concrete educational tool for both institutional and individual philanthropists wanting to translate their commitment to justice and equity to practical application in grant-giving — or more importantly, to re-think and re-design the ways in which philanthropy operates.

CHANGING THE FUTURE

The Work of Associated Black Charities…

Associated Black Charities (ABC) is determined to ***change the future.*** We seek — through policy-related education and advocacy, collaborations, philanthropy, and incubation and testing of strategic intervention models — to strengthen Maryland's economy by focusing on the economic growth, economic inclusion, and economic influence of African Americans.

In Maryland, ABC is a champion for economic transformation for African Americans and other marginalized communities in areas related to our organizational mission — ***to advocate and facilitate the creation of measurably healthier and more prosperous communities through responsible leadership and philanthropic investment throughout the state of Maryland.***

Supporting good philanthropy is an essential component of our work. Because philanthropy is not "race neutral," we work within the philanthropic sector to build greater understanding of why using a racial equity lens matters and how to use it effectively. A shared understanding of this lens by institutional and individual philanthropists increases the potential for transformation of philanthropic policies, grant-making practices, and a society in which all families and communities have equitable opportunity to thrive.

The Challenge

As economic and societal inequities grow, along with the historically marginalized populations most impacted by them, philanthropy faces decisions regarding the type of modern philanthropic tradition with which it wants to lead — or whether it has the level of commitment to create a new one.

Regardless of how institutional grant-makers position themselves in terms of "equity grant-making,"[iii] the history of the funding entity — how the entity amassed funds; the impact of past funding policies and practices on inequity; and the history of the institution's "power moves"[iv] on historically marginalized communities — will bear weight and impact on its current choices.

Institutions committed to taking steps along this path find the journey much harder when the assessment is regarding how power, policies, practices, and patterns operate *internally* in *their* institutions as opposed to *externally*.

The questions below are not all-inclusive for institutional and individual funders that want to go deeper than "diversity" or "inclusiveness"; for example, they do not address how philanthropy can intentionally use its voice, power, and positioning to support inclusion and equity outside of grant-making. However, the questions are essential for funding institutions that are committed to operating from practices embracing transparency; acknowledging the differences between power building, sharing, and wielding[v]; and changing the future by creating philanthropical practices that create more equitable futures for everyone in society.

For those institutions new to the equity journey, the ten primary questions are to provoke reflection and discussion. For those farther along the way, the sub-questions are a guide to deeper conversation regarding institutional policies, practices, and power relationships.

The questions may be uncomfortable; honest answers even more so.

But change is already here.

And philanthropy should be poised to accept the challenge of meeting this future.

Leading with Race

Associated Black Charities (ABC) is always asked why it leads with race, as if other systemic "ism" categories are not as important. ABC leads with race understanding that race impacts all other systemic "ism" categories.

There is no "level playing field" of oppression, nor is oppression linear. Quantifying categories of historical marginalizations based on policies and customs in that way, through grant-making or in any other way, disservices the ways in which each oppression operates, and manifests profound misunderstanding of the intersectionality[vi] of oppression. It also serves to obscure and maintain the ways in which oppression works. Finally, a linear frame of "ism" oppressions denies the ways in which race remains an intractable factor that — more than any other "ism" — determines opportunities and outcomes in every area of life for individuals and families in the United States. Foundations and other institutional funding entities with ethos, money, societal power, moral perception, and voice — whether and however they choose to use it or not — either disrupt or maintain the status quo, not only in the way they shape these issues, but in how and what they are willing to fund.

Changing the future requires bold leadership — leadership that is unafraid of acknowledging the central role of race and the systemic, institutionalized racialized inequities that have been created over generations.

Leading with race is inclusive. It is not meant to benefit only African Americans or other People of Color, but to offer, as a philanthropic legacy to present and future generations, a future in which opportunity is not apportioned by race, or gender, or sexual orientation, or disability, or ethnicity, or income, but a future that is open to us all.

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Philanthropic Applications of a Racial Equity Lens

Ten Essential Questions for Philanthropic Grant-Making, Policies and Practices

1 How does your institution solicit and use feedback from grantees and potential grantees — especially those from historically marginalized[vii] communities — regarding your institution's grant-making requirements, policies, practices, expectations, and funding goals?

