

LET'S STOP THE CRAZINESS

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As I was preparing to write this essay, my mind went to a definition of crazy that I have heard over the years: doing the same thing over and over again and expecting different results. It is with some degree of frustration that I suggest this definition has relevance for one of the central issues of this text—foundations, diversity, and inclusiveness. This said, I want to briefly touch on four points that bring together these three themes and reflect on lessons I've learned about leading foundations as they work to promote the public good.

In my attempt to speak to issues of philanthropy, diversity, and inclusiveness, I want first to focus on the facts, and then ask the question, "Why should we care about what the facts have to say?" Next, I want to consider the nature of the problem at hand and then propose strategies that leaders in the field—at foundations across the country, at the Council on Foundations, and at regional associations of grantmakers—might wish to consider.

I think the facts are fairly overwhelming that foundations—past and present—do a poor job when it comes to diversity and inclusiveness, particularly in two areas. First, we as a field have not been distributing resources to diverse communities in any appreciable and significant amount. Second, we have done a poor job in identifying and recruiting board members and trustees of color, as well as hiring and retaining senior staff of color. When I talk about senior staff, I am speaking specifically of vice presidents and chief executive officers of foundations.

Recent work by the Greenlining Institute that documents the very limited investment of philanthropic resources to diverse communities has generated a great deal of interest among those within and outside of philanthropy. Several critics of the analysis have challenged the methodology, suggesting that it is weak and therefore good reason both to discount the data and minimize the findings of the report. I've been in this field long enough to remember when similar criticisms were leveled against the National Committee for Responsive Philanthropy (NCRP) whose work has stood the test of time and continues to challenge philanthropy to expect more from itself. My perspective on the Greenlining Institute's report is that the analysis has been helpful in galvanizing leaders of the nonprofit community and (perhaps even more importantly) elected officials at the national and state levels to ask whether foundations are doing all that they can and should be doing to address the critical challenges facing local communities, particularly low-wealth communities and communities of color.

For those in the field who are hesitant to embrace the findings of the Greenlining Institute or the earlier NCRP reports, I'd point out that our own standard-bearer, blue-chip organizations and institutions paint exactly the same picture as the Greenlining study. The Foundation Center, one of our most respected institutions, continues to report that the amount of philanthropic capital distributed by foundations to communities of color and women is miniscule. The Council on Foundations, our major trade association, has consistently documented that foundations have not recruited trustees of color and that there are only a handful of CEOs and vice presidents of color serving our institutions. As I see it, the absolute last thing we need at this moment in time is more research. The research is clear and compelling.

I am fully aware that there are leaders in the field who—when these data cross their desks—ask, “Why should I care? Why is this a problem that ought to occupy my attention?” I, for one, think it’s important to explore the intersection of why we should care and why the data represent a problem.

One reason we ought to care about the dual issues of distribution and representation is that—contrary to the opinions and private beliefs of some—charitable dollars are not private dollars for private good. They are private dollars for public good. Individuals have received a charitable tax deduction for these dollars, which means that they now have an obligation to use those dollars in a way that advances the public interest. Communities of color are indeed part of the public interest. If we believe that communities of color are systematically being shortchanged of their share of these charitable dollars for which people have received a tax deduction that ought to concern all of us.

A similar rationale has been used and sustained with regard to the banking industry and the Community Reinvestment Act. The notion is very simple: financial institutions have access to large pools of capital to invest. Part of the cost and responsibility of doing business requires that these institutions invest in poor communities and communities of color that have historically experienced structural and systemic disinvestment. I would argue that this same logic applies to philanthropic organizations.

The second reason why we should care is because we live in a country that prides itself on notions of meritocracy, equity, and fairness. I find it hard to believe that any reasonable person looking at data from either the Foundation Center or the Council on Foundations would conclude that in a fair and equitable world the percentage of resources that goes to these communities could be justified. I think we should care that the values we claim to live by as a country are not reflected in our grantmaking strategies and hiring practices.

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With the facts established and the arguments for why we should care presented, I next want to consider why issues of diversity, inclusiveness, distribution, and representation have historically been such a problem for foundations. One reason that I believe philanthropy has moved so little on these challenges is that the mandate for why to engage in this work continues to change as society changes. When America was clearly a segregated country, there was no expectation that people of color would sit on boards or lead institutions (with black churches being the notable exception). Certainly, there was no reason to believe that communities of color—which were second-class citizens in society—would somehow magically become first-class citizens for contributions.

As society changed, we entered a period of stated—but not necessarily realized—equality. There was the expectation that all of the institutions of America would, over time, reflect the diversity of society. Certainly, this change happened in sports. Business and academia have made impressive strides on this front. But foundations have been resistant to change. This is not to say that there haven’t been changes, but the kind of sweeping changes that we saw in other professions have not occurred in the foundation industry.

As we consider why foundations did not join the change bandwagon, it’s important to point out that philanthropic organizations are uniquely isolated from the marketplace. Unlike corporations that have to reach out to new consumer bases and politicians who have to be concerned about new voting constituencies, the dollars controlled by foundations are for all intents and purposes protected from market pressure. Consequently, it’s easy for foundations to fall into the trap of not feeling that they need to change the way they work, even if society as a whole feels that such change is called for and sorely needed.

