New Trends in Philanthropy to Support Racial Equity and Learners of Color

INTRODUCTION

Socioeconomic factors such as income have historically driven equity-focused education grant funding. This trend shows up repeatedly through Grantmakers for Education’s series of benchmarking surveys administered to education philanthropies starting in 2008. As recently as our 2018-19 survey, when asked which populations were the focus of their funding strategy, only 41% of foundations reported applying a racial/ethnic lens. A far greater percentage, 71%, reported that the population on which they focused was those facing socioeconomic disadvantage.

Signs of Change. The events of 2020, from the murder of George Floyd and other Black Americans to the COVID-19 pandemic, heightened scrutiny into ongoing racial injustice and disparities in the United States. A flurry of news stories and reports in 2020 and 2021 touted massive dollars flowing from philanthropy to organizations and issues addressing racial equity and racial justice (see examples here, here and here).
Represented in those articles and interviews were philanthropies that fund education, many of which are members of Grantmakers for Education (EdFunders). Early attempts were made to quantify the total amount of these pledges, with some of the largest being $200 billion estimated by McKinsey & Company and $11.9 billion estimated by Bridgespan and Policy Link using Candid data.

In addition to the media reports, our own survey data in 2020 revealed that education funders believed racial justice was a top priority. Thirty-nine percent of respondents chose racial justice in education as their top priority (of five choices) for future funding, ranking it well above the other four choices.

Conflicting Data. Yet starting in 2021, new research reports were released decrying the lack of grant funding for organizations working to address racial equity and justice. Two notable reports were Mismatched: Philanthropy’s Response to the Call for Racial Justice by the Philanthropic Initiative for Racial Equity, which found that 6% of all funding supported racial equity, and #JusticeIsTheFoundation: New Data on Racial Equity and Racial Justice Funding in Education Philanthropy by the Schott Foundation for Public Education, which found that 10% of all K-12 education funding supported racial equity. These numbers fell well below the estimates from McKinsey & Company, Bridgespan/Policy Link and others.

It takes time to steer large organizations in new directions, and data collection based on IRS Form 990s is often years old by the time it is publicly available. Consequently, the data from these research reports is mostly from 2015-2019 and does not reflect a potential shift happening in the field. This prompted us to ask whether the well-intentioned statements and announcements we saw in the news were translating into grant funding that could have an impact on learners of color.

Indeed, we are not the only ones asking this question. A May 3, 2022, article in the Chronicle of Philanthropy questioned how well the pandemic-inspired changes in philanthropy were taking hold: “Of all the changes philanthropy has made, the increase in support for organizations led by Black people or supporting racial-equity efforts is perhaps the most tenuous, [Center for Effective Philanthropy President Phil] Buchanan says.” Even the Bridgespan/Policy Link report mentioned above stated “...how much actual giving has happened is hard to definitively pinpoint.”

RESEARCH QUESTION AND METHODOLOGY

In fall 2021, Grantmakers for Education set out to determine whether and how many of our members were moving from intention to action, making grantmaking decisions with explicit attention to racial and ethnic groups that have been historically marginalized.
We drew on three sources of evidence to conduct this analysis:

1. Self-report of funding priorities on Grantmakers for Education’s 2021 member survey.
2. Self-report of funding areas on Grantmakers for Education’s membership form used for membership application or renewal.
3. A field scan of member websites. We included analysis of member websites for two types of evidence:
   - Specific grants to organizations or initiatives supporting historically marginalized racial groups in 2020, 2021 and early 2022.
   - A named focus in the organization’s mission or strategy.

Data from the member form and the field scan was combined into one measure that indicates current grantmaking with a racial equity lens.

**ANSWERING THE QUESTION**

**Member Survey.** We started with our own survey question administered in the fall of 2021 to 283 staff of Grantmakers for Education members. When asked “Is your organization doing more of its grantmaking with racial justice and diversity, equity and inclusion as a priority?” 60% of respondents answered Yes. An additional 3% responded that they are not increasing their funding because this is an ongoing component of their work, leading us to conclude that 63% of respondents see racial justice and diversity, equity and inclusion as a priority.

This measure gave us a sense of member action, but since more than one member representative from each organization could respond, and the anonymous survey prevented us from knowing how many organizations were represented, we needed a separate measure that would account for individual organizations.

**Field Scan and Membership Form.** Next, we conducted a field scan. The scan took place from November 2021 into May 2022, and asked “Is there evidence from 2020 through today, either through strategy, mission, giving or self-report that members are using a racial justice or racial equity lens in their grantmaking?”

We investigated the mission statements, strategy statements, annual reports and 2020-2022 grant reporting found on member websites to determine whether aspirations to support racial equity were starting to work their way into action. Additionally, we identified members that reported on Grantmakers for Education membership forms that they fund specific racial/ethnic populations and/or racial equity initiatives.

The combination of this data indicated that 72% of members showed some evidence of using a racial equity lens in their grantmaking. Given publicly available data, we were able to conduct this analysis on 217 grantmaking organizations.

