

Working Towards Diversity III:

A progress report on strategies for inclusiveness among
Minnesota grantmakers

Acknowledgements

2005 Diversity Task Force

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Working Towards Diversity III: A progress report on strategies for inclusiveness among Minnesota grantmakers

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Foreword

Principles for Minnesota Grantmakers

As a member of the Minnesota Council on Foundations, we recognize that we play an important role in our community; that our role is sustained by the public trust and that certain obligations follow from that trust. We are committed to basing our work on principles that reflect those obligations. As a member of the Minnesota Council on Foundations:

1. We deal respectfully with applicants, grantees and donors, as well as those simply seeking information about our programs.
2. We are accessible and respond clearly, promptly and as fairly as possible to requests for information and meetings.
3. We make readily available basic information about our programs, funding priorities and applications requirements.
4. We respect the confidentiality of applicants, grantees and donors and use discretion in communicating with others about specific organizations and individuals.
5. We are thoughtful and purposeful in our grantmaking and periodically review and evaluate our mission, priorities, policies and practices.
6. **We recognize the increasing cultural diversity of the communities we serve and within the limits of our charter seek to reflect this diversity in our grantmaking and in the membership of our boards and/or among our staffs or advisors.**
7. We adhere to the highest standards of ethical behavior and maintain an appropriate conflict of interest policy for staff and board members.
8. We are aware of and fulfill our fiduciary and legal responsibilities.

Dear Colleagues and Friends:

What began with talk about race and ethnicity in the 1980s evolved into discussions of the broader issues of inclusion and diversity at grantmaking institutions into the next decade. In 1991, the Minnesota Council on Foundations embraced furthering the dialogue on diversity and inclusiveness as a fundamental underpinning of the Council's ongoing efforts.

The Council's leadership in examining racism in philanthropy and promoting inclusive practices has increased attention on these issues reverberating to a national level. The ensuing work of the Council and its members, including 1995 and 2000 surveys of our members on diversity practices, has not only helped shape the discourse but also has launched projects like the Diversity Framework and the Diversity Toolkit, which are nationally recognized models for the field.

Working Towards Diversity III is the latest chapter of this important work. It provides a snapshot of where we stand today among Minnesota foundations and corporate giving programs vis-à-vis diversity and inclusive practices with suggestions for an outline for future discussion, debate and reflection. The key value of this report is as a living document that engages Council members, our board and others in recommending actions to move the field forward.

Many people are responsible for making this report possible. I want to thank, most of all, our members that completed this far-reaching and time-consuming survey. A special thanks to 20 grantmakers that completed surveys in 1995,

2000 and again this year, enabling us to make interesting comparisons over 10 years. I want to thank members of the 2005 Diversity Task Force, as well as Council staff, for their important contributions in guiding and executing the study and in developing and writing this report. Finally, I want to thank our sponsors for underwriting the study and report production.

We cannot rest on our laurels. There is much to be done as this current report suggests. *Working Towards Diversity III* is rich in information. We hope it serves as the launching point for developing renewed discussions within the philanthropic community, along with ensuing recommendations for action.



William R. King, President
Minnesota Council on Foundations

Executive Summary



The fundamental goal of *Working Towards Diversity III*, as with all Minnesota Council on Foundations research, is to focus the issues and encourage heightened dialogue within the philanthropic community. With this third, five-year benchmark study, we hope to highlight changes in the field as they relate to inclusive practices among Minnesota foundations and corporate giving programs. We recognize that much work remains ahead, and we hope the ensuing dialogue will help move the field forward in its efforts to be inclusive.

As a result of the first diversity survey in 1995, the Council, with guidance from the Race and Diversity Task Force, developed a Diversity Framework (*see p. 10*) to guide grantmakers in discussing diversity issues. It continues to frame the discussion of diversity and inclusive practices around four roles that grantmaking organizations should play in a civil society:

- Grantmakers as funders
- Grantmakers as employers
- Grantmakers as economic entities
- Grantmakers as community citizens

Report Themes

Three themes emerge from the current survey:

1. **The discourse on diversity and the adoption of inclusive practices within the Minnesota philanthropic community has been elevated to a higher level.** *Working Towards Diversity III* shows that more foundations and corporate giving programs have formal written statements on diversity or inclusive practices compared with five years ago and the impetus for change has shifted to higher-level decision-makers.
2. **“Community” at many levels has taken on greater significance.** Grantmakers as community citizens have made the biggest gains over the past 10 years. Almost 50 percent of Minnesota grantmakers today are engaging in activities that were not on their radar five years ago, including creating funds specifically designed for diverse communities, tailoring materials to nontraditional audiences and participating actively in the debate around community policy issues. Some activities were mentioned unprompted by several respondents for the first time: engaging in a constant dialogue with community leaders, doing a regional and community trend watch and providing training for staff community involvement.
3. **Much remains to be done to achieve inclusivity.** Diversity representation is not an end in itself but a means to inclusiveness. While a majority of grantmakers believe they are doing enough to achieve inclusivity, almost 40 percent of grantmakers believe they are not doing enough. Nearly half of respondents think the field of philanthropy as a whole is not doing enough. Clearly, the discussion about goals, strategies and progress must be continual.
 - The most common challenge cited by those responding to the survey was difficulty in recruiting diverse candidates for board, staff

and advisory committees. Targeting and specific recruitment policies help but grantmakers still report difficulty.

- Several note that an increase in the number of diverse participants does not necessarily change organizational culture. Some suggest that adopting policies without a plan to develop staff understanding and cultural competency impedes success.

Key Findings

Statements on Diversity and Inclusive

Practices: More foundations and corporate giving programs have formal policy statements than five years ago.

- Forty-two percent of respondents in this year's survey report having written policies in place and 56 percent of those were adopted within the last five years.
- Both previous benchmarks in 1995 and 2000 reported only about 20 percent of respondents had formal statements on diversity and inclusiveness.

The apparent trend is an indication that grantmakers are thinking more about diversity and making an effort to establish a formal structure related to their work in this area.

Leadership for Change: In the 2000 study, staff were cited as the strongest force behind formal policy initiation, with governing boards second. Over the last five years, governing boards have been more actively involved in instigating change.

- Sixty-five percent of foundations and corporate giving programs mentioned a key role for board members in change.
- Fifty-three percent of respondents noted the role of staff in encouraging change.

Several respondents suggested that the Council also has provided motivation for policy

changes. They cite the use of the Council's principle on diversity in its Principles for Minnesota Grantmakers, its commitment to work toward eliminating racism in philanthropy and its Diversity Framework.

Roles within Diversity Framework:

Grantmakers have made gains in all four roles of the Diversity Framework, with the greatest gains coming as community citizens. Diversity work as economic entities is improving but lags behind the other grantmaker roles in level of participation. Nearly half of all grantmakers surveyed are now investing in minority communities and purchasing goods and services from minority vendors.

- Community foundations are more likely to be doing work within all four roles of the Diversity Framework than any other type of grantmaker. In their additional role in fund development, more community foundations have started establishing funds or funding vehicles that hold special interest for targeted diverse donors than five years ago.
- Corporate foundations have made the greatest strides in adding diversity-related activities. Five years ago, most corporate grantmakers had no plans for initiating diversity activities. The most recent survey shows that a good number have launched diversity programs related to funding, employment and community citizenship activities.
- Family foundations, as well as smaller and newer grantmakers, continue to feel more challenged by the issue of diversity than any other type of grantmaker. Limitations of size, resources and staff also cause many to report not having formal diversity policies in place, a lack of diversity program goals and focus, and little diversity in staff and board. Most derive from European American families and many of these foundations have covenants that require family board membership. This situation is unchanged from five years ago.

- Many grantmakers find that commitment to a diversity hiring policy is one successful strategy in advancing inclusive practices and sustaining progress in diversifying the field. Proper training is also needed, not merely to engage diverse staff but to increase the cultural competence of the entire organization.
- As was the case in 2000, grantmakers reported that targeted recruitment of board, staff, advisory committees and consultants was one strategy that works well for them in their diversity efforts. More grantmakers are offering training in this area or providing opportunities for their staff to learn how to build cultural competency.

Work Force Diversity: The term work force defines grantmaking boards, staff, advisory committees and consultants. The overall composition of Minnesota's grantmaking work force is predominantly European American. Grantmaking governing boards are predominately men and grantmaking staff are mostly women.

- However, as in 2000, Minnesota grantmaking boards, staff, advisory committees and consultants are proportionately more racially and ethnically diverse than the Minnesota population. The only exception is Asian/Pacific Islanders, a group less represented on grantmaking boards than in the statewide population as a whole.
- Overall, people of color have increased staff representation significantly. People of color among grantmaking staff increased 23 percent from 2000 and 221 percent from 1995. There were a total of 28 staff members of color in 1995, 73 in 2000 and 90 in 2005.
- The number of grantmakers using diversity characteristics in creating a diverse work force has increased in every category, with 22 percent more grantmakers using *race* and 21 percent more using *sexual orientation* in considering a diverse work force. *Education* and *physical ability* also saw gains in usage.

- Compared with the field nationwide, Minnesota grantmaking staff are less diverse. One exception is Native Americans, represented at a higher level than nationally.
- Minnesota grantmaking boards are more diverse than the field nationwide.

Recommendations

The following recommendations for further actions were suggested by grantmakers completing the 2005 survey:

- Self-assessment tools for foundations and corporate giving programs of all sizes can help move diversity efforts forward.
- Best-practice resources can help foundations and corporate giving programs measure their diversity and inclusive practices against comparable best practices in the field.
- Grantmakers more experienced in this work can provide a model for others and serve as mentors to help those less experienced institute policies and programs.
- Minnesota foundations and corporate giving programs have success stories and program models that should be shared and celebrated.

The Minnesota Council on Foundations conducts research to focus the issues and encourage a heightened dialogue within the philanthropic community. The Council hopes this report will be useful in continuing the discussion.

Several Council projects were identified in the report as important in ongoing diversity work: the Diversity Framework, the Diversity Toolkit and the Council's Web site. The Council needs to continue to provide leadership, specifically to keep these resources in the forefront, using them strategically whenever possible to provide information on diversity and inclusiveness and to promote a climate of inclusivity.

Introduction



In 1990, 6.3 percent of the total state population in Minnesota identified themselves as nonwhite, Hispanic or both. According to the 2000 census, that figure almost doubled to 11.8 percent and the trend continues apace. The message is clear: Minnesota is becoming a more racially and ethnically diverse state. Diversity is growing in suburbs, in regional centers outside the Twin Cities and in rural areas, in addition to Minneapolis and St. Paul. Similarly, the communities and nonprofits with which grantmakers work are becoming more diverse. This reality presents a new set of needs, issues, challenges and opportunities.

