DIVERSITY EQUITY AND INCLUSION AUDIT REPORT

Executive Summary

THE CALIFORNIA ENDOWMENT

AUGUST 2017

SOCIAL POLICY RESEARCH ASSOCIATES

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"We concluded that we needed to ratchet up the seriousness of our resolve. The question that arose: Are we, as a foundation, committed enough to this issue to measure and track improvement?

DR. ROSS, ON THE IMPETUS FOR THE FIRST DIVERSITY AUDIT, CONDUCTED IN 2008

EXECUTIVE SUMMARY

Since its founding, The California Endowment (TCE) has placed a strong value on diversity. As clearly laid out in its Diversity, Equity and Inclusion (DEI) statement, TCE believes that "diversity, equity, and inclusion are essential to organizational effectiveness and excellence, and that program strategies and services are enhanced when organizations are reflective of communities being served." Further, TCE is dedicated to eliminating the health outcome disparities that are the physical manifestation of the oppression and exclusion facing many marginalized communities and is therefore committed to promoting diversity, equity, and inclusion in its grantmaking and operational activities.

WHY AN AUDIT?

In the late-2000s, the TCE Board of Directors engaged in a conversation about the values of diversity, equity, and inclusion and reaffirmed the institution's allegiance to the values present at TCE's founding. Also at that time, according to Dr. Ross, "We concluded that we needed to ratchet up the seriousness of our resolve. The question that arose: Are we, as a foundation, committed enough to this issue to measure and track improvement?"

The answer was yes.

Subsequently, in 2008, TCE adopted a Diversity Plan, with 15 targeted goals envisioned to advance TCE's vision of diversity, equity and inclusion. TCE also engaged an independent partner, Social Policy Research Associates (SPR), to conduct its first organizational audit of the foundation's diversity and inclusion practices, and produce a TCE Diversity & Inclusivity Report Card. Since 2008, SPR has conducted three additional audits in 2011, 2013, and now 2016. With each audit, TCE's Board of Directors and internal teams discuss findings, create action steps, and establish revised goals for itself into the future. In addition, TCE endeavors to externally share findings from each audit with philanthropic colleagues, as an opportunity to reflect on deepened philanthropic practice to support diversity, equity, and inclusion at the field level.

OVERVIEW OF THE 2016 DEI AUDIT

This audit represents TCE's fourth diversity, equity, and inclusion audit. The following pages capture developments since the last audit conducted in 2013, with a specific focus on the 2016 calendar year. The report itself is organized into three separate sections that collectively benchmark's TCE's progress in its long-term journey toward advancing the foundation's vision of diversity, equity and inclusion:

1 The first section provides a snapshot of the current demographic diversity of TCE's staff, Board of Directors, and grantees.

2 The next section takes a step back to examine the current institutional supports that underlie advancement of diversity, equity and inclusion goals at TCE; and, finally,

3 The audit concludes with an assessment of progress toward the specific 13 diversity, equity and inclusion goals TCE set forth for itself after the last DEI Audit in 2013.

Each of these three sections of the report are informed by four key sets of evaluation activities:

- Review of considerations arising from the previous audit and action steps identified in post-audit processes

- Interviews with 21 key TCE staff members and 1 Board member to understand specific actions taken since the 2013 DEI Audit and their perspectives on TCE's evolution as an equity organization

- Review of selected foundation policies, governing documents, internal meeting minutes, and communications materials

- Analysis of survey data on TCE Staff and Board demographics, as well as Staff and Board perspectives on diversity, equity, and inclusion at TCE through a separate DEI Benchmarking survey.

Ultimately, the findings and considerations presented are intended to support TCE in a larger process of reflection and action connected to the audit. Specifically, every three years, the audit is followed by a series of conversations where TCE leadership and staff internally reflect on their collective alignment with the values and principles of diversity, equity and inclusion that are at the core of its mission, as well articulate specific action steps for the foundation going forward. By openly reflecting on TCE's progress, barriers, and blind spots related to diversity, equity and inclusion, the audit also serves to foster a broader culture of continuous improvement where TCE challenges itself to do better—for the field, for its staff, and for the diverse communities to whom it is ultimately accountable.

I. BENCHMARKING TCE DIVERSITY

This section first provides an overview of TCE staff and board diversity. Demographic data was self-reported through the 2016 Staff Demographic Survey[1], and is summarized in Exhibits 1 and 2 on pages 4-5. For TCE staff and board trend data over time and as compared to state population and national foundation staff and board data, please refer to Appendix A.

HIGHLIGHTS: TCE STAFF & BOARD DIVERSITY 2016

- The racial and ethnic diversity of The California Endowment's staff continues to far exceed the broader philanthropic field. While a recent Council on Foundations report[2] found that, on average, foundation workforces are comprised of just over 24 percent people of color, at TCE, **staff of color represent 72 percent of total staff.**

- The racial and ethnic make-up of TCE's Board of Directors similarly exceeds the broader philanthropic field, with its diversity closely mirroring that of California. Whereas only 13 percent of foundation boards are comprised of people of color[3], **65 percent of TCE's Board of Directors are people of color.** The percentage of TCE board members is more than double the national average in all racial categories, with the exception of Whites and African Americans.

- TCE's percentage of women among staff is slightly less than philanthropic peers. Whereas the Council on Foundations report found that women represented 77 percent of professional positions at foundations, and 60 percent of executive leadership. At TCE, women represent **63 percent of all staff and 50 percent of TCE's executive team are women.**

- While the greatest percentages of staff fall in the 36 to 45 age bracket, the greatest percentage of Board members fall in the 56-65 age range.