**Two Indicators of Grant Funding Using a Racial Equity Lens**

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Within that 72%, members showed evidence in different ways. When looking solely at mission and strategy, 30% of members explicitly mentioned on their websites a strategy or mission based on race or ethnicity. (Of note, we observed some members clearly stating a shift in mission or strategy to incorporate racial equity or racial justice in the last two years.)

When looking solely at 2020-2022 grant funding, 43% of members showed evidence in their grantmaking that they use race or ethnicity as a focus. When looking solely at self-reported funding areas on our membership form, 51% indicated funding based on race, ethnicity and/or racial equity.

The area where we saw the least amount of evidence in using a racial equity lens was in explicit language in members’ missions and strategies. This may be a lagging indicator because the process of updating a mission or strategy can be a time-consuming, organization-wide process.

Of the members who showed evidence of using a racial equity lens, 22% demonstrated evidence in all three areas; 34% showed evidence in both funding areas and giving; 32% showed evidence in both strategy and giving; 27% showed evidence in funding areas and strategy. Almost 40% of members had evidence in only one area.
Philanthropy cannot fill this gap, but it has the power to catalyze new approaches, research what works and influence the direction of public dollars.

WHAT'S NEXT

Education philanthropists are increasing commitments for learners and leaders of color. Funders that have taken the initial step of stating support for racial equity and justice need to make sure there is actionable work following their words. Funders that are committing funding to racial equity in education need to proceed in ways that don’t cause harm by listening to and centering the needs of students and leaders of color. Grantmakers for Education is focused on support for members that want to grow in these areas. We encourage members to call on EdFunders to be your trusted partner in taking the following steps.

Impact. Join the Equity and Grantmaking Impact Group to explore your grantmaking practice. Together we can:
- Explore ways to commit resources to racial equity and racial justice in education.
- Investigate the historical sources of the funds you are granting and the impacts of concentrated wealth in certain social sectors.
- Interrogate grantmaking and reporting practices to eliminate barriers to equitable funding.

Learning. Work with us to plan programs that support collaboration and learning about racial justice. Together we can:
- Challenge assumptions about systems and structures in education and explore innovative ideas.
- Connect broad aspects of learners’ lives, from birth through workforce, from health to community.
- Learn directly from people who have been historically silenced or marginalized by systems of oppression and are proximal to marginalized communities.

Our data is not a measure of grant dollars and encompasses funding and strategy beyond education investments, however, our field scan confirms our 2021 survey results where members indicated prioritizing more investment in racial equity. Where 2018-2019 data suggested 41% of foundations were applying a racial/ethnic lens in their education funding, now up to 72% may be doing so.

WHY THIS MATTERS

Beyond curiosity about philanthropic trends lie serious impacts on learners of color. Education inequity based on race is not new, however the compounding impacts of lack of progress on the issue, the pandemic, the recession, and ongoing racial violence have generated a newfound urgency and prompted interrogation of systemic sources of disparities.

Almost seven billion philanthropic dollars were spent on K-12 education in 2018, according to Inside Philanthropy’s State of American Philanthropy: Giving for K-12 Education. Research shows that majority nonwhite school districts receive $23 billion less in school funding annually than majority white districts.

Members Using a Racial Equity Lens: Where We Found Evidence

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Grantmakers for Education | Ignite Possibility.
Develop or strengthen networks to work in united action with other grantmakers and the communities you serve.

Share your learnings at a conference session or in an EdFunders case study.

**Leadership.** Work with our leadership team to develop more ideas. For example, we can help you:

- Find racial equity training to increase internal competency and diversify staff and boards at your foundation.
- Build cross-sector partnerships with interests that intersect with and impact education, connecting members, groups and communities you work with along the learner continuum.
- Track data on and be transparent about where grant dollars are going.
- Host a member of the EdFunders leadership to present ideas at your organization and with your community.

**CONCLUSION**

It’s clear there is movement among Grantmakers for Education members to increase support for racial equity. To really make a difference, funders need to be ready to maintain funding for the long term. With contentious elections on the horizon that will place race and education at the center of many divisive debates, will funders stay the course? Working together, we can move intention to action to support racial equity and justice for learners nationwide.

Reach out to information@edfunders.org to take the next steps.

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**Endnotes**

1. For members that did not have websites, we referenced IRS Form 990s from 2020 and/or 2021 where available.
2. Examples of evidence included grants that specifically named as funding recipients learners and others belonging to historically marginalized racial or ethnic groups, increased opportunities for educators of color, diversifying the teacher educator pipeline and various anti-racist literacy or advocacy efforts in education.
3. Graphic is intended to illustrate points of coherence and divergence. Not to scale.

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Grantmakers for Education (www.edfunders.org) is the nation’s largest community of education philanthropists. Centering racial justice in education, we serve as a hub for new connections and ideas, a compass to help members navigate their work, a spur for collective action and a champion for positive change in education. For more information, please contact us at information@edfunders.org.