

Governance and Grantmaking: Approaches to achieve greater diversity, equity and inclusion

A toolkit for Canadian Philanthropic Foundations
November 2019



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: pfc.ca

PFC would like to thank Hanifa Kassam of Kassam Consulting and former Board Chair of the Laidlaw Foundation, for developing the content of this toolkit and Yael Landau from franklinHEAVY for the design.

For questions about this toolkit, contact info@pfc.ca

FOREWORD

Canada's well-being relies on a strong and innovative philanthropic sector. With a commitment to democratic principles, mutual assistance, and innovative problem-solving, Canadian philanthropic foundations contribute their ideas and dollars to tackling both longstanding and emergent social concerns, with the flexibility and political capital that other institutions envy.

A challenge faced by a growing number of foundations is the need to better address diversity, equity and inclusion in order to be successful in advancing ones mission.

In the fall of 2018, PFC launched a project to explore and deepen its understanding of the efforts that the Canadian philanthropic sector is using to approach diversity, equity and inclusion through its people, governance policies and grantmaking practices.

Findings from the survey indicated that there is both a need and opportunity for the Canadian philanthropic sector to improve and pay closer attention to how it approaches diversity, equity and inclusion.

As a first step to assisting foundations with their DEI journey, PFC has created this toolkit to provide members with guidance and access to a broad range of tools and resources to support foundations in beginning and deepening its commitment to social good through diversity, equity and inclusion.

This toolkit offers encouragement to start where you can, and the hope that those efforts will persist until equity, diversity, and inclusion are all addressed as central to the work. Furthermore, the toolkit aims to provide foundations with concrete steps and tools that can be adapted for your own organization, if you choose.



TABLE OF CONTENTS

1 INTRODUCTION

- 2 How does diversity, equity and inclusion contribute to impact?
 - 3 Definitions
 - 3 How to use this toolkit
-

5 GETTING STARTED

- 6 Action 1: Identify and support mobilizers
 - 8 Action 2: Tie DEI to your foundation's mission
 - 10 Action 3: Use Money as a Motivator
 - 12 Action 4: Embrace and Leverage Moments
-

15 SUCCESS FACTORS

- 16 Action 1: Create the conditions to support DEI through leadership, accountability and everyday work
 - 17 Action 2: Establish a DEI message that can be broadly embraced by the foundation
 - 18 Action 3: Establish shared language and clear a point of view
 - 19 Action 4: Foster and culture of openness to self-reflection, learning, and data
 - 20 Action 5: Start from a manageable place
 - 22 Action 6: Acknowledge your successes
 - 23 Action 7: Use external supports
-

25 SUSTAINABILITY

- 26 Action 1: Achieve good results through perseverance
 - 27 Action 2: Maintain an ongoing and broadening leadership commitment
 - 28 Action 3: Grow board, staff, and organizational competencies
 - 29 Action 4: Institutionalize DEI
 - 30 Action 5: Collect systematic data to track impact
-

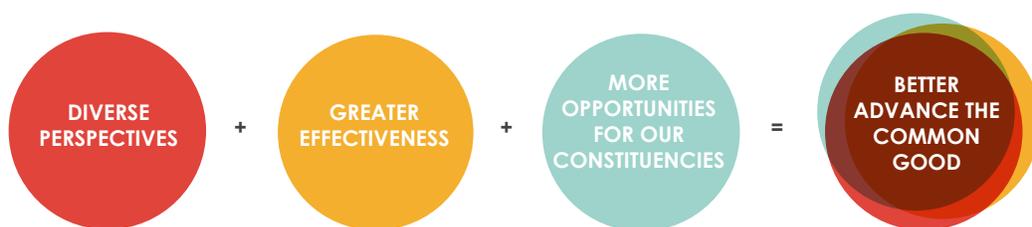
33 A CLEAR FRAMEWORK AND SET OF GOALS

- 34 Chart 1. Menu of Indicators For DEI
- 

Introduction

The first question a foundation asks is, “How can we achieve our mission?” and the second is, “What do we need in order to do that?” When foundations raise matters of diversity, equity, and inclusion (DEI) within the context of answering these questions, the issues have a better chance of staying on the table and infusing everyone’s work.

How does diversity, equity and inclusion contribute to impact?



Foundations are committed to promoting the common good. Advancing diversity, equity, and inclusion in our organizations and grantmaking helps us live up to our values and achieve greater impact.

Our constituencies, from the communities we serve to our partners in the business, government and nonprofit sectors, are becoming increasingly diverse. We need to understand and reflect this rich variety of perspectives in order to achieve greater impact.

Advancing diversity, equity, and inclusion is hard, but leaders in philanthropy have a track record of tackling many of our country's toughest challenges—and we again have an opportunity to lead the way.

To meet this challenge, PFC is calling upon member organization to be a part of a growing movement in philanthropy to ensure that those who have been historically excluded—women, people of color, people with disabilities, and the LGBT community—are at the decision-making table and reflected in our portfolios.

This toolkit focuses on supporting foundations to achieve the following objectives,

- make the case for DEI;
- craft policy to systematize and sustain DEI efforts;
- implement DEI in operations;
- implement DEI in grantmaking/programmatic work; and
- monitor DEI efforts for accountability

By bringing new voices and expertise to the table, we have the potential to make our foundations more effective at advancing the common good. 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.

What is diversity, equity and inclusion?

Diversity, equity, and inclusion are inter-related but distinct concepts. As such, efforts toward their realization can create synergy, but each requires specific attention. Diversity and inclusion focus, respectively, on people and processes; equity is about overall impact. Here is what we mean by each term and how it's related to the others.

Definitions

(Chow, 2018)

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.

