Race and race relations have re-emerged as flashpoints in public policy debates in recent years. Voter disenfranchisement in the South, attacks on affirmative action, and racial profiling under national security policies have brought race issues to center stage. Even in spheres where race is not a primary focus, it often lies not far beneath the surface. Whether connected to the targeting of youth of color in the war on drugs, hardships borne by low-income families after welfare reform, or the erosion of public education, race is one of the most critical issues of our time.

Despite the centrality of race in each of these policy issues, political commentators like Dinesh D’Souza have proclaimed the “end of racism,” and many people believe that civil rights progress, defined by major court decisions and significant legislation over the past 35 years, has made racial discrimination a thing of the past. Neoconservative thought, well-supported by a network of foundations and think tanks and widely disseminated, has emphasized de jure discrimination, individual rights, and “colorblind” remedies. Race-conscious policies and practices such as affirmative action, minority set-asides, and redistricting are increasingly critiqued, contested, and dismantled. Ward Connerly’s “Racial Privacy” ballot initiative in California that would have banned government agencies from collecting racial data exemplifies the political currency of the everyday message that says, “It’s time to get beyond race.” Race consciousness is now suspiciously viewed as inherently racist and impermissible in a good, just, and supposedly colorblind society.

Are we beyond race? Civil rights struggles in key institutional arenas such as housing, education, and healthcare have led to dramatic gains in the advancement of legal equality over the past four decades. But persistent gaps in hiring, promotion, educational achievement, median family income, prison sentencing patterns, and mortality rates show that substantive racial inequalities remain and in many cases have deepened. The pervasive backlash against immigrants and affirmative action threatens to resegregate social life and exacerbate inequalities. Even as neoconservative rhetoric dismisses the significance of race, empirical studies document contemporary patterns of racial inequality and discrimination.

The pervasive backlash against immigrants and affirmative action threatens to resegregate social life and exacerbate inequalities.

Race still matters, now more than ever. This report discusses ways foundations concerned with social justice have supported efforts. An assessment of the numbers presents an unpromising picture: although people of color make up nearly one-third of the general U.S. population, grants explicitly targeted to benefit them constituted only seven percent of foundation giving in 2001. As the challenges facing organizations that promote justice and equity for immigrants and established communities of color mount, funding streams for many such organizations have been reduced to a trickle in recent years. These realities raise several key questions: What does the available data...
on grants to communities of color and to justice-based efforts reveal about overall funding trends? What factors hinder funding for racial justice within the foundation community, and which foundation efforts to support racial justice have been particularly effective? Given the fact that there is not a clear consensus among foundation leaders about the definition of racial justice, what can we say about the future of racial justice funding overall?

To explore these questions, ARC employed the following research methods:

- A literature review of key articles and publications on funding in communities of color, social change funding, and racial justice initiatives.

- Data analysis of funding trends from 1994 to 2001 as reported by the Foundation Center, as well as analysis of data from the Council on Foundations, the Independent Sector, and the Joint Affinity Groups.

- Interviews with more than 40 key actors within the philanthropic community and individuals working in the area of racial justice advocacy.

- Summaries of case studies and key findings of ongoing research in the field of race and social change.

REPORT STRUCTURE

This report analyzes the results of this research in three sections. The first section analyzes the available data on giving to communities of color and to civil rights and social action organizations. It includes an assessment of the impact of these giving trends on particular organizations that conduct racial justice work. The second section focuses on how varied definitions of racial justice have produced different funding emphases, examines foundation initiatives that explicitly address race and racial justice, and discusses the impact of foundation staff diversity on racial justice funding. The concluding section of the report sums up key observations and findings and makes recommendations to funders and donors interested in supporting efforts to promote racial equity.
“Data from the Foundation Center suggest that groups dedicated to minority causes reap a considerably lower percentage of [funding from] foundations that may serve a variety of populations.”

MICHAEL ANFT AND DEBRA E. BLUM
Chronicle of Philanthropy Special Report 2002

Between 1985 and 2002, the number of foundations operating in the United States more than doubled—from 25,000 to 60,000—and their total assets increased from $100 billion to $600 billion. (Harris 2003) Even after adjusting for inflation, grant dollars have more than doubled over the past decade and have more than quadrupled since 1975. Despite significant declines in foundation assets in 2001 and 2002, foundation giving peaked at $30.5 billion in 2001 and remained steady in 2002. (Foundation Yearbook 2003) While figures for 2003 are not yet available, a drastic decline in giving was not predicted for the year; a Foundation Center survey of 747 foundations found the majority expected to either increase funding or maintain their current funding levels in 2003. (Foundation Yearbook 2003) What have these trends meant for U.S.-born populations of color, immigrants and refugees, and social change efforts designed to advocate for policies and programs that benefit these communities?

SUPPORT FOR PEOPLE OF COLOR, IMMIGRANTS, AND REFUGEES

The most comprehensive grant giving data, collected by the Foundation Center, presents some challenges for estimating giving to communities of color or to racial justice work. The Foundation Center notes in its reports that tracking giving to communities of color presents “special difficulties due to the wording of grant descriptions, and also to the Center’s effort to avoid double counting grant dollars.” Giving to communities of color is calculated by “groups that could be identified as serving specific populations or grants whose descriptions specified a benefit for a specific population.” Because these categories are not discrete, it is possible to overcount (grants benefiting multiple populations could be counted more than once) or to undercount (a grant to a homeless shelter in a predominantly African American community that does not explicitly state African Americans as a target population for its services would not be counted as funding to people of color). At the same time, racial justice funding is not an explicit category in the Foundation Center’s database. To determine funding for racial justice work, it is
necessary to extrapolate from data in the broader category of Social Action and Civil Rights.

