

# Equitable Grantmaking Workshop #1

Amadeo Guiao, Lunas Consulting



# Who I Am





# Who I Am



# Agenda

- Equitable Grantmaking and Social Justice Philanthropy
- Definitions
- Racial Equity
- State of Philanthropy
- Implicit Bias in Grantmaking
- Best Practices
- Q&A



# Social Justice Philanthropy

- Transforms philanthropy towards REDISTRIBUTION rather than charity
- Focuses on root causes of economic, racial, and social injustice
- Strives to include the people who are most impacted by injustice as leaders and decision-makers
- Grantmaking orgs are accountable, transparent, and responsive in their grantmaking
- Act as allies to social change movements - contribute not just money but time, knowledge, skills, and access

Justice > Charity

**SOURCE:** Resource Generation, 2020



# Definitions:

**Equity:** understands and gives people what they need to enjoy full, healthy lives

**Racial equity-** process of eliminating racial disparities and improving outcomes for everyone. The intentional and continual practice of changing policies, practices, systems, and structures by prioritizing measurable change in the lives of people of color\*

\* Race Forward



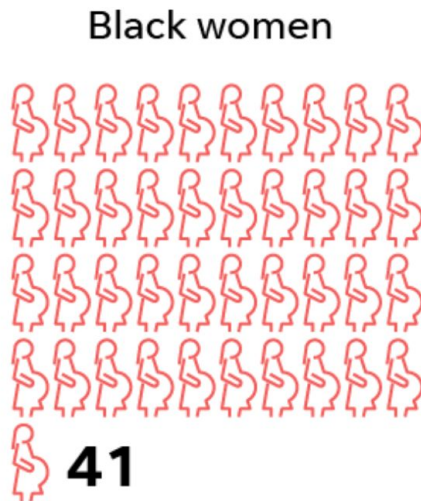
# Other marginalized communities

- Immigrants, Refugees, and Migrants
- Children and Youth
- People of Differing Sexual Orientation (LGBTQ community)
- People of Differing Genders
- People of Differing Religions
- Developmentally Delayed, Physically Disabled, or Mentally Ill People
- Incarcerated People (and their Families)
- People Released from Incarceration
- People of Low Socioeconomic Status
- Unemployed People
- Women and Girls
- People of a Particular Ethnicity/Country of Origin
- Victims of Human Trafficking

# Why focus on race?

Black women die 3 times more often giving birth

Pregnancy-related deaths per 100,000 live births



SOURCE Centers for Disease Control and Prevention

**RACE:** one of the most reliable predictors of **life outcomes**

**5.2** African American business owners are **5.2 times** more likely to be denied a loan



**2.3** African Americans are **2.3 times** more likely to experience infant death



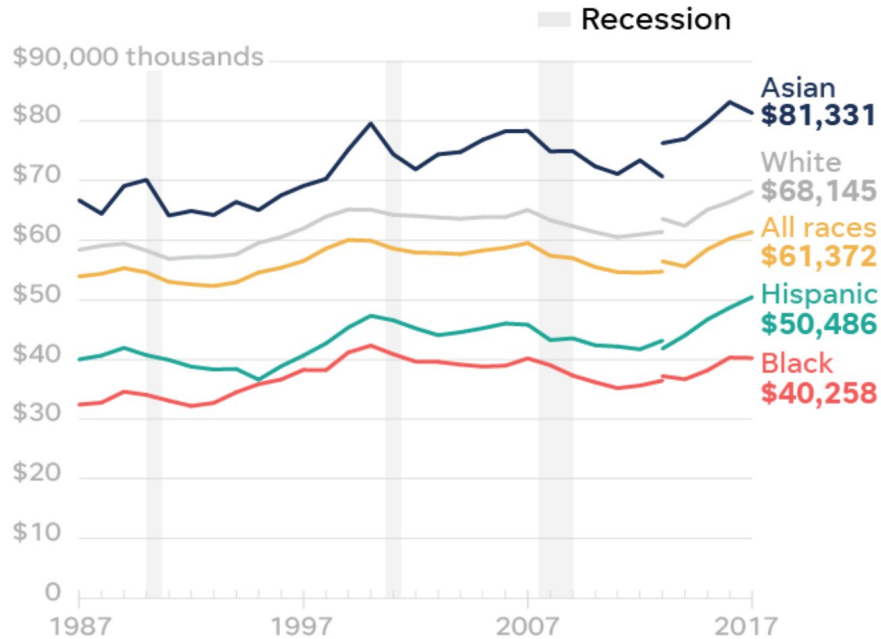
**2.7** African Americans are **2.7 times** more likely to be searched on a traffic stop



