SPR SOCIAL POLICY RESEARCH
ASSOCIATES

The California Endowment
Diversity, Equity and Inclusion Report Card

Prepared for:

The California Endowment
1000 North Alameda Street
Los Angeles, CA 90012

Project No. 4483

1330 Broadway, Suite 1426
Oakland, CA 94612
Tel: (510) 763-1499
Fax: (510) 763-1599
www.spra.com

July 22, 2013

Prepared by:
Hanh Cao Yu, Ph.D.
Brandon Nicholson, Ph.D.
Lydia Nash

With Contributions from:
Michael Fang

Inside this Report

Overview and Summary

The California Endowment places a high value on diversity, equity, and inclusion (DEI) and its leaders hold the foundation to high standards of operation according to the foundation's values. In 2008, The Endowment adopted a Diversity Plan with 15 goals to advance the foundation's vision of diversity, equity, and inclusion (See Appendix A). The Diversity Plan resulted from TCE's many years of work at the forefront of a movement to increase awareness of issues of diversity and inclusion in philanthropy. First and foremost, The Endowment Board of Trustees strives to keep the foundation accountable for adhering to its values and principles. Second, this Plan and the review process serve as a model for other philanthropic colleagues to benchmark their progress towards diversity, equity and inclusion.

In 2008, TCE engaged Social Policy Research Associates (SPR) to conduct its first internal organizational audit of the foundation's diversity and inclusion policies and practices and to produce a TCE Diversity & Inclusivity Audit Report Card. This assessment was a voluntary effort to increase the institutional effectiveness of The Endowment's grants portfolio and institution-wide operating practices. Three years later, we provided a second update on TCE's progress in 2011. This current report represents the third major audit of The Endowment for the 2013 fiscal year.

Since the last audit, a number of strategies have been implemented or deepened between 2011 and 2013 to support the integration of diversity into grantmaking and organizational practices.

- **Internally oriented strategies**. TCE's "matrix approach" to recruiting diverse Board members to represent multiple dimensions of diversity across California, has not only helped the foundation recruit new Board members, it has also helped TCE to successfully identify the backgrounds and experiences needed to maintain a strong focus on diversity and inclusion. TCE has also implemented a more robust diversity data collection system at multiple levels of the organization to: (1) collect self-reported diversity data from the Board, executive leadership, staff diversity data, and (2) benchmark staff attitude regarding TCE's support of values, principles, policies, practices to promote diversity, equity and inclusion.

- **Externally oriented diversity strategies**: TCE has begun to systematically collect grantee and vendor/contractor diversity data using a standardized tool, and has revised its grant coding system to better track diversity, equity and inclusion-themed grants. Its strategic and responsive grantmaking with diversity, equity and inclusion at the center continues to be strong with a focus on youth and community voices. The Endowment has maintained a prominent national leadership role in the D5 Coalition and Racial Equity in Philanthropy Group.

> *TCE realizes that [diversity and inclusion] are not simple issues but we have to call them out if we are serious about addressing them. I am impressed by our Board and leadership's interest in keeping the issues of diversity in the mix of our decision making.*
>
> *- Board Member*

> *I don't think that there are many organizations like TCE out there as far as living and embodying diversity in its staffing and grantmaking.*
>
> *- Executive Leader*

SPR

Framework for Assessment

SPR has developed a framework, which guides our assessment of The Endowment's progress in implementing the 15 goals in its Diversity Plan. This framework, presented in Figure I-1, identifies and defines the three key **institutional support areas** that influence the quality of the foundation's work in diversity and inclusivity. These areas include:

- Developing a **shared vision** of the Foundation's diversity work which involves building institution-wide awareness, understanding, and endorsement of the organizational mission to promote diversity.

    - *Components of shared vision include:* organizational readiness, conceptual clarity, collaboratively derived vision, comprehensive framework (e.g., assumptions and underlying theories, concrete examples of how applicable to current work), clear and ongoing communication of vision; and understanding of value-added of DEI.

- Ensuring an **authorizing environment** to support diversity and inclusivity, which involves creating permission to talk about and engage in diversity-related work with the foundation's backing as leverage for social change.

    - *Components of authorizing environment include:* visible and committed leadership, authorizing organizational culture, clear and consistent communication of strategies and operationalization of vision, and grant monitoring, accountability mechanisms, and reward structures.

- Establishing adequate **organizational capacity,** which involves creating and maintaining appropriate *organizational policies, procedures and systems* to implement the work.

    - *Components of organizational capacity include:* adequate financial and human resources, internal communication mechanisms, diversity indicators and benchmarks, and institution-level funding criteria and systems of accountability.

This framework was derived from a wealth of literature on organizational change and diversity, as well as SPR's direct knowledge of critical foundation practices to advance diversity grantmaking principles.

In addition to the three areas identified above, we also reported on The Endowment's progress in the areas of (a) **diversity data tracking and reporting**; (b) **strategic grantmaking focus on diversity and inclusivity;** and (c) **philanthropic leadership**.

I love that [diversity] is an on-going point of discussion at the Board level. I also appreciate the goal to influence philanthropy by setting the standard.

- Board member

I've seen The California Endowment program staff go to great lengths to navigate situations that arise when advancing issues of diversity, equity, and inclusion. For instance, acknowledging that LGBT students experience racism and homophobia within their own respective racial communities and making sure that a safe environment is provided for youth to participate in [Building Healthy Communities] activities, events, groups, etc.

- Program staff

SPR

**Figure I-1. Framework for Benchmarking the Foundation's Progress
on Diversity and Inclusivity Goals and Outcomes**

SPR
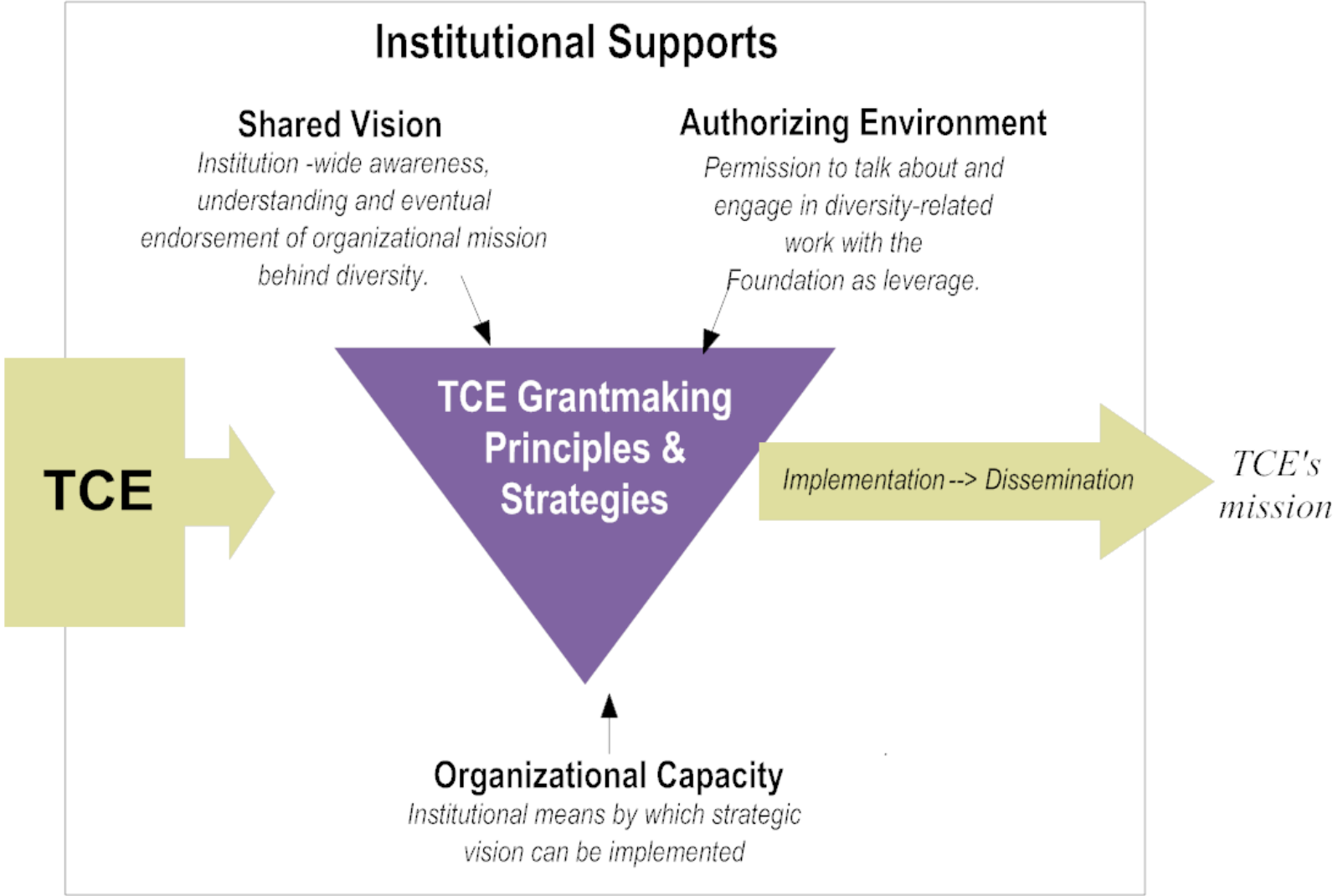
Summary of Assessment Results

Overall, the organizational diversity audit found that The Endowment is making notable progress in most of the goals, with ratings of "excellent" in the six goals and "good" in four goals, including (1) creating an *authorizing environment* through its diverse Board and executive leadership*, (2)* building *organizational capacity* by recruiting diverse board and staff*,* establishing a $120 million socially responsible impact investing strategy, managed by minority- and woman-led investment firms; (3) continuing to develop a *strategic grantmaking focus on diversity,* and (4) displaying visible *philanthropic leadership.* Through implementation of the goals and action steps of the TCE Diversity Plan, we found substantial evidence that there is strong, visible, and committed leadership that is creating an **authorizing organizational culture** to engage in intentional **grantmaking** that has diversity, equity and inclusion at its center. This is particularly true in TCE's strategic focus on its health equity and "drivers of change" framework, place-based work, the implementation of the Boys and Men of Color initiative.

In addition, TCE has devoted a substantial amount of time and resources to becoming a credible **leader in the philanthropic field**, primarily through TCE's CEO/President Dr. Robert Ross's visible role as the founding Chair of the D5, a five-year coalition to advance philanthropy's diversity. Further, multiple TCE leaders' from the Chief Operating Officer, to senior VPs, to regional program directors and evaluation managers, to the grant administration manager are speaking and engaging in peer exchanges at a variety of funder venues sponsored by the Council on Foundations, Grantmakers in Health, and other philanthropic affinity groups, and regional grantmaking associations to share best practices in increasing diversity in philanthropy.