- Just over 12 percent of TCE staff and 13 percent of TCE Board of Directors identify as LGBTQ. Notably, only 0.7 percent of staff and zero Board members identify themselves as having a disability.
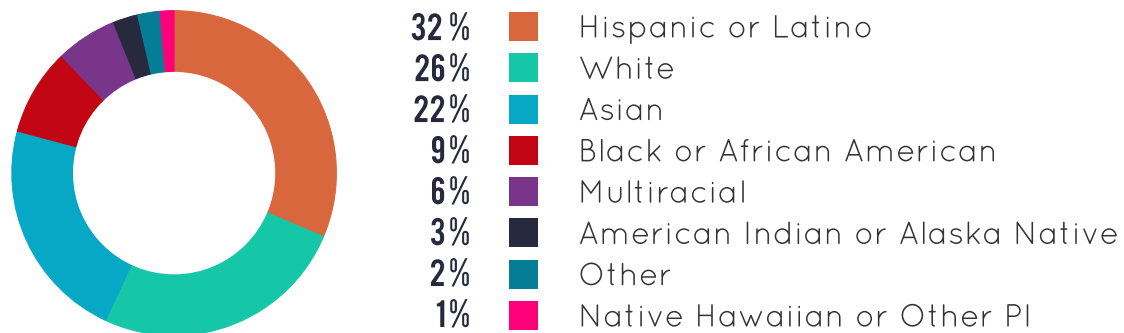
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[1] This survey was administered by SPR to all TCE staff employed at the end of 2016. The survey had a response rate of 94 % for TCE staff and 100% for the TCE Board.

[2] The State of Change: An Analysis of Women and People of Color in the Philanthropic Field. Council on Foundations, 2017 [Data from this report draws on 2015 Grantmaker and Benefits Survey]
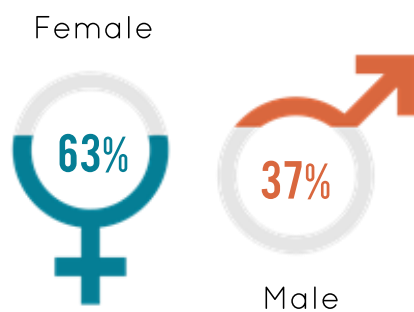
[3] State of the Work: Tackling the Tough Challenges to Advancing Diversity, Equity and Inclusion. D5 Coalition, 2014 [Data from this report draws on a 2010 Council on Foundations Management survey of 518 independent, family, community, and public foundations]
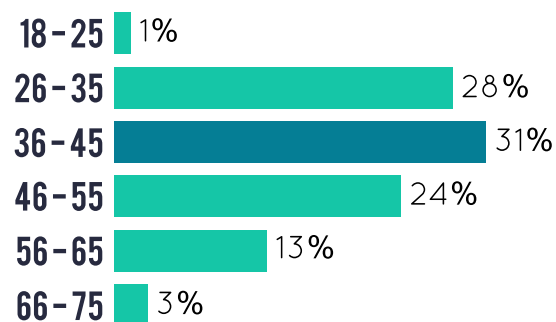
EXHIBIT 1. TCE ALL STAFF DEMOGRAPHICS, 2016 (N=149)

RACE / ETHNICITY

%	Category
32%	Hispanic or Latino
26%	White
22%	Asian
9%	Black or African American
6%	Multiracial
3%	American Indian or Alaska Native
2%	Other
1%	Native Hawaiian or Other PI

GENDER IDENTITY

Female
63%

Male
37%

AGE

Age	%
18 – 25	1%
26 – 35	28%
36 – 45	31%
46 – 55	24%
56 – 65	13%
66 – 75	3%

SEXUAL ORIENTATION

87%
Heterosexual or Straight

6%
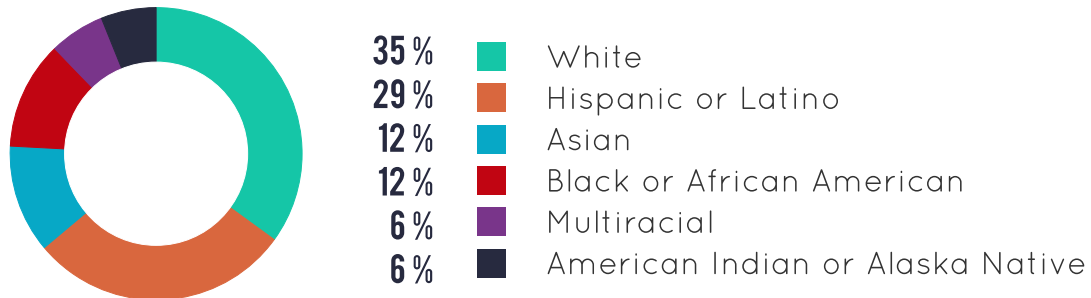Gay or Lesbian

5%
Bisexual

1%
Other

*   Note: Percentages may not add to 100 due to rounding.

