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# Moving Diversity Up the Agenda: Lessons and Next Steps From the Diversity in Philanthropy Project

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## From the Margins to the Mainstream

For more than 30 years, diversity and inclusion have been at the forefront for a select group of funders and funder networks. For most others, these issues have remained peripheral – something that might be important in principle, but not viewed as critical in practice. As a result, the philanthropic sector has not fully embraced the wealth of diverse human capital available to its work. Diversity and inclusion in philanthropy have been further marginalized because the infrastructure – funder networks, research institutions, and advocacy groups – have traditionally approached this issue in a largely siloed manner, often competing for scarce resources.

In 2007, the Diversity in Philanthropy Project (DPP) began a three-year campaign to catalyze energy and action around one of philanthropy's great imperatives: to exemplify diversity, inclusive practice, and attention to social equity in foundation board and staff composition, operations, and grantmaking. The effort, chaired by Dr. Robert K. Ross, M.D., president and CEO of The California Endowment; Sterling Speirn, president and CEO of the W.K. Kellogg Foundation; and Stephen Heintz, president and CEO of the Rockefeller Brothers Fund, was intentionally positioned as a short-term effort focused on voluntary action among foundation executives and trustees. The effort was advanced by a national board of advisors consisting of recognized field leaders (Appendix A).

## Key Points

- The Diversity in Philanthropy Project (DPP) was a three-year, voluntary effort of foundation trustees, senior staff, and executives of philanthropy-support organizations committed to increasing diversity and inclusive practice across organized philanthropy's boards, staff, grantmaking, contracting, and investing.
- DPP had significant achievements, including mobilizing greater commitment among foundation leaders to voluntary action on diversity and enhancing both the knowledge base and data methodologies available for understanding diversity, inclusion, and equity in foundation work.
- The initiative also faced its share of challenges, including difficulty assessing the impact on the diversity performance of foundations, slow adoption of recommended principles and practices, and engagement of field stakeholders that was good but not good enough.
- DPP yielded lessons that are being applied in the development of an effort to create and implement a sustained diversity strategy for the field involving a broad coalition of leading philanthropy organizations and networks. That five-year initiative in diversity – called "D5" – represents DPP's most significant outcome.

DPP's work focused on three primary strategies: (1) promoting voluntary diversity and inclusion initiatives at the individual foundation and field level; (2) advancing a national system of data collection, analysis, and accountability; and (3) supporting the creation, organization, and distribution of knowledge resources.

To advance DPP's work, a team of experienced philanthropy consultants (Appendix B) was assembled under the direction of Henry A.J. Ramos, principal of Mauer Kunst Consulting. In consultation with DPP national advisory board leaders, the consultant team developed and implemented DPP's strategic priorities.

*Attracting attention to a cause is one thing; securing philanthropy's focus, attention, and action on building diverse, inclusive, and equitable foundations is another task altogether.*

Diversity, inclusiveness, and equity were already hot-button issues when DPP began, widely debated in the philanthropic field and the nation. Shortly after DPP's inception, these issues became hotter. In 2008, the election of an African American as president of the United States affirmed progress on diversity issues in the U.S., while simultaneously highlighting persistent racial divides and disparities. Earlier that same year, a percolating issue for philanthropy came to a boil as California Assembly Bill 624 proposed legislative scrutiny of foundations' performance on diversity and inclusion. Suddenly, these issues gained political urgency. Many leaders in philanthropy were newly inspired to pursue voluntary, nonlegislative diversity initiatives. Others fought what they saw as an infringement of their philanthropic freedoms. And some did both. An economy in downturn galvanized discussion about how the field could equitably and fairly maintain its relevance, effectiveness, and impact with fewer resources. Meanwhile, the demographic revolution showed no signs of slowing down, across the nation and globe.

This confluence of factors created momentum to bring diversity, inclusion, and equity issues to the top of philanthropy's national agenda. Still, attracting attention to a cause is one thing;

securing philanthropy's focus, attention, and action on building diverse, inclusive, and equitable foundations is another task altogether. This article examines how DPP tried to do this, where it succeeded, where it fell short, and what was learned. It discusses DPP as the first phase of a broad two-part strategy to build a more diverse and inclusive sector. The Phase 1 agenda was to position diversity and inclusion higher on philanthropy's agenda. The Phase 2 agenda is to embed diversity and inclusion values and activities into the core work of the field's infrastructure institutions.

This strategy was more learned than planned. It emerged from a synthesis of reflections on DPP's successes and challenges, but wasn't entirely predicted or codified when DPP's architects designed the initiative. Over its three years of existence, DPP made significant progress on the first phase of this change strategy and set the stage for the second.

### Lessons From What Worked

The Diversity in Philanthropy Project was designed as a short-term initiative to promote voluntary action around diversity and inclusion. As a sector, philanthropy wasn't anything close to a blank canvas on these issues when DPP appeared. The identity-based funder networks, many individual grantmakers, and other specific diversity initiatives had advocated for attention to these issues for decades. Targeted initiatives, such as Philanthropy for Racial Equity (PRE), offered resources to advance structural change within foundations and the field. Some regional associations of grantmakers had developed tools and resources focused on diverse and inclusive foundations and grantmaking.

