Preface

In 2018, PFC launched a new exploratory project to delve into the issue of diversity, equity and inclusion (DEI) within Canadian philanthropy. As Canada’s population diversity grows, and as our community partners and donors themselves include those who are more diverse in background, perspective and approach, it is urgent to ask ourselves how best to acknowledge and include diverse perspectives. How inclusive are the policies and practices of organized philanthropy? Can we learn from the experiences of peers who are finding ways to bring diverse voices to their board tables and to their decision-making around funding? We believed that collecting data and sharing creative approaches to these issues would be a valuable way for PFC members and others in the philanthropic community to begin the conversation about such important questions.

We commissioned Hanifa Kassam, a former Board Chair of the Laidlaw Foundation in Toronto, and a student in the Masters in Philanthropy and NonProfit Leadership program at Carleton University, to work with us on this exploratory project. Hanifa conducted a survey of the current practices and policies on DEI among PFC member foundations. This survey was conducted in the fall of 2018 and the report that follows summarizes its findings. Hanifa also conducted interviews with selected PFC members to support the development of case studies on the implementation of DEI within their own organizations. For more information, a review of literature on DEI in philanthropy in the US and UK accompanies our survey report.

This report is just the first step in supporting a more informed dialogue about DEI and why it matters to think about policies and practices in philanthropic funding. PFC is committed to developing more active opportunities for reflection and action on diversity, equity and inclusion that can guide foundations in moving forward with their DEI initiatives. As part of our 2019 program, we will be leading a series of activities with member foundations to unpack and explore diversity, equity and inclusion conceptually and in practice. We look forward to engaging members to help us guide these activities and to learn more from each other.

ABOUT PFC

Established in 1999, Philanthropic Foundations Canada (PFC) is a national member association of grantmaking foundations, charitable organizations and corporate giving programs. PFC seeks to promote the growth and development of effective and responsible foundations and organized philanthropy in Canada through provision of membership services, resources and advocacy. To learn more, visit: https://pfc.ca/

ACKNOWLEDGEMENTS

We thank Hanifa Kassam and Dr. Susan Phillips, leading the MPNL Program at Carleton University, for their collaboration on this project. We also thank Lorraine Chuen for designing this report.
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Introduction

In the fall of 2018, PFC launched a project to explore how the Canadian philanthropic sector is approaching diversity, equity and inclusion through its people, governance policies and grantmaking practices. As part of this project we launched a survey to collect benchmark data in three areas:

- **People**: What are the demographic characteristics of Foundation leaders and staff?
- **Board recruitment**: How do foundations identify and select board members?
- **Diversity, equity, and inclusion**: What structures and tools do foundations use to approach DEI?

This report shares the findings from the data collected through the survey. It is important to note that while this report provides a useful benchmark of the state of diversity within PFC member foundations, the data itself is descriptive, rather than instructive and should be referred to only as a starting point for conversation.

Summary of Findings

Based on this short survey, certain conclusions can be drawn about the current situation with respect to diversity, equity and inclusion within Canadian foundations.

- Many family foundations are governed, not unexpectedly, by a group of men and women who are predominantly older, white and with little other diversity.
- There are slightly more men than women represented on boards. These foundations are also typically led by men more often than by women.
- Most foundations have very few staff members, but those are more female than male, and slightly more diverse than their boards.
- Boards typically make the granting decisions with staff help and in some cases with the help of granting committees and advisors drawn from the communities where they are funding.
- Recruitment to the board is often informal, through personal and family networks and DEI criteria are not formally applied, although age and gender seem to be taken into account in balancing board composition.
- Formal DEI policies are not widely used. Some foundations do address diversity, equity and inclusion more actively through their operations, particularly by applying an equity lens to their grantmaking.
Definitions

DIVERSITY
Diversity includes all the ways in which people differ, encompassing the different characteristics that make one individual or group different from another. While diversity is often used in reference to race, ethnicity, and gender, we embrace a broader definition of diversity that also includes age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, and physical appearance.

EQUITY
Equity is the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups. Improving equity involves increasing justice and fairness within the procedures and processes of institutions or systems, as well as in their distribution of resources.