4
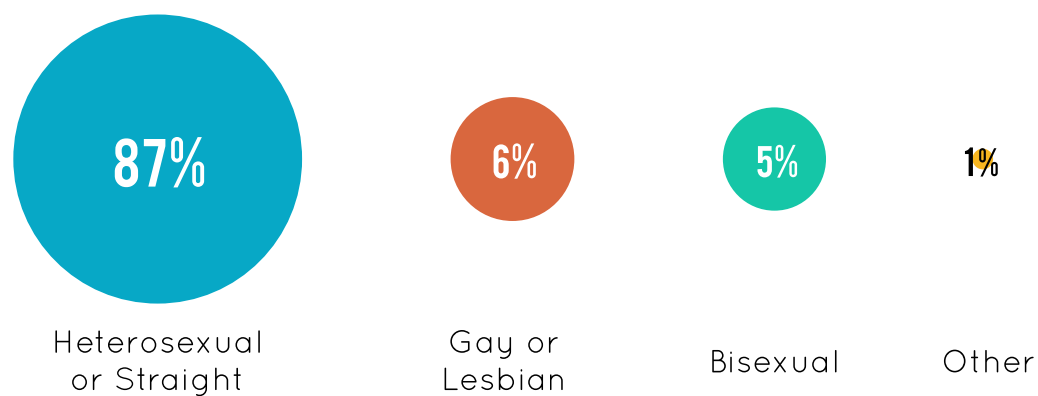
EXHIBIT 2. TCE BOARD OF DIRECTORS DEMOGRAPHICS, 2016 (N=17)

RACE / ETHNICITY

35 %	White
29 %	Hispanic or Latino
12 %	Asian
12 %	Black or African American
6 %	Multiracial
6 %	American Indian or Alaska Native

GENDER IDENTITY

Female

47%

53%

Male

AGE

36 – 45	12 %
46 – 55	18 %
56 – 65	47 %
66 – 75	24 %

SEXUAL ORIENTATION

88%

Heterosexual
or Straight

12%
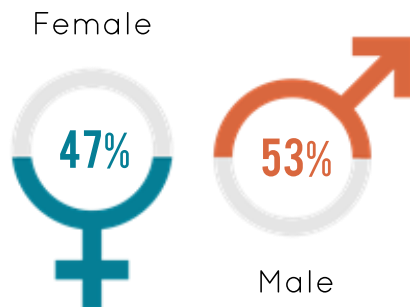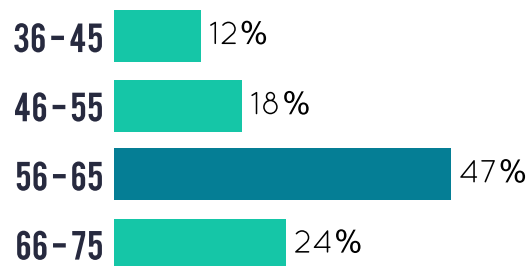
Gay or
Lesbian
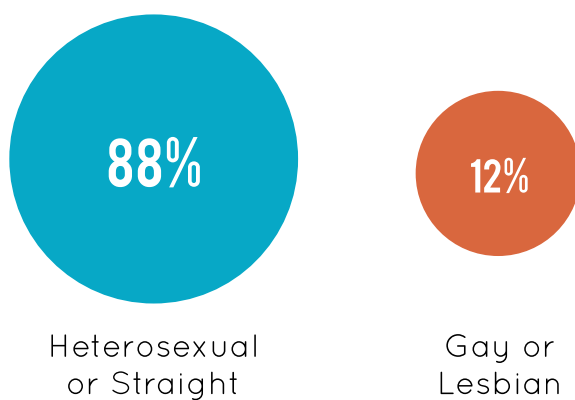
*   Note: Percentages may not add to 100 due to rounding.

TCE STAFF DEMOGRAPHICS OVER TIME

- An analysis of trend data on racial and ethnic diversity since 2008 reveals slightly increased percentages of Latino, Asian, Pacific Islander and Native Hawaiian, and Multiracial staff over time. Percentages of Native American staff have remained relatively flat at 1 percent, and —notably—percentages of African American and White staff have continued along a downward trend since 2008.

- The overall gender ratio at TCE has remained fairly stable since 2008. The percentage of women on TCE's executive leadership team, however, increased from 38 percent in 2013 to 50 percent in 2016 with the hire of an additional female executive.

- There was a small rise in staff identifying as Bisexual and Other in 2016, and a decrease in the number of staff who identify as having a disability. In 2013, 2 percent of staff identified as having a disability; however, only 0.7 percent of staff identify as having a disability in 2016.

BOARD OF DIRECTORS DEMOGRAPHICS OVER TIME

- In 2016, the TCE Board of Directors was almost evenly split among male and female members. Overall, this represents a continuation in the overall trend of increased female representation, which was 33 percent in 2008.

- The Board of Directors also continues to diversify with regard to sexual orientation. Whereas zero members of the Board identified as LGBTQ in 2011, this percentage increased to 6 percent in 2013 and to 13 percent in 2016.

