



Philanthropy and Communities of Color in Oregon:
*from strategic investments to assessable impacts
amidst growing racial and ethnic diversity*

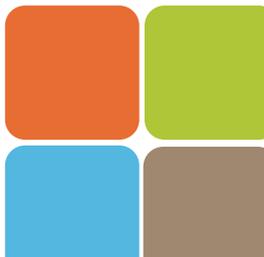


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Dear Reader,

We are pleased to present “Philanthropy and Communities of Color in Oregon: *from strategic investments to assessable impacts amidst growing racial and ethnic diversity.*”

The Coalition of Communities of Color (CCC) embarked on this project in order to address a commonly identified need across communities of color and organizations of color to build and strengthen relationships with the local philanthropic community.

At the same time that the CCC identified this common need, Northwest Health Foundation was analyzing its grantmaking. The CCC and Northwest Health Foundation organized a discussion of barriers to funding communities of color. This dialogue led to a partnership between the CCC and Northwest Health Foundation to engage in a project to intentionally build relationships between communities of color and the philanthropic community.

The need to intentionally foster relationships between communities of color and the philanthropic community was confirmed by the Foundation Center’s report *Grantmaking to Communities of Color in Oregon*. Released in December 2010, the Foundation Center report documents the underfunding of communities of color in Oregon. The CCC appreciates Grantmakers of Oregon and Southwest Washington for initiating, funding and publishing the report, and for its active partnership in convening funders for a series of work sessions that led to this paper.

“Philanthropy and Communities of Color in Oregon: *from strategic investments to assessable impacts amidst growing racial and ethnic diversity*” is the result of a collaborative process between funders and organizations of color. The recommendations that we put forward to philanthropy are intended to open an authentic dialogue in Oregon around how we can ensure open and transparent grantmaking that benefits all Oregonians.

We seek to unite people in collective action for the advancement of racial equity.



Julia Meier
Director

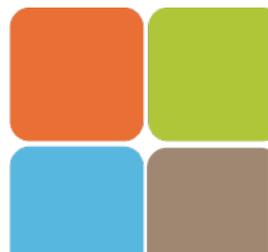


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Executive Summary

The Coalition of Communities of Color seeks to improve the outcomes of communities of color in Oregon and we recognize the philanthropic sector as a key ally in our work. Foundations and organizations of color are natural partners. Our missions often align. Organizations of color can assist foundations in the identification of community needs, priorities and solutions. Foundations can strategically invest in communities in ways most likely to achieve desired outcomes. Strategic investment in communities of color helps provide the resources necessary for communities to achieve self-determination.

Oregon's future depends on the success of all Oregon's communities. Oregon's demographics are changing rapidly. We are witnessing increased diversity and growing numbers of people of color and immigrants and refugees. Today, more than 800,000 people of color live in Oregon and more than 200,000 people of color live in Multnomah County (home to Portland, Oregon). Approximately 1-in-2 students in the Portland metropolitan area's public schools are students of color. Despite the rapid growth and diversity of communities of color, communities of color in Multnomah County and across the state of Oregon are challenged by the breadth and depth of existing racial disparities. We need to examine our philanthropic sector in light of these changing demographics to ensure that the sector is adequately equipped to respond to our changing environment.

The Coalition of Communities of Color welcomes the Foundation Center's *Grantmaking to Communities of Color in Oregon* (2010) and appreciates Grantmakers of Oregon and Southwest Washington and many of its member organizations partnering with the Center on this work. The underfunding of communities of color in Oregon shown in the report represents a great missed opportunity; but it suggests an opening for foundations and communities of color to enter into partnerships to identify the greatest needs and to make strategic funding decisions targeted to reverse the growing racial and ethnic disparities.

This paper outlines our recommendations to ensure a philanthropic sector that benefits all Oregonians. Our recommendations fall into the following four categories:

- Commit to racial equity and the elimination of racial disparities
- Engage in philanthropy-community partnerships to identify strategic investment opportunities
- Ensure funding structures and opportunities are responsive to communities of color and targeted to produce the greatest impact
- Adopt standardized culturally-sensitive data and research practices to ensure data practices can assess impacts of investment

If we work together, we can create open and transparent grantmaking that benefits all Oregonians.

