

GRANTMAKING DATA SNAPSHOT FOR RACIAL EQUITY AND RACIAL JUSTICE IN MINNESOTA

BY LYLE MATTHEW KAN, BEN FRANCISCO MAULBECK, AND LORI VILLAROSA

ABOUT THE AUTHORS

THE PHILANTHROPIC INITIATIVE FOR RACIAL EQUITY (PRE)

The goal of the Philanthropic Initiative for Racial Equity is to increase the amount and effectiveness of resources aimed at combating institutional and structural racism in communities through capacity building, education, and convening of grantmakers and grantseekers.

PRE has directly engaged thousands of foundation representatives (including program staff, management, board members, and individual donors) in discussions of racial equity and racial justice, particularly in order to increase their investments in Black- and Brown-led efforts building power and transformative change. PRE is a fiscally sponsored project of the Tides Center.

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TABLE OF CONTENTS

PRE	Grantmaking Data Snapshot for	
Rac	ial Equity and Racial Justice in Minnesota	4
	Context	4
	Methodology	5
	Funding for Racial Equity and Racial Justice by Year, 2018–2021	6
	Funding for Racial Equity and Racial Justice in Minnesota Rose Incrementally in 2020	6
	Racial Equity and Racial Justice Accounted for a Small Fraction of Minnesota Funding	9
	Funding for Black Communities in Minnesota Increases, But Doesn't Keep Pace with National Trends	9
	Funding for Racial Equity and Racial Justice by Subject Area	. 11
	In Minnesota, Racial Equity Funding More Likely to Focus on Economic Development	11
	Top 20 Grant Recipients	.13
	Top Funders	16
	Funding by Funder Type	19
	Minnesota-Based Funders Drove the Increase	.20
	What About Giving from Individual Donors?	21
	Funding for General Operating Support	22
	More General Operating Support in Minnesota	.22
	Funding for Grassroots Organizing	23
	Funding for Grassroots Organizing is Low, but HIgher Than the National Average	.23
	Appendix: Methodology	23



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CONTEXT

The murder of George Floyd was not only a catalyst for the uprisings for racial justice in Minnesota; it was also a historic turning point for mobilizations for racial justice across the nation and the world. Foundations and corporations across the country released statements expressing solidarity with the movement and announcing pledges to support racial justice and communities of color. This, in turn, led to headlines like one from the Wall Street Journal: "At Nonprofits Focusing on Blacks, Donations Soared in Wake of George Floyd Protests."1 This misleading coverage was based on exaggerated claims and inaccurate data, often including internal corporate spending related to diversity and vague commitments for funding in future years.

In this context, the Philanthropic Initiative for Racial Equity researched and published *Mismatched: Philanthropy's Response to the Call for Racial Justice.*² While prior reporting primarily drew on information available from public pledges and press releases, *Mismatched*, published in 2021, provided a rigorous analysis of confirmed grants awarded for racial equity and racial justice work. Mismatched-and an updated analysis conducted by PRE this year based on more recent data—found that while funding for racial equity increased in 2020, the increase was much more incremental than had been previously reported. Nationally, only about 6% of foundation and corporate dollars were devoted to racial equity in 2020. Moreover, the vast majority of funding for racial equity was focused on education (including scholarships), economic opportunity, and other human services. Funding focused specifically on Black communities rose sharply in 2020, but still was only 1.6% of institutional funding for the year. An even smaller fraction was devoted to the Black-led grassroots groups leading the historic uprisings for racial justice in 2020 and beyond. In short: while foundations and corporations issued pledges totaling billions for "racial justice," the tally of dollars received by Black-led social change organizations measured only in the millions.

The exaggerations of philanthropic support for Black-led social change work have moved from possibly performative, opportunistic—or even benignly mistaken—to those that are clearly much more heavily tied to calculated attacks on the mechanisms seeking to rectify racial injustice, from understanding history and current systemic

[1] Betsy Morris, "At Nonprofits Focusing on Blacks, Donations Soared in Wake of George Floyd Protests," *Wall Street Journal* (September 19, 2020), available online at https://www.wsj.com/articles/at-nonprofits-focusing-on-blacks-donations-soared-in-wake-of-george-floyd-protests-11600542001

[2] Malkia Devich Cyril, Lyle Matthew Kan, Ben Francisco Maulbeck, and Lori Villarosa, *Mismatched: Philanthropy's Response to the Call for Racial Justice* (Philanthropic Initiative for Racial Equity, September 2021), <u>https://racialequity.org/wp-content/uploads/2021/10/PRE_Mismatched_PR_141.pdf</u>

racism to basic democratic rights, such as voting. For example, in the spring of 2023, when Silicon Valley Bank became the largest bank to collapse since the 2008 financial crisis, lies about the bank donating \$73 million to Black Lives Matter "and related organizations" were spread on Fox News and by conservative politicians who used a database that was developed by a conservative think tank.³ The reality was that Silicon

Valley Bank donated zero dollars to Black Lives Matter and the investments the think tank misleadingly tied to BLM included anything remotely connected to a huge range of social programs-many having nothing to do with Black communities, much less BLM. Some conservative news outlets directly contrasted layoffs and ripple effects to the false donations. To fabricate amounts and blame the bank's fall on "wokeness" plays into both long-

THERE IS A REAL DANGER

that these false reports are convincing philanthropy that it has overcorrected its historic underinvestment in communities of color and racial justice work.

from scholarships to economic development programs—largely laudable but nevertheless lacking any in-depth analysis of systemic racism or structural change.

Three years after the murder of George Floyd, the overall picture of what philanthropy did—and did not do—in support of racial justice has become clearer. The data indicate that while gaps

> remain, there is currently an opening for a deeper, longer-term shift toward greater investment in transformational racial justice. This possibility is of particular importance in Minnesota—

the second-largest state for philanthropic giving in the Midwest—where foundations give out over \$4 billion annually. The state also has had a long history of racial justice leadership, made more visible and galvanized in reaction to the

tragic killing of Black residents by police, such as Jamar Clark in 2015 and

standing racist tropes and the more specific and dangerous current narrative that demonizes important work being done to advance a more inclusive and equitable multiracial democracy. These baseless exaggerations are, predictably, a part of broader attacks on critical race theory, trans youth, and perceived "wokeness."

These stories came at the same time many racial justice organizations have been fearing a cliff as the initial support they received in 2020 comes to an end, funders are not renewing, and the influx of new supporters seems to have ebbed. There is a real danger that these false reports are convincing philanthropy that it has overcorrected its historic underinvestment in communities of color and racial justice work.

Funding for racial equity and racial justice did rise—both nationally and, as shown in this analysis, in Minnesota. But the overwhelming majority of dollars did not go to racial justice or to Black-led movement building; instead they supported a broad range of strategies, Philando Castile in 2016. Of course the further activation following George Floyd's murder, and the attention of the nation and world, raised both the need and opportunity to meet the moment. While funders have begun to shift their practices, they must commit to long-term, sustained support for Black, Brown, and Indigenous movement leaders in order to truly shift toward racial justice.

