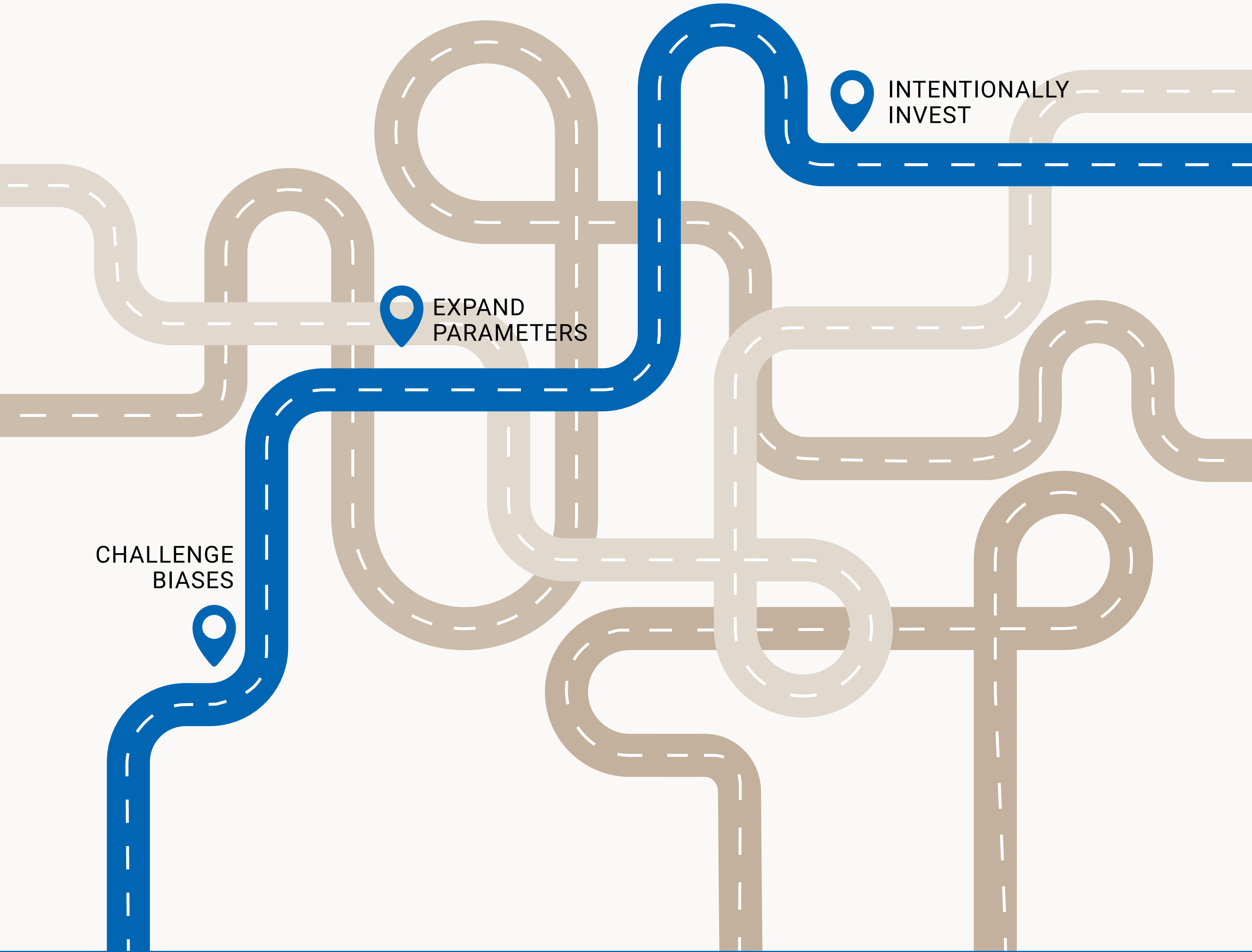
What is Racial Bias in Philanthropy?

