UNITED PHILANTHROPY FORUM

Journey Toward Racial Equity

Baseline Findings from the Racial Equity Capacity Assessment

March 2021

ABOUT UNITED PHILANTHROPY FORUM

As the largest and most diverse network in American philanthropy, United Philanthropy Forum holds a unique position in the social sector to help increase philanthropy's impact in communities across the country. We are a membership network of nearly 90 regional and national philanthropy-serving organizations (PSOs), representing more than 7,000 funders, who work to make philanthropy better. The Forum envisions a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

The Forum has created a new kind of philanthropic network that brings together regional PSOs' deep regional roots and connections with national PSOs' deep content knowledge and reach. Given our network's scale and scope, we can lead change and increase impact in philanthropy in a deeper and broader way than any other organization in our field.

To learn more about Forum membership please visit: www.unitedphilforum.org/join.

United Philanthropy Forum
1020 19th Street NW, Suite 360
Washington, DC 20036
888-391-3235

info@unitedphilforum.org
www.unitedphilforum.org
@unitedphilforum

ABOUT THE AUTHORS

Community Centered Evaluation & Research (Community CER) is a values-driven, woman-of-color owned social change research and evaluation consulting firm dedicated to supporting social sector organizations to achieve their greatest impact. Our engagements are guided by equity-oriented approaches and culturally responsive principles. We emphasize shared learning that is grounded in authentic partnerships and effective communication.

Contributors – Racial Equity Capacity

Assessment Subcommittee

Deborah Dubin
Gateway Center for Giving

Suprotik Stotz-Ghosh
Grantmakers for Effective Organizations

Lori Villarosa
Philanthropic Initiative for Racial Equity

Staff-Advisors – United Philanthropy Forum

David Biemesderfer
President & CEO

Traci Slater-Rigaud
Director of Member Engagement & Partnerships

FOREWORD

This report represents the latest in a longstanding effort by Philanthropy-Serving Organizations (PSOs) to integrate racial consciousness into our efforts to advance philanthropic practice and impact. As members of the United Philanthropy Forum's (Forum) Racial Equity Committee, and more specifically, the Racial Equity Capacity Assessment Subcommittee, we recognize our role to bring expertise from our respective vantage points into the conception, design, development, implementation, analysis, and reporting of the assessment. Given the very intentional nature of the Racial Equity Committee's focus on what processes the Forum, itself a white-led organization, is shifting internally and modeling externally, we also recognize our role to navigate the potential harm, extraction, false urgency, and other common patterns of behavior that often come into play in the dynamic of organizations and advisory committees.

Several frameworks, best practices, and approaches to diversity, equity, and inclusion developed by those with longstanding experience in racial equity work inform this new assessment. We recognize that the efforts of many of these organizations and early adopters within the PSO network, pushed along by community activism and societal shifts, has enabled our work to be received with much more understanding, commitment, and enthusiasm.

We are affirmed and gratified to see the exceptional response among PSOs. We see the 58 PSOs (71%) in the Forum membership that completed the assessment as a demonstration of building momentum. It is also a reflection of our sector's hunger to more effectively respond to the enduring racial inequities that we see in our own organizations. We are also encouraged by the 54 PSOs that completed the assessment (93%) who agreed to share their results with the subcommittee as a positive sign of their trust in the tool and process. If it can sustain its own commitment to racial equity, this experience illustrates how the Forum can leverage the racial equity capacity within its network to grow this capacity across the whole membership.

While pleased to see such strong engagement, we are also cautious about the results, what they mean, and how they can be interpreted. The Field Context section of this report offers considerations for how to interpret the results and how self-reported scores might actually decrease as the sector increases its capacity to address systemic racism in philanthropy and survey participants better appreciate the complex nature of the work.

> We can recognize and honor the many whose work is represented in this assessment by using the results to catalyze a new wave of action to confront the systemic racism that is now more visible than ever in philanthropy and in the communities we serve.

This assessment, and those that came before it, are tools to increase racial consciousness and action. As with any tool, the test of its effectiveness is its utility. The timing of this report coincides with the combination of the racialized impacts of the global pandemic and the widespread protests and calls for major racial "reckoning" against anti-Black racism following yet another spate of police violence including the killings of George Floyd, Breonna Taylor, Rayshard Brooks, and Elijah McClain. Having taken the critical step with the assessment to know where our capacities stand, PSOs can now take more intentional, developmentally appropriate actions to contribute to the current moment of historic national and global action to address anti-Black racism. We encourage the PSOs that participated in this effort to use these results to break through the historic, current, and emerging barriers to advance racial equity in their organizations. This report is an invitation for candid self-reflection, for uncomfortable but necessary conversations, for risk-taking and deep learning, for PSOs to more fully align our organizations with racial equity and justice. We can recognize and honor the many whose work is represented in this assessment by using the results to catalyze a new wave of action to confront the systemic racism that is now more visible than ever in philanthropy and in the communities we serve.

We are also appreciative of Community Centered Evaluation and Research for their partnership along this journey. They demonstrated a genuine partnership and commitment to the process and intentionally engaged the Racial Equity Assessment Subcommittee across all phases of this important work to advance racial equity efforts in our sector.

-Racial Equity Capacity Assessment Subcommittee

ACKNOWLEDGEMENTS FROM UNITED PHILANTHROPY FORUM

The Racial Equity Capacity Assessment and this report were realized through the contribution and efforts of many individuals. The Forum is grateful to be in this journey with all the individuals who made this effort possible and deeply appreciate their thought partnership and commitment to advancing racial equity.

In particular, we would like to thank the Racial Equity Capacity Assessment Subcommittee for sharing their insights and experiences throughout the design, implementation, and reporting of the Racial Equity Capacity Assessment for Philanthropy-Serving Organizations. Their guidance and leadership were instrumental in the development of the assessment and this report. Development of the assessment was made possible thanks to financial support from Borealis Philanthropy's Racial Equity in Philanthropy Fund.

Racial Equity Capacity Assessment Subcommittee Members
- Leslie Boissiere, Annie E. Casey Foundation
- Deborah Dubin, Gateway Center for Giving
- Suprotik Stotz-Ghosh, Grantmakers for Effective Organizations
- Lori Villarosa, Philanthropy Initiative for Racial Equity

In addition, we recognize and appreciate the participation of the Racial Equity Steering Committee as well as the many Philanthropy-Serving Organizations (PSOs) that shared their experiences and expertise during the listening campaign and pilot.

Racial Equity Committee

- Celeste Amato, Maryland Philanthropy Network
- Susan Taylor Batten, ABFE (Chair)
- Leslie Boissiere, Annie E. Casey Foundation
- Dion Cartwright, The Funders Network
- Deborah Dubin, Gateway Center for Giving
- Janine Lee, Southeastern Council of Foundations
- Alice Y. Hom, Northern California Grantmakers
- Suprotik Stotz-Ghosh, Grantmakers for Effective Organizations
- Lori Villarosa, Philanthropic Initiative for Racial Equity
- Megan Thomas, San Diego Grantmakers

TABLE OF CONTENTS

Executive Summary

Pioneers in the field worked extensively to help develop an assessment that provides a baseline for Philanthropy-Serving Organizations (PSOs) to examine both their internal efforts and external programming in advancing racial equity. Their efforts catalyzed this Racial Equity Capacity Assessment.

A total of 88 respondents from 58 PSOs completed the Racial Equity Capacity Assessment. This represents a 71% response rate. There was adequate representation by type of PSO among participants, with 59% representing regional PSOs and 41% representing national PSOs.

About the Assessment
The Assessment consisted of five key areas:

1. **Demographics of Board of Directors members, senior leadership, and staff;**

2. **Internal organization-wide efforts;**

3. **External programming offered to members;**

4. **Successes and challenges; and**

5. **Future support and needs.**

The assessment asked respondents to rate their organization's stages of development on the following domains of racial equity capacity: *Organizational Learning Culture, Board of Directors, Senior Leadership, Communications (internal only), Community Engagement (external only), Assessment and Data, and Operations.* Respondents rated their organization's capacity in each domain using a set of four-point scales that ranged from "not started" through "reinforcing" (internal efforts), and from "no programming offered" through "organizing and operating learning and networking groups" for external programming offered to member organizations.

Learnings from the Baseline

Demographics and Internal Efforts

Senior leadership teams were the least diverse compared to staff and Boards of Directors. The largest proportion of PSOs reported that between 25% and 49% of their organization's senior leadership teams (24%), staff (43%), and Board of Directors (52%) identified as people of color.

Senior Leadership has an opportunity to play a more active role in helping their organizations advance racial equity efforts. Baseline findings show that most senior leadership teams were in the process of setting goals and objectives to guide racial equity efforts, with only a few reporting that they had previously established clear goals and/or frameworks.

While nearly all organizations reported they had taken steps to diversify their Boards of Directors, data points to additional measures organizations can take to move beyond board diversity. Most PSOs (60%) reported that their board was committed to racial equity goals, practices, or policies, but few had operationalized or implemented steps to advance the efforts they were committed to.

PSOs' internal efforts to advance racial equity are in the initial stages of development. Sixty-two percent of PSOs reported their internal efforts to advance racial equity were in the emerging stage of development.

It is imperative that PSOs focus on their internal growth and development. Slightly more than 40% of PSOs reported they had not taken steps to advance racial equity efforts connected to their Organizational Learning Culture.

External Programming

PSOs most commonly referred members to external sources of information to support their understanding and advancement of racial equity efforts. Across nearly all external domains, a larger proportion of PSOs reported that they referred members to external sources of information over internal resources.

PSOs more often offered targeted programming to members connected to Organizational Learning Culture. Half of the PSOs reported they offered targeted racial equity programming to members to support their growth and learning around their Organizational Learning Culture.

