



Funder Recommendations to Implement Equity Integration

Small and large grantmakers can facilitate greater economic security for families today and future generations if they keep in mind furthering equity and dismantling structural racism and sexism. We recommend beginning to implement equity integration with reflection individually, in teams, or as organizations **across four domains: inward, outward, around, and onward**. Consistently using an equity and antiracist lens requires alignment between intentions, strategies, practices, actions, and results, both internally and externally. Coherence increases the chances of realizing the short- and long-term impacts we hope to see.

The high-level recommendations below are gleaned from AFN's past briefs, reimagined to center equity in all realms, supplemented by further research, and accompanied with tools and reflection questions. Operationalizing equity in all of the domains requires time and effort, and often support from outside experts who specialize in diversity, equity, and inclusion.



Inward / within the foundation

Applying an equity and antiracist lens internally, within the entire foundation or as part of a specific program or strategy, furthers equitable grantmaking and external outcomes. It involves operationalizing equity in multiple ways, such as:

INTERROGATING CURRENT INTERNAL AND EXTERNAL REALITY

and being transparent about findings of inequities. Use the [Race Matters: Organizational Self-Assessment](#) by the Annie E. Casey Foundation to assess where your organization is through a racial equity lens.¹

MAKING A COMMITMENT TO EQUITY AND ANTIRACISM and setting a vision of what equity looks like for the foundation or strategy. Embark on a culture change process.

ADOPTING EQUITABLE AND ANTIRACIST POLICIES AND PRACTICES (including hiring, procurement, and grantmaking) intentionally and systematically.

DIVERSIFYING STAFF AND BOARD. Women and Black, Latinx, Indigenous, and Asian people are underrepresented in foundations as staff and board members. To effectively advance equity, philanthropy can work to become more inclusive and reflective of the communities it serves.

TRAINING STAFF AND BOARD on understanding systemic racism, undoing conscious and unconscious bias, emphasizing an equity approach, and embedding equity into the operations and philanthropic work, usually through outside equity consultants. Repeatedly engage in critical dialogue as new shared definitions and analyses unfold.

REDESIGNING GRANTMAKING AND INVESTMENT STRATEGIES

to both support the most-affected communities and address needed systemic changes. Consider managing your endowment differently. Expand grantmaking to align with your vision and mission—beyond the required 5% minimum payout requirement or by borrowing additional funds, as the Ford, Kellogg, Kresge, and MacArthur Foundations did in early 2020. Be deliberate about where you invest your assets; use local financial institutions led by people of color. Had more endowments been invested at the local level, more businesses owned by people of color could have accessed PPP loans early on in COVID.²

SELF-REFLECTING REGULARLY. Adopt a learning mindset. Building an equity and antiracist culture requires an upfront investment of financial resources and time,³ and it is also an ongoing daily process that requires sustained time, energy, and commitment.

MEASURING PROGRESS AND ADAPTING BASED ON

LEARNINGS. Track changes in organizational culture via disaggregated staff engagement and satisfaction data by role, level, compensation, tenure, performance, professional development, and race to identify disparities.⁴ Determine how you want to hold yourself accountable.

INWARD REFLECTION QUESTIONS

1

What is our vision for the foundation (or program or strategy) in terms of equity and antiracism?

2

How is our commitment to equity and antiracism reflected in our mission, goals, and work plans?

3

Where are we now in terms of equitable policies and practices?

4

What steps do we need to take to be more equitable?

5

What resources do we know about that can help us change our culture?

6

How are we putting our money where our vision and values are?

7

How would change affect our target communities?

8

How can we engage in continuous self-examination to identify and counter defensiveness or attitudes reflecting White fragility?

Outward / with grantees

The Relief to Resilience framework uses an intentional equity and antiracist lens to support programs and policies that confront systemic barriers and address equity now and in the long term. Without intention, bias can creep into the grantmaking process. Intentional equity approaches to grantmaking take effort. Grantmakers might need to change guidelines and practices across a range of areas—grantmaking, program-related investments (PRI), procurement, and impact investments. Changes must encompass a range of issues and approaches, including:

LISTENING TO THE NEEDS AND VALUES OF THE COMMUNITY AND GRANTEES, with humility. Gather input regularly from those with lived experience regarding what is important; what is disrupting the community; what is working; and what institutions, resources, or tools the community needs to make gains. Solicit and act on feedback about your grantmaking and evaluation processes, while examining your own conscious and unconscious biases to ensure you are not perpetuating inequities or overlooking potential partners that do not fit narrow parameters. Embrace new approaches, ideas, and solutions proposed by broader perspectives. Consider participatory grantmaking strategies to give communities voice in the grantmaking process and allow them to participate in developing shared goals.

