



FOUNDATION  
CENTER

Knowledge to build on.

# Embracing Diversity

Foundation Giving  
Benefiting California's  
Communities of Color

**Lawrence T. McGill**

Senior Vice President for Research

**Algernon Austin**

Assistant Director of Research

**Brielle Bryan**

Research Assistant

## Contributing Staff

Jeffrey Falkenstein	Senior Director of Database Publishing
Kathye Geisler	Publishing Database Administrator
Christine Innamorato	Production Manager
Steven Lawrence	Senior Director of Research
Matthew Ross	Manager of Special Data Projects
Betty Saronson	Graphic Designer/Production Associate
Jessica Schneider	Research Intern

## Acknowledgments

The Center gratefully acknowledges Northern California Grantmakers (in partnership with Southern California Grantmakers and San Diego Grantmakers) for its funding of this research project. Special thanks are due to Colin Lacon, president of Northern California Grantmakers, for providing the vision and leadership that made this project possible, and for his many substantive contributions to the study. We also wish to acknowledge Sushma Raman, president of Southern California Grantmakers, and Nancy Jamison, executive director of San Diego Grantmakers, for their support of this project.

We are also grateful to Carol J. Silverman, director of research for the Institute for Nonprofit Organization Management at the University of San Francisco, and James M. Ferris, director of The Center on Philanthropy and Public Policy at the University of Southern California, for their partnership and guidance in the conceptualization of this study, and for helpful commentary on early drafts of the report.

We would also like to thank Henry A.J. Ramos, lead consultant on the Diversity in Philanthropy Project ([diversityinphilanthropy.org](http://diversityinphilanthropy.org)), and the members of the project's research advisory committee for their expert input into the design of the larger research program of which this study is a part.

## About the Foundation Center

Established in 1956, and today supported by more than 600 foundations, the Foundation Center is the nation's leading authority on philanthropy, connecting nonprofits and the grantmakers supporting them to tools they can use and information they can trust. The Center maintains the most comprehensive database on U.S. grantmakers and their grants and conducts research on trends in foundation growth and giving. It also operates education and outreach programs that help nonprofit organizations obtain the resources they need. Its web site receives more than 57,000 visits each day, and thousands of people are served in its five regional learning centers and through its network of more than 375 Cooperating Collections located in every state and Puerto Rico. For more information, visit [foundationcenter.org](http://foundationcenter.org) or call (212) 620-4230.

© 2008 by the Foundation Center. All rights reserved.

Printed and bound in the United States of America.

ISBN 978-1-59542-205-7

Download *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color* at [foundationcenter.org/gainknowledge/research/specialtrends](http://foundationcenter.org/gainknowledge/research/specialtrends).

For more information contact Brielle Bryan at (212) 807-2467 or [beb@foundationcenter.org](mailto:beb@foundationcenter.org).

# Table of Contents

Tables and Figures _____	<b>iv</b>
Executive Summary _____	<b>v</b>
<b>1. INTRODUCTION AND BACKGROUND _____</b>	<b>1</b>
Trends in California Grantmaking Benefiting Populations of Color _____	1
What's the "Base" for the Analysis of California Trend Data? _____	1
<b>2. ESTIMATING TOTAL GRANTMAKING BENEFITING POPULATIONS OF COLOR ____</b>	<b>5</b>
What's the "Base" for the Analysis of 2005 Giving by Large Independent California Foundations? _____	5
Developing an Estimate _____	6
Implications of the Findings _____	8
Estimating Grant Dollars Benefiting Populations of Color _____	9
<b>3. GRANTMAKING EXPLICITLY TARGETED TO BENEFIT POPULATIONS OF COLOR ____</b>	<b>11</b>
Size of Grants _____	11
Grantmaking by Asset Size _____	11
Grantmaking by Subject _____	12
Grantmaking by the California Endowment _____	12
Grantmaking by Type of Support _____	13
Grantmaking by Specific Ethnic or Racial Minority Group Served _____	13
Grantmaking by Recipient Type _____	14
Grantmaking by Region _____	15
How Foundation Priorities May Affect Ethnic or Racial Minority-Focused Grantmaking _____	15
Domestically Focused Grantmaking to Minority-Serving Nonprofit Organizations _____	17
<b>4. CONCLUSION _____</b>	<b>19</b>
<b>APPENDIX A: INDEPENDENT CALIFORNIA FOUNDATIONS     INCLUDED IN THIS ANALYSIS _____</b>	<b>21</b>
<b>APPENDIX B: METHODOLOGY _____</b>	<b>23</b>
The Foundation Center's 2005 Grants Sample _____	23
Analysis of Grants Targeted to Benefit the Economically Disadvantaged ____	23
Analysis of Grants Targeted to Benefit Unspecified Populations/General Public _____	25

# Tables and Figures

## INTRODUCTION AND BACKGROUND

<b>Figure 1.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities, 1996 to 2005 _____	2
<b>Figure 2.</b>	Domestic Giving Explicitly Targeted to the Economically Disadvantaged, 1996 to 2005 _____	3

## ESTIMATING TOTAL GRANTMAKING BENEFITING POPULATIONS OF COLOR

<b>Figure 3.</b>	Geographic Focus of Giving, 2005 _____	5
<b>Figure 4.</b>	Domestic Giving Explicitly Targeted to Specific Population Groups, 2005 _____	6
<b>Table 1.</b>	California Demographics by Race/Ethnicity and Income, 2000 _____	6
<b>Figure 5.</b>	Share of Domestic Grants Explicitly Targeted to Ethnic or Racial Minorities by Population Group, 2005 _____	7
<b>Figure 6.</b>	Share of Domestic Grants Estimated to Primarily Benefit Ethnic or Racial Minorities, 2005 _____	8

## GRANTMAKING EXPLICITLY TARGETED TO BENEFIT POPULATIONS OF COLOR

<b>Figure 7.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Foundation Asset Size, 2005 _____	11
<b>Table 2.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Major Subject Categories, 2005 _____	12
<b>Table 3.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Type of Support, 2005 _____	13
<b>Figure 8.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Race or Ethnicity, 2005 _____	13
<b>Table 4.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Recipient Type, 2005 _____	14
<b>Table 5.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Region, 2005 _____	15
<b>Table 6.</b>	Top 10 Foundations by Share of Domestic Grant Dollars Explicitly Targeted to Ethnic or Racial Minorities, 2005 _____	16
<b>Figure D1.</b>	Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Grant Size and Recipient Organization Mission, 2005 _____	17

## APPENDIX A

<b>Table A1.</b>	Largest Independent California Foundations by Assets, 2005 _____	21
------------------	--	----

# Executive Summary

In August 2007, Northern California Grantmakers (in partnership with Southern California Grantmakers and San Diego Grantmakers) commissioned the Foundation Center to conduct a series of studies on diversity in philanthropy in California. These studies included: 1) an analysis of the extent to which grantmaking by large California foundations serves populations of color; and 2) a survey of California foundations to collect baseline data on the demographic composition of their boards and staffs and on the types of diversity-related data collection and grantmaking they are involved in. A parallel survey of California nonprofit organizations is also under consideration, in order to understand the composition of their boards and staffs and the degree to which they are involved in various diversity-related activities, such as data collection on the demographics of populations served. The Center is partnering with the University of San Francisco's Institute for Nonprofit Organization Management and the University of Southern California's Center on Philanthropy and Public Policy on these studies.

This report presents findings from the analysis of grantmaking by California foundations regarding the extent to which it serves populations of color. Subsequent reports will present findings from the other components of this research effort.

## Key Findings

Most of the data previously available on the population groups served by foundation grantmaking has undercounted the amount of giving that benefits ethnic or racial minority populations. This is due to the fact that most grant descriptions (the primary source data for such analyses) tend to provide high-level descriptions of the target populations intended to benefit from grantmaking (e.g., people with AIDS, the economically disadvantaged, immigrants and refugees, etc.) that often lack sufficient detail to allow researchers to identify the demographic characteristics of the populations served by a specific grant. This study represents a first attempt to develop a comprehensive estimate of the extent to which populations of color are being served by foundation grantmaking.

This study analyzed a total of 6,951 domestically focused (DF) grants of all sizes awarded by fifty large independent California foundations (with assets of \$100 million or more) to California-based recipient organizations in 2005, the latest year for which comprehensive grants data were available at the time the study was undertaken. Additional in-depth research was conducted on a random sample of 200 of these grants that were *not* explicitly designated in the grant description as intended to benefit populations of color, in order to develop a statistically valid estimate of how many of these grants were also serving ethnic or racial minority populations.

Among the key findings from the study:

- 1. An estimated 39 percent of the domestically focused grants studied benefited populations of color.** While analyses of the grant descriptions of these 6,951 DF grants indicated that 20.4 percent were *explicitly* designated to benefit populations of color, deeper analysis of grants *not* so designated strongly suggests that, *in total*, at least 39 percent of all DF grants (and more than 33 percent of the DF grant dollars) given in 2005 by large independent California foundations to California-based recipient organizations primarily benefited populations of color.
- 2. Most grantmaking intended to benefit the economically disadvantaged also served populations of color.** Much of the previously uncounted support for populations of color comes from grants intended to benefit the economically disadvantaged, which in 2005 accounted for 30 percent of all DF grants awarded by the fifty independent California foundations analyzed in this study. While a significant percentage of the descriptions of these grants (44 percent) also indicated that they were intended to benefit populations of color, in-depth analysis of a random sample of those *not* specifically coded as benefiting populations of color showed that 64 percent of *those* grants were in fact serving populations of color as well. In other words, among all DF grants intended to serve the economically disadvantaged, more than 75 percent also benefited populations of color.



3. **Ten-year trends show increased DF giving by large independent California foundations benefiting both populations of color and the economically disadvantaged.** The share of grants specifically targeted to benefit *populations of color* increased from 11 percent in 1996 to 15 percent in 2005 (peaking at 18 percent in 2004). The share of grant dollars increased from 8 percent to 11 percent (peaking at 15 percent in 2004).<sup>1</sup>

At the same time, the share of grants targeted to benefit the *economically disadvantaged* also increased. The percentage of these grants increased from 16 percent to 22 percent (peaking at 25 percent in 2004), while the percentage of grant dollars rose from 11 percent to 18 percent (peaking at 21 percent in 2004). Taken together, then, these two trend lines suggest that DF grantmaking by California foundations has increasingly benefited populations of color over the past ten years.

4. **About one in seven DF grants was given to minority-serving nonprofit organizations.** Of the DF grants made by these fifty large independent foundations in 2005, 13.6 percent (accounting for about 10 percent of DF grant dollars) went to California-based nonprofit organizations with a specific mission to serve ethnic or racial minority populations.

Additional analyses of the 20.4 percent of DF grants that were *explicitly* targeted to serve populations of color yielded the following findings (as noted above, these grants represent about half of all grants estimated to benefit populations of color):

5. **Grants explicitly targeted to serve populations of color were overwhelmingly concentrated in the health area.** This reflects the grantmaking priorities of large health-oriented foundations in California, in particular the California Endowment and the California Wellness Foundation. Two-fifths (41 percent) of DF grants targeted to populations of color were health-related, and more than three-fifths (62 percent) of DF grant dollars were health-related.

6. **By itself, the California Endowment accounted for more than half (51 percent) of all DF grant dollars explicitly targeted to benefit populations of color by the fifty foundations analyzed in this report.** Of the \$157 million in DF grants specifically targeted to serve populations of color in 2005 by these fifty independent California foundations, the California Endowment accounted for almost \$80 million.

7. **Larger foundations were more likely than smaller ones to be involved in grantmaking explicitly targeted to serve ethnic or racial minority populations.** The California foundations with assets above \$250 million collectively designated 27 percent of their DF grants (and 20 percent of their DF grant dollars) to serve ethnic or racial minority populations. Those with assets between \$100 and \$250 million designated, on average, 11 percent of their DF grants (and 6 percent of their DF grant dollars) to serve ethnic or racial minority populations.

8. **While the *mean* size of the grants explicitly targeted to populations of color was smaller than other grants, the *median* was actually larger.** The mean grant specifically targeted to populations of color was \$111,000 while the mean of the other grants was \$136,000. But this difference in the average dollar value of grants is primarily due to some of the non-minority-focused grants being very large rather than ethnic or racial minority-focused grants being particularly small. In fact, the *median* DF grant targeted to populations of color—\$45,000—was much *larger* than the \$25,000 median for all other DF grants.

