

The Racial Equity Funding Landscape: A Review of Giving by Kansas City Foundations

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Introduction

Overwhelming demands for racial justice after the murder of George Floyd by Minneapolis police in 2020, generated a surge of commitments to dismantle racist practices in the public and private sector, including investing more in racial equity and racial justice initiatives. Floyd’s tragic death set against the backdrop of a global pandemic, unleashed an unparalleled fervor—energizing a movement that pushed for accountability and a dismantling of systems that perpetuate harm against Black and Brown communities.

The initial focus of this research project was to assess whether such commitments within the philanthropic field have generated real change in subsequent years, particularly in the greater Kansas City community. The purpose was to establish a quantifiable baseline to gauge how much of Kansas City’s philanthropic funding is intentionally allocated to BIPOC-led or BIPOC-serving organizations and whether this number shifted following 2020’s racial reckoning. What we found is that out of the eleven major foundations participating in this research project, only one could provide numerical data demonstrating increased grantmaking to BIPOC-led and BIPOC-serving organizations.

This is not to say that other foundations are neglecting to collect this data or that they are not contemplating or actively pursuing racial equity-based grantmaking strategies. Six additional foundations out of the eleven interviewees emphasized the importance of integrating a racial equity framework into their philanthropic practices and articulated their commitment to doing so. Translating these aspirations into tangible actions, however, remains a formidable challenge, according to interviewees. Each foundation shared differing ideas for how to move along a continuum of change.

Due to the absence of quantitative data, this paper instead relies on qualitative self-reporting and anecdotes shared during the interview process. We sought to understand the approaches employed by local foundations to address systemic inequities in philanthropy, the challenges encountered, and the outcomes achieved, where possible. Our findings reveal a spectrum of approaches we’ll explore in this paper, ranging from ongoing education and self-reflection, to adopting a trust-based approach to grantmaking.

Methodology and Findings

Most research participants for this study were originally identified using the Kansas City Business Journal’s annual list of Charitable Trusts and Foundations ranked by grants awarded.¹ Given the constraints of a small research team and a limited timeframe, we condensed the Business Journal's list of 56 foundations to 25, each of whom received an invitation to schedule a 45-minute remote interview to answer a series of questions about their racial equity policies and practices.²

Recognizing the varied perspectives and interpretations of the term “racial equity” that foundations might bring to the interviews, we selected a baseline definition we anticipated would be easily understood by the majority of participants. The definition chosen comes from the United Way of Kansas City’s Nonprofit Catalyst Grant description.³ That grant, co-funded with The Ewing Marion Kauffman Foundation, defines racial equity-based philanthropy as investment in charitable organizations that are BIPOC-led, or focused on the needs of BIPOC communities (BIPOC-serving).

To ensure clarity, it was crucial to first define the terminology we used, providing a common understanding that still allowed room for nuanced discussions throughout the interview process. Instead of prescribing specific language, our goal was to give foundations the freedom to authentically describe and contextualize the racial equity work their staff and trustees are involved in. We then analyzed the interview notes to identify four prominent themes and recurring patterns.

Theme	Description
1. Self-Evaluation	Interviewees highlighted their efforts to address historical inequities in funding by engaging in Diversity, Equity, and Inclusion training, researching best practices, seeking community feedback, and reflecting on their personal and organizational contributions to perpetuating inequity.
2. Community Connection	Through a deeper understanding of racial equity in philanthropy, foundations described more intentional relationship-building with communities that have historically lacked access to their funding.

¹ A list of foundations contacted, including which participated, is included in Appendix A. All interview participants requested anonymity.

² A full list of interview questions is included in Appendix B

³ Information for the Nonprofit Catalyst Grant can be accessed at: <https://unitedwaykcc.org/2023/02/23/nonprofit-catalyst-grant/>

3. Reduced Barriers	The majority of foundations interviewed mentioned adopting at least some key tenants of the “trust-based philanthropy” movement to increase accessibility. This includes simplifying the application process, eliminating reporting requirements, and/or offering more non-monetary support to help organizations build leadership and capacity.
4. Experimentation	Most foundations were in the beginning phase of operationalizing racial equity strategies; because of this, many foundations spoke of experimenting with grant dollars and taking more risks on organizations or ideas they might not previously have considered.

Themes

Theme 1: Self-Evaluation

In the field of philanthropy, just as in every other American system, race is a consistent and reliable predictor of how and where resources are allocated. While specific figures may vary, the overarching data trends reveal a stark reality: philanthropic funding directed towards or intentionally benefitting BIPOC (Black, Indigenous, People of Color) communities has never exceeded 8.5%.⁴

Black-led charitable organizations in particular, continue to face significant financial hurdles, generating 45% less revenue and holding 76% less unrestricted net assets compared to their white-led counterparts.⁵ Despite increased and urgent dialogue about racial inequity within the philanthropic sector, only 25% of family foundations—comprising more than half of all private foundations in the United States—have implemented formal diversity, equity, and inclusion policies and practices to address these disparities.⁶