**Source:** *The Groundwater Approach*, The Racial Equity Institute, 2018



## Black median household income trails other races

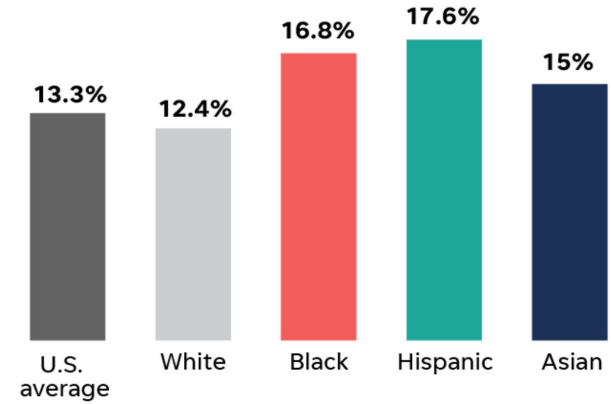


NOTE Median household income data in 2017 dollars. Break in trend lines reflect the change in the income question for 2013

SOURCE Census Bureau

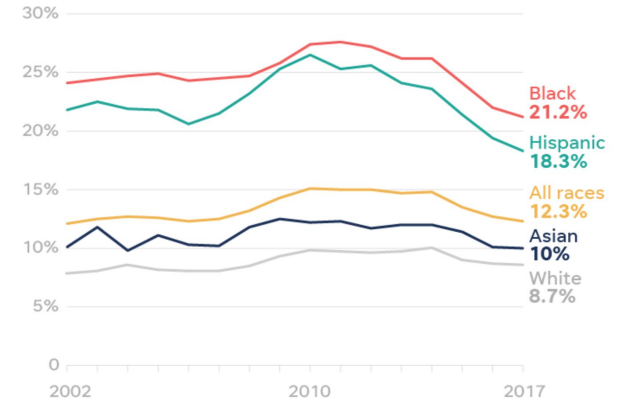
## Black unemployment rate among highest

May 2020 seasonally adjusted rate:



SOURCE Bureau of Labor Statistics

## Black poverty rate more than double white rate



SOURCE U.S. Census Bureau

## Percentage of high school students who graduate on time

2017-2018 average: **85%**

Asian American/Pacific Islander



White



Hispanic or Latino



Black

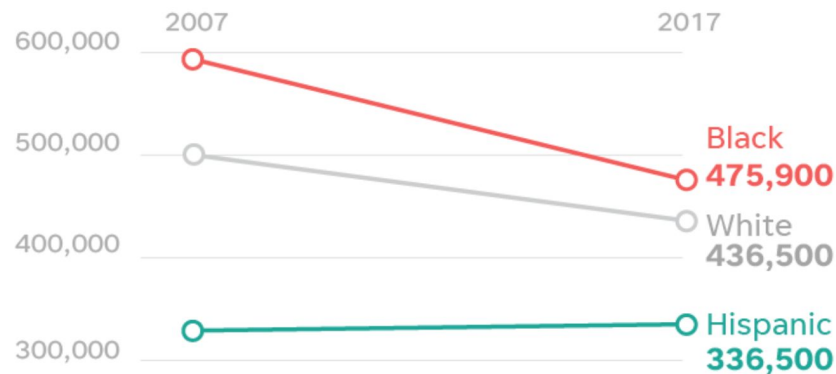


American Indian/Alaska Native

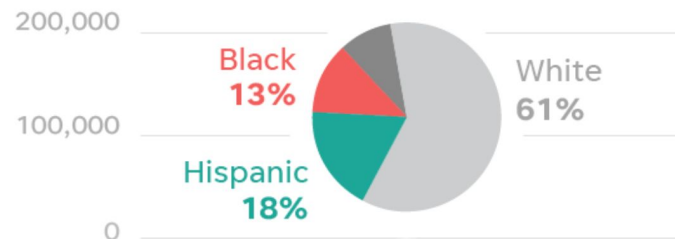


SOURCE National Center for Education Statistics. Rates adjusted for students who left or joined school after freshman years.

## Inmates in federal and state prisons



## U.S. population

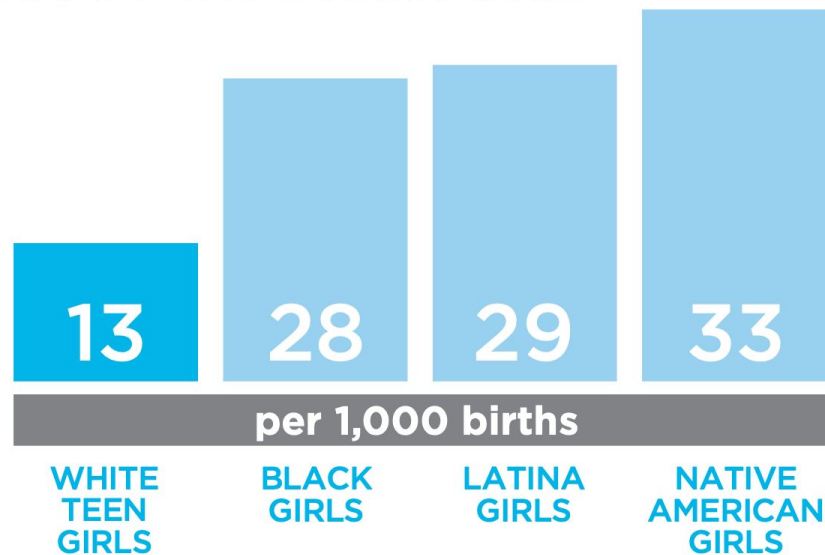


SOURCE Bureau of Justice Statistics

# Social change “success” stories tell a different story

- Access to palliative care grew from 7% to 72% from 2001- 2019
- Not equitable: only 7% were Hispanic/Latinx; 8% African-American