About the Coalition of Communities of Color

The mission of the Coalition of Communities of Color is to

- Address the socioeconomic disparities, institutional racism, and inequity of services experienced by our families, children and communities.
- Organize our communities for collective action resulting in social change to obtain self-determination, wellness, justice and prosperity.

Formed in 2001, the Coalition of Communities of Color (CCC) is an alliance of culturally-specific community based organizations with representatives from six communities of color – African, African American, Asian/Pacific Islander, Latino, Native American, and Slavic communities. Most of our members are located in the Portland, Oregon metropolitan area. The primary role of the CCC is to advocate for racial equity. In order to achieve our mission, we focus our primary activities on research and education, policy analysis and advocacy, and capacity building. See Appendix #3 for a CCC fact sheet.

Introduction to Communities of Color in Multnomah County

More than 800,000 people of color live in Oregon, comprising 21.5% of the state. More than 200,000 people of color live in Multnomah County (home to Portland, Oregon). People of color in 2010 (by traditional Census Bureau counts) comprise 27.9% of the population of Multnomah County. This number is rising steadily and will accelerate more rapidly as numbers grow, as communities of color are more accurately counted, and as fertility stays high. Approximately 1-in-2 students in our local public schools are students of color.

Despite the rapid growth and diversity of communities of color, communities of color in Multnomah County and across the state of Oregon are challenged by the breadth and depth of existing racial disparities. The CCC, in partnership with researchers at Portland State University, has spent the last several years documenting these racial disparities and released (May 2010) a comprehensive report on the status of racial disparities in the Portland metropolitan area across 27 different systems and institutions. The report, *Communities of Color in Multnomah County: An Unsettling Profile*, is available online at www.coalitioncommunitiescolor.org.

Several key findings emerge from our research. **First**, disparities with White communities exist across all institutions addressed in the report. Consider some of the findings:

- Communities of color earn half the income of Whites, earning \$16,636/year, while White people earn \$33,095 annually.
- Poverty levels among communities of color are at least double those of Whites. The child poverty rate in communities of color collectively is 33%, while that of White children is 12.5%. In the African Immigrant and Refugee community, for example, the child poverty rate is 56.4%.
- Education attainment is stratified by race. While only 7% of Whites did not graduate high school, 30% of communities of color did not.
- One-quarter of public school students of color were *racially* harassed in a 30-day study period, either at school or on the way to school.
- Communities of color have unemployment rates that are 35.7% higher than Whites.

Second, communities of color in Multnomah County suffer more than similar communities of color nationally. In the measures explored in our research report (incomes, poverty, occupation and education), communities of color have between 15% and 20% worse outcomes. It is more difficult for communities of color to get ahead here in Multnomah County than it is more generally across the USA.

Third, Multnomah County has worse racial disparities and worse outcomes for people of color than King County (home to Seattle) on every measure examined: child poverty, those who get a university degree, incomes, occupations, and renters who pay more than 30% of the incomes on rent.

Fourth, local conditions are deteriorating for communities of color. We examined this in two ways – generational changes in incomes, and a contemporary examination of the last two years of available data on a wider array of disparities. In the first instance, we found that the significant growth between rich and poor is considerably racialized (meaning that benefits seen by White families are not shared by families of color). The net impact is that there is a significant decay of income equality between Whites and communities of color across the generation. Our second view of changes across time was a thorough view of changes that occurred in the last year (from 2007 to 2009). In 26 measures, we found that 16 measures were worse, 6 were better, and 4 stayed the same. Four of the positive gains were due not to an improved situation for communities of color, but due to a more rapidly deteriorating situation for White people. We thus concluded that there were clear gains in only two of the 26 measures – clearly demarking that current disparity reduction efforts are ineffective in achieving key positive outcomes for communities of color.

In light of the deep racial disparities and deterioration of conditions for communities of color, it is essential that we work together to reverse the current trends and to eliminate racial disparities. Nowhere is this more important than in ensuring adequate funding of organizations of color and communities of color so that communities have the resources necessary to achieve self-determination.

