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# The Road to Achieving Equity

## Findings and Lessons from a Field Scan of Foundations That Are Embracing Equity as a Primary Focus

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## About This Document

Over the past few years, equity has emerged as a key issue in American society. It has been described as the “defining issue of our time” by authors and speakers in various fields, including education, community development, and juvenile justice, among others. Movements like Black Lives Matter have elevated conversations about equity, and racial equity in particular, into the mainstream, bringing much-needed attention to one of our nation’s most pervasive — yet often veiled — challenges. Philanthropy also has taken up the call for equity, and several foundations are working to incorporate varying degrees of an equity focus into their work. But how are they doing so? What challenges are they facing? What successes have they had so far? What have foundations learned about incorporating equity into their own cultures?

The findings in this document were gathered at the request of the Robert Wood Johnson Foundation, as part of its quest to better understand what other foundations are doing to incorporate equity — both in their internal operations and in their grantmaking. As we explored this question, we found that the foundations we spoke with were eager to learn about our findings and to get an idea of what their peers were doing. In response to their requests, this document shares what we’ve learned from conversations with several foundations, observations we’ve drawn, and suggestions for foundations that want to move forward in their own efforts to embrace equity.

This document is by no means an exhaustive look at all of the foundations that are incorporating equity. It is a reflection of a very small sample of the greater work being done throughout the field of philanthropy. However, we hope that it may help inform perceptions and practice with regard to equity in philanthropy.

## Methodology

We began our exploration of foundations by asking the question: “What foundations are doing an exemplary job of incorporating an equity lens or framework — not only in their grantmaking, but in their efforts to create an internal culture of equity?” We posed this question to a large network composed of our Putnam contacts and colleagues in the field as well as those of our client. From our initial query, we compiled a list of 50 potential foundations to explore more closely. To narrow our list to a manageable size, we looked for foundations that were named more than once by our contacts, who acknowledged their equity work publicly on their websites or writings, and who were likely to bear some relevance to the work of our client either because of their size or their funding focus.

The Putnam team held a total of 30 conversations with representatives from 15 different foundations. These conversations happened in two rounds. The first round was designed to gain general knowledge from the 15 foundations about their work to incorporate equity, as well as to determine a top set of three to five exemplars of foundations that were embracing equity work in a deep and meaningful way. The second rounds of conversations were deeper dives with additional staff of the five foundations that rose to the top in the first round. In selecting these five foundations, we looked again at those who were most similar to our client in terms of size, culture, and funding focus. Additionally, we conducted a document and website review of the health equity-related materials that were generated by the foundations we interviewed, as well as other equity-related reports and articles.



## Key Findings

The work of embracing equity is still relatively new in the world of philanthropy. All of the foundations we spoke with viewed themselves as new to the work and very much on a learning journey. No foundation claimed to have “cracked the code” for successfully changing culture or outcomes, although some were clearly further along in their journeys than others.

It was also clear in our conversations that there is no “one size fits all” way for foundations to incorporate equity. In fact, it is very individualized and very “messy” work (a term our interviewees used time and again). However, there are some key findings that emerged as relevant across all of our conversations:

**1) Definitions of “equity” vary, but having one is important.** “Equity” has many meanings in the world, and foundations define the word differently. Definitions among our interviewees included viewing “equity” as a synonym for “social justice” or “equality” or “race equity.” Many spoke of equity in terms of providing opportunity. However, most of the foundations we spoke with admitted they had no “official” definition of equity. This was a curious finding, since having a clear definition of equity (or at least a working definition) would seem paramount to galvanizing staff around an equity lens or framework and moving the work forward. Many foundations appear to guide their work via intuition rather than a clear definition. We did find that foundations with a clear definition seemed to have codified equity theories of change, frameworks, and plans more completely than those foundations that had no clear definition.

While there is no single definition of equity or health equity in the field, there are several examples. For equity in general, specific definitions being used include:

- “The state, quality, or ideal of being just, impartial, and fair.”
- “Just and fair inclusion in a society in which everyone can participate and prosper to the best of their ability.”
- “The inability to identify trends by race, ethnicity, gender, etc.”
- “Racial equity is the condition that would be achieved if one’s racial identity no longer predicted, in a statistical sense, how one fared. When we use the term, we are thinking about racial equity as one part of racial justice, and thus we also include work to address root causes of inequities, not just their manifestation. This includes elimination of policies, practices, attitudes, and cultural messages that reinforce differential outcomes by race or fail to eliminate them.”

