

From Talk to Action? Assessing Philanthropy's Racial Justice Response

by Philip Rojc, May 12, 2021



*Demonstrators gather in Brooklyn after former Minneapolis police officer Derek Chauvin was convicted of the murder of George Floyd.
Ben Von Klemperer/Shutterstock*

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What's the best way to talk about how philanthropy has evolved—or not—on racial justice over the past year? For some, this time of reckoning has produced tangible changes within organizations and across the sector. For others, new and existing commitments still fall far short of the promise that seemed palpable last summer. For many, it's a bit of both.

It's hard not to imagine that *something* is changing, and at a more rapid clip than in the past. Last month, in the aftermath of the conviction of George Floyd's murderer, we asked what exactly that something is, and [reviewed some of the changes we've seen in philanthropy](#) since that tragedy in Minneapolis sparked a nationwide wave of protest.

But so many unanswered questions remain. As part of our ongoing effort to understand philanthropy's successes and failures on racial justice, we've been reaching out to leaders across the sector to get their thoughts on where things stand. We've focused in particular on people of color working across a wide array of issues, both at grantmaking institutions and in philanthropy-supporting organizations.

It's worth recognizing that philanthropy's reckoning with racial injustice has been an ongoing process for years, even decades. But it's been uneven. "Some of our colleagues have been committed to racial justice work for a long time; now that work is gaining traction and becoming more a part of the mainstream," said Maurine Knighton, program director for the arts at the Doris Duke Charitable Foundation.

Leaders from elsewhere in the sector shared similar thoughts. “The environmental justice movement has been challenging the overwhelming whiteness of environmental funders and the environmental movement for decades,” said Roger Kim, who leads the Climate and Clean Energy Equity Fund. “Climate funders have largely ignored any meaningful change to address harmful racial disparities... This time it feels different,” Kim said.

Nevertheless, Knighton, Kim and many others stress the need for funders to resist complacency and distraction, and to embed racial justice into their work not as a supplement or a fad, but as a necessary element of any funder’s quest for impact. According to these leaders, how exactly has the sector changed over the past year, and how does it still need to change?

What’s changed

It goes without saying that many funders have been responding to calls for racial justice in tangible, encouraging ways. Marissa Tirona, president of Grantmakers Concerned with Immigrants and Refugees (GCIR), pointed out that more funders have begun to center racial justice in their practices, including “by investing in power-building and movement infrastructure, by funding organizations led by and for Black people; by prioritizing community member leadership and decision-making; and by providing multi-year general operating support.”

Leaders also called attention to increased energy and larger commitments across the sector as a whole. “Donors and institutional philanthropy moved money to BIPOC communities at a scale that I have not seen before,” said Lorraine Ramirez, executive director of Funders for Justice. Here are a few themes that emerged from leaders’ comments on what the sector has been doing right:

Talk can be meaningful. Ramirez went on to say that “philanthropy is actively engaging with the dream of abolition. Whether or not donors and funding institutions understand, agree with, or commit to abolition and campaigns to defund the police, they are talking about it and seeking to learn.” That “huge first step,” she said, is only happening because of sustained activism both before and during 2020.

Ramirez’s thoughts match those of several leaders who see at least some value in talk. One example is F. Javier Torres-Campos, director of the Surdna Foundation’s Thriving Cultures program, who pointed to “more open and honest dialogue about white

supremacy and racism” as well as “more and more foundations open to experimentation and imagination.”

Leah Austin, who leads the Schott Foundation’s National Opportunity to Learn Network, also highlighted the importance of shifts in language in the context of popular pressure for organizations to step up. “Just using the language of racial justice—as well as increasing investments—was a meaningful change,” she said. Though foundations are often slow to change, “once the public will was so apparent and so loud, foundations were driven to move faster.”

Pooled funding is on the rise. There are several new pooled funding projects that are specifically focused on racial justice and BIPOC power-building. Several leaders mentioned the Democracy Frontlines Fund, [formed in late 2020 as a collaborative effort to resource Black organizing](#). “Within months, we gathered \$36 million in multi-year, unrestricted dollars for a dynamic slate of front-line groups,” said Crystal Hayling, who spearheaded the effort in her role as executive director of the Libra Foundation. “We have since embarked on a multi-year learning journey together that points a new way forward for philanthropy.”

