



CITY COUNCIL

Darryl Moore
Councilmember District 2

CONSENT CALENDAR
June 13, 2006

To: Honorable Mayor and
Members of the City Council

From: Councilmember Darryl Moore
Councilmember Maxwell Anderson

Subject: Recognizing the Dramatic Philanthropic Divide Between Minority-led Nonprofits
and Non-minority-led Nonprofits

RECOMMENDATION:

That the Berkeley City Council adopt a resolution recognizing the dramatic philanthropic divide between minority-led nonprofits and non-minority-led nonprofits.

BACKGROUND:

In 2002, foundations granted over \$30 billion to nonprofit organizations in the U.S. Just five years earlier, foundation giving totaled \$16 billion. This rapid growth has benefited numerous organizations and causes, however; giving to communities of color has not kept pace with overall increases in philanthropic support. Findings from a study released by the Applied Research Center show that grants to communities of color fell from a peak of nearly 10 percent in 1998 to 7 percent in 2001, representing a potential loss of \$486 million annually in support for minority communities (Pittz, 2004).

Foundation Center data from 2003 illustrates this trend has continued. African Americans received 1.6 percent of total grantmaking; Latinos received 1.2 percent; Asian/Pacific Islanders received 0.5 percent; Native Americans received 0.5 percent; and general ethnic and other racial minority groups received 4.1 percent of total grant dollars (The Foundation Center, 2005). In total, only 8 percent of grants from the nation's largest foundations directly reached, benefited, or otherwise served ethnic and racial minorities in 2003.

This data demonstrates very low levels of foundation giving to communities of color. Building on this research, this study attempts to quantify foundation giving to minority-led organizations to determine the extent to which foundations support ethnic communities to develop strong

nonprofit organizations that serve their community and advocate for their interests within the public discourse.

(Excerpt from Greenlining Institute (2005). Fairness in Philanthropy Part I: Foundation Giving to Minority-Led Nonprofits. <http://www.greenlining.org/uploads/pdfs/1202122910-Foundation1.pdf>)

FINANCIAL IMPLICATIONS:

None

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Resolution of the City Council of the City of Berkeley Recognizing the Dramatic Philanthropic Divide Between Minority-led Nonprofits and Non-minority-led Nonprofits

WHEREAS, minority ethnic groups compose nearly a third of the entire United States population; and

WHEREAS, recent studies by the Greenlining Institute and Applied Research Center on the top fifty independent and community foundations by total giving in 2002 revealed that independent foundations awarded only **3 percent** of grant dollars and **4.3 percent** of grants to minority-led organizations; community foundations awarded only **3 percent** of grant dollars and **2 percent** of grants to minority-led organizations; and

WHEREAS, African-Americans received **1.6 percent** of total grant-making, Latinos received **1.2 percent**, Asian/Pacific Islanders received **0.5 percent**, Native Americans received **0.5 percent**; and general ethnic and other racial minority groups received **4.1 percent** of total grant dollars; and

WHEREAS, in total, only **8 percent** of grants from the nation's largest foundations directly reached, benefited, or otherwise served ethnic and racial minorities in 2003; and

WHEREAS, minority-led nonprofit organizations empower communities by ensuring that those who speak for the community are also from the community they represent; and

WHEREAS, minority-led nonprofit organizations are vital to ensuring that specific minority interests and concerns are addressed within the public sphere and provide a training ground for minority involvement in public policy and governance decisions; and

WHEREAS, foundations' tax exemptions are funded by tax payers, the majority whom are people of color in California.

WHEREAS, ethnic groups will represent two-thirds of California's population by 2025

NOW, THEREFORE, BE IT RESOLVED that the Berkeley City Council hereby urge independent and community foundations to effectively support communities of color and foster leadership development in minority-led organizations.