

Principles for Peak Grantmaking

How-To Guide

Uncovering Unconscious Bias in Philanthropy

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.*

Drive Equity

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

This guide is designed to help you – the grants management professional – understand bias, how it shows up in philanthropy, why it matters, and how you can improve impact and outcomes for communities historically disenfranchised from philanthropic benefit.

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.

Much has been written on the subject of bias – how it is defined, why human beings are predisposed to have it, how we use it, and how it can (and must) be overcome to serve the creation of a more just and equitable world. Yet, the vast body of work and research around how bias shows up in the workplace, in law enforcement, in schools, in policy, in housing, etc., and how to reduce its impacts on individuals and communities has resulted in slow (or nonexistent) progress toward long-term or demonstrable change.

This is true for philanthropy as well.

This guide is designed to help you, the grants management professional, understand bias, how it shows up in philanthropy, why it matters, and how you can improve impact and outcomes for communities historically disenfranchised from philanthropic benefit. The disconnect between an organization's values and its impact occurs most often in the nuts-and-bolts mechanics of grants management. We seek to give you the knowledge and tools to fix that disconnect, starting right where you are.

Unconscious Bias: Basic Concepts and Definitions

Bias is a prejudice in favor of or against one thing, person, or group compared with another, usually in a way that's considered to be unfair. Biases may be held by an individual, group, or institution and can have negative or positive consequences.

There are two types of biases – **explicit** (or conscious) bias, and **implicit** (or unconscious) bias.

Explicit biases encompasses beliefs, attitudes and actions that an individual consciously recognizes and uses to impact their decision making

Implicit biases are social stereotypes about certain groups of people that an individual holds outside their own conscious awareness, often **against their own conscious values**, that nevertheless affect their decisions, actions, and attitudes in favor of or against certain groups.ⁱ

There are many identifiable “types” of unconscious bias. Some of the more common biases relevant to this Guide include:ⁱⁱ

- **Affinity Bias** – Unconscious preference for that which shares qualities with you or that which is already familiar to you.
- **Attribution Bias** – Unconscious perception of cause and effect between success/failure and its reasons. For example, you are more likely to attribute your own success to hard work and skill, while attributing others’ success to luck or unfair advantage.
- **Conformity Bias** – Unconscious susceptibility to agree with and be swayed by the opinions of a majority.
- **Confirmation Bias** – Unconscious reliance on information or evidence that confirms your existing thoughts, opinions, or worldview, while overlooking evidence that disputes it.
- **Contrast Effect** – Assessing things by comparing them to each other rather than by looking at each based on its own individual merits.

Am I biased?

Let us be clear that *all human beings hold bias*, and that isn't always a bad thing. Bias is necessary for human survival, as it helps us to categorize the world around us into that which we perceive to be "safe" and that which is not, often based upon filters we have developed according to what is familiar to us and what is not. Our actions, reactions and decisions are made through these unconscious, hard-wired categories and filters often before our conscious brain can catch up to correct us, and that's assuming we even realize it's happening.ⁱⁱⁱ

However, the learning does not stop there. Yes, we are all biased, and we can also do something about it. The research tells us that there are ways we can reduce reliance on these instincts and keep our unconscious brain from making what should be conscious decisions made with full awareness.

Bias in philanthropy

Philanthropy has an equity problem. It is well-researched and well-documented, and the data presents a stark picture. Consider:

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

There are huge disparities in the revenues and unrestricted assets between white-led and black-led early-stage organizations, with black-led organizations having 24 percent smaller average revenues and 76 percent smaller unrestricted net assets, equating to a \$20 million funding gap between the two.^{vi}

Organizations run by people of color have smaller budgets – \$1.3 million compared to \$1.7 million for white-led organizations, and executive directors of color report more challenges in gaining access to and maintaining relationships with foundations and other funders.^{vii}

Only 23 percent of black-led organizations have enough operating reserves to sustain their operations if faced with unexpected hardship.^{viii}

Implications for impact

In a recent study, research commissioned by Bridgespan and Echoing Green showed that this underfunding of organizations led by and serving diverse populations has a deep and wide-ranging negative effect on the impact philanthropy wishes to make in the world.