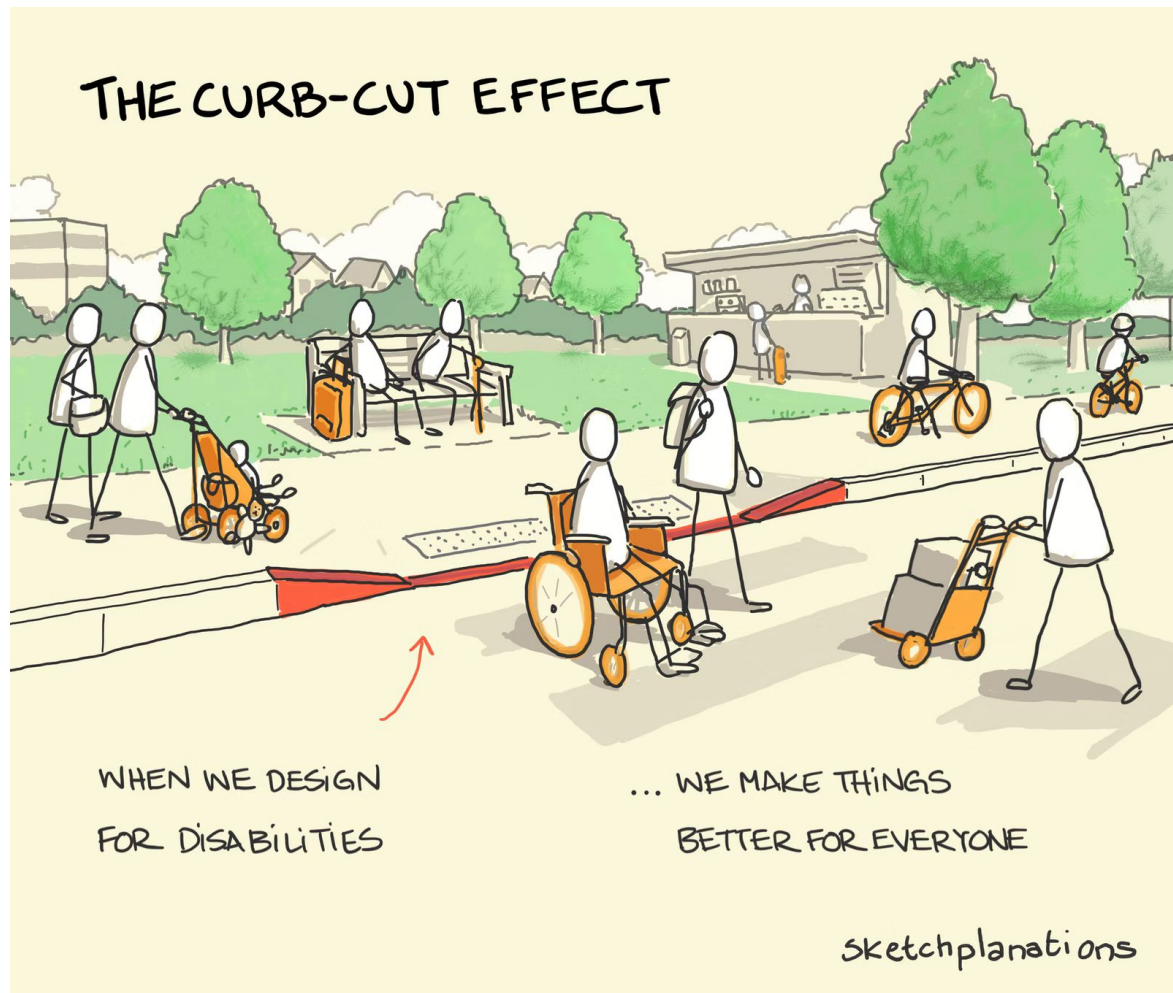
## Teen birth rate drops, but **NOT FOR EVERYONE**



