

## Feature

### Making the Case for Diversity in Philanthropy

by Gabriel Kasper and Henry A. J. Ramos and Constance J. Walker

Whether you found the show embarrassingly geeky or obsession-worthy, you must admit that *Star Trek* understood the importance of diversity, far ahead of its time. The crew of the Starship Enterprise included officers of many different races, ethnicities, genders and even species. According to Melange Matthews, a longtime foundation consultant and unabashed Trekkie, "It was more than just luck and a great ship that allowed the Enterprise to respond swiftly and effectively to challenges. It was the contribution of a diverse staff, with varied talents, histories and cultural experiences that gave the crew a unique advantage. In every episode, dialogue around starkly different strategies was encouraged, and decisionmaking was considered based on likely implications, resources, tactics or ethical considerations. Without that diverse crew, they would've been blown to bits in the first episode . . . Show over!"



What Matthews—and series creator Gene Roddenberry—saw as a key ingredient of the highly functioning fictional starship's staff is equally relevant to real organizations. Promoting diversity is increasingly championed in the for-profit world, as corporations embrace the business case for diversity. While earlier conversations about inclusiveness at foundations were based primarily on moral arguments for equity and justice, philanthropies are taking a fresh look at the issue. Today's pragmatic thinking explores how diversity—in a foundation's staff, board, grantmaking and even vendor relations—can actually improve the functioning of the organization.

#### Defining Diversity

Any discussion of diversity must begin with a definition of the term. How a philanthropic institution defines diversity can dramatically affect the way it addresses the issue. Each

organization must develop a vision of diversity that fits its own particular context and worldview. For instance, diversity across rural and urban lines might be particularly salient to an agricultural funder. For the purposes of this article, diversity is defined as the organization's and programs' inclusion of social and cultural differences, such as race, gender, ethnicity, class, age, sexual orientation, religion and disability.

### **Background: The Changing Demographics**

Rapidly changing demographics in the American population during the last several decades have launched a profound shift in the way that organizations now think about diversity. According to the 2000 Census, less than 70 percent of the U.S. population is now Caucasian. More than 13 percent of the population is Hispanic, 12 percent is African American, nearly 4 percent is Asian, and almost 1 percent is Native American.

In 1999, for the first time ever in California, traditional minority groups—African Americans, Asian Americans, Hispanics 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 (*Shifting Sands: California Census Numbers Indicate Whites Are No Longer the Majority*, <http://racerelements.about.com/library/weekly/aa040301a.htm>).

Beyond race, current estimates indicate that somewhere between 6 and 10 percent of the American population is gay or lesbian, suggesting that one in seven families will have a child who is gay or lesbian (*How Many Gay Americans Are There and What Is Their Buying Power? Focus on Diversity*, TDS Management Group Inc., March 2004). The Census Bureau estimates the number of disabled Americans at more than 54 million (*White House Fact Sheet: President Bush Highlights Commitment to Americans with Disabilities*, U.S. Department of State, June 2001). And the population is aging—34 million Americans are aged 65 and over, about 13 percent of the total population. This number is expected to grow to more than 70 million (20 percent of Americans) by 2030 and to 82 million by 2050, according to the U.S. Department of Commerce.

In the corporate world, firms have long been concerned about the moral and legal issues related to discrimination. But the inescapable scale of recent demographic shifts has forced corporations to look at diversity as an essential component of their business strategy. Many corporations have begun to build a business case for diversity accordingly, recognizing that a more diverse workforce can help identify and capitalize on new markets and opportunities; attract, retain and more effectively use human resources; and improve innovation and decision making. For many businesses, diversity is now a critical component of improving the corporate bottom line.

Ironically, despite the long-standing interest of foundations and nonprofits in social justice and equality, most philanthropic organizations have been slow to embrace diversity. As recently as the early 1980s, when the Council on Foundations first began collecting data on the race and gender of foundation staff and boards, foundations were still virtually homogenous places. At the leadership level, more than 98 percent of

foundation CEOs in 1982 were white and fewer than one-third were women. And at the board level, 96 percent of foundation trustees were white and 77 percent were men (Lynn Burbridge, "Diversity in Philanthropy: The Numbers and Their Meaning," *The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field*, Joint Affinity Group, May 2002). In 1986, foundations' professional staff was approximately 90 percent white, though split relatively evenly between men and women.

