

# 7<sup>th</sup> Annual Handy Lindsey Lecture of Inclusiveness in Philanthropy

*Delivered by – Deborah Harrington – March 10, 2010*

## **WELCOME / RECOGNITION**

I am deeply honored to be named the 7th recipient of this distinguished award. After nearly eleven years in this field, tomorrow is my last day at the Woods Fund of Chicago. So being selected to present this lecture at this poignant transitional period in my career makes this an extra special privilege.

Allow me to begin by giving homage to the man to whom this award is so appropriately named, Handy Lindsey...who is here with his wife Kristen (welcome home!). I also want to recognize my predecessors at this lectern who both inspire and challenge me to give this significant opportunity the best that I've got...and they are: Cleo Wilson, Nick Goodban, Aurie Pennick, Ann Roosevelt, and Amina Dickerson.

I also want to thank the Selection Committee members for choosing me for to present this esteemed lecture and recognize the leaders of Chicago African Americans in Philanthropy (CAAIP) – Phil Thomas, Steve Casey and Cheryl Heads and all CAAIP members.

I would be remiss if I did not also recognize Tim Russell who teamed up with me ten years ago to reconstitute CAAIP after a period of being dormant.

I want to acknowledge members of Chicago Latinos in Philanthropy and Chicago Asian and Pacific Islanders in Philanthropy, these affinity groups share many of the same values, issues and challenges as CAAIP. And finally allow me to bid a fond farewell to the Woods Fund board and staff --- it has truly been an honor and privilege to work with each of you.

I hope that during the course of my lecture, to share with you some thoughts and experiences that will in some small way add to the rich body of knowledge and ideas imparted by my colleagues who have so eloquently spoken on this topic before me:

The title of my lecture is: ***Beyond Diversity and Inclusiveness to the Mandate of Racial Equity***

*I discovered from the book entitled, "Effective Philanthropy – Organizational Success through Deep Diversity and Gender Equality" that "philanthropy" is a Greek word whose origins literally mean "love for mankind". Contemporary use of the term refers to voluntary giving by individuals and organizations to promote the common good. My comments this evening will be made in the context of organized philanthropy and all the*

foundations it comprises. Putting this in local context; according to the Donors Forum's recently released data in: "Giving in Illinois", there are just over 4,000 foundations in Illinois with a combined total giving of nearly \$2 billion dollars. As we all know, money is power...so working in this unique sector comes with the significant responsibility to advance work that benefits individuals, communities...and beyond through a myriad of methods spanning from charity to change.

## **DIVERSITY DEFINED**

Diversity is about learning from others who are not the same, about dignity and respect for all, and about creating workplace environments and practices that encourage learning from others, **and values the advantage of diverse perspectives.**

For the purpose of my lecture, I will concentrate on racial and ethnic diversity. But it is essential to point out that the notion of diversity transcends well beyond the boundaries of race and ethnicity and includes gender, ability, age, sexual orientation, and religion.

Demographics illustrate the rapid change in our society. Census data reports that, by the year 2050, nearly half of all those in the United States will be from a non-white, non-Anglo culture.

On the importance of representation...in his inaugural lecture, Handy Lindsey spoke of a defining moment in 1971 when 8 African Americans stood up at the annual national Council on Foundations conference and demanded inclusion of Blacks on the slate of nominations. Diverse experience and perspectives add-value to our field in countless ways; from employees in administrative positions, to program staff, executives and the most challenging of all ---- those serving in our board rooms.

## **DONORS FORUM SURVEY**

Since 1990, the Donors Forum has conducted a survey on Diversity every four years. It looks at governing boards and total staff by race, ethnicity and gender. Responses received from its members are compared to national figures from the Council on Foundations. Upon reviewing this data what struck me was the relative lack of change in these numbers over the years. Although there are modest differences at each 4 year interval, the numbers are relatively constant. I'll briefly share with you the most recent Donors Forum data from 2006...37% of Governing Boards were represented by females as compared to 63% male. In the area of ethnicity and race Governing Boards were 77% Caucasian, 13% African American, 7% Latino, 2% Asian American, Native American and Other/Biracial were less than 1%.