There is also a significant power imbalance between funders and grantees. Funders control the financial resources. They create and maintain the guidelines that dictate whether an organization is awarded or denied funding. They set the parameters and deadlines for how the money should be spent, by when, and what outcomes they're seeking to achieve. In addition to power differentials, there is an obvious racial disparity. From top to bottom, 89% of foundation trustees, 92% of foundation directors, and two-thirds of program officers at foundations are white.⁷

The repercussions of this lopsided arrangement, whether intentional or not, is that only a small proportion of funding ever reaches BIPOC-led and BIPOC-serving organizations. Research also indicates that foundations exhibit disproportionate mistrust toward leaders of color regarding financial stewardship manifesting in more stringent reporting

⁴ Philanthropy Racial Equity. (2017). *What does philanthropy need to know to prioritize racial justice?* [Infographic]. Philanthropy Racial Equity. <https://racialequity.org/wp-content/uploads/2017/08/PRE-Infographic.pdf>

⁵ Dorsey, C., Kim, P., Daniels, C., Sakaue, L., & Savage, B. (2020, May). *Racial equity and philanthropy: Disparities in funding for leaders of color leave impact on the table*. Echoing Green and The Bridgespan Group.

⁶ Dorsey, C., Kim, P., Daniels, C., Sakaue, L., & Savage, B. (2020, May 4). Overcoming the racial bias in philanthropic funding. *Stanford Social Innovation Review*. https://ssir.org/articles/entry/overcoming_the_racial_bias_in_philanthropic_funding

⁷ Villanueva, E. (2018). *Decolonizing wealth: Indigenous wisdom to heal divides and restore balance*. Berrett-Koehler Publishers.

requirements, less unrestricted funding, and an increased burden to prove the effectiveness of proposed solutions to community challenges.⁸

All eleven study participants recognized and were able to verbalize these disparities in philanthropy and their adverse impact, particularly on communities of color. Only seven, however, were actively pursuing formal strategies to redress the inequity. Of the remaining four, two had no immediate plans to adopt a racial equity-based framework for funding, with one explicitly stating they were unlikely to do so in the future. The third hesitated to declare adoption of a formal plan but described implementing at least *some* strategies identified as best practice in closing racial equity gaps. The fourth grantmaker was unclear. Despite adding racial equity language into their mission statement after 2020 and naming racial equity as a priority in their upcoming strategic plan, the foundation President was unable to articulate specific steps and strategies toward meeting this goal.

Of the foundations currently committed to tackling racial bias within the nonprofit sector, nearly all stated their journey began before the pandemic. A prominent example mentioned multiple times is the Cultural Competency Initiative, launched in 2009 with backing from four foundations, three of whom engaged in these interviews. Spanning four years, this initiative sought to foster collaboration among Kansas City nonprofit organizations, racially diverse leaders, and prominent funders to “reduce disparities in health among poor and minority populations.”⁹ Though not financial investors in the project, additional foundations in this study engaged in the initiative through its programs and educational sessions.

Just as the Cultural Competency Initiative was wrapping up, the emergence and expansion of the Black Lives Matter movement starting in 2013, prompted widespread scrutiny of racial injustice across *all* systems from law enforcement and healthcare to education and economic opportunity. Two funders described increased collaboration with their boards during this period to specifically redirect more funding to BIPOC communities. One recounted a conversation with a Black foundation executive who began “sounding the alarms” in 2018 and 2019, prompting them to make more deliberate investments in Black-led nonprofits.

During the interview process, a little over half of the interviewees stated there was a shift in the language used to address funding disparities through the years, and especially in the aftermath of the pandemic. Terms such as “cultural competency” and “social justice”

⁸ Rendon, J. (2020, May 7). Nonprofits led by people of color win less grant money with more strings (Study). *The Chronicle of Philanthropy*. <https://www.philanthropy.com/article/nonprofits-led-by-people-of-color-win-less-grant-money-with-more-strings-study>

⁹ Gambone, M. A., & Klem, A. (2015, March). *Summary: Cultural Competency Initiative in Greater Kansas City Region 2009–2013*. REACH Healthcare Foundation, Jackson County Community Mental Health Fund, Health Care Foundation of Greater Kansas City (Health Forward Foundation), Shumaker Family Foundation. <https://reachhealth.org/wp-content/uploads/2015/09/Cultural-Competency-Initiative-2009-2013.pdf>

gave way to more direct language such as "white supremacy," "white privilege," and "white saviorism." Funders described examining not only racial injustice as a reality in the nonprofit sector but also their own complicity in perpetuating the system.

To unpack these complicated topics, funders reported seeking more education; either consulting with colleagues they knew to be further along the path of understanding racism, or through formal training. One funder talked of partnering with a prominent Black community leader on a racial justice book club. Another formed a short-lived, informal discussion group about racism with other foundation directors. Yet another convened meetings with friends in her church outside of work. These individuals were dedicated philanthropists, committed to improving their communities, but they lacked familiarity with racial justice issues. "The hardest thing," she reflected, "is getting [philanthropists] to understand the distinction between performing 'good deeds,' and funding genuine social change."

