



JOINT AFFINITY GROUPS

The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field

Findings from a National Study

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Conclusion: Findings and Recommendations

Findings

The face of philanthropy has changed dramatically in the last twenty years.

- Philanthropy has evolved from a field dominated by white men to a field where women are the majority and a fifth of staff are people of color.
- However, Boards of Directors have not changed significantly in their diversity.

Diversity is not widely understood and is primarily equated with ethnicity and race.

- Class, disability and sexual orientation are less visible and not considered equal indicators of diversity. Many funders do not perceive disability or sexual orientation as diversity issues at all.
- The feminization of the field among staff has made gender appear to be less of a significant diversity issue than in the past.

Barriers persist in the grantmaking field based on disability, ethnicity and race, as well as gender and sexual orientation.

- Foundation culture is alienating for those who are not from white, upper-class backgrounds.
- Women of color continue to face significant barriers in the field. They earn less and give smaller grants than their colleagues. They are less likely to move into senior staff and CEO positions, or to be involved in governance and hiring.
- Men of color have made proportionately significant gains. But in spite of their higher salaries and greater grantmaking responsibilities, they hold a small percentage of CEO positions. They are highly concentrated in large, independent and community foundations.
- White women are the most highly represented identity group in the field. They are most successful in the smaller foundations. However, this means that women CEOs control fewer grantmaking assets than their male counterparts. In addition, women in the sample earned less and gave less in grants than men.
- Gays and lesbians tend to earn less than heterosexuals and experience less mobility into top positions. This is particularly true for lesbians. Gays and lesbians appear to be concentrated in certain fields, such as the arts.

- Fewer than 4 percent of the sample identified as having a disability. While it is likely that some respondents with disabilities did not self-identify as such, it was not possible to conduct a detailed analysis of the status of people with disabilities.

No formula exists for creating a diverse board or staff.

- Diversity is regional. Organizations are influenced primarily by local and regional demographics and the target populations they fund. Different areas of the country face different challenges with respect to diversity.
- We found that diversity efforts were often precarious and unsustainable.

Leadership from the top is critical.

- Executives and senior management are central to any commitment to diversify. Endorsement from the top authorizes action as well as financial support, and leads by example.
- Hiring at the senior levels is the most desirable form of recruitment. The most successful foundations are those where the hiring and promotion of diverse individuals at the senior levels is a priority.
- The title of “President” confers greater status and is less often held by CEOs with diverse personal identities.
- By hiring more than one “token” diverse board or staff member, foundations achieve critical mass. A cascade effect follows as diverse hires make subsequent recruitment easier through their access to networks and talent pools.
- This expansion shapes institutional culture and makes retention easier.

Staff and board diversity follows programming.

- The most common rationale for diversity is to reflect constituencies served. Diversity is increasingly viewed as part of foundations’ accountability to the communities they support.
- Foundations often seek out those with knowledge of the issues funded and hire from grantee communities. However, hiring diverse staff does not guarantee diverse funding.
- Multiculturalism advances programmatic goals by helping foundations gain access to and provide legitimacy with constituent groups. Foundations that have created programs addressing issues of concern to lesbian, gay or bisexual communities, people of color, people with disabilities, or women, for instance, require the knowledge of these groups in order to ensure good grantmaking and to develop relationships with and trust among constituencies.

Recommendations

Foundation culture must change for diversity to be successful.

- Diversity and multiculturalism must be institutionalized to become part of grantmaking organizational culture. This requires changing practices and norms considered standard in the past.
- There are many ways to undertake diversity efforts, including task forces or committees to steer initiatives. The work of diversity is participatory and often takes place through teams, including representatives from all levels in an organization. Such mechanisms handle problem solving and provide a vehicle for dealing with internal culture and policies.
- Respecting and valuing diverse staff and board members contributes to successful efforts.
- Expanding a foundation's staff or board as a method of diversifying is a way to initiate such a change in culture. Recruitment of multicultural decision-makers may require cultivating and identifying different networks of candidates from outside a foundation's economic and social circles.
- Employment benefits are a signal of an institution's commitment to become an inclusive, multicultural workplace. Acknowledgement of multicultural holidays, domestic partner benefits and policies, and workplace accommodations for people with disabilities indicate institutional awareness and attract diverse staff.

Written materials are essential.

- Include a commitment to diversity in key statements. Develop written materials that communicate diversity objectives.
- Committed organizations articulate the importance of diversity through their institution's mission, vision, values, and/or funding strategy.
- Statements and organizational policies that reflect the centrality of diversity formalize institutional commitment and establish a standard of accountability.

Educate the field about the need for diversity.

- Inform boards and trustees about the value of diversity.
- Training can increase understanding and improve communications at the outset of any diversity initiative. Training for managers is fundamental. Outside professionals often undertake training, passing on concrete skills that managers can then use to train other staff.

Diversity is a conscious, ongoing process.

