



THE SOCIAL & ECONOMIC IMPACTS OF SUPPORTING BLACK-LED ORGANIZATIONS: A RATIONALE FOR THE BLACK EQUITY & EXCELLENCE FUND

The following policy paper outlines the Central New York Community Foundation's rationale for investing intentionally and publicly in the support and celebration of Black members of our community.



**CENTRAL NEW YORK
COMMUNITY FOUNDATION**

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**SANKOFA REPRODUCTIVE HEALTH & HEALING CENTER |
BLACK EQUITY & EXCELLENCE GRANT RECIPIENT**

INTRODUCTION

Equal opportunity is a basic American value and protecting it benefits everyone in our country. Despite the progress we've made as a nation, opportunity is not yet equal across different racial and ethnic groups, with some communities facing steep and unequal obstacles.

For instance, we know that anti-Black racism is woven into the structures of our schools and workplaces, economic situations, and health and living conditions. Its effects can be devastating. 31% of Black children live in poverty, versus 10% of White children (Kids Count Data Center, 2019). The concentration of Black people living in high poverty neighborhoods is not accidental. It is the result of decades of public and private policies pertaining to residential development, lending and transportation (Rothstein, 2017).

We all have a stake in removing those barriers to protect our values and move our country forward. In the summer of 2020, the Central New York Community Foundation launched the Black Equity & Excellence Fund (BE&E) to invest intentionally and publicly in the support and celebration of Black members of our community.

This fund provides a flexible form of applying for funding while counteracting existing systems of inequity within the funding landscape. While this launch coincided with a national re-awakening to racial injustices, we had been building groundwork for this effort over the prior two years with a greater emphasis on trust-based philanthropy, which is a relationship-centered approach to funding. In this paper, we articulate the rationale and aspirations that guide our work in this area.

EQUITY AND EXCELLENCE: WHAT IT MEANS NATIONALLY AND LOCALLY

Everyone deserves equal access to the vast resources available within our nation and our local community, but when we look at data, we see that this is far from the case, even today. On a national scale, O'Connell et al., (2020) have used their Measuring the Dream Index (MTD) to document that the day-to-day lived experiences of Black and White people in this nation are far from equal. Their research found that today, over 50 years after the Rev. Martin Luther King Jr.'s "I Have a Dream" speech that inspired the MTD Index, vast structural racism still exists, which causes persisting unequal outcomes in such areas of our daily life as health, housing, education, poverty, criminal justice and citizen's rights.

Our community is no different. When we look at differences between Black and White residents in Onondaga County, we see that White student test scores are 3 times higher than that of Black students (NYSED Grade 4 ELA 2018); Black median household wages are 48% of that of White households (Population Health Institute 2021); the life expectancy of Black people is 7% lower than of White people (Population Health Institute 2021); and White infant mortality is 70% less than it is for Black infants (Population Health Institute, 2021).

These documented differences in life experiences and outcomes are systematic in that they appear all across the nation. They also provide documentable disparities in people's ability to enjoy the benefits of a thriving community



THE SOCIAL & ECONOMIC IMPACTS OF SUPPORTING BLACK-LED ORGANIZATIONS

and to pursue happiness depending on their race. This differing experience is a matter of equity. Oftentimes, the word equity is used in tandem with equality, yet there are distinct differences between the two terms. Equality means to provide everyone with the same access to resources and opportunities. Equality assumes that everyone needs the same things in order to thrive, such as universal education, roadways and the right to vote. Yet, because of institutional and systemic racism, this is not the case. This is especially true for Black people, who are the victims of 400-years of oppression.

Equity means fair access to resources and opportunities. It solves for injustice and unfairness by realizing that some people may need more resources than others to achieve the same outcome. Focusing on equity means ensuring individuals and families have the resources needed to access opportunity. In an equitable society, arbitrary categories such as skin color, gender or economic standing would not be predictive of one's success in life.

