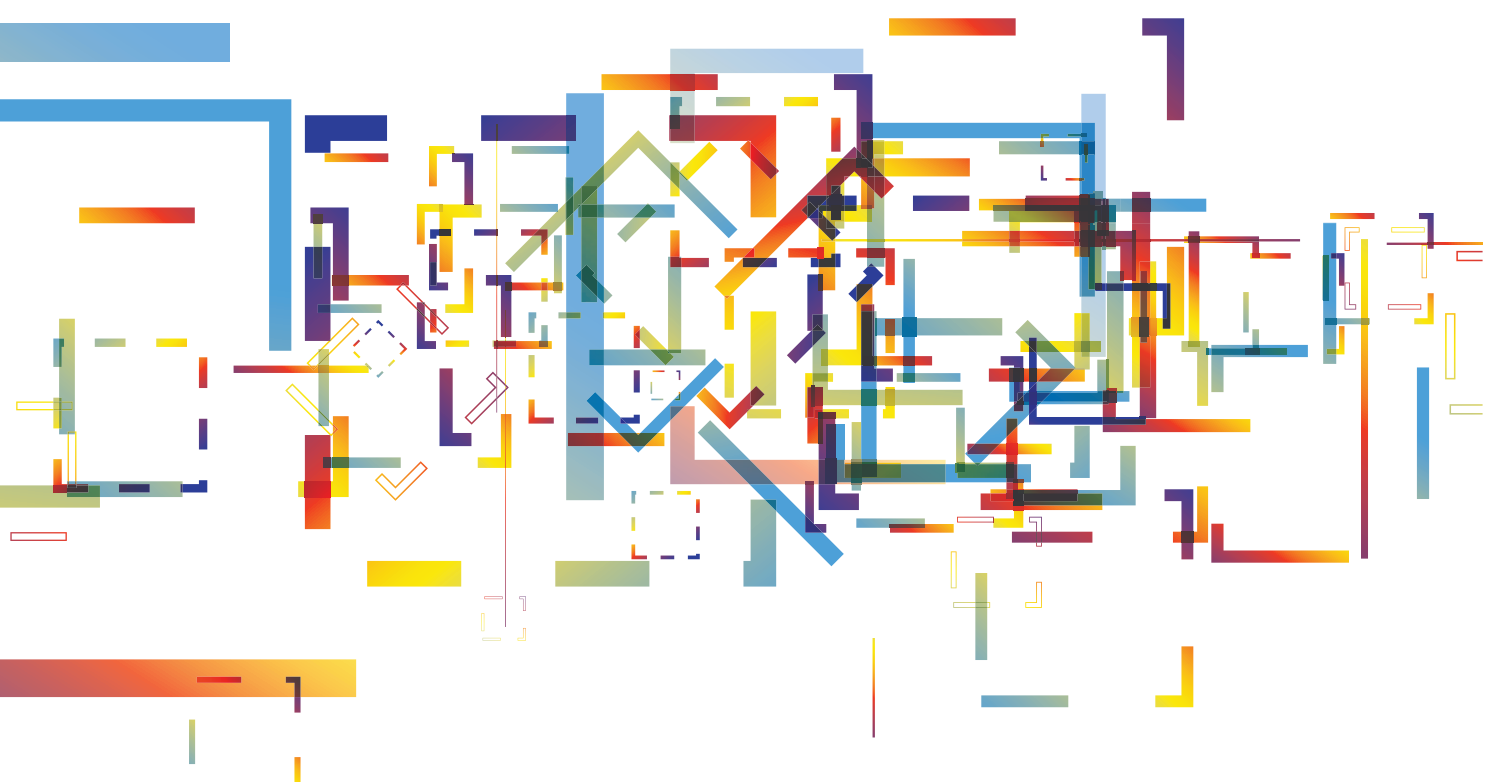


## A Promise to Diverse Communities:

## Summary of the Foundation Coalition's Efforts





## About the Greenlining Institute

The Greenlining Institute is a national policy, research, organizing, and leadership institute working for racial and economic justice. We ensure that grassroots leaders are participating in major policy debates by building diverse coalitions that work together to advance solutions to our nation's most pressing problems. Greenlining builds public awareness of issues facing communities of color, increases civic participation, and advocates for public and private policies that create opportunities for people and families to make the American Dream a reality.

## About the Greenlining Institute's Democratizing Philanthropy Program

We envision a fair, just and democratic society in which communities of color and other underserved groups are adequately represented in all areas of public policy. We envision a robust minority-led nonprofit sector that has the capacity and resources to engage in public-policy and is empowered to provide an effective voice for all communities. We envision a diverse foundation sector that views minority communities as full partners in addressing our nation's most pressing problems. Philanthropy, if utilized effectively, could lead us to this strong democracy we envision. Overall, Greenlining will work to facilitate win-win partnerships between communities of color and philanthropic foundations.

Unfortunately, the halls of philanthropy, with the exception of a few outstanding institutions, have failed to live up to this vision. According to Robert Reich, Clinton's Labor Secretary, only "10% of all charitable deductions are directed at the poor." It is further estimated that communities of color receive less than 5% of all charitable donations from the more than 72,000 foundations in the country. Some would call this the equivalent of receiving a check marked "insufficient funds."