With these definitions in mind, it becomes easier to see how it is possible for an organization to be committed to diversity but not inclusion, or to diversity and inclusion without taking the larger step toward equity.

How To Use This Toolkit

DEI work can begin wherever a foundation wants to begin, with whatever issue or circumstance sparks DEI interest or concern. Issues or circumstances that prompt DEI efforts are varied, as demonstrated in the philanthropic literature. DEI can start, for example, with self-reflection on the part of family foundation board members, the stewardship of increasingly diverse donor funds by community foundations, the desire to build and maintain a more diverse customer base by corporate foundations, expectations for more equitable grantmaking results by independent foundations, or the emergence of population-based efforts to create locally governed giving vehicles. The good news is that tools, programs, and models are available to get started and move forward on a DEI agenda for all of the objectives set out earlier in the toolkit.

This toolkit has been created to assist foundations in their DEI journey to achieve greater impact. The toolkit is organized into three areas including **getting started, success factors and sustainability. Each section is organized by strategy, followed by actions and guidance on activities** specifically curated to assist foundations with better achieving diversity, equity and inclusion throughout their organizations and grantmaking activities.

An accompanying [Resource Guide](#) has also been created to facilitate access to tools and programs to support foundations in their DEI journey.

For this project, “tools” are defined as resources that enable a foundation to walk itself through an issue related to DEI, with or without facilitation by a consultant. Available tools include organizational assessments, action steps to work through implementation of a DEI issue, and prompting questions for decision-making.

“Programs” within philanthropy are defined here as resources that support important organizational DEI efforts.

These include programs that build diversity pipelines, and others that offer capacity-building around DEI for board and staff. Most of the tools and programs come from affinity groups, regional associations, and individual foundations that have learned through doing work around DEI and that seek to share information in ways that enable others to put DEI into action.

The background of the page is white and decorated with several abstract, overlapping shapes in various colors including orange, teal, pink, purple, green, and brown. These shapes are scattered across the page, with a large orange shape being the most prominent in the upper left quadrant. The text is centered in the middle of the page.

**WHEN SOMEONE SPEAKS
UP AND IS HEARD, THE
JOURNEY BEGINS, AND
OFTEN CHANGE HAPPENS.**

Getting Started

Foundations get started in varying ways to incorporate DEI as organizational considerations. Evidence reviewed to create this toolkit suggests that mobilizers, missions, money, moments, and movements are the most frequently used strategies that foundations use to explore and drive DEI within and through their foundation activities. Each strategy is addressed in some detail below. Suggested activities are listed for each strategy, and many activities are relevant across several strategies. The activities are offered as starting points, and the reader is encouraged to review all sections of this toolkit and the accompanying [Resource Guide](#) to become familiar with the wide range of resources and organizations that are leading change in the field of philanthropy.



Action 1

Identify and support mobilizers

A foundation's mission plays a key role in the extent to which DEI issues will be raised, gain traction, and receive sustained and systematic attention.

When a board or staff member, or grantees, have a particular interest, expertise, or concern around DEI, they may or may not speak up. If they do, they may or may not be heard. But when someone speaks up and is heard, the journey begins, and often change happens.

This dynamic plays out within several basic scenarios. The first scenario occurs in a setting comprised of all or mostly majority-group members. Something about one's life propels a majority person to speak up about DEI. Secondly, A DEI scenario is likely to unfold as majority-group organizations bring a member or members on board who recognize that certain groups are under-addressed in the work and are willing to say so.

A diversifying board or staff is likely to contain within it both tensions and possibilities. How the foundation chooses to respond to a new member's observations depends on a host of factors. But if it chooses not to respond constructively, it is likely to lose the new member and the perspective the person brings.

Each of these scenarios is impacted by foundation size and the structural positions held by newcomers. In a smaller foundation, one new member may spark change, whereas in a larger foundation, a critical mass of newcomers, raising concerns over time, may be needed to mobilize interest and action.

In the case of larger entities that specifically recruit leadership with DEI in mind, one well-positioned newcomer can be transformative. The presence of DEI-interested people within a foundation may not be sufficient to animate the work, but it is a necessary factor, however it is important to acknowledge that a focus on diversity does not guarantee a focus on equity.

In addition to listening and responding to the expertise of Directors and Staff, foundations need to look to the role and power of grantees to impact DEI. While this is a tricky issue, since grantees are positioned fragiley with regard to challenging funders. That said, when deeply committed grantees align with foundation personnel who are open to listening, meaningful change does occur — in terms of what's funded, the increased power of community voices within a foundation's work, and who's at what tables, to name a few.

Mobilizers

Objective(s)	Steps to take action
<p>Make the case for DEI</p>	<p>Connect to and learn from foundations that are working to advance equity</p> <ul style="list-style-type: none"> • Schedule a formal conversation, such as putting DEI on a board or staff meeting agenda • Arrange a panel on advancing DEI at an upcoming conference • Meet with a colleague at another foundation to discuss ways to advance DEI
<p>Implement DEI in governance and operations</p>	<p>Identify and connect with established leadership development programs designed to advance diversity and/or local and regional population-specific organizations to recruit new and established talent that can widen your organizational perspectives and reach.</p> <ul style="list-style-type: none"> • Make DEI an explicit criterion for recruiting staff, board members, consultants, or investment managers
<p>Implement DEI in grantmaking/ programmatic work</p>	<p>Create opportunities to regularly engage and seek input and feedback from communities impacted by your work and grantees in which you've invested</p>
<p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p> <p>Implement DEI in grantmaking/ programmatic work</p>	<p>Review and learn from best practices from foundations that are farther ahead in DEI policy and practices</p> <ul style="list-style-type: none"> • Test practices • Expand learnings across the organization • Embed successes into ongoing practice
<p>Implement DEI in governance and operations</p> <p>Implement DEI in grantmaking/ programmatic work</p>	<p>Assess the impact policies and practices have on diverse voices. Ensure policies and practices equitably facilitate access to positions of power and influence.</p> <ul style="list-style-type: none"> • Conduct a DEI audit and set goals based on the results • Make DEI an explicit part of your grantmaking policies
<p>Implement DEI in grantmaking/ programmatic work</p>	<p>Review and assess grant guidelines to ensure that they do not systematically exclude investments that could strengthen the voice and power of under-addressed populations and the organizations that they lead.</p> <ul style="list-style-type: none"> • Conduct a DEI audit and set goals based on the results • Make a grant to support the work of an organization working to advance DEI

