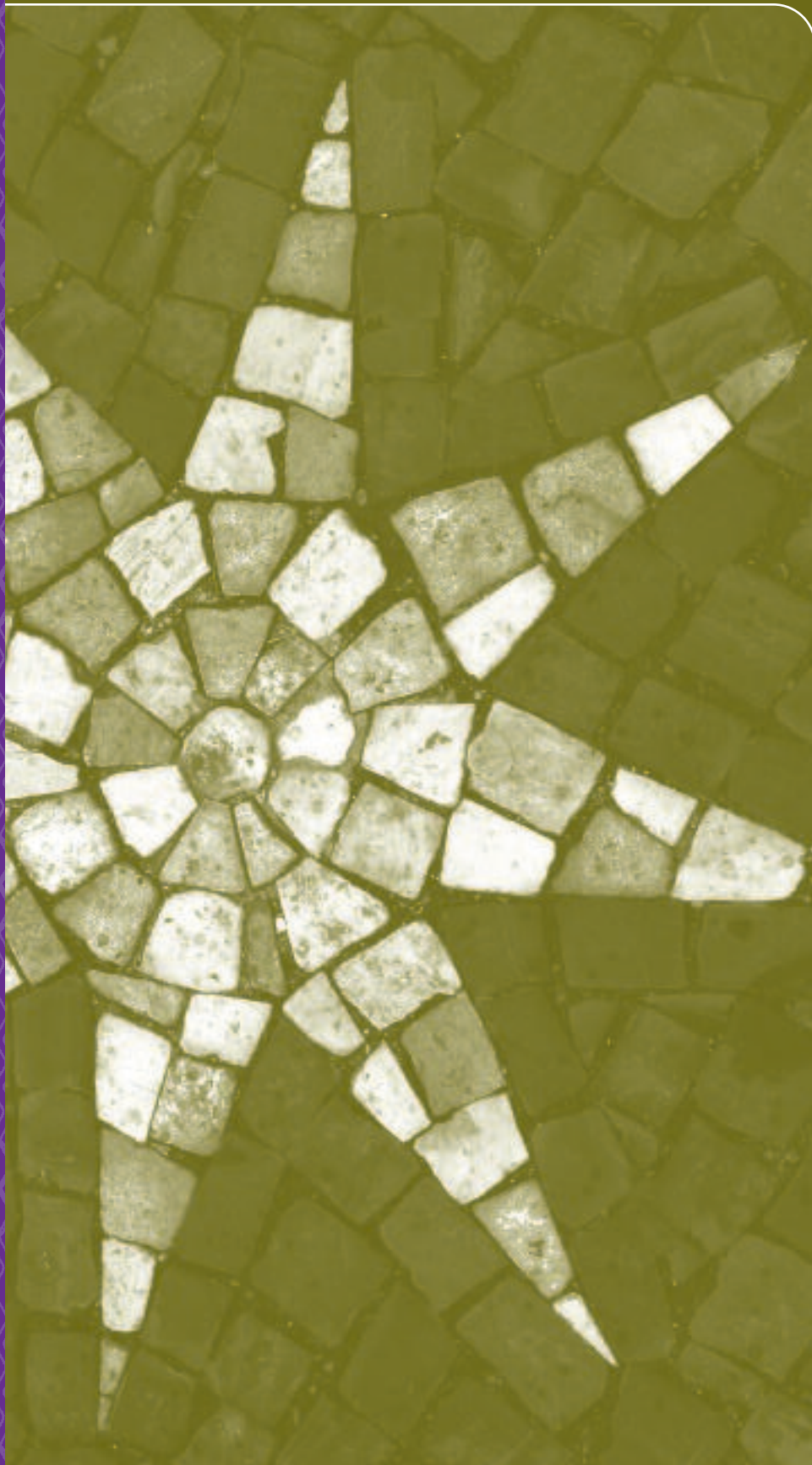


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In collaboration with



DIVERSITY IN ACTION:
Strategies with Impact

FOREWORD

“Diversity in Action: Strategies with Impact” is the third monograph in a series of publications on diversity and inclusion made possible through generous support from the Charles Stewart Mott Foundation, a long-time supporter of increasing racial equity in society.

This monograph features foundation CEO and trustee reflections on the impact of a broad array of diversity and inclusiveness efforts. They address many of the issues foundation leaders face every day including how to ensure that your grant resources have the most impact possible. The authors have identified diversity and inclusion as important tools in advancing their organizational missions and program goals. Their strategies range from institutional issues such as board development and staffing to community outreach and redefining grantmaking success.

As the field of philanthropy continues to identify new ways to fulfill donor intent and to meet grantee and community needs, diversity and inclusion have become very important assets for many foundations and grantmakers. By highlighting the work of colleagues who are making progress in advancing meaningful social change, we hope to encourage others to continue to improve their voluntary efforts as well.

In addition to the practices of colleagues from within our sector, we can also look to other sectors such as business and government. These two sectors are arguably ahead of philanthropy today in the diversification and inclusion of its workforce. As we seek to be leaders of innovation, and as we continue our commitment to serving the common good, it is important that we continue to improve inclusive practices within our sector.

Although positioning your foundation for greater impact amidst our current economic uncertainty is challenging, our nation’s economy and the global marketplace will rebound. Now is an opportune time to consider how to bring many diverse voices and perspectives to the table to advance your work as we continue to set high expectations toward:

- recruiting the best and brightest talent who possess deep and specific knowledge about the communities you seek to serve;
- growing internal talent and the inclusion of next generation voices; and
- improving organizational effectiveness throughout every facet of your grantmaking and operations.