Following George Floyd's murder, one study participant stated there was a collective recognition among funders that "the systems are failing us, we need to change the systems." Within her organization, she observed, "We have a lot more uncomfortable conversations than we used to, like addressing the fact that many people in the room making very large dollar decisions are white people." Another shared, "I had to come to terms with my own personal role in adopting and enforcing practices that, I didn't realize at the time, were based in white privilege and exclusion." She described working diligently with her team to finalize and publish a comprehensive racial equity statement for her foundation meant to guide grant policies and practices.

Even up to the day of its public release, she fielded calls from the foundation's trustees questioning the language. Several wanted ongoing clarification and confirmation, "Are we saying we're racist or that we did things that were racist?" Despite the board's anxiety, the foundation director persisted, acknowledging, "In fact we *did*. You can say it was unwitting and unknowing, and without ill intent, but we perpetuated a lot of practices that were built on things that were absolutely racist."

During this process of learning and self-evaluation, funders acknowledged the critical absence of voices most impacted by a biased grantmaking system. Consequently, many described moving out of their offices and engaging more directly with the community—networking and meeting with organization leaders outside of their current grant portfolio. This emphasis on relationship building is described in the next section.

Theme 2: Community Connection

Foundations able to articulate the power imbalance as described in the previous theme, were also by and large seeking feedback from the community as part of their education and self-evaluation. To truly address systemic inequity effectively, they talked of building

authentic community partnerships, specifically with BIPOC-led and BIPOC serving organizations by:

1. *Hosting community conversations* and listening sessions with BIPOC nonprofit leaders to solicit honest feedback about their grantseeking experiences
2. *Using feedback* to establish grantmaking processes that are more responsive to the diverse needs and realities of BIPOC-led and BIPOC-serving organizations
3. *Soliciting recommendations* from current grantees and from other foundations to identify BIPOC-led and BIPOC-serving organizations they might be overlooking

Hosting Community Conversations

The most comprehensive example of community listening and building from this study was the REACH Healthcare Foundation’s Centering Black Voices pilot program which launched in 2021. The initial project objective was to address the philanthropic funding gap that disproportionately harms Kansas City Black-led nonprofit organizations. For two years, REACH collaborated with nine Black executive directors, seeking their expertise and feedback and using that information to intentionally pivot the way they approach grantmaking. The experience is outlined in *Centering Black Voices: Lessons from a 2-Year Pilot Program in the Kansas City Region*, published shortly after the project’s conclusion.¹⁰

Similarly, another health foundation reported their intention to host community listening sessions in the coming months, engaging both current grantees and those they don’t yet fund. They seek to answer questions about what their constituents believe are best practices in grantmaking, areas for improvement, and what projects the foundation might be overlooking. The Executive Director stated they're examining the “pros and cons” of their current system and soliciting input on how to streamline the funding process and enhance accessibility.

It was the health foundations in this research project, in fact, who most frequently emphasized collaboration with BIPOC nonprofit leaders, deliberately centering them as co-conspirators in implementing change, rather than simply as tokens or bystanders of the work. The third and final health foundation emphasized the importance of this approach, asserting that individuals with lived experience are “more likely to have the best understanding of [community issues] and possibly the best solutions to address them.”

¹⁰ REACH Healthcare Foundation. (2023, November). *Centering Black voices: Lessons from a 2-year pilot program in the Kansas City region*. <https://reachhealth.org/wp-content/uploads/2023/11/REACH-Foundation-Centering-Black-Voices-Lessons-from-Pilot.pdf>

Using feedback to restructure grantmaking processes

Funders actively soliciting community feedback reported improved grantmaking processes and adoption of methods to make funding more accessible to BIPOC communities. One foundation director expressed the lack of consideration most funders give to the burdensome and labor-intensive grant application requirements commonly used to select grantees. She recounted a story about allocating money from the foundation's discretionary fund to a Black-led nonprofit for two years before inviting the nonprofit's director to formally apply for a grant under one of their funding pillars. The grantee, a pediatrician, remarked that even with a medical degree, had she been asked to write a grant to the foundation in the first year of their partnership, "it would have looked like a kindergartener wrote it."

This feedback, along with other community conversations, prompted the foundation to simplify the application process for everyone. In particular, she reflected on past instances where she'd encouraged smaller, BIPOC-led organizations with programs that were in alignment with the foundation's mission interests to apply for grants, only to receive no application. In one case, an organization missed submittal, even after being given extended time to apply. The foundation director believes that when an organization's grant seeking experience is limited, or they don't have staff capacity, "the grant process may be too intimidating to even contemplate."

In 2022, the foundation formally moved to adopt a racial-equity based approach to giving. Under one of their funding pillars, they made the decision to exclusively accept applications from BIPOC-led or founded grassroots organizations. Grantees under this pillar receive financial support for three consecutive years without a requirement to re-apply. The foundation also works to facilitate connections between their grantees and other mission-aligned foundations who might be interested in funding their work.

