

**Philanthropy, Latinos, and the Public Interest:
A Time for Transformational Change**

Dr. Herman Gallegos

When someone with the authority of a teacher, say, describes the world and you are not in it, there is a moment of psychic disequilibrium as if you looked into a mirror and saw nothing.

__Adrienne Rich, “Invisibility in Academe”¹

The COVID-19 pandemic and Black Lives Matter protests have exposed hard truths about the long history of racism and ethnic prejudice in US society, truths that have long been purposely ignored, leaving Blacks and other people of color disproportionately vulnerable to negative consequences for their health, economic security, class, and power. This paper offers a perspective about where Latinos fit in the national conversation on race as the US confronts anti-Black racism. This paper also queries the role philanthropy plays in hindering or abetting the meaning of equity in American life.

Over a period of six decades, I served as a trustee on such preeminent boards as the Rosenberg Foundation, the Rockefeller Foundation, the San Francisco Foundation, and the California Endowment. I also served as an outside director of several publicly traded corporations. I have researched and coauthored several books about Latinos and foundations and have had the privilege of working with such inspiring and visionary foundation executives as Paul Ylvisaker, Ruth Clouse Chance, John Gardner, and Dr. Robert Ross.

In 1965, Paul Ylvisaker, then national affairs director of the Ford Foundation, opened the door of the foundation to the support of Hispanic causes. This profound initiative enabled Latinos to engage nationally with foundations. Ruth Clouse Chance of the Rosenberg Foundation was among the first supporters of Mexican American programs in California, and by enabling my election as a trustee to Rosenberg, she helped me become one of the first Latinos to serve nationally on a foundation board. Working with John Gardner for Common

¹ Renato Rosaldo, *Culture and Truth: The Remaking of Social Analysis* (Beacon Press, 1989 Preface).

Cause and Independent Sector gave new meaning to the ideal of citizen activism, public service, and effective leadership. As a founding trustee, serving with the California Endowment's CEO, Dr. Robert Ross, I was a part of a unique and enduring model showing how during periods of great ferment and complexity, philanthropy can effectively advance multi-racial community progress while working closely with vulnerable populations left behind because of racism and exclusion.

As a trustee and witness to the generosity of American philanthropy nationally and internationally, I have learned and observed with marked interest that foundations have not probed sufficiently inward to examine the weaknesses that mar the quality of philanthropy as a life-giving force aimed at reducing inequality and injustice. While my commentary will focus on the problems rather than the strengths of foundations, I include achievable suggestions for strengthening the sector. It is out of a duty of care and respect for the field of philanthropy that my comments are presented, including data on the status and condition of Latinos as a way to call attention to the human costs caused by systemic racism and discrimination. In this paper, my use of the term *Latino* is meant to be gender neutral and inclusive of other terms including Latinx, Latino/a, Hispanic, and Mexican American, to name a few.

The two premises of this paper are:

1. With a few notable exceptions, charitable foundations have been largely insulated from the broad-reaching public debate accompanying the spate of recent inquiries about racism in American institutions. In particular, foundations have rarely been examined for their responsiveness to the concerns of Latinos. As I will indicate, grants to Latino-led organizations are scarce, and Latino representation on staffs and boards remains woefully inadequate.

2. While foundations should be among the most flexible and innovative agents for advancing social progress, most foundations, with some exceptions, remain laggards and not leaders in the support of Latino causes. Foundations enjoy broad tax privileges; it follows that foundations must live up to these privileges by working toward the nebulous ideal of the "public interest."

That the Latino community supports Black Lives Matter is not an issue for debate. Recently, 40 national Latino organizations signed a letter pledging their support for Black Lives Matter and their commitment to further multiracial solidarity with the goal of addressing racism and colorism, including anti-Blackness in the Latino community. I'm proud that two national

organizations I cofounded, Hispanics in Philanthropy and Unidos US, are signatories to the pledge.²

Strong actions by the Latino community in support of Black Lives Matter are also reflected in a recent Siena College poll, cited in the *New York Times*, that “found 21% of Hispanic voters said they had participated in Black Lives Matter protests, nearly identical to the 22% of Black voters who said they had done so.”³