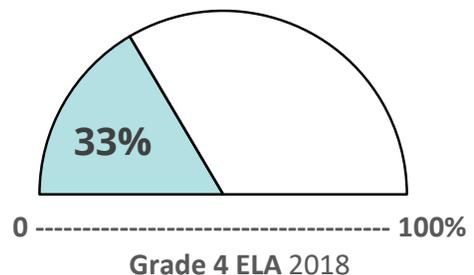
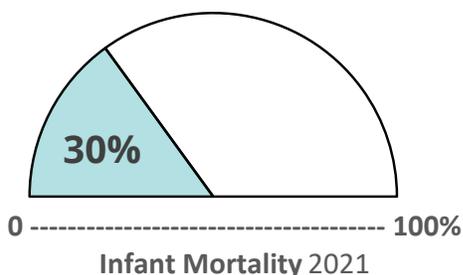
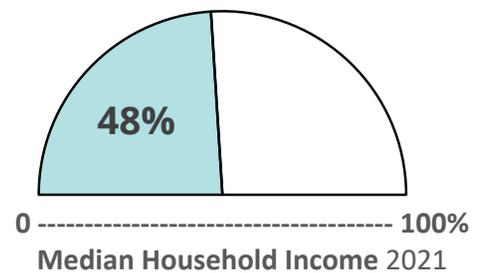
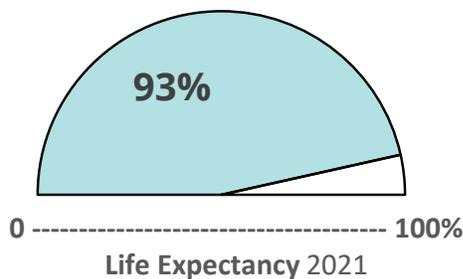
By 2050, our country stands to realize an \$8 trillion gain in GDP by eliminating these disparities that limit the human potential and the economic contributions of Black people (Turner, 2018). Advancing racial equity can also translate into meaningful increases in consumer spending, as well as federal and state/local tax revenues, and decreases in social services spending and health-related costs.

In our BE&E work, we aspire to build a blueprint for a more equitable community locally and to serve as a model that can be adopted nationally by like-minded organizations seeking to mold it to fit their needs.

The BE&E Fund is designed not only to guide our grantmaking work toward the pursuit of equal opportunity, but also to celebrate Black excellence. Through our work, we are seeking to elevate the voices of those that are often unheard but who nevertheless make awe-inspiring contributions to our local community and to society in general. We also understand that by being a funder, we are in a position of privilege and have access to knowledge and resources that may be quite helpful to local nonprofit leaders.

SOCIAL OUTCOME DISPARITIES BETWEEN BLACK AND WHITE RESIDENTS

PERCENT OF EQUALITY WITH PEOPLE WHO ARE WHITE



WHAT WE WERE DOING WAS NOT ENOUGH: OUR MOTIVATIONS BEHIND BLACK EQUITY & EXCELLENCE

Throughout the Community Foundation's 90-year history, we have strived to provide opportunities for all. That is why reviewing evidence of persistent differences in opportunity to thrive, such as what is displayed in the graphs on the previous page, was particularly frustrating to us. Despite years of investment in these areas, gaps in equity of opportunity continue to exist in key areas including education, earnings and health. While we have been encouraged by indicators that are moving in a positive direction in a variety of our investment areas, our reflection on equity forced us to confront the fact that our efforts, though valuable, were not focused explicitly on an equity approach. Could we, we wondered, help to ensure equity of opportunity if we were more explicit and public about our desire to support it?

Reminded in the summer of 2020 of the nation's failure so far to attain equity, and emboldened by our own community's lack of exceptionalism in this matter, we decided to commit more publicly to invest in Black excellence in ways that will create synergies in programming and creativity, charitable giving, professional pursuits, and business and wealth creation.

