



COUNCIL *on* FOUNDATIONS

TEN WAYS FOR

Independent Foundations to Consider

Diversity and Inclusive Practices

Effectiveness and Impact

Recruitment
Culture and Climate

Mission and Values

Who We Are

The Council on Foundations is a national nonprofit association of approximately 2,000 grantmaking foundations and corporations. As a leader in philanthropy, we strive to increase the effectiveness, stewardship, and accountability of our sector while providing our members with the services and support they need for success.

Our Mission

The mission of the Council on Foundations is: *to provide the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance, and sustain their ability to advance the common good.*

Statement of Inclusiveness

The Council on Foundations was formed to promote responsible and effective philanthropy. The mission requires a commitment to inclusiveness as a fundamental operating principle. It also calls for an active and ongoing process that affirms human diversity in its many forms, encompassing but not limited to: ethnicity, race, gender, sexual orientation and identification, age, economic circumstance, class, disability, geography, and philosophy. We seek diversity to ensure that a range of perspectives, opinions, and experiences are recognized and acted upon in achieving the Council's mission. The Council also asks members to make a similar commitment to inclusiveness to better enhance their abilities to contribute to the common good of our changing society. As the national voice of philanthropy, the Council is committed to promoting diversity. We are equally committed to including a wide range of perspectives, opinions, and experiences as we work to achieve our mission. Similarly, we ask Council members to commit to diversity and inclusiveness to enhance their own work. To that end, we provide them with the tools, educational programs, and opportunities they require to more effectively serve the common good.



COUNCIL *on* FOUNDATIONS

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Introduction: How to Use this Guide

This guide is designed to help foundations consider how more diverse and inclusive practices might advance their mission by making their work more effective and more reflective of communities served. By highlighting 10 ways independent foundations can approach diversity, this guide seeks to spark ideas and launch further dialogue.

Your foundation can tackle any one of the 10 approaches individually, to jump-start an exploration of diversity and inclusion, or work through each of the 10 one-by-one. You might choose to begin on the inside (e.g., with your mission, governance, contracting, and staffing) and work your way out (e.g., to your external relations and impact). There is no one *right* way. The key is to get started.

We have purposely kept the guide brief and straightforward.

We hope it prompts honest reflection and thoughtful inquiry, and puts you on a path to a deeper commitment to diversity and inclusive practices that unleash creative forces for the betterment of your grantees and community. To aid your progress down this path, see “Get to Know” on page 24 for information on institutions committed to inclusive practices; this information will be updated online.

Defining Terms: What We Mean by ‘Diversity and Inclusive Practices’

The Council on Foundations considers the term “diversity” to encompass the breadth and depth of human difference. This includes but is not limited to differences of ethnicity, race, gender, sexual orientation and identification, age, class, economic circumstance, religion, ability, geography, and philosophy among other forms of human expression. Achieving diversity does not consist merely of documenting representation via headcounts and checklists but rather entails ensuring *inclusion in decision making*. As a growing body of literature argues, inclusion in decision making leads to enhanced creativity, a broader range of options, and increased effectiveness.

Diversity and inclusive practices in philanthropy: a focus on decision makers

The face and composition of the philanthropic sector is changing. Foundation staffs, boards, and other leader groups include an increasing number of women; people of color; individuals from lesbian, gay, bisexual, and transgender communities; individuals with different physical abilities; and people representing different classes, ethnicities, and backgrounds. While foundation staffs have attracted individuals from diverse backgrounds, foundation decision makers—CEOs, trustees, advisory committee members, and other volunteers—include fewer individuals from diverse backgrounds. While increased diversification of foundation staff is important and has received attention in the field, more efforts are being made to increase and diversify the pipeline to *leadership*.

Of late, the link between inclusive practices and foundation effectiveness has attracted study and discussion. Philanthropic leaders are considering the qualitative difference that a more diverse and inclusive field might make. Some leaders argue that it is critical to measure the impact or quality, rather than the quantity, of representation in the sector and of grantmaking in diverse communities. Including and beyond representation, the field is delving into how diversity and inclusive practices can help foundations achieve greater impact.

Diversity and inclusive practices in philanthropy are being reconceived more broadly as a set of activities meant to contribute to a foundation's overall mission and effectiveness. This mind-set can be particularly relevant to independent foundations with few or no staff members or with limited flexibility to change board structure and funding focus. Donor intent, mission, and strategy are equally important factors and often influence the way diversity and inclusive practices are considered by different foundations.

