

“Greenlining” Foundation Grantmaking: Racial Equality Reporting in California

by Rick Cohen

REMEMBER WHEN THE *ATLANTA Journal-Constitution* published a pathbreaking series on racial discrimination in awarding home mortgages? *The Color of Money* won a Pulitzer¹ and put juice into community-based organizations, academics, and newspapers uncovering patterns of racial discrimination—or redlining—in bank mortgage and home improvement lending practices. Just as the Home Mortgage Disclosure Act (HMDA) requires banks to report on their mortgages and loans, should philanthropic redlining in U.S. philanthropy be remedied by a mandatory reporting regime?

A California-based advocacy organization has prompted the California state legislature to pass a bill designed to compel large private foundations, much like HMDA does for banks, to report on their grantmaking to nonprofits that are governed by predominantly racial and ethnic boards and executive leadership. As of this writing, the bill has passed only in the House, not in the Senate.

Known as AB 624,² the bill has energized foundations in the state and nationally to come down hard on the notion of compulsory reporting on racial and ethnic grantmaking. Here we examine the bill’s pros and cons and the positions of the opposing parties and suggest that the lessons learned from this as-yet unfinished legislative battle may be useful to promote more racial

and ethnic equity in future foundation grantmaking.

While there may be shortcomings in the legislation as drafted, AB 624 raises important issues that foundations have addressed largely through soft-soap discussions of diversity and caring, but with relatively little substantive progress. The California legislation challenges foundations at their core. Whom do foundations serve? How does philanthropy address racial and social inequities for the billions of dollars currently in foundation coffers and the future trillions likely to flow in? AB 624 will ultimately be signed or vetoed by the governor, but the underlying questions about foundations and racial and ethnic equity remain unanswered.

Greenlining Philanthropic Grantmaking

Based in Berkeley, California, the Greenlining Institute has a 15-year history of supporting efforts to increase investment in low-income and minority neighborhoods. Nationally known for its work in challenging banks on redlining practices, Greenlining has crafted Community Reinvestment Act (CRA) agreements with major financial institutions such as Wachovia and Merrill Lynch. It has similarly challenged corporations and government agencies on their attentiveness to racial and ethnic diversity, generating “diversity scorecards” for bank boards, University of

California medical school faculty, and the partners of California’s 20 largest law firms.

In 2005, Greenlining generated a diversity report card of sorts for foundations. *Fairness in Philanthropy* examined the grantmaking to minority-led organizations by 49 foundations. Minority-led organizations are defined by the following: “whose staff is 50 percent or more minority; whose board of directors is 50 percent or more minority; and whose mission statement and charitable programs aim to predominantly serve and empower minority communities or populations.”

*Fairness in Philanthropy*³ caught the attention of California assemblyman Joe Coto, under whose leadership the state’s black, Latino, and Asian/Pacific Islander legislative caucus convened a hearing on the topic.

Investing in a Diverse Democracy, a 2006 follow-up report by Greenlining, concluded that in 2004 a sample of “national independent foundations” gave only 14.7 percent of grant dollars and 7.7 percent of grants to minority-led organizations. California foundations awarded 4 percent of grant dollars and 11.7 percent of grants. Some funders in the Greenlining sample supposedly made no grants to minority-led organizations, and overall totals would have been greatly reduced were it not for the \$535 million grant of the Bill and Melinda Gates Foundation to the United

Negro College Fund.⁴ Subsequently, and much to the consternation of California and national foundations, Coto introduced the legislation calling for mandatory racial and ethnic reporting on foundation grants.

There is little debate that racial and ethnic minorities have not garnered significant proportions of foundation grantmaking. The Applied Research Center's *Short Changed* report described the increasing gap between the growth of overall U.S. foundation giving and the proportion targeted to racial and ethnic minorities.⁵ It noted that among "organizations that promote justice and equity for immigrants and established communities of color . . . funding streams for many such organizations have been reduced to a trickle in recent years." Over the past few decades, racial and ethnic "affinity groups" of foundations have decried shortfalls in grantmaking to their constituencies, such as the recent report from Asian Americans/Pacific Islanders in Philanthropy (AAPIP), which underscored the disparity between an AAPIP population that accounts for 4.5 percent of the U.S. population but only 0.4 percent of foundation grantmaking.⁶

The issue is not whether there should be concern about philanthropic attention and commitment to racial equity in foundations' grantmaking and operations. It is whether AB 624 will bring progress to the sector in terms of increased racial equity or whether it instead sidetracks philanthropy into unproductive metrics and onerous reporting requirements.

