



Journey Toward Racial Equity



Findings from the Forum's
Racial Equity Organizational
Self-Assessment: Year 2

June 2023

ABOUT UNITED PHILANTHROPY FORUM

United Philanthropy Forum (Forum) leads, strengthens, informs, connects, and mobilizes a national network of more than 90 regional and national philanthropy-serving organizations (PSOs) that advance philanthropy's impact for the common good. We envision a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper. Forum members represent more than 7,000 philanthropic organizations, making us the largest network serving philanthropy in America.

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Community Centered Evaluation & Research (Community CER) is a values-driven, woman-of-color-owned social change research and evaluation consulting firm dedicated to supporting social sector organizations to achieve their greatest impact. Our engagements are guided by equity-oriented approaches and culturally responsive principles. We emphasize shared learning that is grounded in authentic partnerships and effective communication.

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APPRECIATIONS

We extend deep gratitude to the Forum members who participated in the second year of the Racial Equity Organizational Self-Assessment. Your candid insights and perspectives made this report possible. We take seriously our responsibility and commitment to all Forum members and the larger PSO and philanthropy field to contribute to advancing racial equity.

We appreciate the continuous commitment of the Forum's Racial Equity Committee and Assessment Subcommittee. Their expertise and commitment to racial equity guided the second year of the assessment and were instrumental in uncovering the lessons shared in this report. As in 2019, the development of the assessment was made possible thanks in part to financial support from Borealis Philanthropy's Racial Equity in Philanthropy Fund.

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TABLE OF CONTENTS

PG 07 EXECUTIVE SUMMARY

**PG 12 FIELD CONTEXT: PLACING AND UNDERSTANDING THE RACIAL
EQUITY CAPACITY ASSESSMENT**

PG 16 BACKGROUND

PG 26 FINDINGS

PG 42 RECOMMENDATIONS

INSIDE THIS REPORT

This report benchmarks the progress of the Forum's PSO members on advancing racial equity. In doing so, this report helps shed light on the internal and external racial equity strategies being undertaken across the larger PSO field. We also offer a summary of the successes and challenges PSOs face in designing and implementing racial equity efforts for further reflection and action.

Field Context. The first chapter situates the current PSO landscape as it relates to racial equity from field experts who are part of the Racial Equity Assessment Subcommittee.

Background. This chapter provides a backdrop to the structure, implementation, and limitations of the Racial Equity Organizational Capacity Assessment. It also describes the PSOs and respondents that participated in the assessment.

Findings. The third chapter captures key findings that emerged in the follow-up assessment. It starts by benchmarking the progress made by PSOs to advance their internal racial equity efforts, the key internal steps PSOs are taking, the progress with the external programming offered to PSO members, and also identifies the intersection between PSOs' internal and external efforts to advance racial equity. The chapter concludes with challenges identified by PSOs and opportunities to continue support.

Recommendations for the Field. The last chapter shares data-driven recommendations for the PSO field.

EXECUTIVE SUMMARY

In 2019, the Forum commissioned the design and implementation of a Racial Equity Organizational Self-Assessment for PSOs (assessment) to support its members along their racial equity journeys by capturing a snapshot of their internal and external racial equity efforts. The information gathered in 2019 established a baseline of PSO members' efforts to advance racial equity at their respective organizations; identified successes and challenges of designing and implementing racial equity efforts; and helped the Forum better understand members' progress along their racial equity journeys and how to best support PSOs to advance their efforts. In 2022, the Forum launched a follow-up assessment to continue to benchmark the progress PSOs were making along their racial equity journeys and provide a valuable tool in that work.

Snapshot of the Assessment

The Racial Equity Capacity Assessment consisted of five key sections:

1. **Demographics of the board, senior leadership, and staff.**
2. **Internal organizational structures, systems, processes, and governance.**
3. **External programming offered to member organizations.**
4. **Successes and challenges related to their racial equity efforts.**
5. **Future support and needs of PSOs to focus, continue, and advance their work.**

The assessment asked respondents to rate their organization's stages of development on the following domains of racial equity capacity: Organizational Learning Culture, Board of Directors, Senior Leadership, Communications (internal only), Community Engagement (external only), Assessment and Data, and Operations. Respondents rated their organization's capacity in each domain using a four-point scale that ranged from "not started" through "reinforcing" (internal efforts), and from "no programming offered" through "organizing and operating learning and networking groups" for external programming offered to member organizations.



About Respondents and PSOs

A total of 52 organizations participated in year 2 of the assessment representing a 54% organizational response rate with a total of 150 individual respondents participating in the follow-up assessment.

- **Racial/Ethnic Identity of Respondents.** Most respondents self-identified their racial/ethnic identity as White (54%). However, there was broader representation among Black/African American and Asian respondents compared to year 1 of the assessment.
- **Organizational Role of Respondents.** A strength of the follow-up assessment was the greater representation of staff across different levels of the organization. There was an increase in the percentage of respondents who were Directors, Program Staff, Managers, and Board Members.
- **Organizational Diversity Among PSOs.** Across PSOs, diversity and representation of people of color increased between the year 1 assessment in 2020 and the year 2 assessment in 2022.

Key Findings

Benchmarking PSOs' Progress and Steps Taken to Center Racial Equity.

Internal Efforts

PSOs are making notable progress in advancing their internal racial equity efforts. Slightly over half of PSOs (52%) that participated in the follow-up assessment reported they were in the more advanced internal stages of development – *establishing and reinforcing* stages. This represents a substantial increase from the baseline assessment, where only 22% of PSOs reported they were in the more advanced stages of development.

Senior leadership and board members are playing a more active role in their organizations to help advance racial equity efforts. However, changing the organizational learning culture continues to be a challenge.

Taking Steps to Center Racial Equity

PSOs are looking inward to center racial equity within their organization. The vast majority of assessment respondents (86%) reported that their PSOs have considered how to center racial equity across their organization and within the context of their mission.

While commitment from executive leadership is vital, equally as important is the buy-in from staff to infuse racial equity across the organization. Compared to the baseline assessment, respondents in 2022 reported greater momentum coming from staff and board members to set clear goals, objectives, and/or strategies to advance racial equity.

PSOs' budgets are more frequently prioritizing racial equity efforts. A larger proportion of PSOs in 2022 are committing funds or grants to support their internal racial equity efforts.



External Efforts

More PSOs are offering targeted racial equity support to their member organizations. PSOs that participated in the follow-up assessment are increasingly offering their members equity-focused support through targeted trainings, workshops, speaker sessions, webinars, or expert consultations to help their members understand and advance racial equity at their respective institutions. This finding represents a shift from baseline data that indicated larger proportions of PSOs were *referring their members* to external sources of information to support their members.

Intersection of Internal and External Efforts

While PSOs are working to align their internal and external racial equity efforts, the emphasis continues to be placed on external racial equity programming. On the follow-up assessment, more respondents reported actively engaging in conversations to align their internal and external racial equity efforts.

PSOs' focus on internal organizational racial equity efforts helps them lead by example. PSOs that reported their internal efforts were more advanced than their external efforts noted that their organization deliberately chose to work on their internal practices, policies, and practices before developing external programming for their philanthropy members. PSOs that focused on their internal efforts shared that they tended to refer members more commonly to external experts to provide racial equity programming for their members.

Challenges to Advancing Racial Equity

Limited staff capacity has become a greater challenge to advancing racial equity efforts, particularly among regional PSOs.

Resource limitations are now less of a challenge to advancing racial equity efforts.

While access to professional development opportunities, guiding frameworks, and racial equity consultants have become a less common barrier, many regional PSOs continue to face these challenges.

Lack of interest from member organizations is a growing challenge to PSOs' efforts to advance racial equity.

Future Supports

Financial support. While there was a decrease in the proportion of respondents that indicated that limited resources were a barrier to advancing their racial equity efforts, the most common need continues to be financial support.

Professional development opportunities that provide tangible tools. PSOs are eager to expand their understanding of racial equity and identify best practices and tools to help them along their journey.

Expansion of peer exchanges. There continues to be a desire for deep conversations with peers to share experiences and learnings.

Sharing case stories about the progress PSOs are making along their journey. PSOs are keenly interested in learning more about racial equity through the lens of other PSOs' case stories.

Recommendations

Continue to look inward. Although PSOs have made notable progress in advancing their internal racial equity efforts, with more PSOs reporting they are in the more advanced internal stages of development, there continues to be an opportunity for PSOs to genuinely examine how their policies, practices, and culture support or hinder their racial equity efforts.

Secure the commitment of senior leadership and board members. PSOs that reported making gains to advance their internal racial equity efforts noted that having the support of senior leadership and board members was crucial. Senior leadership and board members hold tremendous power that is often needed to make significant and lasting changes across the institution.

Diversify the board, senior leadership, and staff. Bringing onboard diverse perspectives helped these PSOs take bolder stances on racial equity, embed racial equity as part of their strategic framework, and actively and continuously engage in conversations that center racial equity and justice.

Increase PSOs members' understanding of racial equity. A growing number of PSOs shared that the reluctance of their membership base to support racial equity efforts hinders the progress they are making to advance racial equity efforts – both internally within their organization and externally with their members and constituencies.

Normalize conversations about race, racial equity, and racial justice. Engaging in discussions and conversations about race-related topics can create discomfort for individuals and many institutions choose to avoid these topics. Several PSOs shared that being open to discussions about race and racism and, importantly, being open to discomfort was an important step to focusing on their internal racial equity efforts.

FIELD CONTEXT: PLACING AND UNDERSTANDING THE RACIAL EQUITY CAPACITY ASSESSMENT

by Lori Villarosa, Philanthropic Initiative for Racial Equity (PRE) & member of Forum's Racial Equity Capacity Assessment Subcommittee and Ben Francisco Maulbeck, PRE Senior Fellow.