9. **Grants awarded to nonprofit organizations with a specific mission to serve populations of color were smaller, on average, than minority-targeted grants given to nonprofits without such a mission.** The mean DF grant to nonprofit organizations specifically dedicated to serving populations of color was \$93,000, compared to \$147,000 for minority-targeted grants given to nonprofits without such a mission. While much of this difference is due to some of the grants to non-minority-focused nonprofits being very large, it was also the case that minority-focused nonprofits were more likely than other organizations to be the recipients of grants of under \$10,000 (16 percent vs. 5 percent). As a result, the *median* DF grant given to minority-serving nonprofit organizations was also lower than the median minority-targeted grant given to nonprofits without such a focus—\$40,000 vs. \$50,000.

In sum, while the data available through grant descriptions *per se* paint only a partial picture of the scope of foundation grantmaking that benefits populations of color, additional analyses of grants *not* explicitly designated to serve such populations suggest that a great deal more grantmaking benefiting these populations is actually taking place. In particular, grants designated to serve the economically disadvantaged are, more often than not, also benefiting populations of color.

Putting a hard number on the total amount of foundation giving benefiting populations of color is not possible, given the limitations of existing data. The best we can do, without the systematic collection of a great deal of additional data, is to come up with a “lower-boundary” estimate of how much such grantmaking is taking place. Among large independent California foundations in 2005, that lower-boundary estimate is about 39 percent of all DF grants, representing about 33 percent of all DF grant dollars.

To be clear, it should not be inferred from this that the remaining 61 percent of DF grants benefit white populations only. All that can be said about these grants is that we do not have specific information about the ethnic or racial characteristics of the populations they are intended to serve. Many, in fact, may not be targeted to serve specific populations at all; rather, they may be intended to support such activities as scientific research, environmental preservation, and the like. And to the extent that some of these grants are intended to benefit the “general public,” they may benefit Californians of all ethnic or racial backgrounds.

## Endnote

1. These trend results are based on analyses of domestically focused grants of \$10,000 or more made by California-based independent foundations included in the Foundation Center’s annual grants samples from 1996 to 2005. For more information about the Foundation Center’s annual grants sample, please see Appendix B in the full report.





# Introduction and Background

As the demographics of the United States continue to evolve, foundations face increasing pressure to think in new ways about the populations being served through their grantmaking. In California, for example, foundations have been challenged by advocacy groups and by proposed legislation<sup>1</sup> to pay particular attention to the ethnic and racial composition of the populations benefiting from their grantmaking.

To begin to address such concerns, this report presents findings from an in-depth study on the extent to which grantmaking by large California foundations benefits populations of color. Most of the data previously available has undercounted the foundation giving that benefits ethnic or racial minority populations. This study represents a first attempt to develop a comprehensive estimate of the extent to which populations of color are being served by foundation grantmaking.

In this report, we examine giving by large *independent* foundations in California, for reasons both substantive and pragmatic. Substantively, we focus on California foundations in order to ground the analysis within a

specific regional context, while also acknowledging the urgent need for data specific to California foundations at the present time. Pragmatically, we focus only on independent foundations because we do not have data on a large enough sample of other types of California foundations to permit rigorous statistical analyses of these groups. These parameters should be kept in mind as the findings in this report are considered.

## Trends in California Grantmaking Benefiting Populations of Color

For more than 25 years, the Foundation Center has tracked annual giving by the largest foundations in the country (based on total annual giving) and the extent to which specific population groups—e.g., children and youth, ethnic or racial minorities, women and girls, people with AIDS, people with disabilities, the economically disadvantaged, immigrants and refugees—benefit

### What's the "Base" for the Analysis of California Trend Data?

The data analyzed in this section represent all domestically focused (DF) grants of \$10,000 or more made by California-based independent foundations included in the Foundation Center's annual grants samples from 1996 to 2005. (For more information about the Foundation Center's annual grants samples, please see Appendix B.) Due to year to year variations in the availability of grantmaking information, the number of independent California foundations included in the annual set ranges from a low of 88 in 2003 to a high of 103 in 2002. DF giving by these independent foundations within the ten-year time frame has ranged from \$572,490,592 in 1996 to \$2,169,663,465 in 2001 and has accounted for nearly 40 percent of total grantmaking by all California foundations and over 50 percent of total grantmaking by independent California foundations in these ten years.

In concentrating on California-based foundations, we have excluded some non-California foundations, such as the Annenberg Foundation, that make a lot of grants in the state.

In concentrating on DF giving, we have excluded grants awarded for international purposes, which tend to represent about 15 to 20 percent of all grant dollars in an average year. Internationally focused grants may go to recipient organizations based outside of the U.S., as well as to U.S.-based recipient organizations for international programs. While for some foundations international grants may account for a significant amount of giving benefiting "populations of color," the issues that drive international giving are different enough from those that drive domestic giving that they would require a separate study to treat them adequately. Nevertheless, it should be kept in mind that, for many foundations, international grantmaking represents an important component of their giving as it relates to issues of ethnicity and race.

from foundation grantmaking. The Center analyzes all grants of at least \$10,000 given by more than 1,000 top foundations, representing approximately half of the total dollar value of all foundation giving each year.<sup>2</sup>

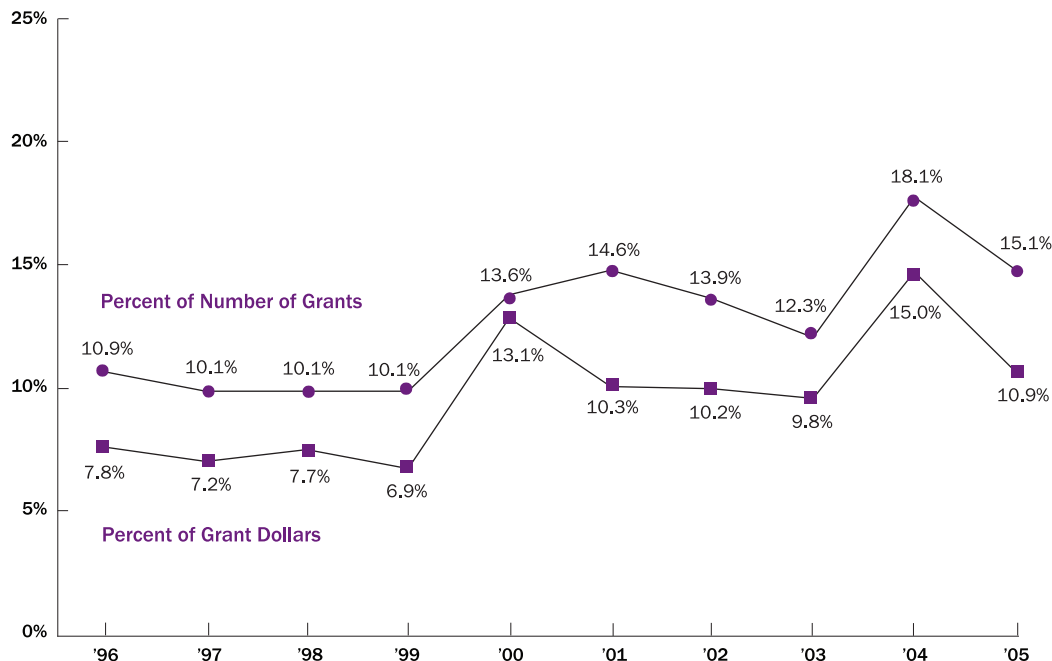
These data show that the share of both domestically focused (DF) grants and grant dollars intended to benefit ethnic or racial minorities by large independent California foundations increased significantly between 1996 and 2005. (See the box on the previous page for details on the set of grants that serves as the base for the analyses in this section.) The percentage of DF grants targeted to benefit ethnic or racial minorities increased from 10.9 percent in 1996 to 15.1 percent in 2005 (peaking at 18.1 percent in 2004), while the share of DF grant dollars grew from 7.8 percent to 10.9 percent (peaking at 15.0 percent in 2004) (Figure 1).

Adjusted for inflation, DF giving by large independent California foundations targeted to serve populations of color increased by 177 percent between 1996 and 2005, while overall DF giving by these foundations increased by 98 percent.<sup>3</sup>

While these data are highly suggestive of the *primary* grantmaking lens through which giving decisions are being made, populations of color may also be the main beneficiaries of grants made with other beneficiary populations in mind.

Grantmaking intended to benefit the economically disadvantaged is a particularly relevant case in point. In examining trends in grantmaking serving specific populations over the past decade, one trend line stands out above all others. Since 1996, grantmaking by large independent California foundations intended to serve the economically disadvantaged has grown significantly. The percentage of DF grants intended to benefit the economically disadvantaged increased from 16.3 percent to 22.3 percent, while the percentage of DF grant dollars targeted to this population rose from 10.7 percent to 18.3 percent. Giving intended to benefit the economically disadvantaged also peaked in 2004, when 25.4 percent of DF grants and 20.9 percent of DF grant dollars were targeted to serve the needs of this population group (Figure 2). In fact, grantmaking intended to benefit

**Figure 1. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities, 1996 to 2005** (Base = A sample of at least 88 large independent California foundations for each year)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on domestically focused grants of \$10,000 or more. Domestic grants exclude funding for U.S.-based international programs.

the economically disadvantaged now accounts for the largest share of both DF grants and grant dollars targeted to serve any specific population group by large independent foundations.

In terms of inflation-adjusted growth between 1996 and 2005, DF giving by large independent California foundations targeted to serve the economically disadvantaged increased 236 percent, compared to a 98 percent increase in overall DF giving.<sup>4</sup>

More importantly though, for purposes of this study, analyses presented later in this report show that most of the grants going to this group primarily benefited people of color.<sup>5</sup> Thus, two important trend lines suggest that grantmaking by California foundations has increasingly benefited populations of color over the past ten years.

In the next section of this report, we take a closer look at grants targeting the economically disadvantaged and the other groups in order to develop a more inclusive estimate of the extent to which DF grantmaking by large independent California foundations benefits populations of color.

In Section Three, we look more closely at the characteristics of grants *explicitly designated* to serve populations of color. How do these grants differ from other types of grants, in size, type of recipient organization, substantive focus, type of support, etc.? And how do grants given to organizations whose missions are focused specifically on serving populations of color differ from minority-focused grants given to organizations that do not focus exclusively on serving populations of color? We also discuss contextual factors that play critical roles in shaping the grantmaking strategies adopted by specific foundations, such as foundation mission, geographic location, and the substantive focus of the foundation. Foundations themselves are diverse, and depending upon the specific philanthropic goals of a foundation, considerations of race or ethnicity *per se* concerning the allocation of grant dollars may be more or less relevant to achieving those goals.

**Figure 2. Domestic Giving Explicitly Targeted to the Economically Disadvantaged, 1996 to 2005** (Base = A sample of at least 88 large independent California foundations for each year)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on domestically focused grants of \$10,000 or more. Domestic grants exclude funding for U.S.-based international programs.



## Estimating Total Grantmaking Benefiting Populations of Color

In 2005, there were 68 independent California foundations with assets of at least \$100 million. These 68 foundations awarded over \$1.8 billion in grants during 2005, accounting for more than 40 percent of all giving by California foundations that year. This section looks at the domestically focused grants awarded in 2005 by 50 of these 68 independent California foundations, representing more than \$1.4 billion in giving.<sup>6</sup>

About 18 percent of the grant dollars awarded by these fifty foundations went to international causes, and a similar percentage went for domestic causes outside the state of California. In this analysis, we focus on the 64 percent of *domestically focused grant dollars that went to California-based recipient organizations* (Figure 3). Altogether, this study analyzed 6,951 DF grants (of all sizes<sup>7</sup>) awarded by these fifty independent foundations to California-based recipient organizations.

### What's the "Base" for the Analysis of 2005 Giving by Large Independent California Foundations?

In this section, we hone our focus to examine more closely the grantmaking activities of fifty large independent California foundations in 2005. These fifty foundations represent about half of the California foundations analyzed in the trend data reported in Section One, specifically the largest fifty. All had assets of over \$100 million in 2005.

We also narrow the scope of the grants analyzed from all domestically focused grants to just those DF grants awarded to California-based recipient organizations. These grants represent about 64 percent of the grant dollars awarded by these fifty foundations during 2005. By narrowing the scope of the analysis to this set of grants, we are able to assess the degree to which grantmaking by California-based foundations benefits populations of color within the specific demographic context of the state of California.

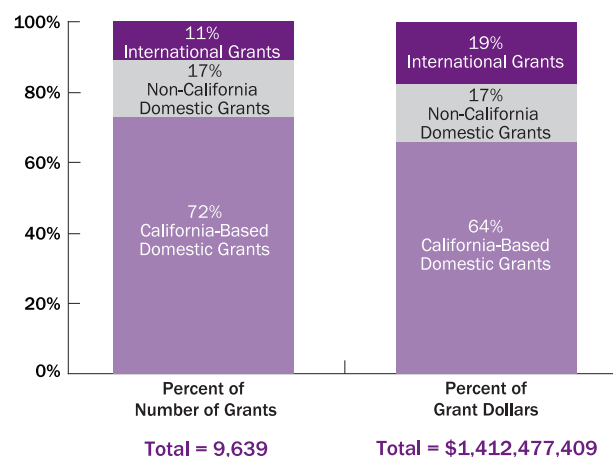
**Important methodological note:** For each of these fifty large independent California foundations, we coded not only grants of \$10,000 or more, but grants of under \$10,000 as well, so that grants of all sizes could be included in our analyses.