Another interviewee described seeking feedback by spending more time away from her desk, intentionally engaging with BIPOC leaders in the community and asking critical questions such as, "What are your gaps? Where are your challenges? What are your actual needs?" Based on these discussions, her foundation initiated a "zero application process" allowing organizations to submit grant materials they've already prepared for other funders. She emphasized that requiring grantees to labor through multiple application processes for different foundations, each with their own elaborate and personalized requirements is "a waste of the [grantees'] time." If she receives an application and notices gaps in the information, she supplements the materials with a phone conversation or email exchange.

Seeking recommendations for prospective grantees

Five foundations in the study reported seeking recommendations from current grantees or other foundations for BIPOC-led and BIPOC-serving organizations that may not be on

their radar. One funder explicitly asks current grantees, “When you can’t serve families, who else do you refer them to within a 10-block radius?” Using this approach, she described meeting BIPOC nonprofit leaders who’d never considered themselves eligible candidates for a grant, sharing feedback such as, “We didn’t think we could come to you until reaching a certain stature,” or before “reaching a certain budget level.” The funder remarked, “I think we have tried really hard” in reflecting on these conversations “to break down barriers [in access to the foundation].” She also believes that asking for community recommendations has helped them focus their investments where they are needed most.

Additionally, several funders reported seeking recommendations from their peers. “I’ve been asking other grant making institutions to see what they are doing and who they are funding in the BIPOC-led space,” shared one. Another said that when she has a question about a new grantee prospect, she often turns to one foundation in particular that’s been engaged in racial equity work for years.

Some interviewees highlighted a crucial distinction between seeking recommendations with racial equity as the goal, versus informal conversations between funders meant to assess an organization’s worthiness rather than to reduce barriers. Questions about an organization’s reputation, for instance, are commonly used to filter out grantee prospects perceived as unsuitable for financial investment. Those committed to racial equity-based grantmaking acknowledged that this type of information sharing may have the unintended consequence of perpetuating the marginalization of organizations that have historically had the least access to funding and funders.¹¹ But with reducing barriers as the goal, most funders believed that community connection and relationship building using a racial equity framework would circumvent these pitfalls.

Theme 3: Reduced Barriers

Through self-reflection and community connection, a majority of funders named trust-based philanthropy” as the preferred alternative to traditional grantmaking. The trust-based grantmaking approach centers on six core principles designed to promote equitable collaboration between funders and grantees.¹² They include:

1. Providing multi-year, unrestricted funding
2. Proactively seeking, identifying, and educating foundation trustees about organizations traditionally overlooked or outside their usual networks
3. Simplifying grant application and reporting processes

¹¹ McShane, J. (2020, December 31). Beyond crisis funding: Black-led organizations that saw a surge in donations look for lasting impact. *NBC News*. <https://www.nbcnews.com/news/nbcblk/beyond-crisis-funding-black-led-organizations-saw-surge-donations-look-n1252539>

¹² The Trust-Based Philanthropy Project. (n.d.). *Overview*. <https://www.trustbasedphilanthropy.org/overview>

4. Maintaining open, honest, and transparent communication with grantees
5. Actively seeking and acting on feedback from grantees
6. Providing non-monetary support, such as introducing grantees to other funders and assisting in building internal capacity

Nearly all foundations in this study reported adopting one or more trust-based practices. Even the foundations not explicitly prioritizing racial equity have integrated some of these practices into their grantmaking. This trend aligns with data from the Trust-Based Philanthropy Project, which in 2023 reported that 80% of 400 surveyed foundations use at least one trust-based grantmaking practice, with 10% adopting all six.¹³

As previously illustrated, the most prevalent trust-based principles funders in this study have used to reduce barriers to funding are expanding efforts to seek prospective grantees beyond usual networks, soliciting and acting on grantee feedback, and simplifying application and reporting processes. At least two of the funders also talked about providing more capacity building support. For example, REACH Healthcare Foundation specifically collaborates with Black consultants who work with their grantees to provide “culturally responsive coaching.” According to the Centering Black Voices report, this enables grantees to “set their own priorities for technical assistance,” rather than having priorities imposed by the foundation.

The Trust-Based Philanthropy approach gained significant traction during the pandemic, as foundations were tasked with rapidly distributing funds to the areas of highest need. Grantees and grant seekers experienced this change in a number of ways: funders converted existing grants from restricted to unrestricted, eliminated reporting requirements, and distributed funds without an application or through simplified applications with only a few key questions. Instead of reverting back to a traditional grantmaking model when the pandemic waned, some funders reported making these simplified processes permanent. None of the interview participants, however, reported adopting all six trust-based grantmaking principles.

The principle that foundations in this study seemed to struggle with the most is transparency. In the lexicon of trust-based philanthropy, transparency denotes open and honest communication between foundations and their grantees. But transparency, or the lack thereof, also encompasses how foundations engage with the nonprofit community even *before* a nonprofit applies for a grant or becomes a funding partner. This includes the ease or difficulty of finding and applying for mission-aligned opportunities, understanding how foundations make funding decisions, and identifying and forming connections with decision-makers.