While the Forum's first report on the racial equity capacity of philanthropy associations and networks — or philanthropy-serving organizations (PSOs)—was released in 2021, it drew on data from 2019 — making this the first report to offer a snapshot of how they are advancing in their racial equity capacities in the aftermath of the racial justice uprisings of 2020.

Those historic global mobilizations continue to reverberate. Three years later, we now have more grounded information and more reliable data about how philanthropy has responded to the 2020 uprisings—and the work that remains. Initial reporting on funding commitments for racial justice efforts relied on public announcements and press releases from foundations and corporations, which often lacked details on specific grant commitments. As a result, early estimates grossly exaggerated the total of 2020 funding commitments for racial equity and racial justice—with some running as high as \$200 billion (an amount that is about double all annual foundation and corporate giving across all causes for that year). The Philanthropic Initiative for Racial Equity (PRE) 2021 report, *Mismatched: Philanthropy's Response to the Call for Racial Justice*, found much more modest amounts: about \$3.4 billion in confirmed grants focused on communities of color, of which about \$1 billion focused on the structural-change work of racial justice.

While the data from the Mismatched report provided preliminary estimates, they confirmed that funding for racial equity and racial justice is indeed growing—as is the number of funders interested in and open to exploring a strong racial equity lens for their work. Regional and national philanthropy associations and networks have important roles to play in providing an entry point and ladder of engagement for these funders as they explore and deepen their racial equity work in a variety of ways.

The two years since the racial awakening of 2020 have also laid bare new and complex challenges that PSOs must grapple with. One of the reasons that early estimates of 2020 racial justice funding were exaggerated was the increased use of the terms “racial equity” and “racial justice” to refer to a vast range of activities and funding areas. Corporations issued press releases proclaiming solidarity with the protests of George Floyd’s brutal murder alongside announcements of multibillion-dollar spending commitments. The vast majority of these dollars, however, were dedicated to internal spending for diversifying hiring practices or increasing lending in communities of color. Foundations made similar announcements of new racial justice funding programs, often focused on scholarships or economic development programs focusing on communities of color. All of these commitments are laudable, but they are distinct from the transformative work of racial justice. Through their research, convenings, voice, and individualized engagement with funders, PSOs can help disseminate clearer definitions and understanding of racial equity and racial justice across various parts of our diverse sector.

The growing discourse around racial justice funding has also led to reactionary backlash against what some detractors have called “woke philanthropy.” This small but vocal group has sought to demonize all giving that is in any way seeking to advance diversity and equity, and has made the baseless claim that funding for racial justice is crowding out other issues—even though barely 1% of foundation and corporate funding was devoted to racial justice, even in 2020.



Given the context of these opportunities and challenges, there are several important notes to consider as PSOs continue the important work of increasing their own capacity and external offerings around racial equity and racial justice:

- **Distinguish between racial equity and racial justice—both internally and externally.** While some organizations are still more focused on basic points of addressing diversity, inclusion, and equity, the bar has been raised among many as the discourse shifted across the country in 2020 and 2021. As we had seen with the first assessment and then expanded on this year, PSOs across a broad spectrum of size, focus, and geography have taken or built on some aspect of racial equity work, internally and externally. Still, a smaller number are actively distinguishing between *racial equity*, which emphasizes ways to counter disparities and reform existing systems, and *racial justice*, which focuses on building power by and among those most impacted and working toward transformational change. As PSOs move deeper into providing racial equity support for their members, this is an opportunity for them to increase understanding in the sector of the distinction between racial equity and racial justice.
- **For useful grant descriptions and data, clearly define your terms.** In a context where many institutions have begun using terms such as “racial justice” and “racial equity” with expansive and inaccurate breadth, PSOs can help their members to better understand the definition of both terms and to use them accurately in their grant descriptions and in grants data submitted to Candid and other key data aggregators. Those PSOs that engage in their own data collection and reporting have an opportunity to maximize the clarity and usefulness of their data as it relates to racial equity and racial justice in a PSO’s particular region, field, or population. In many cases, given the limitations of grants data available, this may mean reporting simply on population focus and providing information on grants intended for communities of color rather than assuming (and reporting) that all grants focused on people of color are automatically funding for racial equity or justice work. A number of PSOs have already adopted this practice in their regular reporting. When feasible, a next step may be further data analysis of which subset of grants focused on communities of color specifically make use of a racial equity or racial justice lens.
- **Do not let your business model be the driver of your racial equity and racial justice work.** The report notes that a lack of financial support continues to be listed as a top barrier for PSOs in advancing their racial equity efforts, so the perception remains among many. But one caution for organizations moving into or deepening their work on racial equity and racial justice: do NOT conflate a rationale for doing this work—or not—with your purpose. On one hand, there are growing funding opportunities for PSOs to tap into as more of their funder members seek to advance investments that will move philanthropy to do more on racial justice. But they must ask themselves: Is this the proper vehicle to access that added funding, and are we the best organization to receive the funding? Have we done the necessary internal work to actually have the depth and capacity needed to be the primary leader? And if added funding is the driver, is there the possibility that our organization will back down if that incentive shifts?

- **Provide leadership to counter the backlash against the struggle for racial equity and racial justice.** As many PSOs continue to increase their internal and external racial equity efforts, as noted in the report, they become increasingly important places to offer space and guidance for funder members who are sincerely unclear about how to most effectively support this work and might be fearful of how to operate. This is particularly the case in communities that have passed or threatened local ordinances prohibiting the most basic kind of anti-racist training or discussions, attacking everything from offices benignly addressing diversity, equity, and inclusion to challenging school curricula focused on African American history as part of an orchestrated campaign waged among many conservatives under the broad demonization of “Critical Race Theory.” The field can also go further to assist members in understanding the meaningful intent of the approaches under siege and proactively supporting efforts that preserve the right of schools to offer more honest and robust histories, including the realities of structural racism, and enable municipalities to continue their own progress in understanding systemic racism.
- **Foster efforts toward shifts in grantmaking process, as well as strategic focus to impact greater racial equity and justice.** While the concept of participatory grantmaking—engaging communities in the decision-making of funding—is not at all new, its popularity, along with “trust-based philanthropy” and “decolonizing philanthropy,” have gained far more widespread attention in recent years as more funders embark on this fundamental shift in the power dynamics of the philanthropic relationship, particularly through leadership in Black, Brown, and Indigenous communities. PSOs can both lift up key lessons and create spaces of peer learning as more of their foundation members join the path of recentering decision-making and resource allocation with communities most impacted and away from those who are more removed from the realities of their needs and solutions.
- **Take deliberate steps to creating strategic approaches.** With the amount of programming offered by many PSOs, especially regional philanthropy associations, it can be tempting to flock to the latest “hot presenter,” talked-about author, or trendy approach. While this is true of any topic, when the focus is on racial equity or racial justice it can often result in diluted messaging across a spectrum of issues without clarifying an intent or conveying any understanding of the differences in frames and messaging. As the field has gotten more developed, however, there has been some increased strategic focus among PSOs that are deliberately designing training series and other learning opportunities to move their members through an intentional path to deepen their racial justice grantmaking. And with this latest report showing that more PSOs are offering targeted racial equity support to their members rather than referring them to others, this can be an opportunity to consider providing more cohort learning to meet the needs of members who are at different points in their racial equity journey. Growing numbers of PSOs are recognizing the value of targeted programming, and cohorts can provide spaces for deeper learning, support, and encouragement.

BACKGROUND

Introduction

United Philanthropy Forum (Forum), a membership network of more than 90 regional and national philanthropy-serving organizations (PSOs) that represent 7,000 funders across the nation, is the most diverse network in American philanthropy. The Forum envisions a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

Racial equity, diversity, and inclusion represent a key strategic priority for the Forum. In its effort to be a leading connector, convener, and collaborative partner for regional and national PSOs to advance racial equity in philanthropy, the Forum helps PSOs bring a racial equity lens to all aspects of their internal practices, policies, and culture as well as to the external programming they provide to their philanthropy members.

In 2019, to support PSOs along their racial equity journeys, the Forum commissioned the design and implementation of the Racial Equity Organizational Capacity Assessment for PSOs (assessment) to capture a snapshot of their PSO members' internal and external racial equity efforts. The information captured in 2019 established a baseline of PSO members' efforts to advance racial equity at their respective organizations, identified successes and challenges of designing and implementing racial equity efforts, and helped the Forum better understand members' progress along their racial equity journey and how to best support PSOs to advance their efforts.

In 2021-2022, the Forum launched a follow-up assessment to continue to benchmark the progress PSOs were making along their racial equity journeys and provide a valuable tool in that work. This report shares key findings from the follow-up assessment concluded in 2022.

Design and Structure of the Racial Equity Organizational Capacity Assessment

For consistency and comparability, the follow-up Racial Equity Organizational Capacity Assessment closely followed the structure of the rigorously developed baseline assessment¹ and was further guided by the wisdom and expertise of the Forum's Racial Equity Capacity Assessment Subcommittee. Slight modifications were made to the follow-up assessment in response to feedback from PSOs that participated in the 2019 baseline assessment.

¹ The 2019 Racial Equity Capacity Organizational Assessment was intentionally informed by an extensive literature review of existing frameworks and guidelines. See Appendix A for a list of frameworks, best practices, and approaches that informed the development of the assessment.



Key Components of the Assessment

The Racial Equity Capacity Assessment consisted of five key sections:

1. The **demographics** section captured information about respondents and their organizations, including organizational roles and tenures; racial/ethnic and gender identities; and size and diversity of the board, senior leadership, and staff.
2. The **internal efforts** section captured a snapshot of PSOs' internal organizational structures, systems, processes, and governance.
3. The **external programming** section collected information on programs that PSOs offered to their member organizations to help them advance their racial equity efforts.
4. The **successes and challenges** section asked about PSOs' experiences related to their racial equity efforts.
5. The **future support and needs** section gathered feedback on what PSOs need to focus on, continue, and advance their work.