*Having a clear definition of equity would seem paramount to galvanizing staff around an equity lens or framework and moving the work forward. Yet many foundations appear to guide their work via intuition rather than a clear definition.*

Several of the foundations we spoke with were health funders, who indicated a specific focus on health equity. Many of them use or are influenced by the definitions developed by Dr. Paula Braveman, MD, MPH, University of California, San Francisco, who has written several articles about the definition of health equity. In “What Are Health Disparities and Health Equity? We Need to Be Clear” (Public Health Reports, 2014, Supplement 2, Vol. 129), she summarizes it this way: “Health equity means social justice in health (i.e., no one is denied the possibility to be



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healthy for belonging to a group that has historically been economically/socially disadvantaged).” She shares a similar definition in “Defining Equity in Health” (Journal of Epidemiology & Community Health, 2003;57:254–258): “In operational terms, and for the purposes of measurement, equity in health can be defined as the absence of disparities in health (and in its key social determinants) that are systematically associated with social advantage/disadvantage.”

**“Race equity” is a dominant frame.** The majority of the foundations we spoke to viewed equity through a racial lens. This appeared to be true even if the foundation’s “official” definition of equity did not name race specifically. To test this assumption, we asked some of our second-round interviewees whether a foundation could truly embrace an equity agenda without talking specifically about race equity. The answer was, unanimously, “No.” This did not mean that foundations only looked at race equity (many spoke of equity related to gender, geography, economy, sexual orientation, etc.). However, it does emphasize that foundations wishing to define and discuss equity must be willing to talk honestly and openly about race.

**2) CEO and board leadership is critical for adopting an equity focus and transitioning foundation culture.** This was a universal finding and recommendation from every foundation interview. Although not every foundation set out with leadership on board, all agreed that securing and defining a commitment to equity from the top was imperative.

Efforts and pathways to securing that commitment ranged widely. In some cases, the CEO took the lead in setting the tone and expectation around equity for staff and board. In other cases, key staff embraced equity and secured the blessing of the CEO. In still other cases, board members expressed a desire to become more equitable and charged staff to explore how equity would take shape within the foundation. And for some foundations, board members have yet to play a leadership role but prefer simply to be apprised of equity efforts by the CEO or staff during board meetings.

It is clear that while the intensity of board engagement varies, CEO engagement is a lynchpin for a successful effort.

Overall, the CEOs we spoke to described their roles as setting the tone and direction for staff in making equity a priority, managing their boards to lead or support equity-focused grantmaking or internal operational changes, and publicly endorsing and promoting their foundations’ equity work.

One CEO describes his role as “bringing my board along; creating an environment that allows staff to be successful and then getting out of their way [giving them the freedom to pursue equity in their departments in ways they determine to be most effective]; and providing a consistent, committed approach to our vision and how we talk about it.”

Another summed up his approach to board leadership this way:

I work with my board in a very candid and frank way. If we take on [equity] as our strategic framework, it will require us and YOU to change. Our governance has to be better. You have to be more engaged. We have to interrogate our own practice — who is on our board, why we invest in things that are inconsistent with mission, why we have a building that is not accessible,



and all sorts of things. The board has to be on this journey with me and be comfortable with being uncomfortable [in discussing the personal aspects of equity in terms of lived experiences]. If the board isn't on board, it will be a waste of time.

In addition to leading her board, another CEO described her role as “very external facing. I’m at the partnership tables, doing public speaking, blogging and writing for a semi-lay audience as well as an academic/professional audience. I have to make sure I am talking the talk and we are walking the walk.”

One interviewee shared a salient piece of advice: “I would really get the board and leadership support and approval and make sure they are champions. If not, [your equity work] will fail, and nothing would be worse. It becomes just one more promise not kept to communities that have been lied to before. [If that’s the case,] it would be better not to do it at all.”

*In every case where equity is emerging as a clear and promoted foundation priority, the CEO has stepped up as an engaged leader, champion, and spokesperson.*

This does not mean that equity-related work has to originate with the CEO. In several cases, the focus on equity “bubbled up” from staff. But in every case where equity is emerging as a clear and promoted foundation priority, the CEO has stepped up as an engaged leader, champion, and spokesperson.

As mentioned above, boards have engaged in leading equity work to a lesser extent, depending on foundation size and culture. Boards of family foundations and smaller foundations tend to be more engaged as equity leaders. Boards of larger, independent foundations appear to be more passively involved in the foundation’s focus on equity. Some board members were engaged as learning partners with staff, joining in equity trainings and policy discussions. Other boards participated in their own equity trainings, usually in one- or two-day sessions or retreats, and sometimes followed up with ongoing discussions in board meetings. In every case, the level of board engagement was directly influenced by the leadership of the CEO.

**3) Equity should start from within.** Many of the interviewees we spoke with – and particularly those who led or worked on program staff – pointed out that a foundation needs to “walk the talk” when it comes to incorporating equity. After all, asking grantees to explore significant culture shifts without doing so oneself reflects at best, a misunderstanding of what it means to pursue equity and at worst, an inauthentic commitment to doing so.