All too often our work is guided by a relatively small group of individuals: board members, formal advisory groups, and foundation staff. ... We need to constantly ask ourselves: Who represents "the community"? How do we ensure that our work is informed by diverse voices with different experiences and ideas?

—Wendy Wolf, president and CEO, Maine Health Access Foundation, from "Honoring Community Voices to Enhance Health Grantmaking," Grantmakers in Health's Views from the Field, October 12, 2009

Ten Ways for Independent Foundations to Consider Diversity and Inclusive Practices

1. Consider how diversity and inclusion relate to your foundation's mission, values, and original purpose.

We needed to ... align our diversity work within the core of our mission and at the heart of the Foundation. All of this prior [diversity] work served to inspire us to renew our commitment to the vision W.K. Kellogg gave us in 1930—that all children should thrive. This led to a restatement and clarification of our longtime mission to foster efforts that create conditions for success for vulnerable children and families. Within our new strategic framework, promoting racial equity was identified and pronounced as a cross-cutting approach that would inform all of our work.

—Sterling Speirn, president and CEO, W.K. Kellogg Foundation, from “Diversity and Inclusion: Lessons from the Field,” Rockefeller Philanthropy Advisors, December 2008

A foundation's mission statement clarifies its purpose while conveying both core values and relevance. Compared to family and community foundations, independent foundations are often less connected to a specific donor or family or confined to working within certain geographic boundaries. This independence provides board members and other stakeholders with flexibility in practicing diversity and inclusivity. From improving the lives of children to supporting primate research to advancing conservation efforts, even the most specific purpose offers space to consider inclusive practices. While foundations working interna-

tionally may be especially attuned to diversity and inclusive practices in their efforts to work across cultures, languages, and communities, changing U.S. demographics may prompt domestically focused foundations to consider how the nation's growing diversity will influence their work. According to Census projections, so-called "minorities," now roughly one-third of the U.S. population, are expected to become the majority in 2042 and constitute 54 percent of the population in 2050. By 2023, more than half of all children will be minority. As recent research by University of Michigan professor Scott Page indicates, diverse perspectives in foundation strategy, staffing, decision making, and problem-solving can increase creativity and effectiveness. An ongoing process of considering the foundation's mission in this context is critical for foundations seeking to benefit from diversity and inclusive practices.

Key questions to consider:

- ▶▶ What do diversity and inclusive practices mean to your foundation, its founding mission, and the communities and issue areas in which it now operates?
- ▶▶ What are the current and anticipated demographic and socioeconomic characteristics of the populations and regions most affected by your foundation's work?
- ▶▶ How might diversity and inclusive practices advance your foundation's mission?
- ▶▶ Does your foundation's mission represent and engage the diversity of your region?

2. Determine whether your board membership, volunteers, advisory committees, and governance offer opportunities to enhance the foundation's diversity and inclusiveness.

I would cut to the chase and say that none of the laudable goals related to diversity are possible until foundation and nonprofit boards become more diverse. Boards themselves have to commit to changing and becoming more diverse. While boards are becoming somewhat more diverse, there is much room for improvement.

*—John Morning, trustee, Charles Stewart Mott Foundation,
from Leadership Conversation, Diversity and Inclusion in Philanthropy:
Pathways to Senior and Executive Appointments,
Council on Foundations, October 22, 2009*

A diverse board does not guarantee a diverse and inclusive organization, but it is certainly an important step in that direction. It signals that the foundation sees and engages different voices in positions of authority. Exploring the diverse experiences and perspectives contributed by each board member can help avoid burdening any one member with the job of serving as the “voice” of diversity in all the foundation’s activities.

Diversity, whether in ethnicity, gender, sexual orientation, or skill set, adds dimension and perspective to independent foundation boards. The process of assembling a diverse board and incorporating inclusive practices can lead to more responsive and proactive grantmaking. However, even with the flexibility enjoyed by most independent foundations, creating an effective and inclusive board requires sensitivity and forethought. Finding board members who possess diverse skills, and reflect different experiences, and backgrounds is the first step; and fostering a commitment to shared decision making is the second step. Mapping the existing skills and experiences of the foundation’s board can help identify a range of assets sought in future appointees. In orienting new members, it may help to carefully develop how decision making and governance will be delegated, divided,

or shared to ensure that the entire board understands and appreciates the “rules of the road.”

