

California's Race to Lead: The Nonprofit Racial Leadership Gap in the Golden State

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**RACE
TO LEAD**



An initiative of
Building Movement Project



About the *Race to Lead* Series

This report is the third in the Building Movement Project's (BMP) *Race to Lead* series, which explores the results from BMP's Nonprofits, Leadership and Race survey conducted in 2016. The survey was designed to explore why there are so few leaders of color in the U.S. nonprofit sector. Completed by more than 4,000 nonprofit staff members from all 50 states, the survey collected data on respondents' organization, personal background, leadership aspirations, experience with supports and obstacles to career advancement, and reflections on the barriers facing people of color interested in nonprofit leadership positions. The first two reports in the series are *Race to Lead: Confronting the Nonprofit Racial Leadership Gap* and *Working at the Intersections: LGBTQ Nonprofit Staff and the Racial Leadership Gap*.

About the Building Movement Project

The Building Movement Project works to support and advance U.S.-based nonprofit organizations to be agents of progressive social change and partners in movements for social justice. We conduct research, develop tools and training materials, and partner with local groups to help organizations tap into the voice and power of the people they serve, support leadership at all levels, and take action on the pressing issues facing communities.

Acknowledgements

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Introduction



The Building Movement Project's *Race to Lead* series investigates why there are so few leaders of color in the nonprofit sector, reporting on the findings from more than 4,000 survey respondents working in the sector.¹ *Race to Lead: Confronting the Nonprofit Racial Leadership Gap* found that—contrary to prevailing narratives—people of color have similar qualifications as white respondents and are more likely to aspire to nonprofit leadership positions. In addition, respondents across race agreed that people of color seeking leadership positions face systemic barriers to advancement, ranging from fewer networks and connections for advancing their careers to lack of support from white leadership and boards. The report concludes that to increase the number of leaders of color in nonprofits, the sector should challenge the assumption that people of color have to overcome personal deficits. Instead, a new approach is needed that places the emphasis not on changing people of color, but on addressing deeply embedded biases that result in practices that make the advancement of qualified people of color into leadership positions more difficult.

This report, *California's Race to Lead: The Nonprofit Racial Leadership Gap in the Golden State*, offers the findings from the subset of respondents from the national survey—nearly 20% of the total—who work in California. The report explores: 1) what the data indicates about the differences between people of color (POC) and white respondents in California and 2) how the California findings compare to the findings in all the other states combined.



20%

Percentage of respondents to the *Race To Lead* national survey who work in California

The Golden State Advantage

The results of *California's Race to Lead* are of particular interest given California's reputation as a bellwether state. There is no one racial/ethnic group in the majority; it has been a leader in the economic transformation from manufacturing to technology; and the state has worked proactively to address the needs of its large and growing population in areas such as health and human services.² The state is currently viewed as a beacon for progressive values from environmentalism to immigration.

California is particularly important in helping nonprofits across the country understand the factors that prevent—and promote—nonprofit leadership of color. The fact that California has had a people of color majority for almost two decades offers a glimpse

of how the United States workforce will look in another generation. There is a vibrant nonprofit sector in California with more than 250,000 registered nonprofit groups.³ According to a 2009 study by the Urban Institute, people of color constituted 25% of nonprofit leaders in the state (excluding hospitals and higher education).⁴ This figure is higher than the findings from national studies that have repeatedly found that less than 20% of nonprofit leaders were people of color.⁵

A Push and a Pathway

In contrast to other states, California has had both *a push and a pathway*⁶ to diversify nonprofit leadership and sustain leaders of color. Within the past decade, there have been efforts by foundations—both individually and collaboratively—to focus on building the capacity of people of color-led groups, especially those that are community-based. Several of these programs were created after a report by Greenlining Institute—a research and organizing institute devoted to racial and economic justice—detailed the lack of investment by California-based foundations in people of color institutions and communities.⁷ When legislation was proposed that would have required foundations in the state to disclose demographic information of their own organizations and those they fund, several foundations volunteered instead to substantially increase their investments in communities of color and POC nonprofit leaders.⁸ This push resulted in additional resources concentrated on providing technical assistance, especially capacity building to support new POC leadership and organizations that served communities of color. In some cases, these investments paved the way for further foundation support in addition to that committed in response to the Greenlining report. Subsequent funding ranged from direct financial support to organizations serving people of color, to investments such as helping diverse leadership be more effective, supporting organizations through leadership transitions, and establishing programs to create networks between leaders of color.⁹

Highlights

California's Race to Lead: The Nonprofit Racial Leadership Gap in the Golden State looks at California respondents' background, organizational information, leadership aspirations, supports and challenges, and opinions on barriers to the advancement of people of color to nonprofit leadership. The data shows that people of color respondents in California were more positive about their work experiences than people of color in other states.¹⁰ For example, on almost every indicator, Californians of color reported less frustration and more supports in their work. They also had a more positive view of how their organizations were addressing issues of diversity and race. In addition, POC respondents from California had a slightly lower level of agreement on statements they were presented on possible barriers facing aspiring leaders of color.

The California findings were also distinct from other states in the smaller gap between



Data shows that people of color respondents in California were more positive about their work experiences than people of color in other states

people of color and white respondents in a variety of areas. For example, when asked about a list of potential challenges facing people of color who aspire to nonprofit leadership, respondents of color and white respondents had more similar views than people of color and whites in other states. This greater level of agreement was the result of two factors. First, as noted above, people of color in California reported fewer barriers to advancement than people of color in other states. Second, white respondents in California were more likely than those in other states to agree that aspiring leaders of color faced structural barriers, indicating that California's white respondents were more aware of obstacles facing people of color than were whites in other states.

The California difference, however, did not erase many of the challenges still facing people of color in the state's nonprofit sector. For example, almost a third (30%) of California's POC respondents reported that their race had a negative impact on their career advancement, a disturbing finding even though it was nine percentage points less than what was reported by people of color in other states. Another challenge was seen in a finding on salaries. California's white respondents reported earning higher salaries than people of color in the state, and more than respondents—both whites and people of color—in other states.

Demographically, the California subsample had more people of color and more immigrants and children of immigrants than respondents in the other states; in most other demographic areas (such as gender, sexuality, and age) the respondents were similar. People of color in California had a comparable level of training as white respondents, but a lower level of educational attainment. Despite this, people of color in California had significantly higher leadership aspirations than white respondents.

Methodology

The Nonprofits, Leadership, and Race survey, distributed in 2016, asked questions in four areas: 1) personal and organizational information; 2) leadership aspiration and training; 3) challenges and frustrations; and 4) perceptions on nonprofits and race. The online survey was distributed through 15 partner organizations; nearly 100 nonprofit "influencers," particularly those who could reach people of color in the nonprofit sector; and social media. The respondents totaled 4,385.¹¹ The California sample was nearly 20% of the total: 820 responses after removing respondents who were nonprofit board members rather than staff. Roughly one-third received the survey from a distribution partner; the remaining two-thirds heard about the survey from a colleague or friend (23%), other organization or network (22%), or social media (15%). In addition to the survey, BMP also conducted four focus groups in Los Angeles with nonprofit staff from each of the following identity groups: Black/African American, Latino/a, Asian/Pacific Islander, and LGBTQ People of Color.



People of color in California reported fewer barriers to advancement than people of color in other states



4

Number of focus groups conducted in Los Angeles specifically for the California survey

Findings



This report discusses the California data by making comparisons in two ways. It contrasts the answers of people of color and white respondents within California, noting differences and similarities between these two groups of respondents. The findings also highlight how people of color and whites from California compare to respondents in all the other states combined (excluding California), which are referred to as the “other states.”

The findings are divided into three main sections. **The Basics** is a description of the survey data using both the comparisons between California’s people of color and white respondents as well as the California results matched against the other states. The next section, **Progress Made**, delves more deeply into the contrast between the California respondents and the respondents in the other states. **Inequities Remain** centers on the differences between POC and white respondents within California.

The Basics

Who are the California respondents? The race/ethnicity of those taking the survey shows 57% of the California subsample identified as a person of color and 43% as white (as shown in *Figure 1*).¹²

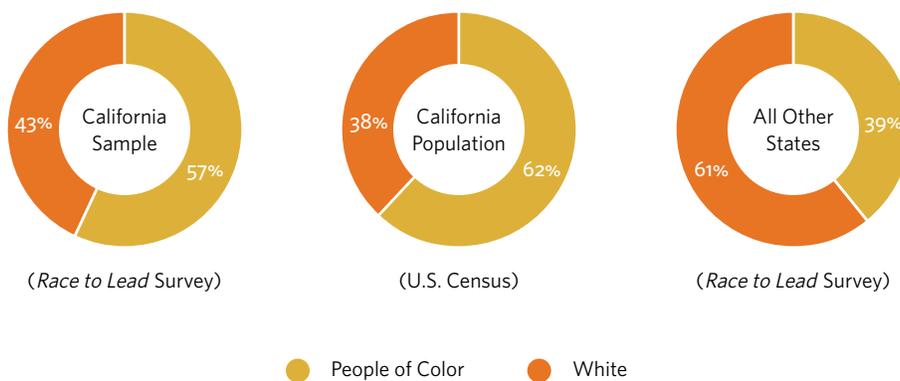


Figure 1: Race/Ethnicity Compared to California Population and All Other States

Among people of color, 18% identified as Latino/a, 15% Asian-American/Pacific Islander, 12% multiracial, 11% African-American/Black and 1% Native American. This data can be contrasted to the race/ethnicity of the state’s population in *Figure 2*. Overall, people of color make up 62% of California’s residents. Among people of color, 39% identify as Latino/a, 16% Asian-American/Pacific Islander, 5% African American/Black, 2% multiracial and 1% Native American.¹³ Compared to the state’s population, the percentage of Latinos/as in the Race to Lead sample is less than half, and the percentage of African-Americans/Blacks more than double. Some of these differences may be based on the fact that the respondents in California clustered in two geographic areas: the nine counties that make up the Bay Area¹⁴ (55%) and Los Angeles (31%).¹⁵