Previous Work on Diversity

Since 1991, the Minnesota Council on Foundations has worked toward two strategic imperatives:

1. **Create a climate of inclusivity in philanthropy.**
2. **Recognize and work to eliminate and prevent racism in philanthropy.**

As part of that effort, the Council completed a survey in 1995 to understand better what diversi-

ty meant to grantmakers in Minnesota. Utilizing the survey responses, the Council and its initial Race and Diversity Task Force set in motion ground-breaking work that has helped shape the field and provided national leadership on diversity. Two key elements comprise this work:

Diversity Framework: The framework identified four distinct roles of grantmaking organizations in this work and serves as a guide to help grantmakers discuss and take action on diversity issues. It frames grantmakers' actions around four roles that every grantmaker should play in a civil society: grantmakers as funders, as employers, as economic entities and as community citizens. (*See p. 10 for the full text of the Diversity Framework.*)

Diversity Toolkit: The toolkit helps foundations and corporate giving programs become more inclusive within their four specific roles as grantmakers. *Building on a Better Foundation: A Toolkit for Creating an Inclusive Grantmaking Organization* provides examples and stories of ways in which grantmakers have worked to implement the four roles of the Diversity Framework to reflect the ever-changing faces of the communities they serve.

In 2000, the Council conducted a second research survey on the topic of diversity. Once again, a Race and Diversity Task Force, comprising members from the first task force as well as new members, focused the survey process. In this second survey, the Council attempted to understand inclusive practices and to identify any changes that had taken place during the previous five years. To better understand the demographic makeup of Minnesota's philanthropic sector, the Council asked grantmakers to report on the composition of their staff, board, consultants and advisory

committees. Other questions covered how grantmakers fulfilled the four roles as outlined in the Council's Diversity Framework.

Current Survey Methodology

The 2005 Working Towards Diversity III survey is a third five-year benchmark survey. The Council set out to collect information on grantmaker efforts related to diversity and inclusive practices since the last study. The Council also wanted to understand how grantmakers are increasing the skills and knowledge necessary to effectively work in an increasingly diverse society, and to measure and note any changes in work force composition in the sector over the past 10 years.

Research Strategies

Specifically, the 2005 *Working Towards Diversity III* attempts to accomplish the following objectives:

- Update how grantmakers define diversity.
- Determine ways in which grantmakers have worked to fulfill the four roles as defined in the Diversity Framework and what has changed from five years ago.
- Learn how grantmakers measure their efforts in diversity work and which strategies or actions they have found to be successful or inadequate.
- Provide demographic information about grantmaker boards, staff, advisory committees and consultants, and how these compositions compare to the previous 10 years.

Goals of Research

The Council hopes the current survey and its findings will help:

- Monitor diversity and inclusiveness issues within the field of philanthropy in Minnesota.
- Provide a resource for Council members and those working in the field as they continue to assess their diversity and inclusive practices.

- Encourage a continued dialogue on diversity and inclusiveness among those involved in philanthropy.
- Move the field forward in its efforts to be inclusive and culturally competent.

The Council wishes to thank members for their participation in this important project.

Survey Response Rate

A Diversity Task Force provided guidance beginning in January 2005 on the planning and development of the survey project. The survey was conducted from March to April 2005, with both paper and electronic forms sent to the top officer or board chair of each member organization.

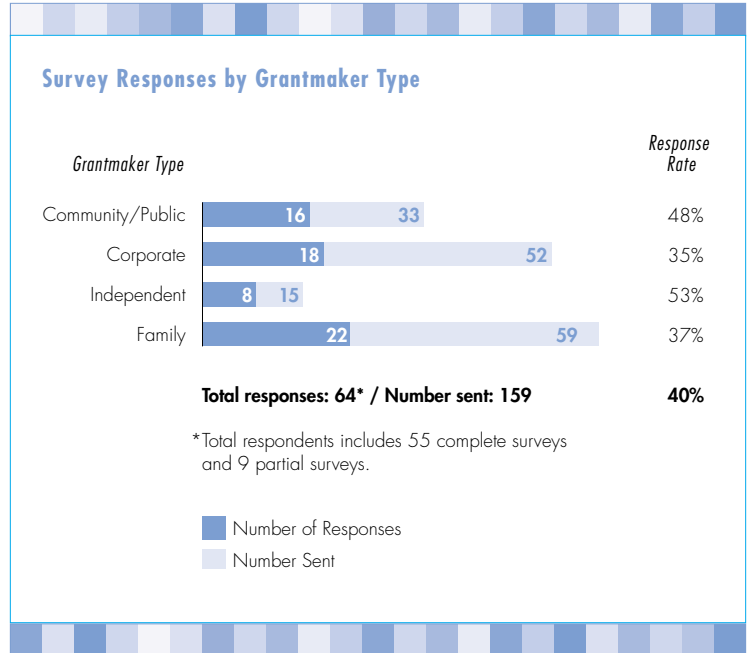
The online version of the survey experienced 78 visits, but only 55 complete surveys were returned. Nine members submitted partial surveys. Responses from partial respondents are included whenever feasible.

Based on a number of comments, members found the survey long and difficult to complete. Because the survey covered many areas of grantmaking, several respondents said they had to divide survey sections among personnel in different departments. Questions about giving to diverse populations were also problematic because most funders do not keep track of historical giving data based on diverse beneficiary categories. Some family foundations, especially those that are smaller or newer, did not find the demographic questions relevant or applicable to them, and a few declined to complete the survey. For these reasons, survey responses were provided by those grantmakers who place some value on their efforts in diversity and inclusiveness. The data can be considered representative of the sample only and not the entire field.

The survey results reflect the responses of 64 foundations and corporate giving programs, representing nearly 50 percent of all private grant dollars in the state (according to 2002 data, the most recent available). Fifteen respondents (25 percent) gave less than \$500,000 in grants in 2002, while 46 respondents (75 percent) gave more than \$500,000. Eight respondents (13 percent) had less than \$500,000 in assets in 2002, while 53 respondents (87 percent) had more than \$500,000 in assets. A few respondents did not give grants in 2002 and one respondent provided answers anonymously.

- The overall response rate for the 2005 survey, including both complete and partial responses, is 40 percent, down slightly from the response rate of 42 percent in 2000.
- Twenty grantmakers responding to this year’s survey also completed surveys in 1995 and 2000. Two corporate grantmakers responding in both 1995 and 2000 were not included this year due to mergers that changed corporate structure and company names.

A low response rate for some questions must be considered when data is applied statewide to the entire field of philanthropy. While any response rate above 30 percent is respectable and considered normal, based on other Council research, it is important to keep in mind that those that did not respond or did not answer certain questions may have important data to share.



The Diversity Framework



The Diversity Framework derives from three principles of inclusion within philanthropy:

There is a need for grantmaking organizations to become inclusive.

According to the Council on Foundations (COF), people of color nationwide represented just 11 percent of grantmaking organization boards of trustees in 2002. And people of color occupied 22 percent of staff positions and 5 percent of foundation CEO positions, according to 2004 COF data.

An inclusive grantmaking organization is more effective and successful in every way.

Whether a family foundation or a corporate grantmaking entity, an organization that adds

diverse perspectives to its funding programs will make grants that provide maximum benefit for constituents. And by creating a workplace that better reflects the outside demographics, a grantmaking organization will embrace a wider range of social and cultural viewpoints. It also becomes a workplace that attracts highly talented and motivated individuals with a commitment to their communities. Diversity and inclusion are not only good practices from a moral standpoint; they make good philanthropic sense, too.

The definition of diversity and inclusion is broader than race and ethnicity, and the way inclusion is practiced is influenced by the demographics of a particular community.

We understand inclusion to encompass diversity of race, ethnicity, age, gender, sexual orientation, physical ability, philosophy and viewpoint, and class background. Together, these differences make for a rich community of opinion and skills that a homogenous grouping cannot begin to match.

In devising a framework for applying these principles of inclusion, the Minnesota Council on Foundations has identified four distinct roles played by grantmaking organizations: funder, employer, economic entity and community citizen.

Grantmakers as Funders

The foremost role of any grantmaking organization, whether a corporate program or a small family foundation, is its funding activities. Providing funds to support the identified needs of a community or constituency is the essence of philanthropy. That's obvious. But how well grantmakers address those needs

depends in great measure on how well they know their constituents. With the changing nature of our populations—in rural and urban areas—having a finger on the pulse of emerging priorities among diverse groups is key. Funders can use a variety of strategies to put their policies of inclusion and diversity into practice at different stages of the grant-making process, from identifying priorities to awarding grants.

Grantmakers as Employers

One of the clearest indicators of a grantmaking organization's commitment to inclusion and diversity is the composition of its staff and board of trustees. And one of the most direct ways to put into practice the philosophy of inclusion is to hire employees who have diverse backgrounds. While diversity is most often identified with race and ethnicity, an inclusive workplace is one where people with differing physical abilities, sexual orientations, class backgrounds, philosophies and ages will also feel that their voices are heard and respected. A diverse staff and board, which resemble the communities they serve, do better grantmaking because they bring myriad experiences and perspectives to the table. Some funders bemoan the small pool of diverse candidates for staff or board slots, but often they simply aren't looking beyond the usual suspects.

Grantmakers as Economic Entities

Funders have the ability, some believe the obligation, to create economic opportunities for members of the communities they serve beyond the awarding of grants. Grantmakers are economic entities, often with considerable financial clout that can be wielded in ways that reflect a commitment to principles of inclusion. Through investments and purchasing decisions, funders can support businesses owned by women, people of color and other traditionally bypassed groups. In so doing, they are participating in the development of a

diverse work force and healthy economy. Some funders have adopted elaborate policies on socially responsible investment, from screening out investments in companies that pollute or don't have ethical practices to shareholder activism. But there are also simple strategies for consciously employing all of an organization's financial resources in the work of community building.

Grantmakers as Community Citizens

Grantmakers, whether in the nonprofit or corporate sector, all operate on the principle that they have a responsibility to serve the public good. But fulfilling that goal can mean much more than just finding worthy grantees and cutting a check. By becoming active participants in their communities, grantmaking organizations will also strengthen their ability to recognize and support diversity because they are in and of the community, not just operating at arm's length. As community citizens, they have the opportunity to fill a real leadership role because they are well-known players. With their resources, they can nurture community collaboration and bridge-building.

Working Towards Diversity III Report



I. Defining Diversity

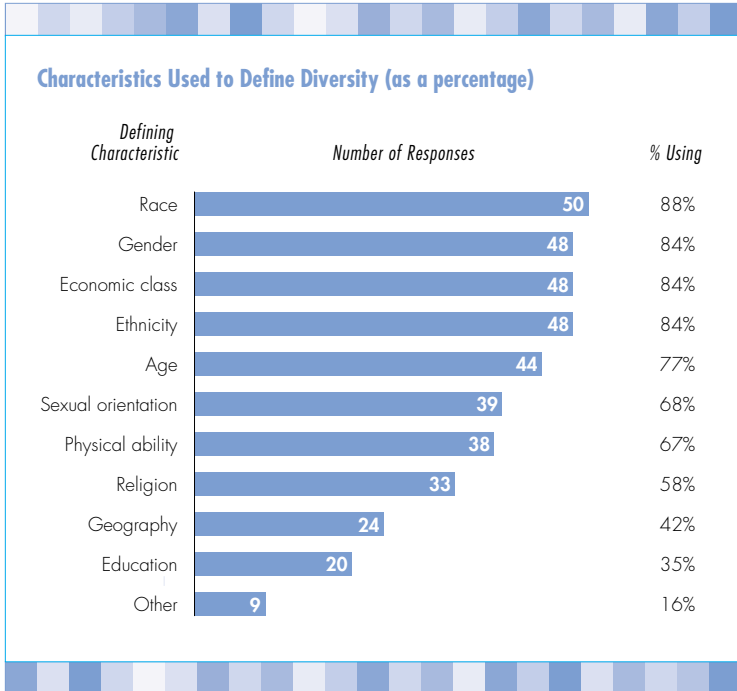
Key Findings

- More foundations and corporate giving programs have formal written statements on diversity and inclusive practices than five years ago. Forty-two percent of respondents in the latest survey report having written policies in place and, of those, 56 percent said they did not have such a policy five years ago.
- In 2000, respondents said staff was driving more diversity policy initiation than the governing board. Over the last five years, governing boards have been more actively involved in instigating change.
- Several respondents suggested that the Council, with its principles for grantmakers, value statements and commitment to eliminate racism in philanthropy, also has provided leadership in instituting policy changes.