- In 2016 and 2013, no members of the Board of Directors identified as having a disability.
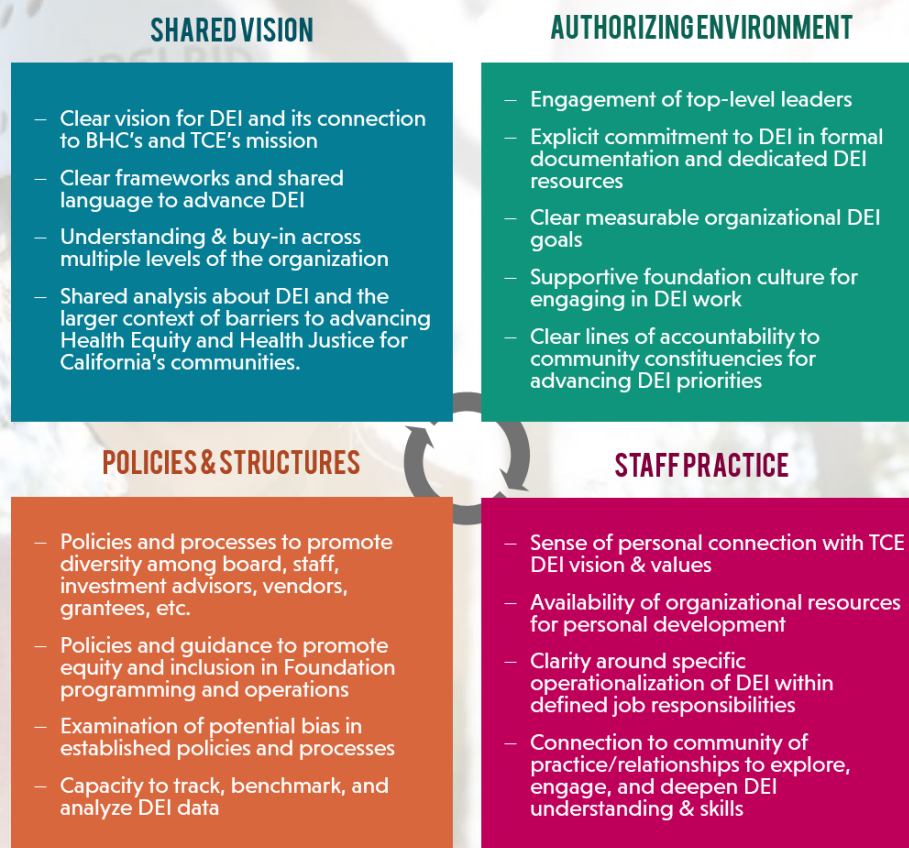
TCE GRANTEE DIVERSITY: 2016

TCE has historically tracked diversity of funded organizations through a voluntary process in which prospective grantees report the diversity of their staff, board, and volunteers. Since Fall 2016, this process has transitioned to having prospective grantees provide this information through GuideStar (a publicly accessible database of IRS-registered nonprofit organizations.) The findings below draw on data merged from both sources:

- Notably, approximately a third of the 798 organizations awarded grants in 2016 opted not to provide TCE demographic information on staff at all. This high non-response rate limits interpretation of grantee demographic data.

- Of the TCE grantee organizations that provided demographic information on staff, 63 percent (341) report that their staff are a majority people of color.

- Again, of those that provided demographic information on their staff, approximately 72 percent of 2016 grantee organizations are a majority female and 96 percent report being majority heterosexual.

II. TOWARD A CULTURE OF EQUITY

Beyond benchmarking demographic diversity, through the audit, TCE also endeavors to understand how the foundation is evolving as an organization that is committed to advancement of diversity, equity and inclusion. A recent field scan of foundations that are embracing equity as a primary focus affirmed that incorporating an equity lens entailed, not only integrating equity into foundation's grantmaking, but also fostering a broader **'culture of equity'** to support this grantmaking.[4] As part of our work with a wide range of foundations and community-based organizations over the past two decades, SPR has developed a framework to understand and analyze how institutional context supports equity-focused work. Drawing from literature on organizational changes critical for the sustainable implementation of diversity principles and updated in the last year based on new thinking about intersectionality and DEI practice, the framework includes four interrelated areas captured in the framework below:

DEI INSTITUTIONAL SUPPORT FRAMEWORK

SHARED VISION

- Clear vision for DEI and its connection to BHC's and TCE's mission
- Clear frameworks and shared language to advance DEI
- Understanding & buy-in across multiple levels of the organization
- Shared analysis about DEI and the larger context of barriers to advancing Health Equity and Health Justice for California's communities.

AUTHORIZING ENVIRONMENT

- Engagement of top-level leaders
- Explicit commitment to DEI in formal documentation and dedicated DEI resources
- Clear measurable organizational DEI goals
- Supportive foundation culture for engaging in DEI work
- Clear lines of accountability to community constituencies for advancing DEI priorities

POLICIES & STRUCTURES

- Policies and processes to promote diversity among board, staff, investment advisors, vendors, grantees, etc.
- Policies and guidance to promote equity and inclusion in Foundation programming and operations
- Examination of potential bias in established policies and processes
- Capacity to track, benchmark, and analyze DEI data

STAFF PRACTICE

- Sense of personal connection with TCE DEI vision & values
- Availability of organizational resources for personal development
- Clarity around specific operationalization of DEI within defined job responsibilities
- Connection to community of practice/relationships to explore, engage, and deepen DEI understanding & skills

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[4] *The Road to Achieving Equity: Findings and Lessons from a Field Scan of Foundations That Are Embracing Equity as a Primary Focus.* Putnam Consulting Group for the Robert Wood Johnson Foundation, September 2016.

Using this DEI institutional support framework as a basis of analysis, this next section draws upon interviews and DEI Benchmarking survey data to assess where TCE is with regards to the institutional supports for advancing its own journey toward a culture of equity.

SHARED VISION

The last three years has seen leaps forward in how TCE has articulated its vision for diversity, equity and inclusion. In addition to a refresh of TCE's diversity statement that has broadened language to include "equity" and "inclusion," TCE has put forward a set of core values to guide grantmaking and operations that deeply integrate DEI considerations, and offered a framework for its grantmaking that holds health equity and health justice for Californians as its north star. Data show, however, that shared vision continues to evolve at TCE, and that some staff are still coming to shared understanding about the implications of moving to an equity frame. Some considerations for deepening shared vision for DEI in the years ahead:

- **Focus on shared *analysis* behind shared language.** Terms like diversity, equity, and inclusion can easily become watered down without organization-wide engagement about their meaning and the implications for carrying out TCE's mission. Effectively moving staff beyond thinking about diversity as simply representation of different target groups may likely require an organization-wide interrogation of the complex systemic barriers that influence diversity, equity, and inclusion.