While TCE has shown noticeable progress in key areas, there are also some areas that showed little movement since the last audit. Figure 2 shows that six goals showed "some" progress. Interview with key leaders and the staff benchmarking survey surfaced several issues in implementing and/or developing diversity policies and practices. One staff member aptly summarized TCE's strengths and the areas that need more attention:

> *To stay committed, we will need staff whose job it is to move an internal and external strategy. We also have a wealth of excellent resources among our community partners in this work. We need strong capacity support to build staff muscle on these issues. Equally, we must invest in strengthening the leadership, viability and power and overall capacity of social justice organizations that are led by people of color and other marginalized communities. We should be bold in supporting policy and systems change efforts that are explicitly about equity and inclusion, and we need a strong communications partnership that is* LED *by people of color and other marginalized communities.*

Overall, TCE does an outstanding job of advancing the issues of diversity, equity and inclusion. [TCE] is one of the more forward thinking organizations that I have had the privilege to work on diversity. There is a thoughtfulness, intentionality and fairly high level of sophistication in TCE's understanding and strategy development around diversity that is generally lacking in the field.

- *Program Staff*

SPR

Internal to TCE, a number of staff recommend that TCE to endorse and find adequate time for diversity training to engage *all* staff, particularly non-program staff in trainings and conversations around issues of diversity, equity and inclusion in their work. Although operational staff may not directly engage in grantmaking, there is recognized value in their in-depth understanding of DEI as they may interact with grantees in one form or another on an administrative level. Specific to performance measures, staff noted that TCE needs to be clearer about "cultural competence" performance indicators to reflect TCE's work in programming and in operations. Moreover, the Endowment can provide more clarity on what "demonstrates respect for TCE's diversity goals" means and in this process, increase internal recognition of staff's contribution to diversity to the same level as the external recognition they receive. Finally, TCE need to examine the effect of the departure of Program manager for Equity and Diversity. How are staff who have been assigned new duties advancing the Diversity Action Plan while balancing their current workload? Who is accountable for ensuring attention to goals where no or some progress is reported? Figure I-2 provides a summary of our ratings of TCE's progress on the 15 goals laid out in the TCE Diversity Plan as they relate to creating (1) shared vision, (2) authorizing environment, and (3) building TCE's organizational capacity in staffing, data tracking, and grantmaking.

> *[To advance our work around diversity], our leaders [need] to articulate and prioritize human values—cooperation, mutual support, personal development, and ethical behavior—as a way to achieve diversity, equity, and inclusion. Emphasize that we get our internal and external faces in synch, so we don't just talk and write about equity/inclusion, but we practice it from the custodial staff to the CEO.*
>
> *- Program Staff*

Similar to our findings from previous audits, a number of areas remain where the foundation has made some progress, but should continue to focus upon:

1) Continue to ensure that TCE's Diversity broad-based vision, definition of diversity, and Diversity Plan are shared and understood throughout the organization.

2) Create the space for staff-wide trainings and dialogue to examine the implications of the multiple and intersecting definitions of diversity, equity and inclusion on TCE's work internally and externally.

3) Further develop and clarify diversity-related performance indicators for managers and staff and internally provide more recognition for their contributions within diversity, equity and inclusion.

4) Track and analyze TCE's investment in capacity building of minority-led organizations and engage in more experimental partnerships with local grassroots organizations working within the communities and regions supported by TCE, particularly in the Central Valley.

5) Schedule annual executive meetings to systematically review and discuss action steps based on the diversity and staff benchmarking data and implications for TCE's policies and action internally and externally.

In the remainder of this third annual TCE Diversity Audit Report Card, we present key elements of our assessment of The Endowment, including (1) actions taken to date to achieve the objectives of the TCE Diversity Plan, (2) SPR's assessment of progress relative to best practices in the field and the expectations that TCE has set forth, and (3) recommendations for additional steps for TCE to take.

Figure I-2. Summary of the 2013 TCE Report Card Ratings

Progress

Diversity Plan Goals [Diversity Goals have been reorganized by major categories.]	No	Some	Good	Excellent	Comments (for some/no progress)
Shared Vision					
1. Adopt and publicly disseminate a clear diversity statement.		▬			Refresh the Diversity Plan and expand the definition of diversity
Authorizing Environment					
2. Engage Board of Directors in endorsing an organizational Diversity Plan.				▬	
3. Include diversity measures in the performance goals for the CEO and other managers.		▬			No changes to the performance measures since last report, and the Program Manager of Equity & Diversity position remains vacant.
Organizational Capacity					
4. Review and make changes to personnel policies and procedures to ensure compliance with all relevant laws and regulations on employment nondiscrimination and employee benefits.		▬			Continue annual negotiations for benefits and set timeline for decision on how to proceed (either with insurer or through self-insurance).
5. Identify & implement a plan for additional staff orientation and training on racial equity issues.		▬			Trainings planned but hadn't occurred yet at the time of the audit.
6. Ensure compliance with accessibility requirements of ADA & promote language access.		▬			Need additional review of language accessibility of published (online) materials, as well as general review of TCE website.
8. Conduct proactive outreach and recruitment for diverse candidates for Board, management and staff positions.			▬		
12. Review and make changes to contracting policies and promote diversity in contracting.			▬		
13. Explore, review and consider socially responsible investments and diversity among investment managers.				▬	
Data Tracking, Analysis, and Reporting					
7. Develop and adopt diversity indicators for Board, management and staff; collect baseline data; implement a publicly report.				▬	
9. Continue collecting and documenting diversity-related information about applicants and grants, especially populations/communities served.		▬			Need to increase the frequency of diversity data collection, Increase response rate to a reliable level, and use of analysis.
10. Share information about grantmaking with philanthropy affinity groups upon request.			▬		
Strategic Grantmaking Focus on Diversity					
Develop a strategic grantmaking focus on diverse communities and address themes of diversity, inclusion, social justice and equity.				▬	
Philanthropic Leadership					
11. Collaborate with philanthropy peers to develop and implement standardized diversity indicators for applicant/grantee organizations.			▬		
14. Evaluate and disseminate best practices regarding increasing diversity in philanthropy.			▬		
15. Support adoption of best practices by peer foundations.				▬	

SPR

Figure I–3: Summary of TCE Board and Staff Diversity
(June 2013)

Category	Latino	White	Black	Asian	Pacific Islander/ Native Hawaiian	Native American/ Alaskan Native	2 or more races
TCE Board % (2009)	23%	26%	32%	8%	5%	5%	0%
TCE Board % (2011)	23%	27%	30%	13%	7%	0%	0%
TCE Board % (2013)	18%	35%	18%	6%	0%	6%	18%
Executives (2009)	42%	29%	29%	0%	0%	0%	0%
Executives & VPs % (2011)	42%	25%	33%	0%	0%	0%	0%
Executives & VPs % (2013)	39%	33%	11%	6%	0%	0%	11%
Directors % (2009)	21%	43%	17%	19%	0%	0%	0%
Directors % (2011)	33%	40%	13%	7%	0%	0%	7%
Directors % (2013)	40%	30%	10%	10%	0%	0%	10%
All TCE Staff % (2008)	26%	36%	14%	21%	0%	1%	1%
All TCE Staff % (2011)	32%	31%	11%	21%	1%	1%	3%
All TCE Staff % (2013)	27%	32%	10%	21%	2%	0%	8%
CA State-wide % (2012)	38%*	39%	7%	14%	0.5%	1.7%	3.6%
National Foundations % (2009)	4%	85%	7%	2%	N/A	0.50%	N/A
National Foundation Boards % (2009)	5%	87%	7%	4%	0%	0.05%	0%
National Foundation Executives % (2012)	4%	88%	4%	3%	0%	0.50%	0%

TCE Category	Gender		Sexual Identity				Person with Disability	Immigration Generational Status			Age					
	Male	Female	Hetero-sexual	Gay	Bisexual	Lesbian		1st	2nd	3rd	18-25	26-35	36-45	46-55	56-65	66-75
Board	59%	41%	94%	0%	0%	6%	0%	6%	28%	28%	0%	0%	6%	24%	41%	29%
Executive & VPs	56%	44%	94%	6%	0%	0%	0%	25%	6%	44%	0%	6%	44%	44%	6%	0%
All TCE Staff	36%	64%	91%	6%	3%	0%	2%	29%	26%	28%	2%	28%	35%	23%	10%	2%

Shared Vision

Goal	Progress	Assessment	Recommendations
1. Adopt and publicly disseminate a clear statement of support for diversity in philanthropy as a measure of philanthropic effectiveness, including operations and grantmaking	• In May 2013, the Board of Trustees approved a revised *California Endowment Statement of Values.* In this statement, the values of **diversity, inclusion, equity, respect, and community** were identified as those that are integral to advancing TCE's mission to building healthy communities. (See Appendix A)	The formal adoption and public dissemination of the TCE Diversity Statement in 2008 signified an important first step in developing a shared vision of diversity within TCE. Since the 2011 audit, follow-up action on the audit recommendations has been uneven across the goals. Internally, staff's feedback suggests some areas for further work to establish a shared vision at TCE. • Staff feedback shows a desire to expand the definition and the focus of diversity efforts to be more inclusive within the organization. Figure II-1 shows while TCE demonstrates a high level of commitment to race/ethnicity, more attention could be paid to other dimensions of diversity. • Until the departure of the Program Manager of Equity and Diversity in June of 2012, the Diversity Workgroup met a few times from 2011-2012 and continues to meet in 2013 to work on data collection mechanisms. Subsequently, key recommendations from the last 2010 audit report still need to be addressed. Key recommendations are relisted in the recommendation column. • Staff continues to express a desire to have staff-wide conversations around the shared values and definition of diversity.	• ***Expand the definition of diversity to encourage attention to other relevant dimensions of diversity:*** people with disabilities, gender, class, LBGTQ, along with race and ethnicity (Latinos). • ***Reframe Goal 1 of the Plan to attend to both the external <u>and</u> internal dissemination of TCE's diversity plan***: *"Disseminate a clear statement and definition of diversity as a measure of philanthropic effectiveness, including operations and grantmaking."* • ***Continue to engage the TCE staff on an ongoing basis and in organization-wide discussions at all levels of the organization*** to ensure that a shared vision, commitment, and common definition of diversity exist across TCE departments.
		Some Progress	

SPR

Figure II-1.

