

## Executive Summary

# Building Diverse and Inclusive Foundations ~ Lessons from Michigan ~ Summer 2009

*What does it take to build a foundation's ability to constructively address diversity and inclusion, so that it maximizes its effectiveness and impact?*

This scan examines this question primarily from the perspective of foundation CEOs, trustees, and staff, and national diversity experts from within and outside the philanthropic sector. This paper summarizes the ways that Michigan foundation leaders and national experts define diversity, the reasons they believe diversity is valuable to their institutions and the field, their thoughts on the challenges that make building diverse and inclusive foundations so difficult, and examples of their on-the-ground experiences implementing diversity efforts in their institutions.

### WHAT IS THE VALUE OF DIVERSITY & INCLUSION IN PHILANTHROPY?

Even foundations with sincere and stated commitments to being diverse and inclusive find it difficult to build diverse and inclusive boards, staff, grantmaking programs, and foundation operations. So why do it? Foundation leaders gave the following reasons:

1. **To be relevant and secure a positive public image:** Without a strong and positive public image, philanthropy can't forge the partnerships and authentic relationships that it needs to bring change to communities.
2. **To maximize effectiveness:** Michigan philanthropy leaders agreed that diversity makes for better grantmaking, opens doors, helps foundations practice what they preach, and is necessary to address complex, entrenched issues.
3. **To respond to political realities:** Michigan foundation leaders reminded us that tackling diversity may not be a matter of choice for philanthropy in the future. *"Increasing our own diversity is a pre-emptive strike against whatever the legislatures are cooking up,"* was the blunt assessment of one interviewee.



*"Philanthropy could not be more relevant than it is at this moment if it works strategically and effectively on this issue..."*

Sterling Speirn, President & CEO  
W.K. Kellogg Foundation

## REAL APPROACHES TO GROWING DIVERSITY FROM MICHIGAN FOUNDATIONS

How do you get beyond the rhetoric when it comes to building a diverse and inclusive foundation? You have to take the plunge and *do* the work, rather than just talk about it, said our interviewees. As one sector leader expressed, “*you don’t plow a field by turning the soil over in your mind.*”

1. **Shout and model a commitment to diversity and inclusion from the top.** Foundation leaders must articulate and model a commitment to diversity and inclusion.
2. **Clearly and intentionally define what *you* mean by diversity.** Generally, foundation leaders defined diversity broadly. It is most important, interviewees said, to articulate the approach that makes the most sense for your own organization.
3. **Build the values of diversity and inclusion into formal policies.** Research increasingly shows a connection between organizational diversity and organizational policies related to diversity<sup>1</sup>.
4. **Test practices and structures that can nurture and incubate diversity and inclusion.** Diversity and inclusion efforts need formal authorization and support. Foundation representatives described strategies that create safe spaces for dialogue and allow diversity and inclusion to grow.
5. **Bring on the right people – develop boards and staff with a diversity lens.** Intentional hiring and board development practices are essential to becoming more diverse and making sure that the values of diversity and inclusion are shared across the organization.
6. **Shore up organizational culture to support diversity.** Organizational culture that promotes learning and inquiry and authorizes risk-taking and inquiry will better support diversity.
7. **Establish measurable goals, collect data, and model transparency.** Foundation leaders recommended developing and sharing specific metrics to track progress on diversity.
8. **Find creative ways to get the perspectives you need.** Foundations can access diverse perspectives and grow inclusive practice through authentic and creative community partnerships.
9. **Create grantmaking programs that embody the salience of the work.** A grantmaking portfolio or fund that emphasizes diversity, equity, or social justice can demystify and solidify diversity as an institutional priority.

This paper makes a first pass at capturing the ways that Michigan foundations think about building diversity and inclusion and identifying the questions that they still want to answer. Over the course of the next five years, the Council of Michigan Foundations’ (CMF) *Transforming Michigan Philanthropy Through Diversity and Inclusion* initiative will work to help foundations mine and share even deeper lessons about how to undertake and sustain diversity and inclusion in their own staff, board, and grantmaking programs.

**[Learn more at michiganfoundations.org/tmp](https://michiganfoundations.org/tmp)**

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<sup>1</sup> E.g., see Michigan Organized Philanthropy Demographic Survey Results, April 2009, Johnson Center at Grand Valley State University; and Beyond Compliance: The Trustee Viewpoint on Effective Foundation Governance, November 2005, the Center for Effective Philanthropy © 2009, Council of Michigan Foundations and Diversity in Philanthropy Project