

Interview: Emmett D. Carson, Ph.D.

INTRODUCTION

Emmett D. Carson, Ph.D., Silicon Valley Community Foundation CEO and President, is a widely known leader in the fields of organized philanthropy and charitable giving research. He has served on the staffs of the Joint Center for Political and Economic Studies and the Ford Foundation, and more recently The Minneapolis Foundation where he was chief executive officer for 12 years. Dr. Carson is a past board chairman of the Council on Foundations and one of the foundation field's leading experts and advocates on diversity and inclusivity among other issues.

Our interview with Dr. Carson was conducted by Diversity in Philanthropy Project Director and Lead Consultant Henry A. J. Ramos in January 2008 at the Silicon Valley Community Foundation's Mountain View, CA headquarters office.

We encourage readers of this important interview to share their thoughts and reactions by writing to us at info@diversityinphilanthropy.org.

DPP: What does diversity mean in the 21st century and why is the topic important to organized philanthropy?

Carson: Well, I make a distinction between diversity and inclusiveness. I think of diversity as counting - how many of what group is placed where in the institution's or field's work? I think of inclusiveness on the other hand as having something to do with organizational or sector-wide influence and power. Foundations are often leery of talking about power, but we have it and by extension we have influence. We have organizational structures in which people have power and influence in the decisions we make - whether they're the board or the staff. Both representation and influence are important considerations in this area; so, I think it's essential for us to talk about both diversity *and* inclusiveness. It is about counting at one level, but it's also about addressing the question of who's making decisions, which is a related but different question. It's a "both-and," not an "either-or" calculation.

DPP: So what is your opinion then about the best ways for private foundations nowadays to enhance their diversity and inclusiveness profile and performance?

Carson: Well, first, let me talk about what I think we've tried. And, then, let me talk about where I think we still have to go. I think we've mainly advanced morality- and market-based rationales and strategies in this area to date. By morality - the first argument that was put out there, I mean to say, we focused on the idea that we should promote diversity and inclusion because it's a good thing to do. It's consistent with the U.S. Constitution. It's consistent with equal rights. It's consistent with fairness and our notions of the American way of life. So, we advanced the idea that we ought to be engaged in diversity and inclusiveness because it's fair and it's a reflection of our social values. Well, that obviously hasn't been compelling enough because the statistics on representation in the field haven't changed significantly over the years.

Because of this, a few years back, we also started to talk about a market-based case for change. We said, well, communities of color and other diverse groups are becoming more prevalent in society, and as they become more prevalent our institutions – foundations, philanthropic support organizations and nonprofits – ought to reflect more of these groups’ interests to better serve the changing stakeholder base for our work. And I think the record shows that this rationale or strategy too has utterly failed to substantially raise the quantitative and qualitative composition of our profession and the resulting work that we advance as a sector.

Increasingly, the new thinking – or at least the thinking that I’ve come around to – is saying “yes” to morality and “yes” to the market; but, perhaps most important now, it is about demonstrating a proper exercise of *fiduciary responsibility*. And that argument goes something like this: charitable dollars are quasi-public dollars. These are dollars that society – the public, has allocated to non-profits and foundations to use in the public interest. And as stewards of these quasi-public dollars we have a growing obligation to ensure that our institutions reflect the public interest, by directing a broader share of our resources in ways that address our society’s increasingly changing composition.

In the same way that banks, which are private institutions that control private dollars, have nevertheless in recent years had to meet publicly-defined community reinvestment responsibilities for people who are poor and of color, we in organized philanthropy need to strive towards a higher set of performance and practice standards where diversity is concerned. I think foundations should voluntarily think through and act on their own set of CRA-like requirements, recognizing that if we don’t meaningfully meet our fiduciary responsibilities in this area on our own, such requirements are likely to be imposed on us through legislative or regulatory action – action that many field leaders used to consider to be the furthest thing from a real possibility. But now all that is changing. Suddenly, a real threat of regulatory intervention is upon us. And, while I don’t endorse a legislative solution, I recognize that the pressure for this sort of approach is growing in certain corners. So, I think that we’re left with a choice – which is, either, we accept new notions of our fiduciary responsibility to increasingly diverse public interests and we make changes voluntarily, or, alternatively, we do nothing, which will surely invite such changes being imposed on us from the outside through public and political action that is likely to be clumsy and finally unsuccessful in serving our profession’s or our increasingly multicultural society’s true best interests and needs.