In the 1980s, led by the Council and its then-new president James A. Joseph, plus a number of forward-thinking foundations, philanthropy launched a wide range of efforts to increase inclusiveness. Today, more than three-quarters of foundation program staff are women and almost 20 percent are persons of color (Henry A.J. Ramos, "An Asset We Can No Longer Afford to Ignore," *Nonprofit Quarterly*, Spring 2004). Change has come more haltingly at the leadership level, though. Among foundation chief executive officers, just 6 percent are people of color and only about 10 percent of board members are people of color. About 33 percent of trustees are women, according to Burbridge.

The guarded progress made by private giving institutions has been mirrored in their grantmaking practices, which many view as disproportionate to demographic realities and public needs. Racial and ethnic minority groups receive fewer than 10 percent of all foundation grants each year—although those groups represent nearly one-third of the U.S. population and experience many of the nation's greatest disadvantages. (While many foundation grants to mainstream organizations substantially benefit minority constituents, the gap still suggests an important disconnect between the neediest minority constituencies and organized philanthropic grantmaking.)

### **The case for diversity**

While many foundations have long sought to become more inclusive as a logical extension of their missions, the business case for incorporating diversity has renewed interest in understanding how diversity can also enhance the effectiveness of philanthropic organizations. Because prior movements to increase diversity in philanthropy have focused on moral, rather than operational, arguments and because the field lacks an easy way to measure outcomes, strong evaluation measures of diversity's impacts on philanthropic activity have not been developed. Numerous studies from the corporate sphere, however, suggest that greater inclusiveness may improve an organization's processes and outcomes. Many philanthropic experts and practitioners believe that these gains may apply to grantmaking institutions as well as businesses.

According to Emmett D. Carson, president and CEO of The Minneapolis Foundation and board chair of the Council on Foundations, the case for diversity boils down to "the two m's: morality and market." On one hand, says Carson, "there's the moral argument—having an open process that results in a diverse staff, board and grantmaking profile is the right thing to do. It's consistent with American values. But there's also the market. I think you get better grants when you pay attention to diversity.... When you expand the staff or board of your organization, the breadth of grants and opportunities increase exponentially."

Foundations are looking more closely at the role of diversity in giving institutions. Indeed, the evidence suggests that philanthropic organizations can achieve a wide range of advantages by embracing diversity. Here are some key benefits of doing so:

***Enhancing innovation and problem-solving.*** Diversity can lead to greater innovation in a philanthropic institution by increasing an organization's capacity to develop effective solutions. This is particularly important given the increasingly complex nature of the social and environmental problems that foundations typically address. Diversity of age, race, ethnicity, nationality, gender, class, sexual orientation and work styles all offer philanthropic institutions and professionals access to a wider array of tools and experiences to draw on.

Recent research suggests that heterogeneous groups are often more creative than more homogenous groups. Several studies have demonstrated, moreover, that diverse groups may be more productive and may ultimately produce higher-quality ideas than more uniform teams (Rose Mary Wentling, *Diversity in the Workforce*, National Dissemination Center for Career and Technical Education, 2001). Although diverse groups have greater potential for conflict, they also are more likely to seek the full range of solutions to a problem.

According to Deborah Alvarez-Rodriguez, former vice president of the Omidyar Foundation, "Closer networks of people, where folks are more alike, are initially stronger and more comfortable, but in the long term they do not have the robustness and richness of more diverse networks. Real breakthroughs come when there is cognitive diversity."

***Bringing new perspectives and approaches to grantmaking.*** Diverse staff and board membership can also broaden the pool of ideas and perspectives a foundation can bring to bear to improve programming. One small family foundation, long engaged in supporting grassroots community organizing, noted that a new, younger board member introduced the institution to online organizing, which has since become an important grantmaking area for the foundation.

Increasing diversity can help a foundation gain access to the largely untapped store of knowledge that exists within diverse populations—assets that can benefit all Americans. Drawing on those historically underused assets can dramatically increase the impact of a foundation's grantmaking.

***Building broader networks and tapping new resources.*** Adding diverse staff and board members typically extends the institutional benefits of inclusivity beyond the individual contributions of new practitioners themselves. According to Kirke Wilson, president of the Rosenberg Foundation, "One of the often overlooked advantages of diversity is in the wider networks that different types of people bring with them."