	California Sample	California Population	All Other States
White	43%	38%	61%
African American/Black	11%	5%	17%
Asian American/Pacific Islander	15%	16%	6%
Latino/a or Hispanic	18%	39%	9%
Native American	1%	1%	1%
Multiracial/People of Color	12%	2%	6%

Figure 2: Race/Ethnicity Compared to California Population and All Other States

Comparing the race/ethnicity of the *Race to Lead* California respondents to those in other states tells a different story. The California subsample has a higher rate of people of color by 18 percentage points, with more than double the percentage of Asian American/Pacific Islander respondents, and exactly twice the percentage of Latinos/a and multi-racial respondents. The percentage of African-American/Black survey respondents in California is higher than the state’s African-American/Black population but only slightly more than half the percentage of African-American/Black respondents in other states. *Figure 3* (on the following page) shows that respondents in California are also more likely to be immigrants or children of immigrants (44%) than those in the other states (23%). The self-identified class background of respondents in California paralleled those from the other states.

In other demographics, the gender identity and age of California respondents closely resembled the other states. Three-quarters of the California sample identified as female, 21% male, and 4% as transgender, non-binary, or other gender nonconforming identity (see *Figure 4*). Asked about their sexuality, five percent more California respondents (25%) identified as LGBTQ than those in the other states (see *Figure 5*).

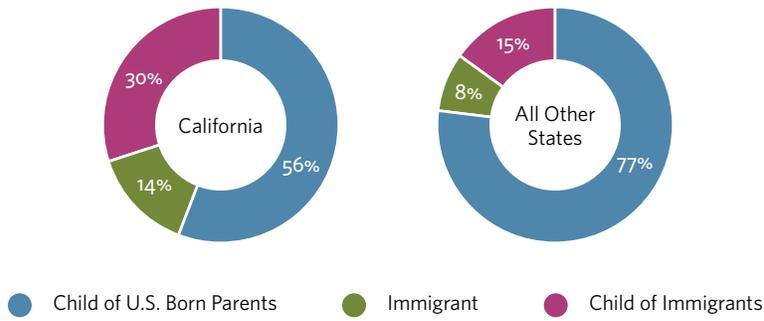


Figure 3: Immigration Experience, Comparison of California and All Other States

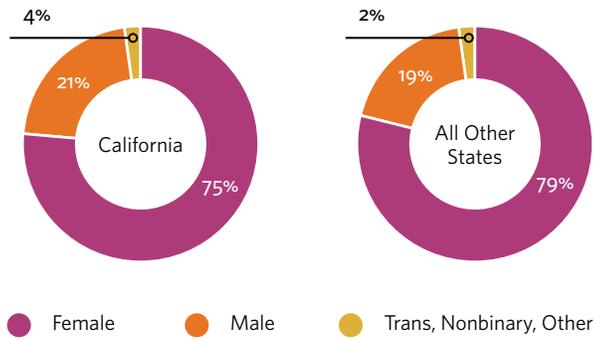


Figure 4: Gender, Comparison of California and All Other States

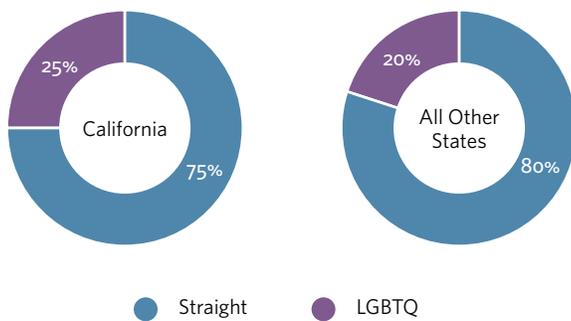


Figure 5: Sexual Orientation, Comparison of California and All Other States

The age distribution of the respondents can be seen in *Figure 6*: generation X is the largest group (41%), followed by millennials (34%) and baby boomers (24%). Within the state, younger respondents are more likely to be people of color (millennials: 40% POC vs 28% white) than older respondents (baby boomers or older: 19% POC vs 31% white). This age/race distribution in California is different than the other states, where the percentage of POC/white millennial respondents are the same, generation X is 4% more people of color and baby boomers (and older) are 4% more white (see *Figure 7*).

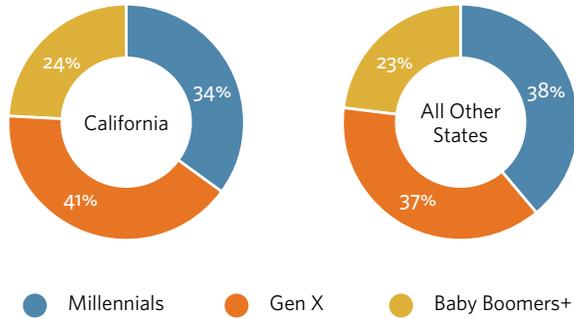


Figure 6: Age Groups by Generation, Comparison of California and All Other States

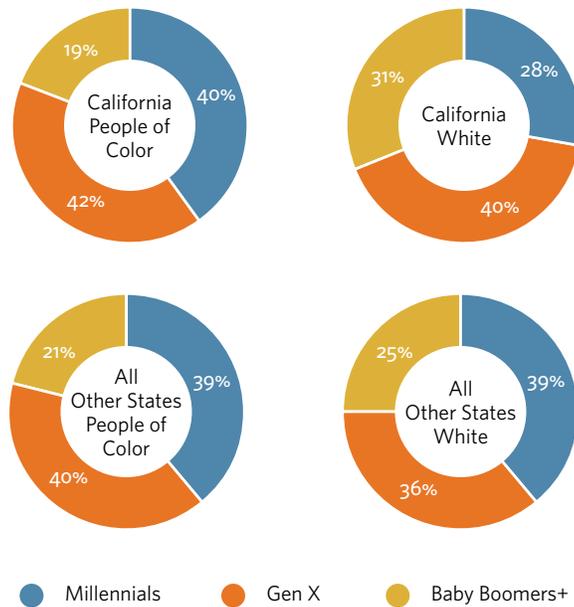


Figure 7: Generational Age Groups by Race, Comparison of California and All Other States

Aspirations to Lead—And Not

A key finding in the national *Race to Lead* report was that people of color respondents were more interested in pursuing nonprofit leadership positions than white respondents. A similar pattern can be found in California, where there was a four percentage point larger gap than in the national findings between aspiring people of color and white respondents (as shown in *Figure 8*).¹⁶ Yet compared to people of color in other states, a smaller percentage of California people of color were interested in nonprofit leadership positions (CA POC 46% vs other states POC 51%).

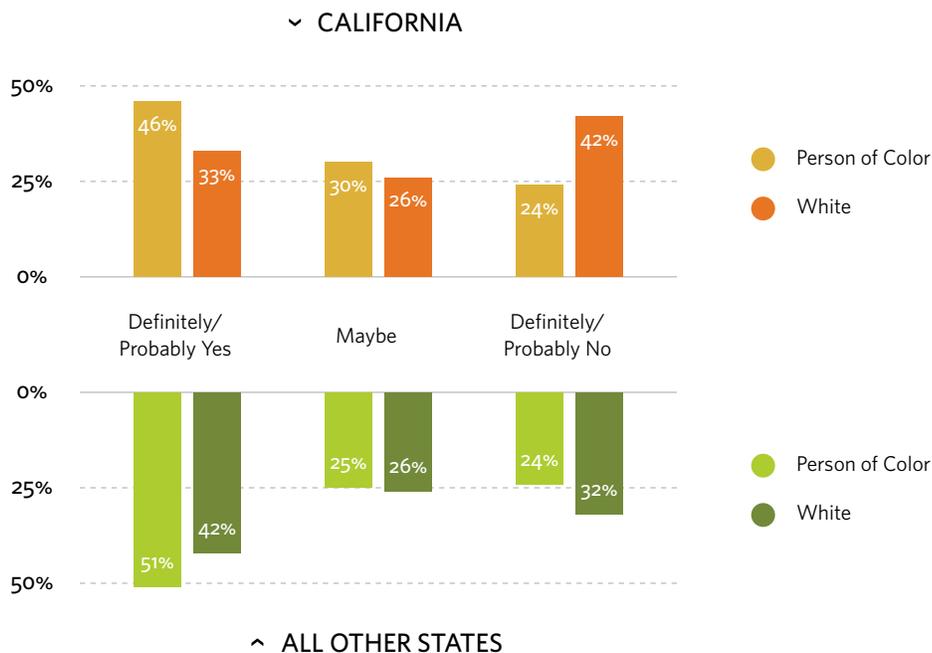


Figure 8: Level of Interest in Taking a Top Leadership Role (Among Non-CEOs)

The simultaneous lower level of leadership aspirations reported by people of color and the bigger gap between POC and white respondents reflects how few whites in California were interested in leadership positions (CA whites 33% vs other states whites 42%). The percentage of Californians of color who were “definitely/probably” not interested in nonprofit leadership was the same as in the other states (24%). However, whites in California were 10 percentage points more likely than whites in the other states to report a lack of interest in leadership roles (CA whites 42% vs other states whites 32%). Asked why they are not interested, *Figure 9* (on the following page) shows more than a third of the CA respondents—both people of color and white—express concerns about work/life balance. People of color in California, similar to their counterparts in other states, also are more interested than white respondents in pursuing a job outside the nonprofit sector (CA POC 21% vs CA whites 6%). Whites

in California also report that their skills and interests are not suited for a top-level leadership job (CA whites 30% vs CA POC 20%) and that they are happy in their current position (CA whites 21% vs CA POC 16%).

