

**Get It Right:**

**5 Shifts**

**Philanthropy Must Make Toward An Equitable Region**

If we want to transform our region, we need to realize the region won't change unless philanthropy does. Can we revitalize philanthropy's vision, boost its ambitions, and update how we contribute to a region sustained by equitable systems? We must urgently confront existential challenges—income and racial disparities, convergent large-scale climate disasters, and woefully inadequate housing and infrastructure—with a coordinated and long-term response. We must eliminate inequitable structures, policies, and practices and advance opportunities to generate security, healing, and new possibilities for those currently living on the margins.

Northern California harbors some of the most extreme economic inequality in the nation. The expansion of the global technology sector—and the staggering individual wealth it generates for a few—has continued, with exponential wealth increases for some paralleled by largely preventable destitution and death for far too many. The intersecting crises of 2020—a global pandemic, a stark racial reckoning, climate-related wildfires, and threats to our democracy—have illuminated repercussions of unaddressed extreme inequities. If the philanthropic sector neglects these, it will squander a once-in-a-lifetime opportunity to build a region where everyone flourishes.

**“Advancing racial equity is the defining challenge of our generation of philanthropy...and this analysis provides a roadmap to action.”** –Dwayne S. Marsh, President and CEO, Northern California Grantmakers

**Bay Area Inequality by the Numbers**



Nearly 1 in 4 Black and Native American residents live in poverty<sup>1</sup>



of employed Latinx immigrants live below the poverty line<sup>2</sup>

**1.3 million** Bay Area residents have less than **\$400**<sup>3</sup> in savings

Median studio rent **\$25,800**  
 Pretax median wage **\$35,241**

The annual rent for a studio apartment was \$25,800; service workers earned a pretax median wage of \$35,241 annually<sup>4</sup>



The top 10% of Bay Area earners make 8x more than the bottom 10%<sup>5</sup>

<sup>1</sup> "An Equity Profile of the Nine-County San Francisco Bay Area Region," National Equity Atlas, 2017.

<sup>2</sup> Ibid.

<sup>3</sup> Daniel Schneider, Benjamin Bowyer, Jacob Leos-Urbel, and Jamie Austin, "Taking Count: Poverty, Insecurity, and Privilege in the Bay Area," Tipping Point Community and UC Berkeley's Centering & Belonging Institute, July 30, 2020.

<sup>4</sup> Sarah Bohrs and Tess Thorman, "Income Inequality in California," Public Policy Institute of California, January 2020.

<sup>5</sup> 2021 Silicon Valley Index, Joint Venture Silicon Valley, February 16, 2021.

# A Way Forward

To chart a course toward a more caring, connected, equitable region powered by the sector, The David and Lucile Packard Foundation supported a unique partnership between Northern California Grantmakers (NCG) and Open Impact to produce this report. *Get In Right: 5 Shifts Philanthropy Must Make Toward an Equitable Region* identifies the shifts philanthropy—particularly, foundation board members and trustees, CEOs and Executive Directors, and individuals of high net worth—must make in this moment of opportunity. It lifts up practices that a powerful subset of regional philanthropic leaders employs. It demonstrates that, if well-resourced, these practices will transform the lives of individuals and families with low incomes, those held back by discrimination and systemic racism, and all who struggle to realize safety, dignity, and belonging in this place of tremendous wealth.

**This is a time for bold vision and action.** Northern California donors and institutions can align resources and propel changes that close racialized wealth gaps and establish conditions for regional vibrancy and communal well-being. Funders can start by embracing the effective practices in this report. Emergent from research and distilled by experienced philanthropic practitioners working in solidarity with local communities, many of these strategies are not new. However, they have yet to be broadly adopted due to entrenched ways of working, status quo mindsets, and widespread inertia in the philanthropic sector. We can no longer afford inaction. We must pursue what evidence indicates will take us toward equitable recovery and shared prosperity. Our efforts must:

## 1. CENTER COMMUNITY

Decision-makers involve those closest to problems, engage diverse communities in governance, and apply a strong racial justice frame of analysis/decision-making.

## 2. FOCUS ON SYSTEMS

Holistic approach focused on underlying root causes alongside direct services.

## 3. ADVANCE COLLECTIVE ACTION

Funders collaborate to develop robust collective strategies and approaches, actively working in concert with those driving change in other sectors.

## 4. LEVERAGE CAPITAL

Funders are realistic about the scale of the problem, understand the catalytic and risk-capital role of philanthropic dollars, and organize diverse capital sources, including their endowments, resources of peer foundations, the private sector, and government.

## 5. UPDATE PRACTICES

Internal funder practices center on diversity, equity, and inclusion (DEI); funders follow trust-based and inclusive grantmaking practices; they demonstrate urgency while deploying funds, with an understanding of long-term systems change.

## A Call to Action

Shifting philanthropy's outmoded ways of working is the challenge that will define the sector in the coming decade. Committing to transform our region means that everyone rolls up their sleeves and puts the good of the whole—a shared vision of inclusive regional prosperity and well-being—above individual organizational mandates and missions. This requires funders to embrace new narratives of possibility and inclusive decision-making, invoke new mental models, shift organizational and sector culture, change default behaviors, and make bolder, more generous and community-responsive commitments. . . and act on them. This report's case studies demonstrate that in this moment of

reinvention, nonprofits—especially those led by and serving BIPOC populations—have already moved from addressing symptoms to shifting systems. It's time philanthropy joined them.

“We've had a 'philanthropic wake-up call' of sorts as our communities and world have been upended - with COVID and our long overdue racial awakening. It's philanthropy's 'moment of truth.'” —Irene Wong, Director, Local Grantmaking Program, The David and Lucile Packard Foundation