

Embedding Racial Equity in Grantmaking: Lessons from Nonprofit Field Leaders

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Executive Summary

In March 2022, The James Irvine Foundation's Board [approved a case statement](#) that articulated the Foundation's belief that addressing the impact of structural racism on economic opportunity is critical to achieving Irvine's North Star: a California where all low-income workers have the power to advance economically.

We wanted to learn from field leaders to ensure we achieve our racial equity commitment, so from December 2022 to September 2023 Irvine staff interviewed philanthropic peers and reviewed select literature to understand, "What are best practices and lessons learned about how to effectively integrate racial equity into grantmaking strategy and implementation?" We were grateful to hear the wisdom of 11 philanthropic leaders and this document synthesizes themes and examples from our conversations and from Irvine's own work.

We learned that organizations can more effectively integrate racial equity into grantmaking strategy and implementation when their leaders do three things:

1. **Create a collective equity orientation** by clearly **articulating their racial equity commitment** and why it matters to their mission, ideally from the CEO and the board, and by **recruiting for equity** by bringing staff and board members in who productively and realistically push equity work forward in a sustainable manner.
2. **Establish an explicit programmatic direction for equity** by **setting concrete grantmaking goals** and then **monitoring and adjusting** the who, what, and how of grantmaking dollars related to those goals.
3. **Learn about racial equity and apply learnings** to **change internal systems and daily practices** in ways that advance program equity goals.

The remainder of this document shares examples to illustrate what this work looks and feels like in practice.

Context and Introduction

The Irvine Foundation is a private, independent foundation that provided \$180.3 million in grants in 2023 to organizations in California. Since our founding in 1937, Irvine has made more than \$2.6 billion in grants throughout the state.

The Foundation has long supported organizations and efforts that advance racial equity, but there was not a stated commitment or coherent strategy across grantmaking. In March 2022, Irvine's board approved a racial equity statement that articulates a long-term commitment to address structural racism and embed racial equity in our grantmaking. Specific commitments most related to Irvine's grantmaking include:

- *Learn from the lived experience of communities of color and use that knowledge to guide governance decisions*

- *Ensure that our grantmaking programs, approaches, policies, and practices effectively serve communities of color*
- *More intentionally and robustly support transformative economic justice efforts that are led by workers, leaders, and allies of color*

Irvine’s grantmaking team had already begun embedding a more intentional racial equity lens. This includes providing more flexibility; supporting more organizations led by or serving Black, Indigenous, and People of Color (BIPOC) communities; piloting new approaches that address structural racism in economic opportunity; and explicitly embedding racial equity in grantmaking strategies. In 2023, we also established principles and goals for racial equity across our grantmaking bodies and refreshed our grantmaking process using a racial equity lens.

We believed our work to embed racial equity would benefit from engaging the wisdom of leaders from peer foundations and consultants who support them, and from reviewing select literature.

Interview Methodology

From December 2022 through September 2023, Irvine Foundation staff conducted 10 interviews with 11 leaders from public foundations, private foundations, and consultants. We sought to illuminate a key question: “What are best practices and lessons learned about how to effectively integrate racial equity into grantmaking strategy and implementation?” Please see the [Appendix](#) for a list of the types of questions we asked.

We selected interviewees by asking ourselves and colleagues to refer leaders who met the following criteria:

- Demonstrated commitment to racial equity through an explicit leadership statement, dedicated program funding to racial equity, and/or published analysis of the role race plays in advancing grantmaking priorities
- A reputation in philanthropy for expertise in grantmaking with a racial equity lens
- For philanthropic organizations, target of an annual grantmaking budget of \$50 million or more
- For philanthropic organizations, a local, state, or national focus¹

Interview partner list:

- [Benjamin Kennedy](#), VP of Programs at the Kresge Foundation
- [Chris Cardona](#), current Managing Director of Discovery, Exploration, and Programs New Work at the MacArthur Foundation, former Senior Program Officer for BUILD at the Ford Foundation
- [Don Chen](#), President of the Surdna Foundation
- [John Newsome](#), founder of Public Equity Group
- [Kara Inae Carlisle](#), current President and CEO of The Ford Family Foundation, former VP of Programs at the McKnight Foundation
- [Kevin Walker](#), President and CEO of the Northwest Area Foundation
- [Linh Nguyen](#), VP for Equity, Culture, and Talent at the Lumina Foundation
- [Lyell Sakaue](#), Partner at the Bridgespan Group
- [Mary Skelton Roberts](#), current CEO of Philanthropy Massachusetts, former independent advisor to philanthropic organizations
- [Raquiba LaBrie](#), VP of Programs at the San Francisco Foundation

¹ Though one of our interviewees, the Ford Foundation, has an international scope, our conversation centered on a North America focused aspect of their grantmaking (the BUILD program).

- [Shireen Zaman](#), Program Officer for BUILD at the Ford Foundation

We supplemented our interview learnings by reviewing additional reports from foundations on their racial equity journeys and field literature on lessons for implementing racial equity and justice work. The findings were largely in line with the insights we heard from interviewees.

Detailed Interview Findings

#1: Create a collective equity orientation:

Articulate equity commitments from the top.

Racial equity work moves when leadership names it a top organizational priority and authorizes substantive resources for the work.² Specific commitments vary by institution, with some leaders describing racial equity as the end goal and others describing it as a key enabler of their mission. Common across the leaders we spoke with was the power of an explicit and understood racial equity commitment connected to mission, which helps create an authorizing environment for staff to examine and shift the role of equity in their work.

“Making the shift towards racial equity requires that we make this an institutional priority. We need to bake it into our materials, into our internal processes, our systems. It can’t just be personality driven (like by me). I’m very confident that when I leave, Surdna will continue this work.”

—Don Chen, President, Surdna Foundation

Don Chen, President of the Surdna Foundation, described how he was hired into an organization where the board had named race a priority through a public [social justice commitment](#) in 2017. In his words: “Every program is centered on race. When I got to Surdna, the Board had approved

the program strategy [centered on race]. My goal was to focus on excellent implementation.” This equity commitment from the board and CEO emboldened Surdna staff to implement notable changes to advance racial equity such as increasing the percentage of grantmaking that is general operating support from 25% to 75% and increasing maximum grant length from three to six years.

In March 2022, Irvine’s Board approved [a case statement](#) that articulated the Foundation’s belief that addressing the impact of structural racism on economic opportunity is critical to achieving Irvine’s North Star of “a California where all low-income workers have the power to advance economically.” This statement spurred changes across the institution including in grantmaking as described below.

Recruit for equity.

Several leaders we spoke with named external events like the murder of George Floyd or the election of Donald Trump as catalysts for further committing to racial equity at their organizations. They were also clear that while external events could spark action, it is equity-minded staff who make the difference, and a savvy leader knows how to hire staff who will productively push equity work forward without sending the organization over a cliff.

² In a [separate series of interviews around structuring internal racial equity efforts](#), we heard a similar theme that racial equity work requires specific infrastructure and resourcing to succeed.

For example, Benjamin Kennedy, Vice President of Programs at The Kresge Foundation, credits his organization’s adoption of racial justice in part to the fact that the program team had an existing orientation to equity from their past work and reflects the constituents Kresge aims to serve. He shared that as a leader, he believes that if he hires well, he “simply needs to provide occasional guidance on blind spots” because staff will naturally push the organization forward on its equity journey. John Newsome, the founder of Public Equity Group, concurs noting that staff who are equity-minded will “find effective entry points” to move their organizations forward on racial equity.



“Given space, the people who want to [advance racial equity] generally can figure out how to start or deepen the work. There are a lot of tools out there, and the right people will just sift through and find something that works for a particular context. People [in the field] are doing amazing work to advance equity, and the role of leadership is to tap into that knowledge and expertise.”

