



To Advance Racial Equity and Justice, Funders Begin by Looking Inward

By Debby Bielak, Darren Isom, Marion Michieka, and Bill Breen

(Part one of the five-part field report *Race and Place-based Philanthropy: Learnings from Funders Focused on Equitable Impact*)

Funders' identities inevitably shape how they show up within organizations and communities. Many people of color have spent their philanthropic careers trying to navigate the white centers of power that predominate the social sector. They also possess hard-won knowledge of the structural inequities in their communities, which deny residents an equal opportunity to advance their lives. As one of the participants in the [multi-racial peer-learning group of place-based funders](#) from 12 cities who gathered in 2020 put it, "I am a Black woman—it did not take protests for me to be conscious of race in our strategies."

At the same time, this period of racial protest and rising white nationalism has accelerated the learning curves of many philanthropic leaders who identify as white, as they work to engage more directly as allies in advancing racial justice. The peer funders also noted that the crisis created an opening for those who lead racial equity work to be more explicit, such as by not skirting around the degree to which white supremacy¹ permeates American culture and by making the case that leaning into anti-racism work—to name it and to own it—is an imperative. For example, a Black funder shared that when a donor asked her to replace "racial equity" with a "different word," the funder replied, "I hear that this [term] makes you uncomfortable, but we have to use it."

Across the peer-learning group, white funders as well as funders of color agreed there was real value in interrogating their own mindsets and practices, in terms of what it means to be a leader in this work.

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REBECCA FISHMAN LIPSEY, PRESIDENT,
THE MIAMI FOUNDATION

Looking inward—an imperative for white funders, an opportunity for funders of color

Some of the white peer funders were explicit about taking a hard, sometimes critical look at how to best use their position and privilege as allies.

“Many white-led organizations are leaning on BIPOC leaders for context and access to communities—using them and not compensating them,” said Rebecca Fishman Lipsey, president of [The Miami Foundation](#), referring to Black, Indigenous, and people of color (BIPOC). “This is a time to center BIPOC leaders and to make sure your team has diverse

1 In her article, “[No, I Won't Stop Saying 'White Supremacy,'](#)” Robin DiAngelo, author of *White Fragility*, argues, “When race scholars use the term white supremacy, we do not use it the same way as mainstream culture does. ...We use the term to refer to a socio-political economic system of domination based on racial categories that benefit those defined and perceived as white.”

representation. Are you leading a music program in a Black community but you lack Black leaders in your organization? Pause and think about that. Does your program center the perspectives of the children and families you serve? This isn't just a moment to get cash for your organization. It's an opportunity to re-ground your organization in equity and inclusion."

Other white funders in the peer-learning cohort spoke of taking a close look at their daily performance and even questioning whether they were the right person to continue leading the organization. "I think I've moved far, but I still realize I'm biased: I'll use a wrong word, I'll react defensively when I misstep," one senior funder explained.

"Yes I'm doing great work, but if I don't hold myself to a level of humility on my own path, that work won't be effective." Another white funder shared, "As I think about the centrality of racial equity to impact in our region, I do sometimes ask myself 'Am I the right leader to move this work forward? Should I step back, to create room for a leader of color? Or should I find a way to collaborate?'"

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TENÉ TRAYLOR, FUND ADVISOR, THE KENDEDA FUND

Funders of color spoke of the stress of having to defend their investments in BIPOC-led organizations and advocate constantly for grantees that happened to be predominantly Black. "When philanthropy starts a whisper campaign about you and choices you're making to fund a Black organization [undermining your position as a Black funder], what do you do?" posited one such funder. "You say, 'No, I do think [the grantee] is competent; they have a strong board and a good leader.' But you also ask people in philanthropy to explain their coded language. 'What do you mean by saying they don't have capacity?'"

Tené Traylor, fund advisor for [The Kendeda Fund](#), found that a mindset shift helped her summon some optimism and with it, resilience. "I'm shifting my lens in this work," said Traylor. "I've thought about how I can support Black liberation instead of dismantling systems that perpetuate white supremacy. The work still looks very much the same. But trying to break down a system that I didn't build takes a different kind of effort and it isn't as fulfilling. Whereas liberation comes with celebration and moments of peace. It also helps me talk and listen with my white colleagues about their contribution to the problem, work with them on solutions, and find places where we're aligned—or not aligned."