“Our CEO indicated an interest in changing the narrative about race, eliminating structural barriers and walking the talk,” said one staff member. “To me, that meant getting our own house in order, and made me really think about what our staff needed to add equity as a competency... not just for program staff, but also for finance and accounting and HR.”

**4) Having individual staff who value equity moves a foundation much farther and faster along the culture-shift curve.** In addition, foundations that embrace equity are more likely to attract and hire staff who share the foundation’s equity values. As one interviewee stated, “If you want to address disparities in any field, you need to hire folks with that expertise.” Indeed, the foundations



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we spoke with who were the most comfortable discussing their approaches to incorporating equity into their operations and grantmaking were also those most likely to point to the expertise and commitment among the staff they'd hired.

Many of the staff members we spoke to who were most well versed in equity reported that their commitment to equity or social justice predated their work at the foundation, and that the foundation's stated commitment was one of the reasons they were attracted to their current jobs. Those who had been entrenched for longer periods at foundations where equity had not been a stated priority in the past reported more difficulty adapting to new equity frames — particularly racial equity frames. For some, the shift was seen as threatening to a status quo in which they felt comfortable. For those who were eager to embrace racial equity in theory, the work of changing practice and discussing some of the more personal aspects of racial equity were intimidating.

**5) Common language within a foundation is important.** Foundations that took the time to create common descriptions and explanations of their equity work found that it proved valuable in helping staff to coalesce around the foundation's intent and focus. A common language gave a shared framework and baseline understanding that staff could use as a launching pad for their explorations of equity in their individual roles and for the foundation as a whole. It also helped the foundation communicate internally and externally about its intent, purpose, role, and work to achieve equity. (Several interviewees noted that in addition to a common definition of "equity," a common language about equity throughout the field of philanthropy also would be helpful.)

Language, while consistent in message, may need to be flexible in terms of semantics. When talking about equity, a foundation's language may need to shift to resonate in different communities. Words like "equity" can have painful histories in some communities, which means foundations may need to investigate a different term when working there.

**6) Equity focuses have emerged both organically and intentionally.** Some foundations we interviewed described their focus on equity as simply being part of their DNA — a mind-set or way of thinking that emerged naturally from the shared values of staff and leadership, without any formal structure or process. (However, it is worth noting that most of these foundations had not codified their equity work and had no structures in place to define or gauge their success in advancing equity.) Other foundations reported a very intentional, studied approach to exploring and incorporating equity. As one would suspect, these foundations typically have more documentation to share, such as theories of change, logic models, processes, statements of intent, etc.

**7) Achieving equity requires systems change (internal and external).** As the Annie E. Casey Foundation points out in its Race for Results report (2014), "The public systems designed to help children and families have functioned in ways that denied opportunity to people of color — and even worked to push them down the ladder. Throughout much of our history, laws severely restricted access to jobs, health care, and education. Even today, despite great progress, opportunities are not equitably distributed to all Americans."

Societal systems, from banking and lending to foster care to criminal justice, have embedded biases that result in inequitable treatment. Likewise, many internal foundation systems, such as those for grantmaking, hiring, or investing, also result in unintentional inequities.



Every foundation we spoke with that appears to be tackling equity issues in a meaningful way is doing so through a systems approach — that is, they look for embedded practices, inherent biases, and customary frames of thought that deliver unintended consequences for marginalized populations inside and outside their organizations. They focus on changing their internal systems, such as hiring practices or compensation ranges, with just as much (if not more) vigor as they apply to external systems that perpetuate inequity.

Those working outside their own walls to achieve equity in social systems also mentioned the importance of working to help governments make equitable changes to public policy. In fact, outside experts we consulted for this project said that policy change is an inextricable part of systems change, and the foundations that will make the biggest strides will be those that are comfortable working in the policy arena.

**8) Foundations that “lean in” to difficult conversations experience more meaningful shifts in culture.** Truly embracing equity requires a culture shift, and that can be messy and uncomfortable. Theories of change and other academic tools can provide common language and intellectual context for embracing equity and can offer a more comfortable space in which to begin discussing equity. But true shifts in thinking, understanding, and belief in equity only come from very personal and interpersonal discussions about life experiences and effects of racism or inequity.

It is very important for foundations to understand the personal journeys and transitions that staff will need to make in order to achieve a culture shift. Exploring equity is disruptive. It will be tense and uncomfortable. Several interviewees described the work of digging in to equity — and race equity in particular — as “messy.” One interviewee summed it up this way: “It’s muddled and confused. It’s messy and it’s constant. But the messier and noisier it is, the more productive it becomes.”

