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# Equitable Big Bets for Marginalized Communities

by David Bley & Vu Le Spring 2019

For real systems change, philanthropy must make greater investments in organizations led by the communities most affected by injustice.

The concept of “big bets” has been on the minds of foundations and philanthropists over the past few years. These large investments may be deemed risky, but, as gambling goes, the bigger the risk, the higher the reward.

Equity, too, has been earning more attention from philanthropy recently, even though the majority of funding still goes to white-led organizations. Only about 10 percent of philanthropic dollars go to organizations that are led by and serve communities of color, and it's been that way for the past two decades, according to reports from Race Forward and the Greenlining Institute. The grants that do go to nonprofits by and for communities of color—which are usually smaller, grassroots organizations—tend to be more restricted and time-bound to just one or two years.

As we grapple with issues of race, equity, diversity, and inclusion, we must acknowledge that philanthropic funding practices are traditionally inequitable, often perpetuating the very injustices we aim to redress. But, with targeted investments based on intentional, equitable, and trust-based partnerships, larger grants have the potential to serve a pivotal role in addressing many of the challenges facing marginalized communities.

## A Promising Partnership

In 2014, the Bill & Melinda Gates Foundation decided to invest in a startup organization, Rainier Valley Corps (RVC), which has the explicit mission of being led by and serving communities of color while creating a pipeline for leaders of color. The organization was founded to address the fact that only 18 percent of professionals in the nonprofit sector and fewer than 10 percent of organizational leaders are people of color. RVC seeks to develop a leadership pipeline, starting with a fellowship where leaders of color are recruited, provided training and mentorship, and placed to work full-time for two years at grassroots, communities-of-color-led organizations in Seattle's Rainier Valley neighborhood.

RVC asked for \$1.1 million in foundation funds over four years. This was a bold request for an organization that had only been around for a few months, had no track record, was fiscally sponsored, and whose only employed staff



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member (coauthor of this article) was saving organizational dollars by picking up office supplies from vendor tables at conferences.

As RVC was being conceptualized, the Gates Foundation was feeling a more urgent need to pursue different ways of addressing racial barriers and structural, systemic inequities. To realize the foundation's vision of a place where race, gender, and income no longer predict educational outcomes, the Gates Foundation needed more leadership and organizational capacity in the communities most affected. RVC fit the bill.

RVC had the talent and the credibility in communities of color, based on the relationships the organization had already built, because its leadership and mission flowered in those communities. While organizations drive and sustain change, talented leaders are what make organizations effective. Philanthropy often touts systems change as a primary goal, but systems are designed by people, and people in leadership have the power to change systems. A patient boost from the Gates Foundation had the potential to make a big difference in the equitable distribution of leadership and power—which could be transformative for marginalized communities who have historically been shut out from those opportunities.

At a minimum, the foundation would learn more about different ways that communities of color could organize and advocate for themselves. Innovation is risky for both parties, but the stakes are higher for the funded—the funder risks money, but the leaders and staff who receive funding are risking their personal livelihood, the viability of their nascent organization, and the future of their community. For both of us, the potential upside outweighed the risk.

The risk-taking is paying off. The Gates Foundation's support was matched by other funders, including the City of Seattle and United Way of King County, as well as by individual donors. The leadership program launched with a cohort of 10 talented individuals: Some ran out-of-school programs; others led protests against labor and environmental injustice. They wrote grant proposals. They coordinated board retreats, galas, and workshops. Many helped significantly increase their host organization's financial management, fundraising, and communication capacity while improving the quality of programs and services. After two years, with a few cohort members dropping out and a few new ones joining, six cohort members (out of 12 total) were hired as full-time staff at their host sites.

Some of the most powerful outcomes were not anticipated. For example, the fellows' bonding as a cohort—through monthly trainings, joint projects, and occasional karaoke—positively influenced the relationships between the host organizations. Subsequently, we saw more communication around common challenges, more sharing of resources, and more mutual support during the difficult post-election period. We also explored additional channels, such as increasing diversity in the environmental movement by embedding fellows in green organizations and businesses. The community became stronger as a whole.