As with five years ago, a majority of grantmakers define diversity within the context of multiple dimensions when making grantmaking decisions, recruiting staff and board, as well as implementing other programs and activities within their organizations. Some grantmakers think of diversity in terms of the programs they fund and the population groups their grants benefit, while others think of diversity in terms of how it is reflected in their internal organizational structure, especially as it relates to their mission, values and goals.

Only seven respondents of the 55 total (13 percent) reported they do not have a formal definition for diversity. Two grantmakers cited the Council's Principles for Minnesota Grantmakers as the guiding tool for conducting their work in this area.

The majority of grantmakers are fairly consistent in defining diversity. Race is the top consideration mentioned among 10 categories of characteristics, with 88 percent of respondents including race in their definition of diversity. Gender, economic class and ethnicity tie for second place, with 84 percent using these characteristics in their definition of diversity. Age, mentioned by 77 percent of respondents, is the next most used characteristic in defining diversity. One respondent lamented that generational and age diversity issues were not a greater focus of this research.



One grantmaker cited criteria for defining diversity beyond the standard characteristics such as race, age and ethnicity. This particular grantmaker also considers “diversity of experience,” “diversity in the length of time individuals have lived in their communities” and “occupational diversity” as elements for defining diversity. Another grantmaker defined diversity in the broadest possible terms and included “all of the unique characteristics that differentiate individuals and groups within our region.” A few grantmakers seem to stress the importance of “valuing differences” by respecting and appreciating each person, at the same time recognizing all individuals are similar in some ways and different in others. Such comments show that some grantmakers are thinking about diversity beyond traditional terms as they work towards attaining inclusivity in their work.

When asked whether they have a formal, written statement on diversity and/or inclusive practices, 42 percent of respondents responded affirmatively, up from 20 percent in 1995 and 18 percent in 2000. Of these, 56 percent adopt-

ed a written policy within the past five years. There is evidence that the subject of diversity is increasingly viewed as a governance issue. Sixty-five percent of those who adopted a formal policy within the last five years mentioned governing board as the leading force in instituting this change, while 53 percent credited staff as providing the leadership for change. Some of the respondents gave credit to both governing board and staff. In the previous surveys, staff members were the number one force behind adopting a formal policy. This shift signals that change is increasingly coming from the most senior-level policymakers.

Among different types of grantmakers, community foundations are the most likely to have a formal, written policy on diversity and inclusive practices. Of those that developed a formal statement over the past five years, the greatest growth appears among corporate grantmakers.

Several respondents answered *don't know* when asked if their organizations had a policy five years ago, so percentage changes are not absolute.

II. Questions Around Diversity Framework

In 1995, the Council and the Race and Diversity Task Force developed the Diversity Framework as a result of the first pioneering diversity report. The Council found it helpful to frame the discussion of diversity around four roles that grantmaking organizations play in a civil society: grantmakers as funders, grantmakers as employers, grantmakers as economic entities and grantmakers as community citizens. (*Please refer to p. 10 for a complete description of the framework.*)

Each role within the Diversity Framework is guided by a values statement and includes

recommendations and examples of strategies grantmakers have used in their diversity efforts. As in 2000, the Council took these recommendations and examples and asked grantmakers whether they had conducted or were planning to conduct activities within the four grantmaking roles.

Responses were measured using four criteria: doing the activity for more than five years; doing the activity now but not five years ago; not doing the activity but having plans to do so; and no plans to do this activity.

Grantmaking Organizations as Funders

The foremost role of any grantmaking organization, whether a corporate program or a small family foundation, is its funding activities. Providing funds to support the identified needs of a community or constituency is the essence of philanthropy. That's obvious. But how well grantmakers address those needs depends in great measure on how well they know their constituents. With the changing nature of our populations—in rural and urban areas—having a finger on the pulse of emerging priorities among diverse groups is key. Funders can use a variety of strategies to put their policies of inclusion and diversity into practice at different stages of the grantmaking process, from identifying priorities to awarding grants.

Key Findings

As funders, Minnesota grantmakers today focus on the needs in communities as the key strategy for diverse giving. They are less likely to rely on the number or size of grants to meet their diversity goals. In order to discover community needs and target grants, more grantmakers

are actively involving the community directly in needs assessment and strategic planning.

- Today, 71 percent of foundations and corporate giving programs are analyzing community needs and targeting grants. Five years ago, 58 percent reported doing these activities.
- Foundations and corporate giving programs report more direct involvement with the communities they fund. One grantmaker reported: *"In our asset-based community development work, we ask the communities to identify assets and gaps, not The Foundation."*
- On the other hand, grantmakers are less likely to analyze numbers of grants or total dollars to the racially and culturally diverse groups they fund. In 2000, 67 percent of funders looked at numerical factors but only 47 percent do so now.
- More than half of respondents also are implementing self-assessment to see if the grants they make reflect the organization's diversity intentions. Self-assessment was not a major factor five years ago. One shortcoming of the survey is not asking respondents to specify what they use to conduct self-assessment, so it is unclear what impact is created by this grantmaking.

In both the 2005 and 2000 surveys, the Council asked questions regarding activities being implemented by grantmakers in the funder role. A few questions on this year's survey were slightly modified to tighten the focus on diversity-related activities.

Diversity-Related Activities as Funders

<i>Funder Diversity Activity</i>	<i>2000 % Doing</i>	<i>2005 % Doing</i>
Develop strategies to communicate with and work with organizations that represent diverse communities, such as new immigrant populations.	48	72
Analyze the number of grants or dollars given to racially or culturally different groups.	47	67
Analyze community needs and target grants. If yes, how? <i>(See examples below.)</i>	58	67
Fund initiatives or special projects related to diversity.	63	67
Obtain community feedback. If yes, how? <i>(See examples below.)</i>	53	59
Diversify decision-making bodies, such as boards, distribution committees and advisory panels.	55	57
Implement self-assessment to see if grants reflect the organization’s diversity intentions.	28	52
Use staff/board composition of agencies as one of the funding criteria.	28	37

Examples of Activities

As with the 2000 survey, the Council asked for examples of how grantmakers fulfill each of the four roles outlined in the diversity framework. Within the role of funders, the Council queried how grantmakers analyze community needs and target grants and how they obtain community feedback. Some responses are similar to those reported in 2000, but grantmakers also shared newer strategies adopted within the past five years.

Two activities mentioned by a significant number in 2000—“use staff/board knowledge” and “use community review panels”—were not volunteered in the current survey, probably indicating not so much an abandonment of these tactics but rather their incorporation as part of the overall foundation grantmaking procedures. Listed below is a summary of the examples from this year’s respondents.

2005 Tactics for Analyzing Community Needs and Targeting Grants (# mentioning)

Use external data-gathering methods, including focus groups, evaluation, interviews, surveys and other research. (6)

Consider the composition and needs of each individual community. (5)*

Use RFP or internal strategic plans to communicate inclusive priorities. (4)*

Hold community meetings or utilize contacts in the community. (2)

Ask grantees. (2)

Work with coalitions of nonprofits and funders.*

Make start-up grants for new programs.

2005 Tactics for Obtaining Community Feedback (# mentioning)

Use external data-gathering methods, including focus groups, evaluation, interviews, surveys and other research. (13)

Meet with community representatives or organize convening sessions. (8)*

Handle informally, through networks. (6)

Obtain feedback from grantees. (5)*

Conduct site visits. (3)

Attend community meetings. (2)

* New activities mentioned in the 2005 survey.

Responses by Type

How grantmakers of each type view and conduct themselves in the role of funders remains largely unchanged from five years ago, with the exception of corporate grantmakers. In the 2000 survey, most corporate funders reported no plans to undertake diversity-related activities as funders. The most recent survey shows that a good number of these funders have initiated diversity-related funding activities, as well as employment and community citizenship activities. This finding suggests that corporate funders have made real efforts in instituting programs related to diversity over the past five years.

Other key comparisons among grantmaker types in the funder role include the following:

- *Community* foundations are much more likely to implement a number of diversity-related strategies than other types of funders, and a majority of these funders have been doing so for more than five years.
- *Family* foundations largely report that they have no plans to carry out diversity activities in the funder role. The number of grantmakers in this category reporting this position was significant and consistent with data from 2000. Several factors may bear on this finding:
 - Some grantmakers cited their small size, original philanthropic intent of the founders, as well as family requirement for board membership, as a few obstacles to diversifying grantmaking bodies.
 - Many family foundations do not have a formal policy or strategy for funding diversity issues. Several mentioned that they fund good programs based on merit, and some of these relate to diversity while others do not.
 - A few family foundations opined that funding those in need should be done without regard to race or culture, and that grants should be “color blind.”

- A small sample of *independent* foundations—six respondents—provided answers to the questions around the role of funders. Within this sample, most have been doing diversity work for more than five years. Of these, two respondents shared that they do not “discriminate between applications” and grant requests are assessed based on the value of the service provided rather than specific diversity targets.

Grantmaking Organizations as Employers

One of the clearest indicators of a grantmaking organization’s commitment to inclusion and diversity is the composition of its staff and board of trustees. And one of the most direct ways to put into practice the philosophy of inclusion is to hire employees who have diverse backgrounds. While diversity is most often identified with race and ethnicity, an inclusive workplace is one where people with differing physical abilities, sexual orientations, class backgrounds, philosophies and ages will also feel that their voices are heard and respected. A diverse staff and board, which resemble the communities they serve, do better grantmaking because they bring myriad experiences and perspectives to the table. Some funders bemoan the small pool of diverse candidates for staff or board slots, but often they simply aren’t looking beyond the usual suspects.

Key Findings

Minnesota grantmakers have made strides in proactively becoming more diverse employers. Two factors were most important in looking at the role of grantmakers as employers five years ago and remain so today:

- Nearly 80 percent of foundations and corporate giving programs consider the diversity of communities served in their grantmaking when making hiring decisions and board appointments.
- Almost as many grantmakers also work to create a workplace dedicated to an environment that embraces diversity, allowing all people to feel comfortable and able to perform their best.

Three other strategies have gained considerable currency since the last study:

- A large majority (74 percent) are committed to hiring people of color to achieve staff diversity or diversity among board members. This number is up from 55 percent five years ago.
- Today, 70 percent of respondents employ or involve in decision-making the people who represent and understand the communities served through the grantmakers’ focused giving areas, compared with 51 percent of grantmakers that reported doing so in the last survey.