Greenlining's efforts in our Democratizing Philanthropy program will be to create win-win partnerships with philanthropic institutions throughout the country. Greenlining firmly believes that private-public partnerships between community organizations and foundations can lead to synergistic opportunities that create long lasting change. Overall, Greenlining will work to positively engage foundations on issues related to diversity, effective grant-giving to communities of color, responsible foundation asset management, and other pertinent issues.

## About the Authors

**Avis Atkins**, Greenlining Executive Fellow, is from Long Beach, California and is a graduate of California State University (CSU), Long Beach where she received a BA in Human Development, Psychology, and Sociology. While at CSU Long Beach, Avis served as a student representative on various university committees and a member of the Board of Directors for the Associated Students. A committed campus leader, Avis was awarded the Excellence in Service Award, Rotary Millennium Scholarship and the Excellence in Leadership Award. She was also an Academic Advisor at the Bickerstaff Center for Student Athletes, Young Black Scholars, Inc. and the SOAR Program. After graduating from CSU Long Beach, Avis joined Greenlining as part of the 2011 Summer Associate cohort and researched affordable mortgage products for low to moderate income homebuyers..

**Orson Aguilar**, Executive Director of the Greenlining Institute, is part of the new wave of civil rights and community leaders focused on ensuring that the American Dream remains accessible to all Americans. Born and raised in East Los Angeles, Aguilar has advocated tirelessly on behalf of communities of color and youth for nearly 20 years. Aguilar has become a nationally recognized advocate for communities of color on issues such as the environment, community reinvestment, philanthropy, and leadership development.

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# Table of Contents



- Introduction.....4
- The Foundation Coalition’s Report.....5
- Summary of the Foundation Coalition’s Work.....6
  - Methodology.....6
  - Summary of Findings.....6
  - Summary of Individual Foundation Efforts.....7
  - Evaluation of New Initiatives .....12
  - Future Efforts to Support Minority-Led, Community Based Nonprofits.....13
  - Conclusions.....13
  - Foundation Giving Under Coalition Agreement.....15
  - References.....15

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## The Greenlining Coalition

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 ALLEN TEMPLE BAPTIST CHURCH  
 AMERICAN G.I. FORUM  
 ANTIOCH BAPTIST CHURCH  
 ASIAN BUSINESS ASSOCIATION  
 ASIAN INC  
 BLACK BUSINESS ASSOCIATION  
 BRIGHTLINE DEFENSE PROJECT  
 CALIFORNIA BLACK CHAMBER OF COMMERCE  
 CALIFORNIA HISPANIC CHAMBERS OF COMMERCE  
 CALIFORNIA JOURNAL FOR FILIPINO AMERICANS  
 CALIFORNIA RURAL LEGAL ASSISTANCE  
 CHARO COMMUNITY DEVELOPMENT CORPORATION  
 CHICANA/LATINA FOUNDATION  
 CHICANO FEDERATION, SAN DIEGO  
 COMMUNITY RESOURCE PROJECT, INC.  
 COUNCIL OF ASIAN AMERICAN BUSINESS ASSOCIATIONS CALIFORNIA  
 ECONOMIC BUSINESS DEVELOPMENT  
 EL CONCILIO OF SAN MATEO COUNTY  
 ELLA BAKER CENTER  
 FIRST AME CHURCH, LOS ANGELES

GREATER PHOENIX AREA URBAN LEAGUE  
 HERMANDAD MEXICANA LATINOAMERICANA  
 HISPANIC AMERICAN GROWERS ASSOCIATION (HAGA)  
 HISPANIC CHAMBER OF COMMERCE, ORANGE COUNTY  
 HMONG-AMERICAN POLITICAL ASSOCIATION  
 KHEIR  
 LA MAESTRA FAMILY CLINIC  
 MEXICAN AMERICAN GROCERS ASSOCIATION  
 MEXICAN AMERICAN POLITICAL ASSOCIATION (MAPA)  
 MINORITY BUSINESS COUNCIL  
 MISSION LANGUAGE & VOCATIONAL SCHOOL (MLVS)  
 NATIONAL FEDERATION OF FILIPINO AMERICAN ASSOCIATIONS  
 OAKLAND CITIZENS COMMITTEE FOR URBAN RENEWAL (OCCUR)  
 OUR WEEKLY  
 SAN FRANCISCO AFRICAN AMERICAN CHAMBER OF COMMERCE  
 SEARCH TO INVOLVE FILIPINO AMERICANS  
 SOUTHEAST ASIAN COMMUNITY CENTER  
 TELACU  
 WEST ANGELES CHURCH OF GOD IN CHRIST  
 WEST COAST BLACK PUBLISHERS ASSOCIATION

## Introduction

The lack of diversity in philanthropy is a well-documented issue. The Greenlining Institute and a number of other organizations have highlighted the fact that foundations as a whole lack racial and ethnic diversity in their boards.

In response to this issue, California Assemblymembers Coto, Thomas, and Lieu introduced AB 624, the Foundation Diversity and Transparency Act, in 2007.<sup>1</sup> The legislation would have required private and community-based foundations, with assets at or surpassing \$250 million, headquartered in California, to disclose gender, racial, and ethnic diversity data on an annual basis.