**9) Data drives conversation.** Several foundations pointed to the importance of using disaggregated data to point out where inequities lie. The Annie E. Casey Foundation made this point in a big way with its Race for Results report, which presented data from its annual KidsCount research and disaggregated it by race and ethnicity. The results showed striking disparities in well-being indicators for children of color, such as birth weight or high school graduation rates — disparities that often are hidden when data is reported in the aggregate.

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Disaggregated data can provide a new picture of what is happening in marginalized populations and can create an “ah-ha” moment for staff and partners. It also offers a “safe,” less controversial way to enter conversations about implicit bias, institutional racism or sexism, or other topics that require exploration in order to create an effective equity framework. Some of the foundations we spoke with use disaggregated data to examine existing disparities in their communities. One also requests disaggregated data from its grantees about those they serve.



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“Data is really compelling,” explained one foundation staffer. “Its constant use is important. It really does make a case for racial equity in a different way. It’s been a huge part of how our board, leadership, and field determine where disparities are, where inequities are. It will play a more profound role as we move forward.”

**10) Facilitation and consultation are highly valuable – and in most cases absolutely necessary.** Every foundation we spoke with used outside consultants in some capacity to facilitate the foundation’s understanding and/or definitions of equity, to help develop an equity framework, and — most importantly — to help guide employees through explorations and discussions about equity. There are a number of resources available for training boards and staff on a full spectrum of equity-related issues, from working with disaggregated data to engaging in personal exercises to explore implicit bias. Using an outside expert helps foundations maintain objectivity and create a safe, neutral space for more intense, personal discussions. Some of the consulting organizations and individuals named in our conversations include PolicyLink (Angela Glover Blackwell), ABFE (Greg Hodge), Race Forward (Rinku Sen), Mission Critical (Angela Park), Interaction Institute for Social Change (Cynthia Silva Parker), OpenSource Leadership Strategies (Gita Gulati-Partee), Government Alliance for Race and Equity, White Men as Full Diversity Partners, and DEMOS.

There is often no “one size fits all” solution to training, especially for a foundation with a large staff. The better bet is to customize training to each unit’s wants and needs, and to include staff in the design and planning for each training session. For example, with regard to racial equity, grantmaking staff may feel comfortable talking about the personal aspects of racial equity because of their relationships and experiences with grantees and therefore may want training around community organizing using a racial equity lens. Meanwhile other staff, with little exposure to equity discussions, may need to start with training that helps them talk openly about race within their departments. It’s also a wise practice to include follow-up sessions after trainings to determine what’s being done differently and where staff or units may need further help in achieving the change they seek. The frequency of these sessions varies according to what individual foundations or units feel is necessary.

**11) Equity is hard to measure.** While several foundations have created work plans for incorporating equity into their work, none that we interviewed have yet clearly defined or quantified the outcomes they seek to achieve, although some are in the process of doing so. Only two foundations reported that equity is built into staff performance goals and tracked through a formal process. One of these reviews dozens of internal and external factors, including the number of units that use disaggregated data to evaluate grantmaking impact, the number of grantees and partners that have been exposed to the foundation’s growing library of race equity and inclusion tools, and the number of evaluators and researchers of color in its internal evaluation database.

According to some interviewees, the lack of clear measures could be the nature of the beast. Approaching work in an equitable way begins with shifts in thinking, which can be hard to measure. Those shifts in thinking then lead to shifts in behavior, which can still be difficult to quantify. Once behavior changes are manifest in everyday work, it can become possible to see end results.





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**12) Advancing equity is a journey, not a destination.** The pursuit of equity never ends. The foundations we spoke to acknowledge that embracing equity means embracing a constant practice in the way foundation board and staff think about the issues they wish to address within their stated missions and how equity plays a role in every decision.

“Equity is a constant,” said one leader with a long history in the field. “It is very hard, ongoing work. We can’t ever check it off the list.”

### Operational Specifics

In addition to our overall key findings, there were several specific findings with regard to the ways in which foundations embarked upon equity work and how they are working to incorporate it into various aspects of their operations.

#### *Embarking and Rollout*

No foundation claimed to have developed a perfect master plan for embarking on an equity journey. Nevertheless, there are some common approaches and practices that can inform any foundation’s planning:

- All but one foundation we spoke to used an outside consultant with expertise in the area of equity to begin its foray into this work. Some used experts as advisors to those who were leading the initial equity explorations. Others brought key advisors in to discuss equity with their boards and set the stage for board leadership. The foundations have maintained their relationships with expert advisors as they have rolled out their new thinking and plans for equity among staff and the broader community.
- A few foundations have CEOs who have explicitly named equity (or a similar concept) as a “North Star” for the entire organization. One foundation, for example, is in the process of approving a formal, written diversity and inclusion policy that affirms a commitment to investing in diversity in all aspects of the foundation’s operations: grantmaking, vendors, service providers, staffing, etc. At another, the CEO’s commitment has resulted in mandates for equity to be incorporated in unit and individual staff work plans.
- Some of the foundations that appear to be making the most solid strides forward began with data. They have used disaggregated data specifically to inform their thinking about equity and their strategies to address it. They used (and are still using) this data to highlight where disparities exist and generate ongoing and expanding conversations, internally and then externally, about how to use a more equitable approach to address those disparities.
- Two foundations emphasized the importance of “onboarding” staff into the equity discussion gently. One started with a series of brown-bag lunches on equity-related topics to help staff get comfortable. Another used books and films as conversation starters for optional staff discussion groups.
- Several foundations created equity-focused committees or teams within staff to lead the efforts to define and embrace equity as a stated value. Others used staff teams once an initial equity focus was established to explore ways of incorporating equity into grantmaking processes and internal operations.
- A handful of foundations have created equity frameworks that drive their internal and external thought processes and action plans.
- Several foundations have created websites (or portions of existing websites) with resources for staff and the broader community.



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One senior program manager talked about the importance of organization in how a foundation makes the transition from creating an equity focus to executing it. “The way a foundation is organized has a lot of influence over the execution. We’re not optimally organized. We’re too fragmented, not consistent. We’re not maximizing synergies. We are the one foundation in the state operating at both the community and policy levels, but we aren’t optimally linking these things. We need to ask what our strategy is around equity, and then create an organizational structure that supports that. If you want crosscutting work, you have to pay attention to your structure to support it and match that structure to the kind of impact you want to have.”

### *Staff Training*

Foundation approaches to staff training for equity span a wide range, depending on the size, type, and culture of the foundation. Some simply embrace equity as a point of fact and “part of our DNA,” reserving articulated equity training for new staff who need to learn the foundation’s culture and allowing existing staff to pursue their own equity learning agendas depending on their needs and interests. Others, in which an express equity focus is relatively new, have created systematic approaches to training. These often involve a mix of large group or all-staff sessions, smaller team or unit sessions, and even one-on-one coaching. Or foundations may pursue a reverse course: training a few staff to be equity “experts,” creating a training and deployment strategy that is piloted in subsets of the foundation, and then taking the training method staff wide. In several cases, foundations began their training work with personal assessment tools, such as the Intercultural Development Inventory (IDI) or Harvard’s Implicit Association Test (IAT). Many of the foundations we spoke with incorporate an intentional “both-and” approach: combining team trainings with individual professional development. The Surdna Foundation provides each employee with his or her own professional development budget, which many use for equity-related training.

Fourteen of the 15 foundations we interviewed used an outside consultant for at least a portion of their staff training — especially for those trainings that involve personal introspection and discussions about individual perceptions and experiences.

Topics of equity trainings are diverse. Those listed by our interviewees include: Equity basics (understanding equity issues in general and in the community a foundation serves, prior to diving into equity issues related to the foundation)

- Training specific to the foundation’s equity approach, theory of change, framework, etc.
- Using and interpreting disaggregated data
- How to talk about race
- Understanding unconscious bias
- “Backmapping” data to find what causes disparities between racial, ethnic, or other groups
- “Journey mapping” individual lived experiences

Trainings varied in length from half-day to multiday sessions, and from one-off sessions to entire series.

In addition to formal training, many foundations support informal staff working or discussion groups that focus on equity. Some groups function more like reading groups, examining and discussing works from thought leaders in equality. Others wrestle more specifically with aspects of equity within a foundation’s operations or grantmaking and share their ideas with the rest of staff.



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Many foundations also make an effort to incorporate equity topics as a portion of regular staff meetings and retreats. One foundation even supported an employee's participation in an eight-month certificate program in strategic diversity and inclusion at a nearby university.

### *Human Diversity*

For staff HR functions, hiring practices appear to be an area in which many foundations have made fairly easy equity wins. Those wishing to adopt more equitable hiring practices have:

- Incorporated language related to the foundation's equity focus into job descriptions.
- Intentionally hired personnel with an eye toward those who bring a social justice or equity perspective with them and have experience in those fields.
- Proactively shared job postings in places where they are more likely to attract candidates beyond the "usual suspects."
- Developed key questions for job applicants to determine their competencies around race equity and inclusion.

One foundation we spoke with has introduced a wage/salary floor to ensure that all employees receive a living wage. This policy applies to all full- and part-time employees as well as summer interns. The foundation also monitors pay ratios between the bottom, median, and top salaries of its employees. According to one senior leader, the foundation would like to compare its salary data and ratios with peer foundations but cannot do so, because all other foundation salaries are driven by the marketplace.

To help ensure board diversity, most foundations who actively pursue diversity either use some form of matrix to ensure that different characteristics are present on the board, or they lean heavily on the guidance and recruiting finesse of the foundation president and board chair to push for more diverse board membership, or both. In foundations where CEOs are strong champions of equity, the CEO also helps identify and recruit board members who have experience in thinking about and leading the charge for equity.

