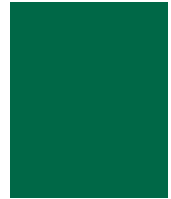


# FAIRNESS IN PHILANTHROPY

## PART I: FOUNDATION GIVING TO MINORITY-LED NONPROFITS



NOVEMBER 2005



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## EXECUTIVE SUMMARY

Foundations serve as a vital resource for nonprofits and often play an important role in funding organizations that serve and represent minority communities. The purpose of this report is to quantify foundation giving to minority-led nonprofits to assess how equitably foundation dollars and resources are allocated among the sector. As such, The Greenlining Institute analyzed grantmaking data for the top fifty independent foundations and the top twenty-five community foundations by total giving in 2002. Results from this analysis reveal the following:

- ❑ Independent foundations awarded only **3 percent** of grant dollars and **4.3 percent** of grants to minority-led organizations.
- ❑ Five independent foundations in the sample awarded **no** grants to minority-led organizations.
- ❑ Community foundations awarded only **3 percent** of grant dollars and **2 percent** of grants to minority-led organizations.

These findings are alarming, given that ethnic groups currently comprise nearly a third of the U.S. population, and reveal a dramatic philanthropic divide between minority-led nonprofits and non-minority-led nonprofits. Surprisingly, corporate foundations have done much better than both independent and community foundations to fully embrace diversity in their grantmaking programs. Data provided to Greenlining from the Verizon Foundation, the Wells Fargo Foundation, and the Washington Mutual Foundation shows that all three organizations award more than 40 percent of total dollars to minority-led organizations, with Verizon leading the way with almost 75 percent of giving for communities of color.<sup>1</sup> None of the foundations included in this study come close to these corporate percentages for minority-led nonprofits.

Using these specific corporate foundations as a possible model, independent and community foundations should strive to more effectively support communities of color and foster leadership development in minority-led organizations. Greenlining makes several recommendations to help foundations achieve greater diversity in their grantmaking:

### ❑ Establish a task force to discuss diversity issues

Greenlining calls for the creation of a task force comprised of foundation and minority nonprofit executives to discuss the findings of this report and to develop additional recommendations and action steps for addressing the inadequacy of foundation funding for communities of color.

### ❑ Conduct a self-assessment of giving to minority-led nonprofits

Although several foundations in the sample do track the diversity of grantee boards and staff, most foundations simply do not gather this data. Greenlining recommends that all foundations conduct a self-assessment of their grantmaking to determine how much funding is being allocated to minority-led nonprofits and communities of color utilizing the definition of a minority-led nonprofit provided in this report.

### ❑ Create a mechanism for tracking grants to minority-led nonprofits and make the data public

Greenlining recommends that foundations utilize their resources to establish effective systems for tracking grantee-related data that includes the ethnic make-up of boards and staff. By acquiring this data, foundations can better determine if their grantmaking activities are diverse and reflective of the community being served. Foundations should make this information available to their staff and board, grantees, and the community to demonstrate transparency and accountability.

### ❑ Set goals for giving to minority-led organizations

Foundations should set measurable goals that are evaluated on good faith efforts to increase giving to minority-led nonprofits.

### ❑ Conduct research to identify minority-led organizations in the region and identify their funding needs

Greenlining recommends that foundations conduct outreach and research to identify minority-led nonprofits that meet the funding criteria for the organization. These efforts will enable foundations to better target RFP's from minority-led nonprofits and could significantly increase the overall level of applications and giving for minority-led organizations.

Further research and candid conversations between foundations and minority nonprofits will contribute to the discourse around this important issue and lead to an allocation of philanthropic resources that reflects the diversity of our society.

<sup>1</sup>An informal survey conducted by Greenlining of two dozen other corporate foundations illustrates these percentages are fairly consistent.

## FORWARD

The philanthropic sector is vital to a vibrant, multi-ethnic American democracy. Americans rely on and expect philanthropic organizations to serve the public good through grantmaking activities and to support nonprofit organizations that provide a voice to underserved communities.