¹³ Whitfield, E., et al. (2023). *2023 Grantmaker survey report: Analysis of responses from 396 grantmakers at various points in the trust-based philanthropy journey*. Trust-Based Philanthropy Project.

For at least one funder in the study, the lack of transparency is intentional. She explained they don't have an active website with critical information about the foundation, what funding is available, or how to apply because it would "open the floodgates," creating an unmanageable influx of requests. Consequently, the intricacies of their grant process remain accessible only to those with specific knowledge of the appropriate contacts and resources.

Another funder, upon taking over the leadership role, was perplexed to find that nonprofit organizations struggle to connect with her staff. Even without a foundation website, she assumed organizations would intuitively know to call the main business number associated with the foundation and then be routed to a program officer. Having been involved in philanthropy for many years, she took for granted that anyone in the nonprofit sector would inherently understand the specific and nuanced methods for engaging with foundations, approaching program officers, and pitching project ideas.

For the majority of foundations included in this study a lack of transparency in their organizations stems less from intentional concealment, and more from the challenge of breaking free from established traditions and habits. As foundations explore methods to close the racial funding gap, a number of study participants described experiencing resistance from trustees. Several directors found themselves in the role of educator, needing to teach their boards about systemic racism and its impact on philanthropy. One participant stated, "I didn't want to go faster than the board wanted to because at the end of the day, this is not my money." She maintained she'd rather go at a pace that ensures lasting, organization-wide changes, even if it takes longer.

Another foundation director described her board's initial perception of racial equity-based grantmaking as the latest trend in a long history of fluctuating giving practices. She explained, "It can be tough because [the trustees] have been around a long time. They have this cynicism like, 'we've tried investing in these new initiatives before and got burned.'" While she does feel that her staff and board have engaged in more transparent conversations about race than they might have in the past, it hasn't yet translated into significant shifts to their funding practices.

In reflecting on a foundation's reluctance to level the playing field for BIPOC-led and BIPOC-serving organizations, one funder blamed a lack of incentive or pressure to change. "I'm part of a family foundation forum, and when it comes to family foundations, they can do whatever they want. I've been surprised by how many are really clear that racial equity is just not an interest and not going to be a part of their policies moving forward."

As of yet, there isn't a professional philanthropic review body, industry code of ethics, or even a profession certification for funders which might help regulate the selection process or criteria foundations use for grantmaking, how they measure the effectiveness and impact of their grants and programs, and how they engage the community in their

decision-making processes.¹⁴ According to “Grantmaking with a Racial Justice Lens,” from the Philanthropic Initiative for Racial Equity, it’s this lack of oversight or incentive which creates the conditions under which race-based funding inequity continues to flourish. It’s difficult to close the gap on racial disparities in philanthropy, they write, when the decision to make funding more accessible is entirely voluntary.¹⁵

For those who choose to focus on racial equity, there is uncertainty about the best approach. While strategies such as trust-based grantmaking, increased community engagement, and reducing funding barriers are essential, foundations often have to chart their own course toward racial equity. To do this, funders frequently seek insights from their peers. One foundation in particular was repeatedly mentioned by interviewees as the benchmark by which they measure their own progress.

Another funder, however, believes that while there are certainly local examples of foundations making progress toward equitable grantmaking, there are relatively fewer instances of funders in advanced stages of the work. This leaves funders to experiment with different strategies, fine tuning as they move along a continuum of change. This experimental approach to grantmaking is explored in the next and final theme.

Theme 4: Experimentation

Because most foundations were in the initial phase of operationalizing racial equity strategies, many spoke specifically of experimenting with grant dollars and stretching to include new funding partners or projects. “We’ve probably tested more grants that we may not have previously,” said an interviewee about the past four years. “We want to see what works and what doesn’t as we solidify.” Another foundation director, when assessing the efficacy of different funding strategies, explained, “We don’t want to stifle our progress [in the beginning stages] by putting a bunch of parameters and definitions on it yet.”

Underlying this measured approach to grantmaking is the desire to mitigate risk. One funder explained that they’d given some larger grants to BIPOC-led and BIPOC-serving organizations, while opening up a stream of “very small grants” for new Black-led, immigrant, refugee, or rural-serving organizations. These are organizations the funder described as being underrepresented in their traditional funding portfolio. The hope, she expressed, is that the foundation can grow these relationships over time and pull them into bigger funding streams in the future.

One director stated her foundation has been “less quick to say no” to new organizations, even when they don’t have all of the typical grant materials together or metrics the foundation usually wants to see. For several organizations like this, the director said

¹⁴ Council on Foundations. (n.d.). *Foundation basics*. <https://cof.org/content/foundation-basics>

¹⁵ Sen, R., & Villarosa, L. (2006). *Grantmaking with a racial justice lens: A practical guide*. Philanthropic Initiative for Racial Equity.

they'd either distributed some smaller grants, or they've given more technical assistance and feedback than usual. She shared that during the height of the racial justice movement in 2020 she was advised that "writing a big check is not actually the best way to show that you understand what's happening." She interpreted this as an invitation to slow down and thoughtfully consider the most appropriate changes to grantmaking the foundation might implement.

