EXPLORING THE EXPERIENCES OF LEADERS OF COLOR AND PHILANTHROPY

PROSPERITY NOW

LASSITER & ASSOCIATES
Exploring The Experiences of Leaders of Color and Philanthropy

About the Authors

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Valeria Lassiter has more than 25 years of experience in government affairs, community and faith-based organizations, and corporate philanthropy. As the founder and CEO of Lassiter & Associates, LLC, she leads a team of employees and partners to help clients grow their capacity to meet their missions. For more than 15 years, Valeria has served as lead instructor for resource development with the Nonprofit Management Executive Certificate Program at Georgetown University. Valeria is a facilitator for the New Strategies Business for Impact at the Georgetown University McDonough School of Business, and she serves as a lead trainer and coach for the JPMorgan Chase and Prosperity Now Building High Impact Nonprofits of Color Project. Valeria has trained over 2,000 leaders and boards.

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Lillian Singh has spent her career coaching teams, organizations, and communities on building and owning their power in their work for economic and racial justice. As Prosperity Now’s Vice President of Programs and Racial Wealth Equity, Lillian provides vision, leadership, and management accountability to a portfolio of grants and contracts focusing on racial wealth equity and financial security. Under her leadership, Prosperity Now has grown into an influential voice that drives policy solutions to tackle racial economic inequality at the national, state, and local levels.

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Introduction

Nonprofit organizations led by people of color are best positioned to drive change in communities of color. Leaders of color are typically more knowledgeable and aware of the economic and political history of these communities. They are more in touch with the cultural nuances that are required to work with – and in service of – people of color, and to develop and advocate for community-informed policies and practices.¹

However, studies show that nonprofit organizations and social enterprises led by people of color are less likely to secure funding support at the levels of their White counterparts. Only 11% of social change initiatives, or significant financial investments, are directed to such organizations.² The biases and inequity that exist in philanthropic giving only serve to further exacerbate the issues faced by leaders of color as they work to address the challenges their clients face. If unaddressed, this jeopardizes any progress that can be made to promote economic opportunity and financial security for people and communities of color.

This article is written for individuals, corporate, foundation, and government donors seeking to deepen their understanding of how to support local organizations working to promote racial wealth equity. Our focus is to share key challenges facing leaders of color at the head of organizations delivering services to counter racial inequity. This article is a collaborative effort of economic advocacy nonprofit Prosperity Now, and organizational management consulting firm Lassiter & Associates, LLC.

Nonprofit leaders of color care about supporting and creating an opportunity for the next generation of leaders of color in nonprofit leadership and philanthropy.

Prosperity Now and Lassiter surveyed and interviewed nonprofit executives of color, who were participants in the Building High Impact Nonprofits of Color Project (BHINC), about their unique experience in the nonprofit and philanthropic space. The research revealed that while leaders of color are enthusiastic about their organizational missions, they are concerned about organizational growth and sustainability. The leaders expressed a specific desire to be more deeply connected and engaged with the philanthropic sector on behalf of the communities they serve.

Ultimately, these individuals seek to create healthy communities measured by positive assets and ample opportunities and expressed that this is only achievable with support from nonprofit and philanthropic stakeholders’ commitment in supporting diversity, equity, and inclusion with strategic engagement at every level.


The framework for understanding this article is organized into four parts:

1. **Background** – This section of the article provides an overview of the Building High Impact Nonprofits of Color Project, the survey, and interview respondents, including their race, gender, age, leadership experience, organizational mission, budget size, and the number of employees.

2. **Five significant experiences of the leaders of color** – Throughout the survey and the interviews conducted, there were five consistent themes and perceptions that arose. This section of the article shares those themes and, in many cases, direct quotes from the leaders. The five issues and impressions are: 1) the leaders felt a lack of trust from the funding community, and felt that as leaders they were subject to unrealistic expectations in comparison to White leaders; 2) that their organization often receives smaller charity dollars versus more considerable investment dollars; 3) the stereotype of the magic leader of color was a hindrance; 4) a lack of diversity in the philanthropic and nonprofit sector contributes to a lack of success, and 5) a lack of access to funding and individual major gifts networks was a challenge.

3. **Future Directions** - This section of the article summarizes the overarching comments regarding future directions that the leaders believe would make a positive difference in the experiences of leaders of color and strengthen the nonprofit and philanthropic sector.

4. **Conclusion** – The conclusion of the article shares Prosperity Now and Lassiter’s overarching observation that there needs to be continued change and work on diversity, equity and inclusion and that many of the experiences shared by the leaders are representative of larger societal challenges around race. Also, for change to occur and translate into a significant impact in communities, the government, corporations, foundations, and individual funders must increase their strategic large investment dollars into local communities.
Background

In response to the significant financial insecurity facing families and communities of color, Prosperity Now, in partnership with JPMorgan Chase, launched the Building High Impact Nonprofit of Color Project. Since 2015, the staff of the Racial Wealth Divide Initiative at Prosperity Now has worked to build a national network of leaders of color, collaborating with local nonprofits to strengthen their capability and access to resources. The leaders of color interviewed for this article are participants of this project.

The Building High Impact Nonprofits of Color Project focuses on three pathways to build the capacity and resilience of organizations to harness public, private, philanthropic, and political partnerships.

- **Organizational and Leadership Development Training**: We created an organizational development approach designed to build leadership and organizational capacity. This approach also includes targeted and individualized training to cohort organizations. This training is provided by consultants of color, and by those who engage capability-building work through a race-conscious lens.

- **Asset-building and racial wealth equity workshops rooted in data**: We produce Racial Wealth Divide City Profiles to support both leaders of color, and local stakeholders, as they improve their understanding of the connection between assets and the racial wealth divide. Leaders of color are trained around the importance of leveraging data to show that socioeconomic inequity is a result of systems that perpetuate inequality, rather than the behaviors or choices of individuals.

- **Networking and Convening Opportunities**: We provide networking and convening opportunities, so organizations of color can build relationships within and across networks. These opportunities also increase their access to key influencers and decision-makers in their respective cities and beyond.

The 47 nonprofit executives of color that engaged in the study lead multi-systemic organizations with various scopes of work, including: youth development, financial health, and equitable community development. These respondents are knowledgeable of the history and presence of financial and economic inequity, and the trauma it can cause in their affected communities. They also have solutions and best practices centered on racial economic equity. The leaders are racially and ethnically diverse, with roughly 2% identifying as Haitian; 6% identifying as Asian American; nearly 25% as Latino; and 66% as African American. More than 50% of the respondents were CEOs or Executive Directors, and almost three-quarters of them had served 1 to 10 years in an executive leadership role. The respondents were formally educated, with 41% holding a bachelor’s degree; 57% having attained a master’s degree; and 7% holding doctoral degrees. Three-quarters of all the executives in the study are women of color.

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A nonprofit organization where most staff, executive leadership and board members are and have historically been people of color. The organization is also focused on serving communities of color.

*Source: Prosperity Now’s Racial Wealth Divide Team uses this frame to describe the communities in which they partner.*
Two-thirds of the respondents were Black/African American, with nearly a quarter being Hispanic/Latino. Three respondents were Asian/Pacific Islander, one self-identified as multiracial, and another identified as Haitian.

The majority of the interview respondents identified as female.
Respondents were all over 35, with near even distribution of them being 35-44, 45-54, and 55-64, with only one respondent who was 65 or older.

The majority of respondents worked in organizations that had an annual budget of one to two million dollars, with the rest falling across a range of less than $250K to above $7M.
More than half of the respondents had twenty or fewer employees.
Five Major Experiences of the Leaders of Color

The five issues and impressions leaders of color highlighted are:

1. The leaders felt a lack of trust from the funding community and felt that as leaders of color, they experienced a higher degree of scrutiny than White leaders regarding their performance.

2. That their organization often receives smaller charity dollars versus more considerable investment dollars.

3. The stereotype of the magic leader of color is a hindrance.

4. A lack of diversity in the philanthropic and nonprofit sector contributes to a lack of success.

5. A lack of access to funding and individual major gifts networks is a challenge.

Lack of Trust – Heavy Scrutiny

Race to Lead: Confronting the Nonprofit Racial Leadership Gap, a report by the Building Movement Project, detailed the findings of a 2018 survey on race and nonprofit leadership, in which they discovered that there was virtually no difference in educational background, years of experience or qualifications for leaders of color in comparison to their White counterparts. The study also revealed that leaders of color “consistently explained that they expected—or experienced—extra scrutiny of their skills based on their race/ethnicity.” Despite efforts made to close alleged gaps in skills and abilities, leaders of color cannot combat the unconscious or implicit biases that exist when working with White funders. There is a hesitancy to invest in programs, or people, considered to be nontraditional. The aforementioned notion is also true for organizations of color that have not demonstrated the ability to achieve conventional metrics of success.

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Participants of the BHINC project expressed the belief that funders perceive them as lacking the capacity to manage significant financial gifts or grants, and that funders more frequently provide leadership development training – usually masked as technical assistance, rather than direct dollars. The respondents expressed that this serves to reinforce the stereotype that organizations led by and helping people of color, lack both individual and organizational capacities. One respondent commented that “They [funders] do not believe we know how to use the resources.” Another said that “The funding community likes to focus on things failing in our communities.” Participants, regardless of racial group or ethnic origin, expressed the notion of having to do more and be twice as productive with fewer resources.

The effort to establish trust in the vision and mission of these organizations and leaders must be made on the part of the philanthropic sector. There needs to be an increased willingness to establish criteria and standards for return on investment that aligns with the goals of communities of color. This will eliminate some of the structural barriers that leaders face when looking to secure funding.

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Cheryl Dorsey summed it best in her article Hacking the Bias in Big Bets:

“To truly address the structural inequities in the nonprofit sector, many more funders and leaders in the field will need to pursue approaches to leadership and organizational development that hack bias and structural barriers, which in turn will enable people of color to establish relationships with donors and build the trust in their organizations that precedes a big bet.”

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Charity Versus Investment Philanthropic Support

In 2009, the National Committee for Responsive Philanthropy (NCRP) reported that to maximize impact, at least 50% of grant funding should be directed to supporting lower-income communities, communities of color and other disadvantaged groups. Philanthropic dollars are needed to cover operational costs in addition to providing

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the support that allows organizations to strengthen programs and services while leveraging these strengths to engage in activities that will create lasting structural change.

NCRP revisited this study in 2019, and found that the philanthropic field more frequently highlights a need to invest in disadvantaged communities. The study also shows that the philanthropic field openly discusses equity and justice in grantmaking, but has hesitated to take action that follows this trend. For example, between 2009 and 2015, the share of domestic foundation giving by the country’s 1,000 largest foundations for the intentional benefit of marginalized people did increase from 28% to 33%. However, during this same period, support for structural change and systems transformation to combat deprivation and injustice declined to less than 10%.

Building High Impact Nonprofit Leaders responded that they often feel funders provide inauthentic support, with no intention of making strategic investments for transformational change in their communities. Instead, they are content with charity contributions that save face with their constituencies by appearing to support communities of color. For example, one respondent commented that “funders may be more likely to support programs for students failing academically than programs that bolster students with high potential to become engineers.”

Further, this lack of philanthropic investment becomes a self-fulfilling prophecy as the organizations are typically under-resourced, which leads funders to see them as riskier investments. This ultimately creates barriers for these organizations that often need additional resources and support.

When survey respondents were asked to rank the challenges of securing financial resources for their organizations, they identified competition for funds as the biggest challenge. Another common challenge was institutional racism - discriminatory policies and practices built into institutions and systems of power. Also, the leaders shared that both overhead and programmatic funding continue to be major challenges.

The Magic Leader of Color

A common theme was the idea that tokenism of people of color is an issue in the nonprofit sector, which puts immense pressure on individual persons of color and creates challenges for others.

According to one respondent, when there is “a person of color who [is] accepted and seen as the all know[ing] powerful wizard, the rest of us get scraps.” The “wizard” becomes funders’ scapegoat response or proof that the funder supports leaders of color.

Another respondent expressed the opinion that when a leader of color exceeds standards—which is often the case—they become the philanthropic community’s token ethnic representative. This leader of color often speaks well and fits into the dominant culture. This legitimizes the foundation’s desired image of funding of communities of color, but also minimizes support for other leaders of color. Beyond limiting access to funding for other leaders, becoming the token leader creates an increased burden, where the person of color is charged with knowing the intricacies of all communities of color;

understanding the causes and consequences of community challenges; and crafting solutions to target community needs. Thirty-six percent of nonprofit leaders of color cited frustrations with “being called on to represent a community,” a charge that often minimizes their capacity to run their organizations effectively.

In the same vein, another respondent stated: “I’ve found that the non-profit industrial complex [often] assumes and requires Black women to do the most with the least and to willingly be the work mule for the benefit of the upper-middle class and White philanthropic community. I often feel like ‘miracle worker’ is the unnamed duty on our job descriptions.” Some respondents also felt their organizations’ missions and values failed to align with those of most wealthy White funders, which often feel charity focused rather than seeking larger structural change.

**Lack of Diversity in Philanthropic Decision Making**

One hundred percent of the leaders of color believed a lack of racial diversity in decision-making positions at the highest level of the funding communities is a major challenge. Only one interviewee shared the experience of engaging people of color as foundation program officers or corporate giving representatives consistently. If there were people of color in the local foundation, they held administrative positions devoid of decision-making power. This is an area in philanthropy which the leaders would like to see improvements. One leader described their experience with a corporate philanthropic leader of color, as: “The difference was an innate understanding of the community and appreciation of the community’s assets; willingness to provide insight and guidance; and less need to explain the community’s value system.”

Research has overwhelmingly supported these experiences as well. The Council on Foundations has found that, despite retention and diversity and inclusion practices, the proportion of women in full-time positions in foundations between 2006 and 2015 rose less than a single percent, and full-time minority employees only rose 1.68%. Over the same period, the percentage of women and minorities in executive leadership positions did not change in any significant way.

On a deeper level, Americans of color are affected disproportionately by poverty, drops in income, and lower accumulated wealth per income range than their White counterparts. Meehan’s 2010 article, “Structural Racism and Leadership,” found that after the recession of 2008, 1 in 7

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**Inclusion:** The state of belonging within a group or structure. Diversity and quantitative representation are important parts of inclusion, as is making sure that programs and policies are designed specifically to support historically marginalized communities.


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Meehan emphasizes that this racial divide in access to wealth translates to a divide in access to leadership roles, and states, “[a] deliberate approach to diversifying leadership programs would do much to mitigate the history of exclusion that has kept people of color underrepresented in leadership positions in the public and private sectors and also help level the playing field by providing them with new skills and resources and access to influential networks.”12

However, without a “comprehensive rethinking”13 of how leadership programs recruit, support, and educate people of color, these programs ultimately could reinforce existing patterns of racial inequality. Meehan’s research shows that many of the issues surrounding a lack of diversity in leadership in nonprofits are structural issues that impact philanthropy at every level.

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12 Meehan 2010 (41).
13 Meehan 2010 (41).
Access to Networks

Given that the decision-making power in the philanthropic sector is overwhelmingly White, it is no surprise that only 8-9% of foundational grantmaking is invested into communities of color.

Source: Dylan Matthews, "The unbearable whiteness of American charities." July 1, 2019

People tend to belong to networks and social groups with others that share similar characteristics to their own, including race, gender, and class, among other things. White leaders, who are more likely to have social connections to White people, have greater access to wealth compared to leaders of color, which increases the likelihood for support from individual donors.

Data released in the Giving USA Report 2019, shows that individual donors provide 72% (including bequests) of charitable giving in the US. However, when looking specifically at nonprofits of color, only 5 percent of organizations are primarily supported by individual donors. This increases the reliance of leaders of color on foundational and philanthropic giving, further demonstrating the need for increased grantmaking to their organizations.

Leaders expressed inadequate access to funding networks, decision-makers in those networks, and connections to individuals with the capacity to make major gifts. Survey respondents overwhelmingly agreed that they believe White leaders and leaders of color lack comparable access to funding groups. The leaders believe that it is their job to create these connections and that additional funding for capacity building around marketing and communications and securing fundraising staff would aid in this effort. However, traditional fundraising strategies often need to be tailored to better engage with communities of color, and to motivate funders to invest in nonprofit organizations.

One leader shared that her organization takes a proactive approach to keep funders engaged via digital communications, hosting meetings, or meeting with donors at their locations, and inviting them to events.

Leaders of color would also benefit from an increased understanding by the philanthropic sector of the need for funding support directed to communities of color. Individual donor perceptions and ideas about social problems impact where they target their dollars. According to The Future of Philanthropy, only 6 percent of individual donors identified “access to opportunity for racial and cultural minorities” as a challenge that is most important for society to address in the future. Without an understanding of how racial economic and wealth inequity impacts the broader economy, individual donors will not prioritize giving to organizations that combat these issues.

14 Giving USA 2019: Americans gave $427.71 billion to charity in 2018 amid complex year for charitable giving
The Giving Institute, June 18, 2019 https://givingusa.org/.


Future Directions

We asked the Building High Impact Nonprofits of Color cohort leaders to suggest potential solutions to address the racial giving disparity.

1. **Eliminate giving disparity.** Respondents identified six priority areas for eliminating the disparity in philanthropic giving. These priorities were 1) a commitment to fund a full three-year organizational budget, 2) larger grant sizes, 3) acknowledging and responding to institutional barriers, 4) lessening restrictions on funding, 5) giving more money towards capacity building, and 6) diversifying program officers.

2. **Create and allow for new programmatic metrics.** Engage communities in the solution-making process, the metric creation process, and measuring community outcomes based on the metrics reflecting progress towards the solutions that matter to the communities. Leaders stated that it is a problem to have funders providing support and defining metrics that do not reflect the community.

3. **Local philanthropic profiles to analyze historic trends.** It was suggested that local nonprofits would benefit from the creation of a localized philanthropic profile that analyzes historic trends documenting racialized patterns of charitable giving. This profile could also include the sustained and growing financial giving gaps in terms of size and frequency of funds given by the government, corporations, and foundations to nonprofits based on mission and impact. The leaders felt that this would improve transparency and provide definitive proof that funders are committed to progress. A leader expressed, “In the absence of published data, the pressure to change is marginal in my view.”

4. **Culturally aligned support.** Provide capacity and technical assistance support that is identified by, designed by and implemented by consultants, experts, providers, and leaders of color. One leader stated: “Prosperity Now, and the Building High Impact Nonprofit Leaders of Color program changed my professional life by intentionally edifying me in ways that were both culturally relevant and professionally excellent. These unique opportunities have been historically denied to me and other non-profit leaders of color. Most [leadership and capacity] development programs are expensive and culturally insensitive.”

5. **Giving to include an anti-racist lens.** Respondents stated that they wanted funders to acknowledge and apply an anti-racist lens to their work, saying, “Conversations about barriers are not unimportant, but tend to be superficial or defensive when funders in the room are making the case [that] they have funded the Black and Brown organizations,” and suggested more funders “look at solving issues through an anti-racist lens.”
Conclusion

The funding experiences of leaders of color individually – and within their organizations – are linked to larger societal issues such as institutional racism, and the dominance of White culture norms and values. These issues continue to determine how leaders are developed, and how they're selected. Additionally, the aforementioned issues affect how leaders of color are granted decision-making power to influence the sector, while determining where and how philanthropic dollars are invested.

As one participant noted: “The nonprofit sector continues to be faced with the importance of developing sustainable business models and practices. Such a challenge requires significant investment in cultivating talent in the nonprofit leadership and philanthropic field, in major urban markets such as Baltimore, DC, Miami, and Chicago to help evolve the nonprofit sector into a highly sustainable and competitive career path to attract talent of color[.]”

It is clear from these perspectives from the respondents that institutional racism plays a role in their experiences, which requires attention from the philanthropic community. There is an unwillingness to acknowledge the role race has played to inherently benefit White people. U.S. culture – business and nonprofits especially – treat Whiteness as the neutral state of being. Among other issues, this false race neutrality prevents management from addressing discrimination in hiring, such as the fact that having a name perceived to be that of a White person on a resume is the equivalent of having an extra eight years of experience when compared to a resume with an ethnic name17. Additionally, Black applicants with no criminal record were found to be less likely to be hired than White applicants with felony convictions when having the same qualifications.18 Because the vocabulary of management does not address race, it ultimately reinforces these forms of structural racism and allows them to perpetuate.

Prior research overwhelmingly shows that people of color in the US face more barriers related to income, wealth, charitable giving, career advancement, and attaining high-level positions. This has broad implications for what the face of nonprofit leadership and strategic philanthropic investments will look like in the future. The giving community – including the government, corporations, foundations, and individuals – will and should embrace the challenging and essential work of diversity, equity, and inclusion in ways that are not just national in scope, but also in ways that increase strategic investments to local communities of color.

About Lassiter & Associates, LLC

Lassiter & Associates, LLC is a management consulting firm specializing in training, strategy, and implementation for organizational planning, fundraising, public relations, and communications. Our clients include corporations, nonprofit organizations, and foundations. Through entrepreneurial thinking and execution, we partner with our clients to drive strategic and impactful change within their organizations. We mobilize the right associates, with the right skills and subject matter expertise, to help clients achieve their visions. Together, our group of professionals brings over eighty years of experience in the government, private sector, and nonprofit sector. 
http://lassiterassociates.org/

About Prosperity Now

Prosperity Now believes that everyone deserves a chance to prosper. Our mission is to ensure that everyone in our country has a clear path to financial stability, wealth, and prosperity, particularly people of color and low-wealth families.

To advance our mission, we create and support programs and policies that foster an economy that offers an opportunity to those who have not had it before. Additionally, by focusing on assets and savings, we make sure people have the tools they need to build wealth and a better future. Finally, through research, solutions, and policies, we fight for economic mobility for everyone in the United States.

For the past 40 years, Prosperity Now has been at the forefront of launching new initiatives aimed at improving economic mobility for low-income households, from researching and supporting children’s savings accounts—which make it easier for low-income children to build savings to get to and through college—to building the capacity of hundreds of organizations to provide financial stability services to their communities. Prosperity Now has an extensive history of researching, designing, and testing solutions aimed at increasing financial security and economic mobility for everyone in the United States, and looks forward to continuing to bring all of our approaches to bear on the growing racial economic and wealth disparities plaguing our country.