Each new person expands a foundation's network of potential contacts and resources. Network theory suggests that although people within similar circles tend to have overlapping networks, the addition of even small numbers of people who circulate

outside established cliques can significantly expand the group's reach (Alberto Laszlo Barabasi, *Linked: The New Science of Networks*, Perseus Books Group, May 2002). Expanding a foundation's network can thus help broaden its circle of advisors, heighten its awareness of community issues and expand its arsenal of tools to address its core strategic objectives.

***Increasing responsiveness to communities.*** Although foundation funds come from private donors, their favorable tax status is based on the presumption that public, rather than private, interests are being served by their activities (Ellen Furnari, Teresa Odendahl, and Aileen Shaw, *Preserving the Public Trust: A Study of Exemplary Practices in Grantmaking, Nonprofit Sector Research Fund*, The Aspen Institute, 2000). Foundations must be accountable to the communities they serve where diversity is concerned. As national demographics continue to change, expanded diversity can help private and family foundations to respond more effectively to resulting shifts in community need.

Diversity of staff and board networks and strategies that incorporate community input into foundation grantmaking processes make it more likely that a foundation will obtain information about and from previously underrepresented communities in a timely way, enabling funders to accelerate and better target needed community interventions and respond more effectively to shifts in community need. According to Caroline Avery, president of the Durfee Foundation board, "Our business is to improve communities. The more knowledge we have of the community, the better equipped we are to do our work."

A foundation staff and board that reflect the communities where the organization is working do not guarantee a strong multicultural connection or success in every case, but inclusive organizations typically are able to develop greater rapport with diverse community groups, build a better understanding of the issues and avoid counterproductive cultural misunderstandings. Family foundations in particular may not have a sufficiently broad perspective of community issues because families are, by nature, relatively homogeneous. The addition of diverse viewpoints can help family foundations ensure that their interests optimally match community needs.

***Recruiting top talent.*** In an increasingly diverse labor market, the best talent will not be found solely among straight, white males. By 2010, people of color, women and immigrants will account for as much as 85 percent of the net growth in the nation's labor force. To recruit and retain highly-skilled employees from this talent pool, foundations must create welcoming, satisfying work environments for the different types of people who will comprise the field's best and brightest. In this emerging context, inclusive foundations—those that embrace different cultures, backgrounds and experiences; develop reputations for being supportive places for diverse staff members; provide opportunities for promotion and career advancement among diverse employees; and make all workers feel valued, rather than isolated—will have a distinct advantage in attracting the most talented staff and board members.

**Reflecting values.** Recognizing that there is a business case for diversity in philanthropy does not mean that foundations should lose sight of their commitment to inclusiveness as part of their social justice and equity missions. Focusing on diversity is simply a way of ensuring that organizations' internal cultures and practices reflect and support their missions and values just as much as their grantmaking does.

To many, values establish the rationale for diversity in philanthropy. According to Tom Layton, president of the Wallace Alexander Gerbode Foundation, "Diversity may be a part of becoming more effective, but in my mind it really comes back to the values piece. We should be promoting things and modeling behaviors that are consistent with our values and the way we hope the world will be."

## **Conclusion**

According to a draft Environmental Grantmakers Association report, "Diversity, when fully integrated into the operations of an organization, becomes a common thread in all of the organization's activities. Rather than being viewed as isolated, additional or unrelated, diversity becomes a core value that informs the actions of staff and helps drive the organization" (*Embracing Cultural Diversity: What You Can Do*, The Elena Pell Group, August 2000). This broad incorporation of diversity reflects a commitment to equity and also to philanthropic excellence.

Studies from the business world suggest that although the process can be long and difficult, effectively promoting and managing diversity can help philanthropic organizations to institutionalize their social equity values, but also increase innovation and improve problem-solving, incorporate new perspectives and access untapped resources, expand networks and improve community responsiveness and recruit and retain high quality staff. For all of these reasons, the case for diversity in philanthropy is no longer just a moral and emotional argument. As *Star Trek's* Mr. Spock would say, "It is logical."

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## **FN&C Web Extra**

For a resource list of suggested readings on diversity, visit  
[www.foundationnews.org/CME/articles.cfm?ID=1870&IssueID=3051](http://www.foundationnews.org/CME/articles.cfm?ID=1870&IssueID=3051).

