Community Foundations and Leadership:
What’s Race Got to Do With It?

“If we can’t call it what it is, then we can’t deal with it…. We’re at a critical point... to begin to drop some of the diplomacy, some of the gentility, and really talk about race.”

Gwen Foster, senior program officer, The California Endowment


If community foundations want to serve as leaders for their changing communities, understanding, reflecting, and contributing to emerging communities of color is no longer optional: it is essential. This is true across the board, not simply in areas undergoing intense demographic shifts. Community foundations are rooted in place, but they are also now inescapably connected to and affected by larger global trends and forces. Even the most isolated and homogenous of communities are no longer insulated from the dynamic pressures around them. As community foundations seek to adapt to these changes, showing leadership in meeting the challenges and opportunities presented by racial and ethnic diversity will be fundamental to their future success.

Community foundations in the United States are well aware of the need to better understand and serve the many racial and
ethnic groups that make up their communities. Many have made important strides to diversify their boards, their staff, their policies, and their programs. Others have worked hard on building their cultural competence and have extended their efforts to their community partners, in terms of both learning and financial resources. But significant numbers of community foundations have taken only first steps, and now may find themselves unable to engage certain segments of their population, lead on certain issues, or compete with identity-specific philanthropic funds. For all community foundations—in fact, for all organizations—adapting to include and employ diverse perspectives, traditions, and values is not a one-time act or an initiative that ends at a certain point. It is an ongoing effort to gain new understanding and to act in new ways.

U.S. community foundations came of age in “a world restricted by laws defining race.” From their creation in 1914, these foundations sought to distinguish themselves from their religious federation counterparts. In the early twentieth century, most communities relied on banks and other venerable local institutions to appoint trustees to their new foundations. This structure effectively separated the foundations from religious giving, but also perpetuated the widespread exclusion of people of color, women, and low-income residents that was endemic to most large local institutions of the time.

Almost 100 years later, the demographics of our communities, from big cities to small towns—in the north, south, east, and west—have changed dramatically. In 1999, for the first time ever in California, traditional minority groups—African Americans, Asian Americans, Latinos, and Native Americans—outnumbered Caucasians. According to Census projections, by 2060 the entire nation will have followed suit, with whites making up less than 50 percent of the total U.S. population.

In many cases, community foundations will need to take a realistic look at how well they really represent and work with all of their constituencies. Given their traditional focus on the transactional side of giving, many foundations simply don’t have the staffing, expertise, or experience needed to work effectively with the diverse constituencies within their communities.

As community foundations consider their options and obligations to multiple racial and ethnic communities, they must also look closely at themselves. Service will require change. And as with any change that is worth doing, there are important tensions to attend to:

- In taking on this work, community foundations must be willing to change themselves as they seek to advance their community.
- Addressing issues of race and ethnicity can be difficult, shaped by historic injustices and local memories, and addressing them can involve personal, as well as institutional, transformations.
- As community foundations seek to engage with multiple populations, they must do so with a deep understanding that these communities have not stood patiently to the side, waiting to be introduced to philanthropy.

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BEYOND DIVERSITY TO INCLUSIVENESS

The board of The Denver Foundation wanted to give back to the community in a big way. Sure, the foundation made grants, provided technical assistance, matched donors to causes they cared about, and helped inform the nonprofit community. But something more was in order. Led by a passionate board chair, the foundation scanned the community, listened to leaders from all areas, and reviewed its own work to find out what was really shifting the landscape in the metropolitan area and what it could do to help.

It soon became clear that nonprofits in every line of work needed help to ensure that the leadership of their organizations truly understood the needs of the populations they served. Most of the organizations that discussed this had made good strong efforts at attracting staff and board members who reflected the racial and ethnic makeup of their primary clientele—and most were frustrated by how hard it was to do this well and in a lasting way. The Denver Foundation had found its issue—it would help nonprofits improve their own work by becoming more a part of the communities they served.

This work, which became the Expanding Nonprofit Inclusiveness Initiative (ENII), rolled out with the commitment of The Denver Foundation’s board chair, the never-wavering support of the foundation’s staff leadership, and a steering committee that has engaged dozens of local leaders over the last five years.

