

SOCIAL RESPONSIBILITY

The Problem with “Color-Blind” Philanthropy

by [Cheryl Dorsey](#) , [Jeff Bradach](#) and [Peter Kim](#)

June 05, 2020



MirageC/Getty Images

For too long, philanthropists have taken a “color-blind” approach to grantmaking. Even when grounded in a well-meaning attempt at equity, ignoring the implications of race on the work they fund has only served to disadvantage people of color.

Consider the fight against teen smoking in the U.S. There have been impressive declines overall, with philanthropy playing a pivotal role. However, when disaggregated by race, the data tells a different story. While African American teens actually smoke at much lower rates than white teens, by the time they are adults the rates are about the same — with tragic results because African Americans die at much higher rates from smoking-related illness. However, the majority of prevention programs and policy have targeted teens, thus missing the adult window when African Americans typically start to smoke.

This is just one example of why racial equity needs to be a deliberate part of philanthropic design. Race in and of itself is still a predictor of life outcomes. Take infant mortality: White women with a high school diploma or a GED have lower infant mortality rates than black women with MAs, JDs, or PhDs. The racial disparities of Covid-19 infection rates and death tolls tell a similar story.

The Racial Equity Institute (REI) has come up with the helpful groundwater metaphor for structural racism that illustrates why race is intricately linked to our biggest social problems. Imagine if you find a lake with one dead fish — most of us would analyze the fish. But if you come to the same lake and half the fish are dead, then it makes more sense to analyze the lake. What if there are five lakes and in every lake half the fish are dead? Now it is time to consider analyzing the

groundwater to find out how the water in all the lakes ended up with the same contamination. Color-blind philanthropy misses the structural racism in the groundwater.

That's why our organizations — Echoing Green and The Bridgespan Group — wanted to take a deeper look at the impact of racial inequities in philanthropic funding. Our report, *Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table*, shows that philanthropic efforts that don't consider race run the risk of exacerbating existing racial disparities or even creating new ones.

Based on what we've learned through our work and this research, we're calling for two big changes in the world of philanthropy: Funders need to financially support more leaders of color, and funders need to pay more attention to race-conscious solutions.

Support Leaders of Color

In interviews with more than 50 sector leaders, including nonprofit executives of color and philanthropic staff, our study found that leaders of color face multiple barriers, especially when funders don't see race:

- **Getting connected to potential funders:** Leaders of color don't have the same access to social networks as their white counterparts and therefore have fewer opportunities to connect to the philanthropic community.
- **Building rapport with potential funders:** Funders' interpersonal bias sometimes shows up as mistrust and micro-aggressions, which inhibits relationship-building and creates emotional burdens for leaders of color.

- **Securing support for their organization:** Funders often lack understanding of culturally relevant approaches, and therefore dismiss strategies, approaches, and methods of evaluation that they aren't familiar with.
- **Sustaining relationships with current funders:** Because funders often don't fully trust race-conscious approaches, even if they fund them, leaders of color often have to work harder to convince them that such approaches are working. This makes the grant renewal process more difficult resulting in organizations led by leaders of color getting fewer unrestricted and long-term grants.

It's no wonder that stark funding disparities exist. Take Echoing Green's applicant pool, a group that is considered among the sector's most promising early-stage organizations. Looking just at its highest qualified applicants (i.e., those who progressed to its semifinalist stage and beyond), our research found that revenues of the black-led organizations are 24% smaller than the revenues of their white-led counterparts. When it comes to the holy grail of financial support — unrestricted funding — the picture is even bleaker. The unrestricted net assets of the black-led organizations are 76% smaller than their white-led counterparts.

Disparities persist even when taking into account factors like issue area or education levels. For example, among organizations in Echoing Green's Black Male Achievement fellowship, which focuses on improving the life outcomes of black men and boys in the U.S., the revenues of the black-led organizations are 45% smaller than those of the white-led organizations, and the unrestricted net assets of the black-led organizations are 91% smaller than the white-led organizations — despite focusing on the same work.

These inequities are neither new nor limited to Echoing Green's applicant pool. Organizations led by people of color, including Philanthropic Initiative for Racial Equity and CHANGE Philanthropy, a coalition of seven organizations that promote equity, have been sounding the alarm about philanthropy's funding gap for a while now. Although the coronavirus pandemic is wreaking havoc on the finances of all nonprofits, because organizations led by people of color already often live close to the financial edge we are hearing from our networks that these nonprofits are even more vulnerable right now.