AB 624's Foundation Coverage

The proposed legislation would apply to private foundations (as defined by federal tax law), including corporate foundations and perhaps community foundations (if they fit under the undefined term "public operating foundations") if they have assets of more than \$250 million and are located in California. As of 2005, the list of covered foundations would number approximately

two dozen.⁷

Despite the focus on foundation *grantmaking* to racial and ethnic minorities, the inclusion of large-asset operating foundations that make few grants leaves out many large foundations making grants to California organizations. Despite the state's large foundation sector, 17 of the top 50 (and three of the top ten) grantmakers to California nonprofits are not located in California, notably the Bill and Melinda Gates Foundation and the Ford Foundation, among others.⁸ Were the statute to pass, many of the large private and corporate foundations likely to be mandated to comply with the statute operate nationally rather than simply within the state. So a particular foundation might make substantial grants to minority-led organizations outside the state but almost none within it.

The requirements for reporting also exclude foundations' non-U.S. grantmaking. Following September 11, the Iraq war, and international disasters like the tsunami in Southeast Asia, philanthropic grantmakers and all charitable givers have been encouraged to see beyond national boundaries. Beyond the exclusion of international grantmaking per se, what actually constitutes "international" in the twenty-first century? Would grants to entities such as the Save the Children Federation (located in Connecticut) or the United Nations Fund for UNICEF (in New York) count as domestic (because they are located in the United States) and therefore within AB 624's purview, or are they international because they either regrant the funds to non-U.S. entities or use the monies to operate overseas? As drafted, the bill is thus caught in a geographic no-man's land, focused on grantmaking to racial and ethnic communities and organizations, but potentially excluding major categories of grantmakers inside and outside the state as well as certain kinds of international grantmaking.

AB 624's Mandated Reporting

In its journey through the California legislature, the scope of AB 624 has been whittled down. But as of February 2008, the bill called for foundations to report information in three categories:

- "The number of grants and percentage of grant dollars awarded to organizations serving ethnic minority communities and lesbian, gay, bisexual, and transgender communities";
- "the number of grants and percentage of grant dollars awarded to organizations where 50 percent or more of the board members or staff are ethnic minorities or are lesbian, gay, bisexual, or transgender"; and
- "the number of grants and percentage of grant dollars awarded to predominantly low-income communities."

Under the label of "diversity," foundations would also be required to post the information on their Web sites and include it in annual reports.

Foundations in California and nationally have objected to these reporting requirements, arguing that the data collection is costly and burdensome, diverting funds to pay for compliance with the legislation that could otherwise go to the groups. Others contend that this reporting requirement is an improper invasion of government regulation over private funds, conveniently forgetting that foundation assets are tax-exempt dollars, entrusted by the public to foundations' stewardship and distribution for the public's benefit). Still others hint darkly that the enactment of AB 624 will spur foundations to pack up and move out of California.

In the opposition to AB 624, a recurrent theme is that the legislation's required reporting invades the privacy of grantmakers and grant recipients. In practice, however, many foundations routinely require grant applicants to report on their racial and ethnic composition. Grantmakers of Western Pennsylvania, for example, uses the Common Grant Application Format, which specifically asks applicants to list officers and

directors for their “diversity spread” (i.e., age, gender, and race),⁹ and Associated Grant Makers, the regional association in Massachusetts, uses a reporting process that includes a diversity data form to classify the race and ethnicity of board members, staff, and volunteers.”¹⁰

Historically, foundations have resisted most reporting efforts as unnecessarily burdensome and costly. With the Tax Reform Act of 1969, foundations fought the prospect of increased reporting furiously, but in retrospect had to acknowledge that the 1969 standards resulted in less abuse and higher levels of foundation grant distributions.

