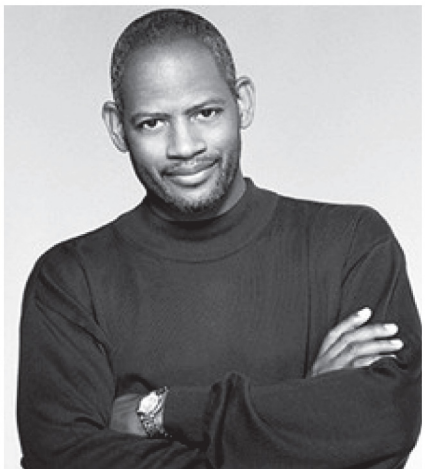
ANALYSIS OF POLICIES, PRACTICES, AND PROGRAMS FOR ADVANCING DIVERSITY, EQUITY, AND INCLUSION

Full Report

D5 Growing **diversity**, **equity**, and **inclusion** in philanthropy



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D5coalition.org

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FOREWORD

Advancing diversity, equity, and inclusion (DEI) is critical to advancing the common good, increasing the effectiveness, and enhancing the impact of philanthropy. But sometimes, it can be hard to know where to start.

D5 is facilitating the momentum of hundreds of leaders in philanthropy who are dedicated to advancing DEI. These champions are making change in their own institutions, raising awareness of the importance of DEI in the field, and recruiting other leaders to take up the cause. We're excited to see their progress, and constantly looking for more ways to support their actions.

D5 commissioned JustPartners, Inc. to conduct this analysis to help philanthropic organizations understand how to more successfully advance DEI. This comprehensive scan reviewed hundreds of written and web-based resources from philanthropy and the field of organizational effectiveness, and identified five key elements—the "5 Ms"—critical to advancing DEI: Mobilizers, Missions, Money, Moments and Movements. You can learn more about these key elements on pages 26-35.

But this research also revealed that the field continues to struggle with addressing equity—or creating equal opportunities for all people within and served by a foundation. How much equity-focused investments actually close gaps in opportunity, the gaps that produce disparities, remains unclear because few foundations track or publicize this data. The lack of such information limits philanthropy's ability to make a stronger business case for DEI.

Our movement is making real progress toward addressing this challenge and others, and you can help us build on this collective action. This report offers ideas and inspiration for how you can contribute to this growing movement, and help philanthropy better engage and transform its increasingly diverse constituencies. We hope you will join us.

Kelly Brown
D5 Director

EXECUTIVE SUMMARY

ANALYSIS OF POLICIES, PRACTICES, AND PROGRAMS FOR **DIVERSITY, EQUITY, AND INCLUSION**

Philanthropy's role historically is to apply private resources for the public good[1], with measurable impact and social change among its aspirations. Attention to diversity, equity, and inclusion (DEI) promises to optimize philanthropic impact through:

- expansion of opportunity;
- support for leadership from marginalized groups;
- closing of gaps in indicators of well-being; and
- invigoration of new donors and modes of giving.

This report provides a comprehensive scan of existing written and web-based resources from philanthropy and the fields of organizational effectiveness and social justice in order to identify existing policies, practices, and tools, which can inform and guide action by philanthropies to advance diversity, equity, and inclusion. The dimensions of DEI explored are those of gender, race/ethnicity, LGBTQ issues, and disability. Interviews with seven foundations give texture to specific issues and reveal how foundations are embedding DEI into their operations.

The report starts by distinguishing among diversity, equity, and inclusion and establishing a menu of areas across foundations where DEI can be anchored. Using the menu as a guide to map the literature, it then draws conclusions about where DEI work in the sector is most robust and where it lags. These findings are used to identify factors that get DEI work started and factors that sustain such work. For each factor, guidance is offered for how foundations can move DEI efforts ahead.

This report has been commissioned by the D5 Coalition — a five-year coalition to advance philanthropy's diversity, equity, and inclusion. It is hoped that this report contributes to the advancement of those agendas.

[1] http://www.ssireview.org/book_reviews/entry/philanthropy_in_america_a_history_olivier_zunz, accessed 4.3.13.

PART I. **STARTING ANCHORS**

Diversity, equity, and inclusion are interrelated though distinct concepts, which often get conflated or confused in discussions and action. The report begins by clarifying these concepts. **Diversity and inclusion focus, respectively, on people and processes; equity is about impact.** Efforts to realize DEI can create synergy, but each requires specific attention. It is possible for an organization to be committed to diversity but not inclusion, or to diversity and inclusion without taking the larger step toward equity. These distinctions are emphasized throughout the report. The report also acknowledges an expanding definition of philanthropy.

Actions that advance DEI require specification. Drawing on the literature, interviews, and the authors' experience, the report offers a menu of policies and practices that advance and sustain DEI. These are anchored in five strategic questions and their indicators:

- Has the organization made an **expressed commitment** to DEI? (with three indicators)
- Has it authorized DEI in **organizational policy**? (with six indicators)
- Has it implemented DEI practices in its **operations**? (with eleven indicators)
- Has it implemented DEI practices in **grantmaking**/other **programmatic areas**? (with eleven indicators)
- Has it used **accountability mechanisms** to monitor DEI? (with eleven indicators)

The resulting grid of 42 indicators was divided into foundation types — family, community/public, corporate, and independent — to create a matrix used to map the literature and to draw conclusions about the current state of DEI policies, practices, programs, and resources within philanthropy.

PART II. **ANALYSIS AS PRELUDE TO ACTION — A SUMMARY OF THE LITERATURE**

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

Conclusion #1.

Three models for DEI change are represented in the literature:

- **Model 1** — Change foundations by diversifying personnel and advancing inclusion.
- **Model 2** — Change philanthropy as a sector by diversifying/expanding philanthropic participation (who *gives* in a formal way) and diversifying/targeting the philanthropic focus (who *gets* in a formal way).
- **Model 3** — Change operational and programmatic philanthropic outcomes by "hardwiring" equity into institutional policy and practice.

Models 1 and 2 are pursued more by foundations than the third.

Conclusion #2.

Activity appears greatest around diversity and inclusion, especially in terms of race. Case examples exist across foundation types that focus on boards, staff, vendors, investment advisors, and grantmaking activities. Another way diversity is promoted is through the diversification of donors and the expansion of the definition of philanthropy to embrace a wider range of giving vehicles.

Conclusion #3.

Equity requires greater intentionality by philanthropies. The literature offers fewer examples across fewer foundations pertaining to work around the indicators of equity, and these are seldom tracked for explicit attention to equitable results. The lack of such information limits philanthropy's ability to make a stronger business case for DEI.

Conclusion #4.

Practice is lifted up more than policy in the literature. Case examples describe the reason for and the process by which a foundation institutes a particular practice, but reference to any policy that institutionalizes that practice is uncommon. If the literature is an accurate reflection of the landscape, change that is occurring around DEI may not be institutionalized in a way that can sustain it.

Conclusion #5.

Accountability to promote and sustain change appears lacking. The preponderance of data made available for the purpose of accountability focuses on board and staff diversity along the lines of gender and race. The dearth of systematic data collection around other indicators compromises the sector's ability to build its business case.

Conclusion #6.

A handful of foundations are trying to put the DEI pieces together. A small but growing number of family, community, and independent foundations are working on multiple DEI fronts either simultaneously or sequentially. The field's understanding of how an organization advances deep-seated, sustainable change can be improved by gleaning lessons from foundations that recognize DEI as a cross-cutting focus throughout their operations and programs. The appreciation of DEI as cross-cutting is typically tied to its mission relevance. The report's interviews reflect foundations that are "layering" multiple aspects of DEI to build synergy.

Conclusion #7.

"On-ramps" for DEI work are abundant. They exist anywhere work resides within a foundation. Resources are available to:

- make the case for DEI;
- craft policy to systematize and sustain DEI efforts;
- implement DEI in operations;
- implement DEI in programmatic work; and
- monitor DEI efforts for accountability.

Conclusion #8.

Tools and programs are available to guide and support action, with most focusing on issues of race. Additionally, considerable general guidance is available for philanthropy to move forward. The Resource Guide accompanying the report identifies more than seventy resources. Areas where tools are less abundant revolve around making the case for DEI and monitoring DEI efforts for accountability. Philanthropy as a sector needs to become more intentional in making an evidence-driven case for DEI.

Conclusion #9.

Models of DEI abound across the foundation types. These include sample diversity statements and policies for different kinds of foundations and types of diversity, strategic plans that actualize DEI commitments, actions that advance inclusiveness, investment strategies (both grantmaking and asset investing) that deliberately address DEI, ways that respectfully engage heretofore under-attended constituencies, and report cards that track DEI results and change. The diversity dimensions with the most extensive models available are overwhelmingly race/ethnicity, followed by LGBTQ issues, with the latter especially focused on LGBTQ people of color.

PART III. **IMPLICATIONS FOR ACTION FOR INDIVIDUAL FOUNDATIONS**

Foundations get started in varying ways to incorporate DEI as organizational considerations. The most frequent factors that animate change are concerned people, mission relevance, donations and markets, critical moments, and DEI movements; i.e., the “5 Ms” of Mobilizers, Missions, Money, Moments and Movements. This report offers specific action steps that individual foundations can take to capitalize on these.

Once foundation action gets under way around DEI, certain factors have been shown to be important. These are leadership; a shared language and clear point of view; a broadly embraced message; openness to self-reflection, learning, and data; a manageable place to anchor the commitment in everyday work; early positive reinforcement and external supports. For each of these the report offers specific action steps that individual foundations can take to advance the work.

DEI work requires certain ingredients to make it sustainable. These include good results through perseverance, an ongoing and broadening leadership commitment, growing organizational competencies, institutionalized “hard-wiring” of the DEI commitment, and systematic data for tracking impact. For each of these the report offers specific action steps that foundations can take to sustain the work.

FULL REPORT

ANALYSIS OF POLICIES, PRACTICES, AND PROGRAMS FOR **DIVERSITY, EQUITY, AND INCLUSION**

PART I. **STARTING ANCHORS**

"(O)ne of the reasons that these conversations tend to be frustrating and unproductive is that they lack a clear framework, a starting point that emphasizes consensus around definitions of terms and concepts, and most importantly, a clear set of goals."