- Planning, dedicating the resources required, and evaluating progress are central as diversifying takes time, energy, and perseverance.
- Establish clearly defined internal goals, responsibilities and accountability mechanisms.
- Focus groups, surveys, and/or diversity audits can assess an organization's diversity climate and identify areas of concern and desired outcomes.
- Consultants can provide expertise and impartiality. The presence of individuals not invested in internal organizational dynamics offers perspective and a distance that can make it easier to raise issues likely to cause conflict.

Expect consequences and readjust.

- If one aspect of a foundation's program or structure changes to become more diverse, it frequently causes a ripple effect throughout the organization.
- Anticipate some failures, internal resistance and departures. A willingness to change systems and remove institutional barriers is a must.
- More consideration needs to be given to sustained diversity efforts over time.

Appendix: Interview and Case Study Methodology

Over thirty foundations were chosen for review using interview and case study methodologies. Twenty-nine grantmaking institutions participated in the study. Data from the Council on Foundations (CoF) was used to assist in the selection of foundations for the qualitative interviews. An analysis of the 1997 *Foundation Management Series* (Council on Foundations 1998a) and the 1998 *Grantmakers Salary Report* (Council on Foundations 1998b), as well as unpublished data took place to examine the following indicators:

1. The percentage of staff that were people of color.
2. The percentage of board members that were women.
3. The percentage of board members that were people of color.

We decided not to use the percentage of women on staff as an indicator since in most foundations women comprise a majority of staff.

These indicators came from the following information provided by CoF:

1. A list of foundations with at least one minority member on their staff (Asian, Black, Hispanic, Native American, or Other) that indicated that it “was OK to contact them” from the 1998 *Grantmakers Salary Report*. Data was provided by asset size and foundation type.
2. A list of foundations with at least one woman on their board that indicated that it “was OK to contact them” from the 1997 *Foundation Management Series*. Data was provided by asset size and foundation type.
3. A list of foundations with at least one person of color on their board that indicated that it “was OK to contact them” from the 1997 *Foundation Management Series*. Data was provided by asset size and foundation type.

Two indices were created. One index consisted simply by adding together the percent of minority and the percent of women on the board (divided by 100) to produce a “board diversity score.” Since there was overlap among the minorities and women (i.e., minority women), this index is **not** to be interpreted as the percent of minorities and women on the board. Rather, it is simply an index to rank foundations relative to each other. Another index was constructed that added together the percent of minorities on the board, the percent of women on the board, and the percent of minorities on the staff (divided by 100). The foundations were then sorted by their score.

The final sorting resulted in a list with the highest scoring foundations, in terms of diversity, at the top of the list. These top foundations were identified as good candidates for

the case study interviews. Score alone was not sufficient, however. These rankings were used only as guides. Attempts were made to ensure that the final foundations chosen for interviews not only had a high diversity score, but also varied in terms of region, foundation type, and asset size. References were made back to the master list – containing information on assets, type, and region – to select a wide range of exemplary foundations.

In addition, a number of other foundations were added to the list when it was determined that their omission from the diversity rankings was not due to a lack of diversity, but because they were not respondents in the CoF data. Some judgments were made therefore, to add foundations with good reputations that were not represented in the CoF data. We chose organizations based on reputational analysis from pre-test interviews with leaders in the field.

Table 13. Diversity Indices

Minorities on Boards and Staff, Women on Boards, and Composite Indices

Foundation Type	% Minority of Staff	% Minority on Board	% Women on Board	Average Index 1	Average Index 2
Community	22.0	12.3	31.7	.516	.901
Corporate	23.2	***	***	***	***
Family	12.6	2.2	44.5	.615	.825
Independent	24.9	11.6	25.6	.557	.940
Public	24.3	12.7	38.0	.630	.887
All	22.5	10.0	33.6	.579	.888
# Respondents	N/A	644	644	213	102

Notes: (1) Index 1 constructed from unpublished data on minorities on boards and women on boards; Index 2 constructed from the latter, but also adding minorities on staff.

Source: 1998 *Grantmakers Salary Report*, Council on Foundations, 1998; *Foundation Management Series, Ninth Edition, Volume II: Governance*, Council on Foundations, 1998; indices constructed from unpublished CoF data by Dr. Lynn Burbridge.

Looking at the first column in Table 13, we see that independent foundations at 24.9% have the greatest ratio of people of color on staff followed by public charities and corporate foundations. Community foundations rank fourth on this scale. Family foundations rank last. On the measure of percent of people of color on the board of trustees, public charities rank first followed by community foundations, independent foundations, and family foundations at the bottom.

If we examine foundation types by the percentage of women on their boards, family foundations rank first (44.5%) followed by public charities, community foundations, and independent foundations. On Index One (minorities and women on the board), family foundations rank second after public charities, their ranking perhaps inflated by the female

family members on their boards. On our most comprehensive measure, Index Two, private independent foundations rank first, community foundations second, public charities third, and family foundations last.

Family foundations are the least diverse by type. Except for placing women (presumably family members) on their boards, they rank last on all other measures except average Index One, which takes the percent of women on the board into account. Independent foundations do better. One possible explanation is that because of their substantial assets, they are in the best position to invest resources in the pursuit of diversity, using, for example, specialized recruiting firms and offering highly competitive salaries. This explanation gains support from the fact that the strength of the independent foundations showing on average, Index 2, comes from their hiring of minority staff. They do less well in placing women or people of color on their boards, ranking fourth and third in these categories respectively.