So, as changes in sports, business, and academia took root, the mandate to make change because it was the right thing to do or because communities of color have been cut out in the past began to fade. People who had done their fair share began to ask, "At what point do we stop?" Sadly, foundation leaders who had never really gotten started on this issue in any serious way began to echo the larger national perspective. The field decided that it was time to end its work on diversity and inclusiveness before it ever really began.

At this point, I need to raise a few thorny issues that we in the field of philanthropy have been reluctant to discuss with regard to the issues that frame this essay.

First, I think it's worth spending some time asking why most foundations have not responded to the data about the composition of boards and staff and about the distribution of grant dollars. To some degree, I think it's a matter of benign neglect. If someone at the board table doesn't raise the issue directly and ask potentially uncomfortable questions, then most directors and board members just don't think about these issues as a problem that merits discussion. It's unrealistic to expect that people will be deliberate about addressing a problem unless they are aware it exists.

My sense is that there are also a fair number of board members, and chief executive officers for that matter, who aren't so sure they want people sitting around the table who think differently than they do and who bring different life experiences and perspectives. There's something comfortable about familiarity. Bringing Mexican people or Somali people onto a board can—and probably will—change the dynamics within the organization. Not everyone is up for the opportunity of asking new questions and learning more about how different people experience and understand the world.

To the best of my knowledge, there's never been any rigorous analysis of whether employing a diverse workforce of program staff and senior leadership and diversifying board representation makes any significant difference in funding outcomes. One way to think about this issue is to consider the effect of the increased number of women who are in philanthropy—on boards and in CEO and senior leadership positions. It would be a realistic expectation to believe that support for programs and initiatives targeting women and girls would increase given these demographic changes. But in fact, the Foundation Center's data continually show that there has been virtually no change in these funding patterns. The argument could be made then, based on available evidence, that having more people of color in leadership positions may not necessarily result in greater funding—or even more sensitive funding—in communities of color.

Without these data—and given the public attitude toward affirmative action and the lack of empathy toward providing preference to any one group over another—I return to my original position that the strongest and clearest rationale to address the problems of diversity and inclusiveness must be grounded in the fact that philanthropic dollars are indeed public dollars. As custodians and stewards of these public dollars meant to benefit the public trust, we as leaders of these institutions have a public obligation to make sure that those moneys are invested in ways that ensure that all parts of the public benefit.

So where do we go from here and what's needed? First, let me be clear that I hold the belief that foundations are no better and no worse than American society; we're part of American society. We watch the same TV. We read the same newspapers. We are influenced by the same set of events. If we can

acknowledge that racism is alive in America—that it exists in our legislatures and educational systems and manifests itself in public policies that determine which young children are retained in the juvenile justice system and who receives loans and at what rates to purchase homes—then we ought to have the courage to say that it exists within the world of foundations and nonprofit organizations. Is it rampant? Is it overt? No...of course not. Those days are behind us. But certainly it exists, and we must first name the problem before we can begin to address it with any integrity, credibility, and creativity.

We're at a moment in the history of philanthropy when we need our major institutions to find their voice on these issues, speak out, and assume their rightful leadership role in addressing these problems. As Lynn Huntley aptly comments, "It's very sad...that discussion about the value of diversity at all levels in philanthropy is, more often than not, no more than a whisper." Our major trade associations should be expected to do more than protect our institutional interests. The public interest requires that the Council on Foundations and other leading philanthropic institutions state the facts about how foundations invest their resources and who serves at the leadership level. As a field, we shouldn't be waiting for watchdog groups and research organizations to monitor our field, looking for patterns of inequity. We should be holding ourselves accountable and putting in place practices and policies that enable foundations to live up to their values.

I sometimes wonder that if it were not for the advocacy efforts of organizations like the Greenlining Institute or the National Committee for Responsive Philanthropy or for hearings being held by Congress if our field would be having these discussions at all. I think it is a very sad commentary that we have entered these conversations more out of our concern about the blunt hand of government regulating our activities than out of a deep conviction to fulfill our stewardship responsibilities and serve the public good with the highest degree of integrity.

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There are two last points I'd like to make on the question of where we go from here that focus on individual leaders. First, we sorely need champions on the issues of diversity, inclusiveness, and racism other than just people of color. One of the real contributions of the book that Mark Constantine has put together is that it includes diverse voices speaking out articulately and strongly about the need for these issues to be addressed forthrightly. Sherry Magill's thoughtful reflections on donor intent and her bold and courageous commitment to do the right thing resonated with me and gave me hope. We need to give as much space as possible for all the voices in this text to be heard.

Finally, I believe that our field suffers from a lack of visionary voices that we had in the past—people like Paul Ylvisaker and John Gardner. Jim Joseph is one exception to this statement, but Jim is also a world leader and a global thinker. It's almost unfair to expect him to focus exclusively on domestic issues. Philanthropy needs spokespersons of stature who are both held in high regard and who are willing to put their names and voices on the line to help our field regain the public trust by doing the right things, not for fear of onerous legislation, but because they are the right things to do.