At the same time, philanthropy's actual attention to issues of diversity and inclusion had been lackluster. DPP set on a campaign to change that. Three of the campaign's strategies worked especially well:

1. raising the visibility of the issue by engaging champions, codifying values and behaviors, and having a large presence on the conference circuit;

2. promoting sector transparency through diversity research and data collection; and
3. creating, organizing, and distributing knowledge resources.

Fifteen more specific lessons emerged about these strategies (Figure 1).

#### *Lessons About Raising Issue Visibility*

*Inspire leaders to declare their commitment.* DPP's strategy differed from previous efforts in its focus on foundation and sector leaders as the primary agents for change. The initiative provided a hub and meeting ground for foundation and infrastructure leaders who were already committed to promoting diversity and inclusion in the field. By asking these leaders to declare themselves formally, write about, advocate for, and fund diversity strategies, DPP raised the profile of diversity and inclusion in the field and drew significant attention to the issues. It used this body of leaders – assembled into a 35-member advisory board – to make the case that its commitment to building diverse and inclusive foundations had real heft in philanthropy. “We’re a very hierarchical, status-conscious field,” says Roger Doughty, executive director of Horizons Foundation. “That level of leadership mattered a lot to DPP’s ability to draw attention.” (personal communication, August 2010).

Leaders came to the DPP table out of long-standing commitment to the cause. Many had agitated for change for decades. Some were frustrated by the slow progress on diversity issues and hoped that DPP would give the work a needed push. The short-term nature of the initiative was appealing. And its broad definition of diversity – as reflective of social, demographic, and other on-the-ground changes in the United States – allowed leaders with different personal and grantmaking priorities – including race, gender, sexual orientation, class, and disability – to see their priorities as valued and shared.

*Stage a full-court press at the field’s major conferences.* DPP engaged philanthropy leaders as champions for diversity and inclusion through a full-court press at the major national and regional conferences of the sector, beginning with the Council on Foundations’ 2007 annual conference in Seattle. In total, the effort organized and promoted diversity sessions at three Council on Foundations annual conferences and more than 20 other regional or issue-based conferences and convenings. These sessions, many of which were standing room only, raised the visibility of diversity, inclusion, and equity issues to thousands of foundation executives and staff. Crowded sessions on diversity and inclusion suggested that the issues were starting to register with grantmakers beyond the core advocates.

FIGURE 1 Lessons from the Diversity in Philanthropy Project

#### 15 Lessons from DPP

- 1 Inspire leaders to declare their commitment.
- 2 Stage a full-court press at the field’s major conferences.
- 3 Get something in writing.
- 4 Focus the field’s researchers.
- 5 Learn by doing.
- 6 Test assumptions by talking with leaders.
- 7 Create a forum to share perspectives.
- 8 Build knowledge from the ground up.
- 9 Think in terms of asks and actions.
- 10 Move past the old conversations.
- 11 Don’t waste a good crisis.
- 12 Broaden leadership beyond core supporters.
- 13 Show impact on the ground.
- 14 Watch the baggage.
- 15 Agenda setting is not enough.

FIGURE 2 Common Practices



The following principles and practices originated from the philanthropic sector executives, CEOs, and trustees of the Diversity in Philanthropy Project.

They express the unity of our intention while respecting that our approaches may vary.

The principles and practices outlined here are not meant to be prescriptive; rather they represent a collective, affirmative effort to lift our field to a higher standard of operating practice.

They can be employed in whole or in part to help philanthropic institutions more effectively achieve their missions.

### OUR PRINCIPLES

We seek to encourage all foundation leaders to embrace the following principles intended to promote diversity as a matter of fairness and effectiveness in our profession.

#### Mutual Respect

Within the parameters of our core values and charter requirements, we are committed to diversity, equity, and inclusion; and we fundamentally value and respect experiences that are different from our own.

#### Freedom and Flexibility

We promote a broad approach to diversity while respecting each individual foundation's commitment to address those aspects most germane to its mission.

#### Knowledge and Creativity

By increasing diversity, equity, and inclusion, we believe we will access more expansive and varied ideas, information, and perspectives, making us more creative, informed investors.

#### Strategic Approach

To achieve our aims, we believe it is necessary to be strategic and intentional in formalizing and pursuing meaningful diversity goals as central aspects of our governance and programming.

#### Transparency

We believe we have a responsibility to society and our sector to achieve our goals with honesty and transparency, regularly reporting progress and lessons learned along the way.

### PROMISING PRACTICES

We seek to advance diversity by encouraging voluntary practices that include:

#### Internal Diversity Assessments

Conducting periodic assessments of board and staff appointments, grantmaking, and contracting to help institutional leaders identify priorities, recognize strategic opportunities, and enhance their diversity performance.

#### Diversity Plans

Developing and implementing diversity plans to help leaders design specific and concrete steps to expand representation and engagement from diverse communities in their mission and work.

#### Field Development and Coordination

Supporting more integrated and coordinated planning, investment, and action to expand the field's overall capacity for change.

#### Peer Support

Building peer networks, both formal and informal, to help individuals, their institutions, and the larger field achieve greater diversity.

#### Periodic Progress Reporting

Tracking progress, communicating accomplishments, and sharing lessons learned to establish field-wide performance benchmarks and enhanced transparency and public accountability.