- **Aim for conceptual clarity about TCE's approach.** Though interviews and survey responses, opposing perspectives surfaced from staff about TCE's approach to targeting specific population groups. Bringing attention to intersectionality and targeted universalism in TCE's approach may ease emerging tensions and create an opening for deepening discussion about equity and inclusion.

AUTHORIZING ENVIRONMENT

Overall, TCE staff and Board members express little doubt about TCE's continuing commitment to diversity, equity and inclusion; many express a sense of pride for working at a foundation at the forefront of promoting health equity and health justice for California's most vulnerable. Further, looking across survey results of measures intended to assess TCE's authorizing environment, we find that across all measures a majority of TCE staff and Board members agree or strongly agree that TCE's organizational culture supports advancement of DEI work and values. Survey data, however, also reveal some potential areas for strengthening TCE's authorizing environment:

- **Continue to attend to and share power.** TCE staff feedback continues to call attention to the different ways that power manifests itself internally within TCE and externally in its engagement with communities. Some encouraged leadership and others to not just attend to power in TCE's decision-making, communications and culture, but also consider approaches for meaningfully *sharing* power.

- **Promote transparency.** Particularly given a large volume of policy and procedural changes that took place in the period preceding this audit, staff were not always clear on how or if TCE was considering DEI core values in its decision-making. When developments happen or decisions are made that are prompted by, or deeply consider TCE's values of diversity, equity, and inclusion, greater transparency can serve to reinforce TCE's authorizing culture for staff.

- **Foster safety.** Declining survey percentages of individuals who express that they feel safe to raise DEI concerns suggest an area for attention. Particularly given the extent of candid anonymous feedback provided through the DEI Benchmarking Survey, TCE may want to explore alternative vehicles for staff to voice differences of opinion or challenge thinking.

POLICIES AND STRUCTURES

From top to bottom, there is widespread agreement that TCE operates as a strong mission-driven organization. As such, rather than putting in place a lot of prescriptive DEI policies and protocol, the core values—in combination with a robust authorizing environment—operate as guiding principles from which internal and external practice flows. The implications, according to multiple interviewed staff, are that discussions and decisions that they are a part of *naturally* integrate DEI considerations as part and parcel of TCE's approach. Considerations for strengthening this area include:

- **Introduce consistency in systems and process development.** Without being prescriptive, greater consistency might be achieved through overarching guidance in the form of a discussion tool or checklist that can ensure productive dialogue and inclusion-oriented thinking in internal systems and process development at TCE. (i.e., How does this advance our core values? How have we involved representatives from key stakeholder groups who will be affected? How have we considered potential biases in our assumptions that might lead to unintended consequences?)

- **Strengthen accountability loops.** One continuing gap in TCE's current systems appears to be having easily accessible data that can benchmark progress, and provide a check that organizational policies and systems are aligned with core values. As TCE's grants management system and coding processes get finalized in the coming year, an opportunity exists to consider a full range of data that can better assess alignment.

- **Centralize stewardship of DEI efforts.** Different leaders, workgroups, and departments have responsibility for carrying out DEI-specific functions within TCE, and the responsibility for carrying out DEI values is one that is held organization-wide. At this point in the journey, TCE may want to consider whether it makes sense to assign responsibility to an individual or department for stewardship of DEI at TCE. This entity would largely serve the purpose of connecting decentralized efforts from across the organization, monitoring and sharing progress, amplifying successes, and ultimately ensuring that a larger DEI agenda is moving forward.

STAFF PRACTICE

This final area acknowledges that an important aspect of fostering an equity organization must focus on individual practice, and therefore ensuring support for making meaning of and operationalizing diversity, equity and inclusion values. The DEI benchmarking survey specifically asked staff to assess their understanding and capacity for operationalizing TCE's Core Values. **Overall, most staff felt that they had the requisite knowledge and skills, although specific items saw stark differences between program and non-program staff, and between staff with longer and shorter tenure.** Some considerations:

- **Provide cross-organizational opportunities for training and engagement.** In response to one of the most common points of feedback in this area, going forward, TCE will want to consider how to resource and provide opportunities for dialogue and training on DEI-related issues beyond program staff.

- **Implement staff-articulated priorities for future training and learning.** Staff feedback offers some specific formats (small group, within department, structured dialogues, workshops, etc.) and topics for future training. In particular, staff are interested in population-specific training to deepen understanding, as well as to deepen cultural competency in internal and external engagement. In addition, staff would like to increase strategy-specific knowledge (e.g., related to narrative change, authentic youth power building, or healing).

III. ASSESSING PROGRESS TOWARD DEI GOALS

As discussed in the previous section, setting clear and measurable DEI goals is a key component of fostering a strong authorizing environment. First adopted in 2008, TCE's Diversity, Equity and Inclusion (DEI) Plan and goals have been updated every three years to reflect shifting TCE priorities for attention envisioned to best advance diversity, equity and inclusion at TCE. The current goals encompass a range of priorities for engagement and accountability around diversity, equity, and inclusion across different TCE departments and processes. The goals include a focus at the Board level, within the executive leadership team, as well as with specific teams charged with specific functions such as grantmaking, data management, human resources, facilities, communications, and mission and program-related investments.