Total foundation staff was represented by 75% females as compared to 25% male. In the area of ethnicity and race Total Foundation staff was 61% Caucasian, 23% African American, 7% Latino, 8% Asian American, other /Biracial 1% and Native American less than 1%.

**So what do these numbers at face value tell us?** That governing boards are dominated by men over 2 to 1; that 3 out of 4 foundation staff are women; and that all racial and ethnic groups are under-represented in both areas of governance and staff, especially Native Americans, Asian American and Latinos.

Had the Donors Forum's survey collected data by Total Staff and made a further breakdown by management versus administrative staff, I guarantee it would paint a far different picture and show that when you unpack these numbers, an overwhelming number of minority employees would fall into the administrative category with management positions predominated by Caucasians.

This year the Donors Forum will once again collect and disseminate diversity data. There are three recommendations I wish to convey with regard to its upcoming survey:

1. I strongly encourage you to breakout administrative staff from management employees. This will provide a more detailed and accurate account of diversity with regard to decision makers as compared to other foundation staff.
2. In 2006 the response rate for the survey was a disappointing 10%. I highly recommend the development of a strategic communications and marketing plan to ensure a significantly higher rate of response.
3. That you include other areas of diversity in the survey such as ability, age, and sexual orientation.

## **BOARD DIVERSITY**

Having a culturally competent board of informed givers is essential to increasing a foundation's impact on communities of color. Last May, the Chronicle of Philanthropy published a story entitled *Foundations Lack Board Diversity*. It went on to report that foundations are failing to recruit diverse board leadership, with Hispanics being the most under-represented compared to their growing number in American society. The report said, the example of placing value on diversity begins at the board level, and extends to the decisions made at the staff level. It concluded that given the increasingly multicultural and multiethnic nature of American society, foundations cannot continue to fall behind as the future moves towards greater inclusiveness.

### **Some guidelines on Inclusiveness to consider:**

**Purpose** - Approach diversity and inclusiveness with a sense of steadfastness

**Commitment** – begins with the leadership of foundations --- primarily Board members, trustees, and CEOs

**Intentionality** – real progress will not happen without a vision with purposeful action toward change

**Leadership** - is required at all levels of the organization. Involve as many voices in the foundation as possible so that everyone can share in making stated goals a reality

**Expand Your Networks** - Funders must move out of their comfort zones and reach out to new people and circles

**New Voices are Needed** – I cannot over emphasize the importance of people, other than those of color, who must be champions and advocates of diversity

**And please ---- Avoid the Usual Suspects** – When Valerie Jarrett, Desiree Rogers and Tina Tchen left Chicago to serve in the Obama administration it created vacancies and pandemonium on many boards. You would think only 3 qualified people of color existed in Chicago that were capable of serving on high-powered board! *We can and must do better.*

Finally, there is a need for diverse representation beyond foundation staff and board---inclusiveness should be taken into consideration in the selection and hiring of Consultants, Vendors, Researchers, Evaluators and Investment Fund Managers.

## **WOODS FUND and BOARD DIVERSITY**

The Woods Fund of Chicago and a number of foundations collect diversity data from grantseekers. I believe this information greatly informs our programmatic and grantmaking decisions. At a Woods Fund board meeting last year, while reviewing funding proposals, a discussion ensued about the on-going conundrum that some of our highest performing grantee organizations had governing boards that did not reflect a “reasonable” level of diversity. Our foundation explicitly states that board diversity in the context of achieving our mission is a value we seek to uphold. So it should follow that the Woods Fund would take appropriate measures to ensure that it supports organizations with racially and ethnically diverse boards. This is more commonly referred to as “*walking the talk*”. To their credit, my board members took a bold step and decided to send a letter to every nonprofit leader we fund, restating our commitment to board diversity. Following this, our foundation went a step further. In recognizing that building and maintaining a diverse board can be challenging for some organizations, we convened the leaders of grantee organizations identified as having challenges in this area along with others who found successful strategies for ensuring board diversity. At this strategy-sharing session, nonprofit leaders talked openly about challenges, opportunities and successful methods. It was an instructive discussion and participants said they could benefit even more from an in-depth discussion that also included other aspects of board responsibilities such as governance and fiduciary issues. As a result, the Woods Fund is working with the Donors Forum and will solicit other foundations to collaborate in the development of a comprehensive diversity/governance as leadership workshop.