Many of these DF grants are known to have benefited ethnic or racial minority populations, either because they were given to recipient organizations whose missions are to serve such populations or because the grant description itself specified that these populations were the intended beneficiaries.<sup>8</sup> But, as the following analysis shows, these grants represent only a portion of all DF grants in 2005 that served the needs of populations of color. Grants that do not have an ethnic or racial minority designation cannot be automatically assumed to be for the benefit of whites only. For example, the Foundation Center's population codes include "senior citizens," "children and youth," "people with disabilities," "the economically disadvantaged," "gays or lesbians," "people with AIDS," and other populations. Grants going to any of these populations may also be reaching predominantly ethnic or racial minority populations.

Of particular interest are grants intended to benefit the economically disadvantaged, which made up the largest group of DF grants (from the perspective of population served) given by these fifty foundations (Figure 4). Three in ten DF grants made by these foundations (30.2 percent)

**Figure 3. Geographic Focus of Giving, 2005**

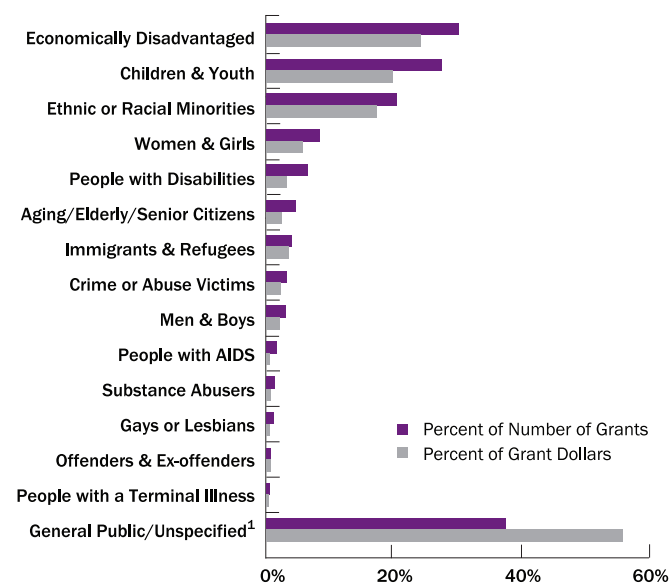
(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs.

## Figure 4. Domestic Giving Explicitly Targeted to Specific Population Groups, 2005

(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving specific populations or grants whose descriptions specified a benefit for a specific population. **These figures do not reflect all giving benefiting these groups.** In addition, grants may benefit multiple population groups, e.g., a grant for homeless children, and would therefore be counted more than once.

<sup>1</sup>Includes grants that were intended to benefit the general public or could not be coded as specifying a beneficiary group.

**Table 1. California Demographics by Race/Ethnicity and Income, 2000**

Race/Ethnicity	Population with Income Below the Federal Poverty Level	%	Total Population	%
Hispanic/Latino	2,377,589	50.5	10,969,132	32.4
White (non-Hispanic)	1,209,577	25.7	15,771,163	46.6
Asian	460,767	9.8	3,642,542	10.8
African American/Black	453,805	9.6	2,147,885	6.3
Two or more	142,269	3.0	988,007	2.9
American Indian/Alaska Native	35,952	0.8	181,167	0.5
Native Hawaiian/Pacific Islander	15,558	0.3	103,712	0.3
Other	10,613	0.2	68,040	0.2
<b>Total</b>	<b>4,706,130</b>	<b>100.0</b>	<b>33,871,648</b>	<b>100.0</b>

Source: American FactFinder, Bureau of the Census. "PCT141. Ratio of Income in 1999 to Poverty Level: California," 2000 Census Summary File 4 (SF 4), factfinder.census.gov, accessed on April 30, 2008.

were intended to benefit the economically disadvantaged, followed by "children and youth" (27.6 percent) and "ethnic or racial minorities" (20.4 percent). So, in addition to tabulating grants *specifically designated* to go to ethnic or racial minorities, we examined in detail a random sample of DF grants to the "economically disadvantaged" that did not also have an ethnic or racial minority population code associated with them, to see how many of them might also be serving primarily populations of color.

Finally, a large number of grants (37.7 percent of the DF grants in the present sample) had no recipient population information associated with them whatsoever. We also examined a random sample of these grants in detail to determine how many of them were also serving populations of color.

## Developing an Estimate

Altogether, we estimate that at least 39 percent of all domestically focused grants (and more than 33 percent of DF grant dollars) given in 2005 by large independent California foundations to California-based recipient organizations primarily benefited populations of color. About half of that number, 20.4 percent, is made up of grants that were *explicitly designated* to serve populations of color. The other half is made up of grants that were not explicitly targeted to serve ethnic or racial minority populations, but that nevertheless primarily benefited populations of color.

According to Foundation Center data, about one in seven DF grants (13.6 percent) made by these 50 large independent California foundations in 2005 to California-based recipient organizations went specifically to ethnic or racial minority-serving organizations. Another 6.8 percent of these grants were likewise designated to serve ethnic or racial minorities but were given to nonprofit organizations *without* a specific focus on serving these populations. In total, then, one-fifth (20.4 percent) of the DF grants of these 50 large independent foundations to California-based recipient organizations were explicitly identifiable as having been designated to benefit ethnic or racial minorities.

But this is just a part—perhaps less than half—of the full picture of how these foundations serve ethnic or racial minority populations. While it may be useful in many cases for California grantmakers to think in terms of targeting specific recipient populations by race or ethnic background, there are other useful lenses through which grantmakers may identify target recipient populations. If the aim of grantmaking, for example, is to ameliorate conditions of economic distress, the target recipient population may be identified not so much in terms of specific demographic categories as in terms of socio-economic categories.



As a case in point, grantmaking that targets the “economically disadvantaged” has increased markedly over the past decade, both nationwide and in California (see Section 1). The intention of grantmakers in targeting the economically disadvantaged is not so much to address the needs of specific ethnic or racial populations as it is to address the needs of people of all demographic backgrounds who face serious economic challenges.

Nevertheless, because of the demographic characteristics of Californians who face economic challenges, we would expect much of the grantmaking to the economically disadvantaged to also benefit populations of color (Table 1). Moreover, some would argue that looking at grantmaking through the lens of economic disadvantage may be a more effective way for grantmakers to make a difference in the lives of people of color than by targeting specific ethnic or racial populations for support.

Support for the proposition that DF grants intended to benefit the economically disadvantaged also tend to benefit populations of color is reflected in the fact that 43.7 percent (917 of 2,098) of the DF grants coded as benefiting the economically disadvantaged were also coded as benefiting ethnic or racial minorities (Figure 5). But given the demographics of low-income Californians, one might suppose that many of the 1,181 economically disadvantaged grants *not* also coded as benefiting populations of color may in fact be serving the needs of ethnic or racial minority populations as well.

To test this hypothesis, the Foundation Center conducted a detailed analysis of a sample of 100 randomly selected DF grants that had been identified as serving the “economically disadvantaged” but not specifically identified as serving ethnic or racial minorities. Through further research into each grant, we sought to determine how many of these grants might also be reaching ethnic or racial minorities, even though this population group was not explicitly identified as an intended beneficiary in the grant documentation.

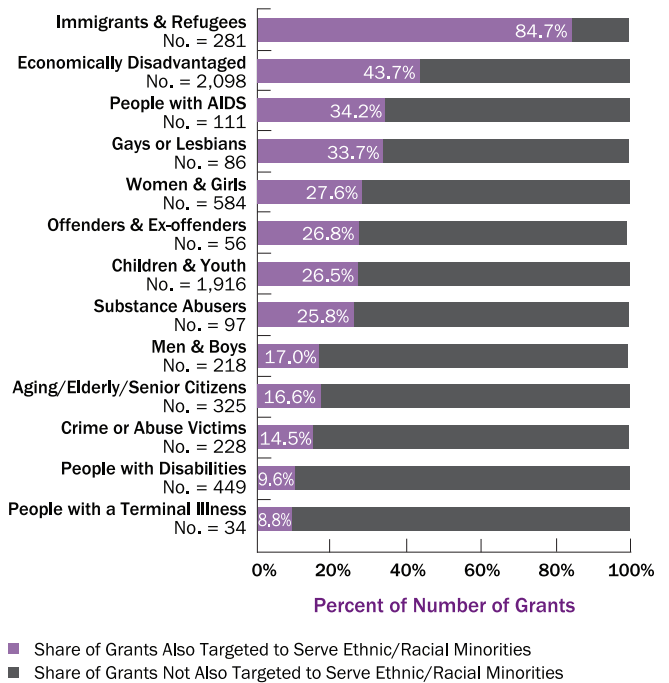
In our analyses of these 100 grants, we found that 64 percent primarily benefited populations of color. For example, one of these grants went to the Tri-City Homeless Coalition which serves the homeless population in Fremont, Newark, and Union City in the Bay Area. The Coalition describes the composition of its client population as “White 44%, Black/African American 32%, Latino 18%, Asian 3%, Pacific Islander 2% and Native American 1%.” Thus, although this grant was not originally coded as serving ethnic or racial minorities, the majority of the likely beneficiaries were people of color.

Another grant targeted to the economically disadvantaged (but not coded as serving ethnic or racial minorities) went to the Imperial Valley Health and Housing Coalition, an organization that provides health education, information, and referral services to farm

workers and other low-wage workers and their families in Calexico, California. Unlike the Tri-City Homeless Coalition, the Imperial Valley Health and Housing Coalition—like most of the recipient organizations in our economically disadvantaged grants sample—does not provide demographics of its clients. However, data from the 2000 Census reveals that 95.3 percent of Calexico residents were Hispanic or Latino and 94.1 percent spoke a language other than English at home at the time of the census. Additionally, 97.2 percent of Calexico residents employed in the “Agriculture; forestry; fishing and hunting” industry were Hispanic or Latino at the time of the census, so it seems highly likely that the grant to the Imperial Valley Health and Housing Coalition primarily benefited Hispanics and Latinos.<sup>9</sup>

Altogether, then, these findings suggest that about 75 percent of DF grants designated to benefit the economically disadvantaged are also serving the needs of populations of color. This figure is significantly higher than the 43.7 percent figure that was derived from grant descriptions alone.

**Figure 5. Share of Domestic Grants Explicitly Targeted to Ethnic or Racial Minorities by Population Group, 2005**  
(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving specific populations or grants whose descriptions specified a benefit for a specific population. **These figures do not reflect all giving benefiting these groups.**

Likewise, we investigated a randomly-selected sample of 100 DF grants that had no recipient population group identified whatsoever to see if they might, nevertheless, be serving ethnic or racial minority populations. Among these grants, we found that 23 percent served primarily ethnic or racial minority populations in California. One such grant in our sample was made to the Saint Martin De Porres School in Oakland, which has a student population that is approximately 57 percent African American, 40 percent Latino and 3 percent Asian according to its web site. Another grant without population group coding went to the San Francisco General Hospital Medical Center, which serves a population that is 30 percent Hispanic, 25 percent White, 22 percent African American, 21 percent Asian/Pacific Islander, and 2 percent “other/unknown.”<sup>10</sup>

Although we only conducted supplemental analyses on these two categories of grants (grants intended to benefit the economically disadvantaged and grants benefiting unspecified populations), it is worth noting that many DF grants coded as serving *other* population groups but not coded as benefiting populations of color may also be serving primarily ethnic or racial minority populations. For example, according to available demographic information, California state prisoners and parolees are more than two-thirds nonwhite.<sup>11</sup> However, just 26 of the 91 DF grants (28.6 percent) coded as serving “offenders or ex-offenders” were also coded as serving ethnic or racial minorities. Similarly, the foreign-born population living in California in 2006 was nearly nine-tenths nonwhite, but 59 of the 308 (19.2 percent) DF grants coded as serving “immigrants and refugees” did not have coding for ethnic or racial minorities.<sup>12</sup> While the number of

grants that are potentially being missed as serving ethnic or racial minorities in these two examples is not especially large, it is still important to be aware that the pattern of undercounting ethnic or racial minority grants due to data limitations likely extends far beyond the economically disadvantaged and unspecified grants discussed above.