Furthermore, we applaud those featured here and the work of others who help to advance the field with persistence and commitment, and who have the generosity of spirit to share their successes and challenges with their colleagues.

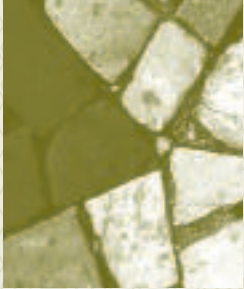
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A DURABLE COMMITMENT TO LEADERSHIP: THE SAN FRANCISCO FOUNDATION

Sandra R. Hernández, M.D. and Kurt C. Organista, Ph.D.

The San Francisco Foundation's president and board member share the organization's strategy of investing in local leaders in the community and at the institution to maximize diversity's impact on program effectiveness.

The San Francisco Foundation has been identifying, cultivating, and amplifying civic leadership as a matter of mission for more than 25 years. We believe that reservoirs of social assets exist in all of our neighborhoods and communities—even those with significant disparities of opportunity and challenging circumstances. These leaders are working on behalf of the public good without expectation of accolades. But when these community risk-takers are given support, we believe they become beacons of change leveraging the power of civic engagement. Such conviction comes from our board of trustees, program officers and staff, many with these very same personal backgrounds.

San Francisco's community leaders come in many forms—newcomers, congregations, elders, youth, single mothers, and early career professionals. Our foundation has been reaching out to them and growing this leadership through two programs refined and fine-tuned over and over again since the early 1980s. While one program grows leadership at its very neighborhood core, the other grows leadership by incubating it from within our institution.

Building Leaders to Build Bridges

Through the Koshland Civic Unity Fellowship Program, The San Francisco Foundation has identified and supported the work of more than 300 fellows—natural and accomplished leaders from more than

20 neighborhoods. The neighborhoods are not only characterized by their high rates of low-income families and dramatic demographic shifts, but also by their high degree of resident activism. The social assets of these neighborhoods are on the brink of expansion as their leaders become “bridge builders” to government, philanthropy and the corporate sector. This program deliberately enlarges their networks and their collective civic problem solving, and in turn, these grassroots leaders offer the foundation a constant flow of information. What we learn from them helps shape our program priorities and the allocation of our resources. As an endowed program of the foundation, we have invested over \$12 million in support of these fellows and their neighborhood projects since inception.

In 1982, the foundation also launched the Multicultural Fellowship Program with a challenge grant from the Ford Foundation. Our board and staff so valued this program, we not only rapidly institutionalized it, but further honed its strategies and increased our financial support of the program over time with the advice of several dedicated alumni fellows themselves. The program invites early career professionals to work deeply in one of the foundation's grantmaking areas for two years. It also offers the fellows formal leadership training, career counseling, mentorship and meaningful decision-making opportunities. Developed as a pipeline for future

public service leaders, more than 55 professionals have been a Multicultural Fellow, a vast majority of whom have gone on to leadership roles in philanthropy, municipal government, or at large regional or national non-governmental organizations.

The impact of the fellows on our foundation also has been enormous. The fellows bring to our foundation their rich set of experiences, ideas, and fresh perspectives increasing our cultural competency, and that of the civil society organizations where alumni later serve and lead. Many fellows have designed and launched projects in collaboration with our staff that have become new programs here and

The impact of the fellows on our foundation has been enormous. The fellows bring experiences, ideas, and fresh perspectives increasing our cultural competency.

elsewhere. Annually, the foundation invests over \$200,000 in the Multicultural Fellowship Program—a worthwhile investment not only for our foundation, but also for the entire Bay Area and beyond.

To understand the durable commitment of our foundation to cultivate diverse leadership, however, one must appreciate the evolution of our governance structure. Created initially as a "community trust," the foundation was founded more than 60 years ago by Dan Koshland, Sr., a highly successful businessman for whom the Civic Unity Fellowship Program is named. He had a profound confidence in the power of individuals to address stubborn social challenges and he championed civic participation as a necessary strategy to succeed at this. But the board

itself began with only seven trustees all appointed by institutional leaders such as the president of Stanford University or the chair of the League of Women Voters. To tap the total range of talents and expertise available to us throughout our region, the board knew that it would have to expand in number and composition.

The board then took extraordinary measures to achieve this end by transforming itself from an externally appointed board of a trust to a public benefit charity with the power to appoint its own leaders—individuals who would collectively represent our entire community. Now an 11-member board, The San Francisco Foundation has one of the most diverse boards among all foundations across the country.

But we still have much to learn and absorb, and then to translate into effective solutions. Therefore, our board and staff continue to take advantage of the Bay Area's diversity to help us improve our programs by inviting smart leaders from many walks of life to come together as "leadership extenders" for our key programs. For instance, the Koshland Committee is comprised of members of the founder's legacy family, former Koshland Fellows, scholars from UC Berkeley, and expert nonprofit leaders. Not only is it responsible for oversight of the Koshland Fellowships, but it also approves the final selection of neighborhoods and fellows.

The San Francisco Foundation embraces diverse leadership as a necessary prerequisite to effective programs, policy design, and system change. We witness, invest in, and live this conviction daily, and proudly continue to draw strength and inspiration from our diversity.



PHILANTHROPY AND INDIAN COUNTRY: NORTHWEST AREA FOUNDATION

Kevin F. Walker

The president of the Northwest Area Foundation shares lessons learned from its 75-year history of working with Indian Country.