Action 2

Tie DEI to your foundation's mission

The business case for DEI fundamentally is about enhancing organizational performance by addressing structural barriers to opportunity. To that end, DEI should be tied to a foundation's mission. When it is, in an explicit way, DEI operates on a platform having considerable traction.

The broad range of foundations suggest a mission-anchored continuum in relation to DEI, ranging from mission-relevant to mission-central, as Figure 2 below illustrates.

The focus of some foundations may make DEI mission-relevant but not viewed as essential — such as a family foundation focused on a very specific topic or geographic area. That said, the work might still benefit from examining the notion of inclusiveness.

A foundation to which DEI is mission-critical will have chosen as its focus an issue area or areas where disparities exist and where an explicit DEI agenda focused on removing structural barriers and targeting interventions for differently situated populations would improve organizational performance.

Finally, some foundations have a decided DEI focus. It is mission-central. These tend to be the population-focused funds and social justice foundations. The mission itself animates DEI work. How effective that work is in addressing disparities of condition and power is a separate issue of both strategy and evaluation. The point here is that a foundation's mission plays a key role in the extent to which DEI issues will be raised, gain traction, and receive sustained and systematic attention. Mission-central foundations by their nature may be more inclined to lead the field in the newer arenas where philanthropy promotes equity.

Given the many forms that diversity and inequity take, a mission-central foundation may address one particular population specifically (e.g., people with disabilities, women), or multiple dimensions of diversity implicitly, such as through a more general social justice lens. It may address one particular form of inequity (e.g., education) for a particular population group (e.g., Black male achievement, bullying in schools based on LGBTQ status). A particular population focus does not preclude implementation of the mission in a way that acknowledges "intersectionalities" (Crenshaw, 1989) across dimensions of diversity.

FIGURE 2.

A Mission-Anchored Continuum for DEI Work (D5 Coalition, 2013)



MISSION-RELEVANT

DEI can contribute to more inclusive results but is not seen as essential



MISSION-CRITICAL

Without a DEI focus, organizational results will be disappointing



MISSION-CENTRAL

The organization's purpose for existence is to improve circumstances for diverse groups; DEI is by definition essential

Missions

Objective(s)	Steps to take action
<p>Make the case for DEI</p>	<p>Examine your institution's mission and vision by deeply considering this question: "Can we fully achieve the mission and vision we identify without addressing gender, race, LGBTQ, and disability issues?"</p> <ul style="list-style-type: none"> • Use data and research to inform your answer • Explore what your focus looks like through the respective lens of each population group (equity impact)
<p>Make the case for DEI</p> <p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p>	<p>Based on the evidence (and lack thereof) gathered from the above activity,</p> <ul style="list-style-type: none"> • Create opportunities for systematic input and feedback from communities impacted by your work and grantees in which you've invested
<p>Implement DEI in grantmaking/ programmatic work</p>	<p>Review and assess grant guidelines to ensure that they do not systematically exclude investments that could strengthen the voice and power of under-addressed populations and the organizations that they lead.</p> <ul style="list-style-type: none"> • Conduct a DEI audit and set goals based on the results • Make a grant to support the work of an organization working to advance DEI
<p>Make the case for DEI</p>	<p>Connect to and learn from foundations that are working to advance equity</p> <ul style="list-style-type: none"> • Schedule a formal conversation, such as putting DEI on a board or staff meeting agenda • Arrange a panel on advancing DEI at an upcoming conference • Meet with a colleague at another foundation to discuss ways to advance DEI
<p>Make the case for DEI</p> <p>Craft policy to systematize and sustain DEI efforts</p>	<p>Build equity explicitly into your strategic plan.</p> <ul style="list-style-type: none"> • Communicate your institution's desired equity impact
<p>Make the case for DEI</p>	<p>Become intentional to understand the ways in which different population-focused issues intersect</p> <ul style="list-style-type: none"> • Use data and research to inform your answer • Explore what your focus looks like through the respective lens of each population group (equity impact)
<p>Craft policy to systematize and sustain DEI efforts</p>	<p>Utilize asset investments to advance equity</p> <ul style="list-style-type: none"> • Make DEI an explicit criterion for investments
<p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p>	<p>Systematically collect and assess data to measure performance around equity, wherever it is being undertaken operationally and programmatically</p> <ul style="list-style-type: none"> • Improve your DEI data collection and be transparent about the results

Action 3

Use Money as a Motivator

The moment has arrived for the nation to face the implications of a population whose composition is shifting.

For community foundations and corporate philanthropy, money is a built-in motivator for a greater DEI focus. By their nature, community foundations need to recruit donors. And by their nature, corporate foundations wish to support their companies in their quest for more markets. The changing demographics of communities encourage community foundations to diversify their donor base further through the recruitment of population-focused donations. Changing demographics also can prompt community foundations to pursue more inclusive and equitable performance from their programmatic portfolios. Corporate foundations are leaders in personnel diversification because they understand that diverse people bring in diverse markets. When corporations fund through place-based strategies, they recognize that supporting diverse local communities maintain their corporate brand with a wider range of potential customers. For these two types of foundations, money is a powerful driver of change. The remaining question is whether such change advances equity — which focuses attention on strategy and the measurement of its results.