Black Excellence in Programming and Creativity:

A wide variety of programs exist across Central New York to serve members of the Black community. However, much of that programming is designed, launched and administered by people who are not Black. From our perspective, there is tremendous value in involving those most affected by an issue to be a part of its solution. By committing to supporting organizations whose boards, executive leadership and staff leadership are primarily Black, we reverse the pattern of their historic underinvestment and build the political, economic and social power that is required to create lasting social change for the Black community. This underinvestment is part of a larger national trend in which White-led groups had budgets that were as much as 24% larger than nonprofits led by people of color, and Black-led nonprofits find themselves with net assets as much as 76% smaller than those of their White counterparts (Wade, 2020).

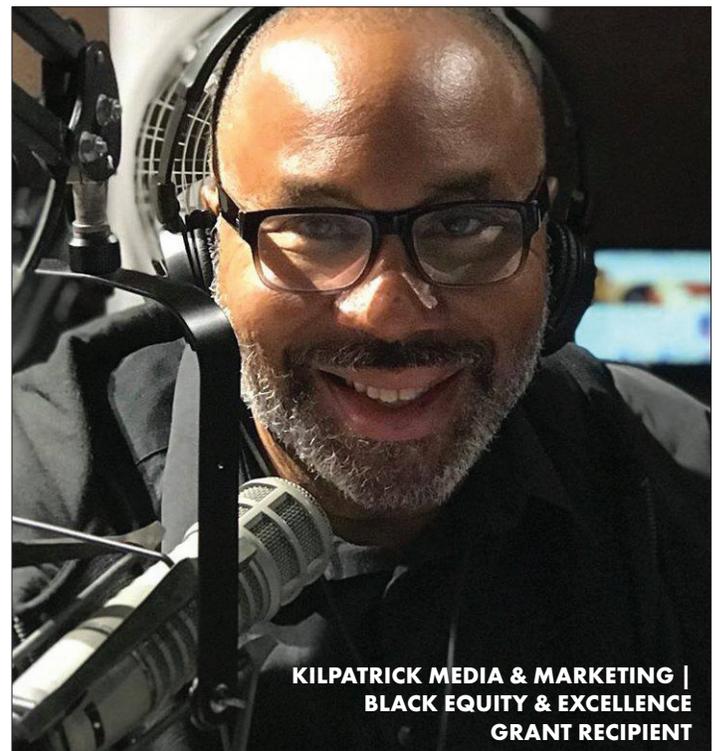
Black Excellence in Charitable Giving:

Black people utilize their limited resources to help and restore blighted communities and youth in need. Nearly

two-thirds of Black households donate to community-based organizations and causes, to the tune of \$11 billion each year, according to a joint 2012 study from the W.K. Kellogg Foundation and Rockefeller Philanthropy Advisors (Kellogg and Rockefeller, 2012). Black households on average give away 25% more of their income per year than White households. Further, communities of color are giving at an increasing rate (Singletary, 2010).

Black Excellence in Professional Pursuits:

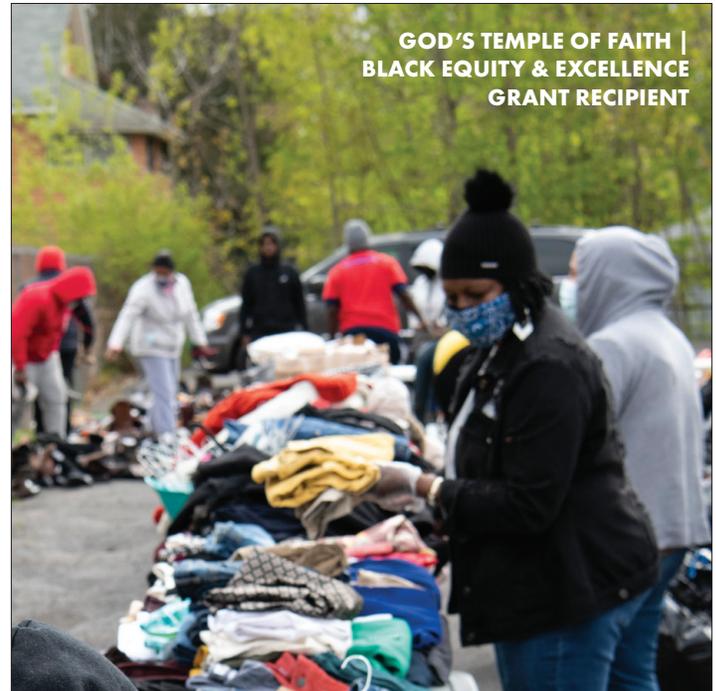
Despite this compelling generosity, inequities in wealth along racial lines mean that Black-led organizations also face a fundraising deficit. This is in part due to choice of and access to more lucrative professions. Blacks working in careers that tend to pay less, such as social services, is believed to be one of the causes for the overall wage gap between Black and White men (Miller, 2020). For instance, holding experience, education, job and geographic location constant, we see Black men earning 98 cents for every dollar earned by their White male counterparts. However, when we include all careers, that gap jumps to Black men earning only 87 cents per dollar earned by White men (Miller, 2020). In this way we see that