A determined effort to incorporate the values of diversity into activities of foundations can only succeed if it receives strong commitment at all levels of the organization. The example of placing value on diversity begins at the board level and extends to the decisions made at the staff level. Given the increasingly multi-cultural and multi-ethnic nature of American society, foundations cannot continue to fall behind as the future moves ahead towards greater inclusiveness.

So as not to give the impression that our local philanthropic landscape is static in the area of diversity and inclusiveness, I want to acknowledge and express thanks for all efforts, past and present.

### **DIVERSITY REPORTING AND EVALUATION**

It would be virtually impossible for me to talk about foundation diversity and not revisit the legislative proposition in California: the **Foundation Diversity and Transparency Act**. For the record, I was in support of this legislation.

**As background** --- after decades of complaints from the diverse non-profit community, the Greenlining Institute conducted a study in 2005 of the 50 largest foundations in the country to quantify their giving to minority-led organizations. This report found that minority-led organizations received just 3% of total dollars from the nation's largest foundations. A similar study conducted in 2006 by Greenlining found that this same tiny percentage point had inched up from 3 to 3.6%.

Alarmed by these findings, the Chairs of California's Latino, Black, and Asian/Pacific Islander Legislative Caucuses held hearings to discuss grant-giving to minorities. Out of frustration, Assembly member Joe Coto introduced the Foundation Diversity and Transparency Act. This bill would apply to California foundations with assets over \$250 million dollars and require that they collect and publicly disclose ethnic, gender, and sexual orientation data pertaining to its governance, operations, and grantmaking. Proponents of this act argued that the public has a right to know where foundation grants are invested, especially when foundations receive \$40 billion in tax benefits. Arguments against the Act said it would impose onerous reporting requirements for foundations and small non-profit organizations, and that foundations should not be regulated by the state.

The Foundation Coalition was formed in early 2008 by a group of California's largest foundations to oppose this legislation and pledged \$30 million as is part of the **compromise** reached in exchange for Coto dropping the legislation. This back room deal of funding assistance to minority-led nonprofits in California and release of a plan has closed (at least for now) a Pandora's Box that foundations have no desire to leave open. In California, for the moment, interest in revisiting or reviving the tabled legislation does not appear to exist.

**The moral of this story?** That there is a huge need to collect more data on diversity in philanthropy. Why? Because it informs the ongoing discourse. It enables our field to be more transparent about diversity in patterns of giving as well as the composition of our institutions, staff and boards. It serves as a critical accountability factor. And it helps us better understand the landscape in order to make the case for change...especially in the context of equity, parity, access, and opportunity.  
*I am not the sole lecturer on inclusiveness who believes monitoring and reporting is sound practice...*

- In 2003 Handy Lindsay said, “We need better tools for reporting”
- In 2004 Cleo Wilson said: “We need to monitor and assess utilization of people of color; to make sure we are not ghettoizing people in designated minority positions...”
- *Last year Amina Dickerson - in her typically eloquent manner said: “Personally, I find that what gets reported gets attended.”*

We must continue to push for and publish data in order to more effectively tell our story and make the case for change! It is imperative to compile and disseminate information and data, and include compelling stories. We must give find our voices --- Publish – Monitor – and yes, be provocative, and when necessary, even agitate– in order to achieve greater accountability and change.

CAAIP must also find new and strategic ways to work in greater solidarity with Chicago Latinos in Philanthropy and Asians and Pacific Inlanders in Philanthropy.

Diversity is primarily about representation and numbers. Increased inclusiveness through having access can change, enrich and enlighten colleagues and outcomes.