Guidance

Money

Objective(s)	Steps to take action
<p>Make the case for DEI</p>	<p>Learn from peers about investments for equity</p> <ul style="list-style-type: none"> • Schedule a formal conversation, such as putting DEI on a board or staff meeting agenda • Meet with a colleague at another foundation to discuss ways to advance DEI
<p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p>	<p>Explore and learn from best practices from community and corporate foundations that are employing effective diverse donor recruitment strategies and practices</p> <ul style="list-style-type: none"> • Test practices • Embed successes into ongoing practice
<p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p>	<p>Explore and Learn more about equitable investments in sources</p> <ul style="list-style-type: none"> • Make DEI an explicit criterion for investments
<p>Make the case for DEI</p>	<p>Learn from peers about investments for equity</p> <ul style="list-style-type: none"> • Schedule a formal conversation, such as putting DEI on a board or staff meeting agenda • Meet with a colleague at another community/corporate foundation to discuss ways to advance DEI
<p>Craft policy to systematize and sustain DEI efforts</p> <p>Implement DEI in governance and operations</p>	<p>Leverage economic power of the foundation to stimulate job growth, support local businesses, and drive inclusive economic growth</p> <ul style="list-style-type: none"> • Establish policy to select and purchase from vendors committed to promoting a diverse workplace and community • Identify and retain a diverse group of product and service vendors, including <ul style="list-style-type: none"> • investment advisers and managers • Purchasing from local, diverse and social enterprises



Action 4

Embrace and Leverage Moments

Even if a foundation has not been active in imagining how DEI might impact and improve its work, certain moments can prompt or even require that it do so. These include,

- Moments fueled by crises — e.g., examples of calls to action or crises.
- Moments driven by political agendas — e.g., legislative efforts to roll back already achieved rights or to promote new ones

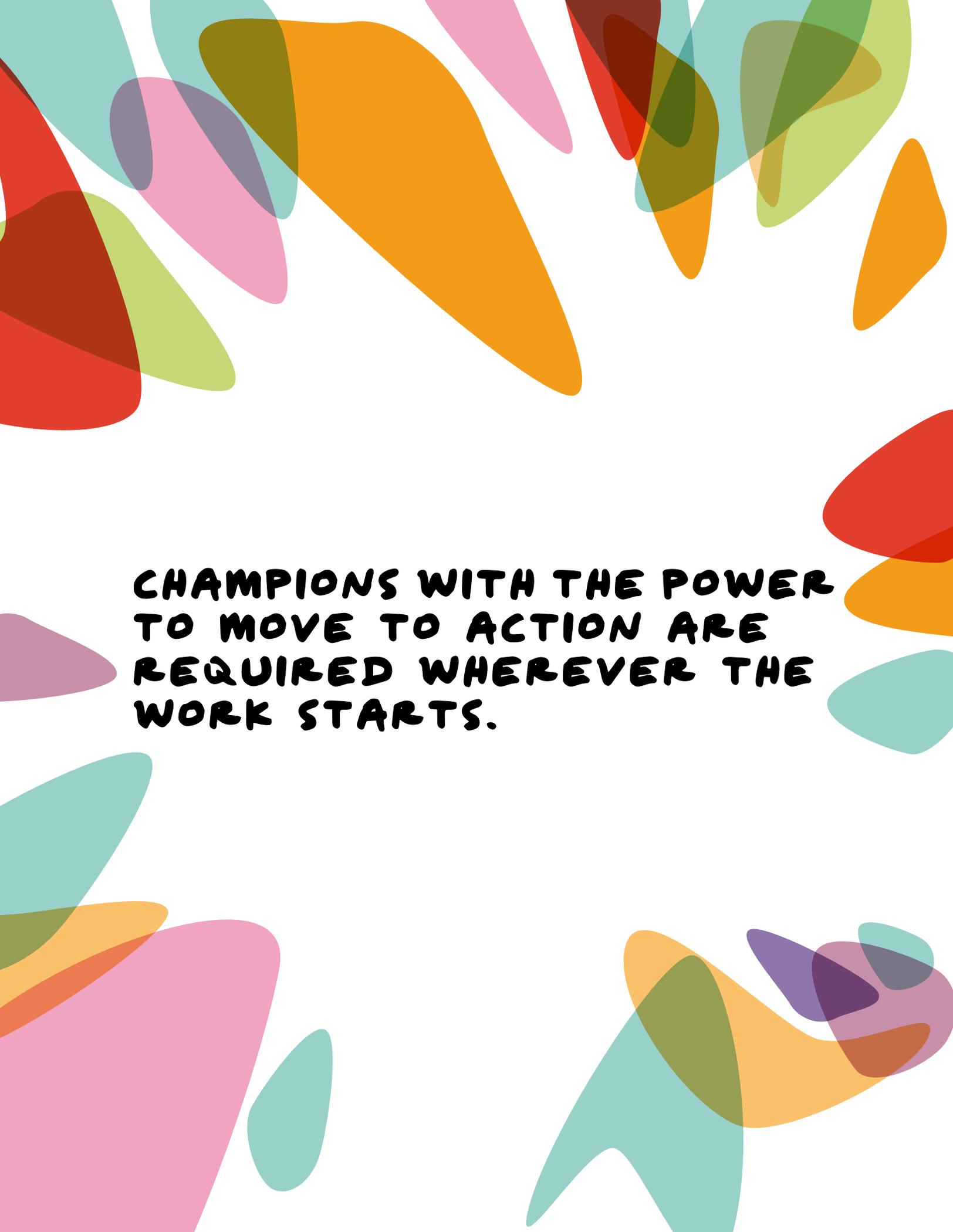
Moments such as these encourage philanthropy to seek out and build coalitions, locally and nationally depending on the situation, to engage their collective funds and lift their collective voice on behalf of a given issue. Often, within these coalitions are the seeds for greater understanding of DEI issues, as well as awareness of the need for people who can be resources for promoting deeper analysis and more widespread action. The moment itself may not be sufficient to animate change within any given foundation, but it may be necessary to bring DEI issues to the foundation's attention in a sustained way.