Supporters of AB 624 cite a different precedent for the legislation: the 30th anniversary of the Community Reinvestment Act. Three decades ago, banks were adamantly opposed to the enactment of CRA, warning of dire consequences for residential lending practices. But today, major banks begrudgingly accept CRA as a positive contribution to banking practices. The Home Mortgage Disclosure Act of 1975 provides the statistical basis for making CRA a potentially useful tool, which Greenlining uses in its successful CRA work and cites as a “good example” for comparison with the California bill.¹¹ But is it really?

HMDA compels banks to provide loan data so that regulators and the public can determine whether financial institutions meet the housing credit needs of their communities by generating a “picture of how geographic lending patterns vary depending on the income status and/or racial/ethnic make-up of neighborhoods.”¹² Advocacy organizations such as Greenlining and ACORN use HMDA data to determine whether banks have engaged in racial discrimination or neighborhood-based redlining.

But the HMDA parallel with AB 624 is tenuous. HMDA gets at the racial and ethnic minority end users of bank lending, not whether bank lending goes through organizations that are minority led. In contrast, AB 624 calls for track-

ing not only the racial and ethnic composition of the beneficiaries of foundation grants but also the extent to which foundation grants go to organizations led by people of color. Is the implicit assumption that minority-led organizations produce better results for their constituencies? Perhaps. But as CRA evaluations have shown, while many minority banks are committed to reinvesting in their communities, not all are automatically top-level CRA performers.¹³ Being a minority-owned bank does not automatically mean that lending practices will be *significantly* more community oriented than the practices of other banks.

Therein lies the problem of AB 624’s emphasis on foundation grant making to minority-led organizations. A foundation, for example, might make substantial grants to organizations whose governing board or staff is minority, but these organizations might not have much program emphasis on serving racial or ethnic minorities. Moreover, grants that go to organizations opposed to the racial and ethnic priorities of the Greenlining Institute, such as Ward Connerly’s California-based American Civil Rights Institute (whose slogan is “Race has no place in American life or law”),¹⁴ would count in the racial and ethnic column.¹⁵ In other words, the racial-justice content of the grantmaking or the grant recipient organization is not a relevant factor.

Greenlining defends AB 624 as simply a measure to promote foundation transparency on racial and ethnic grantmaking, not a requirement that foundations do more or meet a targeted benchmark. But foundations see the bill’s call for mandated transparency as a value judgment that their grantmaking to minority-led organizations and communities is insufficient and should be increased. In foundation grantmaking, the needed measures are not simply which intermediaries receive funding, but rather whether the funding empowers communities to redress institutional and socie-

tal inequities. In addition to data on who receives foundation grant dollars, philanthropy needs a more robust set of measures tied to affirmative strategies to promote racial equity.

The Importance of Metrics

The shortcomings of AB 624 should not be construed as letting foundations off the hook for determining who benefits from their nearly \$40 billion in annual grantmaking and whether this grantmaking contributes to racial and ethnic equity and social justice. The example of Ward Connerly underscores the need not to eschew racial and ethnic metrics but to ensure that philanthropy is accountable for what it delivers in return for federally tax-exempt funds.

After successfully rolling back some aspects of affirmative action in Michigan, California, and Washington, Connerly recently announced efforts to place similar voter initiatives on the ballot in Colorado, Arizona, Missouri, Nebraska, and Oklahoma.¹⁶ Connerly understands the importance of generating empirical measures for the progress of institutions and of society toward racial justice. Measures provide benchmarks against which progress on social issues can be gauged. By dodging the publicly reportable, the philanthropic sector falls prey to the Connerly vision. If you can’t count it and report it, ultimately you won’t address it.