However, inclusion and diversity alone will not significantly change the ways in which philanthropic institutions more intentionally and effectively respond to the needs of African American and other people of color.

**I'd like to switch channels now and as a segue...**I'll begin by referencing research funded by the Woods Fund and conducted by the Chicago Urban League in 2004, entitled “*Still Separate, Unequal: Race, Place, Policy and the State of Black Chicago*” by Paul Street.

This study states that although racial differences in wealth, income, security, and general well-being persist between blacks and whites, the large majority of white Americans deny that anti-Black racism is the cause. Convinced that racism is no longer a significant problem for most Blacks, most whites find the real barriers to Black success and equality lie within the African American community itself. The research portrays a city and a broader metropolitan area that remain deeply in the thrall of racial separation and racial inequality. The report goes on to reveal that while Chicago hosts a remarkable concentration of Black cultural, social and economic capital...the benefits



of economic and social growth and development in our city are distributed quite unevenly and in racially disparate ways across the interconnected terrains of race and place in Chicago and its suburbs.

Another example of these the racial inequities are highlighted in a 2009 study by the Citywide Education Organizing Campaign funded by The Joyce and Gates Foundations and led by TARGET Area Development Corporation and twelve partner organizations. This project shed light on some stark realities about the state of our educational system. According to CPS and State statistics, every month in Chicago, more than 1,000 youth drop out of, *or get pushed out*, of our high schools, and every year over 42,000 students drop out across Illinois. Currently Illinois is home to a total of 1.7 million high school dropouts. These youth are 3 times more likely to be arrested than those who graduate, three times more likely to live in poverty, and 72% more likely to be unemployed. And even when Illinois students finish high school, 80% of African American students and 75% of Latino students cannot read at college level. Even worse, 90% of these students are not prepared to do college math, and 95% are not ready for college level science. The report goes on the say that, ***“There is no inherent reason why CPS students of any racial and ethnic background should not be high academic achievers”***.

**This conclusion was self-evident last week, when we read headlines about the Urban Prep Academy for Young Men**, Chicago's only public all-male, all-African-American high school in the tough and disinvested Englewood neighborhood where the entire senior class has been accepted to four-year colleges. At last count, the 107 seniors had earned spots at 72 schools across the nation. In stark contrast to the statistics I shared earlier, **this represents a prime illustration of the potential for excellence of every student, irrespective of race, when given access to opportunity and support. This is a rare example of the future of young Black men, not being determined by the Zip Code in which they live!** *How then do you explain this level of academic excellence in an African American community ravaged by gangs, poverty, and all the socio-economic ills of the disenfranchised?* The sole conclusion I am able to reach, is that the shocking CPS and State statistics I shared with you earlier are a result of "institutional and structural racism" --- defined as societal patterns that have the net effect of imposing oppressive or otherwise negative conditions against identifiable groups on the basis of race or ethnicity.

**So you ask ---what does this all have to do with philanthropy and grantmaking? EVERYTHING, if we are truly committed to a society that is just and serves the common good.**

## Racial Equity: Framework- Definition of Racial Justice

One way that philanthropy can address the inequalities described is to consider incorporating a racial equity framework into the fabric its grantmaking. Last year, the Philanthropic Initiative for Racial Equity in collaboration with Grantcraft produced a guide entitled “Grantmaking with a Racial Equity Lens”. For grant makers, a “racial equity lens” brings into focus ways in which race and ethnicity shape experiences with power, access to opportunity, treatment, and outcomes, both today and historically. It can also help grant makers think about what can be done to eliminate the resulting inequities.