occupational segregation is a persistent hurdle.

Black Excellence in Business and Wealth Creation:

Members of the Black community are more likely to serve in a direct-service role in the human service field than to serve as an owner of a Black-owned business in most areas. In fact, while Black people make up 14.2% of the population, Black businesses make up only 2.2% of all businesses (Perry and Romer, 2020). Furthermore, this underrepresentation of Blacks as business owners is compounded by the fact that many of these businesses are sole proprietorships and are thus too small to help spur community development by hiring employees (Perry and Romer, 2020). Thus underrepresentation costs the U.S. economy millions in terms of jobs and billions in unrealized revenues (Perry and Romer, 2020). Within this broader context, investment in Black-owned businesses carries with it the promise of a social benefit that we do not see with investment in White-owned businesses



THE RESULT IS...THE BLACK EQUITY & EXCELLENCE FUND

The BE&E Fund is a blueprint for change when it comes to the future of the Community Foundation's funding model. It is important to understand that this model both builds on the best practices we have observed in the field and innovates in key and strategic ways.

In order to explore the possibilities, we reached out to experts in the philanthropic sector. We consulted with groups such as ABFE (formerly the Association of Black Foundation Executives) in collaboration with The Bridgespan Group (Batten et al., 2020) to explore how best to tweak our work to focus more acutely on equity. These groups emphasized the importance of multi-year sustained grantmaking to Black-led organizations as a way to help to shift the power dynamics that often become the default in communities across the nation.

Secondly, it is perhaps best to understand BE&E as a grant program that we built from scratch after an extensive listening tour with Black community members, residents and leaders. As a result, much of the application process and funding decision protocol is different than any of our other pre-existing grant programs.

Embracing what we learned from our peers and colleagues nationally, as well as from our fellow community members, we sought a way to provide long-term and significant investment in Black-led organizations as a way to invest in the excellence that these organizations and their staffs embody. We drew on our outreach to define Black-led organizations as having at least 51% Black-identified leadership at the board or steering committee level, a person who identifies as Black in the senior executive leadership position, and predominantly serving the Black community in Onondaga and Madison counties.

Creating space specifically for Black-led organizations allowed us to create a process that was tailored specifically to their needs and allowed for them to give feedback in real time. We did not create this funding imperative alone; members of the Black community and national peers encouraged us and gave input along the way. The design of this funding priority not only resulted in a new grant opportunity, but also contributed to an overall power dynamic shift inside and outside of the organization, which is a necessary component of systems change.



THE SOCIAL & ECONOMIC IMPACTS OF SUPPORTING BLACK-LED ORGANIZATIONS

We made a concerted effort to look at how we could shift the usage of power throughout our institution and arrived at an innovative opportunity to launch an all-Black council empowered with full decision-making power on the grantmaking process and final grants awarded. The BE&E Advisory Council is comprised of Black community leaders with various backgrounds and years of experience that bring a wealth of knowledge to not only BE&E, but also to how we incorporate racial equity throughout our community efforts. The council is completely volunteer-based and embodies the essence of how BE&E can create sustainable change for the Black community in Central New York.