In the past, especially during the 1960s, foundations led efforts to address civil rights through strategic grantmaking that introduced minority leaders to the policy process in an attempt to directly benefit communities of color. Unfortunately, rather than evolving and growing, many of these efforts have subsided.

Although our society is becoming more diverse, communities of color still rarely find themselves at the policy table. Part of this dilemma can be attributed to the lack of financial resources available to minority-led nonprofit organizations that promote the interests of their communities. These organizations are critical to ensuring that the particular policy interests of communities of color and low-income communities are addressed within the public sphere. Some of these organizations also provide a training ground for minority involvement in public policy and governance decisions.

Foundations have, at times, been partners with minority-led non-profit organizations. But today, without adequate funding from foundations, many minority-led nonprofits struggle to effectively represent their constituents and engage in meaningful dialogue in the public sphere.

The following report highlights the inadequacy of philanthropic support for minority communities. It is Greenlining's hope that this study will spur foundations to action to empower communities of color to be their own best advocates in the pursuit of equality, access, and meaningful participation in the public discourse.

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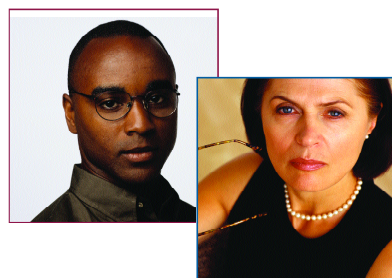
*First, ethnic groups are more likely to suffer from various social ills. For example, they are more likely to live in poverty, are less likely to own a home, and are less likely to have access to education and health insurance.*

## INTRODUCTION

Our country is being reshaped by a changing population that is increasingly more diverse. African Americans, Latinos, Asian/Pacific Islanders, and Native Americans comprise nearly a third of the total United States population. By 2050, ethnic groups will comprise at least half of the U.S. population (US Census Bureau, 2005). In California, the demographic shifts are more dramatic. Today, ethnic groups are the majority, and by 2025 they will represent two-thirds of the state's population (Baldassare, 2005).

Policymakers at all levels are grappling with the task of adequately addressing the issues faced by this rapidly growing ethnic population. This is a challenging task for a variety of reasons. First, ethnic groups are more likely to suffer from various social ills. For example, they are more likely to live in poverty, are less likely to own a home, and are less likely to have access to education and health insurance. As a result, minority groups often have different policy priorities than whites. And while it is common for issues affecting ethnic communities to be on the policy table, it is rare for these groups to be represented at the table.

In addition, minority groups are less likely to be active civic participants in activities that are traditionally recognized by our political power structures including voting and contributing money to political campaigns. In terms of voter registration rates, whites constitute a disproportionate majority of the voting population. This trend is particularly true for California. In 2000, whites constituted just over half the state's population, but they made up 70 percent of the voting population (Citrin, 2002). Voter registration projections show this trend will continue into the future. According to the Public Policy Institute of California, whites will comprise about 35 percent of voting-age adults in 2040, but 53 percent of voters (Citrin, 2002). This finding has significant political implications, given that public policy is generally more responsive to the voting population than the general population.



If California and the nation are going to succeed in nurturing and promoting a vibrant, multi-ethnic democracy, more needs to be done to bring minorities into major policy debates and discussions. This participation could help minorities leverage permanent and systemic political changes that eliminate or at least begin to reduce the socio-economic differences between white and non-white populations. In addition, our democracy will be strengthened when all communities have a seat at the table.

## Nonprofit Organizations as Avenues for Civic Participation

Nonprofit organizations have emerged as instruments for facilitating civic participation among minority groups by addressing issues of access and inequality and providing much needed services to underserved populations. Recent research on nonprofits and civic engagement demonstrates that participation in volunteer organizations stimulates voting and other forms of political engagement and makes it easier for disenfranchised populations to challenge norms and build effective coalitions (Crowley, 2005).

However, participation in nonprofit organizations is not enough. The greatest impact is felt when there is diversity in organizational leadership, as demonstrated by the importance of minority-owned businesses and minority legislators in our society. Minority-led nonprofit organizations, those where ethnic minorities define the mission and guide the strategic direction of the organization's activities, empower communities by ensuring that those who speak for the community are also from the community they represent. These types of organizations are also critical to ensuring that specific minority interests and concerns are addressed within the public sphere and provide a training ground for minority involvement in public policy and governance decisions.