Known as Proposition 54, Connerly’s Racial Privacy Initiative in California would have banned state government from collecting information about race, ethnicity, or national origin other than in very limited circumstances. Many of the California foundations that have been most vigorously opposed to AB 624 fought against Connerly’s proposed ban on collecting racial and ethnic information, making their stance on AB 624 look more self-serving than principled. A CompassPoint survey of California foundation program officers as well as interviews with foundation executives indicated concern about the implications of Propo-

Minority-Led Nonprofits

What does hard research indicate about the greater efficacy of minority-led organizations serving their communities? This is the implicit question of AB 624, which is not answered by the generic response that “diverse” organizations are more effective or innovative entities.²² Even if the equation “Diversity yields innovation and effectiveness” is correct for generic nonprofits, are racial and ethnic minorities—and other disenfranchised populations—well represented by white or “diverse” organizations, or is it important for people of color to speak for themselves?

While the research may not address this question of empowerment clearly, we know one thing: The nonprofit sector is hardly as diverse—at least in racial and ethnic terms—as the population of the United States, whose workforce is nearing majority-minority status and whose entire population could reach that point as soon as 2050.

In 2005 the Urban Institute conducted a stratified random sample of nonprofits that had filed Form 990s with the IRS and garnered more than 5,100 responses for a 41 percent response rate. In terms of the less-than-diverse composition of those governing tax-exempt 501(c)(3) organizations, the findings on the racial and ethnic composition of nonprofit boards are stunning. Here are the highlights:

- The average nonprofit board is 86 percent white, the median nonprofit board is 96 percent white.
- On average, 7 percent of board members are African American and 3.5 percent Latino (leaving approximately 3.5 percent for all other non-white population groups).
- More than half of all boards are composed of entirely non-Latino whites.
- Even in metropolitan areas, which have more diverse populations, 45 percent of nonprofit boards are all white; outside of metropolitan areas, they are 66 percent white.
- Among nonprofits whose service population is more than 50 percent African American, 18 percent report no African-American board members; for service populations that are 25 percent to 49 percent African American, 36 percent report no African-American board members.
- For nonprofits with service populations that are more than 50 percent

Latino, one-third have no Latino board members; for those serving populations that are 25 percent to 49 percent Latino, more than half have no Latino board members.

Despite the substantial response to the survey, the data reflects only a small proportion of the total number of nonprofits in the United States. On the other hand, given that these nonprofits had the motivation to respond to the survey, one can only imagine the even weaker picture of the racial and ethnic composition of decision makers for the total U.S. tax-exempt sector.²³

Other data on the proportion of nonprofit organizations that are led by people of color reflects the race and ethnicity of only executive directors and raises questions. While the nation’s nonprofit community development corporations (CDCs), for example, trace their origins in part to the Title VII nonprofits of the late 1960s, beginning with people-of-color-led groups, today’s community development corporations are led by predominantly nonminorities. The 2005 census of Community Development Corporations classified 69 percent of CDC executive directors as white, 22 percent African American, 7 percent Latino, 1 percent Asian American, and 2 percent Native American or Alaskan.²⁴

Perhaps these statistics simply reflect the changing demographics of CDC neighborhoods that are no longer as dominated by racial and ethnic populations. But in the community development industry, observers consistently express concern about the inadequate numbers of leadership positions filled by people of color.

The current foundation debate surrounding “diversity” conflates “diversity” with inclusiveness and implicitly assumes that worthwhile, effective nonprofits “affirm . . . human diversity in many forms, encompassing but not limited to ethnicity, race, gender, sexual orientation, age, economic circumstance, disability, geography, and philosophy.”²⁵ Across the sector, diversity and inclusion are mom-and-apple-pie concepts. And for marginalized or disenfranchised communities, this reflects a need for political power, which requires authentically constituent-led, constituent-governed organizations. But while the amorphous way in which foundations use the term *diversity* may be politically palatable, it’s increasingly devoid of meaning.

sition 54. Eighty-four percent of foundations considered race, ethnicity, and national origin of grant applicants’ clients or constituents as part of their grantmaking decisions, and three-fourths of respondents expressed concern about a

ban on collecting racial and ethnic data regarding its implications for foundation strategies, investment priorities, and impact measurements.¹⁷

The Leadership Conference on Civil Rights expressed the rationale for oppo-

sition to Proposition 54 and why foundations ought to understand the implications of their opposition to the bill: “Without data collection, [Proposition 54] would damage the state’s ability to address disparities by race and ethnicity

in discrimination and hate crimes, health care and disease patterns, and educational resources and academic achievement.”¹⁸