**Source:** "National Data," Power to Decide

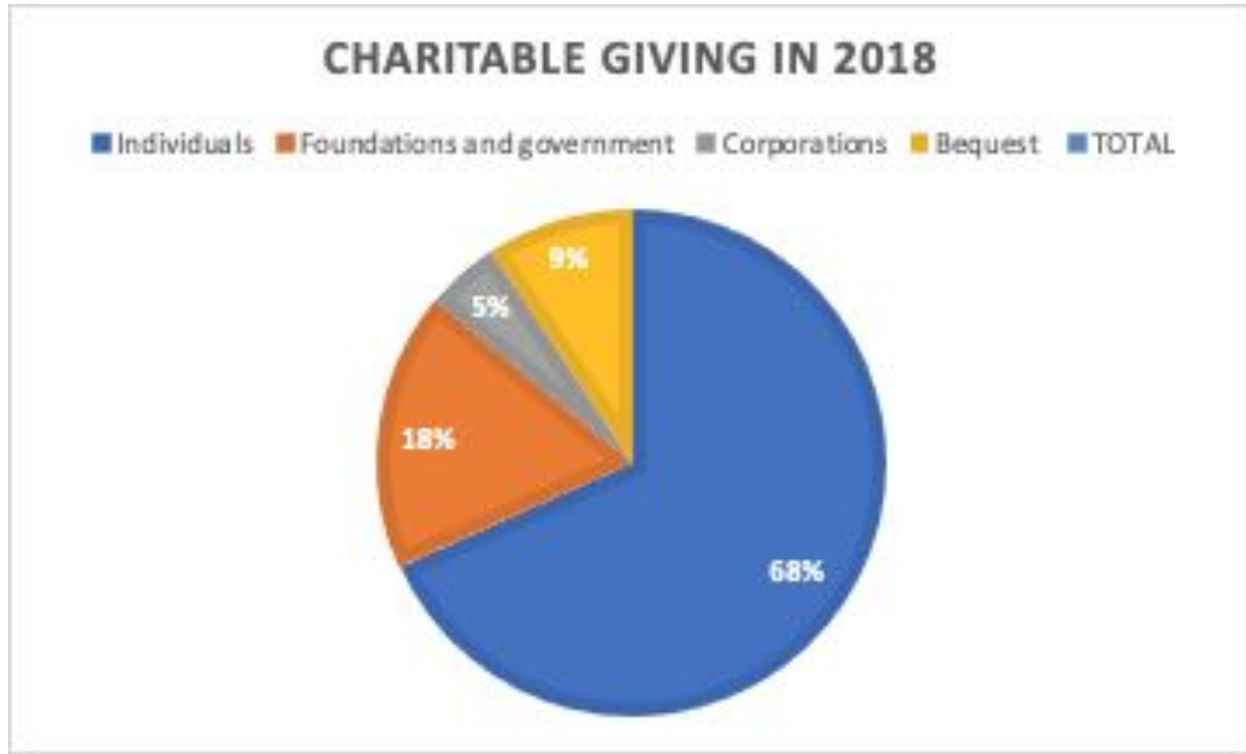
# Equity benefits everyone

- Racial disparity drags on economic growth, prosperity, and well-being of our entire nation





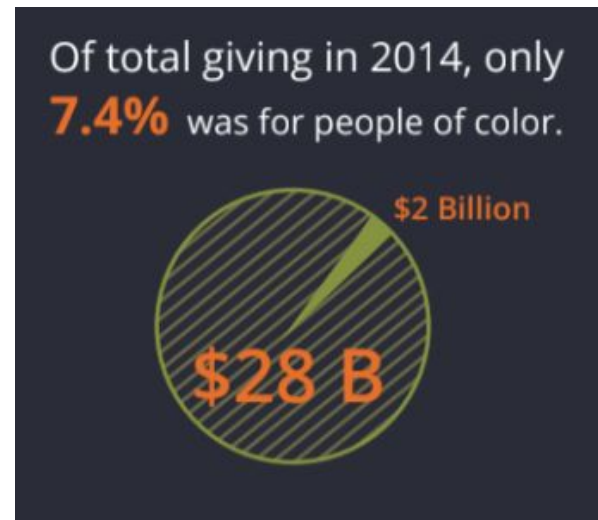
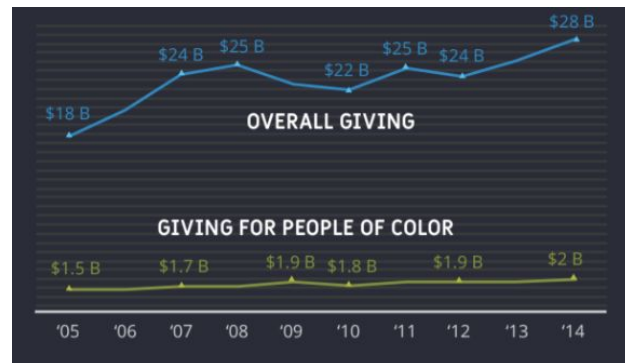
# Charitable Giving in 2018