The tables on pages 12 and 13 provide a high-level summary of specific progress on the 13 goals that comprise TCE's current DEI Plan. The full 2016 DEI Audit report provides a deeper discussion of progress, challenges, and learning related to each goal, as well as key findings that support the considerations offered. Organized by the level of progress, the tables capture key TCE actions since the 2013 audit by each of the 13 goals, as well as key considerations for each going forward. Progress has been characterized in one of four ways:

EXCELLENT PROGRESS (this goal has largely been achieved)

GOOD PROGRESS (progress, but still opportunities to lean further into this goal)

SOME PROGRESS (mixed progress, as some concerns or challenges have been noted)

HOLDING THE LINE / NO PROGRESS

Overall, findings suggest that TCE continues to make important progress toward the DEI goals that it has set forth for itself. Since the last audit, a number of strategies have been launched or deepened to support integration of DEI into grantmaking and organizational practices. The **greatest strides** are connected with clearer articulation of TCE's definition of diversity, equity and inclusion. The introduction of both a set of organizational core values and north star goals have set the table for the organization to begin to align hiring, performance reviews, grantmaking and evaluation practices, as well as to engage in deeper dialogue about how to collectively engage in advancing DEI within TCE's programming and operations. TCE also **continues to make progress** on goals related to fostering a strong authorizing environment, with active engagement of both the TCE Board of Directors and the broader philanthropic field in its DEI efforts. **Areas for further growth and development** suggest further investments in organization-wide staff training and dialogue, as well as additional attention to supportive and aligned infrastructure (e.g., data tracking and reporting systems, decision-making tools and processes, accountability systems) already underway.

EXCELLENT PROGRESS

	GOAL	ACTIONS	CONSIDERATIONS GOING FORWARD
1	**Communicate a clear statement and definition** of diversity as a measure of philanthropic effectiveness, including operations and grantmaking to both external and internal stakeholders	*Refresh of DEI statement to include focus on equity and inclusion, adoption of TCE core values, development of historical DEI videos, establishing clear North Star indicators centered on Health Equity and Health Justice*	• Refocus goal on staff *engagement* around DEI vision and values • Make explicit implications of including "inclusion and equity" • Strategic dissemination and field engagement specifically on implementation of TCE core values
6	Develop and adopt appropriate **diversity indicators for Board, management and staff**; collect baseline data and implement and publicly report periodic collection of data	*TCE staff diversity disseminated with 2013 audit, demographic data gathered as part of onboarding, informal consideration of diversity in recruitment and advancement, fine-tuning of gender identity data gathering best practice*	• Institutionalizing staff diversity data collection within the TCE onboarding process (aligned with audit categories) • Formal utilization of demographic data for strategic recruitment and assessing unintended bias in staffing decisions • Annual updates of TCE staff and Board diversity, reported in conjunction with the financial audit • Regularly updated dashboards on the TCE website
9	Continue strategic focus serving diverse populations and communities and to **address themes of diversity, equity, and inclusion through grantmaking**	*Strategic investments in specific populations and communities, grantmaking coded as "equity and diversity," small grants to organizations working with communities in highest need*	• Utilize data to identify annual trends in grantmaking/benchmark spending by focus area or target population • Formally evaluate small grants strategy as a means to reach and support minority-led organizations • Address inclusion aspect of this goal by partnering with communities in setting future directions • Engage in portfolio-level evaluations to surface learning specifically related to DEI
12	Explore, review and consider efforts to **promote mission or program related investments**	*Board approval of $100 million PRI allocation, PRI and mission-related policies with explicit DEI language, decision to not invest in companies profiting from prison industry*	• With investment guidance in place, establish means for tracking progress • Field level dissemination of TCE lessons learned (particularly around aligned PRI investments in BHC communities)
13	Engage in **collaboration and field building activities** among foundations, colleagues, and philanthropic affinity groups	*Ongoing leadership and dissemination in the philanthropic field with regard to DEI grantmaking and internal operations*	• Sharing best practice and *challenges* • Consider creating a centralized database of field-level DEI presentations, paper, blogs, etc.

GOOD PROGRESS

	GOAL	ACTIONS	CONSIDERATIONS GOING FORWARD
2	**Engage Board of Directors/Trustees** in endorsing/supporting an organizational Diversity Plan	*Sharing of DEI Audit findings, 2016 presentation of internal DEI progress, engagement with Board on Fight4All*	• Consider more frequent review of some DEI metrics • Continue to reflect on missing perspectives • Assume role of "visible champions of DEI"
7	Conduct proactive **outreach and recruitment for diverse candidates** for Board, management and staff positions.	*Increased diversity of Executive Team, adoption of Fair Chance hiring policy, revisiting of criteria for hiring to diversify perspectives and experience of staff, continuing focus on diversifying Board*	• Target Board and staff outreach in named gaps and implement an anonymous tool for raising concerns related to diversity • Consider organizational guidance and/or sharing of best practice in hiring to maximize diversity