Although racist police violence disproportionately affects Blacks, the recent death in Tucson of a Latino, Carlos Ingram Lopez, as reported in the *New York Times*, “was a jarring reminder that Latinos as well as African Americans have a troubled history with police, even though Latinos’ struggles do not get the same attention.”⁴

According to Janet Murguia, CEO of Unidos U.S., “A 2017 study found that 78% of Latinos believe they face discrimination in this country. Another survey found that 68% of Latinos fear police will use excessive force against them.”⁵

In November 2019, the FBI reported that the number of anti-Latino or Hispanic hate crimes rose by over 21% in 2018.⁶ Another study showed that hate crimes increased by 17% against Latinos in California.⁷ The bloody history of lynchings of Mexican Americans in the Southwest United States from 1848 to 1928 is another tragic but overlooked footnote in the history books about racism in this country—books that have long excluded Latinos.

Increasingly, COVID-19 is ravaging Latino, African American, and Native American communities that are infected and dying at a disproportionately higher rate than Whites. According to the CDC’s Morbidity and Mortality Weekly Report, “Among cases with known

² Somos Latinos and We Demand that Black Lives Matter. Somos for Black Lives. See <https://www.somosforblacklives.com>

³ Jennifer Medina, “As U.S. Confronts Anti-Black Racism, Latinos Wonder Where They Fit In.” *New York Times*, July 3, 2020.

⁴ Simon Romero, Giulia McDonnell, Nieto del Rio, and Nicholas Burroughs-Boglel, “‘Another Video, Another Death’: Tucson Latinos Aren’t Surprised,” *New York Times*, p. A-1.

⁵ Janet Murguia, “Latino and Black Americans Are Allies in the Fight for Racial Justice,” Opinion Contributor, *The Hill*, July 13, 2020.

⁶ “Victims of Anti-Latino Hate Crimes Soar in U.S.: FBI Report,” *Reuters*, November 12, 2019.

⁷ Araceli Cruz, “Hate Crime against Latinos Have Increased in California Since Trump’s Election.” *mitú*, June 16, 2020.

race and ethnicity, 33% were Hispanic, 22% were black and 1.3% were American Indian or Alaska Native.”⁸

A *New York Times* article reported the following: “While it’s clear Black and Latino people are more likely than white people to be exposed to the virus, many of them have frontline jobs that keep them from working at home, and they rely on public transportation, live in cramped apartments or live in multigenerational homes.”⁹

The ability to access safer, affordable housing is affected by poverty, the glaring wealth divide, and racist housing policies that prevent communities of color from enjoying the full benefits of home ownership as a way of acquiring wealth and resources to end intergenerational poverty. Poverty rates of 20.2% for Blacks and 20.3% for Latinos are more than twice as high as that of Whites at 8.7%.¹⁰

The already large wealth disparities (shown below) between White households and households of color continue unconstrained:

Median net worth of White households: \$171,000

Median net worth of Hispanic households: \$20,700

Median net worth of Black households: \$17,000¹¹

Richard Greene, a USC professor and real estate and urban economist, observed that “if all discrimination ended today, it would take over 20 decades for families of color to equal the wealth of whites.” The following is an example of why this inequality persists.

Fueled by decades of redlining that has been enforced by racially based covenants and exclusionary zoning, California’s climate change regulators, under the pretense of “saving the environment,” are implementing a new version of redlining through unjust interpretations and distortions of the California Environmental Quality Act (CEQA) of 1970. In a research brief

⁸ Hollie Silverman. CDC’s Morbidity and Mortality Weekly Report. <https://www.cnn.com/2020/06/politics/cdc-coronavirus-demographics-report/index.html>. CNN August 23, 2020 pp1-2

⁹ Robert Oppel Jr., Rebecca K.K. Lai, Will Wright, and Mitch Smith, “Racial Disparity in Cases Stretches All Across Board.” *New York Times*, July 6, 2020, p. A-1.

¹⁰ “Aid Prevented Spike in Poverty But 2 Million Face a Crisis If It Expires.” *New York Times*, June 22, 2020, p. B-4.