- Over five years, more grantmakers have begun to engage in active minority recruiting and hiring strategies at each hiring opportunity. In fact, 68 percent report proactive recruitment while just 45 percent reported doing this in 2000.

In 2000, 45 percent of grantmakers said they had plans to hire consultants from the communities served by grants. In this year’s survey, the same percentage of respondents reports the same intentions. The survey did not ask those who do not have such plans whether they hire consultants at all, so the percentages may not reflect a true picture.

Some questions received a lower percentage of response in 2005 than in 2000, due apparently to modification of a few questions to bring the focus more clearly on diversity. One example is a question about formal diversity recruitment policies. When asked whether they have such a policy in place, 36 percent of respondents answered positively in this year’s survey. The same question used the phrase “affirmative action” rather than “diversity recruitment” five years ago, with 60 percent positive responses. It is likely that fewer grantmakers consider their recruitment efforts part of the “affirmative action” mandate today, which could provide an explanation for the significant drop in this practice.

Examples of Activities

The Council queried grantmakers on how they create a workplace dedicated to retention (embracing diversity, allowing all people to feel comfortable and able to perform their best). Some responses are similar to those reported in 2000, but grantmakers also shared newer strategies adopted within the past five years.

Diversity-Related Activities as Employers

Employer Diversity Activity	2000 % Doing	2005 % Doing
Consider and reflect on the diversity of communities served in grantmaking when making hiring decisions and board appointments.	75	79
Consider and reflect a workplace dedicated to retention—creating a workplace environment that embraces diversity, allowing all people to feel comfortable and able to perform their best. If yes, how? (See examples below.)	75	78
Commit to hiring people of color to achieve staff diversity or recruit diverse board members.	55	74
Employ or involve in decision-making the people who represent and understand the communities served through the grantmakers’ focused giving areas.	51	70
Engage in active minority recruiting and hiring strategies at each hiring opportunity.	45	68
Hire consultants from the diverse communities that are served through grants.	45	45
Have formal diversity recruitment policies. (Note: The 2000 version of this survey question was: Have formal affirmative action hiring policies.)	60	36

Listed below is a summary of the unprompted examples from this year's respondents on what they are doing to consider and reflect a workplace dedicated to retention.

2005 Workplace Retention Strategies* (# mentioning)

Providing programs for interaction. (4)

Providing opportunity for training. (3)

Overt commitment to diversity. (2)

Holding management accountable. (2)

Continual/constant focus on workplace culture.

Have inclusive personnel policies, such as family-friendly policies.

Responses by Type

- *Community* foundations are more likely than any other type of grantmaker to carry out diverse employment activities, and most have been doing so for over five years.
- *Corporate* grantmakers are the second most likely to report diversity-related activity in the employer role. They also tend to have been conducting activities for longer than five years.
- Again, citing small size and lack of paid staff, *family* foundations by and large say they have no plans to carry out these workplace activities.
- Among *independent* grantmakers, more have adopted diversity-related strategies than those with no plans to do so. Those grantmakers that are active in diversity-related work as employers have done so for more than five years.

Grantmaking Organizations as Economic Entities

Funders have the ability, some believe an obligation, to create economic opportunities for members of the communities they serve beyond the awarding of grants. Grantmakers are economic entities, often with considerable financial clout that can be wielded in ways that reflect a commitment to principles of inclusion. Through investments and purchasing decisions, funders can support businesses owned by women, people of color and other traditionally bypassed groups. In so doing, they are participating in the development of a diverse work force and healthy economy. Some funders have adopted elaborate policies on socially responsible investment, from screening out investments in companies that pollute or don't have ethical practices to shareholder activism. But there are also simple strategies for consciously employing all of an organization's financial resources in the work of community building.

Key Findings

Minnesota grantmakers are becoming more knowledgeable about using their financial resources and tools in their role as economic entities to further diversity goals, although they are still less likely to work towards diversity as economic entities than as funders, employers and community citizens. As with five years ago, the majority of grantmakers reported no plans to implement the strategies or actions outlined by the economic entities role in this year's survey. However, compared with 2000, the percentage of grantmakers participating in these activities is still higher.

* There were no new activities mentioned in the 2005 survey.

- Five years ago, just 28 percent of foundations and corporate giving programs reported investing in minority communities and purchasing goods and services from minority vendors. Today, 24 respondents (51 percent) report they do so.
- A mere 13 percent had formal policies, goals or strategies on minority investment and purchasing in 2000. That number has increased to 26 percent (13 respondents) in the most recent survey.
- Five years ago, just 28 percent of responding grantmakers said they utilize socially responsible investing. Today, 20 respondents (41 percent) report doing so.

“The company partners with local neighborhood development groups to provide financial counseling and homeowner insurance counseling in low-income communities. In addition, we have a program to help minority insurance agents build their business.”

Responses by Type

Among all types of grantmakers, most report having no plans to take on diversity-related activities in the role of economic entities. This finding is the same as five years ago. For those that are engaged in this work, most have been doing so for more than five years.

- *Corporate* and *community* grantmakers are the most likely to be engaged in diversity activities in their role as economic entities than other types of funders. Five years ago, corporate grantmakers alone were most likely to do so. Corporate funders often have access to diversity and inclusiveness programs that are either already in place or are initiated by the company.
- *Independent* foundations were unlikely to have plans to do this work in 2000 but this year’s survey shows these funders now about evenly split between engaging in these activities and having no plan to act.
- *Family* foundations are the most unlikely to have plans to do this work than other grantmaker types.

Economic Entity Diversity Activity	2000 % Doing	2005 % Doing
Invest in minority communities and purchase goods and services from minority vendors.	28	51
Utilize socially responsible investing.	28	41
Has/is in the process of developing formal minority investment and purchasing policies, goals and strategies.	13	26

Besides outright cash grants, one grantmaker makes business loans to minority-owned businesses. Other grantmakers offered other strategies to help them become more fully engaged in this work. Two examples of additional strategies:

“We have developed a \$10 million mission-related investing program, designed to use endowment to help reduce poverty while [attaining] return at a market rate.”

Grantmaking Organizations as Community Citizens

Grantmakers, whether in the nonprofit or corporate sector, all operate on the principle that they have a responsibility to serve the public good. But fulfilling that goal can mean much more than just finding worthy grantees and cutting a check. By becoming active participants in their communities, grantmaking organizations will also strengthen their ability to recognize and support diversity because they are in and of the community, not just operating at arm's length. As community citizens, they have the opportunity to fill a real leadership role because they are well-known players. With their resources, they can nurture community collaboration and bridge-building.

Key Findings

Grantmakers as community citizens have made the biggest gains in diversity activities, particularly in activities with the lowest level of participation five years ago. In contrast, nearly 50 percent of grantmakers are now engaging in these activities. The most significant gains were reported for three activities:

- When asked whether they have funds specifically designated for diverse communities five years ago, only 22 percent of grantmakers said yes, the lowest percentage among all the activities in this area. Today, 47 percent report they have designated funds available and 16 percent of these were established within the last five years.
- Only 25 percent of grantmakers tailored their outreach materials to nontraditional audiences in 2000. That number has increased to 47 percent today, with 18 percent adopting this strategy within the last five years.
- In 2000, only 27 percent said they were participating actively in the debate around community policy issues. Today, 44 percent report being involved.

The percentage of grantmakers seeking knowledge about and attending community activities in the communities where grants are made remained fairly constant. Two other activities within the role of community citizen also showed improvement:

- Sixty-seven percent of grantmakers said they monitor emerging community issues in 2000. Today, 74 percent report doing so. (*Note: The Council added the phrase concerning diversity to this year's question.*)
- Five years ago, 55 percent reported participating in community planning activities, including serving on policy boards. According to this year's survey, 66 percent report doing so. (*Note: The Council added the phrase impact grantmaking for diverse communities to this year's question.*)

Volunteer programming has dropped off among this year's respondents. A full 100 percent of corporate grantmakers said they have volunteer programs to support employee community involvement five years ago. That number has dipped to 71 percent in 2005 but still represents more than two-thirds of respondents active in this area. It also is important to note that the 2005 survey sharpened the question to read employee volunteer program in diverse communities. This factor could explain the decline. While many corporate grantmakers, in particular, support community involvement by their employees, the focus may not always be on diversity-related projects. Another possible reason for the decline is simply the increasingly difficult task of recruiting volunteers.

Diversity-Related Activities as Community Citizens

<i>Community Citizen Diversity Activity</i>	<i>2000 % Doing</i>	<i>2005 % Doing</i>
Be knowledgeable about and attend diverse communities' activities in order to be involved beyond giving a grant.	78	80
Monitor emerging community issues concerning diversity. (See examples below.)	67	74
Participate in community planning efforts, including serving on committees and boards, that impact grantmaking for diverse communities.	55	66
Work to include diverse communities in decision making in such areas as board governance, grantmaking and organizational planning.	48	55
Have some form of volunteer program to support employee involvement in diverse communities (corporate foundations/ giving programs only).	100	71
Have diversity-based advisory committees.	40	50
Tailor communications materials to diverse audiences.	25	47
Have funds specifically designated for diverse communities.	22	47
Participate actively in the debate around public policy issues that affect diverse communities. (See examples below.)	27	44

Examples of Activities

The Council queried grantmakers on what they are doing specifically to participate more fully in the debate around community policy issues and how they are monitoring emerging community issues. Below are summaries of the examples offered by this year's respondents.

2005 Tactics for Participating in Debate of Issues* (# mentioning)

- Organize meetings and seminars on special issues and initiatives. (6)
- Through advocacy work. (5)
- Personal or political activities of board, staff and advisory members. (4)
- External data-gathering methods, including focus groups and other research. (3)
- Being members of community committees. (2)

* There were no new activities mentioned in the 2005 survey.

2005 Tactics for Monitoring Emerging Community Issues (# mentioning)

- Community outreach, constant dialogue with community leaders. (6)*
- Regional and community trend watch. (4)*
- Attend community meetings. (4)
- External data gathering methods, including focus groups, evaluation, surveys and interviews. (3)
- Rely on staff or advisory committee knowledge. (3)
- Through other funders and MCF. (2)*
- Provide training and community involvement opportunities for staff. (2)*
- Informally/through networks. (2)
- Through contact with grantees. (2)
- Conduct community-wide assessment.*
- News media.

Responses by Type

- *Community* foundations are more likely to be doing diversity work as community citizens than other foundation types. These funders also are more likely to have been doing this work for more than five years and more likely than other types to have adopted new activities since the previous survey.
- *Corporate* grantmakers are the second most likely to be active in diversity work as community citizens. Corporate grantmakers are more likely to have done these activities for more than five years.
- As in every other framework category, *family* foundations are the most likely to have no plans to conduct activities within the community citizen role. Among the four roles within the framework, family funders seem to struggle most with this role, reporting at a high frequency having no plans for activities.

* New activities mentioned in the 2005 survey.

- *Independent* foundations mostly report they have been doing diversity work as community citizens for more than five years, the same as in 2000.