Internal and External Domains

The internal efforts and external programming sections formed the centerpiece of the assessment. Each of these sections was composed of six domains, with intentional overlap between domains with the exception of *Communications* for the internal domain and *Community Engagement* for the external domain. The table below lists the internal and external domains.

Exhibit 1: Internal and External Domains

Internal	External
<ul style="list-style-type: none"> • Organizational Learning Culture • Senior Leadership • Board of Directors • <i>Communications</i> • Assessment & Data • Operations 	<ul style="list-style-type: none"> • Organizational Learning Culture • Senior Leadership • Board of Directors • <i>Community Engagement</i> • Assessment & Data • Operations

Rating Rubric for the Internal and External Domains

The scoring tool used for the domains in the internal and external sections of the Racial Equity Organizational Self-Assessment consisted of two scales: Internal Stages of Development and External Stages of Development (see Exhibits 2 & 3). The assessment asked respondents to rate their organization's stages of development across each domain using a four-point scale with descriptors for each stage. For the internal stage of development, the scale ranged from *not started* to *reinforcing*. The external stage of development scale started at *do not offer* to *organize and operate learning and networking groups* for member organizations.

Exhibit 2: Scoring Scale for the Internal Stage of Developmental

Value	Range	Development Stage	Description
1	1 - 1.5	Not started	Organization has not considered, designed, or implemented racial equity policies, practices, and/or organizational cultural shifts.
2	1.6 - 2.5	Emerging	Organization is considering, designing, or in the early stages of implementing racial equity policies, practices, and/or organizational cultural shifts.
3	2.6 - 3.5	Establishing	Organization has implemented racial equity policies, practices, and/or organizational cultural shifts.
4	3.6 - 4	Reinforcing	Organization is continuously monitoring and evaluating their racial equity policies, practices, and/or organizational cultural shifts.

Exhibit 3: Scoring Scale for the External Stage of Developmental

Value	Range	Development Stage	Description
1	1 - 1.5	Do Not Offer	No racial equity programming, activities, or support is offered to members.
2	1.6 - 2.5	Refer Members	Refer members to external racial equity sources of information and support.
3	2.6 - 3.5	Offer Targeted Support	In addition to referrals, offer targeted racial equity trainings, workshops, sessions, webinars, or bring in speakers and experts to provide support.
4	3.6 - 4	Organize and Operate Networking and Learning Opportunities	Organize and operate racial equity networking and learning groups that offer members opportunities to connect, share, and learn with colleagues.

Implementation

Based on guidance and feedback from the Racial Equity Capacity Assessment Subcommittee, PSOs were strongly encouraged to have at least three people from their organization independently complete the assessment and (to the extent possible) ensure that staff who completed the assessment represented different levels of the organization's structure and governance. This guidance aimed to ensure that different perspectives, racial/ethnic backgrounds, and lived experiences were represented in the assessment.

Limitations

As with all studies, some limitations should be considered.

- **Social desirability bias:** As with many assessments that rely on self-reported data, there is a potential risk in this assessment related to social desirability, or answering questions in ways that respondents deem desirable, particularly when related to complex issues such as those tackled through racial equity work. In this case, respondents may provide responses about where they think others expect organizations such as theirs to be in their racial equity efforts, thus overreporting desirable racial equity strategies and underreporting undesirable strategies.
- **Reference bias:** There is also potential for variability in how respondents understand or interpret questions. This occurs when respondents use different standards of comparison in their interpretation of a question. For example, assessment respondents may interpret and respond to scales differently and, where someone might rate an item a '3' on a four-point scale, someone with the same opinion might only rate it as a '2' because they interpret the meanings of the scale points differently.
- **Number and type of respondent:** Scores have the potential to change based on the number of perspectives shared per organization and who within the organization completes the assessment. Including the perspective of multiple staff in the organization can produce a more accurate snapshot of the organization's racial equity efforts. Similarly, including the perspective of only one individual in the organization whose perspective may not align with their colleagues' can skew assessment results. To mitigate this effect, PSOs were strongly encouraged to have at least three staff members that represented different levels of the organization participate in the assessment.

About Respondents and PSOs

PSO Participation

A total of 52 organizations participated in year 2 of the assessment, representing a 54% organizational response rate. Although the number of participating organizations was slightly lower than the 58 organizations that participated in the baseline assessment, the number of individual respondents increased significantly: a total of 150 individual respondents participated in the follow-up assessment compared to 87 respondents in the baseline assessment, representing a 70% increase in individual participation (see Exhibit 4).

Additionally, most participating organizations (78%, n=41) took part in both years of the assessment, which reduces the variability in responses due to different groups of organizations responding each year, rather than due to changes in racial equity efforts over time. More than half of responding organizations (63%, n=33) included participation from multiple respondents, providing a broader perspective on their PSOs' racial equity journey. The distribution of participating organizations by type of PSO remained consistent with the baseline assessment: in year 2, 60% of participating organizations were regional PSOs and 40% were national PSOs.

Exhibit 4. Summary of PSO Participation

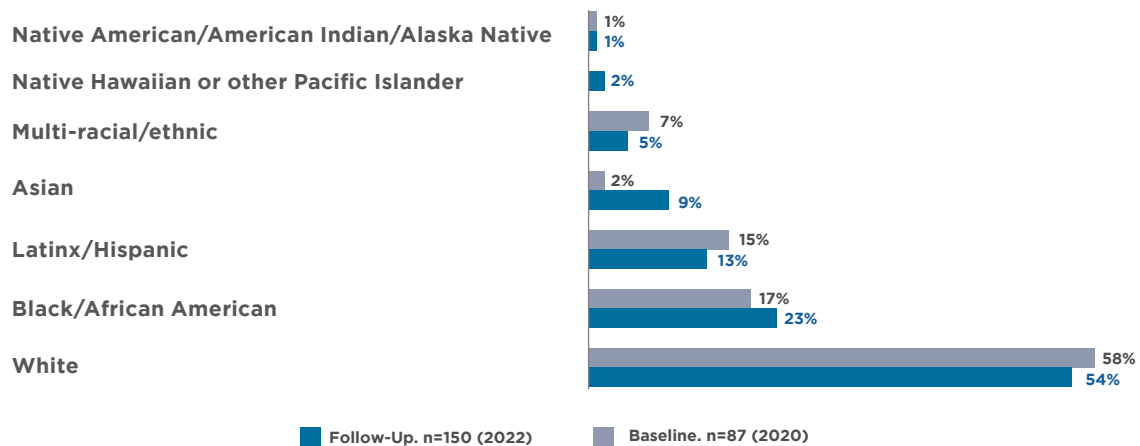
	Year 1 (2020)	%	Year 2 (2022)	%
Total PSO Participants	58	71% response rate	52	54% response rate
Total Individual Participants	87	-	150	-
Regional PSOs	34	59% of participating PSOs	31	60% of participating PSOs
National PSOs	24	41% of participating PSOs	21	40% of participating PSOs

Demographics

Demographic data were collected to track how respondents' perspectives varied by their demographic identities, and to support current field knowledge about diversity and representation within PSOs.

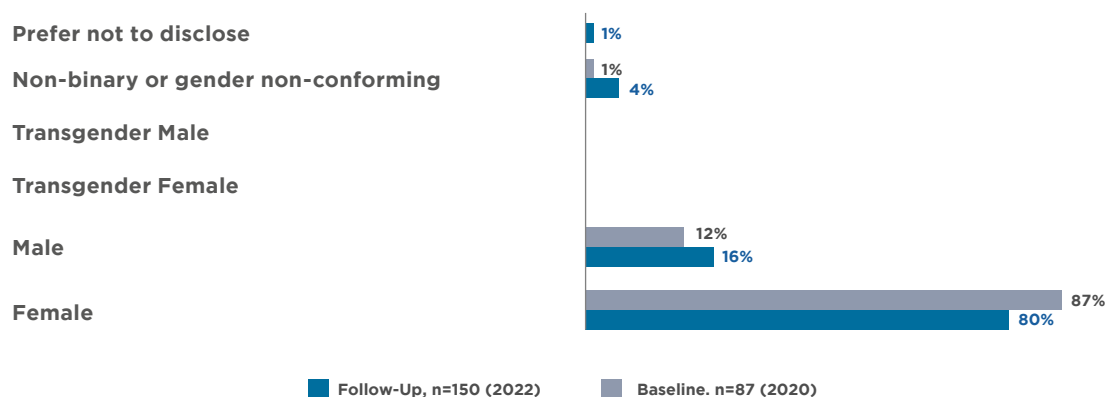
- Racial/Ethnic Identity.** As in the baseline assessment, over half of follow-up assessment respondents self-identified their racial/ethnic identity as White (54%, Exhibit 5). This was followed by Black/African American (23%), Latinx/Hispanic (13%), and Asian (9%). The most notable difference in respondents' racial/ethnic identity is broader representation among Black/African Americans and Asian respondents in the follow-up assessment compared to the baseline assessment.