¹¹ Lauren Leatherby, “Black Business Owners Are Hit Hard by Virus.” *New York Times*, June 19, 2020, p. B-4.

entitled “California, Greenhouse Gas Regulation, and Climate Change,” David Friedman and Jennifer Hernandez, land use and environment attorneys with Holland & Knight LLC, explained the use and abuse of CEQA and its negative impact on housing:

CEQA allows anyone—even anonymous entities, such as business competitors and labor unions seeking to advance non-environmental objectives—to file lawsuits alleging inadequate environmental evaluation of any type of project requiring any discretionary approval from any state, regional or local agency...The top targets of CEQA lawsuits statewide are housing projects in California communities...The delays and uncertainties caused by CEQA lawsuits against environmentally benign or even beneficial projects typically disqualify projects from receiving construction loans or government funding. While there have been repeated calls to end the abuse of CEQA lawsuits for non-environmental purposes, CEQA reform faces fierce opposition from entrenched special interests including California’s environmental advocacy groups and some unions such as the Building Trades Council.¹²

The Two Hundred, a multiracial civil rights minority-led advocacy group, supports California’s commitment to be a global leader on climate change, but it believes minority communities should not become collateral damage in the state’s war on climate change. For this reason, The Two Hundred seeks to persuade the California Air Resources Board (CARB) and other state climate leaders to avoid exacerbating California’s housing and poverty crisis and instead to align climate change priorities with civil rights, public health, environmental protection, and consumer protection laws. After CARB’s refusal to negotiate a resolution, The Two Hundred’s advocacy effort has continued, with a civil rights lawsuit against CARB’s 2017 Scoping Plan that challenges CARB’s expansion of CEQA to further increase the litigation risks and costs of new housing as well as of electricity and transportation fuels, all of which disparately harm California minorities already burdened by the state’s acute housing and poverty crisis.

Challenging entrenched bureaucracies requires perseverance, especially when well-funded, environmental elitist special interest groups, devoid of meaningful representation of

¹² David Friedman and Jennifer L. Hernandez, *California Green Gas Regulation and Climate Change*, Center for Demographics & Policy (Chapman University Press, 2018); Jennifer L Hernandez, “California Environmental Quality Act Lawsuits and California’s Housing Crisis,” *Hastings Environmental Law Journal* Winter (2018).

persons of color on their staffs and governing boards, continue to enjoy robust support from charitable foundations. One of their own leaders, the immediate past president of the Sierra Club board of directors and the club's first African American president, Alan Mair, stated, "White privilege and racism within the broader environmental movement is existent and pervasive."

A recent announcement by the Sierra Clubs executive director, Michael Brune, notes the naming of the first Latino in its 128-year history to lead its board of directors.¹³

Mary Creasman, CEO of the California League of Conservation Voters, in a recent call to action, pointed out that

The origins of the white-led environmental movement left little room for people of color in leadership positions (as recently as 2014, fully 89% of leadership positions in environmental organizations were held by white folks), which in turn perpetuated institutional racism and created massive blind spots for the environmental movement.

To this I add attorney Jennifer Hernandez's statement that "Racism must be rooted out, even if camouflaged in green rhetoric and ideology."¹⁴

The problem behind this inequity lies mainly with the foundations themselves. They frequently operate within a constricted compass, promulgating social programs that favor the status quo and continue funding white-led organizations without raising affirmative action questions regarding gender and composition in the leadership of potential and funded grantees. The result is the exclusion of minorities in foundation-funded environmental groups, think tanks, and other organizations that influence, monitor, frame, speak to, and influence critical policies affecting important aspects of American life.

Bishop Robert McElroy, San Diego Diocese, astutely notes that "Attacks upon solidarity do not merely place people on the margins of society and Church, they exclude them entirely from meaningful participation."¹⁵

¹³ Susanne Rust, Bettina Boxall, and Rosanna Xia, "Sierra Club Calls Out the Racism of Founder John Muir," *Los Angeles Times*, July 26, 2020. p. 3.

¹⁴ Jennifer L. Hernandez, "Memorandum of Points and Authorities in Support of Motion for Preliminary Injunction CIV-DS 1938432," December 19, 2020, p. 15.

¹⁵ Robert W. McElroy, "Homily for Ordination of Aux. Bishop Bejarano," *The Southern Cross*, Diocese of San Diego, July 23, 2020, p.6.

