

# **BENCHMARKING DIVERSITY**

## A First Look at New York City Foundations and Nonprofits



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Download *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits* at [philanthropynewyork.org](http://philanthropynewyork.org) or [foundationcenter.org/gainknowledge/research/specialtrends](http://foundationcenter.org/gainknowledge/research/specialtrends).

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# Table of Contents

Tables and Figures _____	4
Preface _____	6
Executive Summary _____	8
<b>1. SURVEY OF NEW YORK FOUNDATIONS _____</b>	<b>11</b>
Introduction _____	11
About the Terms Used in This Report _____	11
About the Survey of New York Foundations _____	12
Types of Foundations _____	12
Overall Staffing Patterns _____	13
Staff Diversity _____	14
Diversity at the Chief Executive Level _____	16
Board Diversity _____	17
Policies Regarding Staff and Board Diversity _____	17
Populations Targeted by Grantmakers _____	18
Tracking Who Benefits From Grantmaking _____	18
<i>Grantmaking Targeted to Populations of Color</i> _____	19
<i>Grantmaking to Organizations Led by People of Color</i> _____	19
<i>Data Collection on Gender</i> _____	20
How Board Diversity Correlates With Other Diversity Measures _____	20
Foundation Activities Regarding Capacity Building and Developing Nonprofit Leadership _____	21
General Operating Characteristics of Surveyed Foundations _____	23
<b>2. SURVEY OF NEW YORK NONPROFIT ORGANIZATIONS _____</b>	<b>24</b>
Overall Staffing Patterns _____	24
Did This Study Succeed in Developing a Solid Estimate of the Diversity of NYC Nonprofit Organizations? _____	24
Staff Diversity _____	25
What is a “Minority-Led” Organization? _____	27
Targeting Population Groups _____	27
Foundation Support of New York Nonprofit Organizations _____	29
<b>3. CONCLUSION _____</b>	<b>32</b>

# Tables and Figures

## 1. SURVEY OF NEW YORK FOUNDATIONS

<b>Figure 1.</b>	Average Number of Employees at Staffed Philanthropy New York Grantmakers by Assets _____	13
<b>Table 1.</b>	Philanthropy New York Members’ Staff Size by Assets _____	13
<b>Figure 2.</b>	Racial and Ethnic Diversity of Philanthropy New York Members’ Staff by Job Level _____	14
<b>Table 2.</b>	Characteristics of Philanthropy New York Members’ Staff and Board Members _____	14
<b>Figure 3.</b>	Racial and Ethnic Composition of Philanthropy New York Members’ Employees _____	15
<b>Figure 4.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Employees _____	15
<b>Figure 5.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Support Staff _____	16
<b>Figure 6.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Paid Program Officers _____	16
<b>Figure 7.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Executive Staff (VP or Higher) _____	16
<b>Figure 8.</b>	Gender Diversity of Philanthropy New York Members’ Chief Executives by Assets _____	17
<b>Figure 9.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Chief Executives _____	17
<b>Figure 10.</b>	Racial and Gender Diversity of Philanthropy New York Members’ Boards of Directors _____	17
<b>Figure 11.</b>	Percent of Philanthropy New York Members with Policies Regarding Board and Staff Diversity by Assets _____	18
<b>Figure 12.</b>	Populations Targeted by Philanthropy New York Members _____	18
<b>Figure 13.</b>	Percent of Philanthropy New York Members with Policies Regarding Grantmaking Diversity by Assets _____	19
<b>Figure 14.</b>	Proportion of Philanthropy New York Members’ Grants That Serve Specific Demographic Populations _____	19
<b>Figure 15.</b>	Philanthropy New York Members’ Capacity-Building Grantmaking _____	21
<b>Figure 16.</b>	Philanthropy New York Members’ Capacity-Building Grantmaking by Assets _____	21
<b>Figure 17.</b>	Philanthropy New York Members’ Non-Monetary Capacity-Building Support _____	22
<b>Figure 18.</b>	Frequency of Philanthropy New York Members’ Board or Staff Conversations Regarding Building Nonprofit Leadership in Communities of Color _____	22
<b>Figure 19.</b>	Proportion of Philanthropy New York Members’ Grants That Are Designed to Build Nonprofit Leadership in Communities of Color _____	22

**2. SURVEY OF NEW YORK NONPROFIT ORGANIZATIONS**

**Table 3.** New York City Nonprofit Staff Size by Budget Size \_\_\_\_\_ 25

**Table 4.** Characteristics of New York City Nonprofit Staff  
and Board Members \_\_\_\_\_ 25

**Figure 20.** Racial and Ethnic Diversity of New York City Nonprofit Staff by  
Job Level \_\_\_\_\_ 25

**Figure 21.** Racial and Ethnic Diversity of New York City Nonprofit  
Chief Executives by Budget Size \_\_\_\_\_ 26

**Figure 22.** Racial and Ethnic Diversity of New York City Nonprofit Boards  
by Budget Size \_\_\_\_\_ 26

**Table 5.** Presence of Diversity Policies at New York City Nonprofits by  
Organizational Characteristics \_\_\_\_\_ 26

**Figure 23.** Racial and Ethnic Diversity of New York City Nonprofit Chief  
Executives by Minority-Led Identification \_\_\_\_\_ 27

**Figure 24.** Racial and Ethnic Diversity of New York City Nonprofit  
Board Members by Minority-Led Identification \_\_\_\_\_ 27

**Table 6.** Demographics of New York City Residents \_\_\_\_\_ 28

**Figure 25.** New York City Nonprofit Programming Targeted to Specific  
Demographic Groups \_\_\_\_\_ 29

**Figure 26.** Presence of Policies Regarding the Diversity of Populations Served  
at New York City Nonprofits \_\_\_\_\_ 30

**Figure 27.** Success Rates of New York City Nonprofits' Grant Applications by  
Minority-Led Identification \_\_\_\_\_ 30

**Table 7.** Presence of Development Staff at New York City Nonprofits by  
Budget Size \_\_\_\_\_ 31

**Table 8.** New York City Nonprofits' Ranking of Most Needed  
Capacity-Building Support by Minority-Led Identification \_\_\_\_\_ 31

**3. CONCLUSION**

**Table 9.** Comparison of Racial and Ethnic Diversity Among New York  
Foundation and Nonprofit Staff and Board Members \_\_\_\_\_ 33

**Table 10.** Percent of New York Grantmakers and Nonprofits That Have Policies  
Regarding Board and Staff Diversity \_\_\_\_\_ 34

**Table 11.** Populations Targeted by New York Grantmakers and Nonprofits \_\_\_\_ 34

**Table 12.** Types of Capacity-Building Support Provided by New York  
Grantmakers and Needed by NYC Nonprofits \_\_\_\_\_ 35

**Table 13.** Data Collection by New York Grantmakers and Nonprofits \_\_\_\_\_ 36



# Preface

The attached report, commissioned by Philanthropy New York<sup>1</sup>, is the first study of its kind for the New York philanthropic sector, the first nationally to examine the racial and ethnic demographics of foundations and nonprofit organizations at the same time, and the first to ask nonprofits how they define/describe a minority-led organization. As one of only three philanthropic membership associations currently involved in this type of research, we have taken on an important leadership role, and we are already sharing our work with other regional associations as well as with other colleague organizations. We are also committed to working with other local and national diversity initiatives and, especially, with our members.

## The Current Landscape

The topic of diversity has been substantially discussed during the past decade and over the past two years it has been a headline issue in national and regional conversations in the philanthropic sector. During the past 12 months, a broad range of opinion pieces, industry journals, and state and national conferences have addressed the issue. These discussions elicited broad attention to this important topic, including the development of reports, partnerships, programs, and policies addressing issues of diversity in philanthropy, and, most notably, calls for state legislation<sup>2</sup> in California. Currently, several local and national initiatives have been formed by foundations and other institutions to brainstorm the most effective ways to address the issue of diversity. The philanthropic sector as a whole continues to define what a diverse and inclusive sector would look like and mean for their foundations and their grantmaking.

For Philanthropy New York, the importance and value of diversity is explicitly recognized as critical in our mission and values statement. Established in 1979 by New York City-based foundations, Philanthropy New York exists to strengthen the capacity of grantmaking organizations to fulfill their respective missions effectively and efficiently.

We believe that a philanthropic organization's commitment to diversity is critical to ensuring its effectiveness and impact. Inclusive and transparent organizational practices are a key component to realizing this commitment, regardless of organizational structure, mission, or capacity.

To more deeply and broadly address the issue of diversity, Philanthropy New York's Board of Directors created the Increasing Diversity in Philanthropy (IDP) Committee in 2000. Since then, the IDP Committee has addressed concerns raised by Philanthropy New York members, presented programs with experts and foundation leaders, developed tools, and assessed and presented pertinent reports.

Two years ago, Philanthropy New York realized that our work on diversity had proceeded ungrounded by any research-based knowledge about the racial and ethnic demography of New York-area nonprofits and foundations, their institutional data, and organizational capacities. Partnering with the Foundation Center, we created two surveys, one of which we sent to philanthropic organizations (including all Philanthropy New York members) and the other to nonprofit organizations in the New York metropolitan area. Surveys were mailed and responses collected between September 2008 and April 2009.

This report presents the survey findings. While it narrows our knowledge gap, it is not definitive. We note that:

- This first report focuses primarily on racial, ethnic, and gender identity, and to a limited degree on sexual orientation and people with disabilities.
- The core data generated by our report invite various interpretations and analyses, and provide the groundwork for future research, but do not present a singular conclusion, story, or prescription for action.
- Our results were generated from a self-selected pool of respondents, and this may affect the completeness of our findings.

Nonetheless, we believe the findings add substantially to our ongoing work around diversity in our sector.

*(continued)*

## What Comes Next?

Foundations have a multitude of missions and priorities; are of many sizes and capacities; and will have different approaches to this issue. Philanthropy New York believes that diversity and inclusion are critical values. We also believe that a diverse group of trustees, advisors, and staff working in an intentionally inclusive environment will create a more effective grantmaking organization. As an educator, our mission is to disseminate knowledge. Philanthropy New York therefore seeks to engage funders of all perspectives in thoughtful dialogue on this issue.

To this end, Philanthropy New York will create a series of educational programs, multimedia projects, and meetings to allow our members, other foundations, infrastructure groups, and nonprofits to continue to explore this issue in a sustained and meaningful way. Among these are: a briefing that will accompany the release of our findings; posts from members and other leaders on our blog, *Smart Assets*; a technical assistance series for different types of foundations; sharing best practices; and opportunities for dialogue between nonprofit and foundation leaders.

In closing, we invite you to:

- read the report as a whole. No one statistic or query tells the entire story, and this issue deserves a thoughtful evaluation;

- engage in in-depth conversations within your organizations and with your peers;
- suggest areas for future education and research;
- participate in our programs and initiatives on diversity and related issues in the coming months and years; and
- examine and consider the resources, mission statements, model policies, and other practices that support a more diverse, inclusive sector.

We aspire to work towards a sector where notions of diversity, inclusiveness, and transparency are seamlessly woven into the fabric of its practices, which will result in stronger, more skillful, and more effective institutions that reflect the communities they serve. We invite everyone in the philanthropic and nonprofit sectors to discuss the following report and join us in this work.

1. Philanthropy New York would like to thank the following foundations for their generous support of this project: The Atlantic Philanthropies, the Nathan Cummings Foundation, the William T. Grant Foundation, the A.L. Mailman Family Foundation, The New York Community Trust, the Jessie Smith Noyes Foundation, and the Surdna Foundation.
2. In January 2008, the California Assembly passed AB 624, a bill sponsored by Assembly member Joe Coto (D-San Jose), which would have required foundations with assets of more than \$250 million to disclose the race and gender composition of their trustees, staff, and grantees, as well as the number and percentage of grants awarded to organizations serving the lesbian, gay, bisexual, and transgender (LGBT) community and "ethnic minority" communities. (The bill was withdrawn in June 2008 after a compromise was developed by Mr. Coto and nine of California's largest foundations.)



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# Executive Summary

## Overview

Diversity has become a major topic of discussion within philanthropy. Conversations around this issue have intensified in recent months and have garnered a great deal of national and local attention. Unfortunately, many of these conversations are occurring without the benefit of fact-based research.

In 2008, Philanthropy New York (formerly the New York Regional Association of Grantmakers) commissioned the Foundation Center to undertake a pair of studies to benchmark diversity in the philanthropic and nonprofit sectors in the New York City area. The goal is to lay the foundation for meaningful dialogue based on research. These studies are the first of their kind in New York City and the first in the nation to simultaneously examine the diversity of foundations and the nonprofits they fund.

One study surveyed members of Philanthropy New York to gather data on staff and board diversity and on foundation practices related to diversity in grantmaking. The other study surveyed New York–area nonprofit organizations to better understand the diversity of these organizations and the populations they serve.

While both of these studies focused primarily on issues of racial and ethnic diversity, other areas of diversity were explored as well, including gender, sexual orientation, and disability status. The studies were conducted in the fall of 2008 (survey of foundations) and the spring of 2009 (survey of nonprofit organizations). The findings in this report are based on the survey responses of 95 members of Philanthropy New York (roughly 33 percent of its membership) and 540 nonprofit organizations based in the five boroughs of New York.

The surveys collected data from foundations and nonprofits on the following topics:

1. Staff and board diversity
2. Policies regarding staff and board diversity
3. The extent to which specific populations are targeted
4. Policies regarding populations served
5. Data collection on populations served

In addition, the survey of foundations collected data on types of capacity-building support provided and activities related to developing nonprofit leadership in communities of color.

The survey of nonprofit organizations also collected data on whether the organization considers itself to be “minority-led,” the amount and types of support received, and areas of capacity-building need.

## Key Findings—Survey of New York City Foundations

### Foundations Are Diverse But Less So at Senior Staff Levels

The survey of Philanthropy New York members found that 43 percent of all staff at the surveyed foundations are people of color, and that ethnic and racial diversity varies by job level. Nearly half of all administrative and support staff (48 percent) are people of color, as are 43 percent of program officers, 30 percent of executive level staff (excluding CEOs), 16 percent of CEOs, and 18 percent of board members. About one quarter (25 percent) of all CEOs hired since 2000 have been people of color.

### Women Are in the Majority Except at the Board Level

Women account for 70 percent of staff, 63 percent of CEOs, and 45 percent of board members.

### There Are Small Percentages of LGBT Individuals and People with Disabilities

LGBT individuals and people with disabilities appeared to be relatively equally distributed across all job categories (at roughly 4 percent and 1 percent of total staff, respectively).

### Foundations with Diversity Policies Tend to be More Diverse

About a third of the surveyed foundations had policies regarding staff diversity, while 10 percent had policies regarding board diversity. Among foundations with such policies, both staff and board diversity tend to be greater.



### A Majority of Foundations Target Grantmaking to Specific Populations

Most of the surveyed foundations (84 percent) said that at least “some” of their grants are targeted to serve specific population groups. Nearly half (47 percent) said that “youth or children” was specified as a target population in the foundation’s mission statement or grantmaking guidelines, followed by the “economically disadvantaged” (39 percent), “women or girls” (23 percent), “other at-risk populations” (23 percent), and “ethnic or racial minorities” (20 percent).

About 16 percent of the foundations surveyed said that they have “specific goals, policies, or guidelines regarding grantmaking that serves people of color,” and 4 percent have policies or guidelines regarding grantmaking to organizations led by people of color.

### More Than Half of Foundations Collect Data on Grantee Demographics and Populations Served

More than half (51 percent) of surveyed foundations said they “always” or “sometimes” ask grantseekers to provide information about the racial and ethnic composition of the population(s) they serve. Among foundations that specifically name at least one racial or ethnic minority group in their mission statement or grantmaking guidelines, 79 percent “always” or “sometimes” collect such data from grantseekers.

One quarter of surveyed foundations (25 percent) said they either “always” or “sometimes” collect data from grantseekers on the racial or ethnic makeup of their board and 30 percent said they collect such information about their staff.