Exhibit 5: Respondent's Racial/Ethnic Identity



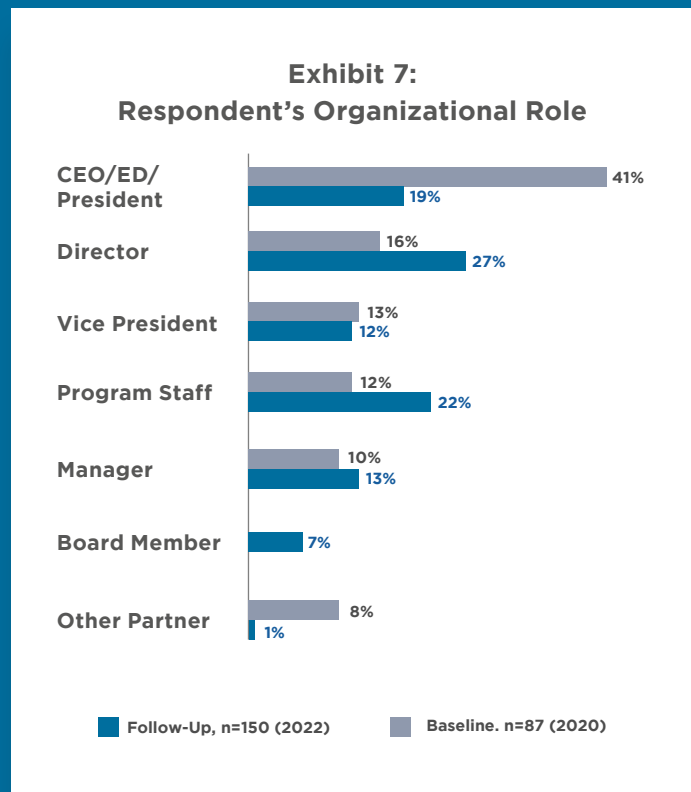
- Gender Identity.** Most follow-up assessment respondents self-identified their gender identity as female (80%), a slightly lower proportion than the baseline assessment (87%, Exhibit 6). There was a small but significant increase in the representation of respondents who self-identified as non-binary or gender non-conforming.

Exhibit 6: Respondent's Gender Identity



Respondents' Organizational Role & Tenure

A strength of the follow-up assessment was the greater representation of staff across different levels of the organization (see Exhibit 7). Notably, there was an increase in the percentage of respondents who were Directors, Program Staff, Managers, and Board Members. Conversely, there was a decrease in the percentage of respondents who were CEOs, Executive Directors, or Presidents. It is important to mention that the decrease in the percentage of CEOs, Executive Directors, or Presidents does not reflect a reduction in the total number of respondents in that category, but rather greater participation from other roles across PSOs. This is in response to the strong encouragement offered to PSOs to have staff with multiple perspectives and, who represented different levels of the organization, complete the follow-up assessment.



Racial/Ethnic Representation by Role

Of importance is the racial/ethnic identity of respondents according to the role they play at their respective organizations. As shared in more detail below, CEOs/Executive Directors/Presidents are most commonly identified as White (68%). Black/African Americans were most widely represented in the Manager (30%) and Director (28%) roles. Latinx/Hispanics had the largest representation among Managers (20%) and Board Members (20%) (see Exhibit 8).

Exhibit 8: Racial/Ethnic Identity of Respondents by Role

	White	Black/ African American	Latinx/ Hispanic	Asian	Multi- Racial/ Ethnic	Native Hawaiian/ Pacific Islander	Native American / American Indian / Alaska Native
CEO/ED/ President	68%	18%	14%	4%	4%	4%	0%
Vice President	50%	17%	17%	17%	17%	0%	6%
Director	48%	28%	8%	13%	3%	3%	0%
Manager	55%	30%	20%	5%	10%	0%	5%
Program Staff	52%	24%	12%	9%	3%	0%	0%
Board Member	50%	10%	20%	10%	0%	10%	0%

Organizational Tenure. The organizational tenure of staff who participated in the follow-up assessment was similar to the baseline assessment. Most respondents (58%) had been working with their organizations between one and three years. Another 28% had worked for their organization for six or more years. As in the baseline assessment, reflections from respondents with longer tenures are important because they offer direct experience and memory of their organization's trajectory and efforts on racial equity.

Organizational Diversity

PSOs were also asked to report on the diversity and representation of people of color across the following levels of their organizations: board members, senior leadership, and staff members. **Across PSOs, diversity and representation of people of color increased between the year 1 baseline assessment in 2020 and the year 2 follow-up assessment in 2022.** Specifically, changes in the board, senior leadership, and staff member diversity were as follows:

- **Board Diversity:** 43% of PSO respondents had half or more people of color on their boards in year 2, up from 23% in Year 1.
- **Senior Leadership Diversity:** 46% of PSO respondents had half or more people of color in senior leadership positions in year 2, up from 32% in Year 1.
- **Staff Member Diversity:** 40% of PSO respondents had half or more people of color among staff members in year 2 compared to 31% in Year 1.

FINDINGS

The findings share the progress PSOs perceive themselves to have made to advance their racial equity efforts. Consistent with the first year of the assessment, the follow-up Racial Equity Organizational Self-Assessment emphasized the importance of tracking racial equity progress both internally and externally. The findings section starts by benchmarking PSOs' internal progress to advance racial equity and describing the steps PSOs are taking to center racial equity. The second section shares the external progress PSOs are making to support their members. This is followed by a narrative describing the intersection of PSOs' internal and external efforts. Challenges PSOs are facing to advance racial equity are outlined in the subsequent section. The findings conclude with future support that PSOs say they need to continue to advance their racial equity efforts.



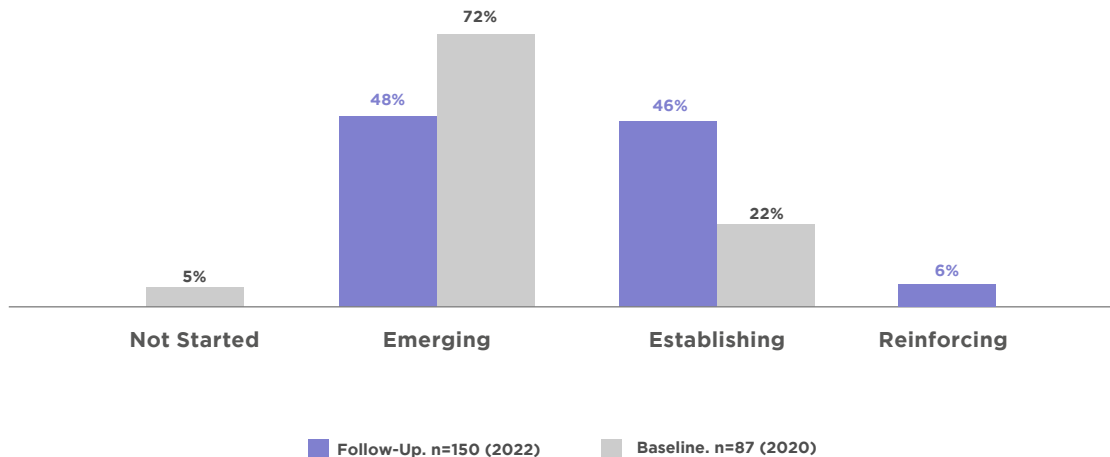
Benchmarking PSOs' Progress and Steps Taken to Center Racial Equity

Internal Efforts

PSOs are making notable progress to advance their internal racial equity efforts.

Slightly over half of PSOs (52%) that participated in the follow-up assessment reported they were in the more advanced internal stages of development—*establishing* and *reinforcing* stages. This represents a substantial increase from the baseline assessment, where only 22% of PSOs reported they were in the more advanced stages of development, as illustrated in Exhibit 9. Importantly, 6% of PSOs are now in the *reinforcing* stage of development compared to no PSOs being at this stage in 2020.

Exhibit 9: Baseline and Follow-Up Comparison of the Progress of Internal Efforts



A number of key factors contributed to PSOs' racial equity progress. Specifically, these included:

- Commitment and prioritization from senior leadership and board,
- “Creation of spaces for open and honest conversations,”
- Development of a strategic framework that centers racial equity, and
- Diversifying of the board, senior leadership, and staff.

Interestingly, a considerable number of PSOs reflected that having “positive leadership transitions” ignited a stronger and deeper commitment to advancing racial equity. As expressed by a PSO, *“Diversifying our board and a new CEO have been integral in achieving the success we have had. Being bold in our positions and statements has been impactful in moving our work forward.”*

Further data analysis conducted with the cohort of 41 PSOs that participated in both the baseline and follow-up assessments reflects a similar trend. Among this cohort, at the follow-up assessment, 54% of PSOs reported they are in a more advanced stage of development – *establishing or reinforcing* compared to 27% at the baseline assessment.

Of note is that almost half (42%) of PSOs in this cohort – PSOs that participated in the baseline and follow-up assessments – shared that their *participation in the baseline assessment and subsequent review of its results helped spark conversations regarding racial equity at their respective organizations. The profiles were used to engage the board in racial equity conversations; create racial equity task forces; identify specific internal organizational areas to focus on; and help further guide the work of equity consultants.* Other PSOs noted that the profile their organization received was instrumental in understanding the need to reorient their racial equity efforts to focus on their internal organizational practices, structures, and culture. A PSO echoed this sentiment: *“The profile was a wake-up call to all of the work we needed to begin internally because we had focused so intently on our external strategies.”*

“There was deliberate work over the past few years to diversify the board first and then to begin working on staff diversity and how to position the organization to have the bandwidth for the internal learning. In the spirit of ‘don’t let a crisis go to waste,’ sadly, the pandemic and the death of George Floyd and so many others rocked the country, and it shook up funders and forced them to ask if they were reinforcing bad behavior and norms that undermine people of color.”

-Forum PSO Member

“The [2020] Racial Equity Capacity Assessment was critical to our work of understanding opportunities for our own organization as we honed our racial equity point of view, took stock of internal opportunities for future commitments, and revisited some of our practices including hiring equity and infusing justice into all of our programs. We look forward to continuing to build and grow in this work.”