These are the words of a program officer from a community foundation. He and his colleagues are active and successful in advancing diversity, equity, and inclusion both operationally and programmatically in his workplace. You will see quotes from our interviews with him and others throughout this report — representing people and foundations that are undertaking strategic efforts to advance equity and inclusion throughout foundation programs and operations.

This report seeks to address the very issues the interviewee identifies as those that block DEI progress. In the development of this report, we found that frameworks, clear concepts, and concrete goals are available within philanthropy to undertake DEI work. **Ways are there if the will exists.** The political will needs to be strengthened for individual foundations specifically and the philanthropic sector broadly to make significant strides in DEI. Colleagues have shared, however, that even where the will exists — and they believe it does more than actions would signify — people might not know what to do, where to begin, or how to advance.

Our hope is that this report offers substance to nurture the political will and provides concrete pathways to guide those philanthropies that are seeking ways to move ahead.

Inroads are being made by philanthropies around issues of diversity, equity, and inclusion — with some areas being pursued more robustly than others. Considerable tools, models, programs, and guidance exist for the sector to move forward. This report provides a systematic assessment of the literature on DEI in philanthropy, suggests what these findings mean to the field, and offers recommendations for action by foundations. Through this analysis, we identify examples and possibilities relevant to specific foundation sectors — family, community/public, independent, and corporate — appreciating the particular contexts in which they operate.

CLEAR TERMS

Diversity, equity, and inclusion are inter-related but distinct concepts. As such, efforts toward their realization can create synergy, but each requires specific attention. **Diversity and inclusion focus, respectively, on people and processes; equity is about overall impact.** Here is what we mean by each term and how it's related to the others.

- **Diversity** refers to the wide range of differences among people and their perspectives. For this report, our focus is on diversity with regard to race and ethnicity, sexuality, gender, and ability.[3] The definition of diversity is sometimes combined with the concept of inclusion, such as in the following: "The concept of diversity encompasses acceptance and respect."[4] Yet, it is quite possible within a setting of people of different backgrounds and perspectives not to have acceptance and respect. That is why inclusion must stand alone conceptually. Further, diversity may or may not be linked to the issue of equity. A diverse workplace is not necessarily an equitable workplace. Nor does the presence of people who are diverse necessarily produce decision-making that optimizes results for the groups their diversity reflects. A foundation that focuses only on diversity cannot presume that it has equity as a goal. For these reasons, diversity and equity are conceptually separate. The more the term diversity is used to refer to any feature of an individual's being or choices, the more likely it is to be uncoupled definitionally from issues and structures that produce and maintain power differentials.

- We use **inclusion** to mean two things: the ability of diverse peoples to raise their perspectives authentically and for those voices to matter and affect decisions within majority-group settings where the organizational culture has been enabled for that to happen; and the initiative of majority-group members to access non-majority voices in the latter's own settings and through their own informational vehicles, so that majority-group members enlarge their understanding of issues and relationships. Neither of these approaches ensures the absence of disagreement, but inclusion promises a broader view of the world and a more democratic process of decision-making. Others have called this "transformational inclusion."[4] Inclusion is a problematic term in that it implies that some people are "in" and others are "out" and that the in-group needs to invite others in. It privileges in-groups. It also implies a "pseudo-community" where harmony is seen as the goal of the out-groups being invited in.[5]

- Finally, for D5's purposes, **equity** refers to the impact of philanthropic investment and action wherein outcomes are not correlated with race, ethnicity, sexuality, gender, or ability. Levels and/or types of investments in and of themselves do not produce equity. Strategies that advance equity require an analysis of the historical and, in many cases persistent (systemic**)** factors that create *unequal* conditions and thus unequal opportunity for certain groups of people. The pursuit of equity recognizes and accounts for the complex interaction between the dynamics of identity, socio-economic forces, and policy and practice that operate in the environments and contexts in which philanthropic investments occur.

With these definitions in mind, it becomes easier to see how it is possible for an organization to be committed to diversity but not inclusion, or to diversity and inclusion without taking the larger step toward equity.

Underlying these definitions is a considerable history of struggle by all of the groups D5 focuses on — people of color, women, the LGBTQ community, and people with disabilities. The way that the author of *A Disability History of the United States* identifies that struggle for one group is applicable to all. He says that it is the struggle to answer: "Which peoples and which bodies have been considered fit and appropriate for public life

[3] Other important dimensions such as age and class are beyond the focus of this report.

[4] http://www.nonprofitquarterly.org/index.php?option=com_content&view=article&id=19331:the-inclusive-nonprofit-boardroom-leveraging-the-transformative-potential-of-diversity&Itemid=336, accessed 2.5.13.

and active citizenship?"[6] The DEI goal for philanthropy is to demonstrate that the answer to that question is, "All of us."

Figure 1. Distinctions among Diversity, Inclusion, Equity

One other definition is important — the term **philanthropy**. We have already mentioned that it encompasses traditional family, community/public, independent and corporate foundations, which vary in size, reach, and focus. In this report philanthropy also refers to more recently acknowledged forms of philanthropy, such as giving circles, mutual-assistance associations, venture philanthropy, crowdfunding, and other vehicles that have diversified the sector.

[6] K.E. Nielsen, *A Disability History of the United States,* Beacon Press, 2012.

A CLEAR FRAMEWORK AND SET OF GOALS

In order to map the existing literature in a manner that provides specific guidance on next steps to advance DEI — e.g., where gaps exist, where deeper information is needed — we identified a menu of policies and practices that constitute organizational features key to advancing and sustaining DEI. This menu is grounded in the issues emphasized in the philanthropic literature, as well as our team's more than 20 years of experience delivering training and technical assistance within philanthropy around issues of DEI. The following broad strategic questions tap into the critical organizational policies and practices that promote a deep and sustaining philanthropic commitment to DEI:

- Has the organization made an **expressed commitment** to DEI?
- Has it authorized DEI in **organizational policy**?
- Has it implemented DEI practices in its **operations**?
- Has it implemented DEI practices in **grantmaking**/other **programmatic areas**?
- Has it used **accountability mechanisms** to monitor DEI?

Using these strategic questions to guide the menu, we enumerated specific Indicators for each question. The chart that follows is the result.

CHART 1. MENU OF INDICATORS FOR DEI

1 Has the organization made an expressed commitment to DEI? (3 indicators)

- **Vision and mission statements** that include an expressed commitment to DEI
- Incorporation of DEI into **strategic plan** with performance measures
- Appreciation for how the **dimensions of diversity intersect/interact**

2 Has it authorized DEI in organizational policy? (6 indicators)

- Policy for **board diversity**
- Policy for **staff diversity** (e.g., recruitment, retention, benefits)
- Policy for **investment advisor diversity**
- Policy for **vendor diversity**
- Policy for **asset investment** to support DEI/do no harm
- **Grantmaking** policy that expects *all* grantees to address DEI effectively

3 Has it implemented DEI practices in its operations? (11 indicators)

- Active **inclusion of diverse members on the board** (e.g., key committee assignments, capitalizing on diverse member strengths and networks)
- Efforts to create a **pipeline of increasingly diverse potential board members**
- Active **inclusion of diverse members on the staff** (e.g., key assignments, capitalizing on diverse staff strengths and networks)
- Efforts to create a **pipeline of increasingly diverse potential staff members**
- Support for **internal affinity groups** (e.g., meeting time and space, incorporation of views into organizational decision making) — most relevant to larger organizations
- Active **inclusion of diverse members on the investment advisory team** (e.g., key responsibilities, capitalizing on diverse member strengths and networks)
- **Diversification of donors** (public and community foundations)
- Active **inclusion of diverse vendors** (e.g., quicker reimbursement schedule for less-capitalized vendors)
- Efforts that **expand the pipeline for greater diversity among investment advisors and vendors**
- Systematic processes for board, staff, advisors, vendors to become **DEI-informed and competent** (e.g., orientations, training)
- **Grant payment processes** that recognize that grantees are differently situated financially

4 Has it implemented DEI practices in grantmaking/other programmatic areas? (11 indicators)

- Grantmaking that systematically **accesses the perspectives** of diverse grantees and constituent groups (e.g., annual consultative sessions with diverse groups)
- Grantmaking that comprehends **the ways in which DEI inequities are produced and maintained** (e.g., utilizes a theory of change that identifies specific causes of inequities and strategic intervention points)
- Grantmaking that appreciates how the various **dimensions of diversity intersect/interact**

- Grantmaking that includes **specific investment strategies** around DEI that address individual, institutional, and structural barriers
- Grantmaking that funds the **advancement of diverse programmatic leadership**
- Grantmaking that incorporates **the grantee's ability to advance DEI** into funding decisions
- Grantmaking that **builds capacity** where needed to enable grantees to advance DEI effectively
- Grantmaking **that appreciates the ways in which various potential grantees are differentially situated** because of the legacy of discrimination (e.g., invests in historically undercapitalized organizations that have deep reach and respect in diverse communities)
- Grantmaking that funds **capacity-building** for differently situated groups
- Organizational **advocacy/use of civic capital** to advance equitable mission-relevant outcomes
- **Systematic collection, disaggregation, and publication of data** on diversity in grantmaking

5 Does it utilize accountability mechanisms to monitor DEI? (11 indicators)

- **Systematic collection, disaggregation, and publication of data** on board, staff, advisor, vendor, grantee diversity
- **Analysis of above data** to understand how to close gaps where disparities appear
- **Systematic application of an impact analysis** to all key operational decisions
- **Systematic application of an impact analysis** to all key programmatic decisions
- **Routine assessment of communications and products** for appropriate messaging
- Mechanisms for **senior management accountability** for DEI performance
- Mechanisms for **staff accountability** for DEI performance
- **Senior staffing** dedicated to DEI (most relevant in larger organizations)
- Mechanisms for **investment advisor and vendor accountability** for DEI performance
- Mechanisms for **grantee accountability** for DEI performance
- Incorporation of commitment, policy, procedures, performance expectations into new staff/board/vendor/advisor/grantee **orientation**

Next, we broke out current information about DEI efforts by types of traditional foundations to determine which kinds of efforts are being undertaken within subsets of foundations. Our conclusions are drawn from materials made available by foundations to describe how they undertake DEI — that is, which of the above indicators their work addresses. It is a snapshot of the field taken in Fall 2012. As such, it requires ongoing updates to determine the state of the work at any given time. Nevertheless, the grid, along with the rest of the literature scan, and the interviews we conducted, enabled us to draw reasonable conclusions about DEI policies, practices, and programs within philanthropy. That is the focus of the next section of this report.