This investment of time in expanding board diversity and building relationships will invigorate decision making and can lead to more cohesive, responsive, and more effective leadership.

Foundation leaders might also consider establishing grantmaking advisory committees or invite individuals with specialized skills to participate in the grant review process. Whatever path your foundation chooses, clarify how decision making and governance will be delegated, divided, or shared to ensure that your board and advisors know and appreciate their roles.

Key questions to consider:

- ▶▶ What are the current and anticipated demographic and socioeconomic characteristics of the region served by your foundation?
- ▶▶ Is your foundation’s board reflective and representative of the communities your foundation serves? If board representation is not feasible at this time, how might reflection of targeted communities and populations be achieved through other means?
- ▶▶ How might your foundation’s board appointment process identify a more diverse candidate pool for board service?
- ▶▶ How might governance of the foundation (i.e., strategic decision making; hiring and evaluation of executive staff; committee and investment strategies) incorporate diversity and inclusive practices?

3. Cultivate an internal culture, policies, and procedures that reflect your foundation’s commitment to diversity and inclusive practices.

I really like the statement, “Culture will eat strategy for lunch every day,” because I’ve found it to be so true. Everything else comes after culture and is a reflection of it. If your organization has goals, objectives, and rules about anything, including diversity and inclusiveness, but it operates with a lousy culture, guess what? Culture will win. It really doesn’t matter what the strategic plan and goals are. With a culture of accountability and service, your plans and goals are more likely to be accomplished successfully. If the foundation does not operate with a culture of respect and inclusion, it will not matter that your strategy prioritizes diversity and inclusion, because your strategy will not be implemented successfully.

—Jim Hoolihan, president and CEO, Blandin Foundation

A foundation’s internal culture contributes to the way staff, board, donors, and volunteers feel about working together and, ultimately, to how effectively the foundation operates. An organization’s culture is created and sustained by all its participants—in the actions and reactions of individuals as they interact with one another each day. While policies and procedures can help clarify and depersonalize roles and responsibilities—in the space between formal policies and informal behavior—exclusionary practices are almost always unintentional. Nevertheless, unchecked assumptions and unchallenged habits can produce a culture that consistently excludes people or fosters a lack of cooperation.

To identify your foundation’s internal culture, it may be helpful to note how its formal policies and procedures differ from accepted and informal practices—and then ask, “Why?” The formal policy may be unnecessary, require better communication, or call for stronger adherence. Another approach to discerning internal culture involves reviewing whether the foundation’s internal operations

align with its stated values. Whatever form the review takes, it is important to note that a positive organizational culture is not without disagreement. Shared experiences addressing different perspectives and resolving inconsistencies can be valuable steps in sustaining a positive internal culture. These discussions provide the opportunity for internal stakeholders to work together to engage in their own community-building efforts and to realize their foundation's full potential.

Key questions to consider:

- ▶▶ How might the values that guide your foundation's external efforts be applied to its internal operations?
- ▶▶ Is decision making transparent? What is the process for making decisions that affect the foundation's staff, board, donors, and volunteers?
- ▶▶ How are decisions affecting the foundation's grantmaking, management, and strategies made?
- ▶▶ How are informal decisions made (e.g., where and when to hold the staff appreciation lunch, what food and entertainment to offer at the next board or donor event, how contributions for group gifts are collected)?
- ▶▶ Does the foundation have and follow a conflict of interest policy? How has the policy been experienced by the board, donors, and staff?
- ▶▶ How would the foundation's staff and board rate the foundation's internal working environment?
- ▶▶ If applicable, what is the foundation's staff, board, and volunteer retention rate? Is retention consistent across racial, age, gender, sexual orientation, class, and other identifications?
- ▶▶ How would the foundation's staff, board, donors, and volunteers rate its internal working environment?
- ▶▶ If applicable, would staff from different functions (e.g., program, finance) or at different levels (e.g., executive, administrative) rate the culture, policies, and procedures differently?
- ▶▶ Whether consciously or unconsciously, do your foundation's policies and procedures favor one group or functional team more than others?
- ▶▶ How might the values that guide your foundation's external efforts be better applied to its internal operations?

4. Hire staff from diverse populations, viewpoints, and experiences.

Because our staff has such diverse backgrounds and experiences, they recognized the Los Angeles Alliance for a New Economy [LAANE] community resonance and innovative strategies in the early 1990s when it was a nascent organization barely three years after its founding. ... That is exactly the type of grantee we actively sought by investing in staff time to research and prospect. Now, LAANE boasts Ford, Tides, and Hewlett among its supporting foundations.