### Board Diversity Correlates with Other Diversity Measures

Philanthropy New York members with at least 25 percent people of color on their boards (a threshold reached by 27 percent of surveyed foundations) are more likely than foundations with fewer people of color on their boards to have racially and ethnically diverse staffs, to have both staff and grantmaking diversity policies, to target populations of color through their grantmaking, and to collect demographic data from grantseekers.

### Grantmakers Are Focusing on Capacity Building and Developing Nonprofit Leadership

Most of the grantmakers surveyed (59 percent) said that at least “some” of their grants focus on “capacity building.” Ten percent of surveyed grantmakers said they had awarded “more than 10” capacity-building grants specifically to nonprofit organizations led by persons of color over the past five years.

One third (33 percent) of surveyed grantmakers said that they “often” or “sometimes” provide non-

monetary capacity-building support. Fifteen percent of grantmakers said that they had provided non-monetary capacity-building support to at least one “minority-led” organization within the last five years, while about one in ten (9 percent) said that they had provided such support to more than 10 minority-led organizations during this time frame.

More than a third of the grantmakers surveyed (38 percent) said that at least “some” of their grants were awarded for “programs or initiatives designed to build nonprofit leadership in communities of color.” Nearly a quarter (24 percent) said that the topic of nonprofit leadership in communities of color was either a “frequent” or “occasional” topic of discussion at board or staff meetings.

## Key Findings—Survey of New York City Nonprofit Organizations

### Nonprofits Are Diverse But Less So at Senior Levels

Overall, 59 percent of all staff at surveyed nonprofit organizations are people of color. Ethnic and racial diversity is greater at the managerial and support levels (52 and 62 percent, respectively) and lower at the CEO and board levels (30 and 33 percent, respectively).

Just over a third of surveyed organizations (38 percent) have policies or guidelines on staff diversity and 31 percent on board diversity. About one in six (17 percent) have policies or guidelines regarding vendor or consultant diversity.

### Women Outnumber Men Except on Boards

Women outnumber men at all levels except on boards, where they account for 45 percent of trustees. LGBT individuals account for 7 percent of CEOs and managers, 4 percent of board members, and 2 percent of support staff. People with disabilities account for about 1 percent of staff at surveyed organizations.

### Definition of “Minority-led” Organizations Varies

Nearly four in ten organizations (38 percent) described themselves as “minority-led.” While most of these “minority-led” organizations (63 percent) have CEOs of color, 37 percent do not. Some of the nonprofits with white CEOs chose to identify themselves as minority-led because at least half of their board members or staffs are people of color, but many identified themselves as such because they are led by women, immigrants, LGBT individuals, or people with disabilities.

Minority-led organizations tend to differ from non-minority-led organizations in the following ways: they are more likely to target all or most of their programming to specific populations; they are more likely to have policies

or guidelines regarding the diversity of the populations they serve; and they express greater capacity-building needs than do non-minority-led organizations, especially in the areas of fundraising, technical support, human resources, and staff training.

#### **A Majority of Nonprofits Focus Work on Specific Population Groups; Half Target Ethnic or Racial Minorities in Their Work**

Seventy-nine percent of surveyed organizations have missions that lead to at least some of their work serving specific population groups. Fifty percent of surveyed nonprofit organizations said that “all” or “most” of their programs or services are targeted to serve “ethnic or racial minorities,” followed by the “economically disadvantaged” (47 percent), “youth or children” (37 percent), “women or girls” (25 percent), and “immigrant communities” (22 percent).

#### **Majority of Nonprofits Collect Data on Diversity of Populations Served**

Sixty-seven percent of the organizations surveyed “always” or “sometimes” gather demographic data on the populations they serve. Minority-led organizations are more likely to collect this information (77 percent vs. 61 percent of non-minority-led organizations.)

#### **There Is Little Difference in Foundation Support for Minority-led vs. Non-Minority-led Nonprofits**

Among surveyed organizations, there appears to be little difference between the levels of support received by both minority-led and non-minority-led organizations with annual budgets of less than \$1 million. Because of small sample sizes, it was not possible to determine whether there was any difference in levels of support for larger minority-led and non-minority-led organizations.

For most of the surveyed organizations, the rate of successful grant submissions is less than 50 percent. Among all survey respondents, 60 percent were successful less than half the time when seeking funding, while 40 percent were successful at least half the time.

Slightly more than half of surveyed nonprofits (51 percent) have received non-monetary support from foundations.

Lack of staff was cited as the most significant barrier to receiving foundation support. Roughly one quarter of the surveyed organizations (28 percent) have a dedicated full-time fundraiser and 17 percent have a dedicated part-time fundraiser. In line with these findings, “fundraising” assistance was most often mentioned by nonprofit organizations as their greatest need in the area of capacity building.

## 1

# Survey of New York Foundations

## Introduction

In 2008, Philanthropy New York (formerly the New York Regional Association of Grantmakers) commissioned the Foundation Center to conduct a pair of studies on issues of diversity in philanthropy. The first, a survey of New York–area foundations, was designed to gather data on staff and board diversity and on foundation practices related to diversity in grantmaking. The second, a survey of New York–area nonprofit organizations, was designed to better understand the diversity of nonprofit organizations and the populations they serve. While both of these studies focus primarily on issues of racial and ethnic diversity, other areas of diversity are explored as well. Together, these studies seek to increase our institutional knowledge of both sectors and the communities that both foundations and nonprofits serve.

In a broader context, though, it is important to note that these studies were conducted during a time of significant national activity related to matters of diversity

in philanthropy. Since 2006, with the support of more than three dozen foundation leaders, the national Diversity in Philanthropy Project ([www.diversityinphilanthropy.org](http://www.diversityinphilanthropy.org)) has piloted a number of important initiatives on this topic resulting in the stimulation of numerous meetings and conversations in the field, the collection and dissemination of key resource materials, and the championing of multiple research projects around the country. The Foundation Center has conducted surveys of foundations in California and nationwide and consulted with several regional associations of grantmakers on diversity-related research initiatives. The national Council on Foundations has hosted extensive discussions on diversity in philanthropy at each of its three most recent annual conferences. And this is but a partial listing of the work being done on this topic across the field as of this writing. (For a fuller discussion of field-wide efforts in this area, see the Foundation Center report, *Filling the Diversity Knowledge Gap*.)

The present studies fit into this larger context of work on diversity in philanthropy. The New York surveys were

## About the Terms Used in This Report

Terms such as “diversity,” “organizations led by people of color,” and “minority-led organizations” are used throughout this report. Because they may connote different things to different people, it is important to specify how they are being used in the present context.

In general, the term “diversity” is used in its broadest demographic sense to refer to population groups that have been historically underrepresented in socially, politically, or economically powerful institutions and organizations. These groups include but are not restricted to populations of color, such as Asian Americans and Pacific Islanders, Hispanics/Latinos/Latinas, African Americans and Blacks, and Native Americans and Alaska Natives. They may also include lesbian, gay, bisexual, and transgender (LGBT) populations, people with disabilities, women, and other groups.

“Diversity” should also be distinguished from the related term, “inclusiveness.” While diversity refers strictly to the demographic mix of a specific collection of people (e.g., the literal numbers of whites, people of color, LGBT individuals, etc. that may work for a particular organization), “inclusiveness” refers to the degree to which diverse

individuals are able to participate fully in the decision-making processes within an organization or group. In other words, while a truly “inclusive” group is necessarily diverse, a “diverse” group may or may not be inclusive.

The term “minority-led” has often been used (outside of this report) to refer to organizations led specifically by people of color. But because it is possible for the term “minority” to refer to groups other than or in addition to people of color, we employ the term “led by people of color” when referring specifically to organizations not led by white (non-Hispanic) people.<sup>1</sup> In the next section of the report, we explore how the term “minority-led” is in fact used and understood by nonprofit organizations, and show specifically how it does and does not overlap with the term “led by people of color.”

### Endnote

1. Not incidentally, organizational “leadership” is itself a complex term, referring sometimes to the organization’s president or CEO, at other times to the organization’s board, and occasionally to the population served by the organization, as well as to various combinations of these.

developed to synchronize in key respects with the studies conducted in California, in Michigan, and nationwide so that data could be aggregated and compared in meaningful ways across studies. Because research on the topic of diversity in philanthropy is still very much in the formative stage, each of these studies has been undertaken not only to develop baseline data on diversity in philanthropy but also to learn how best to collect data on this topic. Collectively, these studies hope to contribute to the larger goal of building a field-wide knowledge base that will allow foundations to hold meaningful internal conversations, respond effectively to external inquiries, and move ahead strategically on these issues.

But in important respects, the present studies also address concerns and goals specific to Philanthropy New York and its members and expand the scope of our current knowledge on issues of diversity in philanthropy well beyond the research studies conducted elsewhere. In particular, the choice to conduct surveys of both foundations and nonprofit organizations in tandem is a unique feature of the New York research, allowing foundations to consider their approaches to issues of diversity and inclusiveness in the light of empirical data on the situations of New York City–based nonprofits.

The foundation survey sought answers to basic questions about foundation demographics, policies, and practices. What do foundation staffs and boards

look like, in terms of diversity and inclusion? How have foundations addressed aspects of diversity and inclusion through their policies and practices? To what extent do foundations target specific population groups in their grantmaking and track who benefits from it? This report begins by examining the results of the survey of New York foundations, followed in the next section by a discussion of the nonprofit survey findings and their implications for the work of foundations.

## About the Survey of New York Foundations

Invitations to complete the survey of New York foundations online were sent by mail and email at the beginning of September 2008 to all 287 members of Philanthropy New York—including grantmaking public charities, corporate giving programs, and foundations based outside of New York City. Survey responses were collected through December 2008. A total of 95 foundations completed surveys, for a response rate of 33 percent.

Independent or private foundations accounted for the majority (75 percent) of the Philanthropy New York members that responded to the survey (71 of 95). Just over half of these were family foundations (37 of 71). The

### Types of Foundations

**Private foundation:** A nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and program managed by its own trustees or directors. Private foundations are established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through the making of grants.

**Independent foundation:** A grantmaking organization usually classified by the IRS as a private foundation. Independent foundations may also be known as family foundations, general purpose foundations, special purpose foundations, or private non-operating foundations.

**Family foundation:** An independent private foundation whose funds are derived from members of a single family. Family members often serve as officers or board members of family foundations and have a significant role in their grantmaking decisions.

**Community foundation:** A 501(c)(3) organization that makes grants for charitable purposes in a specific community or region. The funds available to a community foundation are usually derived from many donors and held in an endowment

that is independently administered; income earned by the endowment is then used to make grants. Although a community foundation may be classified by the IRS as a private foundation, most are public charities and are thus eligible for maximum tax-deductible contributions from the general public.

**Corporate foundation (also referred to as a company-sponsored foundation):** A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with its parent company, it is an independent organization with its own endowment and as such is subject to the same rules and regulations as other private foundations.

**Operating foundation:** A 501(c)(3) organization classified by the IRS as a private foundation whose primary purpose is to conduct research, social welfare, or other programs determined by its governing body or establishment charter. An operating foundation may make grants, but the amount of grants awarded generally is small relative to the funds used for the foundation's own programs.



remaining 24 foundations out of the 95 surveyed were split among grantmaking operating foundations (13), corporate foundations (seven), and community foundations (four).

It should also be kept in mind that as members of Philanthropy New York the survey respondents are not necessarily representative of all NYC foundations. In particular, the surveyed foundations are both larger and more likely to be staffed than New York City–area foundations in general.

## Overall Staffing Patterns

As of 2007, there were more than 7,000 grantmaking foundations in the greater New York metropolitan area, with combined assets of roughly \$90 billion and annual giving of more than \$3.5 billion. While asset levels have declined significantly since then due to the current economic recession and giving is likely to be depressed through at least 2010, these foundations account for nearly 9 percent of all foundation giving in the United States. From this pool, Philanthropy New York draws most of its membership of approximately 287 grantmaking foundations, 95 of which completed surveys for the present study. The foundations represented in this study accounted for more than \$1.4 billion in giving in 2007.

It is important to bear in mind that the vast majority of foundations are unstaffed. Across the entire United States, it is estimated that out of a universe of more than 75,000 foundations, there are likely fewer than 5,000 staffed foundations (or less than 7 percent). This suggests that in the New York area, the number of staffed foundations is probably somewhere in the vicinity of 500.

**Majority of staff work at large foundations.** Of the 95 Philanthropy New York member organizations that completed the survey, both fiscal and staffing data were available for 81, representing a total of 1,103 foundation employees (Table 1). Because staff size is related to organization size, the vast majority of staff at the responding foundations work at the largest organizations in the sample.<sup>1</sup> While just one third (33 percent) of the foundations in our sample reported total assets of at least \$100 million in the most recent fiscal year for which data were available, they employed nearly three quarters (73 percent) of all staff in the sample. So, in the discussions of staff demographic characteristics that follow, it is important to keep in mind that these data tend to reflect the characteristics of staff at large foundations.

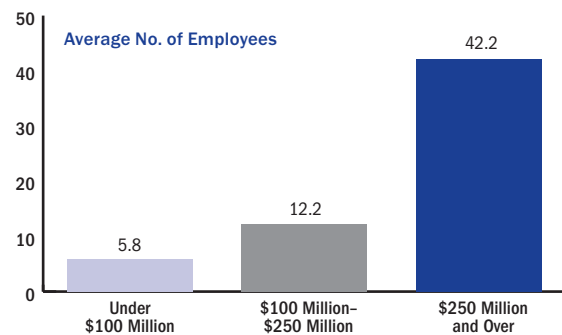
**Average staff size varies widely across foundations.** All of the sampled grantmakers with assets of \$100 million or more reported having staff. Among 15 organizations with assets of \$250 million or more, the average staff size

was 42 (see Figure 1). But since this group includes one exceptionally large foundation (with 351 employees), a better measure of the “average” staff size of these foundations is the median, which is 19. Across the other 14 foundations in this asset category, staff sizes ranged from four to 54.

For the 14 grantmakers with assets of between \$100 million and \$250 million the average staff size was 12. The total number of employees at these foundations ranged from one to 71. Once again the largest foundation in this group—with 71 employees—skews the calculation of the mean staff size at these foundations. So, as before, the median staff size (seven) provides a better measure of the “average” number of employees at foundations in this asset category.

The 59 grantmakers with assets of under \$100 million employed a total of 299 paid staff, or 27 percent of total staff in the sample. Of these 59 foundations, seven were unstaffed.<sup>2</sup> Among the 52 staffed foundations, the average number of employees was six, including one foundation with 102 employees. No other foundation in this asset category had more than 16 employees. The median staff size among these foundations was three.

**FIGURE 1. Average Number of Employees at Staffed Philanthropy New York Grantmakers by Assets**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 81 staffed Philanthropy New York members with valid staffing data for which asset figures were available.

**TABLE 1. Philanthropy New York Members’ Staff Size by Assets**

Assets	Number of Grantmakers	Total Employees	Avg. Staff Size	Median Staff Size
Under \$100 million	52	299	6	3
\$100 million–\$250 million	14	171	12	7
\$250 million+	15	633	42	19
<b>Total</b>	<b>81</b>	<b>1,103</b>	<b>14</b>	<b>4</b>

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 81 staffed Philanthropy New York members with valid staffing data for which asset figures were available.



Fewer than half of the surveyed foundations have staff at the executive level (other than a CEO or president). Larger foundations were also more likely than smaller foundations to have staff at various levels of responsibility. For example, 76 percent of foundations with assets of \$100 million or more reported having staff at the executive level (other than a chief executive), compared to just 32 percent among smaller foundations.