Initial Thoughts on *Grantmaking to Communities of Color in Oregon*

The CCC welcomes the Foundation Center's *Grantmaking to Communities of Color in Oregon* (2010). It has been 30 years since a report was issued on giving to communities of color in Oregon. The CCC appreciates the effort within the philanthropic sector, including Grantmakers of Oregon and Southwest Washington, to assess funding in, and connections with, communities of color. We recognize that many foundations voluntarily invested funds and significant staff resources in the Foundation Center's report because these foundations share our concerns about equity.

The report confirms that grantmaking to communities of color in Oregon is not proportionate to the size of communities of color. We recognize that this underfunding of communities of color is not unique to Oregon, but comparable to national rates. In addition, the report highlights the limitations of the data based on the information currently being collected by foundations and how information is being coded. Nonetheless, the findings are important to contextualize the CCC's recommendations.

Consider some of the findings:

- Despite making up 19.6% of the population of Oregon in the year of the study (2008) and 22.3% of those living in poverty, foundations awarded just 9.6% of grants that appear to have reached people of color in the state.
- For the Latino community across Oregon, the number slips to just 1.6% of total dollars, despite the fact that Latinos make up 11.0% of the population in Oregon.
- Native Americans make up 3.3% of Oregon's population and received only 0.7% of foundation grants.
- African Americans comprise 2.4% of the population and received only 0.5% of foundation grants.
- Asians & Pacific Islanders comprise 4.9% of the population and receive only 0.1% of foundation grants.

The numbers outlined above include both funding made explicitly for communities of color, funding intended to reach a community of color (though research limitations mean we do not

know if people of color received the intended services), and a proportionate share of funding made to the general population. In other words, the Foundation Center attempted to fully credit foundation efforts to reach communities of color, whether through culturally-specific organizations, through organizations with constituencies that are at least fifty percent persons of color, or through organizations whose constituents include a proportionate number of people of color.

The underfunding of communities of color represents a great missed opportunity. Instead of funders and communities of color partnering together to identify the greatest needs and to make strategic funding decisions, we have operated in silos that continue to produce deteriorating outcomes for Oregon's most vulnerable communities.

Introduction to the Philanthropic Community in Oregon

Like communities of color in Oregon, foundations in Oregon are diverse. There are almost 300 foundations in Oregon actively making grants, including 158 that accept grant proposals. These include community foundations substantially comprised of donor-directed funds, private foundations whose founders may or may not have placed restrictions on their giving, family foundations (many of which are very small and are administered by family members without paid staff), and corporate foundations. In fact, the majority of foundations in Oregon that accept grant proposals are small and minimally staffed.

The CCC recognizes that there are a variety of pressures and limitations that characterize the philanthropic sector – the diversity of needs that the sector tries to meet, the diverse geographic parameters, the diverse missions that foundations have, the legal requirements that foundations carry out the directions of donors, the small amount of resources available relative to the public sector, the added cost inherent in some of our recommendations, and the fact that philanthropy is voluntary and foundations independent. Of the 300 foundations in Oregon actively making grants, about 100 belong to Grantmakers of Oregon and Southwest Washington and participate actively or occasionally in the “philanthropic community.” We know that the sector does not make decisions as a sector.

The CCC respects this diversity. Like CCC member communities, each foundation is in a unique place with a distinct capacity to participate in discussions about the nature and impact of grantmaking and community needs. Our intention is to meet foundations where they are and propose recommendations to stimulate dialogue that will lead to opportunities for improved mutual understanding and for more effective grantmaking to communities of color.

We know that many in the philanthropic sector are committed to equity and the elimination of racial disparities in Oregon. Many in the sector supported the Foundation Center's report and continue to work with the Foundation Center to develop shared diversity metrics, and some foundations are already making application and monitoring changes based on the Foundation Center's research. Many foundations have also prioritized limited staff time to participate in events and meetings with the CCC and its member organizations. Some foundations have already demonstrated interest and openness around issues of racial equity and recognize that continuing to build these relationships and partnerships are essential to creating the grantmaking that will benefit all communities. See Appendix #1 for an overview of the collaborative project that led to this paper.