According to Greenlining, the legislation's sponsor, "AB 624 was a measure to promote foundation transparency on gender, racial, and ethnic grant making." According to Greenlining, "If something is not measured, then it's not important." This legislation would have required almost four dozen foundations in California to report their diversity data on their website and in their annual reports.<sup>2</sup>

Many foundations organized to oppose AB 624. According to the Foundation Coalition's 2008 Report, AB 624 was "an attempt to supplant the decisions of foundation trustees by implying that certain groups or organizations should receive preferential treatment for funding." The coalition further stated that California foundations already provide "substantial" funding to address the needs of their diverse communities.

AB 624 was pulled from California Senate consideration in June 2008 after an agreement was reached between a coalition of 10 California-based foundations and the leaders of the Black, Asian, and Latino Caucuses. The initial public agreement lacked detail, including dollar commitments. At the time, Greenlining was supportive of a proactive effort to address racial disparities in philanthropy and welcomed the voluntary efforts by the 10 foundations.

### About this Report

This report provides the public with a high-level snapshot of what was accomplished under the agreement. By publishing this report, Greenlining is hoping to obtain feedback to help inform our future efforts to diversify philanthropy. Greenlining strongly believes that progress towards philanthropic diversity will only come about if there is a sustained and constructive debate on this topic.

#### **The Foundation Coalition**

*The Ahmanson Foundation*

*The Annenberg Foundation*

*The California Endowment*

*The California Wellness Foundation*

*The William and Flora Hewlett Foundation*

*The James Irvine Foundation*

*The David and Lucile Packard Foundation*

*UniHealth Foundation*

*Weingart Foundation*

## The Foundation Coalition's Report: Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and Other Grassroots Community-Based Organizations

Nine foundations released the details of the agreement in December of 2008. For an undisclosed reason, The Ralph M. Parsons Foundation dropped out of the initial agreement.<sup>3</sup>

In their 2008 agreement announcement, the nine foundations stated that, "...as one of the most diverse states in the nation, our future depends significantly on the success of the communities of color that together comprise a majority of our population."<sup>4</sup>

### In summary the foundations pledged to:

- Collectively increase grant support by \$20 million, over and above ongoing commitments, to support minority-led and other grassroots community-based organizations serving low-income or ethnically diverse communities.
- Commit over \$10 million to joint community-based regranting programs to provide leadership training, technical assistance, and capacity building services to minority-led, nonprofit grassroots organizations.
- Evaluate the new initiatives and understand the current state of minority leadership in California's nonprofit community.<sup>5</sup>

### A full copy of the pledge can be found online at:

<http://greenlining.org/resources/pdfs/FoundationCoalitionReportWeb.pdf>

There were various reactions to the agreement. Some stakeholders were satisfied that a proactive and less hostile solution had been found. Others argued that the unintended consequences of the legislation made this a win-win for both the foundations and communities of color. Others recognized that the bill had an uphill battle and would probably have been vetoed by then-Governor Schwarzenegger.

On the other hand, many community leaders were skeptical and disappointed. Some thought the dollar commitment was too low and that the issue had been unfairly redefined by the foundations. According to a 2009 article by Rick Cohen, "The underlying problem is not that philanthropy is unwilling or unable to raise its grantmaking for racial/ethnic groups, but that racial/ethnic-serving organizations, not to mention people of color-led organizations, are somehow less than prepared to submit proposals and compete successfully for foundation grant dollars."<sup>6</sup> In other words, some community leaders were insulted that they, not the foundations, were the problem.

 **Greenlining** is hoping to obtain feedback to help inform our future efforts to diversify philanthropy. Greenlining strongly believes that progress towards philanthropic diversity will only come about if there is a sustained and constructive debate on this topic.

## Summary of the Foundation Coalition's Work

### Methodology

Greenlining sent a data request to all nine members of The Foundation Coalition.

We asked each organization the following:

1. The total dollar amount awarded to nonprofits as a result of this effort;
2. The number of nonprofits that received funding under this effort;
3. A description of efforts to bring greater diversity to their own foundations; and
4. Future plans to move forward with this commitment.

Greenlining received feedback from all of the nine foundations. Greenlining also scanned the websites of all nine foundations to see if they publicly disclosed diversity data.

Greenlining staff did not interview foundation program officers or grantee organizations for the purposes of this report. We also did not request data from the dozens of other foundations that would have been covered by AB 624. Some of the foundations, such as the Weingart Foundation, The California Endowment, and The California Wellness Foundation, conducted extensive evaluations of their efforts.<sup>7</sup> The David and Lucile Packard, James Irvine, and Hewlett foundations also evaluated their commitments.<sup>8</sup>

*This report examines the pledges made to grassroots nonprofits as a result of the Foundation Coalition agreement.*

This report examines the pledges made to grassroots nonprofits as a result of the Foundation Coalition agreement. We only analyzed commitments that went above and beyond ongoing grantmaking activities. This report does not reflect and was not intended to address the total grantmaking by the nine foundations to minority-led, grassroots organizations that serve diverse communities.