One measure for increasing foundation responsiveness is the impact that foundations might achieve *external to their own organizations* through grant-making guidelines promoting greater diversity and pluralism in actual and potential grantees by instituting an external affirmative action policy. Such a policy would describe the foundations' expectations that grantee organizations demonstrate diversity within their boards and staffs, and explicitly address civil rights and equity in grant proposals and reports. In such instances, foundations may ask these applicants or grantees to inform the foundation of their efforts, supported, as appropriate, with data on the gender and minority composition of the leadership of the institution.

John Nason, in his book *Trustees and the Future of Foundations*, made a strong case for greater balance in terms of race, gender, and age in the composition of boards. He argued that "differences in viewpoint, properly presented, considered, and synthesized, can lead to wider choices."¹⁶ Such diversity, Nason argued, should make foundations more accessible to the general public and less vulnerable to charges of elitism. Without encouraging the increased diversity of boards and staffs of the programs they fund, foundations will continue to be seen as stragglers, not forerunners, in acknowledging and furthering the dignity and worth of all people in American society.

Ever since Nason wrote his far-sighted comments in 1977, a growing number of advocacy nonprofits now exist to challenge the status quo and push foundations towards needed reforms. Here are several examples:

Hispanics in Philanthropy (HIP) is a transnational fundraising and grant making organization that seeks to strengthen Latino leadership and voice through a network of more than 600 funders, nonprofits and community leaders. HIP's PowerUp Fund (<https://powerupfund.org>) is working to balance the scales of economic justice and ensure that Latinos have equal access to opportunity.

For more than 40 years, the National Committee for Responsive Philanthropy (NCRP), has pushed philanthropy to be more accountable, transparent, and responsive to the needs of communities with the least wealth, opportunity and power.

In theory, foundations should be among the most flexible and innovative agents in support of positive social change. With some exceptions, foundations remain especially

¹⁶ John W. Nason, *Trustees and the Future of Foundations* (New York: 1977), p. 2.

dilatory in support of Latino-led causes. Forty-five years ago, grants in support of Latino causes and Latino-led organizations were few and far between. As the data below indicates, the disparity continues.

In 1975, I directed a study, supported by the National Science Foundation, entitled “U.S. Foundations and Minority Group Interests.”¹⁷ Based on Foundation Center data from 1972 through 1974, the study revealed that Latino-led organizations received 0.8% of all tabulated funds disbursed in 1972–73 by American foundations. During this period, Latinos accounted for 5% of the total population. According to a report commissioned by Hispanics in Philanthropy with CANDID/Foundation Center, philanthropic funding to Latino organizations for 5 years (2013 through 2017), “hovers at 1.3% even though Latinos comprise 18% (58 million) of the U. S. population.”¹⁸

A letter dated November 26, 1975, from Robert Goheen, then chair of the Council on Foundations, informed me that the council’s executive committee spent a full half-day discussing the issues raised at the utilization conference held to discuss my research. Bob outlined a number of commitments, including giving prominent attention to having a speaker on diversity at the council’s next annual conference, to develop articles on issues I raised, and to keep in touch with the Donee Group and other advocates such as Black Foundation Executives. The Goheen letter also clarified the role the Council could play in affecting foundation behavior:

As you know, our membership encompasses enormous variation, and their lines of connection to us tend to be informal and loose. Thus our powers are those of education, persuasion and exhortation, not fiat or binding authority. Moreover, we must often substitute patience and gentle prodding for moral fervor simply to stay in touch with those we hope to move eventually to higher standards of performance.¹⁹

I trust Bob Goheen meant well, but after 45 years, other measures of foundation responsiveness remain inadequate and lack “higher standards of performance.”