Foundations also have incorporated practices to begin examining equity among consultants and vendors, although at the moment those efforts tend to be focused more on measuring diversity of ownership or staffing within each. To be clear, ensuring diversity is not the same as ensuring equity. However, understanding the diversity of perspectives, experiences, backgrounds, races, ethnicities, etc., is a key first step to determining how to design a culture of equity that encompasses everyone involved in and affected by a foundation's actions.

### *Investments*

Pursuing equity in the investment arena is proving to be a difficult challenge for all of the foundations we interviewed. A great tension appears to exist between the desire to achieve equity and the need to maintain acceptable levels of risk and return as determined by foundation boards.

According to many foundation leaders interviewed, a big part of the problem is that there are still few managers of color in the asset management field, and those firms that are owned by people of color don't have the long-term track records that many foundation boards insist upon. Some foundations are exploring ways to promote some talent development within the investment field, but no one we spoke with has a program for that yet. In addition, several foundations are making mission-related investments (MRIs) and program-related investments (PRIs) in accordance with



their desire for equity, but these usually make up a very small portion of a foundation's overall portfolio, since their success is typically measured in nonfinancial returns (such as jobs created or housing stock). Foundations may pursue MRIs and/or PRIs through their investment departments or as a part of their grantmaking portfolios, depending on their preferences.

One foundation shared that they are exploring other nontraditional ways to incorporate equity into investments, including investments in co-ops that foster ownership among disenfranchised populations, creating a loan fund, or investing in B-corporations that incorporate social returns into their business models in addition to financial ones.

Another is attempting to transfer 100% of its portfolio into socially responsible investments, using a screen for environmental, social, and government factors provided by its investment advisor. But in addition, the foundation is hoping to monitor the portfolio's performance in terms of alignment with the foundation's equity mission and goals — a task that is proving difficult because no standard metrics exist, and investment managers have difficulty understanding equity-related questions about performance.

Other foundations are leading the way in terms of ensuring diversity among their own in-house investment staff. This is yet another way to signal the seriousness of their interest in diversity to the investment/asset management fields.

### *Grantmaking*

Although one would assume that grantmaking might be an area where foundations could point to the greatest change, we found that the foundations that appear to be taking equity most seriously and seem to be most focused in their efforts to “get it right” have taken the approach of getting their own houses in order first, before trying to influence the adoption of equity lenses within their grantees.

Foundations did report:

- Looking at grantees on a continuum with relation to equity goals and frameworks, to better understand where grantees are with the work and who may have best practices to share.
- Conducting core competency assessments of grantees at the beginning of funding cycles.
- Setting baselines for comparison in order to track change over time.
- Including equity-related questions in grant applications or asking those questions during site visits.
- Hosting meetings for grantees with keynote speakers who talk about equity.
- Providing equity-related training for grantees, sometimes side-by-side with foundation staff.
- Finding ways to direct more grant funding to grassroots, community-based organizations led by people of color, rather than traditional, grassroots, intermediary organizations that are primarily white led.
- One foundation in particular has shifted its grantmaking strategy more toward building capacity for advocacy among grantee organizations to effect changes in inequitable health care systems.



### *Connecting with People and Communities Most Impacted*

The foundations we spoke with incorporate community input into their attempts at achieving equity in various ways. All of them communicate openly about their priorities and focus on equity with grantees and partners, through blogs, op-eds, websites, and grantee gatherings. In addition, three shared specific outreach and engagement activities:

- One foundation has an informal working group of executive directors and leaders from the grantee pool who convene annually to comb through the foundation's strategy, identify elements that might be missing, share information about the broader social justice landscape, and make suggestions about the role the foundation might play. The foundation pays for all expenses related to participant travel and stays in touch with the group informally throughout the year.
- One community office of a national foundation produced and shared its own disaggregated-data report about the local community and is now using its convening power to help spread the training, language, and intent of its race equity work in the neighborhoods it serves to other partners in the area. The office's director also recommends that foundations listen to authentic voices in the community to get their views on equity and inclusion, both to inform the work and to avert community skepticism about the foundation's role, intent, or efficacy.

One foundation provides capacity-building support to grantees to help them better understand and embrace equity lenses, frames, and messaging. Its CEO also shared that the foundation has shifted its focus to funding organizations that are "closer to the ground" and more likely to be led by people of color. The foundation also has shifted its role from being seen as a leader of grantees to one of supporting them and leveraging what they are doing as they push for a policy of systems change.

### **Challenges**

As one might expect, the challenges of adopting a specific focus on equity are many. In particular, there is the question of how a foundation actually visualizes and explains what equity looks like.