An evocative photograph hangs in the St. Paul, Minnesota headquarters of the Northwest Area Foundation. Louis W. Hill, the organization's founder and son of railroad pioneer James J. Hill, stands in the mountains of Montana with members of the Blackfoot nation. One of the Blackfoot men is pointing upward, and Mr. Hill gazes toward the heights. The image evokes a spirit of cooperation and adventure—but so much is left out of that picture. In the century since it was taken, many Americans have participated in an affluence that remains the envy of the world, while Native Americans have suffered the most severe poverty rates in the United States.

Our foundation serves the eight states where the Great Northern Railway once operated—magnificent country including portions of the Great Plains, Rocky Mountain West, and Pacific Northwest. This railroad running through Blackfoot country played a crucial role in opening the Northwest to settlement and economic development—but the railroad's progress was not of, by, or for the Native people whose lands it crossed. For our foundation, therefore, funding in Indian Country is a matter of justice and common sense. Today, Native poverty rates range from 20 to 50 percent; the poverty rate for Native Americans is typically two to three times higher than for whites. Native concerns have informed our

thinking throughout our 75-year history and remain central to our mission—to help the people, organizations and communities of our region reduce poverty and achieve sustainable prosperity.

Although there are certainly funders who believe philanthropy ought to address the devastating intergenerational poverty and other challenges on reservations and in urban Indian communities, the search

Native communities are replete with evidence of failed philanthropic undertakings by outsiders, and we have had our share of failures as well as successes.

for effective ways to engage these communities can be discouraging. Native communities are replete with evidence of failed philanthropic and economic development undertakings by outsiders, and we at the Northwest Area Foundation have had our share of failures as well as successes.

A History of Lessons Learned

Approximately one-third of our grant dollars over the past decade has been deployed for Native-re-

lated projects. Among our largest funding commitments are grants that established the Indian Land Tenure Foundation and launched multi-faceted poverty reduction projects on the Cheyenne River, Turtle Mountain, and Lummi reservations. This commitment to Indian Country is demonstrated by our staffing practices as well, and reflected around our board table. In short, we've learned to be intentional about integrating the perspectives of American Indians into the governance, staffing, and funding patterns of the foundation.

We cannot offer a road map, but we can share a few basic lessons.

Recognize the diversity within Indian Country.

There are nearly 600 federally recognized tribes in the U.S., including 74 in our region alone. Each is a sovereign nation with a unique culture. Urban areas can be home to members of hundreds of tribes. One

We have learned to be intentional about integrating the perspectives of American Indians into the governance, staff, and funding patterns of the foundation.

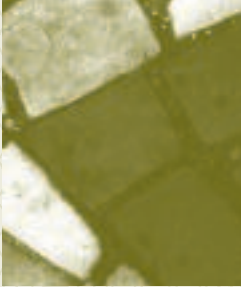
of our foundation's missteps in recent years was to spur the development of a single anti-poverty strategy for urban Indian communities all across our region. This was a misguided effort that took too little account of the diversity of these communities.

Don't lead with money. Where need is so profound, the funder who arrives with big promises and a bulging wallet will spark intense competition for control of the resources. Acting on this lesson is tough for foundations, because money is central to what we have to offer. Nonetheless, it is imperative to structure philanthropic engagement in Indian Country in such a way that the communities' assets and aspirations, not the distorting power of the dollar, drive the activity.

Rethink the "three sectors" paradigm. All three sectors offer compelling opportunities for philanthropic investment in Indian Country—if we proceed with patience and take the time to gain cultural competence. These “sectors,” however, are not distinct but overlapping, with the same individuals and families often playing major roles in tribal government, nonprofits and business enterprises. It is crucial to engage tribal nations with respect, but make no mistake: the political winds in tribal governments change fast and can scuttle even the best-laid plans. The nonprofit sector in Indian Country, meanwhile, is less robust than elsewhere, but can provide a vital opening for partnership and investment in capacity-building. Finally, Native-owned private enterprise on most reservations is minimal, but that can change.

Practice humility. Arriving on a reservation or in an urban Indian community with hard-and-fast prescriptions for how to make things better simply won't work. Many Native people have suffered miserably in urban areas for decades. Reservations, meanwhile, face problems whose source is as obvious as it is overwhelming—the dispossession of indigenous nations throughout the history of European settlement on this continent, a process we are still living. Effective philanthropy must engage, listen, learn, and adapt, not dictate.

Making a positive difference in Indian Country is not easy—but it is entirely possible, just as it is possible to envision an America in which our first nations are thriving. The challenge for foundations is to help Native Americans leverage their human, cultural, and natural resources to make lasting change. To invest in the future of American Indians is one of the most exciting imperatives facing philanthropy—whose wealth, like the wealth of American society in general, is profoundly entwined with Native poverty and struggle.



DIVERSITY CANNOT BE TWITTERED: JPMORGAN CHASE FOUNDATION

Kimberly B. Davis

JPMorgan Chase Foundation's president explains that maximizing the value of diversity requires sustained focus and intentionality.

Information has become so immediate and plentiful that we all seem to have accepted the notion that everything can be characterized using little more than a tidy form of shorthand. But diversity cannot be “Twittered.” Here at JPMorgan Chase, we understand that if we are to benefit from diversity's contributions, we need to respect and embrace its complexity and challenges.

Serving the Global Main Street

While New York is home to our worldwide headquarters, which is a critically important market to our franchise, our corporate reach and responsibility goes far beyond the five boroughs. JPMorgan Chase employs 223,000 people in 60 countries around the world, and we have a very real “Main Street” employee presence in 48 of the United States. Our customers, employees and neighbors present us with complex and often unique challenges reflecting the vast number and variety of cities and communities we serve across the globe.