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## **Integrating Diversity: The Jessie Smith Noyes Foundation**

Founded in 1947, the Jessie Smith Noyes Foundation in New York offers an excellent example of a foundation that has attempted to integrate diversity and inclusive practices into all parts of its makeup and operations. In the mid-1980s, the foundation decided to re-examine its focus and approach. It redefined its mission as protecting and restoring Earth's natural systems and promoting a sustainable society and reoriented funding areas to sustainable agriculture, toxics, reproductive rights and environmental justice.

In exploring the implications of this new focus, the foundation also examined how the institution itself looked and was structured. In a 2000 *Foundation News and Commentary* article, Edith Muma, Charles F. Noyes's daughter, explained that "recognizing the complexity and urgency of environmental and social issue, our family saw that it needed a broader pool of expertise and perspectives...Like many foundations, we faced the problem of our own sustainability as the first generation of board members aged. So we began a long process of building a professional staff and a larger, more varied board."\*

The foundation initially brought in consultants to help educate the board and then began to introduce a few nonfamily board members, including one African American man. By the early 1990s, as the foundation began more work on environmental justice issues, the board began to consider race and ethnicity more explicitly as part of the recruitment process. Today, ten of the foundation's 16 trustees are from outside the family. The board is more than half women, and includes African American, Asian American and Latino members from all regions of the United States. The effort to consciously reach out to people of color in recruiting extended to the staff as well—three of the foundation's seven current staff members are people of color.

This emphasis on diversity strengthens the foundation's grantmaking by helping the board and staff to understand and respond to the full spectrum of groups seeking grants, making them more accountable to grantees and the communities they serve and broadening their perspectives on the economic, political and social problems they are working to resolve.

The foundation regularly discusses whether dollars are reaching communities of color and does an annual analysis of its giving to grantees that are controlled by people of color or operated with a high level of racial consciousness. It makes a concerted effort to consider diversity in its selection of vendors as well, weighing race and gender in selecting consultants, investment managers and other service providers.

To document and share its work and commitment to diversity, the foundation has produced a brochure, *The Challenge of Diversity*.

According to Muma, "It has taken more than 15 years to build the level of trust and accountability among family members, nonfamily members and staff that we have now. But today we know that we are immeasurably better off for having extended the family, and have accomplished far more than we could have ever done... We needed diversity not simply to reflect the movements we funded, but to understand them."\*

\*Quotes from Edith Muma and Chad Raphael, "It Takes a Village to Raise...Our Family Foundation," *Foundation News & Commentary*, January/February 2000, [www.foundationnews.org/CME/article.cfm?ID=488](http://www.foundationnews.org/CME/article.cfm?ID=488).

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## **Strategies for Managing Diversity**

Diversity clearly can bring significant benefits to a foundation. But it can also bring challenges. At the institutional level, while a more diverse workforce may offer a wider pool of approaches, perspectives and resources—and even better decisionmaking—it can also reduce team cohesion, complicate communication and heighten conflict. Incorporating diversity can at times be perceived as burdensome, adding additional complexity to the already demanding work of philanthropy.

Even in cases where diverse staff or board members are added, established employees and management may be resistant to accepting different approaches and providing real opportunities for minority input on decisionmaking. As Handy Lindsey, Jr., former president of The Field Foundation of Illinois, noted in a recent lecture for the Association of Black Foundation Executives, "There is a distinction between having presence and having voice" (the James A. Joseph Lecture on Philanthropy, Dallas, Texas, April 27, 2003). Or as George Penick, president of the Foundation for the Mid-South pointed out in the Council on Foundations publication *The Value of Difference*, "It gets down to power. With whom are we willing to [really] share power?"

At the personal level, diversification can also lead to extremely challenging circumstances for staff and board members. Issues of marginalization and tokenism loom large, particularly in small foundations, where recruiting large numbers of nontraditional appointments may be difficult. Minority employees and board members often feel the burden of representing a whole class of people, in a way that nonminorities do not. They may face difficult choices about whether and when to act as advocates for their identity groups and when to yield to pressure to meld into the mainstream culture of the institution. Indeed, the culture of established foundations typically requires diverse representatives on staff and governing bodies to accommodate change much more than the institutions are generally able or willing to change themselves.

According to Kirke Wilson of the Rosenberg Foundation, "For people who are the first minority, the first woman, the first this or that, or the only this or that, it's an enormous load. In a family foundation that only has a really small staff or board, that is a really hard position to be in."

