

Toward Greater Transparency and Accountability:

**An Assessment of The California
Endowment's Funding to Black, Indigenous,
and People of Color-led Organizations**

EXECUTIVE SUMMARY

OCTOBER 2020

ACKNOWLEDGEMENT

We would like to acknowledge Social Policy Research Associates (SPR) as the lead partner in putting together this brief for The California Endowment (TCE), as well as acknowledge Center for Outcome Research and Education (CORE) for their support in sharing data and analysis from their evaluation of our Building Healthy Communities initiative.

A NOTE FROM TCE'S CEO

In the aftermath of the George Floyd and Breonna Taylor killings at the hands of law enforcement – and the nationwide outrage that followed – our Board of Directors pledged to intensify our focus on matters of structural racism generally, and anti-Black racism in particular. Among the pledges we made included a 10-year, \$225 million commitment to invest in Black-led organizations engaged in activism and advocacy for social and racial justice.

A second pledge was for The California Endowment (TCE) to assert greater transparency and accountability in assessing our funding of Black-led and BIPOC (Black, Indigenous, and People of Color)-led nonprofits. The report that follows represents a key step in the process of transparency and accountability for our foundation.

The findings of the report speak for themselves, but let me underscore some key points as you review the findings.

From the moment of its inception as a private foundation, TCE was founded upon the principles of access and inclusion, especially for communities who have historically been marginalized or excluded in policy and in practice. This historical disenfranchisement is anchored in structural racism, and has led to disproportionately poorer health outcomes in Black, Indigenous, and other racial and ethnic communities. At TCE, we have spent the lion's share of the last two decades working with and investing in these communities to better understand the root causes of health inequity – and addressing them.

It is for this reason that we have labored to collect racial and ethnic demographic data from grantees for well over a decade, and we still fall short of accurate and complete accounting. Response rates could improve. Questions of voluntary-versus-mandatory reporting continue to vex those among us in philanthropy who endeavor to gain the clearest possible picture of who benefits from foundation grantmaking. In addition, the defining of what is a “Black-led” or “BIPOC” or a “multiracial” grantee organization has proven to be more art than science. We do share our definition in the following report, but variability across the field of philanthropy persists. Progress in our field is underway, but it has been slow.

Secondly, as a private foundation we have more work to do in assuring that our resources are tilting heavily in the direction of communities of color whose health and wellness are directly impacted by structural racism in America. But we are pleased to report that, over the past decade, the percentages and numbers of grants and grant dollars to organizations led by people of color is trending upwards.

Finally, a note about why any of this really matters. This is not simply a “numbers game” for us at The California Endowment. As we endeavor to better track and report funding to Black- and BIPOC-led organizations, there is no right number or percentage to target as a goal – we simply need to continue to do better because the strategy calls for it. This is fundamentally about our mission as a foundation, and the pursuit of a vision for a California where health, well-being, racial justice, and social justice are realized for all. Core to the strategy is what we call People Power: the ability and capacity of those communities directly impacted by inequity, inequality, and injustice to drive and shape structural, systemic, and policy change. It stands to reason, therefore, that increasing our investments in Black-led and BIPOC-led groups will serve impacted communities fighting for health system reforms, transformation in the justice system, equity in public education, and more inclusive community and economic development. We must strengthen our resolve to see to it that the makers of what civil rights icon John Lewis called “Good Trouble” are resourced to win their policy and system battles for social and racial justice.

It is in this spirit that we share our findings, and embark on a path of greater accountability.

We acknowledge the hardworking efforts of Dr. Hanh Cao Yu and Mona Jhavar at The California Endowment, our colleague Traci Endo Inouye and the team at Social Policy Research Associates, and Bill Wright and the team at the Center for Outcomes Research and Education in assembling the data for this report.



Robert K. Ross, President & CEO

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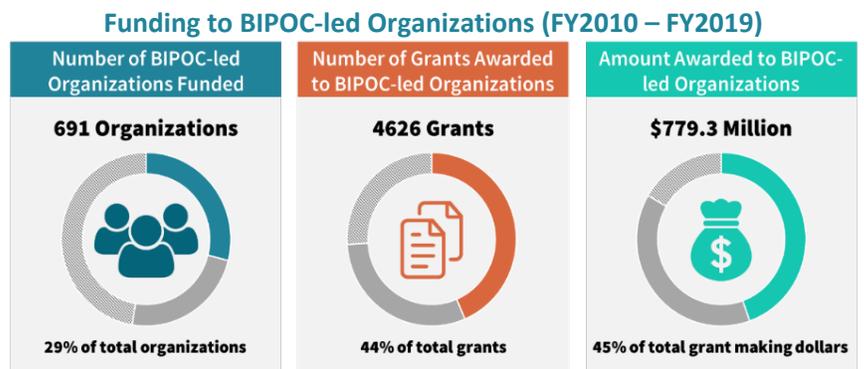
In June 2020, The California Endowment (TCE) issued a [Statement on Race and Racism](#) and identified key action steps to advance racial justice in our role as an active partner and investor in Black communities and communities of color. This brief reports on our specific commitment to improved tracking, reporting, and transparency of TCE funding to BIPOC (Black, Indigenous, and People of Color)-led organizations. While our current data and systems present some limitations to a full public reporting of our grantmaking investments, this brief presents what we know as a means for benchmarking progress going forward.

OUR GRANTMAKING TO DATE

Over the years, TCE has endeavored to hold ourselves accountable to our commitment to diversity, equity, and inclusion through active analysis of and reflection on our investments. While not used in our individual grantmaking decisions, *aggregated* grant data tracking and analysis by racial demographics offer insight into our grantmaking to BIPOC-led organizations, with key findings reported here.