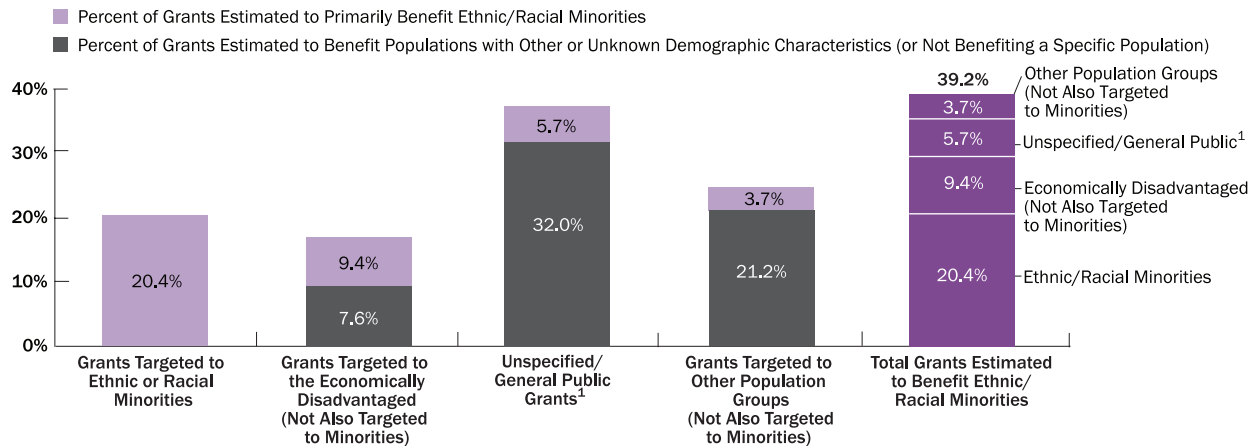
## Implications of the Findings

These analyses of both unspecified and “economically disadvantaged” grants suggest that the total percentage of DF grants serving ethnic or racial minority populations may be as much as an order of magnitude higher than the 20.4 percent that are known to have been specifically designated for ethnic or racial minorities by the fifty independent California foundations analyzed in this report.

Our data set of the 6,951 DF grants made to California nonprofit organizations by these fifty independent foundations in 2005 breaks down into the following broad categories of recipient populations:

	No.	%
1. Grants benefiting ethnic or racial minority populations	1,417	20.4
2. Grants benefiting the economically disadvantaged (not also coded as serving ethnic or racial minority populations)	1,181	17.0
3. Grants benefiting unspecified populations	2,619	37.7
4. All other grants (not also coded as serving ethnic or racial minority populations)	1,734	24.9
<b>Total</b>	<b>6,951</b>	<b>100.0</b>

**Figure 6. Share of Domestic Grants Estimated to Primarily Benefit Ethnic or Racial Minorities, 2005** (Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets over \$100 million. Domestic grants exclude funding for U.S.-based international programs.

<sup>1</sup>Includes grants that were intended to benefit the general public or could not be coded as specifying a beneficiary group.

From our analyses of the economically disadvantaged and unspecified grants (groups 2 and 3 above), we found that 64 percent of the economically disadvantaged grants (not also coded as benefiting ethnic or racial minorities) and 23 percent of the unspecified grants were, in all likelihood, serving mostly populations of color.

As shown in the table on the previous page, DF grants to the economically disadvantaged (not also coded as benefiting populations of color) made up 17 percent of the DF grants in the data set. If 64 percent of these grants were serving primarily ethnic or racial minority populations, then that would add another 10.9 percentage points to the total percentage of DF grants serving these populations. To err on the conservative side, though, we make the assumption that just 55 percent of these grants are serving primarily ethnic or racial minority populations, which would add 9.4 percentage points to the total percentage of DF grants going to these populations.<sup>13</sup>

Similarly, unspecified grants made up 37.7 percent of the data set. If 23 percent of these grants are serving primarily ethnic or racial minority populations, then that would add 8.7 percentage points to the total percentage of DF grants going to ethnic or racial minority populations, over and above the 20.4 percent we already know about. Again, to be conservative, we will assume that just 15 percent of these grants are serving primarily populations of color, which would add 5.7 percentage points to the total benefiting populations of color.<sup>14</sup>

So, to the extent that these samples of economically disadvantaged and unspecified grants are representative of the grantmaking practices of the fifty large independent foundations we analyzed, it suggests that, *at minimum*, the percentage of DF grants benefiting primarily ethnic or racial minority populations is 35.5 percent (20.4 percent, plus 9.4 percent, plus 5.7 percent).

We have not yet taken into account “All Other Grants” coded for all other recipient populations (such as immigrants and refugees, migrant workers, children and youth, etc.) that were not also coded as specifically targeting ethnic or racial minority recipients. This fourth group represents another 24.9 percent of all DF grants in the data set. Further analyses of these grants would likely reveal that a significant percentage of them were in fact serving primarily ethnic or racial minority populations. At a minimum, based on our analyses of unspecified grants, we would expect at least 15 percent of these grants to be serving primarily nonwhite populations. Indeed, for reasons already pointed out, the percentage of these grants also serving populations of color is in all likelihood much higher than 15 percent. But assuming that just 15 percent of these grants are also serving populations of color, this would add another 3.7 percentage points to the total estimated above (35.5 percent), bringing the likely total

percentage of DF grants serving primarily ethnic or racial minority populations to at least 39 percent (Figure 6).

In sum, then, based on the fact that we have used conservative assumptions to estimate the percentages of “economically disadvantaged,” “unspecified,” and “All Other” grants that also benefit populations of color, we characterize this figure of 39 percent as a lower-boundary estimate of the total number of DF grants benefiting populations of color.

To be clear, it should not be inferred from this that the remaining 61 percent of DF grants benefit white populations only. All that can be said about these grants is that we do not have specific information about the ethnic or racial characteristics of the populations they are intended to serve. Many, in fact, may not be targeted to serve specific populations at all; rather, they may be intended to support such activities as scientific research, environmental preservation, and the like. And to the extent that some of these grants are intended to benefit the “general public,” they may benefit Californians of all ethnic or racial backgrounds.

## Estimating Grant Dollars Benefiting Populations of Color

To this point, the analysis has focused specifically on estimating the *number* of DF grants to California-based recipient organizations benefiting populations of color. For statistical reasons, estimating the total amount of DF *grant dollars* benefiting populations of color is more complicated. While we know what percentage of both DF grants and grant dollars were *explicitly designated* to serve populations of color—20.4 and 17.3 percent, respectively—we do not have sufficient information (from the present analysis) to confidently estimate the total percentage of DF grant dollars serving populations of color. To do this, we would need to analyze far more grants than was possible given the time and resources available for the current investigation.

The most straightforward way to develop a rough estimate of the total DF grant dollars serving populations of color would be to assume that the ratio of grants to grant dollars (20.4 to 17.3) stays constant as we identify additional grants serving populations of color. Applying this assumption to our estimate of 39 percent of all DF grants serving populations of color would suggest that about 33 percent of DF grant dollars given to California-based recipient organizations are serving populations of color.

For a number of reasons, we believe this also to be a conservative estimate of the DF grant dollars benefiting populations of color. For one thing, since the percentage of DF grants explicitly designated to serve populations of color—20.4 percent—is larger than the percentage of

DF grant dollars accounted for by these grants—17.3 percent—the average size of the *remaining* grants must be larger than the average size of the grants specifically designated to serve populations of color.

Additionally, we know from other analyses (presented in the next section) that the average size of DF grants given to organizations whose mission is to serve ethnic or racial minority populations is smaller than the average size of ethnic or racial minority-serving grants given to organizations whose missions are *not* focused on serving these specific populations. Since all of the grants identified through our supplementary analyses as

benefiting populations of color are, by definition, going to organizations whose missions are *not* specifically focused on serving populations of color, we would expect the average dollar values of these grants to be *higher* than the average dollar value of grants explicitly designated to serve ethnic or racial minority populations.

While the foregoing observations suggest that 33 percent is a reasonable lower-boundary estimate of the percentage of DF grant dollars benefiting populations of color, we should again emphasize that additional analyses are needed to verify this.

## Grantmaking Explicitly Targeted to Benefit Populations of Color

**About one-fifth (20.4 percent) of the domestically focused grants made by the 50 large independent foundations analyzed in Section 2 were explicitly designated to serve ethnic or racial minorities. This section of the report looks in greater detail at these specific grants, which we estimate make up about half of all DF grants primarily serving populations of color.**

As noted earlier, it should not be inferred from this that DF grants not specifically targeted to serve populations of color benefit white populations only. All that can be said about these grants is that we do not have specific information about the ethnic or racial characteristics of the populations they are intended to serve. Many, in fact, may not be targeted to serve specific populations at all; rather, they may be intended to support such activities as scientific research, environmental preservation, and the like. And to the extent that some of these grants are intended to benefit the “general public,” they may benefit Californians of all ethnic or racial backgrounds.

### Size of Grants

While 20.4 percent of DF grants were explicitly designated to serve populations of color, the percentage of DF grant dollars designated to serve these populations was somewhat smaller (17.3 percent), suggesting that the average minority-serving grant was smaller than other grants. The average (mean) DF grant targeted to populations of color was \$111,000 while the average (mean) of the other grants was \$136,000.

But this difference in the average dollar value of DF grants is primarily due to some of the non-minority-focused grants being very large rather than ethnic or racial minority-focused grants being particularly small. In fact, the *median* DF grant targeted to populations of color—\$45,000—was much *larger* than the \$25,000 median of the other grants.

In other words, there were more very large as well as very small grants targeted to other population groups (or to no population group) than to ethnic or racial minority populations.

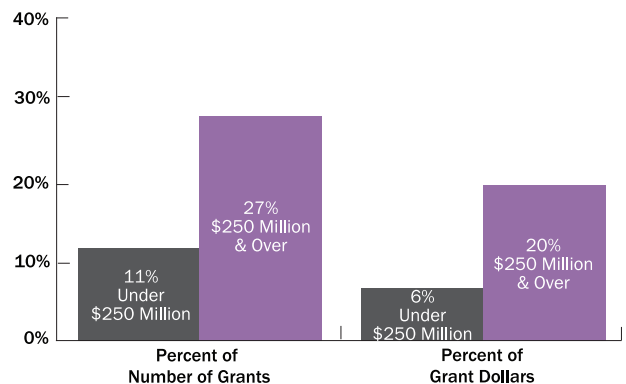
- **Very large grants:** While just 0.5 percent of DF grants targeted to populations of color were valued at *\$1 million or above*, 1.8 percent of other DF grants were in this range.
- **Very small grants:** While 12.4 percent of DF grants targeted to populations of color were valued at *less than \$10,000*, about a quarter (25.3 percent) of DF grants not explicitly targeted to ethnic or racial minorities were in this range.

### Grantmaking by Asset Size

The larger the foundation, the more likely it was to be involved in grantmaking explicitly targeted to serve the needs of ethnic or racial minority populations. Foundations with assets above \$250 million collectively designated 26.5 percent of their DF grants (and 19.8 percent of their DF grant dollars) to serve populations of color. These amounts were more than twice the percentage of DF grants and more than three times the

**Figure 7. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Foundation Asset Size, 2005**

(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**



percentage of DF grant dollars explicitly targeted to benefit populations of color by foundations with assets of between \$100 million and \$250 million (Figure 7).

Much of the difference between the amounts of ethnic or racial minority-focused giving by foundations with assets either above or below \$250 million is accounted for by the grantmaking of a single foundation, the California Endowment. By itself, the California Endowment accounted for more than half (51 percent) of all DF grant dollars explicitly targeted to benefit populations of color by the fifty foundations analyzed in this report.

Excluding the California Endowment from the totals, the remaining 49 foundations explicitly targeted 15.6 percent of their DF grants and 10.0 percent of their DF grant dollars to benefit populations of color. (With the California Endowment included in the totals, these percentages were 20.4 and 17.3, respectively.) Similarly, when the California Endowment is excluded from the totals for foundations with assets of \$250 million or more, the 20 remaining foundations in this group targeted 19.2 percent of DF grants and 11.1 percent of DF grant dollars to benefit ethnic or racial minority populations.

### Grantmaking by Subject

Domestically focused grants explicitly targeted to populations of color were overwhelmingly concentrated in the health area, again reflecting the grantmaking priorities of large health-oriented foundations such as the California Endowment and the California Wellness Foundation. Two-fifths (40.7 percent) of these grants were health-related, accounting for more than three-fifths (61.8 percent) of DF grant dollars intended to benefit

these groups. In contrast, health-related grants accounted for only about one-fifth (21.0 percent) of all other DF grants and one-fifth (21.8 percent) of all other DF grant dollars (Table 2).