*— Benjamin Todd Jealous, president emeritus, Rosenberg Foundation;
current president and CEO, NAACP,
from “Diversity and Inclusion: Lessons from the Field”
Rockefeller Philanthropy Advisors, December 2008*

Most successful independent foundations consider trust and credibility to be among their most valuable assets. Without a family or corporate connection, an independent foundation’s board, staff, and consultants become the public face of the foundation. While a diverse staff could be hired simply by checking different attributes off a list, a truly inclusive staff represents diversity in its many forms— from differences in race, gender, age, sexual orientation, and ethnicity to geography, education, life experience, and skill set. Moreover, the most effective hires include individuals with the capacity to investigate, engage, and show humility— qualities that are particularly valuable in philanthropy. The communities served and issues addressed by the foundation can help pinpoint how a candidate’s race, gender, class, sexual orientation and identification; economic circumstance; or other characteristics would advance the foundation’s work. Finding all these qualities in a single candidate is not only unlikely but unnecessary. Diversity is about hiring teams that, on the whole, have the skills and experiences to complement one another and advance the foundation’s mission, to the benefit of the foundation and its grantees.

Key questions to consider:

- ▶▶ Is your foundation's staff reflective and representative of and credible to the communities served and issue areas targeted?
- ▶▶ If individuals from diverse backgrounds are employed, are they positioned as—or to become—decision makers?
- ▶▶ If individuals from diverse backgrounds are employed, are they clustered in particular functions or departments or at certain levels?
- ▶▶ How has diversity in staffing influenced foundation decisions, effectiveness, and strategies?
- ▶▶ On average, how well are individuals from diverse backgrounds and experiences retained and promoted? Has your foundation tracked retention?

5. Seek contractors and vendors from diverse backgrounds, communities, and populations.

Photographers, caterers, meeting planners, Web site developers and publishers—there are many opportunities, we have learned, for our members to engage diverse vendors and suppliers in their work. As a regional association of grantmakers, we can help connect our members with these businesses, in part through connections with organizations, like the Michigan Hispanic Chamber of Commerce.

*—Rob Collier, president and CEO,
Council of Michigan Foundations*

Diversifying a foundation's pool of outside vendors and contractors can put its nongrant dollars to work expanding diversity and inclusive practices. For foundations who choose to focus grantmaking in specific communities, it makes sense to consider targeting some of the foundation's operating expenditures in those same communities. For example, when grantmaking benefits nonprofits and

schools that foster entrepreneurship, directing administrative dollars to support start-ups, businesses employing young people, and businesses owned by individuals with diverse backgrounds can greatly stretch dollars working toward the foundation's mission. Foundations might choose locally owned businesses or businesses operated by owners from diverse backgrounds for evaluation and project management, investment management, facilities management, catering, or other administrative assignments. These efforts also strengthen local economies. Whatever the best approach for your foundation, refining nongrant expenditures can increase diversity and inclusive practices.

Key questions to consider:

- ▶▶ Do your foundation's business contracts and vendors reflect and represent diverse communities? What contracting and vendor policies and procedures might lead to greater inclusiveness?
- ▶▶ What contracting and vendor policies and procedures might lead to greater inclusiveness?
- ▶▶ Do the foundation's contracting policies (e.g., rules regarding amount of liability insurance, number of employees, and number of existing clients) unintentionally disqualify smaller, emerging, or less well-capitalized vendors?
- ▶▶ Might the foundation tap into larger or different networks when seeking recommendations for vendors? In other words, are there vendors you are missing because they have not yet served philanthropic clients?
- ▶▶ How might your foundation's investment strategies and policies complement its mission and/or represent a commitment to diversity and inclusion?

6. Explore investment options that would support diversity and inclusive practices.

One of the exciting things about the substantial increase in mission investing over the last few years is the opportunity to influence markets to contribute to social outcomes. Collectively, foundations' mission investments can harness the enormous power of markets and steer them toward places, populations, and purposes important to philanthropy.