On this note of doing the right things because they are the right things to do, I was particularly struck by Ambassador Joseph's, Sybil Hampton's, Lynn Huntley's, and Linetta Gilbert's insights that organized philanthropy must find new ways to give communities opportunities to articulate their own desires and interests for themselves, without the expectation that their visions and desires will match up with our philanthropic expectations. It's sheer craziness (returning to my opening thoughts about what it means to be crazy) to expect philanthropic investments in communities of color and low-wealth

communities to be any more effective than they have been in the past if we keep doing business the same way: inviting people to the table with the expectation that they will act, think, and believe the same way that we do. The only way that we're going to get different results is by engaging with people honestly and giving them space and encouragement to bring their perspectives to the table. In this regard, Karl Stauber's efforts at Northwest Area Foundation may have much to offer us. At the same time, we in philanthropy must learn to listen without feeling an obligation to talk, and hold our own assumptions under the same degree of scrutiny that we use when evaluating proposals from organizations we know nothing about or whose ideas and perspectives fall outside our mission statements or theories of change.

To bring this essay to a close, I want to talk a little bit more about craziness and about three ways of being and acting that foundation leaders cannot afford to perpetuate if indeed we want to realize different outcomes from our investments.

For starters, we cannot continue to believe that we know what's best for the people and communities we claim to serve, and we cannot afford to talk as much as we do without listening more. My wife and daughter tell me regularly that, no matter how hard I try, I will never know what it's like to be a female. I can understand this because I know that, no matter how hard they try, they will never understand what it's like to be a male. Following this same logic, I know that as an African-American man, I can't know what the Somali community feels – no matter how much I read and work at understanding their lived experience. Similarly, I can't know what the Puerto Rican or Chinese communities feel. I can think I know, and I can empathize. But because I am not a part of those communities, the one thing of which I can be certain is that I will never really know. I can, however, listen carefully without being fearful or distrustful. And I can be open to changing how I work (and how the foundation I lead works) based on what people say.

As important as listening is, however, foundation leaders must also have the courage to stand with communities of color and low-wealth communities. Empathy and understanding are first – not final – steps.

When I arrived in Silicon Valley, the youth homicide rate in one community in East Palo Alto was escalating. Because I was brand new to the area, I visited the community and met some of the people who lived there. At one community meeting, a resident told me about a march that they were planning for that weekend. One of the community leaders in the room took the opportunity to ask me in front of everyone if I would come. When I responded that I would be there, a hush came across the entire room. People were incredulous that a community foundation president would participate. The way I see it something's wrong when it shocks people that a community foundation president would put the community foundation's values out in front and walk in a march that symbolized an end to youth violence.

It's not enough for foundations to stand with people who live in poverty or experience racism on a daily basis by including diversity as a value on their websites or in their annual reports. That's the lowest threshold. The highest threshold is when a foundation's board and staff can be seen to live the values they claim through their actions and investments.

The final act of craziness that foundation leaders cannot afford to continue is holding grantees accountable to higher standards than they are willing to hold for themselves and their organizations.

As the president of a community foundation, for example, I always monitor internal data related to hiring, promotion, and retention to ensure diversity. If foundation presidents are told that there aren't diverse, smart, and innovative people of color to fill available positions within their organizations, then they need to hire new HR directors or search firms. Either that or they need to ask if there's something about the organization they run that makes it unattractive to such candidates. I'm always monitoring internal promotions to see who gets opportunities and who doesn't. I monitor where grant dollars go and don't go, what communities are being visited by our staff and which are not, and what organizations and communities submit proposals and which do not. It's my job to keep my eyes wide open for red flags that raise questions about the foundation's stewardship of private resources intended for public benefit.

As foundation leaders, it's time for all of us to keep our eyes wide open and stop doing the same old things that lead us nowhere. It's time to stop the craziness. We can't afford to wait and sit idly by as communities suffer from our fear of working and being different in the world. There is no time to wait.

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Carson serves as the first CEO and President of the new Silicon Valley Community Foundation, which resulted from the historic merger of Community Foundation Silicon Valley and Peninsula Community Foundation. With \$1.9 billion in total assets, the community foundation—dedicated to advancing civic engagement to address the most challenging problems facing San Mateo and Santa Clara counties—is the largest on the West Coast and one of the largest in the nation.

Prior to his appointment, Carson served for 12 years as president and CEO of the Minneapolis Foundation, where he pioneered several community initiatives and increased assets from \$186 million to over \$600 million. Previously, he served as the first manager of the Ford Foundation's worldwide grantmaking program on philanthropy and the nonprofit sector. He also has worked for the Joint Center for Political and Economic Studies and the Congressional Research Service.

Carson has served on several nonprofit boards including the Blue Cross Blue Shield of Minnesota, Northern California Grantmakers, and Southern Education Foundation. He is the recipient of numerous nonprofit leadership awards including recognition by The Nonprofit Times as one of the 50 most influential nonprofit leaders in the United States.

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