METHODOLOGY

This analysis was conducted by the Philanthropic Initiative for Racial Equity, drawing on grants data from Candid, an organization that gathers data about nonprofits and philanthropic grantmaking in the United States and globally. The findings are based on PRE's analysis of Candid's comprehensive funding database and the development of new search criteria to identify grants specifically for racial equity and for racial justice. PRE and Candid developed

[3] Madison Czopek, "Claim that Silicon Valley Bank Donated \$73 Million to Black Lives Matter Is Unsupported," PolitiFact (March 22, 2023), https://www.politifact.com/factchecks/2023/mar/22/facebook-posts/claim-silicon-valley-bank-donated-73-million-black/ criteria for racial equity grants that are tied to the broader definition of racial equity widely used by corporations and much of mainstream philanthropy. This includes any grants that explicitly reference communities of color or grants that were awarded to organizations that are explicit about serving various communities of color as part of their mission. It also includes grant descriptions that mention the word "race" plus at least one of a range of terms such as "access," "opportunity," "inclusion," and "disparities." Within this data set of racial equity grants, we applied a more rigorous definition for identifying a subset of racial justice grants, including search terms such as "power," "advocacy," and "justice."

Our analysis centers primarily on Candid grants data for the years 2018 through 2021, because covering a four-year period helps to account for any year-specific variances, such as a large multiyear grant being awarded and counted in a single year. We chose 2018–2021 principally because those are the most recent years with completely and partially coded grants data and because the period represents a turning point in the national and local discourse on racial justice following the murder of George Floyd.

Note that Candid's data sets for 2018 and 2019 are nearly complete, while the data sets for 2020 and 2021 are still being compiled. As of the writing of this report, Candid estimates that is has nearly two-thirds of all 2020 data and slightly less than a quarter of 2021 data. As such, all figures for those years should be considered preliminary estimates.

To partially compensate for some of the gaps in Candid's 2020 and 2021 grantmaking data, PRE secured missing grantmaking data for 2020 from top funders including the McKnight Foundation, the Minneapolis Foundation, and Otto Bremer Trust. Some of these grants data were initially missing because some funders, such as McKnight, issued extensions of existing grants in 2020 to minimize burdens on grantees. Technically these were not new grants, and so were not reported to Candid, but PRE added these dollar amounts to our analysis wherever possible to capture the full picture of grant dollars flowing for racial equity. (Note that since these additional data were incorporated late in the research process, they are included in all analyses of top funders, funder type, and overall annual totals, but not in data related to grant recipients, such as top grantee lists and focus populations.) Supplementing Candid's data with additional grantmaking information from some of the top funders in the region helps advance a fuller funding picture given the top-heavy nature of grantmaking for racial equity and racial justice funding. In 2018-2019, more than half of racial equity funding in Minnesota came from the top 20 funders and nearly two-thirds came from the top 50 funders. For more, see Appendix: Grantmaking Data Methodology at the end of this section.

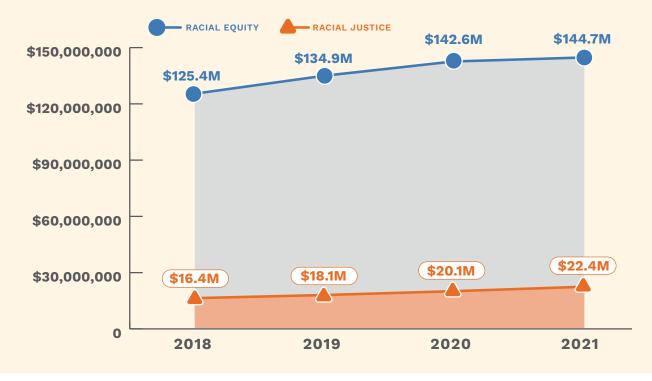
FUNDING FOR RACIAL EQUITY AND RACIAL JUSTICE BY YEAR, 2018–2021

FUNDING FOR RACIAL EQUITY AND RACIAL JUSTICE IN MINNESOTA ROSE INCREMENTALLY IN 2020

Foundation and corporate funding for racial equity in Minnesota rose from \$125 million in 2018 to nearly \$143 million in 2020—an increase of more than 14%. While an increase of \$18 million is significant, it is significantly less substantial than portrayed in many media reports: Total philanthropic support for Minnesota has hovered around \$15 billion in recent years, and \$18 million accounts for only 0.12% of that giving. Nevertheless, it is noteworthy that racial equity funding in Minnesota increased by a larger percentage than racial equity funding nationally.

Similarly, funding for racial justice in Minnesota rose from \$16.4 million in 2018 to just over \$20 million in 2020—a 23% increase. Funding for racial justice in the state grew at about double the rate for racial equity, potentially a positive indicator that more funders in Minnesota are beginning to

FUNDING FOR RACIAL EQUITY AND RACIAL JUSTICE BY YEAR IN MINNESOTA, 2018–2021



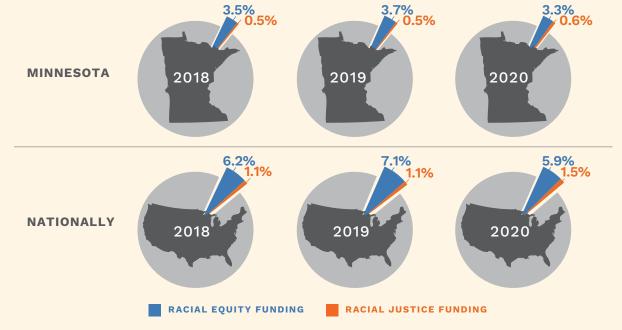
integrate a power analysis into their grantmaking. Even in 2020, however, funding for racial justice accounted for only about 14% of funding for racial equity more broadly, confirming that most grantmakers are still focused on strategies that do not include a strong analysis of power, systemic racism, and structural change.

Notably, while preliminary 2021 data include only 30% to 40% of likely funders, confirmed grants for racial equity have already reached nearly \$145 million, and grants for racial justice have reached \$22.5 million. It appears likely that more complete data will eventually show an even sharper rise in both racial equity and racial justice funding in 2021 than in 2020. That means that some funders took well over a year to respond to the 2020 calls for increased action around racial justice from philanthropy.

This slower response may reflect institutional resistance or hesitation to making the big organizational shifts required to meaningfully address racial justice. Foundations tend to be slow-moving institutions, and executive- and board-level leaders in particular are often reluctant to respond to calls for change. On the other hand, it could also indicate that Minnesota funders took time to thoughtfully integrate racial equity and racial justice into their ongoing grantmaking, which could lead to a more sustained increase rather than an abrupt, onetime spike in funding.