—Douglas W. Nelson, former president and CEO, Annie E. Casey Foundation, from More for Mission newsletter, Spring 2009

Diversifying investment strategies is another way for foundations to promote diversity and inclusive practices with nongrant dollars. Beyond choosing investment firms or managers with diverse backgrounds, independent foundations should consider scrutinizing the types of investments made and the goods and services supported by the foundation's endowment. Investing with an eye toward diversity and impact can help foundations establish a link between mission and investment strategy. While it may not be feasible to take this approach with total assets, more and more foundations are considering mission-related investing, a practice promoted in 2007 by More for Mission: The Campaign for Mission Investing. Initiated by the Annie E. Casey Foundation, the EB. Heron Foundation, and the Meyer Memorial Trust, the project encourages and assists private, community, and corporate foundations in aligning their foundation investments with their mission while maintaining long-term financial returns.

A range of investment products are available to facilitate mission investing, including community banks that serve low- to moderate-income areas, public equity funds that set standards and advocate for change, venture funds that support environmental sustainability, and real estate funds that promote social equity. Even when the foundation's mission does not readily suggest specific social investments, socially responsible investing can align operating expenses with the foundation's values. Socially responsible investing has become an increasingly utilized method

of aligning “the other 95 percent” with the foundation’s grantmaking budget. It is important to note that while the motivation may be programmatic or values-driven, mission-related investing does not necessarily decrease financial returns.

Key questions to consider:

- ▶▶ What is the foundation’s current investment strategy?
- ▶▶ How might investment strategies complement your foundation’s mission and values?
- ▶▶ How might your foundation’s investment strategies and policies represent a commitment to diversity and inclusion?
- ▶▶ If applicable, do your foundation’s investment strategies complement your mission?
- ▶▶ How often does the foundation reassess investment consultants and look for inclusivity in finding consultants?
- ▶▶ How inclusive is the committee that oversees the foundation’s investment policies and performance?
- ▶▶ Does the foundation practice community investing to broaden diversity and inclusion and deposit its cash accounts in community financial institutions?

7. Consider and enhance the impact of your foundation's grantmaking on diverse communities and populations.

Concerned that our grantmaking was inadvertently favoring the same larger mainstream institutions year after year, we benefited from the input of our increasingly diverse staff to establish a more diverse pool of grantees and partners. . . . In 2005, we established the New Connections program. . . . In addition to financial support, these first-time Robert Wood Johnson Foundation scholars also receive mentoring, scientific training, and opportunities to network with each other and with leaders in their research fields. But rather than limiting this vital training and mentoring to our grantees, we decided to include those who were turned down for funding in our New Connections symposia, and thus built a critical mass of diverse scholars. By opening the doors to our programs to unsuccessful first-time applicants, we made them stronger future applicants not just to Robert Wood Johnson Foundation but, we hope, to other funders.

—Risa Lavizzo-Mourey, president and CEO, and Debra Joy Perez, senior program officer, Robert Wood Johnson Foundation, from "Diversity and Inclusion: Lessons from the Field" Rockefeller Philanthropy Advisors, December 2008

Determining whether and to what extent your foundation's grantmaking serves diverse communities may require efforts to begin tracking the number and dollar amount of grants awarded in diverse communities. But grasping the totality and quality of your programmatic activities with regard to diverse communities requires both quantitative and qualitative data. Internal conversations among board members as well as outreach to community leaders and nonprofits will help illuminate the foundation's impact in diverse communities. The process may reveal opportunities to enhance the foundation's impact by reaching out to

underserved communities through relatively simple strategies of enhanced engagement—depending upon the foundation’s size, history, and grantmaking focus, underserved communities of color, low-income families, immigrants, rural towns, or the elderly. You might also consider assessing and encouraging inclusive practices within your pool of grantees by requesting that applicants report the composition of their staffs, boards, and those whom the organization serves.

Far from operating as an exact science, this exploration of diversity in grantmaking will require feedback from nonprofits and communities in an ongoing process of connecting impact and inclusion in all your work.

Key questions to consider:

- ▶▶ What are the current and anticipated demographic characteristics of your region?
- ▶▶ How, if at all, does your foundation calculate the impact of its grantmaking in your region, on specific communities and populations, and on diverse and traditionally underserved communities?
- ▶▶ Do the foundation’s grantmaking committees reflect and represent the communities receiving foundation grants and demographics you serve?
- ▶▶ Does your foundation’s grantmaking process, including outreach activities, application procedures, and award decisions involve individuals representing the population groups that your grantmaking aims to affect?
- ▶▶ Are there unintended disparities between declined applicants and awarded applicants?
- ▶▶ What grantmaking strategies and policies might lead to greater inclusiveness?
- ▶▶ What skills and resources would your foundation need to increase its impact in diverse communities?