PART II. **ANALYSIS AS PRELUDE TO ACTION**

A scan of the philanthropic literature for DEI materials is as much an art as a science. We took the following steps to identify the nearly 200 sources that comprise the bibliography for this report and that also inform the accompanying resource list:

- Consulted well-known information sources within philanthropy for leads to literature that would provide case examples, tools, models, and resources — e.g., Council on Foundations (CoF), The Foundation Center, D5 Coalition, GrantCraft, Philanthropic Initiative on Racial Equity (PRE), Forum of Regional Associations of Grantmakers and selected regional associations, and the National Committee for Responsive Philanthropy;

- Reviewed the websites of key affinity groups for additional informational resources — e.g., Asian Americans/Pacific Islanders in Philanthropy (AAPIP), Association of Black Foundation Executives (ABFE), Grantmakers Concerned with Immigrants and Refugees (GCIR), Hispanics in Philanthropy (HIP), Native Americans in Philanthropy, Funders for LGBTQ Issues, Women's Funding Network, Disability Funders Network, Neighborhood Funders Group (NFG), Grantmakers for Effective Organizations (GEO), and Emerging Practitioners in Philanthropy (EPIP);

- Followed leads from the above and from the list of signees onto National Center for Responsive Philanthropy's (NCRP) Philanthropy's Promise to examine specific foundation websites;

- Examined DEI materials outside of philanthropy where gaps in the philanthropic literature appeared and when the philanthropic literature cited particular sources from other sectors;

- Followed up on leads provided by D5 advisors to the project and reviewers of earlier drafts, as well as from our own knowledge and experience in the field; and

- Explored serendipitous materials that web searches revealed.

As a general rule, we tended toward research and analysis from the past five years. For that reason some materials that have been featured prominently in earlier reviews may not be included in ours.

Based on what we found in the literature scan, we selected seven foundations to interview to provide a nuanced understanding of pathways and progress toward DEI. We wanted to hear from philanthropies across the various types of foundations and from different regions of the country. Most important, we were looking for foundations that are "layering" their DEI work — that is, one step has led to another, or they are working on multiple fronts simultaneously. The foundations we interviewed are Access Strategies Fund, American Express Foundation, Appalachian Community Fund, Baltimore Community Foundation, Grand Rapids Community Foundation, Silicon Valley Community Foundation, and Z. Smith Reynolds Foundation.

The conclusions presented here derive mainly from the philanthropic literature and how foundations represent themselves on their websites. There is the possibility that the conclusions may be artifacts of how researchers and writers asked questions, chose case examples, and otherwise made selections for focus and emphasis, as well as what information foundations choose to provide on their sites. Case examples in the literature often

reflect only one component of the policy/practice infrastructure needed for DEI. As such, they do not convey the extent to which, and the ways in which, foundations implement or layer multiple/complementary DEI policies and practices. Nor do they reflect the iterations a number of foundations go through — the fits and starts, the detours, the lost institutional memory — that remind us that much social change is non-linear. The field would be well-served by a concerted effort on the part of foundations to describe their DEI work on their websites and in relevant documents that they make available to the public. Much current information about DEI on a foundation's website is not accompanied by data, so it is generally impossible to know the results of DEI policies and practices. Finally, only a limited number of policy statements are publicly available, which limits peer exchange on DEI.

Nevertheless, the following conclusions emerge about the state of DEI within philanthropy. These are based on:

- Extensive website exploration described above, which we organized according to the menu of indicators described in the previous section;
- Mapping of case examples and other resources from the literature onto the indicators;
- Compilation of available tools, programs, models, and guidance for action; and
- Interviews with a focused sample of foundation staff around DEI.

THE STATE OF DEI WORK

THE BROAD VIEW…

Conclusion #1

Three models for DEI change are represented in the literature.

The growing philanthropic literature on DEI — reviews, case examples, tools, and other programmatic resources — can be organized by three basic models for DEI change that co-exist within philanthropy. These models can be pursued simultaneously by foundations. We characterize them as:

- **Model 1** — **Change foundations** by diversifying personnel and advancing inclusion.
- **Model 2** — **Change philanthropy as a sector** by diversifying/expanding philanthropic participation (who *gives* in a formal way) and diversifying/targeting the philanthropic focus (who *gets* in a formal way).
- **Model 3** — **Change operational and programmatic philanthropic outcomes** by "hardwiring" equity into institutional policy and practice.

By far the most reported activity, guidance, and advances revolve around Model 1 — intentionally diversifying personnel and advancing inclusion within foundations so that stated commitments to diversity are more than window-dressing. The literature offers many case examples across the range of foundation types, most of which focus on racial/ethnic diversity.

Model 2 — work to diversify and expand philanthropic participation (who *gives* in a formal way) and philanthropic focus (who *gets* in a formal way) — is also easy to find within philanthropy. Predictably, donor diversification is a growing focus of community and tribal foundations. Beyond the community level, support for donor diversification has been provided by foundations such as W.K. Kellogg, Seventh Generation Fund, First Nations Development Institute, and the Ms. Foundation for Women.[7] In addition, over the past 30 to 40 years, individuals of high net worth and collectives with progressive missions that have particular philanthropic interests in women, LGBTQ issues, communities of color, and disability rights have established (predominantly small) foundations, thus strengthening and diversifying the landscape of the sector.

More longstanding and larger foundations have specific investment strategies focused on historically marginalized populations, as well as more general grantmaking that finds its way to these populations by virtue of their being a (sometimes disproportionate) subset of the defined strategy (e.g., anti-poverty investments). That said, the field is challenged by the difficulty of measuring overall investments for diverse groups in terms of "what counts," the question of what proportion of such funds actually goes to grantees and/or residents from the historically marginalized population, and whether investments yield results that actually advance equity.

Model 3 — "hardwiring" equity — is meant to change philanthropic outcomes. It refers to the establishment of systematic policies and practices around operations, grantmaking, asset investment, and the use of other philanthropic capital to advance outcomes where success is not correlated with race/ethnicity, gender, LGBTQ

[7] W.K. Kellogg Foundation, *Cultures of Giving,* January 2012, http://www.wkkf.org/news/Articles/2012/01/Communities-of-Color-Find-More-Prominent-Role-within-Philanthropy-Sector.aspx, accessed 2.5.13.

status, or ability and where existing gaps are closing. Optimally, equity is mission-driven. In terms of grantmaking specifically, the literature describes:

- Foundations' analyses of the need for grantmaking to incorporate DEI, along with a rich set of resources to help the sector do this;
- Grantmaking strategies that address barriers to DEI;
- Expectations for grantees to incorporate DEI into their work, which informs funding decisions, along with sample scoring sheets for doing so;
- Investment in capacity-building for differently situated groups to be more competitive and for all grantees to be prepared to address DEI concerns; and
- Systematic collection and publication of data on diversity in grantmaking.

Another important issue for hard-wiring equity is asset investment. An increasing number of foundations utilize this much larger pool of funds in ways that are mission-related and program-related in order to address DEI. A growing body of examples and guidance is available to support that work, but the literature is lacking about the extent to which equitable results are achieved.

Finally, the literature gives interesting but limited access to certain kinds of cross-cutting work such as routine incorporation of DEI issues in orientations and trainings of board, staff, and/or vendors, the routine assessment of communications products for appropriate messaging, assignment of DEI responsibilities to key senior staff, and the existence of mechanisms for the accountability of management and staff for DEI-informed work.

WHERE THE ACTION MOSTLY SEEMS TO BE…

Conclusion #2

Activity appears greatest around diversity and inclusion.

By far, the most reported activity revolves around intentionally diversifying personnel and advancing inclusion within foundations so that stated commitments to diversity are more than tokenism. Case examples exist across foundation types and focus on boards, staff, vendors, and investment advisors. These are mostly focused on racial/ethnic diversity. Attention to diversity and inclusion in grantmaking focuses on accessing diverse perspectives to develop grant strategies and strengthening leadership diversity across external programming.

Another way in which diversity is promoted is through the diversification of donors and expansion of the definition of philanthropy to embrace a wider range of giving vehicles. As already mentioned, donor diversification is being driven by community and tribal foundations, individuals of high net worth, and collectives with progressive missions.

The level of activity around diversity is growing, but it cannot stop there. As a program officer at a family foundation noted, **"The work that the foundation had been doing around diversity was good work, but it just wasn't enough."** This foundation next turned its attention to a systematic focus on equity.

WHAT WE KNOW LESS ABOUT – EVEN IF IT'S HAPPENING

Conclusion #3

Equity requires greater *intentionality* by philanthropies.

The philanthropic literature offers fewer examples across fewer foundations pertaining to the various indicators of equity, especially in organizational *operations*. In grantmaking, population-focused and social justice foundations tend to have equity as their core mission. Many other foundations have specific strategies and/or program areas to address individual, institutional, and structural barriers to equity, as well as more general grantmaking focuses (e.g., anti-poverty investments) by which funds find their way to diverse populations by virtue of their falling within the defined strategy, often disproportionally. The extent to which these particular investments actually alter opportunities, change conditions, and close gaps, however, remains unclear. **The lack of such information limits philanthropy's ability to make a stronger business case for DEI.** Advocates for equity call for foundations to make greater investment in grassroots organizations, use more targeted change strategies, allow longer investment horizons, and measure grant results explicitly for equity.

Conclusion #4

Practice is lifted up more than policy in the literature.

Case examples in the DEI literature typically describe the reason for and the process by which a foundation institutes a particular *practice*, but reference to any *policy* that institutionalizes that practice is uncommon. If the literature is an accurate reflection of the landscape, then **change that is occurring around DEI may not be institutionalized in a way that can sustain it.** The particulars of DEI sustainability will vary between a foundation for which DEI issues or groups are explicitly at the heart of its mission (mission-central), and one in which these issues are not explicitly specified in the mission. With regard to the latter foundations, policies are critical to keeping DEI on the table, regardless of personnel turnover. On the other hand, mission-central foundations are more likely to have an organizational culture that is attuned to the population focus of the mission. However, this does not preclude the value of specific policies that can optimize mission-focused work or the need for specific policies that incorporate attention to other DEI-focused populations.

The one philanthropic area that yielded unexpected policy examples is that of asset investment. This is because of the growing use of Mission-Related Investments (MRIs) and Program-Related Investments (PRIs), which offer a significant opportunity to apply a greater amount of assets to advancing equity within otherwise undercapitalized sectors and settings.