**Table 2. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Major Subject Categories, 2005**

(Base = 50 independent California foundations with assets over \$100 million)

Subject	Percent of Number of Grants		Percent of Grant Dollars	
	Minority-Targeted <sup>1</sup>	Other	Minority-Targeted <sup>1</sup>	Other
	N=1,417	N=5,534	N=\$157,087,260	N=\$750,274,922
Health	40.9	21.0	61.9	21.8
Human Services	20.0	28.7	10.1	22.4
Education	16.3	19.4	10.8	18.0
Arts and Culture	10.2	14.2	5.9	10.9
Public Affairs/ Society Benefit <sup>2</sup>	9.8	7.0	7.9	4.3
Environment and Animals	1.8	4.9	1.5	5.7
Religion	0.6	2.5	0.2	2.2
Science and Technology	0.4	1.8	1.8	14.1
Social Sciences	—	0.5	—	0.5
Total	100.0	100.0	100.0	100.0

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs.

<sup>1</sup>Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**

<sup>2</sup>Includes Civil Rights and Social Action, Community Improvement and Development, Philanthropy and Voluntarism, and Public Affairs.

### Grantmaking by the California Endowment

The California Endowment is a health conversion foundation with a dual focus on both grantmaking and policy and advocacy. The Endowment was formed in 1996 as the result of Blue Cross of California's creation of WellPoint Health Networks. Its mission is "to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians."

With more than \$4 billion in assets, the California Endowment is the largest health foundation in the state. The Endowment has awarded more than \$1.7 billion through 8,900 grants since its establishment.

The Endowment believes that health care is a basic human right, and its work is guided by a multicultural approach to health that is "inclusive of all Californians, regardless of financial status, racial origin, cultural beliefs,

gender, age, sexual orientation, geographic location and immigration status, or physical and mental abilities."

The Endowment supports programs that advance its three goals: Access to Health; Community Health and Elimination of Health Disparities; and Culturally Competent Health Systems. The Access to Health program area seeks to improve the health of underserved individuals and families by expanding access to health and mental health services. The Community Health and Elimination of Health Disparities program area works to build healthy communities by improving the social and physical environments that shape health behaviors and outcomes. The goal of the Culturally Competent Health Systems program area is to advance the knowledge, attitudes, skills and experience of health providers and health systems to effectively serve California's diverse communities.



Human services and education grants were the second and third most common types of DF grants awarded to serve ethnic or racial minority populations, together accounting for more than one-third (36.3 percent) of all DF grants and more than one-fifth (20.9 percent) of all DF *grant dollars* benefiting these populations.

## Grantmaking by Type of Support

The vast majority of DF grants (72.1 percent) and grant dollars (80.6 percent) explicitly targeted to populations of color were for program support, either wholly or partially. (Grants may be for more than one type of support.) General support grants ranked second (Table 3).

Relatively few ethnic or racial minority-focused grants (and relatively small amounts of grant dollars) were for capital support, research, and student aid. By contrast, nearly a third of all DF grant dollars going to *non-minority recipients* (30.7 percent) went for capital support, compared to just 7.4 percent of DF grant dollars received by minority recipients. This difference is likely due to the fact that nonprofit organizations without a specific focus on serving populations of color tend to be larger than nonprofits with such a focus. But further data would need to be collected in order to confirm this.

**Table 3. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Type of Support, 2005**

(Base = 50 independent California foundations with assets over \$100 million)

Type of Support	Percent of Number of Grants		Percent of Grant Dollars	
	Minority-Targeted <sup>1</sup>	Other	Minority-Targeted <sup>1</sup>	Other
<b>Program Support</b>	72.2	48.0	80.6	45.9
<b>General Support</b>	22.2	28.2	20.1	20.4
<b>Capital Support</b>	5.8	10.4	7.4	30.7
<b>Research</b>	5.6	4.3	8.1	10.0
<b>Student Aid Funds</b>	4.7	4.7	3.5	3.3
<b>Not Specified</b>	1.2	1.2	2.5	2.5

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs.

<sup>1</sup>Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**

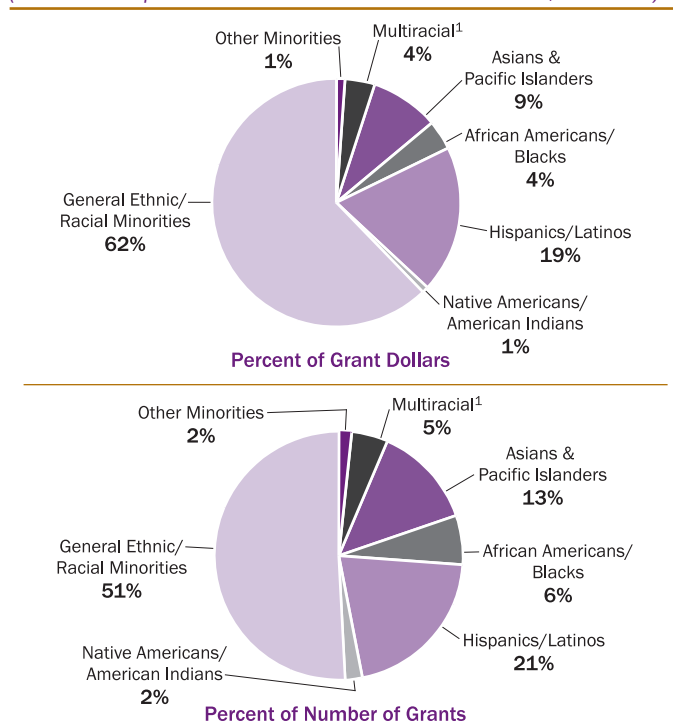
## Grantmaking by Specific Ethnic or Racial Minority Group Served

Of the DF grants explicitly targeted to populations of color, just over half (51.3 percent) were coded as going to ethnic or racial minorities in general without any further targeting to a specific population. One-fifth (21.0 percent) were designated to serve Hispanics. More than one-tenth (13.4) were designated to serve Asians and Pacific Islanders. Programs serving Blacks received 6.2 percent and those serving American Indians received 1.9 percent. Another 4.6 percent of DF grants were designated for specific combinations of more than one ethnic or racial group (Figure 8).

The distribution of ethnic or racial minority-focused *grant dollars* by group was similar to the distribution of grants *per se*. A majority of the DF grant dollars (61.9 percent) was designated to serve ethnic or racial minorities in general. Hispanics were targeted for the second largest share (19.2 percent). Asians and Pacific Islanders had the third largest share (8.8 percent), and Blacks, the fourth, with 4.3 percent.

**Figure 8. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Race or Ethnicity, 2005**

(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**

<sup>1</sup>Includes grants that were designated for more than one specified racial or ethnic group.

## Grantmaking by Recipient Type

Of all DF grants explicitly intended to benefit populations of color, the largest number went to human service agencies (331), followed by community improvement organizations (173). These types of recipient organizations also ranked first and second in terms of the total dollar value of the ethnic or racial minority-focused grants received. Public/general health organizations (91 grants) ranked third.

As Table 4 shows, some recipient organizations were more likely than others to be the recipients of DF grants specifically targeted to benefit ethnic or racial minority populations. More than half of the DF grants (56.4 percent) and nearly two-thirds of DF grant dollars (63.5 percent) given to civil rights groups were targeted to serve ethnic or racial minorities. Community improvement organizations and media organizations also received relatively higher proportions of DF grants targeted to benefit populations of color than did other types of recipient organizations.

**Table 4. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Recipient Type, 2005**

(Base = 50 independent California foundations with assets over \$100 million)

Recipient Type	No. of Grants Targeted to Minorities	Total No. of Grants	% of No. of Grants Targeted to Minorities within Recipient Type	Grant Dollars Targeted to Minorities	Total Grant Dollars	% of Grant Dollars Targeted to Minorities within Recipient Type
Civil Rights Groups	79	140	56.4	\$ 6,567,219	\$ 10,349,325	63.5
Community Improvement Organizations	173	385	44.9	25,274,427	46,776,484	54.0
International Organizations <sup>1</sup>	3	5	37.5	459,940	949,940	48.4
Media Organizations	36	119	30.3	5,326,679	19,592,813	27.2
Youth Development Organizations	91	307	29.6	6,477,407	16,692,807	38.8
Public/General Health Organizations	91	310	29.4	22,425,185	61,505,536	36.5
Hospitals/Medical Care Facilities	91	363	25.1	15,007,405	53,926,848	27.8
Arts/Humanities Organizations	54	246	22.0	2,657,000	20,044,340	13.3
Educational Support Agencies	108	493	21.9	13,148,767	64,001,000	20.5
Mental Health Agencies/Hospitals	37	184	20.1	3,561,308	11,506,415	31.0
Human Service Agencies	331	1,680	19.7	25,830,078	120,102,889	21.5
Philanthropy Organizations	21	112	18.8	1,708,500	79,809,757	2.1
Schools	96	557	17.2	6,622,901	44,523,823	14.9
Disease-Specific Health Associations	28	163	17.2	1,955,760	5,594,580	35.0
Recreation Organizations	19	113	16.8	318,000	6,367,515	5.0
Environmental Agencies	26	175	14.9	2,345,271	29,383,124	8.0
Public Administration Agencies	17	117	14.5	1,547,896	10,367,045	14.9
Graduate Schools	10	71	14.1	2,292,610	19,403,368	11.8
Performing Arts Groups	41	319	12.9	2,578,500	27,008,642	9.5
Federated Funds	7	56	12.5	1,350,000	7,364,620	18.3
Junior/Community Colleges	3	24	12.5	210,000	1,361,809	15.4
Museums/Historical Societies	19	189	10.1	1,114,426	21,817,415	5.1
Churches/Temples	12	183	6.6	2,439,139	20,560,472	11.9
Social Science Organizations	1	18	5.6	25,000	1,635,900	1.5
Colleges & Universities	21	438	4.8	5,738,842	152,770,721	3.8
Science Organizations	1	35	2.9	100,000	37,718,833	0.3
Medical Research Organizations	1	53	1.9	5,000	7,912,473	0.1
Animal/Wildlife Agencies	—	84	—	—	7,123,188	—
Libraries	—	8	—	—	1,189,500	—
Unspecified	—	1	—	—	1,000	—
<b>Total</b>	<b>1,417</b>	<b>6,951</b>	<b>20.4</b>	<b>\$157,087,260</b>	<b>\$907,362,182</b>	<b>17.3</b>

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**

<sup>1</sup>The three grants made to "International Organizations" went to U.S.-based organizations that generally serve multiple countries for programs for indigenous peoples and immigrants in California.

## Grantmaking by Region<sup>15</sup>

The fifty independent California foundations analyzed for this report were concentrated in Los Angeles County and the Bay Area counties and their ethnic or racial minority-focused grantmaking was also concentrated in these regions. Twenty-three of these foundations were located in Los Angeles County and 22 were located in the Bay Area counties. The Bay Area and Los Angeles County each received roughly 40 percent of the ethnic or racial minority-focused grants awarded by these fifty foundations.

The Central Valley—South received the largest concentration of ethnic or racial minority-focused grants. More than two-fifths of DF grants to the Central Valley—South (43.9 percent) were designated to serve ethnic or racial minorities. The South Coast and Border region and the North Coast and State region followed with nearly a quarter of their DF grants specifically targeted to serve ethnic or racial minorities. The Central Valley—North region received the smallest percentage of ethnic or racial minority-focused grants with less than one-tenth of the DF grants in this region being targeted to serve ethnic or racial minorities (Table 5).

## How Foundation Priorities May Affect Ethnic or Racial Minority-Focused Grantmaking

A closer examination of the missions of the foundations analyzed in this report helps to explain why some targeted higher proportions of their DF grants specifically to serve populations of color than others. At one end of the spectrum, the ten California foundations that explicitly designated the highest percentages of their DF grant dollars to ethnic or racial minorities each designated more than 16 percent of their DF grant dollars to serve these populations (Table 6). At the other end of the distribution, seven foundations had no DF grants explicitly targeted to serve ethnic or racial minority communities.

Six of the top ten foundations make clear that ethnic or racial minority-focused grantmaking is an important part of the foundation's mission. For example, the California Endowment, a health foundation, has a "multicultural approach to health" guiding its work. The tenth-ranked foundation, the Walter and Elise Haas Fund, names diversity and equity as one of its core values. Other foundations with clearly stated interests in ethnic or racial minority-focused grantmaking include the Christensen Fund, the James Irvine Foundation, the California Wellness Foundation, and the Evelyn and Walter Haas, Jr.