This is not surprising considering that race is one of the most reliable predictors of life outcomes in the U.S.^{ix}

“When donors address our biggest social problems without a racial equity lens they often miss getting at the heart of the issue – and almost always risk not solving the problem for the most marginalized populations. In our recent research on field-based efforts to combat complex social problems, we found that some of the sector’s biggest “success” stories when it comes to achieving population-level change – teen smoking, teenage pregnancy, hospice and palliative care – tell quite different stories when you disaggregate the results by race.”

Racial Equity and Philanthropy, Echoing Green and Bridgespan, 2020

Reducing bias in philanthropy

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 research indicated that a growing number of grantmakers are focusing on equity work. 64 percent of grantmakers surveyed for the report 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. However, only 34% of respondents report that their organizations have demonstrable grantmaking practices that foster diversity.

These data points, combined with those above, indicate that philanthropy’s equity problem—its underfunding of organizations led by and serving diverse populations and its failure to realize equitable positive outcomes for those populations—is not always a result of antipathy, or even apathy or ignorance. Sometimes, it is a result of the presence of unconscious bias. Any efforts to improve equity fall short because so many fail to account or control for it.

It makes the call to action for grants management professionals clear and plain. The field must work to address unconscious bias in the grantmaking process and its effects on how diverse populations access and find benefit from philanthropy.

If you are working to align your organization’s grantmaking practices with its values, review our [Tie Practices to Values](#) suite of resources.

Proven ways to combat bias

PEAK's recommendations for reducing bias in the grantmaking process draw from the wellspring of work around reducing bias in other walks of life. Proven ways to combat bias include:

- **Acknowledging and accepting that you have bias and cultivating the ability to examine and reflect on yourself and your actions.**

Remember: You have bias because you are a human being and all human beings do. What matters most is your ability to accept it, and to take personal action to combat it within yourself.

- **Proactively engaging with communities who are not “like” you.**

Taking the time to engage with and learn more about individuals who are outside your normal social bubble is a proven way to develop empathy and understanding, and decrease fear, anxiety, and miscommunication.

- **Slowing down decision-making and focusing on what matters most.**

A helpful tip is to slow down your actions and decisions, pay attention to your “gut reaction” to a situation, acknowledge there may be other possible reactions, search for the best way to move forward from your conscious values, and then outwardly react.

- **Collecting feedback and data.**

Often it is challenging to identify patterns of behavior in an individual, a company, a community, an organization, etc., but collecting and analyzing data and feedback on behavior can be illuminating for those seeking to understand the impacts of their unconscious behavior.

What to do next

Everyone can do something, and we believe grants management professionals do have the power to change themselves, and influence the people, policies, and practices at their institutions. And we're here to help.

We have created a series of How-To Guides to help grants management professionals review their entire grantmaking lifecycle to identify points that introduce bias and to apply approaches that reduce or eliminate that bias. We have built the recommendations in our Guides on the foundation of research-proven strategies as well as a scan of exceptional practices already at work in the grants management field.

Get started with these four guides (exclusive to Organization Members):

- [**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**](#)

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- ⁱ University of California Office of Diversity and Outreach. Unconscious Bias.
- ⁱⁱ Burton, L. (2017, December 18). What is Unconscious Bias in Recruitment?
- ⁱⁱⁱ Ross, H. (2008). Proven Strategies for Addressing Unconscious Bias in the Workplace. CDO Insights, August 2008.
- ^{iv} D5 Coalition. (2016). State of the Work: Stories from the movement to advance diversity, equity, and inclusion.
- ^v Candid. (2019) New Dashboard Documents the Landscape of Foundation Funding in the Latinx Community.
- ^{vi} Echoing Green and The Bridgespan Group (2020). Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table.
- ^{vii} Building Movement Project. (2019). Nonprofit Executives and the Racial Leadership Gap: A race to lead brief.
- ^{viii} Emergent Pathways LLC for ABFE, A Philanthropic Partnership for Black Communities. (2019). The Case for Funding Black-Led Social Change.
- ^{ix} Hayes-Greene, D. & Love, B. The Racial Equity Institute. (2018). The Groundwater Approach: Building a Practical Understanding of Structural Racism.



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Practice meets purpose at PEAK Grantmaking, a member-led national association of more than 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, contact us at info@peakgrantmaking.org, and follow @PEAKgrantmaking on Twitter.