One of the key insights learned in the early stages of the work was that diversity and representation were not going to work; organizations that truly wanted to serve communities needed to be willing to transform themselves and to change their organizational cultures to embody the values and knowledge of community members. Since 2002, the foundation has invested in quantitative research, developed case studies of best practices, developed a workbook to facilitate change at organizations, created a consultants reference service, and sponsored a speakers bureau. It has also sought funding for a competitive grants program and evaluation that will help a select group of nonprofits in metropolitan Denver to become inclusive organizations and to measure the relationship this process has on their services and operations.

Katherine Pease of Katherine Pease & Associates (www.katherinepease.com) is the lead consultant on the ENII. We thank her for taking the time to discuss her work with us for Future Matters. The research and workbook from the ENII is online at http://www.denverfoundation.org/page17837.cfm

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**Change Begins Within: Building Inclusive and Diverse Foundations**

Inclusivity and diversity of board and staff are very visible and important components of a community foundation’s real commitment to the future of its place and its people. Since the social movements of the 1960s, important progress has been made in diversifying the participation and leadership in community foundations, but there is still more to do. According to the Council on Foundations *Foundation Management Series, Volume 10,* just 11 percent of foundation board members are people of color, although people of color constitute more than 30 percent of the American population. Community foundations are more diverse than private foundations; more than half of the minority board members identified in the 2002 survey served on community foundation boards.

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However, being relevant to diverse populations requires community foundations to go beyond simply recruiting a staff, board, and leadership that reflects the community. Community foundations will also need to align their policies and work cultures to benefit from the strengths, opinions, and experience of all board and staff. Research suggests that embracing diversity can provide a wide range of benefits to philanthropic organizations beyond simply representing their core commitment to their communities. These include: improving the effectiveness of community organizations; enhancing innovation and problem-solving capacity; bringing new perspectives and approaches to grantmaking; building broader networks and tapping new resources; and increasing responsiveness to communities.

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The work of reflecting a community, developing leadership, and building a culturally competent organization is hard, and every organization must begin from its own starting place. Fortunately, trailbreakers like The Denver Foundation, California Tomorrow, the Coalition of Community Foundations for Youth, the Long Island Community Foundation, and Effective Communities, LLC are producing important tools and frameworks that can help community foundations become more inclusive organizations.

Each of these organizations has developed a toolkit to help community foundations think about, begin, advance, or improve their efforts at inclusiveness. All of the toolkits listed in the sidebar were developed by and for community foundations. Case studies and detailed stories about how community foundations and nonprofits have started inclusiveness efforts or sought to diversify their staff and organizational practices can be found in the materials from the Coalition of Community Foundations for Youth (www.ccfy.org/toolbox/leading_by_example_CA.htm) and The Denver Foundation (www.denverfoundation.org).

Consultants are often critical components of these efforts, whether they are facilitating internal conversations about race and racism or helping foundations revise their grantmaking policies to reflect changing institutional priorities. The consultants at Effective Communities, LLC, for example, have spent years working with organizations on issues of racial equity; their toolkit for “Moving Philanthropy Closer to

4 The Effective Communities toolkit and The Denver Foundation’s tools both provide resources to help community foundations identify their starting place. See www.effective-communities.com and www.denverfoundation.org (click on “inclusiveness”) for more information.
Racial Equity and Social Justice” is online (in beta version) at www.effectivecommunities.com. With the support of The Ford Foundation, MDC, Inc. is coordinating the Strategic Network for Community Philanthropy and will post a directory and framework for using all of the tools mentioned above. Check the website www.sncp.us for these resources.

More Than Just the Face of Change

Addressing issues of race and equity requires looking back as well as forward. Historical injustices and present-day exclusion, stereotypes, and structural prejudices exist throughout our communities and institutions. The hard work of changing our organizations has to happen within this painful broader context. Often, what begins as small efforts to improve grant making practices or diversify board membership provides the first lens into the more systemic issues in a community. In the best cases, these moments of recognition can serve as positive new beginnings. Community foundations as different as the Long Island Community Foundation (New York), the Foundation for the Mid-South (Mississippi), and the Jacksonville (Florida) Community Foundation provide compelling stories of how initial small steps led them down paths to deep organizational change.