It takes a team of professionals, with feet on the street and ears to the ground, building a deep understanding of issues that are most important to their communities, and operating within a disciplined and consistent global framework.

It takes diversity. Racial, cultural, and intellectual diversity.

While all of the communities we serve certainly share some common challenges in this economic environment—rising home foreclosures and unemployment, for example—their market dynamics and cultures are vastly different. Our company, and by extension, the JPMorgan Chase Foundation team, is built around a group of professionals who bring diverse backgrounds and thinking to our work to help us gain access to these differentiated communities. Diversity isn't just fair; it makes business sense.

Our team members bring diverse backgrounds to help us gain access to these differentiated communities.

And, just as our team is built around this notion of diversity, our philanthropic strategy focuses on the goal of creating stable and healthy communities that are defined by diversity—whether the metric is ethnicity, race, gender, thought or economics.

Great Solutions Take Diversity

At Spelman College in Atlanta, JPMorgan Chase is the lead sponsor of its Women of Color conference series, designed to stimulate diverse dialogue, provide professional development and learning opportunities, and to challenge participants to be active leaders in all of their communities. For the 300 par-

ticipants in this year's conference, the use of social networking was encouraged as a way to communicate with community leaders and elected officials to build coalitions.

In Columbus, Ohio, the firm is connecting grants to two separate organizations in an effort to provide economic and job readiness opportunities to the residents of a diverse, high-poverty neighborhood. In addition to supporting General Education Development (GED) test preparation classes and examinations at a local settlement house, JPMorgan Chase is underwriting tuition credits to enable the graduates of the GED program to attend Columbus State Community College and work toward a professional cer-

Diverse leadership teams recognize and overcome problems differently. Like-minded teams may get stuck on the same issues in the same way.

tification or degree. More than 10 percent of the adults who have earned their GEDs among the first two classes of the program's graduates have taken advantage of the opportunity to pursue further study at Columbus State.

Granted, it is neither simple nor expedient. But, I believe it is the most responsible way for our firm to invest in the diverse communities we serve. In both of these cases, our grantmakers' deep knowledge of the needs of the local residents is complemented by the diverse perspectives of our national team as the grants were presented and molded via our foundation's national roundtable process.

The Challenge of Relevant Diversity

I have always felt that diverse leadership teams recognize and overcome problems differently. Like-minded teams may get stuck on the same issues in the same way.

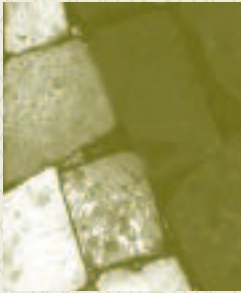
University of Michigan professor Scott Page writes in *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools and Societies* that the performance of diverse teams exceeds that of like-minded groups. Diversity yields stronger outcomes. However, Dr. Page contends, "Being diverse in a relevant way often proves hard. Being diverse and irrelevant is easy."^{*} That's why it is important to get beyond the obvious definitions of diversity and recruit and develop talent whose diversity may be defined in more subtle ways.

The causes and potential solutions of Appalachian poverty can differ dramatically from the challenges of urban poverty. The people struggling through both scenarios may look the same, but there are important differences in how philanthropies and non-profit organizations can work together to alleviate their unique suffering.

The causes of the foreclosure crisis in the industrial Midwest, largely related to weakening economic conditions and rising unemployment, differ dramatically from the factors that have driven housing challenges in California, Nevada and Arizona, where a rapid devaluation of home prices has left thousands of homeowners owing more in mortgage debt than their property is worth.

These issues and solutions can't be articulated in 140 characters or less. It takes a deep-rooted understanding and a diverse team of professionals to drive positive change in our communities.

^{*}Page, Scott, E. *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*. Princeton: Princeton University Press 2007, p.25.



DIVERSE BY DEFINITION: THE CHICAGO COMMUNITY TRUST

Terry Mazany

The president of the nation's second oldest community foundation discusses the need to reach out to a rapidly changing demographic to fulfill a community-focused mandate.

The founding ideal of a community foundation is to reflect and represent the communities it serves and meet the most pressing needs of those communities. Community foundations are inherently the public face of philanthropy, and by definition, that face is diverse. While throughout our field's 95-year history we have been imperfect in the realization of this ideal, like our country's enduring pursuit of democracy, we continue on a path toward a "more perfect union."

As the country's second oldest community foundation, our tribute to The Chicago Community Trust's heritage is a display of photographs of each board member over our 94-year history. Arranged in chronological order, the photographs provide a visual timeline of the board's first women, African Americans, and Latinos. These photos do not tell us whether individuals were gay or disabled, professed one religious tradition or another, or whether they came from modest backgrounds. But this record does reflect the slow and steady progress of our society and our institution with regard to inclusion.

The Tipping Point

The Trust reached a tipping point in the 1990s with the inclusion of new members who were thoughtful and expressive of our need to consciously reflect and represent the diversity of metropolitan Chicago. And after the turn of this new century the Trust

gained the right combination of board and executive leadership to elevate diversity as a priority for the foundation. The first step was to learn and understand. A combination of seeking best practices and engaging with consultants to gain the knowledge and training provided an important starting point.

Our institutional role as change agent was crystal-

Besides increasing board and staff diversity, we conducted various studies about how we serve specific populations.

lized with the recognition that we could and should lead by example. We began to look at how we address and relate to our community as an institution, how we allocate funds to our programs and how we recruit new board members and staff. Besides increasing board and staff diversity, we conducted various studies about how we serve specific populations such as those with disabilities, the growing Latino community, as well as other community assessments—commonplace practices for community foundations. These efforts culminated in formal policies and practices communicated internally and externally so we hold ourselves accountable to the goals we have set.