PSOs felt least comfortable supporting members' growth and learning around racial equity strategies related to Operations and Assessment and Data. Nearly all PSOs reported that they either did not offer programming or that they referred members out to external sources of information related to Operations (95%) and Assessment and Data (86%). Data showed that the components under the Operations domain were particularly less developed.

Intersection of Internal and External Efforts

Alignment between PSOs' internal racial equity efforts and their external programming was reported as a work in progress. There was general acknowledgement across PSOs that their "internal efforts lag behind the external programming" offered to members.

PSOs concentrated their resources on building either their external programming or developing their internal structures, policies, and practices – nearly none worked on both simultaneously. Several PSOs supported their organizations' concentration on external efforts citing ample appetite for this type of programming among their members.

Challenges to Advancing Racial Equity Reported by PSOs

- Limited resources and staff capacity were the most salient challenges reported by PSOs.
- Identifying and selecting frameworks and consultants that were most appropriate for the organization.
- Membership reluctance to recognize the need for and embed racial equity strategies.
- Data to inform racial equity gaps and future strategies to advance progress.

Future Supports Reported by PSOs

- Financial support.
- Balancing internal and external efforts.
- Peer learning exchanges.

PSOs' Call to Action

The following call to action comes from both the authors and the Subcommittee:

Look within. Consider internal work as required and constant in order to meaningfully contribute and sustain efforts to advance racial equity.

Find both/and with external programming offered. Re-examine assumptions of what the organization's role is and should be in advancing racial equity efforts among its members.

Develop mechanisms to offer, strengthen, and support external programming across the field. Consider how our sector can shift away from isolated, competitive processes to a more networked approach to serving all of our members more collectively.

Move from good intentions and conversations to actionable steps. These steps should ensure that PSO partners have clarity of their motivations, the resources and supports they need, plans for sustainability, and opportunities to engage with each other.

ABOUT THIS REPORT

This report summarizes baseline data from the Racial Equity Capacity Assessment and provides a snapshot of the internal strategies undertaken by PSOs to advance racial equity in their organizations, external programming PSOs offer to members, and the successes and challenges encountered by PSOs. Key findings of this report are organized into three chapters as follows:

- **Backdrop of the Racial Equity Capacity Assessment.** This chapter provides context and background about the impetus to develop the assessment, dives into the methodology undertaken including its limitations, and describes the PSOs and respondents that participated in the assessment.

- **Learnings from the Baseline.** This chapter outlines key findings, starting with baseline data of the internal and external racial equity efforts across PSOs. A summary of elements and future supports needed to advance racial equity, as identified by respondents, follows the end of this section.

- **Looking Ahead.** The last chapter provides data-driven reflections on what it takes to advance internal and external racial equity strategies for individual PSOs and across the sector.

FIELD CONTEXT: PLACING AND UNDERSTANDING THE RACIAL EQUITY CAPACITY ASSESSMENT

by Lori Villarosa, member of Racial Equity Capacity Assessment Subcommittee

While the findings shared in this report are from an assessment conducted in late 2019 through early 2020, they resonate, now more than ever, with the racial awakening taking place across all sectors of society. Philanthropy is one of the sectors being pressed to take on racial inequity and structural racism with a transformational lens. Foundations of all types and sizes are committing to fund racial equity work at unprecedented rates, with more than 20 times the commitments made in a single month in 2020 than were granted in the entire prior year [1].

It is important to recognize that this period of exponential philanthropic attention to the racial injustices that have plagued this country for centuries builds on decades of work by activists and a range of change agents within the sector. In fact, the first of any official funder affinity groups of the Council on Foundations began when eight Black foundation leaders stood up to protest yet another all-white board slate in 1971 and launched ABFE - A Philanthropic Partnership for Black Communities (originally the Association of Black Foundation Executives) [2]. While the early work of ABFE and subsequent racial and ethnic identity funder associations focused primarily on greater representation and inclusion in the sector and grantmaking for their first decades, this activism helped advance leadership capacity and readiness for greater equity work to follow.

---

1 https://blog.candid.org/post/what-does-candids-grants-data-say-about-funding-for-racial-equity-in-the-united-states/

2 The Black foundation executives who stood up and protested included Ronald Gault, Bryant George, Harriet Michel, Carl McCall, Ernie Osborne, Roland Johnson, James Joseph, and Eldridge McMillian. Retrieved from: https://www.abfe.org/about/abfe-history/timeline/

In the last two decades a growing number of foundations have given attention to racial equity. A few PSOs have advanced these shifts as a core part of their mission, in particular those representing racial and ethnic communities, such as ABFE - A Philanthropic Partnership for Black Communities, Asian Americans/Pacific Islanders in Philanthropy (AAPIP), Hispanics in Philanthropy (HIP), Native Americans in Philanthropy (NAP), and Philanthropic Initiative for Racial Equity (PRE). Over time, other PSOs deepened their explicit racial equity commitment, such as Neighborhood Funders Group (NFG), National Committee for Responsive Philanthropy (NCRP), Funders for LGBTQ Group (NFG), National Committee for Responsive Philanthropy (NCRP), Funders for LGBTQ Issues, Emerging Practitioners in Philanthropy (EPIP), and The Funders Network. As time went on, regional associations began offering more racial equity programming, often in partnership. As time went on, with racial equity change agents. Many of these had strong diversity programs such as Minnesota Council on Foundations, Philanthropy New York (then called New York Regional Association of Grantmakers), Northern California Grantmakers, Council of Michigan Foundations, and Philanthropy Northwest. In the last decade, because of demands from their membership, shifts in society, and, in some cases, prompts from staff or funding opportunities, the focus on racial equity has drastically intensified.

> This report comes out of the recognition that for the sector to effectively help solve longstanding social, political, and environmental issues that weave together strains of racial inequity, white supremacy and privilege, and structural racism, PSOs too need to take stock of their own progress.

While PSO efforts on racial equity have markedly increased, the outcomes have been uneven. Recognizing how broad some of the PSO memberships are, it is challenging to determine where they must build their own internal capacity, where they should be responsive to membership, and where their missions call for them to lead, regardless of their membership preferences. Until now, examinations and assessments of the adoption of racial equity and justice lenses in the philanthropic sector have largely focused on grantmakers' practices and strategies. This report comes out of the recognition that for the sector to effectively help solve longstanding social, political, and environmental issues that weave together strains of racial inequity, white supremacy and privilege, and structural racism, PSOs too need to take stock of their own progress. This report offers a snapshot of where PSOs currently are as a field. It serves as a starting point to identify a path toward a deeper commitment to, and practice of, equity: internally within our organizations, and externally in service of our constituents.

While not part of this report, PSOs that completed the Racial Equity Capacity Assessment each received organization-wide profiles to help them identify a baseline and track their progress over time. Some might find their results surprising. Perhaps they expected that the organization would "rate" higher or lower along certain markers of racial equity and justice, or in comparison to others in the field. The disconnect is an opportunity to revisit our own perception of how far along (or behind) our organizations are. It is also an impetus to confront systems and practices within the PSO community that are undermining the potential for full organizational alignment with racial equity. There are several qualifiers that should be noted as organizations interpret the data and design blueprints for next steps – both across the aggregated PSO sector and within individual PSO profiles.

- **The more you know, the more you know what you don't know.** A deeper understanding of racial equity could result in the recognition that there is profound complexity and thus could also result in lower scores over time. Data provided is subject to the interpretation of the individual responding and as such some respondents may hold their organization to higher standards, which can result in a lower rating. On the other hand, respondents who may have less grasp of the full complexity of racial issues might feel overly confident about their organization's performance, resulting in higher ratings. Understand that the ratings will fluctuate and, in many cases, decrease from the starting point or baseline as awareness about the complexity of racial equity increases.

- **It is typically easier to focus on external programming compared to internal alignment.** It is common for organizations to more easily provide tools, programming, and other resources for their members than it is to recognize and confront problematic internal culture, behavior, practices, and processes. This holds true for foundations and PSOs alike and yet there are challenges both in terms of the disconnect between their own statements and actions and in being effective and equitable in their own practice when increasing efforts around racial justice programming.

- **PSOs increasingly seek funding for external programming and services on racial equity.** There are growing opportunities for PSOs to secure funding for equity issues for their memberships, which may be a driving factor in some cases for the focus on external actions. PSOs at times seek this funding without the commensurate level of internal expertise or alignment sorely needed within PSOs to be truly effective resources for their members.

- **It is critical that we not discuss PSOs as if they are homogenous, but there is a role for a racial equity lens for each.** Besides the obvious distinctions between regional associations, issue-based national networks, and identity-based or functional-focused affinity groups, there is a wide range of experience and expertise around racial equity within these categories. The Racial Equity Capacity Assessment is not presuming all PSOs can or should reach the same level of expertise around racial equity. We recognize and rely on the expertise of organizations solely dedicated to advancing racial equity in our sector. And yet we maintain that there are ways each PSO can benefit its members and the work it aims to advance by strengthening its own racial equity lens.

METHODOLOGY AND LIMITATIONS

Design of the Racial Equity Capacity Assessment

The design of the Racial Equity Capacity Assessment was intentionally informed by: the vast knowledge and lived experiences of United Philanthropy Forum's PSO members; an extensive literature review of existing frameworks and guidelines to advance racial equity as detailed below; and, the expertise of the Racial Equity Capacity Assessment Subcommittee.

Development of the Racial Equity Capacity Assessment

The assessment was informed by several frameworks, best practices, and approaches to racial equity, diversity, and inclusion, including:

- Applied Research Center (now Race Forward) and Philanthrophic Initiative for Racial Equity. "Catalytic Change: Lessons Learned from the Racial Justice Grantmaking Assessment." May 2009.

- CHANGE Philanthropy. "Equity Assessment Journey." n.d.

- Coalition of Community Foundations for Youth and California Tomorrow. "Leading by Example: Diversity, Inclusion, and Equity in Community Foundations." 2003.