Creating space and support for BIPOC colleagues to heal

According to the peer funders, if philanthropies are to help heal the communities they serve—and thereby empower those communities to recover from the COVID-19 pandemic's devastation and to continue the fight against racial injustice—they also have to heal from within. And they noted: there is much healing to be done.

First, there is work to be done to increase funding to BIPOC-led organizations, to counteract the decades of disinvestment, not least because the healing can't fully happen until funding flows that disproportionately favor white-led grantees are redirected to their BIPOC-led counterparts. Those funding disparities have a deleterious impact not only on the finances of BIPOC-led organizations, but also on the mental and physical health of the leaders themselves. They live with the stress of competing on an uneven playing field, as they must prove they are at least as effective as their white counterparts (lest they lose out on future funding), even as they must make do with significantly less revenue. Equally troubling, BIPOC leaders of nonprofits bear the trauma of having to compete against one another for those scarce resources.

Across the peer-learning cohort, the participants (including several Black funders) homed in on the experiences of Black leaders. "There is work philanthropy can do to humanize the experiences of the people leading the work," observed the Kendeda Fund's Traylor. "Black leaders have experienced a tremendous amount of trauma because they are not proximate to philanthropy's white power structure. That distance doesn't allow resources to flow naturally or equitably."

There is also work to be done within philanthropic institutions themselves. Leaders of color pay a steep price when they work in environments where people act as if race is irrelevant. And they pay a price when they shoulder the emotional labor of leading diversity, equity, and inclusion (DEI) efforts with white colleagues who have only recently awakened to the depth and breadth of systemic racism in this country.

One Black funder shared that the daily grind of working to advance racial justice, combined with trying to process the implications for Black Americans of the January 6, 2021, assault on the United States Capitol, resulted in their blood pressure shooting up "to levels I had never seen before." Another Black funder put it this way: "I worked at one institution for 10 years. When I left, I was on my knees after fighting [for racial equity] every day."

Black leaders also described paying a price every time they must navigate around a "trigger word"—such as "progressive" or "equity"—that might upset a white board member or donor. "It's exhausting," said Carmen Randolph, vice president of programs for the [Greater New Orleans Foundation](#). "I feel like in these times, words like 'progressive' have become dirty words, especially in the South. I'm having an issue with cognitive dissonance. How on the one hand can we think that racism should be dismantled, but not think we can make that change without progressive work that builds the power of impacted communities."

When faced with such a conundrum, Black philanthropic leaders have to figure out how to repackage initiatives that advance racial equity while defining them as something else, so the work that needs to get funded still gets funded. That kind of code switching also takes a toll, because for Black leaders, ensuring that people of color have an equal opportunity to improve their lives is not just a "nice to have."

“For some folks, this [equity] work is simply about checking the box—they’re clear about that,” said Randolph. “But for us, this is about our community and the need that exists. It’s about the integrity of the work.”

However, when funders invest in healing and wellness efforts—both within their own foundations and also among their grantees—they increase the odds that their philanthropy will be far more effective. “Healing is a part of impact,” said Flozell Daniels, Jr., president and CEO of [Foundation for Louisiana](#). “When philanthropy supports healing and health, we get better, more sustainable outcomes.”

So, how do we begin to repair? Two examples: in Seattle, a funder is working to advance healing and wellness for community leaders. And in New Orleans, two members of the [Greater New Orleans Funders Network](#) are focusing on their Black leaders and staff.

Seattle Foundation supports healing and wellness by giving community groups the flexibility to use at least a part of their funding for healing work, regardless of whether that work occurs in a structured setting or is simply self-care. As the foundation continues to support community rebuilding, it is also looking at how to integrate a deeper investment in healing.

Kris Hermanns, Seattle Foundation’s chief impact officer, argued it’s important to recognize the emotional toll that this work takes on BIPOC-led organizations. In her view, it’s imperative to invest in healing initiatives and to bring the issue to more people’s attention.

“The pandemic has exacerbated inequities and the work has taken an extra toll on Black and Indigenous people, and on communities of color,” she said. “The historic and continued underinvestment in BIPOC communities has created a dynamic where communities have had to compete for resources, and funding for healing and wellness can help mitigate these circumstances. It is also important, ultimately, that we ensure these resources are used in a way that BIPOC leaders see fit, and not dictated by philanthropy.”