Leadership begins at the board level and our board is committed to reflecting our community's diversity in its membership. Every available opening is a new opportunity to enrich our board's diversity. The board's commitment translates into continuous attention to diversity throughout the organization's priorities and operations—and as president, I have the benefit of this clear and consistent guidance.

Diverse Donors

Our commitment to diversity and inclusion is also expressed in our relationships with our donors. Donor diversity is particularly imperative as our country, following many of our cities including Chicago, will become “majority minority” by mid-

Building on the leadership stature and social networks of our diverse board members, we invited civic leadership from the African American and Latino communities to organize advisory boards and establish the African American Legacy and *Nuestro Futuro*, the Latino Heritage Fund. The Trust's board demonstrated its commitment by awarding these groups \$200,000 per year for five years for grantmaking directed by these community boards, until the endowments have grown sufficiently for self-sustaining grant programs.

Progress Means Diversity

A true measure of our progress, however, has not just been the quantification and documentation of our diversity achievements—it is found in the transformation of how we work and what we value. It is embodied in the sense of inadequacy and dissatisfaction if we were to find ourselves with insufficient diversity. The

key to building our board, staff and donor diversity has been this dogged determination. Our response to “we couldn't find any qualified candidates” has been to look for failings in our recruitment practices, and to sometimes start over without viewing the delay as an annoyance or inconvenience.

Community foundations have an obligation based on the implied social contract of our charter with the donors and communities we serve. We are, by definition, place based; and we are, by definition, required to respond to meet the changing needs of the place we serve. It follows that to meet these changing needs we must both represent and reflect the diversity of the place we serve.

Donor diversity is particularly imperative. We cannot afford to be constrained by a foundation model predicated on the wealth of a narrow range of local citizens.

century. We cannot afford to be constrained by a foundation model predicated on the wealth of a narrow range of local residents. Our entire community benefits from an ever expanding pool of philanthropists who engage in highly effective giving.

To this end, our board members saw a need and opportunity to formally engage civic leaders from Chicago's diverse communities. In 2003, we began organizing donor vehicles to promote and support the practices of philanthropy in communities that have been historically excluded from institutional philanthropy, to build endowed resources for the specific needs of these communities, and support grantmaking strategies that could reach deep into communities to find the promising new organizations and next generation leaders.



INDIAN GIVERS: FORMALIZING CENTURIES OF PHILANTHROPY

FIRST NATIONS DEVELOPMENT INSTITUTE

Michael E. Roberts

As philanthropy in Indian Country moves towards institutional vehicles, the president of First Nations Development Institute argues for community-driven and community-owned structures.

The case for Indian-directed and controlled philanthropy is summed up by American Indian and American author, poet, theologian, and historian, Vine Deloria Jr., in his 1969 book *Custer Died for Your Sins*, "The American public feels more comfortable with the mythical Indians of stereotype-land who were always THERE. These Indians are fierce, they wear feathers and grunt. Most of us don't fit this idealized figure since we grunt only when overeating, which is seldom. To be an Indian in modern American society is in a very real sense to be unreal and ahistorical."*

When contemplating American Indians in America's philanthropic world, it is very unreal as there is little evidence that Indians exist at all. Foundation grants to American Indians amount to less than one-half of one percent of philanthropic giving. Compounding this, much of the money given in the name of Indians and Indian programs is actually being given to non-Indian controlled museums and universities, limiting Indian participation to objects of study.

Formalizing Tribal Philanthropy

Tribal nations, never comfortable with their hands out, are stepping up to formalize their centuries of philanthropic giving. As they do so, however, Indian

Country must shed a great deal of 'colonial' baggage in order to build these institutions. First, tribes must maximize their traditions of generosity and put them into action to improve Indian communities. Second, tribes need to build hybrid philanthropic structures that link their assets with their needs and support the visions they create for themselves. Furthermore, Na-

The very process of building our own philanthropic institutions demonstrates the way in which Indians are operating from a culturally-based voice of strength, assuredness and accomplishment.

tive funds must continue to look for partners with mainstream philanthropies who embrace this empowerment dynamic.

Ironically, outdated stereotypes of Indians incapable of managing their own assets have now been supplanted by a new stereotype of rich gaming tribes greedily keeping casino riches to themselves. Facts refute this. Out of the 367 gaming tribes in 2004, the 55 largest facilities accounted for nearly 70 percent of total Indian gaming revenues. We know, however, that these 'riches' are not that large in the greater con-

text of the need and past obligations to Indian Country. If all of the profits from Indian gaming were distributed on a per capita basis, Indians living in reservation communities would reach a per capita income of less than 50 percent of the average person in the United States. This unfortunate myth of Indian riches perpetuates a grave injustice to Indian people, who continue to lag all other racial and ethnic groups in the United States on every metric of economic and housing security.

Because they are sovereign governments, tribes may design, operate, and regulate their own charitable-giving programs through a broad range of organizational structures. Indian philanthropic vehicles generally fall into three primary categories: Natural Tribal Grantmaking Foundations, Formal Tribal Grantmaking Foundations, and Formal Native Nonprofit Grantmaking Organizations.