Because of the many nuanced challenges presented by those realities, realizing the full benefits of diversity can be a long and complex process for philanthropic organizations. Foundations may increase representation by recruiting people of different races, ethnicities, sexual preferences, ages and other diverse backgrounds. But it is substantially harder to develop a supportive work environment that enables those individuals to feel



comfortable, work effectively and share power in decisionmaking. Fully integrating the varied knowledge, perspectives, experiences and values that people of diverse backgrounds bring to an organization's strategy, work and systems may be harder still (Deborah Merrill-Sands, Evangelina Holvino and James Cumming, *Working With Diversity: A Framework for Action*).

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### **Assimilation, Differentiation or Integration**

Historically, leading American institutions have taken one of two paths toward inclusiveness. One approach, **assimilation**, asks nontraditional appointees to blend in, in the interest of maintaining long-standing practices, standards and traditions. Organizations using this approach typically recruit from familiar hiring sources, hiring candidates similar to those who have been successful before, training employees to foster uniform ways of thinking and behaving, and rewarding employees who fit well with the characteristics of the dominant culture. But the success of assimilation strategies may come at a high, though not immediately evident, cost: The approach may not fully explore the ways in which people's differences can generate more creative and effective ways of working, leading, viewing issues, managing people and learning.

A second approach, **differentiation**, is based on the acceptance and utilization of differences. In this style, a diverse workforce helps an organization respond to an increasingly segmented and differentiated population. For example, a Latino staff person would be assigned to work specifically with Latino communities or projects. This creates and recognizes the unique contributions diverse employees can add to the organization's work, but it rarely integrates the learning, ideas and practices developed in niche markets into the larger functioning of the institution (David Thomas and Robin Ely, "Making Differences Matter: A New Paradigm for Managing Diversity," *Harvard Business Review*, September 1996).

Thomas and Ely propose a third approach, **integration**, that recognizes the importance of bringing diverse people into the organization while also acknowledging the value of the differences that they bring. Integration allows organizations to "develop an outlook on diversity that enables them to incorporate employees' perspectives into the main work of the organization and to enhance that work by rethinking primary tasks and redefining markets, products, strategies, missions, business practices and even cultures."

According to Thomas and Ely, "Members of the organization can say, 'We are all on the same team, with our differences—not despite them.'" According to Mary Francis Winters, in her 1996 Council on Foundations publication, *Include Me! Making the Case for Inclusiveness for Private and Family Foundations*, inclusiveness means "much more than changing the mix [of staff]. It is the recognition that different cultures, people from different socioeconomic levels and ethnic backgrounds are actually an asset to the organization because they bring their life experiences and unique perspectives . . . As

stated by [former] Joyce Foundation board member, Lewis H. Butler . . . 'the problem is not letting people in the door. The problem is changing what is inside the door.'"

As private funding institutions face a future informed by seismic shifts in the nation's demography and evolving notions of the imperative to diversify, integration has begun to emerge as the standard model of organizational best practice. But it is also the case that achieving true integration typically poses much greater challenges to organizations seeking to diversify than either assimilation or differentiation. Organizational success in achieving integration requires a high degree of front-end investment, preparation and patience. In effect, several conditions must be put in place in order for diversity change efforts to be successful.

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## **Ten Principles for Success in Integrating Diversity**

While change processes will differ across institutions, there are at least ten essential conditions and principles that should guide any diversity effort.

**Recognize the advantages of institutional change.** A philanthropic organization cannot begin to address diversity issues until it recognizes that there is something that needs to be done. Because foundations are often quite insulated from public feedback, they may not recognize that their internal policies regarding diversity don't match their outward commitment to inclusivity.

According to Emmett Carson, "Very few people wake up and just suddenly see the light with respect to diversity. When a foundation begins to think about diversity, there's usually something that causes the recognition. Sometimes it's new leadership or a new member of the board. Sometimes it's when an organization gets faced with an embarrassment—a grant that surprisingly goes wrong and they need to show the community that they're ready to do things differently, or a missed opportunity—a moment when, because they didn't understand the community, the foundation wasn't in the right place at the right time. But those opportunities only come rarely in philanthropy. Boards don't change that frequently. And foundations typically don't take risks that could lead to embarrassment."

Nevertheless, until a philanthropic organization sees that it can be more effective by addressing its diversity, little can be done to change its practices. Each organization should assess its own context for change, looking at commitment to diversity in its leadership and staff, in the foundation's dedication to organizational effectiveness and improvement and in the alignment of grantmaking and internal practices as they relate to the organization's social mission.