INCLUSION
Inclusion is the act of creating environments in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate.

A SUCCINCT WAY OF DESCRIBING THESE DIFFERENT CONCEPTS IS THAT “DIVERSITY IS A NUMBER, EQUITY IS AN OUTCOME, AND INCLUSION IS A BEHAVIOR.”

Survey Methodology

A 30-question survey was prepared in French and English and distributed through an online invitation to PFC members. In each case, the survey was sent to a board or executive leader of the organization. The survey was open to PFC members for three weeks. All surveys were completed between August 27th and September 10, 2018. Thirty-seven responses were received. This represents approximately a third of PFC’s membership. Not all surveys were fully completed as respondents had an opportunity to opt out of answering certain questions.

Respondents represented a cross-section of PFC member foundations varying in size, type, asset size and structure.
1. Profile

> Who participated in the survey?

70% of survey respondents were Executive Directors or staff leaders of their foundations. Ten Board Chairs replied on behalf of their organizations. The vast majority (86%) of leaders led family or private foundations. The remaining respondents consisted of one corporate giving organization, one public foundation and three charitable organizations.

Foundations from across the country participated with respondents located in Ontario (46%) followed by Quebec (35%), Alberta (11%), Nova Scotia (5%), and British Columbia (2%). Participating foundations grant nationally (54%), provincially (49%), regionally (35%), and internationally (19%).

Just under half of respondents (44%) were foundations with endowments of over $50 million. 32% of respondents had endowments ranging between $5 and $50 million, and 16% were foundations with endowments of under $5 million. 8% of respondents did not have endowments.
FIGURE 1.
ROLE OF SURVEY RESPONDENTS

70% of survey respondents were CEOs or Executive Directors of foundations.

FIGURE 2.
FOUNDATION CLASSIFICATION

86% of survey respondents were classified as family or private foundations.

FIGURE 3.
FOUNDATION LOCATION

Participating foundations primarily had main offices in Ontario (46%) and Quebec (35%).
FIGURE 4.  
**FUNDING FOCUS LEVELS OF FOUNDATIONS**

Participating foundations grant nationally (54%), provincially (49%), regionally (35%), and internationally (19%).

FIGURE 5.  
**ESTIMATED MARKET VALUE OF ORGANIZATIONS’ ENDOWED ASSETS**

Just under half of respondents (44%) were foundations with endowments of over $50 million. 32% of respondents had endowments ranging between $5 and $50 million, and 16% were foundations with endowments of under $5 million.
2. People

> What are the demographic characteristics of foundation boards and staff?

2.1 FOUNDATION BOARDS

51% of the responding foundations have boards of directors with all or a majority of directors drawn from the founding family. 32% of foundations, in contrast, draw most of their directors from the community or at arms-length from the family. 11% of responding foundations have boards composed entirely of community/arms-length directors; this includes one corporate foundation with directors who are all corporate staff.

Foundation boards have, on average, seven directors. 51% of the responding foundations have between five and nine directors. 30% of foundations have between 10 and 14 directors. Most family foundation boards (87%) are chaired by a family member.

The majority of foundations (62%) indicated that over half of their directors were male. There are slightly more men (148) than women (131) on the boards of the responding foundations. The majority of foundation directors are over the age of 50, with 41% between the age of 50-64 and 26% over the age 65. 17% of directors were under the age of 39. 59% of survey respondents were family foundations with two generations of the family on the board; 14% were family foundations with three generations of the family as directors.

In answering a question about how foundation leaders perceive their board diversity, many respondents indicated that the current diversity on their boards comes from age (60% of responding foundations) and gender (65% of responding foundations). 46% of respondents indicated that the third most frequent element of diversity for them was directors with lived experience related to the foundation’s mission (e.g. members of the community). Members from equity-seeking groups such as racialized individuals, people who identify as LGBTQ2S, immigrants, refugees, Indigenous persons, or members of a religious group were not frequently identified as contributing to board diversity. No respondents indicated having representation from people with disabilities on their boards.