**SOURCE: Giving USA, 2019 Report**

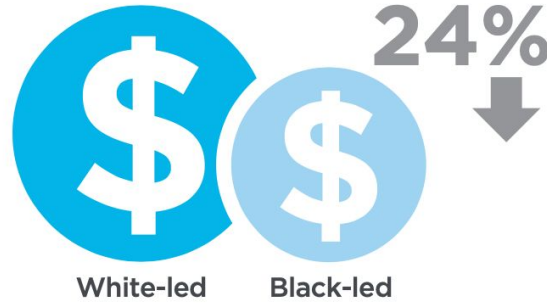
# Current State of Grantmaking

- Widespread acceptance for the principles and goals of Diversity, Equity and Inclusion BUT distribution of \$ is not equitable
- Latest numbers show that less than **7% of grant dollars** went to racial minorities, though they comprise **40% of US population**
- Only **6% of grant dollars** went to people with disabilities, though they represent **12% of the population**
- Giving to immigrants and refugees has ranged from 0.6 to 1 percent of large foundation grants : foreign-born U.S. residents total more than 11 percent of the population

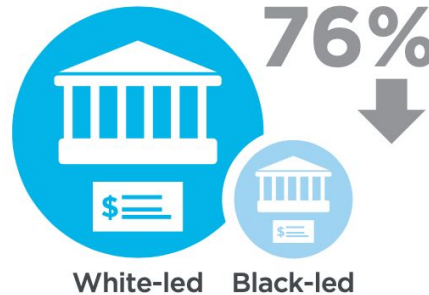


There are **disparities in revenues and unrestricted assets** between **white-led** and **Black-led** early-stage organizations

### Average Revenues



### Unrestricted Net Assets



**Source:** Echoing Green Applicant Information, 990 Data from GuideStar, Bridgespan Analysis.

# Why so much inequity in grantmaking?

- Current grantmaking practices actually perpetuate unequal distribution of funds
- Traditional practice favors orgs that:
  - Have existing relationships with funders
  - Dedicated development staff
  - Larger budgets, staff size, greater organizational capacity
  - Are White-led
- Leaders of color have smaller budgets and lack access to financial support from a variety of funding sources
- Orgs of color have inequitable access to social networks with connections to philanthropic community
- Interpersonal bias
- Funders lack understanding of culturally relevant approaches
- Grant renewal processes can be arduous
- Big orgs get big grants, small orgs get small grants
- Lack of trust that communities have solutions to their own problems

**Structural processes + IMPLICIT BIAS = Inequity**



# Review of Implicit Bias & Implications in Grantmaking

# Definition of Implicit Bias

*Implicit bias* refers to the brain's automatic, instant association of stereotypes or attitudes toward particular groups, without our conscious awareness.



# Understanding Implicit Bias

- Implicit biases are evolutionary and pervasive
- People are often unaware of their implicit bias
- Implicit biases predict behavior
- People differ in levels of implicit bias
  - Can't really change implicit bias, but we can interrupt them

-- *Project Implicit* ([www.projectimplicit.net](http://www.projectimplicit.net))



# Examples of Implicit Bias

- Doctors are less likely to prescribe life-saving care to black people
- Managers are less likely to call back or hire members of a different ethnic group.
- Female PhDs “have to be 2.5x more productive than average male applicants”
- White researchers receive grants 2x more than Black researchers do

*Source: racial bias examples from  
<http://writers.unconsciousbias.org/unconsciousbias/>*





**AP** Associated Press AP - Tue Aug 30, 11:31 AM ET

A young man walks through chest deep flood water after looting a grocery store in New Orleans on Tuesday, Aug. 30, 2005. Flood waters continue to rise in New Orleans after Hurricane Katrina did extensive damage when it

[Email Photo](#) [Print Photo](#)