Therefore, strengthening infrastructure and increasing access to funding for minority-led nonprofits that engage in advocacy efforts is vital. But like many nonprofits, minority-run organizations face the challenge of limited resources. Public funding for nonprofits continues to decline and minority nonprofits face the additional challenge of serving a population that has fewer financial resources to contribute to organizations that serve them. As such, funding from foundations has become vital to the continued success of advocacy and outreach efforts of minority-led nonprofits.

### The Role of Foundations in Supporting Minority-Led Organizations

Our system bestows tax-exempt status on foundations based on the assumption that public interests will be served by the organization's activities. Bearing this in mind, foundations must recognize their responsibility to the communities they serve and utilize their resources to help those who are most in need.

Historically, foundations have taken up this mantle and have played a key role in establishing several important minority-led nonprofit organizations. During the civil rights movement of the 1960's, communities of color made their most strident impact on policy development and social change through progressive foundation support that pioneered the rise of national organizations such as the NAACP Legal Defense and Educational Fund and the National Council of La Raza. By establishing and funding these organizations, foundations recognized the importance of having minority-led organizations to advocate for their respective communities. The need to continue supporting and creating minority-led organizations is even more critical today, as our society becomes increasingly diverse.

However, most foundations have been slow to fully and effectively embrace diversity in both their governance structures and giving programs. Previous research on private foundation giving to communities of color suggests that funding is disproportionately low compared to the size of minority populations in the U.S. Surprisingly, several corporate foundations have been much more successful on this front. Although extensive research on the diversity of corporate giving practices is limited, Greenlining has found through its advocacy work with several large corporate foundations that giving to communities of color is of high priority for the Wells Fargo Foundation, the Verizon Foundation, and the Washington Mutual Foundation. All three organizations award more than 40 percent of total dollars to minority-led organizations, with Verizon leading the way with almost 75 percent of giving directed toward communities of color. These findings Greenlining to investigate independent and community foundation giving to minority-led organizations to assess whether or not ethnic nonprofits are receiving their fair share of philanthropic dollars and resources from these types of grantmakers.

*The greatest impact is felt when there is diversity in organizational leadership, as demonstrated by the importance of minority-owned businesses and minority legislators in our society.*



## METHODOLOGY

The Greenlining Institute originally set out to collect quantitative diversity data on foundation boards, staff, and giving programs. Because board/staff diversity and detailed grantmaking information was not readily available through foundation websites or annual reports, Greenlining developed a survey requesting this information.

Surveys were sent to the top 50 independent foundations

and the top 25 community foundations by total giving in 2002, as reported by The Foundation Center. Giving for these 75 institutions totaled approximately \$8.5 billion or 28 percent of total grantmaking in 2002. Although this sample is by no means representative of the entire foundation field, it does provide important information on the nation's largest and most influential funding institutions. Following is a list of the foundations in the sample.

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### Independent Foundations

Annenberg Foundation  
Barr Foundation  
The California Endowment  
The California Wellness Foundation  
Carnegie Corporation of New York  
Annie E. Casey Foundation  
Eugene B. Casey Foundation  
Arthur S. DeMoss Foundation  
Doris Duke Charitable Foundation  
Duke Endowment  
Ford Foundation  
Freeman Foundation  
Bill and Melinda Gates Foundation  
Richard and Rhoda Goldman Fund  
Horace W. Goldsmith Foundation  
Hall Family Foundation  
Houston Endowment  
Howard Heinz Endowment  
William and Flora Hewlett Foundation  
James Irvine Foundation  
Robert Wood Johnson Foundation  
Ewing Marion Kauffman Foundation  
W. M. Keck Foundation  
W. K. Kellogg Foundation