Just over half of the responding foundations (54%) use standing committees of the board. Of these foundations, 35% have two standing committees, and another 35% have four or more committees. 55% of the responding foundations with board committees engage non-board members on these committees, with at least six foundations engaging more than 6 non-board members.

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1 For a few foundations, there were some minor discrepancies between the total number of directors as reported directly by foundations and the total number of directors when calculated as the sum of directors disaggregated by age group. Where there was a discrepancy in the total number of directors, the summary statistics for age of directors were calculated using the numbers provided in response to the specific survey question.
FIGURE 6.  
**COMPOSITION OF DIRECTORS ON FOUNDATION BOARDS**

51% of the responding foundations have boards with all or a majority of directors drawn from the founding family.

FIGURE 7.  
**NUMBER OF DIRECTORS ON FOUNDATION BOARDS**

51% of the responding foundations have between five and nine directors. 30% of foundations have between 10 and 14 directors.
FIGURE 8.
GENDER DIVERSITY ON FOUNDATION BOARDS

62% of foundations reported more men than women on their boards.

FIGURE 9.
AGE OF FOUNDATION BOARD DIRECTORS

The majority of foundation directors are over the age of 50, with 41% between the age of 50-64 and 26% over the age 65. Only 17% of directors were under the age of 39.
Many respondents indicated that the current diversity on their boards comes from age and gender. Equity-seeking groups such as racialized individuals, people who identify as LGBTQ2S, immigrants, refugees, Indigenous persons, or members of a religious group were not frequently identified as contributing to board diversity. No respondents indicated having representation from people with disabilities on their boards.

The majority of survey respondents (78%) have family members as the board chair of their foundation.
FIGURE 12. NUMBER OF FAMILY GENERATIONS REPRESENTED ON BOARD

The majority of foundations (73%) have two or three generations on their board.

FIGURE 13. PROPORTION OF FOUNDATIONS WITH BOARD STANDING COMMITTEES

About half of participating foundations (54%) indicated that they have board standing committees.
19% of respondents indicated that they have two standing committees, and another 19% have over four standing committees.
2.2 FOUNDATION STAFF

The CEOs or Executive Directors of the responding foundations were more likely to be non-family than family members. 57% of respondents indicated that the CEO or Executive Director of their foundations were non-family members.

Note: While the survey did not ask about the gender of the executive leader of the foundation, a separate analysis of the leaders of the 136 members of PFC revealed that 64 or 47% of leaders are male and 72 or 53% are female.

Most of foundations are fairly small: 43% of respondents have 1-3 full time employees, and 14% have no full time staff. Based off the 33 foundations that reported staff gender data in the survey, staff were over twice as likely to be female as they were male. Only one foundation reported having a full time staff that described their gender outside the male/female gender binary. Most foundation staff were over 30 years old: only 32% of foundations reported that they hired staff under the age of 29, while 76% reported that they hired staff over the age of 30.²

Staff of foundations are perceived by respondents to be only slightly more diverse than their boards. When asked about staff diversity, the most common forms of staff diversity perceived by respondents were age (51% of foundation leaders identified this), gender (49%) and mission-related lived experience (35%). Foundation leaders also perceived immigrants (27% of foundations), racialized persons (24%), and LGBTQ2S individuals (14%) as contributing to staff diversity—though to a lesser extent. Similar to foundation boards, other members of equity-seeking groups—people with disabilities, refugees, Indigenous people, and members of a religious group—were not frequently identified as contributors to staff diversity.

²For one foundation, there was a small discrepancy between the total number of FTE as reported directly by the foundation and the total number of FTE when calculated as the sum of FTE disaggregated by age group and gender. Where there were discrepancies, the summary statistics for the age and gender of FTE were calculated using the numbers provided in response to those specific survey questions.
FIGURE 15.
FAMILY AFFILIATIONS OF FOUNDATION CEOS OR EXECUTIVE DIRECTORS

57% of respondents indicated that the CEO or Executive Director of their foundations were non-family members.