It's especially important to support leaders of color because these leaders often bring strategies that reflect the racialized experiences of communities of color and the issues they face. As philanthropist Jeff Raikes told us: "Philanthropy is overlooking leaders of color who have the most lived experience with and understanding of the problems we are trying to solve. That needs to change."

Pay Attention to Race-Conscious Solutions

To achieve more equitable results, philanthropists also need to apply a race-based lens when considering what programs to support. Several philanthropists and foundations have already started to do this. Consider these examples of organizations who are putting racial equity at the center of their grantmaking:

- In 2016, the **San Francisco Foundation (SFF)** focused its entire program strategy on racial equity and economic inclusion. It strives to give grants to organizations with leadership teams comprised of a majority of people of color. This racial equity lens can also be seen in SFF's Covid-19 Emergency Response Fund which makes capacity grants to nonprofits addressing four issues particularly relevant to people of color: support for low-wage workers,

homelessness and renter protections, food security, and addressing racial bias, partly in response to a rise in harassment and violent hate crimes against Asian Americans.

- The **Ford Foundation**, in an effort to think critically about how it collects and acts upon diversity data from its grantees, recently revised its entire grant proposal process to better track racial data on the boards and executive leadership teams of its grantees. Ford's BUILD portfolio is a \$1 billion five-year investment that extends multiyear and general operating grants to social justice organizations working to reduce inequality. The idea behind BUILD is not only to give larger, longer, more flexible grants but also to allow grantees — many of whom are leaders of color — to determine how to spend the funding.
- **Chicago Community Trust**, one of the nation's oldest community foundations, is a more recent convert, announcing in November that its strategic plan for the next decade would anchor on racial equity. The foundation's goal is to close the wealth gap between Latinx, black, and white households in Chicago. White families in Chicago hold nearly 10 times the wealth of black and Latinx families. According to CEO Helene D. Gayle, the decision marks the foundation's recognition that many of the biggest issues plaguing Chicago — violence, health, education — have root causes in racial and ethnic wealth inequality. Gayle invokes John F. Kennedy when she explains CCT's goal to close Chicago's racial wealth gap: "We choose to take on this issue, not because it is easy, but because it is necessary."

These changes won't just benefit the communities these organizations serve. Consider the "curb-cut effect," as Angela Glover Blackwell, founder of PolicyLink, calls it. Pressured by disability advocates, the city of Berkeley installed its first curb cut — the small ramp in the sidewalk originally intended to help those in

wheelchairs — in 1972. Technically it wasn't the nation's first, but their proliferation in Berkeley became the first time people noticed who actually benefited — and it wasn't just the disabled. The curb cuts became popular with parents pushing strollers, workers pulling heavy carts, business travelers wheeling luggage, anyone suffering joint and knee pain, runners, bikers, and the list goes on.

Blackwell notes, despite what some people may think, equity isn't a zero-sum game where helping one group hurts another. Instead, everyone benefits from equity.

When it comes to philanthropic funding the racial disparity is clear. But, the curb cut effect is a constant reminder of the difference closing the racial funding gap can make. Change cannot happen without funding more leaders of color and funding them more deeply. The question now becomes: Will philanthropists do what is necessary?

Editor's Note: An earlier version of this story misstated the name of the Philanthropic Initiative for Racial Equity. The text has been corrected.

Cheryl Dorsey is the president of Echoing Green. An accomplished leader and social entrepreneur, she has served in two presidential administrations and on several nonprofit boards.

Jeff Bradach is cofounder and managing partner of The Bridgespan Group. Prior to launching Bridgespan he was teaching at Harvard Business School, where he was a member of the Organizational Behavior and the Social Enterprise Initiative faculty.

Peter Kim is a partner at The Bridgespan Group and its chief learning and innovation officer. He co-leads the firm's racial equity strategy, focusing on integrating racial equity more fully into its approach to serving clients.

This article is about SOCIAL RESPONSIBILITY

 Follow This Topic

Related Topics: [Race](#)

Comments

Leave a Comment

Post Comment

0 COMMENTS

 [Join The Conversation](#)

POSTING GUIDELINES

We hope the conversations that take place on HBR.org will be energetic, constructive, and thought-provoking. To comment, readers must sign in or register. And to ensure the quality of the discussion, our moderating team will review all comments and may edit them for clarity, length, and relevance. Comments that are overly promotional, mean-spirited, or off-topic may be deleted per the moderators' judgment. All postings become the property of Harvard Business Publishing.