Funders are providing more general support. Hayling describes the Democracy Frontlines Fund’s “multi-year, unfettered commitments” as a way to “give the keys to the car” to Black-led organizers. Though the point has been made time and time again, it bears repeating: General operating support is almost always a crucial part of anti-racist grantmaking. There has been a notable shift in that direction over the past year. One way “serious change” has occurred among many funders “is in grantmaking practice, particularly offering more general operating grants and relaxing a lot of barriers in the reporting process,” said Erik R. Stegman, who leads Native Americans in Philanthropy. “Most of us have been advocating for these kinds of changes for years.” This is a trend that leaders we spoke with hope will last.

Some internal practices are changing. General operating support and fewer reporting hurdles are one way to reduce the funder-grantee power imbalance. But what about power dynamics within philanthropy? Some leaders sounded notes of optimism. “From the conversations I’ve had, I believe the uprisings over the summer had an immense impact on board members and executives in the sector,” Stegman said.

Others, like Charmaine Mercer of the Hewlett Foundation, pointed to tangible steps their own organizations are taking. Mercer is chief of equity and culture at Hewlett, and also

oversees the foundation's 10-year, \$150 million racial justice grants initiative, announced last year in the midst of the protests. That moment "catalyzed our whole foundation," Mercer said. The result? New resolve to address systemic racism from a funder that has not historically led that charge. According to Mercer, Hewlett's leaders are engaged in "one-on-one racial justice coaching," while the staff as a whole participate in team-wide conversations on the topic.

Women of color are leading the way. Some of the people we heard from also praised efforts by female philanthropic leaders to shift the balance of power in the sector, both within and outside their organizations. "I have been most energized by the leadership of women of color philanthropic leaders—like Carmen Rojas at Marguerite Casey, Jennifer Ching at North Star Fund, Crystal Hayling at Libra, and Dimple Abichandani at General Services Foundation, among others," Tirona at GCIR said.

What still needs to change

While many of the leaders we heard from were quite hopeful about the past year's heightened energy, most tempered their enthusiasm with notes of caution. Those concerns came to the fore as they shared what needs to happen before philanthropy can be said to operate in a truly anti-racist fashion. Drawing on their thoughts, here are several areas where the sector still needs to do better.

Talk can be cheap. Adopting the language of racial justice is a good and necessary step, leaders said, but alone, it isn't enough. Carmen Rojas, [who heads the Marguerite Casey Foundation](#), was unsparing on this point. "As a sector, philanthropy spends an inordinate amount of time speaking about the desperate need for racial justice, racial equity and racial equality without contending with the leaders, systems and institutions that benefit from their absence," Rojas said. Actually "walking the talk" on racial justice can be a major change—though what it involves isn't really a mystery. The point is that making the right statement or signing onto the right group letter are first steps, not final ones.

When it comes to walking the talk, the onus isn't only on grantmakers. Funders who care about racial justice should be aware that there are lots of potential grantees "talking a good game and co-opting the language of social justice these days," said Tracie Powell, [program officer for Borealis Philanthropy's Racial Equity in Journalism Fund](#). "Just because an organization says it centers on equity, has it in its name or mission statement, doesn't mean the organization's practices are actually equitable," Powell said. That could apply to potential grant recipients as easily as it does to grantmakers themselves.

Power-building organizations need support to grow. Thankfully, racial justice advocates insist that it isn't that hard to find worthy grantees. Just find out who's actually building power among BIPOC communities. "Anyone who ever doubted the efficacy of Black organizing should take note," said Vanessa Daniel, [executive director of the Groundswell Fund](#), regarding last summer's protests. Rather than attempt to pursue racial justice "from atop the cornerstone of white supremacy, domination and control," Daniel said, funders need to lean into "a large-scale transfer of wealth into the control of people of color who are trusted by and accountable to social justice movements in their communities."

Backing those movements with general support is one part of the picture. But so is a willingness to go beyond money and help power-building organizations grow in other ways. "Funders are too nervous about seeming prescriptive, even when we see that the organizations we support often lack the expertise in how to create the changes they want to see," Powell said.

Powell cited her own work through the Racial Equity in Journalism Fund at Borealis as an example of the more-than-money approach—the fund offers grantees capacity-building training in "in everything from board development to audience development as well as coaching on hiring and organizational management."

Philanthropy needs to recognize its complicity. One of the hardest things for a well-intentioned field to do is to face its own part in the ills it's seeking to remedy. But several leaders said that's exactly what philanthropy needs to do. "A lot of us in philanthropy have viewed ourselves as problem solvers, failing to take in the full picture that, in fact, we are implicated in creating and perpetuating unfair systems that uphold the discrimination we declare we are against," Knighton said.