**Articulate a values framework and plan.** Foundations interested in addressing diversity must begin by determining and articulating why diversity is important to the organization. Being explicit about the motives for addressing diversity and how it

connects to the foundation's work is essential to managing expectations and sustaining change over time. The framework should establish a plan with clear objectives and an understanding of the financial and human resources required to support the effort (*Embracing Cultural Diversity*).

**Commit resources and leadership from the top.** Organizational change cannot occur without strong leadership and commitment from the highest levels. Unequivocal leadership from an executive director and board in promoting diversity and inclusiveness—leadership that goes beyond mere symbolic support—sets the stage for implementing organization-wide policies and practices throughout the organization. Leaders should hold both themselves and others accountable for needed and desired change. According to Terry Saario, former president of the Northwest Area Foundation, "The board as an entity and the board members as individuals have to have the strength of character and the moral commitment to stick to an inclusiveness agenda. If they don't have it, there's nothing at the staff level you can do. It's really a board-directed and maintained initiative" (Spann and Springer, *The Value of Difference*).

**Support champions at all levels.** Commitment to diversity must, however, extend beyond board and executive leadership. Organizational change requires champions at all levels of an organization, and staff typically has the most influence over integrating diversity into everyday grantmaking and institutional practices. Engaging staff is essential to implementing policies and systems that promote diversity, and individuals committed to diversity should be nurtured wherever possible.

**Reflect diversity throughout the organization.** To obtain the full benefits of diversity within a foundation, the staff and board must be backed by organizational policies and systems that reinforce inclusive practices. The commitment should be aligned with all aspects of operations, permeating the many elements of a foundation's business conduct: hiring and promotion practices; reward and incentive systems; internal and external communications; community and other external relationships; in grantmaking activities and even in vendor selection (Berit Lakey, *Diversity as a Strategic Necessity*, BoardSource, presentation to the W.K. Kellogg Foundation Tools Cluster Meeting, March 2004).

**Promote institutional, as well as individual, change.** While inclusive practices may be adopted at an institutional level, responsibility for implementing those changes and shifting the culture of the organization lies with individuals. Integrating diversity into a foundation often occurs through small changes. According to Dwight Allison, former chair of The Boston Foundation's board, "What's required is not simply institutional change. What's required is change in people.... You can't have institutional transformation without personal transformation" (Spann and Springer, *The Value of Difference*).

**Find the right pace of change for your organization.** Institutional change is an extended process—not an instantaneous transformation. Particularly in small and family foundations, feeling comfortable with increasing diversity may take time and require

many small steps along the way. As Kirke Wilson of the Rosenberg Foundation has expressed, "Maybe the first new person on a family board doesn't have to be so dramatically different. That might be too uncomfortable a leap for some foundations to consider. Maybe it's someone who is culturally similar—a friend even—but just someone not in the family. Maybe that's the first step in a longer process."

**Understand that forging lasting change requires persistence.** Integrating diversity into foundation activities is often challenging. Philanthropic institutions rarely smoothly transition from what could be termed a "monoculture" to a completely multicultural environment. Victor De Luca of the Noyes Foundation notes that "Dealing with diversity is not a straight line process. Most likely you're going to fall off. Even when it's ingrained, you still need to be reminded and remain vigilant."

Integrating the unique contributions of diversity into an organization's operations should be thought of as a complex and systemic process. Recruiting and hiring diverse staff and board members are not the end of the effort. Many foundations have excelled at bringing in diverse employees, but then stalled in their diversification efforts, leaving the new recruits feeling isolated, unappreciated and unsupported. Becoming more inclusive means little unless it is complemented by conscientious, ongoing hard work to develop a supportive work culture that can retain and use that diversity. Continued emphasis, patience and investment is critical.

**Acknowledge and celebrate progress.** Foundations working toward expanded diversity must celebrate their accomplishments and mark milestones. Opportunities to celebrate each other's cultural traditions and recognize the varied contributions of a diverse staff are important to sustain progress. But celebration cannot lead to complacency. Interim successes should be acknowledged, but the organization should recognize that increasing diversity requires ongoing commitment and the goal will not be reached at a specific moment or with the accomplishment of a specific mission or task.