Conclusion #5

Accountability to promote and sustain change appears lacking.

The preponderance of data made publicly available for the purpose of accountability focuses on board and staff diversity by gender and race/ethnicity. Limited systematic data collection around other indicators of DEI begs critical questions, such as: Where, when, and how should DEI results be measured, and where should accountability be lodged for advancing a DEI agenda within a given foundation? Without determining these elements, a DEI agenda is unlikely to be systematic or sustained.

THE MOST PROMISING NEWS…

Conclusion #6

A handful of foundations are trying to put the DEI pieces together.

A small but growing number of family, community, and independent foundations are working on multiple DEI fronts, either simultaneously or sequentially. The field's understanding of how an organization advances deep-seated, sustainable change can be improved by gleaning lessons from foundations that recognize DEI as a cross-cutting focus throughout their operations and programs. **The appreciation of DEI as cross-cutting is often tied to mission relevance.** Those foundations that are intentional about DEI recognize that it is a long-term, high-reward undertaking.

THE BOTTOM LINE…

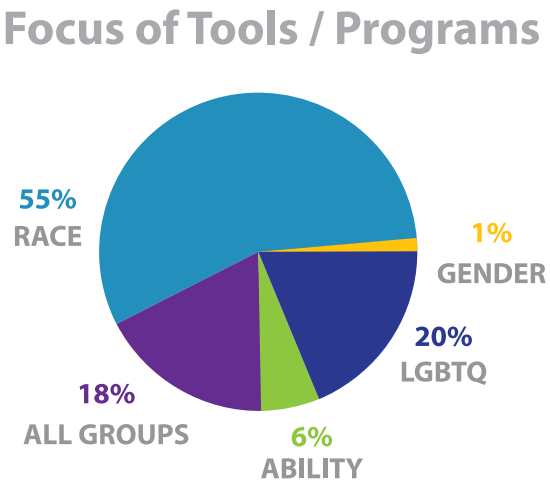
Considerable inroads are being made by philanthropy as a field around issues of diversity *practice* specifically, especially as it pertains to board, staff, and donors, and mainly focused on race/ethnicity. The leading-edge challenges include the need to achieve cross-cutting equitable results, sustain DEI through policy, and undertake systematic organizational accountability for DEI. A small but growing number of foundations are addressing these. At the same time, a surprising number of tools, models, programs, and guidance exist for philanthropy to move forward. These are summarized next.

TOOLS, PROGRAMS, AND MODELS

Exemplary tools, programs, and models are readily available to guide the advancement of DEI within philanthropy. The Resource Guide accompanying this report offers more than 70.

Conclusion #7

"On-ramps" for DEI work are abundant.



DEI work can begin wherever a foundation wants to begin, with whatever issue or circumstance sparks DEI interest or concern. Issues or circumstances that prompt DEI efforts are varied, as demonstrated in the philanthropic literature. DEI can start, for example, with self-reflection on the part of family foundation board members, the stewardship of increasingly diverse donor funds by community foundations, the desire to build and maintain a more diverse customer base by corporate foundations, expectations for more equitable grantmaking results by independent foundations, or the emergence of population-based efforts to create locally governed giving vehicles. The good news is that tools, programs, and models are available to get started and move forward on a DEI agenda for any and all "on-ramps" to:

- make the case for DEI;
- craft policy to systematize and sustain DEI efforts;
- implement DEI in operations;
- implement DEI in programmatic work; and
- monitor DEI efforts for accountability.

In addition, the philanthropic literature is rife with general guidance about race/ethnicity, gender, LGBTQ issues, and disabilities, including lessons learned through active engagement around these issues.

Conclusion #8

Tools and programs are available to guide and support action.

For this project, "tools" were defined as resources that enable a foundation to walk itself through an issue related to DEI, with or without facilitation by a consultant. Available tools include organizational assessments, action steps to work through implementation of a DEI issue, and prompting questions for decision-making.

"Programs" within philanthropy are defined here as resources that support important organizational DEI efforts. These include programs that build diversity pipelines, and others that offer capacity-building around DEI for

board and staff. Most of the tools and programs come from affinity groups, regional associations, and individual foundations that have learned through doing work around DEI and that seek to share information in ways that enable others to put DEI into action.

None of the "on-ramps" mentioned above lack tools or programs to move ahead. Of the 34 tools and programs identified in the resource list, the majority focus on race/ethnicity. Supports are more abundant and representative of all D5 interest areas (race/ethnicity, gender, LGBTQ issues, and disability) for crafting policy and implementing DEI in operations and programmatic work. Fewer tools provide guidance to make the case for DEI and monitor DEI efforts for accountability. These less-addressed tasks are closely inter-related. The case for DEI will be made by the results it can demonstrate. **Philanthropy as a sector needs to become more intentional in making an evidence-driven case for DEI.** D5's ongoing work around systematic data collection is one important step toward a common system of accountability.

Conclusion #9

Models of DEI work abound across foundation types.

This review defined a "model" as a credible illustration of some aspect of DEI in action that is adaptable to other foundations' circumstances. Many foundations have begun DEI work, usually via board or staff diversification. As a result, sample diversity statements and policies for different kinds of foundations and types of diversity are readily available. Foundations whose on-ramp focused initially on revising vision, mission, and/or value statements are more likely to implement DEI efforts, layer upon layer, into a cross-cutting organizational commitment. The models available from these foundations include strategic plans that actualize DEI commitments, actions that advance inclusiveness, investment strategies (both grantmaking and asset-investing) that intentionally address DEI, ways that respectfully engage heretofore under-attended constituencies, and report cards that track DEI results and change.

The diversity dimensions with the most extensive models available are first race/ethnicity and then LGBTQ issues. Why might this be the case? Issues of race and ethnicity may be more likely to get addressed by foundations because of a legacy of activism and anti-discrimination legislation and changing national demographics, and the obviousness of racially homogeneous organizations that seems less tenable by the day. Most of the race/ethnicity models cited in this report come from historically white or social justice foundations. In contrast, most of the models around LGBTQ issues come from philanthropies set up to address LGBTQ issues. These are often focused on LGBTQ people of color. Intentional action around diversity, inclusion, and equity on LGBTQ issues by other philanthropies seems rare. Similarly, intentional action around diversity, inclusion, and equity on issues of disabilities by philanthropies without that as their mission is difficult to find. Apart from women-focused funders, models around gender are not obvious, either. The emerging collaboration around the Campaign for Black Male Achievement stands out in this landscape. Finally, philanthropy as a sector needs to offer more models in which the intersectionality of diversities is taken into account.

In sum, considerable resources in the forms of exemplary and illustrative tools, programs, and models, as well as general guidance, are available to help philanthropy move forward with a DEI agenda. Our scan suggests that **advancing DEI need not be an issue of "how-to" but still may be one of "why-to" or where to begin.** The political will to do so will be built, to a great extent, from evidence of the results DEI brings. To that end, tools and models that assist with the interdependent issues of making the case and monitoring results may need to be strengthened, and broadly disseminated and utilized.

PART III. **IMPLICATIONS FOR ACTION**

In this section we consider the lessons derived from the scan and our interviews, which offer ideas for foundations' and philanthropy's next steps. The suggestions cover the breadth of our findings and, as such, are not prioritized. Nevertheless, they are systematic and strategic because they flow from:

- an initial menu of indicators for change;
- a recognition of what drives change;
- a scan of what currently exists;
- insights from interviews with foundation staff where considerable work is underway;
- identification of where the gaps are; and
- a sense of where the challenges lie.

In the guidance for action offered below, all references to tools, models, programs, and general guidance can be found in the Resource Guide and/or the bibliography, unless otherwise stated. Some of the recommendations are repeated when they are relevant for various purposes and stages of DEI work.

WHAT ANIMATES DEI WORK

Foundations get started in varying ways to incorporate DEI as organizational considerations. The most frequent factors that appear to animate change are mobilizers, missions, money, moments, and movements. We discuss each of these in some detail. Suggested resources are listed in each section, and many resources are relevant across several factors. The resources are offered as starting points, and the reader is encouraged to review all sections and the accompanying Resource Guide to become familiar with the wide range of resources and organizations that are leading change in the field of philanthropy.

1. Mobilizers

When a board or staff member, or grantees, have a particular interest, expertise, or concern around DEI, they may or may not speak up. If they do, they may or may not be heard. But when someone speaks up and is heard, the journey begins, and often change happens. This dynamic plays out within several basic scenarios.

The first scenario occurs in a setting comprised of all or mostly majority-group members. Something about *one's life* propels a majority person to speak up about DEI. For example, we heard from the executive director of a family foundation about the foundation's leader: "*Her background both personally and professionally helped her understand we have to do this differently. She is a white woman who worked in public education and is from a family that was very diverse by race and language. Her experiences helped her understand that race and gender had to be at the core of the work.*"

Alternatively, something about *the situation* propels a majority person to speak up. The president of another family foundation noted, "*We had an all-white board and we operated mostly in the South*." After considerable outreach to important constituents, this foundation asked the courts to reinterpret the will of the donor in order to expand and diversify the board of trustees.[8]

When someone speaks up and is heard, the journey begins, and often change happens.

A DEI scenario is likely to unfold as majority-group organizations bring a member or members on board who recognize that certain groups are under-addressed in the work and are willing to say so. A diversifying board or staff is likely to contain within it both tensions and possibilities. How the foundation chooses to respond to a new member's observations depends on a host of factors. But if it chooses not to respond constructively, it is likely to lose the new member and the perspective the person brings. Further, if the new member has close connections to core population-focused organizations external to the foundation, the foundation may lose those important ties.

Each of these scenarios is impacted by foundation size and the structural positions held by newcomers. In a smaller foundation, one new member may spark change, whereas in a larger foundation, a critical mass of newcomers, raising concerns over time, may be needed to mobilize interest and action. Of course, in the case of larger entities that specifically recruit leadership with DEI in mind, one well-positioned newcomer can be transformative. The presence of DEI-interested people within a foundation may not be sufficient to animate the work, but it is a necessary factor. As we emphasized earlier, a focus on diversity does not guarantee a focus on equity.