The first type of foundation, a government program of a sovereign nation, includes Internal Revenue Code Section 7871 organizations, and is not regulated by the IRS under its better known 501(c)(3) code. The variety of the governance and grantmaking structures for this type of foundation range in formality. The second type of foundation, also affiliated with a specific tribe, opts for recognition under the 501(c)(3) code of the IRS to facilitate donor contributions and to shield the foundation from potential tribal politics. The third type, not directly affiliated with a specific tribe, addresses an array of Native communities both on and off reservations. All of these Native grantmaking entities offer grants to support Native-defined issues and causes and often include awards to local mainstream organizations.**

Our Philanthropy on Our Terms

First Nations Development Institute represents a Native-controlled public foundation. Our strategic grantmaking is careful to honor tribal governments, as well as Native nonprofits, and gives grants to both.

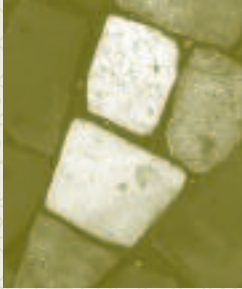
More than money, First Nations provides significant technical assistance to new or emerging Native nonprofit groups to build their capacity. Most importantly, First Nations is dedicated to funding community-driven programs, ones that are conceived of, managed by, and created for Native people. After three decades of successful implementation, First Nations believes in the critical added value provided by a Native-led foundation.

Formalized Indian philanthropy today, while still in its infancy, is looking to build effective grantmaking foundations, on tribes' own terms. Today there are over 54 of these groups in the U.S. that are working to be value-centered and responsive to the Native communities they serve. Increasingly, with the help of technical assistance from First Nations, they are demonstrating sound grantmaking practices and rigorous financial management. This will continue into the future.

Vine Deloria, Jr. said it best when he noted that, "Indian people are re-examining themselves in an effort to redefine a new social structure for their people." The very process of building our own philanthropic institutions demonstrates the way in which Indians are operating from a culturally-based voice of strength, assuredness and accomplishment rather than in a moral voice of pity, helplessness, and rescue. This is where American Indians must and will exist in America's philanthropic reality, and deserve an equal seat at the philanthropy table with other mainstream grantmakers.

*Deloria, Vine Jr. *Custer Died for Your Sins*. New York: The Macmillan Company. 1969, p. 10.

**In 2007, First Nations Development Institute published "Integrated Asset-Building Strategies for Reservation-Based Communities." Chapter Four of this publication examines Native Philanthropy in depth, and presents possibly the best research on the topic. To download this publication, please visit www.firstnations.org



A FAMILY-COMMUNITY PARTNERSHIP: MARY REYNOLDS BABCOCK FOUNDATION

David Dodson and Mary Mountcastle

The Mary Reynolds Babcock Foundation, a family foundation, has seen the tangible benefits of bringing diverse perspectives from the community to the highest levels of leadership in the foundation.

As longtime trustees (one family and one not) of the Mary Reynolds Babcock Foundation, we have witnessed an evolution in the foundation's rationale and strategy for diversifying our board to advance our mission—to help people and places in the South move out of poverty.

Since our founding in 1953, the board has sought non-family members who could bring expertise and varying life experiences to help round out the board's collective perspective. In fact, Mary Babcock's husband, Charles, recruited educator and urban planner Paul Ylvisaker onto the board after our foundation partnered with the Ford Foundation on a groundbreaking anti-poverty initiative in the 1960s. He recognized Paul as one of philanthropy's great thought leaders and respected his incisive mind. And so started our history of listening to and engaging outside voices.

From Morality to Strategy

Initially, the foundation's commitment to diversity was more general and not strategic, stemming perhaps from a sense of moral purpose not necessarily tied to advancing our programs. But through deep discussions and strategic planning processes over the past 15 years, we began to understand that there was a mismatch between the agenda we had framed and the diversity of experience sitting around the table. A

leader in the region providing feedback on our new program in 1994 stated bluntly, "You can't succeed at this work [of addressing the barriers that race and class pose for poverty reduction] and look the way you do."

He was right, but we have learned that there are many talents and perspectives needed on a board. We needed to bolster skills and experiences that con-

A leader in the region providing feedback stated bluntly, "You can't succeed at this work and look the way you do."

tribute to our understanding of the pathways out of poverty in our region while at the same time assuring steady and astute governance of the foundation as an organization. Besides adding racial, ethnic and socio-economic diversity to our board, we also balance family/non-family, generational, geographical, professional, and communications styles to ensure an effective board.

We have found that our greater diversity has brought deeper knowledge about our work and potential grantees. The rich perspectives and capabili-

ties of an increasingly diverse board complement—and sometimes challenge—staff due diligence. For instance, one community-representative board member is a longtime resident of a low-wealth rural area and a writer who has a keen ear for authenticity when reviewing proposals or meeting with grantees.

We developed a useful process to identify board members that were not previously known to us.

Her wise ability to hear the authentic voices of the community has often driven the board to reconsider grant recommendations. Another member brought a deep knowledge of strategic communications at a time when we were learning about how to increase our effectiveness in that area.

In addition, our board members extend the capacity of our small staff to communicate our mission and program to potential grantees, potential partners or existing funders in the region. Ultimately, our commitment to diversity on moral grounds yielded improved effectiveness in our grants especially as we became laser-like in our focus on poverty over the years.

Bringing the Community on Board

Our commitment to diversity has been an evolution where each step has assiduously built on traditions established by family members. First, the older generation of family members makes it clear through actions and voice that we are one foundation board with shared responsibility for all decisions—family and non-family distinctions are ultimately immaterial. The entire board participates in the discussion when “family” issues arise such as a “legacy” grant or an estate gifted to the foundation.

Second, the foundation has built a culture of listening and learning where no one “voice” carries more weight. We build learning sessions into board meetings on topics ranging from investments to community issues and have activities such as an annual site visit to a cluster of grantees in various parts of the region so that we all build our shared knowledge.