**Table 5. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Region, 2005**

(Base = 50 independent California foundations with assets over \$100 million)

Region <sup>1</sup>	No. of Grants Targeted to Minorities	Total No. of Grants	% of No. of Grants Targeted to Minorities within Region	Grant Dollars Targeted to Minorities	Total Grant Dollars	% of Grant Dollars Targeted to Minorities Within Region
Central Valley—South	61	139	43.9	\$ 8,564,105	\$ 19,483,817	44.0
South Coast & Border	105	434	24.2	13,678,986	51,224,720	26.7
North Coast & State	18	76	23.7	1,192,605	5,941,536	20.1
Central Valley—Central	41	187	21.9	9,598,633	38,469,666	25.0
Los Angeles	539	2,541	21.2	59,009,925	290,802,952	20.3
Central Coast	45	243	18.5	5,421,531	70,450,338	7.7
Bay Area	578	3,128	18.5	54,977,864	337,359,807	16.3
Inland Empire	22	136	16.2	2,529,611	85,714,665	3.0
Sierra	5	33	15.2	298,000	2,848,198	10.5
Central Valley—North	3	34	8.8	1,816,000	5,066,483	35.8
<b>Total</b>	<b>1,417</b>	<b>6,951</b>	<b>20.4</b>	<b>\$157,087,260</b>	<b>\$907,362,182</b>	<b>17.3</b>

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving specific populations or grants whose descriptions specified a benefit for a specific population. **These figures do not reflect all giving benefiting these groups.**

<sup>1</sup>The regional classification system used in this analysis is based upon the California regional divisions created by the Center on Philanthropy and Public Policy at the University of Southern California for the report *California Foundations 2004: Trends and Patterns*. The Bay Area region is composed of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties. The Central Coast region is composed of Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura counties. Central Valley—Central is composed of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties. Central Valley—North includes Butte, Colusa, Glenn, Shasta, and Tehama counties. Central Valley—South encompasses Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties. The Inland Empire region is composed of Riverside and San Bernardino counties. The Los Angeles region is comprised solely of Los Angeles County. The North Coast and State region includes Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Siskiyou, and Trinity counties. The Sierra region is composed of Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Nevada, Plumas, Sierra, and Tuolumne counties. South Coast and Border includes Imperial, Orange, and San Diego counties.

Fund. When foundations include serving ethnic or racial minority populations as part of their mission and values, their grantmaking appears to follow suit.

The Broad Foundation, the eighth-ranked funder, had a high percentage of grants explicitly targeted to serve populations of color, even though diversity is not explicitly mentioned as a guiding grantmaking principle. Its mission does, however, focus on improving urban education. In doing so, the foundation regularly supports programs for ethnic or racial minority students in inner-city schools.

The fourth-ranked Weingart Foundation also does not indicate a specific focus on serving ethnic or racial minority populations. It does, however, stress serving the underserved and the disadvantaged. More than a third of the foundation's 2005 DF grant dollars (36.5 percent) went to the economically disadvantaged and the vast majority of those dollars were specifically targeted to reach ethnic or racial minority populations.

At the other end of the spectrum, seven foundations awarded no DF grants that were specifically designated to serve ethnic or racial minority groups. These foundations' missions and practices, however, provide insight as to why this is the case. A number of them do not focus their grantmaking directly on helping people, *per se*, though humankind may receive the long-term benefits of the grants. One, for example, gives primarily to organizations that aid cats and dogs. Another supports classical music. Two mainly work to advance specific scientific fields.

Other foundations have very focused concerns. One primarily gives for Jewish concerns. Another's DF grants were given mainly to organizations in the county in which the foundation is located, where 90 percent of the residents are white.

This analysis of California grantmaking points to certain factors—some more obvious than others—that may influence ethnic or racial minority-focused grantmaking. Foundations that state a commitment to serve populations of color explicitly target more of their giving to such populations than those that do not. Foundations that give to regions with very small ethnic or racial minority populations do less of this type of grantmaking than those that give to regions with substantial numbers of these minorities. Foundations whose grantmaking goes to organizations that don't provide direct programs or services to people do less minority-focused grantmaking. For example, grantmakers concerned with the environment and animals or with the advancement of scientific and technological fields rank low in ethnic or racial minority-focused grantmaking.<sup>16</sup> On the other hand, grantmakers with strong interest in health rank high in ethnic or racial minority-focused grantmaking.<sup>17</sup> And larger foundations do more ethnic or racial minority-focused grantmaking than smaller ones.<sup>18</sup>

These factors suggest that ethnic or racial minority-focused grantmaking cannot be meaningfully assessed independent of the overall mission and goals of a foundation. It's not clear that all foundations can achieve comparable amounts of ethnic or racial minority-focused grantmaking when they have dissimilar missions and operate in demographically varied settings.

**Table 6. Top 10 Foundations by Share of Domestic Grant Dollars Explicitly Targeted to Ethnic or Racial Minorities, 2005** (Base = 50 independent California foundations with assets over \$100 million)

Foundation	Grant Dollars Targeted to Minorities	Total Grant Dollars	% of Grant Dollars Targeted to Minorities	No. of Grants Targeted to Minorities	Total No. of Grants	% of No. of Grants Targeted to Minorities
1. Christensen Fund	\$ 282,000	\$ 478,239	59.0	7	16	43.8
2. California Endowment	79,992,519	138,903,861	57.6	465	839	55.4
3. Grousbeck Family Foundation	1,604,401	3,301,901	48.6	25	67	37.3
4. Weingart Foundation	10,918,005	30,307,641	36.0	110	355	31.0
5. California Wellness Foundation	13,770,000	42,974,000	32.0	67	210	31.9
6. Evelyn and Walter Haas, Jr. Fund	5,539,350	20,861,184	26.6	112	426	26.3
7. James Irvine Foundation	10,539,400	40,266,900	26.2	97	248	39.1
8. Broad Foundation	4,028,383	16,459,254	24.5	10	26	38.5
9. S. Mark Taper Foundation	1,105,000	4,875,500	22.7	13	86	15.1
10. Walter and Elise Haas Fund	1,656,500	10,236,045	16.2	61	284	21.5
<b>Total (All 50 Foundations)</b>	<b>\$157,087,260</b>	<b>\$907,362,182</b>	<b>17.3</b>	<b>1,417</b>	<b>6,951</b>	<b>20.4</b>

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**

## Domestically Focused Grantmaking to Minority-Serving Nonprofit Organizations

About one in five domestically focused grants (20.4 percent) made by large independent California foundations in 2005 were explicitly intended to benefit ethnic or racial minority populations. About two-thirds of these minority-serving grants (13.6 percent of all DF grants) went specifically to ethnic or racial minority-serving organizations. The rest of these minority-serving grants (6.8 percent of all DF grants) went to nonprofit organizations *without* a specific focus on serving these populations.

On average, DF grants given specifically to *minority-serving nonprofits* were smaller than minority-focused grants made to other types of nonprofits. The mean ethnic or minority-focused grant to minority-serving nonprofits was \$93,000, compared to \$147,000 for other nonprofits. Likewise, the median ethnic or racial minority-focused grant given to minority-serving nonprofit organizations was \$40,000, compared to \$50,000 for other nonprofits. So, while 13.6 percent of all DF grants went to minority-serving organizations, these grants accounted for 9.7 percent of all DF grant dollars.

About 16 percent of DF grants to minority-serving organizations were under \$10,000, while the comparable figure for organizations without a minority-serving focus was 5 percent. At the other end of the spectrum, 26 percent of DF grants to minority-serving organizations were \$100,000 or higher, compared to 34 percent for organizations without a minority-serving focus (Figure D1).

What accounts for these disparities in grant size? In this case, a small set of science-focused grants accounts for much of the difference we see in the California data. In 2005, two science-oriented grants went to minority-serving organizations providing relatively small programs for educating middle and high school students. These two grants amounted to a total of \$55,000.

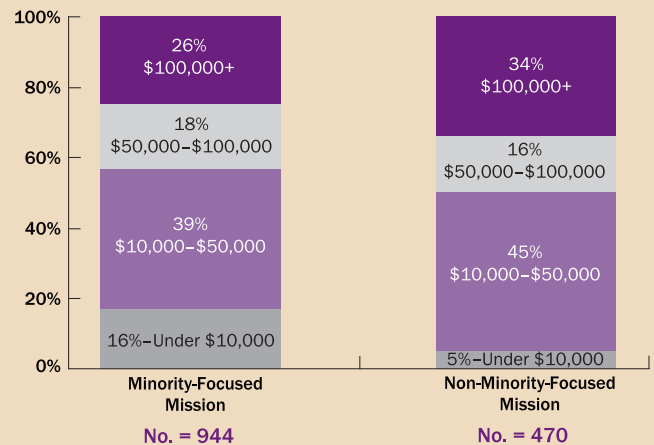
In contrast, four large minority-focused science grants went to nonprofits without a specific mission to serve ethnic or racial minority populations. Three of these went to California institutions of higher education—a \$1.4 million grant for diversifying the student and faculty went to the California Institute of Technology; a \$1.1 million grant went to the University of California for increasing the numbers of underrepresented students pursuing advanced degrees

in science and medicine; and Cal Poly Pomona University received a \$210,000 grant for preparing minority students to enter the health professions. These four minority-focused grants to organizations not specifically dedicated to serving populations of color totaled \$2.8 million. The bottom line here is that the non-minority-focused organizations were much larger and provided much costlier science-related programs for ethnic or racial minorities.

In addition to science, ethnic or racial minority-focused grants for health, human services, and religion going to organizations *not* specifically focused on serving populations of color were also on average significantly larger than those DF grants going to ethnic or racial minority-serving organizations.

**Figure D1. Domestic Giving Explicitly Targeted to Ethnic or Racial Minorities by Grant Size and Recipient Organization Mission, 2005**

(Base = 50 independent California foundations with assets over \$100 million)



Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008. Based on all domestic grants awarded to California-based recipient organizations by a sample of 50 California-based independent foundations with assets of at least \$100 million in 2005. Domestic grants exclude funding for U.S.-based international programs. Figures represent only grants awarded to recipient organizations that could be identified as serving ethnic or racial minority populations or grants whose descriptions specified a benefit for ethnic or racial minorities. **These figures do not reflect all giving benefiting these groups.**





## Conclusion

Assessing the extent to which large California foundations are addressing issues of diversity through their grantmaking is a complicated and multidimensional question. For some foundations, targeting specific ethnic or racial minority populations through their grantmaking is a central and strategically meaningful aspect of their missions as grantmakers. For others, serving the needs of ethnic or racial minority populations is achieved through grantmaking to populations whose salient defining characteristic is not color, but something else (such as being economically disadvantaged) that is in fact highly correlated with populations of color in specific geographic areas. For foundations whose missions are focused on an issue that is not population-specific, such as medical policy or environmental education, grantmaking targeted to ethnic or racial minority populations might be related to research on how health insurance policy affects these populations or to educational programs delivered to them.

While this study has attempted to quantify the amount of grantmaking by California foundations that benefits populations of color using the best available data, the full extent to which foundations are funding such communities cannot be precisely documented given the inherent limitations of these data. Only a fraction of the grants available for analysis are coded specifically in terms of population group(s) served. And only a portion of those grants are further classified as to whether they specifically serve populations of color. So, at best, we can only come up with a lower boundary estimate for the amount of grantmaking that benefits populations of color.

What we do know from the data is that fully one-fifth of the domestically focused grants made by large independent California foundations are *explicitly* designated to serve ethnic or racial minority populations. Another one-fifth are, in all likelihood, also serving primarily ethnic or racial minority populations through grantmaking that targets populations such as the “economically disadvantaged.”

Another dimension of the issue is the extent to which foundations are making grants to nonprofit organizations whose missions are focused on serving populations of color. Among large independent California foundations, about one in seven DF grants are made to such nonprofits. These grants accounted for about 10 percent of DF grant dollars awarded by these foundations in 2005.

In deciding how to disburse their grant dollars, foundation boards weigh many competing rationales. The ideal of ethnic or racial equity in grantmaking may compete with the ideal of adhering to the foundation’s mission or the ideal of giving back to the community or field of endeavor most closely associated with the founder. And these three ideals don’t begin to exhaust the many factors that influence decisions about grantmaking priorities. Grantmaking is a balancing act among competing ideals. The ideal of ethnic or racial equity is highly relevant to the purposes of many foundations. How even these foundations should balance this ideal with others they care about is a conversation that must take place within each foundation. In the end, the vibrancy of the foundation field relies both on the freedom of foundations to choose among many valid social values and the freedom of the public to educate foundations about the values it considers most important.