Another theme in the DEI literature and our interviews is the power of grantees to impact DEI within

[8] D5 Coalition, *State of the Work 2011*, p.5.

foundations. This is a tricky issue, since grantees are positioned fragilely with regard to challenging funders. That said, when deeply committed grantees align with foundation personnel who are open to listening, meaningful change does occur — in terms of what's funded, the increased power of community voices within a foundation's work, and who's at what tables, to name a few. A program officer from a family foundation offers this apt advice to colleagues who wish to advance DEI: *"Get out from behind your desk. Get out in the community. Any time somebody asks me to go to meetings, I go. It speaks volumes to them about how you feel about their work and your relationship with them. You have to show up for them just like you're asking them to show up for you."*

GUIDANCE FOR FOUNDATIONS – MOBILIZERS

Diversity

- Connect with established leadership development programs designed to advance diversity (see programs of ABFE, CoF, HIP, Native Americans in Philanthropy, EPIP, Proteus Fund, The San Francisco Foundation) and/or local and regional population-specific organizations to identify new and established talent that can widen your organizational perspectives and reach. Some emphasize the importance of having a diverse board first, which commits to hiring a diverse staff.

- Create avenues for systematic input and feedback from communities impacted by your work and grantees in which you've invested. See, e.g., Council of Michigan Foundations, *Voices of Arab American Donors*; GEO & Interaction Institute for Social Change, *Do Nothing About Me Without Me*; One Fire Development, *Context is Everything: Reflections on Strengthening Partnerships between the Philanthropic Community and Native Americans*; Philanthropy Northwest, *Lessons for Philanthropy: A Journey into Indian Country.*

- Adopt ideas from sample foundation diversity policies and practices, found e.g., at The California Endowment, *Foundation Diversity Policies and Practices Toolkit;* Council of Michigan Foundations, *Review of Michigan Foundations' Organizational Policies for Diversity and Inclusive Practice*; Donors Forum, *Sample Diversity Statements and Policies*; Hyams Foundation, *Statement of Diversity Principles*; Jessie Smith Noyes Foundation, *The Challenge of Diversity*; Minnesota Philanthropy Partners, *Employment Policy*.

- Benefit from what other foundations have learned and are doing in sources such as: Council of Michigan Foundations, *Board Actions on Diversity and Inclusion, 2002-2009*; Council on Foundations, *Ten Ways for Family Foundations to Consider Diversity and Inclusive Practices*; S. Leiderman, et al., *Best Practices in Diversity: Environmental Scans for the Academic and Philanthropic Sectors*; Meyer Memorial Trust, *Vendor Evaluation Criteria*; Rockefeller Brothers Fund, *RBF Diversity Report, 2010 and 2012 Update*; Rockefeller Philanthropic Advisors, Council on Foundations, and Forum of Regional Association of Grantmakers, *Diversity in Action: Strategies With Impact*; Rosenberg et al., *Building the Bridge for Diversity and Inclusion*; Tides Foundation, *Diversity and Inclusion Philosophy*.

- Learn from applicable resources beyond philanthropy, such as AskEarn, *Resources to Help Employers Hire and Retain People with Disabilities*; Society for Human Resource Management, *Diversity Outreach Letter,*

Diversity Survey, Key Elements of a Diversity Program, Transgender Disclosure Memo; U.S. Office of Personnel Management, *Guidance for Agency-Specific Diversity and Inclusion Plans*.

Equity

- As it applies to operations, be sure that outreach, hiring, and promotion policies are framed so that they do not have disparate impact and thus reduce your chances of having diverse voices in positions of power and influence. Useful tools are the Annie E. Casey Foundation's *Advancing the Mission Toolkit's Institutional Assessment* (race focus) and Western States Center, *Assessing Our Organizations* (LGBTQ focus). The California Endowment's *Diversity and Inclusivity Report Card* models the use of data for accountability.

- In terms of grantmaking, review grant guidelines to ensure that they do not systematically exclude investments that could strengthen the voice and power of under-addressed populations and the organizations that they lead. Some useful tools and programs include: AAPIP, *1st STEP (Strategies to Equitable Philanthropy)*; Annie E. Casey Foundation, *Advancing the Mission Toolkit* on grant write-ups (race focus); Association of Black Foundation Executives, *Effective and Responsive Philanthropy in Black Communities*; Disability Funders Network, *A Screening Tool for Disability-Inclusive Grantmaking*; Funders for LGBTQ Issues, *The Common Vision Guide to Structural Change Grantmaking*; TrueChild, *Gender Transformative Philanthropy*.

- Learn how other foundations are working to advance equity in sources such as: CF Leads, *Community Foundations Take the Lead: Promising Approaches to Building Inclusive and Equitable Communities*; GrantCraft, *Funding for Inclusion: Women and Girls in the Equation*; GrantCraft/PRE, *Grantmaking with a Racial Equity Lens*; Philanthropic Initiative for Racial Equity (PRE) Critical Issues Forum, *Marking Progress: Movement Toward Racial Justice* and *Mobilizing Community Power to Address Structural Racism*; PRE and Applied Research Center (ARC), *Catalytic Change: Lessons Learned from the Racial Justice Grantmaking Assessment*; Norman Foundation's evaluation criteria within their grant guidelines; Pride Foundation's *Racial Equity Initiative*.

Inclusion

- Adopt policies and practices that enable workplaces to respect and utilize the talents of all populations, such as Council of Michigan Foundations, *Transforming Michigan Philanthropy through Diversity and Inclusion*; Denver Foundation, *Inclusiveness at Work*: *How to Build Inclusive Nonprofit Organizations* (race/ethnicity focus); Donors Forum, et al., *Building on a Better Foundation*; Gay and Lesbian Fund of Colorado, *Gender Expression Toolkit* and *Inclusive Workplace Toolkit*; Minnesota Council on Foundations, *Diversity and Inclusion Action Kit*; St. Paul Foundation, *Facing Race*; State Bar of California, *Creating a Model Work Environment for Lesbian, Gay, Bisexual, and Transgender Individuals*; Third Sector New England, *Step-By-Step: A Guide to Achieving Diversity and Inclusion in the Workplace*; U.S. Business Leadership Network, *Leading Practices on Disability Inclusion*; Western States Center, *Shared Oppressions* (focus on LGBTQ people of color); Western States Center, *Uniting Communities Toolkit* (LGBTQ focus).

2. Missions

The business case for DEI fundamentally is about enhancing organizational performance by addressing structural barriers to opportunity. To that end, DEI should be tied to a foundation's mission. When it is, in an explicit way, DEI operates on a platform having considerable traction. The broad range of foundations suggests a mission-anchored continuum in relation to DEI, ranging from mission-relevant to mission-central, as Figure 2 below illustrates.

Figure 2. A Mission-Anchored Continuum for DEI Work

Mission-Relevant	Mission-Critical	Mission-Central
DEI can contribute to more inclusive results but is not seen as essential	Without a DEI focus, organizational results will be disappointing	The organization's purpose for existence is to improve circumstances for diverse groups; DEI is by definition essential

The focus of some foundations may make DEI **mission-relevant** but not viewed as essential — such as a family foundation focused on a very specific topic or geographic area. That said, the work might still benefit from examining the notion of inclusiveness. Nevertheless, these foundations are less likely to be sites from which a DEI agenda is actively pursued.

A foundation's mission plays a key role in the extent to which DEI issues will be raised, gain traction, and receive sustained and systematic attention.

A foundation to which DEI is **mission-critical** will have chosen as its focus an issue area or areas where disparities exist and where an explicit DEI agenda focused on removing structural barriers and targeting interventions for differently situated populations would improve organizational performance. For example, ClearWay Minnesota, which oversees three percent of the state's tobacco-settlement funds, seeks to improve the health of all Minnesotans by reducing tobacco use and exposure to secondhand smoke. Its Leadership and Advocacy Institute to Advance Minnesota's Parity for Priority Populations (LAAMPP) funds members of Minnesota's African and African American, American Indian, Asian American, Chicano Latino, and Lesbian, Gay, Bisexual and Transgender (LGBT) communities to do outreach work and raise awareness of tobacco's harm.[9] In mission-critical foundations, the mission alone may not animate DEI actions, but where it does, and where those actions are effective, it becomes a powerful anchor for DEI sustainability.

Finally, some foundations have a decided DEI focus. It is **mission-central**. These tend to be the population-focused funds and social justice foundations. The mission itself animates DEI work. How *effective* that work is in addressing disparities of condition and power is a separate issue of both strategy and evaluation. The point here is that a foundation's mission plays a key role in the extent to which DEI issues will be raised, gain traction, and receive sustained and systematic attention.

[9] http://clearwaymn.org/diversity/, accessed 2.11.13.

Mission-central foundations by their nature may be more inclined to lead the field in the newer arenas where philanthropy promotes equity. For example, Pride Foundation, a donor-supported community foundation in the Northwest that advances LGBTQ equality, uses its endowment to bring equality to the companies in which they invest. To date they have worked with 11 companies, including McDonald's, Walmart, and General Electric, to update their non-discrimination policies to include sexual orientation and/or gender identity and expression. These changes have meant better protections for more than 2.9 million workers worldwide. They begin their work with companies by requesting in writing that they update their policies. If the company decides not to update its policy to include protections for LGBTQ workers, the Pride Foundation files a shareholder resolution, which goes before all shareholders in the company.

Given the many forms that diversity and inequity take, a mission-central foundation may address one particular population specifically (e.g., Asian Americans, people with disabilities, women), or multiple dimensions of diversity implicitly, such as through a more general social justice lens. It may address one particular form of inequity (e.g., education) for a particular population group (e.g., Black male achievement, bullying in schools based on LGBTQ status). A particular population focus does not preclude implementation of the mission in a way that acknowledges "intersectionalities" across dimensions of diversity.

GUIDANCE FOR FOUNDATIONS – MISSIONS

Equity

- Examine your institution's mission and vision by deeply considering this question: "Can we fully achieve the mission and vision we identify without addressing gender, race, LGBTQ, and disability issues?" You should use data and research to inform your answer. In other words, explore what your focus looks like through the respective lens of each population group. If your answer is that you cannot fully achieve the mission and vision you identify without addressing some, if not all, of these dimensions of diversity, then consider implementing the ideas below.

- Create avenues for systematic input and feedback from communities impacted by your work and grantees in which you've invested. See, e.g., GEO & Interaction Institute for Social Change, *Do Nothing About Me Without Me*, and Dell's *Global Giving Council*.