Tools to Help You Get Started

- Community foundations looking for data on local competition or community satisfaction may unexpectedly find themselves analyzing real-time data on their service (or lack thereof) to communities outside the original core. For example, foundations seeking to better understand the philanthropic environment in which they work might use the Mapping Your Community Philanthropy Environment tool in the toolkit for On the Brink of New Promise (www.communityphilanthropy.org). The tool is designed to help foundations identify formal and informal structures for giving in their local communities and to honestly assess their relationships to these structures. If a foundation’s analysis shows big gaps in its work with racially specific organizations, that is important information to consider.

- Community Foundations of Canada has several user-friendly tools focused on diversity and social justice. While developed in the Canadian context, resources such as the Diversity Scanning Tool can be easily adapted to the American context. See www.cfc-fcc.ca/bookstore/index.cfm for these and other resources.

- Some resources, such as the Center for Effective Philanthropy’s Grantee Perception Report, are used by community foundations to better understand how the community sees them. Analyzing these reports with an eye to the racial and ethnic diversity of respondents can open opportunities for important discussions within a foundation and in its community. See www.effectivephilanthropy.com for more information on the Grantee Perception Report.

Addressing issues of race and ethnicity can be difficult, shaped by historic injustices and local memories.

Based in Jackson, Mississippi, and serving the tri-state region of Arkansas, Louisiana, and Mississippi, the Foundation for the Mid-South began a multi-year, community-based process to develop new philanthropy in the region back in 2003. After two years of work devoted to examining national and international examples and looking deeply at the history and traditions, wounds, and opportunities in its own region, the group
leading this work on behalf of the foundation, the Mid-South Commission to Build Philanthropy, released a summary report titled *Where Hope and History Rhyme* (http://www.fndmidsouth.org/Bp_commission.htm). The report tells the story of the commission’s work and presents its recommendations and strategies to make philanthropy more effective in dealing with racial and social equity for all citizens in the region. Meanwhile, the Foundation for the Mid-South is “walking its talk” and has started to change its own operational culture, staff responsibilities, and practices. The change is ongoing, and the regional devastation caused by Hurricane Katrina in 2005 threw additional challenges into the foundation’s path. As part and parcel of working in new ways, the foundation continues to write and communicate openly with its immediate constituents and the broader field of community philanthropy about the struggles and accomplishments of re-focusing an existing foundation’s work with a racial equity lens. Read about this still-unfolding story at http://www.fndmidsouth.org/Main_page.html.

As community foundations strive to understand and include the many communities within their geographic areas, they will find themselves needing to change operational practices that might be very familiar but that also reveal themselves to be exclusionary. For example, foundations claiming to serve all constituencies might still be setting their fees too high or their fund minimums at levels that preclude young families or new asset holders. Many community foundations are adjusting these practices and reconsidering how they work with donors. The full range of systems and practices factor into how well any particular foundation can serve multiple communities, and all of these must align with a commitment to diversity.

For example, several community foundations have adopted “demographic diversity” as a funding criterion. Others require non-discrimination statements for discretionary grants. In rare cases, community foundations have expanded these criteria to apply to donor advised funds managed by the foundation. Recognizing that their grantmaking practices reflect institutional values, some foundations have developed tools for their program staff to use in helping organizations become more inclusive.

The leadership challenge for community foundations is to make themselves relevant to these communities and their traditions, not to expect the community to adapt to the foundation.

Leadership will come as community foundations change how they work so that they can be useful to previously excluded communities, as well as the majority culture. For example, when El Fondo del Patronato Mezquital, an active and experienced Mexican Hometown Association in North Carolina, turned to the Community Foundation of Greater Greensboro to hold its financial assets, it sought a tax-exempt structure and connections to other potential financial support. In return, however, the community foundation was able to better understand the lives of Mexican immigrants in the area and gain access to a network of families, friends, and neighbors who might guide the foundation’s program staff in work with immigrant communities.

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5 See the fund guidelines for the Marin Community Foundation, (www.marincf.org).
6 This type of change is not limited to community foundations. For example, both the Ford Foundation in New York and the Z. Smith Reynolds Foundation in North Carolina have created program staff tools.
7 Information on this partnership is available at www.cfgg.org.
Community foundations must respect the organizations and capacity already in place in racial and ethnic communities and see the value in working in partnership.

