1

CHAPTER 1

# Embedding DEI Principles in Your Philanthropy

Diversity, equity, and inclusion (DEI) aren't just ideals; they're the bedrock upon which transformative change is constructed. Often positioned with concepts of justice (JEDI) or belonging (DEIB), DEI is one of the fundamental building blocks of philanthropic engagement. However, to the detriment of the goals that philanthropies seek to achieve, there is often a disparity between aspiration and reality.

Recent data reveals that the leadership of philanthropic organizations falls short of mirroring the diverse tapestry of the communities they aim to uplift. In the United States, for example, leaders of color make up only approximately 14% of foundations, according to the latest report from the Council on Foundations. This is important because these figures shape the allocation of resources, the avenues to opportunity, and the impact donors strive to create.

As an example, service organizations in the U.S. that are led by Black and Brown individuals receive a fraction of the philanthropic funding that majority-led organizations receive. According to research by Echoing Green and The Bridgespan Group, unrestricted assets of Black-led organizations were 76% smaller than those of White-led organizations of similar size and stage. Perhaps even worse is that those organizations are often excluded from longer-term funding, limiting their ability to develop sustainable solutions that stand the test of time. This disparity reverberates beyond the U.S., and while the identities of the marginalized group may be different in different countries, the result is the same.

This means that leaders of color, or those who are part of marginalized groups, are often stifled in their ability to respond to dynamic challenges. Their capacity to innovate and pivot rapidly, vital for addressing urgent concerns, is hindered. The impact of these constraints ripples through communities, shaping the lives of those we aspire to empower.

Why do these disparities endure? How can we foster an environment that truly champions diversity, equity, and inclusion across cultures? This chapter will help philanthropies address these queries and provide guidance for implementing a DEI lens in a way that weaves it into the fabric of your operations.

# The Power of Diversity in Philanthropy

For philanthropic organizations, embracing diversity within both the leadership and staff is not just an ideal; it's a necessity. The infusion of diverse backgrounds, experiences, and perspectives enriches the very essence of an organization, amplifying its capacity to make informed decisions, tackle complex challenges, and envision innovative solutions. Diversity of both leadership and staff play distinct yet crucial roles in philanthropic organizations.

### Diverse Boards and Leadership
A diverse board brings an array of perspectives, expertise, and networks to the decision-making process. It ensures that different voices and viewpoints are represented at the highest level of governance. Diverse boards provide strategic guidance, challenge assumptions, and breathe fresh ideas into the organization's mission, vision, and strategic direction. Moreover, diverse leaders foster equitable decision-making that considers the needs and interests of the communities the organization serves, enhancing transparency, accountability, and overall credibility.

### Diverse Staff Impact
Similarly, diversity across the staff of philanthropic organizations can enhance its overall effectiveness and impact. A diverse staff pool offers a spectrum of perspectives, skills, and experiences that enrich day-to-day operations and program implementation. Diverse staff members contribute unique insights, innovative approaches, and understanding of the communities being served. They establish deeper connections with community members, can help build trust, and ensure that the organization's strategies and initiatives are culturally sensitive and responsive. Moreover, a diverse

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**Definitions**
As part of a recent review of our mission and values, Rockefeller Philanthropy Advisors defined diversity, equity, and inclusion through lenses both internal (how we relate as an organization) and external (how we relate to our clients, partners, and the public). Given the centrality of these concepts to the work we do, we sought to ensure a shared framework for understanding, action, and accountability with the statement:

*Rockefeller Philanthropy Advisors celebrates the uniqueness of our staff, our partners, and the communities we serve. We are committed to inclusion with the goal of cultivating a culture of belonging and acceptance. We strive to embed this value in our philanthropic work to advance a more just, equitable and sustainable world.*

*Diversity: Embedding representation across a wide range of backgrounds, experiences, and views.*

*Equity: Demonstrating fair treatment, access, opportunity, and engagement for all.*

*Inclusion: Cultivating an environment that respects and values all perspectives and taking special care to ensure that persons within historically underrepresented groups are represented.*

*As an organization dedicated to improving the human condition globally, RPA strives to inform our organizational strategy, culture, and work with these three principles.*

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staff creates an inclusive work environment that fosters creativity and attracts a broader range of talent.

Fostering diversity within philanthropic organizations is a strategic imperative that can supercharge philanthropic organizations, making them more impactful, innovative, and responsive to the complex challenges they seek to address.

### Why Philanthropy Isn't More Diverse
Historically, the lack of diversity in philanthropic leadership can be attributed to a complex interplay of factors. Understanding this historical context sheds light on why this disparity has persisted over time. Some of those reasons are noted below.

## The Diversity Advantage

Including diverse voices within a philanthropic organization brings numerous benefits:

- **Deeper understanding:** Ensures a more reflective understanding of issues and challenges.

- **Robust decision-making:** Leads to well-rounded decisions by challenging assumptions and identifying blind spots.

- **Innovation:** Fosters creativity and generates fresh ideas for innovative solutions.

- **Expanded reach:** Extends the organization's influence, motivating more engagement in its focus areas.

- **Tailored approaches:** Results in approaches that are better suited to address specific community needs.

- **Strengthened relationships:** Helps build trust and credibility with key stakeholders.

*Legacy of Exclusivity*

Philanthropy has often been associated with wealthy individuals and families, many of whom historically come from backgrounds of privilege. This exclusivity has limited opportunities for diverse individuals to access leadership roles. Moreover, the historical legacy of social inequality and discrimination has led to limited opportunities for people from marginalized backgrounds, impacting their access to education and career advancement. This legacy has a circular impact; when leadership lacks diversity, it can create a cycle where potential candidates from underrepresented backgrounds don't see role models who look like them, discouraging their pursuit of leadership roles.

*Networks and Institutional Barriers*

Leadership roles in philanthropy often require connections and networks, which can be challenging for individuals from marginalized backgrounds to access due to systemic barriers. Even within organizations, existing leadership structures and processes may inadvertently create barriers for diverse candidates to rise through the ranks.

*Implicit and Unconscious Bias*

Implicit bias, where decisions are influenced by unconscious stereotypes, can lead to the selection of leaders who resemble those already in power. This perpetuates the lack of diversity. Additionally, traditional leadership criteria may not recognize the unique skills

and qualities that individuals from diverse backgrounds bring, perpetuating a narrow view of leadership.

Recognizing and addressing these and other historical and systemic factors is essential for achieving greater diversity in philanthropic leadership. By understanding the underlying causes of this issue, organizations can better guide their efforts to create more equitable and inclusive pathways to leadership roles.

# Cultivating Meaningful Diversity in Philanthropic Organizations

As noted above, diversity is a powerful driver of innovation, informed decision-making, and community relevance within philanthropic organizations. Achieving meaningful diversity within philanthropy-related organizations requires deliberate effort, a commitment to change, and a strategic approach. Those approaches can be broken down into two categories: acquiring diverse leaders and other staff; and creating an environment conducive to keeping them.

### Diverse Hiring and Leadership

Recruiting and hiring diverse staff, leaders, and board members in philanthropy requires a comprehensive approach that goes beyond good intentions. The

approach must counter mental models and status quo approaches, and there several practical tactics that can be helpful.

*Make an Intentional Commitment*
Begin by making a clear and public commitment to diversity, equity, and inclusion within the organization. This commitment should be embedded in the organization's mission, values, and strategic plans, demonstrating a genuine dedication to fostering a diverse and inclusive environment.