¹⁷ U.S. Human Resources Corporation, “U.S. Foundations and Minority Group Interests, A National Science Foundation Study,” Mexican American Cultural Center (1975). p.12

¹⁸ Seemah Shah. Foundation Funding for Hispanics/Latinos in the United States and for Latin America. The Foundation Center with Collaboration with Hispanics in Philanthropy. foundationcenter.org/gainknowledge/research/pdf/fc_hip2011.pdf or at hiponline.org

¹⁹ Goheen, Robert F. Letter to Herman Gallegos. Council on Foundations, Inc. New York, November 26, 1975, pp

Today, About 2% of private foundation CEOs are of Latino heritage.²⁰ According to an opinion article in the *Chronicle of Philanthropy* by Rodney Foxworth and Antony Bugg-Levine, “data shows 76% of full-time staff members and 88% of foundation executives are white.” The authors also commented that “inequality is clearly baked into philanthropic norms.”²¹

Unless there is better data to show otherwise, Latino inclusion on philanthropic boards has been slow to improve. A 2015 HIP report on “Latino Leadership: Foundation Boards” cites 2009 foundation data “that Latinos accounted for 4 percent of foundation boards, up from 3 percent in 2000.”²²

It is noteworthy that as early as 1970, The Commission on Foundations and Private Philanthropy (The Peterson Commission), “encouraged diversity within foundation boards to promote varied perspectives and insights when seeking solutions.”²³ Is the problem benign neglect, structural racism, or white privilege? Given these circumstances, it is not surprising that foundations would have a history of ignoring Latino and people of color.

Although larger, well-established Latino groups have gained better access, small and medium-sized organizations engaged in social change struggle to get foundation grants. One reason is access—72% of foundations do not accept unsolicited proposals from nonprofits. Smaller foundations may attribute such a policy to an absence of staffing; a belief that publicity would bring an unmanageable flood of applications, and perhaps for some, an intrusion into the prerogatives of “private” property.”

According to the Castellano Family Foundation’s research and listening sessions with grantees, “Latinx nonprofits in particular report feeling under-valued by philanthropy, over-taxed by the demand for their services to their communities in need, and largely invisible and irrelevant when it comes to new wealth donors.”²⁴ Technical assistance for excluded groups is

²⁰ Castellano Family Foundation, “Blueprint for Change, 2020,” <http://castellano-for.org/blueprint/>.

²¹ Rodney Foxworth and Antony Bugg-Levine, “Opinion,” *Chronicle on Philanthropy*, June 29, 2020.

²² Seema, Shah and Grace Sacto, “Latino Leadership: Foundation Boards.” Foundation Center and Hispanics in Philanthropy, New York. Fall 2015.p.ii.

²³ , The Commission on Foundations and Private Philanthropy. www.learningtogive.org/resources/commissions—foundations—and-private-philanthropy. Grand Haven, MI 2020. p. 3.

²⁴ Castellano, op. cit. p. 7.

especially important in light of a pervasive feeling that personal contacts are the most important determinants of grantsmanship success.

Pablo Eisenberg, former Executive Director, Common Cause, one of the more astute and courageous advocates for making philanthropy more open, more accessible, and accountable, suggests one reason foundations behave the way they do is that with few exceptions, nonprofits, “are afraid to forcefully state their real needs, or to insist on fair treatment by their potential supporters.”²⁵ The reality is most foundations expect nonprofits to tailor their approaches and activities to inflexible structures and priorities, no matter how irrelevant or inappropriate they be. Anecdotal evidence suggests if too assertive, grant makers may label the nonprofit as “contentious,” or “too militant” to deal with, however, the importance for persons of color of disseminating programmatic and procedural information (access) on foundations cannot be overstated.

One structural alternative that could enhance the philanthropic arena and responsiveness to Latino and other communities of color would be to adopt a system of community ascertainment, much like the former ascertainment process once required by the Federal Communications Commission for broadcast license applicants, in a format requiring applicants “to dig beneath the surfaces of majority opinion and conventional wisdom to discover and deal with needs that might not otherwise be exposed.”²⁶

A defense of the feasibility of a system of community ascertainment is not included in this paper, but I suggest that former requirements made by federal government upon holders and applicants of broadcast licenses be considered in addition to the present personalized system in which priorities are set by boards on the recommendations of program staff and often on the basis of recondite or nonexistent rationales. The purpose here is not to strain an analogy, but to accommodate portions of the rationale and some of the techniques of ascertainment which seem applicable to foundations.