One approach the publication recommends in helping grantmakers to make the case for racial equity as a priority in a foundation’s grant making is by describing a racially equitable society. There does not appear to be a universal definition of racial equity/justice, but most experts agree that it is imperative to develop one before moving forward with this very important work. Here is a useful definition from the GrantCraft guide: *A racially equitable society would be one in which the distribution of resources, opportunities, and burdens was not determined or predictable by race.*

**A racial equity lens** involves many components, including:

- Analyzing data and information about race and ethnicity
- Understanding disparities—and learning why they exist
- Looking at problems and their root causes from a structural standpoint
- Naming race explicitly when talking about problems and solutions

## HOW A RACIAL EQUITY LENS WORKS

A racial equity lens helps grant makers look at a problem more clearly so that new solutions to old problems become visible. **According to the GrantCraft guide, here are some benefits of a racial equity lens:**

- **Sharpens the focus on outcomes**
- **Uncovers patterns of inequity**
- **Separates symptoms from causes**
- **Reveals how race is relevant to all groups**
- **Can be used with other lenses (such as gender and sexual orientation)**
- **Helps Scan the landscape**
- **Gets people talking**
- **Encourages new approaches**
- **Cultivates new leadership**
- **Helps Rethink “merit” and who gets to define it**
- **Assess impact**
- **Addresses seemingly intractable problems**



## IMPLEMENTING A COMMITMENT TO RACIAL EQUITY

Acknowledging the problem of structural racism does not malign fundamental American values, virtues, or accomplishments. On the contrary, America's values of democracy, equality, and liberty are best served by our willingness to understand, confront, and dismantle structures that undermine those values. But our past successes must serve as encouragement for future gains, not as an excuse for complacency and inaction in the face of persistent racial inequalities.

I encourage foundations to seriously consider adopting a racial equity framework and am proud to announce that last year, following significant analysis, discourse and consideration the Woods Fund of Chicago adopted **Racial Equity Core Principle**. *It reads as follows: "The Woods Fund of Chicago believes that structural racism is a root cause of many challenges facing less-advantaged communities and people and serves as a significant barrier to enabling work and eradicating poverty. The Woods Fund encourages and supports organizations, initiatives, and policy efforts that lead to eliminating structural racism. Success in this area will be evident when there is equal distribution of privileges and burdens among all races and ethnic groups, and when a person's race or ethnicity does not determine his or her life outcomes. Woods Fund will support organizations that pay disciplined attention to race and ethnicity while they analyze problems, look for solutions, and define and document success. Ideally, these organizations will incorporate an analysis of structural racism into all aspects of their operations. Woods Fund is committed to raising awareness in the philanthropic community to support this work."*

Our foundation now also includes a question on the grant application that asks how racial equity informs the organization's work. And we've added a FAQ section about racial equity on the website.

Remnants of structural racism permeate every aspect of our society and influence many issues, in particular poverty alleviation, which our foundation attempts to reduce through its grantmaking. The Woods Fund of Chicago employed a racial equity lens to help our foundation think more intentionally about addressing inequities both internally, within the communities in which we operate, and beyond. We believe that by incorporating a racial equity lens into our grantmaking, in some small way we can begin to model and promote racial equity practices within our own foundation and the greater philanthropic community.

***Ways that you can Move Beyond Diversity to Racial Equity and Justice:***

- Invest time and deliberation in internal discussions about race its impact on grantmaking strategy
- Incorporate a racial equity framework into your foundation's Grantmaking Process
- Provide Leadership in the Field: Individually and collectively, from the front lines to board rooms, to Affinity Groups of Color and beyond --- we must advocate for racial equity
- Involve outside partners including grantees, community and nonprofit leaders – tap into this wisdom for ideas and experiences that can shed light on problems and solutions
- Identify and support organizations that embody the principles of racial equity
- Monitor progress, Publish, and Broadly Share lessons learned

In closing, we must challenge our assumptions and get involved in ways that do not reinforce non-productive funding patterns of the past. For foundations that really choose to be effective, that seriously intend to make an impact, diversity and inclusiveness are essential ingredients. Diversity and inclusiveness are important commitments, but ultimately not powerful enough to drive the changes to ensure advancements towards racial equity. As our country shifts towards increasing degrees of multi-culturalism, a commitment to racial equity will become even more critical. A commitment to champion racial equity, especially at the trustee and CEO level is the best way to grapple with, and indeed make sustainable inroads on some of our most vexing social problems while also achieving foundations' missions and strategic objectives.

Thank you.