At the Louisiana-based [Converge For Change](#), founder and principal Takema M. Robinson found real value in working with the Institute of Women and Ethnic Studies to design a “healing leadership” program, dubbed “CARE.” CARE promotes self-care and enhanced well-being among 15 social sector leaders who work with children and families in New Orleans, many of whom are enduring untreated trauma. Through a combination of retreats and monthly gatherings, participants learned how to identify the symptoms of burnout and to build skills for managing stress and compassion fatigue.

“We designed it for Black leaders in New Orleans, but then I got to take the program,” said Robinson. “We had a chance to catch our breath. To get to be in fellowship with other Black leaders and to see the level of their thinking, the level of their strategy. The level of trust that then gets built between us is so key.” Other participants in the group added that part of the value of this healing leadership program came from the network of Black funders who could support one another. As one participant put it, “the program provided a lifeline.”

Foundation for Louisiana is among those funders that are working to help the healing within their own ranks. A few days after the January 6 insurrection at the Capitol, President and CEO Flozell Daniels, Jr. gathered his staff. The goal was to work through the trauma of seeing a mob of white supremacists attack a pillar of the nation’s democracy. But what could have been a painful and depressing exercise turned into something else entirely, as the group opted to make healing their one-and-only focus.

“We went through a series of exercises to open up venues of joy in our spirit,” said Daniels. “It felt like an edification—a reminder that we do have some power. Because they’re never going to give power to us. So we’re just thinking about what it means for us to create those spaces. We’re on a bit of a journey to build a racial healing portfolio.”

Daniels concluded: “Healing is a leadership imperative.”

Bringing along stakeholders who are in the early stages of their racial equity journey

Some peer funders said they were hard-pressed to bring along board members, staffers, donors, and other stakeholders who do not see the need for disproportional investment in under-resourced BIPOC communities. One solution, embraced by several participants, was to create opportunities to help make stakeholders aware of their regions’ past and present social and economic challenges. The hope was that new knowledge might help change minds.

Jason Baxendale, the chief development officer of [The Chicago Community Trust](#), described taking stakeholders, including board members, through a “learning journey of why we are where we are right now in Chicago. They know the South and West sides are struggling, [but we’ve taken them through a process] to understand the history of those neighborhoods, covering everything from redlining to contract buying.” This resulted in a new strategic plan, whose goal is to close the racial and ethnic wealth gap.

[Foundation For The Carolinas](#) (FFTC) invited [The Race Matters Institute](#) to provide staff with diversity, equity, and inclusion training. One prominent part of those facilitated sessions included participants digging into the history of systemic racism in the city of Charlotte and exploring how redlining, substandard schools for Black children, and income inequality contributed to this dispiriting fact: a black child growing up in a low-income home can expect a household income of \$21,599 at age 34, versus \$34,256 for a white child.²

2 Opportunity Insights, [Charlotte Opportunity Initiative: 2020 Report](#), November 2020, p. 8.

Getting explicit about this history moved the group away from deficit thinking. By understanding that Charlotte’s deeply inequitable policies—rather than individual failings—left far too many Black residents on the lowest rungs of the income ladder, the logic for investing disproportionately in Black communities is inescapable.

At the same time, to empower and learn from its staff, FFTC gave each of them \$500 to invest in frontline nonprofits that are specifically addressing anti-Black racism. With no uber-investor telling individuals where to place their bets, the staff of 115 people had a direct opportunity to lift up nonprofit leaders of color. The tactic also introduced a new approach to sourcing potential grantees, as some people identified nonprofits the foundation probably should have known about, but didn’t.

Equally important, the \$500 was a way to spur people to think about their own role in working to create a more equitable world. While most participated, some did not. “I didn’t come to this work naturally, where I would be leading a charge on racial equity. It’s not something I grew up with,” reflected Brian Collier, the foundation’s executive vice president.

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FOUNDATION FOR THE CAROLINAS

Auditing the organization’s processes and practices

Once they’ve made the case for why their funding strategies should be equitable, many of the peer-learning cohort’s participants turned their lens inward, engaging in internal audits of their practices and policies. One question that stood at the center of their audits: how can our internal as well as external practices support our racial equity strategies?

“We turned the mirror on ourselves and thought about our own systems and the journey we are on,” recalled Andrea Sáenz, chief operating officer of The Chicago Community Trust. “Racial equity isn’t only about dialogue. It’s about changing policies and systems. We’ve gotten good at naming what needs to change in society, but what are we willing to change internally? DEI is a capability that can be applied across all our work. So we are asking ourselves how it will change our approach to our practices.”