### Summary of Findings

The data request and subsequent analysis yielded four major findings regarding the accomplishments of The Foundation Coalition:

1. The \$30 million pledge was fulfilled.  
\*See table on page 15.
2. There was limited synergy between the nine foundations.
3. Some foundations did more than others in carrying out the full spirit of the commitment.
4. Only a handful of foundations made new commitments beyond those made in the initial agreement to support the efforts of minority-led, community-based nonprofit organizations.

In the 2008 agreement announcement, the participating foundations stated that “other foundations would join in these efforts.” However, instead of the coalition growing from 10 California-based foundations, it shrank to nine foundations. No other foundations joined this promising effort.

## How and Where the Money was spent

**C**ollectively, the Foundation Coalition invested over \$38 million in minority-led, nonprofit organizations throughout the state of California as result of the 2008 agreement, helping over 2000 nonprofit grassroots organizations.<sup>9</sup> The majority of foundations focused on capacity building and leadership development. Very few foundations gave direct grants to minority-led grassroots nonprofit organizations as part of this agreement.

Efforts to improve foundation processes and practices were taken by foundations in the coalition. In creating the Community Leadership Project, Packard, Irvine, and Hewlett designed a single uniform application and reporting process used by all three foundations. In addition, two programs at the Hewlett Foundation are testing a modified application process that streamlines both the renewal proposal and final report into a single document for grantees.

*The majority of foundations focused on capacity building and leadership development. Very few foundations gave direct grants to minority-led grassroots nonprofit organizations as part of this agreement.*

## Limited Collaboration between the “Foundation Coalition”

“We share with Packard and Irvine the view that the nine foundations were never truly a coalition – that each foundation has their own goals, strategies, and priorities, set forth by their founders, and that it makes no sense to realign our missions to fit into any one way of defining diversity”  
– **Paul Brest, Former President, William and Flora Hewlett Foundation**

Out of the nine foundations that made up the coalition, five foundations collaborated on specific efforts.

The James Irvine Foundation, David and Lucile Packard Foundation, and the William and Flora Hewlett Foundation co-funded the Community Leadership Project.

The Weingart Foundation, The California Endowment, and The California Wellness Foundation initially pledged to work together to fund the Liberty Hill Foundation, however The California Wellness Foundation and the Weingart Foundation sustained the collaboration. The California Endowment funded the Liberty Hill Foundation independently.

The UniHealth Foundation, The Ahmanson Foundation, The California Endowment and The Annenberg Foundation appear to have worked independently.

## Summary of Individual Foundation Efforts

### The Ahmanson Foundation

The Ahmanson Foundation was the only foundation that did not pledge a specific dollar amount to grassroots nonprofit organizations serving communities of color or low-income communities. The foundation also did not

pledge any new capacity-building grants to organizations that were led by people of color. Instead, it committed to continuing its existing grantmaking efforts in diverse communities. The Ahmanson Foundation also pledged to train its staff and update its website to encourage grassroots organizations to become more familiar with the organization.

Since the Ahmanson Foundation did not make any specific dollar commitments in the original foundation pledge, there is little to report. However, the foundation did continue to make a substantial amount of grants to grassroots nonprofit organizations.<sup>10</sup>

### **The Annenberg Foundation**

Overall, The Annenberg Foundation committed \$4.37 million to grassroots nonprofit organizations, exceeding its original pledge by \$1.17 million. The Annenberg Foundation focused on capacity building for minority-led grassroots nonprofit organizations through the implementation of the Annenberg Alchemy, a capacity building and leadership training program.

Over 600 nonprofits participated in the program. As a result those nonprofits, in aggregate, raised more than \$24,600,000 in additional financial support for their programs in the year immediately following completion of the program. The Annenberg Foundation also had a network of 17 regional grantmakers that provided capacity-building grants, providing approximately \$200,000 in capacity-building grants annually. Furthermore, Project Grantsmanship, established in 2008, provided six to eight trainings per year to nonprofit organizations focusing on aspects of grant development and writing and reviewing grant proposals. It was available to nonprofits making less than \$10 million, and over 346 nonprofits have completed the program. To date, over \$370,000 has been invested in the program.

### **The California Endowment**

In the 2008 coalition agreement, The California Endowment, in partnership with The California Wellness Foundation and the Weingart Foundation, pledged \$2 million to the Liberty Hill Foundation, a capacity-building organization that serves the diverse population of Southern California. The California Endowment also committed \$6 million over two years to leadership development and capacity-building efforts. It pledged \$100,000 to continue its Diversity in Philanthropy program, \$250,000 of grant support to regional associations, and \$300,000 of added support to affinity groups. The California Endowment also pledged to complete its own diversity audit and use it to benchmark its progress in measuring staff and board diversity and the operations of its diversity values and practices within all departments at the foundation. The California Endowment's commitment to nonprofit grassroots organizations serving diverse communities totaled \$8,650,000, the second highest commitment made by a foundation in the coalition. The organization's commitment to diversity was the most robust of any of the nine foundations.