Four years later though, she acknowledges they still aren't distributing bigger "swing at the fences checks," for BIPOC-led and BIPOC-serving projects. Instead, the majority of their funding continues to go to an annual portfolio of "evergreen" projects, and as a result, she says, there "isn't a lot of wiggle room for new grantees." She contrasted their position with another foundation that has "tripled their giving" toward grassroots racial equity work in recent years but explained this type of commitment is something her foundation is "not in a position to make."

In response to this caution, one funder in the study expressed frustration, arguing that philanthropy in Kansas City isn't moving the needle on racial equity fast enough. She questions why there's "so much money" in local foundations not being distributed to emergent needs and causes. "[It's] just sitting there making more money and what is that doing for us?" She insists local foundations can afford to take a bigger risk on new ideas and organizations.

Another funder echoed this belief stating that "Kansas City funders have a lot to make up for." She lamented, "How can we have let this [inequity] happen?" She sees foundations hesitate to give more to new organizations and attributes it, in part, to a fear that the money will be misused. But "Kansas City is a small place," she argues, and funders talk. "If someone is going to misuse your money, you're going to hear about it." When a director from another foundation advocated for shifts to their giving practices in 2021, she expected similar fears and pushback, so she warned her board of trustees, "It's going to look different than you're used to." She was pleased, however, to find her board in agreement with the changes she proposed. Even in cases where a grant "doesn't work out," the director said she and her board believe it's better to take risks and try, rather than stockpile money while pretending that racial disparities in funding don't exist.

Experimenting with different racial equity strategies is certainly an essential part of identifying the most effective funding approach. However, research indicates that experimentation must be accompanied by a more substantial flow of resources. Definitions of "substantial" will vary from foundation to foundation based on capacity and assets, but because of the longstanding *underinvestment* in BIPOC communities, without a significant allocation of resources even beyond normal giving ranges, BIPOC

communities will continue to face systemic and persistent financial disparities they may never be able to overcome.¹⁶

Underfunding introduces a double bind for BIPOC leaders. As one Kansas City funder put it, “On the one hand we say we want innovations and creativity—we want your bold new ideas. But then we undermine that by falling back on old giving patterns and habits.” In “The Case for Funding Black-Led Social Change,” leaders of the Black Social Change Funders Network argue they cannot successfully implement programs without a concurrent alignment of funding, yet they cannot obtain the amount of funding needed without first proving the success of their programs. As a Black executive director in the report stated, “Funders seem to want transformational results” but are only willing “to give transactional dollars.”¹⁷

¹⁶ Ponce, K. (2023, March 2). Black funding denied: Where are we two years later? *National Committee for Responsive Philanthropy*. <https://ncrp.org/2023/03/black-funding-denied-where-are-we-two-years-later/>

¹⁷ Emergent Pathways, LLC. (2019, December). *The case for Black-led social change: Redlining by another name, what the data says to move from rhetoric to action*. ABFE: A Philanthropic Partnership for Black Communities.

Moving Forward

Evidence suggests that the fervor with which foundations approached racial equity in the aftermath of the 2020 uprisings is waning. In a report published in 2023 by the National Committee for Responsive Philanthropy, the author explains that despite an immediate burst in funding, the flow of resources to BIPOC communities has diminished, barely improving the circumstances for “an already underfunded” segment of the nonprofit community “that depends on foundation-based funding to survive.” Only about a quarter of foundations in their study, the author continues, are providing more “multi-year and unrestricted funding” compared to pre-pandemic levels, despite pledges to do more.¹⁸

There are also indications that initial reports about how much funding was going to racial equity work in 2020 and 2021 were greatly exaggerated. Many research institutes counted both the number of grants distributed *and* those that were pledged. Because many pledges never came to fruition, it skewed the perceived impact of overall financial support available to BIPOC communities. When removing pledges from the totals, the Philanthropic Initiative for Racial Equity found that for every dollar awarded by foundations, only about six cents goes to racial equity initiatives and only one cent to grassroots racial justice work.¹⁹

What was apparent from this study is that most interview participants are dedicated to evaluating how their foundations have contributed to inequitable funding practices. Many are even willing to adopt at least some best practices to enhance funding accessibility for BIPOC-led and BIPOC-serving organizations. However, it remains unclear what impact these changes will have, particularly in terms of funders’ willingness to invest more money and resources in efforts that could fundamentally shift systemic racial disparities in philanthropy. The consistent emphasis on experimentation and gradual learning expressed during the interviews may be hindering the implementation of more substantive reforms.