#### Public Leadership

Exercising visible leadership by encouraging others to join, publicly promoting the benefits of diversity, and identifying new strategies that lead to greater effectiveness.

DPP also provided expert speakers and advisors on diversity, including DPP advisory board members and consultants, to speak at conferences, present workshops, meet with foundation and infrastructure boards, and serve on the Council on Foundation's Committee on Inclusiveness.

*Get something in writing: Codify values and behaviors.* Finally, DPP laid out its core values in writing for the field. The initiative's leaders and consultants developed a set of "Common Principles and Promising Practices" (Figure 2) to serve as a rallying point and visible symbol of their commitment to voluntary action. By adopting these principles, philanthropic organizations could demonstrate their commitment to diversity and inclusion and their willingness to act on an individual and field level. Prospective signatories were given several options, including formally signing on to adopt the principles, incorporating them into existing policy, indicating that the principles were consistent with organizational values already in place, or even signing on as an individual.

#### *Lessons About Expanding Diversity Research and Data Collection*

The dearth of good information about diversity in foundation board and staff composition and grantmaking was of serious concern to DPP leaders, an impediment to progress on these issues, and a major point of sector vulnerability. As legislative activity like California Assembly Bill 624 demonstrated, philanthropy's inability and in some cases unwillingness to track the diversity of its staff, trustees and stakeholders and its progress on diversity invited others to do so. DPP's strategy was to focus on building the field's data and research capacity so that its lack would no longer be a stumbling block. The research work advanced on three main fronts: (1) development of a network of researchers and practitioners determined to advance better diversity research and data, (2) pilots of comparable regional demographic studies, and (3) focus groups of foundation CEOs.

*Focus the field's researchers on the issue.* DPP formed a special partnership with the Foundation Center with the explicit goal of increasing

the field's ability to measure and track diversity. In part because of this engagement with DPP, the Foundation Center made a public commitment to continue to facilitate the development of better information about diversity and inclusion in foundation operations and grantmaking. The organization published a sizable bibliography of resources related to diversity and inclusion in philanthropy (Bryan, 2008). In partnership, DPP and the Foundation Center recruited and convened a data and research working group of researchers and practitioners from foundations, academic centers, and infrastructure organizations across the sector. Over three meetings, the group mapped out research priorities and strategies for systematic data collection. Among its big picture priorities for the field, the group cited the following:

- What works to advance "deep diversity" and inclusiveness in foundations? What are the factors, processes, and roadblocks that impact institutional change? What metrics and other assessment strategies are most useful for measuring this change?
- What is the relationship between increasing diversity in organizations and organizational effectiveness, both internally and externally? What metrics and other assessment strategies are most useful in measuring diversity's impact on foundations' work?

*Learn by doing – conduct pilots to develop methodologies.* At the same time, the Foundation Center and DPP, in partnership with several regional associations of grantmakers, undertook demographic studies of foundation grantmaking and foundation boards, staff, and activities. Two studies of California grantmakers commissioned by the three California regional associations provided (1) an analysis of the extent to which grantmaking by large California foundations served populations of color and (2) a survey of California foundations to collect baseline data on the demographic composition of their boards and staffs and on the types of diversity-related data collection and grantmaking in which they were involved.

This study informed several other efforts. The Council of Michigan Foundations and the Community Research Institute at Grand Valley State University aligned their study of Michigan foundations with the California study. In a study of New York foundations, Philanthropy New York and the Foundation Center took the important step of expanding the analysis to include lesbian, gay, bisexual, and transgender populations (McGill, Bryan, & Miller, 2009). Philanthropy Northwest and the Foundation Center are working together on a study of the Pacific Northwest. These more inclusive versions of the research have become the basis for a replicable template for data collection, making it possible to compare across regions and reduce the cost of developing new studies in other regions.

sectors” (Capek, 2009). Focus groups also helped to further refine DPP’s “Working Assumptions” (Figure 3) by testing them against CEO experience and intuition.

### *Lessons About Sharing Knowledge*

*Create a forum for diverse perspectives.* Using DPP as a hub, the initiative’s leaders and consultants collected and shared extensive commentary, case studies, and research on a wide variety of topics. First, financial resources allowed DPP to commission the rapid development of in-depth case studies, interview commentaries, and videos. This push to expand the amount of conversation about diversity and inclusion in philanthropy worked. Second, DPP’s relatively neutral status (in that it had a diverse array of stakeholders and a broad definition of diversity) gave it license to put forth multiple angles on the same topic. For example, the discussion of the California legislation featured commentary and published pieces from practitioners both for and against the legislation. Third, DPP’s extensive and high-profile board of advisors meant that the initiative’s resources received more attention and more prominent treatment than they would have if they had emerged piecemeal.

The field had – as many DPP advisors (and detractors) asserted – a lot of great writing and thinking already available on the topic of diversity and inclusion in philanthropy; it was just hard to find. DPP’s contribution was to consolidate and promote existing resources at the same time that it developed new research and perspectives. DPP’s website, [www.diversityinphilanthropy.org](http://www.diversityinphilanthropy.org), served as a portal to hundreds of resources. Its electronic newsletter, with more than 500 subscribers, drove traffic to resources and highlighted new materials. In addition, DPP sponsored publications for broad-scale distribution, including, *Philanthropy and Diversity: New Voices*, *New Visions*, a special issue of the *National Civic Review*, the development of a seminal report on more than 300 U.S. diversity-focused funds in partnership with the Support Center of New York and Rockefeller Philanthropy Advisors.