FIGURE 16.
GENDER DIVERSITY OF FOUNDATION LEADERSHIP

A separate analysis of the leaders of the 136 members of PFC revealed that 47% of leaders are male and 53% are female.
FIGURE 17.
NUMBER OF FULL TIME STAFF ON FOUNDATIONS
Most of foundations are fairly small: 43% of respondents have 1–3 full time employees, and 14% have no full time staff.

FIGURE 18.
GENDER OF FULL TIME STAFF ON FOUNDATIONS
Based off the 33 foundations that reported staff gender data in the survey, staff were over twice as likely to be female as they were male. Only one foundation reported having a full time staff that described their gender outside the male/female gender binary.
FIGURE 19.
**AGE OF FULL TIME STAFF ON FOUNDATIONS**

Only 32% of foundations reported that they hired staff under the age of 29, while 76% reported that they hired staff over the age of 30.

![Bar chart showing age distribution of full-time staff](chart19.png)

FIGURE 20.
**FACTORS PERCEIVED AS CONTRIBUTING TO STAFF DIVERSITY**

The most common forms of staff diversity perceived by respondents were age, gender, and mission-related lived experience. Under 30% of foundation leaders perceived immigrants, racialized persons, and LGBTQ2S individuals as contributing to staff diversity. Other members of equity-seeking groups were not frequently identified as contributors to staff diversity.

![Bar chart showing factors contributing to staff diversity](chart20.png)
3. Board Recruitment

> How do foundations identify and select board members?

Of the responding foundations, 51% do not have a formal director recruitment policy and 41% do not use a formal recruitment process.

Some respondents noted that they did try to get a diverse range of views in their recruitment process, using informal practices to recruit new directors. These include asking current directors to recruit from within their networks, recruiting from grant recipients and associations known to directors and staff where they interact with the broader community, and outreach to potentially interested family members.

Of those who had a formal recruitment process, the most frequently used practices were targeted outreach by board members, interviews, and statement of interest or resume reviews. Respondents also referred to the role of their governance committee in leading director recruitment for family and non-family members and selecting directors based on fit. The larger families use processes to determine which family members are interested and might be a fit.

Passion for the mission, desired skills and mission-related lived experience were identified as most frequently used selection criteria for directors. Diversity itself was used as a specific criterion by only 24% of responding foundations.
FIGURE 21.
BOARD DIRECTOR RECRUITMENT POLICY

51% of foundations do not have a formal director recruitment policy.

FIGURE 22.
BOARD DIRECTOR RECRUITMENT PROCESS

41% of foundations do not have a formal director recruitment process.
FIGURE 23.
COMPONENTS OF BOARD RECRUITMENT PROCESS

Of those foundations that had a formal recruitment process, the most frequently used practices were targeted outreach by board members, interviews, and statement of interest or resume reviews.

FIGURE 24.
COMPONENTS OF BOARD RECRUITMENT PROCESS

Passion for the mission, desired skills and mission-related lived experience were identified as most frequently used selection criteria for directors. Diversity itself was used as a specific criterion by only 24% of responding foundations.
4. Diversity, Equity, and Inclusion

> What structures and tools do foundations use to approach DEI?

22% of respondents said that they had a formal DEI policy. Of these eight foundations with a DEI policy, seven indicated that their policy included a commitment to DEI and an approach to addressing DEI through governance, management and operations.

While most responding foundations do not have a formal DEI policy, 54% stated that they apply a DEI approach to granting decisions. 30% of foundations stated that they apply an equity lens to their granting decisions.

In response to a list of possible DEI practices that foundations could make use of, beyond using an equity lens for granting decisions, several said that they provided accessibility support to their directors (supporting their participation in foundation governance); and also commented that they recruited diverse members from the community to their boards and granting committees. Relatively few go further and evaluate themselves on DEI practices and outcomes or offer DEI training and education opportunities to Board and staff.

Furthermore, survey respondents also shared the following practices that they use to address DEI,

- Incorporating DEI to recruitment assessment criteria and tools
- Targeting programs to equity seeking groups and communities
- Weighting DEI more heavily than other selection criteria in granting decisions
- Establishing a DEI committee to lead transformative organizational change
- Building the capacity of staff to apply a DEI lens to the application process and selection
- Incorporating DEI questions to grant applications
- Establishing a peer decision making body to make granting decisions and apply exclusionary criteria.