Several of the interviewees argued that increased funding alone is not the only way to gauge movement toward racial equity. One funder encouraged foundations to resist getting sidetracked by the latest “buzzwords” because terms such as “racial equity” and “racial justice” hold no meaning when foundations don’t know how these concepts translate into practice. The better questions to ask when striving for equity, she argues, are: “What is the impact we’re trying to make?” “Who has [historically] been unable to participate [in traditional philanthropy]?” and “Who are we centering in the work?” After George Floyd’s murder, despite the urgency, she recognized she couldn’t “shift an entire organization overnight.” Instead, she explained that change within her organization

¹⁸ Ponce, K. (2023, March 2). Black funding denied: Where are we two years later? *National Committee for Responsive Philanthropy*. <https://ncrp.org/2023/03/black-funding-denied-where-are-we-two-years-later/>

¹⁹ Cyril, M. D., et al. (2020). *Mismatched: Philanthropy’s response to the call for racial justice*. Philanthropic Initiative for Racial Equity.

would come incrementally. Rather than focusing on quantifiable results, she was more concerned about adopting practices her foundation could sustain.

Another funder also placed an emphasis on sustainability, sharing that their foundation works carefully to select projects and partnerships they can invest in over multiple years. But while they believe in “diversity, equity and inclusion,” the director stated it doesn’t drive their foundation’s giving strategy. The concern is that a singular focus on increasing funding to BIPOC-led organizations might actually limit what they are able to fund. As such, the foundation doesn’t have any future plans to change their approach to giving and in fact, the director asserted that based on their current portfolio of projects, much of their money already “flows in the direction” of BIPOC communities.

There is, of course, a difference between assuming funds are benefitting BIPOC communities and ensuring that they do. “Failing to address race head-on is counterproductive,” explains a philanthropist in an Echoing Green report. It isn’t possible, he insists, to dismantle systemic racial inequities in philanthropy without examining how funders maintain the conditions under which disparities flourish. “On virtually every issue,” the report continues—from academic achievement and physical and mental health to economic status— “holding all other factors constant, one’s race predicts [lifetime] outcomes better than anything else.”

These statistics certainly hold true in Kansas City. In comparisons between white and Black households, Black median incomes are 62.9% of white median incomes. The net worth of Black households is only 12.8% of that of white households. Black Kansas Citians have shorter lifespans, have higher fetal death rates, have less access to quality education, are more likely to be incarcerated, and are more likely to be racially profiled and killed by police. In total, if quality of life were handed out like pies, white Kansas Citians would get 100% of the pie, while Black Kansas Citians would only receive two-thirds.²⁰ These disparities, the authors of the Echoing Green report maintain, mean that funders seeking answers to society’s most pressing problems without using a “race-based lens” will inevitably “arrive at the wrong answer.”²¹

As Denise St. Omer, Executive Director of KC People’s Fund, asserted in the 2021 edition of the State of Black Kansas City, although many foundations acted swiftly to respond to racial unrest during the height of the pandemic, “moving the needle on persistent racial disparities requires a long-term commitment and a deep understanding of systemic racism.” Several funders acknowledged this deeper work to dismantle inequitable

²⁰ Urban League of Greater Kansas City. (2021). *2021 State of Black Kansas City: Charting the path forward: Is equity enough?*

²¹ Dorsey, C., Kim, P., Daniels, C., Sakaue, L., & Savage, B. (2020, May). *Racial equity and philanthropy: Disparities in funding for leaders of color leave impact on the table*. Echoing Green and The Bridgespan Group.

systems can be overwhelming. One funder shared, “Some days I wake up and feel hopeless, but we have to keep trying.”

Another cautioned that because some funders believe they lack the resources to address society’s most pressing problems, they become complacent. Rather than recognizing their power as change agents with the capacity to radically transform philanthropy, they fall back on “making grants just because it feels good.” This mindset, concludes one funder, means that Kansas City foundations have “given away a lot of money over the last 50 years but haven’t really solved the problems” they claim to want to solve. “We haven’t even really made a dent,” she observed. Because of this, foundations “get comfortable just existing” instead of asking themselves, “How do we actually work ourselves out of a job?”

One foundation director expressed frustration that efforts to transform the nonprofit ecosystem in Kansas City feels like swimming against a current. The foundations she attempts to work with are often entrenched in “decades, sometimes centuries, of outdated, deeply ingrained philosophies and ideologies” that prevent them from acknowledging the contemporary and urgent need for systemic change. She admitted there are times she even “feels bad” for her foundation colleagues who struggle to shift gears. “But then I want to say, ‘Come on, there are things you could do to change if you really wanted to.’”

In “Decolonizing Wealth,” Edgar Villanueva voices similar beliefs. He writes that foundations have been operating in the same way for so long that envisioning an alternative is difficult. But lasting transformation, he argues, will only come when funders are willing to acknowledge the harm philanthropy has caused and commit to healing and inclusivity over traditional power dynamics. Funders, he states, have the capacity and power to redistribute resources in ways that fundamentally reform philanthropy. The good news, he asserts, is that the ways in which philanthropy operates today are due to intentional design choices, which means that ultimately, we have the power to change the design.²²

²² Villanueva, E. (2018). *Decolonizing wealth: Indigenous wisdom to heal divides and restore balance*. Berrett-Koehler Publishers.