SOME PROGRESS

	GOAL	ACTIONS	CONSIDERATIONS GOING FORWARD
3	Include diversity-related measures in the **performance goals** for the CEO and other managers, as appropriate	*Adoption of new performance review system (P4P) that ties performance to TCE core values (with some implementation challenges), DEI considerations integrated into CEO performance review*	• Additional guidance for connecting job duties to TCE core values in P4P, as well as train managers to support this dialogue • Consider explicit criteria related to DEI within CEO performance assessment, as an instructive model for the field
4	Identify and implement a plan for any additional **staff orientation and training** on issues related to diversity, equity, and inclusion (e.g., race/ethnicity, gender, sexual orientation, disability)	*Core values included in staff handbook and onboarding, series of DEI trainings for program staff, engagement around health justice and health equity at all-staff meetings, pilot of a DEI decision-making tool*	• Prioritize training for non-program staff • Consider additional DEI orientation and training • Continue to pilot Equity and Inclusion decision-making tool and gather feedback on its utility
5	Ensure **compliance with accessibility requirements** of the Americans with Disabilities Act for all offices and implementation of best practices for accessibility of communications formats*	*Regular review of ADA best practices, installation of second ADA compliant ramp in LA, translation of material for community campaigns and grantees, assisted listening and translation support at conference centers*	• Review and implement best practices for website accessibility • Research need and establish guidelines around translation processes • Share progress broadly with TCE
8	Continue **collecting and documenting diversity-related information** about grantees, especially populations/ communities served	*Solicitation of feedback on barriers to grantees providing diversity data, move to collecting grantee data in Guidestar (which does not include information on communities served), establishment of grant 'coding' workgroup*	• Ensure new coding processes and grants management system includes a focus on communities served • Technical support to grantees that express challenges in providing diversity information
10	Review and make appropriate changes to contracting policies regarding sole source vs. competitive bid contracting, and **promote equal opportunity and diversity in contracting**	*Revision of DCA process to move away from sole source contracting, online grant and contract application continues to describe commitment to DEI*	• Collect and review DEI data from the new DCA process to ensure that there is no unintended bias in the process • Reconvene DCA workgroup to address any implementation challenges

HOLDING THE LINE / NO PROGRESS

|	GOAL	ACTIONS	CONSIDERATIONS GOING FORWARD
11	Explore, review and consider efforts to **promote diversity among investment managers**	*Maintaining diversity of investment managers, which is high relative to the diversity of the overall sector.*	• Publicly benchmark investment manager diversity • Continue to engage philanthropic colleagues also focused on this goal to surface field-level learning • Specify benchmarks for additional desired diversity or refocus goal on maintaining diversity

* Note: The California Endowment has met all ADA requirements associated with this goal.

TCE 2016 DEI AUDIT GOALS PROGRESS

|	Holding the line / No	Some	Good	Excellent

Shared Vision

1. **Communicate a clear statement and definition** of diversity as a measure of philanthropic effectiveness, including operations and grantmaking to both external and internal stakeholders. — Excellent

13. Engage in **collaboration and field building activities** among foundations, colleagues, and philanthropic affinity groups. — Excellent
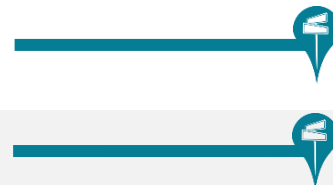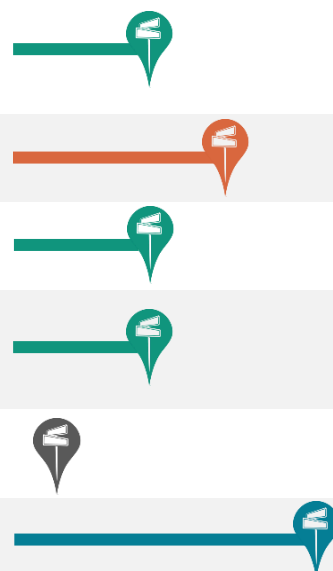
Authorizing Environment

2. **Engage Board of Directors/Trustees** in endorsing/supporting an organizational Diversity Plan. — Good

3. Include **diversity-related measures** in the performance goals for the CEO and other managers, as appropriate. — Some

6. Develop and adopt appropriate **diversity indicators for Board, management and staff**; collect baseline data and implement and publicly report periodic collection of data. — Excellent
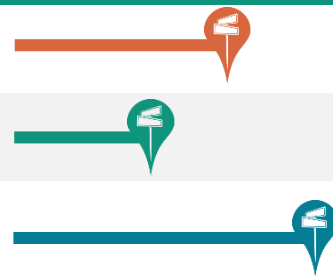
Policies & Structures

5. Ensure **compliance with accessibility requirements** of the Americans with Disabilities Act for all offices and implementation of best practices for accessibility of communications formats.* — Some

7. Conduct proactive **outreach and recruitment for diverse candidates** for Board, management and staff positions. — Good

8. Continue **collecting and documenting diversity-related information** about grantees, especially populations/communities served. — Some

10. Review and make appropriate changes to contracting policies regarding sole source vs. competitive bid contracting, and **promote equal opportunity and diversity in contracting**. — Some

11. Explore, review and consider efforts to **promote diversity among investment managers**. — Holding the line / No

12. Explore, review and consider efforts to **promote mission or program related investments**. — Excellent

Staff Practice

4. Identify and implement a plan for any additional **staff orientation and training** on issues related to diversity, equity, and inclusion. — Some

Strategic Grantmaking

9. Continue strategic focus serving diverse populations and communities and to **address themes of diversity, equity, and inclusion through grantmaking**. — Excellent

* Note: The California Endowment has met all ADA requirements associated with this goal.

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THE JOURNEY FORWARD

The findings presented in this 2016 Diversity, Equity, and Inclusion Audit suggest that The California Endowment continues to deeply live out its commitment to the diverse communities that it serves, through its vision, leadership and staffing, operations, and grantmaking. The findings also point to measurable progress toward its 2013-2016 DEI goals, indicating continued forward momentum on this long-term journey toward becoming an authentic equity organization.