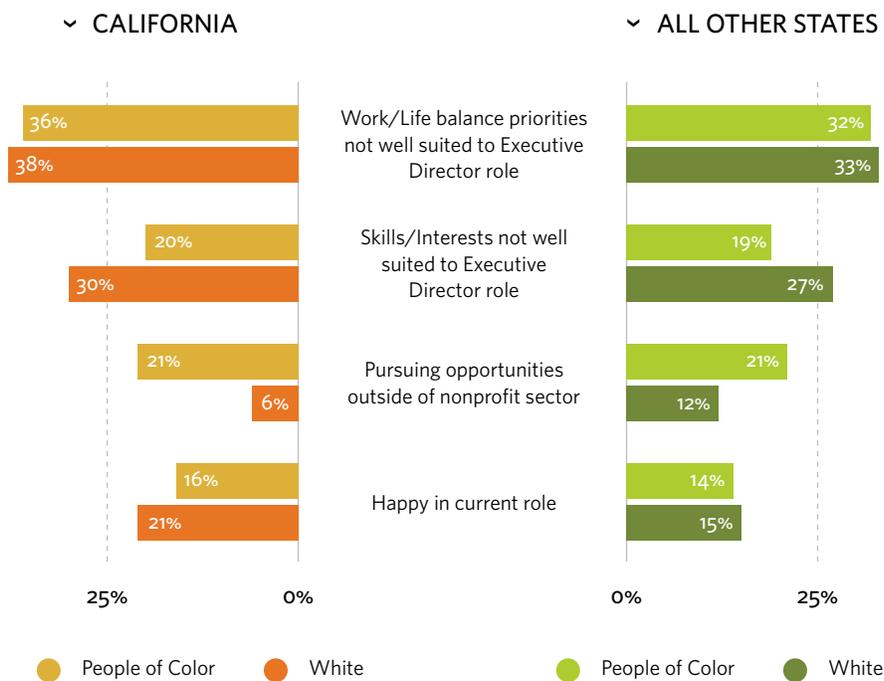


Figure 9: Reasons for Not Having Interest in Pursuing a Top Leadership Role

Progress Made

How do California respondents view their work and organizations? The data clearly point to gains for Californians of color when compared to people of color in other states. California’s POC respondents reported less frustration and more supports than POC in other states, and were more positive in their view of how their organization was addressing issues of race/diversity. On statements about the structural barriers facing people of color interested in nonprofit leadership, California’s POC respondents indicated slightly less agreement that they perceived or had experienced these barriers than people of color in other states. Simultaneously, white respondents in California were more likely than whites in other states to agree that people of color face these barriers, creating a smaller gap on this issue between people of color and white respondents in the California sample.

It's Personal

The survey asked several questions about the supports respondents received and frustrations they faced in their work. People of color respondents in California reported higher levels of support on almost every category than people of color in other states (see *Figure 10*). These differences were especially significant in the areas of coaching and mentoring within their organization.

More than 40% of California people of color had received coaching, compared to 27% of POC in other states, and 34% of CA white respondents. Similarly, CA people of color respondents were 10 percentage points more likely to report having mentors within their organization than people of color in the other states (CA POC 50% vs other states POC 40%), though California POC were still slightly less likely to have internal mentors than CA whites (52%).

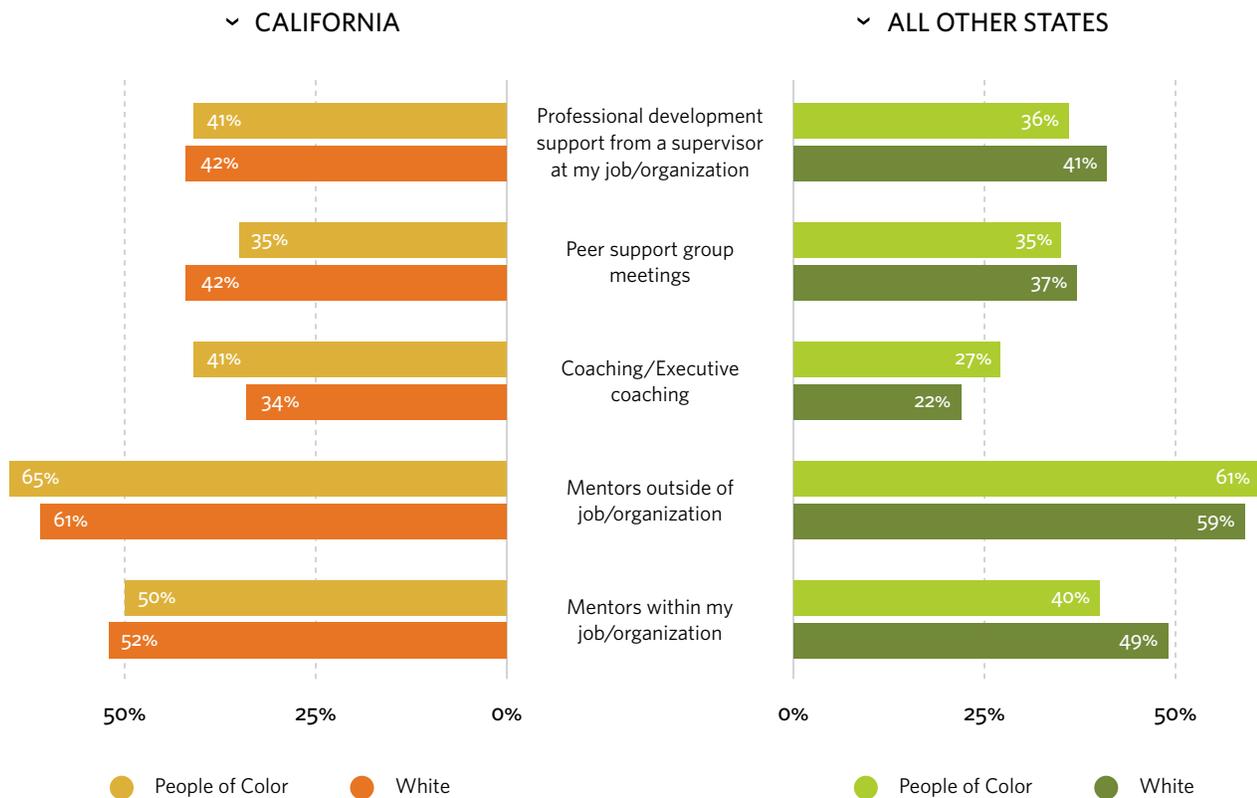


Figure 10: *Formal or Informal Leadership Support Received*

“

“I have a lot of good mentors ... I’m a fairly new executive director, and it is a lot of work, it is stressful, but the opportunity to grow in an organization that you’re really passionate about, to me, is a big deal.”

~ PARTICIPANT IN ASIAN AMERICAN/PACIFIC ISLANDER FOCUS GROUP

Not only did people of color in California report more supports, they also had lower rates of frustration than people of color in other states (see *Figure 11*). California’s POC respondents were less likely to have experienced challenges in several areas including “Few opportunities for advancement” (CA POC 40% vs other states POC 47%) and “Lack of role models” (CA POC 33% vs other states POC 40%). Most notable, however, was the gap on whether respondents reported frustration with being “Called on to represent a community”: 27% of the people of color respondents in California identified this as a frustration, in contrast to 40% of people of color in other states. It is important to note that people of color in California still reported higher rates of challenges/frustrations than white respondents in nearly every category, but for most of the challenges listed, the difference of reported experience along racial lines was smaller among Californians than between people of color and white respondents in the other states.

