

# Beyond AB 624: Reframing for the Long View

by Lori Villarosa



Like many of our colleagues who have long advocated for philanthropy to increase giving around a range of racial and social justice issues, we at the Philanthropic Initiative for Racial Equity (PRE) have been unclear as to whether a legislative battle over data collection is a fight we really want. Nonetheless, the debate is here and centered around California Assembly Bill 624 (AB 624), which calls for large California foundations to report on racial/ethnic composition of their staffing, governance and grantmaking.

But regardless of the direct impact of legislation, there is now both an opportunity, and increasingly, a need, to surface critical issues about what is and isn't valued by philanthropy - and how that is defined, determined and measured.

To date, the legislation, proposed this year in California, has attracted few vocal proponents. Its opponents have been greater both in number and intensity.

Although known primarily for its work on issues of banking and other corporate responsibility concerns, the California-based Greenlining Institute authored the bill following studies it released in 2005 and 2006 on foundation grantmaking to minority-led organizations. Surprisingly, Greenlining Institute Director John Gamboa, a key figure behind the measure, declared at a Washington forum, "I don't care if this bill passes,"<sup>1</sup> saying that even without a new law, foundations won't be able to ignore the issues raised by AB 624.

While this may be true, the bill's varied opponents have been so vociferous that their anti-AB 624 messages could easily endanger principles some of them have previously supported. Their fight could very well be turning back the clock.

Rather than prompting a meaningful discourse, the debate has engendered problematic allies of philanthropists who sincerely value racial and ethnic diversity (as evidenced by their grantmaking and past statements) and conservatives who have gone to great lengths to stop efforts to remedy discrimination. Furthermore, these uncomfortable bedfellows have been loud and highly visible in linking their opposition to this bill to

attacks on affirmative action and other efforts to roll back social progress on racial justice.

Our goal at this stage is to look beyond AB 624, with interest in reframing much of the debate toward meaningful and long-term strategies to increase philanthropic support for racial and social justice.<sup>2</sup>

## Our Contributors

Toward that end, we have invited seven writers - each with each with deep knowledge and long track records in racial and social justice issues as addressed through foundation grantmaking - to share their perspectives on the legislation. We've asked them to consider the issues it raises and doesn't raise and the questions the grantmakers and nonprofits should be addressing long after the fate of this one bill is decided.

Rick Cohen has provided an overview analysis of AB 624. Rinku Sen, Arturo Vargas and Makani Themba-Nixon each discuss the value of community of color-led organizations and the kind of grantmaking strategies and capacity-building that philanthropy should be supporting to advance racial justice.

Karen Zelmeyer, Eva Paterson and David Cournoyer each recognize, from their different vantage points, that good intentions among funders or nonprofit leaders are not enough, and that data can be critical in bringing more alignment between intent and outcome.

We recognize that many nonprofits have been reluctant to weigh in on whether to support the bill in direct opposition to potential or current funders, or even to support some of its underlying premises. Given the understandable reticence of many nonprofits, PRE hopes that this volume provides a space for a frank and sober discussion of the issues. We want to promote a dialogue free of some of the unjustified rancor and exaggerated fears that have been reflected in the AB 624 debates. Many dire assertions and faulty premises can be found in the mainstream and philanthropic press and on the nonprofit websites and blogs largely dominated by foundation trade associations, interest groups and their consultants.

As a frame for the contributions of the seven authors, we suggest the following summary observations:

**This is not a new discussion.** Some people in this debate have been raising issues of philanthropic diversity and inclusiveness as if such calls were new. But these concerns, in fact, have been acknowledged in philanthropic circles for at least three decades.

Formal advocacy for greater representation of minorities and women from within the philanthropic sector has been occurring since 1971 when the Association of Black Foundation Executives (ABFE) was founded in protest of the lack of any African-Americans on the slate for board of the Council on Foundations.<sup>3</sup>

In the following years, other identity-based affinity groups have emerged and grown significantly in numbers, capacity, influence and outreach. The groups have continually struggled to collect the data on the composition of foundation staff, boards and grantmaking. Despite the difficulties of getting the data, the groups repeatedly manage to issue reports aiming to measure progress. As recently as 2007, Asian Americans and Pacific Islanders in Philanthropy issued a report showing that the numbers are still significantly lagging.

“There is a critical lack of financial and infrastructure support for AAPI-led institutions, which in turn impacts AAPI communities' ability to speak and act for themselves and to participate fully in the democratic process,” the report said.