# APPENDIX A

## Independent California Foundations Included in This Analysis

**Table A1. Largest Independent California Foundations by Assets, 2005**

Foundations	Assets <sup>1</sup>	California Giving <sup>2</sup>	Fiscal Date
William and Flora Hewlett Foundation	\$7,336,131,000	\$53,439,486	12/31/2005
David and Lucile Packard Foundation	5,788,480,930	85,559,468	12/31/2005
Gordon and Betty Moore Foundation	5,308,627,945	89,053,991	12/31/2005
California Endowment	3,729,571,524	138,443,921	2/28/2005
James Irvine Foundation	1,610,480,320	40,141,900	12/31/2005
W. M. Keck Foundation	1,333,252,000	16,950,000	12/31/2005
California Wellness Foundation	1,072,427,215	42,974,000	12/31/2005
Ahmanson Foundation	938,348,497	42,408,155	10/31/2005
Broad Foundation	835,659,229	16,459,254	12/31/2005
Weingart Foundation	795,207,659	30,307,641	6/30/2005
Wayne & Gladys Valley Foundation	623,762,552	21,897,916	9/30/2005
Evelyn and Walter Haas, Jr. Fund	553,365,428	20,861,184	12/31/2005
Arnold and Mabel Beckman Foundation	533,551,993	7,833,924	8/31/2005
H. N. & Frances C. Berger Foundation	470,116,671	77,346,998	12/31/2005
Richard and Rhoda Goldman Fund	439,448,000	23,110,200	12/31/2005
<i>Ralph M. Parsons Foundation<sup>3</sup></i>	389,193,588	N/A	12/31/2005
<i>May and Stanley Smith Charitable Trust<sup>3</sup></i>	379,944,057	N/A	12/31/2005
McConnell Foundation	376,239,986	3,440,135	12/31/2005
Stuart Foundation	357,703,788	9,345,800	3/17/2005
<i>Tosa Foundation<sup>3</sup></i>	322,979,379	N/A	12/31/2005
UniHealth Foundation	302,606,349	14,692,739	9/30/2005
Skoll Foundation	275,908,751	168,000	6/30/2005
Maddie's Fund	273,798,163	919,433	8/31/2005
Milken Family Foundation	252,825,518	3,661,329	11/30/2005
Koret Foundation	247,754,640	16,685,112	12/31/2005
Thomas & Dorothy Leavey Foundation	246,740,827	10,504,500	12/31/2005
Walt and Lilly Disney Foundation	238,682,486	2,564,498	12/31/2005
Mimi and Peter Haas Fund	231,349,868	8,404,583	12/31/2005
Walter and Elise Haas Fund	231,132,160	10,236,045	12/31/2005
Dan Murphy Foundation	228,722,821	9,074,500	12/31/2005
Wasserman Foundation	216,986,435	4,835,000	12/31/2005
William K. Bowes, Jr. Foundation	214,728,116	7,332,250	12/31/2005
Lincy Foundation	193,767,157	7,878,420	9/30/2005
Thomas and Stacey Siebel Foundation	189,075,788	4,964,577	12/31/2005
Kenneth T. and Eileen L. Norris Foundation	174,171,983	7,080,315	11/30/2005
Carrie Estelle Doheny Foundation	168,245,329	7,853,112	12/31/2005
Fletcher Jones Foundation	165,421,475	6,596,000	12/31/2005
<i>S. H. Cowell Foundation<sup>3</sup></i>	165,015,011	N/A	12/31/2005
<i>Larry L. Hillblom Foundation, Inc.<sup>3</sup></i>	164,206,088	N/A	12/31/2005
<i>Noyce Foundation<sup>3</sup></i>	161,866,333	N/A	12/31/2005
Charles and Helen Schwab Foundation	160,304,016	4,937,683	6/30/2005
<i>Waitt Family Foundation<sup>3</sup></i>	158,997,034	N/A	12/31/2005
<i>Sierra Health Foundation<sup>3</sup></i>	156,776,270	N/A	12/31/2005

Continued on p. 22

**Table A1., Continued**

<b>Foundations</b>	<b>Assets<sup>1</sup></b>	<b>California Giving<sup>2</sup></b>	<b>Fiscal Date</b>
Colburn Foundation	\$156,397,526	6,113,975	12/31/2005
<i>Amateur Athletic Foundation of Los Angeles<sup>3</sup></i>	156,187,554	N/A	12/31/2005
Fritz B. Burns Foundation	155,934,330	7,151,000	9/30/2005
<i>S. D. Bechtel, Jr. Foundation<sup>3</sup></i>	151,591,403	N/A	12/31/2005
<i>Rosalinde and Arthur Gilbert Foundation<sup>3</sup></i>	141,079,006	N/A	12/31/2004
Y & H Soda Foundation	134,990,954	4,581,708	11/30/2005
<i>Eisner Foundation, Inc.<sup>3</sup></i>	132,630,102	N/A	12/31/2005
S. Mark Taper Foundation	125,461,065	4,875,500	12/31/2005
Lakeside Foundation	125,338,359	5,631,000	12/31/2005
Christensen Fund	122,327,377	478,239	12/31/2005
Grousbeck Family Foundation	120,592,854	3,301,901	11/30/2005
Henry L. Guenther Foundation	119,983,025	5,585,000	12/31/2005
Chais Family Foundation	119,880,092	322,800	5/31/2005
B. C. McCabe Foundation	119,230,782	7,236,819	12/31/2005
<i>Zellerbach Family Foundation<sup>3</sup></i>	118,460,982	N/A	12/31/2005
Archstone Foundation	117,280,783	3,726,342	6/30/2005
<i>William G. Irwin Charity Foundation<sup>3</sup></i>	114,410,673	N/A	12/31/2004
Flora Family Foundation	114,337,653	1,048,800	12/31/2005
Sharon D. Lund Foundation	110,808,056	3,360,700	12/31/2005
Kavli Foundation	108,581,938	3,400,000	11/30/2005
Argyros Foundation	106,879,420	1,636,389	7/31/2005
<i>Charles and Ann Johnson Foundation<sup>3</sup></i>	104,601,310	N/A	12/31/2005
<i>Walter S. Johnson Foundation<sup>3</sup></i>	104,475,953	N/A	12/31/2004
<i>Koret Fund<sup>3</sup></i>	101,703,856	N/A	12/31/2005
<i>Wood-Claeysens Foundation<sup>3</sup></i>	100,825,510	N/A	3/31/2005

Source: The Foundation Center, *Embracing Diversity: Foundation Giving Benefiting California's Communities of Color*, 2008.

<sup>1</sup>Asset information obtained from aggregate fiscal data for each foundation.

<sup>2</sup>Totals for California Giving based on all domestic grants awarded to California-based recipient organizations. Domestic grants exclude funding for U.S.-based international programs.

<sup>3</sup>Italicized foundations were not analyzed in this report because complete 2005 grants information was not available at the time of analysis.

N/A = Not Available

# APPENDIX B

## Methodology

### The Foundation Center's 2005 Grants Sample

To provide information on the grantmaking patterns of U.S. foundations, each year the Foundation Center indexes the grants awarded by a sample of larger U.S. foundations. Since 1992, the sample has included all grants of \$10,000 or more awarded by approximately 1,000 larger foundations, including 800 of the 1,000 largest based on total giving. These samples account for roughly half of total grant dollars awarded each year by U.S. foundations overall. The Foundation Center provides analyses of this data in *Foundation Giving Trends*, part of the annual *Foundations Today Series* of research reports, and individual grant records are published electronically in the *Foundation Directory Online* and *FC Search*.

Despite the large share of giving represented in the grants sample, this set does not constitute a strictly representative sample of the nation's foundation community. Consequently, this analysis should be interpreted as suggestive of grantmaking trends in California and across the United States—especially among larger foundations—but not conclusive.

For the 2005 report year, the entire grants file included 130,961 grants of \$10,000 or more awarded by 1,154 leading foundations and reported to the Foundation Center between October 2005 and September 2006. Grants were awarded primarily in 2005 or 2004. These grants totaled \$16.4 billion.

Of the 1,154 funders in the 2005 sample, 128 were located in California. Four-fifths (102) of these California foundations were independent, while 13 were corporate foundations, nine were community foundations, and the remaining four were grantmaking operating foundations. These funders reported 19,577 grants of at least \$10,000 totaling \$2.1 billion. Overall, their giving represented 48.5 percent of all grant dollars awarded by California foundations in 2005.

The grants database excludes grants, fellowships, or awards made directly to individuals, grants paid by private foundations to U.S. community foundations (the latter to avoid double counting), and loans or program-related

investments (PRIs). Grant amounts reported in the grants analysis represent, whenever possible, new authorizations or appropriations, whether paid in a single year or in installments.

To analyze funding patterns, the Foundation Center relies on a grants classification system with ties to the National Taxonomy of Exempt Entities or "NTEE." The system uses two- or three-character alphanumeric codes to track institutional fields and entities, governance or auspices, population groups, and religious affiliation. The universe of institutional fields is organized into 26 "major field" areas with subcategories for services, disciplines, or types of institutions unique to that field, organized in a hierarchical structure. For more information on NTEE, please visit [foundationcenter.org/ntee/](http://foundationcenter.org/ntee/).

### Analysis of Grants Targeted to Benefit the Economically Disadvantaged

Within the primary dataset used for the analyses included in this report—all domestically focused grants issued in 2005 by 50 independent California foundations with assets over \$100 million in 2005—30.2 percent (2,098 out of 6,951) of all grants were coded as serving the "economically disadvantaged." Of those grants coded as serving the economically disadvantaged, 43.7 percent (917 out of 2,098) were coded as also serving ethnic or racial minority populations, which begs the question: what of the other 56.3 percent of economically disadvantaged grants in the dataset? According to the 2000 Census, the racial composition of the population with total family income below the poverty level in California in 1999 was as follows: 50.5 percent Hispanic/Latino, 25.7 percent non-Hispanic White, 9.8 percent Asian, and 9.6 percent African American/Black. Given the demographic characteristics of the impoverished in California, it seemed highly likely that some of the 56.3 percent of economically disadvantaged grants *not* coded as serving ethnic or racial minorities might actually be primarily benefiting communities of color.

With this frame of reference, we selected a random sample of 100 grants coded as serving the “economically disadvantaged” but not as serving ethnic or racial minorities. We began by looking for web sites of organizations or news articles, press releases, and other available online resources for organizations that did not have web sites. Using this information we determined the geographic area served by each organization and the characteristics of its constituents. Five of the recipient organizations provided demographic information about their constituents on their web sites (Earned Assets Resource Network, Foothill Family Service, Los Angeles Music and Art School, San Francisco Food Bank, and Tri-City Homeless Coalition); for the other organizations we turned to online datasets to determine the demographics of their likely constituents. Our main data sources included the National Center for Education Statistics ([nces.ed.gov/datatools](http://nces.ed.gov/datatools)), the U.S. Census Bureau’s American FactFinder ([factfinder.census.gov](http://factfinder.census.gov)), and the California Health Interview Survey ([www.chis.ucla.edu/main/default.asp](http://www.chis.ucla.edu/main/default.asp)).

NCES data includes demographic breakdowns of enrolled students in public and private colleges and universities, public and private K-12 schools, and public K-12 school districts. For K-12 schools it is also possible to obtain specific demographic information by grade level and school year. American FactFinder includes detailed Decennial Census and American Community Survey data that can be analyzed at various geographic levels—from state to zip code or block—and from which it is possible to create custom tables combining desired variables. The California Health Interview Survey (CHIS) is a telephone interview survey of a statistically representative sample of 40,000 to 50,000 California households conducted every two years. CHIS is conducted by the UCLA Center for Health Policy Research in collaboration with the California Department of Public Health, the Department of Health Care Services and the Public Health Institute. The online dataset of CHIS data, *AskCHIS*, allows researchers to look up county-level information on health insurance coverage, usual healthcare facilities/provider(s), pregnancies, abortions, public program participation, drunk driving, childcare, elder health, etc. by demographic characteristics (race/ethnicity, poverty status, employment, education, marital status, sexual orientation, etc.).

Analyzing the economically disadvantaged grants, however, often called for demographic information about specialized populations, so we also obtained demographic statistics from numerous published reports that were available online, especially in the case of homeless populations and food bank clients. These reports included the 2005 and 2006 Los Angeles Homeless Count reports, the 2005 San Francisco Homeless Count, the U.S. Conference of Mayors’ 2005 *Hunger and Homelessness Survey*, California HealthCare Foundation’s

2006 report *Snapshot: California’s Uninsured*, the San Francisco Human Service Agency’s Homeless Families Services Redesign Survey, Los Angeles Regional Food Bank’s *Hunger in Los Angeles County 2006*, the Brookings Institution’s *Delivering a Local EITC: Lessons from the San Francisco Working Families Credit*, America’s Second Harvest’s *Hunger in America 2006* study, Los Angeles County Department of Health Services Alcohol and Drug Program Administration’s *Annual Review of Participants in Alcohol and Drug Programs* for fiscal year 2003–2004, the U.S. Department of Housing and Urban Development’s Resident Characteristic Reports, and Zima et al.’s *Emotional and Behavioral Problems and Severe Academic Delays Among Sheltered Homeless Children in Los Angeles County*. Additionally, information on foster youth was obtained for two grants from the *Child Welfare Services Reports for California* available on the University of California at Berkeley’s Center for Social Services Research web site, and information on San Francisco public housing tenants was found on the San Francisco Housing Authority’s web site.