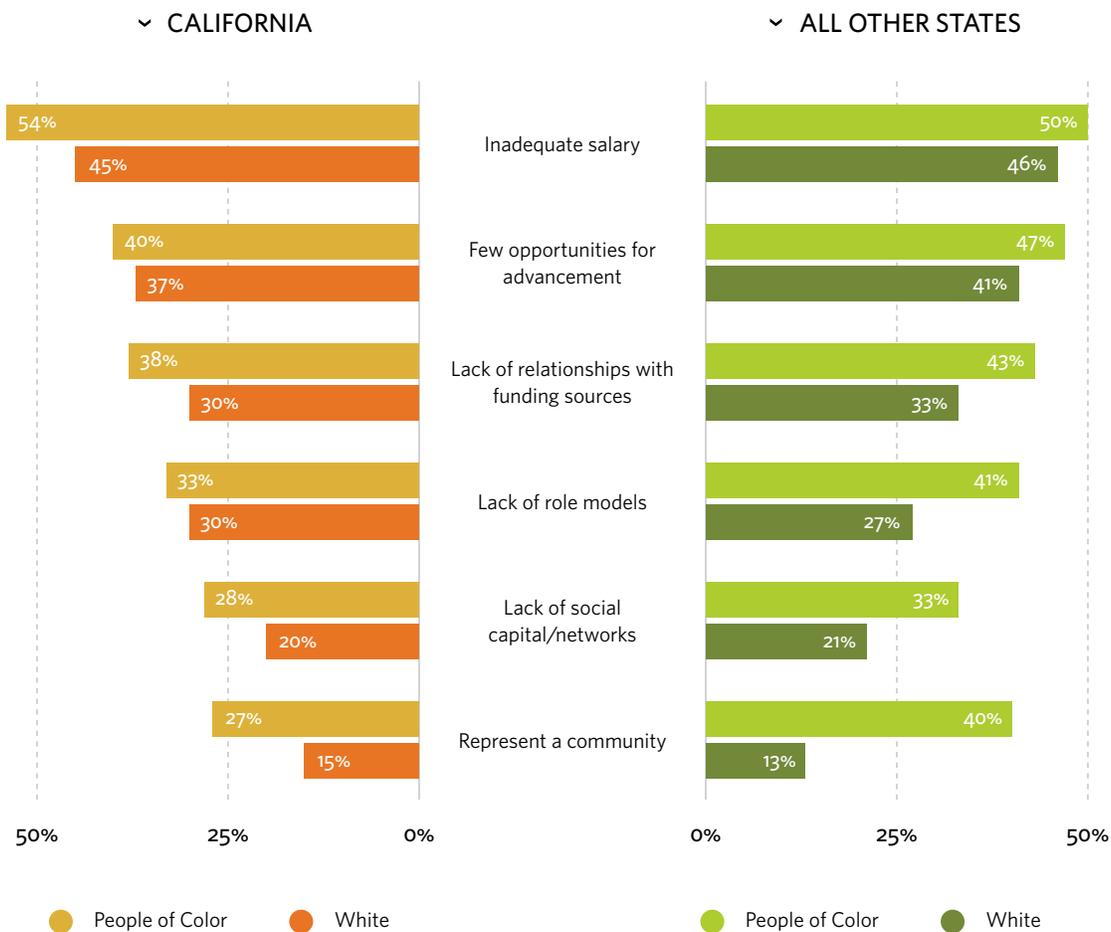


Figure 11: Challenges and Frustrations Faced on the Job (“Often” or “Always”)

The national *Race to Lead* report found that more than a third of people of color reported that their race/ethnicity had negatively impacted their career advancement. Although people of color in California were less likely than those in other states to indicate the negative impact of race, the responses (CA POC 30% vs other states POC 36%) still reflect how often nonprofit staff of color face racialized barriers, especially as they move toward leadership positions (see *Figure 12*).

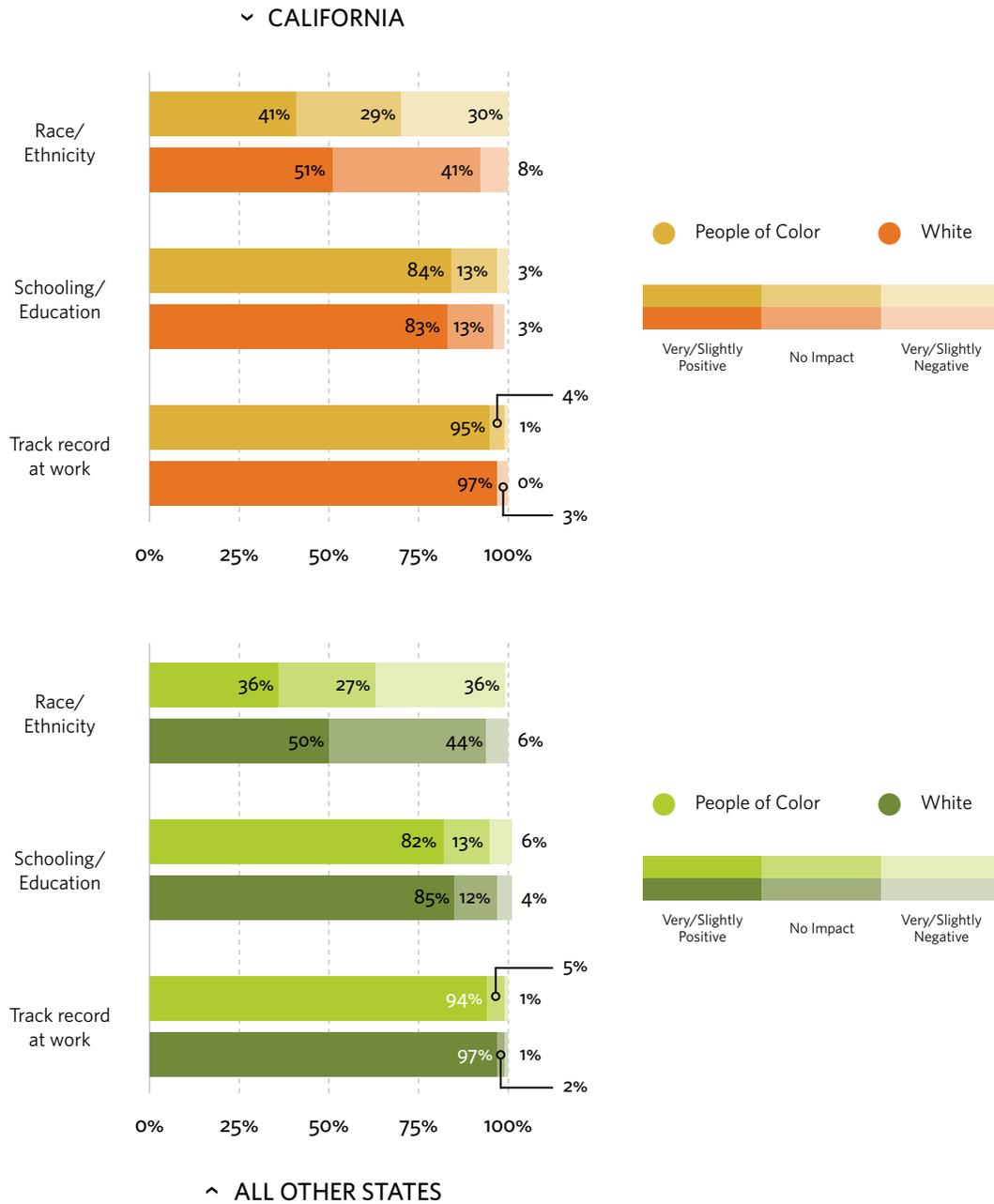


Figure 12: Factors That Have Played a Role in Respondent's Career Advancement

It's Organizational

When asked about how their own organizations addressed issues of race/diversity, people of color in California gave higher rankings to their groups than people of color in other states (see *Figure 13*). In five categories, people of color in California were more positive than white California respondents about their organizations' attempts on behalf of diversity, equity, and inclusion, a complete reversal of how people of color and whites responded to the same questions in the other states.

In fact, respondents of color in the California sample were more likely to have a positive view of their organizations—by 10 percentage points or more—on every category of race/diversity than people of color in other states. For example, in assessing whether their organization pays enough attention to race/diversity in recruiting new board members, people of color in California agreed by 11 percentage points more (55%) than people of color in other states (44%).

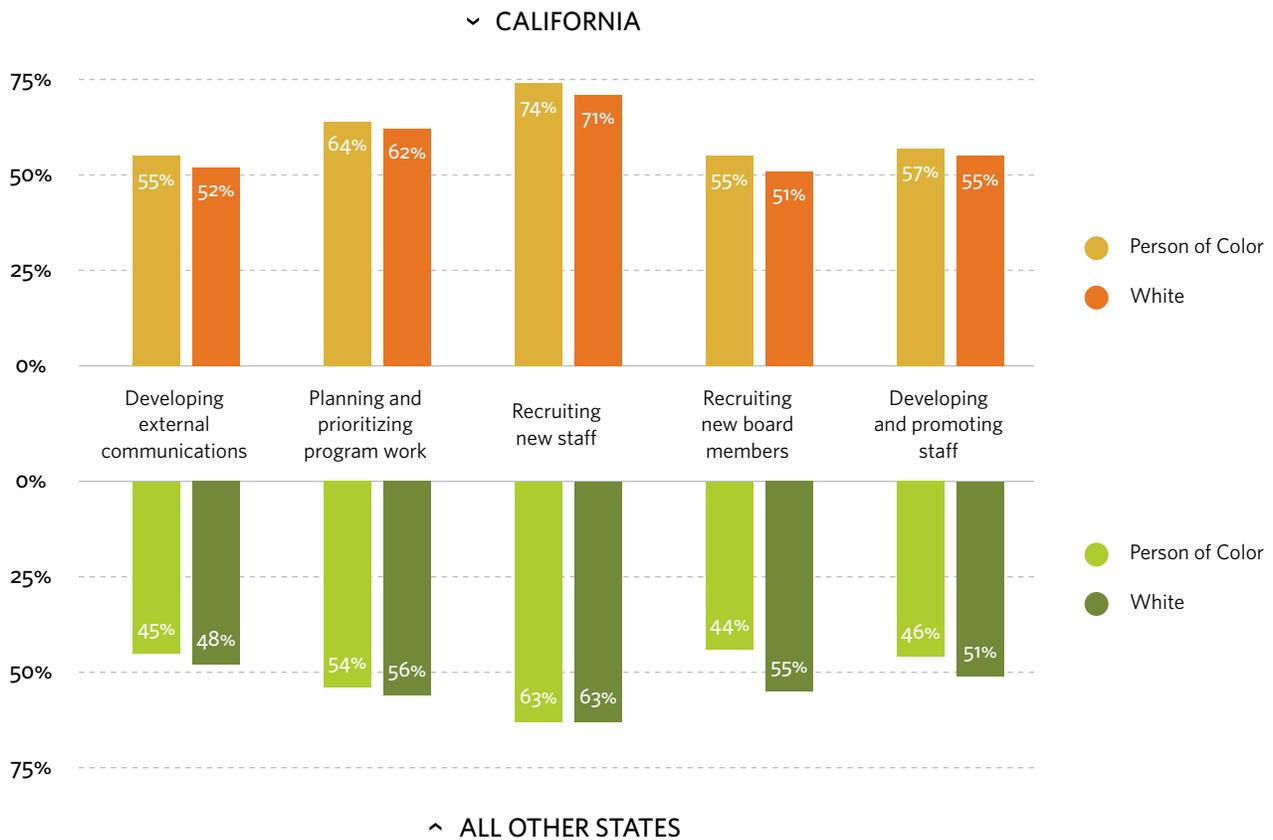


Figure 13: Does Your Organization Pay Adequate Attention to Issues of Race/Ethnic Diversity? ("Somewhat" or "Strong" Level of Agreement)