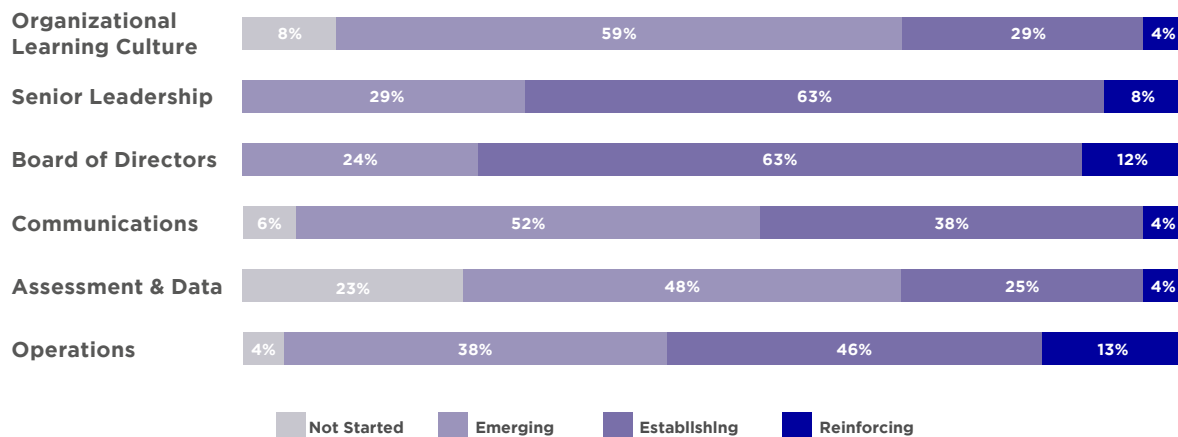
-Forum PSO Member

Senior leadership and board members are playing a more active role in their organizations to help advance racial equity efforts. However, changing the organizational learning culture continues to be a challenge.

The largest proportion of PSOs reported they were in the establishing or reinforcing stages of development across the Board of Directors (75%) and Senior Leadership domains (71%), representing an increase from baseline data (47% and 40%, respectively). More assessment respondents shared that their boards of directors are taking steps to operationalize and implement goals, practices, and policies to advance racial equity efforts with an increase from 28% at baseline to 48% at follow-up. Boards of directors have also engaged in trainings and workshops over the course of the last two years to increase their awareness and understanding of race, racism, and racial equity (45% at baseline vs. 66% at follow-up).

Senior leadership teams have also stepped up to play a more active role in helping their organizations advance their racial equity efforts. According to assessment respondents, senior leadership teams are making space for difficult conversations about racism, racial equity, and race (68% at baseline vs. 90% at follow-up) and, importantly, are actively engaging in these conversations. Senior leadership teams also have a better understanding and acknowledgement of race-based power differentials within their PSO (47% at baseline vs. 75% at follow-up). More senior leadership teams are also taking steps to increase racial diversity across all levels of the organization (55% at baseline vs. 77% at follow-up). However, data show senior teams have made smaller gains related to setting clear goals and objectives to guide racial equity efforts across their PSO (28% at baseline vs. 41% at follow-up) and to implement strategies to surface and dismantle unconscious bias and microaggressions across all levels of the organization (14% at baseline vs. 16% at follow-up).

Exhibit 10: Proportional Distribution of the Internal Efforts Across Six Domains (Follow-Up, 2022)



Despite improvements in the *Board of Directors* and *Senior Leadership* domains, follow-up data show more modest increases in the *Organizational Learning Culture* domain. Respondents shared that their PSOs have made the most progress in this domain by developing shared language to discuss and advance racial equity efforts (36% at baseline vs. 62% at follow-up) and holding ongoing trainings and sessions to help staff recognize and speak about the different facets of race, racism, racial equity, and intersectionality (21% at baseline vs. 54% at follow-up). More opportunities exist for PSOs to continue to examine the power differentials within their organization and explore alternative leadership models (14% at baseline vs. 22% at follow-up); hold ongoing discussions about intersectionality and how it shows up in the organization's daily work (27% at baseline vs. 26% at follow-up); and holding more dedicated spaces to have difficult conversations related to race and racism (30% at baseline vs. 40% at follow-up).

The collection and use of racial equity data to inform internal practices and policies continue to be a challenge for PSOs, and many want best practices in this area.

The *Assessment and Data* domain is the internal domain that shows the least amount of progress, with fewer than one-third (29%) of PSOs in the *establishing* or *reinforcing* stages of development. According to respondents, their PSOs were least likely to collect, analyze, or use data to inform their organization's hiring, retention, compensation, and promotion strategies and decisions, and 35% of respondents reported that their organization had not started to focus on this component. A few assessment respondents shared that while important for their organization, collecting and analyzing racial equity data to inform their hiring, compensation, and promotion practices posed several challenges for organizations with few staff. As one respondent explained, "*[We do] minimal hiring and/or do not have permanent, full-time staff [and] do not have HR policies and procedures or provide professional development for [our] teams.*" Other respondents voiced a need for "*hands-on examples of policies that embed racial equity*" in hiring, compensation, and promotion strategies. Similarly, 29% of assessment respondents reported they have not started to collect, analyze, or use racial/ethnic data of vendors and consultants to inform future partnerships. Regarding this component, a subset of respondents commented that while their PSOs have not formalized these practices, they have in place "informal policies on hiring BIPOC contractors." A respondent elaborated, "*We are very small and fiscally sponsored, so we don't have a written policy to diversify vendors/consultants. However, as CEO, I have modified my practice to source vendors. I now actively seek and cultivate a pool of diverse consultants and vendors. This has resulted in a more diverse consultant pool.*"

The collection and use of data to evaluate the impact of the racial equity-focused programming offered to members is another area that has made minimal gains. At baseline, 19% of PSOs reported they were in the *establishing* or *reinforcing* stages of development and this moved up marginally to 20% at follow-up. Assessment respondents are interested in learning how to track and benchmark the impact their efforts are having on their membership. As conveyed by one respondent, "*Helping our PSO figure out how to monitor and evaluate the effect that our DEI efforts are having on our membership would be so helpful! For example, how can we assess whether and how our investments/energy put towards advancing DEI is truly shifting our membership? PSOs are unique organizations and figuring out how to evaluate our 'influence' would be so helpful.*"

"We are developing better internal tracking mechanisms around diversity, equity, and inclusion. For example, salary bands and hiring/promotion philosophies, [and] tracking identities of board and staff. We welcome any best practices in these areas."

-Forum PSO Member

Taking Steps to Center Racial Equity

PSOs are looking inward to center racial equity within their organization.

The vast majority of assessment respondents (86%) reported that their PSOs have considered how to center racial equity across their organization and within the context of their mission. Not surprisingly, all PSOs that were in the *establishing* and *reinforcing* stages of development, as displayed in Exhibit 8, reported their organization had considered how to center racial equity compared to 87% of PSOs at the *emerging* stage of development. Additionally, analysis conducted by national and regional PSOs revealed that national PSOs were a bit more likely to have considered how racial equity work fits within the context of their mission compared to regional PSOs (95% vs. 87%, respectively).

To support their racial equity efforts, over three-quarters of respondents (77%) indicated their PSO had established goals, objectives, and/or strategies to advance racial equity internally. This represents an increase from baseline data, where 62% of respondents reported that their PSOs had established goals, objectives, and/or strategies. As shared above, a larger proportion of respondents representing national PSOs versus regional PSOs reported their organizations had established goals, objectives, and/or strategies to advance racial equity efforts (81% vs. 74%, respectively). Taken together, these findings merit additional research to better understand the unique opportunities and challenges faced by national versus regional PSOs.

“There’s been a series of shifts—as well as leadership transitions on the staff and board—within the last two years that have brought us to an understanding that advancing racial equity is not a separate line of work, but something core to everything we do. If we are to succeed in our mission of building a vibrant social impact sector, addressing racial inequities is necessarily part of our work.”

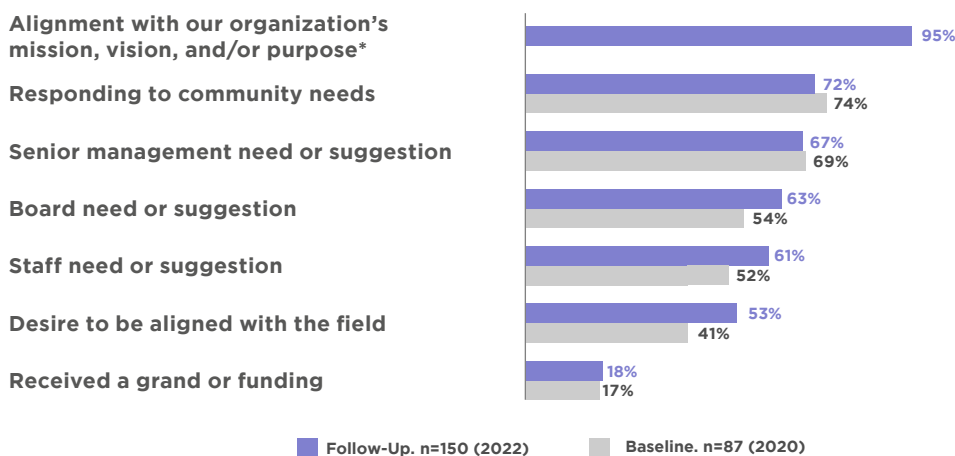
-Forum PSO Member

While commitment from executive leadership is vital, equally as important is the buy-in from staff to infuse racial equity across the organization.

As displayed in Exhibit 11, PSOs' top two reasons for setting racial equity goals, objectives, and/or strategies was to be in alignment with their organization's mission, vision, and purpose (95%) and to respond to community needs (72%).