- Equity in the Center. "Awake to Woke to Work: Building a Race Equity Culture." 2019.

- Philanthrophic Initiative for Racial Equity and GrantCraft. "Grantmaking with a Racial Equity Lens." 2007.

- The Annie E. Casey Foundation: Building Movement Project. "Race to Lead: Confronting the Nonprofit Racial Leadership Gap." 2017.

- The Annie E. Casey Foundation. "Race Equity and Inclusion Action Guide: 7 Steps to Advance and Embed Race Equity and Inclusion Within Your Organization." 2014.

- United Philanthropy Forum. "Advancing Racial Equity in Philanthropy: A Scan of Philanthropic Serving Organizations." July 2018.

- United Philanthropy Forum. "Strengthening Philanthropy's Capacity to Engage in Policy: Progress Report on United Philanthropy Forum's Policy Works Initiative." September 2018.

The assessment design began with a listening campaign that included interviewing a representative sample of United Philanthropy Forum's PSO members to learn about their needs and expectations for an assessment that could be useful in supporting their racial equity efforts; and conducting a thorough literature review on existing assessments, frameworks, guides, and reports produced by various organizations. The listening campaign surfaced the unique opportunities and challenges PSOs face in advancing racial equity, the need to capture progress both in their internal efforts and in the external programming offered to their members, and promising practices related to tracking progress using distinct stages of development. The listening campaign led to production of a draft *Racial Equity Capacity Assessment* piloted with eight PSOs members representing regional and national PSOs. Following the completion of the draft *Racial Equity Capacity Assessment*, cognitive interviews were conducted to gather feedback. The feedback was reviewed with the Racial Equity Capacity Assessment Subcommittee and used to inform the final assessment.

Key Elements of the Racial Equity Capacity Assessment

The Racial Equity Capacity Assessment consisted of five key sections detailed below.

- **Demographics** section to capture information about the assessment respondents and their organizations including organizational role and tenure; racial/ethnic and gender identity; and size and diversity of board, senior leadership, and staff.
- **Internal efforts** that captured a snapshot of PSOs' internal organizational structures, systems, processes, and governance.
- **External programming** that PSOs offered to their member organizations to help them advance their racial equity efforts.
- **Successes and challenges** that PSOs experienced related to their racial equity efforts.
- **Future support and needs** of PSOs to focus, continue, and advance their work.

The internal and external sections formed the centerpiece of the assessment. Each section was composed of six domains, with intentional overlap between domains with the exception of Communications for the internal domain and Community Engagement for the external domain. Exhibit 1 illustrates the overlap between domains.

Exhibit 1: Illustration of the Overlap Between the Internal and External Domains

Domain	Sample Items	Internal Efforts	External Efforts
Organizational Learning Culture	Shared language; power differentials; ongoing training and mentoring; space for difficult conversations; intersectionality discussions; build foundational understanding.	✓	✓
Board of Directors	Awareness and understanding; commitment to racial equity; diversity of board; allocation of resources; involvement and support; importance of increasing diversity.	✓	✓
Senior Leadership	Role in increasing diversity; race-based power differentials; handling difficult conversations; setting goals on equity; unconscious bias/microaggressions; frameworks and strategies.	✓	✓
Communications	Explicit public commitment; development of strategic communications plans.	✓	
Community Engagement	Engage stakeholders; understand root causes; gather race/ethnicity data on grantee organizations' composition.		✓
Assessment and Data	Use of race/ethnicity data to inform hiring, retention, compensation, promotion; evaluate programming and partnerships with vendors/consultants; review data to explore root causes; use data for explicit discussions; establish policies and criteria to gather data; track racial equity investments.	✓	✓
Operations	Recruitment and hiring of diverse candidates; partnerships with diverse vendors and contractors; vet recruitment firms tasked with leadership searches; establish system for salary analyses.	✓	✓

Rating Rubric

The elements described above as well as the assessment pilot process and expertise of the Racial Equity Capacity Assessment Subcommittee informed development of the scoring tool during the listening campaign. Two scales were developed: Internal Stages of Development and External Stages of Development (see Exhibit 2). The assessment asked respondents to rate their organization's stages of development across each domain using a set of four-point scales with descriptors for each stage. For the internal stage of development, the scale ranged from "not started" through "reinforcing." The external stage of development scale started at "no programming offered" through "organizing and operating learning and networking groups" for member organizations.

Exhibit 2: Internal and External Scales of Development

Value	Internal Stage of Development	External Stage of Development
1	Not started	No programming offered
2	Emerging	Refer members to external sources
3	Establishing	Offer targeted supports
4	Reinforcing	Organize and operate learning/ networking groups

Assessment Timeline

Listening Campaign

April - July 2019

• Meetings with Steering Committee Members

• Interviews with PSOs + field experts

• Guidance and input from Subcommittee

Pilot

August - September 2019

• Pilot Racial Equity Capacity Assessment with PSOs

In the Field

October 2019 - February 2020

• Data gathering window

Data Reflection

January - May 2020

• Data book developed

• Findings shared with Subcommittee

• PDF copy of individual responses shared with respondents

PSO Profiles Distributed

March - May 2020

• Individual PSO Profiles shared with respondents

Report Developed

July - December 2020

• PSO sector findings shared at Forum's Virtual Conference 2020

• Report finalized

Administration of the Racial Equity Capacity Assessment

The assessment was distributed to CEOs, executive directors, or presidents of PSOs. The assessment introduction recommended that, for larger staffed organizations, at least three staff across multiple levels of the organization complete the assessment. The assessment took about 45-60 minutes to complete and was available online through the SurveyGizmo survey platform and on paper. Participants were given about eight weeks to complete the assessment between October 2019 and February 2020, which included weekly reminders and an assessment extension to account for Fall/Winter breaks. For confidentiality, participants were asked to indicate their agreement to share their organizational data with the Steering Committee, Assessment Subcommittee, or both. Most respondents (88%) indicated agreement to share data with one or both of these committees.

After completing the assessment, participants received a PDF copy of their individual responses for reference and to support real-time feedback and learning. In the Spring of 2020, all participants received an organizational-level Racial Equity Capacity Assessment Profile, which included a summary of all data collected and reflection questions tailored to the developmental stage of each PSO. An online webinar was conducted in May 2020 to guide assessment participants through the Profile, with opportunities for small group discussions and reflections about the Profile data. A follow-up assessment is planned for 2021.

Limitations

As with all studies, there are strengths and limitations that should be considered. Strengths of the Racial Equity Capacity Assessment include its (1) engagement of multiple audiences providing feedback and guidance in the design and implementation of the assessment, such as current Forum member PSOs, Racial Equity Capacity Steering Committee, and Assessment Subcommittee; (2) extensive review of existing research, measures, frameworks, and guides; and (3) pilot conducted to examine the fidelity and usefulness of the draft instrument that generated the current assessment. Another key strength of the assessment was that it provided respondents with an opportunity to indicate their data sharing agreement and the audiences with whom they felt comfortable sharing data. The assessment team took steps to draft and review an explanation about confidentiality measures and also the value of sharing data for learning and growth purposes. Limitations to consider when reviewing this report include:

- **Social desirability bias:** As with many assessments that rely on self-reported data, there is a potential risk in this assessment related to social desirability, or answering questions in ways that respondents deem desirable, particularly when related to complex, progressive issues such as those tackled through racial equity work. In this case, respondents may provide answers of where they think others expect organizations such as theirs to be in their racial equity efforts thus overreporting desirable racial equity strategies and underreporting undesirable strategies.
- **Reference bias:** There is also potential for variability in how respondents understand or interpret questions. This occurs when respondents use differing standards of comparison in their interpretation of a question. For example, assessment respondents may interpret and respond to scales differently and, where someone might rate an item a '3' on a four-point scale, someone with the same opinion might only rate it as a '2' because they interpret the meanings of the scale points differently.
- **Number and type of respondent:** Scores have the potential to change based on the number of perspectives shared per organization and who within the organization completes the assessment. Including the perspective of multiple actors in the organization can produce a more accurate snapshot of the organization's racial equity efforts. Similarly, including the perspective of only one individual in the organization with a narrow perspective can skew assessment results. To mitigate this effect, the assessment was administered to the CEO/President/Executive Director with a recommendation that at least three staff across multiple levels of the organization complete the assessment. Due to internal organizational limitations including staff capacity and organization size, this was not feasible for all PSOs that completed the assessment. As Exhibit 3 shows, 21% of PSOs had multiple staff complete the assessment. When multiple staff completed the assessment, the responses were averaged.

Potential benefits outweigh possible limitations. To address these limitations, the assessment team conducted interviews with pilot assessment participants; updated the language of assessment items and confidentiality and data sharing agreements; and highlighted the learning trajectory of all racial equity journeys in the current social, economic, and political context. The assessment provides insights that were not previously available to PSOs due to its philosophy of inclusive and thoughtful engagement in service of racial equity. Thus, PSO leadership and staff involved in assessing racial equity capacity, even with partial and imperfect data, will likely benefit from understanding baseline results of their organizational efforts internally and externally.

WHO COMPLETED THE RACIAL EQUITY CAPACITY ASSESSMENT?

PSOs Type

A total of 88 respondents from 58 PSOs completed the baseline Racial Equity Capacity Assessment (see Exhibit 3). This represents a 71% response rate, which is high when compared to the 40% to 50% industry standard for surveys distributed to organizations with existing relationships. Furthermore, based on the United Philanthropy Forum's "Advancing Racial Equity in Philanthropy: A Scan of Philanthropic Serving Organizations," a response rate of approximately 48% was anticipated.

