

Diversity, Inclusion, and the Nonprofit Sector

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This issue of the *National Civic Review* investigates evolving notions of diversity, inclusion, and pluralism, especially as they relate to philanthropy and the nonprofit sector. We are seeing the sector—and American society generally—entering a new stage in terms of how diversity, marginalization, and inclusion are defined, discussed, and acted on. Discounting notions of a “postracial America,” we nonetheless wonder if the campaign and election of Barack Obama, together with other recent political and cultural events, signal a transition in the struggle for a genuine pluralism. If so, what are these emerging ideas, and how will our language and conversations change to fit these new models? How can the independent sector, especially foundations, change their own practices and programs to accommodate and promote desirable change?

To address these and related questions, we engaged leading voices from within and outside the sector to speak from their own experiences and points of view as institutional and thought leaders. The range of analysis and the stories they tell in their essays suggest significant diversity and fluidity of opinion on the politics of identity, the reality of life inside major nonprofit institutions, and the power of pluralism to improve public and private spheres for all Americans.

Many recent reports have documented foundations’ efforts to diversify their staff and boards, and many make important recommendations to the field. On the basis of our own experience, having worked in or with dozens of foundations and large nonprofits, we, too, believe that philanthropy is moving to a new stage. This transition is the move from diversity to inclusion. We understand *diversity* to be the fact of difference within an organization or group. We

define *inclusion* as the intentional act on the part of diverse members of an organization to make this difference a part of the group’s status quo of effectiveness.

From Diversity to Inclusion

Institutions are intrinsically conservative. Bureaucracies create organizational cultures, which over time establish hierarchies of power, value, and recognition—a status quo. To those who design and benefit from the status quo, the system seems rational and meritocratic. To those who find themselves outside this mainstream or at odds with it, the organizational culture can seem exclusive, alienating, shunning, and even punitive. Mary Ellen Capek and Molly Mead have written compellingly about how foundations—and all organizations and human systems—create cultural “norms” that discount or exclude what is outside or different. Whoever gets to “name normal” controls the boundaries and disciplines of diversity and inclusion, the status quo of what and who is valued.

In this scenario, even when diversity is transformative, it is first often disruptive. Diversity challenges, opens, and reconstitutes the status quo. This disruption can be liberating, uncomfortable, or chaotic, depending on one’s point of view within the organization. Also changed is what was previously outside the status quo. When difference is included in the mainstream, both are altered unpredictably. This is the fascinating dynamic of diversity and inclusion and its endlessly productive energy.

The first stage of diversifying philanthropy—beginning in the early-1980s—meant bringing people of color, women, gays and lesbians, and members of

other underrepresented groups into positions of leadership within foundations. The next stage is focusing on inclusion and “deeper” diversity, encouraging and institutionalizing the differences that diversity offers as a way to realize organizational mission, vision, and goals.

Given that institutions resist change, and given that diversity and inclusion are difficult to initiate and realize under the best of circumstances, it is useful to think about diversity in philanthropy as compared to institutions in other fields.

In business, diversity’s imperative is usually engaged—indeed, mandated—by the market. Companies must change, expand their markets, or decline. In politics, the status quo is challenged by candidates, parties, and their ideas. Credibility and cachet are determined by the candidate’s evolving currency among voters in the push-pull of a campaign. Here, too, society, like organizations, often resists change. But as we saw in 2008, the demand for new ideas can come forth like a whirlwind. The Obama campaign saw this and gave courage to voters’ desire for a liberating diversity in its politics and governance. The McCain campaign did not.

Philanthropy, on the other hand, lacks a disciplining market, plebiscite, or grassroots push. Philanthropy has no external regulator or permanent internal channels forcing it to diversify its fundamental assumptions, staff, or program array. Rather, foundations choose diversity when they decide to listen to and abide by the wishes of those they exist to serve. This choice signals recognition of diversity as an imperative of program effectiveness, as well as an ethical commitment.