Compared to the baseline assessment, respondents in 2022 reported greater momentum coming from staff and board members to set clear goals, objectives, and/or strategies to advance racial equity. Moreover, analysis conducted across the internal stage of development reveals statistical differences exist. For example, **PSOs in the *establishing* or *reinforcing* stages of development were more likely to report that their impetus for setting goals, objectives, and/or strategies to advance racial equity emerged primarily from the needs or suggestions of senior management, staff, or board members compared to PSOs in the *emerging* stage of development (92% vs. 72%, respectively). This nuance highlights the importance of having buy-in and commitment from not only the executive leadership but also staff to make substantial progress with internal racial equity efforts.** As detailed in subsequent sections, a key success of implementing racial equity efforts reported by all PSOs in the *establishing* and *reinforcing* stages of development was their staff's openness and willingness to engage in internal racial equity efforts and discussions compared to 72% of PSOs in the *emerging* stage of development.

Exhibit 11: Impetus for Setting Racial Equity Goals, Objectives, and/or Strategies



*Item added in the follow-up assessment conducted in 2022

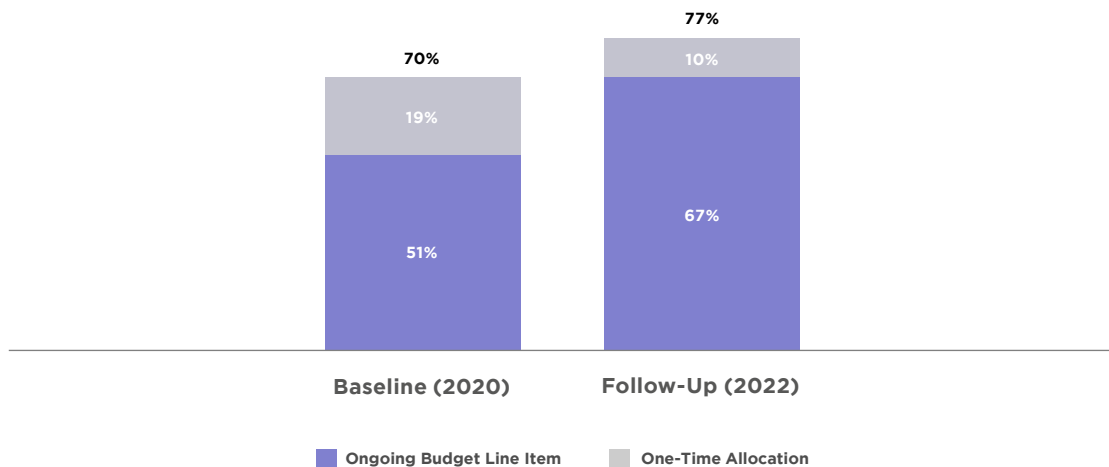
PSOs further elaborated that they have come to understand that “*philanthropy perpetuates inequalities*” and felt it was their responsibility to reorient their work to ensure racial equity permeates all aspects of their organization. One respondent commented, “*We have learned how racism, in all its forms, influences and restricts progress, health, and fulfillment. Centering racial equity internally and externally allows us to be better stewards and external stakeholders while providing more impactful resources to advance the sector.*” PSOs also linked their focus on the internal organizational work to a desire to be aligned with the messaging they are conveying to their members. As a respondent shared, “*We felt it was beyond overdue to place a focus on racial equity within our mission. Especially if we are asking our members to do the same.*”

*Item added in the follow-up assessment conducted in 2022

PSOs' budgets are more frequently prioritizing racial equity efforts.

Compared to the baseline assessment, a larger proportion of PSOs in 2022 are committing funds or grants to support their internal racial equity efforts. At baseline, 70% of participating PSOs reported that their organization had committed funds or grants and that figure jumped to 77% in the follow-up assessment. Moreover, there is an upward trend in PSOs that are embedding racial equity as an ongoing budget line item. In 2022 there was a 31% increase in the proportion of PSOs that earmarked long-term funding or grants for their racial equity efforts (see Exhibit 12). However, while PSOs are more inclined to set aside resources to support their internal racial equity efforts, nearly three-quarters of PSOs (72%) that participated in the 2022 assessment do not feel that the number of resources allocated adequately supports the racial equity efforts underway.

**Exhibit 12:
Proportion of POs that Committed Resources
to Sustain Internal Racial Equity Efforts**



A few PSOs shared that while their organization had not included racial equity as a standalone budget line item or received funds or grants to support their racial equity efforts, they had still been working deliberately toward racial equity. One reported that their “staff and board members’ time has been dedicated to trying to make racial equity more integral to [their] work.” Another noted that they “do not have funds specifically dedicated for racial equity [because they] have been [supporting their racial equity efforts] through a racial justice frame.” A smaller fraction of PSOs indicated that they were either in the process of applying for funds or grants or were having internal discussions about setting aside resources to support their internal racial equity efforts (6%).



External Progress to Advance Racial Equity

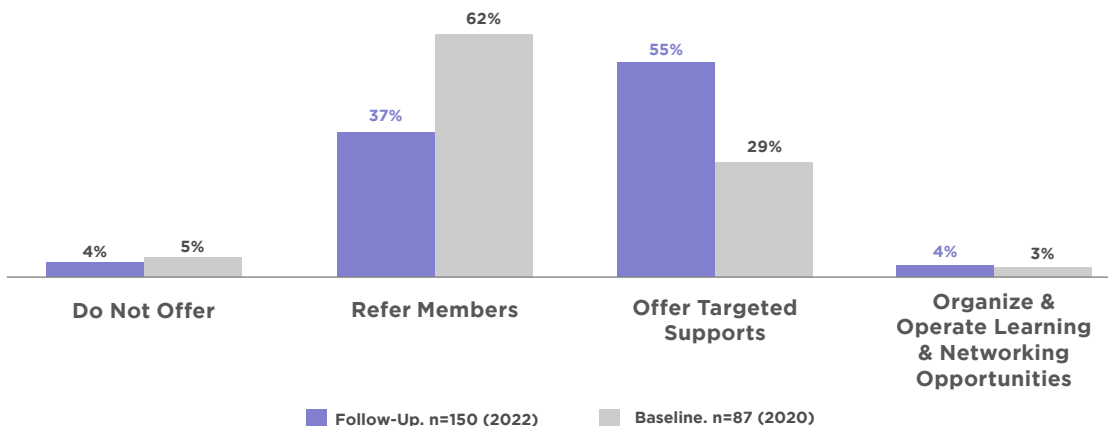
The Racial Equity Organizational Self-Assessment also captured the external efforts PSOs are making to support their respective members' racial equity efforts. Key findings related to PSOs' external efforts are shared below. Please note that external efforts encompass the external programming support that PSOs offer to their members to help advance their racial equity work.

External Efforts

More PSOs are offering targeted racial equity support to their member organizations.

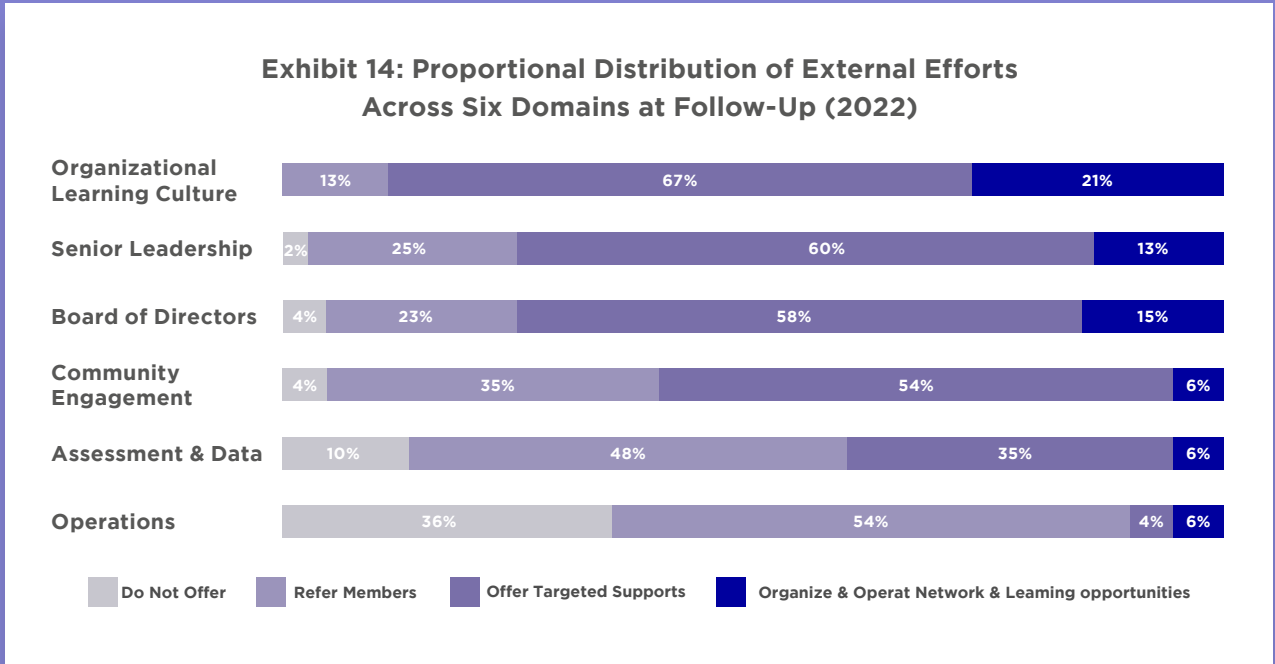
PSOs that participated in the follow-up assessment are increasingly offering their members equity-focused support through targeted trainings, workshops, speaker sessions, webinars, or expert consultations to help their members understand and advance racial equity at their respective institutions. This finding represents a shift from baseline data that indicated larger proportions of PSOs were *referring their members* to external sources of information to support their members (62% vs. 37%, respectively; see Exhibit 13).