Despite these limitations, analysis of Foundation Center data on funding to communities of color and to civil rights and social action organizations does reveal important longitudinal giving trends. The data reveals that while foundation giving to communities of color has increased in recent years, it has not kept pace with overall increases in philanthropic support. From 1994 to 2001, grants increased by 63 percent (to a total of 16.8 billion). During the same time period, grants designated to communities of color increased by 55 percent (to approximately 1.2 billion). Support for racial and ethnic communities in general totaled $627 million in 2001; the remaining $553 million was targeted towards specific racial and ethnic groups.

As a proportion of total foundation giving, grants to communities of color fell from a peak of nearly ten percent of all grants in 1998 to seven percent in 2001,

**GIVING TO COMMUNITIES OF COLOR BY REGION**

The gap between foundation assets and giving across regions has closed. While foundations in the Northeast continue to have the largest share of assets (33.9 percent), other regions have made significant gains. Since 1975, total assets of Western foundations have grown ten times as fast as Northeastern foundations, while the South has had the largest gain in the number of foundations. In 2001, the share of total giving among the Midwest (23.1 percent), the South (22 percent), and the West (21.1 percent) was nearly the same. However, there are still regional differences in funding to people of color.

Foundations in the Northeast and West are more likely to target support towards communities of color, including immigrants and refugees. In 2001, nearly half of $115.6 billion in support to immigrant communities was provided by foundations in the Northeast, and more than 25 percent of immigrant support came from foundations in the West. In 2001, only five percent of Southern foundations assisted communities of color directly, compared to 7.2 to 7.4 percent in the Northeast, Midwest, and West.

In all regions, nonwhite racial and ethnic populations received a disproportionately smaller share of foundation support than their demographic representation. For example, people of color make up 41.7 percent of the population in the West, yet only 7.4 percent of foundation giving in the West is designated explicitly to benefit people of color.

the lowest point in over a decade. This represents a potential loss of $486 million annually in support to communities of color. This decline is primarily due to decreases in the average grant size, rather than the total number of grants given. Over the past decade, the share of grants given to communities of color has fluctuated between 9.1 and 9.8 percent. But between 1998 and 2001, the average value of grants designated for populations of color decreased by 19 percent to $95,227.

- Relative to other grants, funding designated for African American communities has fallen to its lowest level in the past decade. In 2000 and 2001, funding explicitly for African American communities fell to 1.4 percent of total foundation giving, after ranging from 2.0 to 3.8 percent of giving between 1994 and 1999. (Foundation Giving Trends 2003) In 2001, grants to African American communities totaled $237 million, compared to a high of $367 million in 1998. This is largely attributable to a significant decrease in the size of the average grant to groups that support African Americans, which decreased from $104,500 in 1994 to $88,758 in 2001.

- Asian American/Pacific Islander communities received between .3 and .5 percent of total grant dollars between 1994 and 2001. In 2001, AAPI communities received $63.6 million in large grant support. The average grant grew 125 percent to $80,100 in that same period.

- Latino-focused organizations received an average of 1.48 percent of large foundation grants between 1994 and 2001. Funding to Latino communities rose from $140 million in 2000 to $168 million in 2001, which was 2.1 percent of all large grants. This increase reflects a few large grants, such as the Pew Charitable Trust’s $5.9 million research grant to the University of Southern California and $2.5 million from the Robert Wood Johnson Foundation to the Latino Council on Alcohol and Tobacco.

- In 2000 and 2001, giving to Native Americans/American Indians accounted for .5 percent of total foundation giving, equaling its lowest level in the past decade. Between 1994 and 1999, giving to Native American/American Indian communities ranged between .5 and .9 percent of total giving. In 2001, large foundation grants to Native American/American Indians totaled $84 million.

- Support for immigrants and refugees totaled $121 million in 2001, representing only 0.7 percent of all large grant dollars. Since 1994, giving to immigrants and refugees has ranged from 0.6 to 1 percent of large foundation grants. This is a particularly small proportion considering the fact that foreign-born U.S. residents total more than 11 percent of the population, up from 8 percent a decade earlier. Support for migrant workers, which is under a separate Foundation Center category, reached a mere $7.6 million in 2001.

RACIAL JUSTICE FUNDING

“I’m one of those ‘the glass is half full’ kinds of people. But, when it’s about racial justice issues you really can’t paint a pretty picture. You have to tackle it head on and call it what it is.”

DARANEE PETSOD
Grantmakers Concerned with Immigrants and Refugees

While grantmaking to communities of color does not equate to racial justice
## Racial Justice: A Declining Priority?