Community Foundations and Donor Relations

Today, community foundations are the most likely type of grantmakers to perform activities within all four roles of the diversity framework. This finding is consistent with the 2000 Diversity Report. Additionally, the Council queried community foundations about diversity efforts carried out under their additional role of working with diverse donors. Eight respondents provided examples of efforts in this area:

“Started donor circles to build philanthropy in diverse communities. ... Working with grantees to host fundraising events ... in the communities they serve.”

“Including contacts in our database and providing marketing materials.”

“Make sure our programs touch our diverse communities.”

“Shared projects.”

Using “board diversity” and “location of events,” one grantmaker also started an endowment fund with a focus on one particular diverse community.

“Provided leadership to a Community Partners fundraising program for the benefit of low-income families and individuals.”

Created a trust to reflect the interest of several diverse groups. One such partnership is intended to “engage people of color as donors.”

One grantmaker cited several community-specific charitable funds as a way to illustrate the importance of establishing funds that would interest diverse donors. This funder also offers estate planning seminars as one of the strategies to build donor relations.

III. Measuring and Sharing Information About Diversity Issues

Challenges and Rewarding Efforts

In both the 2000 and 2005 diversity surveys, the Council asked Minnesota grantmakers about efforts that have worked particularly well in embracing diversity and inclusive practices as well as actions that have turned out to be less effective. Grantmakers’ responses are shared in this report to provide Council members with a gauge as they evaluate and assess their own work in this area. It should also provide an overall picture of the strategies being implemented by grantmakers.

What Works Well

Thirty-six respondents offered write-in answers to a question about which inclusive practices have worked well and provided a variety of example strategies. The response rate is similar to 2000, when 33 grantmakers shared their thoughts.

Work force composition appears to be the issue most top-of-mind among grantmakers. A number of respondents mentioned the importance of hiring and engaging diverse employees and providing diversity training to the whole staff, regardless of their racial background. A good number also stressed the need to diversify the membership of boards and other grantmaking decision groups. These responses are in line with what was reported five years ago.

Diversity & Inclusive Practices Found Effective (# mentioning)

- Commit to the recruitment of a diverse staff and board and engage diverse staff members in the grantmaking process. (13)
- Specific focus area regarding diversity. (6)

- Provide training on diversity and learn from members of diverse communities. (5)
- Engage in dialogue with grantees. (3)
- Understand the relevance of cultural competency or fund projects that build this skill. (2)
- Engage in dialogue with diverse communities and use a community-based process to develop grantmaking strategies. (2)
- Internal evaluation; use diversity survey in grantmaking. (2)
- Use consultants. (2)
- Entertain a broad number of requests to help people of all ages and with different needs.
- Revamp and update personnel policies.
- One-on-one personal relationship building, expanding our networks.
- Created by a broad-based community group, which helps maintain diversity.

Examples

Some activities involve recruitment and commitment to a diverse staff and board and engaging diverse staff members in the grantmaking process:

- One community foundation works to ensure that “the grantmaking body is diverse and represents all Minnesotans.” Having pluralism is a key value for this funder. Half of the staff and board members at this foundation are members of the population group served by the funder, and they have both an internship and a fellow program for the same population segment.
- A corporate grantmaker shared, “We work hard to ensure our senior committee that approves grants is indicative of the diversity of our employee base and the community.”

Some actions relate to specific focus area regarding diversity:

- One family foundation reports, “We have an active group of family members that serve in the GLBT community. We are actively engaged in dialogue with the organizations that we fund.”
- A community foundation cited their immigrant campaigns as an example of focusing on a specific funding area as a way to affect and enhance their diversity work.

Other activities provide training on diversity to learn about the experience and viewpoint of those from diverse communities:

- One rural grantmaker describes the benefits of training: “We have sponsored a series of in-service training events, mandatory for all staff, where we have paid a generous stipend to individuals from diverse communities to discuss their experience and share their viewpoint on what we need to know to deal respectfully and helpfully in their community. This has been tremendously helpful, particularly for immigrant groups and GLBT issues.”
- A community foundation worked to develop and implement a Diversity Education Committee and regularly schedules all-employee activities to promote understanding of diversity issues.

A few family foundations, including one large and several smaller family foundations (based on grants paid), said this question does not apply to them. It is likely that these smaller funders have not had the resources and staff necessary to develop and implement a formal diversity program. One family grantmaker reported no need “to make this kind of effort given the focus of our grantmaking.”

What Does Not Work Well

Twenty grantmakers responded to the survey question asking about diversity efforts that fell short. A majority of these grantmakers (60 percent) answered *none* or *not applicable*. These results may be a sign that current

diversity grantmaking is in a better position than five years ago, when more respondents provided candid examples of what did not work well for their organizations' diversity efforts.

Only eight respondents provided specific examples of strategies that were ineffective in this year's survey. A common theme is the difficulty of recruiting diverse and qualified candidates for open positions. For a few grantmakers, diversifying staff and board composition without changing the organizational culture or providing the necessary training on these issues constitutes a major concern.

Less Effective Diversity & Inclusive Practices

"We have struggled to recruit diverse candidates for board and committees. We also struggle to diversify our staff."

"Increase numbers without changing culture = 'no stick.'"

"Opening up decisions on sponsorship dollars to a diverse group of employees/networks, but employees don't understand the complexity of grantmaking. Learning curve was steep."

"We have a couple of board slots that are specifically for youth and low-income people. They have been challenging to keep filled."

"Provided early funding for Diversity Council, but it was premature in organization's development and strategy."

"Adopted policies without developing staff understanding and capacity."

"It continues to be a challenge to recruit a diverse staff for varied positions."

Measuring Diversity Efforts

To discover how grantmakers are measuring their efforts, the Council asked funders what measures or methods they use to determine the effectiveness of their diversity work. The same question was asked in 1995, 2000 and again in 2005. In this year's report, 30 grantmakers reported making assessments of their diversity efforts. Of these, 57 percent have adopted new measures or methods within the last five years, compared with 52 percent in the last survey. Forty-three percent have used the same measures or assessment methods for more than five years.

Compared with five years ago, grantmakers are relying much less on tracking and analyzing the number and amount of grants to certain populations. Of 35 grantmakers providing specific examples of practices they use to measure results, only six of these respondents (17 percent) still do this, compared with 27 percent that did so five years ago. More grantmakers prefer using formal evaluation methods than in 2000. Eight of the sample respondents (23 percent) said they use this tool today to measure efforts, a significant increase from 15 percent of those responding in 2000 and 2 percent 10 years ago. Some examples of formal evaluations include asking grantee organizations to submit audit statements, which include questions about the effectiveness of grants, as well as addressing client satisfaction feedback, number of people served, and measurable outcomes of each program. Two respondents (6 percent) reported tracking composition

Methods Used to Measure Diversity Effectiveness			
Measurement Methods	1995	2000	2005
Track & analyze grants	18%	27%	17%
Formal evaluation	2%	15%	23%
Track composition of board & staff	7%	8%	6%

of board and staff as a way to measure efforts, a slight drop from 8 percent five years ago.

A number of grantmakers—eight respondents—have turned their attention to outcome-based measurement. Some of these approaches look at measurable outcomes such as an increase in participation rate in grantee programs, high attendance at grantmaker meetings or a large number of requests for information materials. Others look to less tangible factors such as “quality of relationships with diverse communities,” “positive nature of growing diversity,” and “new levels of cultural competency” as gauges for program effectiveness. One grantmaker uses “constant dialogue with diverse communities” as its primary method for determining effectiveness.

Other Measurement Methods Reported (# mentioning)

- Feedback from staff and nonprofits. (3)
- Dialogue with community. (2)
- Grantee reports. (2)
- Identifying, adopting and measuring goals. (2)

The Council also asked grantmakers if they use specific targets or benchmarks to measure the effectiveness of their organizations’ diversity efforts. Of 37 funders who responded to this question, 25 respondents (68 percent) reported using no benchmarks or targets. Of those that do have some kind of benchmark, two respondents said they use program-specific targets. Corporate grantmakers typically follow their companies’ goals and priorities, while others use less goal-oriented measures. One community foundation member commented:

“Our benchmark is that everyone who approaches our foundation for assistance of any kind will leave feeling that they are better off for having made the contact, regardless of whether the issue or need that drove them to make the contact has any relationship whatsoever to our funding priorities.”

What Else Is Needed

As part of its strategic plan, the Minnesota Council on Foundations adopted goals to create a climate of inclusivity in philanthropy and work to recognize, eliminate and prevent racism in philanthropy. Five years ago, grantmakers were asked whether they think the Council has done enough toward achieving these goals. In this year’s survey, the Council asked grantmakers whether they think their organizations and the philanthropic community as a whole have done enough toward this end.

Overall, grantmakers think their organizations are paying more attention to diversity and inclusiveness issues than the field in general. Most funders believe their organizations, as well as the field as a whole, are doing the right amount of work on this topic, but not too much. However, almost 40 percent of grantmakers believe they are not doing enough, and nearly half of respondents think the field of philanthropy as a whole is not doing enough. These findings point to the challenge of instituting a common standard to measure this work when opinions vary on the degree of importance that should be placed on these issues.

Level of Diversity Work	Not Enough	About Right	Too Much
Your Organization	38%	62%	0%
Field of Philanthropy	47%	53%	0%

The Council also asked grantmakers what other strategies or actions are needed to accomplish the goal of recognizing, eliminating and preventing racism. Thirty-one respondents provided suggestions for their organizations and 25 funders offered ideas for the field as a whole.

Several grantmakers think there is a need for their organizations to share success and stories so best practices can be identified. Another common approach among grantmakers is to continue funding programs that promote diversity and to be more intentional about this work. For some funders in Greater Minnesota, inclusiveness continues to pose challenges due to the comparative lack of diversity in the demographic makeup outside the major population centers. As one such grantmaker said, “We are very local in our nature ... so not sure what you could do to help.”

Proposed Diversity Actions for Organizations (# mentioning)

- Continue to fund diversity programs. Be more intentional about this work. (6)
- Targeted recruitment to diversify board and staff. (4)
- Share stories, publicize what has worked. (3)
- Research and gather information to monitor changing demographics. (2)
- Educate primarily Caucasian senior leadership team about diversity. (2)
- Push other grantmakers to do better. (2)
- Be more proactive at grantmaking at state level, but localize efforts. (2)
- Partner with nonprofits—push them to address inclusivity in their work.
- Institutionalize training.
- Develop a minority purchasing plan.
- Continued awareness and dialogue.
- Conduct needs assessment to increase capacity for this work.
- Meet and dialogue with members of diverse communities.

Some grantmakers would like to see continued training and education for the field and “demonstrate how those who do this are better philanthropists.” A couple respondents would like to take time to “recognize and honor those who are exemplary in the practice of inclusivity.”

Interestingly, even though no respondent thinks either their organization or the field is doing *too much* with diversity and inclusiveness, one grantmaker reported, “We seriously don’t think we need to promote this climate because it already exists.” Another funder thinks the field is “already doing a lot.”

Proposed Diversity Actions for Philanthropy Field (# mentioning)

- More training and education to promote understanding of diversity. (4)
- Awareness and recognition of success stories. (2)
- Active coaching, support and recruitment of diverse individuals.
- Always include diversity issues at general conference sessions, rather than deal with the issue only in special diversity sessions.
- Identify diverse applicants and match them to foundations.
- Focused funding for diverse populations and communities.
- Know your community and design efforts particular to them.
- Consider it a “means, not an end.”