At the same time, among leadership and from staff at multiple levels we also heard some common concerns about where TCE is in the journey, and the implications for the work ahead. Namely, many expressed a fear about getting "too comfortable" with the progress made thus far, and not taking the opportunity to lean into the remaining gaps and challenge the organization to push itself do even better—not just for the foundation, its staff, and the diverse communities which it serves, but for the broader field of philanthropy where TCE continues to aim to lead by example.

> In this [DEI] work, you cannot get too comfortable with yourself. And I worry a little bit about us getting too comfortable with where we are and not pushing forward. That's one of the areas to think about and look at as the DEI audit results come in.

We sincerely hope that the findings and considerations offered through this 2016 Diversity, Equity and Inclusion Audit provide useful mirror for organizational self-reflection and growth toward that end.

APPENDIX A: TCE DEMOGRAPHIC TRENDS

RACE/ETHNICITY

	TCE BOARD				EXECUTIVES AND VPS				ALL STAFF				CA*	FOUNDATION STAFF**	FOUNDATION BOARDS***
	2009	2011	2013	2016	2009	2011	2013	2016	2009	2011	2013	2016	2016*	2015	2014
Latino	22%	23%	24%	29%	50%	42%	38%	25%	26%	32%	27%	32%	38.4%	6.9%	4%
White	28%	27%	35%	35%	25%	25%	38%	38%	36%	31%	32%	26%	38.7%	75.7%	87%
Black	28%	30%	18%	12%	25%	33%	13%	25%	14%	11%	10%	9%	5.6%	9.4%	7%
Asian	6%	13%	6%	12%	0%	0%	0%	13%	21%	21%	21%	22%	13.5%	5.1%	5%
Pacific Islander or Native Hawaiian	6%	7%	0%	0%	0%	0%	0%	0%	0%	1%	2%	1%	0.4%	0.4%	Included in Asian
Native American or Alaskan Native	6%	0%	6%	6%	0%	0%	0%	0%	1%	1%	0%	3%	0.4%	0.4%	0.5%
Two or more races	6%	0%	12%	6%	0%	0%	13%	0%	1%	3%	8%	6%	2.8%	1.2%	n/a
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0.2%	0.7%	n/a

Note: Executive-level trend data must be interpreted with caution due to changing definitions and titles within the last decade. 2016 Executive-level data reflects the current TCE Executive Team (n=9) and does not include Director-level staff.

* Source: American Community Survey 2011-2015 Five Year Estimates

**Source: The State of Change: An Analysis of Women and People of Color in the Philanthropic Field, 2017 [Data from this report draws on 2015 Grantmaker and Benefits Survey]

***Source: State of the Work: Tackling the Tough Challenges to Advancing Diversity, Equity and Inclusion. D5 Coalition, 2014 [Data from this report draws on a 2010 Council on Foundations Management survey of 518 independent, family, community, and public foundations]

GENDER IDENTITY

	TCE BOARD				EXECUTIVES AND VPS				ALL STAFF				CA*	FOUNDATION PROGRAM OFFICERS**	FOUNDATION BOARDS***
	2009	2011	2013	2016	2009	2011	2013	2016	2009	2011	2013	2016	2016	2014	2014
Male	67%	60%	59%	53%	63%	67%	63%	50%	32%	40%	36%	37%	50%	77%	38%
Female	33%	40%	41%	47%	38%	33%	38%	50%	68%	60%	64%	63%	50%	23%	62%
Transgender***	x	x	X	0%	X	x	x	0%	x	x	x	0%	x	x	x
Do not identify as female, male, or transgender*	x	x	x	0%	X	x	x	0%	x	x	x	0%	x	x	x

Note: Executive-level trend data must be interpreted with caution due to changing definitions and titles within the last decade. 2016 Executive-level data reflects the current TCE Executive Team (n=9) and does not include Director-level staff.

* Source: American Community Survey 2011-2015 Five Year Estimates

**Source: State of the Work: Tackling the Tough Challenges to Advancing Diversity, Equity and Inclusion. D5 Coalition, 2014 [Data from this report draws on a 2010 Council on Foundations Management survey of 518 independent, family, community, and public foundations]

**** Not asked on the survey prior to 2016

ADDITIONAL DEMOGRAPHICS*

	TCE BOARD			EXECUTIVES AND VPS			ALL STAFF		
	2011	2013	2016	2011	2013	2016	2011	2013	2016
Sexual Orientation									
Heterosexual	100%	94%	88%	83%	83%	75%	90%	91%	87%
Gay or Lesbian	0%	6%	12%	17%	17%	25%	7%	6%	6%
Bisexual	0%	0%	0%	6%	0%	0%	3%	3%	5%
Other**	x	x	0%	x	x	0%	x	x	1%
Age									
18-25	0%	0%	0%	0%	0%	0%	0%	2%	1%
26-35	0%	0%	0%	0%	0%	0%	27%	28%	28%
36-45	7%	12%	12%	0%	13%	0%	33%	35%	31%
46-55	20%	24%	18%	50%	75%	75%	28%	23%	24%
56-65	60%	35%	47%	33%	13%	13%	10%	10%	13%
66-75	13%	29%	24%	17%	0%	13%	2%	2%	3%
Identifies as having a disability									
Identify as having a disability	13%	0%	0%	0%	0%	0%	2%	2%	0.7%

Note: Executive-level trend data must be interpreted with caution due to changing definitions and titles within the last decade. 2016 Executive-level data reflects the current TCE Executive Team (n=9) and does not include Director-level staff.

* The information in this table was not asked prior to 2011.
** This information was not asked on the survey prior to 2016.