### Racial Justice Organizations Within the Top 50 Recipients of Civil Rights and Social Action Funding, 1998-2001 (Foundation Giving Trends 2003)

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipients of 50</th>
<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>15 recipients of 50</td>
<td>Mexican American Legal Defense and Education Fund (31 grants, $5.4 million)</td>
</tr>
<tr>
<td>1999</td>
<td>12 recipients of 50</td>
<td>National Immigrant Legal Support Center (10 grants, $4.6 million)</td>
</tr>
<tr>
<td>2000</td>
<td>10 recipients of 50</td>
<td>National Council of La Raza (31 grants, $16.3 million)</td>
</tr>
<tr>
<td>2001</td>
<td>8 recipients of 50</td>
<td>National Council of La Raza (34 grants, $2.8 million)</td>
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### Total: $30 million

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<th>Recipients of 50</th>
<th>Organizations</th>
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<tbody>
<tr>
<td>1998</td>
<td>12 recipients of 50</td>
<td>National Council of La Raza (23 grants, $3.4 million)</td>
</tr>
<tr>
<td>1999</td>
<td>10 recipients of 50</td>
<td>Mexican American Legal Defense and Education Fund (27 grants, $3.6 million)</td>
</tr>
<tr>
<td>2000</td>
<td>8 recipients of 50</td>
<td>NAACP Legal Defense and Education Fund (10 grants, $7.3 million)</td>
</tr>
<tr>
<td>2001</td>
<td>5 recipients of 50</td>
<td>National Council of Negro Women (15 grants, $1.7 million)</td>
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</table>

### Total: $20.9 million

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<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>10 recipients of 50</td>
<td>Celtic Legal Immigration Network (5 grants, $2.4 million)</td>
</tr>
<tr>
<td>1999</td>
<td>8 recipients of 50</td>
<td>Immigrant and Refugee Services of America (4 grants, $1.3 million)</td>
</tr>
<tr>
<td>2000</td>
<td>6 recipients of 50</td>
<td>National Association of Latino Elected and Appointed Officials Education Fund (11 grants, $1.8 million)</td>
</tr>
<tr>
<td>2001</td>
<td>4 recipients of 50</td>
<td>Mexican American Legal Defense and Education Fund (16 grants, $1.4 million)</td>
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</table>

### Total: $48.2 million

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<th>Organizations</th>
</tr>
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<tbody>
<tr>
<td>1998</td>
<td>7 recipients of 50</td>
<td>New York Immigration Coalition (12 grants, $2.2 million)</td>
</tr>
<tr>
<td>1999</td>
<td>5 recipients of 50</td>
<td>National Congress of American Indians (2 grants, $1.3 million)</td>
</tr>
<tr>
<td>2000</td>
<td>4 recipients of 50</td>
<td>National Immigration Forum (6 grants, $1.7 million)</td>
</tr>
<tr>
<td>2001</td>
<td>3 recipients of 50</td>
<td>Lawyers Committee for Civil Rights under Law (10 grants, $1.4 million)</td>
</tr>
</tbody>
</table>

### Total: $12.7 million

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**Total:** $30 million

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**Total:** $20.9 million

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**Total:** $48.2 million

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**Total:** $12.7 million
funding, the Foundation Center does track a number of categories that intersect with racial justice efforts, including funding to social action, civil rights, and equal rights organizations. An assessment of these data paints a distressing picture:

- **Civil rights and social action funding remains a low priority for foundations.** In inflation-adjusted dollars, funding for civil rights and social action increased from $137,493 million in 1998 to $184,980 million in 2001. Yet the proportion of foundation support for civil rights and social action fell to 1.1 percent of all foundation giving in 2001, from 1.4 percent in 1998. Compared to civil rights and social action, foundations are nearly 3.5 times as likely to fund community improvement/development, three times as likely to support philanthropy and volunteerism, and 2.5 times as likely to support public affairs. (*Foundation Giving Trends 2003*)

- **Within funding for civil rights and social action, racial justice organizations are a declining priority.** The top 50 recipients of foundation grants for civil rights and social action receive 77 percent of all grants in this category. The chart lists organizations within this top 50 that focus on race and/or immigrant rights.

As the chart on the next page illustrates, the number of groups primarily focused on “minority” and “immigrant” communities within the top 50 Civil Rights and Social Action recipients fell from 15 in 1998 to eight in 2001. The total dollars awarded to these recipients seemed to fall as well, reaching a low of only $12.7 million in 2001. The exception is the year 2000; however, the majority of the $48.2 million awarded that year went to just three organizations—the National Council of La Raza, MALDEF, and the NAACP Legal Defense and Education Fund—who alone accounted for $35.5 million in grants.

**IMPACT ON RACIAL JUSTICE EFFORTS**

Many racial justice organizations have experienced a significant loss in foundation support in recent years. Such losses have caused several of these organizations to close their doors, including the Northwest Coalition Against Malicious Harassment, the Washington Alliance for Immigrant and Refugee Justice, and the Northern California Immigrant Rights Coalition. Immigrant rights groups in Massachusetts and Florida report being endangered by cuts in private and government funds. (*Anft 2003*)

Many racial justice organizations have experienced a significant loss in foundation support. Such losses have caused several of these organizations to close their doors.

In addition, local racial justice organizations across the nation are struggling. In Providence, Rhode Island, Direct Action for Rights and Equality (DARE) Director Sara Mersha notes that “A number of funders have discontinued our support, while others have done across-the-board cuts.” DARE, which uses a racial justice framework in organizing low-income families of color, has seen its budget cut nearly in half—to $280,000—over the past few years, and they have been unable to replace staff when workers transition out of the organization. “We have gone from a staff of eight to five, and it has really limited our capacity. Members are stepping in to help, but it takes staff time to coordinate that. I am not only the director, I have become an organizer for one of our
campaigns. This means less time to work with the board or to do fundraising.”