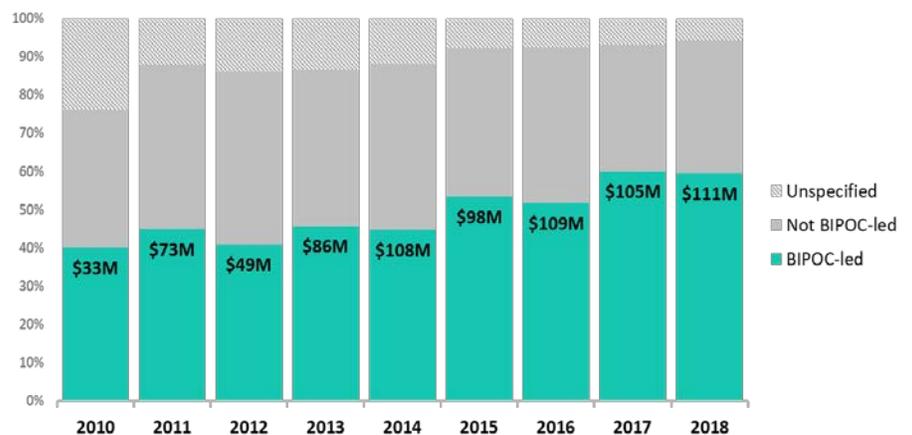
Our Funding to BIPOC (Black, Indigenous, and People of Color)-Led Organizations

Over the last 10 years, TCE has invested nearly \$1.8 billion in the Building Healthy Communities (BHC) initiative, with 10,615 distinct grant awards. The graphic to the right reports on the investments specifically made to BIPOC-led organizations¹ within this initiative, in terms of the number of unique grantee organizations, total number of grants, and total dollars.



A closer look at our funding to BIPOC-led organizations over time in the next graphic demonstrates the consistency with which we have supported BIPOC-led organizations in terms of grant dollars as a percentage of total dollars awarded each year. Percentages fluctuate because total dollars differ from year to year. In the last two years of available data, our funding to BIPOC-led organizations represented approximately 60 percent of the total dollars awarded.

Dollars Invested to BIPOC-led Organizations as a Percent of Total, by Year (FY2010 – FY2018)



¹ From 2010-2018, TCE's Grant Management System asked grantees to self-designate as "minority-led organizations," defined as staff being 50% or more minority and their board 50% or more minority, AND that their mission statement acknowledges that the organization predominantly serves and empowers minority communities. This field is the basis of our reporting on BIPOC-led organizations. Notably, not only are we missing data after this field was discontinued (from 2019 on), during the period between 2010-2018, 74% of grants had this field completed.

Our Funding to Racial and Ethnic Communities

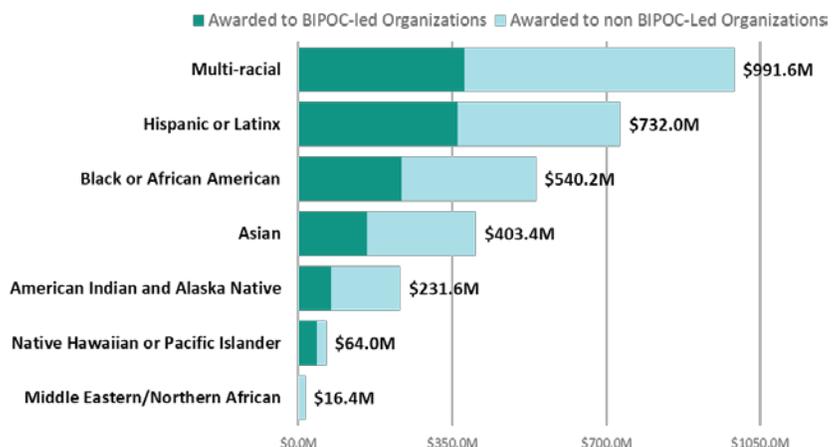
As shown in the graphic to the right, over the past 10 years, substantial portions of our total \$1.8 billion of funding have been dedicated to communities of color throughout the state. As illustrated, a significant proportion of those awards went to BIPOC-led organizations.

Our Recent Support to Black-Led, Power-Building Organizations

To gain insight specifically into our funding for Black-led organizations, program managers documented our investments in Black-led organizations

(in this case defined by the race of the Executive Director, CEO or equivalent) that are part of the power building ecosystem. While this data gathering was informal in nature, as shown as in the graphic below TCE has dedicated at least an estimated 14 percent of total grantmaking dollars, or \$23.2 million, to 103 unique Black-led organizations in 2020; 38 percent of these are directly engaged in power-building strategies across the state.

Amount of Investments by Race & Ethnicity (FY2010 – FY2019)



Current Funding to Black-led Organizations Engaged in Power Building (2020)



OUR PLANS GOING FORWARD

While this data is illuminating, TCE fully recognizes that elements of our existing systems need strengthening to address missing data and to allow a full reporting of our investments in Black- and BIPOC-led organizations. Toward that end, we intend to clarify definitions of leadership and BIPOC-led organizations, as well as actively invest in building internal systems for improved data capture, analysis, and reporting across all of our investments. Our hope is that – in partnership with both our grantees and philanthropic colleagues – we gain a comprehensive understanding of how dollars are being invested, and ultimately use data to more nimbly see patterns, interrogate bias, and raise questions when movement in a new direction may be needed. Publicly reporting our core funding trends, at a minimum, by race and ethnicity, gender, sexual orientation, and disability at more regular intervals will also allow us to examine whether our grantmaking aligns with current community priorities and promote a level of transparency about our investments to which we strive.