N = 131[4]

In the field of philanthropy, The California Endowment has demonstrated commitment to promoting and addressing issues related to the following:

Category	Strongly Disagree	Disagree	Agree	Strongly Agree
Ethnic or racial diversity	1%		31%	68%
Socioeconomic class	2%	5%	48%	45%
Diversity in sexual orientation	2%	8%	57%	32%
Gender diversity	2%	11%	53%	35%
Disability	7%	29%	49%	15%

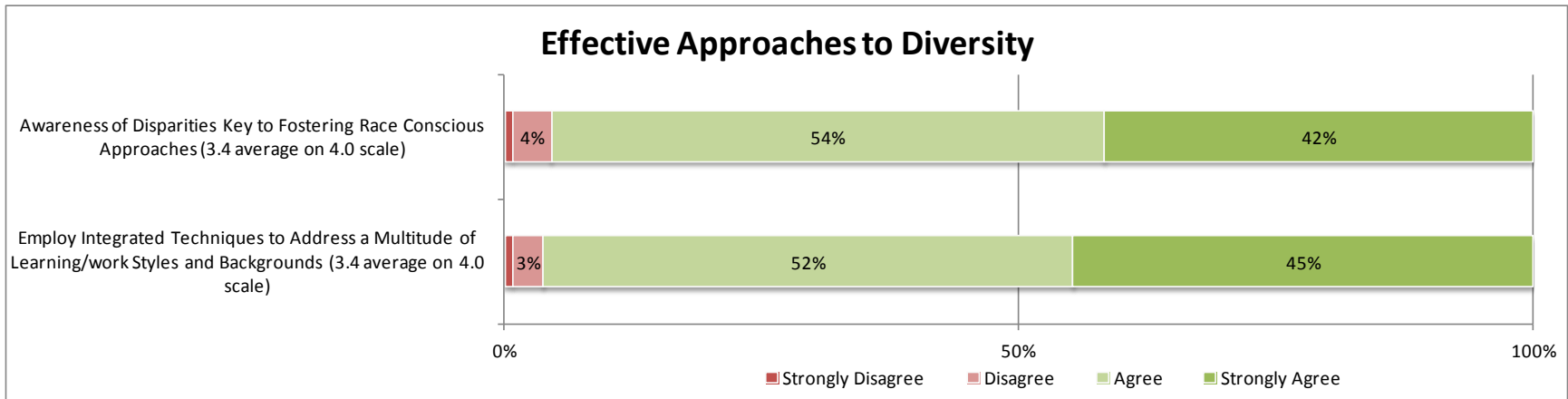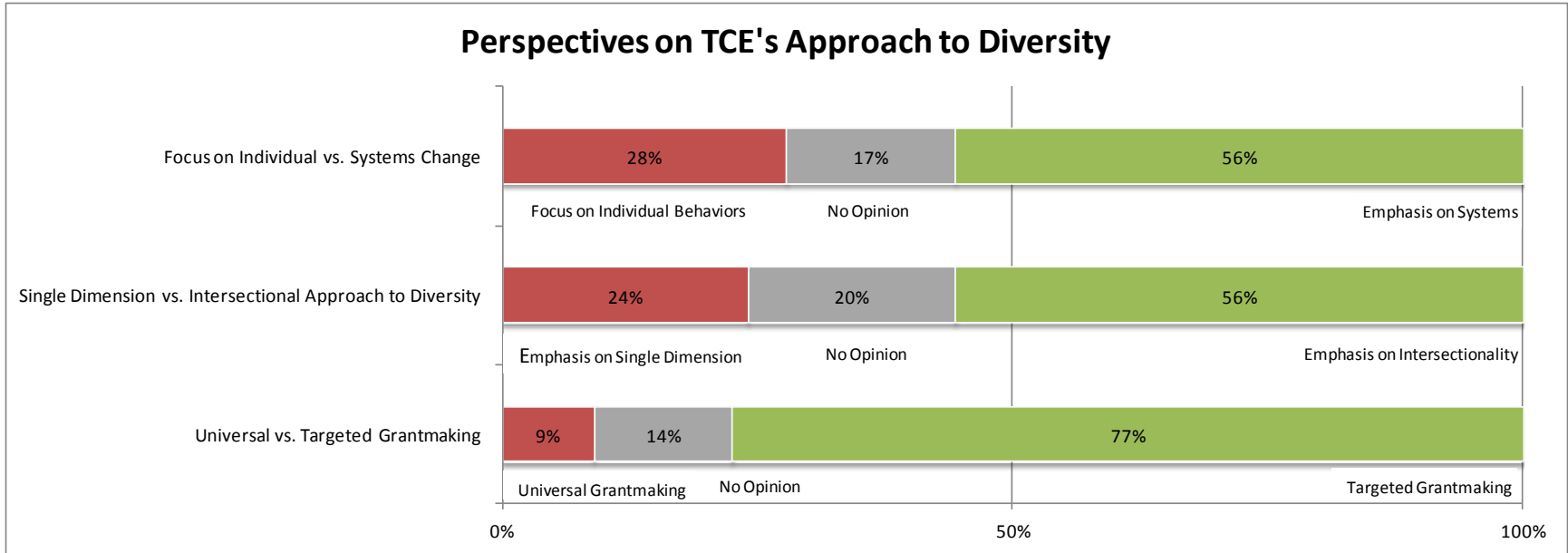■ Strongly Disagree   ■ Disagree   ■ Agree   ■ Strongly Agree

---

[4] All graphs and tables include survey data from staff and Board unless otherwise noted

SPR

Authorizing Environment

Goal	Progress	Assessment	Recommendations
2. Engage Board of Directors/ trustees in endorsing an organizational Diversity Plan	• The Audit findings will be presented at the 2013 August Board Meeting. • The Staff Benchmarking Survey shows that staff is more likely to agree or strongly agree that TCE promotes approaches that emphasize (1) systems change (56%); (2) "intersectional" analysis of multiple dimensions of diversity (56%), and (3) "targeted universalism"[5] (76%). Additionally, almost all staff (96%, 97%) believes that awareness of disparities is key to fostering race conscious approaches and integrated techniques are key to addressing varied learning/work styles and backgrounds. (See Figure II-2.)	The Board, CEO and executive leaders' strong and visible endorsement of diversity indicate their significant role in establishing an **authorizing environment** with visible commitment from top-level leadership. **Board members** rated TCE's progress in advancing diversity, equity and inclusion (DEI) highly. Representative comment include**:** • *I am impressed by our board and leadership's interest in keeping the issues of diversity in the mix of our decision making.* • *Diversity is an on-going point of discussion at the Board level. I also appreciate the goal to influence philanthropy by setting the standard.* **Senior-level staff** has also expressed feeling authorized by the Board and CEO to conduct diversity activities in their work and departments. In response, **staff** attributed TCE's noticeable progress in diversity to leadership from the top, specifically, the Board, Dr. Ross, and senior VPs, and the existence of strong language and practices around diversity and inclusion throughout TCE. All serve to legitimize the staff's work related to diversity.	• *Adopt an updated Diversity Plan with special attention to Goals 1, 2, 4, 5, and 6* • *Rather than wait every 2-3 years, provide <u>yearly</u> updates to the Board and staff on the progress of implementing the Diversity Plan*, particularly on data gathered through the staff benchmarking survey.
Excellent Progress			

---

[5] "Targeted universalism" is defined as dispensing from using universal strategies (policies that make no distinctions among citizens' status, such as universal health care) to achieve universal goals (improved health) to using targeted strategies to reach universal goals.
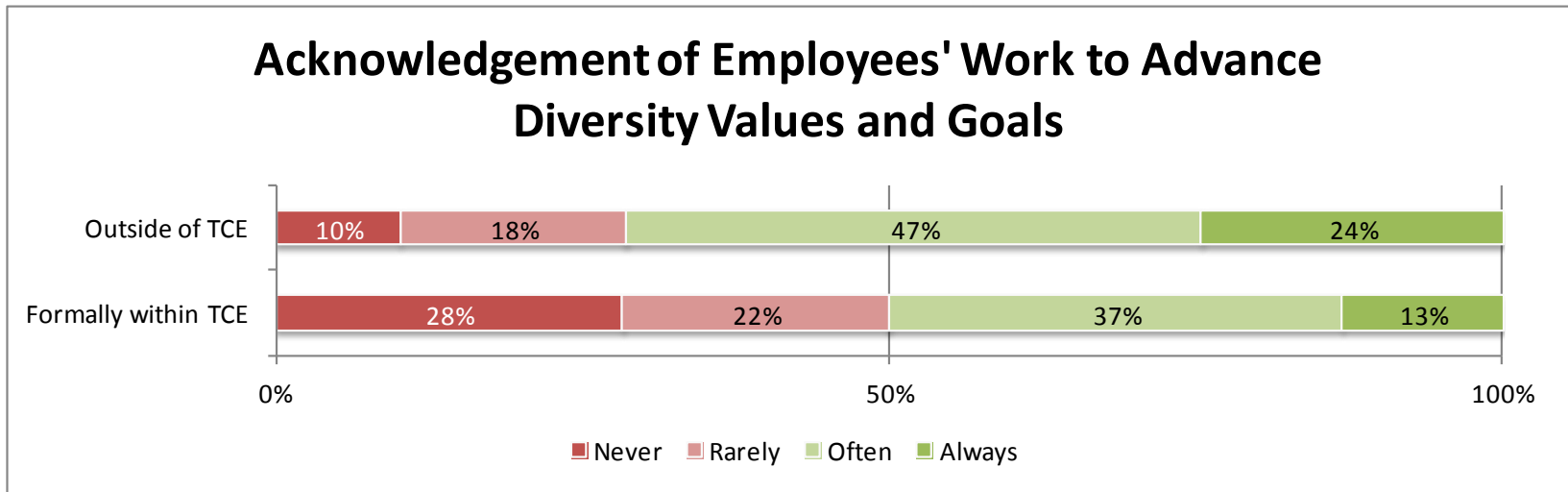
SPR

Figure II-2.

Perspectives on TCE's Approach to Diversity

Focus on Individual vs. Systems Change
| 28% | 17% | 56% |

Focus on Individual Behaviors — No Opinion — Emphasis on Systems

Single Dimension vs. Intersectional Approach to Diversity
| 24% | 20% | 56% |

Emphasis on Single Dimension — No Opinion — Emphasis on Intersectionality

Universal vs. Targeted Grantmaking
| 9% | 14% | 77% |

Universal Grantmaking — No Opinion — Targeted Grantmaking

0% — 50% — 100%

Effective Approaches to Diversity

Awareness of Disparities Key to Fostering Race Conscious Approaches (3.4 average on 4.0 scale)
| 4% | 54% | 42% |

Employ Integrated Techniques to Address a Multitude of Learning/work Styles and Backgrounds (3.4 average on 4.0 scale)
| 3% | 52% | 45% |

0% — 50% — 100%

■ Strongly Disagree ■ Disagree ■ Agree ■ Strongly Agree

SPR

Authorizing Environment (cont.)