Looking beyond the time frame of this data set, the Bush Foundation committed \$100 million to seed two community trust funds to address wealth gaps caused by long-standing, historic racial injustice. The trust funds will be administered by two organizations with deep histories of working in Black and Indigenous communities: Nexus Community Partners and NDN Collective. These significant grants technically fall in Candid's 2022 data set. Assuming other funding generally remains stable, an additional \$100 million would lead to a 70% increase in racial equity funding in 2022. Major new commitments like these could help move Minnesota's philanthropic sector toward a meaningful, sustainable reckoning with racial justice.





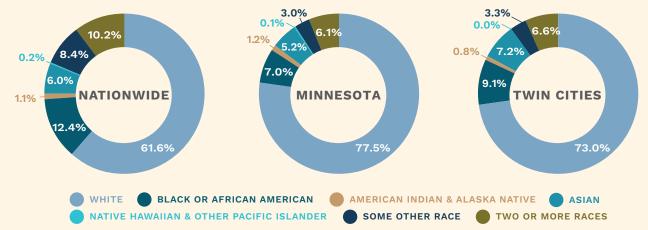
RACIAL EQUITY AND RACIAL JUSTICE FUNDING, AS A PERCENTAGE OF MINNESOTA FUNDING 2018–2020, BY ETHNIC GROUP

YEAR	PEOPLE O AFRICAN		PEOPLE O ASIAN DE		PEOPLE O INDIGENO DESCENT		PEOPLE O LATIN AM DESCENT	ERICAN	PEOPLE C MIDDLE E DESCENT	-
2018	0.4%	<0.1%	0.2%	<0.1%	0.7%	0.1%	0.2%	<0.1%	<0.1%	<0.1%
2019	0.4%	<0.1%	0.2%	<0.1%	0.7%	<0.1%	0.3%	<0.1%	<0.1%	<0.1%
2020	0.6%	0.1%	0.2%	<0.1%	0.5%	<0.1%	0.3%	<0.1%	<0.1%	<0.1%

RACIAL EQUITY FUNDING

RACIAL JUSTICE FUNDING

2020 US CENSUS DATA ON RACE AND ETHNICITY, AT THE LOCAL, STATE, AND NATIONAL LEVEL



H

RACIAL EQUITY AND RACIAL JUSTICE ACCOUNTED FOR A SMALL FRACTION OF **MINNESOTA FUNDING**

In 2018-2019, foundations awarded about \$3.5 billion to all grant recipients in Minnesota.

IN 2018-2019, LESS

EQUITY, AND ONLY ABOUT

0.5% WAS FOCUSED ON

RACIAL JUSTICE.

That means that less than 4% of funding for Minnesota nonprofits was focused on racial equity, and only about 0.5% was focused on racial justice.

These percentages are even smaller than at the national level, where 6% of all grant dollars was focused on racial equity and 1% was focused on racial justice.

Complete estimates of total foundation and corporate funding for Minnesota in 2020 is not yet available, so it is not vet possible to calculate the percentage of funding devoted to

racial equity and justice for that year.

The preceding charts show what the percentage would be if giving levels remained largely static.

FUNDING FOR BLACK **COMMUNITIES IN MINNESOTA INCREASES, BUT DOESN'T KEEP PACE WITH NATIONAL TRENDS**

In the aftermath of the murder of George Floyd and nationwide uprisings for racial justice, both racial equity and racial justice funding for Black communities increased in Minnesota in 2020. Racial equity funding increased by 55% between 2019 and 2020; racial justice funding for Black communities increased by 142%. By comparison, racial equity funding for Black communities nationally increased 119% between 2019 and 2020; racial justice funding nationally increased by 460%. So while funding increased for Black communities in Minnesota in the wake of George Floyd's murder, it did not increase as dramatically as it did elsewhere in the country.

As of the 2020 U.S. Census, Black people accounted for 7% of Minnesota's population and

9.1% of the Twin Cities' population. But even at its 2020 peak, racial equity funding for Black communities only accounted for approximately 0.6% of all funding for Minnesota. This figure is alarmingly low considering existing racial disparities that indicate transformation needed at the systems level throughout the state. For example, Minnesota and the Twin Cities have

one of the largest income inequality gaps in the country—with the median Black family in the Twin Cities earning less than half what the median white THAN 4% OF FUNDING FOR family earns. Statewide, the Black unemployment **MINNESOTA NONPROFITS** rate is twice that of the WAS FOCUSED ON RACIAL white unemployment rate;

in the Twin Cities, the Black unemployment rate is three times that of the white unemployment rate.

Racial equity funding for Asian communities in Minnesota increased by 10% between 2019 and

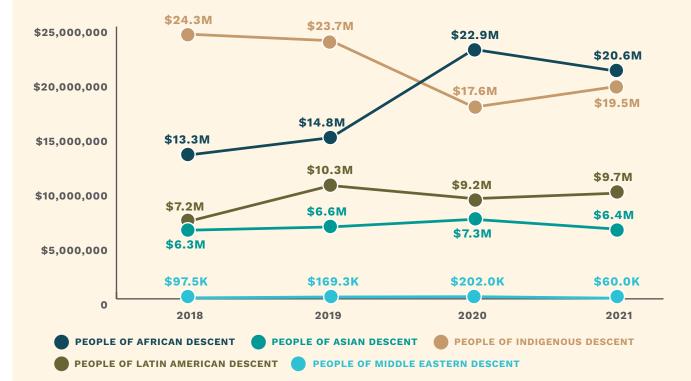
2020; racial justice funding for Asian communities increased by 122%. Nationally, racial equity funding for Asian communities decreased by 10% and racial justice funding increased by 2% between 2019 and 2020. The preliminary findings for 2021, the year in which the media paid increased attention to the ongoing violence facing Asian American and Pacific Islander communities, show a decrease in racial equity funding for Asian communities in Minnesota in contrast to an increase in racial justice funding for Asian communities in the state. This is consistent with the figures nationally, and may be due to incomplete 2021 data.

Racial equity funding for Indigenous communities in Minnesota decreased by 26% between 2019 and 2020, and racial justice funding for Indigenous people in the state increased by 34% between 2019 and 2020. Nationally, racial equity funding for Indigenous communities increased by 2% and racial justice funding increased by 55% between 2019 and 2020.

Racial equity funding for people in Minnesota's Latinx communities decreased by 11% between 2019 and 2020; racial justice funding for Latinx

communities decreased by 38%. Nationally, there were increases instead of decreases: Racial equity funding for Latinx communities nationally increased by 12% and racial justice funding increased by 33% between 2019 and 2020.

