



# Acknowledgments

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# Introduction

A global pandemic. Massive economic fallout. Police violence and racism. Ongoing social unrest. Entrenched political distrust. Financial insecurity and wealth gaps.

The events of 2020 revealed unvarnished truths which demand that philanthropic organizations take stock of where they have acted and where action is needed to build economic well-being for all. This long-overdue moment emphasizes the critical need for strategies that provide a range of support to people who are struggling due to deep financial disparities.

The lives, health, and financial well-being of women and Black, Latinx, Indigenous, and Asian people,<sup>1</sup> including immigrants, are disparately impacted by societal and economic destabilization. Today's disparities are built on, and exacerbated by, long-standing inequities created by structural racism, sexism, and classism, which have limited financial security and overall well-being for those affected. Now is the time for philanthropy to lead the way by

investing in equity on purpose. Philanthropy can help shape the future of families, communities, and the economy by supporting the development of a reimagined, more equitable financial system that builds on people's strengths.

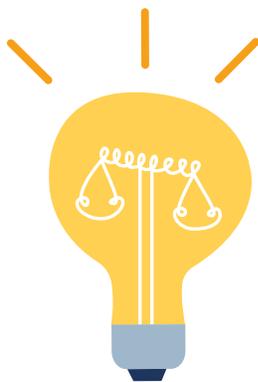
Creating a healthier, more equitable society is a multisystem, multisector endeavor. Addressing systemic inequities requires understanding the current and historical landscape, identifying what needs to be modified, and working collaboratively across sectors to create needed change. As influencers, leaders, and conveners, philanthropic organizations have a catalytic role to play in the movement for social change.

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1. In the brief, we use specific language regarding race and ethnicity and the term "people of color" interchangeably. When relevant, we disaggregate by race and refer to specific groups.

## STRUCTURAL RACISM

The arrangement of institutional, interpersonal, historical, and cultural dynamics that consistently produces advantage for White people and adverse outcomes for Black, Latinx, Indigenous, and Asian people. Structural racism is racism that persists even in the absence of individual racist actors because it is systemically embedded. When the United States was founded, racist principles were codified in governance structures and policies. As a result, racism is entrenched in institutions, structures, and social relations across American society. Today, structural racism is inherent in intersecting, overlapping, and codependent racist institutions, policies, practices, ideas, and behaviors that give an unjust amount of resources, rights, and power to White people while denying them to Black, Latinx, Indigenous, and Asian people. Structural sexism privileges men and structural classism privileges wealthy people in similar ways.

Source: Equity in the Center, AWAKE to WOKE: Building a Race Equity Culture, 2019, <https://equityinthecenter.org/aww/>



*Through its network of grantmakers, the Asset Funders Network (AFN) engages philanthropy to advance equitable wealth building and economic mobility.*

Over the past six years, AFN has published regional scans and over 40 original briefs across seven issue domains that are key drivers of economic security and asset building: business ownership, education, employment and income, financial health, health, housing, and wealth gaps. Reducing racial and gender wealth gaps is a theme that is threaded across all issue areas. Through research, best practices, new approaches, and strategic recommendations, our briefs serve as foundations for establishing a common understanding of realities and expanding needed investments to cultivate thriving communities. Over the years, we have identified numerous strategies for philanthropy to engage with these issues, from debt relief via systems change that sustainably confronts inequities and structural barriers to financial coaching as a short-term tool to reduce financial stress.

**7 FOCUS AREAS**

<b>WEALTH GAPS</b>	BUSINESS OWNERSHIP
	EDUCATION
	EMPLOYMENT AND INCOME
	FINANCIAL HEALTH
	HEALTH
	HOUSING

This brief responds to the urgency of this moment, reimagining and building on past recommendations to map more just paths to economic resilience moving forward.

AFN presents a framework and recommendations for funders that explicitly place racial and gender equity at the forefront. At the same time, we recognize the diverse needs of communities and thus elevate a continuum of strategies that funders can apply immediately, in the mid term, and over the long term, by supporting on-the-ground programs and systemic solutions. Whether you have been applying an equity lens for a while or are just starting on this journey, and whether you are with a family, community, or national

foundation or financial institution, we hope that you find a place in the brief to engage with the work.

The brief provides funders with multiple points of entry to reimagine investments and operationalize equity. It starts with research that makes the case for reimagining. Then, it introduces a framework that centers equity. Recommendations and reflection questions for implementation follow. The brief ends with case stories that provide examples of equity integration in action. Engaging at any level helps us all eliminate the disparities in our economic system that have persisted for too long.