## Staff Diversity

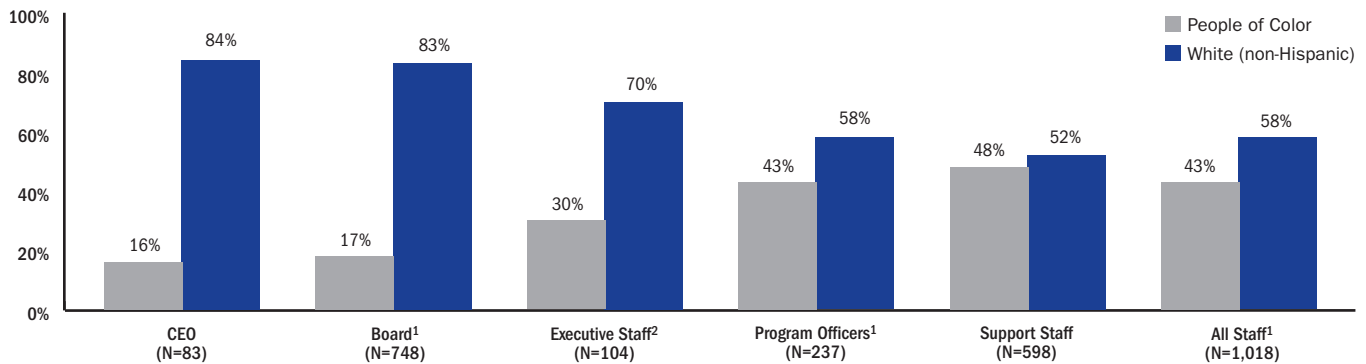
**Overview.** The survey of Philanthropy New York members found that 43 percent of all staff in the sample were people of color. However, foundation diversity tends to vary by job level (Figure 2). Ethnic and racial diversity is greater at the administrative level (48 percent people of color) and lower at the CEO and board levels (16 and 17 percent, respectively). Women outnumber men at all

levels except on boards, where they account for 45 percent of trustees (see Table 2). LGBT individuals and people with disabilities appear to be relatively equally distributed across all job categories.

**People of color make up 43 percent of employees.** Across the 83 staffed foundations from which we obtained data on race and ethnicity, comprising a total of 1,018 staffers, 43 percent of the staff were people of color (Figure 3). The proportion of employees of color (in the aggregate) was comparable across all three asset categories.

African-American employees were the largest group (after white employees), composing 20 percent of all staff at surveyed grantmakers. Hispanic and Asian/Pacific Islander employees were the next two largest ethnic or racial minority groups, each accounting for 10 percent of staff members. Two percent of employees were classified as “other racial group,” and Native American and Alaska Native employees made up less than 1 percent of employees.

**FIGURE 2. Racial and Ethnic Diversity of Philanthropy New York Members’ Staff by Job Level**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from Philanthropy New York members with valid demographic data for staff/board members at each level.

<sup>1</sup>Percentages total more than 100 because some employees and board members were multiracial.

<sup>2</sup>Executive Staff was defined on the survey as individuals (excluding the chief executive) holding positions “such as COO, CFO, vice president or higher, etc.”

**TABLE 2. Characteristics of Philanthropy New York Members’ Staff and Board Members**

	Board Members	Chief Executives	Executive Staff <sup>1</sup>	Program Officers	Support Staff
Asian/Pacific Islander	5%	2%	7%	13%	10%
Black/African American	8%	7%	8%	18%	25%
Hispanic/Latino/Latina	3%	6%	12%	10%	11%
Native American/Alaska Native	0%	0%	0%	0%	0%
Other racial group	2%	0%	4%	2%	2%
White (non-Hispanic)	83%	84%	70%	58%	52%
Male	55%	37%	38%	32%	27%
Female	45%	63%	63%	68%	73%
LGBT	3%	7%	6%	4%	3%
Disabled	0%	0%	1%	0%	0%
<b>Total No. =</b>	<b>748</b>	<b>83</b>	<b>104</b>	<b>237</b>	<b>598</b>

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from Philanthropy New York members with valid demographic data for staff/board members at each level. Due to rounding figures may not total 100 percent.

<sup>1</sup>Executive Staff was defined on the survey as individuals (excluding the chief executive) holding positions “such as COO, CFO, vice president or higher, etc.”

**Women outnumber men by more than two to one, more so at smaller grantmakers.** In terms of gender, staffers were overwhelmingly female, by greater than a two-to-one margin over males (70 percent vs. 30 percent). The ratio of female to male employees was higher at smaller grantmakers (with assets below \$100 million) than at larger ones. There were three female employees to every one male (76 percent female vs. 24 percent male) at smaller organizations, while at larger ones the ratio of women to men was two to one (67 percent female vs. 33 percent male).

**White women predominate among staff, followed by women of color.** Across the 83 staffed foundations that provided employee demographic data, the largest demographic group consists of white women, who make up 40 percent of all staff at surveyed foundations (Figure 4). Women of color account for the second-largest demographic group at 30 percent, followed by white men (18 percent) and men of color (12 percent).

**LGBT employees and people with disabilities account for less than 5 percent of staff at surveyed foundations.** While survey data on gender, race, and ethnicity tend to be fairly reliable at the organizational level, data on sexual orientation and people with disabilities are not likely to be as precise. Nevertheless, to adequately address issues of diversity, it is important to broaden the scope of data collection to categories of diversity that may have been traditionally overlooked. As such categories begin to be included more regularly in surveys such as this, it is likely that the quality of these data will improve along with our understanding of the issues that affect these population groups. For the time being, however, it is likely that the numbers reported in this study understate the total numbers of LGBT individuals and people with disabilities employed by both foundations and nonprofit organizations.

Across the 83 staffed foundations analyzed, four percent of staff members (39 in total) were specified in the survey as gay, lesbian, bisexual, or transgender. Of these 39 LGBT employees, two thirds (26) were men. Four persons with disabilities were counted among grantmaker staff, accounting for 0.4 percent of all employees at surveyed grantmakers.

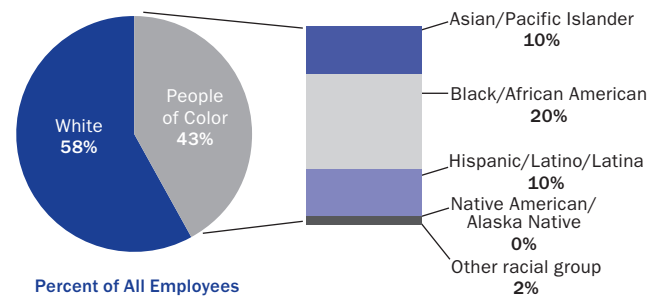
**Almost half of administrative employees are persons of color.** Administrative, or support, staff account for 59 percent of all employees at the 83 staffed grantmakers studied. Of these employees, 48 percent are persons of color (Figure 5). White women make up the largest share at 38 percent of support staff, followed by women of color (35 percent), white men (14 percent), and men of color (13 percent). Slightly less than 3 percent of administrative employees are gay, lesbian, bisexual, or transgender;

12 of the 17 LGBT employees are men. Two administrative employees out of 598 were disabled.

Program officers, who make up 23 percent of grantmaker employees, are only slightly less diverse than support staff (see Figure 6). Among the 237 paid program officers, white women account for 41 percent of the total, followed by women of color (28 percent), white men (17 percent), and men of color (15 percent). A little more than 4 percent of program officers are LGBT individuals—LGBT program officers were equally split between males and females. One of 237 total paid program officers was reported to be disabled.

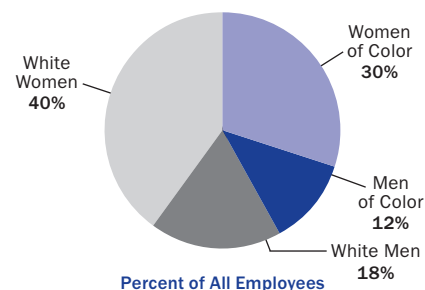
**People of color make up 30 percent of executive-level staff (vice president or higher).** Slightly less than one third of executive-level employees—defined as employees with the title of vice president or higher, excluding the chief executive—(30 percent) are people of color (Figure 7). The biggest demographic difference between executive- and non-executive-level staff has to do with the proportions of white men and women of color at each level. While the percentage of white men among non-executive staff was 15 percent, it nearly doubles to 28 percent among

**FIGURE 3. Racial and Ethnic Composition of Philanthropy New York Members' Employees**



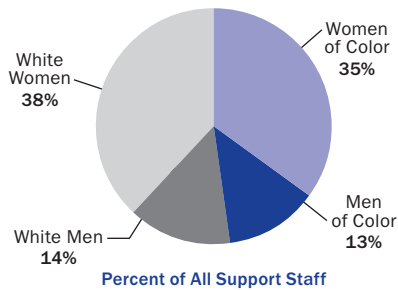
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 1,018 paid employees reported by 83 staffed Philanthropy New York members with valid demographic data for all staff members. Percentages total more than 100 percent because six staff members were multiracial.

**FIGURE 4. Racial and Gender Diversity of Philanthropy New York Members' Employees**



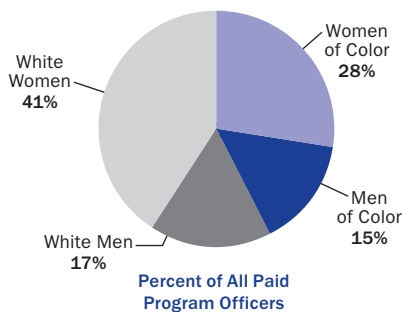
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 1,018 paid employees reported by 83 staffed Philanthropy New York members with valid demographic data for all staff members. Percentages total more than 100 percent because six staff members were multiracial.

**FIGURE 5. Racial and Gender Diversity of Philanthropy New York Members' Support Staff**



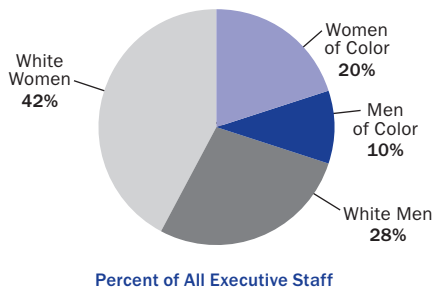
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 598 administrative employees reported by 60 Philanthropy New York members with complete data for support staff. Percentages total more than 100 percent because three support/administrative employees were multiracial.

**FIGURE 6. Racial and Gender Diversity of Philanthropy New York Members' Paid Program Officers**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 237 paid program officers reported by 56 Philanthropy New York members with complete data for paid program officers. Percentages total more than 100 percent because three program officers were multiracial.

**FIGURE 7. Racial and Gender Diversity of Philanthropy New York Members' Executive Staff (VP or Higher)**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 104 executive-level employees reported by 41 Philanthropy New York members with complete data for executive staff. Executive Staff was defined on the survey as individuals (excluding the chief executive) holding positions "such as COO, CFO, vice president or higher, etc."

executive-level staff. At the same time, the percentage of women of color among non-executive staff is 33 percent, but drops to 20 percent among executive staff. White women still predominate at the executive level, making up 42 percent of such staff (compared to 39 percent of non-executive staff), and men of color accounted for 10 percent (vs. 14 percent of non-executive staff).

Nearly six percent of executive-level employees were reported to be gay, lesbian, bisexual, or transgender (LGBT). One person with a disability was reported at the executive level.

## Diversity at the Chief Executive Level

Nearly two thirds of chief executives are women. As they do at all organizational levels, women outnumber men (63 percent to 37 percent) as chief executives. At foundations with assets of less than \$100 million, women outnumber men by more than two to one (73 percent to 27 percent). The ratio of female to male chief executives drops considerably at larger foundations (with at least \$100 million in assets), however, where male CEOs slightly outnumber female CEOs—52 percent vs. 48 percent (see Figure 8).

People of color account for 16 percent of chief executives. The ratio of whites to nonwhites at this level is greater than it is at other organizational levels—84 percent to 16 percent (or about 5 to 1). Just under half of chief executives at the organizations surveyed are white women (49 percent), followed by white men (35 percent), women of color (13 percent), and men of color (2 percent) (Figure 9). Six of the 83 chief executives (7 percent) are gay, lesbian, bisexual, or transgender; no CEOs were reported to be people with disabilities. The percentage of CEOs of color did not vary significantly by foundation size—four of the 29 (14 percent) chief executives at foundations with assets of at least \$100 million were people of color compared to 18 percent of chief executives at smaller foundations.

Eleven of thirteen CEOs of color are women. Among the 13 chief executives of color, 11 are women (six Black/African American, three Hispanic/Latina, and two Asian/Asian American) and two are men (both Hispanic/Latino).

CEOs of color are as likely to be hired from within the organization as from without. Of the 13 minority CEOs, seven were already affiliated with the organization (four as staff members, three as board members) when appointed as CEO, four were employed at for-profit companies (two of these four were also board members), two were

employed at nonprofit organizations, one was employed at another foundation, and one worked for a “philanthropy advisory service.”

One quarter of chief executives hired since 2000 have been people of color. To see if hiring practices at the CEO level have changed in recent years, we asked foundations to indicate the year in which their current chief executive was hired. All thirteen chief executives of color were hired in 2000 or later. Or to put it another way, of the 54 chief executives hired since the start of 2000, 24 percent were persons of color.

## Board Diversity

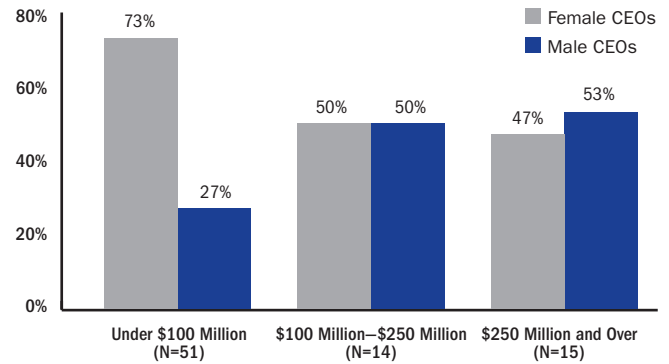
White men make up 47 percent of board members. Unlike foundation staffs, foundation boards are mostly white (83 percent) and slightly more male (55 percent) than female. Of the 748 board members for whom demographic data were available, 47 percent were white men, 36 percent were white women, 9 percent were women of color, and 8 percent were men of color (Figure 10). Three percent of board members are gay, lesbian, bisexual, or transgender. As with staff members, most LGBT board members are male (14 of 22). Less than one percent of board members at the surveyed foundations are people with disabilities.

Boards of smaller foundations exhibit greater diversity than boards of larger foundations. Board diversity—both racial/ethnic diversity and gender diversity—varies somewhat by asset size. Interestingly, boards at the smallest grantmakers (i.e., those with assets of less than \$100 million) were more racially diverse than boards at foundations with at least \$100 million in assets—20 percent people of color vs. 12 percent.<sup>3</sup> The boards of smaller organizations were also more gender diverse—the board members at smaller grantmakers were evenly split by gender (50 percent for each), whereas 64 percent of board members at the larger grantmakers were male.

## Policies Regarding Staff and Board Diversity

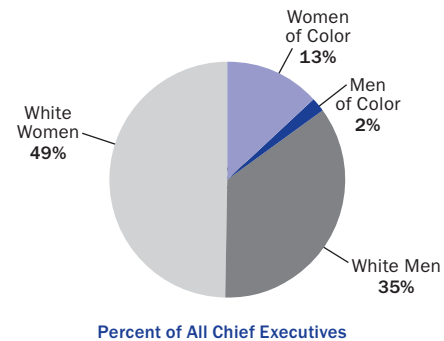
Nearly one third of staffed foundations (30 percent) have formal policies regarding staff diversity. Smaller organizations are as likely to have such policies as larger ones. Among staffed foundations with assets of less than \$100 million, 34 percent have written policies regarding staff diversity, compared to 28 percent of staffed grantmakers with at least \$100 million in assets (see Figure 11).

**FIGURE 8. Gender Diversity of Philanthropy New York Members’ Chief Executives by Assets**



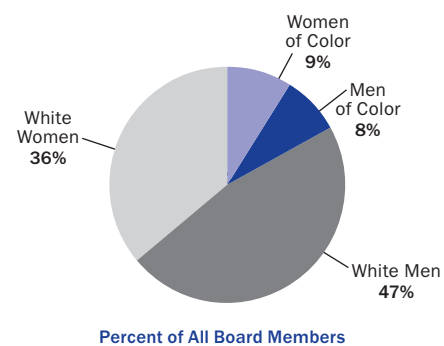
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 80 Philanthropy New York members with a chief executive at the time of the survey for which asset figures were available.