*A primary takeaway from all five dialogues was the importance of facilitating safe space for CEOs to have authentic and challenging conversations.*

*Test assumptions by talking with leaders.* While creating models for better quantitative data, DPP consultant Mary Ellen Capek piloted a methodology for deep and intensive qualitative data gathering through CEO focus groups – a project originally commissioned by Women & Philanthropy, the Council on Foundations, and the W.K. Kellogg Foundation. Focus groups in Chicago, Ill.; Los Angeles, Calif.; Detroit, Mich.; Minneapolis, Minn.; and Columbus, Ohio, engaged more than 100 CEOs in facilitated dialogue to share successes and failures related to their diversity work.

A primary takeaway from all five dialogues was the importance of facilitating safe space for CEOs to have authentic and challenging conversations. “No magic bullets and few existing tools are out there that make this work easier. Few, if any, models of successfully diverse, healthy learning organizations exist, in philanthropy or other

FIGURE 3 The Diversity in Philanthropy Project Working Assumptions

### Institutionalizing Diversity: DPP Working Assumptions

*Numbers count.* Two examples of recent research: Mathematical models have been developed that prove diversity and inclusiveness trumps ability in most settings (Page, 2007). Once minorities on boards number three or more, opportunities for influence equalize between all members (Buchanan, Buteau, Di Troia, & Hayman, 2007).

*Numbers are not enough: Diversity must be both wide and deep.* To be successful, diversity in organizations must go wide (be understood as actively including many different kinds of differences) and deep (be absorbed into an organization's culture). "Shallow diversity" organizations have a harder time being effective (Capek & Mead, 2006).<sup>1</sup>

*Organizational cultures can pose roadblocks.* Valued traditions, history, even mission – an organization's self-identity – can mask unspoken, unnamed assumptions and unwritten rules that pose major roadblocks to going wide and deep, even with all key stakeholders' best intentions.

*Foundations are privileged institutions.* Because of the inherent ratios of power defined by being asked for and awarding resources, with rare exceptions, foundations – even community and public foundations – function as elite institutions, often with less actual public accountability and oversight than organizations in other sectors. Most foundations have self-perpetuating boards.

*Privileged institutions expect new people to cover to fit in.* Elite institutions in any sector usually expect "covering" (Yoshino, 2006)<sup>2</sup> from new staff and board members: It is assumed that new people will "fit in" to the organization rather than the organization change to accommodate new perspectives. These assumptions are usually implicit, not talked about. Especially in smaller or family foundations, these assumptions can be framed as cherished principles, part of the founder's vision.

*Addressing unspoken norms and assumptions is key.* Surfacing and assessing these latent cultural assumptions ("naming Norm") can be a useful strategy for creating organizational cultures that give all stakeholders opportunities to succeed and organizations opportunities to innovate.

*Stakeholders who don't cover do better work and the organization benefits.* To the extent that an organization's key stakeholders, including grantees, don't have to cover to fit in – understand themselves to be heard, encouraged, and valued – stakeholders do better work. The organization will obtain increased value of more creativity and unleashed energy – and with grantees, transparency, trust, and mutual respect: in short, organizations will be more effective.

*"Learning organizations" are more likely to institutionalize deep diversity.* Organizations that aspire to be "learning organizations" (Senge, 1990)<sup>3</sup> – with mechanisms in place for self-reflection that allow, even encourage, stakeholders to challenge assumptions and grow – are fertile ground for successfully institutionalizing diversity and becoming more effective.

*Institutionalizing diversity is an ongoing, reflective process.* The paradigm is not "broken/fixed" but "learn/assess/grow," and the process is ongoing: The goal is not "bingo; we did it," but institutionalizing redundant mechanisms that sustain a vital culture of new learning as well as preserve valued traditions and history. Outcomes include integrity, effectiveness, and success.<sup>4</sup>

*Build knowledge from the ground up.* Most knowledge comes from peers, not Internet downloads. To test and demonstrate this, DPP partnered with the Council of Michigan Foundations to create and facilitate a knowledge symposium on diversity and inclusion. The symposium, attended by 80 leaders from Michigan foundations and other philanthropy organizations, was built around findings from a jointly developed landscape scan, which described the many approaches to diversity and inclusion already underway in Michigan, the impetus for change, and barriers and challenges. The highly facilitated event created a safe space for foundation leaders to share their stories and build knowledge about change efforts in their

organizations:

The symposium began with intense, frank and honest dialogue about the need to move the issue past the usual – and some said useless – "talking phase" of past efforts within the national sector. It ended with an engaged call by attendees for the formation of peer learning networks by CMF to support efforts to put action plans into motion. (Gallagher, 2009)

<sup>1</sup> See also [www.effectivephilanthropybook.org](http://www.effectivephilanthropybook.org).

<sup>2</sup> See also [www.kenjtyoshino.com](http://www.kenjtyoshino.com).