It's Systemic

The survey also asked whether different systemic or structural barriers disadvantaged people of color interested in nonprofit leadership roles. Many of the statements elicited agreement by all respondents, as seen in *Figure 14*. However, people of color and white respondents in California had a smaller gap in most of their responses than POC and whites in other states. This greater level of alignment reflects two factors: first, California people of color reported slightly lower levels of agreement than people of color in other states when asked about the structural barriers facing aspiring leaders of color, a pattern observed for every statement about barriers. At the same time, white respondents in California agreed a few percentage points more than whites in other states to these same statements on structural barriers facing aspiring leaders of color.

One finding that exemplifies the closer alignment between people of color and white respondents in California than in other states can be found in the statement that “organizations rule out candidates of color based on perceived fit,” which is a way to explore how much respondents perceive that implicit bias affects organizational decisions about people of color.¹⁷ In the California subsample, 60% of people of color agreed to this statement compared to 68% of people of color in other states. Among white respondents, 51% of California whites agreed compared to 47% in other states. As a result, the gap between people of color and whites in California is 9 percentage points on this question; in the other states, it is 21 percentage points.

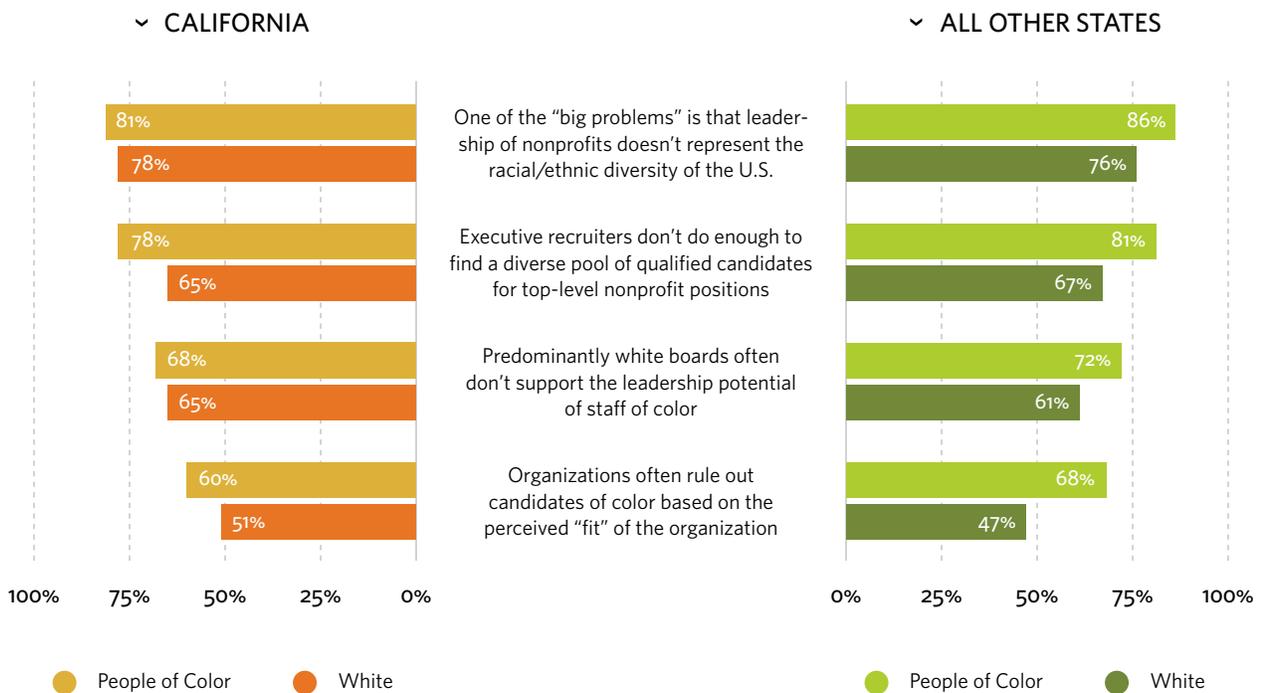


Figure 14: Response to Statements on Racial Inequality (“Somewhat” or “Strong” Level of Agreement)

Summary of Progress

The progress made by people of color in the California sample is seen in the data that shows they report more supports—both personal and organizational—than people of color in the other states. There are also differences, though not as large, between whites in California and those in other states on responses to systemic barriers facing aspiring leaders of color. The finding that white Californians agree more with the state’s POC respondents that they perceive many of the barriers facing people of color who aspire to leadership roles could be a constructive starting point for developing actions to address the racialized barriers that are deeply embedded in the systems and structures that operate in the nonprofit sector and the United States at large.

Inequities Remain

The signs of progress seen in the responses of the California sample are encouraging. However, these positive indicators should not obscure findings showing that substantial barriers remain for people of color working in the state’s nonprofit organizations, especially those seeking leadership positions. Some of the challenges are similar to ones found in the national data, such as how race negatively impacts career advancement for people of color. Others, such as the discrepancies between people of color and white respondents in education and salary, are unique to the California sample.

Data on the structural and systemic barriers facing people of color interested in nonprofit leadership point to the intractable nature of some of the issues facing the sector. This was evident in *Figure 14* on the previous page, where 78% of California people of color respondents agreed that recruiters do not do enough to identify qualified people of color candidates for top-level nonprofit positions; 68% of POC respondents in California agreed that white boards often do not support people of color leadership; and 60% felt candidates of color were denied jobs because they are perceived as not the right “fit” for the position.

In addition, as noted earlier, 30% of people of color in the California sample reported that their race/ethnicity hindered their career advancement. As one California respondent of color explained: “When I first founded my own nonprofit ... I received a cool and unwelcoming reception in the world of mostly all-white leadership. There were staff members at the table but very few people of color in a leadership position. This situation has not changed to the degree that I hoped it would since I began my journey so many years ago. ... Unfortunately, racism seems to be embedded in the very fabric of our wonderful but flawed country.”



“I think there is always a person of color finalist who never gets chosen. It’s almost like a set up: ‘We gave you a person of color.’ ... If you don’t have nobody in the room advocating for people of color then they won’t be hired. ... You have to get people at the top saying, ‘Okay, let’s give them a shot.’”

~ PARTICIPANT IN AFRICAN AMERICAN/BLACK FOCUS GROUP

Race Matters—In Education and Salary

The background and qualifications of people of color and white respondents in the California sample were similar to what was found in the national data.¹⁸ California people of color and white respondents were comparable in areas such as their role and length of time at their current organization, and there was virtually no difference in their reported rates of training in areas ranging from financial management to advocacy. However, there were two areas where there were noticeable gaps: educational attainment and salary.

People of color in California had noticeably lower levels of educational attainment than white respondents. More California POC respondents had bachelor's degrees (44%) than master's degrees (35%); educational attainment of whites in California was the inverse (37% bachelor's, 44% master's). In contrast, in other states the educational attainment of both people of color and whites was similar to that of California's white respondents (see *Figure 15*).

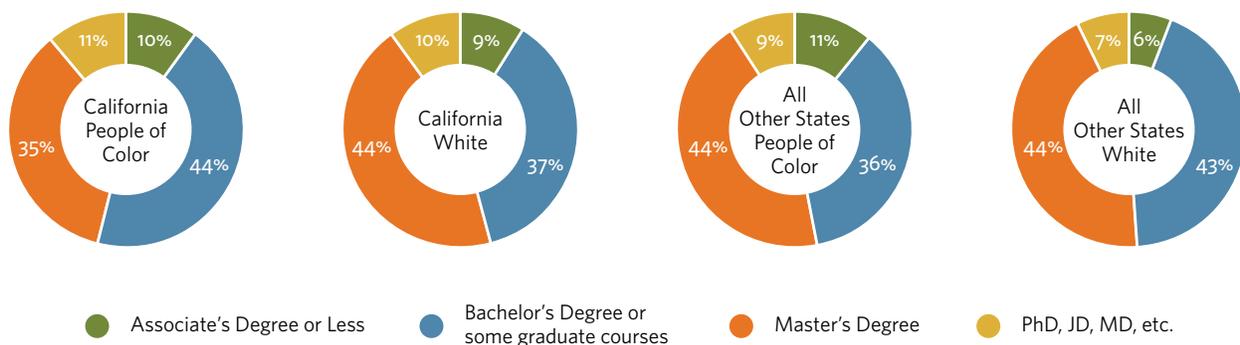


Figure 15: Educational Background by Race, Comparison of California and All Other States

In addition to having higher education levels than their peers of color, white respondents in California seemed to believe they were better prepared for nonprofit leadership than people of color, and more than both whites and people of color in other states. Among aspiring leaders, far fewer whites in California (24%) identified the need for technical/management skills training. Aspiring leaders of color in California were not only more likely to say they needed skills training (43%) than their white counterparts, but did so at higher rates than people of color (38%) or white (34%) aspiring leaders in other states (see *Figure 16* on the following page).