Although pledged, The California Endowment did not participate in a formal partnership with The California Wellness and Weingart Foundations. The Endowment acted individually to provide \$2.6 million to the Liberty Hill Foundation for its capacity building and leadership development programs focused on nonprofit organizations



in Southern California. In Northern California, The California Endowment provided funding to CompassPoint for its Fundraisers of Color Academy and to the Grassroots Institute for Fundraising Training (GIFT) for its Spanish-version training. The total to CompassPoint and GIFT was \$390,000. The California Endowment also funded eight intermediary funders and two technical assistance providers who delivered funding and capacity-building support to 79 minority-led organizations across California. All grantees and sub-grantees were convened throughout the grant period as a learning community that focused on how to strengthen the capacity of their organizations to better serve the communities they work in. The Endowment made a \$4,050,000 grant over four years to the Diversity in Philanthropy Project/D-5 to engage strategic partners to increase the number of diverse leaders in philanthropy, improve foundation policies and practices on diversity, equity and inclusion, expand funding to diverse communities partnering with population-focused funds, and enhance data collection. The California Endowment also provided \$396,625 in support to Northern California Grantmakers, Southern California Grantmakers, and San Diego Grantmakers for programming issues related to capacity building, diversity, and equity. It gave a total of \$672,000 to affinity groups such as Hispanics in Philanthropy, the Association of Black Foundation Executives, and Funders for LGBTQ Issues. Furthermore, The California Endowment audited its own diversity and made this information readily available on its website.<sup>11</sup> The total amount The California Endowment committed as a result of the Foundation Coalition Agreement was \$8,108,625.<sup>12</sup>

### **The California Wellness Foundation and The Weingart Foundation**

The California Wellness Foundation committed to building the organizational capacity and leadership for minority-led nonprofit organizations serving diverse communities in the 2008 agreement. It pledged a \$200,000 two-year grant to CompassPoint in San Francisco to create a leadership program for the next generation of leaders of color. The Foundation's total commitment was \$1.2 million to nonprofits serving low-income and diverse communities.

The California Wellness Foundation gave two grants for a total of \$1.5 million over four years to the Liberty Hill Foundation and a \$250,000, three-year grant to Hispanics in Philanthropy. Grants made to both of these foundations helped build capacity for nonprofits serving diverse communities. It also gave two grants for a total of \$550,000 over four years to CompassPoint and a \$200,000 two-year grant to the Southern California Center for Nonprofit Management to develop skills for 25 leaders of color to run health and human services organizations in the Southern California region. The California Wellness Foundation invested a total of \$2.5 million as a result of the agreement, \$1.3 million more than its original pledge.

The Weingart Foundation's pledge focused on enhancements to its small grants program and fostering partnerships with community-based organizations. In the 2008 pledge, the foundation committed to streamlining the application process for its small grants program and increasing the grant amounts from \$10,000 to \$25,000. It expected that grants in this category would increase by \$1 million over three years. The Weingart Foundation also pledged to grant funding in the amount of \$250,000 to intermediary agencies that would reach out to nonprofits that were not familiar with Weingart. These organizations would provide technical assistance to

nonprofits that needed it. The Weingart Foundation pledged \$2,250,000 to support minority-led, grassroots nonprofit organizations serving communities of color.

The Weingart Foundation focused on its small grant program and core support programs to help minority-led nonprofit organizations. Enhancements to small grant programs included increased capacity-building grants resulting in more than 201 grants totaling \$2.3 million through the Small Grant Program. This exceeded its original commitment by \$1 million. Ninety-five percent of grant dollars awarded through the Small Grant Program in 2011 went to agencies specifically addressing the needs of low-income and underserved individuals and communities, with the rest of the 5 percent of grant funds supporting socio-economically diverse populations, which also include low-income individuals. Sixty percent of the organizations funded through the Small Grant Program had operating budgets under \$500,000 and 42 percent were first-time grantees.

In 2009, the Weingart Foundation launched the Targeted Capacity Building Program in which it partnered with organizations with deep roots in the community in areas of South Los Angeles, East Los Angeles, San Bernardino County, and San Fernando Valley. Ultimately, the foundation gave \$800,000 total to the partner agencies, exceeding the \$250,000+ the foundation projected when the program was first conceived. The Weingart Foundation gave \$3,300,000 to nonprofits serving diverse communities.

### **The David and Lucile Packard Foundation, The James Irvine Foundation, and The William and Flora Hewlett Foundation**

The David and Lucile Packard Foundation, in partnership with The James Irvine and Hewlett Foundations, pledged to co-fund the Community Leadership Project – an initiative dedicated to building the capacity of minority-led nonprofit organizations. The three foundations' 2008 pledge was for \$8 million. Based on the strength of the proposals they received from potential grantees in early 2009, they collectively increased the budget of the Community Leadership Project to \$10 million.

In addition to its commitment to the Community Leadership Project, The Packard Foundation planned to develop a new initiative that would align with the foundation's programs and support leadership development and capacity building among organizations serving low-income communities of color. Packard intended to commit approximately \$1 million annually to support the effort. The foundation also made it a priority to be more intentional about advancing diversity and inclusion as part of the strategies for its work in various program areas including: agriculture and the environment; early childhood development; and community grantmaking in five Central Coast counties. Packard pledged a total of \$6,000,000 to grassroots nonprofit organizations serving diverse communities.