Not long ago, Robin Hood, the New York-based poverty-fighting organization, carved out some time to take a hard look at the application and reporting processes for its grantees. That examination led Robin Hood executives to conclude that some of their requirements for the organization’s [Power Fund](#), an initiative to invest in leaders of color, were unnecessarily burdensome, especially for grassroots organizations that lack the bandwidth and capacity to engage in lengthy reviews.

“Some of it was a nice-to-know versus a need-to-know,” said Sarah Oltmans, Robin Hood’s chief of grant strategy. “Are we really making a decision on funding based on these questions we’re asking?” In answering that particular question, the organization cut its reporting requirements for all of its grantees this year.

Robin Hood’s internal audit also helped it identify questions that built bias into decisions on who gets funding. For example, the organization dropped a question about whether all of a potential grantee’s directors financially supported the nonprofit. The original intent was to ensure that 100 percent of the board was committed to the organization. But the question itself sometimes led Robin Hood to favor boards composed of affluent directors, as opposed to valuing other types of assets—time, personal experience, proximity to the community—that board members with different backgrounds might bring to an organization.

Silicon Valley Community Foundation (SVCF) has brought a racial equity lens to its decision making. Before it makes a call on any major recommendation, SVCF leadership runs through a tight set of tactical questions: Who’s making the decision? Have we had community input? Has there been an opportunity for feedback? Might the decision have an unintended outcome or ripple effect that we haven’t thought through? “They’re basic, simple questions,” said Gina Dalma, SVCF’s executive vice president of community action, policy, and strategy. “But because every recommendation has to be put through that lens, it’s allowed for a better process and outcome overall.”

That kind of granular self-examination can lead to small but important shifts in grant-making as well as other practices that comprise an organization’s internal systems. According to Dalma, the big question now is, are we using the assets that we have under management to also drive a racial justice agenda?

For example, one important area a participant pointed to was asset management. Given the associated fees, which typically range from 0.5 percent to 2 percent of assets under management, choosing an asset manager is a significant investment decision for a foundation. The norm for the FFTC had been to work with wealth managers who were known to them—all white—and would presumably deliver a better return on their investments. Brian Collier shared how they were confronting this assumption, by seeking out Black wealth managers. The organization’s logic: by investing with Black asset managers, they would support wealth creation in Black communities.

Questions for Reflection and Action

- Are there ways to support healing for yourself, if you identify as BIPOC? If you identify as white, are there ways in which you can support healing and wellness for BIPOC colleagues given the emotional labor many of them have carried in advancing racial equity work?
- How has your racial identity informed your work as a funder? What are ways in which you may use or cede your positional power to advance racial equity?
- What approaches can you take to bring along stakeholders who are positioned differently in their racial equity journeys?
- Has your organization examined its internal and external practices to consider how you may unintentionally be giving preference to white leaders or organizations? What changes are you considering?

Where Might Race and Place-based Philanthropy Go from Here?

The peer-learning cohort of 12 place-based funders who shared their real-world knowledge across this [series of five articles](#) came together during one of the most tumultuous times in modern American history. A pandemic that infected millions of Americans and killed hundreds of thousands. The nation-spanning protests in the wake of George Floyd's murder. The insurrection at the Capitol. The unavoidable evidence of deep, systemic racism, which once again boiled to the surface.

Through it all, as the peer funders grappled with some of the fundamental questions that confronted so many place-based funders during that time of crisis (and will undoubtedly confront them in the crises yet to come), the participants surfaced dozens of tactics and practices for benefitting many more under-resourced communities. An array of new options, as well as those that are known to at least some other funders, is often what it takes to fuel renewal. Because, as Seattle Foundation's Kris Hermanns put it, there is no such thing as a one-size-fits-all solution.

"There isn't 'an answer,'" said Hermanns. "Especially in a time that feels incredibly hard and raw, it's really nice to try and find an answer. To have something that you can grasp. What's helpful with this learning community is that you find your answers based on the wisdom and experience, and even f-bombs that people are willing to share. And you think about how you distill and translate that experience."

This series is intended to be an entry point in keeping that conversation going. We hope you find something to apply to your work, something to help reframe a problem, or something to share—or even debate—with your colleagues. If you have a practice or insight to extend to the rest of us, please reach out to Debby Bielak, one of this paper's co-authors (debby.bielak@bridgespan.org). We will use your feedback as we figure out next steps for sharing what we're learning about how place-based funders are leaning into more effective, more equitable philanthropy.

(Cover photo: Fizkes/iStockphoto)

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