—John Newsome, Founder, Public Equity Group

Similarly, board member commitment and orientation to racial equity is important to assess when building the board. We heard in our interviews that CEOs and staff leaders must tend carefully to board and staff alignment around racial equity work, or they can suffer the consequences. One interviewee shared a cautionary tale where “several trustees were so anti-equity that not only did they push out their CEO, they threatened to spend down, rather than do any more ‘woke stuff’”.

As part of Irvine’s board recruiting process, we engage prospective candidates on their understanding and support of our racial equity beliefs and commitments articulated in our case statement.

#2: Establish an explicit programmatic direction for equity:

Set and monitor concrete grantmaking goals.

We heard repeatedly about the power of setting a clear programmatic direction for racial equity that is measurable, advances the foundation’s stated equity commitment and connects to the foundation’s mission. For example, when Kevin Walker joined the Northwest Area Foundation (NWAf) as President and CEO, he made it a strategic goal to rebuild NWAf’s reputation in Indian country. NWAf had historically given 30% of its grantmaking resources to Native communities, but those grant commitments were set to wind down. In order to extend and intensify the foundation’s commitment to Indian Country, he aligned with the board to [up NWAf’s commitment to 40%](#) of new grant and PRI dollars and name Native Americans as a priority community. The Board appreciated the clarity this provided in their governance role, and staff felt emboldened by the clear direction for how they could advance racial equity at NWAf.



“That 40% commitment [to Native communities] was a catalytic change. It has anchored our thinking ever since – so much so that our mission statement now includes a reference to the 76 Native nations in our region.”

—Kevin Walker, President and CEO, the Northwest Area Foundation

Similarly at Irvine, program staff developed grantmaking portfolio-wide racial equity goals, principles, and a framework to establish a clearer direction for how staff could advance the commitments made in our institutional case statement.

Leaders also described that monitoring to create accountability is also important to ensuring program progress on racial

equity. While accountability mechanisms varied, several leaders noted reporting key metrics or an equity

dashboard to their Board. Leaders from Bridgespan and Public Equity Group emphasized that the gold standard of accountability includes sharing progress measures publicly, with The California Endowment’s public reporting named as one notable example.

Follow and redirect money.

To achieve program racial equity goals, staff should understand where money is going today and then identify changes to whom, to what, and how they will fund tomorrow. Leaders we spoke to often required or incented change in where staff directed grantmaking dollars to move toward program equity goals.

One leader described how their Foundation’s analysis of systemic racism led them to change who to fund, what to fund, and how to fund. At said Foundation, they established a commitment to invest 30% of grant dollars to black-led organizations (the “who”), and also identified they would fund building power through capacity-building, connective tissue, and self-care (the “what”). Lastly, they adjusted their funding approach by bringing in grantees and broader members of the community as thought partners to help shape their program goals (part of the “how”). Leadership encouraged implementation by allocating additional resources to the earliest adopters willing to change who, to what, and how they funded.



“Reward the early adopter. If you have discretionary dollars allocate them to those teams or programs who have demonstrated good practice in embedding racial equity.”

– Anonymous

Leaders also mandated how staff directed funds in alignment with new approaches. For example, the Ford Foundation BUILD program is focused on helping social justice organizations become stronger and more resilient over time by providing grantees with five years of general operating support, combined with targeted organizational strengthening support. When Ford introduced BUILD in 2016, the budget model allocated roughly 40% of each team’s grantmaking toward this kind of support. While teams still selected which partners received BUILD funding, this foundation-wide commitment represented an institutional mandate.

In 2020 and 2021, Irvine leadership committed \$20M across for program staff to pilot new practices in what, who, and how to fund, to combat anti-black racism and advance racial equity. In 2024 program leadership dedicated \$10M for opportunities that entail collaboration across grantmaking teams in alignment with our racial equity goals, principles, and portfolio framework. These funds are optional for staff to apply for but encourage them to shift practice.

#3: Learn and change practice.

Learn and apply.