<sup>3</sup> See also [www.solonline.org/organizational\\_overview](http://www.solonline.org/organizational_overview).

<sup>4</sup> For additional information, see [www.diversityinphilanthropy.org](http://www.diversityinphilanthropy.org).

For the Council of Michigan Foundations, the symposium resulted in a strengthened network of engaged foundations and the shaping of a five-year action plan. For DPP, it demonstrated the value of convening within a region, where grantmakers across foundation size and type could discuss common community issues, demographic trends, and policy considerations.

*The initiative generated a good buzz by motivating field leaders to share their perspectives on the topic in writing and through conference presentations.*

### Lessons From What Fell Short

The Diversity in Philanthropy Project was a resource-intensive, short-term effort, more a campaign than a permanent structure. And it was exploratory, often lacking clear, measurable goals. Expectations for its work were high – both within its ranks and outside – yet those expectations were not always well-articulated or realistic. Participants in the project were constantly reminded how the complex issues of diversity, inclusion, and equity can ignite passions and reveal competing value systems, even among those who might be considered “the choir” in this work.

This section explores lessons from the areas in which the DPP fell short of its leaders’ expectations. There were two in particular: framing the issue and communicating about the project, and building ongoing support.

#### *Lessons About Issue Framing and Project Communications*

*Think in terms of asks and actions.* Diversity and inclusion are topics that have ebbed and flowed in the philanthropy conversation. DPP’s role was to spark renewed interest in them following a period of waning attention. The initiative generated a good buzz by motivating field leaders to share their perspectives on the topic in writing and

through conference presentations. But it lacked a comprehensive, action-focused communication strategy – including such elements as clear messages, designated ambassadors to priority audiences, outreach to foundations through existing philanthropy networks, and, in particular, clear asks and actions specified for target audiences. As a result, DPP missed opportunities to galvanize and sustain the attention of grantmakers.

*Move past the old conversations.* DPP worked hard to sidestep, but couldn’t entirely avoid, the pitfall that so many prior efforts fell into – the tendency of groups to slow or stall progress by arguing about definitions and requiring unattainable proof-of-concept before moving forward. For DPP, one challenge was the definition of diversity. The initiative chose a broad and inclusive definition that made space for many perspectives. Language on the website, for example, spoke to “diversifying perspectives, talent and experience.” While this broad definition created a big tent that was appealing and nonthreatening, it didn’t resonate with the many DPP stakeholders who felt that disparities related to race and gender were critical to address first. These differences in perspective weren’t necessarily damaging to the project – indeed, the dialogue was meaningful. But for DPP stakeholders who had been through many similar cycles, the hours spent defining and debating were fatiguing and felt like “more of the same.”

The initiative also had some success identifying and conveying arguments about why diversity in philanthropy was important to foundations beyond the moral imperative, a rationale that most DPP Advisors agreed was critical, but not likely to convince the skeptical. The fortunate publication of Scott Page’s 2007 book, *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, helped to make the “effectiveness case,” as did Mary Ellen Capek and Molly Mead’s 2006 book, *Effective Philanthropy: Organizational Success Through Deep Diversity and Gender Equality*. Citing these published sources helped DPP to make its case, as did sharing stories from well-respected foundation executives about their own experiences.

*Don't waste a good crisis.* External circumstances both drove and inhibited DPP's progress. Diversity and inclusion were prominent topics in philanthropy and the nation as a result of Barack Obama's election, and the legislative efforts to require foundation diversity reporting gave the issue real political urgency. The economic crisis, on the other hand, made it harder to persuade foundations to focus attention on what many still felt was an "extra."

White House Chief of Staff Rahm Emanuel was right when he said, "Never let a serious crisis go to waste." DPP was able to point to California Assembly Bill 624 as an example of why voluntary action in philanthropy around issues of diversity and inclusion was immediately and profoundly in the field's self-interest. At the same time, the withdrawal of the California bill in 2009 dramatically diminished that sense of urgency and made it significantly more difficult to secure active, committed participation. DPP might have been able to use the urgency when it was acute to drive a broader adoption of its "Principles and Practices" and spur more activity among foundations.

The economic downturn reduced foundation assets and was cited as a reason for funders to turn their attention away from fieldwide diversity issues. In hindsight, this circumstance could have been used to emphasize that diverse and inclusive grantmakers are uniquely poised to respond to the needs of communities most harmed by economic setbacks.

#### *Lessons About Building Ongoing Support*

*Broaden leadership beyond core supporters.* While DPP engaged a significant cadre of influential field leaders, it struggled to move to the next level and convince a critical mass of stakeholders to take specific action on its mission. The crafting of common principles was a significant achievement. But DPP's "Common Principles and Promising Practices," envisioned as a significant outreach tool, were not widely embraced. Fifty-four signatories, while representing many influential leaders and institutions, were not enough to demonstrate the traction of these core values, according to DPP's funder leaders. Despite outreach

efforts, some foundation and philanthropic support network leaders simply did not see diversity and inclusion as a salient issue. Many others were (and are) committed to this work in some capacity, but did not see signing onto this campaign as the right vehicle to advance their agendas. Others may have found the "Principles and Practices" to be so general that they didn't consider them worth signing. It is an ironic challenge for efforts on diversity and inclusion to be inclusive of both relatively conservative and relatively liberal leaders and institutions.