A few respondents wanted to raise the visibility of GLBT issues and make sure it is part of the diversity lexicon. One grantmaker said the field should be “fearless about supporting GLBT issues,” while another suggested that GLBT issues should “always be included in diversity discussions.”

Sharing Resources

Both in 1995 and 2000, the Council asked grantmakers to list resources such as individuals, training programs, books, videos or other grantmakers and organizations they have used regarding diversity issues that they would recommend to others. In this year’s survey, the Minnesota Council on Foundations added its own resources, such as Web site and Diversity Framework, to gauge how these tools have been utilized by Council members.

Sixty-one percent of the respondents have used the Council’s Web site for their diversity work, making it the number one tool used by grantmakers on this topic. Other items on the current year’s list include several different resources from five years ago. The Council will compile a list of the most current tools without endorsement and make it available on the Council’s Web site.

Resources Grantmakers Find Useful in Diversity Efforts	
Resources Used in Past Five Years	% of Respondents
MCF’s Web site	61
MCF’s Diversity Framework	39
Other organizations	37
MCF’s “Building on a Better Foundation” Toolkit	34
Other grantmakers	32
Individuals/consultants	32
Training programs	21
Books	16
Printed materials	16
Videos	5

IV. Work Force Composition

Diversity Characteristics

To discover which characteristics grantmakers currently consider when creating a diverse work force, the Council asked grantmakers to check from a list the most commonly used indicators of diversity, repeating a question asked in both the 1995 and 2000 surveys.

As illustrated by the 10-year comparison table on the next page, the percentage of grantmakers that consider these characteristics has increased in every category since 2000 (except for *years in philanthropy*, which may have been confusing to include as a diversity measure). This response is especially noteworthy given that five fewer grantmakers answered this section of the survey this year than in 2000. It is also encouraging that today’s grantmakers are more conscious of the need to diversify both staff and governing board.

The biggest growth came in the *race* category, with 22 percent more grantmakers considering this characteristic today than in 2000. Another characteristic that gained consideration is *sexual orientation*, with 21 percent more grantmakers now reflecting on this when considering a diverse work force. Other notable increases include the *education* and *physical ability* categories. Nineteen percent more grantmakers consider these factors in their hiring practices today than five years ago.

Characteristics Grantmakers Use for Diverse Work Force (55 respondents)

	1995		2000		2005	
	#	%	#	%	#	%
Gender	27	60	33	55	35	64
Ethnicity	19	42	31	52	36	65
Race	24	53	26	43	36	65
Age	26	58	26	43	31	56
Economic class	19	42	22	37	24	44
Geography	22	49	20	33	23	42
Years in philanthropy	15	33	19	32	15	27
Education	17	38	15	25	24	44
Physical ability	11	24	15	25	24	44
Sexual orientation	10	22	14	23	24	44
Religion	8	18	10	17	14	25
Other	8	18	10	17	8	15

Respondents in the *other* category provided the following comments:

“All grantmakers and board are family members, so within family.”

“Governed by EEO rules for hiring plus all the characteristics listed.”

“Seek work force that reflects groups funded.”

“We do not discriminate.”

“No current policy.”

Demographic Representation

Both in 1995 and 2000, the Council surveyed members about the race/ethnicity and gender breakdowns for governing board members, all paid staff, advisory committees and consultants. In 2000, the Council asked about sexual orientation and disability, as well. The 2005 survey repeats all these questions to assess any changes that have occurred over the last 10 years.

As with the two previous surveys, the responses represent a snapshot of the 55 grantmakers completing this section of the survey, and may not be indicative of the entire field. The analyses are meant only as indicators of how the field has changed since the last survey. Because many of the state’s largest grantmakers are included in the pool of respondents, the data is fairly representational.

However, the sample comprises a different group of grantmakers answering in each year, and as a result is not a direct comparison. For such a year-to-year analysis, please refer to the

tables containing data from the 20 grantmakers that completed the diversity survey in all three years. The Council would like to extend special thanks to these three-time responders for providing important comparable data.

Governing Boards

Tables A-C

The 55 grantmakers responding reported 476 board members.

Minnesota grantmaking boards in the 2005 sample comprise predominantly European American men (47 percent) and European American women (31 percent). This prevalence remains unchanged from five years ago. Whites make up 78 percent of the boards, and people of color make up 22 percent, an 8 percent increase from five years ago. As was the case in 2000, African American women represent the majority of people of color (4 percent) that serve on boards. Women as a group comprise 43 percent of board membership.

In 2000, less than half of the family foundation sample (45 percent) reported having a by-law restriction limiting governing board membership to family members. Five years later, however, many more do. In this year's survey, fully 67 percent of family foundations (12 respondents) said they are restricted from appointing non-family directors, a policy that arguably does not help bring diverse points of view or racial and ethnic diversity.

Compared with the field nationwide, Minnesota grantmaking governing boards have proportionately more people of color. This occurrence is especially true for Native Americans.

Native people represent almost 6 percent of Minnesota's governing boards, yet occupy less than half a percent of board positions nationwide. It is important to note that data sets used in these comparisons are from different years due to publication schedules. The data presented in this report is the latest available from the respective sources.

Comparing demographic breakdown of residents within the state of Minnesota, grantmaking boards again have proportionately more people of color. The exception is Asian/Pacific Islanders. This population group represents 3 percent of the state's population, but 2.5 percent grantmaking board positions in the survey sample. Compared with statewide demographics, Minnesota grantmaking boards also have fewer European Americans, reporting 78 percent white representation versus 89 percent for the state population as a whole.

Comparing the same respondents for all three survey years, Minnesota governing boards of the same 20 foundations have become more diverse over 10 years. In 2005, these 20 foundations have boards representing 27 percent people of color and 73 percent white. This finding shows a notable increase in people of color from 2000, when 14 percent of board members were people of color and 86 percent were white, and even more growth since 1995, when 13 percent were people of color and 87 percent were white.

Eight percent of Minnesota grantmaking board members are gay, lesbian, bisexual or transgender (GLBT), compared with 5 percent five years ago. Only 1 percent report differently abled board members, down from 2 percent in 2000.

Table A: Gender and Race/Ethnicity, Minnesota Grantmaking Governing Boards—1995, 2000 and 2005

<i>Board Members</i>	<i>1995</i>		<i>2000</i>		<i>2005</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
African American Men	9	2.0	9	1.7	17	3.6
African American Women	13	2.9	24	4.5	20	4.2
Asian American/Pacific Islander Men	4	0.9	8	1.5	5	1.1
Asian American/Pacific Islander Women	4	0.9	3	0.6	7	1.5
Hispanic/Latino/Chicano Men	12	2.7	3	0.6	9	1.9
Hispanic/Latina/Chicana Women	4	0.9	6	1.1	13	2.7
Native American Men	4	0.9	8	1.5	13	2.7
Native American Women	1	0.2	5	0.9	15	3.2
White Men	240	54.3	247	46.4	224	47.1
White Women	151	34.2	208	39.1	147	30.9
Other Men	0	0.0	6	1.1	2	0.4
Other Women*	0	0.0	5	0.9	4	0.8
Total	442		532		476	

* 1 multi-racial, 1 South Asian, 1 white transgender, 1 East Indian

Table B: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Abled Status, Minnesota Grantmaking Governing Boards—2000 and 2005

<i>Board Members</i>	<i>2000</i>		<i>2005</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
GLBT*	29	5.5	38	8.0
Non-GLBT	503	94.5	438	92.0
Total	532		476	
Differently Abled	11	2.1	6	1.3
Physically Able	521	97.9	470	98.7
Total	532		476	

* One respondent has a predominantly GLBT board. Without this grantmaker in the analysis, only 4 percent (rather than 8 percent) of Minnesota foundation board members are GLBT.

Table C: Gender and Race/Ethnicity, Minnesota Grantmaking Governing Boards, Same 20 Survey Respondents Compared—1995, 2000 and 2005

Board Members	1995		2000		2005	
	#	%	#	%	#	%
African American Men	5	2.0	4	2.2	8	4.6
African American Women	6	2.4	6	3.2	8	4.6
Asian American/Pacific Islander Men	3	1.2	3	1.6	1	0.6
Asian American/Pacific Islander Women	1	0.4	1	0.5	3	1.7
Hispanic/Latino/Chicano Men	10	4.1	3	1.6	4	2.3
Hispanic/Latina/Chicana Women	4	1.6	3	1.6	6	3.4
Native American Men	4	1.6	5	2.7	6	3.4
Native American Women	0	0.0	1	0.5	9	5.1
White Men	120	48.8	91	49.2	72	41.1
White Women	93	37.8	67	36.2	56	32.0
Other Men	0	0.0	0	0.0	1	0.6
Other Women	0	0.0	1	0.5	1	0.6
Total	246		185		175	

Grantmaker Staff

Tables D-G

The 55 grantmakers responding reported 447 paid staff.

In 2005, the Minnesota grantmaker staff is predominantly European American, repeating the same trend as five years ago. White women again make up the majority of Minnesota grantmaking staff (60 percent), and white men make up 20 percent of staff. People of color comprise 20 percent of foundation staff, which represents only a 2-percent increase from 2000 as a percentage of total staff. However, the actual numbers point to a more significant increase. In 1995, there were only 28 people of color working as grantmaking staff; that number increased to 73 in 2000. This year’s survey shows 90 staff members are people of color in the grantmaking field, a 23 percent increase from five years ago and a considerable 221 percent increase from 10 years ago.

As in 2000, African American women comprise the largest representation of people of color, 6 percent of all staff. Women as a group make up 75 percent of all grantmaking staff.

Most people of color (63 percent) employed by foundations are professional staff, a slight increase from 60 percent five years ago. Thirty-seven percent are support staff (as defined by survey respondents).

- African American women are more represented in support staff roles than in professional staff roles: 10 percent in support staff versus 4 percent in professional staff. Hispanics are also more represented in support staff roles than in professional staff roles. Three percent of Hispanics, men and women combined, are professional staff while 4 percent are support staff. These findings were also true for both African American and Hispanic groups five years ago.
- Asian Americans were more represented in professional staff roles than support staff roles

five years ago. In 2005, 4 percent are support staff while 3 percent are professional. However, the actual number of Asian staff members increased from 12 in 2000 to 16 in 2005, which means that a small number of Asian Americans have joined the grantmaking field in the last five years, mostly in support staff roles.

As in 2000, Minnesota grantmaking staff comprise proportionately fewer people of color than the field nationwide, with the exception of Native Americans: Minnesota grantmaking staff are 4 percent Native American while foundation staff nationwide are less than 1 percent, the same level as five years ago. Minnesota has notably fewer African Americans working in the field compared with the nation as a whole. African Americans make up fewer than 8 percent of Minnesota’s grantmaking work force, while they represent 11 percent of grantmaking staff nationwide, according to the national Council on Foundations’ *Grantmakers Salary and Benefits Report* (2004 edition, the most recent available).

Compared with the demographic composition of the state, the Minnesota grantmaking field has proportionately more people of color represented in its work force, especially African Americans and Native Americans.