**Document lessons along the way.** Finally, in order to sustain and institutionalize the integration of diversity, philanthropic organizations must carefully document the lessons they learn along the way. By chronicling achievements, key insights and even failures through periodic internal and externally commissioned assessments of progress and by incorporating this knowledge in all aspects of organizational dialogue, planning and public reporting, funders seeking to integrate diversity can increase their prospects of sustaining best practices in this area, ensuring lasting benefit both to their own work, as well as to the larger field.

—G.K., H.R., C.W.

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**Taking Steps Toward Diversity: Nine Practical Actions for Foundations**

There are many ways to integrate diversity into a philanthropic organization's operations. Each organization must select starting points and follow a path that fits its particular circumstance and culture. According to Caroline Avery, president of The Durfee Foundation board, "Foundations need to realize that it is not just a case of 'You're either diverse or you're not.' The task of taking on diversity can sometimes seem daunting and too huge to tackle. But there are actually a range of things you can do and steps you can take. There are different ways to break it down and gradations in how you can think about diversity."

Here are nine practical actions that can help foundations to look at diversity in a more informed and constructive way:

***Review foundation policies, practices and programs, and begin a conversation about diversity.*** A foundation cannot begin to address diversity issues until it first begins an honest internal dialogue about the subject. According to Avery, "Many times family foundations feel that since they are 'family' foundations, diversity doesn't really apply to them . . . But there are many ways to bring diverse points of view to a foundation's work that you can start talking about." Developing a common understanding of the issues and a shared framework for addressing them is a natural and essential product of promoting such dialogue.

***Consider diversity in your vision and mission.*** If social equity is central to your foundation's core values, make that dedication explicit in the foundation's mission and values statements. This shows staff and board members, as well as key external stakeholders, the priority placed on diversity. The San Francisco Foundation, for example, makes its commitment to inclusiveness very clear in its values statement, highlighting its dedication to "value diversity and equity in all of our actions."

***Educate your board.*** Many foundations may not yet be positioned to change the composition of their boards. But board education can be a great way to introduce new people and raise diversity issues with organizational leadership. Some ways to pursue this work might include the following:

- ***Bring outsiders to the board.*** This approach typically exposes board members to diverse groups of advisors, consultants, community leaders and grantees representing varying philosophies to expand trustee perspective and understanding. Some foundations regularly invite grantees, consultants and community leaders to speak at board meetings, while others hold workshops where board members meet multicultural experts and community members. By bringing in a range of different guests and participants, a board can build well-rounded understanding of constituent communities and their issues. These sessions can also recruit future trustees, exposing the board to important new relationships in a comfortable environment.
- ***Bring the board to the community.*** Some foundations emphasize the importance of periodically taking their boards out into the community to gain a broader understanding of diversity-related issues and constituencies. Engaging trustees in

coordinated field trips, site visits and community meetings exposes them to diverse leaders, organizations and issues in action.

***Incorporate diversity training.*** Many foundations look at facilitated professional development workshops as a way to raise awareness of board and staff diversity issues in the organization. Diversity training can initiate dialogue about institutional representation in the organization and help board and staff recognize the benefits and challenges of inclusiveness. Trainers and facilitators use a variety of approaches, including presentations, roundtable discussions, role-playing, case studies and self-tests to solicit often difficult-to-broach conversations. But diversity training should not be considered an end unto itself. One-time interventions are rarely successful; training is more effective as part of a larger, ongoing effort to address inclusiveness issues within an organization.

***Hire diverse consultants.*** Another way to increase the input of different types of people relative to a foundation's operations is hiring a diverse set of consultants to assist in the foundation's work. Such professionals can help to broadly expand institutional understanding of the most effective ways to invest in and interact with diverse groups and individuals to advance foundation goals. They can also help to uncover problems and opportunities, as well as additional diverse talent, that might not otherwise come into focus for an organization.

***Consider diversity in your grant guidelines.*** A foundation can promote inclusiveness through its grantmaking guidelines, making its commitment to diversity evident through the intentional selection of multicultural grant recipients. Many foundations choose grantees that aim to increase minority access to important services, while others make grants that nurture self-determination and self-help. Some make grants that ensure that multicultural groups are well represented in key institutions, while others fund efforts to transform systems to better meet the needs of diverse populations.

Regardless of a foundation's approach, there are a few basic steps that can ensure that organizations are addressing the needs of underserved groups, such as explicitly stating that the foundation is interested in applicants concerned with racial, cultural and other diversity considerations; asking for information on the demographics of prospective grantees' boards, staff and clients; and translating and disseminating grant guidelines in multiple languages.