**FIGURE 9. Racial and Gender Diversity of Philanthropy New York Members’ Chief Executives**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 83 Philanthropy New York members with a chief executive at the time of the survey.

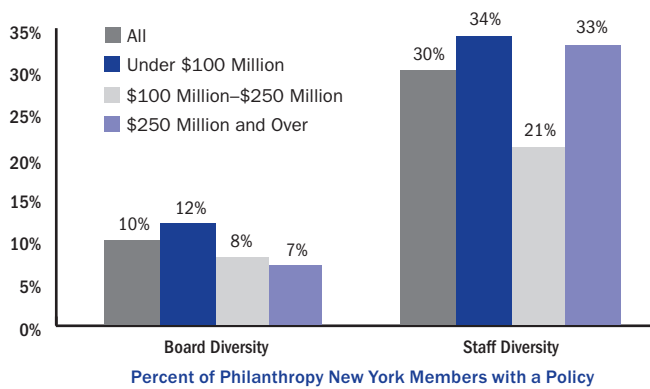
**FIGURE 10. Racial and Gender Diversity of Philanthropy New York Members’ Boards of Directors**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 748 board members reported by 91 Philanthropy New York members with complete demographic data for board members.

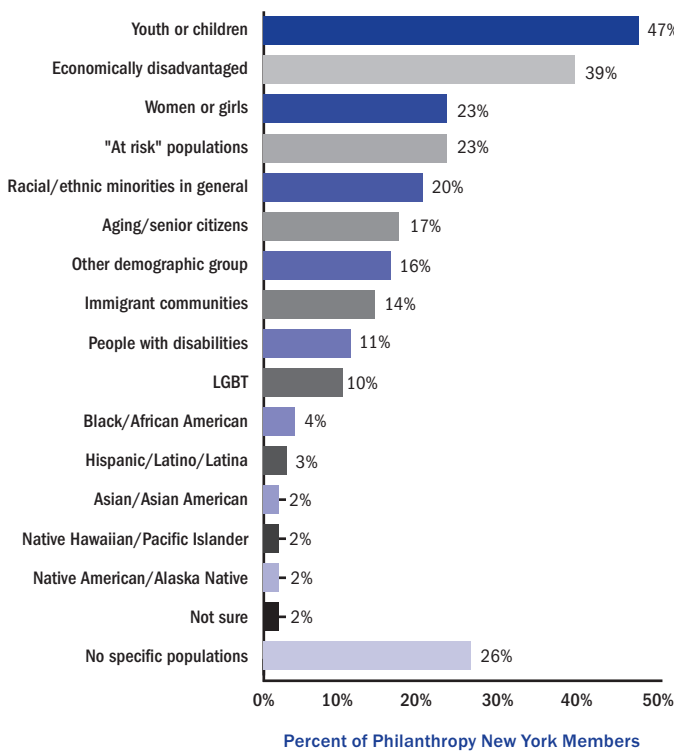


**FIGURE 11. Percent of Philanthropy New York Members with Policies Regarding Board and Staff Diversity by Assets**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from Philanthropy New York members that reported having staff (87) or board members (93) at the time of the survey. Asset figures were unavailable for six of the organizations that responded to the policy questions. Data for asset categories are based on 82 foundations that reported having staff and 87 that reported having board members at the time of the survey.

**FIGURE 12. Populations Targeted by Philanthropy New York Members**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. Percentages are based on the number of foundations that identified each of the above population groups as being specifically mentioned in the foundation's mission statement or grantmaking guidelines.

Fewer foundations (10 percent) have written policies regarding board diversity. Again, such policies are as likely to be found at smaller foundations as at larger ones. Among smaller organizations (with assets of less than \$100 million), 12 percent have formal policies regarding board diversity vs. 7 percent of organizations with assets greater than or equal to \$100 million.

While these findings suggest that most foundations do not have formal, written policies in place regarding either board or staff diversity, it is important to bear in mind that many organizations without such policies may still have diverse boards or staffs, as the findings on staff and board diversity presented earlier would suggest.

## Populations Targeted by Grantmakers

Children/youth and the economically disadvantaged were the two population groups most often targeted by New York foundations. When asked to indicate which population groups were specifically named in either their mission statements or grantmaking guidelines, nearly half (47 percent) of all surveyed foundations selected children and youth (Figure 12). (It should be noted that foundations were allowed to select more than one population group.) The economically disadvantaged were the second most frequently named group, specified by 39 percent of grantmakers, with "at risk" populations and women/girls tied for third place (23 percent each). "Racial or ethnic minorities in general" was the fifth most frequently selected population group (20 percent), but specific races and ethnicities were among the least frequently named groups. Blacks/African Americans were named in the missions or grantmaking guidelines of 4 percent of grantmakers, followed by Hispanics/Latinos (3 percent), and Native Americans/Alaska Natives, Native Hawaiians/Pacific Islanders, and Asians/Asian Americans (2 percent each).

## Tracking Who Benefits From Grantmaking

To better understand the impact of their work, foundations may gather data on who benefits from their grantmaking. By this, we do not mean simply listing the recipient organizations that have received foundation grants (although this is certainly important in and of itself), but rather identifying the demographic characteristics of the population groups benefiting from the programs and services made possible by those grants. This can help to ensure that foundation intentions regarding impact are in fact realized.



But for foundations to be able to obtain this information, their grantees would have to tell them what types of people benefit from the programs and services they provide. And grantees can provide this kind of information only to the extent that they actually collect it themselves.

To find out whether nonprofit organizations collect data on the demographic characteristics of the population groups they serve, we asked this question in our survey of New York nonprofit organizations. Those results are discussed in the next section. To set the stage for that discussion, though, we first asked foundations to tell us whether or not they ask grantees to provide them with information about populations served. In addition, we asked foundations to tell us whether they collect data from grantees on the racial, ethnic, or gender makeup of their boards and staffs.

### Grantmaking Targeted to Populations of Color

Overall, 51 percent of Philanthropy New York members said that they “always” (30 percent) or “sometimes” (21 percent) ask grantseekers to provide information about the racial and ethnic composition of the population(s) served by their organization. Among grantmakers with assets of \$100 million or more, 52 percent said they always or sometimes collect such data, compared to 47 percent of smaller grantmakers that said so.

In contrast, just 16 percent of organizations surveyed said that they have “specific goals, policies, or guidelines regarding grantmaking that serves people of color” (Figure 13). Whether a foundation has such goals, policies, or guidelines appears to be related to whether or not it collects data on the racial or ethnic composition of populations served by grantseekers. Of those grantmakers that explicitly name at least one racial or ethnic minority group in their mission statements or grantmaking guidelines, 79 percent either “always” or “sometimes” collect data on the racial/ethnic composition of populations served by grantseekers, compared to 44 percent of organizations that do not specify racial or ethnic minorities in their mission or guidelines.

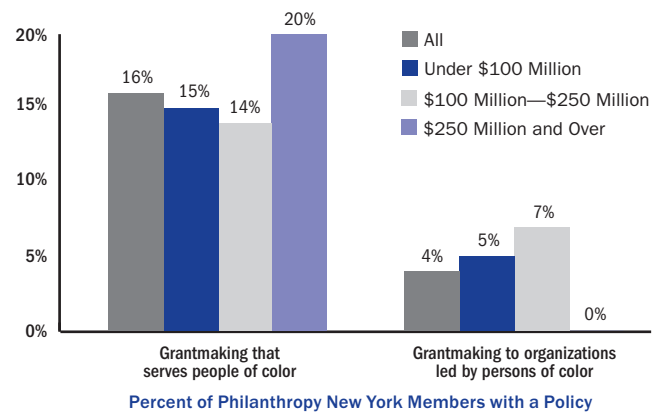
About 13 percent of the grantmakers surveyed said that none of their grants “serve specific demographic populations” due to the nature of the organization’s mission (Figure 14). For example, a foundation engaged in environmental grantmaking may be providing support to organizations that engage in scientific research or public advocacy, rather than to organizations that provide direct programs or services to specific population groups. In addition, the majority of grantmakers surveyed (62 percent) said that their mission led to “some” of their grants serving specific demographic populations, which suggests that the question of what population groups benefit from their grantmaking is applicable to some of

their work but not all of it. About one in five grantmakers (22 percent) said that “all of our grants” serve specific demographic populations.

### Grantmaking to Organizations Led by People of Color

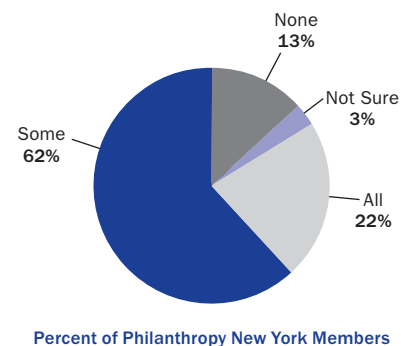
While most grantmakers collect information (either always or sometimes) about the populations served by their grantmaking, fewer collect data about the racial or ethnic composition of the boards and staffs of their grantees. Just 25 percent of foundations said they either “always” (15 percent) or “sometimes” (10 percent) collect data from grantseekers on the racial or ethnic makeup of their board, while 30 percent said they always or sometimes collect such information about their staff. Nearly two thirds said they

**FIGURE 13. Percent of Philanthropy New York Members with Policies Regarding Grantmaking Diversity by Assets**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. Asset figures were unavailable for six of the organizations that responded to this question. One foundation that awards all of its grants overseas has been excluded from this figure.

**FIGURE 14. Proportion of Philanthropy New York Members’ Grants That Serve Specific Demographic Populations**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 95 Philanthropy New York members.

never collect such data about either grantee boards (65 percent) or staff (61 percent).

Correspondingly, just 4 percent of foundations said that they had “policies or guidelines regarding grantmaking to organizations led by people of color.”

## Data Collection on Gender

Similar to the 51 percent of grantmakers that ask for data on the race and ethnicity of populations served, 50 percent said that they “always” (27 percent) or “sometimes” (23 percent) ask grantseekers to provide data on the “gender composition of the population(s) served by their organization.” Two fifths of the surveyed grantmakers (39 percent) said that they “never” ask grantseekers for this information, also very similar to the 40 percent that said they “never” ask for the racial or ethnic demographics of populations served.

If we look at responses to this question in terms of whether women and girls are specified as a target population in an organization’s mission statement or grantmaking guidelines, 59 percent of grantmakers that do specify women and girls “always” or “sometimes”

collect data on gender composition of the population(s) served by grantseekers, compared to 47 percent for grantmakers that do not name women and girls in their mission or guidelines.

Among organizations with assets of less than \$100 million, 51 percent responded that they “always” or “sometimes” ask grantseekers for the gender composition of the populations they serve, compared to 41 percent of grantmakers with assets of \$100 million or more. Larger grantmakers were also slightly more likely than smaller ones to say that they “never” ask grantseekers for such information (45 percent and 39 percent, respectively).

Grantmakers are slightly more likely to request data on the gender of grantseekers’ staffs and boards than they are on their race and ethnicity. Thirty-one percent of grantmakers said they “always” or “sometimes” ask grantseekers for information on the gender composition of their board while 25 percent ask about the racial and ethnic composition of board members. Similarly, 32 percent of grantmakers ask for the gender composition of grantees’ staffs, compared to 30 percent that ask for

## How Board Diversity Correlates With Other Diversity Measures

The data collected through our survey of Philanthropy New York members suggests that there is a positive relationship between the racial and ethnic diversity of foundation boards and other measures of foundation diversity (e.g., staff diversity, policies, etc.), but it is important to note that we cannot attribute causation with the available data. It is unclear whether greater racial and ethnic board diversity *may* influence a foundation to have more racially diverse employees or diversity policies or whether greater racial and ethnic board diversity is just one characteristic of a foundation with a general commitment to diversity and inclusiveness.

That said, the proportion of people of color on the boards of surveyed foundations appears to be a strong indicator of a foundation’s overall focus on racial and ethnic diversity, both within the organization and in its grantmaking. Philanthropy New York members with at least 25 percent people of color on their boards (a threshold reached by 27 percent of the surveyed foundations) are more likely than foundations with fewer people of color on their boards to have racially and ethnically diverse staffs, to have both staff and grantmaking diversity policies, to target populations of color through their grantmaking, and to collect demographic data from grantseekers.

Foundations with at least 25 percent people of color on the board are three times as likely as other foundations to have staffs that are mostly people of color. Fifty-two percent of foundations that meet this threshold have staffs with at least 50 percent persons of color, compared to 17 percent of foundations with lower percentages of people of color on

their boards. Grantmakers with greater racial/ethnic diversity on their boards are also much more likely to have policies regarding staff diversity—52 percent vs. 20 percent.

Foundations with greater racial/ethnic board diversity are also more than five times as likely to specify racial or ethnic minorities in their mission statements or grantmaking guidelines—52 percent of such foundations target populations of color, compared to 9 percent of foundations with less than 25 percent board members of color.

Additionally, grantmakers with a higher percentage of nonwhite board members are more than twice as likely to have policies regarding grantmaking that serves people of color—28 percent compared to 12 percent of other grantmakers. Moreover, although just four foundations have policies regarding grantmaking to organizations *led* by persons of color, all four of these foundations have at least 25 percent persons of color on their boards.

Finally, grantmakers with a greater percentage of racially and ethnically diverse board members are more likely to collect data on both the gender and racial/ethnic composition of grantseekers’ boards, staffs, and constituents. Forty-four percent of foundations that meet the 25 percent threshold “always” ask grantseekers about the racial and ethnic composition of their boards, compared to five percent of foundations that don’t meet this threshold. Similarly, 52 percent of foundations with a higher percentage of nonwhite board members “always” collect data about the racial/ethnic composition of populations served by grantseekers, compared to 23 percent of other foundations.

racial or ethnic makeup. Three in five organizations said they “never” ask for the gender composition of either the board members or staff of grantseeking organizations (59 and 57 percent, respectively).

## Foundation Activities Regarding Capacity Building and Developing Nonprofit Leadership

In recent years, increasing attention has been paid to the issue of building nonprofit “capacity,” which encompasses such matters as organizational development, program evaluation and assessment, and technical infrastructure improvement, among other things. For organizations that provide services to traditionally underserved communities, which may include many organizations led by people of color, the issue of capacity building can be especially critical.

Most of the grantmakers surveyed (59 percent) said that at least “some” of their grants focus on “capacity building” (see Figure 15). Another 26 percent said that “very little” of their grantmaking focuses on nonprofit capacity building, while 11 percent said that none of their grantmaking does; 4 percent weren’t sure.

Overall, nearly three quarters (72 percent) of grantmakers indicated that they had provided operating support grants within the past year, and half (50 percent) said that they provided capacity-building support in the form of training or scholarship grants. Just over one third (34 percent) said they had provided consulting service grants in the previous year.

The number of grantmakers that say at least “some” of their grantmaking focuses on capacity building varies by asset size—69 percent of organizations with assets of \$100 million or more said that at least some of their grants focus on capacity building, compared to 51 percent of smaller organizations (Figure 16).

More to the point, 10 percent of surveyed grantmakers said they had awarded “more than 10” capacity-building grants specifically to nonprofit organizations led by persons of color over the past five years. Another 10 percent said they had awarded between one and nine such grants over that period.