**RECOMMEND THIS PHOTO** » Recommended Photos  
Recommend It: Average (138 votes)

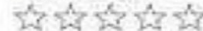


3:47 AM ET

Two residents wade through chest-deep water after finding bread and soda from a local grocery store after Hurricane Katrina came through the area in New Orleans, Louisiana. (AFP/Getty Images/Chris Graythen)

[Email Photo](#) [Print Photo](#)

**RECOMMEND THIS PHOTO** » Recommended Photos  
Recommend It: Average (211 votes)



#### RELATED

• Katrina's Effects, at a Glance AP - Tue Aug 30, 1:26 PM ET

[Hurricanes & Tropical Storms](#)

# The Race Effect (2014 Nextions study)

## Tom Meyer (white)

- “Generally good writer but needs to work on”
- “Has potential”
- “Good analytic skills”
- 2.9/7 spelling grammar errors were found
- 4.1/6 technical writing errors found

## Tom Meyer (Black)

- “Needs lots of work”
- “Can’t believe he went to NYU”
- “Average at best”
- 5.8/7 spelling grammar errors found
- 4.9/6 technical writing errors found

\*Echo Hawk, Isler, and Godsil (2016)

# Implicit Bias: Individual and Institutional

- Inequity does not need intention or malice or “racists.”
- Implicit bias helps explain how racism can be subtle in appearance but significant in impact.
- In institutions, individual bias is routinely replicated through collective decisions and actions. It becomes compounded unless it’s consciously counteracted.
- “Implicit Bias...offers the idea that discrimination and bias are *social*, rather than *individual* issues, and that we can thus all participate in promoting equality.”--*American Values Project*

# What does this have to do with grantmaking?

- The ways we interpret reality are social: they exist in our environment, language, metaphors, etc.
  - The unconscious is not just an individual or internal phenomenon
  - The unconscious is social and interacting with the environment
- Social categories (race, gender, nationality, religion, sexual orientation, etc.) comprise some of the most powerful frames operating at the subconscious level
  - The environment helps to create and maintain our frames
  - These frames give rise to implicit bias



# Learning How to Engage Differently

- Explore, identify, acknowledge and act on implicit bias
- Seek education and learn
- Improve conditions of decision-making - go slow!
- Monitor and improve the environment
- **Set goals** to increase engagement, relationship and partnership building, and grantmaking in diverse communities
- **Diversify your decision-makers** especially from marginalized groups
- Consistently **evaluate progress** and adjust strategies as needed
- Convene, listen, engage: **GO TO THE SOURCE**

\*Echo Hawk, Isler, and Godsil (2016); Powell (2015)

# Equitable Grantmaking Best Practices

\* Compiled from Chan and Fischer; and Arabella Advisors

# Opportunities to Address Barriers

Many entry points to include equity in grantmaking:

- Grant Applicant Identification, Research, and Outreach
- Grant Application Process / Request for Proposal (RFP)
- Grant Decision Making
- Grantee Reporting and Evaluation
- Other Grantee Management
- Advisory Board Recruitment and Management
- Grant Making Strategy
- General Project Management
- Funder Coordination and Alignment



Where this group can make a difference right now

# Grantmaking strategy

- Discuss with your group how you would like to incorporate equity into your priorities and assessment criteria
- Design decisionmaking process/grantmaking criteria that explicitly mitigates implicit bias and levels the playing field for smaller orgs
- Discuss how much risk you are willing to take
- Consider unrestricted grants
- Consider capacity building grants including professional development

# Recruitment and Management of Commissioners

- Include previous grantees and/or other community members
- Consider the racial/ethnic, gender, income diversity of your group
- Embed equity in your documents and train everyone in equity principles



# Applicant Identification, Research and Outreach

- Poll previous grantees, community foundations, intermediary orgs, community leaders to learn about strong grassroots organizations.
- Think creatively about other ways to find out about nonprofits
- Talk to leaders in the communities of interest