Conservative nonprofit and philanthropic groups such as the Philanthropy Roundtable and the Alliance for Charitable Reform have been outspoken in their opposition to AB 624, but they are from the same ideological stream from which Connerly’s initiatives flow. In some cases, they suggest that opposition to the bill should be consistent with opposition to affirmative action and other “liberal” strategies that have addressed our nation’s racial problems over the years.¹⁹ Moderate and liberal foundations do themselves a disservice by allowing conservative funders to run interference for the philanthropic sector when instead they should stand up for the need for robust and meaningful data collection to advance the causes of racial and ethnic justice.

Foundations such as the Annie E. Casey Foundation²⁰ and the Ford Foundation have repeatedly made the case for collection of racial and ethnic data on beneficiaries in foundation grantmaking.²¹ Soft-soap palliatives to the California legislature, such as the promise of the three California regional grantmaker associations to conduct new research on how to strengthen grant support for minority-led organizations, seem unconvincing and paltry. They simply buy time rather than recognize the legitimate concerns in the California bill.

The Future of AB 624

As this article goes to press, we learned that the California state senate’s Business, Professions and Economic Development Committee held a hearing on May 12 on the proposed legislation to require foundations to report on their racial and ethnic giving and composition. The committee chairperson, Senator Mark Ridley-Thomas, chose not to call for a vote, asking that the authors of the legislation—presumably the Greenlining Institute—work with foundations

to find mutually acceptable legislative language.

In the meantime, the Council on Foundations continued its strident opposition to the bill, with several panels devoted to diversity at its May annual conference. But there were a couple of surprises. At a plenary session on the last day of the conference, a representative of the Jessie Smith Noyes Foundation announced its endorsement of the legislation, particularly the issue of grantmaking to minority-led organizations. And Congressman Xavier Becerra reaffirmed what he told the *Nonprofit Quarterly* in the spring 2008 issue that Congress will be looking at how much the grantmaking of foundations benefits racial and ethnic minorities.

The anti-AB 624 foundations have hired heavyweight California lobbyists to work the halls in Sacramento to convince the legislature to pull or reject the bill. If that doesn’t work, the lobbying could reach Governor Arnold Schwarzenegger for a veto. With ample foundation opposition to the bill and grantee reticence to say much about the legislation contrary to their funders’ positions, the bill may not get much further, potentially even being wrapped up by mid-June. But what happens then? Are the issues underlying AB 624 buried under an avalanche of consultant studies, foundation declarations of their appreciation of the value of diversity, and a few strategically placed grants? The foundation sector would be well advised to view AB 624 as a wake-up call for serious attention to racial equity.

ENDNOTES

1. *The Atlanta Journal-Constitution*, “The Color of Money,” May 1–4, 1988 (powerreporting.com/color/color_of_money.pdf).
2. The Greenlining Institute refers to the bill as the Foundation Diversity and Transparency Act, John C. Gamboa, “Tax-Supported Foundations Must Reveal Diversity Data,” the *Mercury News*, February 29, 2008 (for the text of AB 624, see www.leginfo.ca.gov/pub/07-08/bill/asm/ab_0601-0650/ab_624_bill_20080303_

amended_sen_v96.html).