Third, we have developed a shared leadership model between the board president and vice president and we rotate those positions regularly between family and community members. We also have clear conflict of interest policies so board and staff are transparent about relationships with grantees or vendors and absent from that decision-making process.

We do spend a great deal of thoughtful time on board recruitment and nominations. Over the past 15 years we developed a useful process to identify prospective board members that were not previously known to us. In addition to articulating precisely the talents, experience and perspectives needed, we also communicate these needed attributes to our networks of nonprofits and regional leaders and invite them to submit nominations. Our increasingly diverse board and staff have also widened our recruitment network itself making this process easier with time. All candidates are vetted through our board committee process ensuring “fit” with the existing group as well as commitment to the foundation’s mission.

Time and energy are required for this effort to succeed, but the investment is worthwhile. Our grantees, region and foundation have benefited from the greater effectiveness resulting from our commitment to diversity and inclusion.

ABOUT THE AUTHORS

The San Francisco Foundation



Sandra R. Hernández, M.D., is CEO of The San Francisco Foundation, the community foundation of the Bay Area that has awarded grants totaling more than \$776 million over the past ten years. She is an assistant clinical professor at UCSF School of Medicine and

maintains an active clinical practice at San Francisco General Hospital in the AIDS clinic. Prior to becoming CEO of the Foundation, she served as the director of public health for the City and County of San Francisco. Hernández currently serves on the boards of Blue Shield of California and Lucile Packard Children's Hospital. Her prior affiliations include co-chair of San Francisco's Universal Healthcare Council and President Clinton's Advisory Commission on Consumer Protection and Quality in the Healthcare Industry. She is a graduate of Yale University, Tufts School of Medicine, and the John F. Kennedy School of Government at Harvard University.



Kurt C. Organista, Ph.D., is associate professor of social welfare at the University of California, Berkeley. He teaches courses on psychopathology, stress and coping, and social work practice with Latino populations. He is interested in Latino health and mental

health, conducts research in the areas of HIV/AIDS prevention with Mexican/Latino migrant laborers, and is author of *Solving Latino psychosocial and health problems: Theory, practice, and populations*, published in 2007 by John Wiley & Sons, Inc. He currently serves on the editorial boards of the *Journal of Ethnic and Cultural Diversity in Social Work*, *Hispanic Journal of the Behavioral Sciences*, and *American Journal of Community Psychology*, as well as on the Latino Advisory Board for the California State Office of AIDS. He was previously a member of the Office of AIDS Research Advisory Council at the National Institutes of Health.

Northwest Area Foundation



Kevin F. Walker is the president and CEO of the Northwest Area Foundation. Providing strategic direction and executive leadership, he is spearheading the development of a new core strategy of making grants to proven or promising organizations doing effective

poverty reduction work in their communities or the region. His extensive work with nonprofits and philanthropies includes 13 years with the Charles Stewart Mott Foundation, including nine years as head of Mott's Pathways out of Poverty program. Most recently, he served as associate vice president for programs at Mott, where he conducted strategic planning, guided grantmaking and supervised evaluation for approximately \$50 million in grants annually. Walker has served on the boards of the Afterschool Alliance; Grantmakers for Children, Youth and Families; and Hispanics in Philanthropy. He has also been active on committees for the Council of Michigan Foundations. A graduate of Harvard University and the University of Michigan, he is also a poet and book reviewer.

JPMorgan Chase Foundation



Kimberly B. Davis is managing director of Global Philanthropy and president of the JPMorgan Chase Foundation, where she oversees the firm's global philanthropic activities, employee volunteerism and strategic corporate programs. With over 28 years of experience

in the financial services industry, Davis has held a wide range of responsibilities in both line and staff functions. The combination of her academic training and corporate experience has provided her with a unique set of skills that have enabled her to assume a diverse career. Davis is a trustee of Spelman College and the Kenan Institute at the University of North Carolina-Chapel Hill. She is on the board of

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The Chicago Community Trust



Terry Mazany is president and CEO of one of the nation's largest community foundations with assets of more than \$1.8 billion and grant making exceeding \$100 million that annually benefits more than one thousand not-for-profit organizations regionally. Prior to his appointment, he was the Trust's chief operating officer. He serves on the boards of Windy City Harvest; Chicago High School for the Arts; and chairs the Community Foundations Leadership Team, representing the nation's 700 community foundations on the Council on Foundations' board. He has earned a Masters in Anthropology and a Masters in Business Administration, with an emphasis on organizational change, from the University of Arizona. Preceding his work in the public sector, Mazany enjoyed his first career as an archaeologist and dendrochronologist.

First Nations Development Institute



Michael E. Roberts is the president of First Nations Development Institute. Roberts is of the Tlingit Nation: Gooch/Ch'aak' naa (Wolf / Eagle Tribe), Kóon Hít (Flicker House), Kooyu Kwáan (Kuiu Island People). His Tlingit name is T'eix Sháach Tsín. As president, Roberts is responsible for First Nations' overall vision and coordination for First Nations' programmatic, administrative, and grantmaking strategies. He also serves as the lead spokesman for communicating information about First Nations' projects, programs and models throughout Indian Country and the philanthropic community. Most recently, Roberts spent five years in private equity, and operated his own consulting firm, Camus Consulting in Denver, Colorado providing private equity investment advice to high-worth, angel investors. Roberts has also served in the finance departments for various for-profit subsidiaries of Alaska Native corporations, and for local IRA councils. Roberts has an MBA from the University of Washington with an emphasis in finance and operations management.