Formal statements even among very mainstream philanthropic organizations have acknowledged the need for diversity and inclusiveness for nearly two decades. The San Francisco Foundation's Policy on Diversity was approved by its Board of Trustees in 1990.<sup>4</sup> The same year, the New York Regional Association of Grantmakers, representing a broad range of New York foundations including a large number of private, family and corporate grantmakers of many political persuasions, adopted a Policy on Diversity and Inclusiveness.<sup>5</sup> For the past decade, the Z. Smith Reynolds Foundation based in Greensboro, North Carolina, has upheld a Statement on Inclusiveness<sup>6</sup> that lets prospective grantseekers know that the foundation “reserves the right to decline proposals from organizations the board and staff of which do not reflect the diversity of the community in which they work.”

This is just a very small sampling of philanthropic organizations who have made diversity, inclusiveness, or more specific antiracist and racial justice statements, with admittedly varying degrees of concrete action to meet those sentiments.

Still, progress over more than three decades remains too slow.

**Data alone is not sufficient to create change, but transparent data on grantmaking is necessary for both baseline and progress toward social and racial justice.** It is particularly ironic that anti-AB 624 statements have argued against the value of data as applied to their own efforts while at the same time referenced inequities that they are already seeking to address. These very inequities would be unproven had others not gathered and reported the same types of data the foundations and their allies oppose.

In some ways it has been unfortunate that the call for the legislation has come at the same time that more foundations have been not only gathering data on the racial, ethnic, gender, and, in some cases, LGBT status of grantees' boards and staff, but moving to integrate the

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numbers with more in-depth questions, recognizing that both are necessary for making progress.

In fact, numerous foundations have expressed surprise and a commitment to improve their performance, after examining racial/ethnic grantmaking data for the first time and seeing that they had been funding proportionately fewer people of color-led organizations than their intent. Most have recognized it as a valuable opportunity to examine what changes they may want to make in their own process or externally to address the disparity.

Growing numbers of foundations are also recognizing that simply asking the question and getting quantitative benchmarks can strengthen the nonprofit sector's commitment to diversity and equity by providing important signals to organizations that may be offering valuable services, but may not be adequately reflecting or reaching the breadth of their community.

**Explicit language is critical to shared understanding and strategy.** Language of diversity and effectiveness is so overused that we are losing sight of the underlying issue - increasing the voices of people of color and lesbian, gay, bisexual and transgender people in broad policy debates, and not just at the table of philanthropy. The overarching goal is to enable these formerly marginalized communities to influence far greater resources than those available from the philanthropic community. Whether one believes legislation is the way to achieve this or not, the ability to strategize collectively toward a common goal is weakened as vague and politically palatable terms of “diversity” and “effectiveness” are

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used and misused by people who are in fact striving for racial and social justice and, on the other hand, by those who are seeking to undermine those goals.

The discourse should be sharpened as foundation boards, staff and nonprofits ask the question both about what should be counted, but more importantly, to what end.

While many have suggested that organizational effectiveness is enhanced when diverse voices are at the table, even the very definition of effectiveness may change as we strive for true transformation. But without more precise language we will continue speaking at cross-purposes. What might begin as palatable masking of the real issues may in the end actually result in a truly weakened agenda.

**Beyond the question of racial or ethnic diversity in organizations, we also need to recognize that people of color-founded and -led organizations play a crucial role of providing organizational voice and legitimacy to marginalized populations.** The goal of building and supporting people of color-led nonprofits for policy advocacy and community empowerment is different from promotion of diversity as a mechanism for generic organizational effectiveness, a point long recognized by certain foundation affinity groups. For example, with its Funders Collaborative for Strong Latino Communities, Hispanics in Philanthropy specifically supports Latino-led, not simply Latino-serving nonprofits.

One of its clear goals is “to allow the Latino community to find its own solutions to its problems,” logically recognizing that a key to that is empowering and strengthening Latino-led organizations.

### ***Involve Communities in the Debate***

In the same vein, communities and the nonprofits that aim to serve them should be involved in finding the solution to greater equity within philanthropy.

Grantmakers should recognize that whether mandated by the state or not, the questions of how much of their grantmaking is directly reaching people of color and LGBT communities is a discussion that they should engage in willingly and in partnership with those nonprofits whose efforts they rely on to carry out the public good.

We are at a moment in which truly bold and accountable philanthropic leadership in support of racial and social justice could and should happen. We look forward to a richer, more collaborative and nuanced discussion, involving broad perspectives and authentic voices in crafting strategies that will count for the long haul.

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