- Does your institution solicit feedback? Why or why not?
- What forms of protection does your institution offer so that grantees — who are vulnerable to the funding power of foundations — can speak freely and without fear of losing grant funding?
- Does your funding institution intentionally search for and invite in nonprofits that may be normally discounted because of implicit bias or because they fall outside of the "usual circles"?[viii]

2 How does your institution use its grant-making power to influence grantees/potential grantees — especially those from historically marginalized communities — to the will of the foundation (re-shaping their proposal before granting funding; imposing expectations; assuming lack of expertise because of lack of capacity or "establishment-based norms of 'respectability'"[ix]) with the "power persuasion" of funding?

- Has your institution had conversation regarding the difference between power wielding and power sharing?
- Grant-makers explicitly and implicitly wield power over grantees. How will your institution guard against that?
- How are grantee voices solicited in your institution's evaluation of its policies, practices, and impacts within historically marginalized communities and on organizations led by representatives of historically marginalized groups?

3 Does restricted, project-based grant support act as a barrier to potential grantees — especially those from historically marginalized groups and communities? Only an estimated 20% of (U.S.) funding for nonprofit organizations is unrestricted.[x] This creates a "starvation cycle"[xi] for many nonprofits that particularly truncates the development of smaller and more community-based nonprofits. Another consequence of this is how these decisions then inadvertently advantage nonprofits that are larger with more established infrastructures.

- Does your foundation provide general support grants? Why or why not?
- What percentage of your foundation's grants are for general support and what percentage are project-based?
- Has your foundation solicited feedback regarding what type of grants are most helpful from the nonprofits in its geographic area — and specifically from those representative of historically marginalized groups and communities?

4 **Are your institution's grant requirements — intentionally or unintentionally — "weighted" to give preference to more established and "traditional" nonprofits? To direct service organizations over catalytic change organizations?** For example, grant-making processes may give more weight to funding proposals from higher-capacity, white-led nonprofits whose direct services benefit historically marginalized populations while giving less weight to lower-capacity nonprofits led by actual People of Color serving the same populations. Funders may also track levels of funding to nonprofits whose direct services benefit historically marginalized populations instead of levels of funding to nonprofits led by People of Color[xii]. Funding institutions may comparably equate these two things as "fair and objective" creating "an illusion of equity" that continues to support racial and other inequities as well as institutional and societal complacency.[xiii]

- In the past 2 years, what percentage of funding was given to white-led nonprofits whose services benefit historically marginalized communities?
- In the past 2 years, what percentage of funding was given to People of Color-led nonprofits?
- How does your foundation involve the voices of those served by prospective grantees in its assessment of value and impact?
- How does your institution foster authentic, non-tokenistic/non-gatekeeper, relationships with those from historically marginalized populations?
- How does your institution use its ethos — funding, relationships, other — to address root causes (systemic issues that drive conditions and outcomes) instead of or in addition to funding the outcomes of those root causes?

5 **How are "ism" biases acknowledged and addressed in the grant-making process?** In recent years, philanthropy has — as an industry — been conducting self-assessments and interventions to change its "…savior mentality in institutional form…"[xiv] Everyone brings biases to decision-making. However, institutional philanthropy, as an industry led by "whiteness"[xv] thought and norms, often operates from its blind-spots to structural and systemic privilege. The ways in which these blind-spots manifest in institutional policies and practices can interfere with and upend the sincere desire to create more inclusive processes.

- What stated values (expressed in written foundational documents, expectations, etc.) drive your institution's grant-making processes and decision-making?
- What lived values (operational practice) drive your institution's grant-making processes and decision-making?

- Are your institution's grant-making practices codifying norms that help sustain inequities in grant-making?
- What assumptions about "Best Practices" may be creating institutional barriers for grant-making to nonprofits lead by individuals from historically marginalized groups? For low-infrastructure nonprofits? For the decision to provide project- as opposed to general-support grants?
- What "privilege practices" are part of your institution's grant-making processes?"

6 What are the repercussions to communities and groups served if the nonprofit does not receive funding?

For institutions funding to create change — either in mitigating negative outcomes for individuals or in changing the causal systems creating those negative outcomes — a grant denial not only has effect on the nonprofit but on all those who benefit from their services and/or advocacy.