The impact has been less severe at Make the Road by Walking (MRBW), a Latino and African American-led community organization in Bushwick, Brooklyn that has launched successful initiatives against civil rights violations and language discrimination at public and social service organization offices. Yet, the decrease in funding has still been damaging to the organization’s work. “We cut back on our budget and had to make our staff contribute to healthcare costs, but we still have a $120,000 shortfall this year,” reports MRBW co-director Andrew Fried-

In addition, immigrant organizations have received little support, despite the fact that immigrants have become the target of hate crimes and increased government intrusions, detentions, and deportations. In 2003, the Council on Foundations released an analysis of donations for Sept. 11 relief and recovery efforts for the first anniversary year. Of the $1.7 billion distributed, only two percent ($34 million) went to low-income and immigrant communities.

CIVIL RIGHTS AND LITIGATION

Over the past several decades, litigation has been a primary weapon in the fight for civil rights. Organizations such as the National Association for the Advancement of Colored People (NAACP) Legal Defense Fund, the Mexican American Legal Defense and Education Fund (MALDEF), the Asian American Legal Defense and Education Fund (AALDEF), National Immigration Law Center, American Civil Liberties Union, and others have all used litigation to protect and advance the legal rights of people of color and immigrants. Such organizations have also been the biggest recipients of foundation support for civil rights and social action over the years. However, legal strategies that have so successfully promoted legal equality have been less effective at countering institutional and structural racism.

The conservative shift in court appointees and a number of recent rulings have limited the effectiveness of legal challenges to institutionalized racism. One significant ruling was the Supreme Court’s 2001 Sandoval decision that discriminatory effects cannot be challenged in court and that plaintiffs can only go to court when they intend to show deliberate intent to discriminate. (MALDEF 2001)

This ruling went against 25 years of legal precedent. “The Scalia Court tears the heart out of Title VI,” notes Eric Mann, Director of the Labor/Community Strategy Center in Los Angeles. “Sandoval has defanged race-based challenges.” Indeed, Sandoval has had a dampening effect on legal strategies to address institutional racism in the courts.

Some of the legal achievements in the civil rights arena have also faced new challenges. In 2003, for example, two Supreme Court cases challenged the 1978 decision in California vs. Bakke that established the legality of affirmative action in university admissions. In Grutter vs. Bollinger and Gratz vs. Bollinger, white applicants to the University of Michigan claimed that their denial was due to preferential treatment given to candidates of color. While the U.S. Supreme Court did not overrule the Bakke decision in either case, it did rule against the University of Michigan’s system of allocating points to applicants from underrepresented racial or ethnic groups.

The most effective legal approaches to racial justice have linked litigation with community-based strategies. In the absence of long-term organizing strategies, including community mobilization and efforts to shift public opinion, legal strategies alone have been unable to reverse patterns of discrimination or lead to race-conscious and just public policies.

Immigrant organizations have received little support, despite the fact that immigrants have become the target of hate crimes and increased government intrusions, detentions, and deportations.
Part of the challenge with tracking racial justice funding stems from the fact that “racial justice” is not well defined within the funding community. Rick Cohen, Director of the National Committee for Responsive Philanthropy asks, “Who gets to define what racial justice work is?” Many advocates for racial justice within foundations have noted that a lack of a common understanding of the term is a key barrier to supporting future efforts. “Clarity of language reflects clarity of thinking,” notes Needmor Foundation Director Dave Beckwith. “Defining justice work around issues of race is really important, and advancing this language is crucial to developing more support and more commitment to racial justice.”

“Defining justice work around issues of race is important, and advancing this language is crucial to developing more commitment to racial justice.”

Issues of race and racial justice may be understood in explicit or implicit terms. An explicit racial analysis is race conscious and centralizes issues of racism and racial inequities in shaping social change strategies. An implicit racial analysis considers race indirectly or peripherally—race is often implied or acknowledged, but perceived as secondary to or subsumed under other root issues such as poverty. In some instances, the racial implications are indirect—that is, because race and poverty often overlap, people of color may benefit from funding for issues such as affordable housing or education reform, while not being directly targeted as beneficiaries.

Foundation staff responses varied widely on the question of how to define racial justice. Those with an explicit framework defined racial justice as targeted efforts to specifically address issues of racial discrimination and racial inequities. “We do not have a definition of racial justice within the foundation,” says Haas Program Officer Hedy Chang, “but I define it as addressing institutional racism, where policies and actions of institutions disproportionately and adversely impact various racial groups.” Lori Villarosa, former director of the Charles Stewart Mott Foundation’s U.S. Race and Ethnic Relations Grantmaking Program, similarly defined racial justice as “directly addressing institutional and societal racism, which is structural.”

Those in foundations without an explicit racial justice agenda were often unable to define the term or viewed racial justice as an implicit outcome of broader social justice efforts. “I do not have a definition of racial justice. So few foundations have race issues as an explicit, separate field in their program guidelines—it makes it difficult to define,” admits Lance Lindblom, Chief Executive Officer and President of the Nathan Cummings Foundation. Debra Harrington, Program Officer of the Woods Fund in Chicago, described racial justice as being “implicit in our guidelines and mission statement, [however] the lens is poverty, not race, and by addressing poverty we are generally looking at people of color but not saying it directly.” Others interviewed provided defini-
tions that fell in between the two. As the President of the Gerbode Family Fund explained, “When I think of racial justice, I start with the justice side of the equation. But, how can you think of justice outside of racial terms? People of color tend to be disproportionately marginalized and discriminated against in our society.”