For other lofty goals, such as eliminating poverty or improving education, our society has a clear, tangible vision of concrete outcomes. We know what financial stability and good schools look like in real life. But one program officer astutely pointed out, "The fact is that we don't know what racial equity looks like, because we've never actually had it." Her words can easily apply to other forms of equity as well.

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Among interviewees, the challenges cited most often have more to do with changing the hearts and minds of staff than anything else. The challenges of bringing foundation staff along include:

- A belief that the foundation should operate in a post-racial way and should rise above the divisive issue of race somehow. Related is a belief that, as a progressive individual, the staff member already "gets it" and is not party to unconscious bias. Likewise, there is also the belief that as a progressive institution, the foundation is not party to institutionalized racism or other forms of inequity.



- Naysayers and cynics who believe that nothing will ever really change.
- Those who don't see a direct connection between equity issues and their work.
- Those overly concerned about attribution, and how to measure and own its success.
- Overcoming the assumption that an overall approach to a problem serves everyone in need, even when the data says otherwise. It can be a challenge to sift through data differences and cultivate an understanding about why targeting specific populations is a more equitable approach.
- The fear factor. Talking about diversity makes people nervous and can make them fear being left behind or losing their jobs. "Insecurity is real. That's what always stops the conversation," said one senior manager.
- Staff who learn and adjust to equity culture changes at different paces. Not everyone begins thinking about equity from the same starting point. The same may be true of different departments within a foundation. A department with an eager team may progress at a faster pace than one whose staff (or leader) is reluctant or concerned with other priorities.
- Pushback when equity discussions are perceived as being "militant" or accusatory. Staff members have to be ready to hear the message.

As mentioned in the key findings above, lack of CEO leadership can be a non-starter for a foundation's efforts to achieve equity. At best, ambivalence from the CEO can signal that equity is not a true priority. At worst, it can undermine the sincere efforts and commitment of staff and grantees who are passionate about achieving equity, resulting in a disgruntled workforce and a disillusioned community.

Bringing the board along is of utmost importance, but it is also a major challenge. Many foundation boards are older and white, with lived experiences that can camouflage issues of equity and causes of inequity.

The time it takes to shift culture to one infused with equity is also a hurdle for many. There is no instant gratification; internal changes can take years, and changes in external outcome can take a generation.

Keeping the conversation and attention on all ethnicities (and genders, and sexual identities, and income levels, etc.) is a constant challenge. Because of long histories and current events, equity can easily become only a black/white issue. Foundations must remain mindful of the importance of ensuring that views of Native Americans, Latinos, Asians, LGBTQ women, men — all members of the population — are incorporated with an equity lens.

For investment functions, a tension remains between wanting to become more equitable while adhering to strict board guidelines about risk and returns. For example, desired risk-return profiles and investment firm characteristics (such as long-term track records) make it difficult to find acceptable managers of color in a field that is still overwhelmingly white. In addition, finding an investment manager who understands a foundation's intent around equity can be a challenge.

There is a practical conundrum to equity work as well. The concept of equity is so large that it can (and should) imbue every aspect of the work. So how can a foundation with limited resources incorporate equity in every single way possible? And, conversely, how can a foundation truly committed to equity not do so?



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## Recommendations

### *From the Field*

We asked all interviewees what they would do differently in retrospect, and what advice they would share with other foundations. Here's what they said:

- Walk the talk and take the lead. Make an internal commitment to change before you attempt to influence change in the world.
- The CEO has to assume the role of champion. In doing so, the CEO should engage the board early and often.
- Be very clear and intentional from the start about what you're doing, to what end, and how you plan to go about it. Most of the foundations we spoke with that had "fallen into" their equity work wished that they had been more intentional. This includes clearly defining what you mean by "equity" or "health equity."
- Lean into discomfort and be courageous. This is "messy" work.
- Allow time for reflection and closure as you move through this work. Becoming more equitable can require some significant shifts in thought and practice, as well as self-discovery. People need time to process those shifts.
- Understand that the work of equity is never done. Embracing and demonstrating equity means that a foundation can always dig deeper to determine the effects of its decisions and actions on various populations.
- Listen to your grantees. They are a gateway to the reality of equity and inequity in their communities.
- Use data, and be sure to couple quantitative numbers with the qualitative information that comes from communities. Remember that equity is "much more than just counting numbers."

