

Preface

The attached report, commissioned by Philanthropy New York¹, is the first study of its kind for the New York philanthropic sector, the first nationally to examine the racial and ethnic demographics of foundations and nonprofit organizations at the same time, and the first to ask nonprofits how they define/describe a minority-led organization. As one of only three philanthropic membership associations currently involved in this type of research, we have taken on an important leadership role, and we are already sharing our work with other regional associations as well as with other colleague organizations. We are also committed to working with other local and national diversity initiatives and, especially, with our members.

The Current Landscape

The topic of diversity has been substantially discussed during the past decade and over the past two years it has been a headline issue in national and regional conversations in the philanthropic sector. During the past 12 months, a broad range of opinion pieces, industry journals, and state and national conferences have addressed the issue. These discussions elicited broad attention to this important topic, including the development of reports, partnerships, programs, and policies addressing issues of diversity in philanthropy, and, most notably, calls for state legislation² in California. Currently, several local and national initiatives have been formed by foundations and other institutions to brainstorm the most effective ways to address the issue of diversity. The philanthropic sector as a whole continues to define what a diverse and inclusive sector would look like and mean for their foundations and their grantmaking.

For Philanthropy New York, the importance and value of diversity is explicitly recognized as critical in our mission and values statement. Established in 1979 by New York City-based foundations, Philanthropy New York exists to strengthen the capacity of grantmaking organizations to fulfill their respective missions effectively and efficiently.

We believe that a philanthropic organization's commitment to diversity is critical to ensuring its effectiveness and impact. Inclusive and transparent organizational practices are a key component to realizing this commitment, regardless of organizational structure, mission, or capacity.

To more deeply and broadly address the issue of diversity, Philanthropy New York's Board of Directors created the Increasing Diversity in Philanthropy (IDP) Committee in 2000. Since then, the IDP Committee has addressed concerns raised by Philanthropy New York members, presented programs with experts and foundation leaders, developed tools, and assessed and presented pertinent reports.

Two years ago, Philanthropy New York realized that our work on diversity had proceeded ungrounded by any research-based knowledge about the racial and ethnic demography of New York-area nonprofits and foundations, their institutional data, and organizational capacities. Partnering with the Foundation Center, we created two surveys, one of which we sent to philanthropic organizations (including all Philanthropy New York members) and the other to nonprofit organizations in the New York metropolitan area. Surveys were mailed and responses collected between September 2008 and April 2009.

This report presents the survey findings. While it narrows our knowledge gap, it is not definitive. We note that:

- This first report focuses primarily on racial, ethnic, and gender identity, and to a limited degree on sexual orientation and people with disabilities.
- The core data generated by our report invite various interpretations and analyses, and provide the groundwork for future research, but do not present a singular conclusion, story, or prescription for action.
- Our results were generated from a self-selected pool of respondents, and this may affect the completeness of our findings.

Nonetheless, we believe the findings add substantially to our ongoing work around diversity in our sector.

(continued)

What Comes Next?

Foundations have a multitude of missions and priorities; are of many sizes and capacities; and will have different approaches to this issue. Philanthropy New York believes that diversity and inclusion are critical values. We also believe that a diverse group of trustees, advisors, and staff working in an intentionally inclusive environment will create a more effective grantmaking organization. As an educator, our mission is to disseminate knowledge. Philanthropy New York therefore seeks to engage funders of all perspectives in thoughtful dialogue on this issue.

To this end, Philanthropy New York will create a series of educational programs, multimedia projects, and meetings to allow our members, other foundations, infrastructure groups, and nonprofits to continue to explore this issue in a sustained and meaningful way. Among these are: a briefing that will accompany the release of our findings; posts from members and other leaders on our blog, *Smart Assets*; a technical assistance series for different types of foundations; sharing best practices; and opportunities for dialogue between nonprofit and foundation leaders.

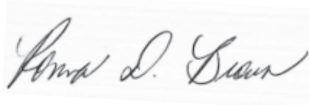
In closing, we invite you to:

- read the report as a whole. No one statistic or query tells the entire story, and this issue deserves a thoughtful evaluation;

- engage in in-depth conversations within your organizations and with your peers;
- suggest areas for future education and research;
- participate in our programs and initiatives on diversity and related issues in the coming months and years; and
- examine and consider the resources, mission statements, model policies, and other practices that support a more diverse, inclusive sector.

We aspire to work towards a sector where notions of diversity, inclusiveness, and transparency are seamlessly woven into the fabric of its practices, which will result in stronger, more skillful, and more effective institutions that reflect the communities they serve. We invite everyone in the philanthropic and nonprofit sectors to discuss the following report and join us in this work.

1. Philanthropy New York would like to thank the following foundations for their generous support of this project: The Atlantic Philanthropies, the Nathan Cummings Foundation, the William T. Grant Foundation, the A.L. Mailman Family Foundation, The New York Community Trust, the Jessie Smith Noyes Foundation, and the Surdna Foundation.
2. In January 2008, the California Assembly passed AB 624, a bill sponsored by Assembly member Joe Coto (D-San Jose), which would have required foundations with assets of more than \$250 million to disclose the race and gender composition of their trustees, staff, and grantees, as well as the number and percentage of grants awarded to organizations serving the lesbian, gay, bisexual, and transgender (LGBT) community and "ethnic minority" communities. (The bill was withdrawn in June 2008 after a compromise was developed by Mr. Coto and nine of California's largest foundations.)



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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.