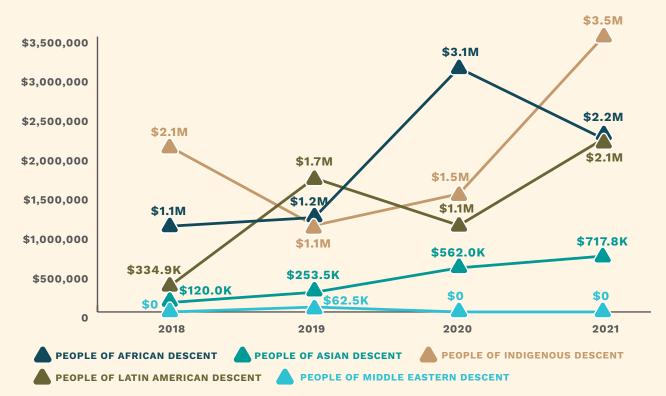
There was very little funding for people of Middle Eastern descent between 2018 and 2021—with most years reporting \$0 in racial justice funding for people of Middle Eastern descent. While racial equity funding for Indigenous and Latinx communities saw decreases between 2019 and 2020, this may be due to the data collection for those years being incomplete. Data for 2020 2021 are incomplete, and the funding designated for various communities in 2020 and 2021 could increase.



RACIAL EQUITY FUNDING BY ETHNIC GROUP IN MINNESOTA, BY YEAR

YEAR	PEOPLE OF AFRICAN DESCENT	PEOPLE OF ASIAN DESCENT	PEOPLE OF INDIGENOUS DESCENT	PEOPLE OF LATIN AMERICAN DESCENT	PEOPLE OF MIDDLE EASTERN DESCENT
2018	\$13,283,215	\$6,268,093	\$24,305,542	\$7,165,975	\$97,500
2019	\$14,805,865	\$6,634,940	\$23,716,491	\$10,355,352	\$169,300
2020	\$22,976,005	\$7,295,722	\$17,581,571	\$9,260,747	\$202,000
2021	\$20,589,161	\$6,387,043	\$19,509,914	\$9,704,244	\$60,000

RACIAL JUSTICE FUNDING BY ETHNIC GROUP IN MINNESOTA, BY YEAR



YEAR	PEOPLE OF AFRICAN DESCENT	PEOPLE OF ASIAN DESCENT	PEOPLE OF INDIGENOUS DESCENT	PEOPLE OF LATIN AMERICAN DESCENT	PEOPLE OF MIDDLE EASTERN DESCENT
2018	\$1,098,185	\$120,000	\$2,100,821	\$334,908	\$0
2019	\$1,283,455	\$253,500	\$1,126,837	\$1,771,372	\$62,500
2020	\$3,110,955	\$562,000	\$1,511,989	\$1,092,743	\$0
2021	\$2,216,419	\$717,750	\$3,517,500	\$2,158,557	\$0

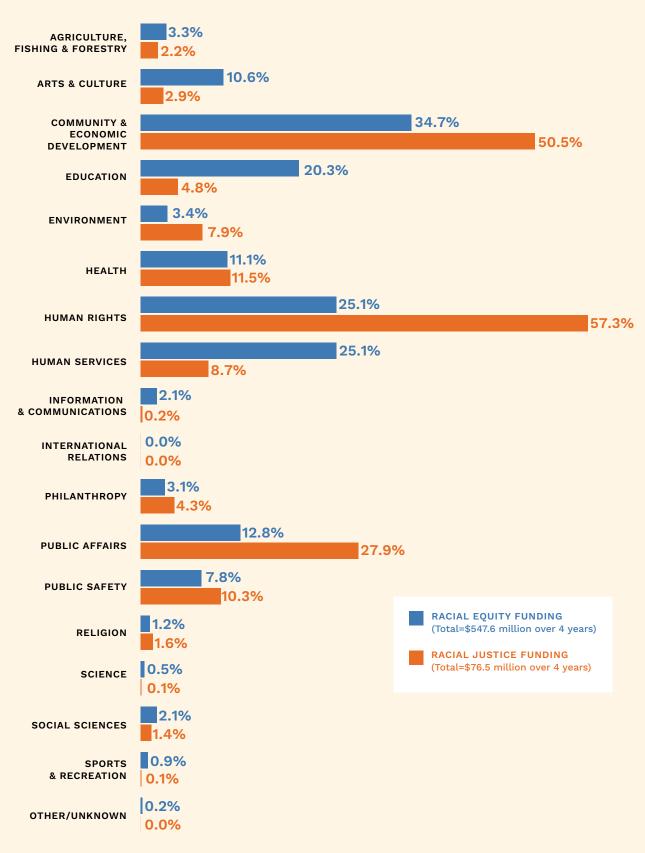
FUNDING FOR RACIAL EQUITY AND RACIAL JUSTICE BY SUBJECT AREA

IN MINNESOTA, RACIAL EQUITY FUNDING MORE LIKELY TO FOCUS ON ECONOMIC DEVELOPMENT

Looking at funding for racial equity in Minnesota by subject area, community and economic development was the most well-funded issue, accounting for nearly half of total grant dollars over 2018–2021. That's a much larger share than at the national level, where only about one-quarter of racial equity grant dollars were focused on community and economic development.

Other issue areas receiving high shares of funding for racial equity in Minnesota included human services (39%), human rights (34%), and education (26%). Compared to the national picture of racial







equity funding, Minnesota funding was more heavily skewed toward human services and had a lower share devoted to human rights.

The heavier focus on economic development and human services in Minnesota may reflect funders' frequent attraction to programs that address the economic needs and disparities faced by communities of color, but without engaging more deeply around the structures and systems that create those disparities. Economic development and human services have undeniable value, but are insufficient to create lasting change if funders do not also include a power analysis in their grantmaking.

As it was at the national level, the most wellfunded subject area within racial justice funding for Minnesota was human rights, making up 88% of grant dollars.

TOP 20 GRANT RECIPIENTS

The top 20 grant recipients received a larger share of racial equity funding for Minnesota: 32% of the total in 2018–2019 and 36% of the total in 2020– 2021. This is more top-heavy than racial equity funding nationally, where the top 20 recipients received 28% of racial equity funding in 2020.

Several new organizations appeared among the top 20 grant recipients in 2020–2021, including several multimillion-dollar mainstream institutions: University of Minnesota (the top grant recipient, at over \$17 million), the Minneapolis Foundation, YMCA of Metropolitan Minneapolis, and Local Initiatives Service Corp. This parallels a trend reported in *Mismatched*: large, mainstream institutions have been among the most significant beneficiaries of the recent increase in racial equity funding from foundations.

Some of these grants to mainstream institutions had a strong analysis of structural racism and included elements of deeper community engagement. For example, the largest grant to the University of Minnesota was for \$5 million from Blue Cross and Blue Shield of Minnesota Foundation to launch the Center for Antiracism Research for Health Equity, which is developing education and training programs on health inequities and structural racism and bringing together community leaders and policymakers to have conversations about racism and health inequities. Other grants to the university were more broadly focused on diversity, ranging from research on the health impact of stress eating among African American couples to scholarships for students of color. These wide-ranging grants are representative of the large variation in racial equity

grants for large mainstream institutions.