Recommendations to the Philanthropic Community

The CCC offers 20 recommendations to the philanthropic community to serve as a starting place for a rich dialogue and process that will ensure Oregon's foundation grantmaking benefits all Oregonians. See Appendix #4 for a one page overview of the recommendations. Our recommendations are closely tied to the recommendations in our research report, *Communities of Color in Multnomah County: An Unsettling Profile*. These recommendations are the result of years of consensus-based work across CCC member organizations and communities. In addition, the CCC supports many of the suggestions put forth in the Foundation Center's report. Our recommendations mirror the barriers to equitable funding identified in discussions with funders. See Appendix #2 for a discussion of the barriers.

We reiterate that foundations are unique and that is essential to meet foundations where they are as individual foundations. In that light, we do not believe that all recommendations must be implemented or none should be implemented. Equity requires internal and external work. Foundations can advance racial equity on parallel tracks and should not feel like they need to wait to perfect their organizations before they can shape their funding to reduce racial and ethnic disparities. The CCC wants to work with individual foundations interested in racial equity to develop ways to move the spirit of the recommendations forward. We would ask that foundations formally endorse the CCC's recommendations, either as a whole or in part, and then work with the CCC on implementation.

A. Commit to racial equity and the elimination of racial disparities

Many foundations are committed to racial equity and the elimination of racial disparities. These foundations are key allies in a broader movement towards racial and social justice. Visible commitments to racial equity by allies within philanthropy can help strengthen the role of the philanthropic sector in the advancement of racial equity.

1. Make public commitments to eliminate racial disparities. The leadership of individual foundations and/or associations of foundations can make public written declarations of their commitment to advance racial equity. The importance of top leadership statements of commitment has been well documented.
2. Name and address racism. This is an overarching recommendation of the CCC to both public and private sector entities to ensure that we all name and address racism, including institutional racism, and that we acknowledge that institutional change may be necessary to address racism. Addressing racism requires examining and addressing the root causes of inequities. If we all can jointly own the problem of racism, then we can all work collectively toward outcomes we want to achieve.
3. Implement a racial equity policy with accountability mechanisms. Racial equity policies help set targets and measurable goals that you can evaluate. Without explicit racial equity goals, it is difficult to measure progress. Accountability mechanisms ensure disparity reduction efforts are successful and may be related to foundations' use of evaluation tools to assess whether grants accomplish their purposes.

B. Engage in philanthropy-community partnerships to identify strategic investment opportunities

We know that a crucial component of foundation work is identifying strategic investment opportunities. This is something that foundations have always done. But now foundations must do this in changing communities. Our state and local demographics are shifting even more quickly than previously estimated. The major demographic shifts are the rising numbers of people of color and immigrants and refugees in our communities.

The CCC makes recommendations focused on building partnerships that will assist foundations in continuing to identify strategic investment opportunities in our rapidly changing environment.

4. Build and strengthen relationships with organizations and communities of color. We agree with the Foundation Center report that notes that conversations between foundations and communities of color “are being held across the country as funders explore the most effective ways to respond to the growing racial and ethnic diversity of their communities. . . . [I]t is increasingly important to understand how issues are experienced by different parts of the community so funders can invest in solutions that work.” *Grantmaking to Communities of Color in Oregon, page 5.* Open communication

and long-term relationships with organizations of color that extend beyond single funding opportunities should be the goal.

5. Diversify staff and Boards. Recruit and retain a diverse staff and Board of Directors, and include people of color on grant review committees. Include measurable goals in your recruitment and retention plans. Foundation position descriptions can include racial equity as a competency issue. A diverse staff and Board of Directors will assist foundations in connecting with the wider diverse community. Report the racial and ethnic makeup of your staff and Board of Directors.
6. Increase educational opportunities within your foundations and associations for staff and Board members to participate in learning environments that address race, racism, and racial equity.
7. Increase technical assistance. Foundations can help groups that may be new to grants to understand grant processes and expectations and, in so doing, will increase their grantmaking to the smaller, emerging organizations in particular. Ensure that the time to apply for and report on the grant is commensurate with grant size. Technical assistance should not be provided in a one-size-fits-all model.
8. Connect local organizations of color to national foundations. Communities of color and organizations of color in Oregon often experience barriers to accessing national funding opportunities. Local foundations can play a convening and leadership role in helping to initiate conversations with national foundations and introducing local communities to these important opportunities.