There was also adequate representation by type of PSO among participants, with 59% representing regional PSOs and 41% representing national PSOs. Most participating PSOs (79%) had one respondent participate in the assessment, but about one in five PSOs (21%) had two or more respondents participate in the assessment (see Exhibit 4). Of the PSOs invited to complete the assessment that did not choose to participate, 75% were national and 25% were regional PSOs.

Exhibit 3: Summary of PSO Participants		
	N	**%**
Total PSO Participants	58	71% response rate
Total Individual Respondents	88	--
Regional PSOs	34	59% of participation PSOs
National PSOs	24	41% of participationg PSOs

Exhibit 4: Number of Respondents that Completed an Assessment for the PSO		
Number of Respondents	**N=58**	**%**
1	46	79%
2	4	7%
3+	8	14%

Respondents

Demographc data reflected current knowledge n the field about dversty and representaton wthn PSOs – there were more people of color at the staff levels and fewer people of color across the Boards of Directors and senior leadership levels of organizations. Most respondents identified as female (88) and over half (57%) identified as white. Of the 43% of respondents who identified as people of color (POC), the largest proportions identified as Black/African American (18%) and Latinx/Hispanic (15%). Another 7% identified as multi-racial and multi-ethnic.

Exhibit 5: Respondents' Gender Identity

Gender Identity	N=88	%
Female	77	88%
Male	10	11%
Non-Binary or Gender Non-Conforming	1	1%

Exhibit 6: Respondents' Racial Identity

Racial Identity	N=88	%
Asian (including person having origins in the Far East, Southeast Asia, or the Indian subcontinent)	2	2%
Black/African American	16	18%
Latinx/Hispanic	13	15%
Native American/American Indian/Alaska Native	1	1%
Native Hawaiian or other Pacific Islander	0	0%
Multi-racial/multi-ethnic	6	7%
White	50	57%
Other*	2	--

*Other: Ashkenazic Jew, Italian American.

Most respondents (70%) who participated in the assessment were in senior leadership positions, such as Chief Executive Officer/Executive Director/President, Vice President, or Director. Also, nearly two-thirds of respondents (64%) reported that they had been working with their organizations for at least three years. This is important as these respondents' reflections are based on lengthier history within their PSOs. In addition, the lower number of program staff and managers who participated on behalf of their organization should be noted in considering the perspectives shared in this assessment. The assessment team recommended including staff across multiple layers of the organization to complete the assessment and provide a fuller picture, which was not always possible given time and capacity challenges faced by PSOs. It should also be noted that there were no organizational board member participants.

Exhibit 7: Respondents' Organizational Role

Organizational Role	N=88	%
Chief Executive Officer, Executive Director, or President	36	41%
Director	14	16%
Vice President	11	13%
Manager	10	11%
Program Staff	10	11%
Other*	7	8%

Other: Chief Operating Officer (2), Administrative and Communications Coordinator, Coordinator, Human Resources Manager, Operations and Management Associate, and Not Indicated.

Exhibit 8: Respondents' Organizational Tenure

Respondents' Organizational Tenure	N=88	%
Less than 1 year	10	11%
At least 1 years but fewer than 3 years	22	25%
At least 3 years but fewer than 6 years	30	34%
At least 6 years but fewer than 10 years	13	15%
10 years or longer	13	15%

LEARNINGS FROM THE BASELINE

This section of the report shares baseline findings from the Racial Equity Capacity Assessment. The findings are organized into three areas. This section begins with a snapshot of the internal and external efforts reported by participating PSOs and the alignment between these internal and external efforts. A summary of the successes and challenges PSOs face in advancing racial equity efforts follows. This discussion concludes with a section on future support needs PSOs identified.

Exhibit 9: Racial Equity Capacity Assessment Domains		
	Internal Efforts	**External Efforts**
Domains	Organizational Learning Culture Board of Directors Senior Leadership *Communications* Assessment and Data Operations	Organizational Learning Culture Board of Directors Senior Leadership *Community Engagement* Assessment and Data Operations

Snapshot of Racial Equity Efforts Underway

The design of the Racial Equity Capacity Assessment emphasized the importance of tracking racial equity progress along two spectrums: the internal strategies and practices undertaken by PSOs to advance racial equity within their respective organizations (internal efforts); and the external programming offered to support their member's racial equity journey (external efforts). As such, findings are organized by Internal Efforts and External Efforts with a discussion about the intersection across internal and external efforts to advance racial equity.

As referenced previously, the Racial Equity Capacity Assessment was intentionally designed to include overlap between Internal and External Efforts to advance racial equity. Exhibit 9 lists the domains included for each section. The designed overlap illustrates the assessment's embedded assumption that advancing racial equity work requires strong connections between internal and external efforts.
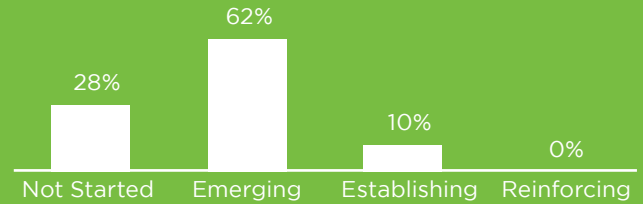
Internal Efforts

PSOs' internal efforts to advance racial equity are in the initial stages of development.

The largest proportion of PSOs (62%) reported their internal efforts to advance racial equity were in the Emerging stage of development and another 28% reported that their PSO had not taken steps to advance racial equity within their organizations (see Exhibit 10). Overall, PSOs recognized that they were "not making the time and space internally to be intentional," as stated by an assessment participant. Far fewer PSOs rated themselves, on average, on the Establishing or Reinforcing stages of development.
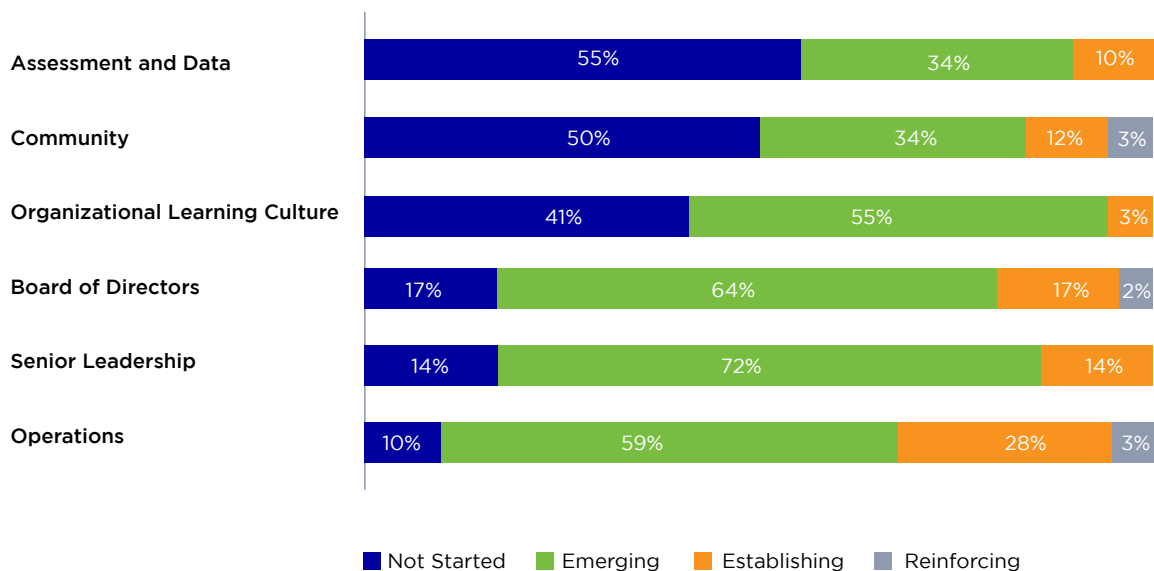
Exhibit 10: PSO Internal Efforts at Baseline

Not Started	Emerging	Establishing	Reinforcing
28%	62%	10%	0%

A few PSOs conveyed that their organizations were starting to focus on internal efforts, and this was especially true for those organizations that had originally concentrated on advancing external efforts. An assessment participant shared this change within their organization, "Our work in [racial equity] began focused on external programming, now it's hyper internal in developing systems [and] goals." To advance their internal efforts, several respondents reported they were beginning to partner with external organizations to support the development of their internal strategies.

Trends emerging in each internal domain are illustrated in Exhibit 11 below. The largest proportions of PSOs reported they had not started to advance their internal racial equity efforts along three primary domains: Assessment and Data (55%), Communications (50%), and Organizational Learning Culture (41%). PSOs most frequently reported being in the Emerging stage of development across the Senior Leadership, Board of Directors, and Operations domains. While few PSOs reported their internal efforts were in the Establishing stage of development across domains, over one in four PSOs did indicate their racial equity efforts related to Operations were in the Establishing stage of development.

Exhibit 11: Internal Efforts Across Six Domains

Domain	Not Started	Emerging	Establishing	Reinforcing
Assessment and Data	55%	34%	10%	
Community	50%	34%	12%	3%
Organizational Learning Culture	41%	55%	3%	
Board of Directors	17%	64%	17%	2%
Senior Leadership	14%	72%	14%	
Operations	10%	59%	28%	3%

■ Not Started ■ Emerging ■ Establishing ■ Reinforcing

"Explicit commitment at all levels of the organization is key, as is a willingness to devote time and resources to this work and to hold ourselves accountable to do it."

Senior Leadership have an opportunity to play a more active role in helping their organizations advance racial equity efforts.

As has been extensively documented in the literature,[1] senior leadership play a vital role in the development and effective execution of strategies to integrate racial equity across their organizations. Baseline findings show that most senior leadership teams were in the process of setting goals and objectives to guide racial equity efforts, with only a few reporting that they had previously established clear goals and/or frameworks. PSOs recognized that their internal racial equity goals were less developed, but more importantly, that their internal efforts were unclear and often not understood by staff. The few staff members who participated in the assessment urged senior leadership teams to focus on articulating and sharpening internal racial equity goals and objectives. One staff respondent echoed this sentiment, "organizations should establish mechanisms to inform staff about racial equity objectives within the organization and staff should ask about it."

