

# Strategies for Driving Equity in Grantmaking Practice

To transform the practice of philanthropy into the practice of principled grantmaking, we worked with our members to develop five Principles for Peak Grantmaking—Tie Practices to Values; Narrow the Power Gap; Drive Equity; Learn, Share, Evolve; and Steward Responsively. *Learn more at [peakgrantmaking.org/principles](https://peakgrantmaking.org/principles).*

## Drive Equity

**Build grantmaking practices and policies that minimize bias and support decisions that promote justice, inclusion, and equity.**

# **Effective grantmaking organizations recognize that, to succeed in the vital work of improving outcomes for all, they must work with purpose and urgency to establish practices that advance equity.**

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Structural bias is rooted in policies and practices that advantage some people and disadvantage others. Sitting at the intersection of power and privilege in the philanthropic sector, grantmakers have a unique responsibility to implement grantmaking practices that promote equity and inclusion.

Grants management professionals have the power to ensure policies and practices give marginalized communities true philanthropic support, rather than add to existing inequities.

At the same time, board members and senior leaders should work to increase the diversity of grant decision-makers and strengthen the trust between donors and their communities.

PEAK Grantmaking calls on grantmakers to assess their systems and adjust them to minimize bias, reduce disparities, and become more inclusive.

Effective grantmakers recognize that they must work urgently and proactively to undo accumulated inequities and drive equity in their communities. They do this by reducing the biases that show up, inherently, in grantmaking and decision-making processes.

As a process, reducing bias begins with making equity a key part of the foundation's culture and strategy – from the top down and the bottom up – and embedding it across the organization in meaningful ways. This includes naming and publicly sharing values related to equity, overcoming bias in hiring and promotion processes, and diversifying staff, leadership, and volunteer decision-makers. Many grantmakers have gone further, ceding decision-making power to the communities they seek to serve through a participatory grantmaking model.

On a tactical level, driving equity requires taking an intentional look at every step in the grantmaking process and applying practices proven to reduce bias: in the language and questions on a grant application, in the process for sourcing potential grantees, in technology deployment, in the amount awarded to certain grantees, in restrictions placed on grant dollars.

## Recommendation #1:

# Reduce bias in decision-making and grantmaking processes.

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Philanthropy's focus on diversity, equity and inclusion is not new. In 2019, Frontline Solutions completed a scan of the grants management field on behalf of PEAK Grantmaking to explore the roles philanthropy can play in addressing historical inequities in the U.S., as well as the grantmaking practices that can be shifted to support centering equity. That survey revealed that 64% of responding grantmakers have an equity, policy or values statement that explicitly addresses diversity, equity and inclusion, or include diversity and equity as a value in their mission, have a code of ethics, or a department focused on diversity and equity<sup>1</sup>. Yet philanthropy consistently under-funds organizations that serve diverse communities, thereby deepening existing inequities, often unintentionally.

Effective grantmakers recognize that they must work with urgency to undo the inequity of the past and proactively drive equity in their communities for the future. They do this by reducing the biases that inherently show up in their grantmaking and decision-making processes.

**Only 8.4% of foundation CEOs identify as a person of color, and only 7% of philanthropic funding supports ethnic or racial minority populations. 1% of funding annually is allocated to Native American causes, and though the population of Latinos in the U.S. has risen to 18%, their allocation of funding remains at 1% as well.**

### How-To Guide | Uncovering Unconscious Bias in Philanthropy

Reducing bias to drive equity requires making equity a key part of a foundation's culture and strategy – from the top-down and the bottom-up – and embedding it across the organization in meaningful ways.

This includes naming and publicly sharing values related to equity and overcoming bias in hiring and promotion processes to diversify staff, leadership and volunteer decision-makers across the organization.

Many grantmakers have gone further and are ceding decision-making power to the communities they seek to serve through participatory grantmaking.

On a tactical level, driving equity requires taking an intentional look at every step in the grantmaking process and applying practices proven to reduce bias – from the language and the questions on a grant application, to the process for sourcing potential grantees, in technology deployment, and in the amount awarded to certain grantees or restrictions placed on grant dollars.

### Key questions:

- What approaches can you use to mitigate the impact of bias on your grant decisions?
- How can you bring a diversity of voices into grantmaking decisions?

### Grantmakers can begin to drive equity by:

- Naming and sharing values relative to DEI.
- Increasing the diversity of staff, senior leadership, volunteers and board members.
- Bringing a diversity of voices into grantmaking decisions by using external review committees or engaging in participatory grantmaking.
- Applying practices that are proven to reduce bias at each step in the grantmaking process.
- Proactively seeking, reaching out to, and engaging potential grantees from underserved communities.