C. Ensure funding structures and opportunities are responsive to communities of color and targeted to produce the greatest impact

The CCC recommends that communities of color partner with grantmakers to find the most effective strategies to address the profound challenge of overcoming racial and ethnic disparities and seemingly intractable problems, whether that be service delivery through culturally-specific organizations, building their capacity, or evaluating their work.

Foundations create funding opportunities designed to produce specific impacts. We believe that paying attention to communities of color and to where the greatest needs are in a particular area will assist foundations in producing the impacts they desire. Take, for example, poverty. If a foundation is focused on the reduction of poverty, then it is noteworthy that poverty rates vary drastically based on race and ethnicity, and that the

overall poverty rate is significantly raised due to severe poverty within particular communities. It might, therefore, be to the foundation's advantage to note those trends and invest in the communities with the greatest need thereby greatly reducing our overall community's poverty level.

Foundations and communities of color can work together to support building the capacity of culturally-specific organizations. Capacity building for culturally-specific organizations must ensure that culturally-specific organizations are not required to imitate dominant culture. Fundraising models that work for predominantly White organizations (i.e., grow membership, move individual donation levels up, planned giving, etc.) may not work in communities that have endured historic discrimination.

In addition, foundations and communities of color can work together to help build the capacity of mainstream organizations to better reflect and serve people of color. This work is particularly important in service areas and geographic areas with a dearth of organizations of color. However, supporting mainstream organizations to increase their capacity to serve communities of color should not take the place of funding organizations of color or increasing capacity within communities of color to serve their own communities.

The CCC recognizes that many foundations, especially responsive grantmakers, do not set funding targets per se and that foundations may, in fact, be encouraged to remain nimble and to be entrepreneurial and so resist strict categorical allocations. We recognize that each foundation has its own mission which by law it is required to follow. All foundations act independently under a board of trustees to carry out their unique missions, and independent decision-making is highly valued. We urge individual foundations to consider the recommendations below in light of their current grantmaking to communities of color and organizations of color and their long-term goals.

9. Target funding to address identified needs, and to reduce racial and ethnic disparities, in communities of color. While funding bodies and communities should work together to co-create funding opportunities, the CCC's research work has identified three key areas in need of increased investment:

- Community development. This includes resources for communities of color to self-organize, network, develop pathways to greater social inclusion, overcome barriers to policy advocacy, build culturally-specific social capital, develop leadership, and provide leadership both within and outside our own communities. Communities of color must be resourced to support community engagement and policy advocacy.

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- Poverty reduction strategies. Poverty reduction strategies include economic development efforts that hold the needs of communities of color high in implementation, and improving the quality and quantity of jobs that are available to people of color.
 - Education and early childhood services. Education and early childhood services are a significant pathway out of poverty and social exclusion. Significant reductions in dropout rates of youth of color, improvements in graduation rates, increased access to early childhood education and participation in post-secondary education and training programs is essential for the success of our youth.
10. Increase funding for specific ethnic and racial minority groups. Communities of color are diverse and unique. Funding opportunities should recognize this diversity by targeting specific communities of color and be designed to meet the needs of specific communities. Foundations may need to allocate funds to address emergent issues in emerging communities particularly immigrant and refugee communities, and communities within communities of color.
 11. Increase funding for culturally-specific organizations and multi-cultural organizations. Culturally-specific services are best able to address the needs of communities of color. Increases in funding should be based on population size as well as a recognition of the complexity and depth of need that exists for communities of color.
 12. Increase multi-year funding opportunities so that grantees can focus more on planning and program implementation.
 13. Increase funding for general support and capital support to organizations of color. Organizations of color have varying needs. While new and emerging organizations of color may need funding for capacity building, more established organizations may need increased access to general support dollars and capital support.
 14. Make mission-related investments. Foundations are required by law to allocate a minimum of 5% of their assets to their grantmaking. In addition to focusing on how to best allocate that portion of assets through grants, foundations should also consider how to invest their remaining assets to further their missions, such as in loans for micro enterprise, affordable housing, and office purchases by non-profits. Mission-related investments can support the CCC's recommendations to fund community development and poverty reduction strategies.

15. Assess whether grants produce equitable outcomes. Develop an assessment tool to assess whether the grants you award are benefiting communities of color in the way that you intend, and actually helping reduce racial and ethnic disparities. Such an assessment tool may be best created in partnership with communities of color.