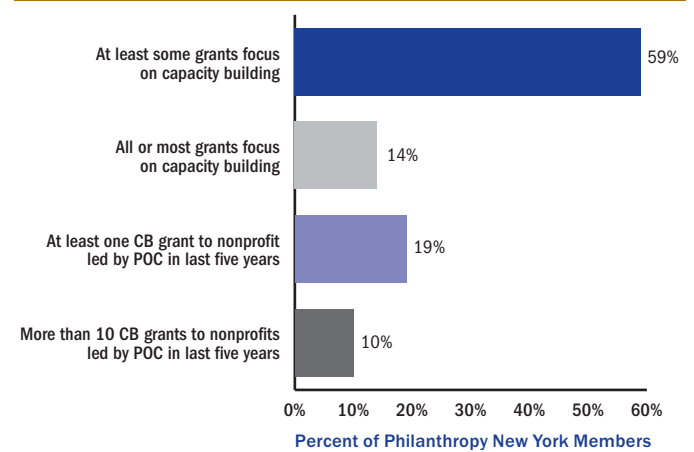
Fewer grantmakers appear to be engaged in providing technical assistance—or non-monetary capacity-building support—than in providing capacity-building grants. One third (33 percent) of surveyed grantmakers said that they “often” or “sometimes” provide such support, compared to three fifths that award capacity-building grants (Figure 17). As with capacity-building grantmaking, the provision of technical assistance support also varies by asset size, with 38 percent of grantmakers with assets of \$100 million or more saying that they often or sometimes

provide such assistance compared to 31 percent of smaller foundations.

In terms of specific support, nearly half (47 percent) of the foundations that responded to the survey indicated that they had provided technical assistance support in the form of program development and implementation services within the last year, and more than two fifths (43 percent) said that they had provided strategic planning assistance or sponsored and/or hosted convenings for nonprofits.

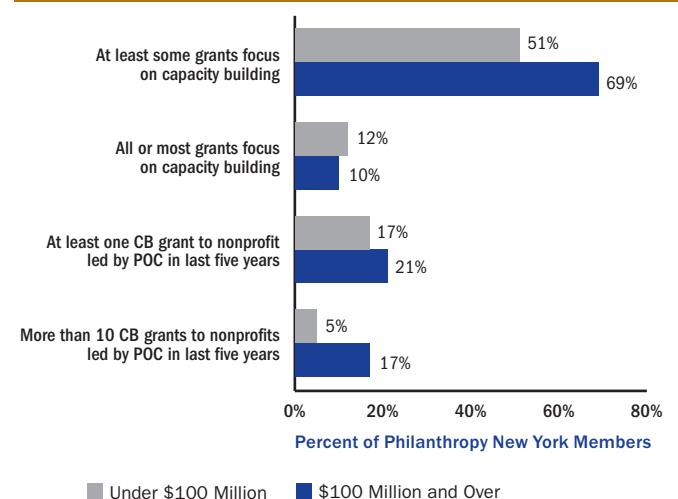
Fifteen percent of grantmakers said that they had provided non-monetary capacity-building support to at least one organization led by people of color within the last five years, while about one in 10 (9 percent) said that they

**FIGURE 15. Philanthropy New York Members’ Capacity-Building Grantmaking**



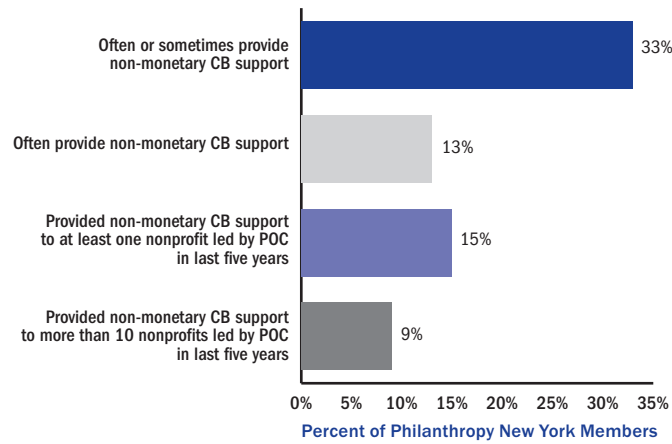
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. One foundation that awards all of its grants overseas has been excluded from this figure. CB = Capacity-building. POC = People of color.

**FIGURE 16. Philanthropy New York Members’ Capacity-Building Grantmaking by Assets**



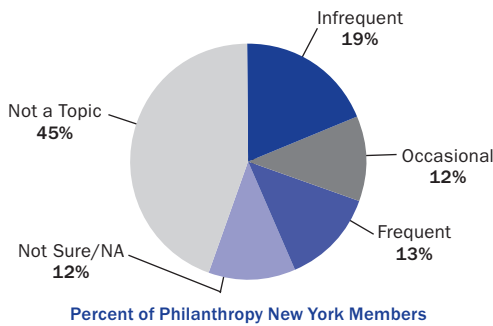
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 88 Philanthropy New York members. One foundation that awards all of its grants overseas has been excluded from this figure. CB = Capacity-building. POC = People of color.

**FIGURE 17. Philanthropy New York Members' Non-Monetary Capacity-Building Support**



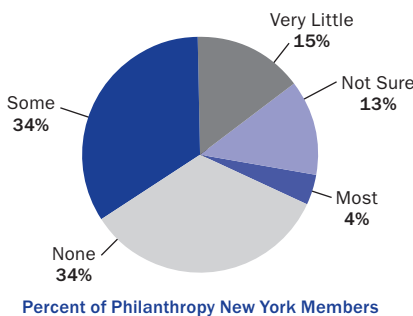
Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. One foundation that awards all of its grants overseas has been excluded from this figure.  
 CB = Capacity-building. POC = People of color.

**FIGURE 18. Frequency of Philanthropy New York Members' Board or Staff Conversations Regarding Building Nonprofit Leadership in Communities of Color**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. One foundation that awards all of its grants overseas has been excluded from this figure.

**FIGURE 19. Proportion of Philanthropy New York Members' Grants That Are Designed to Build Nonprofit Leadership in Communities of Color**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members. One foundation that awards all of its grants overseas has been excluded from this figure.

had provided such support to more than 10 organizations led by people of color during this time frame. This suggests that relatively few NYC foundations are engaged in these types of activities with organizations led by people of color on a regular basis.

A parallel issue has to do with developing nonprofit leadership in communities of color. In an attempt to gauge the extent to which this topic is on the radar screen of grantmakers, we asked whether it had ever been a subject of discussion at board or staff meetings. Nearly a quarter (24 percent) said it was either a “frequent” or “occasional” topic of discussion at such meetings (see Figure 18). But for the vast majority of grantmakers (76 percent), it was either an infrequent topic of discussion (19 percent), not discussed at all (45 percent), or considered “not applicable” to the work of the organization (12 percent). Larger grantmakers (with assets of \$100 million or more) were slightly more likely than smaller grantmakers to have had frequent or occasional conversations about this topic (31 percent vs. 22 percent).

In line with these findings, more than a third of the grantmakers surveyed (38 percent) said that “some” or “most” of their grants were awarded for “programs or initiatives designed to build nonprofit leadership in communities of color” (Figure 19). Nearly half of grantmakers (49 percent), however, said they did “very little” or “no” grantmaking in this area, while 13 percent replied “not sure” or “not applicable.” These results did not vary by foundation size.

## Endnotes

1. Recent estimates suggest that only about 5 percent of U.S. foundations with assets of less than \$100 million employ any paid staff at all.
2. Five of these seven unstaffed grantmakers were family foundations.
3. This finding does not imply that there is greater board diversity among family foundations (which tend to be smaller) than among non-family foundations. Among non-family foundations with assets of less than \$100 million, 24 percent of board members were people of color, compared to 13 percent among small family foundations.



## General Operating Characteristics of Surveyed Foundations

In brief, the 95 Philanthropy New York members that responded to the foundation survey display the following characteristics:

### Foundation type:

- ◆ 75 percent of surveyed foundations (71 of 95) are independent or private foundations
  - Just over half of these (37 of 71) are family foundations
- ◆ The remaining 24 foundations are split among grantmaking operating foundations (13), corporate foundations (seven), and community foundations (four)

### Foundation lifespan:

- ◆ 68 percent of surveyed foundations expect to exist in perpetuity
- ◆ 7 percent plan to spend down their assets over an undetermined amount of time
- ◆ 24 percent are undecided

### Foundation staffing:

- ◆ 91 percent of surveyed foundations are staffed
- ◆ 87 percent currently have a chief executive officer
- ◆ 62 percent have staff at the executive level (VP or higher)
- ◆ 77 percent have staff at the program officer level
- ◆ 82 percent have staff at the administrative level

### Use of consultants and unpaid staff:

- ◆ 6 percent of surveyed foundations employ consultants to make grant decisions
- ◆ 8 percent employ unpaid program officers to make grant decisions

### Letters of inquiry and unsolicited proposals:

- ◆ 72 percent of surveyed foundations accept unsolicited letters of inquiry
- ◆ 57 percent of surveyed foundations accept unsolicited proposals

### Multi-year grants:

- ◆ 27 percent of surveyed foundations say that “all” or “most” of their grants are multi-year grants
- ◆ 37 percent say that “some” of their grants are multi-year grants
- ◆ 36 percent say that “very few” or “none” of their grants are multi-year grants

### Location of support:

- ◆ 43 percent of grant dollars awarded by surveyed foundations serves populations in New York City’s five boroughs
- ◆ 38 percent serves U.S. populations outside of New York State
- ◆ 10 percent serves international populations
- ◆ 7 percent serves populations in the Greater New York City metro area
- ◆ 3 percent serves populations in New York State

### Types of organizations supported:

- ◆ Youth development organizations are supported by 57 percent of surveyed foundations, followed by...
- ◆ Arts or humanities organizations (50 percent)
- ◆ Human services agencies (50 percent)
- ◆ Museums or historical societies (45 percent)
- ◆ Colleges and universities (44 percent)
- ◆ Community improvement organizations (43 percent)
- ◆ Educational institutions, in general (39 percent)
- ◆ Performing arts groups (38 percent)
- ◆ Educational support agencies (36 percent)
- ◆ Environmental agencies (36 percent)
- ◆ Public/general health organizations (34 percent)
- ◆ Hospitals/medical care facilities (34 percent)
- ◆ Schools (33 percent)

### Grantmaking to small organizations:

- ◆ 12 percent of surveyed foundations say that “all” or “most” of their grantmaking goes to organizations with budgets of less than \$500,000
- ◆ 52 percent say that “some” of their grantmaking goes to such organizations
- ◆ 31 percent say that “very little” or “none” of their grantmaking goes to such organizations

### Type of support provided:

- ◆ Program support accounts for 52 percent of grant dollars awarded by surveyed foundations, followed by...
- ◆ General operating support (30 percent)
- ◆ Capital support (6 percent)
- ◆ Research funds (6 percent)
- ◆ “Other” types of support (3 percent)
- ◆ Student aid funds (2 percent)



## 2

# Survey of New York Nonprofit Organizations

This section of the report looks at the characteristics of NYC nonprofit organizations and focuses in particular on the relationship between nonprofits and foundations. One of the key unanswered questions about the nonprofit sector (and not just in New York) is just how diverse it is, both in terms of who leads nonprofit organizations and what populations they serve. A primary goal of the survey of NYC nonprofit organizations was to fill that information gap, so that foundations can operate with a clearer understanding of the demographics of the nonprofit landscape and the populations being served by these organizations.

The survey was conducted online from mid-January through the beginning of April 2009. Organizations were invited to participate via email and regular mail; a total of 540 surveys were submitted.<sup>1</sup>

It should be noted that the survey was conducted at the nadir of the economic downturn of 2008–09, a time of particular uncertainty and financial instability. The primary focus of most nonprofit organizations at the time was on the potential impact of the crisis on sources

of fiscal support, which had the effect of depressing the response rates to the survey. While this limits the potential generalizability of the findings, the survey respondents appear to be fairly representative of NYC nonprofit organizations in general, providing external validity to the findings. (See “Did This Study Succeed in Developing a Solid Estimate of the Diversity of NYC Nonprofit Organizations?” below for more information.)

## Overall Staffing Patterns

According to data collected by the New York City Nonprofits Project, more than 528,000 people—representing 14 percent of the city’s total workforce—were employed at nonprofit organizations between 2000 and 2001.<sup>2</sup> In a survey of more than 3,000 nonprofit organizations the New York City Nonprofits Project found that 68 percent of full-time nonprofit employees were female and 64 percent were nonwhite at that point in time.<sup>3</sup>

## Did This Study Succeed in Developing a Solid Estimate of the Diversity of NYC Nonprofit Organizations?

By standard statistical measures, we cannot say that it did. But we have reason to believe that our estimate may not be too far off. The organizations that responded to the survey closely mirror the overall characteristics of New York City nonprofits across several key dimensions—budget size, age of organization, and organization type. Like NYC nonprofits in general, these organizations are primarily small (49 percent have budgets under \$350,000), young (44 percent were founded since 1994), and focused primarily in the arts (36 percent), human services (28 percent), and education (14 percent). The greatest difference between the characteristics of the respondents and NYC nonprofits in general is that the respondent organizations are more likely to work in the arts (36 percent vs. 25 percent).

The congruity between the survey respondents and the general characteristics of New York nonprofit organizations suggests representativeness. But the relatively low response rate of about 10 percent means that there may be some important differences between responding and

non-responding organizations, some of which may be related to the types of issues being explored in this study.

Because of the topical focus of the survey on diversity issues, these findings may overstate the diversity of NYC nonprofit organizations, but by how much we don’t know. The survey was identified to prospective respondents as being about diversity issues and specific efforts were made to reach out to nonprofit organizations with missions to serve diverse populations. At the same time (and for similar reasons), the present study could also be overstating the diversity of NYC foundations.

Despite the low response rate among NYC nonprofit organizations, we did obtain a large enough sample of self-identified “minority-led” nonprofit organizations to assess in some detail the specific challenges facing them and how those challenges compare to those of non-minority-led organizations. Those contrasts are illustrated throughout this section of this report.

**TABLE 3. New York City Nonprofit Staff Size by Budget Size**

Annual Budget	Number of Organizations	Total Employees	Avg. Staff Size	Median Staff Size
Under \$350,000	195	1,369	7	2
\$350,000–\$1 million	73	896	12	7
\$1 million–\$5 million	74	3,020	41	17
\$5 million+	38	4,064	107	48
<b>Total</b>	<b>380</b>	<b>9,349</b>	<b>25</b>	<b>6</b>

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 380 New York City–based nonprofit organizations that entered valid data for staff size and for which budget data were available. One outlying organization with more than 16,000 employees has been excluded from this table.

Our survey collected data on staff size from 380 of the 544 surveyed organizations, representing a total of 9,349 nonprofit employees (see Table 3). As one would expect, the average number of employees varies considerably by organizational budget size. Half of the organizations that responded to the survey (49 percent) were small, with annual budgets of less than \$350,000 and a median staff size of just two employees, accounting for just 15 percent of all staff among the surveyed organizations. At the other end of the spectrum, organizations with annual budgets of \$1 million or more make up 29 percent of the responding organizations, but account for 76 percent of all staff at the surveyed organizations.

**TABLE 4. Characteristics of New York City Nonprofit Staff and Board Members**

	Board Members	Chief Executives <sup>1</sup>	Managers	Support Staff
Asian/Pacific Islander	7%	6%	10%	9%
Black/African American	16%	15%	25%	33%
Hispanic/Latino/Latina	7%	8%	14%	19%
Native American/Alaska Native	0%	1%	1%	0%
Other racial group	3%	5%	2%	1%
White (non-Hispanic)	67%	70%	48%	38%
Male	55%	45%	37%	39%
Female	45%	55%	63%	61%
LGBT	4%	7%	7%	2%
Disabled	1%	2%	1%	1%
<b>Total No. =</b>	<b>5,237</b>	<b>524</b>	<b>2,924</b>	<b>12,611</b>

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 540 New York City–based nonprofit organizations. Staffing data for one outlying organization with more than 16,000 employees have been excluded from these figures. Due to the way data were collected, any multiracial or multiethnic individuals are counted more than once in all categories except the Chief Executive category.