These differences are not just semantics. They reflect real conflicts about how racism is understood and therefore what interventions are perceived as needed. Some analyses, while acknowledging that racism is not a thing of the past, define racism as individual biased attitudes (prejudice) and interpersonal actions (bigotry) between people of different races. Addressing racism within individuals may require attitudinal change, overcoming internalized oppression, and/or counseling and support groups. Addressing racism between individuals often includes diversity trainings, race relations and tolerance workshops, or participation in multicultural activities.

In contrast, other racial analyses focus on macro issues of institutional racism (unequal impacts and outcomes based on race, produced by key societal institutions) and structural racism (the normalization and legitimization of an array of dynamics—historical, cultural, institutional, and interpersonal—that routinely advantage whites while producing cumulative and chronic adverse outcomes for people of color). Chang, of the Haas Foundation, stresses the difference between individual and institutional racism. “Institutional discrimination is often not intentional but nonetheless has the effect of reinforcing the privilege of some groups and the disadvantage of other groups.” Alleviating racism at the institutional and structural levels requires exposing systemic inequalities, confronting institutional practices, and initiating policy reform. Thus, explicitly addressing the interpersonal dynamics of racism does not in itself constitute racial justice work. Needmor’s Beckwith says, “I have begun to see limitations in mere social engagement across racial lines. That is a critical activity, but it does not necessarily lead to racial justice work. Nor are traditional approaches to diversity and affirmative action enough to advance racial equality.”

“Institutional discrimination is often not intentional but nonetheless has the effect of reinforcing the privilege of some groups and the disadvantage of other groups.”

Examples of funding for services within communities of color include community development corporations, health centers, arts programs, after school programs, and other activities in communities where poverty and race intersect. Work that focuses on interpersonal and intergroup relations includes dismantling racism trainings, diversity workshops, or multicultural activities. But, as the chart on the following page illustrates, funding to communities of color for services and programs is not racial justice funding, nor is funding that targets interpersonal aspects of race and racism the same as promoting racial justice. Racial justice work specifically targets institutional and structural racism through public policy advocacy, organizing, research and education, and movement building. The organizations described on the following pages illustrate some of the range of racial justice advocacy.

Southern Echo’s Mississippi Education Working Group: Southern Echo, founded in 1989, has initiated and supported much
of the new organizing in Black communities in Mississippi. In its statement of philosophy, Echo founders write, “Racism is at the root of the problems facing the Black community. Therefore the community must acknowledge that an integral part of empowerment is fighting racism.” Echo’s electoral redistricting work in the early 1990s brought it into contact with other organizations across the state. These organizations became the base of the Mississippi Education Working Group (MEWG). MEWG helped stop the building of a whites-only public school in Tunica County and has initiated a successful administrative complaints campaign to end the physical and mental abuse of students of color by demanding access to support mandated under state and federal laws. In 1997, the Mississippi legislature passed the Mississippi Adequate Education Program. MEWG’s organizing resulted in significant changes to the legislation, providing a role for parents and grassroots organizations in every phase of the process. The work of Southern Echo and MEWG was replicated in Alabama, Georgia, and North Carolina.

**Institute on Race and Poverty:** IRP, an affiliate of the University of Minnesota in Minneapolis, combines research and analysis...
to expose racial inequities that result from institutional practices and public policies. IRP works to define racialized poverty and its implications, and reframe public discourse on race and poverty to improve conditions for low-income people of color. IRP advocates multiple strategies, including research, policymaking, litigation, and public relations, and works to increase opportunities for low-income people of color to participate in democratic processes and structures; publishes books and research reports; and hosts events to inform policymakers and the public about critical race issues. Recent work included research exposing the practice of racial profiling in Minneapolis/St. Paul, numerous publications and articles assessing the racial implications of urban sprawl, and a book assessing the intersection of race, education, and housing policy.

**Make the Road by Walking:** In 1998, MRBW began documenting discrimination at welfare offices, which led to an investigation by the Department of Human Services Office of Civil Rights. The investigation found New York City to be in violation of civil rights laws, prompting 45 of 51 City Council members to endorse an act to provide equal access to social services. Says Andrew Friedman, co-director of MRBW, “Close to 100,000 cases were improperly coded and [those people] will now receive the services they need.” In addition, through MRBW’s efforts, two major hospitals have agreed to post new multilingual signs, translate important written materials, hire staff interpreters and bilingual medical personnel, assign senior personnel to coordinate language assistance services, provide comprehensive training to interpreters about medical translation, train all staff with the obligation to ensure equal access, and conduct ongoing monitoring. “A racial justice and civil rights framework has been important,” reflects Friedman. “If we had just framed our work as poor people’s issues, we would not have gotten the support from the broader civil rights, African American, and Latino communities.”