Goal	Progress	Assessment	Recommendations
3. Include diversity-related performance measures in the performance goals for the CEO, program officers, and operations managers.	• The FY2012-2014 **CEO Goals** prioritized conducting a diversity assessment every three years to show change over time. (Goal 1: Institutional Value includes "Diversity and Inclusion benchmarking excellence scorecard") • As reported on the last audit report, the current manager **performance evaluation has a measure on diversity** ("demonstrates respect for TCE's diversity goals" as well as to "creates an inclusive work environment"). • The **Program Manager of Equity and Diversity** was accountable for the diversity plan, regular audits, and grantmaking in equity and diversity. Upon her departure in June 2012, the grantmaking portfolio and other roles and responsibilities were distributed among 11 staff at TCE.	The existence of performance goals and measures for the CEO and managers is a significant indicator of an organization's commitment to taking action on diversity goals and values. As noted in the progress indicators in the preceding column, while the CEO continues to strongly continue to hold his performance and TCE accountable to DEI goals, other indicators show limited forward progress. For example, efforts to tie an accountability or a reward structure to job descriptions and performance reviews show that this is an area for further attention. • **Acknowledgement for diversity efforts seems to be stronger from outside the foundation than from within**. The survey shows 71% of staff report that their work to advance diversity is more often acknowledged outside the organization. This contrasts to 50% within TCE. (See Figure II-3) Feedback from senior executive leaders urge TCE to be more explicit in elevating diversity performance measures: *There are a handful of [questions] on paper among 60 performance goals. But as a factor to weigh performance, it is not that high. There is an assumption at The Endowment we work on these things and we will continue to do well compared to most foundation and institutions. I wouldn't say it is as explicit as it could be.* • **With the departure of the Program Manager for Equity and Diversity, staff have noted an uneven**	• *Make more explicit diversity performance goals and measures at all levels of TCE and across departments.* More measures can be tied to managers and staff's cultural competency. • *Ensure that staff is informed adequately on what "TCE's diversity goals" are* for them to assess if managers "demonstrates respect for TCE's diversity goals." • *Examine the impact of the vacancy of the Program Manager Equity and Diversity* and consider finding a replacement or ensuring a tighter level of coordination of the distributed responsibilities and adequate time for staff to devote to these additional responsibilities. • *As new staff members are hired, ensure that current efforts build on institutional memory and historical efforts* (e.g., the LGBTQ Cultural Competency Plan).

SPR

		focus on advancing the 15 goals within the Diversity Plan. A formal way for TCE to track its progress in DEI was through the accomplishments of the Program Manager for Equity and Diversity. However, without a dedicated position and the portfolio responsibilities widely distributed, staff expressed a concern that it makes TCE's progress harder to track. Following is a representative staff comment:	
		Management must stay committed to this work internally and externally. TCE has some of the most [intelligent] and experienced staff around this work. We can and should be a leader in our field. To stay committed, we will need staff whose job it is to move an internal and external strategy.	
Some Progress			

Figure II-3.

Acknowledgement of Employees' Work to Advance Diversity Values and Goals

	Never	Rarely	Often	Always
Outside of TCE	10%	18%	47%	24%
Formally within TCE	28%	22%	37%	13%

Organizational Capacity

Goal	Actions	Assessment	Recommendations
4. Review and make appropriate changes to personnel policies and procedures to ensure compliance with all relevant federal, state and local laws and regulations on employment nondiscrimination and employee benefits	• Through negotiations with multiple insurers, continued to explore viability of offering health benefits for gender reassignment medical procedures to transgender employees.	The HR Department has been in ongoing negotiations with major insurance carriers to offer additional benefits for gender reassignment. The department has been authorized to pay additional premiums to cover the cost, but the insurers have not yet agreed to write the policies. The HR Department is now examining whether TCE can self-insure for gender-reassignment procedures while retaining its current coverage for other benefits. TCE continues to review HR policies annually, but no employment discrimination laws have changed since the previous audit.	**HR Department:** • **Consider developing a timeline** to commit either to the self-insurance option or identify another viable insurance carrier to cover gender reassignment benefits. • **At some point consider taking out Goal #4** and adding it to a new "Diversity Measures to Revisit (to Ensure Legal Compliance)" list.
Some Progress			

Organizational Capacity (cont.)

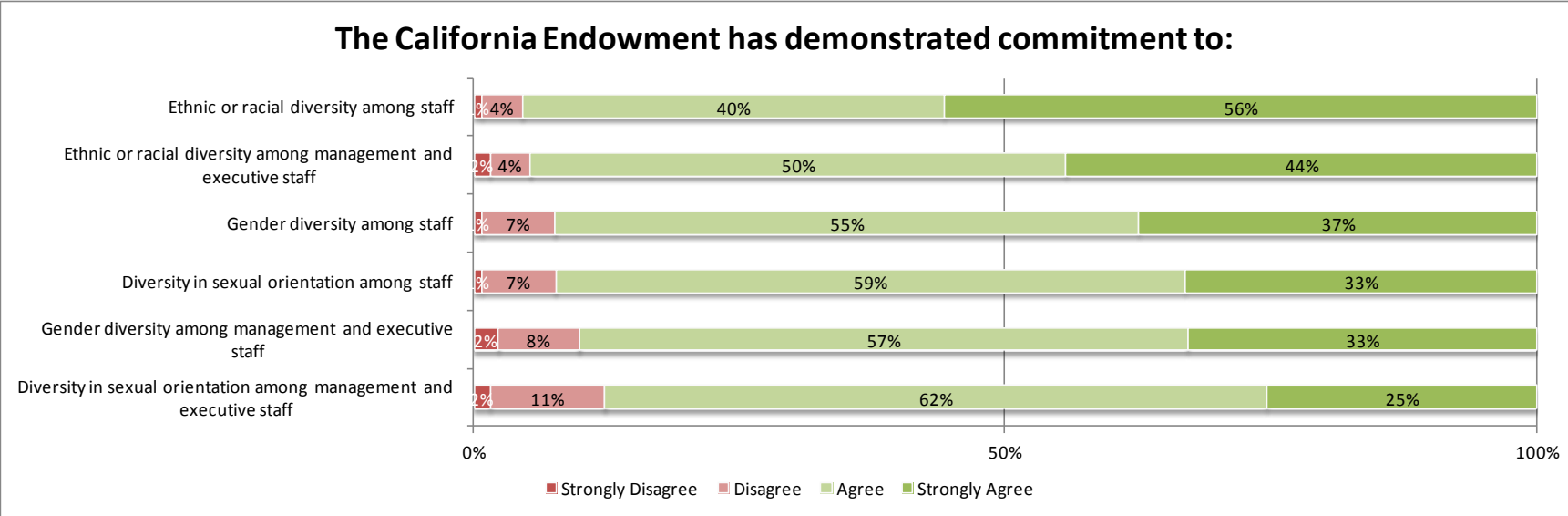| Goal	Progress	Assessment	Recommendations
5. Identify and implement a plan for any additional staff orientation and training on racial equity issues	• Under the leadership of the Chief Learning Officer, the **Strategy Learning Implementation Meeting (SLIM)** sessions occurred in Fall 2011, using a leadership-style inventory assessment. These sessions strived to promote program managers as change agents and collaboration across differences. • The Staff Development Workgroup was formed and proposed a **training series on diversity, equity and inclusion**. The first training by Ken Hardy will focus on power and privilege. Other topics will include LGBT issues and immigration status. • The Director of Program Quality and Effectiveness provides a 6-hour orientation to new program staff on the essentials of strategic philanthropy, grant-related feedback and coaching. Although not a main topic, health equity is talked about as the DNA of the organizational work.	As the training by Ken Hardy was scheduled to occur on June 18, we are not able to fully assess the outcomes of staff training on racial equity issues. However, members of the Staff Develop Workgroup noted that for these trainings to be more effective, there needed to be (1) **additional top-level support** for staff development in interpersonal skills that support inclusion and dialogue and (2) **more involvement of operational staff** in staff development activities focused on diversity and inclusion to build a higher level of cultural competency across the organization. Interestingly, numerous operation staff expressed interest in participating in trainings and exchanges that have been exclusive to program staff. Institutional barriers (e.g., how TCE is organized, multiple offices across CA, the amount of time required of staff to participate in the training) were cited as the main reason why the training series took almost a year to launch.	• *Expand orientation and training beyond racial equity issues.* Reframe to focus more broadly on the intersection of multiple "diversity, equity and inclusion" issues. • *Creating more space for reflection and sharing*: Staff recommends that TCE continues to create the space for reflection and the exchange of ideas and strategies on diversity, equity and inclusion in the day to day work and shares best practices with staff and leadership as way to continue organizational learning and development. • *Share work of grantees internally to engage all staff*: Staff recommended using forums such as staff meetings and including staff who are not in the field or a part of the program teams, to invite grantees to share their stories so that all at TCE hear how TCE has impacted and improved their communities.
		Some Progress	

Organizational Capacity (cont.)

Goal	Actions	Assessment	Recommendations
6. Ensure compliance with accessibility requirements of the Americans with Disabilities Act for all offices and implementation of best practices for accessibility of communications formats (e.g. website accessibility for persons with visual & physical disabilities, appropriate translations of materials in other languages, etc.)	• Facilities and Events Department solicited user input to inform accessibility upgrades throughout TCE facilities. • Facilities and Events Department continues to make Assisted Listening Devices and Translation Headsets available to users (including those with visual impairments). • Facilities and Events Manager attends Building Owners and Managers Association (BOMA) annual conference to stay abreast of best practices in ADA compliance.	TCE continues to take intentional steps to ensure that visitors to its facilities (including its employees) are able to have a safe, comfortable experience. Moreover, The Endowment has continued to make advancements in its communications efforts, particularly through its revamped website. At the time of the previous audit, the Communications Department had integrated translations of a number of materials into the website. However, SPR's review of the new template reveals difficulties in accessing links to translated materials (with the exception of the "La Salud Empieza Aqui" site, which was challenging to find on the home page). Further, even as The Endowment supports a host of communities speaking many languages throughout California, the home page does not display any links to translations of the website. Finally, the website does not readily accommodate visually impaired visitors, nor does it follow a number of best practices for an accessible website (as laid out by the U.S. Department of Health and Human Services). Examining accessibility is particularly important as the 2012 TCE Diversity Benchmarking Survey revealed that 37 percent of staff and Board members did not agree that The Endowment had demonstrated a commitment to promoting and addressing issues related to disability.	• *Review the website and other public communications media for accessibility to translated information*. Consider expanding translations to cover key portions of website material, based on: 1) Most frequently visited pages. 2) Materials deemed most critical to understanding TCE's work with communities. • *Review and implement best practices for web content accessibility highlighted by government and non-profit sources.* One helpful resources is the American with Disabilities Act "Web Page Accessibility Questionnaire for Component Web Contacts without Technical Assistance Material" (available at http://www.ada.gov/508/web 2.htm).
Some Progress			

Goal	Progress	Assessment	Recommendations
8. Conduct proactive outreach and recruitment for diverse candidates for Board, management and staff positions.	• TCE continues to use a matrix approach to assessing TCE's goals for Board candidate recruitment. As a result, since the last audit, TCE has **added Native American and two LGBT Board Members.** TCE has never had an openly gay member of the Board of Trustees and has paid attention to this because both the Board and staff recognized that this was an area that needed attention. • A Greenlining Report review of 48 major foundations shows that TCE has the most diverse board in the U.S., with 67% of the board composed of people of color. • TCE has added four new sources for job announcements to recruit diverse candidates (e.g., Association of Black Foundation Executives, Native Americans in Philanthropy, Disability Funders Network and LGBT Funders).	See Goal 7 for a breakdown in Board and staff demographics. The CEO noted that there were no changes in executive staff which is a fairly diverse. Staff noted repeatedly on the survey that TCE is one of the most diverse organizations in which they have worked. One staff says, *We probably have one of the most diverse program departments in philanthropy. So that also helps in terms of both understanding equity issues but also in terms of understanding a relationship to these communities.* Further, TCE has external recognition. While the Greenlining board diversity report concluded that board diversity has not changed since 2009, TCE made noticeable progress and is one of six foundations with more than 50% people of color on its Board.	• Continue to increase diversity in gender at the executive level. (See Figure II-4.)
	Excellent Progress		

SPR

Figure II-4.