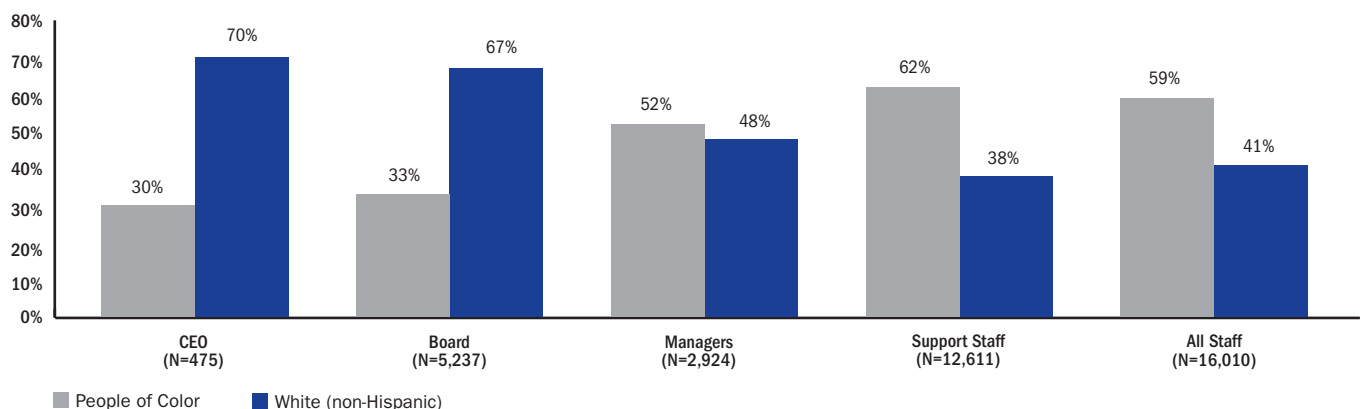
<sup>1</sup>Percentages for chief executive racial and ethnic categories total more than 100 percent because 17 chief executives were multiracial or multiethnic. Not all organizations provided chief executive race or ethnicity.

## Staff Diversity

Of the 540 nonprofit organizations that completed surveys, 324 provided usable information on the demographic composition of their staffs and 362 provided usable information on board composition. Because staff and board data were missing from so many of the responding organizations, the results reported here may not be strictly representative of the characteristics of all New York nonprofit organizations, and generalizations should be made with a great deal of caution. (See “Did This Study Succeed in Developing a Solid Estimate of the Diversity of NYC Nonprofit Organizations?” on page 24.)

**Overview.** In general, nonprofit diversity tends to vary by job level (see Figure 20). Ethnic and racial diversity is greatest at the managerial and support levels (more than 50 percent people of color at each level) and lower at the CEO and board levels (33 percent or lower).<sup>4</sup> Women outnumber men at all levels except on boards, where they account for 45 percent of trustees (Table 4).

**FIGURE 20. Racial and Ethnic Diversity of New York City Nonprofit Staff by Job Level**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 540 New York City–based nonprofit organizations. Staffing data for one outlying organization with more than 16,000 employees have been excluded from this figure. Due to the way data were collected, any multiracial or multiethnic individuals are counted more than once in all categories except the CEO category.

LGBT individuals account for 7 percent of CEOs and managers, 4 percent of board members, and 2 percent of support staff.

**Nearly one third of chief executives are people of color.** Among the responding organizations, 30 percent of CEOs are people of color, with Blacks accounting for 15 percent, Hispanics 8 percent, and Asians 6 percent. CEOs of color are more likely to be found at smaller organizations than at larger ones—37 percent of organizations with budgets of less than \$1 million have CEOs of color, compared to 16 percent of organizations with budgets of \$1 million or more (Figure 21).

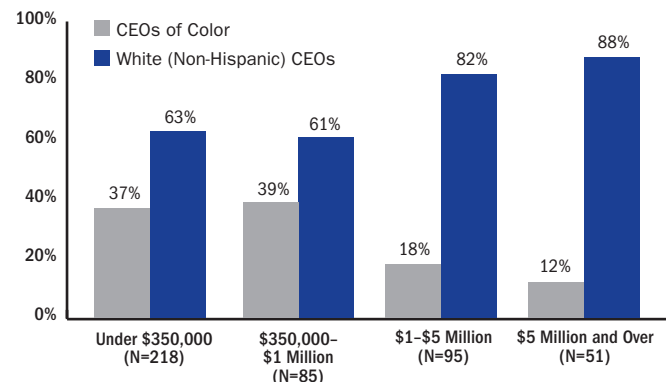
**One third of board members are people of color.** The demographics of nonprofit boards parallel the findings for CEOs, with people of color accounting for 33 percent of all board members at the surveyed organizations. Blacks make up 16 percent of board members, followed by Latinos (7 percent) and Asians (7 percent). As before, the smaller the organization, the larger is the percentage of board members of color (see Figure 22). At organizations with annual budgets of less than \$1 million, the proportion of board members of color is 40 percent. At larger organizations, this figure is 24 percent.

**People of color account for half of all managers.** Across all responding organizations, people of color make up 52 percent of all employees at the managerial level. People of color constitute the majority of managers at all but the largest nonprofit organizations surveyed, accounting for 43 percent of managers at organizations with annual budgets of \$5 million or more.

**Most administrative staff are people of color.** The highest percentages of people of color are found among administrative and support staff—62 percent of the administrative workforce at the surveyed nonprofit organizations are people of color. Whites account for 38 percent of this group, followed by Blacks (33 percent), Latinos (19 percent), and Asians (9 percent). At smaller organizations, the percentage of people of color is even greater. At organizations with budgets under \$1 million, 75 percent of administrative staff are people of color.

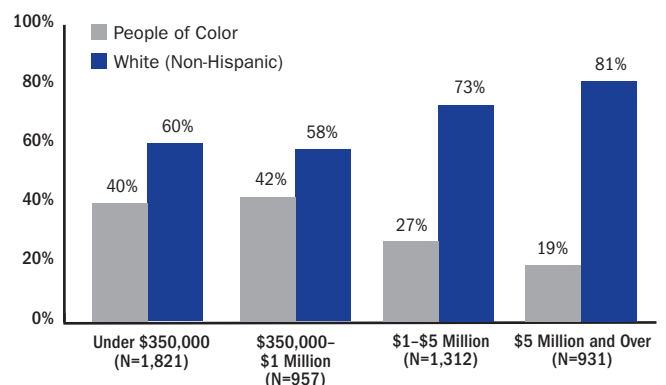
**More than half of nonprofit staff members are women.** Overall, 61 percent of the workforce at surveyed organizations is female. By job level, women account for 55 percent of CEOs, 63 percent of the managerial staff, and 61 percent of the administrative staff. Only at the

**FIGURE 21. Racial and Ethnic Diversity of New York City Nonprofit Chief Executives by Budget Size**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 449 New York City-based nonprofit organizations for which budget data were available that reported the race or ethnicity of their chief executive.

**FIGURE 22. Racial and Ethnic Diversity of New York City Nonprofit Boards by Budget Size**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 5,021 board members reported by 512 New York City-based nonprofit organizations for which budget data were available. Due to the way data were collected, any multiracial or multiethnic individuals are counted more than once in this figure.

**TABLE 5. Presence of Diversity Policies at New York City Nonprofits by Organizational Characteristics**

Policies Regarding...	All Organizations	Minority-Led	Non-Minority-Led	Budget Under \$1 Million	Budget \$1 Million+
Board Diversity	31%	42%	22%	26%	43%
Staff Diversity	38%	43%	34%	28%	60%
Vendor & Consultant Diversity	17%	22%	11%	14%	22%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 540 New York City-based nonprofit organizations. Eighty-three of the organizations that answered the policy questions did not answer the question regarding minority-led identification, and budget data were unavailable for 28 of the organizations that responded to these questions.

"Minority-led" organizations in this figure are those that self-identified as being minority-led on the survey.

board level is this pattern reversed, where 55 percent of board members are male.

An estimated 3 percent of nonprofit staff are lesbian, gay, bisexual, or transgender (LGBT). As noted in the first section of the report, data on LGBT employees must be taken as somewhat speculative. But based on the responses to this survey, it is likely that up to 3 percent or more of the staff at NYC nonprofit organizations are lesbian, gay, bisexual, or transgender. Fully 7 percent (39) of the responding organizations indicated that their chief executive was an LGBT person. LGBT individuals also account for about 7 percent of managers and about 4 percent of board members.

**People with disabilities appear to account for about 1 percent of nonprofit staff.** As with the LGBT population, it is likely that people with disabilities may be undercounted at the organizational level. Certainly, this appears to be true in the present study—just 1 percent of all staff at the surveyed organizations were identified as

people with disabilities. Because of the small numbers of individuals reported in this category, it is not possible to conduct additional in-depth analyses of this group. **Fewer than half of surveyed organizations have policies regarding staff, board, or vendor diversity.** Overall, 31 percent of organizations have policies or guidelines on board diversity and 38 percent on staff diversity (Table 5). In addition, 17 percent of the responding organizations said they had policies or guidelines regarding vendor or consultant diversity. Organizations that are “minority-led” (see “What is a ‘Minority-Led’ Organization?” below), as well as those with annual budgets of over \$1 million, are more likely to have policies or guidelines regarding diversity.

## Targeting Population Groups

**Most of the surveyed organizations target their programs to serve specific population groups.** Seventy-nine percent of all surveyed organizations have missions that lead to

### What is a “Minority-Led” Organization?

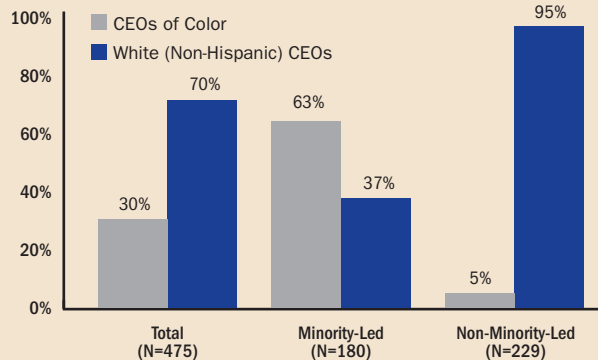
A key question facing the field of institutional philanthropy is to what extent foundation funding is going to “minority-led” organizations. But what does it mean to be a “minority-led” organization?

In many discussions, the term “minority-led” is taken to refer to organizations led specifically by people of color. But people of color are not the only group that constitutes a minority in the U.S. “Minority-led” could just as easily refer to organizations led by LGBT individuals, people with disabilities, and in some contexts, women.

In this survey, we asked responding organizations to tell us *whether they considered themselves* “minority-led” or not, and why. Their responses suggest that while this term is indeed used in a number of different ways by nonprofit organizations, it may also be of some utility as a tool for analyzing internal organizational policies, populations served, and foundation funding patterns.

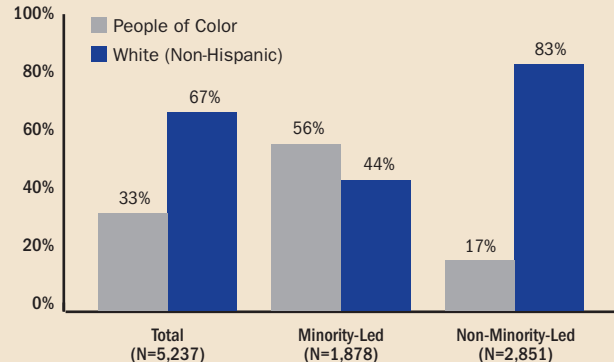
Overall, 38 percent of the responding organizations characterized themselves as minority-led (N=199), while 49 percent did not (N=258). The remaining 14 percent

**FIGURE 23. Racial and Ethnic Diversity of New York City Nonprofit Chief Executives by Minority-Led Identification**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 475 New York City-based nonprofit organizations that reported the race or ethnicity of their chief executive. Minority-Led and Non-Minority-Led columns are based on 409 organizations with chief executives at the time of the survey that self-identified as minority-led (N=180) or said that they were not minority-led (N=229).

**FIGURE 24. Racial and Ethnic Diversity of New York City Nonprofit Board Members by Minority-Led Identification**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on 5,237 board members reported by 540 New York City-based nonprofit organizations. Minority-Led and Non-Minority-Led columns are based on 4,729 board members at organizations that self-identified as minority-led (N=199) or said that they were not minority-led (N=229). Due to the way data were collected, any multiracial or multiethnic individuals are counted more than once in this figure.

at least some of their work serving specific demographic populations. This is especially true of minority-led organizations and larger organizations.

Overall, 50 percent of all the responding organizations said they target all or most of their programs to benefit communities of color (Figure 25).<sup>5</sup> Disaggregated, 24 percent target all or most of their programs to benefit Blacks, 23 percent to benefit Latinos, and 9 percent to benefit Asian Americans. Six percent said that most of their programs are targeted to benefit the LGBT community. Minority-led organizations are more likely than non-minority-led organizations to target all or most of their programming to specific populations including communities of color (68 percent vs. 38 percent), the economically disadvantaged (54 percent vs. 42 percent), and immigrants (31 percent vs. 13 percent).

**More than two thirds of surveyed nonprofits collect demographic data on populations served.** Sixty-seven percent of the organizations surveyed “sometimes” or

**TABLE 6. Demographics of New York City Residents**

	Percent
<b>Race/Ethnicity</b>	
White (non-Hispanic) alone	35.1
Hispanic alone	27.4
Black or African American alone	23.7
Asian or Asian American alone	11.5
Some other race alone	1.0
Two or more races	1.0
American Indian or Alaska Native alone	0.2
<b>Gender</b>	
Female	52.3
Male	47.7
<b>Age</b>	
Under 18	23.1
65 and older	12.2
<b>Social Characteristics</b>	
Foreign born	36.7
Disability status (population 5 years and over)	13.8
<b>Economic Characteristics</b>	
Individuals below Federal Poverty Level	18.9

Source: U.S. Census Bureau, 2005–2007 American Community Survey 3-Year Estimates, Data Profile, New York City.

(N=72) were not sure. Looking at the staffs and boards of the self-identified minority-led organizations, a number of demographic characteristics stand out. More than six in 10 (63 percent) have CEOs of color, 56 percent of their trustees are people of color, and 65 percent of their managerial staff is made up of people of color.

**Most minority-led organizations have CEOs of color.** At organizations that self-identify as minority-led, 63 percent are headed by CEOs of color (Figure 23). In contrast, just 5 percent of non-minority-led organizations have CEOs of color. So, the presence of a CEO of color is more often than not a sufficient condition for an organization to think of itself as minority-led. However, it is important to keep in mind that having a white CEO does not necessarily mean that the organization views itself as non-minority-led, since 37 percent of minority-led organizations have white CEOs. The composition of the board and the managerial staff are other important factors.

**Most trustees at minority-led organizations are people of color.** Across “minority-led” organizations, 56 percent of board members are people of color (Figure 24). Conversely, for those organizations that do not define themselves as minority-led, their boards are 83 percent white. In addition, people of color account for 65 percent of managers (almost double that of their white counterparts) in minority-led organizations and 39 percent in organizations not defined as minority-led.

**“Minority-led” organizations led by white (non-Hispanic) CEOs.** While 63 percent of the CEOs of minority-led organizations were people of color, 37 percent (N=66) were not. Why did these 66 organizations headed by white CEOs choose to identify themselves as minority-led?

Board composition—i.e., more than 50 percent people of color—was the reason given by 16 of these organizations (or about 8 percent of all minority-led nonprofits). Taken together with the 60 percent of minority-led organizations with CEOs of color, this means that two thirds of self-identified minority-led organizations (67 percent) have either CEOs of color or boards with at least 50 percent people of color.

Another 13 organizations mentioned that their staffs were largely composed of people of color, while seven considered themselves “minority-led” because they serve communities of color. One nonprofit said that they were co-founded by an African American who still occupies a position of leadership in the organization, and another said they are “led by one black person and one white person.” All told, 80 percent of self-identified minority-led organizations chose to identify themselves that way due to the presence of persons of color at some level of the organization or among the populations they serve.

Most of the remaining minority-led organizations (13 percent) claimed that status because they were led by women. Four percent were led by immigrants, 3 percent by members of the LGBT community, and 1 percent by people with disabilities.