D. Adopt standardized culturally-sensitive data and research practices to ensure data practices can assess impacts of investment

Data practices sufficiently robust to assess the impacts of foundation investments require data systems that are standardized across foundations, culturally-sensitive and transparent. The CCC acknowledges the work of the Foundation Center's D5 project (a coalition to grow philanthropy's diversity, equity and inclusion that includes work on data and research). We also acknowledge that foundations strive to minimize administrative costs, including data systems, in favor of getting money out the door to those in need. We recognize that data changes may be costly. However, accurate data is essential to the type of strategic grantmaking that can help reduce disparities in communities of color.

The CCC proposes partnering with foundations and the nonprofit community in determining how to best design and implement enhanced data gathering and reporting practices. In general, our recommendation in this area is that Oregon foundations make progress toward adopting a uniform data system to measure diversity and equity in their grantmaking and organizations, and that all of the data requested below is reported on foundation websites.

16. Routinely submit grants data to the Foundation Center or similar entity, generating a rich source of information on all aspects of grantmaking in Oregon. The Center's D5 project, when implemented, should ensure that foundations develop a set of shared diversity metrics and standardize the coding of grants, including expanded racial and ethnic categories.
17. Expand racial and ethnic categories in data systems to include, at a minimum, African, African American, Asian and Pacific Islander, Latino, Middle Eastern, Native American and Slavic.
18. Collect and annually report on both the number of grants and dollar amount of grants awarded to culturally-specific organizations, as defined by the CCC, disaggregated by race and ethnicity. A culturally-specific community based organization or program meets the following criteria:

- The majority of members and/or clients are from a particular (or multiple) community (or communities) of color, such as: African American, Asian/Pacific Islander, Native American, Latino, African Immigrant and Refugee, and Slavic.
- The staff, board and leadership reflects the community that is served.
- The organizational or programmatic environment is culturally focused and identified as such by members.
- The organization or program has a track record of successful community engagement and involvement with the community being served.
- The community being served recognizes the organization or program as a culturally-specific organization or program.

The first two bullets in the definition can be assessed through a matrix submitted with a proposal, while the last three can be described through narrative in proposals. Assessment of whether applicants are culturally-specific organizations is not meant to limit applications from new and emerging organizations of color that may not have extensive support for their track record in community nor is it meant to exclude multi-cultural organizations that are rooted in communities of color.

19. Collect and annually report on the number of grants and dollar amount of grants meant to reach communities of color disaggregated by race and ethnicity. Utilize a definition of “reaching” a community of color that assesses not only whether the grant was intended to benefit a majority people of color (defined as at least 51% of the communities reached by the grant were communities of color as with the Foundation Center methodology), but whether the grant actually served people of color. This definition requires grantees to report on service usage and service outcomes of the funded programs disaggregated by race and ethnicity.
20. Complete the optional descriptions of a grant’s purpose on IRS Form 990-PF to include whether the grant was awarded to a culturally-specific organization and the specific populations reached by the grant.

Conclusion

The Coalition of Communities of Color intends for the above recommendations to serve as a starting place for dialogue between communities of color and philanthropic entities to ensure that Oregon's foundation grantmaking benefits all Oregonians. We need to work together to achieve the outcomes that we all desire.

We believe that the essential components of equitable grantmaking in Oregon include the following actions by philanthropy:

- Commit to racial equity and the elimination of racial disparities
- Engage in philanthropy-community partnerships to identify strategic investment opportunities
- Ensure funding structures and opportunities are responsive to communities of color and targeted to produce the greatest impact
- Adopt standardized culturally-sensitive data and research practices to ensure data practices can assess impacts of investment

In this way we can encourage both internal diversity and external equity. Foundations and organizations of color should be natural partners. Organizations of color can help identify community needs, priorities and solutions. Foundations can strategically invest in communities in ways that best meet the needs of communities of color. If we work together, we can create open and transparent grantmaking that benefits all Oregonians.

Appendix #1: Overview of the Project to Strengthen Relationships between the Philanthropic Community and Communities of Color

The CCC has spent the last two years working on a project to strengthen relationships between the local philanthropic community and communities of color. The project, funded by Northwest Health Foundation, has three goals: 1) increase the relationship between Northwest Health Foundation and communities of color; 2) provide an opportunity for communities of color to offer feedback on Northwest Health Foundation's work areas; and 3) increase the overall relationship of the local philanthropic community and communities of color.