Several major people of color-led organizations also saw significant increases in funding in 2020–2021: Nexus Community Partners, Penumbra Theatre Company, and Latino Economic Development Center. Nexus and other intermediaries, such as Headwaters Foundation for Justice, saw notable increases in 2020–2021, potentially reflecting an effort by funders to channel more funding to grassroots, people of color-led organizations through local social justice intermediaries.

Racial justice funding in Minnesota was even more heavily weighted toward the top grantees than was racial equity funding. The top racial justice grant recipients received the majority of funding over the course of 2018–2021. The top 20 grant recipients received about 79% of total racial justice funding in 2018–2019 and about 72% in 2020–2021. Minnesota racial justice funding is also even more heavily weighted toward the top grantees than it is nationally, where the top 20 grant recipients received about 44% of funding in 2020.

The list of top racial justice grant recipients has a larger share of organizations led by and for communities of color, including grassroots groups such as Black Visions Collective, Inquilinxs Unidxs por Justicia, and Oyate Hotanin. Other than the University of Minnesota, the top grant recipient for racial justice in 2020–2021 was Nexus Community Partners, which serves as the fiscal home for a range of racial justice programs, including the Black Collective Foundation MN and a number of initiatives to build the wealth and power of communities of color.

1	Northside Achievement Zone	\$9,106,450
2	Hope Academy	\$7,560,370
3	ISAIAH	\$6,233,933
4	College Possible	\$5,464,423
5	Nexus Community Partners	\$5,372,170
6	Center for Economic Inclusion	\$5,273,327
7	International Institute of Minnesota	\$4,864,512
8	Comunidades Latinas Unidas en Servicio	\$4,591,304
9	Metropolitan Economic Development Association	\$4,256,500
10	Way to Grow	\$3,476,865
11	Twin Cities R!SE	\$3,272,865
12	Neighborhood Development Center	\$3,078,590
13	Urban Ventures Leadership Foundation	\$2,896,874
14	Pangea World Theater	\$2,668,603
15	Cristo Rey Jesuit High School–Twin Cities	\$2,663,930
16	Juxtaposition Arts	\$2,600,024
17	Penumbra Theatre Company	\$2,503,013
18	Neighborhood House	\$2,493,566
19	Appetite for Change	\$2,476,326
19 20	Appetite for Change Propel Nonprofits	\$2,476,326 \$2,398,778

TOP 20 RACIAL EQUITY GRANTEESTOP 20 RACIAL EQUITY GRANTEESIN MINNESOTA, 2018-2019IN MINNESOTA, 2020-2021

1	University of Minnesota / Regents of the University of Minnesota / University of Minnesota Foundation	\$17,472,991
2	Nexus Community Partners	\$11,517,767
3	Minneapolis Foundation	\$6,828,000
4	Penumbra Theatre Company	\$5,428,318
5	YMCA of Metropolitan Minneapolis, North Community Branch	\$5,000,000
6	Neighborhood Development Center	\$4,400,577
7	Family Housing Fund	\$4,125,000
8	The Link	\$3,742,936
9	Comunidades Latinas Unidas en Servicio	\$3,741,901
10	Northside Economic Opportunity Network	\$3,607,892
11	Local Initiatives Support Corp.	\$3,350,000
12	Headwaters Foundation for Justice	\$3,271,792
13	Northside Achievement Zone	\$3,246,442
14	Amherst H. Wilder Foundation	\$3,203,649
15	Juxtaposition Arts	\$2,877,117
16	Pillsbury United Communities	\$2,841,000
17	Latino Economic Development Center	\$2,674,650
18	International Institute of Minnesota	\$2,409,518
19	Coalition of Asian American Leaders	\$2,395,125
20	Propel Nonprofits	\$2,388,000

14

1	ISAIAH	\$6,233,933
2	Center for Economic Inclusion	\$5,273,327
3	Nexus Community Partners	\$3,822,170
4	Headwaters Foundation for Justice	\$2,390,902
5	TakeAction Minnesota Education Fund	\$2,255,031
6	Inquilinxs Unidxs por Justicia	\$1,056,146
7	MPD150/Voices for Racial Justice	\$1,026,496
8	Honor the Earth	\$782,000
9	Land Stewardship Project	\$680,000
10	Native Governance Center	\$553,050
11	Northside Achievement Zone	\$404,000
12	Women's Foundation of Minnesota	\$375,000
13	Cornerstone Advocacy Service	\$300,000
14	Center for American Progress	\$300,000
15	Ananya Dance Theatre	\$300,000
16	Division of Indian Work	\$300,000
17	Jewish Community Action	\$285,000
18	Protect Minnesota	\$260,000
19	People's Action Institute	\$250,000
20	Comunidades Organizando el Poder y la Accion Latina	\$217,976

TOP 20 RACIAL JUSTICE GRANTEESTOP 20 RACIAL JUSTICE GRANTEESIN MINNESOTA, 2018-2019IN MINNESOTA, 2020-2021

1	University of Minnesota / Regents of the University of Minnesota / University of Minnesota Foundation	\$5,301,500
2	Nexus Community Partners	\$4,967,767
3	Headwaters Foundation for Justice	\$3,271,792
4	Center for Economic Inclusion	\$1,714,565
5	Native Governance Center	\$1,475,200
6	Pillsbury United Communities	\$1,460,500
7	ISAIAH	\$1,321,529
8	MPD150/Voices for Racial Justice	\$1,095,275
9	Black Visions Collective	\$1,015,331
10	Land Stewardship Project	\$1,005,000
11	Inquilinxs Unidxs por Justicia	\$966,000
12	Centro de Trabajadores Unidos en la Lucha	\$820,500
13	TakeAction Minnesota Education Fund	\$690,000
14	Healing Justice Foundation	\$667,500
15	Oyate Hotanin	\$458,000
16	Climate and Clean Energy Equity Fund	\$450,000
17	Native American Community Development Institute	\$400,000
18	Borealis Philanthropy	\$400,000
19	Honor the Earth	\$350,300
20	Community Dental Care	\$350,000

The top racial justice grant recipients also include several organizations focused on economic development in communities of color and environmental justice organizations.

Notably, the top racial justice grant recipients include only a handful of organizations that played a leading role in the 2020 uprisings in response to the murder of George Floyd. One of the more prominent of these organizations, Black Visions Collective, received about \$1 million from foundations and corporations in 2020–2021. (Note that Black Visions did receive about \$30 million, mostly from individual donors across the nation outside the scope of this analysis; see sidebar *What About Giving from Individual Donors?.*) While many early estimates and reports implied or estimated that foundations and corporations were donating billions to support the racial justice uprisings of 2020, only a tiny fraction of funding actually went to Black-led social change organizations. It's telling that this pattern holds true even in foundation funding for Minnesota, the epicenter of the racial justice uprisings in 2020.