**“Minority-led” organizations tend to be smaller than non-minority-led organizations.** Just over half of self-identified minority-led organizations (55 percent) have budgets under \$350,000, compared to 46 percent of non-minority-led organizations. At the other end of the spectrum, just 25 percent of minority-led organizations have annual budgets over \$1 million, compared to 38 percent of non-minority-led organizations.



“always” gather demographic data on the populations they serve with minor fluctuations based on the age of the organization. However, minority-led and larger organizations (those with expenditures over \$1 million) are more likely to collect this information—77 percent of minority-led vs. 61 percent of non-minority-led organizations and 78 percent of larger vs. 63 percent of smaller organizations.

**Half of surveyed organizations have policies or guidelines regarding populations served.** Specifically, 49 percent have such policies, a figure that rises to approximately 60 percent of both larger and self-identified minority-led organizations (see Figure 26).

## Foundation Support of New York Nonprofit Organizations

Aside from learning about the demographic characteristics of NYC nonprofit organizations and the populations they serve, the survey was designed to probe the relationship

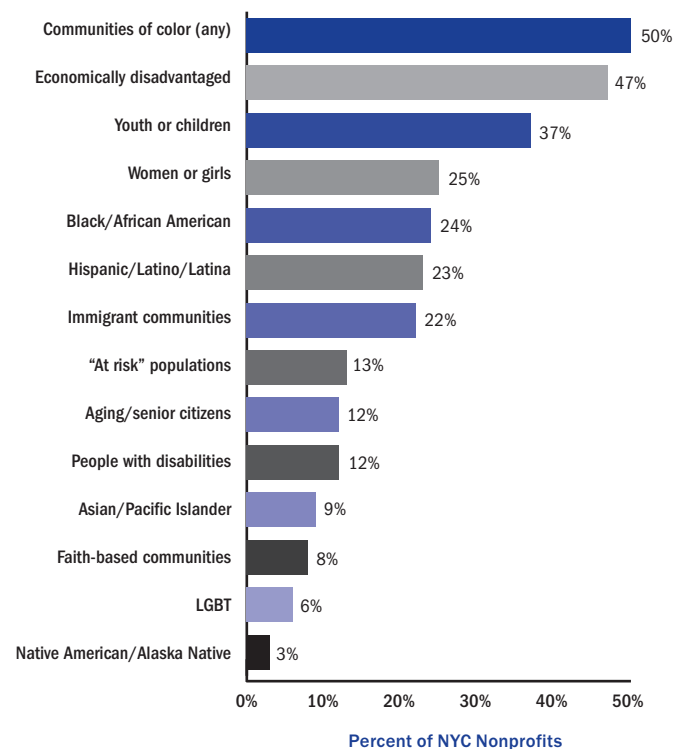
between nonprofit organizations and foundations, in the following ways:

1. How much support do New York City nonprofit organizations receive from foundations?
2. What types of support do NYC nonprofits receive (both monetary and non-monetary)?
3. What obstacles do nonprofit organizations face in terms of obtaining foundation support?
4. What are the primary capacity-related needs facing NYC nonprofit organizations?
5. Do the answers to these questions vary between organizations that identify themselves as minority-led and those that do not?

More than 80 percent of the surveyed nonprofits reported receiving some level of foundation support over the past three years, which qualified them to answer questions regarding foundation support for their organizations. But levels of support received by these nonprofits varied considerably. At the upper end of the spectrum, one quarter (23 percent) received annual support of more than \$500,000 per year, and another 28 percent received between \$100,000 and \$500,000.

At the other end, about one in five organizations (18 percent) reported receiving annual support of less than \$25,000. About 6 percent of the respondents indicated that they had been completely unsuccessful in all of their applications for grants over that past three years, and a similar percentage appear not to have applied for grants at all.

**FIGURE 25. New York City Nonprofit Programming Targeted to Specific Demographic Groups**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 372 New York City-based nonprofit organizations. Percentages are based on the number of organizations that said that “all” or “most” of their programs target each of the above population groups.

**Foundation support varies by size of organization.** The amount of foundation support received is primarily a function of organization size. Among larger organizations, for example (i.e., those with annual budgets of \$1 million or more), 74 percent received an average of more than \$100,000 in annual support over the past three years. Among organizations with annual budgets of less than \$350,000, 43 percent received annual support of less than \$50,000.

**Foundation support does not vary significantly between minority-led and non-minority-led organizations with budgets of less than \$1 million (findings for larger organizations are inconclusive).** Of particular interest to us was whether minority-led organizations fare as well as non-minority-led organizations in terms of foundation support. Among sampled organizations, there appears to be little difference between the levels of support received by

both minority-led and non-minority-led organizations with annual budgets of less than \$1 million. Because the sample of minority-led organizations with budgets of more than \$1 million is small (N=48), it is not possible to determine whether there is a significant difference between support for minority-led and non-minority-led organizations of that size.

**For most organizations, the rate of successful grant submissions is less than 50 percent.** Among all survey respondents, 60 percent were successful less than half the time when seeking grants. Larger organizations were somewhat more successful at receiving funding than smaller organizations—46 percent had at least a 50 percent success rate, compared to 37 percent among smaller organizations.

The success rate for minority-led organizations was slightly lower than that for non-minority-led organizations—43 percent of non-minority-led organizations had success rates of more than 50 percent, compared to 39 percent among minority-led organizations (see Figure 27).

**Most grant dollars fund programs and projects.** More than half of foundation funding received by the surveyed nonprofits (58 percent) went for direct project support or program development. About a third of foundation support (33 percent) was for general operating support. Roughly 6 percent was for capacity building and staff development, and just 4 percent went for endowments or capital campaigns. The allocation of grants showed little variation by organization size or by whether or not the organization was minority-led.

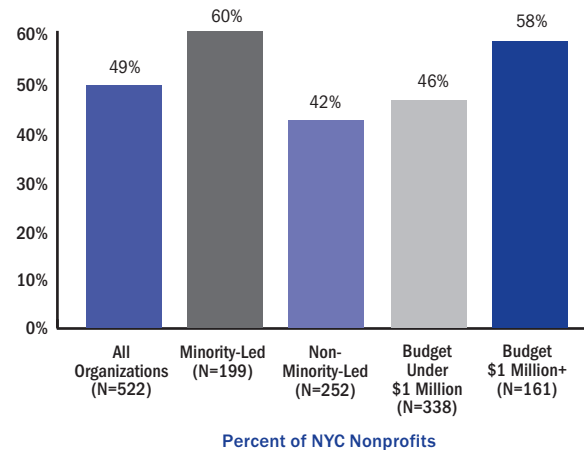
**More than half of surveyed nonprofits have received non-monetary support from foundations.** When asked if they had received non-monetary support from foundations, 51 percent of surveyed organizations answered yes. Larger organizations (with budgets of \$1 million or more) were the most likely to have received this type of support—58 percent vs. 48 percent of smaller organizations. Minority-led organizations were more likely than non-minority-led organizations to have received non-monetary support (57 percent vs. 49 percent).

**Lack of staff is seen as the most significant barrier to receiving foundation support.** Respondents were asked what was the single largest obstacle preventing them from receiving foundation support. There were two broad categories of responses. Internal (organizational) constraints included lack of staff (41 percent); lack of contacts with the foundation community and/or a weakly developed board (7 percent); and lack of visibility (5 percent). Externally, respondents pointed to a lack of

foundation interest in their work (15 percent), the poor state of the economy (13 percent), and the high level of competition for limited funds (5 percent).

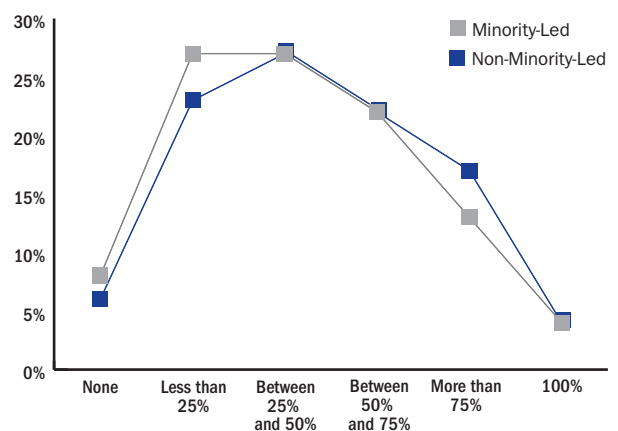
In addition, we asked organizations who did not seek funding why they did not do so.<sup>6</sup> Overwhelmingly, those organizations tended to be smaller (with budgets under \$1 million). Most often they cited lack of staff and/or lack of information as the main reasons they did not seek foundation support. These two factors accounted for

**FIGURE 26. Presence of Policies Regarding the Diversity of Populations Served at New York City Nonprofits**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 522 New York City-based nonprofit organizations. Seventy-one of the organizations that answered this question did not answer the question regarding minority-led identification, and budget data were unavailable for 23 of the organizations that responded to this question. "Minority-led" organizations in this figure are those that self-identified as being minority-led on the survey.

**FIGURE 27. Success Rates of New York City Nonprofits' Grant Applications by Minority-Led Identification**



Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 338 New York City-based nonprofit organizations that answered the question and did not select "Not sure" or "Not applicable." Forty-six organizations that responded to the success rate question but did not respond to the question regarding minority-led identification have been excluded. "Minority-led" organizations in this figure are those that self-identified as being minority-led on the survey.

**TABLE 7. Presence of Development Staff at New York City Nonprofits by Budget Size**

	Any Fundraiser	FT Dedicated	PT Dedicated	FT Shared	PT Shared	FT Consultant	PT Consultant	N=
All	79%	28%	17%	51%	23%	3%	20%	477
Under \$1 million	74%	15%	14%	44%	27%	2%	17%	300
\$1 million+	93%	58%	23%	67%	16%	4%	27%	153

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 477 New York City–based nonprofits that answered this question. Values represent the percent of organizations that said they had at least one employee or consultant in each of the above categories. Budget data were unavailable for 24 of the organizations that responded to this question.

FT Dedicated = Full-time staff dedicated to fundraising or development only.

PT Dedicated = Part-time staff dedicated to fundraising or development only.

FT Shared = Full-time employees that handle fundraising among other job responsibilities.

PT Shared = Part-time employees that handle fundraising among other job responsibilities.

FT Consultant = Full-time consultants dedicated to fundraising or development only.

PT Consultant = Part-time consultants dedicated to fundraising or development only.

**TABLE 8. New York City Nonprofits' Ranking of Most Needed Capacity-Building Support by Minority-Led Identification**

	All Organizations	Minority-Led	Non-Minority-Led
Fundraising	51%	61%	43%
Board Development	37%	40%	33%
Tech Support	35%	42%	29%
Strategic Planning	28%	31%	23%
Fiscal Management	20%	22%	16%
Communications	20%	21%	17%
Program Evaluation	18%	18%	17%
Programming	15%	20%	12%
Human Resources	15%	22%	8%
Staff Training	15%	19%	10%
Legal Advice	10%	12%	7%
Cultural Competence	9%	8%	11%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from at least 440 New York City–based nonprofits that answered each question regarding a type of capacity-building support. Percentages are based on the number of organizations that said they had “a great deal” of need in each of the above listed areas. “Minority-led” organizations in this table are those that self-identified as being minority-led on the survey.

88 percent of all responses, with virtually no distinction between the responses of minority-led and non-minority-led organizations.

Roughly one quarter of the surveyed organizations (28 percent) have a dedicated full-time fundraiser and only 17 percent have a dedicated part-time fundraiser (Table 7). Most often fundraising is combined with other responsibilities in a full-time staff person’s portfolio. This is especially true for organizations with budgets under \$1 million where just 15 percent have a full-time person dedicated to fundraising (as opposed to 58 percent for organizations with larger budgets).

“Fundraising” assistance tops the list of nonprofit organization capacity-building needs. Nonprofit organizations expressed significant levels of need for capacity building in the areas of fundraising, board development, technological support, and communications—at least one third of surveyed nonprofits said they had “a great deal” of need for technical assistance in each of these three areas (Table 8). Minority-led organizations expressed greater capacity-building needs across the board than did non-minority-led organizations.

## Endnotes

1. Contact information was provided for 8,192 organizations by the National Center for Charitable Statistics; included were all filing nonprofit organizations in NYC with the exclusion of grantmaking organizations. (Nonprofit organizations with an annual budget of \$25,000 are required to file Form 990 with the IRS.) The rate of return (failed deliveries) of both regular and emailed invitations was 25 percent, yielding an estimated response rate of 10 percent.
2. The estimate of 528,000 New York City nonprofit workers is based on 9,078 New York City–based nonprofit organizations that were required to submit financial reports (via Form 990) to the IRS because they had budgets of at least \$25,000. Another 18,396 charitable organizations with annual revenues over \$5,000 were registered with the IRS as 501(c)(3)s at that time, but were not required to submit financial reports due to their small size.
3. For more information see [www.nycnonprofits.org/pdf/Paper%204\\_Employment\\_Draft%201.pdf](http://www.nycnonprofits.org/pdf/Paper%204_Employment_Draft%201.pdf).
4. In two separate questions survey respondents were asked to report first on paid employees that held “managerial positions” and then on paid employees “who were not accounted for in the last question (in other words program, administrative, or support staff).” Those employees reported in the first question—those holding “managerial positions”—are the basis for the “managers” category used for analyses. The remaining employees (excluding the chief executive) reported in the subsequent question are the base for all analyses of “support staff” or “administrative staff.”
5. As in the foundation survey, nonprofit organizations were allowed to specify more than one population group.
6. Note that 94 out of 540 organizations (17 percent) responded to this question, which indicates even those who did apply for (and receive) foundation funding answered this question.

## 3

## Conclusion

Because this is the first study to focus specifically on issues relating to the diversity of New York City foundations, its primary goals were to establish baseline data on the demographic composition of foundation boards and staffs and to learn how diversity considerations factor into their policies and grantmaking practices. It also sought to understand the extent to which foundations are currently engaged in their own data collection efforts to monitor and track what populations benefit from their grantmaking.

At the same time, because equally little was known about the diversity of the nonprofit communities being served by foundations, this study also attempted to gather data on the diversity of NYC nonprofit staffs, boards, and populations served. Of particular concern was to understand whether the experiences and needs of “minority-led” organizations differed in important ways from those of non-minority-led organizations.

While we attempt in this section to summarize what was learned from this project, we stop short of drawing overarching conclusions or offering specific recommendations. As noted in the preface to this report, “Foundations have a multitude of missions and priorities; are of many sizes and capacities; and will have different approaches to this issue.” The same can be said of nonprofit organizations as well. Moreover, the issues being explored are themselves complex and surveys can only begin to scratch the surface of this topic. For all of these reasons, it is difficult to draw conclusions that can be broadly generalized to the work of all NYC foundations and nonprofit organizations. We encourage both foundations and nonprofit organizations to use these findings as points of departure for further conversations that will allow them to engage these issues in ways that are most appropriate for them.

We expect to conduct additional research on this topic on a systematic, regular basis in the future and welcome suggestions regarding areas in need of further exploration. In particular, there is a strong need for additional qualitative research (e.g., interviews, ethnographic work, etc.) that would allow us to develop a deeper and more nuanced understanding of these issues from the perspectives of individual foundations and nonprofit organizations within specific, grounded contexts.

**NYC foundation diversity.** The survey of Philanthropy New York members found that while 43 percent of their employees are people of color, diversity tends to vary by job level. Ethnic and racial diversity is greater at the administrative level (48 percent people of color) and lower at the CEO and board levels (16 and 18 percent, respectively). Women outnumber men at all levels except on boards, where they account for 45 percent of trustees. LGBT individuals and people with disabilities appeared to be relatively equally distributed across all job categories, although challenges remain in obtaining accurate counts for these populations.

The study also found that about a third of the surveyed foundations had policies regarding staff diversity, but just 10 percent had policies regarding board diversity. Among foundations with such policies, however, both staff and board diversity tended to be greater.

