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Philanthropic boards: Some inconvenient truths

Premium

by Fiona Higgins | September 1, 2016

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"It's all too easy for the work of a foundation to be characterised by years of 'good enough' decisions because no one is ever going to hold trustees accountable for the social impact they failed to achieve."
Fiona Higgins on why boards need to give voices of lived experience a seat at the table.



In April 2016, the Chicago-based **D5 Coalition** – a collective of US foundations interested in improving diversity, equity and inclusion in philanthropy – released a **'State of the Work' report**.

Their research over five years shows:

- It's a man's world on philanthropic boards: only 38 per cent of trustees are female.
- The older generation rules: 74 per cent of foundation trustees are over 50 years of age.
- 2 per cent of trustees identify as LGBTI and just 1 per cent are people with disability

– Culturally, 85 per cent of trustees are 'non-Hispanic white'.

Do Australian philanthropic boards mirror the US?

We don't know for sure, as there has been no equivalent research undertaken on board composition of Australia's 2,400-plus grantmaking foundations, but we can hazard an educated guess.

A cursory review of the annual reports of Australia's longest-standing foundations reveals prestigious lists of eminent trustees, often experts in their field. This is unsurprising, as their job is an important one: discharging some \$1.4 billion of grantmaking decisions since 2001, and directing investments of up to \$10 billion in collective corpus.

Is eminence and expertise enough?

However desirable, eminence and expertise do not always equate to 'community competence' – defined as a *position of deep understanding and empathy with the community or cohort a foundation seeks to serve*.

Let's consider the example of a philanthropic foundation striving to make a difference to the lives of people seeking asylum in Australia. How can the foundation's trustees **best understand** that particular community of concern?

Firstly, trustees can undertake (or commission) extensive research into issues and needs. They can consult with central, line and other government agencies involved in the assessment process, and develop a broad network among relevant non-profits. They can volunteer, or otherwise spend time with asylum seekers and refugees, to build a more personal understanding of the challenges facing this cohort.

Trustees can and should do *all* of these things – and then there's a further step. A bolder, more disruptive step: they can appoint a former refugee or asylum seeker to their board.



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Their *board*? I hear you ask. Yes, in exactly the same way nonprofits often appoint representatives of the communities they seek to serve on their boards.

And consider this: it's just *one* seat at the table, where the recipients of a philanthropic foundation's funding—be they asylum seekers, the aged, the deeply disadvantaged, the mentally ill, the chronically unwell, rural trades people at risk of suicide, or young women in STEM industries—can bring the voice of *lived experience* into the board room, among the seats of power.

Subverting the subconscious power dynamic

Whether we're conscious of it or not, the **power dynamic** of the grantee/grantor relationship is significant, often worsened by personal assumptions developed via vastly different life experiences.

This pre-existing 'understanding gap' between grantees and grantors is exacerbated by a lack of racial, cultural, ethnic and income diversity among trustees.

If philanthropic foundations are aiming to break cycles of intractable disadvantage among marginalised populations, diverse perspectives at board level are especially important for:

- priority-setting and decision-making
- gauging the local pulse of grassroots communities
- assessing the urgency of needs affecting target cohorts.

But it's hard to find appropriate 'diverse outsiders' to help govern our foundation, I hear some object. Absolutely true. It takes time, commitment, a modicum of discomfort and the exercise of faith in the idea that the reward will ultimately outweigh the risk.

And so the status quo beckons. And where it remains unchallenged, it's all too easy for the work of a foundation to be characterised by years of 'good enough' decisions – because no one is ever going to hold trustees accountable for the social impact they *failed* to achieve. It's a complacent and self-limiting mindset in philanthropy, especially when perpetuity is the timeframe.

Why strive for more?

Here's why. Because foundations are, for the most part, established and governed by passionate, well-meaning individuals seeking to redress some kind of **inequity**. And considering what we know about pernicious inequity imbuing nearly every major societal institution—such as race and gender-based discrimination (and violence) in the police and armed services—then obtaining more 'diverse' board input will not only improve grantmaking decisions, it will send a compelling and important message to the wider community about the kind of world we wish to inhabit.

Bringing an equity lens to grantmaking rarely happens naturally, though: it usually requires an institutional choice. But where foundations aren't quite ready to consciously prioritise 'diversity' for their next board appointment, they can implement several interim measures.

Firstly, if they're part of a family foundation, they can start by truly engaging with the diverse views of their children—and not just when they're of an age to assume a directorship. One of the PAF founders at APS canvassed the views of his nine-year-old daughter in developing his foundation's giving strategy—and he says his PAF's work is all the more impactful for it.

Secondly, trustees can consider establishing a grants subcommittee that better reflects racial and gender diversity, as well as the demographics of those vulnerable cohorts they seek to serve. In the words of Robert Ross, President and CEO of the California Endowment:

"In our relatively protected, bubbled existence in the field of philanthropy, which can seem immune to the realities of the world around it, the time is ripe to probe these questions. Who is included? Who is excluded? Who belongs? Who is marginalized? Does philanthropy reflect and serve the diversity of our nation?"

Increased diversity on philanthropic boards is happening (albeit slowly) in the US. Which foundations will be early adopters in Australia?



Fiona Higgins is Senior Manager, Grantmaking & Evaluation at **Australian Philanthropic Services**, a leading provider of PAF establishment, administration and grantmaking services in Australia. Fiona has been involved in the philanthropy and not-for-profit sector in Australia for the past seventeen years and currently serves on the board of the Royal Agricultural Society Foundation of NSW. Her prior roles include Executive Director of the Caledonia Foundation, Philanthropy Services Manager at Cambooya Services and Program Manager at the Vincent Fairfax Family Foundation.

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Robert Ross: [Diversity, Equity and Inclusion in Philanthropy: What now](#) (Blog, 25 April, 2016)

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