***Solicit community feedback on grantmaking priorities, strategies and guidelines.*** Obtaining community input on foundation grantmaking strategies and priorities can help a foundation align its focus with the multifaceted needs of its constituency. Interviews, focus groups and public meetings with diverse community members, leaders and organizations can provide valuable advice about targeting foundation grants and programs in ways that are more inclusive. Evaluating the responsiveness of grantmaking to diverse communities can also provide essential feedback.

***Diversify your staff.*** Since most small foundations have few or no employees, diversifying staff can be especially difficult. But foundations should ensure that hiring

decisions come from the most diverse pool of candidates possible. Diverse staff can broaden a foundation's approach, expand its networks and forge important connections with underserved communities.

Organizations can build a wider range of hiring options by making a deliberate effort to cast a wide net, look beyond traditional sources and identify applicants by tapping important networks of diverse grantees, community organizations and leaders, consultants, employees and industry affinity groups like Hispanics in Philanthropy or the Disability Funders Network. Some foundations have also used fellowships and internships to attract diverse employees. These programs can help to identify promising, young professionals and encourage and prepare them to enter the independent sector.

Beyond recruitment, retention is critical to maintaining an inclusive staff. Once diverse employees are hired, foundations should try to support and connect them to one another and to other practitioners in the field, through team-building practices, professional development opportunities and mentoring programs that match new minority staff members with more experienced minority professionals.

***Diversify your board.*** One of the clearest indicators of an organization's commitment to diversity is the makeup of its board of trustees. There are a number of ways to increase diverse perspectives in your governance:

- *Adding diverse board members.* Increasing the diversity of a board can provide a wide range of benefits, broadening the perspectives of current members, expanding a foundation's pool of resources and connections, strengthening ties to the community and demonstrating the commitment of the institution at the highest level. But diversifying a board can be difficult, particularly for small family foundations, where the decision to include trustees outside the family circle—much less directors who are significantly culturally different from the family—is often difficult and uncomfortable. Many families are concerned about disrupting family dynamics, while others fear loss of control if they are more inclusive. Board transitions, such as introducing a new generation onto a foundation board, can be particularly useful occasions for broaching the subject of board diversity. As with staff recruitment, foundations seeking a more inclusive board recruitment process should search broadly, going beyond immediate circles of close associates to look in nontraditional places and use multicultural networks of community members, grantees and consultants to identify diverse candidates.
- *Setting up advisory boards.* Building long-term relationships between foundation boards and the communities they serve can be done by using advisory boards. These structures, which typically involve community representatives and other diverse individuals, allow a broader spectrum of people and ideas to illuminate the strategic grantmaking process. In some cases, ad-hoc committees can be developed to advise a foundation board on particular issues. In others, formal advisory boards can be established to offer recommendations in targeted areas of foundation interest. And some advisory boards are integrated "into the core

- activities of the organization, becoming, in a sense, powerful extensions of the board and the staff" (Spann and Springer, *The Value of Difference*).
- *Adding outside individuals to grant committees.* Another mechanism for broadening input into foundation grantmaking without changing board composition is involving diverse community members, consultants and former grantees not just as advisors, but as fully empowered participants in the grants decisionmaking process. The Durfee Foundation, for example, each year includes a rotating set of grant recipients from past years of its sabbatical program as full voting members on the grant selection committee for the current year.
  - *Consider diversity in selecting vendors.* Another available, although not particularly common, way to integrate diversity into foundation operations is through the selection of vendors. According to *Building on a Better Foundation*, a diversity toolkit developed by four regional associations of grantmakers, "As economic entities that invest assets and operate as businesses, buying supplies and services, grantmaking institutions can direct their activities in ways that amplify a commitment to inclusion and complement their grantmaking missions." In these ways, foundations can use the selection of vendors to support their missions and strengthen the development of a diverse society. Some foundations even try to extend their commitment to diversity to include the organization's capital investments, selectively putting their resources into socially responsible investment instruments that screen for diversity and social justice issues.

—G.K., H.R. and C.W.

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Gabriel Kasper of Berkeley, California, is an independent consultant to foundations and a former program officer of The David & Lucile Packard Foundation.

Henry A. J. Ramos is principal of Mauer Kunst Consulting, a New York-based philanthropic advising firm.

Constance J. Walker is president of Walker and Associates, a California-based management and consulting firm to nonprofits and foundations.