Limitations of Study

While this research provides insight into the philanthropic landscape in Kansas City, it's important to acknowledge the limitations of the study.

Lack of Grantee Voices: Notably absent from this study are the voices of the grantees themselves, particularly the voices of BIPOC-led and BIPOC-serving organizations who are the recipients of increased grantmaking by some local foundations. Without their feedback, it's difficult to determine the impact of the changes foundations are making in response to evaluating their own behaviors, histories, and processes.

Small Sample Size: The research is based on interviews with a small sample of foundations in the Kansas City area, specifically 11 out of the 25 targeted for participation. This limited sample size restricts the ability to generalize the findings to the broader philanthropic community, both within and outside of Kansas City. Additionally, interviewing only one representative per organization may not fully capture the diversity of each foundation's approach to racial equity.

Brevity of Interviews: Each project participant was only interviewed one time, for a 45–60-minute interval. Because of this, the study may not capture the full depth and breadth of funder perspectives and insights. The limited time frame may have restricted participants' ability to fully articulate their thoughts and reflect on their experiences, despite the provision of questions in advance.

Focus on Racial Equity, not Racial Justice: The terminology we use to talk about racial disparities in philanthropy is important. While terms such as "DEI" (Diversity, Equity, and Inclusion), "racial equity," and "racial justice," are commonly employed, their interpretations and implications can vary significantly among individuals and organizations. "Racial equity" is often used interchangeably with "racial justice," for example, but the former acknowledges systemic disparities and a need to redistribute resources, while the latter is about dismantling the systems that create the disparities in the first place.²³ Since the racial uprisings of 2020, and even prior to this time, most philanthropic funding has gone to equity work. By not examining racial justice funding, this study may overlook efforts that have the potential to drive more profound and lasting changes in the philanthropic sector and the communities it serves.

²³ Sen, R., & Villarosa, L. (2006). *Grantmaking with a racial justice lens: A practical guide*. Philanthropic Initiative for Racial Equity.

Appendix A

Participant List

Foundation	Participated in Study	Declined to Participate	Did not respond to request to participate
Commerce Bank Charitable Trusts and Foundations	X		
Dreiseszun Foundation			X
Edward G. and Kathryn E. Mader Foundation		X	
Francis Family Foundation	X		
Goppert Foundation			X
H&R Block and Marion and Henry Bloch Family Foundations	X		
Hall Family Foundation	X		
Health Forward Foundation	X		
Hulston Family Foundation			X
Kauffman Foundation	X		
Muriel McBrien Kauffman Foundation			X
REACH Healthcare Foundation	X		
Ronald D. Deffenbaugh Foundation			X
Sarli Family Foundation			X
Sherman Family Foundation		X	
Shumaker Family Foundation	X		

The Racial Equity Funding Landscape: A Review of Giving by Kansas City Foundations

Foundation	Participated in Study	Declined to Participate	Did not respond to request to participate
Sosland Foundation	X		
Stowers Foundation			X
Sunderland Foundation			X
UMB Charitable Trusts and Foundations	X		
Wyandotte Health Foundation	X		

Appendix B

Interview Questions

*For the purpose of this interview, “DEI,” and/or “Racial Equity,” adhere to the United Way of Greater Kansas City definition from the Nonprofit Catalyst Grant: Investment in charitable organizations in Greater Kansas City “that are **led by or primarily serve Black, Latino, and other People of Color.**” (aka BIPOC-led or BIPOC-serving)*

1. What is the story of your foundation and what principles or values guide your foundation’s approach to giving?
2. What role do you play in the grant making process for your foundation?
3. Does your foundation define and prioritize Diversity, Equity, and Inclusion and/or Racial Equity in its mission and grantmaking strategies, and if so, how?
4. Can you describe any specific initiatives or programs your foundation has implemented to promote DEI/Racial Equity within your grantmaking process?
5. How has the allocation of funding to BIPOC-led and BIPOC-serving organizations changed over the last five years? Are there any notable trends or shifts?
6. What percentage (and dollar amount) of your foundation’s total grant budget is allocated specifically to support BIPOC-led or BIPOC-serving organizations? By how much has this changed since 2020?
7. Are there plans for future expansion or evolution of your DEI- or Racial Equity-related grantmaking strategies? If so, what are the anticipated changes or developments?
8. What role does DEI/Racial Equity play in your foundation’s leadership and staff composition, and how does it inform decision-making processes?
9. To what extent have BIPOC leaders/communities (either grantees or others) been involved in the planning and implementation of grant strategies to benefit their communities?
10. Are there best practices related to DEI/Racial Equity in philanthropy that your foundation has found particularly influential or helpful?
11. Can you share any challenges or obstacles your foundation has encountered while implementing DEI- or Racial Equity-focused grantmaking strategies, and how you have addressed them?
12. In your opinion, what are the most significant contributions your foundation has made to advancing DEI/Racial Equity in the communities you serve through your grantmaking strategies?