Another moment that has arrived in Canada is the need and importance to face the implications of a population whose composition is shifting. This "moment" provides another dynamic on which philanthropy can capitalize — the growth in data sharing across philanthropies. Linked, comparable, accessible data, collected with DEI in mind, can enable data sharing participants to learn from one another and work toward collective impact. Such efforts can be used to generate the analysis needed to strengthen DEI's business case. At the same time, this "moment" contains some countervailing dynamics that have the tendency to increase inequities through philanthropic efforts.

Guidance

Moments

Objective(s)	Steps to take action
Implement DEI in governance and operations	<p>Connect to and capitalize on the growing availability of leadership development programs designed to advance diversity</p> <ul style="list-style-type: none">• Recruit new and established talent that can widen your organizational perspectives and reach• Support professional development of staff and board members on DEI through formal learning opportunities• Incorporate DEI education into staff and board member onboarding
Implement DEI in grantmaking/ programmatic work	<p>Participate in advocacy</p> <ul style="list-style-type: none">• Join and support campaigns and collaborations that mobilize resources for specific social justice goals
Craft policy to systematize and sustain DEI efforts Implement DEI in grantmaking/ programmatic work	<p>Become intentional about recognizing "intersectionality" and how an issue operates for other population subsets.</p> <ul style="list-style-type: none">• Use data and research to inform your understanding• Explore what your focus looks like through the respective lens of each population group (equity impact)



**CHAMPIONS WITH THE POWER
TO MOVE TO ACTION ARE
REQUIRED WHEREVER THE
WORK STARTS.**



Success Factors

Once foundation action gets underway around DEI, certain factors have been shown to be important. These are leadership; a shared language and clear point of view; a broadly embraced message; openness to self-reflection, learning, and data; a manageable place to anchor the commitment in everyday work; early positive reinforcement and external supports. For each of these the report offers specific action steps that individual foundations can take to advance the work.

Action 1

Create the conditions to support DEI through leadership, accountability and everyday work

The case for doing DEI work must resonate with those who have the power to support or block it.

Commitment from the board is the factor that most certainly propels action. How the board gets to that place varies. For example, it may be through its own discussions or through impetus from foundation management. That said, some larger foundations do start DEI work within individual units because of a unit's leadership or the nature of the unit's work. Champions with the power to move to action are required wherever the work starts. But the work is more precarious when it sprouts within a unit, as it is subject to personnel turnover or administrative sanction if it gets out in front of the foundation in particular ways. One reason for leadership hesitation is a lack of knowledge of what a commitment to DEI entails. It is reluctant to embrace something whose implications are unknown and for which doing badly could have serious repercussions. For this reason, a strategic framework for DEI efforts is optimal for guiding specific, sequenced action steps, both operationally and programmatically.

Guidance

Leadership

Objective(s)

Make the case for DEI

Craft policy to systematize and sustain DEI efforts

Implement DEI in governance and operations

Implement DEI in grantmaking/ programmatic work

Steps to take action

Connect your DEI commitment to the foundation's mission and strategic plan so its value can be understood and integrated with everyday work.

- Build equity explicitly into your strategic plan
- Communicate your institution's desired equity impact
- Make DEI an explicit criterion for recruiting staff, board members, consultants, or investment managers
- Make DEI an explicit part of your grantmaking policies

Action 2

Establish a DEI message that can be broadly embraced by the foundation

The case for doing DEI work must resonate with those who have the power to support or block it. As noted above, the greater the extent to which DEI can be framed within the context of a foundation's mission, the more likely it will be embraced, and the more readily it can be understood and justified. Beyond a mission specific case, other frames have greater or lesser likelihood of resonance, depending on the issue, the audience, and the moment. Messages tend to work better when they are data-driven (e.g., this will improve our results, and we can show it) rather than ideology-driven (e.g., it is the right thing to do). They also are more likely to be embraced when they elicit a sense of shared fate (e.g., this will strengthen our nation's ability to lead in the 21st century).

Guidance

Message

Objective(s)	Steps to take action
Make the case for DEI	Frame DEI as an endeavor producing shared pay-off. It benefits everyone
Make the case for DEI	Utilize available research on messaging around DEI to guide your efforts to make the case for it.
Make the case for DEI	Learn from peers about how they developed their successful messages

Action 3

Establish shared language and clear a point of view

Work around DEI is abundant, both within and outside of philanthropy. Yet it often uses the same terms differently and takes different perspectives on what's most important to drive change or what kind of change is the desired end result. That's why it is essential for a foundation at the very beginning to clarify its basic terminology and, in intentional and informed ways, choose the avenues through which it seeks to impact DEI. In any given moment, widely varying approaches are utilized by those who are active under the broad DEI agenda. These approaches may work in complementary if different ways, but they also can work at cross-purposes. Guidance is available to assist in the clarification of an organization's language and approaches.