As a group, people of color lost some ground in terms of representation among the 20 grantmakers who responded to the survey in all three years. In 2000, people of color from this sample comprised 19 percent of Minnesota grantmaking staff, dropping slightly to 18 percent this year. This decline is especially noticeable among African American women, a group that comprised 7 percent of this sample in 2000, but saw their representation drop to 4 percent this year. Another noticeable decline was Native American men, representing 2 percent of the sample in 2000, but less than 1 percent in this year’s survey.

Five percent of Minnesota grantmaking staff members are GLBT and 1 percent are differently abled.

Table D: Gender and Race/Ethnicity, Minnesota Grantmaking Staff—1995, 2000 and 2005

Staff Members	1995		2000		2005	
	#	%	#	%	#	%
African American Men	2	1.1	9	2.2	7	1.6
African American Women	9	5.1	29	6.9	27	6.0
Asian American/Pacific Islander Men	0	0.0	0	0.0	3	0.7
Asian American/Pacific Islander Women	3	1.7	12	2.9	14	3.1
Hispanic/Latino/Chicano Men	1	0.6	1	0.2	2	0.4
Hispanic/Latina/Chicana Women	3	1.7	12	2.9	11	2.5
Native American Men	2	1.1	5	1.2	9	2.0
Native American Women	3	1.7	4	1.0	8	1.8
White Men	37	20.9	70	16.7	91	20.4
White Women	112	63.3	275	65.8	266	59.5
Other Men†	1	0.6	0	0.0	2	0.4
Other Women*	4	2.3	1	0.2	7	1.6
Total	177		418		447	

† 1 Pole / * 1 transgender, 1 South Indian

Table E: Gender and Race/Ethnicity, Minnesota Grantmaking Professional and Support Staff—2000 and 2005

<i>Staff Members</i>	<i>2000</i>				<i>2005</i>			
	<i>Professional</i>		<i>Support</i>		<i>Professional</i>		<i>Support</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
African American Men	9	3.2	0	0.0	6	1.9	1	0.7
African American Women	7	2.6	22	15.2	13	4.2	14	10.2
Asian American/Pacific Islander Men	0	0.0	0	0.0	1	0.3	2	1.5
Asian American/Pacific Islander Women	11	4.0	1	0.7	9	2.9	4	2.9
Hispanic/Latino/Chicano Men	0	0.0	1	0.7	2	0.6	1	0.7
Hispanic/Latina/Chicana Women	7	2.6	5	3.4	7	2.3	4	2.9
Native American Men	5	1.8	0	0.0	8	2.6	1	0.7
Native American Women	4	1.5	0	0.0	6	1.9	2	1.5
White Men	68	24.9	2	1.4	83	26.8	8	5.8
White Women	161	58.9	114	78.6	170	54.8	96	70.1
Other Men	0	0.0	0	0.0	1	0.3	1	0.7
Other Women	1	0.3	0	0.0	4	1.3	3	2.2
Total	273		145		310		137	

Table F: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Able, Minnesota Grantmaking Staff—2000 and 2005

<i>Staff Members</i>	<i>2000</i>		<i>2005</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
GLBT	16	3.8	24	5.4
Non-GLBT	402	96.2	423	94.6
Total	418		447	
Differently Able	8	1.9	5	1.1
Physically Able	410	98.1	442	98.9
Total	418		447	

Table G: Gender and Race/Ethnicity, Minnesota Grantmaking Staff, Same 20 Survey Respondents Compared—1995, 2000 and 2005

Staff Members	1995		2000		2005	
	#	%	#	%	#	%
African American Men	1	0.8	3	1.6	6	2.6
African American Women	6	4.7	13	7.1	9	3.8
Asian American/Pacific Islander Men	0	0.0	0	0.0	0	0.0
Asian American/Pacific Islander Women	1	0.8	5	2.7	6	2.6
Hispanic/Latino/Chicano Men	1	0.8	1	0.5	1	0.4
Hispanic/Latina/Chicana Women	3	2.3	6	3.3	8	3.4
Native American Men	1	0.8	4	2.2	2	0.9
Native American Women	3	2.3	3	1.6	4	1.7
White Men	27	21.1	35	19.0	52	22.1
White Women	80	62.5	114	62.0	140	59.6
Other Men	1	0.8	0	0.0	5	2.1
Other Women	4	3.1	0	0.0	2	0.9
Total	128		184		235	

Advisory Committees

Tables H-J

The 55 grantmakers responding to the survey reported 302 advisory committee members.

Forty-eight percent of survey respondents this year use advisory committees to support their work. Committee members in the 2005 sample proportionally include more people of color (44 percent) than does either governing boards or staff. The only exception is African American women, represented more on governing boards and staff than advisory committees.

Twenty-five percent of advisory committee members are white men, and 31 percent are white women, for a total of 56 percent whites. Forty-four percent of advisory committee members are people of color, a substantial increase from 27 percent five years ago. Native American women comprise nearly 10 percent of this total (30 individuals), making them the

most highly represented group among people of color. This significant growth in Native American female representation, a 76 percent increase from 2000, is spread across several grantmaking organizations, showing either real and meaningful gain for this particular population group, or the possibility that some advisory members serve multiple organizations, thus the numbers were inflated. Unfortunately, the survey could not ask about the identities of these advisory members due to confidentiality considerations. All races combined, women occupy 55 percent of the advisory committee seats in Minnesota grantmaking organizations, a 5 percent increase from five years ago.

Minnesota’s grantmaking advisory committees are much more diverse than the state’s demographic breakdown. The biggest differential is for Native Americans. While Native Americans comprise 16 percent of the advisory committee membership, they make up only 1 percent of the Minnesota population.

Table H: Gender and Race/Ethnicity, Minnesota Grantmaking Advisory Committees—1995, 2000 and 2005

Advisory Committee Members	1995		2000		2005	
	#	%	#	%	#	%
African American Men	9	2.0	22	4.4	17	5.6
African American Women	9	2.0	31	6.2	11	3.6
Asian American/Pacific Islander Men	5	1.1	13	2.6	9	3.0
Asian American/Pacific Islander Women	6	1.4	12	2.4	12	4.0
Hispanic/Latino/Chicano Men	4	0.9	9	1.8	14	4.6
Hispanic/Latina/Chicana Women	4	0.9	16	3.2	11	3.6
Native American Men	4	0.9	19	3.8	19	6.3
Native American Women	5	1.1	17	3.4	30	9.9
White Men	177	40.3	188	37.5	76	25.2
White Women	128	29.2	174	34.7	94	31.1
Other Men	47	10.7	0	0.0	2	0.7
Other Women*	41	9.3	1	0.2	7	2.3
Total	439		502		302	

* 1 black and transgender

The same 20 grantmakers that responded to all three surveys have a higher composition of people of color serving as their advisory members in 2005 than the overall survey sample. Fifty-seven percent of committee members are people of color in this pool, compared with 31 percent in 2000 and 29 percent in 1995. The largest increase again occurs among Native American women. Five years ago, they represented only 4 percent of the committee membership. Today, that number has increased to 15 percent. Another big gain lies with Hispanic/Latino/Chicano men. In 2000, only 2 percent of advisory members were represented by this group. They comprise 7 percent of the three-time respondents sample in 2005.

Eight percent of the advisory committee members are GLBT and less than one percent (one person) is differently abled.

Table I: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Abled, Minnesota Grantmaking Advisory Committees—2000 and 2005

Advisory Committee Members	2000		2005	
	#	%	#	%
GLBT	16	3.2	25	8.3
Non-GLBT	486	96.8	277	91.7
Total	502		302	
Differently Abled	8	1.6	1	0.3
Physically Able	494	98.4	301	99.7
Total	502		302	

Table J: Gender and Race/Ethnicity, Minnesota Grantmaking Advisory Committees, Same 20 Survey Respondents Compared—1995, 2000 and 2005

Advisory Committee Members	1995		2000		2005	
	#	%	#	%	#	%
African American Men	6	1.5	19	5.7	13	7.1
African American Women	4	1.0	22	6.6	9	4.9
Asian American/Pacific Islander Men	2	0.5	12	3.6	8	4.3
Asian American/Pacific Islander Women	4	1.0	7	2.1	7	3.8
Hispanic/Latino/Chicano Men	2	0.5	6	1.8	13	7.1
Hispanic/Latina/Chicana Women	4	1.0	13	3.9	6	3.3
Native American Men	2	0.5	13	3.9	13	7.1
Native American Women	4	1.0	13	3.9	28	15.2
White Men	171	42.4	118	35.2	39	21.2
White Women	116	28.8	112	33.4	40	21.7
Other Men	47	11.7	0	0.0	2	1.1
Other Women	41	10.2	0	0.0	6	3.3
Total	403		335		184	

Consultants

Tables K-M

The 55 grantmakers responding to the survey reported 132 consultants. It is likely that some consultants provide service to multiple organizations, but again the survey could not ask identity questions without compromising confidentiality.

Only 39 percent of Minnesota grantmakers retain consultants to provide guidance in their work, a small increase from 37 percent in 2000. Consultants can serve as an additional resource in working towards diversity. When answering this year’s survey, a few grantmakers mentioned their desire to retain consultants to help them recruit more diverse candidates for board and staff positions.

In the current survey, consultants are 43 percent European American women, the largest group represented both now and five years ago. There are more people of color proportionately represented as consultants than in grantmaking boards and staff, but not more than serve on advisory committees. Five years ago, consultants had the largest representation of people of color among all work force categories. Overall, 34 percent of consultants are people of color and 66 percent are white in this year’s survey. All races considered, 63 percent of the consultants are women, slightly down from five years ago.

Consultants working in the grantmaking field are much more diverse than the state’s population. This factor is especially true for African Americans and Native Americans. Both groups are represented at 11 percent of all grantmaking consultants. In contrast, only 4 percent of the state demographic make-up is African American and just 1 percent is Native American.

Among the same 20 respondents for all three survey years, the representation by people of color in the consultant ranks decreased once

again, according to this year’s survey results. In 1995, 50 percent of consultants were people of color. In 2000, that number dropped to 38 percent. This year’s survey reveals that only 29 percent of consultants used in this sample are people of color.

Only 2 percent of consultants are GLBT and no consultant working for Minnesota grantmakers is differently abled. Among all the work force positions, consultants are the least represented by these two diversity groups.