Leaders we spoke to described how shared understanding about foundational equity concepts can enable program staff to move racial equity work forward more effectively and cohesively. And they described how leaders can translate learning into action by requiring reflection and application at key points in the grantmaking process.

Kara Inae Carlisle, currently President and CEO of The Ford Family Foundation, shared how she guided staff through a learning and application journey when she was the Vice President of Programs at the McKnight Foundation. Staff first went through individual self-awareness training and learning about the

role of race across issue areas. She then had each program team use an assessment tool to identify which current grants advanced racial equity. The completed assessment illuminated that in some program areas teams had invested in well-intentioned grants, but some did not meet McKnight's definition of explicitly advancing equity. In parallel Kara engaged directors on how to shift grantmaking in their area to align with McKnight's racial equity direction.

Program leadership at Irvine requires that grantmaking teams reflect in writing every year on impact highlights, challenges, and lessons learned, and since 2020 has asked specifically what teams are learning about and how they are integrating racial equity in their grantmaking. Additionally, when board members review and approve budgets for our grantmaking initiatives, teams must articulate and engage the board in their approach to advancing racial equity. Our program development function at Irvine supports initiative teams with a [toolkit](#) and coaching around examples and best practices in refining grantmaking strategies in alignment with our racial equity commitments.

Learning and application ideally extend to the Board, particularly if the Board has a governing role over the organization's equity commitments. Kevin Walker, President and CEO of Northwest Area

Foundation (NAAF), shared how the most successful education tool, and admittedly scariest, was to invite grantees to speak freely to the Board, without staff filtering or facilitating. Kevin had each board committee apply what they were learning by reflecting on what should change about how they operated to align with NAAF's commitment to racial equity.

Similarly, [Irvine leadership engaged the board in intentional racial equity learning](#), and the CEO tasked each committee to articulate and capture in their charter their role in advancing Irvine's racial equity commitments.

Change practices and systems.

Leaders shared with us that it is critical to examine and change systems and daily practices that perpetuate inequities, intentionally or inadvertently. One change that multiple leaders lifted up was how program staff engage and share power with grantee partners most proximate to the communities the foundations intend to serve.

"We need to do a better job to center the expertise and needs of Indigenous populations. We've heard concerns from grantee partners about our low level of support, and we are in conversation with Indigenous leaders to understand how we can be a better partner."

-Raquiba LaBrie, VP of Programs, San Francisco Foundation



"We brought our program directors together because they're the ones responsible for implementing equity. It was essentially a community of practice where people answered questions about how their programs looked in comparison to the recommendations the equity workgroups were coming up with."

-Kara Inae Carlisle, President and CEO, The Ford Family Foundation

Raquiba LaBrie, VP of Programs at the San Francisco Foundation (SFF), shared that one of the ways they incorporate equity into the development and refining of new strategy is through the practice of community feedback. Their identity-based "kitchen cabinets" offer direct insight into the needs and concerns of the communities served in the region. LaBrie notes that feedback from the community can help the foundation identify gaps in its support, such as with Indigenous communities.

Furthermore, SFF carves out time to go into the broader community to ask for feedback, ensuring that input comes from a variety of constituents in addition to grantees.

Similarly, further engaging community has become an important and expected practice at Irvine. Grantmaking teams are asked how they have incorporated grantee input throughout the strategy development process (see Irvine [strategy toolkit](#)), and teams are also encouraged to pilot ceding power through participatory grantmaking. One of Irvine's core program areas, [Better Careers](#), launched a [\\$5M expansion of their grantmaking](#) explicitly aiming at advance racial equity by supporting organizations rooted in BIPOC communities in California. Applications were reviewed and decided upon by a diverse advisory community comprised of grassroots leaders and workforce experts with a demonstrated commitment to advancing racial equity.

Leaders we spoke with noted varied examples of changes to practices and systems including to grant approval processes. In an example of advancing equity through changes to grants operations, Kara Inae Carlisle shared how at McKnight she restructured the program team to create the capacity to work towards a 100% open application process.

