

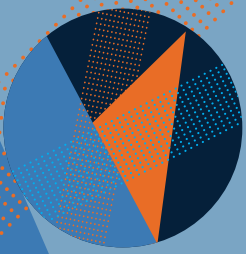


DERAILED

**Rising Attacks and
Retreating Resources
for Racial Justice**

**FIVE YEARS
AFTER *MISMATCHED* —
WHERE PHILANTHROPY
STANDS NOW**

FALL 2025



MOVEMENT PERSPECTIVES

Movement leaders were having notable success thanks to an increase in grant dollars from philanthropic institutions following the nationwide eruptions of civic anger over the murder of George Floyd in the summer of 2020. Organizations used that influx of resources to recruit new members, train more leaders, and strengthen their capacity to take advantage of a new national conversation about police violence in Black and Brown communities. They were innovating and advancing ecosystems. Communities were winning policy campaigns and getting people more involved in civic life.

Cliff Albright, co-founder of the Black Voters Matter Fund, shares some of the impacts. “For Black-led organizations, the influx of funding after 2020 produced measurable shifts. We expanded our base, doubled the number of trained organizers in some regions, multiplied the number of community events and impact of such events, expanded narrative work, and turned out voters who had never been contacted before,” he says. “For a moment, there was enough oxygen for Black movement groups to build real power.”

Within two years, there were already hints of the retrenchment to come. The U.S. Supreme Court added *Students for Fair Admissions v. Harvard et al.* to its docket in 2022. Government-

funded Covid-19 pandemic relief for the most vulnerable communities was coming to an end. In June 2023, just three years after millions of Americans hit the streets for racial justice, the Supreme Court’s dismantling of affirmative action at universities through the *Students for Fair Admissions* case threw cold water on the fire so many philanthropic and corporate leaders had claimed to feel.

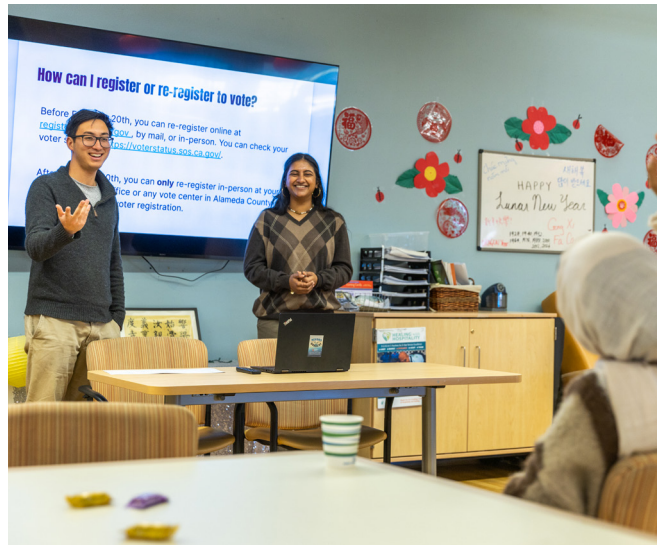


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The decision quickly reverberated across philanthropy and thus began the rapid slide — via tightening compliance, “strategic planning,” and new priorities — to abandonment of public philanthropic commitments. Many institutions replaced mission and moral clarity with legal caution, prioritizing their tax status and

portfolios over their grantees. Foundations increasingly filtered their racial justice and DEI-related grants through risk assessments rather than justice frameworks, signaling a profound shift in tone and tolerance.

Grantmakers began lawyering up and reassessing their commitments. The *Students for Fair Admissions* decision sent shock waves through much of philanthropy, prompting exceedingly cautious foundations to evaluate every racially explicit or community-specific grant through a narrow legal lens.

"I know foundations that have asked for increased scrutiny of grants and changes in language," reports Alex Tom, executive director of the Center for Empowered Politics. "It stems from existing and emerging threats against funders and/or their fear and concerns around risk."