Under the first goal – increase the relationship between Northwest Health Foundation and communities of color – the CCC held two, two-hour discussion sessions per community of color represented in the CCC with Northwest Health Foundation staff. Each session honored the cultural uniqueness of each population and operated as a discussion group, relationship building opportunity, and culturally-specific focus group. The first session in each community built comfort and relationships, and provided an opportunity for communities to share information with foundation staff. The second session provided an opportunity for Northwest Health Foundation to share its areas of focus and institutional history. We also focused on developing specific recommendations from each community on how to build a deeper relationship between Northwest Health Foundation and the community. Each focus group included multiple representatives from diverse communities within that ethnic population as well as multiple organizations. We found that in order to be culturally-responsive and truly allow for authentic dialogue, at least two meetings per community were required.

Under the second goal - provide an opportunity for communities of color to offer feedback on Northwest Health Foundation's work areas – we held one gathering between all communities of color in the CCC and Northwest Health Foundation staff. This gathering provided an opportunity to identify shared themes from the community-specific discussion sessions as well as an opportunity for Northwest Health Foundation to share its work on racial equity and for communities to provide input and feedback.

Under the third goal - increase the overall relationship of the local philanthropic community and communities of color – we held gatherings between communities of color and the larger philanthropic community and we produced this paper. Our first gathering in March 2011 was a social gathering attended by approximately 25 foundations and 75 organizations of color. The purpose of the gathering was to begin building relationships. Our second and third gatherings in May 2011 were smaller work sessions where the CCC presented its research on racial and ethnic disparities and its research on culturally-specific services. The gatherings included

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discussions about the Foundation Center's report, the causes of the under-resourcing of communities of color, and proposed solutions. Four final gatherings held between July and November 2011 provided an opportunity for funders to preview the CCC's recommendations to philanthropy and provide feedback before the finalization of this paper.

During this project, we also partnered with a cohort from the Robert Wood Johnson Foundation Ladder to Leadership Fellowship program. The cohort launched a project to shine light on the need for building human capital among communities of color in social services agencies. In the cohort's analysis of the problem, they rapidly realized that funders can be primary drivers in this work, and began to understand that funding opportunities, the composition of philanthropic organizations, and their missions and values, are some of the most upstream drivers of how human capital is built among communities of color. The cohort spent six months gathering primary data to better understand the under-resourcing of communities of color. They conducted interviews, both by phone and face-to-face, with 10 senior level staff from foundations at both the regional and national level, and with 10 local community based organizations representing both mainstream and culturally-specific non-profits. Information from these interviews contributes to our recommendations.

We share the trajectory of this project to both suggest ways that individual funders may increase their relationships with communities of color, and to explain how we arrived at the analysis contained in this paper.

Appendix #2: Barriers to Equitable Funding

In order to encourage open and transparent grantmaking that benefits all Oregonians, it is important to understand some of the current barriers. The issues outlined below were identified during discussion sessions between funders and organizations of color, and interviews with funders and community based organizations. It is these barriers that the recommendations are meant to address. Nothing below is meant to be declarative of all funders.

A. Lack of prioritization of the elimination of racism and racial disparities

Philanthropy as a whole has not prioritized racial equity as fundamental to its work. Often, racism is neither discussed nor addressed. Racial inequities may be misunderstood as caused by bad actors or historical racism to the exclusion of the role of systems and institutions in perpetuating racial disparities. By not taking an active role in racial equity work, it is difficult to overcome certain barriers within philanthropy including the lack of diversity within the workforce, an unaddressed level of power and privilege operating within philanthropy, and the role of individuals within philanthropy serving as gatekeepers to funding decisions.

B. Lack of partnerships between philanthropy and communities of color

Philanthropy and communities of color have not sufficiently partnered to build strong understanding and relationships. Dialogue and relationship-building is time consuming and not all foundations or community-based organizations have the staff and resources to commit to relationship building. Funders may be hesitant to reach out to organizations of color out of fear that they will create unreasonable expectations of funding or that they will appear biased in their grantmaking. On the community side, we recognize that there is a perception among organizations of color that philanthropy is overwhelmingly White and that it is difficult to approach foundations.