- Are there other area nonprofits that provide similar services to the same or comparable populations?
- If not, what would it mean for the neighborhood, city, region, for that nonprofit's grant not to be funded?
- Is the impact to beneficiaries disproportionate to historically marginalized groups?
- Are there other funding opportunities for that nonprofit?
- How does your institution use its ethos to create opportunities in addition to or other than funding for nonprofits led by People of Color?

7 What are the repercussions to nonprofits led by African Americans and other People of Color and nonprofits led by representatives from other historically marginalized groups — and/or to the communities that rely upon them — if the nonprofit does not receive funding?

- If your institution is not providing general- or project-support to a nonprofit, will that decision disproportionately impact historically marginalized communities in that area?
- If your institution is not providing general- or project-support to a nonprofit, would their operations or projects be negatively impacted to the point of disruption to the communities they serve or to their systemic change efforts?
- Does your funding institution provide support beyond the monetary for those nonprofits funded by your philanthropic entity and for nonprofits that could be helped by the non-monetary support and championship of your institution?[xvi]

8 What percentage of your institution's total grant-making is specifically targeted toward nonprofits working specifically on issues that exclusively or disproportionately impact historically racially-marginalized communities?

"Foundation red-lining" has long been an operational norm for foundations.[xvii] Nonprofits that are Black-led and that work specifically on issues of special concern to African American communities receive lesser amounts of funding — if they are funded at all.

- What are the barriers (requirements, policies, practices, operational biases or philosophical perspectives) that are effectively locking these nonprofits out of grant opportunities?

9 Are the metric expectations of your institution barriers to grant-making for systemic change?

- Do your institution's metrics emphasize numbers-served or impact on communities and historically marginalized populations?
- A concentration *on numbers-served* advantages higher-resourced and higher capacity nonprofits; *impact* acknowledges that lower-resourced and lower-capacity nonprofits can have greater impact re their service areas even though the numbers served are lower.
- How is your institution incorporating practices from "ethnic philanthropy"?[xviii]
- Does your institution have the appetite or ability to measure transformative (permanently impacting systems, structures, and root causes) progress and change? How does that show up in policies; practices; grant-making; partnerships with (especially) nonprofits focused on systemic change led by those from historically marginalized groups; and the use of institutional ethos outside of grant-making (within the geographic area in which the institution operates)?
- Does your institution and its grantees disaggregate data by race, gender, age, place, etc. to better understand non-profit and community needs?

10 What is your institution's commitment to being a grant-maker for systemic change?

Institutional funders are federally required to grant a minimum of 5% of their assets each year in grants and charitable activities.[xix] The pressure to show "progress" as confirmation that grants were good investments and grantees were good stewards of the grant often constricts grant-makers to transactional grant-giving that emphasizes one-year, project-based grants with transactional, quantitative metrics. This model of philanthropy certainly upholds the four modern funding traditions of American philanthropy (relief, improvement, social reform, and civic engagement), but does not adequately invest in or nurture transformative strategies or solutions that the use of a racial equity lens requires.

- Does your funding entity provide multi-year grants? To what organizations?
- Does your funding institution promote metrics that are short-term quantitative or longer-term qualitative?
- Do metrics emphasize direct service outcomes or transformational impact?

A 2009 report from the National Committee for Responsive Philanthropy confirmed "…the dominant power of race in determining life chances and outcomes." It further stated "…the presumption of race neutrality allows the perpetuation of implicitly racialized systems and structures that impact groups differently based on race."[xx] That is just as true today, not only in terms of the primary factor of race but also in terms of systemic exclusion of other historically marginalized groups.

Philanthropy can choose to amplify its charge by using a Racial Equity Lens in grant-giving, moving beyond a tokenized, less effective "diversity" frame.

In fact — if it is committed to structural, transformative change benefiting all society — it must.

ENDNOTES

Changing the Future: Stepping Toward Equity:

i "Whiteness-normed": A component of white supremacy and cultural, institutional, and structural/systemic racism — "…the ways in which the dominant culture is founded upon and then defines and shapes norms, values, beliefs and standards to advantage white people…the ways in which the structures, systems, policies, and procedures of institutions in the U.S. are founded upon and then promote, reproduce, and perpetuate advantages for white people and the oppression of People of Color." "Racism Defined – dRworksBook-DismantlingRacism."

ii Elizabeth Lynn and Susan Wisely, "Four Traditions of Philanthropy," https://civicreflection.org.