Table K: Gender and Race/Ethnicity, Minnesota Grantmaking Consultants—1995, 2000 and 2005

Consultants	1995		2000		2005	
	#	%	#	%	#	%
African American Men	1	3.6	1	1.4	8	6.1
African American Women	6	21.4	6	8.6	6	4.5
Asian American/Pacific Islander Men	0	0.0	1	1.4	0	0.0
Asian American/Pacific Islander Women	1	3.6	5	7.1	6	4.5
Hispanic/Latino/Chicano Men	3	10.7	4	5.7	5	3.8
Hispanic/Latina/Chicana Women	0	0.0	2	2.9	6	4.5
Native American Men	1	3.6	5	7.1	6	4.5
Native American Women	0	0.0	4	5.7	8	6.1
White Men	4	14.3	12	17.1	30	22.7
White Women	12	42.9	28	40.0	57	43.2
Other Men	0	0.0	1	1.4	0	0.0
Other Women	0	0.0	1	1.4	0	0.0
Total	28		70		132	

Table L: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Abled, Minnesota Grantmaking Consultants—2000 and 2005

<i>Consultants</i>	<i>2000</i>		<i>2005</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
GLBT	5	7.1	2	1.5
Non-GLBT	65	92.9	130	98.5
Total	70		132	
Differently Abled	1	1.4	0	0.0
Physically Able	69	98.6	132	100.0
Total	70		132	

Table M: Gender and Race/Ethnicity, Minnesota Grantmaking Consultants, Same 20 Survey Respondents—1995, 2000 and 2005

<i>Consultants</i>	<i>1995</i>		<i>2000</i>		<i>2005</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
African American Men	1	4.2	1	3.1	3	5.9
African American Women	6	25.0	4	12.5	1	2.0
Asian American/Pacific Islander Men	0	0.0	1	3.1	0	0.0
Asian American/Pacific Islander Women	1	4.2	3	9.4	3	5.9
Hispanic/Latino/Chicano Men	3	12.5	0	0.0	1	2.0
Hispanic/Latina/Chicana Women	0	0.0	2	6.3	1	2.0
Native American Men	1	4.2	0	0.0	2	3.9
Native American Women	0	0.0	1	3.1	4	7.8
White Men	3	12.5	5	15.6	8	15.7
White Women	9	37.5	15	46.9	28	54.9
Other Men	0	0.0	0	0.0	0	0.0
Other Women	0	0.0	0	0.0	0	0.0
Total	24		32		51	

State and National Comparisons

The following table provides a breakdown of Minnesota grantmaking board, staff, advisory committee demographics, national foundation board and staff demographics, and overall demographics for the state of Minnesota.

Table N: Minnesota Grantmaker Demographics Versus National Philanthropic Field and State Population

	State Population 2000 ¹	MN Grantmaking Board 2005	MN Grantmaking Staff 2005	MN Grantmaking Advisory 2005	MN Grantmaking Consultants 2005	National Board 2002 ²	National Staff 2004 ³
Hispanic	2.9%	4.6%	2.9%	8.3%	8.3%	2.6%	5.7%
Black	3.5%	7.8%	7.6%	9.3%	10.6%	6.4%	11.1%
Native American	1.1%	5.9%	3.8%	16.2%	10.6%	0.4%	0.3%
Asian/Pacific Islander	2.9%	2.5%	3.8%	7.0%	4.5%	1.2%	4.3%
White	89.4%	77.9%	79.9%	56.3%	65.9%	89.0%	78.0%
Other	1.3%	1.3%	2.0%	3.0%	0.0%	0.3%	0.6%

¹ US Census Bureau, American FactFinder, Minnesota Fact Sheet, 2000. www.factfinder.census.gov.

² Council on Foundations, *Governing Boards, Foundation Management Series*, Eleventh Edition, Volume II. Data is for 2002 and is the most recent available.

³ Council on Foundations, *Grantmakers Salary and Benefits Report*, 2004.

Conclusion



Informing the Council

The Minnesota Council on Foundations conducted a third five-year benchmark diversity survey of its members to understand how grantmakers are working to increase the skills and knowledge necessary to effectively work in an increasingly diverse society and to measure and note any changes in work force composition in the sector over the last 10 years. This effort recognizes two strategic Council imperatives: 1) Create a climate of inclusivity in philanthropy and 2) Work to recognize, eliminate and prevent racism in philanthropy.

The data gleaned from this third survey finds Minnesota grantmakers elevating their efforts in promoting diversity and inclusive practices in their work. Fifty-six percent of the survey respondents developed formal policy statements on diversity and inclusiveness within the past five years, and this change is coming more from the board level. Grantmakers are more engaged in their roles as community citizens while they continue to embrace their roles as funders, employers and economic entities. Grantmakers are becoming more intentional about efforts to diversify their organization's

board and staff, and they believe targeted training is crucial for understanding the issues and ensuring long-term success of their efforts.

Most grantmakers that responded to the 2005 diversity survey believe their organizations are doing the right amount of work in advancing diversity and inclusive practices. Still, almost 40 percent of grantmakers believe they are not doing enough. What's more, nearly half of respondents think the field of philanthropy as a whole is not doing enough. Clearly, the discussion about goals, strategies and progress must be continual. In any case, no respondent thinks either their organization or the field is doing "too much" on diversity issues. This last finding sends the most powerful message to those working in philanthropy that we can do more to bring about progress. At the very least, we should strive to maintain positive momentum in this work.

Despite some positive developments in the last five years, much work remains to be done to sustain accomplishments and achieve new ones. Smaller, newer foundations, especially private family funders, still face many challenges in advancing diversity work. Many larger grantmakers with paid staff struggle to identify the right candidates to diversify their work force. While the current grantmaking work force is generally more diverse than five and 10 years ago, the growth has been steady but slow. As such, the ultimate conclusion for the third diversity survey is that this work is a long and constant process.

To that end, the Minnesota Council on Foundations asked its members what they think the Council could do to further the commitment and work on diversity and inclusiveness issues among foundations and corporate giving programs.

Member Interest in Council Adding Diversity Resources	
<i>Additional Diversity Resources</i>	<i>% Wanting</i>
Provide tools for self-assessment.	73
Facilitate programs and forums on diversity issues.	68
Maintain a collection of written diversity policies.	68
Maintain a collection of resources for training.	63
Maintain an annotated bibliography of available written materials.	35
Survey nonprofits to get their perspective on grantmaking practices.	33

- Self-assessment tools for foundations and corporate giving programs of all sizes can help move diversity efforts forward.
- Best-practice resources can help foundations and corporate giving programs measure their diversity and inclusive practices against comparable best practices in the field.
- Grantmakers more experienced in this work can provide a model for others and serve as mentors to help those less experienced institute policies and programs.
- Minnesota foundations and corporate giving programs have success stories and program models that should be shared and celebrated.

Specific Suggestions for Council Diversity Support

- Provide job training and connections for diverse individuals.
- Have board members of color speak to other boards.
- Publicize Minnesota Council on Foundations’ work on diversity.
- Score member foundations on their diversity practices.
- Support asset-based grantmaker group.
- Discuss diversity of size and operational approaches.
- Provide a list of nonprofits by major focus area in specific communities.
- Focus on process more than results.
- Pay attention to the need for intergenerational diversity.
- Push the envelope—always ask diversity questions at any Council function.

The Minnesota Council on Foundations conducts research to focus the issues and encourage a heightened dialogue within the philanthropic community. The Council hopes this report will be useful in continuing the dialogue on diversity and inclusiveness.

Several Council projects were identified as important in ongoing diversity work: the Diversity Framework, the Diversity Toolkit and the Council’s Web site. The Council needs to keep these resources in the forefront, using them strategically whenever possible to provide information on diversity issues and to promote a climate of inclusivity.

It is clear that both the Council and the grant-making community will need to work in partnership to ensure an ongoing dialogue and commitment to diversity in all areas of their operations. The findings from this third survey hopefully will prove invaluable as the Council and its members continue to work against racism and for inclusivity in Minnesota philanthropy. The Minnesota Council on Foundations wishes to thank its members for persistently working toward these important goals.

Recommendations

The following recommendations for further actions were suggested by grantmakers completing the 2005 survey:

Appendix

Minnesota Council on Foundations Staff and Board Composition

In the course of our work, the Minnesota Council on Foundations is often asked about the make-up of the association's board and staff. The Council seeks to model inclusion and presents in this addendum tabular information about the composition of board and staff in 2005 (there is no comparative data).

Of the 23 board members, five people (24 percent) are people of color. Four board members (19 percent) are GLBT and one person (4.8 percent) is differently abled.

Of the 11-person staff, three people (27 percent) are people of color. Four staff (19 percent) are GLBT and no staff members are differently abled.

Table 1: Gender and Race/Ethnicity, Minnesota Council on Foundations Governing Board—2005

<i>Board Members</i>	2005	
	#	%
African American Men	1	4.8
African American Women	2	9.5
Asian American/ Pacific Islander Men	0	0
Asian American/ Pacific Islander Women	0	0
Hispanic/Latino/Chicano Men	1	4.8
Hispanic/Latina/Chicana Women	0	0
Native American Men	0	0
Native American Women	1	4.8
White Men	10	47.6
White Women	6	28.6
Other Men	0	0
Other Women	0	0
Total	21	

Table 2: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Abled, Minnesota Council on Foundations Governing Board—2005

<i>Board Members</i>	2005	
	#	%
GLBT	4	19.0
Non-GLBT	17	81.0
Total	21	
Differently Abled	1	4.8
Physically Able	20	95.2
Total	21	

Table 3: Gender and Race/Ethnicity, Minnesota Council on Foundations Staff—2005

<i>Staff Members</i>	2005	
	#	%
African American Men	0	0
African American Women	2	18.2
Asian American/ Pacific Islander Men	0	0
Asian American/ Pacific Islander Women	1	9.1
Hispanic/Latino/Chicano Men	0	0
Hispanic/Latina/Chicana Women	0	0
Native American Men	0	0
Native American Women	0	0
White Men	2	18.2
White Women	6	54.5
Other Men	0	0
Other Women	0	0
Total	11	

Table 4: Gender and Race/Ethnicity, Minnesota Council on Foundations Staff—2005

<i>Staff Members</i>	2005				
	<i>Professional</i>		<i>Support</i>		
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	
African American Men	0	0	0	0	
African American Women	1	12.5	1	33.3	
Asian American/ Pacific Islander Men	0	0	0	0	
Asian American/ Pacific Islander Women	1	12.5	0	0	
Hispanic/Latino/Chicano Men	0	0	0	0	
Hispanic/Latina/Chicana Women	0	0	0	0	
Native American Men	0	0	0	0	
Native American Women	0	0	0	0	
White Men	2	25.0	0	0	
White Women	4	50.0	2	66.7	
Other Men	0	0	0	0	
Other Women	0	0	0	0	
Total	8		3		

Table 5: Gay, Lesbian, Bisexual or Transgender (GLBT) and Differently Able, Minnesota Council on Foundations Staff—2005

<i>Staff Members</i>	2005	
	<i>#</i>	<i>%</i>
GLBT	4	36.4
Non-GLBT	7	63.6
Total	11	
Differently Able	0	0
Physically Able	11	100
Total	11	

Contributing Staff

Anne Graham, research and information services coordinator, who labored over information arrayed in tables and charts.

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MINNESOTA COUNCIL
ON FOUNDATIONS

a community of grantmakers

About the Minnesota Council on Foundations

Founded in 1969, the Minnesota Council on Foundations is a regional membership association of grantmakers working to improve the health and vitality of our communities. The Council's membership includes family and other private foundations, community and public foundations and corporate foundations and business giving programs. Since 1991, the Council has worked toward two strategic imperatives: 1) Create a climate of inclusivity in philanthropy and 2) Work to recognize, eliminate and prevent racism in philanthropy.

For information on membership, please contact the Council at 612.338.1989.

Vision

All philanthropic organizations contribute to positive change in the communities they serve.

Mission

To strengthen and expand philanthropy.

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