The Packard Foundation committed \$2.5 million to the Community Leadership Project. Due to the 2008 recession, the Packard Foundation was not able to launch a new initiative to support leadership development and capacity building. Instead, the Packard Foundation focused on increasing its commitment to diversity and inclusion by focusing on existing programs. This included launching the Diversity in Grantmaking matching

grants fund. This commitment totaled \$150,000 in 2009, \$250,000 in 2010, and \$200,000 in 2011. Overall, the Packard Foundation committed \$3,367,000 to grassroots nonprofits as a result of the Foundation Coalition agreement.<sup>13</sup>

The James Irvine Foundation made a commitment to expand current small granting programs, including the Families Improving Education initiative, College and Career Connections Fund, and their Creative Connections Fund. Its pledge in 2008 to grassroots nonprofit organizations serving diverse communities was \$8.8 million, the largest pledge amongst the nine foundations in the coalition.

The James Irvine Foundation contributed \$4 million towards the Community Leadership Project assisting over 100 nonprofit organizations. Expansions to its small granting programs were made for a total commitment of \$5.3 million to the three aforementioned programs. Its total commitment to organizations serving low-income communities and communities of color, including its contribution to the Community Leadership Project and other related projects, was \$10.3 million, the largest commitment made by any one foundation in the coalition.<sup>14</sup>

The Hewlett Foundation contributed \$3.5 million to the Community Leadership Project, providing multi-year general operating support to more than 100 nonprofit organizations, and leadership development and capacity-building training for 800 leaders in California. This included \$2,275,000 million in direct grants to nonprofit organizations and \$1,422,000 million towards capacity, leadership, and training programs. Through its core grantmaking programs, Hewlett Foundation continued to provide to organizations serving low-income people and communities of color in California.<sup>15</sup> The Hewlett Foundation gave a total of \$3,697,000 to nonprofits serving diverse communities.

### **UniHealth Foundation**

The UniHealth Foundation dedicated \$500,000 in capacity-building programs. The organization also committed to funding six scholarships totaling \$300,000 to medical students dedicated to practicing in underserved communities. Its pledge to community health organizations serving low-income communities totaled \$950,000.

The UniHealth Foundation gave a total of \$2,738,887 to community clinic/community-based organizations as well as leadership and organization capacity. The foundation funded six medical student scholarships for students committed to practicing in medically underserved communities. The span of UniHealth Foundation's giving is restricted by the terms of its consent decree which imposes both geographic and agency restrictions on its grantmaking. Because UniHealth is primarily a grantmaker to hospitals serving residents of Los Angeles and Orange Counties, most of its commitment went to hospitals, including Olive View-UCLA Medical Center and California Hospital Medical Center, for programs serving under/uninsured people. In addition, \$500,000 was provided to the Building Clinic Capacity for the Quality Community Clinic Initiative. The UniHealth Foundation gave \$2,738,887 to medical institutions and students serving diverse communities.

## Evaluation of New Initiatives

A major tenet of the agreement was evaluation of the initiatives taken to help diverse communities. The foundations pledged to report publicly on an annual basis on the activities undertaken by the foundations as part of this collaborative effort. The James Irvine Foundation has reported annually on its grantmaking activities related to this agreement since 2009.<sup>16</sup>

Annenberg Foundation has an executive summary of its grantmaking efforts from 2006-2012 to diverse communities on its website. There is no indication that Annenberg reported its grantmaking efforts on an annual basis, nor did it hire an outside agency to evaluate the effectiveness of its initiatives.

The California Endowment hired an outside firm, Social Policy Research Associates, to evaluate its grantmaking activities to minority-led organizations.<sup>17</sup> The evaluation firm did an extensive 44-page analysis of whether the grants made by The California Endowment had an impact on the diverse organizations they served. The report also included an analysis of challenges to capacity building and implications for future giving.

The California Wellness Foundation and The Weingart Foundation commissioned Harder and Company, a community research firm, to analyze the effectiveness of their capacity-building grants made to the Liberty Hill Foundation. The 54-page analysis examined the breadth and depth of the capacity-building activities undertaken by the Liberty Hill Foundation. It also summarized the impact of the services on individual grantees.

The Packard Foundation, James Irvine Foundation, and The Hewlett Foundation committed a total of \$500,000 to evaluate the impact and effectiveness of the Community Leadership Project with grants awarded to Social Policy Research Associates. This 12 page report examined the impact of the leadership and capacity-building activities employed by the three foundations.<sup>18</sup>

The UniHealth Foundation summarized its own grantmaking activities, but did not evaluate the effectiveness of its grants on the communities they served.<sup>19</sup>

## Foundations that Embodied the Spirit of Transparency

### *Includes Diversity Data on Website*

Four out of the nine foundations in the coalition embody the spirit of the legislation by providing the diversity data of their board members and staff members. These foundations are The Annenberg Foundation, The California Endowment, The James Irvine Foundation, and The David and Lucile Packard Foundation. The California Endowment has a great deal of diversity information on its website. It has a “Foundation Diversity: Policy and Practices Toolkit” that lays out its plans to value diverse staff. The California Endowment also has diversity reports regarding its board members and staff. This year, for the very first time, the Endowment collected information regarding its staff’s sexual orientation, immigrant generation, and disabilities.