Favoring large, white-led institutions for grants and excluding people-of-color-led organizations is one part of that. So is "just check[ing] the box of BIPOC-serving and completing financial due diligence to determine effective financial stewardship," Torres-Campos said. In the end, philanthropy is by nature an elite and privileged space, and those in that space need to learn about experiences that differ from their own. According to Frances Messano, [president of the NewSchools Venture Fund](#), "Not only is there a need to acknowledge the role of systemic oppression, but a need for funders, many of whom may be privileged and white, to understand our nation's history and the experience of marginalized people in our country."

Funders need to work on themselves. For white leaders to educate themselves is one thing, but it's quite another to see more people of color take up positions of power in philanthropy. Though great examples exist—we've heard from some of them here—philanthropy's momentum around BIPOC hiring and true racial power-sharing is questionable. Citing [a recent study from the Council on Foundations](#), Edwin Torres, president of Grantmakers in the Arts, pointed out that only 17% of respondents are sharing power within their organizations by “increasingly delegating decision-making to program officers,” while only 13% “are considering an increased commitment to hiring BIPOC colleagues.”

Leaders like Messano, Tirona and Daniel also emphasized the need for more diversity—and anti-racist allocations of power—within philanthropic institutions. “Dollars for racial justice that flow through the decision-making power of white people and white-led institutions are less likely to reach groups that communities of color actually trust,” Daniel said. When dollars flow in that way, she went on, they also have the tendency to dry up as decision-makers with little skin in the game “quickly lose interest and move onto the next thing.”

Diversity means looking at who has a seat at the table at all levels of operations. “Rising to meet this moment requires us to take a good, hard look at ourselves. Understanding who comprises our boards, our leadership, our staff, who are our vendors, who are our chosen investing vehicles?” said Kaberi Banerjee Murthy, director of programs and strategy, Meyer Memorial Trust. “These decisions are our values in practice.”

On that note, funders shouldn't forget that diversity and BIPOC leadership isn't just about the grantmaking side of the shop. Who's managing the money also matters. “Just 1% of U.S. assets are managed by diverse-owned firms, despite there being no statistical difference in investment returns from their non-diverse peers,” said Knight Foundation CFO Juan Martinez. Totaling several trillion dollars, the endowments of U.S. foundations and universities can themselves be a powerful force for change, he said. It's also something of a green field for racial justice, considering the overwhelming degree to which well-compensated white people dominate the financial management space.

Taking a stance

What can we take from all of this? Has philanthropy made progress toward racial justice, or do the steps funders haven't taken loom larger? The answer varies from funder to funder, but it's probably fair to say the sector is experiencing at least some level of

discomfort and vertigo—not quite shaken up, but jostled from its traditional perch. Even those funders struggling to address inequalities of power—sometimes actively resisting that process, as Tirona said—are struggling with and resisting something, maybe a realization that the nation cannot go back to what it once was.

“I’ve seen more formal momentum in the past year than I have in the last 20 years of either being in or proximate to philanthropy. Foundation leaders have woken up,” said Michelle J. DePass, president and CEO of the Meyer Memorial Trust.

The themes discussed here are only a portion of what funding leaders have been sharing with us about philanthropy and racial justice. Many, including Kim at the Climate and Clean Energy Equity Fund and Austin at the Schott Foundation, called attention to specific ways funders can better pursue racial justice within specific issue areas. Though most of the themes above apply to grantmakers regardless of issue area, we plan to dig deeper into how funders focused on particular areas of need interpret the past year and see things going forward.

Whether it’s the arts or climate and environment, health or education, economic opportunity or civic participation, many in the nonprofit world are acknowledging that racial justice is a necessary upstream determinant of impact. Even in corporate philanthropy, where calls for systemic reform are often rare, there is acknowledgment of the need for it. “The moment calls for corporate philanthropy to consider where it may have fallen short in the past,” the pharmaceutical company Abbvie told us in a statement.

Still, there’s always a chance that all this attention to racial justice will fade as the news cycle moves on, to the hidden relief of those who prefer the status quo. Others, though, are pushing for lasting changes to philanthropy as usual. “The Philanthropy So White webinar this year attracted over 6,000 people. The 19th of Never is the last time any philanthropic meeting on race ever attracted this many people,” Daniel said. “There is a historic opportunity here for our sector to change and to be relevant to one of the most important fights for freedom in the history of this country. I hope we take it.”