As illustrated in Exhibit 11, most PSOs (72%) were in the Emerging stage of development in the Senior Leadership domain. PSOs reported that their senior leadership supported conversations about race, racism, racial equity, and intersectionality, but were less likely to engage in these conversations themselves with staff. Similarly, senior leadership often stressed the importance of racial diversity across all levels of the organization but were less likely to take actionable steps to increase racial diversity including updating recruitment and hiring practices and policies. A respondent elaborated on the need to expand hiring procedures, noting that "hiring practices that bring diverse experiences into [their organization] have been essential [to advancing racial equity]."

1 Equity in the Center. "Awake to Woke to Work: Building a Race Equity Culture" 2019. Philanthropic Initiative for Racial Equity and GrantCraft. "Grantmaking with a Racial Equity Lens" 2007.

Baseline data on the role of unconscious bias and microaggressions emerged as one of the least developed and acted upon areas for PSOs. For example, most PSOs indicated their senior leadership acknowledged and understood the role of unconscious bias and microaggressions, but few of the PSOs reported they implemented strategies to surface and dismantle unconscious bias and microaggressions across their organization. A few PSOs shared that their organizations were holding trainings for staff that focused on bias and oppression. As one assessment participant expressed, "we are having self-reflective trainings on implicit biases and the intersectionality of privilege and oppression with staff and this will be the first session for our board members."

Senior leadership teams were the least diverse compared to staff and Boards of Directors.

On average, the largest proportion of PSOs reported that between 25% and 49% of their organization's senior leadership teams (24%), staff (43%), and Board of Directors (52%) identified as POC. The only glaring exception, shown in Exhibit 12, was the 41% of PSOs that reported they did not have any POC on their senior leadership teams and is contrasted against the mere 2% of PSOs that reported that they did not have any POC on their Board of Directors. It is important to note that most PSOs with at least 75% of senior leadership teams who identify as POC work on issues related to racial and economic equity as a core part of their work. While findings showed more diversity among staff members, there is room to further diversify the racial/ethnic composition of staff members.

Exhibit 12: Percentage of Organizations' Board of Directors, Staff, and Senior Leadership who Identify as People of Color (POC)
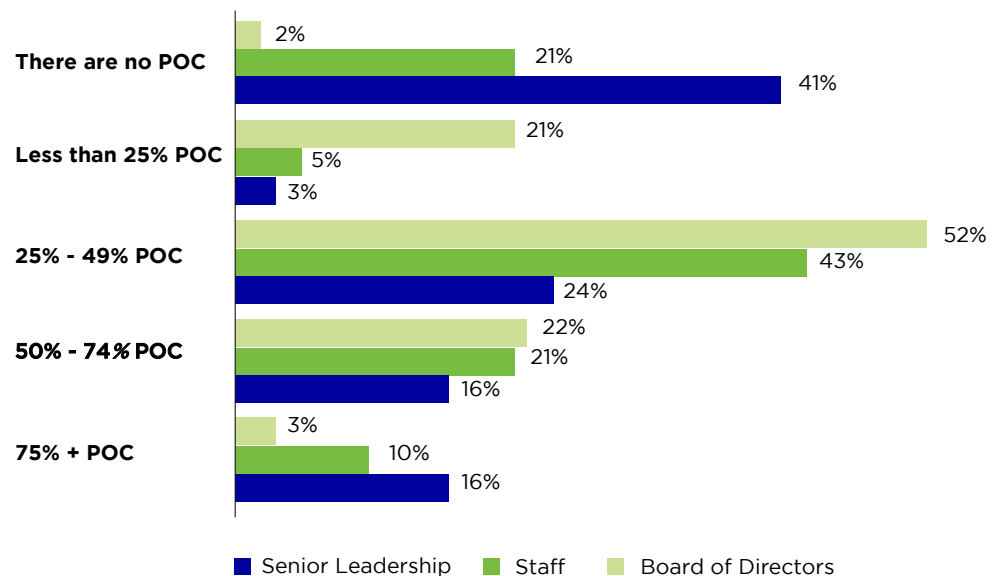
* Note: This chart includes data for three PSOs levels: Board, Staff, and Senior Leadership. Respondents selected one answer that best described their organization's racial diversity at each PSO level.

While nearly all organizations reported they had taken steps to diversify their Board of Directors, data points to additional measures organizations can take to move beyond board diversity.

Diversity among Boards of Directors is only one marker of progress to garner support of leadership to propel racial equity efforts. Other cultural shifts among a board's processes, the percentages of people of color and other measures of inclusion, and shared power are needed beyond simple diversity.[1] When PSOs were asked about the racial/ethnic diversity of their board members, one-third reported that their organizations had set up practices and policies to increase the racial/ethnic diversity of their boards and were working to increase the diverse pipeline of board members. PSOs added that having an intentional focus on diversification of the Board of Directors has helped the organizations further uplift the need for a more intentional focus on internal racial equity efforts. As Exhibit 11 above displays, the largest proportion of PSOs (52%) reported that between 25% and 49% of their Board of Directors identified as people of color. Data shows that there is more diversity among the Boards of Directors compared to the diversity of senior leadership. A clear marker of this is the proportion of PSOs that reported not having any people of color in their Boards of Directors or senior leadership teams.

While most PSOs (60%) reported that their board was committed to racial equity goals, practices, or policies, few had operationalized or implemented steps to advance the efforts they were committed to. Furthermore, only 28% of the organizations reported that their board had implemented goals, practices, and policies to advance racial equity efforts. A respondent shared disappointment with their board's commitment stating, "[senior leadership] have adopted a strategic priority to advance racial equity, but the board has not engaged further in developing internal goals/objectives." PSOs also disclosed that in more conservative regions, boards were more reluctant to make explicit public commitments to racial equity efforts. In fact, only 40% of organizations reported they had made an explicit public commitment to advance racial equity efforts within their organizations. Another 45% reported they were in the process of developing an explicit public commitment to racial equity.

"While the board [is] supportive, there is a hesitation to be public about working towards diversity."
-PSO respondent

Furthermore, assessment data showed that nearly one-third (31%) of PSOs did not allocate financial resources to support racial equity efforts. Another 34% reported their boards were in the process of allocating dedicated funding streams to support racial equity efforts and 38% reported that, even though their organization allocated resources for these efforts, they were insufficient to adequately support and advance the work. A PSO respondent expanded on this issue, "staff and board state a willingness to and interest in advancing racial equity but [they] have not made it a priority when it comes to investment of time and financial resources." PSO respondents further expressed a need to augment the resources that were available to advance internal racial equity efforts underscoring that "funds for internal work are more difficult to identify" compared to disposable resources for external programming.

1 BoardSource, "Leading with Intent: 2017 National Index of Nonprofit Board Practices."

"We began our work with a deep dive internally, knowing that until we had a shared language and framework, it would be difficult to offer external supports. Therefore, our own work is somewhat ahead of our external work."

-PSO respondent

It is imperative that PSOs focus on their internal growth and development

Slightly more than 40% of PSOs reported they had not taken steps to advance racial equity efforts connected to their Organizational Learning Culture. Assessment findings show that the vast majority of PSOs either did not provide (33%) or provided occasional (47%) ongoing trainings/workshops/sessions or coaching/mentoring for staff to help them recognize and speak about the different facets of race, racism, racial equity, and intersectionality. Likewise, most PSOs did not (28%) hold or only occasionally (44%) held dedicated space for staff to engage in difficult conversations related to race and racism. PSOs identified several barriers that prevented them from taking steps to support their own learning culture related to racial equity, including lack of resources, staff capacity, not knowing where to start, and a more intentional emphasis on their external programming. While PSO respondents shared that they planned to take steps to "advance staff understanding and competency" about racial equity, they recognized the lack of attention their organizations had placed on developing internal strategies. A PSOs elaborated on this: "We need to offer more trainings and opportunities for staff

to learn. We do this a lot more for our members." Respondents elaborated on the need to not only offer but require that staff, senior leadership, and board members actively participate in ongoing trainings/workshops and conversations about racial equity. After noticing that staff often opted to not attend racial equity trainings and conversations, a respondent maintained that in order to begin "racial healing and reconciliation" organizations must create a culture where it is expected that staff participate in these trainings and conversations.

Development of shared language to discuss and advance racial equity efforts is another challenge PSOs face. Nearly one-quarter of PSOs indicated that their organization had not started (21%) or were in the early stages (43%) of developing shared language to discuss and advance racial equity. PSO respondents who reported they had taken steps to improve their internal racial equity strategies described that they entered the conversation by focusing on developing shared language that could guide future conversations and efforts. As one respondent shared, "we start[ed] with a baseline setting conversation around 'what is equity' ensuring that all members and board members have a common terminology."

PSOs engaged the least amount of internal efforts and strategies to advance racial equity efforts related to *Assessment and Data*.

Over half of PSO respondents indicated they had not worked on advancing their internal structures, policies, and systems related to Assessment and Data (55%) and Communications (50%). On closer examination of the Assessment and Data components, PSOs were least likely to collect, analyze, and use race/ethnicity data to inform hiring, retention, compensation, and promotion strategies and decisions related to their staff, vendors, and consultants. Data gathered through the Operations domain sheds further light on recruitment and hiring practices used by PSOs. For instance, only 36% of PSOs reported that they give hiring priority to diverse vendors and contractors and even fewer (10%) intentionally sought out diverse vendors and contractors with an intention to build long standing relationships. A few PSO respondents noted inherent challenges outside their sphere of control that prevented them from doing more to diversify the vendors and consultants they partner with. As a respondent explained, "we are striving to work with minority and women-owned vendors when we have the choice [but] we have a fiscal sponsor, so in many cases we are not the decision maker for vendors." Data on the recruitment and hiring of diverse candidates was a bit more positive with 64% of respondents that indicated they conduct targeted outreach and recruitment to diverse networks to increase their candidate pool. Based on the collective set of data reported by PSO respondents, what is missing is the use of internal systems to gather, analyze, and – most crucially – use racial/ethnic data to inform staffing decisions across all levels of the organization.