### *Initial Recommendations for Continued Discussion from Putnam Consulting Group*

Based on our interviews to date, and our work with other foundations to explore ways in which foundations can incorporate an equity lens or framework to advance their missions, we suggest that foundations might consider the following recommendations as they explore equity work:

- 1. Discuss these findings internally, among key leaders in your foundation and among the staff.** Identify the "heat and the light" for where these findings match with the foundation's current areas of interest and priorities for advancing equity internally and externally. These can serve as areas where your foundation can initially focus its equity work and can inform how best to organize a foundation-wide learning effort.
- 2. Secure the engagement and support of senior leadership.** Share these findings among the foundation's senior leadership team and try to create opportunities for discussion. If your foundation is a large organization, that is all the more reason why senior leadership must serve as champions and avatars for any effort to advance equity internally. Otherwise, an equity push could be short lived or not reach across the entire institution. We encourage CEOs to speak directly to peers at other foundations about the different roles they played in leading their foundations' equity journeys.



3. **Define what your foundation means by “equity.”** What’s exciting about potential definitions? What causes concern? What are the pros and cons of specifically addressing race equity? Examining disaggregated data related to the areas in which your foundation funds will likely prove helpful to this conversation, along with facilitated discussions led by national equity experts.
4. **Consider creating learning partnerships with other foundations.** Although every foundation’s journey is different, there are challenges and opportunities that are shared by many. Finding a foundation with a similar size, culture, or focus to become learning partners on the journey to equity can be both edifying and encouraging. Identify some “key influencers” within your own staff to participate in these learning partnerships. In addition, consider pairings with other foundation staff in similar roles, e.g., HR directors with HR directors, program directors with program directors, etc.
5. **Be ready for a long, deep, and sometimes uncomfortable experience.** Many of the foundations that have embraced equity internally — in order to be honest and authentic partners in pursuing equity externally — have had to make space for difficult conversations among staff and trustees in order to explore what equity truly is and how inequitable frames or practices have affected their internal work environments and external impact among grantees and communities. Conversations about the very personal impacts of inequities based on race, gender, sexual identity, and other classifications can be emotionally charged, but the mutual respect and understanding that emerges clears the way for more equitable strategies that are embraced institution wide.
6. **Create a rollout that makes sense to your foundation, and safe spaces for discussions each step of the way.** For example, you may want to start exploring equity training within a single unit and document the lessons learned and the pros and cons of the training process before rolling out to other units. Or you may want to engage in training and strategy development from the top down — beginning with the board, then senior leadership, then unit leaders, then grantees and partners. We can’t emphasize enough that there is no single “right way” to do this, no documented best practice, no proven model, and no standard metric to measure success. Your foundation must define a course that works best for its size and culture.
7. **Understand that for a shift toward equity to be sustainable in the long term, changes in funding strategies and practices ideally come after the internal work is done (or at the very least concurrently).** Every foundation we interviewed stated the importance of “getting your own house in order” before attempting to be partners in equity with grantees. While there may be a sense of urgency to make changes in grantmaking practice (such as requiring grantees to submit information about their staff and board diversity or insisting that they use disaggregated data in their work, or that they receive equity training, or that they implement programs that are explicitly designed to be culturally relevant to a marginalized group), successful foundations must practice what they preach in order to be seen as authentic partners.





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## Philanthropic Organizations Interviewed for This Project

We would like to express our appreciation to staff members of the philanthropic organizations listed below, who were willing to speak with us candidly about their efforts to incorporate equity.

Blue Cross and Blue Shield of Minnesota  
The California Endowment  
The California Wellness Foundation  
The Annie E. Casey Foundation  
The Colorado Trust  
Consumer Health Foundation  
Dentaquest Foundation  
Ford Foundation  
W.K. Kellogg Foundation  
The Kresge Foundation  
Living Cities  
Mary Reynolds Babcock Foundation  
Robert Wood Johnson Foundation  
The San Francisco Foundation  
Schott Foundation  
Surdna Foundation

*Putnam Consulting Group, Inc. is a global philanthropy consultancy. Since 1999, we've helped foundations, corporations and philanthropists strategically allocate and assess more than \$300 million in grants and gifts to increase impact, share success, and advance mission. We provide experienced advising and coaching, strategy development, streamlined operations, assessment and communications savvy to philanthropic leaders. Since our inception, we've worked with some of the nation's leading foundations and philanthropists to increase their impact and deliver dramatic results. A partial list of clients includes: The Annie E. Casey Foundation, David and Lucile Packard Foundation, The Cleveland Foundation, The California Endowment, California HealthCare Foundation, Fujitsu, Charles and Helen Schwab Foundation, Kate B. Reynolds Charitable Trust, and Robert Wood Johnson Foundation.*

*Kris Putnam-Walkerly, MSW, is an award winning philanthropy advisor who helps grantmakers transform their giving and catapult their impact. She was named one of America's Top 25 Philanthropy Speakers, and is the author of the book Confident Giving: Sage Advice for Funders (available on Amazon), as well as the highly acclaimed Philanthropy411 blog. She is chair of the National Network of Consultants to Grantmakers and co-edited the first edition of The Foundation Review journal dedicated to the field of philanthropic consulting.*

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