Organizations can also include a DEI framework in staff recruitment processes and limiting application questions and criteria that have the potential to act as barriers.

The survey did not reveal to what extent any responding foundations are using any of these approaches.
Only 22% of foundations said that they had a formal DEI policy.

19% of foundations have DEI policies that include a commitment to DEI and an approach to addressing DEI through governance, management and operations.
### TABLE 1. DIVERSITY, EQUITY, AND INCLUSION PRACTICES AT FOUNDATIONS

<table>
<thead>
<tr>
<th>Practices</th>
<th>Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducts diversity, equity and inclusion audit every 2-5 years</td>
<td>0%</td>
</tr>
<tr>
<td>Applies an equity lens to granting decisions</td>
<td>30%</td>
</tr>
<tr>
<td>Recruits diverse members from the community to the board of directors</td>
<td>22%</td>
</tr>
<tr>
<td>Recruits diverse members from the community to participate on granting committees</td>
<td>19%</td>
</tr>
<tr>
<td>Board, committee and staff members participate in DEI training and education opportunities</td>
<td>14%</td>
</tr>
<tr>
<td>Board evaluates itself on DEI practices and outcomes</td>
<td>3%</td>
</tr>
<tr>
<td>Organization evaluates itself on DEI practices and outcomes</td>
<td>14%</td>
</tr>
<tr>
<td>Provides accessibility support to Directors (childcare, transportation, food, honorarium, call-in, and video access)</td>
<td>24%</td>
</tr>
<tr>
<td>Provides accessibility support to committee members (childcare, transportation, food, honorarium, call-in, and video access)</td>
<td>16%</td>
</tr>
<tr>
<td>Organization does not use any of the practices above</td>
<td>14%</td>
</tr>
<tr>
<td>Don't know</td>
<td>0%</td>
</tr>
<tr>
<td>I prefer not to respond to this question</td>
<td>5%</td>
</tr>
<tr>
<td>Other (please explain)</td>
<td>22%</td>
</tr>
</tbody>
</table>
5. Conclusion

> Why do diversity, equity, and inclusion matter in philanthropy?

Advancing diversity, equity, and inclusion within foundations helps foundations live up to their values and achieve greater impact. From the communities we serve to our partners in business, government and nonprofit sectors, all are increasingly diverse. We need to understand and reflect this rich variety of perspectives in order to achieve the greatest impact.

At the most fundamental level, who serves on a board is crucial to the way it operates and the decisions it makes. While board composition is not one-size-fits all, a less diverse board risks having blind spots that may limit decision-making. The blind spots created by a lack of diversity are particularly concerning, as they may result in decisions that do not challenge societal challenges and inequities, or even reinforce them.

Similarly, the diversity of perspectives among foundation staff also matter to decision-making. Staff in foundations play different roles, many of which include engaging with grantees, the community and stakeholders at large. Staff play a leading role in representing as well as operationalizing the mandate and values of a foundation.

Transparency about the diversity of board and staff is important to the foundation sector. Collecting and reporting data on board and staff members encourages others to do the same and can increase the accountability and transparency of our work.

Being strategic about board recruitment is essential to building the more diverse board that can make better or more creative decisions. When a board is strategic about recruitment, the criteria are more focused on the directors that the board and organization will need over time. Finding the right candidates takes time and attention from the governance committee and the full board. It requires an ongoing commitment to identifying and cultivating potential board talent, and a willingness to say no to potential candidates who do not align with the board’s current recruitment goals.

Advancing diversity, equity, and inclusion is hard, but leaders in philanthropy have a track record of tackling many difficult challenges. By bringing new voices and expertise to the table, we have the potential to be more effective. Diversity and inclusion can help our foundations better identify creative solutions to our internal challenges, and those faced by the communities we serve. And thinking about equity in our grantmaking can help us create opportunities for all communities to thrive.