**The Idaho Collaborative:** Through an extensive, three-year campaign, the Idaho Community Action Network (ICAN), Idaho Women’s Network (IWN), and United Vision for Idaho (UVI) worked in conjunction with leaders of the immigrant community to win one of the strongest farmworker minimum wage laws in the country. These Idaho organizations made the decision to use racial justice principles to frame their first joint campaign, in part because the partner organizations had begun to address race and racism proactively within their own organizations. ICAN, for example, has worked to move from a primarily low-income, rural, white membership to a membership that is multiracial, with a diversified leadership base. In 1999, with the assistance of the Northwest Federation of Community Organizations, ICAN also pioneered a testing project of welfare offices that documented racial and language discrimination and other barriers to accessing the Children’s Health Insurance Program (CHIP).

**Generation Y:** In 2000, leaders of Generation Y, a multiracial youth organization in Chicago, were able to use a survey of students to document how youth of color
were being suspended and expelled more than other students—often for minor, non-violent offenses like chewing gum and being tardy—to garner support from the CEO of Chicago Public Schools. Ultimately, their research and organizing efforts contributed to the development of an improved discipline system, now implemented in more than 25 city high schools. “We saw the criminalization of youth as a frontline attack on youth of color in our communities and as one of the more blatant forms of institutional racism,” explains lead organizer Jeremy Lahoud.

“We saw the criminalization of youth as a frontline attack on youth of color in our communities and as one of the more blatant forms of institutional racism.”

**Labor/Community Strategy Center:** Founded in 1992, the Labor/Community Strategy Center differs from civil rights organizations that focus almost exclusively on race and racism and from traditional community organizing groups that focus on a class analysis. The Strategy Center emphasizes the intersection of race and class as the key to progressive social change. Using this analytical lens, the Strategy Center has successfully named and fought “transit racism”—allocating public transportation monies to suburban commuter trains while cutting back on city bus services used by low-income Black and Latino families. The Strategy Center has also initiated efforts to address air pollution as a racial justice issue and to defeat the implementation of the U.S. Department of Justice’s “Weed and Seed” law enforcement program.

**Racial Justice Funding Initiatives**

“Racial justice is distinct from ‘diversity’ and ‘awareness’ work. Racial justice is redressing the ongoing harm done by racism in our culture and our country.”

**Dave Beckwith**

Needmor Foundation

Few foundations fund racial justice through a specific grantmaking program area. Instead, several fund efforts to promote racial equity as a secondary component of a broader funding area, such as poverty or criminal justice. For example, under its “Strengthening U.S. Democracy” program, The Carnegie Foundation focuses on education and testing reform, with an emphasis on teachers of color. Some foundations also include racial justice values in their stated missions or program objectives. The Z. Smith Reynolds Foundation, for example, notes that “[T]he Foundation actively seeks to promote access, equity, and inclusiveness; and to discourage discrimination based on race, ethnicity, gender, age, socioeconomic status, and other factors that deny the essential humanity of all people.” Others fund communities of color to demonstrate “diversity” in foundation giving practices. Finally, while a number of foundations do not have explicit racial justice giving programs, a number of groups they support engage in racial justice work. For example, through cross-cutting grants within the Transforming Neighborhoods program, the Annie E. Casey Foundation supports racial justice efforts such as a three-year grant to the Aspen Institute to develop tools for understanding structural racism.

Several large foundations do explicitly support racial justice efforts, including the Ford Foundation, JEHT Foundation,
Levi Strauss Foundation, Open Society Institute, and the Rockefeller Foundation, as do many smaller private and community foundations that support social justice or community organizing. Below are brief summaries of several different racial justice funding initiatives.

**Akonadi Foundation:** The Akonadi Foundation is a family foundation based in Oakland, California, whose mission is “to work with others to eliminate racism, with a particular focus on structural and institutional racism.” When applying for Akonadi support, groups are required to provide an “analysis of institutional racism and the landscape of race relations in the U.S. today.” Grantees employ a variety of programmatic approaches, including research, policy work, advocacy, litigation, organizing, media, arts, diversity training, education, and other tools. “I am trained as a lawyer, and I believe litigation is a key tactic, but it should be supported by other strategies, such as community organizing and advocacy,” notes Executive Director Quinn DeLaney. Grants range from $10,000 to $50,000, and grantees include organizations such as the Asian Pacific Environmental Network for its work on environmental racism, the Center for Third World Organizing for racial justice movement building, Justice Matters Institute to eliminate racism in public schools, and Oyate to empower parents in the Native American community to teach their children the history of their culture.

**Charles Stewart Mott Foundation:** In 1994, the Charles Stewart Mott Foundation initiated its U.S. Race and Ethnic Relations Grantmaking Program to address race and racism in America. According to former Program Director Lori Villarosa, this program had the dual goals of "understanding racial and ethnic differences, and directly addressing institutional and societal racism.” Between 1994 and 2002, the Foundation disbursed more than $21 million in grants under this program area to a wide variety of organizations and activities, such as People’s Institute for Survival and Beyond’s Undoing Institutional Racism Program, the Southern Institute for Education and Research’s efforts to improve intergroup relations, counter prejudice, and promote anti-racist coalitions, and the Institute on Race and Poverty for their work on racial segregation. Having led one of the more established racial justice initiatives, Villarosa was able to reflect on program successes and challenges. “We were most successful when we not only ‘led with race,’ but also were really clear about how a racial analysis fit into the overall strategy and how to engage a broader segment of the community.”

