

Moving from Intention to Impact: Funding Racial Equity to Win

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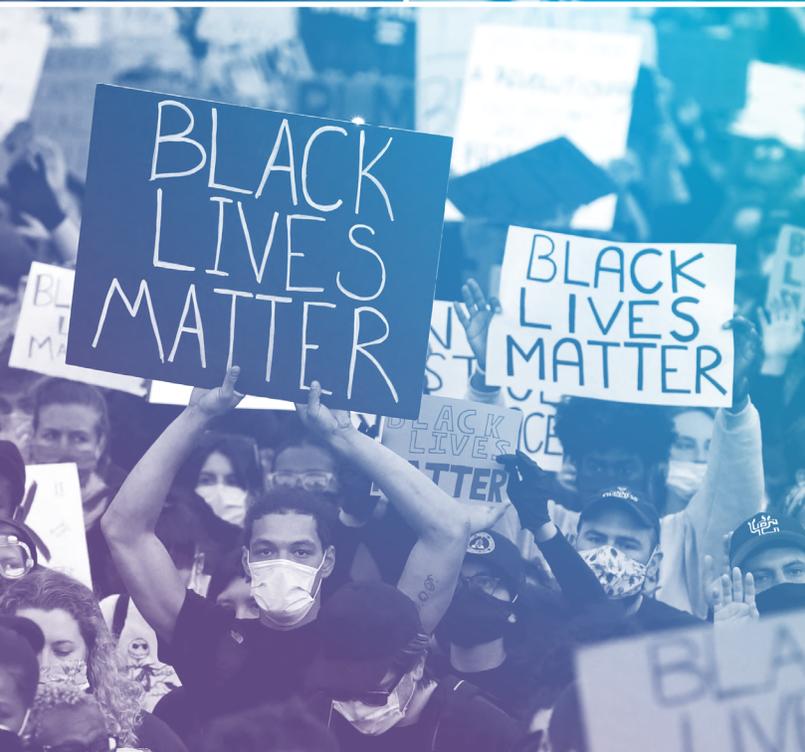
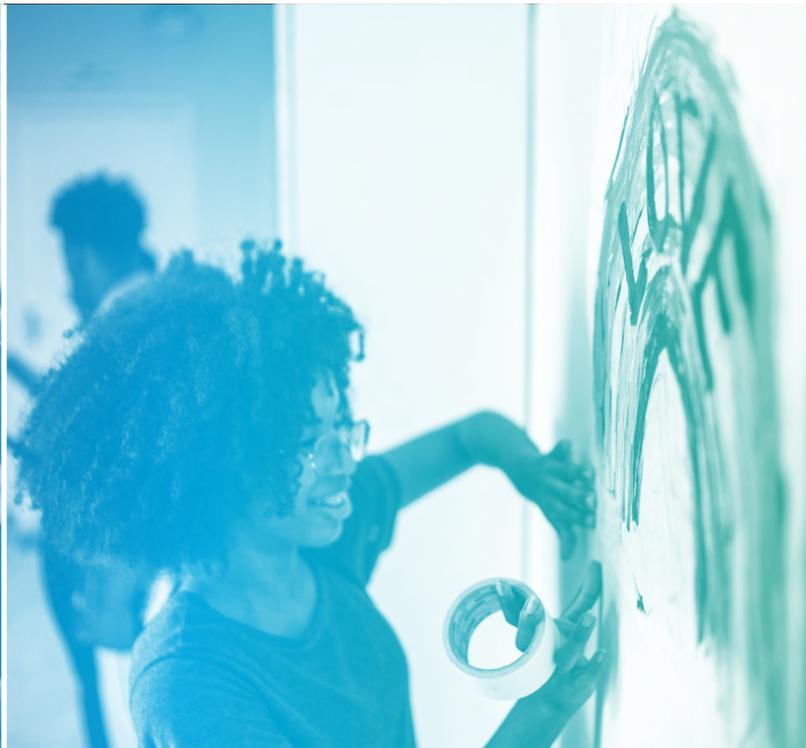


Practical Steps Funders Can Take

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After considering *what to fund* and *how to fund*, it's important to start taking action. Funders can focus on individual steps that would collectively add up to major shifts in the way movements for equity receive support. For each step, we highlight what to do to get started in funding for racial equity and also how to bring racial equity funding to the next level. Recommendations here are informed by the foundational work of PRE, including [“Grantmaking with a Racial Justice Lens.”](#)

Fund more of what is needed and in ways that build capacity and relationships.

Fund the core areas of work identified in ABFE's framework (Civic Engagement and Political Power, Community Organizing and People Power, Policy Advocacy and Systems Reform, Economic Development and Economic Power, Research and Intellectual Power, Communications Narrative and Social Power, Leadership Development and Strategic Convenings). Fund local as well as national actors, across issue areas. Provide multiyear general operating support to organizations and support leaders of color.

