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LETTERS TO THE EDITOR

## California's Diversity Bill Offers Lessons for Foundations

To the Editor:

Much has been written in *The Chronicle's* pages during the last month regarding AB 624, the pending legislation in the California State Senate requiring reporting on various facets of diversity by larger foundations.

While the foundation I represent has expressed its opposition to this bill for a variety of reasons, I would invite those of us in the philanthropic community to take a step back from the rhetoric and debate and to consider why we find ourselves in this situation.

What might we learn from this experience in California that can be used constructively? Since we are a community dedicated to the possible, how can we reframe this debate from an oppositional one to encourage dialogue about some of the underlying issues? To stimulate just such a dialogue, I suggest three questions worthy of consideration:

- How do we understand our sector's commitment to transparency?

It has been argued that AB 624 is "sunshine" legislation. The difficulty with this contention is that the focus on transparency relates to just one aspect of a foundation's operations and grant making, which begs the more important question: Who should define the terms of transparency?

In this case, we have permitted others to define transparency for us, but we have an opportunity to broaden this frame. For example, at our foundation, we are also concerned with geographic distribution of our grant making (as a regional foundation), with the nature of support we provide (operating support vs. program support), and with populations served by our grant making beyond those outlined in the bill.

We collect data in each of these domains because they link directly to our values and objectives as a foundation, and therein lies the problem with the pending legislation: It focuses solely on one expression of values, which may or may not be embraced by the philanthropic sector as a whole or by individual foundations.

A more productive conversation would focus on how each of our foundations can be more transparent about how our values are expressed through the allocation of our resources, the ways in which we come to understand our effectiveness, and how we understand our responsibility to report to the public. The ways in which we approach these issues will no doubt be diverse, but understanding whether and how we are committed to transparency is a discussion worth having.

- How does the philanthropic sector come to understand the concerns of our partners, the organizations we support?

This bill has emanated from a coalition of nonprofit organizations that determined that sponsoring legislation was the sole approach to solving a problem they had identified. Whether or not we agree with the merits of the issue at hand or the approach utilized in this case, there is a legitimate question for philanthropy to ask itself regarding how we remain aware of concerns by our nonprofit partners and what venues exist for us to have constructive, candid, and solution-oriented dialogue with one another.

At the recent Grantmakers for Effective Organizations conference in San Francisco, several of the panels included voices from the grantee community to ensure that we were not just talking to ourselves.

We should encourage the conditions that foster just such a healthy and productive relationship with those we are privileged to support.

In the end, we only exist because of the groups we support with our tax-exempt resources, so the more we can cultivate approaches that connect us authentically to the concerns of the nonprofit community and that engage us with one another in common problem solving, the healthier our relationship with one another will be and the more able our collective nonprofit sector will be to carry out its important work.

- What more can we do to develop and nurture a cadre of diverse leaders for our sector?

As *The Chronicle* reported last month, a recent survey of 6,000 emerging nonprofit leaders (["Potential Charity Leaders See Top Job as Unappealing, New Survey Reveals,"](#) March 6) once again confirmed the difficulty in recruiting new leaders for the anticipated retirements of the baby-boom generation.

We have known of this pressing challenge for several years, and this survey sought to understand the perspectives of a younger set of leaders, with 81 percent of the respondents under the age of 50. While the study affirmed that there remains much to be done, one of the more promising findings was that "a higher percentage of respondents who definitely aspire to become executive directors are people of color."

The philanthropic community has a great opportunity to tap this interest and convert it to reality. For those foundations that have invested resources in leadership development over the years, we have much to learn from the successes and failures of those efforts. And in view of these survey findings, we should redouble our efforts to identify the ways in which we intend to build and nurture a diverse pipeline of future leaders for our sector.

We need to move beyond a debate on AB 624, which is only pitting us against each other, to a more productive discussion of issues such as these. The three questions above propose some ways in which we might stimulate a more positive, forward-looking, and constructive dialogue within our sector about the ways our foundations can be more effective.

Devoting our collective time and energy to this kind of discussion, rather than to fighting a legislative mandate, expresses our continued fidelity to what our nonprofit community has done best over time — to work together in crafting and implementing solutions to the major challenges facing our society today.

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