DOING IN-DEPTH ANALYSES of challenges, root causes, and community needs using original and secondary research. Connect systemic dots. To better understand needs, harness data that are disaggregated by race and gender, such as from the [National Equity Index](#), developed and maintained by PolicyLink and the University of Southern California Equity Research Institute. Focus efforts on geographies and populations that have the greatest disparities. Do your homework to understand how your intervention will be received by the community or opposed by others. Be willing to work with new community-based organizations led by people from the target population. Be prepared to use your influence and tools to protect those organizations against negative reactions to change.

INVESTING IN ORGANIZATIONS LED BY THOSE MOST IMPACTED BY THE SOLUTIONS THEY OFFER. Due to systemic racism in philanthropy, organizations led by people of color, especially Black women, tend to be smaller and have less access to funding.⁵ Seek out and invest in organizations and movements led by women and Black, Latinx, Indigenous, and Asian people who already have the trust of and connection to systemically marginalized communities and who understand culturally relevant approaches. Fund organizational capacity building, communities of practice, and the leadership development pipeline for women and Black, Latinx, Indigenous, and Asian people.



INVESTING IN A TWO-PRONGED APPROACH THAT ENGAGES IN BOTH ON-THE-GROUND PROGRAMS AND SYSTEM CHANGE.

When connected, direct service and system-change efforts are mutually reinforcing. Programs must be relevant and linguistically and culturally responsive to the communities they serve. Interlocking systems (including but not limited to economic, housing, health, and philanthropic systems) are the drivers of pervasive financial insecurity and disparities. Systems change can be generated in a number of ways. Funders can invest in movement building, power building, and advocacy organizations that are championing the changes desired for their constituents. Indirectly, grantmakers can fund research or pilot studies that inform policy change. Grantmakers also can deploy their power and privilege to influence policy changes at national, state, and local levels, as well as federal, state, or local

fiscal and budgetary policy. Take conscious risks; system-level changes require boldness, longer time horizons, and cross-sector collaboration.⁶ As part of your decision-making process, conduct racial equity impact assessments (such as the one offered by [Race Forward](#))⁷ to thoroughly examine how different populations will likely be affected by a policy or program.

BALANCING SHORT-TERM NEEDS AND LONG-TERM GAINS. Invest in smaller, community-based organizations that are providing services to the communities most impacted by the crisis. At the same time, fund larger organizations that can advance structural solutions and take risks now.

FUNDING DEEPLY AND FLEXIBLY. Flexibility allows organizations to pivot as needs change, such as during COVID. Multiyear funding stabilizes organizations, allowing them to provide needed support to

communities to achieve outcomes that require time and collaboration, especially as structural racism and sexism have yet to be dismantled. Reduce administrative barriers for applying, reporting, and renewing to improve access and inclusion for grantees and the communities they serve.

TRUSTING GRANTEES. Build strong relationships with grantees through ongoing, in-depth conversations. Be transparent and responsive. Do your homework on potential grantees, and then focus on giving them power to make decisions and freedom to do the work through streamlined processes and paperwork and unrestricted, multiyear funding. Allow grantees to define success and measure progress, and support them beyond funding. Work on reducing the power dynamics inherent in the funder-grantee relationship.

OUTWARD REFLECTION QUESTIONS

- 1 What outcomes related to economic equity and justice do we wish to see in communities?
- 2 What is our analysis of the problem, root causes, and current environment, and how is that analysis authentically informed by the affected community members?
- 3 How connected are we to existing leadership in the communities we plan to serve?
- 4 How are we treating grantees in our grantmaking process?
- 5 How equitable are our grantmaking guidelines and practices?
- 6 What are we asking of our grantees when it comes to equity?
- 7 How do we hold ourselves accountable for driving system-level changes?

Around / collaboration

To reimagine and rebuild our systems, we need all hands on deck, working together locally and nationally. Grantmakers will need to build on existing relationships and forge new ones with impacted communities, each other, grantees, policymakers, the private sector, academia, nonprofits, advocates, and the public.

The decision-making table must include substantial space for women; Black, Latinx, Indigenous, and Asian people; and people with lived experience. As a convener, philanthropy can use its power, privilege, influence, and voice to actively promote transformation; educate and inform decision-makers and the public; and overcome resistance from stakeholders in power who protect the status quo. As local leaders, community foundations, which are anchored in specific geographic areas, are uniquely positioned to facilitate movements that include diverse communities in planning and decision-making.

Together, grantmakers can learn from each other's experiences, coordinate across portfolios, and act collaboratively, increasing opportunities and amplifying benefits in the communities that need them.



AROUND REFLECTION QUESTIONS

- 1 Who is missing from the decision-making table?
- 2 How substantial is the presence of people of color, women, and people with lived with experience at the decision-making table?
- 3 How could we bring in those who are missing?
- 4 How are we using our social capital to advance change?
- 5 What could we do more of?
- 6 Among stakeholders, where do we anticipate the most resistance?