Looked at this way, philanthropy’s recent diversity record is fairly positive. The most significant diversity gains in the last twenty years have been demographic and at the staff level. Foundations with staff of more than a few people in metropolitan areas are increasingly racially and ethnically diverse. The

majority of foundation professional staff are now female, though boards are still majority male. Gays and lesbians have rapidly joined the ranks of foundation leadership.

As Angelo Falcón and Gara LaMarche note in their essays, truly adequate representation of diverse groups in decision-making positions remains an aspiration rather than an accomplishment. Nonetheless, foundation leadership looks different from what it did twenty years ago. Many foundations, both large and small, have made diversifying their professional staff and board of directors a top institutional priority. This commitment has brought a generation of ac-complished people from an increasingly wide range of backgrounds into philanthropy’s leadership. Identity-based affinity groups have grown in size and stature to support new leaders and influence how their institutions make grants. Ongoing research and technical assistance programs, such as the Diversity in Philanthropy Project and the Philanthropic Initiative for Racial Equity, among others, find growing interest among private, community, and corporate foundations for resources to diversify their institutions.

In sum, though incomplete—especially at the trustee level—this crucial first stage of diversity’s contribution to philanthropy and its intellectual and cultural resources is expanding across the sector.

Inclusive Organizations: The Difference Diversity Makes

Inclusive organizations create systems that encourage ongoing intellectual and stylistic disruptions of the status quo in service of an underlying organizational mission. In high-performing, flexible organizations, this openness to productive change—inclusion—becomes the status quo.

In this way, foundations and other nonprofits are different from organizations in other sectors. For example, the military, often heralded for its diversity

success (with the exception of gays and lesbians), purports to ignore recruits' racial or ethnic specificity. The military's culture and effectiveness depends on personal difference making no difference.

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So if the value of diversity to philanthropy is difference, what difference has diversity made? To what extent has diversity produced inclusion?

One place to look for answers is in the grants that foundations make. Interestingly, the proportion of grant dollars going to women and girls' groups has declined since the early 1990s, though more foundation decision makers are women. The Greenlining Institute and others have claimed that a disproportionately small number of grants made by California's leading foundations (many of which are quite diverse) go to organizations led by people of color. Similar trends exist elsewhere in the nonprofit sector.

Data on internal foundation culture supply further information regarding an inclusive embrace of diversity. We know that retention of program officers of color is an ongoing challenge for major foundations. Boards are still majority white and male. Asset management firms that steward the 95 percent of foundation resources not used to make grants remain largely off-limits to diversity's moral and efficacy imperatives.

In sum, despite significant progress in diversifying philanthropy, a new stage of work is just beginning. The abiding challenge to organizational culture regarding diversity and inclusion is this: How can an organization's intention and ethos encourage and value the best thinking, critique, care, and stewardship from all of its members?

Inclusive Leaders

In her essay, Phoebe Eng suggests "fluent leadership" is key to embedding inclusivity into an organization's cultural operating system. Fluent leaders continuously surface how "disparity, power dynamics, and inequality" are allowed to thrive in an organization's culture through transparent assessment, self-critique, and adjustment. Similarly, Caitlin A. Baggott suggests that members of the millennial generation tend to reject constraints put on public conversation by political correctness, which makes honest conversation—and hence mutual understanding—more difficult, especially since these are precisely the exchanges that build needed multiconstituency coalitions that seek a broad public good. Millennials, she says, are looking to the nonprofit sector to give them opportunities to work in multigenerational, multiracial, and otherwise diverse partnerships to build the "civic infrastructure" needed to fulfill a truly pluralistic society. Torie Osborn sees in the Obama campaign a model of this transformative context, and a bridge away from the "diminishing returns" of 1980s identity politics toward a new vision of inclusion that magnetizes diverse Americans toward social and economic justice.

