

Executive Summary

Overview

Diversity has become a major topic of discussion within philanthropy. Conversations around this issue have intensified in recent months and have garnered a great deal of national and local attention. Unfortunately, many of these conversations are occurring without the benefit of fact-based research.

In 2008, Philanthropy New York (formerly the New York Regional Association of Grantmakers) commissioned the Foundation Center to undertake a pair of studies to benchmark diversity in the philanthropic and nonprofit sectors in the New York City area. The goal is to lay the foundation for meaningful dialogue based on research. These studies are the first of their kind in New York City and the first in the nation to simultaneously examine the diversity of foundations and the nonprofits they fund.

One study surveyed members of Philanthropy New York to gather data on staff and board diversity and on foundation practices related to diversity in grantmaking. The other study surveyed New York–area nonprofit organizations to better understand the diversity of these organizations and the populations they serve.

While both of these studies focused primarily on issues of racial and ethnic diversity, other areas of diversity were explored as well, including gender, sexual orientation, and disability status. The studies were conducted in the fall of 2008 (survey of foundations) and the spring of 2009 (survey of nonprofit organizations). The findings in this report are based on the survey responses of 95 members of Philanthropy New York (roughly 33 percent of its membership) and 540 nonprofit organizations based in the five boroughs of New York.

The surveys collected data from foundations and nonprofits on the following topics:

1. Staff and board diversity
2. Policies regarding staff and board diversity
3. The extent to which specific populations are targeted
4. Policies regarding populations served
5. Data collection on populations served

In addition, the survey of foundations collected data on types of capacity-building support provided and activities related to developing nonprofit leadership in communities of color.

The survey of nonprofit organizations also collected data on whether the organization considers itself to be “minority-led,” the amount and types of support received, and areas of capacity-building need.

Key Findings—Survey of New York City Foundations

Foundations Are Diverse But Less So at Senior Staff Levels

The survey of Philanthropy New York members found that 43 percent of all staff at the surveyed foundations are people of color, and that ethnic and racial diversity varies by job level. Nearly half of all administrative and support staff (48 percent) are people of color, as are 43 percent of program officers, 30 percent of executive level staff (excluding CEOs), 16 percent of CEOs, and 18 percent of board members. About one quarter (25 percent) of all CEOs hired since 2000 have been people of color.

Women Are in the Majority Except at the Board Level

Women account for 70 percent of staff, 63 percent of CEOs, and 45 percent of board members.

There Are Small Percentages of LGBT Individuals and People with Disabilities

LGBT individuals and people with disabilities appeared to be relatively equally distributed across all job categories (at roughly 4 percent and 1 percent of total staff, respectively).

Foundations with Diversity Policies Tend to be More Diverse

About a third of the surveyed foundations had policies regarding staff diversity, while 10 percent had policies regarding board diversity. Among foundations with such policies, both staff and board diversity tend to be greater.

A Majority of Foundations Target Grantmaking to Specific Populations

Most of the surveyed foundations (84 percent) said that at least “some” of their grants are targeted to serve specific population groups. Nearly half (47 percent) said that “youth or children” was specified as a target population in the foundation’s mission statement or grantmaking guidelines, followed by the “economically disadvantaged” (39 percent), “women or girls” (23 percent), “other at-risk populations” (23 percent), and “ethnic or racial minorities” (20 percent).

About 16 percent of the foundations surveyed said that they have “specific goals, policies, or guidelines regarding grantmaking that serves people of color,” and 4 percent have policies or guidelines regarding grantmaking to organizations led by people of color.

More Than Half of Foundations Collect Data on Grantee Demographics and Populations Served

More than 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 foundations that specifically name at least one racial or ethnic minority group in their mission statement or grantmaking guidelines, 79 percent “always” or “sometimes” collect such data from grantseekers.

One quarter of surveyed foundations (25 percent) said they either “always” or “sometimes” collect data from grantseekers on the racial or ethnic makeup of their board and 30 percent said they collect such information about their staff.

Board Diversity Correlates with Other Diversity Measures

Philanthropy New York members with at least 25 percent people of color on their boards (a threshold reached by 27 percent of surveyed foundations) are more likely than foundations with fewer people of color on their boards to have racially and ethnically diverse staffs, to have both staff and grantmaking diversity policies, to target populations of color through their grantmaking, and to collect demographic data from grantseekers.