Another disparity between people of color and white respondents in California that was not found in the other states related to salaries. California people of color made less money than white California respondents. On the following page, *Figure 17* shows that 37% of people of color in the California sample earn \$50,000 per year or less compared to 22% of white respondents. At the higher end, 14% of people of color are making \$100,000 or more compared to 22% of white respondents. The share of

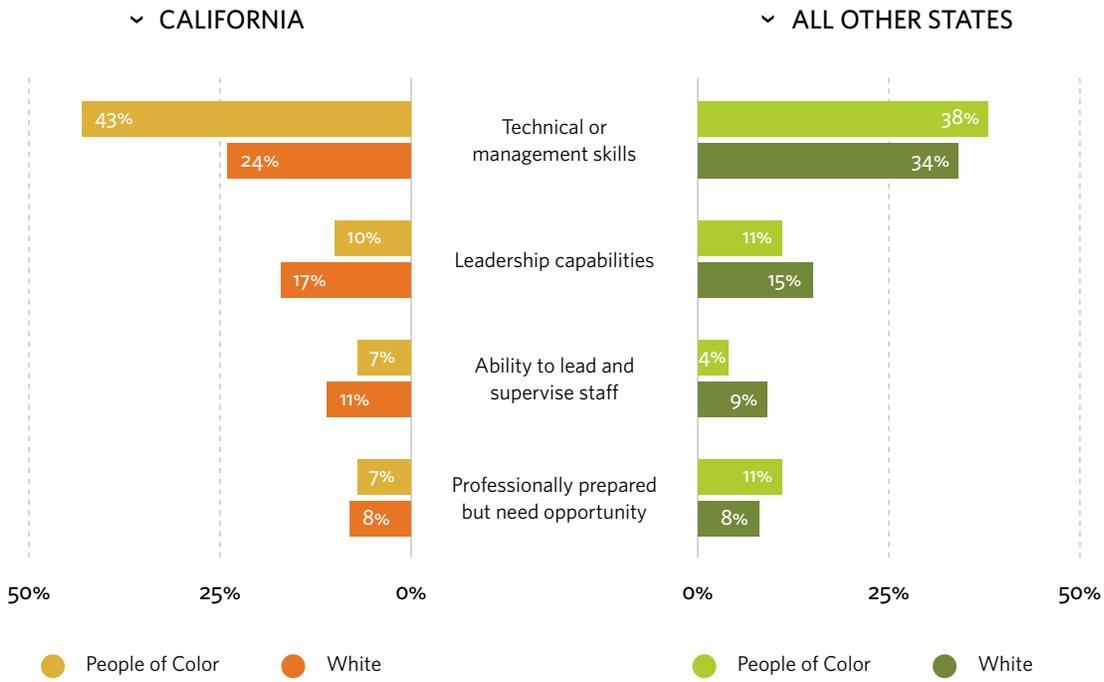


Figure 16: What Aspiring Leaders Need to Adequately Prepare for a Top Leadership Role

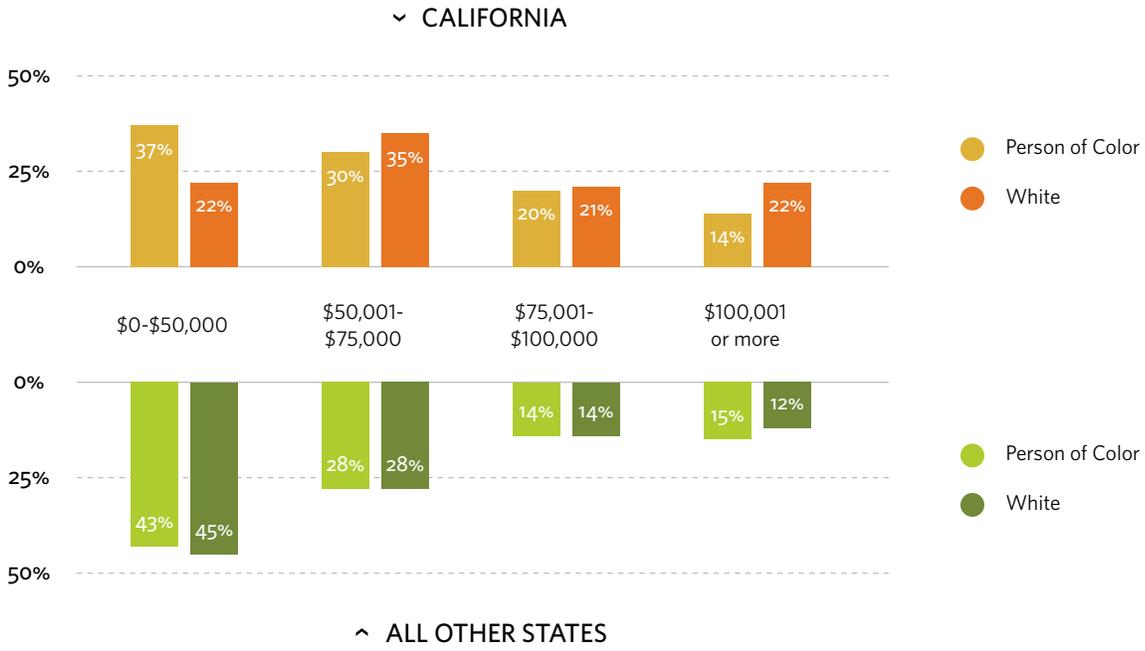


Figure 17: Current Annual Salary

respondents in California earning incomes of \$100,000 or more was higher than respondents in other states, where 15% of people of color and 12% of whites were in the same income group.

The salary differences between POC and white respondents in California persisted even when controlling for education, age, role in the organization, and the organization’s budget size. That is, none of these factors could explain why whites were earning more. The gap in earnings between people of color and whites may have contributed to the finding that people of color in California were more likely than whites to note they were challenged by inadequate salaries (CA POC 54% vs CA whites 45%), a 9 percentage point gap compared to a 4 percentage point gap in other states (as shown in *Figure 11* on page 11).

The Meaning of Leadership Diversity

Survey responses from the executive directors/chief executive officers (EDs/CEOs) in the California sample offer additional insight into the salary disparities between white and POC respondents. California EDs/CEOs of color reported considerably lower earnings than their white counterparts (see *Figure 18*). A third (34%) of POC leaders in California earned \$100,000 or more, compared to 47% of white leaders. In the other states, a similar percentage of POC leaders (33%) had salaries of \$100,000, as did 28% of white leaders.

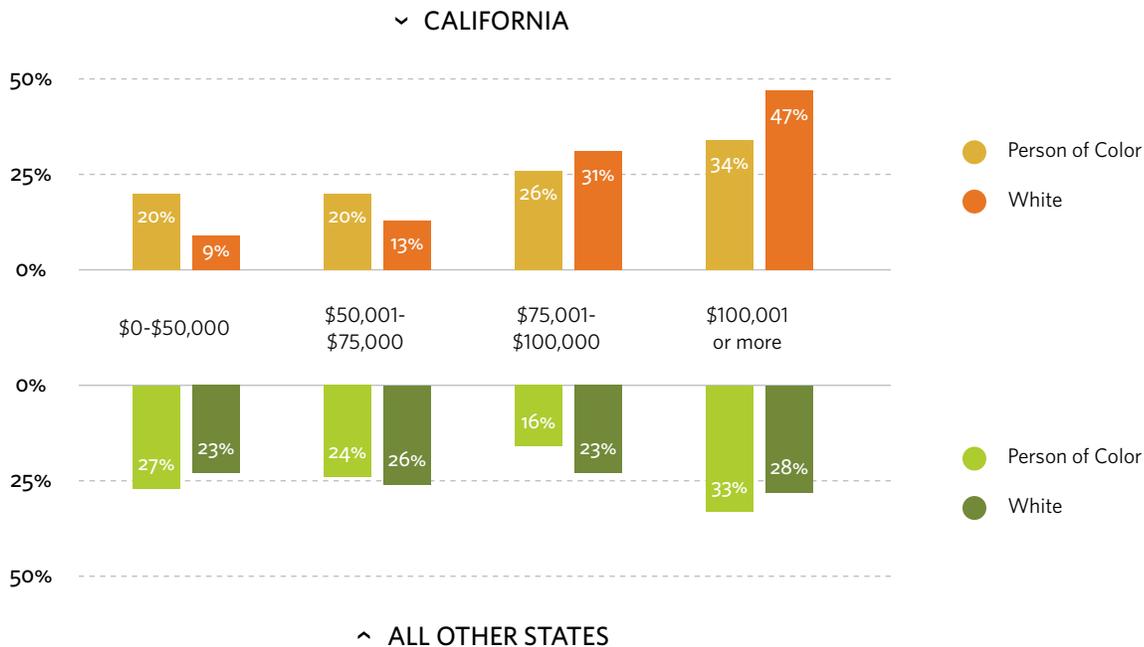


Figure 18: Current Annual Salary Among CEOs

The higher salaries earned by California’s white respondents were not based on the educational attainment of EDs/CEOs; there was little difference in education among the white and POC EDs/CEOs in the California sample. What did matter was the size of the organizational budget: people of color running nonprofits in California were more likely to head organizations with smaller budgets than white-led organizations.¹⁹

Moreover, the data shows that EDs/CEOs of color in California were more likely than whites to be leading identity-based organizations, especially those focused on people of color—i.e. focused on issues related to racial/ethnic communities and/or immigrants—as shown in *Figure 19*. It is not surprising that POC-identity-based groups were often led by people of color, but it is striking that almost half of POC leaders reported leading a POC-identity-based group (49%) as opposed to groups serving non-identity-based (or non-POC-based) populations, a finding that is similar in the other states.²⁰ In California, those leading POC-identity-based organizations make lower salaries—even when controlling for budget size—than those leading other types of identity-based groups (not focused on race/ethnicity and/or immigration) or non-identity-based organizations.²¹ That is, the salaries are on the low end of the scale even when accounting for the organizations’ smaller budgets.