Barack Obama and the Rhetoric of Inclusion

Without claiming to have superseded any of the diversity challenges Americans face, we, too, see hopeful signs of a new ethos of social inclusion. For us, the first signal of this next moment came on the night Barack Obama won the Iowa pri-

mary. Iowa is a very white, fairly elderly state on the north side of the Bible belt. Every cultural stereotype said Iowa would not support a young, urban, mixed-race candidate. But Obama insisted that our individual participation in the public realm—that is, our civic identity as U.S. citizens rather than our subjective identities as black or white, left or right, male or female, blue state or red state, and so on—be grounded in pragmatism, problem solving, and mutual concern. This spirit captured Iowa’s and then the nation’s desire for a new day. Obama’s pragmatic idealism short-circuited the country’s entrenched and anachronistic political discourses and spoke directly to voters’ humanism and visions of an inclusive and fair America.

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Later in the campaign, candidate Obama’s speech on race altered the rhetorical coordinates of our national conversation by stressing the plurality of his—and our—personal and national identities. He/we/they *all* contain multitudes. The essentialism that is the hallmark of 1980s identity politics, and that has dominated our diversity conversations down to the present day, is, as Wayne Winborne writes, increasingly being eclipsed by real-world notions of plural and contingent identities. As Baggott notes, none of this is news to folks younger than thirty. The Obama campaign recognized that in many ways popular culture, which is seldom conservative, is driving our attitudes, language, and conversations around diversity and inclusion far ahead of the government, courts, or civil soci-

ety institutions such as foundations and large non-profits.

Glenn C. Loury’s moving piece suggests this next intersection of identity and society when he writes, “the socially contingent features of one’s situation—one’s racial heritage, family background, or sexual orientation, for instance—and the prevailing views and attitudes about such identity tropes held by other people in society—these things are the building blocks, the raw materials, out of which one must yet construct the edifice of a life.”

Inclusion, Philanthropy, and the Economic Moment

The current economic downturn could affect future patterns of inclusion more dramatically than any other social force. Sandy Close argues that more than any crash since the Depression, the emerging confluence of economic dislocations will change the country’s social order in ways that will be catastrophic for many communities. Already, the majority of employed Americans are now female, with serious and often negative implications for the cohesion of families. Large groups of white males who have never known economic exclusion will learn firsthand its destabilizing effects. We know from history that material scarcity and rapid social dislocation often breed nativism leading to scapegoating hostility against vulnerable individuals and groups. Winborne and Gara LaMarche note that nonprofits and their funders are finding ways to inoculate our political and civil societies against this dangerous and potentially viral tendency. James Richardson reminds us that rural Americans have suffered political, economic, and social change and decline for decades and, with some notable exceptions, continue to be underserved by foundations, which rarely have staff fluent in rural social and economic life.

In sum, precisely when the first progressive political and cultural opening in a generation appears, it is

accompanied by an economic crisis that threatens not only the future but past advancements as well. The persistent social and economic marginalization and structural exclusion in communities of color that Alan Jenkins documents in his essay may well grow more severe in the near term, as permanent job loss and the catastrophic effects of the mortgage crisis target these communities more acutely than white Americans. In addition, the eventual immigration reform debate will generate new conversations about pluralism and whose diversity is entitled to inclusion. This struggle, like the gay marriage debate, creates confounding alliances among communities who heretofore were on opposite sides of diversity debates. In short, the task of inclusion is unending.

This complex moment of cultural and political progress intertwined with rapid social change and economic dislocation puts increased responsibility on independent civil society institutions such as foundations and nonprofits. Diminished philanthropic and public sector resources means foundations will require all of their diverse creativity to boldly partner with nonprofits, generate opportunities for communities under stress, and model social and organizational inclusion.

This demand requires the nonprofit sector, and philanthropy in particular, to support emerging forms of civic infrastructure, fluent leaders, and consensus-building strategies that extend the innovations so many organizers experienced through the Obama campaign. Philanthropy is both well-positioned and socially tasked to help realize new social contracts and to progress toward a common good that is not only diverse but actively and passionately inclusive.

Reference

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