*DPP didn't have an articulated theory of change, so had trouble identifying the impact within and outside of its locus of control.*

*Show impact on the ground.* What changed as a result of DPP's work? Although the effort inspired new dialogue and action on diversity and inclusion in philanthropy, its impact on the diversity performance of the field was more difficult to quantify and therefore communicate. Project leaders didn't reach consensus about what, exactly, DPP was trying to change and how long this change was expected to take. DPP didn't have an articulated theory of change, so had trouble identifying the impact within and outside of its locus of control. Perhaps even more directly, DPP did not have a strategy for moving more money into diverse communities.

Even more than quantifiable evaluation impacts, the DPP team realized they needed to do more than be able to tell about impact on the ground – they needed to show it. Future efforts must make diversity, inclusion, and equity work relevant on a human level, to the lives of real people by defining measures to show real change in communities and emphasizing foundation accountability to the communities served.

*Watch the baggage.* DPP also carried the baggage of a late and splashy arrival onto the scene. Groups that had been long engaged in the struggle to build diverse and inclusive philanthropy were skeptical of the initiative’s utility. It may be hard to avoid treading on the toes of other like-mission organizations in a crowded and economically pinched landscape. But DPP might have had an easier time allaying fears if it had been better able to articulate its unique value. Lessons for future efforts include the need to target specific leaders by applying constructive peer pressure, deploy ambassadors, and ensure that advisors and champions have a clearly articulated role in building further support for the initiative.

*Agenda setting is not enough.* Changing philanthropy’s culture around diversity and inclusion will require many foundations to opt to change the status quo. DPP was a time-limited campaign, designed to draw attention and energy to the issues. But agenda setting was not enough to sustain meaningful change. As DPP prepared to close its doors, its leaders recognized that the work itself was only just beginning to gain traction in the field. From the start, DPP sought opportunities to embed and expand its work on diversity and inclusion into the field’s core institutions. As one of its final acts, DPP’s body of stakeholders discussed the best way to advance a sustainable sector strategy. To foster a movement in a sector as individualistic as philanthropy, they decided, the field’s leadership institutions would need to make a sustained, collaborative commitment to keep diversity and inclusion on philanthropy’s front burner.

### What’s Next?

The effort that resulted – D5, shorthand for diversity changes over five years – represents that sustained collaborative commitment. D5 isn’t “DPP, Part 2.” It is a separate, distinct strategy, even as it responds to and continues the work that DPP began to advance in the sector. In several fundamental ways, D5 has incorporated lessons from the DPP in shaping its process and strategy. In turn, the effort will be testing answers to a new set of questions.

The D5 effort draws upon groups with long histories advocating for diversity, inclusion, and equity – the Joint Affinity Groups (JAG). To ensure that the issues don’t continue to be seen as marginal, these groups have partnered with more “mainstream” infrastructure organizations, including the Council on Foundations, Regional Associations of Grantmakers, and the Foundation Center. A critical third element, on-the-ground action, is provided by diversity-focused funds represented by Rockefeller Philanthropy Advisors and Horizons Foundation.

Each D5 partner brings a distinct perspective, motivation, and approach to this work. The partner networks and organizations have devoted more than a year to exploring differences, finding common ground, and hammering out a common agenda.

Partners have cited the following factors as compelling them to enter this intensive coalition-building process:

- *Aligned work.* Partners saw the work as aligned with their own organizational priorities. Rockefeller Philanthropy Advisors, for example, seized the opportunity to connect its work on diversity-focused funds to D5’s priorities to increase funds going to diverse communities, grow the capacity of diversity focused funds, and promote of greater diversity, inclusion, and equity in the broader philanthropic field.
- *A match with their core competencies.* D5 needs the specific expertise, reach, and wisdom of its partner groups to succeed. The participating regional associations of grantmakers saw clear connections to their core work. “Many regional associations of grantmakers have long engaged their members around issues of diversity, inclusion and equity,” says Valerie Lies, president of the Donors Forum of Chicago and a DPP advisory board member. “The DPP national campaign affirmed that important work so that we can move to deeper, more sustained efforts” (personal communication, August 2010).
- *Successful history of collaboration.* Many coalition members saw successful partnering through the Diversity in Philanthropy Proj-

- ect. The Foundation Center was inspired to become a founding D5 coalition member in part because it had “already tasted the benefits of collaboration through our early diversity research efforts in 2008 and 2009,” says Larry McGill, the center’s vice president for research (personal communication, May 2010).
- *Core business imperatives.* The Joint Affinity Groups have enormous experience in the issues that D5 was coming together to address as well as many lessons to share after decades of carrying this work. Now that those issues are being embraced by other philanthropic organizations, JAG wanted to ensure that it could play an effective role in this changed environment.
  - *Historic opportunity.* The opportunity to create a fieldwide initiative that both advanced individual interests and simultaneously supported a stronger, better coordinated, less redundant, and more deeply connected infrastructure was a historic opportunity. According to Renée Branch, the Council on Foundation’s director of diversity, “We believe this collaboration can fundamentally change the way that philanthropy infrastructure organizations interact – around all issues, not just diversity and inclusion” (personal communication, May 2010).