8. Consider ways to model inclusive practices and the value of diversity in your role as a philanthropic leader and convener.

Some might say that as a foundation focused on well-documented racial and ethnic disparities in health and health care, diversity is logical and organic. We believe that a case could be made that, regardless of a foundation's programmatic priorities, there are similar disparities within all issue areas. ... The opportunity and equity gap for racial and ethnic minority families and communities grows each year in California and across our nation. ... Therefore, all effective grant programs will require a commitment to diversity and inclusiveness. This is the future of our state and country, and an essential tool for all forward-thinking foundations.

—Robert K. Ross, president and CEO, and Ignatius Bau, program director, The California Endowment, from "Diversity and Inclusion: Lessons from the Field" Rockefeller Philanthropy Advisors, December 2008

Independent foundations are uniquely positioned to play leadership roles in their communities, not simply as grantmakers, but as clearinghouses for issues-based knowledge and relationships. Operating apart from government and specific donors, independent foundations can facilitate relationships among and between government, nonprofits, citizens, and the media. How foundations play this convening role demonstrates their commitment to inclusiveness. By bringing to the table the talents of diverse audiences, they can model their commitment to diversity for others. Whether sponsoring a community meeting to discuss home foreclosures or convening scientists to share medical research findings, including and engaging diverse voices can position the foundation as a valued leader in its field. Moreover, an inclusive approach to solving problems and making decisions unleashes greater creativity and is more likely to yield positive and lasting results.

Key questions to consider:

- ▶▶ Does your foundation play a convening role in its targeted issue area(s)?
- ▶▶ Do gatherings planned or led by your foundation include diverse leaders and attract a diverse audience?
- ▶▶ What specialized skills does your foundation need to become an effective and inclusive convener?
- ▶▶ Does your foundation measure the success it has had playing a leadership or convening role? How might issues of diversity and inclusion be included in this assessment?

9. Assess how your foundation is perceived by the public, especially by diverse populations, grantees, applicants denied funding, and organizations that have not sought funding from your foundation.

We have participated in this useful process mainly to get a better understanding of our grantees' attitudes about many aspects of the funder/grantee relationship. If one thing stands out from this most recent report, it's that we can always do more to articulate what our goals are, how we hope to achieve them, and how we measure success.

*—Paul Brest, president, William and Flora Hewlett Foundation,
from 2009 Grantee Perception Report*

Public trust is earned arduously and lost easily. Indeed, all foundations quickly learn that effectiveness and impact on communities often start with positive public perception. In the quest for positive public perception, independent foundations often fight an uphill battle, confronted with misunderstandings arising from the public attention given to philanthropy's few bad apples to garner a preponderance

of public attention. However, foundations have learned that their effectiveness and impact on issues often starts with having a positive—or even neutral—public perception. Many program officers have found that program success begins when key stakeholders start to view the foundation as a trusted partner that is committed for the long term. Alternatively, public skepticism or poor perceptions can stop even the well-conceived programs in their tracks.

Before embarking on efforts to increase or improve outreach to diverse communities, foundations may want to assess how they are perceived by diverse communities and leaders. Staff and board assessments, as well as outreach to community leaders, applicants, grantees, and—to the extent possible—the general public can provide insight into how the foundation is viewed by diverse communities and what impact these views have on the foundation’s mission. The foundation might ask, “What do you know about the foundation? What are we doing well and what can we do better?” These efforts can be a first step in telling the foundation’s story, demystifying its mission, making its commitment to diversity explicit, and positioning the foundation as an accessible, trusted resource.

Key questions to consider:

- ▶▶ Has your foundation sought feedback from grantees, applicants, and the general public regarding its accessibility, policies, and mission?
- ▶▶ Does your foundation collect demographic data on applicants that receive and do not receive grants?
- ▶▶ Are applications from organizations representing diverse groups increasing, decreasing, or staying the same?
- ▶▶ What level of capacity, skills, and resources are needed to address perception issues? Does the foundation have a plan for developing this capacity?
- ▶▶ What proactive measures might help to improve the perception of your foundation within diverse communities?
- ▶▶ Does your foundation have the will—as well as the staff, skills, and resources—to address issues related to public perception?