TOP FUNDERS

The top funders of racial equity in Minnesota provided the vast majority of funding, accounting for 57% of funding in 2018–2019 and 80% in 2020–2021. This is more top-heavy than racial equity funding was at the national level.

Several local Minnesota foundations made significant increases in their racial equity funding in 2020–2021. The Saint Paul & Minnesota Foundation and the Bush Foundation more than doubled their total dollars devoted to racial equity, and funders such as the McKnight Foundation and the Otto Bremer Trust also made large increases. Leading national funders also increased their racial equity investments in Minnesota in 2020–2021, with the Ford, Andrew W. Mellon, and Robert Wood Johnson foundations all making multimillion-dollar increases.

A pair of marked changes in the top funder list for 2020–2021 were the addition of corporate funders Target and UnitedHealth and the increase in funding from Blue Cross and Blue Shield, which roughly doubled its racial equity grantmaking. Note that with its recent \$100 million commitment to establishing two trust funds for Black and Indigenous communities, the Bush Foundation will be the top racial equity funder for Minnesota in 2022—likely giving out more than double the amount granted by any other single funder.

Racial justice funding was even more top-heavy than racial equity funding. The top funders for racial justice in Minnesota provided about 82% of funding in 2018–2019 and 89% of funding in 2020–2021. The largest racial justice funder in 2020–2021 was the Blue Cross and Blue Shield of Minnesota Foundation, almost entirely due to a single \$5 million grant to the University of Minnesota. The fact that a funder can claim the top funding spot with a single large grant is an indication that the total pool of funding for racial justice in Minnesota remains quite small.

1	McKnight Foundation	\$18,935,000
2	Greater Twin Cities United Way	\$15,288,879
3	Minneapolis Foundation	\$15,243,705
4	Saint Paul & Minnesota Foundation	\$14,299,325
5	Bush Foundation	\$13,778,409
6	Otto Bremer Trust	\$12,814,475
7	Northwest Area Foundation	\$7,877,331
8	Pohlad Family Foundation	\$7,360,750
9	Ford Foundation	\$6,867,500
10	Andrew W. Mellon Foundation	\$5,315,556
11	Cargill Foundation	\$3,831,000
12	Blandin Foundation	\$3,814,170
13	Blue Cross and Blue Shield of Minnesota Foundation	\$3,701,273
14	Margaret A. Cargill Philanthropies	\$3,522,209
15	Kresge Foundation	\$3,387,404
16	F. R. Bigelow Foundation	\$2,843,000
17	NoVo Foundation	\$2,775,000
18	New Venture Fund	\$2,340,480
19	Best Buy Foundation	\$2,215,640
20	W. K. Kellogg Foundation	\$2,138,205

TOP 20 RACIAL EQUITY FUNDERSTOP 20 RACIAL EQUITY FUNDERSIN MINNESOTA, 2018-2019IN MINNESOTA, 2020-2021

1	Saint Paul & Minnesota Foundation	\$33,015,446
2	Bush Foundation	\$30,667,638
3	Otto Bremer Trust	\$25,760,865
4	McKnight Foundation	\$25,061,000
5	Minneapolis Foundation	\$16,837,771
6	Ford Foundation	\$14,401,091
7	Target Foundation	\$13,585,178
8	Northwest Area Foundation	\$9,899,356
9	Andrew W. Mellon Foundation	\$9,314,700
10	Blue Cross and Blue Shield of Minnesota Foundation	\$7,579,951
11	Richard M. Schulze Family Foundation	\$7,548,692
12	Robert Wood Johnson Foundation	\$6,643,465
13	UnitedHealth Group Incorporated Contributions Program	\$5,000,000
14	Blandin Foundation	\$4,935,955
15	GHR Foundation	\$4,596,049
16	Kresge Foundation	\$4,079,750
17	W. K. Kellogg Foundation	\$3,776,917
18	Thrivent Financial for Lutherans	\$3,511,000
19	Bezos Day One Fund	\$2,500,000
20	Best Buy Foundation	\$2,265,500

TOP 20 **RACIAL JUSTICE** FUNDERS IN MINNESOTA, 2018–2019

1	Ford Foundation	\$6,517,500
2	McKnight Foundation	\$4,435,000
3	Bush Foundation	\$2,705,523
4	Minneapolis Foundation	\$2,388,295
5	New Venture Fund	\$1,817,980
6	Saint Paul & Minnesota Foundation	\$1,354,341
7	Kendeda Fund	\$1,226,666
8	Northwest Area Foundation	\$900,000
9	Otto Bremer Trust	\$870,235
10	Kresge Foundation	\$853,571
11	W .K. Kellogg Foundation	\$750,000
12	Surdna Foundation	\$590,000
13	Pohlad Family Foundation	\$575,000
14	Blue Cross and Blue Shield of Minnesota Foundation	\$567,500
15	TakeAction Minnesota Education Fund	\$536,283
16	Joyce Foundation	\$470,000
17	Nathan Cummings Foundation	\$425,000
18	JPMorgan Chase & Co. Contributions Program	\$400,000
19	Greater Twin Cities United Way	\$360,250
20	Foundation to Promote Open Society	\$350,000

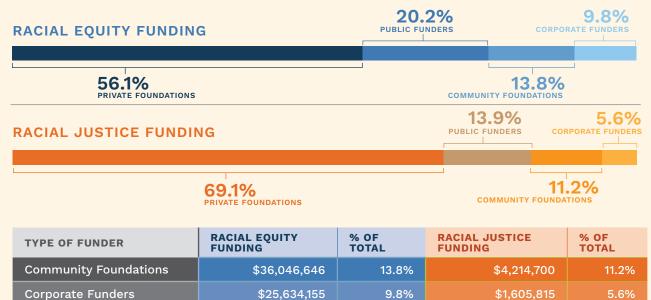
TOP 20 **RACIAL JUSTICE** FUNDERS IN MINNESOTA, 2020–2021

1	Blue Cross and Blue Shield of Minnesota Foundation	\$5,350,000
2	McKnight Foundation	\$4,520,000
3	Ford Foundation	\$4,256,091
4	Bush Foundation	\$3,418,667
5	Northwest Area Foundation	\$2,950,356
6	Minneapolis Foundation	\$2,594,484
7	Otto Bremer Trust	\$2,335,000
8	GHR Foundation	\$1,928,000
9	Saint Paul & Minnesota Foundation	\$1,547,180
10	Blandin Foundation	\$1,445,675
11	Kresge Foundation	\$1,039,750
12	Thrivent Financial for Lutherans	\$870,000
13	W. K. Kellogg Foundation	\$816,667
14	Charles Stewart Mott Foundation	\$800,000
15	Opus Foundation	\$780,000
16	StartSmall LLC	\$750,000
17	Headwaters Foundation for Justice	\$705,000
18	Robert Wood Johnson Foundation	\$600,000
19	JPB Foundation	\$550,000
20	Best Buy Foundation	\$470,000