Onward / ongoing practices

Using an equity and antiracist lens is an ongoing process for philanthropy. It includes research, evaluation, narratives, and self-accountability.

SUPPORT RESEARCH by women and Black, Latinx, Indigenous, and Asian people to build the evidence base for the impacts of systemic harm, understand context, and elevate “invisible” populations in data, such as Asian, Pacific Islander, Indigenous, and LGBTQIA+ people. More evidence helps raise awareness about disparities and ways to reduce them, and supports advocacy for needed changes. Using data disaggregated by race, ethnicity, and gender allows grantmakers to see where the gaps and opportunities for community and structural change investments are and track results over time. As tenure evaluation at academic institutions considers professors’ ability to raise funds, philanthropy-sponsored research by women and Black, Latinx, Indigenous, and Asian people can also support more equitable progress along the pathways for faculty at those institutions.

RETHINK EVALUATION. At a high level, better measurements for financial security and economic equity are needed. Achieving equitable financial resilience is a long game that requires shifts in evaluation strategies for programmatic and system-change efforts: longitudinal and disaggregated data sets, extrapolations, and patience. The strate-

gies need to reflect the new equity framework. For grantees to meet these requirements, grantmakers have to support evaluation and data collection. More work is needed to make these shifts in evaluation thinking and practice.

TELL A BETTER STORY. Starting now and as new research and evaluations are released, philanthropy needs to help shape a narrative, in partnership with women and Black, Latinx, Indigenous, and Asian communities, that changes hearts and minds to transform what is possible. Although philanthropy knows that the root causes of disparities are systemic, the public largely believes that financial outcomes are the result of individual behaviors.⁸ Building and realizing an inclusive, long-term vision requires constructing a new narrative of what financial security is, why inequities exist, and how economic equity can be created. Spreading that vision means connecting to grassroots power and other stakeholders.

STAY ACCOUNTABLE. To guide change and ensure long-lasting impact, philanthropy will need to define what success looks like inwardly, outwardly, around, and onward, and regularly measure its

progress. The inward section discussed some internal measures. External measures could involve increases in the diversity of funding portfolios and improvements in financial well-being for the communities served. For around, one measure is increased diversity at the decision-making table. Ongoing assessment and accountability from philanthropy helps sustain change over the long term.

ONWARD REFLECTION QUESTIONS

- 1 What have we done in terms of equity?
- 2 What have we learned?
- 3 What do we do with this knowledge?
- 4 How do we tell the story?
- 5 What is missing from the mainstream narrative?
- 6 How equipped are grantees to collect and report disaggregated data to track impact over time?

Conclusion

Systems are broken; people are not. Women and Black, Latinx, Indigenous, and Asian people—who have been excluded from economic opportunity for too long—urgently need systemic reform aligned with supportive programs to create conditions in which they can thrive.

The systematic exclusion has led to pervasive financial insecurity and health disparities that cost lives and impede well-being. Compounding the pain is the reality that structural racism and sexism are still entrenched in our institutions and systems. Inaction will only increase harm. We face a great challenge, and foundations of every size can make a difference in righting past wrongs by committing to equitable solutions.

Changing the trajectory requires intentional focus, action, collaboration, and results. It is time to envision and create just and fair inclusion in an economy where all, with nuanced attention to race, ethnicity, and gender, can participate, prosper, and reach their full potential. For the good of families, future generations, the nation, and our own integrity, we invite you to join us in committing to and acting on embedding equity into the fabric of all our work.

Endnotes

1. The Annie E. Casey Foundation, *Race Matters: Organizational Self-Assessment*, January 12, 2006, <https://www.aecf.org/resources/race-matters-organizational-self-assessment/>.
2. L. Hoey, *Systemic Racism During COVID-19: Impact Investing and Philanthropy's Role*, *Medium*, April 24, 2020, <https://medium.com/candide-group/systemic-racism-during-covid-19-impact-investing-philanthropys-role-7ebd1a4fcfd5>.
3. K. Suarez, *So You Want to Hire an Equity Consultant: A Guide for Leaders and Organizations*, Equity in the Center, 2018, <https://equityinthecenter.org/so-you-want-to-hire-an-equity-consultant/>.
4. B. Hecht, *Moving Beyond Diversity Toward Racial Equity*, *Harvard Business Review*, June 16, 2020; The Annie E. Casey Foundation, *Introduction to Results Count Path to Equity*, 2019; The Annie E. Casey Foundation, *Operationalizing Equity*, 2017.
5. C. Dorsey, al., *Overcoming the Racial Bias in Philanthropic Funding*, *Stanford Social Innovation Review*, May 4, 2020.
6. Flynn & Mabud, *Ford Foundation Racial Gap Evaluation*.
7. T. Keleher, *Racial Equity Impact Assessment*, The Center for Racial Justice Innovation, 2009, https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf
8. *Ibid.*