The California Endowment has demonstrated commitment to:

	Strongly Disagree	Disagree	Agree	Strongly Agree
Ethnic or racial diversity among staff		4%	40%	56%
Ethnic or racial diversity among management and executive staff	2%	4%	50%	44%
Gender diversity among staff		7%	55%	37%
Diversity in sexual orientation among staff		7%	59%	33%
Gender diversity among management and executive staff	2%	8%	57%	33%
Diversity in sexual orientation among management and executive staff	2%	11%	62%	25%

Organizational Capacity (cont.)

Goal	Progress	Assessment	Recommendations
12. Review and make appropriate changes to contracting policies regarding sole source vs. competitive bid contracting, and promote equal opportunity and diversity in contracting and hiring vendors	• In early 2012, TCE revised its DCA and administrative contract policy to be more explicit in its commitment to diversity in contracting. The language highlights TCE's support of disadvantaged, small, minority/women-owned businesses and/or minority-led non-profit organizations and request managers to commit to using diverse Contractors (e.g., race, ethnicity, age, gender, sexual orientation, gender identity, disability and geographic diversity). • TCE has adopted the SPR proposed tool to collect contractor/vendor diversity data on race, ethnicity, gender, and other diversity dimensions that parallels data collected from grant applicants. • TCE renewed its efforts to collect diversity data from potential contractors and vendors in Spring 2013.	TCE's commitment to diversity entails thinking strategically around the process of selecting vendors with a diversity focus and creating opportunities for partnering with organizations that are minority-, woman-, disabled-, veteran-owned, etc. The COO reports no changes to TCE's contracting policies and the data collection effort was launched a month prior to the preparation of this report. The response rate is very low: 19 of 50 responded. The results of this limited data show the following (Attachment 2): • 12% are minority-owned businesses. • 20% are women-owned businesses. • 100% cannot provide more details on the targeted population/communities served than serving the "general public." This is an area that needs more attention—from data collection, selection process, and decisions based on the data.	• Determine how frequently the data collection will be done in the future to whom and when. • Determine how diversity plays a role in different phases of selection (e.g., planning, recruiting, screening, interviewing, and hiring). • Provide samples of RFPs in the Contracts Policy with explicit language around diversity and inclusion. • Determine how diversity data will be used and how the diversity of the applicants might be weighed against other criteria for recruitment or selection. • Determine what standards to use to determine "adequate" diversity in the applicant and hiring pool. • Examine contractor data more carefully to determine what, if anything, The Endowment can do to build the pipeline of diversity. • Determine how this data will be used to inform decision making to ensure the diversification of the TCE vendor pool. Identify benchmarks of diversity (e.g., relative to the broader CA population, diversity of the contractors' field) TCE will use to determine that there is adequate diversity. • Include language on TCE's website of its commitment to promoting diversity among its vendor and contractors. • Continue to build internal staff capacity to administer and analyze the diversity data for decision making.
Good Progress			

Organizational Capacity (cont.)

Goal	Actions	Assessment	Recommendations

13. Explore, review and consider private sector and corporate efforts to promote socially responsible investments and the promotion of diversity among investment managers	• The Chief Investment Officer completed an intensive search process for minority-led and woman-led investment managers, culminating in contracts with seven minority-led firms.
	
	  – The CIO dedicated 30 percent of her time over the course of a year to the search process.
	
	  – The organization identified potential investment managers through a mix of formal consultants and internal input.
	
	• TCE established a $120 million socially responsible impact investing strategy, managed by minority- and woman-led investment firms.
		Prior to this effort, TCE had not previously contracted with any minority-led investment managers (nor any current woman-led firms).
		
		TCE contracted with two consultants to develop a list of minority-led investment managers that met two main criteria: 1) the firm had been in operation for three or more years; and 2) TCE's share of the portfolio would not exceed 10 percent of the firm's total asset size. This aspect of the search process underscored a need for more comprehensive data on active minority investment managers serving the philanthropy field.
		
		Arising out the need for improved data on and access to minority-led firms, the CEO and CIO are working in partnership with American Black Foundation Executives (ABFE) to develop a database of minority investment managers.
		
		The CIO engaged Board members to identify potential candidates. The CIO recalls multiple Board members contacting her directly to express their support for and the importance of this search.
		
		The investment manager search process called attention to a dearth or minority- and woman-led investment firms throughout the country. Multiple interview respondents suggested that the investment and philanthropy sectors might benefit from long-term investments and supports to attract and develop younger people of color in the
			• Maintain regular reviews of TCE investment manager composition. This will be particularly important as The CIO anticipates downsizing TCE's corps of investment firms.
			
			• As impact investing efforts do not fall under the purview of the CIO, consider extracting impact investing from Goal 13 and creating a new step.
			
			• In public communications, make explicit The Endowment's commitment to working with diversity-oriented firms and socially responsible investments.

SPR

		investment field.	
		Under the leadership of COO Kathlyn Mead, TCE developed an impact investing approach centered on FreshWorks , a loan fund designed to increase access to healthy food in underserved areas.	
Excellent Progress			

Data Tracking, Analysis & Reporting

Goal	Actions	Assessment	Recommendations
7. Develop and adopt appropriate diversity indicators for Board, management and staff; collect baseline data and implement and publicly report periodic collection of data	• Introduced a data collection instrument to enable TCE Board and staff members to self-report their demographic backgrounds (administered in 2011 and 2013). • Published results of the *2011 Diversity Audit* on The Endowment website. • Expanded the diversity indicators on the HR Department survey to incoming employees (required for the Equal Employment Opportunities Commission) beyond those required by the Federal government. • Introduced a survey to establish baseline measures of Board and staff members' perceptions and attitudes related to TCE's diversity mission. • Incorporated matrix analysis of Board composition, relative to demographic composition of California.	The 2011 administration of the demographic data collection tool (designed in partnership with an external consultant) allowed The Endowment to establish baseline indicators for diversity of the Board and staff members. Accordingly, the 2013 survey offered a benchmark for progress over the previous two years. This data collection effort has presented an opportunity for the HR Department to engage in targeted staff recruitment, particularly for greater Latino representation (to more accurately reflect the state's composition, as well as respond to a recommendation from the previous Diversity Audit). Publishing the *2011 Diversity Audit* on The Endowment website underscores TCE's explicit, ongoing commitment to serving as a leader in the philanthropy field for diverse, equitable, and inclusive policies and practices. The HR Department is now able to collect a broader range of demographic information as soon as new employees come on board, which allows for tracking of more comprehensive dimensions of diversity, including sexual orientation and more accurate gender identity. This comprehensive benchmarking—spanning all levels and departments at The Endowment—offers a metric of staff and Board perceptions of TCE's commitment to diversity. Further, this analysis provides a foundation from which The Endowment can measure its progress in this area. Analysis of 2013 Staff (and Board) Demographics Survey data reveals a number of representational shifts. Among the staff, much of the racial/ethnic composition of the staff has remained stable, with the exception that the percentage of Latinos dropped to 27 percent (from 32 percent in 2011), and the proportion identifying as two or more races jumped to 8 percent (from 3 percent in 2011).	• Consider administering the self-reporting tool on demographics to the entire TCE staff and Board, on an annual basis. This would allow the organization to maintain a more continuous focus on tracking its composition and responding accordingly to the needs that surface. • Coordinate and streamline data collection activities with the Corporate Secretary and Manager of Board Relations when new board members come on and with the Vice President of Human Resources when new staff are hired. • Utilize 2013 staff and Board survey data to review recruitment and hiring targets for groups whose proportion of the staff population has recently decreased. To take into account those who self-classify as 2 or more races, the audit can also review changes in overall "people of color" percentages.

| | | Similarly, the sexual identity, disability, and age have remained roughly the same, while the representation of women has risen to 60 percent in 2011 to 64 percent. The number of women at the Executive and VP levels increased from 33 percent in 2011 to 44 percent in 2013. Still, it is worth noting that the representation of women at the Board and executive level is out of step with that among the staff at large.

On the Board, the gender composition has remained virtually the same, with 59 percent identifying as men and 41 percent as women. The proportion identifying as white rose to 35 percent from 8 percent, while the proportion identifying as Latino dipped 5 percent from 2011, and percentage identifying as black dropped to 18 percent from (30 percent in 2011). With that said, 2013 marked the first time Board respondents reported two or more races, as 18 percent did so (including 12 percent that included Latino). | |
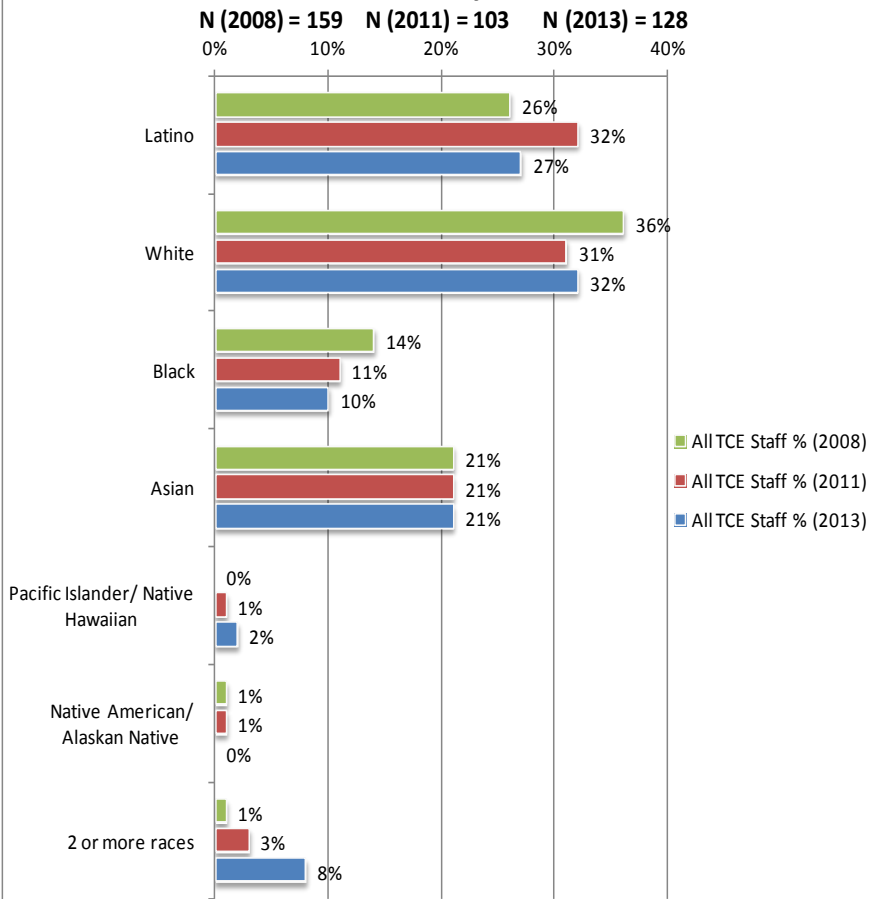| | | **Excellent Progress** | |