For Kierra Johnson, president of the National LGBTQ Task Force, the new scrutiny created jarring conversations: "Now, some funders express concerns about our DEI work and whether our C3/C4 activities could be misconstrued. It's stressful and confusing. When your name is the National LGBTQ Task Force and you're led by a Black woman who deeply believes in racial and gender analyses, these conversations are becoming challenging."

For organizations accustomed to the cyclical nature of philanthropy funding, the initial slowdown of funding felt familiar, even if deeply frustrating.

"The chilling effect in philanthropy didn't land evenly," notes Albright of the Black Voters Matter Fund. "Black groups felt it first and most sharply. Funding shifted from 'What do you need to win?' to 'What language will make lawyers comfortable?' That's not a strategy — that's a slow-rolling abandonment. And it undermines the very people most targeted by authoritarian policy."

"As a first-time executive director, I've noticed a trend," explains Irma Shauf-Bajar, executive director of 18 Million Rising. "When your community hits the spotlight, the money floods in for about three years. Funders rush to invest in whatever's trending — Asian American, trans, Black communities — and then the attention

shifts, the funding dries up, and we're left scrambling to keep the work alive. It's almost become a running joke: you get your three years in the sun, then you're on your own."

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— CLIFF ALBRIGHT,
BLACK VOTERS MATTER FUND

But something in the tenor, tone, and tolerance around racial justice in conversations with grantmakers had changed. By the time Felipe Sousa-Lazaballet, executive director of Hope Community Center, received a directive from some funders to remove the word "immigrant" from Hope Community Center's mission statement on grant applications, the pattern had become untenable.

"That's erasure," he says. "When you're erased, they can later claim the work isn't needed and cut funding further. There's also stricter reporting requirements and monitoring of social media."

Pro-Palestine Activism

While the affirmative action decision created legal anxieties and reactions, Israel's war on Gaza that followed the October 7, 2023, attack by Hamas created another fault line in the funder community. Movement organizations that took public positions found themselves suddenly radioactive to funders.

"There was a chilling effect that we felt in the first six months of 2024," Shauf-Bajar recalls. "Program officers were telling us in confidence that our solidarity with Palestine made it difficult for them to fit us into their priorities."

What began as quiet warnings escalated to dramatic action. "In March 2025, a funder revoked \$250,000, the final payment of our grant, because of a solidarity statement for Palestine we



COURTESY OF VOCES DE LA FRONTERA — PHOTO BY CLAUDIO MARTINEZ

made in October 2023,” she says. “They said our values no longer aligned with theirs. It was a stark reminder of how quickly support can vanish when you speak your truth.”

Darakshan Raja, founding executive director of Muslims for Just Futures, notes how the Palestine struggle intersects with broader racial justice movements and marked another shift in 2023: “Within philanthropy, groups have continued to navigate the long-standing divestment from Palestine organizing and advocacy. In addition, impacted BAMEMSA groups have continued to find barely any support given the deep entrenchment of the national security apparatus. Movements have also been facing an increase in the weaponization of antisemitism accusations against the groups.”

The divide became impossible to ignore: “In 2023 is when I started noticing that there was a retreat away from funding explicit initiatives that focused on anti-Blackness racism, racial equity, and racial justice,” Raja explains.

Most troubling to some movement leaders was how it “created ruptures within philanthropy,” even among committed racial justice funders, Raja says. “You heard some people saying, ‘We’re committed to supporting racial justice but

not to Palestine.’ There’s this refusal to recognize how integral this fight is to our racial justice and racial equity fights domestically.”

“The World Shifted”

While philanthropy’s retreat created one crisis, the federal funding collapse created another, often more acute emergency for movement organizations. Maria Brenes, co-executive director of the Movement Innovation Collaborative, points out: “Legal aid, immigrant rights, and LGBTQ organizations have lost federal funding and face major setbacks. Corporate racial justice commitments are unclear. How much of these investments were made toward power building? It’s unlikely they remain a source of support.”