The Challenge:

iii Lisa Ranghelli and Jennifer Choi, "Power Moves, Your essential philanthropy assessment guide for equity and justice," National Committee for Responsive Philanthropy; Philamplify.

iv Ibid.

v Ibid.

Leading with Race:

vi "Intersectionality": A framework developed by Kimberle Crenshaw (legal) and Patricia Hill Collins (sociological) acknowledging the ways in which structural and cultural patterns of oppression are multiplied by class, gender, disability, age, and other historical "isms." This framework was developed specifically to explore the ways in which Black women are oppressed in U.S. society.

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vii Groups who have generationally been systematically excluded by law and custom from full agency and participation in U.S. society. While different groups have been added to the characterization of "historically marginalized," race has been a primary and consistent indicator of access, opportunity, and outcomes across and within other groups characterized as historically marginalized. From Multiple Sources.

viii From the Trust-based Philanthropy Project, "Do the Homework," https://trustbasedphilanthropy.org/do-the-homework.

ix Jennifer Choi, "To Build Healthy Relationships with Grantees, Funders Need to Shift the Power Dynamics," National Committee for Responsive Philanthropy (NCRP), October 20, 2017.

x Ben Paynter, "Five Ways Nonprofits Struggle (And How to Overcome Them)," FastCompany.com, April 3, 2018.

xi Ann Goggins Gregory and Don Howard, "The Nonprofit Starvation Cycle," Stanford Social Innovation Review Essentials of Social Innovation, Fall 2009.

xii People of Color-led Nonprofits: One whose staff is 50% or more People of Color; whose board is 50% or more People of Color; and whose mission statement and charitable programs aim to predominately serve and empower People of Color communities. From "Funding the New Majority: Philanthropic Investment in Minority-Led Nonprofits," The Greenlining Institute, Spring 2008.

xiii Vu Le, "Philanthropy and the Destructive Illusion of 'Leveling the Playing Field'," The Guidestar Blog, Aug. 24, 2018.

xiv Edgar Villanueva, "Decolonizing Wealth: indigenous wisdom to heal divides and restore balance," BK Publishers, Introduction/5.

xv "Whiteness": "…the definition of [white] as the norm or standard for human, and people of color as a deviation from that norm…the white reference point [as] universal…[and] imposed on everyone." From Robin DiAngelo, "White Fragility: Why It's So Hard for White People to Talk About Racism," Beacon Press Boston, 2018, pg. 25.

xvi From the Trust-based Philanthropy Project, "Support Beyond the Check," https://trustbasedphilanthropy.org/support-beyond-the-check.

xvii Susan Taylor Batten and Nat Chioke Williams, PhD, "The Case for Funding Black-Led Social Change," The Black Social Change Funders Network, ABFE, Hill-Snowdon.

xviii "Ethnic Philanthropy," also called "Identity-based Philanthropy," refers to philanthropy identified with and controlled by racial groups and ethnic groups other than white. The framing of philanthropy as "ethnic" or "identity-based" is "whiteness-normed" as those descriptors exclude philanthropic institutions created from the money and in the likeness of white men and women, positioning them as "the norm" in both the ways in which philanthropy is practiced and in the model of what and who philanthropy and philanthropists are.

xix "Calculating the Minimum Distribution Requirement for a Private, Non-Operating Foundation," Foundation Source, Foundation Source Philanthropic Services Inc., 2012.

xx Niki Jagpal, "Criteria for Philanthropy At Its Best: Benchmarks to Assess and Enhance Grantmaker Impact," National Committee for Responsive Philanthropy, March 2009.

To contact Associated Black Charities about technical assistance regarding use of ***Philanthropic Applications of a Racial Equity Lens: Ten Essential Questions For Philanthropic Grant-Making, Policies, And Practices***, please contact A. Adar Ayira, Senior Director, Strategy and Racial Equity, Associated Black Charities, programs@abc-md.org, 443.524.7732.

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