18

FUNDING BY FUNDER TYPE

RACIAL EQUITY AND RACIAL JUSTICE FUNDING IN MINNESOTA BY FUNDER TYPE, 2018–2019



56.1%

20.2%

\$23,792,212

\$4,829,977

69.1%

13.9%

\$25,634,155

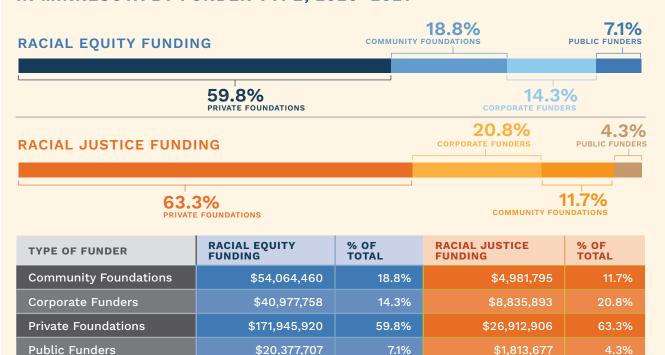
\$146,065,038

\$52,623,594

RACIAL EQUITY AND RACIAL JUSTICE FUNDING IN MINNESOTA BY FUNDER TYPE, 2020-2021

Private Foundations

Public Funders



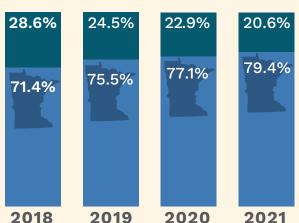
MINNESOTA-BASED FUNDERS DROVE THE INCREASE

More than three-quarters of racial equity funding for Minnesota (76.0%) was awarded by Minnesota-based funders. That percentage has steadily increased and helped drive increases in racial equity grantmaking.

By comparison, funders outside of Minnesota have consistently accounted for a larger share of racial justice funding. Closer to half of racial justice grantmaking for Minnesota (59.2%) was awarded by Minnesota-based funders, with the other half coming from funders outside of Minnesota. The percentage of racial justice funding coming from Minnesota-based funders has increased steadily since 2018.

In general, the racial equity funding from outside the state has been relatively stable—ranging from \$30 million to \$35 million a year. The same can be said for racial justice funding from outside of the state—usually around \$7 million to \$8 million a year. The shifts in racial equity and racial justice funding have largely been driven by funders inside the state.

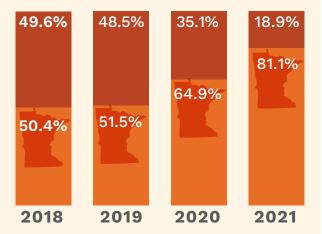
SOURCE OF RACIAL EQUITY AND RACIAL JUSTICE FUNDING IN MINNESOTA, 2018–2021



RACIAL EQUITY FUNDING

	MINNESOTA GRANTMAKERS	OUTSIDE Grantmakers
2018	71.4%	28.6%
2019	75.5%	24.5%
2020	77.1%	22.9%
2021	79.4%	20.6%

RACIAL JUSTICE FUNDING



	MINNESOTA GRANTMAKERS	OUTSIDE Grantmakers
2018	50.4%	49.6%
2019	51.5%	48.5%
2020	64.9%	35.1%
2021	81.1%	18.9%

WHAT ABOUT GIVING FROM INDIVIDUAL DONORS?

While the data we are reporting on throughout this snapshot focuses on support from institutional funders, donations from individuals consistently account for about three-quarters of charitable giving in the United States a much larger share than foundations or corporations provide.⁴

Individual giving is more difficult to track than grantmaking by foundations, which are required to publicly report on all annual grants in IRS 990 or 990-PF forms. As a result, we do not have detailed data on individual giving for racial equity and racial justice in Minnesota or nationally.

The information we do have indicates that individual giving constitutes a significant portion of giving for racial equity and justice—likely larger than the amount provided by foundations. This includes both high-figure support from "megadonors" and grassroots giving in small amounts by many individuals.

The information we do have indicates that individual giving constitutes a significant portion of giving for racial equity and justice—likely larger than the amount provided by foundations.

made donations totaling \$15 million to three organizations: Greater Minnesota Housing Fund, Penumbra Theatre Company, and YWCA St. Paul.

Reports from racial equity nonprofits indicate that individual donors of more modest means also increased their giving in 2020. Two racial justice organizations in Minneapolis, Black Visions and Reclaim the Block, reported receiving about \$30 million in donations since the uprisings in response to the murder of George Floyd. They have committed to redistributing a significant portion of these funds, and have given out more than \$8.9 million to community members, nonprofit organizations, and other groups.⁵

The most prominent large-scale philanthropist of recent years has been MacKenzie Scott, the novelist who helped found and develop Amazon and was previously married to Amazon founder Jeff Bezos. Rather than establish a private foundation as many large donors do, Scott has given out donations personally and on an unprecedented scale. She made \$6 billion in charitable donations in 2020, including \$1.09 billion for racial equity. In Minnesota specifically in 2020 and 2021, Scott

At the national level, the Black Lives Matter Global Network Foundation received about \$90 million in 2020.⁶ Similar to Black Visions, Black Lives Matter Global Network Foundation has committed to redistributing much of those funds and has reinvested \$25 million in Black communities in a range of forms, from COVID relief funds for individuals to grants to BLM chapters and other Black-led frontline organizations.

[4] Giving USA, Giving USA 2022: The Annual Report on Philanthropy for the Year 2021 (June 2022), available online at https://givingusa.org/

- [5] Black Visions, How Much Money Has Been Redistributed so Far? (February 2021), https://www.blackvisionsmn.org/redistribution
- [6] Associated Press, "Black Lives Matter Foundation Raised Over \$90 Million in 2020," MarketWatch (February 23, 2021), available online at https://www.marketwatch.com/story/black-lives-matter-foundation-raised-over-90-million-in-2020-01614113337.

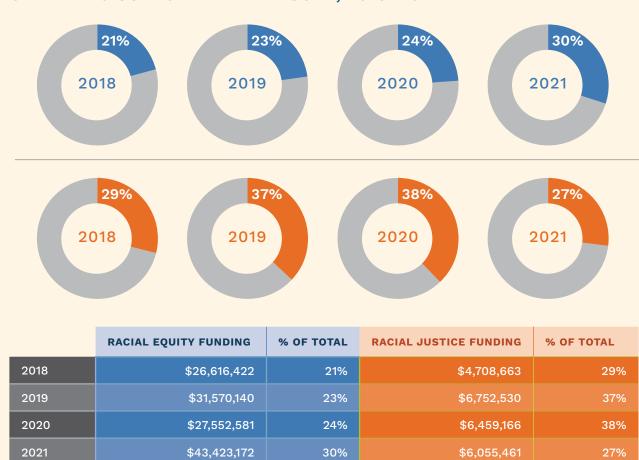
FUNDING FOR GENERAL OPERATING SUPPORT

MORE GENERAL OPERATING SUPPORT IN MINNESOTA

In any given year, approximately 21% to 30% of racial equity funding in Minnesota was awarded in the form of general operating support. A higher percentage of racial justice funding in Minnesota was awarded in the form of general operating support—27% to 38%.