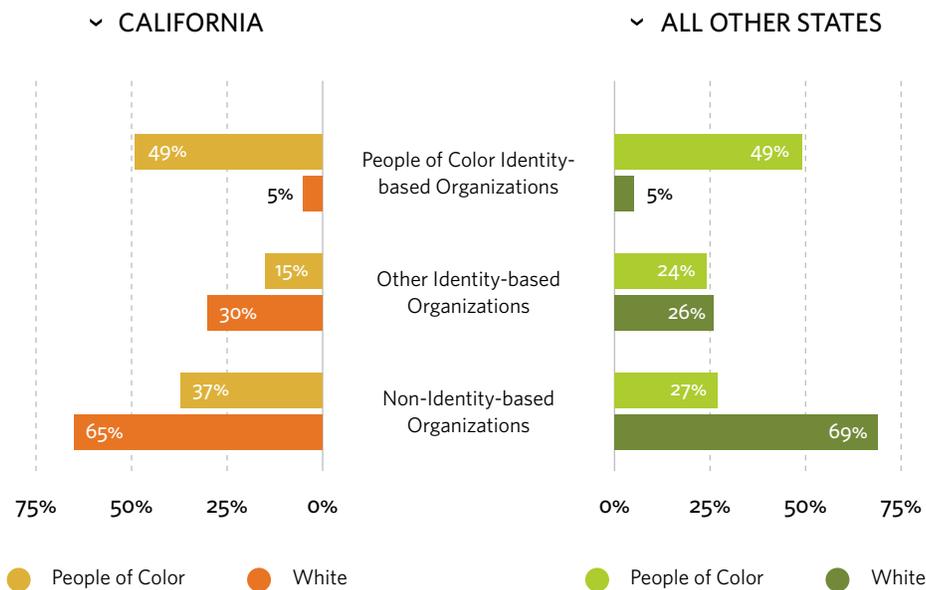


Figure 19: Working in Identity-based vs. Non-Identity-based Organizations Among CEOs

There is another and somewhat contradictory finding that highlights the challenges facing POC leaders in California. California POC leaders are less likely than those in other states to experience “lack of relationships with funding sources” (42% vs 52%), which might lead to the assumption that it is easier to secure funding. Yet the California POC respondents were more likely to state that POC-led groups have a hard

time raising money (see *Figure 20*). Three-quarters of people of color who are ED/CEOs of organizations in California agree that POC-led groups have difficulty raising funds (75%), a rate that was somewhat higher than EDs/CEOs of color in other states (70%), and much higher than white ED/CEOs both in California and other states (CA whites 41%; other states whites 31%).

The fact that almost half of the people of color leaders in the state sample are in POC-identity-based groups—where leaders earn less—leaves open the question of how much diversity at the top level is actually occurring in California’s nonprofit sector overall.



“When I started a nonprofit, I got grilled by 30 white people in the room saying, ‘You don’t know what you’re doing.’ So you as a leader of color have to keep saying, ‘Yes I do ...’ So it takes a lot of confidence to do.”

~ PARTICIPANT IN LATINO/A FOCUS GROUP

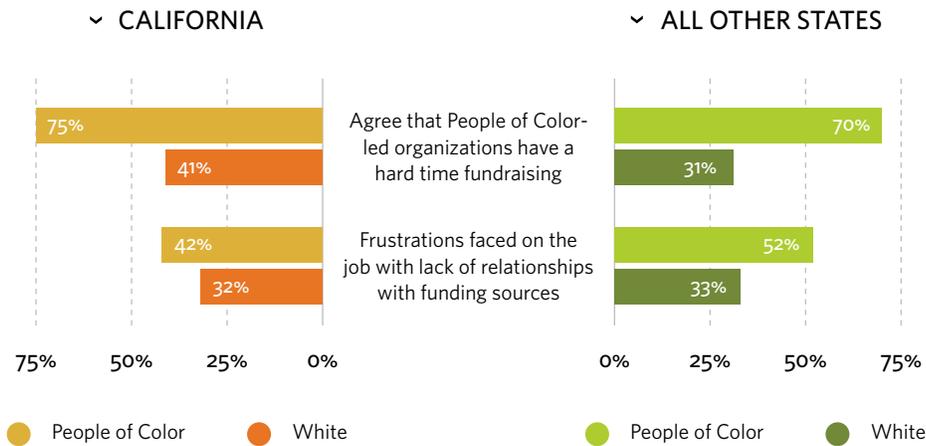


Figure 20: Frustrations and Attitudes about Funding Among CEOs

The California Difference



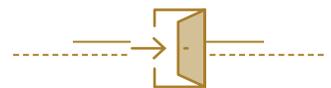
The *Race to Lead* data from the Golden State—as seen in the findings explored in this report—shows that there is a California difference. People of color respondents in California experienced more supports and fewer barriers than people of color in the other states. For example, Californians of color reported less frustration on numerous factors—lack of role models, less access to relationships with funders, and the stress of having to represent their community—than people of color in other states. In addition, white respondents in California reported more awareness of structural barriers facing aspiring people of color leaders than whites in other states.

Yet, despite these encouraging trends, people of color in the California sample are still more likely to face more challenges than whites on almost every indicator, both personally and systemically. California’s people of color respondents also earn less than whites even when controlling for education, age, role in their organization, and size of the budget.

Investments in People of Color

The analysis of California’s survey data has the potential to offer guidance to the rest of the country both about ways to advance people of color leadership, and the reasons for persistent barriers. However, additional analysis is necessary to fully understand what factors were critical to making positive shifts and what has prevented more progress. For example, there is no data on how California’s changing demographics and its status as a majority people of color state has influenced the experiences of nonprofit staffers. Based on the responses in the California sample, it would be useful to find out more about the specific supports that have helped people of color feel able to advance to leadership roles and the organizational changes that make this progress possible. Some reflections on these dynamics emerged from the focus groups conducted in conjunction with this survey, but a deeper exploration would help inform how to create more impactful interventions.

One way to look at the survey results is to consider some of the factors that might have played a role in the California *Race to Lead* findings. The 2006 Greenlining Institute report described above showed a lack of philanthropic dollars going to people of color leaders and communities in California.²² As a result, legislation was proposed by a state legislator that would have required foundations to publicly share data related



People of color respondents in California experienced more supports and fewer barriers than people of color in other states

to race (and other factors).²³ Faced with the prospect of a state mandate, a group of nine foundations in 2009 began a 10-year \$30 million investment to increase funding and capacity building/technical assistance for people of color-led and grassroots community-based organizations, and to support the development of more diverse nonprofit leaders.²⁴ Three years later, Greenlining published a follow-up report that praised the commitments kept by the nine foundations. However, it also found that most funds associated with this effort went to intermediary groups to provide capacity support rather than directly to POC-led organizations, and noted that the future investment strategy was uncertain.²⁵

In more recent years, there have been more foundation investments directed toward organizations serving communities of color and groups led by people of color. Some of these supports include explicit funding strategies to strengthen organizations and their leaders, such as intentionally helping leaders to build networks and increase their organizations' impact.²⁶ Several of these investments include evaluation components to understand the most effective interventions and supports.²⁷

An Urban Institute report released in 2009 examined the diversity in California's nonprofit sector, including its leadership, staff, and boards. The study also compared the foundation funding received by nonprofit organizations led by people of color vs non-Hispanic whites. It found no significant difference in the percentage of funding that organizations received from foundations, but POC-led groups, which were smaller on average, received fewer dollars overall and were more likely to rely on foundation support for more than half of their budget.²⁸ This type of analysis should be updated in order to provide more current information such as how groups are funded, the budgets of POC-run groups compared to white-led organizations, and whether organizations with POC leaders are more likely to be POC-identity-based groups. Such additional information would help further illuminate how foundation funding is being allocated among nonprofits led by people of color and if any changes have occurred in the years since these new investment efforts began.