Exhibit 13: Baseline and Follow-Up Comparison of the Progress on External Efforts



PSOs are better prepared to offer their members support and programming in areas related to Organizational Learning Culture, Senior Leadership, and the Board of Directors.

Follow-up data across the external domains, as displayed in Exhibit 14, indicate that PSOs are more likely to offer targeted support or organize and operate network and learning opportunities for their members in the *Organizational Learning Culture* (88%), *Senior Leadership* (73%), and *Board of Directors* (73%) external domains. This represents an increase from baseline data with more PSOs offering targeted support or organizing and operating networks and learning opportunities for their members across these three domains.



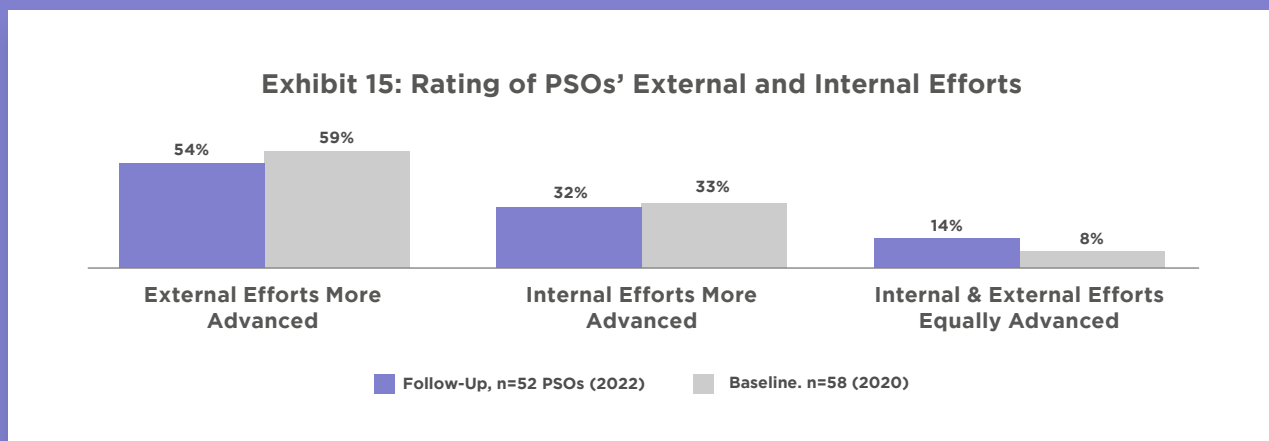
PSOs continue to feel least prepared to support their members' racial equity growth and learning related to *Operations* and *Assessment and Data*.

Follow-up data across the external domains, as displayed in Exhibit 14, indicate that PSOs are more likely to offer targeted support or organize and operate network and learning opportunities for their members in the *Organizational Learning Culture* (88%), *Senior Leadership* (73%), and *Board of Directors* (73%) external domains. This represents an increase from baseline data with more PSOs offering targeted support or organizing and operating networks and learning opportunities for their members across these three domains.

Intersection of Internal and External Efforts

While PSOs are working to align their internal and external racial equity efforts, the emphasis continues to be placed on external racial equity programming.

On the follow-up assessment, more respondents reported actively engaging in conversations to align their internal and external racial equity efforts. In most of these cases, the work to align efforts involved prioritizing internal practices, policies, and culture of their organizations. As one PSO shared, *“The alignment is aspirational, as 2021 was the first year the organization engaged in intentional and purposeful internal work on racial equity. We have made good, collective progress on ensuring our internal work mirrors what we are amplifying externally.”* Another respondent expressed, *“Like many organizations, we invested early resources in trainings and learning for our members and staff. With a few years of work under our belt, we are turning our attention back to the organization to update policies and practices to better advance racial equity.”*



When asked to rate the balance between internal and external efforts, respondents did indicate a slight shift from baseline to follow-up toward aligning their internal and external efforts (see Exhibit 15). For example, fewer PSOs reported that their external efforts are more advanced compared to their internal efforts (59% at baseline vs. 54% at follow-up). While this finding is a positive sign of increased alignment between internal and external racial equity efforts, there is a continued opportunity to prioritize and set up frameworks to guide the organization’s internal racial equity efforts. Some PSO respondents expressed, in particular, that they continue to have a better understanding of the racial equity support their organizations provide to their members than of their own internal racial equity work. For example, one respondent said, *“Our external efforts, communications, programming, and commitments to racial equity and justice work that are offered to members and partners are [clearer] to me. I feel there is a lack of clarity and lack of consistency internally around internal staffs’ commitment to racial equity and racial justice work.”*

“There is more flexibility in offering external programming. Our internal work is moving at a slower pace as we are being intentional and taking time to collaborate across staff and with consultants guiding the work. In contrast, we are able to produce external programming at a quicker pace and host a series of programs focused on equity.”

-Forum PSO Member

Of notable importance is that the number of PSOs that reported alignment across their internal and external efforts nearly doubled from 8% at baseline to 14% at follow-up. “[Our] internal and external efforts are well aligned and [we] are working hard to continue to advance on both fronts,” conveyed a respondent who characterized this shift. PSOs that are working to align their internal efforts with the external programming they offer their members shared that they are working to build their boards’ and staffs’ shared understanding of racial equity issues through trainings, workshops, and professional development offerings; intentionally embedding racial equity and justice as part of their strategic framework; partnering with consultants to work on their organizational learning culture; and expanding the racial and ethnic diversity of their staff, including their executive leadership, through targeted recruitment and retention practices among others. Nevertheless, even among the few PSOs who reported alignment between their external and internal racial equity efforts, one emphasized that their “external programming had a more defined framework and workplan than [their] internal efforts.” This comment underscores a need among PSOs, even those who have focused on their internal efforts, to establish clear internal racial equity frameworks and workplans that help guide their organizations along their journey.

“Our external racial equity programming to our members has been ahead of our internal racial equity efforts, but our internal efforts are starting to catch up.”

-Forum PSO Member

PSOs’ focus on internal organizational racial equity efforts helps them lead by example.

Several of the nearly one-third (32%) of PSOs that reported their internal efforts were more advanced than their external efforts noted that their organization made a deliberate choice to work on their internal practices, policies, and practices before developing external programming for their members. As shared by one, “We have focused most intensively over the past year on our internal efforts while also trying to set a leadership example for members who are still early in their journeys.” Several respondents whose organizations focused on their internal efforts shared that they tended to more commonly refer members to partner and external experts to provide racial equity programming for their members. Additionally, a few respondents that represented PSOs that began by advancing their internal efforts explained that their “internal efforts often inform[ed] the type of programming, networking conversations, and working group opportunities [they] built for [their] members.”

“We have intentionally focused on establishing internal policies and practices first so that we can share our own experience and learnings with members and serve as a model for their own efforts. External programming and membership-focused initiatives will follow.”

-Forum PSO Member

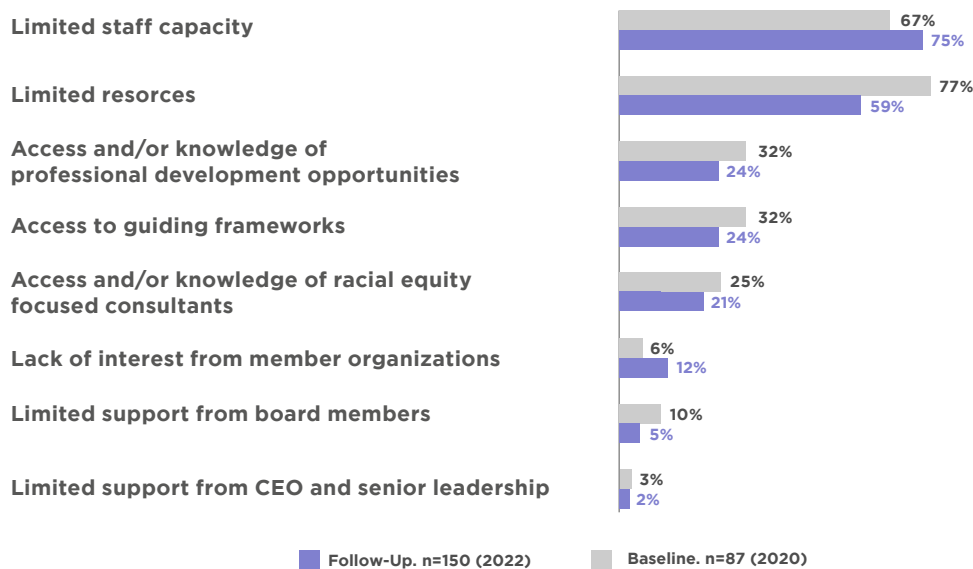
Challenges to Advancing Racial Equity Efforts

PSO staff who completed the assessment reflected on the challenges they faced in advancing racial equity within their organizations and among their membership base. This section highlights shifts since baseline and notes differences that emerged between national and regional PSOs.

Limited staff capacity has become a greater challenge to advancing racial equity efforts, particularly among regional PSOs.

The follow-up assessment shows an increase in the number of respondents who identified limited staff capacity as the main challenge to advancing their organizations' racial equity efforts (67% at baseline vs. 75% at follow-up, Exhibit 16). Several respondents cited unexpected staff transitions, increases in staff workload during the pandemic, and small staff sizes as the main staffing challenges they encountered. One respondent elaborated on the impact the pandemic had on advancing their racial equity efforts: *"The pandemic played a major role in creating barriers to more [staff] connection. We aimed to keep racial equity and other DEI work at the top of mind, but our staff was stretched thin with other top priorities."*

Exhibit 16: Challenges Identified by PSO Respondents



Limited staff capacity was the hardest-felt challenge among smaller regional PSOs. Nearly all (94%) of respondents from regional PSOs reported that limited staff capacity was a challenge compared to less than three-quarters (74%) of respondents from national PSOs. A respondent representing a regional PSO echoed this sentiment held by most regional PSOs: *"The biggest challenge has been limited staff capacity and the organization not making racial equity efforts an internal priority."* Regional PSO respondents stressed the need to bring on dedicated and qualified staff to help create and sustain racial equity efforts across the organization. Expressing a typical perspective from a regional PSO, one respondent said, *"For some staff, racial equity work is perceived as 'in addition' to their workloads."* Some PSOs have taken steps to mitigate this perception by framing racial equity as an integral part of their work, and holding trainings to help staff understand how racial equity permeates all aspects of the organization and its operations.