Unquestioned philanthropic beliefs and practices unintentionally perpetuate bias and racist policy within our sector, which disadvantages work led by people of color.



A lack of understanding of culturally responsive solutions to systemic problems, White-centric views of strategic priorities, or rules requiring pre-existing capacity before investment all hinder innovation and reduce risk tolerance.

Moreover, standard philanthropic evaluation practices in the United States "value Whiteness, patriarchy, simplicity, and capitalism." These values impact what we believe is valid, what we seek as evidence that will allow us to assess the impact of the work, and what we continue to fund. By not naming and challenging the implicit, we rely on evaluations that unintentionally reinforce racism by generalizing findings and ignoring unique contexts, root causes, historical disadvantages, and structural drivers of inequality.[24] Evaluations that empower people of color are designed to be culturally relevant and measure the effect a strategy has on combating specific and nuanced systemic drivers of inequity, i.e., how history and cultural context are enmeshed in structural conditions and the change initiative itself and how the strategy does or does not work to unravel that.[25]

Additionally, leaders of color often have less access to networks of funders than their White peers and experience mistrust and microaggressions from funders and colleagues that result in burden and burnout. They also face unnecessarily arduous grant application processes, given that they are underresourced and without funder networks, which delays or jeopardizes their work.[26] Failing to incorporate explicitly anti-racist approaches into philanthropic strategy sustains the underresourcing of work led by and serving people of color, thus perpetuating the racial wealth gap. Prioritizing work led by people of color is essential to ethical grantmaking and equitable outcomes. We correct past injustices within our sector while also deepening our strategic efforts toward realizing economic justice by integrating racial equity into all aspects of philanthropic investment.

The assumptions, expectations, and norms of white supremacy culture affect us all in everyday interactions. When we adopt anti-racist and culturally responsive practices, we dismantle racist policies within our organizations — the most subtle of which are disguised as race neutral, evaluation based, or sector standard. We lead in seeking justice by significantly, sustainably, and explicitly funding programs and initiatives that center the dignity and self-determination of communities of color to reduce the racial wealth gap and create systemic change.

The last, and possibly most challenging, inequity that we must change in order to realize economic justice requires us to question the foundational systems, institutions, economic models, power, and conditions that make extreme wealth, and therefore philanthropy itself, possible and that in turn constrain efforts to reinvent economic systems.

The convergence of changing U.S. demographics and growing racial disparities make it essential for philanthropy to accept our moral, economic, and practical imperative to confront systemic racism. We must challenge the status quo by prioritizing equity and funding organizations and initiatives led by Black, Indigenous, Latinx, Asian American and Pacific Islander, and Southwest Asian and North African people.

Racialized disadvantage has created a set of wide wealth gaps that require reparative and racially focused investments from philanthropy. Eliminating racial bias in who and how we fund and evaluate are the first steps toward realizing economic justice through asset-building philanthropy. Next steps involve asking thoughtful questions to more deeply and authentically support the specific communities of color we serve.

WHY IT MATTERS:

How Racial Bias Impacts Asset-Building Philanthropy

As asset-building funders, we are uniquely positioned to lead in the process of addressing the wealth gap and nurturing racial equity at its roots. We do this by funding programs and policy changes that ensure:

- ☑ quality education from cradle to career
- ☑ affordable and accessible healthcare
- ☑ good jobs and fair wages
- ☑ homeownership and affordable loan products
- ☑ small business and co-op opportunities
- ☑ freedom from fines and fees
- ☑ access to public goods and social safety nets

Moreover, asset-building funders can expeditiously work toward racial equity by supporting tax policies[27] and advocating for social spending that will increase a household's disposable income and wealth. The outcomes of these efforts will contribute to advancing equity in racial income and wealth distribution.

We must also understand how equity is practiced within organizations, including those led by people of color, by recognizing how they listen and are accountable to the communities of color they serve. As partners with other funders and the organizations we support, we challenge the bias that preserves racial advantage based on skin color or ethnicity. We seek to redesign evaluation to be more inclusive, intentionally invest in systemic change, and expand our risk-taking parameters so that we can advance racial and economic justice.