However, most of the foundations in the coalition do not make diversity data regarding their board or staff members readily available on their websites. The Ahmanson Foundation, The California Wellness Foundation, The William and Flora Hewlett Foundation, The UniHealth Foundation, and The Weingart Foundation all do not make diversity data regarding their staff or board members readily available on their websites or in their annual reports.

Yes	No
The Annenberg Foundation The California Endowment The James Irvine Foundation The David and Lucile Packard Foundation	The Ahmanson Foundation The California Wellness Foundation The William and Flora Hewlett Foundation UniHealth Organization Weingart Foundation

### Future Efforts to Support Minority-Led, Community-Based Nonprofits

Because the Community Leadership Project is funded through the end of 2012, the Packard, Irvine and Hewlett foundations are in the early stages of reviewing its impact and deciding together about next steps.

The California Wellness Foundation will continue its Responsive Grantmaking Program and make an estimated \$35 million in new grants. The majority of grants will be for core operating support and capacity building to nonprofits that serve primarily ethnic minority populations.

In regards to expanding minority leadership in nonprofit organizations, The David and Lucile Packard Foundation plans to explore how best to bring leaders of color into the field by identifying model leadership programs that are responsible and effective, and work with key partners in these efforts. Although this was not a part of the original commitment made in 2008, this step towards expanding diversity embodies the true spirit of the legislation.

The Weingart Foundation expanded the Small Grant Program to the San Diego area and will continue to expand the program. The foundation also renewed its commitment to the Liberty Hill Foundation, awarding it \$500,000 for the upcoming year.

### Conclusions

The efforts made by the Foundation Coalition were admirable. The nine foundations took leadership on the issue, pledged \$30 million to support minority-led grassroots nonprofit organizations, and delivered on their promise.

The coalition could have committed more than the \$30 million originally pledged to support minority-led, grassroots nonprofits, however the grants awarded to these diverse organizations came at a time when the funding was needed the most. The economic crisis led to many foundations reducing the amount and number of grants given to nonprofits. This money could not have come at a better time.

It is important to note that some of the more diverse foundations committed to being part of the Foundation Coalition. For example, The California Endowment, The California Wellness Foundation, and The James Irvine Foundation ranked among the highest in giving to minority-led organizations in the three year period following the agreement, according to Greenlining's research.

*The efforts made by the Foundation Coalition were admirable. The nine foundations took leadership on the issue, pledged \$30 million to support minority-led grassroots nonprofit organizations, and delivered on their promise.*

### Was Capacity Truly Achieved?

A one-time pledge to nonprofits will not sustain the diverse needs of California's communities. Sustained capacity-building efforts as well as direct grantmaking efforts to minority-led and other grassroots nonprofits need to be made in order to ensure that all nonprofits serving the diverse population of California have the resources they need to do their work effectively.

Some of the participating foundations made permanent changes as a result of the AB 624 agreement while others only made commitments for the three years.

Nine foundations cannot meet the needs of all nonprofits in California, nor should potential legislation serve as a catalyst for foundations to give to diverse communities. The leadership that these nine foundations took should be emulated by all of the foundations in California and in the rest of the nation.

Despite the great efforts of the Foundation Coalition, there still appears to be no uniform method of collecting diversity data. It is important that this issue be resolved soon.

### Moving Forward

The agreement discussed in this report was an agreement between nine foundations and the California Latino, Black, and Asian/Pacific Islander Legislative Caucuses. It is imperative that these three caucuses take ownership of this issue and request more information on what private foundations are doing to serve California's residents. Greenlining also admits that we can do more to keep this issue in the forefront of public debates. Philanthropy can play a critical role in addressing the widening wealth inequality in American society. Given the growing concerns with wealth inequality, it is imperative that philanthropy truly addresses the needs in communities of color.<sup>20</sup>

## Foundation Giving Under Coalition Agreement

Foundation	Amount Pledged	Amount Awarded Directly to Nonprofit Organizations or Individuals	Amount Invested in Capacity Leadership and Training	Total Amount
The Ahmanson Foundation	\$0	\$0	\$0	\$0
The Annenberg Foundation	\$3,200,000	\$1,000,000	\$3,370,000	\$4,370,000
The California Endowment	\$8,650,000	\$0	\$8,108,625	\$8,108,625 <sup>21</sup>
The California Wellness Foundation	\$1,700,000	\$0	\$2,500,000	\$2,500,000
Hewlett Foundation	\$3,500,000	\$2,275,000	\$1,422,000	\$3,697,000 <sup>22</sup>
Irvine Foundation	\$8,800,000	\$6,300,000	\$4,000,000	\$10,300,000 <sup>23</sup>
Packard Foundation	\$6,000,000	\$767,000	\$2,500,000	\$3,267,000 <sup>24</sup>
UniHealth Foundation	\$950,000	\$2,738,887	\$0	\$2,738,887
Weingart Foundation	\$2,250,000	\$1,500,000	\$1,800,000	\$3,300,000
<b>Totals</b>	<b>\$35,050,000</b>	<b>\$14,580,887</b>	<b>\$23,700,625</b>	<b>\$38,281,512</b>