Figure II–5: Summary of TCE Board and Staff Diversity (June 2013)

Category	Latino	White	Black	Asian	Pacific Islander/ Native Hawaiian	Native American/ Alaskan Native	2 or more races
TCE Board % (2009)	23%	26%	32%	8%	5%	5%	0%
TCE Board % (2011)	23%	27%	30%	13%	7%	0%	0%
TCE Board % (2013)	18%	35%	18%	6%	0%	6%	18%
Executives (2009)	42%	29%	29%	0%	0%	0%	0%
Executives & VPs % (2011)	42%	25%	33%	0%	0%	0%	0%
Executives & VPs % (2013)	39%	33%	11%	6%	0%	0%	11%
Directors % (2009)	21%	43%	17%	19%	0%	0%	0%
Directors % (2011)	33%	40%	13%	7%	0%	0%	7%
Directors % (2013)	40%	30%	10%	10%	0%	0%	10%
All TCE Staff % (2008)	26%	36%	14%	21%	0%	1%	1%
All TCE Staff % (2011)	32%	31%	11%	21%	1%	1%	3%
All TCE Staff % (2013)	27%	32%	10%	21%	2%	0%	8%
CA State-wide % (2012)[6]	38%*	39%	7%	14%	0.5%	1.7%	3.6%
National Foundations % (2009)	4%	85%	7%	2%	N/A	0.50%	N/A
National Foundation Boards % (2009)	5%	87%	7%	4%	0%	0.05%	0%
National Foundation Executives % (2012)	4%	88%	4%	3%	0%	0.50%	0%

TCE Category	Gender		Sexual Identity				Person with Disability	Immigration Generational Status			Age					
	Male	Female	Hetero-sexual	Gay	Bisexual	Lesbian		1st	2nd	3rd	18-25	26-35	36-45	46-55	56-65	66-75
Board	59%	41%	94%	0%	0%	6%	0%	6%	28%	28%	0%	0%	6%	24%	41%	29%
Executive & VPs	56%	44%	94%	6%	0%	0%	0%	25%	6%	44%	0%	6%	44%	44%	6%	0%
All TCE Staff	36%	64%	91%	6%	3%	0%	2%	29%	26%	28%	2%	28%	35%	23%	10%	2%

---

[6] Source: U.S. Census Bureau (http://quickfacts.census.gov/qfd/states/06000.html)

SPR

Figure II - 6.
Race/Ethnicity of Staff
N (2008) = 159   N (2011) = 103   N (2013) = 128

Race/Ethnicity	All TCE Staff % (2008)	All TCE Staff % (2011)	All TCE Staff % (2013)
Latino	26%	32%	27%
White	36%	31%	32%
Black	14%	11%	10%
Asian	21%	21%	21%
Pacific Islander/ Native Hawaiian	0%	1%	2%
Native American/ Alaskan Native	1%	1%	0%
2 or more races	1%	3%	8%

Figure II - 7.
Gender of Staff
N (2008) = 159   N (2011) = 101   N (2013) = 128

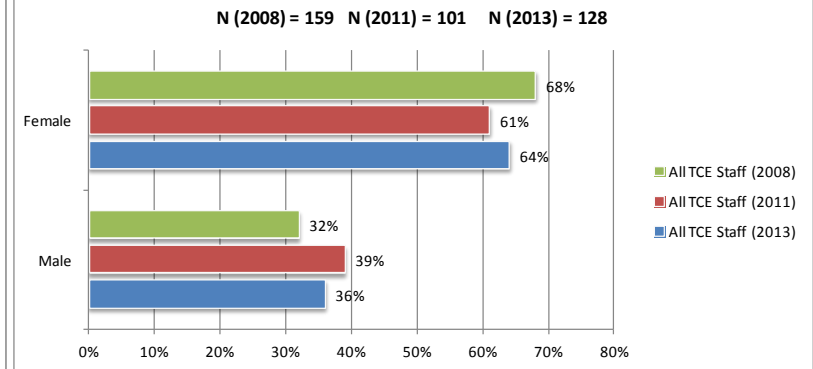| Gender	All TCE Staff (2008)	All TCE Staff (2011)	All TCE Staff (2013)
Female	68%	61%	64%
Male	32%	39%	36%

SPR
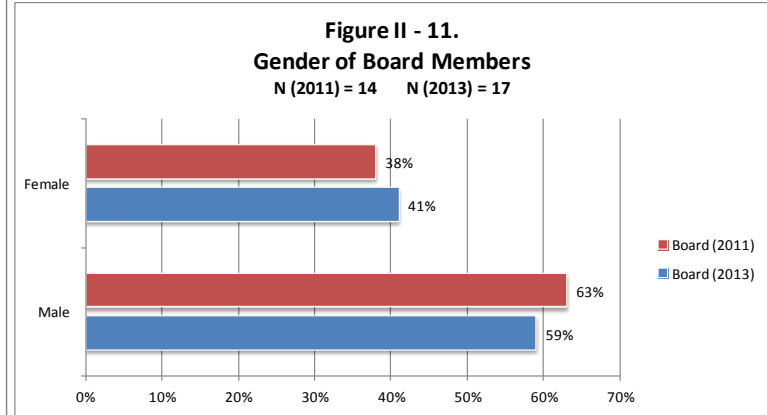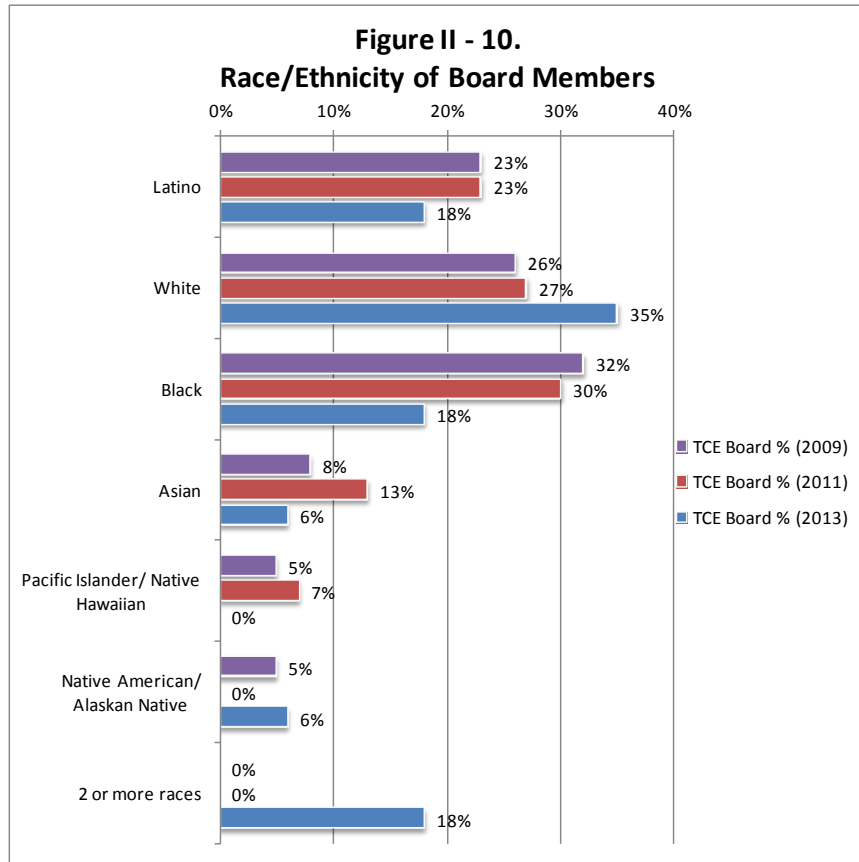
Figure II - 8.
Race/Ethnicity of Executives, Directors and VPs

Latino
- Executives (2009): 42%
- Executive & VPs (2011): 42%
- Executives & VPs (2013): 39%

White
- Executives (2009): 29%
- Executive & VPs (2011): 25%
- Executives & VPs (2013): 33%

Black
- Executives (2009): 29%
- Executive & VPs (2011): 33%
- Executives & VPs (2013): 11%

Asian
- Executives (2009): 0%
- Executive & VPs (2011): 0%
- Executives & VPs (2013): 6%

Pacific Islander/ Native Hawaiian
- Executives (2009): 0%
- Executive & VPs (2011): 0%
- Executives & VPs (2013): 0%

Native American/ Alaskan Native
- Executives (2009): 0%
- Executive & VPs (2011): 0%
- Executives & VPs (2013): 0%

2 or more races
- Executives (2009): 0%
- Executive & VPs (2011): 0%
- Executives & VPs (2013): 11%

Legend:
- Executives (2009)
- Executive & VPs (2011)
- Executives & VPs (2013)

Figure II -9.
Gender of Executives, Directors and VPs

Female
- Executives and VPs (2011): 40%
- Executives and VPs (2013): 44%

Male
- Executives and VPs (2011): 60%
- Executives and VPs (2013): 56%

Legend:
- Executives and VPs (2011)
- Executives and VPs (2013)

SPR

Figure II - 10.
Race/Ethnicity of Board Members

Legend:
- TCE Board % (2009)
- TCE Board % (2011)
- TCE Board % (2013)

Categories and values:
- Latino: 23%, 23%, 18%
- White: 26%, 27%, 35%
- Black: 32%, 30%, 18%
- Asian: 8%, 13%, 6%
- Pacific Islander/ Native Hawaiian: 5%, 7%, 0%
- Native American/ Alaskan Native: 5%, 0%, 6%
- 2 or more races: 0%, 0%, 18%

Figure II - 11.
Gender of Board Members
N (2011) = 14   N (2013) = 17

Legend:
- Board (2011)
- Board (2013)

- Female: 38%, 41%
- Male: 63%, 59%

Sources:

Figures for 2010 and 2011 were derived from Equal Employment Opportunity data and the board and staff diversity survey administered in April 2011.

http://www.cof.org/files/Bamboo/programsandservices/research/documents/09foundmanagesurvey.pdf

http://foundationcenter.org/gainknowledge/research/pdf/ca_diversity_2009.pdf

2010 Census: California Profile. Accessed June 2013. http://www2.census.gov/geo/maps/dc10_thematic/2010_Profile/2010_Profile_Map_California.pdf

Council on Foundations 2012 Salary and Benefits Survey.