- Review your grant guidelines to ensure that they do not systematically exclude investments that could strengthen the voice and power of under-addressed populations and the organizations that they lead. Also, address issues that will close any existing population gaps in your key indicators of success. Some useful tools and programs include: AAPIP, *1st STEP (Strategies to Equitable Philanthropy)*; Annie E. Casey Foundation, *Advancing the Mission* Toolkit on grant write-ups (race focus); Association of Black Foundation Executives, *Effective and Responsive Philanthropy in Black Communities*; Disability Funders Network, *A Screening Tool for Disability-Inclusive Grantmaking*; Funders for LGBTQ Issues, *The Common Vision Guide to Structural Change Grantmaking*; Grantmakers Concerned with Immigrants and Refugees, *Immigrant Integration Toolkit*; TrueChild, *Gender Transformative Philanthropy*.

- Benefit from what peers are already doing, such as the Hyams Foundation's *Grant Guidelines*, the Consumer Health Foundation in Washington, DC, or the Barr Foundation, both highlighted in PRE and ARC, *Catalytic Change: Lessons Learned from the Racial Justice Grantmaking Assessment*, or the grant write-up

questions in the Annie E. Casey Foundation's *Advancing the Mission Toolkit*.

- Build equity explicitly into your strategic plan. See, e.g., the Edward W. Hazen Foundation's *Strategic Plan.*

- Become intentional to understand the ways in which different population-focused issues intersect, such as: Funders for LGBTQ Issues, *Towards a More Responsive Philanthropy* and *Grantmaking for Racial Equity & LGBTQ Justice;* Hispanics in Philanthropy*, LGBT Latinos: Movement Building at the Intersection of LGBT Rights and Racial Justice;* Movement Advancement Project*, Racial Justice & Inclusion: A Primer For LGBT Movement Funders.*

- Utilize asset investments to advance equity, drawing on resources such as Blueprint Research & Design and GPS Capital Partners LLC*, Equity Advancing Equity;* Educational Foundation of America, *Responsible Investments;* More for Mission Investing*, Mission Investing Policies,* Pride Foundation, *Shareholder Advocacy.*

- Systematically collect and assess data to measure performance around equity, wherever it is being undertaken operationally and programmatically, such as: Annie E. Casey Foundation, *Workforce Composition*; The California Endowment, *Diversity and Inclusivity Report Card*; Greenlining Institute, *Supplier Diversity Report Card, 2012;* Rockefeller Brothers Fund*, RBF Diversity Report, 2012 Update.*

3. Money

For community foundations and corporate philanthropy, money is a built-in motivator for a greater DEI focus. By their nature, community foundations need to recruit donors. And by their nature, corporate foundations wish to support their companies in their quest for more markets. The changing demographics of communities encourage community foundations to diversify their donor base further through the recruitment of population-focused donations. Changing demographics also can prompt community foundations to pursue more inclusive and equitable performance from their programmatic portfolios. Corporate foundations are leaders in personnel diversification because they understand that diverse people bring in diverse markets. When corporations fund through place-based strategies, they recognize that supporting diverse local communities maintains their corporate brand with a wider range of potential customers. For these two types of foundations, money is a powerful driver of change. The remaining question is whether such change advances equity — which focuses attention on strategy and the measurement of its results.

Money is a built-in motivator for a greater DEI focus.

GUIDANCE FOR COMMUNITY AND CORPORATE FOUNDATIONS – MONEY

Diversity & Inclusion

- Community foundations seeking to recruit diverse donors can benefit from what their peers have learned — e.g., Council of Michigan Foundations, *Voices of Arab American Donors*; Forum of Regional Associations of Grantmakers, *Racial, Ethnic & Tribal Philanthropy Tribal Philanthropy Knowledge Center; Racial, Ethnic, and Tribal Philanthropy: A Scan of the Landscape;* and *Toolkit for Racial, Ethnic and Tribal Funds and Foundations;* W. K. Kellogg Foundation, *Cultures of Giving;* Blueprint Research & Design, *Communities on the Move: Community Philanthropy, Immigrants and Giving.*
- For a model of leadership development within corporate settings, see, e.g., UPS, *Women's Leadership Development;* Dell's *Global Giving Council*.

Equity

- Community foundations can learn more about equitable investments in sources such as Blueprint Research & Design and Monitor Group, *Community Foundations and Leadership: What's Race Got to Do with It?;* Blueprint Research & Design and GPS Capital Partners LLC, *Equity Advancing Equity.*
- Corporate foundations can learn from peers about investments for equity, such as the Verizon Foundation's focus on technology access for people with disabilities.

4. Moments

Even if a foundation has not been active in imagining how DEI might impact and improve its work, certain moments can prompt or even require that it do so. Those moments tend to be fueled by crises — e.g., a hate crime that receives media attention, the disparate impacts of a natural disaster such as Hurricane Katrina. Moments also are driven by political agendas — e.g., legislative efforts to roll back already achieved rights or to promote new ones. At these times philanthropy often seeks to build coalitions, locally and nationally depending on the situation, to engage their collective funds and lift their collective voice on behalf of a given issue. Often, within these coalitions are the seeds for greater understanding of DEI issues, as well as awareness of the need for people who can be resources for promoting deeper analysis and more widespread action. The moment itself may not be *sufficient* to animate change within any given foundation, but it may be *necessary* to bring DEI issues to the foundation's attention in a sustained way.

The moment has arrived for the nation to face the implications of a population whose composition is shifting.

A recent article in the *Chronicle of Philanthropy*, "5 Things That Will Change the Way Nonprofits Work in 2013," identified demographic shifts as one of the five factors and concluded, "The most successful charities of the future will be those that know how to attract donors and leaders who reflect America's diversity."[10] The moment has arrived for the nation to face the implications of a population whose composition is shifting. Further, this is a moment when the work of the LGBTQ community and its allies has produced unprecedented gains and heightened political visibility for this population. DEI work can capitalize on the times.

This "moment" provides another dynamic on which philanthropy can capitalize — the growth in data sharing across philanthropies. Linked, comparable, accessible data, collected with DEI in mind, would enable data-sharing participants to learn from one another and work toward collective impact.[11] Such efforts can be used to generate the analysis needed to strengthen DEI's business case.

At the same time, this "moment" contains some countervailing dynamics that have the tendency to increase inequities through philanthropic efforts. These include the finding that corporate giving favors "elite" institutions like art museums and colleges over social welfare nonprofits[12] and the concern that civic crowdfunding, as exciting as the process is for philanthropic choice, may have the tendency to exacerbate inequalities.[13]

GUIDANCE FOR FOUNDATIONS – MOMENTS

Diversity

- Capitalize on the growing availability of leadership development programs designed to advance diversity (see the programs of ABFE, CoF, HIP, Native Americans in Philanthropy, EPIP, Proteus Fund, The San Francisco Foundation) and/or local and regional population-specific organizations to identify new and established talent that can widen your organizational perspectives and reach.

[10] http://philanthropy.com/article/5-Ways-Nonprofit-Work-Will/136395/, accessed 2.6.13.

[11] L. Bernholz, *Philanthropy and the Social Economy: Blueprint 2013,* GrantCraft, http://web.law.columbia.edu/sites/default/files/microsites/attorneys-general/Bernholz-blueprint_2013.pdf, accessed 2.21.13.

[12] http://philanthropy.com/blogs/the-giveaway/corporate-donors-favor-elite-nonprofits-study-finds/4225, accessed 2.7.13.

[13] L. Bernholz, *Philanthropy and the Social Economy: Blueprint 2013,* GrantCraft, http://web.law.columbia.edu/sites/default/files/microsites/attorneys-general/Bernholz-blueprint_2013.pdf, accessed 2.21.13.

Equity

- Utilize the legally allowed opportunities foundations have to join and support campaigns and collaborations that mobilize resources for specific social justice goals, such as Philanthropy's Promise, 2025 Network for Black Men and Boys, the LGBTQ Racial Equity Campaign, and the National Women and AIDS Collective at the national level, as well as local and regional collaborations focused on closing gaps.

- Undertake an Impact Analysis (see Equity guidance under the topic of Mobilizers above) to ensure that new technologies, strategies, and other innovative decisions do not inadvertently impact population-focused groups inequitably.

Inclusion

- Moments often arise because of activism around a particular group interest or concern. Become intentional about recognizing "intersectionality" — how work with regard to one population is often cross-cut with the need to see how an issue operates for other population subsets. Investments in AIDS prevention and intervention, for example, have effectively been focused on various subsets of racial, gender, and LGBTQ groups. Resources around intersectionality include: Funders for LGBTQ Issues, Towards a More Responsive Philanthropy: Grantmaking for Racial Equity & LGBTQ Justice; Hispanics in Philanthropy, LGBT Latinos: Movement Building at the Intersection of LGBT Rights and Racial Justice.

5. Movements

Movements are about organized and sustained case-making and action. They frame issues and offer action steps for achieving their desired outcomes. They originate both outside of the philanthropic sector and within to affect how foundations operate and use their resources. For example, the purpose of the D5 Coalition is to facilitate a movement within philanthropy to advance diversity, equity, and inclusion because these are understood as critical to improving impact by the sector as a whole and by its constituent organizations. D5 and its allies are positioned to recruit newcomers to the value of DEI work and offer guidance, models, and tools to foundations seeking assistance with their efforts. Here is a community foundation program officer reporting on the value of resources from the D5 Coalition. Talking about building DEI principles into their strategic plan, he said, "*We were provided some draft language from…other participants in the D5 Coalition and worked to adapt that for our purposes.*" The peer examples that formed the platform for their work served two purposes — enabling them not to have to re-invent wheels or start from scratch and giving them a credible movement and esteemed peer institutions to tie their efforts to as further credibility for the work.

Movements frame issues and offer action steps for achieving their desired outcomes.

GUIDANCE FOR FOUNDATIONS – MOVEMENTS

Diversity, Equity, & Inclusion

- Become an active participant in learning sessions and peer exchanges on DEI topics offered by the Council on Foundations, D5, Joint Affinity Groups, regional associations, and others.
- Share what you learn and your written policies and practices around DEI with the field.
- Collect data on your DEI efforts to help advance a business case for the field.

WHAT'S IMPORTANT AT THE START

Once a seed has been planted within a foundation and/or its board, certain factors seem critical for expressed interest to gain traction.