3. Greenlining Institute, *Investing in a Diverse Democracy: Foundation Giving to Minority-Led Nonprofits*, fall 2006, p. 3. As a matter of disclosure, the National Committee for Responsive Philanthropy (NCRP), for which I served as executive director, originally intended to partner with Greenlining in the 2005 study but withdrew because of the study’s research methodology.
4. *Investing in a Diverse Democracy*, p. 5.
5. Will Pittz and Rinku Sen, *Short Changed: Foundation Giving and Communities of Color*, Applied Research Center, spring 2004, pp. 1 and 4.
6. Pronita Gupta and Stefanie Ritoper, *Growing Opportunities: Will Funding Follow the Rise in Foundation Assets and Growth of AAPI Populations?*, Asian Americans Pacific Islanders in Philanthropy, June 2007 (www.aapip.org/pdfs/AAPIP-GOpps4WWW.pdf).
7. The Foundation Center, “Top 50 California Foundations, circa 2005” (foundationcenter.org/findfunders/statistics/pdf/09_top50_aa/2005/ca_05.pdf).
8. The Foundation Center, “Top 50 U.S. Foundations Awarding Grants in the State of California, circa 2005” (foundationcenter.org/findfunders/statistics/pdf/03_fund_geo/2005/50_found_states/f_ca_05.pdf).
9. Grantmakers of Western Pennsylvania, Common Application Grant Format (gwpa2.org/commongrantapplication.pdf), p. 4.
10. Associated Grant Makers, AGM Common Proposal Form (www.agmconnect.org/cpf/CPF_Diversity_Form.xls).
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12. Paul Huck, “Home Mortgage Lending by Applicant Race/Ethnicity: Do HMDA Figures Provide a Distorted Figure?,” *Policy Studies*, October 2000, p. 2.
13. Ann B. Matasar and Deborah D. Pavelka, “Minority Banks and Minority Communities: Are Minority Banks Good Neighbors?,” *International Advances in*

Foundation Governance

California's AB 624 is aimed not only at foundations' reporting on their grantees but also at their own top staff and board members' diversity by race, ethnicity, gender, and sexual orientation. The limited available information on the staff and board composition of foundations suggests that, even with some improvement over the years in philanthropic "diversity," the billions of dollars of foundation wealth are subject to the decision making of boards that do not reflect the increasing racial and ethnic diversity of this nation:

Who Governs U.S. Foundations

As the table below demonstrates, the proportion of African-American members of foundation boards is much lower than for Fortune 500 corporate boards.²⁶

Racial Group	Percentage of Foundation Board Members	Percentage of Fortune 500 Board Members
White	87.7	86.6
African American	6.7	9.1
Latino/Hispanic	3.3	3.2
Asian/Pacific Islander	1.5	1.1
Native American	0.5	0.1

But larger foundations (with assets of more than \$250 million) do somewhat better in terms of diversity than do smaller foundations²⁷ with African Americans comprising 11.1 percent of board members for large foundations versus 6.0 percent for smaller ones.²⁸

Who Runs U.S. Foundations

Statistics on foundations responding to Council on Foundations surveys show disproportionately few foundation jobs held by minorities, a trend that only worsens for higher-level positions.

- For all full-time paid foundation staff, 76.8 percent were white in 2006, a slight decrease compared with 77.2 percent in 2005.

- Of paid foundation staff, blacks comprise only 11.4 percent, barely up from 11.1 percent in 2005 (when only 2 percent of full-time paid foundation staff were black males). Latinos account for 5.7 percent, down from 5.9 percent, while Asian/Pacific Islanders account for only 4.8 percent in 2006 and 2005.
- For program officer positions, only 4.2 percent were black men, compared with 12.8 percent black women, 16.3 percent white men, and 52.4 percent white women. Other ethnic and racial groups also lag in employment as program officers: Hispanic men, 3.0 percent; Hispanic women, 4.3 percent; Asian/Pacific-Islander, women 3.8 percent; and Asian/Pacific-Islander, men less than 1 percent.
- For chief executive officers and chief giving officers 1 percent were black men and 1.8 percent were black women, compared with 41.8 percent white men and 51.8 percent white women.²⁹

No statistics exist on the socioeconomic demographics or, more broadly, the socioeconomic status of foundation board and staff members. When it comes to running institutions controlling huge concentrations of wealth, are race and ethnicity more or less important than gender, sexual orientation, or class in explaining foundations' grantmaking priorities? At least one study suggests that staff and board diversity follows a foundation's decision to focus grantmaking on communities or issues of "marginalized populations," not the other way around.³⁰

There is no question that the concentration of philanthropic wealth under the control of nonminorities reflects the racial and ethnic divides in our society. But the anomaly in AB 624 is that it implicitly sets a higher value on foundation giving to minority-led organizations, notwithstanding that giving institutions are probably less racially, ethnically, and gender- and orientation-diverse than recipient nonprofits. It is a policy conundrum for both the proponents of AB 624, who advocate governmental intervention and mandate, and the defenders of the foundation status quo, whose diversity approaches reflect a framework of "valuing" diversity but do not alter the power relationships within institutional philanthropy.