10. Share what your foundation is learning about diversity and inclusive practices.

Native communities are replete with evidence of failed philanthropic and economic development undertakings by outsiders, and we at the Northwest Area Foundation have had our share of failures as well as successes. We cannot offer a road map, but we can share a few basic lessons. Recognize the diversity within Indian Country. . . . Don't lead with money. . . . Rethink the "three sectors" paradigm . . . [and] practice humility.

*—Kevin F. Walker, president, Northwest Area Foundation
Diversity in Action: Strategies with Impact,
Rockefeller Philanthropy Advisors, 2009*

Sharing lessons learned about diversity may be the most powerful, yet least performed suggestion in this guide. Because diversity and inclusive practices include a continually evolving set of ideas and strategies, sharing what has been learned is critically important. Yet opportunities to share and reflect on these topics come too infrequently. In a field sometimes criticized for overemphasizing process, foundations rightfully want to spend time working toward diversity and inclusive practices, not discussing it.

Most foundations are simply too busy working in communities and intuitively making course corrections along the way to take the time to map out what they've learned. But, with the stakes so high, sponsoring data collection and research can help focus attention and inform challenging conversations. Increasingly, foundations are sharing their approaches to diversity and inclusive practices through annual reports, commissioned studies, Web sites, social media, and personal narratives. Nevertheless, it is through reflecting and sharing that lessons become most vivid and instructive. With the stakes so high, these discussions must be sensitively designed, facilitated, and documented. By tracking and sharing your foundation's efforts, you will be helping to provide concrete evidence that diversity and inclusive practices in philanthropy result in greater effectiveness and impact.

Key questions to consider:

- ▶▶ What do foundations need to learn and do to become more diverse and inclusive? What is working for your foundation?
- ▶▶ How are key successes, challenges, and lessons learned shared within your foundation?
- ▶▶ Does your foundation track its progress in becoming more diverse and inclusive?
- ▶▶ How does your foundation share key successes, challenges, and lessons, and with whom?
- ▶▶ Who could benefit from the lessons your foundation has learned?
- ▶▶ Who are the best foundation representatives to share these lessons?
- ▶▶ What are the most appropriate times and venues for your foundation to share what you have learned about diversity and inclusive practices?

Resources

To read:

1. Scott E. Page, *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, Princeton University Press, 2007.
2. Brielle Bryan, “Diversity in Philanthropy: A Comprehensive Bibliography of Resources Related to Diversity Within the Philanthropic and Nonprofit Sectors,” Foundation Center, 2008;
<http://www.foundationcenter.org/getstarted/topical/diversity.html>.
3. Lawrence T. McGill and others, “Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits,” Foundation Center, 2009;
http://www.philanthropynewyork.org/s_nyrag/bin.asp?CID=13586&DID=30307&DOC=FILE.PDF
4. Selected resources from Rockefeller Philanthropy Advisors and the Council on Foundations:
 - Jessica Chao and others, “Philanthropy in a Changing Society: Achieving Effectiveness through Diversity,” Rockefeller Philanthropy Advisors, April 2008;
http://rockpa.org/pdfs/Philanthropy_in_a_Changing_Society_full.pdf.
 - “Diversity and Inclusion: Lessons from the Field,” Rockefeller Philanthropy Advisors, December 2008;
<http://rockpa.org/wp-content/uploads/2008/12/diversity-inclusion.pdf>.
 - “Diversity in Action: Strategies with Impact,” Rockefeller Philanthropy Advisors, 2009;
<http://rockpa.org/wp-content/uploads/2009/07/diversity-in-action.pdf>.
5. Naomi Schaefer Riley, “American Philanthropic Diversity: What it Means, Why it Matters,” Philanthropy Roundtable, March 2009; <http://www.philanthropyroundtable.org/files/American%20Philanthropic%20Diversity.pdf>.
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7. Minnesota Council on Foundations, Diversity Resources, Web page accessed December 21, 2009;
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8. LGBT Self-ID Community of Practice, “Where are Our LGBT Employees?” May 8, 2009; <http://www.outandequal.org/documents/LGBTSelfIdentificationReport.pdf>.
9. Council of Michigan Foundations, Transforming Michigan Philanthropy Through Diversity and Inclusion, Web page accessed December 21, 2009;
http://www.michiganfoundations.org/s_cmf/sec.asp?CID=9485&DID=20657.
10. Reports from Marga Incorporated:
 - “Lessons Learned in Addressing Racial Equity in Foundations,” Marga Incorporated, May 2009;