*Hispanic or Latino (defined by US Census as any race)

Goal	Actions	Assessment	Recommendations
9. Continue collecting and documenting diversity-related information about applicants and grants, especially populations/ communities served	• Program staff continued to review diversity-related information about grant applicants as part of review and monitoring processes. • Greg Hall, Director of Program Quality and Effectiveness, convened a Coding Workgroup to reexamine diversity indicators utilized for data collection from grant applicants. The Workgroup paid particular attention to intersections of gender and sexual orientation. • Communications Department published a report containing 2012 diversity data on TCE grantmaking on The Endowment website.	TCE continues to demonstrate competency and initiative in gathering information about grant applicants and the populations and communities they serve. Through strong leadership from its program, evaluation, and grants administrative staff, The Endowment has continued to refine and deepen its data collection practices related to grantmaking. In convening the Coding Workgroup, the organization manage, systematize, and categorize more effectively its data collection process, not just for grantmaking, but throughout TCE. For example, all surveys administered at TCE now place transgender and gender non-conforming response items under the gender category, and not sexual orientation. The Coding Workgroup also marks a critical step, as it brought multiple executive and management-level personnel across departments together to effectively endorse tracking diversity-related data as a high priority within The Endowment. Within the past year, TCE published its most recent data analysis of grant applicants on its website, thereby reinforcing its commitment to comprehensive diversity and creating a sense of accountability for inclusive grantmaking. For all the encouraging developments in this area, the low grantee survey response rate from grant applicants has been a point of concern. According to a key program staff member, the survey response rate for grant applicants has not exceeded 30 percent. This low yield presents two particularly challenging implications: (1) there is insufficient information	• ***Develop coordinated strategy to increase the response rate for grantee diversity surveys.*** Consider requirements and/or inducements that can be integrated into the grants review process in order to achieve a higher yield. This might include: — A commitment to making reporting mandatory (at least for grantees receiving awards), and a necessary exploration of the legal viability of this approach. — A review of the best timing for data collection, such as tying it to the application process, requiring it at the point of finalizing the grant agreement, or at the submission of final grant reports. If TCE decides to wait collect data from grantees, as trade-off is losing information on applicants vs. grantees. TCE needs to decide if it values (and will use) applicant information as an

Goal	Actions	Assessment	Recommendations
		available to draw meaningful conclusions; and (2) as one staff member indicated, the lack of representative data to describe TCE's dollar flows could result in external mandates on how they need to invest: *The implications are that if we cannot demonstrate that we are funding communities of color …the obvious assumption by those who are interested in [the data] is that communities of color are not being funded and therefore there should be regulation of how that money is being directed.* One Regional Program Manager described a need for professional development around coding grantee data. As the coding scheme has developed, there is still confusion around how to categorize grantee work and characteristics with consistency. For example, some program staff members have had difficulty distinguishing between organizations serving targeted populations and general service organizations that happen to serve certain populations primarily as a function of location. The Program Manager believes the staff needs training around this and other situations to ensure that each person follows the same protocol for coding data.	organization. • ***Convene the Coding Workgroup to shift focus from redevelopment redefinition of codes to developing coding protocol.*** Accordingly, train program staff on formalized coding protocol, to ensure departmental consistency and accuracy of data.
Some Progress			

Data Tracking, Analysis & Reporting (cont.)

Goal	Actions	Assessment	Recommendations
10. Continue sharing appropriate information about grantmaking (e.g., number and description of grants serving specific populations/communities) to philanthropic affinity groups upon request.	• The Communications Department—in conjunction with the Grants Administration Manager—established The Endowment website as a hub for sharing grantmaking information with the general public (including philanthropic affinity groups). — Published a report containing up to date diversity data on TCE grantmaking. — Introduced Grant Finder, an online database that allows any visitor to search for awarded grants. — Listed the 14 Building Healthy Communities places, complete with links to each place's unique program website. • Established Grants Administration Manager Dolores Estrada as the primary contact for external data requests	Rather than scrambling to identify available human resources to respond to grant information on request on a regular basis, TCE dedicated resources to establishing a systematic channel to display data on grant awards. The Grant Finder database is prominently linked on The Endowment website, and offers an automated search feature that is user-friendly for even the most casual visitor to the site. Within the past year, TCE increased the frequency of its database updates from quarterly to monthly, thereby expanding the accessibility of grantmaking data. For external inquiries about grantmaking that circumvent the automated system, the Grants Administration Manager serves as the primary contact, and refers more complex requests to the appropriate grant maker.	• **Develop a protocol to update grantmaking diversity data on an annual basis**, to allow for greater fluency in decision making and benchmarking.
Good Progress			

Strategic Grantmaking Focus on Diversity

Goal	Progress	Assessment	Recommendations
Strengthen a strategic focus of grantmaking on serving diverse populations and communities and to address themes of diversity, inclusion, social justice and equity.	• TCE continues to exemplify its commitment to diverse grantmaking through the Building Healthy Communities (BHC) initiative, a $1 billion initiative which provides in-depth and sustained investments to 14 geographic regions facing extreme health disparities. As one staff member says: *[BHC] is our vehicle for our long-term vision of raising the social determinants of health, which is about equity, which is about diversity.* • Based upon a review of grants awarded. TCE has awarded over 100 grants totaling $18 million to support diversity-related programs and capacity-building since 2010. • As part of the Building Healthy Communities campaign, TCE has incorporated several indicators focusing explicitly on specific groups. For example, TCE targeted to increase awareness of ACA's health benefits among Latinos to 55%; awareness among Latinos now stands at approximately 68%. • TCE's Boys and Men of Color (BMOC) initiative has	TCE's grantmaking exhibits a strong commitment to supporting a broad and diverse range of communities. However, support for LGBTQ issues and populations hit a record low of $147,500 in 2010.[7] Several key staff reported that programs they support often include LGBTQ communities into their grants, but previous coding schemes and strategies have limited the extent to which LGBTQ grants are captured and reported. Additionally, there is a strong awareness that a significant portion of TCE's grant dollars are awarded to non-BHC sites and majority-led organizations due to lack of capacity in localities. Senior leaders recognize that there needs to be a better strategic plan, benchmarks and timeline established to transition and fully fund minority-led	• *Add a new Diversity Plan goal to reflect TCE's strategic and responsive grantmaking in diversity, equity and inclusion.* • *Increase funding for LGBTQ issues and populations*. Require that a certain percentage of grants are allocated to support explicitly LGBTQ participation in advancing TCE's work in BHC sites and statewide. • *Conduct a thorough, retrospective 5- to 10-year grant analysis* using new coding systems to accurately capture TCE's DEI grantmaking trends and patterns. • *Establish benchmarks associated with minority-led capacity-building grants.* • *Hold annual executive level meetings to engage the CEO, COO and senior VPs to review the diversity data collected* from

---

[7] Zelermyer, Karen. "Insitutionalizing an LGBTQ-Inclusive Equity Agenda at the California Endowment." January 2013.

SPR

Goal	Progress	Assessment	Recommendations
	transitioned from a separate program to a core priority that has been fully integrated into the BHC initiative. • In July 2012, TCE hosted the inaugural BMOC Summer Enrichment Camp, bringing together 115 boys and young men of color from TCE's 14 BHC sites to discuss themes of race and leadership. Due to its success, TCE will host its second BMOC Summer Enrichment Camp in August 2013. • In response to youth voices in BHC sites, TCE provided critical financial resources for polling, research, media, and logistics to catalyze school discipline reform on a statewide and local level. Overall, 10 bills were introduced to the California legislature, 7 passed, and 5 signed into law. • TCE demonstrated its ability to provide context-relevant grants focusing on specific populations. For example, TCE provided sponsorship for Boyle Heights' first Gay Pride Parade hosted in April 2013. In addition, TCE supports programs such as the Women's Policy Institute and training of promotores. • TCE commissioned an outside consultant to assess that status of The Endowment's LGBTQ inclusivity, which included levels of grants awarded to LGBTQ organizations and populations.	organizations within BHC sites, especially in the Central Valley. Recommendations from the Staff Benchmarking Survey included: • *TCE should be at the forefront of promoting and supporting Latino-led and focused organizations and leaders.* • *An intentional plan for aligning our staff, leadership and work more closely with the needs of Latinos, especially new immigrants.*	grantee demographics, grant coding, dollar amounts going to minority-led organizations and diverse communities served by specific grants, board and staff diversity, vendor/contractor diversity. • ***Determine criteria for action for lack of progress*** (e.g., building capacity and support for minority-led organizations). • ***Increase grantmaking to the Latino community as well as Latino-led organizations.*** A strong disparity has been identified by a senior VP between Latino population representation in California and TCE vs. grants awarded by TCE. • ***Hold TCE accountable for diversity and inclusivity outcomes*** by ensuring that the evaluation of the Strategic Plan, Drivers of Change, and Health Equity Framework identify specific outcomes and indicators in this area.
Excellent Progress			

Philanthropic Leadership

Goal	Progress	Assessment	Recommendations
11. Collaborate with philanthropy peers to develop and implement standardized diversity indicators for applicant/grantee organizations (e.g. organization's current constituent/client demographics; populations/communities served by the grant; staff, volunteer and Board demographics; etc.)	• TCE continues to be at the forefront of the D5 effort, which is a coalition of 17 organizations representing thousands of foundations established to make further progress on promoting DEI in philanthropy. • Through D5, the Foundation Center developed a pilot system for collecting and tracking diversity information on foundation staff. It is in conversation with regional associations and others about strategies to pilot the system with their members. • The Foundation Center is also working with three regional associations to develop regional studies in conjunction with piloting the national data collection system.	The engagement of both regional associations and affinity groups in the conversation about data collection standardization is an indication that a more integrated approach to strengthening the field's capacity to develop clear and consistent data on its contributions to DEI. TCE has been doing much work in this area over the past couple of years internally and is ripe to share with work with national workgroups.	• Continue to participate and share TCE's work with the Foundation Center's advisory committee on diversity metrics to develop a universal coding system of target population and demographics of grantees. • Continue to participate in field conferences to promote TCE's diversity audit process. • Continue to participate in Racial Equity in Philanthropy Group – a learning community of foundation peers engaged in embedding diversity in the operations of their foundations.
Good Progress			

SPR

Philanthropic Leadership (cont.)