Janeen Comenote, executive director of the National Urban Indian Family Coalition, offers stark numbers from her network. “In 2017, we assessed budgets for our 55 member nonprofits,” she explains. “Except for three, all relied on what we call civic funding — city, county, state, federal — for over 85 percent of their budgets. Because they are social service nonprofits, they tend to provide those services, and they do it better than the institution can.”

The Trump administration's policies under the so-called Department of Government Efficiency (DOGE) hit with devastating speed. "In April 2025, we gathered all our nonprofits," Comenote reports. "They had lost a combined \$8 million just 90 days into the administration."

Operational failures in the federal government compound the financial losses. "Most of our organizations, especially those providing health services, are scrambling because federal funding streams like community development block grants are disrupted," she notes. "Contacts at federal agencies have been fired, leaving nonprofits in chaos."

The bureaucratic breakdown leaves organizations in limbo. "When it's time to renew grants, there's no one to call," Comenote says. "Agencies don't know if they'll get their next round of funding. It's complete confusion."

Glenn Harris, president of Race Forward, marks July 2025 as the inflection point.

"The world shifted," he says. "Early in 2025, we sat down with all our funders and asked if they were continuing support. We secured about 85 percent of previous commitments. We saw a 15 percent to 20 percent decline, mostly attributed to economic reasons. Then everything changed. In July, we saw a steep drop-off in fee-for-service work — over 20 percent."

The losses compounded quickly. "We continued to see declines in general giving from foundations and donors," Harris continues. "One foundation eliminated its entire economic mobility program, which was a \$2 million loss for us. Heading into 2026, we expect a 15 percent to 17 percent reduction and anticipate that trend will continue."

Julie Nelson, who works with Harris at Race Forward and manages its Government Alliance on Racial Equity (GARE) program, describes how federal pressure amplified the crisis: "On top of executive orders, letters have been sent to cities and counties stating that if they don't stop what's being called 'illegal DEI work,' federal funds will be withheld. Local governments cannot function or will find it very difficult to function without federal funds. So when multiple federal agencies — Transportation, Housing and Urban

Development, etc. — issued letters saying, 'If you do illegal DEI, we'll withhold funds,' local governments had to decide whether to assert that their work is legal and consistent with their values."

The human cost became starkly visible. "We've seen backsliding from jurisdictions where there was not strong political will or substantive foundational work, which has resulted in a decline in GARE membership," Nelson notes. "At the local level,

loss of federal funding will have a real impact on conditions in communities, including housing, transportation, education, and other areas. Some worry about losing jobs. Layoffs at the federal level disproportionately target Black women. Agencies like Education and EPA are being attacked. It's clear there's a political agenda."

Some Funders Leaning In

Despite the grim landscape, some funders have chosen to lean in rather than pull back. Marc Philpart, president and CEO of Black Freedom Fund, acknowledges both the losses and the gains: "We've had wonderful foundation partners over the past five years, but many are now walking away. They feel they've fulfilled their racial



PHOTO COURTESY OF 18 MILLION RISING

justice commitments and are offering tie-off grants before exiting. We have plenty of those stories, but also stories of funders who are excited about what we're building, how bold and courageous the work is, and want to partner with us."

Race Forward's Glenn Harris notes the change in philanthropic decision-making while praising exceptions: "Philanthropic institutions are leaning into decisions driven by lawyers, creating caution and reducing grant sizes. I clearly see a shift in conversations with funders and what they are funding. There is some emphasis on funding frontline work and filling gaps caused by political and economic attacks. Some exceptions deserve praise and recognition."

These exceptions span different types of philanthropies. A national network of donors has organized to work in collaboration with movement leaders by establishing a movement-building fund. A state-based foundation has made a 10-year commitment to an organization to help it experiment with best practices for activating community residents. A national health funder and a family foundation in the Midwest have increased payouts. Several regional associations of grantmakers are galvanizing their members around protecting philanthropy's independence while embracing trust-based philanthropy principles when funding their grantees. A newer foundation works with its grantees to explicitly defend democracy through collective action.

Yet even these bright spots cannot obscure the broader retreat.