#### *What’s the Best Case for Diversity, Inclusion, and Equity?*

The D5 effort has worked to focus a broadly compelling case for diversity, inclusion, and equity, emphasizing four reasons that they are essential to philanthropy’s success:

- *More effective problem-solving.* Research shows that diverse perspectives increase team problem-solving capacity (Page, 2007). The increasing complexity of long-standing social problems and the enormous, inexorable changes in demography and how people organize and identify themselves in American society require that foundations become learning organizations that can tackle issues from different perspectives.
- *Better grantmaking.* Having diverse perspectives reflecting broad and diverse communities informing grantmaking means less of a gap of

experience and perspective between grantmakers and grantseekers. Authentic relationships increase the likelihood that funding will have the desired impact in the communities and organizations that receive it.

- *Values in action.* Diversity and inclusion efforts help foundations live their core values. For foundations focused on expanding resources and dismantling structural barriers to equality, diversity and inclusion efforts present a way to remedy inequities among their philanthropic decision-making and grantee ranks.
- *Fulfill unique social mission.* The public expects grantmakers to lead the way in solving social problems while being more accountable and transparent. The economic downturn highlights philanthropy’s imperative and opportunity to become more diverse, inclusive, and representative of the communities it serves to better fulfill its unique social mission. If the field doesn’t show meaningful voluntary action around diversity and inclusion, it may have these actions imposed upon it through legislation or other means.

*The public expects grantmakers to lead the way in solving social problems while being more accountable and transparent.*

#### *What’s the Right Way to Frame a Sector-Level Strategy on Diversity?*

D5 partners had very different histories and priorities when it came to diversity and inclusion work, so finding a common mission was a high and early priority. Together, partner representatives mapped out areas of common concern and created a joint vision statement to guide their work:

We envision an inclusive philanthropic sector in which foundations draw on the power of diverse staffs and boards to achieve lasting impact, forge genuine partnerships with diverse communities, and

increase access to opportunities and resources for all people.

*There is a real danger that diversity, inclusion, and equity-related activities will be nudged aside as other pressing concerns arise, or that attention to these issues will stop at talk and not lead to real sustained change. But, although they may rise and fall in urgency, the issues are not going away.*

*Outcomes.* DPP had been challenged by not having clear, anticipated outcomes. Learning from that experience, the D5 planning process defined four long-term, big sector changes that represented the ultimate outcomes they sought to produce or influence:

1. New CEO, executive staff, and trustee appointments more closely reflect U.S. demographic trends.
2. Funding for diverse communities increases substantially.
3. Foundations involved in the various partners' memberships take meaningful action to address diversity, equity, and inclusion issues in their organizational policies and practices.
4. Philanthropy develops the research capacity to be transparent about progress on diversity, inclusion, and equity.

*Theory of Change:* D5 partners examined and articulated its assumptions during its planning phase. The effort's theory of change connects the areas that its work can immediately affect, such as philanthropic organizations and their grant-

making, with those that it hopes and expects its work to influence but that are out of its immediate locus of control, such as the dismantling of entrenched social inequities. Key assumptions:

1. Growth of philanthropic giving within and to diverse communities will lead to underserved communities being better able to tackle systemic social inequities.
2. Increased diversity and inclusive practice in philanthropy's executive and board leadership will result in more diverse and inclusive philanthropic organizations.
3. Foundations with policies and practices that support diverse and inclusive organizations are more likely to attract a diverse staff and maximize the potential of this human capital, to become more effective problem-solving institutions better able to achieve their missions.
4. A coordinated fieldwide research agenda is the most effective way to assess the field's progress toward having diverse and inclusive practices and engaging in equitable distribution of resources.
5. By defining diversity, inclusion, and equity in philanthropy as essential to philanthropic effectiveness, philanthropic infrastructure organizations can help to ensure progress over time.

### Gaining Traction: Toward a Sector Strategy on Diversity

The Diversity in Philanthropy Project was set in motion by foundation leaders passionate about growing a diverse and inclusive sector. But the philanthropic sector is not a nimble boat – more like a large barge that turns slowly. DPP was instrumental in pushing the nose of this boat in the right direction. And the lessons from the DPP campaign have already informed the development of the next generation of diversity and inclusion work.

Despite this momentum, there is a real danger that diversity, inclusion, and equity-related

activities will be nudged aside as other pressing concerns arise, or that attention to these issues will stop at talk and not lead to real sustained change. But, although they may rise and fall in urgency, the issues are not going away. Against this backdrop, it is up to leading philanthropic infrastructure organizations and their grantmaker members to keep diversity, inclusion, and equity on the table in a sustained and institutionalized way.

With the D5 initiative, philanthropy has the opportunity to unify around a proactive problem-solving agenda and a sustained, coordinated effort that makes most efficient use of funding,

human capital, and sector experience. By building the long-term capacity of the philanthropic infrastructure to collaborate more effectively to support and promote diversity and inclusion in foundations, D5 seeks to ensure that this work will not become but another issue du jour during coming years. It has the capacity to extend and institutionalize the nascent impacts of the Diversity in Philanthropy Project and build a sector in which diversity, inclusion, and equity are recognized as core strategies to help foundations and other philanthropic institutions fulfill their unique social mission.