Resource limitations are now less of a challenge to advancing racial equity efforts.

At baseline, respondents identified limited resources as the most common challenge (77%) to advance their PSO's racial equity efforts. On the follow-up assessment, however, slightly over half (59%) of respondents reported limited resources as a challenge, while limited staff capacity became the most commonly reported challenge (as noted above). Interestingly, data reveals that national PSO respondents were more likely to identify limited resources as a challenge compared to regional PSO respondents (92% vs. 87%, respectively). However, the majority of national PSO respondents that identified limited resources as a challenge also tended to come from smaller PSOs with a limited membership base. As detailed by one respondent from a national PSO, *"We are a small PSO within a small sector of philanthropy. Growth in membership has been very slow. Dues revenue is not sufficient to increase resources or staff capacity."*

While access to professional development opportunities, guiding frameworks, and racial equity consultants have become less common barriers, many regional PSOs continue to face these challenges.

Follow-up data indicates that fewer than one-quarter of respondents identified access to professional development opportunities (24%), guiding frameworks (24%), and racial equity consultants (21%) as challenges; all of these percentages have decreased since baseline (see Exhibit 13). However, this decrease is not equally expressed across regional PSO respondents. Over half (58%) of regional assessment respondents reported that aside from limited staff capacity and resources, not having access to and/or knowledge of professional development opportunities is a main challenge they face. Similarly, larger proportions of regional respondents reported limited access to guiding frameworks (55%) and racial equity-focused consultants (45%) compared to national PSOs. One regional PSO respondent shared that while they have access to toolkits and guiding frameworks, their struggle lies in finding the tools and frameworks that work well for their organization and this leads many regional PSOs to create their own frameworks, which takes time and poses challenges for staff.

"This work is hard and there is no blueprint to follow. We find the frameworks provided by national PSOs very helpful, but it comes down to finding the right people and relationships to do the work in the context of our state and members."

-Forum PSO Member

Lack of interest from member organizations is a growing challenge to PSOs' efforts to advance racial equity.

As illustrated in Exhibit 13, more respondents at follow-up shared that lack of interest from their member organizations was a challenge to advancing racial equity. This challenge was more pronounced among regional PSOs: Over one-third (39%) of respondents from regional PSOs identified a lack of member interest as a challenge compared to only 10% of those from national PSOs. Differences in members' understanding of racism also pose challenges, in particular for regional PSOs. A regional PSO respondent explained, *"Differences in understanding and acceptance of racism in [our state] has made it more difficult to engage members from varying geographic and socio-economic areas."*

Some PSO respondents also shared a hesitancy to take on a topic that is controversial among its stakeholders. As one put it, there is *"reluctance by some board members to 'offend' some of [our organization's] members and then subsequently hurt [our] revenue because members may leave if they don't agree with the programming focus."*

"Some of our members still do not see the value of an equity lens or even find it as something that 'excludes' them because their organization has a conservative clientele."

-Forum PSO Member



Future Supports

PSOs identified the future supports needed to advance their racial equity efforts and the role that the Forum can play to support their journey.

Financial support. While there was a decrease in the proportion of respondents who indicated that limited resources were a barrier to advancing their organization's racial equity efforts, the most common need continues to be financial support. A large proportion of PSOs are interested in securing resources to bring on board racial equity consultants who can provide targeted support to their organizations. Other PSOs reported that additional resources can support internal trainings, coaching, and mentoring for staff and board members. PSO members noted that the Forum can support organizations by identifying potential funding and grant opportunities and help leverage relationships and partnerships with the philanthropic field.

Professional development opportunities that provide tangible tools. PSOs are eager to expand their understanding of racial equity and to identify best practices and tools that can help them along their journey. Specifically, PSOs want to expand their understanding of how to align their strategic plans with racial equity efforts; how to accommodate members that are at different stages along their journey; how to craft internal policies and practices in support of racial equity; strategies for staff and board recruitment and hiring; and frameworks that can be adopted by regional organizations.

Expansion of peer exchanges. There continues to be a desire for deep conversations with peers to share experiences and learnings. PSO respondents noted that this was an area where the Forum can continue to play a key convener and connector role. Some PSOs are interested in participating in peer exchange groups based on organization size, geography, and stage in their racial equity journey to effectively target their challenges and share resources.

Sharing case stories about the progress PSOs are making along their journey. In addition to connecting with peers, PSOs are keenly interested in learning more about racial equity through the lens of other PSOs. A few respondents expressed a desire to learn more about the racial equity journeys of their peers through case stories. According to these respondents, case stories present a great opportunity to document the strategies, lessons learned, and challenges other PSOs have faced in designing and implementing their internal and external racial equity efforts. Respondents explained that the Forum has an opportunity to continue to support PSOs to advance their racial equity focus by sharing stories from the field to help shine a light on the work underway and normalize the many challenges and obstacles of racial equity work.



RECOMMENDATIONS

This section of the report provides a set of recommendations for PSOs as they continue to grow and expand their internal racial equity efforts and, simultaneously, support their members to advance racial equity within their institutions. Several of the recommendations shared below are carried over from the set of recommendations set forth in the first Racial Equity Organizational Self-Assessment report – in great part due to the continued relevance given the findings detailed above.

- **Continue to look inward.** Although PSOs have made notable progress to advance their internal racial equity efforts, with more PSOs reporting that they are in the more advanced internal stages of development, there continues to be an opportunity for PSOs to genuinely examine how their internal policies, practices, and culture support or undermine their racial equity efforts. It is also important to understand that racial equity work entails long-term commitment across all levels of the organization.
- **Secure the commitment of senior leadership and board members.** PSOs that reported they made gains to advance their internal racial equity efforts noted that having the support of senior leadership and board members was crucial. Senior leadership and board members hold a tremendous amount of power that is often needed to make significant and lasting changes across the institution. Enlisting the support of senior leadership and board members may include increasing their understanding of racial equity and justice as well as creating spaces for them to have open and honest conversations to discuss racial equity issues. However, while the commitment and support of senior leadership and board members are needed to make notable gains on racial equity efforts, the role of committed staff should not be undermined. Several PSOs shared that their staff's openness and willingness to engage in racial equity efforts and discussions was essential to sustain their racial equity efforts in the long term.
- **Diversify the board, senior leadership, and staff.** Several PSOs attributed their internal racial equity progress to their ability to diversify different layers of their organization—particularly the board of directors and senior leadership. Bringing on board diverse perspectives helped these PSOs take bolder stances on racial equity, embed racial equity as part of their strategic framework, and actively and continuously engage in conversations that center racial equity and justice.



- **Increase PSOs' foundation members' understanding of racial equity.** A growing number of PSOs shared that the reluctance of their membership base to support racial equity efforts hinders the progress they are making to advance racial equity efforts—both internally within their organization and externally with their members. Many PSOs worry about decreased revenue streams that may result from centering racial equity. However, several respondents whose organizations had centered racial equity reported limited to no impact on their revenue and in some instances saw an increase in members who were attracted to programming that helped them advance racial equity. Respondents in these organizations suggested that PSOs provide programming to help members understand the history of race and racism and its lasting impact on communities of color.
- **Normalize conversations about race, racial equity, and racial justice.** Engaging in discussions and conversations about race-related topics can create discomfort for individuals, and many institutions choose to avoid these topics. However, an artifact of the 2020 racial awakening to the systemic racism that permeates society has opened up the doors to engage in conversations and analyze the impact of race and racism on different sectors of society. Several PSOs shared that being open to discussions about race and racism and, importantly, being open to discomfort was an important step to focusing on their internal racial equity efforts. Moreover, normalizing these conversations helped generate an honest analysis of how their internal practices, policies, and culture contributed to or hindered their racial equity practice.

Appendix A:

Frameworks, best practices, and approaches that informed the development of the assessment.

Development of the Racial Equity Capacity Assessment

The assessment was informed by several frameworks, best practices, and approaches to racial equity, diversity, and inclusion, including:

- Applied Research Center (now Race Forward) and Philanthropic Initiative for Racial Equity. “Catalytic Change: Lessons Learned from the Racial Justice Grantmaking Assessment. May 2009.
- CHANGE Philanthropy. “Equity Assessment Journey.”
- Coalition of Community Foundations for Youth and California Tomorrow. “Leading by Example: Diversity, Inclusion, and Equity in Community Foundations.”
- Equity in the Center. “Awake to Woke to Work: Building a Race Equity Culture.” 2019.
- Philanthropic Initiative for Racial Equity and GrantCraft. “Grantmaking with a Racial Equity Lens.” 2007
- The Annie E. Casey Foundation: Building Movement Project. “Race to Lead: Confronting the Nonprofit Racial Leadership Gap.” 2017.
- The Annie E. Casey Foundation. “Race Equity and Inclusion Action Guide: 7 Steps to Advance and Embed
- United Philanthropy Forum. “Advancing Racial Equity in Philanthropy: A Scan of Philanthropic Serving Organizations.” July 2018.
- United Philanthropy Forum. “Strengthening Philanthropy’s Capacity to Engage in Policy: Progress Report on United Philanthropy Forum’s PolicyWorks Initiative.” September 2018.





Journey Toward Racial Equity

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June 2023