Grantmakers Are Focusing on Capacity Building and Developing Nonprofit Leadership

Most of the grantmakers surveyed (59 percent) said that at least “some” of their grants focus on “capacity building.” Ten percent of surveyed grantmakers said they had awarded “more than 10” capacity-building grants specifically to nonprofit organizations led by persons of color over the past five years.

One third (33 percent) of surveyed grantmakers said that they “often” or “sometimes” provide non-

monetary capacity-building support. Fifteen percent of grantmakers said that they had provided non-monetary capacity-building support to at least one “minority-led” organization within the last five years, while about one in ten (9 percent) said that they had provided such support to more than 10 minority-led organizations during this time frame.

More than a third of the grantmakers surveyed (38 percent) said that at least “some” of their grants were awarded for “programs or initiatives designed to build nonprofit leadership in communities of color.” Nearly a quarter (24 percent) said that the topic of nonprofit leadership in communities of color was either a “frequent” or “occasional” topic of discussion at board or staff meetings.

Key Findings—Survey of New York City Nonprofit Organizations

Nonprofits Are Diverse But Less So at Senior Levels

Overall, 59 percent of all staff at surveyed nonprofit organizations are people of color. Ethnic and racial diversity is greater at the managerial and support levels (52 and 62 percent, respectively) and lower at the CEO and board levels (30 and 33 percent, respectively).

Just over a third of surveyed organizations (38 percent) have policies or guidelines on staff diversity and 31 percent on board diversity. About one in six (17 percent) have policies or guidelines regarding vendor or consultant diversity.

Women Outnumber Men Except on Boards

Women outnumber men at all levels except on boards, where they account for 45 percent of trustees. LGBT individuals account for 7 percent of CEOs and managers, 4 percent of board members, and 2 percent of support staff. People with disabilities account for about 1 percent of staff at surveyed organizations.

Definition of “Minority-led” Organizations Varies

Nearly four in ten organizations (38 percent) described themselves as “minority-led.” While most of these “minority-led” organizations (63 percent) have CEOs of color, 37 percent do not. 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.

Minority-led organizations tend to differ from non-minority-led organizations in the following ways: they are more likely to target all or most of their programming to specific populations; they are more likely to have policies

or guidelines regarding the diversity of the populations they serve; and they express greater capacity-building needs than do non-minority-led organizations, especially in the areas of fundraising, technical support, human resources, and staff training.

A Majority of Nonprofits Focus Work on Specific Population Groups; Half Target Ethnic or Racial Minorities in Their Work

Seventy-nine percent of surveyed organizations have missions that lead to at least some of their work serving specific population groups. Fifty percent of surveyed nonprofit organizations said that “all” or “most” of their programs or services are targeted to serve “ethnic or racial minorities,” followed by the “economically disadvantaged” (47 percent), “youth or children” (37 percent), “women or girls” (25 percent), and “immigrant communities” (22 percent).

Majority of Nonprofits Collect Data on Diversity of Populations Served

Sixty-seven percent of the organizations surveyed “always” or “sometimes” gather demographic data on the populations they serve. Minority-led organizations are more likely to collect this information (77 percent vs. 61 percent of non-minority-led organizations.)

There Is Little Difference in Foundation Support for Minority-led vs. Non-Minority-led Nonprofits

Among surveyed organizations, there appears to be little difference between the levels of support received by both minority-led and non-minority-led organizations with annual budgets of less than \$1 million. Because of small sample sizes, it was not possible to determine whether there was any difference in levels of support for larger minority-led and non-minority-led organizations.

For most of the surveyed organizations, the rate of successful grant submissions is less than 50 percent. Among all survey respondents, 60 percent were successful less than half the time when seeking funding, while 40 percent were successful at least half the time.

Slightly more than half of surveyed nonprofits (51 percent) have received non-monetary support from foundations.

Lack of staff was cited as the most significant barrier to receiving foundation support. Roughly one quarter of the surveyed organizations (28 percent) have a dedicated full-time fundraiser and 17 percent have a dedicated part-time fundraiser. In line with these findings, “fundraising” assistance was most often mentioned by nonprofit organizations as their greatest need in the area of capacity building.

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.