Economic Research, February 2004

(www.entrepreneur.com/tradejournals/article/114523414_2.html).

14. American Civil Rights Institute (www.acri.org/about.html).

15. With only two board members, as stated on its 2006 Form 990 (www.guidestar.org/FinDocuments/2006/522/004/2006-522004697-03302dca-9.pdf), one of whom is Ward Connerly, ACRI meets the AB 624 standard that requires an organ-

ization to have 50 percent of its board members be minority members.

16. Peter Slevin, "Affirmative Action Foes Push Ballot Initiatives," the *Washington Post*, March 26, 2008.

17. *Flying Blind: Proposition 54 and Philanthropy*, CompassPoint, 2003.

18. The Civil Rights Coalition for the 21st Century, "Oppose Ward Connerly's So-Called 'Racial Privacy Initiative,' Proposition 54" (www.civilrights.org/campaigns/

prop54/fact_sheet.html).

19. For example, see the comments of Heather Richardson Higgins, a leader of the Alliance for Charitable Reform, at the Hudson Institute's Mandating Multicultural Munificence program on April 7, 2008 (www.hudson.org/files/pdf_upload/Transcript_2008_04_07.pdf).

20. For example, *Eliminating Racial & Ethnic Disparities: A Funders' Discussion about Strategies and Resources*, Annie E.

Casey Foundation; and *Race Matters User's Guide*, Annie E. Casey Foundation.

21. Mott and Ford both underwrote the production of *Grantmaking with a Racial Equity Lens*, produced by GrantCraft in partnership with the Philanthropic Initiative for Racial Equity, New York: GrantCraft, 2007.

22. Claudia Dreifus, "In Professor's Model, Diversity = Productivity," the *New York Times*, January 8, 2008 (www.nytimes.com/2008/01/08/science/08conv.html?scp=1&sq=professor%27s+model&st=nyt).

23. Francie C. Ostrower, "Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Study," Urban Institute, 2007, pp. 17-18.

24. National Congress for Community Economic Development, *Reaching New Heights: Trends and Achievements of Community-Based Development Organizations*, 2005 (www.ncced.org/documents/NCCED_Census2005FINALReport.pdf), p. 9.

25. Council on Foundations, *Diversity and*

Inclusion in Philanthropy: Position and Action Steps: Response to California Assembly Bill AB 624, February 2008, Rev. February 15, 2008, p. 2.

26. Foundation Management Series, 12th ed., pp. 35-38; "2005 Catalyst Census of Woman Board Directors of the Fortune 500" and the Alliance for Board Diversity's "Women and Minorities on Fortune 100 Boards, 2005." Note that the Executive Leadership Council's study of Fortune 500 corporations cites an African-American board member proportion at 8.1 percent.

27. Both the Fortune and foundation figures come from self-reported data by corporations and foundations. One can assume that among the nonreporting corporations and foundations, the diversity figures are even less robust.

28. Council on Foundations, 2004 Foundation Management Survey database.

29. These statistics come from the Council on Foundations' Grantmakers Salary and Benefits Report 2005 and the executive summary of the 2006 edition. The combina-

tion of CEOs and chief giving officers in the statistics masks the fact that among CEOs the proportion of positions held by African Americans is even lower than these small proportions indicate.

30. Teresa Odendahl and William A. Diaz, "Independent Foundations in Transition: From Family Vehicles to Major Institutions" in Lynn C. Burbridge, William A. Diaz, Teresa Odendahl, and Aileen Shaw, *The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field: Findings from a National Study*, Joint Affinity Groups, 2002, pp. 89-90.

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What is your take on AB 624? Is what's good for the goose good for the gander? Let us know at feedback@npqmag.org. Reprints of this article may be ordered from <http://store.nonprofitquarterly.org>, using code 150212.

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