1. Leadership

Commitment from the board is the factor that most certainly propels action. How the board gets to that place varies. For example, it may be through its own discussions or through impetus from foundation management. That said, some larger foundations do start DEI work within individual units because of a unit's leadership or the nature of the unit's work. Champions with the power to move to action are required wherever the work starts. But the work is more precarious when it sprouts within a unit, as it is subject to personnel turnover or administrative sanction if it gets out in front of the foundation in particular ways.

Champions with the power to move to action are required wherever the work starts.

One reason for leadership hesitation is a lack of knowledge of what a commitment to DEI entails. It is reluctant to embrace something whose implications are unknown and for which doing badly could have serious repercussions. For this reason, a strategic framework for DEI efforts is optimal for guiding specific, sequenced action steps, both operationally and programmatically.

GUIDANCE FOR FOUNDATIONS – LEADERSHIP

Diversity, Equity, & Inclusion

- Connect your DEI commitment to the foundation's mission and strategic plan so its value can be understood and integrated with everyday work. Examples are available from population-focused philanthropies, Access Strategies Fund, Hyams Foundation, Appalachian Community Foundation, and Baltimore Community Foundation, to name a few.
- Make the case for DEI and undertake it effectively, learning from what others have done, such as in "The Inclusive Nonprofit Boardroom: Leveraging the Transformative Potential of Diversity," *Nonprofit Quarterly*, May 2011; Council of Michigan Foundations, *Diversity and Inclusion in the Foundation Boardroom: Voices of Diverse Trustees*; Rosenberg, et.al., *Building the Bridge for Diversity and Inclusion*.

2. A broadly embraced message

The case for doing DEI work must resonate with those who have the power to support or block it. As noted above, the greater the extent to which DEI can be framed within the context of a foundation's mission, the more likely it will be embraced, and the more readily it can be understood and justified. Beyond a mission-specific case, other frames have greater or lesser likelihood of resonance, depending on the issue, the audience, and the moment. Messages tend to work better when they are data-driven (e.g., this will improve our results, and we can show it) rather than ideology-driven (e.g., it is the right thing to do). They also are more likely to be embraced when they elicit a sense of shared fate (e.g., this will strengthen our nation's ability to lead in the 21st century).

The case for doing DEI work must resonate with those who have the power to support or block it.

GUIDANCE FOR FOUNDATIONS – MESSAGE

Diversity, Equity, & Inclusion

- Frame DEI as an endeavor producing shared pay-off. It benefits everyone.
- Utilize available research on messaging around DEI to guide your efforts to make the case for it.
- Learn from peers about how they developed their successful messages, such as Jessie Smith Noyes Foundation, *The Challenge of Diversity*.

3. A shared language and clear point of view

Work around DEI is abundant, both within and outside of philanthropy. Yet it often uses the same terms differently and takes different perspectives on what's most important to drive change or what kind of change is the desired end result. That's why it is essential for a foundation at the very beginning to clarify its basic terminology and, in intentional and informed ways, choose the avenues through which it seeks to impact DEI. In any given moment, widely varying approaches are utilized by those who are active under the broad DEI agenda. These approaches may work in complementary if different ways, but they also can work at cross-purposes.[14] Guidance is available to assist in the clarification of an organization's language and approaches.

It is essential for a foundation at the very beginning to clarify its basic terminology.

GUIDANCE FOR FOUNDATIONS – LANGUAGE

Diversity, Equity, & Inclusion

- Guidance around preferred terms and their definitions can be found in sources such as: Association of Black Foundation Executives, *Effective and Responsive Philanthropy in Black Communities*; Gay and Lesbian Fund of Colorado, *Gender Expression Toolkit;* TrueChild, *Gender Transformative Philanthropy*.

[14] For example, Michael Bronski in *A Queer History of the US* (2011) describes the tension between activism to ensure privacy versus that which seeks acceptance through public recognition.

4. Openness to self-reflection, learning, and data

DEI work offers abundant opportunity to see the world in new ways. This requires board and staff, and, ultimately, other foundation constituents, to be willing to consider complex and previously undiscussed issues like power and privilege. Organizational cultures must provide the safety to engage in difficult dialogues. A family foundation leader told us, *"One of the challenges we often avoid in philanthropy is, 'What does it mean to be in a place of privilege where you give money to others?' We take it very seriously that we have a lot of power and are holding a lot of resources and how do we do that thoughtfully, responsibly, and respectfully…Too often, we don't deal with the elephant in the room. Philanthropy can be the great equalizer. If we do it right, we can give resources to communities that others have forgotten and overlooked. But if one is not careful you can also use it in ways that can disenfranchise a community."*

DEI work offers abundant opportunity to see the world in new ways.

Participants must be willing to learn more about different groups, how they are differently situated with regard to life's circumstances, what produced the differential outcomes, and what can change these results. They must be committed to learning from mistakes and pushing through the challenges that often occur in DEI work. A commitment to collecting useful data and listening to what it says from a DEI perspective is essential as a barometer for the work. A number of foundations utilize both informal and formal settings as opportunities for self-reflection, learning, and data review. These range from voluntary lunch-and-learn sessions to required DEI-specific training, to regular staff performance review for DEI results.

GUIDANCE FOR FOUNDATIONS – LEARNING

Diversity, Equity, & Inclusion

- Support professional development around DEI — e.g., lunch-and-learn series, training, peer exchange, affinity group participation. See the Annie E. Casey Foundation's *Advancing the Mission* toolkit on how an affinity group sparked DEI work.
- Create opportunities for dialogue with and learning from communities impacted by your work and grantees in which you've invested.
- Identify ways for board, staff, and grantees to learn together, as the basis for cultural change organization-wide.
- Incorporate DEI competencies into staff performance reviews so that ongoing capacity-building is reinforced. See the Annie E. Casey Foundation's *Advancing the Mission Toolkit* for one way that staff performance around DEI has been measured.

5. A manageable place to anchor the commitment in everyday work

Foundations that are not yet engaged in DEI work may simply not know where to start. And those who have already made an expressed commitment to DEI need manageable places to start. DEI is about a way of doing business and, as such, encompasses virtually every aspect of foundation work. Knowing that, however, does not mean the *starting place* is everywhere. In fact, the need to learn by doing suggests that the work may proceed incrementally. Here again the size of the foundation, its mission, and the scope of its work must be taken into account.

DEI is about a way of doing business and, as such, encompasses virtually every aspect of foundation work.

Some foundations already have DEI work as their core mission and thus infuse it into their strategic plan. Their starting place may be a closer monitoring of implementation for desired results. Other foundations may wish to start by expressing DEI commitment in the mission, strategic plan, or organizational values so that platform documents exist on which to build. In this case, crafting such documents and achieving buy-in is the place to start. The caution is that this must be followed by strategic and concrete actions so that the foundation is seen both internally and externally as "walking the talk." As a community foundation program officer described, *"I wanted to make sure that before we started talking to anybody in the community, particularly our grantees, about a commitment to diversity, equity, and inclusion, that we — the board, staff and volunteer committee members of the foundation — had a clear sense of what that meant for us. We had to be prepared to demonstrate how we were adopting those principles and putting them into practice before we breathed a word about incorporating them into our grant guidelines, the way we run initiatives or the way we manage investments."*

For foundations that want to test what DEI means before undertaking a broad-based commitment, whatever is on the front burner may be the best place to start, as it already engages the energies of key personnel. What that DEI "test-ground" looks like, then, depends on the particular foundation. It may be new board or staff recruitment, a new investment area, the development of performance measures for personnel or programs, or any number of other routine issues that present themselves. The results can be quick and surprising, as this story from a community foundation illustrates: *"We really wanted to see whether the investment management firms we tend to use are themselves being inclusive and equitable in hiring staff members, in recommending advisors to us, and so forth. We started talking to our investment management partner and put these questions to them. What they said was, 'if you give us a formal directive to go out and hire using DEI criteria in hiring investment managers to work on your funds, we will do that. You're the client. If you're giving us a directive, a mandate, we'll do it.' So we did, and they did."* Foundations have considerable power, including the power to simply raise the question.

The overriding point is that DEI is not some stand-alone undertaking. It is an approach that becomes infused in the everyday actions of a foundation to advance its aspirations. Launching DEI as a separate initiative apart from everyday work is a recipe for its failure to gain traction and an opportunity for its value to be marginalized.

GUIDANCE FOR FOUNDATIONS – ANCHORS

Equity

- Identify good places to begin — typically, tasks that currently command attention. Look at the tasks with a DEI lens, using relevant tools and models for guidance. Learn from the effort, and use that learning to incorporate a DEI lens into additional areas of the foundation.

6. Early positive reinforcement

Nothing impresses like good press! Even when launching DEI within a foundation seems demanding, some rewards can flow quickly. DEI learning itself is a reward, including learning from mistakes. The more foundation personnel learn, the greater confidence they have to apply a DEI lens, initiate new relationships, and conduct their work in new ways. When a foundation publicly commits to advancing DEI, it can gain new respect. Here's what we heard from a community foundation about its grantees: *"I think the most significant and enduring response was excitement and relief for the organizations that are doing grassroots work in neighborhoods. The idea that there are racial disparities in all aspects of our civic life is not new. People in this town are hungry for productive, structured dialogues, particularly on racial disparities and what can be done about it. This has certainly been borne out in our experiences here and in conversations with grantees and others. I think that was the biggest takeaway from those groups. People are generally excited that the foundation is making this commitment."*

DEI learning itself is a reward, including learning from mistakes.

GUIDANCE FOR FOUNDATIONS – REINFORCEMENTS

Equity

- Create a theory of change around DEI work so that you can identify and measure both short- and long-term aspirations.
- Be sure to maintain data that can be drawn upon to demonstrate the value of DEI efforts. Sample approaches can be found at Rockefeller Brothers Fund, *RBF Diversity Report, 2010 and 2012 Update*; The California Endowment's *Diversity and Inclusivity Report Card*.

7. External supports

Foundations often benefit from the availability of issue-specific consultants, peer learning groups, model policies, and tools.

When expertise and experience do not exist within a foundation — and even when they do — foundations often benefit from the availability of issue-specific consultants, peer-learning groups, model policies from other foundations, and tools to construct their own approaches. This scan revealed that the *public* availability of sample policies and templates across the range of foundation types is sorely limited. The willingness of foundations doing DEI work to provide these on their websites would improve peer exchange and enable easier compilation and analysis of existing practices.