BE&E provides support in addition to (and not instead of) our other existing grant opportunities. The application process was designed to allow for creativity, perseverance, tenacity, innovation and accomplishment to shine through with each request that came in. We do not want grantees to “prove their oppression” in the form of a strenuous grant process, but rather, prove their innovation and excellence. Though gaps in access to opportunity persist for certain, instances of triumph not only exist but are all the more remarkable given the headwinds of structural inequity that many have faced in their efforts to reach those heights. The fund is thus also a vehicle for honoring those human achievements and cultivating their growth for the benefit of generations to come.



**BLACK CUB PRODUCTIONS |
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CONCLUSION

The BE&E Fund is one of our first steps toward becoming a more equitable foundation. This is by no means the final answer to inequity within the funding landscape or throughout the world, however, it is our starting point for tangible change. Prior to the launching of BE&E, we were active in addressing many key issue areas of racial inequity, such as lead poisoning, literacy, census completion, and workforce development. Racial inequity plays a role in all of these, and we were investing in these areas with the implicit goal of addressing injustice, but we were not explicitly stating that Black people are more commonly impacted due to historically racist systems built into banking, housing, education and other institutions. With the launch of BE&E, we feel that Black members of our community will notice a tangible difference.

Below are some of the structural and procedural ways that we believe BE&E to be unique and innovative as a philanthropic sector strategy and approach:

- Outreach and recruitment in partnership with Black community members
- More creative grant application opportunities, including allowing submissions in audio, video, PowerPoint and written narratives

- Much more streamlined application process designed for easy access, with fewer requests for attachments. (This shifts work on to staff and away from applicants.)
- A redefinition of the public good such that for-profits that build up the Black community are considered for support if they have a nonprofit fiscal sponsor
- An investment in Black-led philanthropy. The staff that administer the fund and the council of community leaders that make the final decisions on which grants are funded are all Black, which shifts power dynamics.

These are monumental changes that many of our peer community foundations are watching closely and some are trying to emulate. They are indeed transformational changes to the way we do business. For that we credit community members, our leadership and board of directors, who intentionally sought to provide opportunities to the Black community by releasing their decision-making power and empowering a Black-led council to lead the grant decision process fully.

Those looking to support or apply to the Black Equity & Excellence Fund can learn more at cnycf.org/equity.

ABOUT THE COMMUNITY FOUNDATION'S CURRENT EQUITY WORK

In addition to the launch of BE&E, our organization has also been on a racial equity journey. This effort has included our board and staff in reflective, deliberative, thoughtful and sometimes provocative conversation and opportunities for learning and dialogue.

Towards that end, we are implementing a racial equity lens across our operations – this work is not just about what we fund through grantmaking and our strategic initiatives but applies to all of our functions. This past year, we started utilizing a racial equity impact assessment tool to guide revisions to our policies and practices. We have broadened networks for recruiting for job openings and incorporated diversity, equity and inclusion goals into staff annual performance assessments. We're reviewing vendors for the CNY Philanthropy Center and Community Foundation operations and are working with our investment consultant to assess our investment pool to track minority and women-owned investment managers. We've initiated an effort to gather more robust data on our grantees so that we can more accurately track nonprofits led by and serving communities of color. Through our communications efforts, we'll be telling stories that explicitly identify systemic racism.

We believe that embracing racial equity offers immense opportunities for us and for Central New York.



THE SOCIAL & ECONOMIC IMPACTS OF SUPPORTING BLACK-LED ORGANIZATIONS

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ABOUT THE CENTRAL NEW YORK COMMUNITY FOUNDATION

The Central New York Community Foundation is a public charity established in 1927 that collects contributions from donors, manages them to grow over time and then distributes funding to local charities to help them thrive. It is the largest charitable foundation in Central New York with assets of nearly \$366 million and has invested more than \$230 million in community improvement projects since its inception. As a grantmaker, civic leader, convener and sponsor of strategic initiatives, the Community Foundation strives to strengthen local nonprofits, encourage better understanding of the region and address the most critical issues of our time.





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