"We are striving to work with minority and women-owned vendors when we have the choice [but] we have a fiscal sponsor, so in many cases we are not the decision maker for vendors."

-PSO respondent

External Efforts

PSOs most commonly referred members to external sources of information to support their understanding and advancement of racial equity efforts.

Across nearly all external domains, a larger proportion of PSOs reported that they referred members to external sources of information rather than internal resources. Exhibit 13 shows the average breakdown across the external effort domains with 60% of PSOs reporting they refer members followed by 29% of PSOs that, on average, indicated they did not offer any racial equity programming to members.

| Exhibit 9: Racial Equity Capacity Assessment Domains		
	Internal Efforts	**External Efforts**
Domains	Organizational Learning Culture Board of Directors Senior Leadership *Communications* Assessment and Data Operations	Organizational Learning Culture Board of Directors Senior Leadership *Community Engagement* Assessment and Data Operations

Exhibit 13: PSO's External Efforts at Baseline
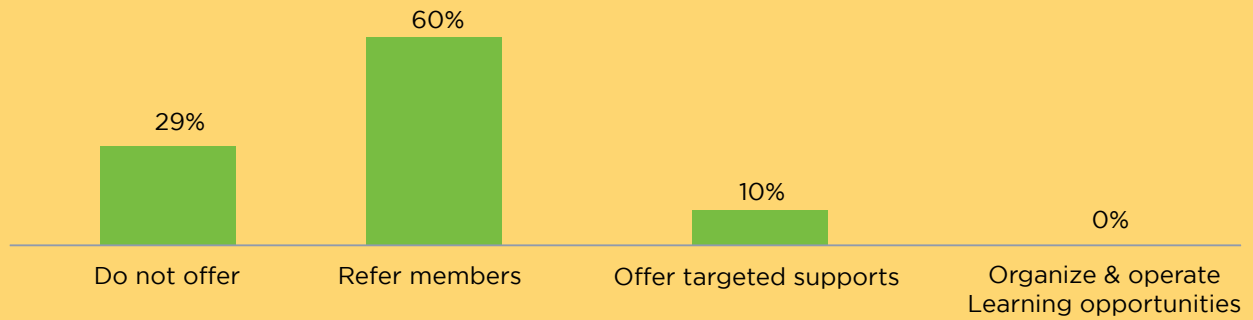
Findings across the six external domains demonstrate that the largest number of PSOs do not offer racial equity programming in the Operations (74%) and Assessment and Data (45%) domains (see Exhibit 14). PSOs most often referred members to external sources of information to support their racial equity efforts in the *Community Engagement* (57%) and *Senior Leadership* (48%) (see Exhibit 14). Several PSOs elaborated that they referred members to external sources of information and organizations because they recognized that "other organizations [have] deeper expertise in these matters." For these PSOs, it seemed more effective to refer members to organizations that have extensive racial equity expertise rather "than try to build capacity [themselves]." This was particularly true for smaller organizations with limited resources that were already at capacity. One PSO respondent added, "We're not sure how to be additive in our external approach without risking duplication or redundancy with other PSOs."
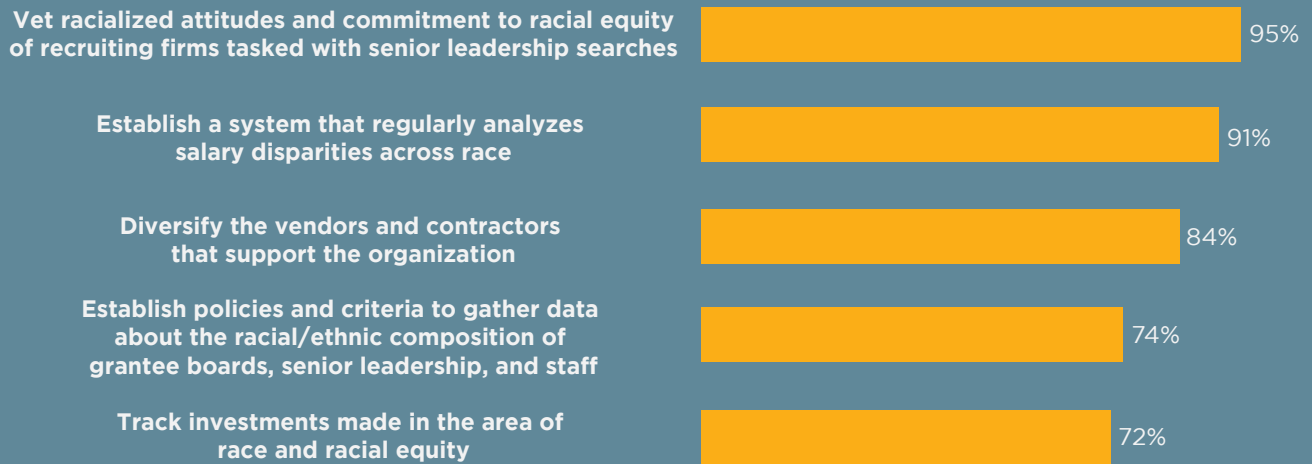
Exhibit 14: External Efforts Across Six Domains
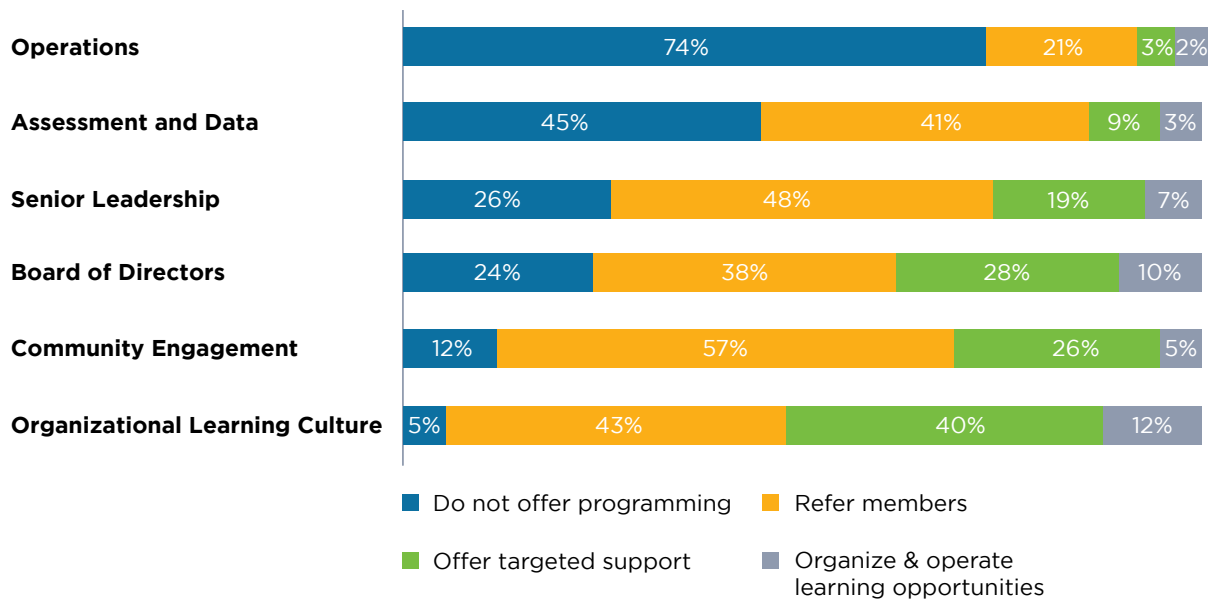
PSOs more often offered targeted programming to members connected to *Organizational Learning Culture*.

Half of PSOs reported they offered targeted racial equity programming to members to support their growth and learning around their Organizational Learning Culture. Moreover, the largest proportion of PSOs concentrated their external programming offered to members in this domain. A closer look at the findings showed that across this domain PSOs organized and operated learning and networking groups focused on helping members develop shared definitions about race, racism, and racial equity (31%); build foundational understanding of structural and institutional racism and racial equity (24%); and facilitate difficult conversations about race, racism, and racial equity (22%).

**Exhibit 15: Proportion of PSOs that Do Not Offer
Programming or Refer Members to External Sources of Information**

Vet racialized attitudes and commitment to racial equity
of recruiting firms tasked with senior leadership searches — 95%

Establish a system that regularly analyzes
salary disparities across race — 91%

Diversify the vendors and contractors
that support the organization — 84%

Establish policies and criteria to gather data
about the racial/ethnic composition of
grantee boards, senior leadership, and staff — 74%

Track investments made in the area of
race and racial equity — 72%

While PSOs' external programming most often centered on supporting their members'
*Organizational Learning Culture***, PSOs' own internal** *Organizational Learning Culture*
emerged as one of the least developed areas.

For example, 63% of PSOs offered their members targeted support to help them facilitate difficult conversations about race, racism, and racial equity but only 29% of PSOs reported they dedicate space within their own organizations to have these types of difficult conversations. Similarly, only 36% of PSOs reported they had developed their internal shared language to discuss and advance racial equity, but 67% of PSOs indicated they offered targeted support to their members to help them develop shared language.