*Assess Current Composition and Gaps*
Conduct a thorough assessment of the existing board and staff to understand the current composition and identify any gaps in diversity, representation, and inclusion. This assessment helps inform recruitment strategies and highlights areas that require attention and improvement.

*Broaden Networks and Outreach*
Expand outreach efforts by engaging with community organizations, professional networks, and diversity-focused associations to reach a wider pool of qualified individuals. Actively seek out candidates from underrepresented communities and consider targeted outreach efforts to specific communities or affinity groups. Invest in leadership development programs or internships for individuals from underrepresented communities within your organization to gain experience in philanthropy.

*Craft Inclusive Job Descriptions and Qualifications*
Reconsider what is truly necessary for roles and reframe criteria that are placeholders for competence (a requirement of having attended a top-tier college, for example). Determine ways to minimize unnecessary barriers to entry and provide opportunities for individuals from diverse backgrounds to apply.

*Create Diverse Selection Committees and Interview Panels*
Help mitigate unconscious bias by ensuring diverse evaluators. Diverse panels are more likely to consider a broader range of candidates and perspectives, enhancing the likelihood of selecting candidates based on merit rather than unconscious biases. Train interviewers to recognize and mitigate unconscious biases and use inclusive interview practices such as structured interviews with standardized questions.

*Ensure Equity in Compensation*
Review compensation packages to ensure they are competitive and equitable. Research indicates that

underrepresented candidates may be less likely to apply if they perceive pay disparities.

## Community-Connected Hiring

Hiring from within the communities in which you work is another way to bring in diverse leaders. When philanthropic organizations have a workforce that reflects the diversity and experiences of the communities they serve, they are better equipped to understand community needs, build trust, and develop effective strategies. Tactics for achieving this also require focused commitment.

- Collaborate with local community organizations, non-profits, and educational institutions to identify talent from the target communities.

- Include community representatives in hiring panels or establish community advisory boards or councils to provide input on hiring decisions and ensure community voices are heard.

- Ensure hiring teams are culturally competent and understand the unique needs and challenges of the community.

- Offer internship and apprenticeship programs to provide valuable work experience and career pathways for local residents. Ensure appropriate support for those interns that provides guidance but doesn't single them out (this can be a delicate balance).

Hiring from the communities that philanthropic organizations serve not only promotes diversity but also contributes to community empowerment and trust-building. It aligns the organization's mission with its hiring practices, ultimately leading to more effective and culturally competent philanthropic efforts.

## Board Members

Many philanthropies—especially those whose leadership is primarily composed of family members—don't have meaningful board diversity. This is a missed opportunity that can be easily rectified by using the approaches noted above. Additionally, there are specific tactics that are particularly helpful for identifying and recruiting board members.

- Explore board matching programs or organizations that specialize in connecting diverse candidates with board opportunities. These programs often have a pool of qualified individuals from underrepresented communities seeking board roles.

- Partner with diversity-focused professional associations and organizations. Many of these groups have networks of potential board members who are passionate about contributing to causes aligned with their backgrounds or interests.

- Encourage your current board members to participate in leadership development programs specifically designed for underrepresented groups. Alternatively, leverage advisory councils composed of diverse individuals who can provide insights, guidance, and recommendations to the board. These programs can help identify and prepare future board leaders from diverse backgrounds.

- Create a nominations committee or process that actively seeks out diverse candidates for board positions. Ensure that diversity is a stated criterion for board member selection.

- Implement term limits and rotation policies to encourage board turnover and the infusion of new, diverse voices. This prevents stagnation and creates opportunities for fresh perspectives.

By proactively implementing these steps, philanthropic organizations can increase the diversity of their boards and benefit from a wider range of perspectives, expertise, and experiences.

## Nurturing an Organizational Culture Conducive to Maintaining Diversity

Successful recruitment and integration of diverse colleagues is only the beginning. Philanthropic organizations seeking to increase diversity should evaluate how welcoming they are to all colleagues, and what they are doing to ensure they stay, grow, and are empowered to contribute to the mission.

### Cultivate an Inclusive Culture

Start with a commitment from the top. Leaders should genuinely and visibly dedicate themselves to diversity and inclusion. Their actions set the tone for the organization, making it clear that every voice is valued and fostering a sense of belonging. Develop clear diversity and inclusion policies that are seamlessly integrated into daily operations.

### Support Professional Growth

Diverse talent needs opportunities to grow. Implement mentorship and sponsorship programs to provide guidance, coaching, and advocacy. These programs help diverse employees navigate their path to leadership roles. Offer leadership development opportunities tailored to the unique needs of

underrepresented groups, ensuring there are clear pathways for advancement.

*Ensure Fair Compensation and Benefits, Including Emotional Well-being*
Equity extends to compensation and benefits. Regularly analyze pay equity to identify and rectify disparities. Review and adapt benefits packages to meet the diverse needs of employees and their families. Recognize that philanthropic work can be emotionally taxing for everyone, but diverse staff may face unique challenges related to their backgrounds. Providing emotional well-being and addressing diversity and inclusion issues in the workplace can help address this.

*Provide Continuous Training*
Offer ongoing diversity and inclusion training for all staff, including leadership. These programs raise awareness of unconscious biases and provide strategies to mitigate them, fostering a more inclusive workplace.

*Build a Pipeline*
Depending on the size of your organization, develop an internal or external pipeline of diverse leaders by implementing succession planning that identifies diverse talent for future roles. Diversity within the organization's board of directors, reflecting the communities you serve, is an important part of this.

*Engage With Employee Resource Groups (ERGs)*
If the size of your organization allows, create ERGs that focus on various aspects of diversity. Support and encourage participation in the many outside affinity groups that are active in the philanthropy sector including for example Asian Americans/Pacific Islanders in Philanthropy (APIP), Association of Black Foundation Executives (ABFE), Hispanics in Philanthropy (HIP), Native Americans in Philanthropy, and others including committees or cohorts of other philanthropy serving organizations. These groups provide employees with safe spaces to connect, share experiences, and advocate for change, fostering a sense of community and belonging.

*Prioritize Inclusive Decision Making and Encourage Feedback*
Regularly seek feedback from employees, particularly those from underrepresented groups. While both diverse and non-diverse staff benefit from inclusive decision-making, diverse staff may place a higher value on seeing representation at leadership levels that reflect their backgrounds. Ensuring diverse representation on boards and in leadership roles is not only a retention strategy but also a diversity

and inclusion strategy. Address specific concerns by adapting strategies based on feedback and changing circumstances.

*Foster Community Engagement*
Diverse staff, especially those from underrepresented communities, bring unique insights and connections to the communities your organization serves. Engaging diverse staff directly with these communities can be a strategic advantage, enhancing trust and understanding.

Implementing these practical strategies can create a workplace where diversity is not just acknowledged, but actively embraced. This commitment strengthens your organization's ability to make a meaningful impact on the communities you serve while retaining and nurturing diverse talent.

# Understanding Inequity

At its core, equity in philanthropy acknowledges that not all communities, organizations, or individuals start from the same place. It recognizes that systemic barriers, historical inequities, and social injustices have created disparities in access to resources and opportunities. To truly address these disparities and create a more just and inclusive society, philanthropy must go beyond diversity to also embrace equity as a driving force.