Similarly, Irvine has been examining its program processes and established a workgroup to refresh its grant approvals process using a racial equity lens. The workgroup reflected on grantee feedback, particularly that of nascent, BIPOC organizations. In 2022 program leadership changed how we pay multi-year grants from our default practice requiring interim annual reports and paying portions of the grant out each year, to paying the full amount of the grant upfront recognizing it is more equitable and financially beneficial to grantees. In 2024 staff implemented additional changes including streamlining the information required in our grant proposals and our online grantee portal and making grant reports optional at the discretion of grantmaking staff versus required.

Conclusion

We thank our interview partners and the authors of touchstone racial equity pieces referenced for the wealth of wisdom shared with us. It was an honor to learn how these eleven individuals have led critical racial equity integration efforts in grantmaking with commitment, care, and candor. We gained inspiration and direction from what we learned, and hope readers feel similarly emboldened to continue building the racially equitable organizations necessary to create a racially just society for all.

Appendix

Question List:

1. What have been some of the key milestones of your foundation's journey to prioritize and embed racial equity internally and externally? What data analysis or case making led you to make the shift in the first place? What are the next step(s) you think the foundation should aspire towards?
2. What shifts in grantmaking priorities have resulted from your institutional commitments? What practices have been since introduced to ensure your grantmaking has a racial equity lens? What did engagement with the Board look like? Are there any program-wide mandates?
3. What processes do you employ to embed racial equity in the development or refining of new strategy? What have you learned from your efforts so far? What information sources have proved the most illuminating? How did you codify good principles across the organization?
4. How do you build the capacity of your grantmaking teams to build and execute on strategies?
5. How does your foundation hold itself accountable to its equity commitments? What role does the Board play in supporting and holding staff accountable? What metrics are measured?

6. What's an illustrative example of a foundation-wide program or effort that best encapsulates how you hope to advance racial equity in your grantmaking strategy, processes, and outcomes?

Literature Review:

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- *Diversity Equity and Inclusion Audit Report*, The California Endowment, Traci Endo Inouye and Hannah Diaz, August 2017
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- *Journey Towards Intersectional Grant-Making*, Funders for a Justice Economy A Program of the Neighborhood Funders Group, Mari Ryono, May 2018
- *Resonance: A Framework for Philanthropic Transformation*, Justice Funders & The Resonance Collaborative, 2019
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- *How to Rightsize the Grantmaking Process and Implement Flexible Practices*, PEAK Grantmaking, January 2020
- *Field Building for Population-Level Change*, The Bridgespan Group, Lija McHugh Farnham, Emma Nothmann, and Cora Daniels, March 2020
- *Incorporating Racial Equity and Inclusion into Institutional Strategy*, Race and Equity in Philanthropy Group, Summer 2020
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- *How Philanthropy Can Support Systems-Change Leaders*, The Bridgespan Group, Lija McHugh Farnham, Emma Nothmann, Zoe Tamaki, Nate Harding, and Cora Daniels, January 2021
- *A Framework for Considering your Organization's Equity Journey*, The Bridgespan Group, Cora Daniels, Carole Matthews, and Public Equity Group, March 2021
- *Racial Equity in Philanthropy Technical Report*, The MacArthur Foundation: Chicago Commitment, June 2021
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- *Driving Equity with Demographic Data*, PEAK Grantmaking, February 2022
- *Racial Justice Strategy*, William + Flora Hewlett Foundation, June 2022

- *Unlocking Social Progress by Addressing Structural Racism*, The Bridgespan Group, Britt Savage, Cora Daniels, Michael Borger, Peter Kim, September 2022
- *The T-Rex and the Snowshoe Hare: What's Next for Philanthropy in the 2020's*, Stanford Social Innovation Review, by Gabriel Kasper, Justin Marcoux, and Jennifer Holk, January 2023
- *A New Playbook for Racial Equity – Inside and Out*, Stanford Social Innovation Review, by Alandra Washington, February 2023