- <http://www.margainc.com/catalog/freereports.php?report=8&title=Lessons%20Learned%20In%20Racial%20Equity>.
- “Race, Culture, Power, and Inclusion in Foundations: A Report Conducted for the Annie E. Casey Foundation,” Marga Incorporated, March 2005; <http://www.margainc.com/catalog/freereports.php?report=3&title=Race%20Culture%20Power%20and%20Inclusion%20in%20Foundations>.
11. Reports from the Philanthropic Initiative for Racial Equity:
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 13. “Grantmaking with a Racial Equity Lens,” GrantCraft and the Philanthropic Initiative for Racial Equity, 2007; <http://www.grantcraft.org/index.cfm?fuseaction=page.viewPage&pageID=840&nodeID=1>.
 14. David Bleckley and Mary McDonald, “Review of Michigan Foundations’ Organizational Policies for Diversity and Inclusive Practice,” Council of Michigan Foundations, April 2009; http://www.michiganfoundations.org/s_cmf/bin.asp?CID=11362&DID=25968&DOC=FILE.PDF.
 15. Survey Instruments (all accessed on the Foundation Center Web site December 21, 2009):
 - Survey of California Foundations; http://foundationcenter.org/gainknowledge/research/pdf/ca_diversity_2009_survey.pdf.
 - Survey of New York Metro Area Foundations; <http://foundationcenter.org/diversitymetrics/Survey%20of%20NY%20Metro%20Area%20Foundations.pdf>.
 - Survey of Michigan Foundations; <http://foundationcenter.org/diversitymetrics/Survey%20of%20Michigan%20Foundations.pdf>.
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 - 2008 Council on Foundations Foundation Salary and Benefits Survey—Section IV Staff Compensation [http://foundationcenter.org/diversitymetrics/2008%20COF%20Foundation%](http://foundationcenter.org/diversitymetrics/2008%20COF%20Foundation%20Salary%20and%20Benefits%20Survey%20Section%20IV%20Staff%20Compensation.pdf)

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16. “An Older and More Diverse Nation by Midcentury,” U.S. Census Bureau press release, August 14, 2008; <http://www.census.gov/Press-Release/www/releases/archives/population/012496.html>.

Get to Know:

1. **Council on Foundations: Diversity & Inclusive Practices**
<http://www.cof.org/programsandservices/diversity/>
 The Council on Foundations has a comprehensive plan to both promote and advance diversity and inclusive practices in philanthropy, and to embed and institutionalize diversity within the Council.
2. **Diversity in Philanthropy / D5**
http://www.diversityinphilanthropy.com/about_us/proj_descrp/
 The Diversity in Philanthropy Project is a voluntary effort of leading foundation trustees, senior staff members, and executives committed to increasing diversity throughout the field through open dialogue and strategic action.
3. **Forum of Regional Associations of Grantmakers (the Forum)**
http://www.givingforum.org/s_forum/search_new.asp?CID=35&DID=42
 The Forum's online Knowledgebase—a collection featuring resources from 32 regional associations, their 4,000 grantmaking foundation members, and colleague philanthropic partners—offers a list of current reports and articles related to diversity in philanthropy.
4. **Center for Effective Philanthropy (CEP)**
http://www.effectivephilanthropy.org/assessment/assessment_gpr.html
 CEP, in consultation with foundation leaders and grantees, is developing a new module of questions on racial diversity for its grantee survey.
5. **The Aspen Institute Roundtable on Community Change**
<http://www.aspeninstitute.org/policy-work/community-change/structural-racism-resources>
 The Roundtable on Community Change focuses on the problems of distressed communities and seeks solutions to individual, family, and neighborhood poverty by convening leaders, conducting applied and policy research, serving as a technical advisor, and distilling lessons. The roundtable's work focuses on two areas: community change and structural racism.
6. **Government Resources:**
 - Standards for the Classification of Federal Data on Race and Ethnicity, U.S. Office of Management and Budget, August 1995;
http://www.whitehouse.gov/omb/fedreg_race-ethnicity/.
 - Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity, U.S. Office of Management and Budget, accessed on the U.S. Census Bureau Web site, December 21, 2009;
<http://www.census.gov/population/www/socdemo/race/Ombdir15.html>.
7. **More for Mission: The Campaign for Mission Investing**, initiated by the Annie E. Casey Foundation, the EB. Heron Foundation, and the Meyer Memorial Trust;
<http://www.moreformission.org>.



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