**Funding Exchange:** For over ten years, FEX has sponsored the Saguaro Fund to support organizing efforts serving and led by people of color. The Saguaro Fund provides grants ranging from $5,000 to $15,000 to a variety of efforts, including: Padres Unidos’ work promoting education equity in Denver; Communities Against Rape and Abuse in Seattle to organize Black communities against sterilization and abuse of women of color and poor women; and the Grassroots Institute for Fundraising Training (GIFT) to build the capacity of grassroots social justice groups and people of color to raise money for their organizations. In 2001, FEX cre-
An Emerging Resource for Racial Justice

In early 2003, Lori Villarosa, former director of the Charles Stewart Mott Foundation’s U.S. Race and Ethnic Relations Grantmaking Program, joined the Leadership Conference on Civil Rights Education Fund to direct a new effort called the Philanthropic Initiative for Racial Equity. “The goal is to increase the amount and effectiveness of resources aimed at combating institutional and structural racism in communities through capacity-building, education, and convening of grantseekers and grantmakers,” notes Villarosa. “We will work to build linkages and understanding among antiracist and civil rights organizations and the foundation community.” Having convened a national gathering on structural racism, this new initiative has four primary objectives:

- Helping race-focused nonprofits develop and maintain healthy relationships with funding organizations and mainstream nonprofit organizational management entities;
- Assisting antiracist training organizations to tailor their programs for the use of grantmakers;
- Increasing funders’ understanding of the strengths and weaknesses of various race relations or antiracist work, and assisting them in assessing their institutional needs around race and diversity as it relates to grantmaking practice; and
- Assisting community leaders and their local funders in designing and implementing the most effective programs in order to document and to advance the skills of the grantseekers and the grantmakers.

Open Society Institute: While OSI primarily funds U.S.-based racial justice efforts indirectly through programs such as Criminal Justice and Access to Justice, in 2002 OSI granted over $2.5 million in post-Sept. 11 grants that focus primarily on civil liberties, immigrant rights and detention issues, and antiprofiling advocacy. OSI founder and chairperson George Soros announced dramatic future shifts in funding, and in its Summer 2003 Status Report, OSI’s Vice President and Director of U.S. Programs Gara LaMarche outlined their plan to consolidate resources into a new Strategic Opportunities Fund and a Justice Fund, which will include support for immigrant rights, civil rights and liberties, and access to legal services for marginalized communities.

Racial Justice Funding Collaborative: The RJFC, started in 2003, is a collaboration of state, local, and national funders that seeks to fund partnerships between lawyers and community organizations “using legal and non-legal tools to achieve equity and fairer policies for communities marginalized by race, ethnicity, and immigrant or citizenship status.” RJFC has engaged funders in conversations about successful models for racial justice work. “We found that a lot of funders have moved away from racial justice for a more ‘universalist’ approach, which is supposed to include race, but in the end issues of race never seems to get funded,” says...
RJFC Director Berta Colón. “Part of the problem is this attitude that racism will never end. Our collaboration is trying to develop concrete tools and examples that show how racial justice work can be effective, instead of having abstract conversations about race that get you nowhere.” RJFC has not yet completed its first grant cycle, but grants are expected to range from $50,000 to $100,000.

FOUNDATION DIVERSITY AND SUPPORT FOR RACIAL JUSTICE

“People of color are expected to assimilate into the foundation culture [simultaneously acting as] representatives of their communities… expectations not placed on their white counterparts.”

Joint Affinity Groups, “The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field,” 2002

While some foundations have developed explicit racial justice funding initiatives, many others have prioritized the work to diversify their staff and trustees and have put a stronger emphasis on diversity as a criterion for selecting organizations they support. Yet, increased diversity in foundations has not resulted in increased funding for communities of color; it has instead paralleled a decreased share in foundation support for communities of color. “Diversity may not be the answer to transforming foundation practices,” notes National Committee for Responsive Philanthropy Director Rick Cohen. “Just look at the outcomes of diversifying foundations to include more women. About 75 percent of foundation staff are now women, and they have also become a significant donor base, but giving to women and girls remains a low priority, as does social justice.”

Analysis of data from the Council on Foundations and Joint Affinity Groups reveals the following:

- Between 1984 and 2002, the percent of people of color in professional staff positions at foundations, which includes program officers and chief executives, increased from 13 percent to 24.5 percent.
- People of color are one-third of program officers, but only six percent of chief executives/chief giving officers.
- The least change has occurred on foundation boards. In 1997, whites made up on average between 87.4 to 93.4 percent of community, private, and public foundation boards.
Thus, while there has been an increase in diversity at foundations, this has not reached the highest levels of leadership or governance. This may explain why increased diversity has not led to more grant dollars for racial justice efforts. A recent study of 512 foundation staff and board members supports the assertion that people of color continue to face numerous challenges in navigating foundation hierarchies. The study found that “glass ceilings” still exist for people of color and that people of color have less involvement in foundation governance. Interviews with foundation employees of color indicated that efforts to address issues in communities of color were marginalized within the funding institution.

**Making the Case for Racial Justice Among Major Donors**

In 2002 alone, individuals in the U.S. donated nearly 184 billion dollars. (American Association of Fundraising Counsel 2003) Differences in the dollar value of giving between people of color and whites are attributable to vast disparities in income and assets. A recent report by the U.S. Federal Reserve reveals that the racial gap in net worth has significantly increased over the past ten years; between 1992 and 2001, the gap widened to $103,800—a 44.8 percent increase. (U.S. Federal Reserve 2003) In 2001, for example, the median white family income was $42,500 plus a net worth of $120,900, compared to $25,700 and $17,100 respectively for people of color.