We learned that capacity building for communities-of-color-led organizations is different from traditional capacity building in that it must take into consideration elements such as cultural dynamics and historical trauma. Furthermore, we learned that in order to address systemic injustice, nonprofits must work together to build collective wealth and power, not simply operate as individual missions.

With these successes, RVC came to the Gates Foundation with another proposal, in the form of a request to increase investment so that RVC could pilot a Community Alliance model. In this model, RVC would act as a support organization to provide partner nonprofits with fiscal sponsorship, back-

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office support, board development, and coaching in fundraising and strategic planning—consolidating business expertise and freeing up community leaders’ time so that their nonprofits could focus on programmatic work. It was a big idea, and RVC had never done it before.

Foundation program officers worried that RVC was abandoning its mission of leadership development, and yet the idea was sparked by what RVC learned from that very program and mission. Leadership, operations support, capacity building, collaborations between nonprofits—these elements are interconnected. Again, RVC and the foundation both believed that the potential upside outweighed the risk.

The Gates Foundation increased its investment in Rainier Valley Corps to \$1.5 million over three years, on top of the existing investment in the fellowship program. With this funding, RVC was able to hire staff and build infrastructure to launch its operations support program, a component of the Community Alliance model. RVC now fiscally sponsors 10 organizations led by and serving communities of color, with more joining, while the fellowship program continues to be a pipeline for leaders of color.

Of course, all new initiatives pose challenges and areas for reform. A few fellows were removed from their placements because they were not a good match. The curriculum needed to be adjusted constantly, based on feedback. Because the partnership assumed trust, RVC could be transparent with these challenges, and foundation program officers were not only understanding, but instrumental in providing guidance and advice.

## Six Recommendations

The partnership between RVC and the Gates Foundation is an ongoing case study of what can happen when philanthropy decides to invest in equity by taking a chance on organizations led by the people who are most affected by injustice. Here are our recommendations to foundations and nonprofits ready to take on this opportunity:

**Provide significant multiyear investment.** The arc of history is long, and major, multiyear, general operating dollars allow time and room for change. A large, unencumbered investment enabled RVC to focus on its core goals while continuously improving its practice. Without this freedom, many organizations led by and serving marginalized communities spend years struggling to survive on small, onetime investments.

**Focus on relationships.** We are able to learn from this experiment because we trust each other and can have honest conversations. The foundation was conscious of the power dynamics of funding, so it didn’t dictate—instead, the program officer showed up as a partner at RVC’s meetings, on its timeline, and in its space.

**Constantly communicate.** Don’t wait for reporting periods to expire; instead, talk about challenges as they arise. The constant communication allowed us both to learn, adjust, and solve problems together.

**Be flexible on timelines and milestones.** We dropped many of our preconceived notions as the project went along. A spirit of experimentation allowed the partnership to quickly respond to changing needs in the community.

**Take risks, accept failure.** With big bets, there is potential for big failures—or “learning opportunities,” as we call them. The work we do is complicated, and

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we can only make progress if we accept that some things will fail spectacularly. This is a real-time learning lab, and some of it is unfamiliar.

**Capture lessons learned.** Reflect constantly and publicly about what is going well and, just as important, what is not. This way, the entire sector can benefit.

As our communities face unprecedented challenges in a troubling social and political landscape, the ways that foundations and nonprofits partner have to evolve. If we are to effectively address systemic social issues, we must create equitable partnerships with the communities that have firsthand experience with injustice, and thus have the most expertise on how to address it.

The RVC and Gates Foundation partnership is one example of what cocreation, cooperation, and community can look like. It is relational and flexible, it is long-term, and it is intentionally designed to address inequitable power structures by supporting the growth and development of people in and from communities of color who will make change.

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