Maria Brenes of the Movement Innovation Collaborative identifies a critical disconnect: "Program officers often align with racial justice needs, but boards — the real decision-makers — are unclear. That gap has always existed, but it's more dangerous now because of federal hostility toward institutions supporting frontline work."

Marc Philpart of Black Freedom Fund adds: "Too many insular conversations are happening

where institutions assess risk and sometimes get bad counsel without realizing it. Having diverse perspectives is critical."

From Movement Leaders: "Match Our Courage"

Philanthropy's recent retreat represents more than a simple funding-cycle downturn. Across the social justice landscape, from immigrant rights organizations to racial justice groups, movement leaders are watching commitments evaporate, grants disappear, and years of relationship building dissolve as foundations navigate what they perceive as increasingly threatening political terrain.

Maria Brenes of the Movement Innovation Collaborative frames the challenge starkly: "Moving into 2024 and amid the rightward shift, funding did not materialize into sustained support. Organizations now face uncertainty about long-term commitments from philanthropy and government."

As movement organizations face mounting threats and dwindling resources, their leaders are issuing an urgent call to philanthropy: match our courage. Philanthropy needs to work with movement leaders and communities to maintain the gains made in previous years and build momentum for the future.

"Funders need to be bold, courageous, and reflective," argues Marc Philpart of Black Freedom Fund. "Anyone with a differing political view is a target. Stand on your values and work with partners committed to strategies that do no harm."

Here's how some movement leaders are recommending philanthropy work with organizations and communities to move forward:

Build on Past Wins

Philanthropy must build on successes from the past — and take inspiration from how movements, often in partnership with philanthropy and voluntary associations,

have made great strides to protect American democracy and advance racial justice.

Alex Tom, executive director of the Center for Empowered Politics, argues that the current political climate represents a systematic rollback of progress achieved decades ago. "This moment is happening because we hit a pinnacle in the 1970s and gave them a real challenge," he says. "They've spent 40 to 50 years tearing that progress back."

Today's retreat thus signals effectiveness rather than failure.

Similarly, Maria Brenes of the Movement Innovation Collaborative observes, "California's story proves organizing works. Over 30 years, we moved from a red state to a more progressive one by fighting mass incarceration, labor exploitation, and criminalization."

Black Freedom Fund's Marc Philpart encourages organizations and their supporters to view attacks as validation and as an inspiration to maintain their commitment to transformative work. "Don't stop doing impactful work because it's under attack. If people are targeting you, it means you're making a difference. Keep going."

Brenes agrees, while acknowledging the raised bar: "It hasn't been enough. And that's why it's so important for the investment in racial justice and power building to continue, now more than ever."

Race Forward's Julie Nelson frames the current moment as pivotal, urging funders to consider

their legacy. "The headlines about people being attacked and rounded up are frightening. These are indicators that we are at a critical moment in history," she points out. "If I were talking to a funder, I'd ask: 'Do you want to be on the right side of history 10 years from now?'"

Invest in Deep Partnerships

Movement leaders convey a hunger for more meaningful shared commitment, which has felt increasingly difficult but more necessary in this climate.

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— ALEX TOM,
CENTER FOR EMPOWERED POLITICS

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Partnerships have to be authentic, fully embracing the energy and know-how that people on the ground bring to the conversation. The collective message from organizations is that good partnership requires moving beyond transactional relationships toward genuine collaboration built on mutual respect, shared decision-making, and community-driven approaches.

Felipe Sousa-Lazaballet of HOPE Community Center observes that funders have historically failed to understand that organizations "made of and led by the people impacted by the issues" are at the cutting edge of solutions. "If we're willing

to risk everything, we need partners to match that same level of urgency. This is the critical moment we've been talking about for years," says Sousa-Lazaballet, who emphasizes that trust and flexibility are also essential components of effective partnership.



18 Million Rising's Irma Shauf-Bajar adds that "funders need to meet with us and set priorities together." She encourages funders to think about how working with and investing in base-building organizations means "not just staff, but also a whole community that is behind them."