Yet, recent research indicates that people of color, and African Americans in particular, may actually give more than whites as a percentage of income and assets. (Urban Institute 2003 and The Chronicle of Philanthropy 2003) The slowly growing donor base of color has led to research on philanthropy in communities of color. In 2002, Lisa Durán of the Grassroots Institute for Fundraising Training published Changing the Color of Philanthropy: the Politics of Philanthropy and Social Change, which documents the vibrant history of philanthropy in U.S. communities of color. The report demonstrates that people of color are avid philanthropists, whether it is defined as giving to established charities or as giving goods and services outside the nuclear family without any expectation of economic return.

Giving from communities of color, however, does not always translate into increased funding for racial justice. “One of the biggest challenges is getting donors of color to give to social change instead of direct service,” notes Erica Hunt, Director of the 21St Century Foundation. “People are open to racial justice giving, but you have to talk about urgent and pressing issues, like Black voter disenfranchisement in Florida, and draw the lines between cause and effect.” Getting individuals to donate to community organizations is also an area the Grassroots Institute for Fundraising Training believes would be beneficial. “Foundations must support capacity-building of organizations led by people of color to raise money directly from their own communities,” says Durán.
Several observations have emerged from this study that can inform the work of both funders and racial justice practitioners. The recommendations that follow highlight the ways in which funders can effectively support racial justice efforts and ensure that racial justice becomes and/or remains a priority within their foundations.

**KEY OBSERVATIONS**

**Racial justice work can be effective at achieving broad-based policy reforms.**

As the work of the Labor/Community Strategy Center, the Mississippi Education Working Group, and Make the Road by Walking illustrates, organizations have used a race analysis as an effective social change strategy. Racial justice campaigns have resulted in broad-based policy reforms, the building and strengthening of multiracial formations, and increased organizational membership of people of color.

**In recent years, foundation support for racial justice work has declined.**

The data shows that while the actual foundation dollars flowing into communities of color have increased over the years, the funding level has not kept pace with overall foundation giving. Similarly, support for social action and civil rights is waning, and support for race-based and immigrant rights groups within this category is a low priority. The recent economic improvement has not significantly benefited low-income communities, and the aftermath of Sept. 11 has also had an adverse impact on organizations serving communities of color and/or engaged in racial justice work.

**There is not a consensus among funders about what racial justice work is.**

Many foundations consider race implicitly, subsumed under other funding categories. Even among funders who explicitly consider race in funding decisions, there are differing perspectives about what it means to support racial justice.

**While many funders are more comfortable focusing on poverty rather than race, some are becoming more explicit and strategic in their support for racial justice.**

Many funders admit there is an overall reluctance in the progressive world to target funds towards racial justice work. Nevertheless, as the initiatives of the Akonadi Foundation, the Funding Exchange’s Saguaro Fund, and the Racial Justice Funding Collaborative illustrate, several foundations and funder collaboratives have recognized the importance of racial justice work and have begun targeting funds explicitly to support it.

**Greater diversity among foundation staff has not increased giving to communities of color or racial justice efforts.**

Many foundations have worked to diversify their staff and trustees, yet this diversity has not resulted in increased funding to communities of color. Rather, increased diversity of foundation staff has paralleled a decreased share in foundation support for communities of color, leaving foundation staff of color unsupported in the attempt to move foundation dollars to communities of color and to make racial justice a foundation priority.
RECOMMENDATIONS FOR FUNDERS

Make racial justice an explicit funding category.

While many foundations indirectly support racial justice through broader funding categories, an explicit racial justice funding category will help refine an understanding of racial justice work and ensure support for effective racial justice efforts.

Set racial justice criteria for selecting grantees.

Criteria for selecting grantees should include sustaining the leadership of people of color, having an analysis of the current workings of race and racism, and articulating a plan for racial justice advocacy.

Invest in and prioritize capacity-building.

Provide organizations with resources to deepen and broaden their infrastructure, particularly by developing the capacity to raise a larger proportion of their budgets from grassroots fundraising, major donors, and other non-foundation sources.

Differentiate between individual acts/attitudes of prejudice and institutionalized racism, and prioritize work aimed at systemic change.

Addressing the disparate outcomes that result from supposedly race-neutral public policies and private sector practices is central to effective and transformative racial justice work.

Support research to identify model racial justice initiatives.

It is important to not only understand the successes, but also unpack the key challenges to engaging in racial justice work. Examples include the Lewis Mumford Center’s Metropolitan Racial and Ethnic Change Initiative, the Institute for Race and Poverty’s research linking housing discrimination and education policy, and the Applied Research Center’s analysis of multiracial coalitions and new immigrant formations.


American Association of Fundraising Counsel (AAFC) Trust for Philanthropy. “Giving USA.” 2003


Mexican American Legal Defense and Education Fund and the Applied Research Center. “Supreme Court Blunts Civil Rights Sword with Sandoval Decision.” ColorLines web exclusive. www.arc.org


U.S. Census Bureau. “Poverty in the United States: 2001; Table 1. Age, Sex, Household Relationship,


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