## References

- <sup>1</sup> Coto, Thomas, and Lieu are no longer California Assemblymembers. Lieu is now in the Senate.
- <sup>2</sup> Ferris, J.M. & Harmssen, H.J. (2012). *California Foundations 1999-2009: Growth Amid Adversity*. The Center on Philanthropy & Public Policy, University of Southern California [http://cphp.usc.edu/CAFoundations\\_FINAL%28hi-res%29.pdf](http://cphp.usc.edu/CAFoundations_FINAL%28hi-res%29.pdf)
- <sup>3</sup> Greenlining reached out to the CEO of The Ralph M. Parsons Foundation for comment. Our emails were ignored.
- <sup>4</sup> Foundation Coalition (2008). Statement by Selected California Foundation CEOs on Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and other Grassroots Community-Based Organizations.
- <sup>5</sup> Foundation Coalition (2008). *Strengthening Nonprofit Minority Leadership and the Capacity of Minority-Led and Other Grassroots Community-Based Organizations*. [http://www.calwellness.org/pdf\\_docs/Foundation\\_Coalition\\_Report\\_Web.pdf](http://www.calwellness.org/pdf_docs/Foundation_Coalition_Report_Web.pdf)
- <sup>6</sup> Cohen, R. (2009). "Putting the AB 624 Agreement into Practice and Policy." *Critical Issue Forum* Vol. 2. <http://racialequityblog.wordpress.com/2009/06/22/putting-the-ab-624-agreement-into-practice-and-policy/>
- <sup>7</sup> Harder & Company Community Research (2011). *Capacity Building for Minority-Led and Minority-Serving Organizations, Final Evaluation Report*; Inouye, T.E., Estrella, R., Tate, B. & Law, T. (2012). *Evaluation of the Capacity Building for Minority-Led Organizations Project*. The California Endowment.
- <sup>8</sup> *Evaluation of the Community Leadership Project* commissioned by Packard, Irvine, and Hewlett can be found at <http://www.communityleadershipproject.org>
- <sup>9</sup> This only includes organizations who were given direct grants by the Foundation Coalition.
- <sup>10</sup> Since 2008, The Ahmanson Foundation has made 202 grants for a little more than \$8,000,000 to grassroots organizations. They also encourage them to take advantage of existing capacity-building services.
- <sup>11</sup> For a complete description of the internal Diversity Audit please visit [calendow.org](http://calendow.org)
- <sup>12</sup> Although not a part of the Foundation Coalition Agreement, The California Endowment's new grantmaking activities to minority-led grassroots nonprofits serving diverse communities totaled \$253,905,718 for FY 2008-2011.
- <sup>13</sup> The Packard Foundation gave a total of \$21,118,636 in new grants serving diverse or low-income communities from FY 2008-2011. These grants were not a direct result of the Foundation Coalition agreement.
- <sup>14</sup> The James Irvine Foundation gave a total of \$101,572,000 in new grants focused exclusively on communities of color from FY 2009-2011.
- <sup>15</sup> Although not a part of the coalition agreement, in 2010, Hewlett awarded 60 grants totaling more than \$12 million to serve diverse and disadvantaged communities.
- <sup>16</sup> Information on Irvine's annual grantmaking can be found at <http://www.irvine.org/grantmaking/grantmaking-to-diverse-communities>
- <sup>17</sup> Inouye, T.E., Estrella, R., Tate, B. & Law, T. (2012). *Evaluation of the Capacity Building for Minority-Led Organizations Project*. The California Endowment.
- <sup>18</sup> The evaluation can be found here <http://www.communityleadershipproject.org/downloads/Evaluation-of-the-Community-Leadership-Project-2011.pdf>
- <sup>19</sup> UniHealth Foundation (2009). *UniHealth Foundation Report to the Community*
- <sup>20</sup> The United States Census Bureau projects that communities of color will be half of the country's residents by 2050. <http://www.census.gov/population/www/pop-profile/natproj.html>
- <sup>21</sup> Although not a part of the Foundation Coalition Agreement, The California Endowment's new grantmaking activities to minority-led grassroots nonprofits serving diverse communities totaled \$253,905,718 for FY 2008-2011.
- <sup>22</sup> \$179,000 of this total was awarded to Social Policy Research Associates to conduct an evaluation of the impact and effectiveness of the Community Leadership Project. Although not a part of the agreement, in 2010, Hewlett awarded 60 grants totaling more than \$12 million to serve diverse and disadvantaged communities.
- <sup>23</sup> The James Irvine Foundation gave a total of \$101,572,000 in new grants focused exclusively on communities of color from FY 2009-2011.
- <sup>24</sup> This amount represents the total committed to actual diversity initiatives as a result of the Foundation Coalition Agreement, but the Packard Foundation also reports a total of \$21,118,636 in new grants serving diverse or low-income communities from FY 2008-2011. This total also includes \$179,000 awarded to Social Policy Research Associates to conduct an evaluation of the Community Leadership Project.

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