Grantmaking public charities, other than traditional community foundations, ranked high on people of color staff and people of color and women board members. The explanation rests, in large part, on the number of these organizations that characterize themselves as “progressive,” committed to issues of social justice and equity. As discussed in William Díaz and Aileen Shaw’s chapter on community foundations and progressive public charities, these organizations have been motivated by ideology to diversify, and the results are reflected in our statistics.

At each of the several types of grantmaking organization selected, we interviewed key foundation administrators to obtain the “institutional” view of the motives for and the processes of change that the foundation had undergone in increasing diversity. Initially, funding limitations restricted the interviews to top administrators at each organization. Not surprisingly, this resulted in an overwhelming number of white subjects. At the time the interviews took place the twenty-nine organizations in our study were headed by fourteen white men, ten white women, two Latinas, one African-American woman, one African-American man, and one Asian man. Four were gay, lesbian or bisexual. None had a disability. Interestingly, of the twelve CEOs using the title “President” rather than “Executive Director,” nine were white men. The interviews revealed the need to reach other more diverse staff not represented at the top level, especially program officers. Subsequent funding enabled us to interview staff with diverse characteristics.

In Phase 2 we used diversity as our primary criteria. We asked the CEOs originally approached to choose 2-3 individuals with diverse identities according to ethnicity, gender, race, disability, and sexual orientation from their staff and board. These interviews enabled us to deepen the original picture that emerged from CEO interviews. Interview subjects also were selected to reflect geographic variation. Our sample follows very closely general population trends. For instance, in the South, where 55% of the country’s black population

resides, (U.S. Census Bureau 2000b, p. 1) diversity is perceived as a mostly black/white issue. Asian Americans, on the other hand, according to the most recent Census data, are concentrated (53%) in the West (U.S. Census Bureau 2000a, p. 1). In the Western states, diversity is more inclusive in terms of population, and also reflecting the more liberal sociopolitical climate, sexual orientation. In fact, three-quarters of the Asian Americans and almost half the gay/lesbian staff we interviewed work in California.

Among those interviewed, the demographic breakdown is as follows:

White	30
Black	12
Hispanic	9
Asian/Pacific Islander	5
Native American	2
Men	27
Women	31
Heterosexual	46
LGBT	11
Disabled	1

In addition to these 58 respondents, 51 staff or trustees attended the focus groups for a total of 109 respondents. Three focus groups were held to supplement the interview process. A focus group of progressive grantmakers took place at the 1998 NNG Conference in Minneapolis to explore issues of interest to diverse staff and board. In December 1999, NNG held a focus group in California with members of the Steering Committee of the newly renamed Funders for Lesbian and Gay Issues in order to gather additional data and methods for identifying this population of interest. Díaz held a focus group in Chicago in the spring of 2000 to discuss the emerging patterns among interview subjects. Díaz hosted two final focus groups on people with disabilities in February and March 2001.

References

- Council on Foundations. 1998a. *Foundation Management Series, Ninth Edition*. Washington, D.C.: Council on Foundations.
- Council on Foundations. 1998b. *1998 Grantmakers Salary Report*. Washington, D.C.: Council on Foundations.
- U.S. Census Bureau. 2000a. *The Asian and Pacific Islander Population in the United States: Population Characteristics, March 1999*. Washington, D.C.: U.S. Census Bureau.

U.S. Census Bureau. 2000b. *The Black Population in the United States: Population Characteristics, March 1999*. Washington, D.C.: U.S. Census Bureau.

Institutions Interviewed

A Territory Resource
AT&T Foundation
Mary Reynolds Babcock Foundation
Boston Women's Fund
C. S. Mott Foundation
The California Wellness Foundation
The Chicago Community Trust
Community Foundation for Greater Atlanta
Community Fund Riverside County
Dyer-Ives Foundation
Flintridge Foundation
The Ford Foundation
Foundation for the Mid-South
General Mills Foundation
Evelyn & Walter Haas Jr. Fund
Headwaters Fund
Hyams Foundation
Jewish Fund for Justice
W. K. Kellogg Foundation
Jessie Smith Noyes Foundation
The David and Lucile Packard Foundation
Public Welfare Foundation
The Rockefeller Foundation
The San Francisco Foundation
Levi Strauss Foundation
The Saint Paul Foundation
Tides Foundation
Wells Fargo Foundation
The Wieboldt Foundation

About the Joint Affinity Groups (JAG)

JAG is a nationwide coalition of grantmaker associations that engages the field of philanthropy to reach its full potential through practices that support diversity, inclusiveness, and accountability to communities.

Asian Americans/Pacific Islanders in Philanthropy

Association of Black Foundation Executives

Disability Funders Network

Funders for Lesbian and Gay Issues

Hispanics in Philanthropy

National Network of Grantmakers

Native Americans in Philanthropy

Women & Philanthropy

Women's Funding Network



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