Guidance

Language

Objective(s)	Steps to take action
Implement DEI in governance and operations	Support professional development of staff and board members on DEI through formal and experiential learning opportunities <ul style="list-style-type: none"> • Organize lunch-and-learn series, site visits, training, peer exchange, affinity group participation • Incorporate experiential learning opportunities into staff and board member onboarding
Implement DEI in governance and operations	Create opportunities for dialogue with and learning from communities impacted by your work and grantees in which you've invested. <ul style="list-style-type: none"> • Host opportunities for grantees to share and learn from others (e.g. learning forums, peer exchanges, networking opportunities)
Implement DEI in governance and operations	Identify ways for board, staff, and grantees to learn together , as the basis for cultural change organization-wide. <ul style="list-style-type: none"> • Open formal and experiential learning opportunities to board, staff, and grantees • Co-design learning opportunities to meet the needs of
Craft policy to systematize and sustain DEI efforts	Incorporate DEI competencies into staff performance reviews to reinforce ongoing capacity-building
Implement DEI in governance and operations	

Action 4

Foster and culture of openness to self-reflection, learning, and data

DEI work offers abundant opportunity to see the world in new ways. This requires board and staff, and, ultimately, other foundation constituents, to be willing to consider complex and previously undiscussed issues like power and privilege. Organizational cultures must provide the safety to engage in difficult dialogues.

Participants must be willing to learn more about different groups, how they are differently situated with regard to life's circumstances, what produced the differential outcomes, and what can change these results. They must be committed to learning from mistakes and pushing through the challenges that often occur in DEI work. A commitment to collecting useful data and listening to what it says from a DEI perspective is essential as a barometer for the work.

Utilize both informal and formal settings as an opportunity for self-reflection, learning, and data review. These range from voluntary lunch-and-learn sessions to required DEI-specific training, to regular staff performance review for DEI results.

Guidance

Learning

Objective(s)	Steps to take action
Implement DEI in governance and operations	<p>Support professional development of staff and board members on DEI through formal and experiential learning opportunities</p> <ul style="list-style-type: none"> Organize lunch-and-learn series, site visits, training, peer exchange, affinity group participation Incorporate experiential learning opportunities into staff and board member onboarding
Implement DEI in governance and operations	<p>Create opportunities for dialogue with and learning from communities impacted by your work and grantees in which you've invested.</p> <ul style="list-style-type: none"> Host opportunities for grantees to share and learn from others (e.g. learning forums, peer exchanges, networking opportunities)
Implement DEI in governance and operations	<p>Identify ways for board, staff, and grantees to learn together, as the basis for cultural change organization-wide.</p> <ul style="list-style-type: none"> Open formal and experiential learning opportunities to board, staff, and grantees Co-design learning opportunities to meet the needs of board, staff and grantees
Craft policy to systematize and sustain DEI efforts	<p>Incorporate DEI competencies into staff performance reviews to reinforce ongoing capacity-building.</p>
Implement DEI in governance and operations	

Action 5

Start from a manageable place

DEI is about a way of doing business and, as such, encompasses virtually every aspect of foundation work.

Foundations that are not yet engaged in DEI work may simply not know where to start. And those who have already made an expressed commitment to DEI need manageable places to start. DEI is about a way of doing business and, as such, encompasses virtually every aspect of foundation work. Knowing that, however, does not mean the starting place is everywhere. In fact, the need to learn by doing suggests that the work may proceed incrementally. Here again the size of the foundation, its mission, and the scope of its work must be taken into account.

Some foundations already have DEI work as their core mission and thus infuse it into their strategic plan. Their starting place may be a closer monitoring of implementation for desired results. Other foundations may wish to start by expressing DEI commitment in the mission, strategic plan, or organizational values so that platform documents exist on which to build. In this case, crafting such documents and achieving buy-in is the place to start. The caution is that this must be followed by strategic and concrete actions so that the foundation is seen both internally and externally as “walking the talk.”

For foundations that want to test what DEI means before undertaking a broad-based commitment, whatever is on the front burner may be the best place to start, as it already engages the energies of key personnel. What that DEI “test-ground” looks like, then, depends on the particular foundation. It may be new board or staff recruitment, a new investment area, the development of performance measures for personnel or programs, or any number of other routine issues that present themselves. The results can be quick and surprising.

The overriding point is that DEI is not some stand-alone undertaking. It is an approach that becomes infused in the everyday actions of a foundation to advance its aspirations. Launching DEI as a separate initiative apart from everyday work is a recipe for its failure to gain traction and an opportunity for its value to be marginalized.

Guidance

Anchors

Objective(s)

Implement DEI in governance and operations

Implement DEI in grantmaking/ programmatic work

Steps to take action

Identify good **places to begin** — typically, tasks that currently command attention.

- Look at the tasks with a DEI lens, using relevant tools and models for guidance
- Test practices within existing operations and grantmaking/ programmatic work
- Learn from the effort, and use that learning to incorporate a DEI lens into additional areas of the foundation

Action 6

Acknowledge your successes

Nothing impresses like good press! Even when launching DEI within a foundation seems demanding, some rewards can flow quickly. DEI learning itself is a reward, including learning from mistakes. The more foundation personnel learn, the greater confidence they have to apply a DEI lens, initiate new relationships, and conduct their work in new ways. When a foundation publicly commits to advancing DEI, it can gain new respect.

Guidance

Reinforcements

Objective(s)

Craft policy to systematize and sustain DEI efforts

Implement DEI in governance and operations

Craft policy to systematize and sustain DEI efforts

Implement DEI in governance and operations

Steps to take action

Create a **theory of change** around DEI work to identify and measure both short- and long-term aspirations.

Collect and maintain data that can be drawn upon to demonstrate the value of DEI efforts.