The *Race to Lead* data shows that people of color in California feel more positively about the possibilities for career advancement than POC respondents in other states. The analysis also found that the majority of people of color EDs/CEOs taking the survey in California led POC-identity-based nonprofits. According to the survey data, these groups are smaller on average than other nonprofit groups, echoing the Urban Institute findings of almost a decade ago. The fact that leaders of POC-identity-based groups report earning less than other EDs/CEOs could affect whether the people of color who report interest in leadership roles will maintain this desire to advance if compensation issues are not resolved. It would be useful to learn more about the current avenues to nonprofit leadership for people of color in the state, including the supports for people of color who lead larger organizations and hold higher-compensated positions. Such information could provide insight into how to address the finding that people of color (and white) respondents still identify that aspiring POC leaders face many institutional barriers.



In recent years, there have been more foundation investments directed toward organizations serving communities of color and groups led by people of color



Data shows that people of color in California feel more positively about the possibilities for career advancement than people of color in other states

Recommendations

Based on the California *Race to Lead* findings and the research and analysis done by others, we offer the following recommendations to better understand and build on the progress made in the Golden State and to address the ongoing obstacles to increased nonprofit leadership by people of color.



RECOMMENDATION 1: Invest in People of Color-Led Organizations

Capacity building, leadership support, and technical assistance—all of which have been the focus of past coordinated foundation investments into POC-led organizations in California—are all important supports to nonprofit leaders. However, direct financial investment in the organization, whether it is program or general support, provides even greater security, stability, and possibility. People of color already are more likely to lead smaller organizations and to earn less than their white counterparts. Organizations need money to operate, offer salaries on par with the rest of the industry, and give leaders resources to build the networks and relationships that are necessary to advance real change. Foundations can examine the funding they give to POC-led organizations to make sure their levels of investment match their intentions to support these groups.



RECOMMENDATION 2: Learn More about People of Color Leaders

To address the barriers to advancement facing people of color, more can be learned by exploring the pathways that led current EDs/CEOs of color to their leadership positions, including the obstacles they faced and the supports they received. This information—and comparative data on white leaders—could be used to help a new generation interested in advancing in the nonprofit sector. It also will clarify and help to create practical ways to address structural barriers facing aspiring leaders of color.



RECOMMENDATION 3: Collect Information on Investments and Impact

Having reliable information about the funding organizations and communities receive would offer philanthropic groups—individually and as a whole—a better understanding on the funding challenges facing POC-led organizations. Collecting this type of information can also shed light on the sector at large by providing insight into factors such as fluctuations in public and private donor support. It would be worthwhile to have

a periodic study of nonprofits in the state that can collect this data and offer comparisons over time. This is especially important as the 10-year foundation initiative began in 2009 to invest in people of color and grassroots organizations and leadership comes to an end.



RECOMMENDATION 4: Examine the Intractable Problems

A better understanding of both problems and potential solutions related to equity for nonprofit leaders of color will help sustain momentum toward real change. A few areas that could use increased scrutiny are: 1) which types of organizations are most likely to hire POC leaders, and by extension, how to work toward more leaders of color throughout the sector; 2) salary differentials by race and by type of organization, such as differences between POC-identity-based groups and other organizations; and 3) how race/ethnicity has negatively impacted the career advancement of aspiring leaders, with a particular focus on understanding the impact of recruiters and boards of directors in supporting or hindering leadership prospects for people of color.



RECOMMENDATION 5: Keep the Momentum Going

Good news does not always last. To build on the positive findings in this report, there should be a concerted effort to listen to and learn from current and aspiring leaders of color about what they need. This might involve supporting mentors, developing networks of influence, or offering coaching, technical supports, and access to flexible funding. The key is to pay attention to what works for nonprofit staff and to adapt to new needs.

Endnotes



- 1 The survey was conducted between March and May 2016.
- 2 http://articles.chicagotribune.com/1996-03-31/news/9603310231_1_california-protest-demographics
<https://www.openminds.com/market-intelligence/executive-briefings/california-as-a-bellwether/>
- 3 Greenlining Institute, *Investing in a Diverse Democracy: Foundation Giving to Minority-Led Nonprofits*, fall 2006:
<https://www.taxexemptworld.com/organizations/california-counties.asp>
- 4 De Vita, C.J. and K.L. Roeger. *Measuring Racial-Ethnic Diversity in California's Nonprofit Sector*, November 2009. The Urban Institute, 2009.
- 5 Bell, Jeanne, Rick Moyers, and Tim Wolfred, *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership* (San Francisco, CA: CompassPoint and the Meyer Foundation, 2006); Cornelius, Marla, Rick Moyers, and Jeanne Bell, *Daring to Lead 2011: A National Study of Executive Director Leadership* (San Francisco, CA: CompassPoint Nonprofit Services and the Meyer Foundation, 2011). BoardSource, *Leading with Intent: A National Index of Nonprofit Board Practices* (Washington, D.C.: BoardSource, 2015).
- 6 Thanks to Mari Ryono—an LA-based organizational development consultant—who passed on this phrase, which highlights the importance of having both elements (pushes and pathways) in order to make structural change.
- 7 Cohen, R. (June 21, 2008). "'Greenlining' Foundation Grantmaking: Racial Equality Reporting in California"
<https://nonprofitquarterly.org/2008/06/21/greenlining-foundation-grantmaking-racial-equality-reporting-in-california-2/>
- 8 Cohen, R. (June 22, 2009). "Putting the AB 624 Agreement into Practice and Policy"
<https://racialequityblog.wordpress.com/2009/06/22/putting-the-ab-624-agreement-into-practice-and-policy/>
- 9 For instance, the Hill-Snowdon Foundation launched a three-year grantmaking initiative in 2015 to commit new funds to Black-led community organizing groups; see <http://www.makingblacklivesmatter.org> for more information. Similarly, the East Bay Community Foundation is managing an initiative to bolster Black-Led organizations in the California Bay Area through a combination of technical support and training for emerging organizations, organizational change and transition planning for mature leaders, and peer networking for Black-led groups across the region; learn more at <https://www.ebcf.org/bolstering-bay-area-black-led-organizations/>
- 10 All of the comparison are between respondents in California and respondents in all the other states combined.
- 11 For more information see www.racetolead.org
- 12 Due to rounding, some percentages that appear in the figures throughout this report may not precisely reflect the absolute numbers or add to 100%.
- 13 See Kaiser Family Foundation, Population Distribution by Race/Ethnicity, <https://www.kff.org/other/state-indicator/distribution-by-raceethnicity/?currentTimeframe=0&sortModel=%7B%22colld%22:%22Location%22,%22sort%22:%22asc%22%7D>
These findings are similar for the labor force in California: 38% Latino/as, 14% Asian American/Pacific Islander, 6% African Americans, 1% Native American. <http://www.labormarketinfo.ca.gov/file/census2012/californiadp2012.pdf>
- 14 For the purposes of this analysis, the eight counties that constituted the "Bay Area" were Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. This certainly indicates an oversample from these two metropolitan centers in the state, since comparable data from the U.S. Census indicates that 18% of Californians live in the Bay Area and 26% live in Los Angeles County.
- 15 U.S. Census Bureau, Vintage 2016 Population Estimates: Population Estimates, www.census.gov, accessed October 2017.
- 16 This analysis excludes respondents who identified their current positions as CEOs/executive directors.
- 17 See these articles about the connection between "fit" and bias: Lewis, K.R. (December 7, 2015). "How 'Culture Fit' Can Be a Shield for Hiring Discrimination" <http://fortune.com/2015/12/07/culture-fit-hiring-discrimination/> and Le, V. "Why we need to end the culture of 'Cultural Fit'" <http://nonprofitaf.com/2017/07/why-we-need-to-end-the-culture-of-cultural-fit/>

- 18 Thomas-Breitfeld, S. and F. Kunreuther, *Race to Lead: Confronting the Nonprofit Racial Leadership Gap*, Building Movement Project, 2017.
- 19 This shows that in the regression model that was performed, budget size primarily explained the lower salaries in POC CEOs/EDs, compared to white CEOs/EDs.
- 20 This figure is the same for those in other states, something we will examine further in an upcoming report on CEOs/EDs from the sample.
- 21 In our definition, these are groups serving a specific race/ethnicity of color and/or immigrant-based identity groups.
- 22 There have been evaluations of the investments such as Henderson-Frakes, J., Inouye, T.E., and A. Bollela, *Community Leadership Project 2.0: Final Evaluation Report*. Social Policy Research Associates, 2017 and Yu, H.C., Nicholson, B., and L. Nash, *The California Endowment Diversity Equity and Inclusion Report Card*. Social Policy Research Associates, 2013.
- 23 Villarosa, L. "Beyond AB 624: Reframing for the Long View." Critical Issues Forum, Philanthropic Initiative for Racial Equity, April 2008. <http://racialequity.org/docs/villarosa.pdf>
- 24 Cohen, R. "Putting the AB 624 Agreement into Practice and Policy." Critical Issue Forum, Philanthropic Initiative for Racial Equity, June 2009. <https://racialequityblog.wordpress.com/2009/06/22/putting-the-ab-624-agreement-into-practice-and-policy/>
- 25 Atkins, A. and O. Aguilar. *A Promise to Diverse Communities: Summary of the Foundation Coalition's Efforts*. Greenlining Institute, 2012.
- 26 There does not seem to be a compilation of these types of investments statewide (or even in some localities). Personal conversations have made note of these investments by groups such as the Haas Jr. Fund, Blue Cross/Blue Shield Foundation, and the Durfee Foundation.
- 27 Henderson-Frakes, J., Inouye, T.E., and A. Bollela, and Yu, H.C., Nicholson, B., and L. Nash.
- 28 De Vita, C.J. and K.L. Roeger.



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