GUIDANCE FOR FOUNDATIONS – SUPPORTS

Diversity

- Connect with established leadership development programs designed to advance diversity (see programs of ABFE, CoF, EPIP, HIP, Native Americans in Philanthropy, Proteus Fund, The San Francisco Foundation) and/or local and regional population-specific organizations to identify new and established talent that can widen your organizational perspectives and reach.

Equity & Inclusion

- Utilize consultants (e.g., those listed in publications for the field, such as W.K. Kellogg Foundation, *Racial Equity Resource Guide*, or referred by other foundations) to provide introductory trainings, coaching, capacity-building, or other assistance as needed to incorporate DEI into operations and programming.

WHAT DEI WORK REQUIRES TO BE SUSTAINED

Some of what DEI requires to get started is also what it requires to be sustained. Sustainability, however, is more likely to occur to the extent that DEI becomes institutionalized, or "hard-wired." Here are some key factors that contribute to sustainability.

1. Good results through perseverance

Nothing succeeds like success! In order for DEI work to have value, it must produce good results. How those good results are identified and measured depends on a foundation's DEI strategies and areas of focus. Rather than allowing disappointing results to be an excuse to give up, a foundation with a genuine commitment to DEI will use them to guide necessary revisions to strategy. A Program Officer from a community foundation put it this way: *"The danger of this work is that you can really pat yourself on the back for developing the conceptual framework and the methodology, but when it comes to implementation say, 'Well, we applied these guidelines, it didn't work out, and we're done.' And you just put a big checkmark next to that. What's important is to have sustained accountability and leadership on the board because you need somebody at the top to say, 'That's not good enough. Have we exhausted all of our possibilities? And if we haven't, we should, and if we have, we better be prepared to defend that.'"*

A foundation with a genuine commitment to DEI will use disappointing results to guide necessary revisions to strategy.

GUIDANCE FOR FOUNDATIONS – GOOD RESULTS

Diversity

- Maintain data on diversity and make it publicly available, such as Annie E. Casey Foundation, *Workforce Composition*; The California Endowment, *Diversity and Inclusivity Report Card*; Greenlining Institute, *Supplier Diversity Report Card*; Rockefeller Brothers Fund, *RBF Diversity Report, 2012 Update*.
- When data fall short of aspirations, determine further actions that can produce better results.

Equity

- Maintain disaggregated data on operational and programmatic results and make it publicly available.
- When data fall short of aspirations, determine further actions that are needed to produce better results.

Diversity, Equity, & Inclusion

- Document successes (and disappointments) and make those stories publicly available. See, e.g., Marga, Inc. for Racial Equity in Philanthropy Group (REPG), *Lessons Learned in Addressing Racial Equity in Foundations*.

2. Ongoing and broadening leadership commitment

For DEI to succeed as a cross-cutting lens, it must earn the sustained commitment of foundation leadership, across the board. Leaders need to be accountable for DEI performance, and they in turn will expect that from their peers, staff, and constituents. Insofar as DEI is viewed as mission-central or mission-critical, embedded in organizational values, and incorporated into the strategic plan along with performance measures, broad and sustained leadership is more likely to occur. Ultimately, a critical mass of commitment, leadership, and hard-wired policies, protocols, and practices will produce organizational cultural change — and more equitable results.

DEI must earn the sustained commitment of foundation leadership, across the board.

GUIDANCE FOR FOUNDATIONS – LEADERSHIP COMMITMENT

Diversity, Equity, & Inclusion

- Incrementally advance DEI efforts throughout operations and programs, learning and mentoring as you go.
- Celebrate successes as models for philanthropy and as further material for the overall DEI business case.
- If further dimensions of population diversity need to be addressed, undertake those areas.
- Institutionalize commitments through organizational policies, protocols, and expected practice.

3. Growing board, staff, and organizational competencies

As with any new undertaking, DEI requires deepening knowledge, skills, and practice. While *individual* competencies grow with experience, they also can be enhanced through targeted training, technical assistance, and coaching. *Organizational* competencies can be enhanced through targeted recruitment for board and staff openings. For smaller foundations or those with limited turnover, creative avenues can still be found for DEI promotion. A vice president of a community foundation told us, "*People don't leave this organization…We feel committed to the fact that we bring a lot of expertise, but we don't bring the experience of persons of color. One of the first public things that changed at the foundation was when we established a distribution committee that included non-board members to help guide the decisions on grants to nonprofits…(W)e top-loaded the committee with majority-minority representatives from the community.*"

DEI requires deepening knowledge, skills, and practice.

GUIDANCE FOR FOUNDATIONS – GROWING COMPETENCIES

Diversity, Equity, & Inclusion

- Incrementally advance DEI capabilities throughout operations and programs, utilizing trainings, mentoring, peer learning, and other proven modalities. Use, as applicable, resources such as Leadership Learning Community, *Leadership and Race*.
- Cover all of the dimensions of population diversity that need to be addressed, even if sequentially.
- Institutionalize DEI learning as a routine organizational function.

4. Institutionalized embeddedness of a DEI commitment

If a foundation's commitment to DEI is serious, it will be "hard-wired" into all key organizational documents — the vision, mission, and values statements; each successive strategic plan; and organizational policies, practices, and protocols, such as job descriptions, staffing patterns, new personnel orientations, performance measures, investment strategies, review of external communications, data collection, and the like. Mechanisms for accountability for DEI will be employed routinely and regularly. In short, DEI will be incorporated into a foundation's way of doing business, rather than a stand-alone and siloed focus. DEI will not be a special interest but rather a cross-cutting foundation-wide interest. Culture change will have occurred.

Institutionalize commitments through organizational policies, protocols, and expected practice.

GUIDANCE FOR FOUNDATIONS – INSTITUTIONALIZE DEI

Diversity, Equity, & Inclusion

- Utilize organizational assessments to determine areas needing concerted attention, such as PRE and ARC, *Catalytic Change: Lessons Learned from the Racial Justice Grantmaking Assessment*. Other useful tools are the Annie E. Casey Foundation's *Advancing the Mission Toolkit's Institutional Assessment Quiz* (race focus) and Western States Center, *Assessing Our Organizations* (LGBTQ focus).
- Institutionalize commitments through organizational policies, protocols, and expected practice.
- Incorporate DEI expectations into staff and Board performance measures. See the Annie E. Casey Foundation's *Advancing the Mission Toolkit* for one way that staff performance around DEI has been measured.

5. Systematic data for tracking impact

While this factor is mentioned in the previous paragraph, it deserves emphasis. DEI's business case is that it produces better results for foundations. That is a *measurable* good, and the success of a DEI commitment turns on data. The D5 Coalition has invested in extensive discussions around data collection in recognition of its pivotal role for the DEI movement. Even as philanthropy aspires to common practice that will enable the sector to speak collectively about DEI, individual foundations must work to build their own case, borrowing from current best practices from peers. The goal is that DEI improves results so that results can drive political will and sustain commitment. It's a chicken-and-egg relationship — good results must be showcased to enlist additional foundations in the DEI movement so that they in turn can discover ways to improve their own results and further strengthen the business case. Ultimately, this is what will turn a movement for DEI into an accepted and promoted approach to and by philanthropy.

Data will turn a movement for DEI into an accepted and promoted approach to and by philanthropy.

An officer at a community foundation noted how their commitment to public accountability around diversity helps further their other DEI efforts. The foundation publishes data on its website regarding the gender and racial-ethnic diversity of its staff and leadership. A data dashboard on staff diversity is prepared for quarterly board meetings, and once a year the issue gets specific board discussion. She remarked that such transparency fosters greater diversity: *"I think that what happens once you live the value of diversity, equity, and inclusion is that people start being more up front about what their perspectives are and what they bring to the table."* This foundation uses ADP[15], the payroll company, in its application process, making it possible for the applicant to answer some voluntary questions. This allows the foundation to look at how people self-identify along dimensions that aren't necessarily obvious, furthering the likelihood that the foundation can recruit for broader diversity.

In its community leadership, the foundation uses data to advance equity. For example, data from their education work revealed that children of color and children in low-income families were not being placed into algebra classes. After asking superintendents, *"Have you looked at your data?"* they were able to influence the development of placement policies *"so that low expectations didn't bump kids out."*

GUIDANCE FOR FOUNDATIONS – DATA

Diversity

- Maintain data on diversity and make it publicly available, such as Annie E. Casey Foundation, *Workforce Composition*; The California Endowment, *Diversity and Inclusivity Report Card*; Greenlining Institute, *Supplier Diversity Report Card, 2012*; Rockefeller Brothers Fund, *RBF Diversity Report, 2012 Update*.
- When data fall short of aspirations, determine further actions that can produce better results.

[15] The payroll company ADP has an applicant screening process to which a company can subscribe: www.adp.com.

Equity

- Maintain disaggregated data on operational and programmatic results, and make it publicly available.
- When data fall short of aspirations, determine further actions needed to produce better results.
- Adopt strategies from PRE: Critical Issues Forum, *Marking Progress: Movement Toward Racial Justice*.

Diversity, Equity & Inclusion

- Document successes (and disappointments) and makes those stories publicly available. See, e.g., Rockefeller Philanthropic Advisors and Council on Foundations, *Diversity and Inclusion: Lessons from the Field*.

Any DEI snapshot of philanthropy taken after this report is bound to identify additional success stories, lessons learned, and strategies to get moving, as well as ways to overcome setbacks, models for peer exchange, and new champions for change. If this analysis sparks further DEI action, it will have accomplished what it set out to do.

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For further resources, please review the *Resource Guide,* which accompanies this report. The guide, along with a complete bibliography for this report, can be found at D5coalition.org. You can also find examples of how philanthropic leaders are advancing DEI in the *State of the Work 2013*, also on D5's website.

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

Asian Americans/Pacific Islanders in Philanthropy
Associated Grant Makers
Association of Baltimore Area Grantmakers
Association of Black Foundation Executives
Council of Michigan Foundations
Council on Foundations
Donors Forum
Florida Philanthropic Network
Foundation Center
Funders for LGBTQ Issues
The Funders' Network
Hispanics in Philanthropy
Horizons Foundation
Joint Affinity Groups
Lake County Community Foundation
Minnesota Council on Foundations
National Association of Latino Funds
Native Americans in Philanthropy
Northern California Grantmakers
Philanthropy New York
Philanthropy Northwest
Philanthropy Ohio
San Diego Grantmakers
Women's Funding Network

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