After obtaining statistics about the demographics of the likely constituents of a recipient organization, grants were considered to serve a majority nonwhite population if the statistics indicated that greater than 50 percent of the likely constituents appeared to be ethnic or racial minorities from the available demographic data.

Thirty-nine of the 100 economically disadvantaged grants we analyzed could be confidently classified as serving a majority nonwhite community, because demographic information for the particular constituent population designated by the organization could be obtained and this demographic information revealed that clearly more than 50 percent of the likely beneficiaries were ethnic or racial minorities. Twenty-five more grants were deemed to be most likely serving majority nonwhite populations but with less certainty, because the populations were either very specific and hard to find exact demographic data for (e.g., children living in motels in San Gabriel Valley, uninsured and MediCal-qualified patients who visit emergency rooms in Santa Clara County hospitals eight or more times a year, homeless children with severe mental health needs in San Francisco, etc.) or not quite specific enough so that it was difficult to know if the demographic information was as precise as possible (e.g., families and individuals in poverty, abused and neglected children, the homeless, individuals recovering from alcohol and drug addiction, frail elderly, ex-offenders returning to society, and young people at risk in Los Angeles County; low-income women in Orange County looking for employment who are leaving welfare and prison, at risk of or experiencing homelessness, recovering from drug or alcohol abuse, or escaping domestic abuse). The most appropriate available data for these twenty-five grants, however, indicated that



the composition of the population served was primarily nonwhite—enough so that it would still likely be majority nonwhite even after taking into account the shortcomings of the available data and how that might alter the demographic makeup of the beneficiary communities.

In addition to these 64 grants that we were fairly confident benefited primarily nonwhite communities, there were seven grants that seemed to serve very significantly nonwhite communities (40-49 percent), but the data did not indicate that ethnic or racial minorities constituted an official majority of the population. An additional grant—for the San Francisco Lesbian, Gay, Bisexual, Transgender Community Center's Economic Development Program—could not be coded because some of the available data suggested that it primarily benefited a nonwhite population, while other data suggested the opposite. Analysis of five of the 100 grants revealed that they benefited heavily white communities. Twenty remaining grants were not analyzed because they were for national programs (four grants), for research or conferences (three grants), or because there was not enough information available to determine the parameters of the population served by the organization with confidence (thirteen grants). Additionally, three grants could not be analyzed because the population served was too specific to find reliable data for (e.g., long-term street kids unwilling to access mainstream assistance services in the Haight-Ashbury neighborhood of San Francisco, low-income adults with severe mental and physical disabilities in San Mateo County, homeless substance abusers in San Francisco).

## Analysis of Grants Targeted to Benefit Unspecified Populations/General Public

Nearly 38 percent of the grants included in the primary dataset used for the analyses included in this report—all domestically focused grants issued in 2005 by 50 independent California foundations with assets over \$100 million in 2005—had no designated population group. In some cases, this lack of information about the population group indicates that no population can be assigned because it is impossible or inappropriate to do so, as with grants designated for the environment or scientific research. In other cases a grant may not receive a population group code because there was not enough information available on the grantmaking foundation's Form 990 PF to determine a beneficiary population. In most cases, however, grants and recipient organizations lack a population group code because they are considered to serve the public generally and not a specific population.

As a result, schools and human service organizations, for example, often go without a population designation, regardless of the demographics of the areas they serve. In certain geographic areas, however, the “general population” may be composed primarily of ethnic or racial minorities.

Because of the ambiguity as to why a grant or recipient organization does not have a designated population, we chose to examine a random sample of 100 of these grants. We began by looking at the web site of each of the recipient organizations in our random sample to determine if the mission of the organization or the primary focus of its programs was to serve ethnic or racial minorities in the event that the grant failed to receive a population group code because of lack of detail on the 990 PF form. If no ethnic or racial minorities were mentioned in the mission or programs of the recipient organization, then the next step was to determine demographics of the likely constituents of the organization. In some cases, the organization included information about the demographics of the population it served on its web site or in its annual report, but in most cases we had to try to deduce the demographics using other sources. This was done by first reviewing the organization's web site—or available press releases and news clippings if the organization did not have a web site—to determine the geographic area served and the type(s) of community usually served (e.g., students at Aldama Elementary School in Los Angeles County or patients of San Francisco General Medical Center) when applicable.

Once the parameters of the likely population were determined (e.g., students of St. Francis Career College or the uninsured in Santa Clara and San Mateo Counties) then demographic data for that particular population was acquired using statistics from the National Center for Education Statistics ([nces.ed.gov/datatools](http://nces.ed.gov/datatools)), the U.S. Census Bureau's American FactFinder online resource ([factfinder.census.gov](http://factfinder.census.gov)), and the California Health Interview Survey ([www.chis.ucla.edu/main/default.asp](http://www.chis.ucla.edu/main/default.asp)).

After obtaining statistics about the demographics of the likely constituents of a recipient organization, grants were considered to serve a majority nonwhite population if the statistics suggested that greater than 50 percent of the likely constituents appeared to be ethnic or racial minorities from the available demographic data. Using this criterion, 23 of the unspecified/general public grants could be classified as serving a majority nonwhite population. Of these 23, thirteen grants were confirmed to be serving ethnic or racial minorities by definitive demographics provided by the organization itself (Executive Service Corps of Southern California, San Francisco General Hospital Medical Center) or by the National Center for Education Statistics' enrollment demographics (Aspire Public Schools, Dolores Mission Elementary School, Holy Names High School, Los Angeles Unified School District,

Oakland Unified School District, Patten University, Saint Agnes School, Saint Martin de Porres Regional School, Saint Odilia School, and West Los Angeles College). Demographic information for likely beneficiaries of the other ten grants was not as quite as definitive, but in all ten cases the demographic statistics acquired through American FactFinder, National Center for Education Statistics, and the California Health Interview Survey strongly indicated that over 50 percent of the likely beneficiary population was nonwhite. Analysis of four other grants in our sample indicated that a sizeable proportion of the beneficiary population was nonwhite (from 41 percent up to *possibly* 50 percent), but not a clear majority—these grants were excluded from our count of grants serving ethnic or racial minorities. It could be clearly determined that nine grants were *not* serving ethnic or racial minorities (but instead serving a vastly white population), and the remaining grants were unclear.

In approximately two-fifths of the 100 cases, demographic analysis could not be pursued because it was not possible to discern who the beneficiaries of the grant would be. For example, eleven of the grants in our sample of 100 unspecified were for performing arts organizations, spaces or events, such as an opera company, a symphony orchestra, and an outdoor theatre venue. Grant beneficiaries could not be distinguished easily in these cases, as it is difficult to say whether such grants primarily benefit the performers or the audience and as there is no way to be sure what the demographic characteristics are of likely audience members. Similarly, five grants could not be analyzed because they were designated for museums or libraries whose exact audiences could not be identified with confidence. Additionally, twenty-two grants could not be analyzed because there was not enough information to determine the likely beneficiaries. One such grant went to the United Way of the Bay Area (UWBA), which most likely serves a large nonwhite population, but without more detailed information about the grant or UWBA's client demographics, there is no way to know.

The remaining grants were awarded for national programs (four), the environment (ten), animals (four), tourist attractions and historical preservation (two), research (four), programs that recognize individual achievement (2), publication of a book (1), a public television station (1), and National Philanthropy Day events (1).

## Endnotes

1. The California State Assembly is currently considering approval of AB 624, a bill that would require private, corporate, and public operating foundations with assets over \$250 million to collect and disclose data regarding the racial and gender composition of the board of directors and staff of the foundation; the number of grants and grant dollars awarded to organizations specifically serving ethnic minority communities, lesbian, gay, bisexual, and transgender communities, and other underrepresented communities; the number of grants and grant dollars awarded to organizations where 50% or more of the board members or staff are ethnic minorities; and the number of grants and grant dollars awarded to predominately low-income communities.
2. The number of foundations whose giving is analyzed by the Foundation Center has grown over time and included over 1,200 foundations in 2005.
3. Based on annual average Consumer Price Index, all urban consumers, as reported by the U.S. Department of Labor, Bureau of Labor Statistics, as of May 2008. In constant 1996 dollars, giving by these foundations targeted to benefit ethnic or racial minority populations grew from \$44.4 million in 1996 to \$122.9 million in 2005, while total domestically focused giving by these foundations rose from \$572.5 million to \$1.13 billion.
4. Based on annual average Consumer Price Index, all urban consumers, as reported by the U.S. Department of Labor, Bureau of Labor Statistics, as of May 2008. In constant 1996 dollars, giving by these foundations targeted to benefit the economically disadvantaged grew from \$61.5 million in 1996 to \$206.9 million in 2005, while total domestically focused giving by these foundations rose from \$572.5 million to \$1.13 billion.
5. In any given year, roughly 40 to 50 percent of these grants are likely to be coded BOTH as serving the economically disadvantaged AND ethnic or racial minority populations. As such, these grants would also be included in the trend data representing giving intended to benefit ethnic or racial minority populations. Of the remaining economically disadvantaged grants that are NOT specifically coded as going to ethnic or racial minority populations, it is estimated that more than 60 percent are in fact reaching primarily ethnic or racial minority populations. See Section 2 for more information.
6. For a list of the fifty foundations studied, see Appendix A.
7. Typically, the Foundation Center codes only grants of \$10,000 or more made by the nation's 1,000 largest foundations (including the 50 CA foundations analyzed in the present study). For this study, however, grants of under \$10,000 were also coded.
8. For details on the sources of the grants data analyzed in this report, see Appendix B.
9. For additional examples and further discussion of the findings from this analysis of grants benefiting the economically disadvantaged, see Appendix B.
10. For further discussion of the findings from this analysis of unspecified grants, see Appendix B.
11. California state prison population composition: 27.2% White, 28.7% Black, 38.3% Hispanic, 5.8% Other. California state parolee demographics: 31% White, 23.8% Black, 40.2% Hispanic, 5.1% Other. Second Quarter 2007 Facts and Figures, California Department of Corrections and Rehabilitation, [www.cdcr.ca.gov/Divisions\\_Boards/Adult\\_Operations/Facts\\_and\\_Figures.html](http://www.cdcr.ca.gov/Divisions_Boards/Adult_Operations/Facts_and_Figures.html), accessed February 12, 2008.
12. 2006 American Community Survey estimated demographics of foreign-born individuals living in California: 42.4% Hispanic/Latino, 23% Asian, 21.7% Other, 10.6% White, 1% Black, 0.3% Native Hawaiian/Pacific Islander.
13. The statistical margin of error (at the 95% level of confidence) associated with the finding that 64 percent of these economically disadvantaged grants are serving populations of color is plus or minus 9 percentage points. This means that the actual percentage of these grants that are serving populations of color could be as low as 55 percent or as high as 73 percent, based on the laws of statistical probability. Our assumption that just 55 percent of these grants are serving populations of color is, therefore, at the lower boundary of this confidence interval.
14. The margin of error (at the 95% level of confidence) associated with the finding that 23 percent of these grants are serving populations of color is plus or minus 8 percentage points. Our assumption that just 15 percent of these grants are serving populations of color is, therefore, at the lower boundary of this confidence interval.
15. The regional classification system used in this analysis is based upon the California regional divisions created by the Center on Philanthropy and Public Policy at the University of Southern California for the report *California Foundations 2004: Trends and Patterns*. The Bay Area region is composed of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties. The Central Coast region is composed of Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura counties. Central Valley—Central is composed of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties. Central Valley—North includes Butte, Colusa, Glenn, Shasta, and Tehama counties. Central Valley—South encompasses Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties. The Inland Empire region is composed of Riverside and San Bernardino counties. The Los Angeles region is comprised solely of Los Angeles County. The North Coast and State region includes Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Siskiyou, and Trinity counties. The Sierra region is composed of Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Nevada, Plumas, Sierra, and Tuolumne counties. South Coast and Border includes Imperial, Orange, and San Diego counties.
16. The correlation between the percent of ethnic or racial grants and the percent of environment and animals grants is negative,  $r = -0.11$ . The correlation between racial grants and science and technology grants is also negative,  $r = -0.18$ .
17. There is a positive correlation ( $r = 0.27$ ) between the percent of ethnic or racial minority grants and the percent of health grants.
18. The correlation between the percent of ethnic or racial minority-focused grantmaking and asset size is positive ( $r = 0.23$ ); by the dollar value of grants it is also positive ( $r = 0.25$ ).