Partnering for Change

As community foundations seek to engage multiple populations, they must do so with the deep understanding that these communities have not stood patiently to the side, waiting to be introduced to philanthropy. Traditions of giving are alive and well in all communities. Just as mainstream philanthropic institutions have grown over the last few decades, active networks of focused, grassroots philanthropic and community organizations have also developed within racial and ethnic communities.

A range of independent identity-specific funds—like the Asian Pacific Fund (www.asianpacificfund.org) and the gay and lesbian-focused Horizons Foundation in San Francisco (www.horizonsfoundation.org); the Twenty-first Century Fund (www.21cf.org), based in New York and serving African American philanthropists nationally; and the Potlatch Fund (www.potlatchfund.org), serving Native American communities in Washington, Oregon, and Idaho—have become important vehicles for promoting giving in and to racial and ethnic communities. And giving circles such as the Next Generation of African American Philanthropists (NGAAP) Fund in North Carolina and Birmingham Change Fund in Alabama have emerged, working with consultants like Darryl Lester and the staff of Hindsight Consulting to draw on the experience of both independent and community foundations. Many of these different types of funds are several decades old, while others have been created more recently.

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Community foundations must respect the organizations and capacity already in place in racial and ethnic communities and see the value in working in partnership. Community foundations looking to reach out to traditionally underserved parts of their communities have an opportunity to capitalize on the established connections, networks, and influence of these grassroots, identity-based groups. But in many cases, this will require the community foundation to follow and support organizations that are better positioned to work with the community, rather than to lead them. The question for a community foundation is “How can we support these parts of our community?” not “How can they help us?” Some of the strategies for support include partnership, joint outreach, shared space, commitment to new leadership development, mutual work on issues, and investments in philanthropic infrastructure.

At the same time, a number of community foundations across the country have also begun to incubate and house identity-based funds and giving circles within their institutions as a way to demonstrate and increase their commitment to specific population groups in their communities. The St. Paul Foundation, for example, holds more than $7 million in trust for the Asian American, African American, Latino, and Native American communities in Minnesota (www.stpaulfoundation.org/st/). Just across the Mississippi River, the Minneapolis Foundation also holds endowments for communities of color and works in partnership with public grantmaking charities, the Women’s Foundation, private foundations, and The St. Paul Foundation to host the Minnesota Dream Fund, which will make grants in support of equal opportunity for achievement (www.minnesotadreamfund.org). Community foundations in Rhode Island; New Haven, CT; Greensboro, NC; Kansas City; New York City; Lorain County, OH; Los Angeles; and Boston (and many others) all maintain funds for and of communities of color.

It may be that one of the most vital contributions a community foundation can make is to invest in the philanthropic infrastructure of its African American, Native American, Latino, or Asian populations. Giving circles, standalone funds, and endowed funds within community foundations are just some of the strategies nurtured by New Ventures in Philanthropy, an initiative of the Forum of Regional Associations of Grantmakers, in its recent work to develop philanthropy in communities of color. The New Ventures program has supported more than 40 such efforts around the country (www.givingforum.org/about/ventures_community_grantees.html).

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Reaching the New Promise of Community Foundations

There are many measures of community foundation success. Most have typically focused on financial assets. Leadership opportunities for community foundations will require new metrics, specifically those that go beyond fees or funds and look to relationships and accomplishments. With whom does the community foundation work? How well does it serve the diversity of donors and constituencies within its community? What partnerships are in place with other community philanthropy organizations? How do nonprofits and community members from diverse cultures perceive the community foundation? How do leaders from communities of color access the foundation and how does the foundation access them?

The promise for community foundations in the twenty-first century is to serve as permanently committed, flexible partners in strengthening communities. The focus must be on the people and the place, not the institution itself. Some issues will require leadership; others will require the foundation to partner or follow. Excellence will be determined by the skill of deciding which role to play.

Not every community foundation can do this. Quite frankly, some will require new leadership before they can or should undertake this kind of work. For others, the will is there and the need is for guidance, role models, tools, time, and commitment. Successfully committing to serve communities requires courage, candor, and credibility. The payoff will be in building community foundations that can truly serve everyone in their communities.