PSOs felt least comfortable supporting members' growth and learning around racial equity
strategies related to *Operations* **and** *Assessment and Data***.**

Nearly all PSOs reported that they either did not offer programming or referred members out to external sources of information related to Operations (95%) and Assessment and Data (86%). Data showed that the components under the Operations domain were particularly less developed. These components included vetting racialized attitudes and commitments to racial equity of recruiting firms tasked with senior leadership searches; establishing systems to analyze salary disparities across race; and diversifying the vendors and contractors that support the organization (see Exhibit 15). For Assessment and Data, PSOs most frequently did not have the capacity to help members establish policies and criteria to gather data about the racial/ethnic composition of grantee boards, senior leadership, and staff and to track investments made in the area of race and racial equity.

Intersection of Internal and External Efforts

Alignment between PSOs' internal racial equity efforts and external programming is a work in progress.

PSOs generally acknowledged that their "internal efforts lag behind the external programming" offered to members. Closer examination of the PSO average internal and external scores revealed that 59% of PSOs rated their external efforts as more advanced in comparison to their internal efforts while 33% of PSOs rated their internal efforts as more advanced than their external efforts. Only 8% of participating PSOs rated their internal and external efforts similarly.

Respondents cited several reasons for the misalignment between internal and external efforts, including small staff size leading to informal internal racial equity efforts, staff turnover resulting in limited staff capacity, members' demands for more training and programming related to equity, and board reluctance to focus on internal strategies. As one respondent shared, "I think we have made more progress in supporting our members than we have in advancing our own internal efforts. Honestly, I think this is a capacity issue and I need more board members to engage to support this."

However, several PSOs reported that they were being more intentional and focused about aligning their internal efforts with their external programming. One PSO echoed the actions being taken by several PSOs, "we are working with a consultant and a team of our members to develop a racial equity lens/tool that can guide us in developing programming and in reviewing and updating our internal policies and procedures."

"Currently our internal efforts do not reflect our external programming. As we navigate our racial equity learning journey through the beginning of 2020, we plan to prioritize and align policies and procedures with the results from an equity audit we've taken to better track data with all elements of our work (i.e., operations, community engagement, cross sector partneships)."

-PSO respondent

"We believe that by advancing our internal understanding and competence, we will be better suited to involve members and partners in authentic and integrity-filled support and engagement."

-PSO respondent

PSOs concentrated their resources on building either their external programming or developing their internal structures, policies, and practices - nearly none worked on both simultaneously.

Several PSOs supported their organizations' concentration on external efforts citing ample appetite for this type of programming among their members. One respondent commented on how external programming can be leveraged to advance internal efforts, stating that "staff are able to participate in the external programming offered" to members. Others shared that because their external programming was more advanced, their "internal efforts are modeling the external programming" offered to members.

In contrast, a subgroup of PSOs reported that their organizations focused more heavily or solely on advancing their internal racial equity efforts. This group recognized that they needed to take a "deep dive internally" to develop shared language and frameworks that could then be shared broadly with their members. For these organizations, their internal focus helped inform the development of external programming for members. As one PSO shared, "our internal learning and growth as an organization has informed the development of cohort-based programming that we offer our members." PSOs that took this approach conveyed that their external programming was introduced to members in "isolated" ways at first and then moved into more holistic racial equity programming for members.

Challenges to Advancing Racial Equity

The Racial Equity Capacity Assessment asked participants to identify the challenges and barriers associated with advancing racial equity efforts – both internally for their respective PSO and with the external programming offered to their members. The assessment also captured key factors that contributed to the challenges and barriers described. In this section we describe the challenges noted by PSOs.

"Finding ways to integrate racial equity into everything we do (as opposed to have it be some kind of standalone initiative) takes extra time and effort and knowledge that has to be built. Integration is key, so we keep striving. It takes a lot of time and energy from staff. Also, a lot of this work, both internally and externally, requires great facilitation skills. That's something we continue to invest in - because the way we frame questions and approach conversations is key - and that takes skill."

-PSO respondent

Limited resources and staff capacity are the most salient challenges reported by PSOs.

More than three quarters (77%) o PSOs dentfied a lack o resources as the key challenge to advancng ther racal equity efforts. This was especially true for smaller organizations. Another two-thirds (66%) reported that their organization faced limited staff capacity (see Exhibit 16). One PSO explained the link between limited resources and staff capacity: "limited resources lead to limited staff capacity which leads to limited time and effort to dedicate to our internal work/knowledge/training." It is interesting to note that this PSO went on to state that despite the limited resources and staff capacity their "external work around racial equity efforts is moving forward" suggesting that some PSOs place higher urgency on advancing external efforts when resources and staff capacity are at issue. PSOs also cited staff and leadership transition as barriers. PSOs explained that staff turnover not only redirected their efforts to hiring staff but also drained time and resources with onboarding new staff and aligning staff with racial equity efforts underway. PSOs commented that they would benefit from having board members step up to take more ownership of the racial equity efforts rather than "just being supportive of the work [senior leadership] lead."

Exhibit 16: Challenges to Advancing Racial Equity Efforts

Challenge	Percentage
Limited resources	77%
Limited staff capacity	66%
Limited access to guiding frameworks	32%
Limited access/knowledge of professional development opportunities	32%
Limited access/knowledge of racial equity-focused consultants	25%
Limited support from board members	10%
Lack of interest from member organizations	6%
Limited support from CEO/senior leadership	3%

Identifying and selecting frameworks and consultants that are most appropriate for the organization.

At least a quarter of PSOs reported they have limited access to frameworks, professional development opportunities, and skilled consultants. PSOs recognized that general frameworks existed and were available but maintained that what the sector needs are guides that help organizations operationalize these frameworks. Smaller PSOs added that existing frameworks are not readily applicable to smaller organizations.

In contrast, several PSOs indicated that their main challenge was not in having limited access to racial equity frameworks but the myriad of frameworks and toolkits that are available. PSOs shared that it was difficult sifting through all the frameworks to figure out which one was most appropriate for their organization and members.

As mentioned previously, PSOs also reported challenges with finding skilled consultants to help them advance their internal racial equity strategies. As one PSO shared, "it has been a challenge to find qualified consultants that understand our organization and provide relevant internal board and staff training in ways that can fit within our budget and our timeline needs." PSOs were also interested in identifying consultants who can help them identify the most appropriate frameworks and policies their organizations can adopt.

"There is really an opportunity overload, that selecting from the vast amount of resources, consultants, and investing wisely in resources that can have a clear impact is a part of the challenge."

-PSO respondent

Membership reluctance to recognize the need for and embed racial equity strategies.

An underlying theme across the challenges PSOs identified, whether explicitly stated or suggested in their responses, was the embedded racism in the ecosystem that PSOs navigate. PSOs remarked that this manifested itself through members' reluctance to elevate the importance of racial equity and a lack of interest from funders to fund in this space. This was particularly true, based on respondents' feedback, in "highly politicized and polarized" regions across the country with PSOs specifically calling out rural areas. PSOs that are located in these "polarized" regions shared that they have tried to build on the momentum emerging in other parts of either their state or region by bringing in racial equity trainings, but that had not resonated with their members. As one PSO explained: "Our urban areas remain much more racially diverse than suburban and rural communities. The opportunity to dig deep into DEI [Diversity, Equity, and Inclusion] work does not resonate with some members' communities who do not see this as their area's most pressing issue." Even PSOs located in areas with abundant diversity voiced their members' hesitation to take on topics related to racial equity. Another PSO recounted, "[our PSO] represents a region with great diversity, but race equity is something that some member organizations have not fully embraced. There are also deep historical roots in racism and social inequities that have challenged efforts to move forward." PSOs fear losing member organizations if they move too aggressively on advancing racial equity. And they asked for resources and support to help members meet them where they are in their racial equity journey.

Despite these challenges, some PSOs were beginning to see changes in members' interest and support of racial equity but noted that it was a gradual shift. This is contrasted against PSOs that were being pushed by their members to take a more forward stance on racial equity. A PSO respondent conveyed the sentiment, "our members want us to move them to action, not just reflection."

> "We are trying to do this work while also identifying and fighting against our own institutional racism. It should not be unexpected; but a barrier, nonetheless. As a membership organization, we are developing ways to incorporate this work broadly through an intersectional lens (e.g. if you care about homelessness, you need to understand racism); this is a slow educational process in most cases."
>
> -PSO respondent

Data to inform racial equity gaps and future strategies to advance progress.

PSOs called out the need to evaluate their internal structures, systems, and practices more thoroughly to better understand racial equity gaps. Respondents held that the data and information obtained from such an evaluation can be used to inform future decision-making. PSOs recognized that internal evaluations of that magnitude are complex and challenging, and thus involve added resources that most PSOs do not have. It is noteworthy that a few PSOs shared that the external programming offered to members often is tied to rigorous evaluation processes. This surfaces the added emphasis PSOs place on external programming despite the more pressing internal needs. Even though PSOs observed that conducting internal evaluations is resource draining, a handful of PSOs mentioned that their organizations were in the process of developing internal evaluation designs to measure their racial equity efforts across the layers of the organization.

Future Supports

PSOs identified key supports needed to begin working more intentionally on advancing their racial equity efforts.

- **Financial support.** Organizations voiced a need for financial resources to support their equity work – in particular their internal efforts. PSOs were interested in knowing more about grants that are available or key funders that are willing to support PSOs expand their efforts in this area.

- **Balancing internal and external efforts.** As mentioned previously, there is misalignment between PSOs focus on internal strategies and external programming. PSOs recognize the imbalance and want guidance about what the right balance is for their organization.

- **Peer exchanges.** Learning from peers is a theme that emerged across the findings. PSOs want to be in community with their peers to listen and share experiences and learn what other PSOs are finding effective in their practice. There is a desire to deepen the conversations. PSOs can benefit from hearing more about PSO journeys in doing racial equity work. PSOs believe that storytelling about the struggles and challenges faced can help change the conversation and move the field along.

What It Takes to Advance Racial Equity Efforts

PSO respondents reflected on the anchor elements that need to be in place for organizations to advance racial equity efforts. The narrative below shares these anchor elements.