Just getting started

Provide funding to re-grantors and learn alongside them. Re-grantors and intermediaries, like [Amplify Fund](#), can be a lifesaver for funders who seek to invest in racial equity but are not sure how, and/or who are seeking to build strong relationships with proximate leaders. Re-grantors often have the relationships and capabilities to deploy significant philanthropic capital in a way that models much of what is needed to make lasting progress—a long-term lens and trusting relationships with leaders of color and grassroots organizations. Proximate leaders and peer funders can both support funders and keep them accountable as they pursue this work. There is no shortage of opportunities: in a 2021 Bridgespan survey, funds focused on racial equity reported that they could absorb up to \$3 billion annually without any increase in operating capacity.¹ Joining funder collaboratives centered in equity, like the [Funders for Housing and Opportunity](#) or the [Convergence Partnership](#), can also provide opportunities for learning while giving more than is possible alone.²

Next level

Give more to Black, Indigenous, and other people of color led organizations that you are already supporting. We found the average size of grants for racial equity was small and many of the organizations doing the long-term work to dismantle structural racism are led by people of color. “I think it is a conceit of white privilege to think that people of color are only able to take small amounts of money,” says Jason Franklin, senior philanthropic advisor of the Movement Voter Project, which moves resources to grassroots community-based organizations with a focus on youth and communities of color. “Philanthropy loves to use the excuse that these organizations have never operated at a big scale. Well, they've never operated at a big scale, because you've never given them the money to operate at a big scale.”

Strengthen coalitions for equity. Look beyond organizations to support the coalitions, networks, and intermediaries that keep movements robust. These networks come in various forms, including the [Government Alliance on Race and Equity](#), a joint project of Race Forward and the Othering and Belonging Institute to bring local and regional government actors together to advance equity with policy and institutional strategies; the Movement for Black Lives, a network of more than 150 Black organizations across the country working for racial justice; and tribal governments as a vehicle to making meaningful investment in Indigenous communities.

Expand into areas of work that are underfunded. (e.g., organizing, narrative change, infrastructure) “We need *huge* amounts of money invested in grassroots organizing, ecosystem weaving, coalition building, and power building to be able to maintain what we have already accomplished, push back against what is coming, and do more going forward,” says Nathaniel Smith, founder and chief equity officer of Partnership for Southern Equity. “The other key piece that is needed is strategic communications (narrative change). The funders that fund inequity efforts and inequitable policies don't have a problem spending money on communications, focus groups to figure out the right messages to connect to the community on the ground, and elevating leaders.”

Bring your full organizational assets to bear to support this work.

In other words, be a part of the movement for racial equity. If you talk to enough leaders of color committed to equity work another truth bubbles up: the responsibility of fixing oppression should not keep falling only to the oppressed. “Philanthropy’s accountability has to go beyond that we fund good organizations to do good work but instead to philanthropy actually seeing themselves as a part of the ecosystem. We are funding this work because there is a vested interest for *all of us* to eliminate structural racism and create a nation that is more inclusive and equitable,” says organizer LaTosha Brown of Black Voters Matter.

Just getting started

Begin by doing the internal work to examine governance, strategy, culture, and processes through an equity lens. In recognition of how critical it is to pursue the internal work, the [National Center for Family Philanthropy identified](#) not only the pragmatic shifts that are necessary (e.g., simplifying reporting requirements, moving resources quickly), but also the motivations that drive funders to pursue this work. Given the urgency of the inequity that we face and the reality that racial equity journeys are continuously ongoing, it is impractical for funders to delay funding so they can learn first. Instead, they should invest *while* learning.

Share timely, detailed data about your racial equity grantmaking via Candid. In 2020, many funders committed to devoting more resources to racial equity and increasing support of organizations led by people of color. Funders have also been called on to increase multiyear general operating support and unrestricted funding. For the sector to hold itself accountable to making progress on these indicators, it needs to know how much is invested in these areas. That will require funders to proactively share data about their grantmaking in a common format. Candid’s [standard for sharing grants data](#)³ provides the sector with a means for doing so. This is work that can start immediately.

Track and share your staff and board demographics. Ask grantees you work with to do the same. Transparency around who works in and leads organizations can help the sector understand who is being included—and who is left out. Diversifying staff and board trustees to include more people of color can help ensure the commitment to racial equity is embedded throughout an organization.

Next level

Bring other assets to bear. Funders have more assets that can be leveraged to achieve racial equity beyond just financial, namely their relationships, influence, and voice. NCRP calls this “wielding power” and notes funders can do things like inform, raise awareness, and advocate to amplify voices of the most marginalized and bring visibility to critical issues. They can also collaborate with fellow funders, business leaders, and government to advance equity.⁴ As one philanthropy insider reminded us, there is no finite amount to these other assets; they can be used over and over again.

Redirect endowments to reduce harm and invest in communities. The investment strategies of foundations can have significant impact on communities both directly and indirectly. As the Movement for Black Lives asserts, funders can “invest/divest” in ways that advance or hinder racial equity. Justice Funders has created [Resonance: A Framework for Philanthropic Transformation](#), which outlines in four stages how funders can reduce their extractive practices and increase regenerative ones instead.⁵ Regenerative recommendations for endowments include investing in local and regional efforts that replenish wealth and build community assets.⁶

Notes

- 1 Data is from an unpublished survey run by Bridgespan sponsored by The Bill and Melinda Gates Foundation, April 2021. Survey was sent to approximately 200 philanthropic collaborative funds and platforms, and 97 responded. These funds reported giving between \$440 million and \$670 million in 2020.
- 2 Alison Powell, Susan Wolf Ditkoff, and Fay Twersky, “[How Philanthropic Collaborations Succeed, and Why They Fail](#),” *Stanford Social Innovation Review*, July 10, 2019.
- 3 Donors can share grants data with Candid via <https://candid.org/use-our-data/about-our-data/share-your-grants-data> or by emailing egrants@candid.org.
- 4 The National Committee for Responsive Philanthropy, *Power Moves*.
- 5 Justice Funders & The Resonance Collaborative, [Resonance: A Framework for Philanthropic Transformation](#), 2019.
- 6 Justice Funders, “[Just Transition for Philanthropy](#).”

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