Action 7

Use external supports

When expertise and experience do not exist within a foundation — and even when they do — foundations often benefit from the availability of issue-specific consultants, peer-learning groups, model policies from other foundations, and tools to construct their own approaches. Creating this toolkit revealed that the public availability of sample policies and templates across the range of foundation types is sorely limited. The willingness of foundations doing DEI work to provide these on their websites would improve peer exchange and enable easier compilation and analysis of existing practices.

Guidance

Supports

Objective(s)	Steps to take action
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations	Connect with established leadership development programs designed to advance diversity • Support professional development of staff and board members on DEI through formal and experiential learning opportunities
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Utilize consultants to provide introductory trainings, coaching, capacity-building, or other assistance as needed to incorporate DEI into operations and programming.



**DEI REQUIRES THE
SUSTAINED COMMITMENT OF
FOUNDATION LEADERSHIP,
ACROSS THE BOARD.**

Sustainability

DEI work requires certain ingredients to make it sustainable. These include good results through perseverance, an ongoing and broadening leadership commitment, growing organizational competencies, institutionalized “hard-wiring” of the DEI commitment, and systematic data for tracking impact. For each of these the report offers specific action steps that foundations can take to sustain the work.

Action 1

Achieve good results through perseverance

Nothing succeeds like success! In order for DEI work to have value, it must produce good results. How those good results are identified and measured depends on a foundation's DEI strategies and areas of focus. Rather than allowing disappointing results to be an excuse to give up, a foundation with a genuine commitment to DEI will use them to guide necessary revisions to strategy.

DEI requires deepening knowledge, skills, and practice.

Guidance

Good Results

Objective(s)	Steps to take action
Craft policy to systematize and sustain DEI efforts	Maintain data on diversity and make it publicly available , <ul style="list-style-type: none">• Conduct a DEI audit and set goals based on the results• Maintain disaggregated data on operational and programmatic results• Create a tool to communicate your institution's desired equity impact (e.g. Diversity and Inclusivity Report Card)
Implement DEI in governance and operations	
Implement DEI in governance and operations	Conduct a DEI audit and set goals based on the results <ul style="list-style-type: none">• Document successes (and disappointments) and make those stories publicly available• When data fall short of aspirations, determine further actions that can produce better results
Implement DEI in grantmaking/ programmatic work	

Action 2

Maintain an ongoing and broadening leadership commitment

For DEI to succeed as a cross-cutting lens, it must earn the sustained commitment of foundation leadership, across the board. Leaders need to be accountable for DEI performance, and they in turn will expect that from their peers, staff, and constituents. Insofar as DEI is viewed as mission-central or mission-critical, embedded in organizational values, and incorporated into the strategic plan along with performance measures, broad and sustained leadership is more likely to occur. Ultimately, a critical mass of commitment, leadership, and hard-wired policies, protocols, and practices will produce organizational cultural change — and more equitable results.

Guidance

Leadership Commitment

Objective(s)	Steps to take action
Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Incrementally advance DEI efforts throughout operations and programs, learning and mentoring as you go <ul style="list-style-type: none"> • Establish achievable goals and measures to define success • Celebrate successes (reflect on factors that contributed to success)
Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Continuously seek to understand your institution's equity impact . <ul style="list-style-type: none"> • Use data and research to inform your answer • Address other dimensions of population diversity as needed
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Institutionalize commitments through organizational policies, protocols, and expected practice. <ul style="list-style-type: none"> • Craft policy to systematize and sustain DEI efforts • Implement DEI in governance and operations • Implement DEI in grantmaking/ programmatic work

Action 3

Grow board, staff, and organizational competencies

As with any new undertaking, DEI requires deepening knowledge, skills, and practice. While individual competencies grow with experience, they also can be enhanced through targeted training, technical assistance, and coaching. Organizational competencies can be enhanced through targeted recruitment for board and staff openings. For smaller foundations or those with limited turnover, creative avenues can still be found for DEI promotion.

Guidance

Growing Competencies

Objective(s)	Steps to take action
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Incrementally advance DEI capabilities throughout operations and programs, utilizing trainings, mentoring, peer learning, and other identified tactics.
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations Implement DEI in grantmaking/ programmatic work	Institutionalize DEI learning as a routine organizational function. <ul style="list-style-type: none">• Incorporate experiential learning opportunities into staff and board member onboarding• Co-design learning opportunities to meet the needs of staff and board members and grantees• Incorporate DEI competencies into staff performance reviews to reinforce ongoing capacity-building

Action 4

Institutionalize DEI

If a foundation's commitment to DEI is serious, it will be “hard-wired” into all key organizational documents — the vision, mission, and values statements; each successive strategic plan; and organizational policies, practices, and protocols, such as job descriptions, staffing patterns, new personnel orientations, performance measures, investment strategies, review of external communications, data collection, and the like. Mechanisms for accountability for DEI will be employed routinely and regularly. In short, DEI will be incorporated into a foundation's way of doing business, rather than a standalone and siloed focus. DEI will not be a special interest but rather a crosscutting foundation-wide interest. Culture change will have occurred.

Guidance

Institutionalize DEI

Objective(s)	Steps to take action
Make the case for DEI Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations	Utilize organizational assessments to determine areas needing concerted attention
Craft policy to systematize and sustain DEI efforts	Institutionalize commitments through organizational policies, protocols, and expected practice.
Craft policy to systematize and sustain DEI efforts Implement DEI in governance and operations	Incorporate DEI expectations into staff and Board performance measures .

Action 5

Collect systematic data to track impact

Data will turn a movement for DEI into an accepted and promoted approach to and by philanthropy.