On average, a higher percentage of racial equity and racial justice funding in Minnesota was awarded in the form general operating support when compared to national numbers. Nationally, 20% to 24% of racial equity funding was awarded in the form of general operating support. Nationally, 22% to 30% of racial justice funding was awarded in the form of general operating support.

The higher degree of unrestricted funding in Minnesota may be indicative of more trustbased philanthropic practices in the state, more established Black-led social change and racial justice organizations, or a combination of both.



RACIAL EQUITY AND RACIAL JUSTICE FUNDING DEVOTED TO GENERAL OPERATING SUPPORT IN MINNESOTA, 2018–2021

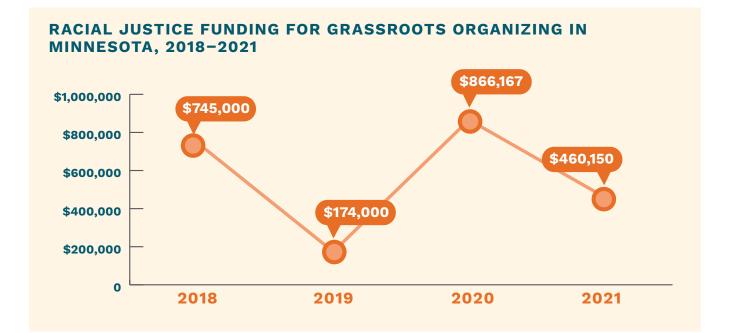


FUNDING FOR GRASSROOTS ORGANIZING

FUNDING FOR GRASSROOTS ORGANIZING IS LOW, BUT HIGHER THAN THE NATIONAL AVERAGE

Racial justice funding for grassroots organizing in Minnesota fluctuated significantly between

2018 and 2021. At its peak in 2020, support for grassroots organizing accounted for 5.1% of all racial justice grantmaking in Minnesota. While that may seem low, it is higher than the 4% of racial justice grantmaking nationally allocated to grassroots organizing.



APPENDIX: GRANTMAKING DATA METHODOLOGY

The data analysis in this report, conducted by the Philanthropic Initiative for Racial Equity, draws on grants data from Candid, an organization that gathers data about nonprofits and philanthropic grantmaking in the United States and globally.

Candid collects data from private foundations of all sizes, public charities that award grants to other nonprofits (sometimes called public foundations or intermediaries), and corporations. More recently, Candid has begun to collect data from high-net-worth individuals and government grants, but grants from these sources are excluded from the analysis for this report, which seeks to provide a comprehensive analysis of grantmaking for racial justice and racial equity by institutional funders.

Candid's grants data are compiled from the IRS returns required of all nonprofits and private foundations (IRS Form 990 and Form 990-PF, respectively), information reported directly to Candid through its electronic reporting program,⁷ and other resources, such as annual reports, grantmaker websites, news articles, and press releases.

[7] More than 900 funder partners globally share their grants data directly with Candid, which also has gathered data from public sources on almost 6,000 additional funders who support racial equity work. Please contact Candid at <u>egrants@candid.org</u> to learn how to directly contribute data.

Grants data are coded according to Candid's Philanthropy Classification System, which consists of several facets: subject, population served, support strategy, transaction type, organization type, and geographic area served. Candid uses various "autocoding" methods and some manual review to assign codes to organizations and grants. For more detailed information about these methods, see this webpage.

The findings from PRE are based on PRE's analysis of Candid's comprehensive funding database and the development of new search criteria to identify grants specifically for racial equity and for racial justice. The PRE- and Candid-developed criteria for racial equity grants are tied to the broader definition of racial equity that much of mainstream philanthropy and corporations use. This includes any grants that explicitly reference communities of color or grants that were awarded to organizations that are explicit about serving various communities of color as part of their mission. It also includes grant descriptions that mention the word "race" plus at least one of a range of terms, such as "access," "opportunity," "inclusion," and "disparities." Within this data set of racial equity grants, we applied a more rigorous definition for identifying a subset of racial justice grants, including search terms such as "power," "advocacy," and "justice."

Our analysis centers primarily on Candid grants data for the years 2018 through 2021, because covering a four-year period helps to account for any year-specific variances, such as a large multiyear grant being awarded and counted in a single year. Moreover, we chose 2018 through 2021 principally because those are the most recent years of completely and partially coded grants data and because the period represents a turning point in the national discourse on racial justice following the murder of George Floyd.

Note that Candid's data sets for 2018 and 2019 are nearly complete, while the data sets for 2020 and 2021 are still being compiled. As of the writing of this report, Candid estimates that they have nearly two-thirds of all 2020 data and slightly less than a quarter of 2021 data. As such, all figures for those years should be considered preliminary estimates.

To partially compensate for some of the gaps in Candid's 2020 and 2021 grantmaking data, PRE secured missing grantmaking data for 2020 and 2021 from top funders including the McKnight Foundation, the Minneapolis Foundation, and Otto Bremer Trust. Supplementing Candid's data with additional grantmaking information from some of the top funders in the region helps advance a fuller funding picture given the topheavy nature of grantmaking for racial equity and racial justice funding. In 2018–2019, more than half of racial equity funding in Minnesota came from the top 20 funders and nearly twothirds came from the top 50 funders.

The analysis for this report was narrowed to focus on funding specifically for the state of Minnesota. PRE examined all grants awarded to grant recipients located in Minnesota, and then removed grants for organizations and programs that were primarily focused on the national or regional level. (For example, Borealis Philanthropies is based in Minneapolis and manages several pooled funds that are largely national in scope; grants to Borealis were excluded from the data set unless they were specifically focused on Minnesota.) PRE also examined grants awarded to grant recipients based outside Minnesota but that the funder had indicated were intended to support work in Minnesota. These grants were included as well, and were prorated in cases where the grant supported work in multiple states.



EXCERPTED FROM

TOWARD POWER-SHIFTING SOLIDARITY WITH BLACK-LED CHANGE

The State of Philanthropic Investments & Transformative Invitations to Advance Racial Justice in Minnesota & Beyond

A PARTNERSHIP BETWEEN THE **BLACK COLLECTIVE FOUNDATION MN** AND THE **CENTER FOR EVALUATION INNOVATION**

> WITH CONTRIBUTIONS FROM THE PHILANTHROPIC INITIATIVE FOR RACIAL EQUITY







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