Most of the surveyed foundations (84 percent) said that at least “some” of their grants are targeted to serve specific population groups, and about half said they “always” or “sometimes” ask grantseekers to provide information about the racial and ethnic composition of the population(s) they serve. Significantly, of those foundations that explicitly name at least one racial or ethnic minority group in their mission statement or grantmaking guidelines, 79 percent “always” or “sometimes” collect these data from grantseekers.

Whether such data are being collected in a comparable fashion across organizations is not known. But the fact that these data are already being collected on a fairly wide-scale basis is encouraging from the perspective of developing standards that would allow Philanthropy New York grantmakers to aggregate and analyze these data more systematically.

At the same time, though, few grantmakers appear to be collecting demographic data on the board and staff characteristics of the nonprofit organizations they support. Just 25 percent of the surveyed foundations said they “always” or “sometimes” collect data from grantseekers on the racial or ethnic makeup of their board, while 30 percent collect such data about their staff. This leaves a significant hole in our understanding of the extent to which foundation giving benefits organizations led by



people of color or other “minority” populations. It also leaves grantmakers without an answer to charges leveled by some that foundations do not target an equitable level of support to “minority-led” organizations.

This knowledge gap regarding nonprofit diversity is telling in light of findings from the survey of New York nonprofits that paint a picture of a very diverse nonprofit community. Nearly four in 10 organizations (38 percent) described themselves as “minority-led,” with people of color accounting for roughly 30 percent of both CEOs and board members, as well as more than half of administrative and managerial employees. Moreover, fully half (50 percent) of the surveyed NYC nonprofit organizations said that they target “all” or “most” of their programs and services to benefit populations of color.

Granted, the survey of nonprofit organizations was hampered by low response rates—depressed in part by the timing of the survey at the height of the economic crisis—and the percentage of “minority-led” NYC nonprofits may be somewhat overstated due to the possibility of self-selection bias among survey respondents (i.e., respondents with a strong interest in the topic of diversity may have been more likely than those with less interest to complete the survey). But even if the data were more robust, it’s not clear that the learnings for foundations and nonprofits would be any different.

**Minority-led organizations.** One of the most striking findings to emerge from this study was how nonprofit organizations defined themselves as either minority-led or not. While 30 percent of NYC nonprofit organizations have CEOs of color, 38 percent identified themselves as

“minority-led,” meaning that many such organizations are led by white CEOs. Some of the nonprofits with white CEOs chose to identify themselves as minority-led because at least half of their board members or staffs were people of color, but many (20 percent) claimed this status because they were led by women, immigrants, LGBT individuals, or people with disabilities.

Findings were similar for both minority-led nonprofits and those led specifically by CEOs of color, suggesting that the notion of “minority-led” nonprofits may be useful as a tool for understanding how nonprofit organizations differ from each other. But it needs to be understood as a more complex concept than the way it has typically been used in many discussions, which is as a synonym for organizations led by people of color.

Aside from leadership, this study found that minority-led organizations differed from non-minority-led organizations in the following ways:

- Minority-led organizations were more likely than non-minority-led organizations to target all or most of their programming to specific populations, including communities of color (68 percent vs. 38 percent), the economically disadvantaged (54 percent vs. 42 percent), and immigrants (31 percent vs. 13 percent).
- Minority-led organizations were more likely to have policies or guidelines regarding the diversity of the populations they serve (60 percent vs. 42 percent).
- The rate of successful grant applications was slightly lower for minority-led organizations (39 percent were successful at least half the time, compared to 43 percent among non-minority-led organizations).
- Minority-led organizations were more likely to have received non-monetary support from foundations (57 percent vs. 49 percent).
- Minority-led organizations expressed greater capacity-building needs than did non-minority-led organizations across all areas, but especially in the areas of fundraising, technical support, human resources, and staff training.

Importantly, the study also found that levels of foundation support did not appear to differ between minority-led and non-minority-led organizations of comparable size, although insufficient data were collected to allow conclusions to be drawn for organizations with operating budgets of \$1 million or more.

A final point to keep in mind is that many of the challenges facing minority-led nonprofits are the same as those facing smaller nonprofit organizations. For example, smaller organizations are less likely to succeed in getting proposals funded, partly due to small staff sizes. On top

**TABLE 9. Comparison of Racial and Ethnic Diversity Among New York Foundation and Nonprofit Staff and Board Members**

	NY Grantmakers		NYC Nonprofits <sup>1</sup>	
	White (non-Hispanic)	People of Color	White (non-Hispanic)	People of Color
CEO	84%	16%	70%	30%
Board	83%	18%	67%	33%
Executive Staff & Program Officers/Managers <sup>2</sup>	62%	39%	48%	52%
Admin. Staff	52%	48%	38%	62%
All	58%	43%	41%	59%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from Philanthropy New York members with valid demographic data for staff/board members at each level and 540 New York City-based nonprofit organizations. Percentages for Philanthropy New York members may total more than 100 because some employees and board members were multiracial.

<sup>1</sup>Staffing data for one outlying nonprofit with more than 16,000 employees have been excluded from these figures. Due to the way data were collected on the nonprofit survey, any multiracial or multiethnic individuals are counted more than once in all nonprofit categories except the CEO category.

<sup>2</sup>The foundation survey asked for demographic data on foundation “executive staff” (defined as individuals—excluding the chief executive—holding positions “such as COO, CFO, vice president or higher, etc.”) and “program officers” in two separate questions. These two groups have been added together for this table. The nonprofit survey asked for demographic data on nonprofit “managers” (not including the chief executive).



of this, smaller organizations may also have a harder time finding their way onto grantmakers’ radar screens. While most of the grantmakers surveyed said that they provide at least “some” support to organizations with annual budgets of less than \$500,000, fully one third (33 percent) said that “very little” or “none” of their grantmaking goes to organizations of this size.

**Comparisons across the foundation and nonprofit surveys.** Because the foundation and nonprofit surveys were designed to complement each other, it is possible to draw a number of comparisons between the foundation findings and the nonprofit findings. But we urge caution in attempting to draw any hard and fast conclusions from such comparisons. It bears repeating that these studies represent first attempts to gather the baseline information needed to develop a clear understanding of the diversity of NYC foundations and nonprofit organizations. We believe that it is more appropriate at this stage to lift up for discussion any questions that such comparisons may raise than to offer speculative interpretations or prescriptions.

The first comparison that many are likely to draw between the findings from the two surveys is with respect to the relative percentages of people of color employed at NYC foundations and nonprofit organizations. The surveys suggest that NYC nonprofits employ a higher percentage of people of color than do NYC foundations, by a margin of about 13 to 17 percentage points depending upon job level (see Table 9). In fact, more than half of the employees at the surveyed nonprofits are people of color (59 percent), compared to 43 percent at surveyed foundations.

But while this comparison of findings across the two surveys is simple to state, its implications are not necessarily straightforward and require thoughtful discussion to tease them out—In what ways, or under what circumstances, might it “make a difference” that NYC nonprofits employ more people of color than NYC foundations? And what roles might other factors such as institutional size or the age of the organization play in understanding why such differences exist? Such questions are important to bear in mind as additional comparisons are presented below.

NYC nonprofits are also more likely than NYC foundations to have policies in place regarding both board and staff diversity (see Table 10). This is especially true with respect to board diversity—31 percent of the surveyed nonprofits had policies regarding board diversity, compared to 10 percent of surveyed foundations. Such policies appear to correlate with actual board diversity, as suggested by the relatively higher proportions of people of color on nonprofit boards (31 percent vs. 17 percent on foundation boards).

Comparisons between the populations served by nonprofit organizations and the populations targeted by

foundations may be particularly instructive in terms of understanding the frames through which foundations and nonprofit organizations view the populations they support. For example, while 50 percent of the surveyed NYC nonprofit organizations said they target “all” or “most” of their programs and services to benefit populations of color, just one in five (20 percent) of the surveyed NYC foundations specifically named populations of color as “key constituencies that the foundation aims to serve through its domestic (U.S.) grantmaking” (Table 11).

While the question wording differs across the two surveys, the size of this difference is striking in that other population groups appear to be targeted at relatively similar rates by both foundations and nonprofits. For example, 39 percent of foundations named the economically disadvantaged as a key constituency in their mission statements or grantmaking guidelines, a figure that comes

**TABLE 10. Percent of New York Grantmakers and Nonprofits That Have Policies Regarding Board and Staff Diversity**

	NY Grantmakers	NYC Nonprofits
Have a policy or guidelines regarding board diversity	10%	31%
Have a policy or guidelines regarding staff diversity	30%	38%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from Philanthropy New York members that reported having staff (87) or board members (93) at the time of the survey and 540 New York City–based nonprofit organizations.

**TABLE 11. Populations Targeted by New York Grantmakers and Nonprofits**

	NY Grantmakers	NYC Nonprofits
Youth or children	47%	37%
Economically disadvantaged	39%	47%
“At risk” populations	23%	13%
Women or girls	23%	25%
Racial/ethnic minorities in general <sup>1</sup>	20%	50%
Aging/senior citizens	17%	12%
Immigrant communities	14%	22%
People with disabilities	11%	12%
Lesbian, gay, bisexual, or transgender	10%	6%
Black/African American	4%	24%
Hispanic/Latino/Latina	3%	23%
Asian/Asian American	2%	9%
Native American/Alaska Native	2%	3%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members and 372 New York City–based nonprofit organizations. Grantmaker percentages are based on responses to a question that asked grantmakers to indicate which of the above population groups were specifically mentioned in the foundation’s mission statement or grantmaking guidelines. Nonprofit percentages are based on nonprofits that responded that “all” or “most” of their programs/services are targeted to the above population groups. <sup>1</sup>“Communities of color” was the terminology used on the nonprofit survey. Note: Surveyed grantmakers fund locally, nationally, and internationally, but the New York City–based nonprofits surveyed generally work only in the NYC metro area.

much closer to the 47 percent of nonprofit organizations that said they target all or most of their programs and services to benefit this group. Likewise, 47 percent of foundations said that “youth” was a key constituency, compared to 37 percent of nonprofits that target all or most of their programs or services to this group. And foundations and nonprofits were almost equally likely to target women as a key constituency (23 percent vs. 25 percent).

**TABLE 12. Types of Capacity-Building Support Provided by New York Grantmakers and Needed by NYC Nonprofits**

	NY Grantmakers	NYC Nonprofits	
		Some Need	A Great Deal (of Need)
<b>Grantmaking Assistance</b>			
Operating support	72%	—	—
Training or scholarship grants	50%	—	—
Consulting service grants	34%	—	—
Equipment/hardware grants	29%	—	—
Endowment building grants	24%	—	—
Low- or no-interest loans	10%	—	—
Other (please specify)	6%	—	—
<b>Non-Grantmaking Assistance</b>			
Fundraising or special events planning	26%	41%	51%
Board development	31%	47%	37%
Information technology support <sup>1</sup>	34%	50%	35%
Strategic planning	43%	54%	28%
Fiscal management	26%	46%	20%
Communications	—	59%	20%
Evaluation of programs or services	37%	54%	18%
Program development and implementation	47%	54%	15%
Human resources management	12%	42%	15%
Staff training	—	54%	15%
Legal assistance <sup>2</sup>	18%	59%	10%
Diversity and cultural competence	—	43%	9%
Sponsoring or hosting convenings	43%	—	—
Organizational development	39%	—	—
Leadership development	37%	—	—
Marketing support	28%	—	—
Organizational assessment	27%	—	—
Other (please specify)	3%	—	—

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members and at least 440 New York City-based nonprofit organizations. Grantmaker percentages are based on responses to a question that asked grantmakers to indicate which of the above types of capacity-building support and technical assistance they provided. Nonprofit percentages are based on a question that asked to what extent their organization needed the above types of capacity-building support.

— Denotes that type of capacity-building support was not asked about.

<sup>1</sup>Referred to as “technological support” on the nonprofit survey.

<sup>2</sup>Referred to as “legal advice” on the nonprofit survey.

It is worth noting that despite differences in the ways foundations and nonprofit organizations think about the populations they serve, it is nevertheless possible that in many cases they may ultimately be reaching the same people. For example, a foundation that targets its support to the economically disadvantaged or youth in NYC is likely to end up benefiting communities of color, even if race or ethnicity was not an overt consideration in determining what population group(s) to support.

Related to the finding that nonprofit organizations are more likely than foundations to explicitly target populations of color in their work is that fact that nearly half of the surveyed nonprofits (49 percent) have policies or guidelines in place regarding the diversity of populations they serve. This compares to just 16 percent among surveyed foundations.

Another area in which potentially useful comparisons may be drawn is with respect to the types of capacity-building needs nonprofits say they have and the types of non-monetary support foundations tend to provide. For example, nonprofits identified “improving their fundraising capabilities” as their greatest area of need. More than half of the surveyed nonprofits (51 percent) said they needed a “great deal” of assistance in raising funds (see Table 12). This need was especially acute among minority-led organizations—61 percent said they needed a great deal of assistance in this area, compared to 43 percent of non-minority-led organizations.

Interestingly, though, just 26 percent of the surveyed foundations said that they had provided assistance to nonprofit organizations in the area of “fundraising or special events planning.” This ranked 11th out of a list of 14 types of non-monetary assistance asked about in the survey. Foundations were much more likely to provide assistance in the areas of program development and implementation (47 percent), strategic planning (43 percent), sponsoring or hosting convenings (43 percent), and organizational development (39 percent).

**The value of data collection.** About a third (30 percent) of both foundations and nonprofit organizations surveyed said that they “always” collect data on the populations served by their work (see Table 13). Another 21 percent of foundations and 38 percent of nonprofits said that they “sometimes” collect such data. In other words, significant numbers of both NYC nonprofits and foundations are engaged in a self-conscious effort to understand who benefits from their work. Nevertheless, for many organizations, data collection of this type is either irregular (“sometimes”) or rare, leaving them to rely for the most part upon general impressions as to what populations are being served by their work.

Without systematic data collection regarding who benefits from the work of foundations and nonprofit

organizations, the foundation field is put at a serious disadvantage when questions are raised regarding the reach and substance of its work. Many recent studies on diversity in philanthropy, such as this one, have been motivated in part by an effort to understand what foundations are doing collectively, as a field, in this area. But this remains an elusive goal, since so many of the primary sources of data in the field—foundations and nonprofit organizations—do not systematically collect this type of information. It is hoped that by highlighting the current state of available data on diversity in philanthropy in New York, this study will encourage foundations and nonprofit organizations to find ways to work together to make this picture more complete.

**TABLE 13. Data Collection by New York Grantmakers and Nonprofits**

	NY Grantmakers		NYC Nonprofits
	Gender makeup of population(s) served	Racial makeup of population(s) served	Demographic data on population(s) served
Always	27%	30%	29%
Sometimes	23%	21%	38%
Rarely	7%	5%	14%
Never	39%	40%	16%
Not Sure	3%	3%	3%

Source: The Foundation Center, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, 2009. Based on responses from 94 Philanthropy New York members and 479 New York City-based nonprofit organizations.

## ABOUT THE FOUNDATION CENTER

Established in 1956 and today supported by close to 550 foundations, the Foundation Center is the nation's leading authority on organized philanthropy. It maintains the most comprehensive database on U.S. grantmakers and their grants; conducts research on trends in foundation growth, giving, and practice; and operates numerous education and outreach programs. Thousands of people visit the Center's web site each day and are served in its five regional centers and its network of more than 400 funding information centers located in every U.S. state and beyond. For more information, visit [foundationcenter.org](http://foundationcenter.org) or call (212) 620-4230.

## ABOUT PHILANTHROPY NEW YORK

Philanthropy New York, formerly the New York Regional Association of Grantmakers, is the principal professional community of philanthropic foundations based in the New York City region. Taken together, its 287 member organizations—including the leading private, corporate, family, and public grantmaking foundations in the world—each year provide support totaling more than four billion dollars to thousands of nonprofit organizations and NGOs located in New York, the U.S., and around the world, which in turn focus on a wide range of issues and concerns. For more information, visit [philanthropynewyork.org](http://philanthropynewyork.org) or call (212) 714-0699.