### Ready to learn more?

Read the guidance in our collection of Drive Equity guides (exclusive to Organization Members), including:

- [How-To Guide | Uncovering Unconscious Bias in Philanthropy](#)
- [How-To Guide | How to Reduce Bias in Grantmaking Strategy, Community Outreach, and Applications](#)
- [How-To Guide | How to Reduce Bias in Decision-Making and Grant Awards](#)
- [How-To Guide | How to Recruit and Onboard Diverse and Inclusive Grant Committees](#)
- [How-To Guide | How to Facilitate Inclusive Meetings](#)



## Recommendation #2:

# Collect, analyze, and use disaggregated demographic data to advance equity and impact.

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For philanthropy to advance equity in all communities, it must first understand the demographics of the organizations being funded (and declined), the people being served, and the communities impacted. It is impossible to change inequity in grantmaking at the organizational level, if you cannot first see where the inequities lie. By using demographics as a key metric, you'll be able to understand how your shifts toward more equitable grantmaking practice are showing up in your results.

Effective grantmaking organizations collect and report demographic data internally on their own board and staff. They also collect this information on grantee board and staff, people served, and communities affected by their funding. Then, they use that data to determine whether funding is being equitably distributed to traditionally underrepresented communities; and, if not, where the greatest inequities exist. Finally, the data is used to drive change in grantmaking practice, decision-making, strategy, and design.

Grantee organizations often lack the capacity or technical skills to collect and share the kind of demographic data sought by grantmakers to drive equity. Also, grantees often struggle with their own internal diversity, equity, and inclusion work – an area grantmakers can support with funding capacity, skill-building, and education.

**For philanthropy to advance equity in all communities, especially low-income communities and communities of color, it needs to be able to understand the demographics of the organizations being funded (and declined), the people being served, and the communities impacted. The data that is collected about these organizations, people, and communities should be used to assess practices and drive decision making.**

**Insight, Impact, and Equity: Collecting Demographic Data**

### Key questions:

- How can the demographic data you collect support insight, impact, and equity?
- What are the tools and taxonomies you should use to collect and report on this data?
- How do you navigate legal issues like data privacy while communicating internally and externally about this data?

### You can use data to drive more equitable grantmaking if you:

- Collect and use demographic data on your own board and staff, grantee board and staff, people served, and communities affected by your funding.
- Compare organizations and communities that are being funded and those that are declined to inform grantmaking impact and ensure accountability to your values.
- Share your own demographic data with both internal and external stakeholders and communicate how demographic data you collect will be used and protected.
- Support grantee capacity and technical skills to collect demographic data, and other diversity, equity and inclusion work.

### Collecting, analyzing and using demographic data to drive equity is an area of emergent learning. Learn with us.

- Read our [How-To Guide | How to Get Started with Demographic Data](#) (exclusive to Organization Members)
- Join our Demographic Data Community of Practice. Contact us at [principles@peakgrantmaking.org](mailto:principles@peakgrantmaking.org) to sign on.

# Ready to get practical? Start with these resources.

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## Read these two case stories

PEAK Grantmaking members are leading the way forward in their organizations, highlighted in case stories developed out of our conversations with members.

Our Drive Equity Case Stories (exclusive to members) offer a practical look at how these grantmakers are working to redefine the power balance in philanthropy – including what got them started, what they've learned so far, and how their efforts will evolve.

- **Case Story | A Decade of Building Towards Racial Equity at Woods Fund Chicago**
- **Case Story | How Brooklyn Community Foundation Centers Community Voices in Grantmaking Strategy**

## Join our Principles Community of Practice

We invite Organization Members to join our Principles Community of Practice where, together, we're building a vibrant online and offline collaboration between grants management professionals to elevate practice and learn from one another.

Contact us at [principles@peakgrantmaking.org](mailto:principles@peakgrantmaking.org) to sign on.

<sup>1</sup> *Lifting Up Equitable Grantmaking Practices: Findings and Recommendations for PEAK Grantmaking*, Frontline Solutions International, LLC, 2019.



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Practice meets purpose at PEAK Grantmaking, a member-led national association of 5,000 professionals who specialize in grants management for funding organizations. Our members come together to form a vibrant community of grantmaking practice that advances shared leadership and learning across the sector. By cultivating resources, learning opportunities, and collaborations across the philanthropic spectrum, we champion grantmaking practices designed to help funders of every size and type maximize their mission-driven work through living their values.

Learn more at [peakgrantmaking.org](https://peakgrantmaking.org) and follow @PEAKgrantmaking on Twitter.