Most foundations are loath to provide transparency about the types of grants and dollars allocated to minority-led nonprofits. A recent, rare exception was the announcement by Bob Ross, CEO of the California Endowment, committing “to improve tracking reporting and

²⁵ Pablo Eisenberg, *Challenges for Nonprofits and Philanthropy* (Tufts University Press: Medford, Massachusetts, 2005), p. 9.

²⁶ “Federal Communications Commission—Community Problems; Ascertainment by Broadcast Applicants,” *Federal Register* 40, no. 98, part II (May 20, 1975), p. 22101.

transparency of our funding to communities of color-led and Black-led organizations, with complete public reporting by October 1, 2020.”²⁷ This indeed is courageous grant making and reflects one kind of transformational reform needed by foundations.

As an alternative, here is an example of how legislative power has attempted to deal with this issue. On February 15, 2017, California State Assembly Bill 624 was introduced in the legislature, requiring foundation transparency on data about the diversity of foundation boards and grants to minority-led nonprofits. After intense negotiations between the bill’s author, then member of the California State Assembly, the Honorable Joe Coto, and a coterie of foundation representatives, the proposed legislation was withdrawn when a compromise was reached to allocate a one-time \$32 million grant in foundation dollars to minority-led nonprofits.

I do not favor a legislative solution to this problem but urge careful consideration to this cautionary perspective presented by Paul Ylvisaker in 1976:

Among those of us who feel minority concerns, there is a tendency to threaten philanthropy when it is slow to respond by saying, “Shape up or we’ll sic government on you.” I believe that minority causes are the natural and appropriate agenda of philanthropy and ought to be explicitly so declared. But we’ll have to think twice about using government as a club, because government is run under democratic rules {that} make it basically a friend of the majority; and by definition, that majority would rather ignore those concerns than activate them. Which is not an argument against using government as a prod--but {it should be used} as a caution.²⁸

The question remains: how much longer before voluntary action and transformational change is taken by foundations to speed the participation of Latinos and people of color into the lifestream of the community? Without action, the Latino community and communities of color will continue to be left behind and in so doing, will hinder the social, political, and economic regeneration of American society. This is about making meaningful room for intellectual diversity, ending a form of intellectual apartheid, and helping foundations make better decisions to solve society’s ills, and furthering the promise of a multiracial and multiethnic nation based on mutual respect and understanding but one not entirely dominated

²⁷ Dr. Robert Ross, “Grief. Rage. Outrage. Frustration. Hurt,” California Endowment, Yahoo email, June 2020.

²⁸ Ylvisaker, Paul, “the filer Commission in Perspective.” Address before the Council on Foundations, Atlanta, Georgia, May 11, 1976. P.290.

by white terms. Any consideration by foundations to address this issue of diversity and equity will surely require what Benedictine Sister Joan Chittister entreated in the title of her book, “The Time is Now: A Call to Uncommon Courage.”

I do not dispute that private philanthropy serves a variety of expressed needs in a commendable and inimitable fashion: The core of my position is that foundations have not sufficiently provided for the needs and of the Latino community. The question is one of relevancy and of allocation of resources. In the face of pervasive problems facting Latinos and people of color by the coronovirus, impacts on the economy and racism, what significant contributions are foundations uniquely equipped to offer American society which justify their protected existence, i. e., how do they relate to today’s society? Given current democratic mechanisms to distribute funds in the “public interest,” how are foundations, which have an essentially elitist mechanism for accumulating and distributing tax-protected funds for the “collective good,” made legitimate?

Foundations must look inward and align their priorities to today’s realities and move away from the perception that they are agents of continuity by preferring grants to low-risk, familiar programs that preserve the status quo while giving fewer grants to programs that seek institutional change, challenge accepted mores, and correlate with the needs of disadvantaged groups.

The nation’s ongoing struggle to become a more just and equitable society will surely test philanthropy’s place in handling concerns about racism. Pleas in defense of human rights and democracy in society must apply to the foundations themselves. Support for Latino concerns is long overdue. Maximizing the internal resources and organizational capability of Latino-led organizations and people of color seems very much in keeping with philanthropy’s noble desire to bring about meaningful action and the capacity to act as a powerful catalyst for positive social change in American society. As Latinos, we must ask, when will we finally see ourselves in a mirror of equity and justice?