Judith Browne Dianis, executive director of Advancement Project, is very candid about what happens when funders do not take the principles of partnership seriously: "Foundations have invested in organizations and then act like we don't exist. There are privileged conversations happening about which groups should merge or die off — as if having the checkbook gives them that authority. Philanthropy needs to be in conversation with grantees."

Understand the Importance of Long-Term, Unrestricted Grants

Philanthropy is in the money business. Serious philanthropic investment demands long-term, unrestricted support that is flexible and allows movement organizations to be responsive to community needs while being nimble.

From calls to double endowment spending to minimum three-year commitments extending through 2028, movement leaders are asking foundations to move resources faster — over a longer arc — and provide the flexible support that allows organizations to weather this moment.

The current model of restricted, short-term funding is inadequate to meet the mounting threats to civil society and racial justice. While initial increases in funding sparked optimism, movement leaders report that those gains have not translated into the sustained investment that organizations require. Marc Philpart of Black Freedom Fund emphasizes that "general operating multiyear support," while harder to come by, is essential to the strength and flexibility organizations must have to do movement work.

Across the sector, several leaders argue that foundations should dramatically increase their payout rates and commit to multiyear general operating grants — what Janeen Comenote of the National Urban Indian Family Coalition calls the "holy grail" of grant awards.



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In fact, Alex Tom, who helps support infrastructure for movement organizations across the country as head of the Center for Empowered Politics, advocates for an “overspend.” Tom notes: “If funders could consider even a temporary overspend for three years — or simply give a boost right now — that would help. I think of it as what it costs to get the work done. There’s another layer of resources needed for security — both defense and offense. We need more flexibility, more resourcing, and more redundancy.”

Tom continues: “Funders often split hairs. They say, ‘We already funded that,’ or ‘Many people in this coalition are part of that effort.’ But when things fall apart, the right wing has so much redundancy that they can easily move laterally. Funders need to be more nimble and flexible. They need to be bolder, more creative, and give more.”

Having multiple groups doing the same thing is a net positive. It indicates that organizers and leaders are operating across their own particularities — geography, identity, immigration status and others — to replicate a strategic approach that works. Repetition of ideas, values and solutions at scale are critical to establishing these elements at the core of a civic uprising that

engages everyday people in the work of building community, creating and supporting effective public institutions, and holding private and public sector leaders accountable.

And incremental approaches will not suffice. As Glenn Harris of Race Forward puts it, “If you believe in democracy, now is the moment to commit to organizations for four years. Five percent or less of a foundation’s payout cannot work. Philanthropy must go all in.”

Recognize the Threats and Support Infrastructure

Movement organizations find themselves navigating an increasingly hostile landscape, one where the work of racial justice advocacy has become inseparable from questions of safety. Traditional grantmaking, often focused on programming and operational expenses, no longer addresses these realities. Organizations championing immigrant rights or freedom of speech, for example, are experiencing direct threats — sometimes both digital and physical — that demand resources rarely contemplated in conventional grants to nonprofits.

“Funders need to step up and help build a real movement defense fund for people facing

“censorship,” argues Irma Shauf-Bajar of 18 Million Rising. “This kind of support is essential. Communities need resources for security, for legal protection — things that have never been part of traditional budgets but are now critical to sustaining our work.”

This sense of urgency underscores a growing consensus among movement leaders that the old philanthropic playbook no longer suffices. “Organizations need secure systems, safety, and contingency planning, which require real resources,” adds Glenn Harris of Race Forward.

Beyond immediate security concerns, groups are rethinking financial safety and sustainability itself.

“We’ve had to double down on fundraising capacity and expand partnerships,” reports Marc Philpart of Black Freedom Fund. His organization has also invested in legal infrastructure and tools for both defense and offense, including building its own 501(c)(4) nonprofit and political action committee.

The next phase of movement building, it seems, will depend not only on courage and conviction, but also on reimagining the very scaffolding — legal, digital, and financial — that keeps racial justice visible.