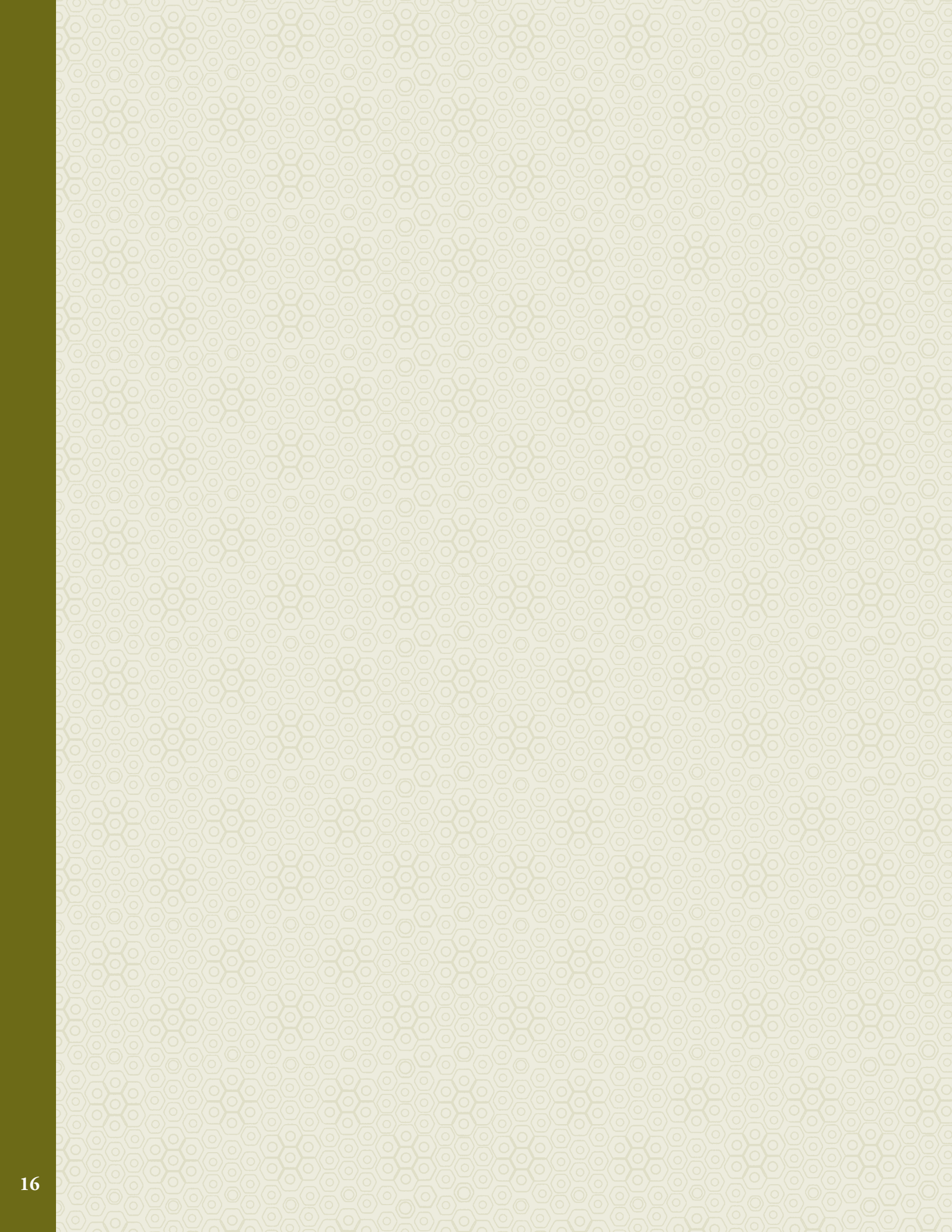
Mary Reynolds Babcock Foundation



David Dodson is a trustee of the Mary Reynolds Babcock Foundation, and president of MDC, Inc., where he has directed major projects to strengthen public schools and community colleges, address rural economic decline, create new philanthropic structures, and build multiracial leadership for civic change in the Carolinas, the Deep South, and Appalachia. He frequently speaks around the country on creating equity and opportunity for low-wealth communities and has advised major philanthropic foundations on strategies to address poverty. Dodson is co-author of several MDC publications including "Disconnected Youth in the Research Triangle Region: An Ominous Problem Hidden in Plain Sight" (2008) for The North Carolina GlaxoSmithKline Foundation, "State of the South 2007: Philanthropy as the South's *Passing Gear*", and "An Action Agenda to Spur Economic Success: A Report to the Distressed Areas Task Force of the South Carolina Council on Competitiveness" (2009). Dodson also serves on the boards of The Hitachi Foundation and the Center for Law and Social Policy.



Mary Mountcastle is a trustee of the Z. Smith Reynolds, Mary Reynolds Babcock and Triangle Community Foundations. She is a senior fellow at Self-Help, a non-profit community development lender that has made over \$5 billion in loans to over 55,000 low-wealth families across the United States. She currently serves on the boards of the Neighborhood Funders Group, the National Center for Family Philanthropy, the North Carolina Network of Grantmakers and the Corporation for Enterprise Development. Mountcastle previously was president of the Center for Responsible Lending, vice president of Economic Development for MDC, Inc., a nonprofit policy research center, and director of the Social Investment Program for MetLife Insurance. She has also worked at various levels of government. In 1992, she received the Scrivner Award for Creative Grantmaking from the Council on Foundations. She holds an MBA from the Yale School of Management and a BA from Williams College.



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