C. Funding structures and opportunities do not meet the needs of communities of color

Organizations of color and foundations have not partnered with each other to co-design funding structures and opportunities that appropriately resource community-based solutions to community needs. Foundations may not analyze with communities of color why a foundation is not receiving applications from organizations of color. Funding may default to a one-size-fits-all model that does not address the needs or strengths of any community of color. Foundations that rely on best practices may not recognize that best practices were developed for dominant culture communities and may not be the best practice in particular communities of color. Both communities of color and organizations of

color may, therefore, be required to adopt culturally-inappropriate practices to receive funding. Finally, communities of color are concerned that foundations fund mainstream organizations to increase their capacity to serve people of color while at the same time underfunding organizations of color to serve their own communities.

D. Inconsistent and culturally inappropriate data and research practices

Both the philanthropic sector and communities of color are currently unable to make data-driven decisions and evaluate the outcomes of funding with a racial equity lens because there is a lack of standardized culturally appropriate data and research practices. Current practices make it difficult to accurately track racial disparities and transparently report data from foundations to communities. We cannot measure progress within the philanthropic community on the reduction of racial disparities and its involvement in racial equity work.

Appendix #3: Coalition of Communities of Color Fact Sheet

The mission of the Coalition of Communities of Color is to

- Address the socioeconomic disparities, institutional racism, and inequity of services experienced by our families, children and communities.
- Organize our communities for collective action resulting in social change to obtain self-determination, wellness, justice and prosperity.

Formed in 2001, the Coalition of Communities of Color (CCC) is an alliance of culturally-specific community based organizations with representatives from six communities of color – African, African American, Asian/Pacific Islander, Latino, Native American, and Slavic communities. Most of our members are located in the Portland, Oregon metropolitan area. The primary role of the CCC is to advocate for racial equity. In order to achieve our mission, we focus our primary activities on research and education, policy analysis and advocacy, and capacity building.

Members of the CCC include the following organizations:

- Africa House
- Asian Family Center
- Asian Pacific American Network of Oregon
- Black Parent Initiative
- Center for Intercultural Organizing
- El Programa Hispano
- Hacienda Community Development Corporation
- Immigrant and Refugee Community Organization
- Latino Network
- Native American Youth & Family Center
- Portland African American Leadership Forum
- Portland Indian Leaders Roundtable
- Portland Community Reinvestment Initiatives
- Portland Youth & Elders Council
- Self Enhancement Incorporated
- Slavic Network of Oregon
- Urban League of Portland
- Verde

Appendix #4: 20 Recommendations to the Philanthropic Community

A. Commit to racial equity and the elimination of racial disparities

1. Make public commitments to eliminate racial disparities
2. Name and address racism
3. Implement a racial equity policy with accountability mechanisms

B. Engage in philanthropy-community partnerships to identify strategic investment opportunities

4. Build and strengthen relationships with organizations and communities of color
5. Diversify staff and Boards
6. Increase educational opportunities
7. Increase technical assistance
8. Connect local organizations of color to national foundations

C. Ensure funding structures and opportunities are responsive to communities of color and targeted to produce the greatest impact

9. Target funding to address identified needs, and to reduce racial and ethnic disparities, in communities of color
10. Increase funding for specific ethnic and racial minority groups
11. Increase funding for culturally-specific organizations and multi-cultural organizations
12. Increase multi-year funding opportunities
13. Increase funding for general support and capital support to organizations of color
14. Make mission-related investments
15. Assess whether grants produce equitable outcomes

D. Adopt standardized culturally-sensitive data and research practices to ensure data practices can assess impacts of investment

16. Routinely submit grants data to the Foundation Center or similar entity
17. Expand racial and ethnic categories in data systems
18. Collect and annually report on both the number of grants and dollar amount of grants awarded to culturally-specific organizations, as defined by the CCC, disaggregated by race and ethnicity
19. Collect and annually report on the number of grants and dollar amount of grants meant to reach communities of color disaggregated by race and ethnicity
20. Complete the optional descriptions of a grant's purpose on IRS Form 990-PF