APPENDIX A Diversity in Philanthropy Advisory Board / D5 Coalition Partners

Diversity in Philanthropy Advisory Board / D5 Coalition Partners (D5 Partners are italicized; Executive committee members denoted by *)		
<b>Robert K. Ross, M.D.</b> President & CEO, The California Endowment (Co-Chairman)*	<i>Roger Doughty</i> Executive Director, Horizons Foundation	Foundation Center*
<b>Sterling K. Speirn</b> President & CEO, W.K. Kellogg Foundation (Co-Chairman)*	<b>Linetta Gilbert</b> Senior Program Officer, Ford Foundation	<b>Hugo Morales</b> Trustee, Rosenberg Foundation
<b>Stephen B. Heintz</b> President & CEO, Rockefeller Brothers Fund (Co-Chairman)*	<i>Steve Gunderson</i> President, Council on Foundations*	<b>John Morning</b> Trustee, Charles Stewart Mott Foundation
<i>Susan Batten</i> President, Association of Black Foundation Executives*	<b>Sandra R. Hernández, M.D.</b> President & CEO, San Francisco Foundation and Board	<b>Gabriella Morris</b> President, Prudential Foundation
<i>Renée Branch</i> Director, Diversity and Inclusive Practices, Council on Foundations	<b>Gara LaMarche</b> President & CEO, Atlantic Philanthropies*	<b>Gary D. Nelson, Ph.D.</b> President & CEO, Healthcare Georgia Foundation
<i>Ronna D. Brown</i> President, Philanthropy New York*	<b>Thomas C. Layton</b> President, Wallace A. Gerbode Foundation	<b>Peter H. Pennekamp</b> Executive Director, Humboldt Area Foundation
<i>Judy Belk</i> Vice President, Rockefeller Philanthropy Advisors*	<i>Carol Lewis</i> President & CEO, Philanthropy Northwest	<b>Debra Pérez</b> Senior Program Officer, Robert Wood Johnson Foundation
<i>Rob Collier</i> President & CEO, Michigan Council of Foundations	<i>Valerie S. Lies</i> President & CEO, Donors Forum of Chicago*	<b>Linda E. Reed</b> Executive Director, Montana Community Foundation
<b>Victor De Luca</b> President & CEO, Jessie Smith Noyes Foundation	<b>Terry Mazany</b> President & CEO, Chicago Community Trust	<i>Deborah J. Richardson</i> Chief Program Officer, Women's Funding Network
<b>Louis Delgado</b> Trustee, Needmor Fund	<i>Lawrence McGill</i> Vice President for Research,	<i>Vicki Rosenberg</i> Vice President, Education, Communications & External Relations, Council of Michigan Foundations

<p><b>Michael S. Seltzer</b> Board Member, Forum of Regional Associations of Grantmaker</p> <p><b>Ruth Shack</b> President &amp; CEO, Dade Community Foundation</p> <p><b>Unmi Song</b> President &amp; CEO, Lloyd A. Fry Foundation</p> <p><b>Arturo Vargas</b> Trustee, Council on Foundations</p>	<p><b>Luz Vega-Marquis</b> President &amp; CEO, Marguerite Casey Foundation</p> <p><b>Cole Wilbur</b> Trustee, David &amp; Lucile Packard Foundation*</p> <p><b>Richard Woo</b> CEO, Russell Family Foundation*</p> <p><b>Karen Zelermyer</b> Executive Director, Funders for LGBTQ Issues</p>
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**APPENDIX B** Diversity in Philanthropy Consultants and Supporters

Diversity in Philanthropy Consultants and Supporters		
<p>The following individuals were critical to the development and implementation of DPP and the transition to D5.</p>		
<p>Jessica Bearman Raphael Bemporad Hugh C. Burroughs Mary Ellen Capek, Ph.D. James Fong Ruth Goins</p>	<p>R. Christine Hershey Lisa Jackson, Ph.D. Ricardo Millett, Ph.D. Scott Nielson, Ph.D. Anna-Nanine Pond Henry A. J. Ramos</p>	<p>Catherine Ryan Mark Sedway Emily Shepard John Vogelsang, Ph.D. Gary Weimberg</p>
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<p>Association of Black Foundation Executives (ABFE) The Atlantic Philanthropies Carnegie Corporation of New York Annie E. Casey Foundation Marguerite Casey Foundation Chicago Community Trust Council on Foundations Dade Community Foundation Donors Forum of Chicago The California Endowment Ford Foundation Forum of Regional Associations of Grantmakers The Foundation Center</p>	<p>Lloyd A. Fry Foundation Wallace Alexander Gerbode Foundation Healthcare Georgia Foundation William &amp; Flora Hewlett Foundation Humboldt Area Foundation The James Irvine Foundation Robert Wood Johnson Foundation W. K. Kellogg Foundation Montana Community Foundation C. S. Mott Foundation Native Americans in Philanthropy Needmor Fund Jessie Smith Noyes Foundation</p>	<p>David &amp; Lucile Packard Foundation Philanthropy New York Philanthropy Northwest Prudential Foundation Rockefeller Brothers Fund Rockefeller Foundation Rockefeller Philanthropy Advisors Rosenberg Foundation The Russell Family Foundation San Francisco Foundation The Saint Paul Foundation</p>

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