### Defining Equity
The word "equity" is so ubiquitous it has almost lost all meaning. It is bandied about sometimes without much understanding or even a clear definition of what it means—and is often confused with equality. While the concept of *equality* emphasizes uniformity and offering the same resources or opportunities to various groups or individuals, *equity* acknowledges that individuals or groups may require varying resources or opportunities to reach a shared baseline. In other words, an approach grounded in equity is one that understands that different people and organizations have diverse needs, strengths, and challenges, and therefore require tailored support to thrive.

In the philanthropic context, recognizing and embracing these differences is essential in funding decisions, hiring practices, and the design of philanthropic programs. It ensures that resources are allocated in a manner that addresses systemic disparities and advances social justice, rather than the blanketed approach that so often comes with "equal" opportunity.

**By understanding the difference between equity and equality, funders can improve internal practices and culture, as well as make more informed decisions both in terms of resource allocation and how best to support communities and networks.**

| | Equality | Equity |
|---|---|---|
| **Definition** | Equal treatment and distribution of resources to all individuals or groups, regardless of their unique needs or circumstances | Fair and just distribution of resources, considering the unique needs and circumstances, including historical injustices of individuals or communities |
| **Focus** | Uniformity and sameness for all recipients. | Addressing disparities and providing resources and opportunities based on specific needs and current/ historical disadvantages |
| **Goal** | Achieving fairness through equal allocation. | Achieving fairness by rectifying historical inequities and leveling the playing field |
| **Resource Allocation** | Resources are distributed equally among all recipients, regardless of their situations | Resources are allocated based on the specific needs of recipients taking into account disparities |
| **Approach** | "One-size-fits-all" approach, treating everyone the same way | Tailored and targeted approach, addressing the unique circumstances of different groups |
| **Impact** | May perpetuate existing disparities, as it does not account for varying needs and barriers. | Addresses and reduces disparities by directing resources where they are most needed. |
| **Examples** | • Providing the same grant amount to all grantees.<br><br>• Equal access to resources for all applicants.<br><br>• Uniform reporting requirements for all grantees. | • Offering capacity-building support to grassroots organizations in underserved communities.<br><br>• Funding initiatives that specifically target underserved or historically marginalized groups.<br><br>• Customizing reporting requirements based on organizational resources. |

## Systemic Inequity and Its Impact

The disconnect between the ideals of equity and the reality of systemic inequities is at the heart of many societal challenges we face today. While equality suggests treating everyone the same, systemic inequities demonstrate that this approach falls short of achieving true fairness. Systemic inequities are deeply ingrained disparities in opportunities, resources, and outcomes that persist due to longstanding, pervasive societal structures, and practices. These inequities are not isolated incidents, but are woven into the fabric of social, economic, and political systems, perpetuating disadvantage for certain groups while benefiting others. Understanding systemic inequities and their impact on society is crucial for philanthropic organizations aiming to create a more just and inclusive world.

Systemic inequities share several key characteristics. They often have deep historical roots, originating from centuries of discriminatory policies, practices, and attitudes. For example, in post-colonial societies—particularly those whose growth and development was fueled by slavery—racial segregation, discriminatory hiring practices, and unequal access to education have left imprints on today's society. They result in barriers that can be embedded in institutions and systems, and that compound over time. Systemic inequities do not exist in isolation; they are interconnected across various sectors of society. Economic, educational, healthcare, criminal justice, and housing systems, among others, often reinforce each other, deepening those disparities. It is important to note that these disparities are not simply the result of isolated or individual acts of discrimination. Instead, they are deeply rooted in the framework and functioning of social, economic, political, and cultural systems.

Systemic inequities have a significant impact not only on certain groups, but on society overall. For example, they contribute to significant economic disparities, as marginalized groups often have limited access to well-paying jobs, career advancement opportunities, and financial resources. This economic disadvantage can perpetuate poverty and limit access to essential services.

**Systemic inequities, often referred to as systemic inequalities or structural inequalities, can be described using various terms depending on the region and context.**

- **Structural inequities:** Emphasizes the deeply rooted, structural nature of disparities in access to resources, opportunities, and outcomes.

- **Systemic discrimination:** Highlights the discriminatory practices and policies embedded within societal systems, leading to unequal treatment and outcomes.

- **Institutional bias:** Focuses on the bias and discrimination present within institutions like government, education, and healthcare, resulting in inequities.

- **Structural oppression:** Conveys the idea that certain groups are systematically oppressed due to societal structures, norms, and power dynamics.

- **Inequality of access:** Captures the unequal access to essential resources and services that certain communities face due to systemic factors.

- **Institutional racism:** In contexts where racial disparities are a significant concern, describes systemic inequities rooted in racial discrimination.

- **Socioeconomic disparities:** Stresses the systemic factors contributing to differences in wealth and income.

- **Structural barriers:** Underscores the obstacles created by systemic factors that hinder the advancement and well-being of marginalized communities.

- **Historical injustices:** In regions with a history of colonization or conflict, describes systemic inequities resulting from past injustices.

- **Systemic marginalization:** Reflects the ongoing marginalization of certain groups within societal systems, limiting their opportunities and access to resources.

The exact term used to describe patterns of systemic disadvantage and inequality depends on the overall context, local history, and nature of the disparities being addressed.

In the context of education, for example, if schools in marginalized communities receive less funding than those in more affluent areas, it creates an inherent disadvantage for students in the former. This lack of resources can lead to lower-quality education and limited opportunities for students to excel academically, which can ultimately limit future opportunities for students from marginalized backgrounds. One example of how this can turn out is increased crime in areas of low-quality education—the often-cited "school to prison pipeline." Even the criminal justice system itself is rife with systemic disparities, from disproportionate impact of laws and policies to biased decision making by actors in the justice system.[1]

Disparities in health outcomes can also be traced in part to systemic issues. Marginalized communities often have reduced access to high quality healthcare based on location, financial resources, and interpersonal aspects, which can lead to higher rates of chronic illnesses, shorter life expectancy, and poorer overall health. Social and political exclusion can result in marginalized groups having limited representation and voice in decision-making processes, exacerbating their disadvantage.

These and other structural inequities are pervasive and have become ingrained in the way society operates. Often invisible to those not directly affected by them, they are embedded in societal norms, policies, and practices, making it challenging for individuals from privileged backgrounds to recognize them. The inequities have a self-perpetuating quality and tend to reinforce themselves. The result is a stark incongruity in which certain communities have dramatically different access to resources, opportunities, and outcomes.



[1] For a robust analysis of this topic, read Elizabeth Kai Hinton, LeShae Henderson, and Cindy Reed, *An Unjust Burden: The Disparate Treatment of Black Americans in the Criminal Justice System* (Vera Institute of Justice, May 2018), available at https://www.vera.org/publications/for-the-record-unjust-burden.

# Confronting the Source of Wealth

Philanthropic organizations may want to confront the sources of their wealth to maintain legitimacy and ensure a genuine commitment to equity. By acknowledging and addressing the origins of their money—particularly when it stems from historical injustices or exploitative practices—organizations can work towards a more equitable distribution of resources and more authentically promote social justice.

- **Self-reflection and education:** How was the wealth accumulated? How is it linked to systemic issues? This can involve asking hard questions about specific family histories, reading books and articles on the sectors where the wealth was accumulated, attending conferences and workshops, and engaging in dialogue with other funders and experts in the field.