While this factor is mentioned in the previous paragraph, it deserves emphasis. DEI's business case is that it produces better results for foundations. That is a measurable good, and the success of a DEI commitment turns on data. As philanthropy aspires to common practice that will enable the sector to speak collectively about DEI, individual foundations must work to build their own case, borrowing from current best practices from peers. The goal is that DEI improves results so that results can drive political will and sustain commitment. It's a chicken-and-egg relationship — good results must be showcased to enlist additional foundations in the DEI movement so that they in turn can discover ways to improve their own results and further strengthen the business case. Ultimately, this is what will turn a movement for DEI into an accepted and promoted approach to and by philanthropy.

Guidance

Data

Objective(s)

Craft policy to systematize and sustain DEI efforts

Implement DEI in governance and operations

Implement DEI in governance and operations

Implement DEI in grantmaking/ programmatic work

Steps to take action

Maintain data on diversity and **make it publicly available**,

- Conduct a DEI audit and set goals based on the results
- Maintain disaggregated data on operational and programmatic results
- Create a tool to communicate your institution's desired equity impact (e.g. Diversity and Inclusivity Report Card)

Conduct a DEI audit and **set goals** based on the results

- Document successes (and disappointments) and make those stories publicly available
- When data fall short of aspirations, determine further actions that can produce better results





A Clear Framework and Set of Goals

The following broad strategic questions (D5 Coalition, 2013) aim to assist foundations in further understanding the objectives set out in this toolkit and tap into the critical organizational policies and practices that promote a deep and sustaining philanthropic commitment to DEI.

- ① Has the organization made an expressed commitment to DEI?
- ② Has it authorized DEI in organizational policy?
- ③ Has it implemented DEI practices in its operations?
- ④ Has it implemented DEI practices in grantmaking/ other programmatic areas?
- ⑤ Has it used accountability mechanisms to monitor DEI?

Using these strategic questions, specific Indicators for each question have also been curated to provide direction measuring impact.

Make the case for DEI

1 Has the organization made an expressed commitment to DEI?

- Vision and mission statements that include an expressed commitment to DEI
- Incorporation of DEI into strategic plan with performance measures
- Appreciation for how the dimensions of diversity intersect/interact

Craft policy to systematize and sustain DEI efforts

2 Has it authorized DEI in organizational policy?

3 Has it used accountability mechanisms to monitor DEI?

- Policy for board diversity
- Policy for staff diversity (e.g., recruitment, retention, benefits)
- Policy for investment advisor diversity
- Policy for vendor diversity
- Policy for asset investment to support DEI/do no harm
- Grantmaking policy that expects all grantees to address DEI effectively
- Systematic collection, disaggregation, and publication of data on board, staff, advisor, vendor, grantee diversity
- Analysis of above data to understand how to close gaps where disparities appear
- Systematic application of an impact analysis to all key operational decisions
- Systematic application of an impact analysis to all key programmatic decisions
- Routine assessment of communications and products for appropriate messaging
- Mechanisms for senior management accountability for DEI performance
- Mechanisms for staff accountability for DEI performance
- Senior staffing dedicated to DEI (most relevant in larger organizations)
- Mechanisms for investment advisor and vendor accountability for DEI performance
- Mechanisms for grantee accountability for DEI performance
- Incorporation of commitment, policy, procedures, performance expectations into new staff/board/vendor/advisor/grantee orientation

Implement DEI in governance and operations

4 Has it implemented DEI practices in its operations?

- Active inclusion of diverse members on the board (e.g., key committee assignments, capitalizing on diverse member strengths and networks)
- Efforts to create a pipeline of increasingly diverse potential board members
- Active inclusion of diverse members on the staff (e.g., key assignments, capitalizing on diverse staff strengths and networks)
- Efforts to create a pipeline of increasingly diverse potential staff members
- Support for internal affinity groups (e.g., meeting time and space, incorporation of views into organizational decision making) — most relevant to larger organizations
- Active inclusion of diverse members on the investment advisory team (e.g., key responsibilities, capitalizing on diverse member strengths and networks)
- Diversification of donors (public and community foundations)
- Active inclusion of diverse vendors (e.g., quicker reimbursement schedule for less-capitalized vendors)
- Efforts that expand the pipeline for greater diversity among investment advisors and vendors
- Systematic processes for board, staff, advisors, vendors to become DEI-informed and competent (e.g., orientations, training)
- Grant payment processes that recognize that grantees are differently situated financially

Implement DEI in grantmaking/ programmatic work

5 Has it implemented DEI practices in grantmaking/ other programmatic areas?

- Grantmaking that systematically accesses the perspectives of diverse grantees and constituent groups (e.g., annual consultative sessions with diverse groups)
- Grantmaking that comprehends the ways in which DEI inequities are produced and maintained (e.g., utilizes a theory of change that identifies specific causes of inequities and strategic intervention points)
- Grantmaking that appreciates how the various dimensions of diversity intersect/interact
- Grantmaking that includes specific investment strategies around DEI that address individual, institutional, and structural barriers
- Grantmaking that funds the advancement of diverse programmatic leadership
- Grantmaking that incorporates the grantee's ability to advance DEI into funding decisions
- Grantmaking that builds capacity where needed to enable grantees to advance DEI effectively
- Grantmaking that appreciates the ways in which various potential grantees are differentially situated because of the legacy of discrimination (e.g., invests in historically undercapitalized organizations that have deep reach and respect in diverse communities)
- Grantmaking that funds capacity-building for differently situated groups
- Organizational advocacy/use of civic capital to advance equitable mission-relevant outcomes
- Systematic collection, disaggregation, and publication of data on diversity in grantmaking



Philanthropic Foundations Canada | Fondations philanthropiques Canada
615 René-Lévesque Blvd. West, Suite 720, Montréal, Québec
T 514.866.5446 | www.pfc.ca