



**REALIZING
ECONOMIC
JUSTICE**

Confronting
Racial Bias in
Asset Building
Philanthropy



— Executive Summary —

**ON THE ROAD
TO RACIAL AND ECONOMIC JUSTICE**

Essential Questions for Addressing Racial Bias in Asset-Building Philanthropy

Acknowledgments

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— Executive Summary —

ON THE ROAD TO RACIAL AND ECONOMIC JUSTICE

Essential Questions for Addressing Racial Bias
in Asset-Building Philanthropy

This primer helps asset funders expand their commitments to racial and economic justice and offers a shared framework for action.

Grantmakers of all types and sizes have committed to addressing racism as a root cause of inequality in the U.S. Some have been engaged in this work for a long time, eager for more partners to join their efforts. Others are just beginning, aware of the problems yet uncertain about the solutions.

This primer aims to bring asset funders together and help them move further along, wherever they are on this journey. It creates a baseline understanding of the link between racial and economic justice and examines how standard philanthropic practices often perpetuate bias within our sector while disadvantaging initiatives led by people of color. The primer is designed for practical use, offering funding organizations a shared language and a set of reflective questions to guide their approaches, actions, and progress.

Moving from Solidarity to Systems Change

Today, the sector is at a critical inflection point. No longer willing to operate at the edges of the status quo, many philanthropic leaders and organizations seek to be part of transformational, systems-level change.

Philanthropic efforts to acknowledge and address racial disparities within the sector and across all aspects of U.S. society are not new. Yet, the racial reckoning spurred by the pandemic's disproportionate impact on communities of color, racialized political violence, and widening racial wealth gaps have accelerated aspects of this work. Funders increasingly feel a responsibility to expand their commitments beyond emergency relief grants, solidarity statements, and efforts that serve to address the symptoms, not the root causes, of economic and racial injustices.

GUIDE TO REFLECTION

Questions following the introduction will help you create a baseline for assessing your current efforts toward integrating racial justice into your work.

PART 1

MAKING THE CASE: HOW RACISM CONTRIBUTES TO ECONOMIC INJUSTICE

Part 1 synthesizes demographic and comparative wealth data to underscore the relationship between our asset-building missions and the widening racial wealth gap. As people of color comprise the growing majority of our population, philanthropy must do more to eliminate the barriers that systematically exclude and disadvantage communities of color from wealth-building foundations and opportunities.

Far from a zero-sum game, addressing racial disparities in our economy benefits us all. Over the last two

decades, the national economy would have been \$16 trillion greater had it not been constrained by racialized systemic exclusions of Black people alone. If corrected, \$5 trillion would be added to the economy over the next five years.

GUIDE TO REFLECTION

Questions following Part 1 will help you imagine the impact and pathways to dismantle systems that perpetuate racial and economic justice.

PART 2

RACIAL BIAS IN PHILANTHROPY

Part 2 outlines the ways in which racial bias within our sector is often insidious, disguised as race-neutral. White-centered networks and views around risk and evaluation routinely disadvantage communities of color. Already underresourced and burdened by complicated grant and reporting processes, nonprofit leaders of color must constantly prove "capacity," equal to or exceeding that of long-established, White-led organizations, which often leads to denied funding and staff burnout.

As the byproduct of the racialized systems and conditions that make philanthropy possible, foundations have a unique responsibility to engage directly in corrective processes. By adopting race-conscious approaches across all aspects of their work, funders can nurture racial equity at its roots.

GUIDE TO REFLECTION

Questions following Part 2 are designed to facilitate a race-conscious understanding of your organizational processes and grantee evaluations.

PART 3

THE RACIAL WEALTH GAP AND THE RACIAL FUNDING GAP ARE INEXTRICABLY CONNECTED

Part 3 invites asset-building funders to address the racial funding gap by shifting more resources toward communities of color. Racial bias embedded in unspoken assumptions about best practices and color-blind strategies within philanthropy dictate who and what we fund. As a result, common philanthropic practices end up exacerbating existing disparities that stand in the way of guaranteeing dignity, health, and economic security for all.

By intentionally adopting race-conscious grantmaking, asset funders can better fulfill their missions and help advance a more fair and equitable economy that benefits everyone.

GUIDE TO REFLECTION

Questions following Part 3 are designed to facilitate specific strategies for operationalizing race-conscious efforts as part of your asset funding mission.

GLOSSARY OF TERMS

SHARED LANGUAGE

One of the most important components of this primer is a glossary of terms that promotes shared language within our network. Too often, work around racial equity is confusing and misunderstood because the terms we use mean different things to different audiences. Shared language is intended to support level setting across your team, organization, or working groups.

HOW TO USE THE PRIMER

There is no perfect journey toward realizing racial and economic justice, but transformational change can emerge from a culture of self-reflection and a community of support. This primer reflects our desire as a network to build both.

The questions in this guide are not rhetorical. Some will likely make you uncomfortable as they challenge your institution to move forward. We hope you will reflect, discuss, and adapt them to your strategies, agendas, and conversations with colleagues and grantees. We're counting on your actions to be as varied as the missions, locales, and contexts in which you work. Through our collective efforts, we envision a day when race will no longer determine life outcomes for anyone.

This primer complements additional resources on AFN's Realizing Economic Justice (REJ) platform. REJ is a series of activities, educational offerings and programming to present funding strategies and philanthropic practices members can use to confront and address racial bias in economic security and asset-building philanthropy.