# Grant Application Process

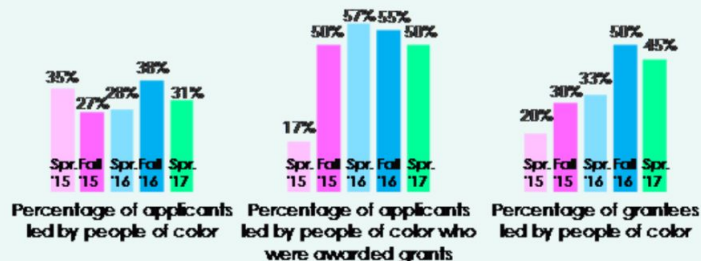
- Consider a limited timeline from first contact to receiving an award (3-6 months)
- Give stipends to applicants who don't receive grants as compensation for time spent on application
- Build capacity of grantees to develop strong applications
- Clarify and demystify the process
- Offer to review drafts and provide feedback
- Give smaller orgs additional time to submit applications
- Consider providing language and cultural translation technical assistance

# Grant Decision Making

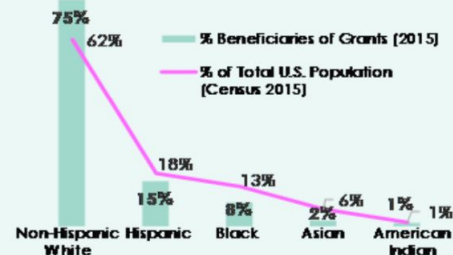
- Consider overall portfolio and “gaps” in diversity (try a dashboard)

## SAMPLE: Diversity, Equity, and Inclusion Dashboard

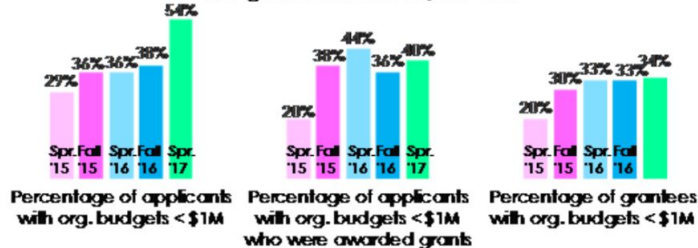
Percentage of Applicants and Grantees Led by People of Color



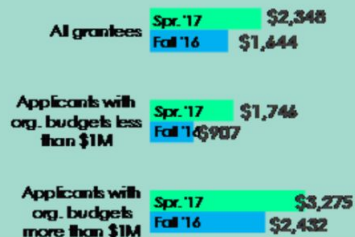
Racial Composition of Grantees' Beneficiaries



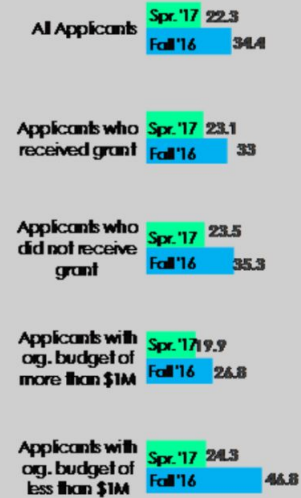
Percentage of Applicants and Grantees With Organization Budgets of Less than \$1 Million



Average Grant Amount Awarded Per Hour Spent on Application



Average Hours to Complete an Application



# Grant Decision Making

- Be aware of bias towards well-resourced orgs with greater capacity
- Decide ahead of time to award a certain amount of funding to smaller orgs
- Compare applications from smaller orgs against each other
- Consider bucketing grant applications in other categories for comparison
- Be aware of bias towards “evidence-based” practices (traditionally focused on white populations)
- Use peer-review grant making process
- Don't over-rely on a scorecard/rubric - capture the nuances in thoughtful comments!
- If you have questions - call the applicant!!
- Give honest feedback - builds their grantwriting capacity and is respectful

# Questions?

# Close and Next Steps



## Other Resources:

