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CONTACT:

Paul VanDeCarr
Interim Communications Manager
Philanthropy New York
(212) 714-0699, ext 222
[**pvandecarr@philanthropynewyork.org**](mailto:pvandecarr@philanthropynewyork.org)

Maggie Morth
Communications Manager
The Foundation Center
(212) 807-2415
[**mor@foundationcenter.org**](mailto:mor@foundationcenter.org)

Philanthropy New York and Foundation Center Report Provides First Benchmark of Diversity at New York City Foundations and Nonprofits

New York, NY – October 8, 2009. New York City foundations and the nonprofit organizations they support have racially diverse staffs—but this diversity decreases at higher levels of seniority, according to a new report released today by Philanthropy New York and the Foundation Center. At the same time, a substantial number of foundations and nonprofits are tracking information about the racial and ethnic makeup of the grantees and populations that they respectively serve.

The report, *Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits*, provides a factual basis for understanding diversity in the city's philanthropic sector. The study is the first of its kind in New York City and the nation to examine "both sides" of the equation—with data from 95 grantmaking foundations and 540 nonprofit organizations in the five boroughs.

Evaluating the current state of both the foundation and nonprofit sectors was a key objective for the report, according to Ronna Brown, President of Philanthropy New York. "There just hasn't been much information about diversity in New York City-area foundations and nonprofits," said Ms. Brown. "That's something Philanthropy New York member foundations need as they decide how to respond to growing diversity in the nation, and in our sector. This report provides valuable data about the makeup of foundations and the organizations they fund; it's a service to our members and others who care about philanthropy, so they can have informed conversations about how to make and measure progress in the diversity of their organizations."

“Benchmarking Diversity fills an important information gap regarding the current diversity practices of foundations and nonprofit organizations,” said Lawrence McGill, Senior Vice President for Research at the Foundation Center and author of the report. “It provides New York City foundations and nonprofits with solid baseline data that will help to inform their decision-making in the future.”

Key Findings

Among the 95 Philanthropy New York member foundations responding:

- ❑ Nearly half (48 percent) of administrative staff members are people of color, as are 43 percent of program officers, 16 percent of chief executives, and 18 percent of board members.
- ❑ Foundations with at least 25 percent people of color on their boards are more likely to have racially and ethnically diverse staffs, to have diversity policies on staffing and grantmaking, and to specifically target populations of color through their grantmaking.
- ❑ Half (51 percent) of surveyed foundations said they “always” or “sometimes” ask grantseekers to provide information about the racial and ethnic composition of the population(s) they serve.

Among the 540 nonprofit organizations responding:

- ❑ More than half of their managerial and support staff are people of color (52 and 62 percent respectively), as are 30 percent of chief executives and 33 percent of board members.
- ❑ Over a third of the nonprofits identifying themselves as “minority-led organizations” do not have a chief executive who is a person of color, meaning that many such organizations are led by white CEOs. Some of the nonprofits with white CEOs chose to identify themselves as minority-led because at least half of their board members or staffs are people of color, but many identified themselves as such because they are led by women, immigrants, LGBT individuals, or people with disabilities.
- ❑ Two-thirds (67 percent) of the organizations surveyed “always” or “sometimes” gather demographic data on the populations they serve.
- ❑ Lack of staff was cited as the most significant barrier to receiving foundation support, and “fundraising” assistance was most often mentioned by nonprofit organizations as their greatest need in the area of capacity building.

Benchmarking Diversity: A First Look at New York City Foundations and Nonprofits is available for download at www.philanthropynewyork.org or at foundationcenter.org/gainknowledge/research/specialtrends.

Survey Methodology

Invitations to complete the survey of New York foundations online were sent by mail and email at the beginning of September 2008 to all 287 members of Philanthropy New York—including grantmaking public charities and foundations based outside of New York City. Survey responses were collected through December 2008. A total of 95 foundations completed surveys, for a response rate of 33 percent. The nonprofit survey was conducted online from mid-January through the beginning of April 2009. Organizations were invited to participate via email and regular mail; a total of 540 surveys were submitted.

About the Foundation Center

Established in 1956 and today supported by close to 550 foundations, the Foundation Center is the nation's leading authority on organized philanthropy. It maintains the most comprehensive database on U.S. grantmakers and their grants; conducts research on trends in foundation growth, giving, and practice; and operates numerous education and outreach programs. Thousands of people visit the Center's web site each day and are served in its five regional centers and its network of more than 400 funding information centers located in every U.S. state and beyond. For more information, visit foundationcenter.org or call (212) 620-4230.

About Philanthropy New York

Philanthropy New York, formerly the New York Regional Association of Grantmakers, is the principal professional community of philanthropic foundations based in the New York City region. Taken together, its 287 member organizations—including the leading private, corporate, family, and public grantmaking foundations in the world—each year provide support totaling more than four billion dollars to thousands of nonprofit organizations and NGOs located in New York, the U.S., and around the world, which in turn focus on a wide range of issues and concerns. For more information, visit philanthropynewyork.org or call (212) 714-0699.