Sustain essential support from senior leadership and board members.

PSOs indicated that it is important to have the support of senior leadership and board members to effectively prioritize racial equity work. PSOs with board members that were "already heavily engaged in DEI work," as a respondent characterized their board, reported more success in advancing their efforts. In addition, several PSOs shared that having the support of senior leadership and the board helped legitimize the need to advance racial equity efforts and the commitment of the organization. As one respondent expressed, "the board's willingness to start this work and to participate in it themselves" was necessary to embark on this journey.

Engage the board more intentionally in racial equity efforts.

Board diversity is one important step along a PSO's racial equity journey. The board's commitment to advancing racial equity goals and the allocation of adequate financial resources to support racial equity efforts is equally as critical – if not even more so. As findings show, PSOs have taken steps to advance the diversity of their Boards of Directors but have more opportunities to engage their board to focus on racial equity efforts.

"We contracted with a reputable organization to begin our work arround racial equity and healing. This brought credibility to our effort. Board and staff members participated in sessions alongside our members and this demonstrated our commitment to the process."

-PSO respondent

Foster a learning and growth mindset across all levels of the organization.

Several PSOs commented that "having all staff, including senior leadership, believe in the importance of racial equity work and being open to learning and growing" was a key factor to advancing their racial equity strategies. Moreover, PSOs shared that when staff, senior leadership, and board members were willing to have open dialogue and candid conversations, doors opened to additional learning opportunities. However, PSOs also commented that within their organizations there were members who were not ready to take on issues related to racial equity and, in such instances, the momentum of the other members was instrumental to "not leave more reluctant members behind."

Provide safe and supportive spaces to discuss difficult conversations about race, racial equity, and racism.

As noted in previous sections, PSOs reported they have not had an internal focus on their organization's learning culture and provided limited, if any, spaces for reflection and learning. This presents a significant challenge as it is not feasible to move the needle on internal racial equity efforts without providing safe opportunities for staff, senior leadership, and the board to share, reflect, and grow. Several PSOs reflected on the need to hold ongoing conversations about racial equity and stressed the importance of "developing safe spaces for candid discussions."

Partner with organizations that have deep racial equity expertise.

As mentioned earlier, PSOs recognized that there are organizations that have advanced racial equity and can provide a wealth of information and resources. PSOs reported that they were partnering with these organizations and these connections helped them focus more intentionally on their racial equity work. A respondent elaborated, "we've partnered with many organizations and individuals this year that have empowered us with knowledge and because of them we have been able to bring programming internally to our staff." Partner organizations included ABFE - A Philanthropic Partnership for Black Communities, Philanthropic Initiative for Racial Equity (PRE), Race Forward, Equity in the Center, TrueNorth EDI, Interaction Institute for Social Change (IISC), among others.

> "It's challenging work to re-examine how you view your world, your work and yourself and our staff has been really open to that."
>
> -PSO respondent

Pursue external grant funding to partner with skilled consultants.

Throughout the assessment, PSOs noted that a challenge to moving this work forward continues to be the lack of resources. PSO staff reported being stretched thin with other work and having limited time to focus on advancing racial equity efforts. PSOs expressed that to advance these efforts, organizations need at least one full-time staff person dedicated to this work and that was not feasible for nearly all organizations. PSOs relied on the support they received from consultants and stated that grant funding was key to bringing skilled consultants onboard. One PSO elaborated further, "We have a very small budget. While staff enthusiastically embrace this priority, we need expert support to work on it. We've been able to use some grants to hire a consultant in 2019. Funding to continue with the outside consultant hasn't been secured yet for 2020 but is quite possible. Otherwise, staff and members will continue the work, but it may not be as deep." Importantly, PSOs asked that grants and funding for these efforts be continuous. PSOs with people of color majority staff expressed a lack of funding for their organizations "to go deeper on racial equity." These organizations added that there is a limited pool of skilled consultants that have a broader context of the Indigenous, Latinx, Native American, and Asian American experience.

"Lack of funding and awareness of Indigenous Issues. Funding to Indigenous Peoples remains underfunded in comparison to other thematic areas and populations. (There exists) inequity and lack of funding accessed by Indigenous Peoples. Likewise, Indigenous Peoples are often left out of the conversations relating to DEI."

-PSO respondent

PSOS' CALL TO ACTION

As framed in the opening, the findings shared through this report come at a time of great social and economic change. We are undoubtedly living through historic times as the COVID-19 pandemic has plunged the country into a crisis, laid bare our deepest inequities, and amplified the stark injustices that are embedded throughout our interrelated structures and systems. We are facing our nation's legacy of racism and finding ourselves in the midst of a global reckoning on racial justice as testimony to the leadership and organizing of communities of color. We honor the efforts of the Black Lives Matter movement and call on the philanthropic field to help chart a different future with new urgency and newly recognized voices. This moment in time presents a pivotal point for the philanthropic field – an opportunity to deepen a focus on long-term structural and systemic changes that are needed to address the persistent racial and economic inequities that are continuously reinforced by dominant structures, policies, and practices. This is a call for PSOs to galvanize as a sector around racial equity, and model how to advance racial equity, internally and externally.

For individual PSOs:

- **Look within.** As the evidence shows, most PSOs have not turned inwardly to examine how their organizations promote racial equity and, conversely, how they may unintentionally propagate racial injustices within their organizations. PSOs have an opportunity to design or redesign their internal structures, policies, and practices to advance racial equity. Several PSOs shared that focusing on their internal racial equity helped them improve the external programming offered to members and provide better support and guidance to members. While, as noted above, PSOs reported that resources – both financial allocation and staff capacity – were a limitation to advancing internal efforts, several PSOs offered that organizations can begin their internal racial equity journey by starting small. Achieving racial equity is not a race to a finish line; it is an iterative process that takes time and dedication. Some PSOs also offered that it takes creativity if resources are limited, but it should not stop organizations from starting their journey towards internal racial equity. They offered suggestions such as enlisting the support of Board members, using resources flagged for external programming to support internal efforts, and leaning on peers for suggestions. Peers are a great source for guidance, inspiration, and motivation to take the hard next steps necessary to go beyond business as usual and achieve systems-level change.

- **Prioritize racial equity efforts – starting with the Board of Directors.** For PSOs, the call to action is to consider internal work as required and constant in order to meaningfully contribute and sustain efforts to advance racial equity. This will ensure that no matter the level of broader societal action, PSOs can be counted on to keep building capacity to end structural racism in philanthropy. The level of reported board commitment combined with reported lack of action highlights an opportunity for PSOs to examine and break through this dynamic and advance racial equity progress. The shift from the Emerging to the Establishing stage of development requires a level of effort and commitment associated with transformative change. And it necessitates commitment across all levels of the organization – particularly the support of the Board of Directors.

- **In order to decrease and ultimately end systemic racism in philanthropy, the sector needs many more PSOs at the Establishing and Reinforcing levels of internal capacity.** Especially in the current wave of reform, this kind of change is certainly possible. Those who are inexperienced with organizational transformation with a racial equity lens should seek support from others who have taken and learned lessons from their journeys.

- **Further explore the role of PSOs in advancing racial equity efforts among members in light of their own internal racial equity journey.** Nearly all PSOs place more importance and intentionality on the external racial equity programming offered to members than their internal efforts. For PSOs that have not done the intentional work of focusing within their organization, this external strategy has the potential to do more harm than good. We recognize that there is a wide range of experience and expertise around racial equity among PSOs. Therefore, we do not suggest that PSOs stop their external racial equity programming, but instead that they re-examine assumptions of what the organization's role is and should be in advancing racial equity efforts among their members. There also exists a deep bench of experts grounded in racial equity as well as a plethora of research, tools, guides, and other resources to support their nascent internal efforts.

-

As a sector:

- **Develop mechanisms to offer, strengthen, and support external programming across the field.** The findings from this assessment surface the need for deeper conversations in the PSO sector about whether to build the external programming capacity of all PSOs to support their members to advance racial equity, or to identify those to lead external programming depending on PSOs' capacity, expertise, and resources. PSOs can provide external programming by offering supports directly, partnering with other organizations, or offering resources to their members. Advancing racial equity also invites us to consider how our sector can shift away from isolated, competitive processes to a more networked approach to serving all of our members more collectively, leveraging our own and others' assets more intentionally. Importantly, one of the dangers related to the lure of funding is organizations inevitably propose new tools and new products to secure the grant even if there is not actually the need for something added or if they are not the appropriate ones to create them. A PSO partner suggested the importance of "knowing what you're good at and who your partners are" and building on that as a viable and sustainable approach.

- **Move from good intentions and conversations to actionable steps.** This current moment in history calls for the field of philanthropy to move from speaking good intentions to engaging in tangible efforts and developing actionable steps that build on the extensive efforts of PSO partners. These steps should be grounded in the needs, strengths, and learnings of PSO staff and leaders as articulated in this assessment and other bodies of theory and practice. These steps should ensure that PSO partners have clear motivations, the resources and supports they need, plans for sustainability, and opportunities to engage with each other. As a field, it is also important to consider how the gender dynamics of those completing this report (88% female, 57% white) can point the way to both deeper understanding of systemic challenges, such as white women facing systemic sexism on boards, and more customized support and training, such as training for white women leading racial equity. In addition, the sector needs to consider the funding of racial equity as required and responsible reparations for the sector's complicit lack of racial consciousness throughout our history. Philanthropy has a role to play in ending systemic racism in our communities, and it can start by ending structural racism in philanthropy. And, PSOs can use their current set of resources to keep their transformation moving forward. Waiting for additional resources perpetuates the dynamic of our sector watching social change happen.

UNITED PHILANTHROPY
FORUM

Journey Toward Racial Equity

Baseline Findings from the Racial Equity Capacity Assessment

March 2021