John S. and James L. Knight Foundation  
Kresge Foundation  
Lilly Endowment  
Lincy Foundation  
Longwood Foundation  
John D. and Catherine T. MacArthur Foundation  
Robert R. McCormick Tribune Foundation  
McKnight Foundation  
Andrew W. Mellon Foundation  
Richard King Mellon Foundation  
Mississippi Common Fund Trust  
Gordon and Betty Moore Foundation  
Charles Stewart Mott Foundation  
F. W. Olin Foundation  
David and Lucile Packard Foundation  
William Penn Foundation  
Donald W. Reynolds Foundation  
Rockefeller Foundation  
Skirball Foundation  
Alfred P. Sloan Foundation  
Starr Foundation  
Walton Family Foundation  
Harry and Jeanette Weinberg Foundation  
Whitaker Foundation  
Robert W. Woodruff Foundation

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### Community Foundations

Boston Foundation  
California Community Foundation  
Chicago Community Trust and Affiliates  
Cleveland Foundation  
Columbus Foundation and Affiliated Organizations  
Community Foundation Silicon Valley  
Community Foundation for Greater Atlanta  
Community Foundation for the National Capital Region  
Community Foundation of Greater Memphis  
Community Foundation of Middle Tennessee  
Communities Foundation of Texas  
Dayton Foundation

Greater Cincinnati Foundation  
Greater Kansas City Community Foundation  
Marin Community Foundation  
Minneapolis Community Foundation  
New York Community Trust  
Omaha Community Foundation  
Oregon Community Foundation  
Peninsula Community Foundation  
Pittsburgh Foundation  
San Diego Foundation  
Saint Paul Foundation  
San Francisco Foundation  
Seattle Foundation

The survey was posted online and a letter was sent to senior foundation staff, inviting them to participate. Phone calls were made to each foundation to ensure the letters were received and to encourage participation in the survey. Despite these efforts, only fifteen foundations responded to the survey. Researchers then began an intensive data collection process to move the study forward. This process focused on reviewing individual grants made by the 75 foundations in the sample to assess the level of grantmaking to minority-led nonprofits in 2002. Because most foundations in the sample do not publish biographical information for their board members and staff, this piece of the research project was not pursued further.

Grant data for each foundation was obtained by reviewing the organization's publicly-filed Form-990 for fiscal year 2002 from Guidestar or The Foundation Center. Although Greenlining hoped to use more recent grant data (2003 or 2004), data for 2002 was used because it was available for all foundations in the sample. Researchers reviewed listings of grantee organizations and amount paid to determine total number of grants and dollars awarded and number of grants and dollars awarded to minority-led organizations in 2002.

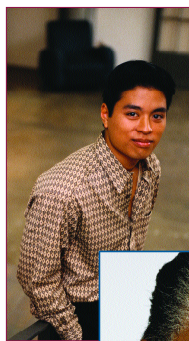
For the purposes of this study, *minority* is defined as a historically underrepresented or underserved ethnic or racial group that includes the following categories: African-American, Asian/Pacific Islander, Latino, and Native American. A *multi-ethnic organization* is defined as one that is minority-run, with an ethnically diverse board, staff, and constituency. A *minority-led organization* is one whose staff is 50 percent or more minority; whose board of directors is 50 percent or more minority; and whose mission statement and charitable programs aim to predominantly serve and empower minority communities or populations.

This definition is quite specific, but aims to address the question of foundation funding for nonprofits that both represent and serve communities of color. Research staff soon discovered that many foundations do not track the racial composition of their grantees' boards and staff, or those that do were unwilling to disclose this information to Greenlining. Therefore, more in-depth research was required to assess grantmaking levels. To determine if the grantee met Greenlining's definition of minority-led, researchers conducted web-based and media searches to collect demographic data on staff members, boards of

directors, charitable programs, and organizational missions of listed grantees. Gifts to universities and colleges were counted as minority-led if they were historically Black, Latino, Asian, or Native American. Giving data from Form-990s was collected and analyzed for seventy-four of the seventy-five foundations in the sample.

The findings presented here do not include international grants. Researchers calculated total giving and total number of grants for each foundation and then subtracted all grants to internationally-based recipients. All subsequent calculations are based on these adjusted totals and only reflect giving to domestic grantees. This decision reflects Greenlining's desire to focus on domestic philanthropy and its impact on communities of color.

*A minority-led organization is one whose staff is 50 percent or more minority; whose board of directors is 50 percent or more minority; and whose mission statement and charitable programs aim to predominantly serve and empower minority communities or populations.*

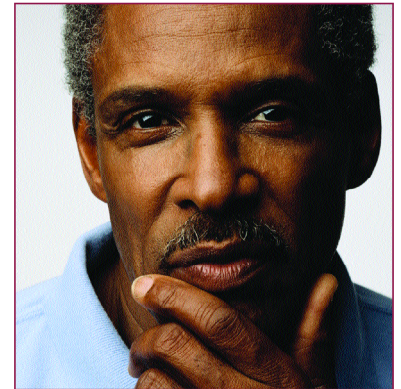


## Limitations and Caveats

This data collection scheme does have several limitations. First, Form-990s only provide point-in-time data and do not reflect giving for foundations over an extended period of time. Second, reliance on nonprofit websites and annual reports for staff and board diversity limited our ability to categorize some nonprofits as minority-led. If an organization did not have a website, researchers called the organization to gather information about the ethnic make-up of board and staff members, but in some cases, this information was not available. Finally, data on the number and percentage of minority-led organizations is unknown. It may be that total giving to minority-led organizations is proportional to the overall number of these organizations.

The findings presented in this report show that levels of giving for independent foundations and community foundations to minority-led organizations are very similar. This finding is somewhat surprising given the community-focused mission of most community foundations. Greenlining attributes this outcome to the methodology used to calculate giving and number of grants for community foundations in the study. Percentages were calculated by including both discretionary and donor-directed gifts, as listings reported on the Form-990s did not differentiate between the two. Greenlining recognizes that discretionary giving for most large community foundations is significantly smaller than for independent foundations. More accurate giving trends for community foundations would therefore only include discretionary grants. Unfortunately, this information was not available. Therefore, the methodology used in this study will result in an underestimate of dollars and grants made to minority-led nonprofits by community foundations.

Given these limitations, the data presented in this report may underestimate total giving to minority-led organizations. However, even moderately higher percentages do not present a promising picture.



## FINDINGS

In 2002, foundations granted over \$30 billion to nonprofit organizations in the U.S. Just five years earlier, foundation giving totaled \$16 billion. This rapid growth has benefited numerous organizations and causes, however; giving to communities of color has not kept pace with overall increases in philanthropic support. Findings from a study released by the Applied Research Center show that grants to communities of color fell from a peak of nearly 10 percent in 1998 to 7 percent in 2001, representing a potential loss of \$486 million annually in support for minority communities (Pittz, 2004).

Foundation Center data from 2003 illustrates this trend has continued. African Americans received 1.6 percent of total grantmaking; Latinos received 1.2 percent; Asian/Pacific Islanders received 0.5 percent; Native Americans received 0.5 percent; and general ethnic and other racial minority groups received 4.1 percent of total grant dollars (The Foundation Center, 2005). In total, only 8 percent of grants from the nation's largest foundations directly reached, benefited, or otherwise served ethnic and racial minorities in 2003.

This data demonstrates very low levels of foundation giving to communities of color. Building on this research, this study attempts to quantify foundation giving to minority-led organizations to determine the extent to which foundations support ethnic communities to develop strong nonprofit organizations that serve their community and advocate for their interests within the public discourse.

## Independent Foundation Giving to Minority-Led Organizations

In 2002, total giving by the 49 independent foundations in the sample was approximately \$7 billion dollars, including both domestic and international grants. Our data shows that of the \$6.4 billion awarded to domestic grantees, \$198.8 million or 3 percent was awarded to minority-led organizations. The percentage of giving to minority-led organizations ranged from zero to 18 percent of total giving for the sample. Five foundations in the sample awarded no money to minority-led organizations.

Our data also shows that the average grant size to minority-led nonprofits is smaller than the overall average grant size for the foundations in the sample; \$140,000 and \$197,000 respectively. This finding may reflect the difference in the size and scope of minority-led nonprofits compared to other organizations.

Greenlining also analyzed the number of grants made to minority-led organizations in 2002. Of the 33,152 domestic grants made by the sample, 1,418 or 4.3 percent were awarded to minority-led organizations. The number of grants ranged from zero to 21.5 percent for the sample. These numbers are slightly higher than those associated with total dollars granted.

Table 1 compares the total number of grants awarded to each ethnic group identified in the study by percentage of minority grants and percentage of total grants. Latino-led organizations received the largest percentage of independent foundation grants in 2002, followed by Asian/Pacific Islander and multi-ethnic nonprofit organizations.

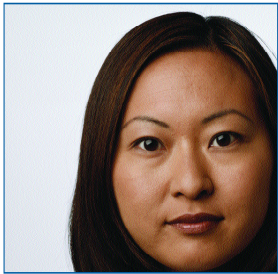
In summary, our findings show that only 3 percent of total grant dollars and 4.3 percent of total grants awarded by independent foundations in 2002 were directed toward minority-led nonprofit organizations. These levels are markedly inadequate and illustrate a vast disparity in philanthropic dollars being targeted to organizations that both lead and serve communities of color.

*In summary, our findings show that only 3 percent of total grant dollars and 4.3 percent of total grants awarded by independent foundations in 2002 were directed toward minority-led nonprofit organizations.*

Table 1. Percentage of Independent Foundation Grants to Specific Ethnic Groups

Ethnic Group	Percent of Minority Grants	Percent of Total Grants
Latino	28.3%	1.21%
Asian/Pacific Islander	21.1%	0.90%
Multi-Ethnic	19.6%	0.84%
African American	19.0 %	0.82%
Native American	11.3%	0.48%

*...our findings show that only 3 percent of total grant dollars and 2 percent of total grants awarded by community foundations in 2002 were awarded to minority-led nonprofit organizations. These results are almost identical to the percentages calculated for independent foundations.*





## Community Foundation Giving to Minority-Led Organizations

In 2002, total giving by the 25 community foundations in the sample was approximately \$1.094 billion dollars including both domestic and international grants. Unlike the independent foundations, international grantmaking by community foundations was significantly smaller; therefore, total domestic grantmaking was calculated to be approximately \$1.091 billion. Of this amount, \$27.4 million or 3 percent was awarded to minority-led nonprofits. The percentage of giving to minority-led organizations ranged from 0.04 to 39 percent of total giving for the sample.

This small percentage of total giving by community foundations to minority-led nonprofits is somewhat surprising, given the mission of most community foundations is to serve local organizations and address local or regional issues. However, as discussed above, this data reflects both donor-driven grants and discretionary grants. Therefore, the percentage of community foundation discretionary giving to minority-led organizations would be greater than reported here, and could be higher than independent foundation giving. Further data analysis on this issue is warranted. However,

this finding does point out that community foundations could do better to inform individual givers about opportunities to support local, minority-led nonprofits that are reaching and serving the disadvantaged members of their community.

Greenlining also evaluated the number of grants to minority-led organizations by community foundations. Findings show that of the 53,625 grants in the sample, 935 or 2 percent of grants were awarded to minority-led organizations. The number of grants ranged from 0.3 to 5.2 percent of total grants for the sample, significantly smaller than the range for independent foundations. This difference can be attributed to the proliferation of donor-advised funds at community foundations and may also reflect the trend that community foundations award more grants on average than independent foundations.

Table 2 compares the total number of grants awarded to each ethnic group identified in the study by percentage of minority grants and percentage of total grants. African-American nonprofit organizations received the largest percentage of community foundation grants in 2002, followed by Latino and Asian/Pacific Islander organizations

**Table 2. Percentage of Community Foundation Grants to Specific Ethnic Groups**

<b>Ethnic Group</b>	<b>Percent of Minority Grants</b>	<b>Percent of Total Grants</b>
<b>African American</b>	<b>27%</b>	<b>0.47%</b>
<b>Latino</b>	<b>24%</b>	<b>0.41%</b>
<b>Asian/Pacific Islander</b>	<b>16%</b>	<b>0.28%</b>
<b>Multi-Ethnic</b>	<b>14%</b>	<b>0.23%</b>
<b>Native American</b>	<b>3%</b>	<b>0.05%</b>

In summary, our findings show that only 3 percent of total grant dollars and 2 percent of total grants awarded by community foundations in 2002 were awarded to minority-led nonprofit organizations. These results are almost identical to the percentages calculated for independent foundations.

These results are alarming and demonstrate the inadequacy of private and community foundation funding strategies targeted to minority-led nonprofits. In particular, these findings demonstrate great failure when compared to the diversity of several foundations. Data provided to Greenlining from the Verizon Foundation shows that 75 percent of grant dollars are awarded to minority-led nonprofits, and both the Wells Fargo Foundation and the

Washington Mutual Foundation award approximately 40 percent of grant dollars to minority-led nonprofits.<sup>2</sup>

To some, these findings may be surprising, given the focus of the private sector on profit gains and market share. However, recent demographic shifts have forced corporations to “look at diversity as an essential component of their business strategy” (Kasper, 2004). This focus on diversity has crossed over into the philanthropic practices of many large corporate foundations, as demonstrated by the examples mentioned above. It is not unreasonable to suggest that both independent and community foundations could strive to reach the same diversity goals as corporate foundations and drastically increase giving to minority-led nonprofits.

<sup>2</sup>An informal survey conducted by Greenlining of two dozen other corporate foundations illustrates these percentages are fairly consistent.

## RECOMMENDATIONS

The recommendations that follow provide several action items for foundations to pursue to ensure that a more equitable and diverse allocation of philanthropic resources is achieved.

### ❑ **Establish a task force to discuss diversity issues**

Greenlining calls for the creation of a task force comprised of foundation and minority nonprofit executives to discuss the findings of this report and to develop additional recommendations and action steps for addressing the inadequacy of foundation funding for communities of color.

### ❑ **Conduct a self-assessment of giving to minority-led nonprofits**

Although several foundations in the sample do track the diversity of grantee boards and staff, most foundations simply do not gather this data. Greenlining recommends that all foundations conduct a self-assessment of their grantmaking to determine how much funding is being allocated to minority-led nonprofits and communities of color utilizing the definition of a minority-led nonprofit provided in this report.

### ❑ **Create a mechanism for tracking grants to minority-led nonprofits and make the data public**

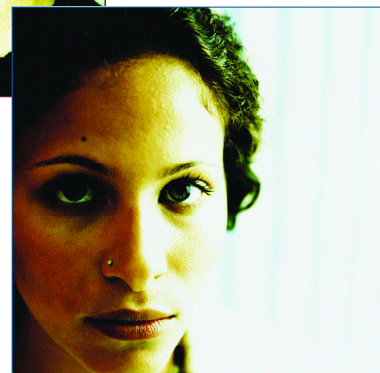
Greenlining recommends that foundations utilize their resources to establish effective systems for tracking grantee-related data that includes the ethnic make-up of boards and staff. By acquiring this data, foundations can better determine if their grantmaking activities are diverse and reflective of the community being served. Foundations should make this information available to their staff and board, grantees, and the community to demonstrate transparency and accountability.

### ❑ **Set goals for giving to minority-led organizations**

Foundations should set measurable goals that are evaluated on good faith efforts to increase giving to minority-led nonprofits.

### ❑ **Conduct research to identify minority-led organizations in the region and identify their funding needs**

Greenlining recommends that foundations conduct outreach and research to identify minority-led nonprofits that meet the funding criteria for the organization. These efforts will enable foundations to better target RFP's from minority-led nonprofits and could significantly increase the overall level of applications and giving for minority-led organizations.



## CONCLUSION

The findings presented in this report demonstrate that foundation giving to minority-led nonprofits is negligible. However, the opportunity for change is great. Greenlining hopes this report will serve as a catalyst for conversation between foundations and nonprofits on the issue of diversity in grantmaking, and result in a more fair and equitable dispersion of philanthropic dollars and resources to communities of color.

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