RACIAL BIAS IN PHILANTHROPY

Reflection Questions

Addressing these questions will help create a baseline for your current context and journey as you move through the primer.

LOOKING INWARD

- **What will it take to identify and address racial bias within our organizational practices?**
  - Where have we made progress confronting racial bias?
  - Where have we not made progress?
  - Where is there opportunity to deepen our efforts?
- **What will it take to commit time and resources to professional development, training, coaching, consultation, and evaluation from racial justice experts who can help operationalize change and implement policy?**
- **Have we established a shared language and a committed organization approach?**
  - What additional terms, ideas, issues, and populations do we need to define?
  - What will it take to ensure that everyone, at every level of our work, has a shared understanding and contributing role to advance the organization's commitment to racial and economic justice?

UNDERSTANDING GRANTEES

- **How do we define what makes an organization an "organization led by people of color"?**
- **Who are all the communities of color who live in the region(s) in which we invest?**
  - What are the nuanced identities and experiences of North African and Southwest Asian people in our region?
  - What are the nuanced identities and experiences of Asian Americans and Pacific Islanders in our region?
  - What are the nuanced identities and experiences of Black people and African Americans in our region?
  - What are the nuanced identities and experiences of Latinx and Latina/o people in our region?
  - What are the nuanced identities and experiences of Native American and Indigenous people in our regions?
  - Who are we missing?
- **For each of the above populations, ask the following three questions:**
  - What organizations, nonprofits, or initiatives are led by and serve this population?
  - What wealth-building activities are part of their programs?
  - What steps will we take to make an investment in their wealth-building work, and when will we do so?

- **What are we and our grantee partners learning as we collect and disaggregate data by race and ethnicity?**
  - What opportunities and shared impact do we see?
  - How will data analysis shape our organizational practices to advance racial and economic justice?
- **What do we know about how different populations are impacted differently by the systems that perpetuate racial and economic injustice?**
  - Where do we see opportunities to support more leaders of color?
- **What organizational rules or standards will we change to more fully demonstrate equitable funding practices?**
- **What organizational protocols are accepted as neutral, colorblind, or sector standard but might uphold White supremacy culture, particularly as we assess "risk," "readiness," and "return on investment"?**
  - Where have we made progress, and where do we feel stuck?
- **How can we build a shared understanding of asset-building approaches from direct services and programs (immediate relief) to systems change (systemic equity) and how these approaches are mutually reinforcing across the organization?[28]**
- **Where do our asset-building funding priorities and race equity intersect?**

Consider asking this within the context of your grantmaking and these asset-building strategies:

Do we point to systems rather than people's choices when calling out inequities that are caused by racism?

- Education
- Employment and income
- Financial health
- Health
- Housing
- Small business, co-op, and microenterprise ownership
- The wealth gap (racial, ethnic, gender, generational)

Endnotes

24. Jara Dean-Coffey, "What's Race Got to Do With It? Equity and Philanthropic Evaluation Practice," American Journal of Evaluation 39 (2018): 527-542, https://journals.sagepub.com/doi/full/10.1177/1098214018778533.

25. Equitable Evaluation Initiative, "Equitable Evaluation Framework: The Current Evaluation Paradigm Must Shift and Mindsets and Practices Evolve," (2020), https://www.equitableeval.org/framework.

26. Cheryl Dorsey et al., "Overcoming the Racial Bias in Philanthropic Funding," Stanford Social Innovation Review (2020), https://ssir.org/articles/entry/overcoming_the_racial_bias_in_philanthropic_funding.

27. Chye-Ching Huang and Roderick Taylor, "How the Federal Tax Code Can Better Advance Racial Equity: 2017 Tax Law Took Step Backward," Center on Budget and Policy Priorities, last modified July 25, 2019, https://www.cbpp.org/research/federal-tax/how-the-federal-tax-code-can-better-advance-racial-equity.