- **Transparency and accountability:** Disclosing what you learn about how the wealth was accumulated—and any potential connections to systemic issues—is a crucial step. This can include sharing information about the industries or businesses that generated the wealth, the labor practices and environmental impact of those industries, and any philanthropic or political activities that might be linked to the accumulation of wealth.

- **Shifting investment strategies:** Funders can also consider shifting their investment strategies to align with their values and commitment to social and environmental justice. This might involve divesting from industries that are harmful to communities and the environment, and investing in businesses that prioritize social and environmental responsibility.

- **Supporting systemic change:** Consider funding organizations and initiatives that are working to address the root causes of social and environmental issues. This could mean supporting community-led initiatives that promote equity and justice, and funding research and education that advances understanding of systemic issues.

# Philanthropic Practices that Help Drive Equity

Philanthropy has a pivotal role to play in addressing in dismantling the barriers to access and opportunities created by systemic inequities. By recognizing and addressing these deeply rooted disparities, philanthropic organizations have the power to drive positive change. Achieving this necessitates a strategic approach that targets the very structures and systems perpetuating these inequities.

### Recognizing the Power Imbalances Inherent to Philanthropy

For philanthropies, recognizing this disconnect is the first step toward dismantling these entrenched disparities.

Coming to terms with the inherent power and privilege within the funding landscape is essential for effective, equitable philanthropy. The power imbalance can take on diverse forms. Philanthropies, as funders, hold decision-making authority over resource allocation and programmatic priorities. This control can result in a power dynamic whereby the voices and perspectives of funded communities and grantees are overshadowed or even disregarded. Additionally, power imbalances can be reinforced through unequal access to information, limited involvement in decision-making processes, and an emphasis on funder-driven agendas rather than community-led initiatives.

These power imbalances can have detrimental effects on the goals philanthropies seek to achieve. When communities and grantees are excluded from decision-making processes, there is a risk of disconnected and ineffective interventions that do not address the actual

needs and aspirations of the communities. Disempowerment can lead to disengagement, resentment, and a lack of ownership over programs and initiatives, hindering sustainability and long-term impact. Furthermore, power imbalances perpetuate unequal power dynamics and reinforce systemic inequities, undermining the philanthropic sector's potential to drive social change.

## Reducing the Impact of Power Imbalances in Grantmaking

The adverse effects of power imbalances on the grantmaking process have been thoroughly documented, both in this context and elsewhere. Nevertheless, there are actions that can be undertaken depending on the specific challenge. Use the table below as a guide, considering the perspectives of your organization, grantees, and partners.

| *Category and Challenge* | *Ways to Address* |
|---|---|
| **Resource Allocation**<br>Philanthropic organizations hold decision-making authority over resource allocation, which can result in power dynamics where the voices and perspectives of grantees and communities are overshadowed. Foundations often dictate how funds are distributed, which programs are prioritized, and which projects receive support. | • Involve grantees and community representatives in resource allocation decisions.<br>• Adopt participatory budgeting processes where grantees have a say in how funds are distributed.<br>• Consider multi-year funding commitments to provide stability and reduce dependence on yearly grant cycles. |
| **Decision-Making Authority**<br>Lack of control and autonomy for grant recipients because funders have full decision-making authority (in most cases) over grant selection and approval, and grantees may have limited influence on funding decisions that directly impact their work. | • Establish shared decision-making committees that include representatives from both the philanthropic organization and the grantee community.<br>• Develop decision-making frameworks that prioritize input and perspectives from grantees.<br>• Give grantees more autonomy in programmatic decision-making, including how funds are utilized. |
| **Access to Information**<br>Funders may have more access to relevant information than grantees and communities which means that grantees and communities may not be making as informed decisions on program design and implementation. | • Promote transparency by sharing strategies, as well as relevant data, findings, and insights with grantees.<br>• Create knowledge-sharing platforms or networks that facilitate the exchange of information among all stakeholders.<br>• Provide training and capacity-building support to grantees to help them access and use data effectively. |
| **Limited Involvement**<br>Grantees and communities don't have a seat that the table when grant proposals are reviewed and strategic decisions are made, translating to a lack of ownership and influence. | • Actively engage grantees in grant proposal review processes, ensuring they have a voice in the selection of projects.<br>• Encourage grantees to participate in strategic planning and goal-setting discussions.<br>• Foster a culture of collaboration by valuing input and contributions from all parties. |
| **Funder-Driven Agendas**<br>Often, funders have agendas that they prioritize over community-led initiatives, resulting in approaches that allow for minimum consideration of community priorities and expertise. | • Prioritize community-driven initiatives and incorporate community perspectives into strategic planning.<br>• Invest in community organizing and leadership development to empower local leaders to shape agendas.<br>• Regularly conduct community needs assessments to inform grantmaking priorities, before developing final strategies. |

| Category and Challenge | Ways to Address |
|---|---|
| **Compliance Measures**<br>Compliance and reporting requirements can be bespoke, burdensome, and time consuming for grantees; and may not align with the realities of the communities served. | • Streamline reporting requirements and tailor them to the specific needs and capacities of grantees.<br>• Provide resources and training to help grantees meet compliance standards efficiently.<br>• Focus on outcomes and impact rather than rigid compliance with processes. |
| **Grantmaking Criteria**<br>Standards set by funders may not reflect nuanced challenges, opportunities, and intersectionality of grantees and communities, resulting in grant proposals that aren't as targeted on the solutions as they could be. | • Develop flexible grantmaking criteria that can be adapted to diverse community needs.<br>• Use participatory approaches to define grantmaking criteria, involving both funders and grantees in the process.<br>• Prioritize grants that directly address the priorities and challenges identified by grantees and communities. |
| **Grantee Feedback**<br>Grantees may be hesitant to provide critical feedback or express concerns about foundation practices due to fear that feedback will have a negative impact on receiving future funding. | • Foster open and honest communication channels where grantees feel comfortable expressing concerns and providing feedback.<br>• Create feedback mechanisms, such as surveys or regular meetings, to gauge satisfaction and identify areas for improvement.<br>• Establish ombudsman roles or third-party mediators for conflict resolution. |
| **Knowledge and Expertise**<br>Funders sometimes undervalue the knowledge and expertise of grantees and communities leading to top-down decision making that does not account for on-the-ground realities. | • Recognize the expertise and knowledge that grantees and communities possess.<br>• Invest in capacity-building programs that empower grantees to develop their skills and leadership.<br>• Form advisory committees comprising experts from the community to inform decision-making. |
| **Financial Leverage**<br>The power dynamics of financing can create dependency dynamics where grantees may feel pressure to conform to funder expectations. | • Provide financial resources in a way that allows grantees to maintain their independence and programmatic vision.<br>• Offer general operating support grants that give grantees flexibility in how they allocate resources.<br>• Encourage grantees to diversify their funding sources to reduce dependency on a single funder. |

Recognizing and addressing privilege, power imbalances, and the equity challenges that result is an essential aspect of creating a more just philanthropic sector. The good news is that once there is that recognition, certain practices have proven to be effective at reducing the power imbalance. Funders who take the following actions with intentionality should see growth and some degree of success in this regard:

### Acknowledge Institutional Privilege
Start by acknowledging that philanthropic organizations, by virtue of their financial resources and decision-making authority, possess inherent institutional privilege. This privilege comes with unequal power dynamics in relationships with grantees and communities. It's vital to recognize this privilege as a foundation upon which power imbalances that lead to inequity can thrive.

### Analyze Decision-Making structures
Examine your organization's decision-making structures critically. Who holds the power to allocate resources, set program priorities, and make key decisions? If decision-making authority is concentrated

within a select few, it's a clear indicator of a power imbalance. A more equitable approach involves diversifying decision-making bodies and ensuring representation from all stakeholders.

### Listen to Grantees and Communities
Actively listen to the voices of grantees and the communities you aim to serve. Are their perspectives genuinely considered in the decision-making process, or are they merely recipients of top-down directives? The absence of meaningful engagement and input from these groups can be indicative of power imbalances.

### Assess Information Accessibility
Evaluate the accessibility of information within and around your organization. Are grantees and communities provided with the same level of transparency and access to resources as internal stakeholders? Are there open conduits to information? Are you transparent about grant expectations, criteria, and decision-making processes?

### Reflect on Your Organization's Culture
Reflect on your organization's culture and values. Do you prioritize diversity, equity, and inclusion as core tenets? Who is in the room when significant, long-term, or far-reaching decisions are made? Do those closest to the communities have voice in those rooms? Do you proactively create space for equitable decision making and strategic planning as a matter of culture?

## Trust-Based Philanthropy
An approach that emphasizes building equitable, respectful, and trustful relationships between funders and grantees, trust-based philanthropy recognizes that traditional grantmaking practices often create power imbalances and bureaucratic hurdles that can be detrimental to grantees. As a result, trust-based philanthropy advocates several principles that contribute to a more equitable and efficient system.

### General Operating Support
One of trust-based philanthropy's primary tenets is providing unrestricted funding, based on the recognition that grantees are typically better positioned to determine how to allocate resources. Unrestricted funding, alternatively called general operating support, plays a crucial role in promoting equity in philanthropy, giving grantees the flexibility to use resources where they're needed most. Unlike many grants with complex reporting and rules, unrestricted grants usually have minimal reporting requirements. This simplicity saves time, especially for smaller organizations with limited resources, allowing them to focus more on their mission. Unrestricted funding also helps nonprofits become more efficient by allowing them to direct funding toward improving their organizational capacity, such as staff training or updating technology. This kind of support enhances an organization's ability to make a real impact. Moreover, providing unrestricted support signals trust in the grantee's expertise and mission. It fosters a partnership approach where donors and grantees collaborate as equals in achieving shared goals.

### Multi-Year Grants
Multi-year grants are a potent tool for advancing equity within philanthropy. Their most profound impact lies in providing stability to grantees, freeing them from the cycle of fundraising. This stability is especially beneficial for marginalized communities and smaller organizations, ensuring they can focus their energy on addressing deeply rooted societal disparities.

Equity thrives when grantees have room to breathe and grow. Multi-year grants reduce the bureaucratic burden of frequent applications and reporting, allowing grantees to direct more resources toward achieving their missions. This, in turn, helps level the playing field by ensuring that limited time and funds are channeled toward tangible community impact.

Additionally, multi-year grants encourage capacity-building, a crucial component of equity-focused work. By investing in the internal strength and capabilities of grantees, these grants help organizations become more effective, adaptable, and resilient. This capacity-building is essential for nonprofits working to dismantle systemic injustices and promote equity in the long term.

Beyond these practical benefits, multi-year grants foster authentic and trusting relationships between funders and grantees. The continuity they provide allows for deeper collaboration, shared learning, and the flexibility to adapt strategies based on community needs. This alignment with local voices and priorities is central to equity-driven philanthropy.

In essence, multi-year grants are an indispensable tool in advancing equity. They bring stability, reduce administrative obstacles, promote capacity-building, and nurture trust and adaptability—elements vital to making lasting strides toward a more equitable society.

**Mitigating Resistance to Changing Grant Types and Period/Duration**

| Category | Reason for Resistance | Strategies to Address |
|---|---|---|
| Risk Aversion | Fear that unrestricted funding or longer terms might lead to misuse of funds or lack of accountability. | • Mitigate risk through due diligence and clear guidelines.<br>• Limit percentage of grant portfolio dedicated to new approach to a comfortable level<br>• Start with one trusted grantee as pilot; favor organizations with strong leaders who are expected to stay in place for several years. |
| Board, Founder, or Charter Expectations | Specifically articulated expectations limit how funds should be used. | • Educate on the benefits of unrestricted funding through case studies, public sessions, and impact stories.<br>• Ensure open dialogue in a safe space for sharing ideas, one on one and in small groups.<br>• Leverage peer networks. |
| Impact Measurement | Lack of alignment with traditional metrics and timing means it will be more difficult to measure or compare against other programmatic initiatives. | • Co-develop flexible impact assessment tools, including those that emphasize qualitative measures.<br>• Allow narrative reporting to capture holistic impact. |
| Internal Processes | Organizational processes and systems are built around traditional funding approaches. | • Speak to other funders that incorporated general operating support.<br>• Provide staff training on mechanics and benefits of unrestricted funding, focusing on mission impact.<br>• Develop internal working group with staff from all functions to wholistically review processes and make recommendations for change. |
| Funder-Grantee Dynamics | Traditional funder-grantee dynamics may prioritize control and authority vs. collaboration, making unrestricted, longer-term funding seem risky. | • Foster more equitable and collaborative relationships with grantees through open communication, active listening, and shared decision-making.<br>• Demonstrate a commitment to shared goals and outcomes.<br>• Start with grantees with whom you already have deep partnership. |
| Board Resistance | Board members may be risk-averse or have concerns about the effectiveness of unrestricted funding or longer-term awards. | • Educate board members on the benefits of unrestricted funding, emphasizing innovation and impact.<br>• Showcase successful examples of organizations using unrestricted funds effectively.<br>• Consider joining a funder collaborative or community of practice specifically focused on this issue. |
| Lack of Understanding | Staff and leadership within philanthropic organizations may lack a deep understanding of how to make new approaches work. | • Provide internal training and workshops to ensure staff and leadership understand the principles, benefits, and mechanics of unrestricted funding.<br>• Share success stories and examples from other philanthropies.<br>• Join or start a learning cohort. |

*Streamlining Reporting and Application Requirements*
Streamlined applications and reporting requirements, also part of trust-based philanthropy, also foster equity. Many nonprofit organizations, particularly smaller ones, face significant administrative burdens when navigating complex reporting processes. This burden often diverts valuable time and resources away from their primary mission—serving their communities. By simplifying and making reporting processes more accessible, funders can alleviate these administrative pressures. This seemingly straightforward adjustment can have profound effects. It promotes equity by ensuring that organizations, regardless of their size or administrative capacity, can engage in grant reporting effectively. The focus shifts from burdensome paperwork to meaningful, mission-driven reporting that genuinely reflects a grantee's impact.

But it's not just about reporting; equitable treatment can begin at the grant application stage. A revamped grant application process can democratize access to funding opportunities. By reimagining how grants are sought and awarded, funders can create a more inclusive and accessible application experience. This approach recognizes that traditional grant application requirements can often be daunting, leading to disparities in access. Smaller and less-resourced organizations may be deterred from applying due to the perceived complexity or time commitment. To promote equity, philanthropic organizations can embrace innovative strategies for grant applications that level the playing field. Equitable practices relating to application and reporting processes call for:

- Actively involve grantees in the design of reporting requirements and the application process. Seek their input to ensure that these processes are responsive to their needs. For reporting, ask the grantee what success looks like and what metrics they would want to highlight to show a program's progress.

- Maintain transparent communication with grantees throughout reporting and application phases. Clearly explain the purpose, expectations, and criteria involved.

- Offer flexibility in reporting methods and timelines, as well as in the application process. Recognize that grantees have varying capacities and constraints.

- Consider language and accessibility issues in the format.

- Provide capacity-building support to grantees to help them navigate both reporting and the application process. This support can include training, technical assistance, and peer networks.

- Establish feedback loops with grantees to continuously improve reporting and application processes. Show responsiveness to their suggestions and concerns.

This deliberate effort contributes to creating a more equitable landscape for grantseekers, removing unnecessary obstacles that can disproportionately affect smaller organizations.

*Commitment to Relationship*
At its core, trust-based philanthropy prioritizes building enduring relationships over transactional grantmaking, fostering a sense of trust, transparency, and mutual learning between funders and grantees. It places a strong emphasis on deep engagement, giving grantees a genuine seat at the decision-making table. Trust-based philanthropy further champions a community-centric approach that underscores the significance of listening to the voices and insights of the communities being served. This aligns with equity principles by ensuring that decisions are firmly rooted in an understanding of local contexts, including the specific needs and dynamics of the communities.

When funders adopt the principles of trust-based philanthropy, they help to create a more collaborative, effective, and equitable philanthropic landscape.

*Prioritizing Funding for Underserved Communities*
Prioritizing funding for underserved communities is a cornerstone of equitable grantmaking. It reflects a commitment to rectifying historical and systemic injustices that have left these communities at a disadvantage. Equitable grantmaking recognizes that underinvestment and disinvestment have perpetuated disparities in education, healthcare, economic opportunity, and access to resources. By channeling philanthropic resources intentionally into underserved communities, grantmakers acknowledge the urgent need to address these imbalances. This prioritization ensures that resources are directed where they are most needed, allowing communities to tackle the root causes of systemic inequities and drive sustainable change from within. Moreover, it amplifies the voices of those who have historically been marginalized, fostering empowerment and self-determination. Ultimately, prioritizing funding for underserved communities is not just a strategy; it's a moral imperative that aligns philanthropy with the pursuit of a more just and equitable society.

Beyond active and meaningful engagement with communities that are served by the philanthropy, steps toward this could include:

- Conducting an equity assessment to identify gaps and disparities in past funding practices.

- Reevaluating mission and values to explicitly prioritize equity and inclusion.

- Setting clear equity goals as part of strategic plan, with funding criteria that explicitly prioritizes projects and initiatives that benefit underserved communities.

- Developing a funding approach that is more flexible and long term.

Funders that recognize the power imbalance, engage in trust-based practices, and prioritize funding for underserved communities are on their way to developing a powerful arsenal for advancing equity in the sector. These practices align the principles of fairness, inclusivity, and justice with the core mission of philanthropy.

However, achieving equity requires more than just implementing these practices; it necessitates a broader commitment to fostering genuine inclusion.

# Authentic Inclusion: Curating a Sense of Belonging

In the context of philanthropy, inclusion refers to the deliberate and meaningful involvement of diverse perspectives, voices, and communities in decision-making processes, program development, resource allocation, and overall philanthropic activities. It goes beyond diversity (the presence of different identities) to ensure that individuals from diverse backgrounds—including those historically marginalized or underrepresented—have an equal opportunity to participate, contribute, and benefit from philanthropic initiatives.

Inclusion entails creating an environment where all stakeholders, including grantees, beneficiaries, staff, board members, and community members, feel valued, respected, and empowered to share their insights, experiences, and ideas. It strives to eliminate barriers, both systemic and cultural, that may hinder the engagement of underrepresented groups in philanthropy.

One goal of inclusion is to ensure a sense of belonging among the grantees, communities, and funders. There

is a difference between being allowed and enabled—"included"—and belonging. Belonging is the deeper emotional connection that individuals and communities feel when they perceive themselves as an integral part of a group or organization. It is the result of sustained inclusion efforts that foster trust, respect, and genuine participation. The Othering & Belonging Institute is a leader in shaping and promoting this framing.

In order to get to the stage of belonging, you need inclusive practices such as actively seeking out diverse perspectives, meaningfully involving community members in decisions, equitable access to resources and opportunities, and strategies to reduce power imbalances. Inclusive philanthropy aims to ensure that the sector reflects the communities it serves and that philanthropic efforts are genuinely responsive to the needs and aspirations of those communities.

In addition to the approaches noted for embracing diversity and equity, funders that want to foster inclusion should consider the following recommendations.

- Involve grantees and communities early in the process and maintain their involvement throughout.

- Create spaces for continual dialogue to encourage open communication and the sharing of perspectives.

- Ensure transparency in your organization's strategies, goals, and decision-making processes to build trust.

- Act as a resource beyond just providing funding, serving as a conduit to amplify marginalized voices and perspectives.

- Embrace and actively seek diverse voices from marginalized communities to bring fresh perspectives.

- Invest time in building relationships based on trust and mutual respect to foster open communication and collaboration.

- Approach your work with humility and a willingness to learn from others, maintaining an open-minded and curious mindset.

- Actively share information, successes, and challenges with stakeholders. Be open to feedback and view mistakes as opportunities for growth.

# Getting Started on Implementing an Internal DEI Approach

If you're in the likely scenario that your organization wasn't formed with an equity lens, you may have to sensitively retrofit your internal structure culture by incorporating an equity lens into all of your structures and behaviors. Looking at an organization's Charter, Social Compact, and Operating Model as defined by RPA's Philanthropy Framework, can start the process in a thoughtful way.

| Charter | Social Compact | Operating Model |
|---|---|---|
| Consider the impact of funder legacy on future processes and work and address the likely dearth of written rules and governance (particularly from the perspective of board diversification), to ensure that these core elements reflect equity in your philanthropy. | Engage in extensive discussion with all levels of staff around questions of internal and external accountability and how that intersects with perceptions and expressions of legitimacy; and build accountability mechanisms and feedback loops with staff, grantees, and partners to truly embed equity. | Concepts of equity and racial justice should permeate every strategy and capability of a funder, including who shapes and implements operational programs to who receives grants, to who is empowered to make decisions and on whose behalf. |

This internal view is a crucial first step. By examining their own practices, funders can identify areas where they might unintentionally perpetuate inequities and work to address these issues. For an organization to have a healthy internal DEI culture, there will need to be:

- Leadership commitment. Leaders play a crucial role in setting the tone and direction for DEI efforts and should communicate its importance throughout the organization. This includes integrating DEI goals into the organization's strategic planning, allocating resources for DEI initiatives, and holding themselves and others accountable for progress and outcomes.

- An inclusive organizational culture that fosters a sense of belonging and respect for all individuals within the organization. This can be achieved by promoting open communication, actively listening to diverse perspectives, valuing, and celebrating differences, and providing opportunities for professional development and advancement for all staff members.

- Internal DEI expertise. While external expertise can provide valuable insights and guidance, developing in-house expertise on DEI is equally important. This includes investing in training and capacity-building programs for staff members to develop their

understanding of DEI concepts, cultural competency, and skills needed to integrate DEI considerations into their work. Building internal expertise ensures that DEI becomes ingrained in the organization's DNA and can be sustained in the long run.

- Accountability mechanisms. Embedding equity is not a one-time thing. It requires ongoing attention to make changes and implement clear systems to hold all stakeholders accountable for their actions to make sure that equity remains a central focus. This includes regular reporting, reviews, standing agenda items, and evaluations to assess progress and address any shortcomings honestly- which requires having hard, sometimes triggering conversations.

- A process for engaging in critical self-reflection. Organizations should continually reassess their own practices, policies, and culture to identify areas where they can improve equity. This process should involve open discussions and honest feedback from both internal and external stakeholders. This step is potentially the most difficult for organizations to do right. Traditional practices, patterns and behaviors ensure that the inequitable system that houses philanthropy continues to put leaders at the top who are willing to perpetuate it. Leaders need to be able

to hear, absorb and act on the sometimes harsh truths that are brought to light when confronted with their own inequitable practices.

- An appreciation of and process for learning from failures. Philanthropic organizations should be willing to take risks, as this can lead to valuable insights and more effective approaches that others with fewer resources can learn from. Failures are learning opportunities, using them to refine their strategies and better support their grantees and the communities they serve.

### In-House vs. External DEI

When working to incorporate equity into a philanthropic organization, leaders face the decision of whether to build in-house DEI expertise, or to seek an external consultant to get them started externally. Both approaches have their advantages and can contribute to the organization's overall equity goals.

| *Advantages of external DEI expertise* | - Fresh perspectives: External experts can provide an objective analysis of the organization's DEI efforts, identifying potential blind spots and offering new insights. They can see and say things that insiders often can't. <br><br> - Expert knowledge: External DEI consultants often have a wealth of experience and expertise, enabling them to provide tailored recommendations and best practices to address an organization's unique needs. |
|---|---|
| **Reasons to keep in-house** | - Lack of power: Consultants are beholden to the decision makers in the organization. If leaders haven't done their homework on how to address their own internalized inequitable practices, consultants will directly or indirectly get the message that they can only take the conversation so far. <br><br> - Outsider status: DEI strategies can be marginalized by keeping them only in the realm of the consultant. Many organizations have used the excuse of not having enough time to do the work on DEI, because they are doing the work of their organization. If an organization is serious about creating equitable practices, it must commit to the understanding that true DEI work IS the work of the organization and in prioritizing it, the work of the organization shifts around it to take the time necessary to change patterns and behaviors. |

Incorporating a DEI lens into your organization's charter, social compact, and operating model is a crucial starting point for fostering a culture of equity within your philanthropic institution. This internal perspective is the foundation upon which genuine progress toward diversity, equity, and inclusion can be built. By actively engaging leadership, cultivating an inclusive culture, developing internal DEI expertise, establishing accountability mechanisms, embracing critical self-reflection, and learning from failures, organizations can embark on a transformative journey that not only benefits their own operations but also has a profound impact on the communities they aim to serve.

# The DEI Continuum

As philanthropies work to embed DEI into their operations and grantmaking practices, they typically go through phases. The DEI Continuum highlights the stages and steps an organization must take to achieve profound change and foster trust-based grantmaking.
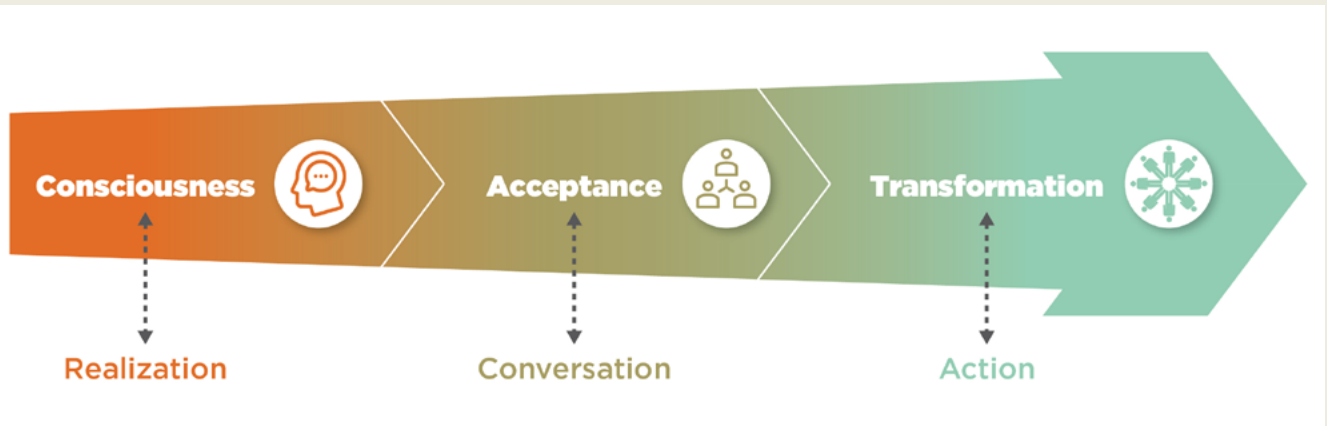


*Created by Donita Volkwijn and Kalyah Ford*

**Stages of the DEI Continuum**

**Consciousness**
This stage involves raising awareness of DEI issues, focusing on the realization of existing disparities within the organization, its grantmaking practices, and the broader philanthropic sector. For many organizations, this will be a long process that may involve confronting uncomfortable realizations of the organization's contribution to inequitable practices.

**Acceptance**
In this stage, organizations engage in conversations about the importance of DEI and begin to accept the need for change. This process involves dialogues between board members, senior leadership, staff, grantees, and the communities served. Creating those spaces of belonging is an arduous but critical step in the process.

**Transformation**
As organizations commit to embracing DEI, they start taking action to enact transformative changes in their policies, practices, and culture. This stage involves tangible steps that promote diversity, equity, and inclusion across all levels of the organization.

By progressing through consciousness, acceptance, and transformation, organizations can achieve profound change, leading to a more inclusive, equitable, and diverse philanthropic landscape.

# Conclusion

From recognizing systemic inequities, to understanding the need for diversity; from implementing equitable grantmaking practices to driving inclusion, this chapter has highlighted the fundamental role of DEI in shaping effective philanthropy.

Now, it's time to act. By crafting DEI strategies aligned with their missions, addressing resistance and biases, and nurturing cultures of continuous improvement, philanthropies can be catalysts for transformative change. DEI isn't just a concept; it's a blueprint for creating more equitable and inclusive philanthropic landscapes, ultimately leading to more impactful and meaningful outcomes.

# Calls to Action for Philanthropy

To advance equity within the philanthropic sector, we offer the following calls to action for funders:

- **Commit to diverse representation:** Ensure that your foundation's board, staff, and grantees reflect the communities you serve and that they have the support for their voice and ideas to be heard and absorbed. Consider recruitment and retention practices that prioritize diversity, equity, and inclusion. It is crucial that diverse voices are honored and centered, (and paid) not just included. When this happens, foundations are merely inviting people as guests to already existing patterns and behaviors and while the people may change, the patterns and behaviors don't.

- **Address power imbalances:** Engage in critical self-reflection to recognize and address privilege within your foundation. Implement accountability mechanisms to ensure equitable practices and foster a culture of learning from failures.

- **Build equity resources:** Evaluate your foundation's needs and resources to determine whether to develop in-house expertise or seek external DEI consultants. Consider using an inquiry-based model to ask the right questions and guide decision-making processes.

- **Foster trust-based grantmaking:** Invest in internal change to create a more equitable grantmaking process. Prioritize trust and empower grantees by offering multi-year general operating support and streamlining reporting requirements.

- **Expand beyond traditional monetary support:** Leverage non-financial resources such as expertise, connections, and relationships to maximize impact. Consider impact investing and other innovative approaches that align with your foundation's mission.

- **Prioritize new voices and perspectives:** Encourage inclusivity in grantmaking processes and events. Challenge systems of power and privilege and build genuine relationships within the philanthropy ecosystem.

- **Encourage collaboration and responsiveness:** Share knowledge and learnings with other funders and stakeholders. Be open to feedback and responsive to the needs of your grantees and the communities you serve.

- **Establish a clear direction for future conversations on equity:** Continue discussing and exploring equity within your foundation and the broader philanthropy sector. Develop a roadmap for future equity initiatives, conversations, and commitments.

By implementing these recommendations, foundations can actively work towards creating a more equitable and inclusive philanthropic landscape. Together, we can foster a sector that prioritizes diverse perspectives, values genuine partnerships, and drives meaningful, long-lasting change in the communities we serve.

# Additional Resources

To further support your foundation's journey towards equity and inclusion, we have compiled a list of resources, tools, and examples that can assist you in understanding and implementing these concepts within your philanthropic practice.

- Trust-Based Philanthropy Project aims to shift power dynamics in philanthropy by promoting trust-based relationships between funders and grantees. Resources include articles, webinars, and toolkits on topics like grantee engagement, multi-year general operating support, and reporting requirements.

- The Philanthropic Initiative for Racial Equity seeks to increase the amount and effectiveness of resources aimed at combating institutional and structural racism in communities through capacity building, education, and convening of grantmakers and grantseekers.

- Funders for Justice is a national network and platform of funders increasing resources to BIPOC grassroots organizations working in racial and gender justice.

- Racial Equity Tools has resources for those working to achieve racial equity. It offers tools, research, tips, curricula, and ideas for people who want to increase their understanding and to help those working for racial justice at every level – in systems, organizations, communities, and the culture at large.

- The D5 Coalition resource library contains a range of tools and articles focused on increasing diversity, equity, and inclusion in philanthropy.

- The Annie E. Casey Foundation offers a Race Equity and Inclusion Action Guide that provides a step-by-step outline for foundations looking to implement equitable practices.

- Philanthropy New York champions effective grantmaking by building a vibrant philanthropic ecosystem that strives to advance meaningful social change.

# Case Study: Philanthropy's Role in Creating a Just World

Amid relentless global transformation, philanthropy needs to shift gears. Centering equity and community involvement are no longer options, but critical imperatives. While the road to true progress remains long, more and more organizations are taking meaningful steps towards reimagining the way they operate to create a more just world.

RPA hosted a webinar on **_Philanthropy's Role in Creating a Just World: Centering People and Communities in Your Giving_** to spotlight foundations at the forefront of this reimagination. Moderated by Rockefeller Philanthropy Advisors' Melissa Berman, the conversation featured Don Chen of Surdna Foundation, Crystal Hayling of the Libra Foundation, and Angelique Power of the Skillman Foundation. This conversation yielded a wealth of insights, which are underscored here by a few standout themes:



## A Reimagined Future Driven by Community Wisdom

Building relationships with communities and understanding their perspectives, rather than imposing solutions from the top down was the throughline that weaved the strategies and approaches raised throughout the conversation together. As Surdna's Don Chen mentioned, this required humility on behalf of foundations and recognizing that communities are the experts on their own experiences and needs. He emphasized that Surdna, "is really taking steps to ensure strategies really reflect the priorities that community leaders, residents, and movement leaders are prioritizing by actually listening."

One example of this can be found in the Skillman Foundation, which focuses on serving youth and names their first value as "following the will of Detroit youth to dream and design new possibilities together." This value is operationalized by including Gen Z representatives on a youth council that makes real decisions related to grantmaking. In fact, Gen Z even has a seat at the table on Skillman's board. Angelique Power said she is, "going to spend the rest of her career moving obstacles

out of their way getting capital to them so they can fix the very old problems that we have created and not been able to fix." The Skillman Foundation's dedication to co–creating with Detroit youth exemplifies its commitment to both living out its values and actively ceding power to address challenges collaboratively.

### Learning is Growing

Learning was another central theme throughout the discussion, encompassing both listening to learn from others, and sharing learnings so others may benefit. Libra Foundation's Crystal Hayling shared the way philanthropy can learn from the founding principles of the climate justice movement including, "focusing on bottom up organizing, letting people speak for themselves, centering solidarity and mutuality, building relationships amongst ourselves and commit to our own self–transformation." These strategies include the core pillars of what it means to authentically center communities.

In the same vein, Chen shared how Surdna is engaging in self–transformation by questioning why they do everything they do. As an example, Chen noted that, Surdna asked itself, "what is the purpose of this type of reporting and data collection? Should we do it at all?" After using tools from, and speaking with, experts in equitable evaluation and trust–based philanthropy to determine what was actually useful as opposed to data collection for the sake of data collection, Surdna ultimatelyh decided to contribute to sector–wide efforts by investing in data analysis and co-designing evaluation efforts with field experts. Chen emphasized that working with others and sharing their learnings broadly, this process is, "much more of a true partnership and evaluation" that will benefit the sector overall.

RPA's Melissa Berman also noted the importance of "unlearning". She stated that many people in philanthropy—from program staff to executive leadership—were trained to assume they know everything. That is something philanthropy must unlearn. The panelists pointed out that often the fear of "not knowing" cripples philanthropy. To drive lasting impact, leaders must acknowledge that they do not have all the solutions and partner with communities to share information and grow together.

### Shifting Power Dynamics and Building Trust

Perhaps most importantly, philanthropy must examine the power it wields. It is impossible for philanthropy to authentically center communities without considering—and rejecting— longstanding, entrenched, imbalanced power dynamics in philanthropy.

Hayling pointed out that shifting power is not only equitable, but it is also pragmatic. By placing power in the hands of the communities served, grantees will be able to enact solutions that are more likely to succeed. The panelists urged foundations to hire staff that reflect the communities they work in, shifting philanthropy's status quo model of concentrating power with those who already have it.

Additionally, this power shift cannot occur without the trust that must exist between foundations and the communities they serve, as well as within philanthropic institutions themselves. Hayling made the crucial point that "there is no trust–based philanthropy in terms of a foundation working with grantees if you don't have a board that trusts it staff." She went on to describe how the board essentially said, "let us relinquish a lot of the decision–making control to the staff because we've hired a staff that is primarily people of color people with lived experience on these issues, so let's allow them to lead the work that we're doing." Hayling's insight on the significance of trust–based philanthropy within the dynamics of a foundation and its staff is important because it spotlights how ceding power can lead to a better understanding of the issues at hand, which will lead to better solutions.

Overall, there are no shortcuts or quick fixes for philanthropy to achieve real progress in centering people in communities. Power pointedly noted that the Skillman Foundation took a year to solidify their organization's clear definition of racial justice, one of their guiding principles. It took even longer to conduct a racial equity audit to drill down into where "every penny spent has gone for the last three years by race." This work takes longer because the ways these organizations are reimagining their philanthropy aren't band–aids; they're significant strides towards real change. Given that the work is time intense and the need has never been more pressing, the time for philanthropy to broadly adopt the practices raised here is now.