Stay on Message About Race While Investing in Cross-Field Support

The case for the importance of racial justice is not in question. Philanthropy needs to stay on message: racial justice is imperative to the core principles of American democracy.

To do that, however, funders cannot force people and communities into grantmaking (read: programmatic) silos in their efforts to

fund racial justice. Movement leaders argue that many foundations still organize grantmaking too narrowly — by issue, geography, or population — leaving those working at the intersection without sustained backing.

Race Forward’s Glenn Harris notes, “We need investment in cross-field, cross-movement support. Solidarity matters, but organizations lack resources to coordinate and align. Without investment, collaboration is nearly impossible.”

“Many national foundations backed away from Florida, which in my opinion is a mistake. So, you’re giving up on a 23-million-people state. How are we going to ever gain power again?”

— FELIPE SOUSA-LAZABALLET,
HOPE COMMUNITY CENTER

Advancement Project’s Judith Browne Dianis has seen this tension firsthand. She argues that funders’ retreat from supporting legal advocacy has undercut the infrastructure of progress. Some foundations, she says, have decided “we’re just not funding lawyers anymore” — even though

that work is often a pivotal power-building tool when used in service of organizing campaigns. Groups such as hers don’t just litigate, she explains; they also strategize alongside organizers and provide critical insights that shape movement direction.

The misstep that funders often make in choosing between funding national organizations or state-based groups is real too. “Philanthropy’s lack of understanding about the symbiotic relationship between national and state organizations has yielded strategies that prioritize one over the other,” argues Kierra Johnson of the National LGBTQ Task Force. “It creates barriers to strategic partnerships that can have deeper and broader impact, including sustainable infrastructure to win local campaigns and national strategies that are responsive to local experiences, needs and goals.”

And, as Felipe Sousa-Lazaballet of Florida-based Hope Community Center knows, the perils of this approach can far surpass neglect or missed

opportunities. It can feel like abandonment when the stakes are really high. “Many national foundations backed away from Florida, which in my opinion is a mistake,” he says. “So, you’re giving up on a 23-million-people state. How are we going to ever gain power again?”

Movement leaders emphasize that the strategy has to be multitiered and anchored in organizations that know their communities best.

“Human service organizations have access to communities that nobody else does, even more so than the best organizing efforts,” explains Janeen Comenote; her organization, the National Urban Indian Family Coalition, networks several groups serving Native Americans across the country. “Even rural white nonprofits could be key messengers for us,” she continues, noting that rural communities have also been hit hard by cuts affecting SNAP and healthcare benefits.

The question is, when will funders start to fund in ways that truly optimize the racial justice ecosystem?

This moment creates an opportunity to expand the conversation, build on successes, and mobilize diverse people and perspectives.

“Day to day, I see organizing work designed to build a bigger tent, recognizing that talking only to people who agree with us is not getting us anywhere,” says Julie Nelson of Race Forward. “We need strategies to bring the middle over to our side. I see more nuanced discussions about narrative and strategies.”

Conclusion

The question is no longer whether this is a critical moment. The question now is whether philanthropy will recognize it as such before it is too late.

When asked what gives him hope about the future, Alex Tom of the Center for Empowered Politics reflects on the lessons from social movements and communities that weathered oppression before. “Our elders were part of the organizing during the Great Depression. They reached a peak of power that was later crushed by McCarthyism in the 1950s. When they saw the radical people-power movements of the 1970s, they decided to help those movements.”

He continues, “Those elders were nearly obliterated in the 1950s, but they came back smarter and more strategic. That’s one of the most important lessons: we’ve been here

before, in a different context, with fewer resources. The oppression feels worse now, but the principle remains.”

Maria Brenes of the Movement Innovation Collaborative talks about where she goes for inspiration as well. “There are so many movements we can look to for inspiration. Unity and coordination are the path to victory.”

Yet, Brenes and other movement leaders challenge funders to advance the cause over institutional preservation: “If funders become paralyzed in worrying about their own sustainability and durability,” she warns, “it’s going to make us as a movement less effective. We have to all be willing to take risks.”



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