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TAKEAWAYS FROM A PANDEMIC YEAR



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Sharing Power and Curbing Racial Inequities: How Grant Makers Can Commit to Real Change a Year After Covid

By [Tonya Allen](#), [Kathleen Enright](#), and [Hilary Pennington](#) | MARCH 30, 2021



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Just after the Covid lockdown, our organizations joined with several other grant makers to launch a [philanthropy pledge](#) focused on helping nonprofits survive the economic fallout from the Covid pandemic and meet the exploding demand for services in their communities.

The pledge succeeded beyond our expectations. More than 800 organizations signed the pledge. Better yet, many grant makers [followed through on their commitments](#), according to a study by the Center for Effective Philanthropy. “Among the most frequent changes they made as a result of the pandemic were loosening or eliminating grant restrictions, reducing what is asked of grantees, and making new grants as unrestricted as possible,” the center reported. It is through these practices that we can forge the trust required to create the large-scale societal change we seek.

But as Alex Daniels [reported in these pages](#), nonprofits are worried that the rubber band will snap back now that Covid is starting to recede. Now is not the time for us to go backward. In fact, we need to expand beyond the pledge’s eight modest commitments. A lot has changed since we rolled out the pledge at the outset of the pandemic — and we have learned a lot as well. Most important of all, the events of the past year demonstrated the imperative for philanthropy to focus explicitly on addressing anti-Black racism and elevating the leadership of people of color.

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That's why even those foundations that learned and adapted amid the challenges of 2020 should go even further in 2021. In that spirit, here are five practices nonprofits have been calling for foundations to adopt. We believe these to be just as beneficial for foundations as they are for nonprofits.

Break out of the “[nonprofit starvation cycle](#).” Many foundations shortchange their grantees with short-term, restricted funding that fails to cover nonprofits' actual costs. This leaves nonprofits financially weak and directly undermines their effectiveness by making it hard for them to plan, learn rigorously, and invest in talent.

That's why foundations like [Claneil](#) and [Weingart](#) and individual donors like [MacKenzie Scott](#) set a positive example when they provide the majority of their grants in the form of flexible, multiyear funds; fund reasonable overhead costs on project grants; and increase their payout at times of great need (rather than pulling back at the worst possible time). Hilary and her colleagues have worked to put these practices in place at the Ford Foundation, drawing upon her many years of experience as a grant seeker (as well as those of Ford president Darren Walker).

Address inequities in society and our own institutions. Philanthropic organizations, like most institutions, are steeped in the racial inequities and injustices that exist in our broader society. That's why we should learn from grant makers like the [Denver, Raikes](#), and [Nathan Cummings](#) foundations and examine our own biases with the help of outside truth tellers; expand our grant pipelines beyond our personal and professional circles; and question and challenge inequitable systems, even those from which we have benefited.

We must also set targets and then report on the level of representation of women, people of color, LGBTQ people, and disabled people in leadership at the organizations we support; develop goals for improvement, and then report on the proportion of grants that go to such organizations. And in Minneapolis — long before the police killing of George Floyd sparked a national reckoning on racism — the McKnight Foundation steadfastly worked to embed equity into every aspect of its identity, including as a grant maker, convenor, thought leader, employer, economic entity, and institutional investor.

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Share power with grantees and treat them as partners in change. Many foundations treat grantees as mere contractors rather than valued partners whose professional and personal experiences are critically important for fulfilling our shared vision for the future. That's why we should emulate the [Wilburforce](#) and [Skillman](#) foundations and the [Whitman Institute](#) and be accessible and responsive to grantees; make grant decisions and release money as quickly as possible; and solicit and respond to feedback.

We must also look for opportunities to involve nonprofits and the people they seek to serve in decision making about where our dollars go and cultivate the kind of

trust that results in speaking truth to power.

Play well with others. Many foundations operate in a vacuum, failing to recognize that their efforts alone are unlikely to achieve the long-term impact they seek. That's why we should build on lessons from [Warren Buffett](#) and the [Edna McConnell Clark](#) and [Energy](#) foundations, which have been models for how wealthy donors and foundations can join forces to give dollars from one pot and funnel money to organizations with the expertise to distribute funds to small groups. That's the best way to help bring great ideas to scale.

That's also why we should tap into the work of the [Disability Rights Fund](#), [Chicago Community Trust](#), and grant makers who are part of the [Committee for Greater LA](#). Such grant-making collaboratives offer opportunities for increasing coordination, reducing duplication, and sharing expertise. Another great example is the America's Cultural Treasures Initiative. Under the leadership of the Ford Foundation, McKnight and 15 other major regional donors committed an unprecedented \$156 million to support Black, Latinx, Asian, and Indigenous arts organizations. Now is the time to seek unlikely partnerships that can advance broad change.

Focus our processes on learning and improvement. Many foundations ask grantees and prospective grantees to jump through hoops that take up too much of their precious time, are out of proportion to the size of the grants, and don't produce valuable insights. We should be open to adopting the practices advocated for by organizations like Grantmakers for Effective Organizations (including those used by the [Robert Sterling Clark](#) and the [Durfee](#) foundations and the [Krupp Family Foundation](#)) to determine what information is most useful for driving the grantee and grant maker's learning and improvement.

We should also follow the lead of [Venture Philanthropy Partners](#), the [Impetus Foundation](#), and [Blue Meridian Partners](#) in providing grantees with support for building the technology and human systems they need to collect and use that information well.

Too often, philanthropy lacks the accountability structures necessary to prompt growth and change. But critiques of concentrated wealth and power are growing into a loud crescendo — and Congress is listening. Let's use this moment of converging crises to impose excellence upon ourselves for the long-term benefit of philanthropy, our own institutions, nonprofits, and the communities that need us more than ever.

We welcome your thoughts and questions about this article. Please [email the editors](#) or [submit a letter](#) for publication.

FOUNDATION GIVING

Tonya Allen

Tonya Allen is president of the McKnight Foundation and chair of the Council on Foundations.

Kathleen Enright

Kathleen Enright is chief executive of the Council on Foundations.

Hilary Pennington

Hilary Pennington is executive vice president of the Ford Foundation and a board member of the Center for Effective Philanthropy.

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