Goal	Progress	Assessment	Recommendations
14. Evaluate and disseminate best practices regarding increasing diversity in philanthropy	D5 commissioned research on organizational culture as it relates to DEI within philanthropy was designed and distributed. Three projects were selected for support: • An exploratory study of the professional trajectories of philanthropy professionals of color and the structural factors of philanthropic organizations that promote greater management diversity • An analysis of the intersection between foundation DEI practice and grantee DEI practice and potential outcomes. A practical potential outcome is a set of recommendations about how foundations could use interactions with grantees as opportunities to reinforce the positive diversity outcome. • An assessment of an approach to facilitate the deep engagement of a set of foundations in a specific community intended to identify tipping points of where/when/why practices change among foundations. Outcomes could include the exploration of a relationship-based model for regional associations that is based on work in Indian country.	The 2013 TCE Diversity Audit represents an opportunity to engage in evaluation activities to assess the Foundation's progress.	• Conduct more frequent grant analyses to assess (1) whether grantees' composition reflects to the populations that their grants serve, and (2) the follow through of TCE's diversity principles and values in the outcomes achieved for diverse populations. (See also our recommendation under the "Strategic Grantmaking" discussion.
Good Progress			

Philanthropic Leadership (cont.)

Goal	Progress	Assessment	Recommendations
15. Support adoption of best practices by peer foundations, including dissemination to regional associations of grantmakers, Council on Foundations, Diversity in Philanthropy Project, philanthropic affinity groups, Independent Sector, and other key stakeholders	• Dr. Robert Ross continues to co-chair Diversity in Philanthropy Project, which engages many prominent and key philanthropic stakeholders. His leadership is more crucial than ever with a sizeable shift in CEOs leaving key partner leadership organizations participating in D5. • Through TCE support of D5, a consulting team conducted a scan of existing diversity, equity and inclusion policies and practices and develop a mechanism to vet those that are most effective across a range of institutional types began its work and has scanned the external public profiles of hundreds of foundations on their stated DEI policies and practices. They produced an interim literature review of current DEI resources and approaches to inform their framework and identify gaps. • The consulting team is now working closely with the D5 staff, the regional associations, Joint Affinity Groups and others to surface and assess additional resources and approaches and to identify foundations to serve as mini-case studies. • Multiple TCE leaders' from the Chief Operating Officer, to senior VPs, to regional program directors and evaluation managers, to the grant administration manager are speaking and engaging in peer exchanges at a variety of funder venues sponsored by the	Through leading by example and philanthropic peer engagement by the CEO, COO, and other key leaders at TCE, The Endowment can share with colleagues its development and adoption of best practices in a number of areas: (1) board recruitment practices; (2) improved data collection tools and system for board, staff, grantee, vendor/contractor demographic data, (3) grant coding systems for diverse populations and types of grantees, and (4) progress in finding and investing in socially responsible investments; (5) grantmaking with an equity and diversity frame. In addition, as CEO turnover occurs, TCE can share lessons in institutionalizing diversity values, goals, and practices (through effective board recruitment and engagement).	• Share the Foundation Diversity Policies and Practices Toolkit as an example of learning from peers and sharing with colleagues in philanthropy to promote organizational change. • As leaders in the philanthropy field, work with ABFE to develop communications campaign to publicize synthesis of minority investment manager database. • Continue to support staff at all levels to engage with peers in grantmaking and operational practices that promote diversity and inclusion within a foundation.

	Council on Foundations, Grantmakers in Health, and other philanthropic affinity groups, and regional grantmaking associations to share best practices in increasing diversity in philanthropy. For example, the Director, Healthy Communities of the North Region, Evaluation Manager presented TCE's BHC work and Health Equity Framework at Grantmakers in Health, and participated in REPG discussions. In addition, the Manager of Grants Administration has engaged in efforts to share and engage externally on coding.		
Excellent Progress			

THE CALIFORNIA ENDOWMENT'S
COMMITMENT TO DIVERSITY AND INCLUSIVENESS
April 2008

Since its inception, The California Endowment has placed a high value on diversity and inclusion. We define diversity in broad terms to include race, ethnicity, age, gender, sexual orientation, disability, as well as geographic diversity. We believe that diversity and inclusion are essential to organizational effectiveness and excellence, and that services are enhanced when organizations are reflective of communities being served. As such, The Endowment will continue to raise issues of inclusion and promote diversity in our grant making and operational activities.

Our commitment to diversity is reflected in the composition of our staff, management, and Board of Directors. We also are committed to using diverse vendors, contractors and consultants, and promoting equal opportunity through our business transactions. We will strive to make our facilities and communications accessible to all.

Because of The Endowment's commitment to diversity in California, staff will pursue opportunities to discuss issues related to diversity and inclusion with grantees and applicants. Staff will take every opportunity to constructively engage in efforts to assist grantees and applicants to better serve the needs of California's diverse communities. As appropriate, applicants seeking funds from The California Endowment will be asked to provide information related to governance, management, staff and volunteer composition in the interest of encouraging diversity and inclusion whenever possible. Finally, The Endowment will participate in and support efforts of our peer funders to increase diversity and inclusion in the field of philanthropy.

SPR

DIVERSITY[1] PLAN

1. Adopt and publicly disseminate a clear statement of support for diversity in philanthropy as a measure of philanthropic effectiveness, including operations and grant making.
2. Engage Board of Directors/Trustees in endorsing/supporting an organizational Diversity Plan.
3. Include diversity-related measures in the performance goals for the CEO and other managers, as appropriate.
4. Review and make appropriate changes to personnel policies and procedures to ensure compliance with all relevant federal, state and local laws and regulations on employment nondiscrimination and employee benefits.
5. Identify and implement a plan for any additional staff orientation and training on racial equity issues.
6. Ensure compliance with accessibility requirements of the Americans with Disabilities Act for all offices and implementation of best practices for accessibility of communications formats (e.g., website accessibility for persons with visual and physical disabilities, appropriate translations of written materials in other languages, etc.).
7. Develop and adopt appropriate diversity indicators for Board, management and staff; collect baseline data and implement and publicly report periodic collection of data.
8. Conduct proactive outreach and recruitment for diverse candidates for Board, management and staff positions.
9. Continue collecting and documenting diversity-related information about applicants and grants, especially populations/communities served.
10. Continue sharing appropriate information about grant making (e.g., number and description of grants serving specific populations/communities) to philanthropy affinity groups upon request.
11. Collaborate with philanthropy peers to develop and implement standardized diversity indicators for applicant/grantee organizations (e.g., organization's current constituent/client demographics, populations/communities to be served by the grant, staff, volunteer and Board demographics, etc.).
12. Review and make appropriate changes to contracting policies regarding sole source vs. competitive bid contracting, and promote equal opportunity and diversity in contracting.
13. Explore, review and consider private sector and corporate efforts to promote socially responsible investments and the promotion of diversity among investment managers.
14. Evaluate and disseminate best practices regarding increasing diversity in philanthropy.
15. Support adoption of best practices by peer foundations, including dissemination to regional associations of grantmakers, Council on Foundations, Diversity in Philanthropy Project, philanthropy affinity groups, Independent Sector, and other key stakeholders.

---

[1] "Diversity" should include, at a minimum, race, ethnicity, age, gender, sexual orientation, and disability, as well as geographic diversity.

SPR

Appendix B:
Methodology for Assessment

The basis for our assessments and ratings came from three major sets of evaluation activities. These include: (1) gathering and reviewing foundation board and staff demographics, policies, and communication tools; (2) conducting interviews with 18 key TCE leaders; and (3) analyzing key documents and reports to analyze TCE's grantmaking and external activities in diversity and inclusivity. Figure B-1 summarizes these assessment activities and elaborates on key respondents and sources for our analysis.

Figure B-1. Summary of Methodology for Diversity Audit and Assessment

Assessment Activity	Description	Respondents and Key Sources
Review of Policy, Demographics and Communications Inventories	Reviewed formal foundation policies, governing documents, and communications materials and website. TCE provided detailed demographic diversity tables, filed to the Equal Employment Opportunity (EEO) Employer Report of their staffing. We critically assessed where race, ethnicity, gender, class, sexual orientation, etc. were considered in the development and implementation of foundation recruitment, hiring, human resources, contracting, investment policies and practices, and communication tools. These provide a basis for assessing the extent to which a shared vision, and authorizing environment has been created to building TCE's organizational capacity to sustain diversity and inclusivity in the foundation's work.	• 2008 Updated Diversity Statement and TCE Diversity Plan • CEO's FY 2012-2014 Performance Goals • TCE Organizational Values Statement May 2013 • TCE Goals Report April 2013 • Human Resource documents: new hire diversity form • 2012 Employee Handbook • Performance Review Forms – Supervisory and Non-supervisory • Diversity Workgroup Memo • Transcripts of Dr. Ross' speeches • Profile of Advocacy Progress • Applicant Diversity Data • Grantee and Applicant Perception Reports • TCE Grant coding scheme July 2012 and GIFTS Data Extractor May 2012 • HHH Overview of Funded Strategies, Case Studies, and Promotores Model

SPR

- School Discipline Case Study

- Rockefeller Philanthropy Progress Reports and Work Plan

- BMOC Best Practices, Fact Sheets, Health Advocacy Backgrounder, Outcomes and Indicators, and Select Committee Plans and Overview

- LGBTQ-Inclusive Equity Agenda at TCE 1/2013 – K. Zelermyer

- TCE Main website

- Direct Charitable Activity Contract (DCA) and Administrative Grants Policy

| TCE Staff Interviews | Conducted interviews with TCE leaders to understand efforts made since the 2010 Diversity Audit and their assessment of progress to date relative to the Diversity Plan goals. Interview questions used the framework of shared vision, authorizing environment, and organizational capacity. | 18 TCE executives and senior staff Robert K. Ross, M.D., President and Chief Executive Officer B. Kathlyn Mead, Executive Vice President, Organizational Effectiveness & Chief Operating Officer Anthony Iton, M.D., J.D., Senior Vice President, Healthy Communities Daniel Zingale, Senior Vice President, Healthy California Brytain Ashford, J.D., Vice President, Human Resources Dan C. DeLeon, Vice President and Chief Financial Officer Jim Keddy, Vice President and Chief Learning Officer Ruth Wernig, CFA, Chief Investment Officer Sandra Witt, Director, Healthy Communities South Region Beatriz Solis, PhD, Director, Healthy Communities North Region |

SPR

	— Greg Hall, Director of Program Quality and Effectiveness
	— Ray Colmenar, Senior Program Officer
	— Mona Jhawar, Evaluation Manager
	— Dolores Estrada, Manager of Grant Administration
	— Anne-Marie Jones, Director, Center for Healthy Communities
	— Charles Fields, Regional Program Manager
	— Sue Ko, Events Manager
	— Dianne Yamashiro-Omi, former Senior Program Officer, Equity and Diversity
Surveys	• TCE Staff Demographic survey
	• TCE Staff Diversity Benchmarking survey
	• Vendor Survey