DPP: *On that point, more specifically, what are the limitations in your view of proposed legislative responses to the issues?*

Carson: Well, I think it takes away a certain flexibility that is a cornerstone of organized philanthropy’s essential contributions to society as a sector. I mean, I’m not necessarily concerned about what any individual foundation does in this area. I’m not concerned, for example, that Foundation A practices diversity and inclusiveness or doesn’t. What I’m concerned about is whether or not the field as a whole is diverse and inclusive, and the problem today is that the *field* is not making sufficient progress in this area. What the prospect of legislation does is it compels everybody to do the same thing in order to move the collective dial forward. But I think in making everybody do the same thing, it is a blunt instrument. If we could have an aggregate profile that looked better, we wouldn’t be as concerned if any individual institution tilted one way or the other.

Presently, while there are some foundations that are very diverse and inclusive, that give almost all of their grants to diverse groups and leaders, etc., they are so few and exceptional still that they cannot move the averages, despite their good efforts. And, so, what I want is for our profession as a whole to

assume the responsibility to say we think our missions compel us to embrace and advance diversity and inclusivity whether our core interests are the arts, environment, disabilities, poverty, education or anything else.

DPP: What is the case for a diversity and inclusiveness agenda in some of these areas that you have just cited – issue areas that some observers might argue do not lend themselves to a traditional diversity lens?

Carson: In each of these areas, poor people, people of color and other historically excluded groups are deeply implicated, both for their needs as well as for their presently under-tapped assets and potential to help address key challenges that apply in virtually all of the fields I mentioned. I think this sort of thinking and practice, if applied more broadly throughout our sector, would bring us into a broader diversity discussion and a broader inclusiveness agenda that would finally satisfy the public interest. It would enable us to demonstrate that our quasi-public monies are being equally accessed by multiple constituencies and that the resulting benefits are superior for all.

But, at present, we tend to act as if only the most established mainstream institutions and leaders are equipped to steward our resources in solution- or success-oriented ways. When we think about arts, for example, we tend to think about 100 year-old museums and the safe and proven things they have historically put forward. Often, these institutions are out of touch with the realities and implications of our changing societal landscape. The same is true in other nonprofit fields. So, when we privilege such organizations and then fail to encourage them to better reflect and respond to the changes at hand in our society, and when we do not provide sufficient complementary support to newer and more representative institutions, our influence becomes very narrow.

We would do better as a field and as a society to encourage our own and other institutions to look for ways to expand rather than limit our perspectives. We can do this in many ways, including not only increasing diversity and inclusivity on our governing boards and senior staffs, but also by establishing inclusive advisory boards and ad hoc problem solving committees that could give us better access to and understanding of non-traditional communities and leaders.

DPP: How far would your notions of diversity and inclusion go in terms of accommodating other considerations beyond, say, race and class? How far would you go in terms of gender, sexual identity, disability, geographical location or other considerations? In short, how broad is your definition of diversity in the context of the philanthropic world today?

Carson: Well, certainly that's the Pandora's Box – right? Because once you open up the box, how far does it go? Where does it end? It's complicated. The very breadth and range of experiences and needs that applies across all of these groups, despite important similarities makes it difficult if not impossible to establish a singular strategy to address the need for more quantitative and qualitative improvement in our profession's diversity performance broadly defined. And frankly that's another reason why I think legislation ultimately is such a blunt instrument; it just does not lend itself to the sort of nuance and complexity that applies to the many variables and factors we need to address. But, if foundations – each one of us – could simply more meaningfully address those aspects of the issues most germane to our respective missions and interests, I think you'd see an enormous sea change from where we are now; and, yet, we would each be able to maintain a degree of freedom and flexibility to do this work in our own unique ways, consistent with our own particular values, interests, and styles.

In reality, this is the only way for real progress to take shape in our field. We have to take active voluntary initiative in the areas where it is most logical for us to do so, respectively. This is something that all of us have to take responsibility to see forward. Because if so relatively few of us continue to bring our commitment and capital to this work, and if we continue therefore to fail as a profession to advance more meaningful change wherever we can, we're going to remain a very monolithic proposition and lag behind other professional sectors – something that can only further invite the blunt instrument of regulation.

DPP: *You have spoken here very eloquently about the moral case for more foundation sector diversity and inclusivity. You've also talked about the market case; and now you've introduced the concept of a growing fiduciary responsibility argument for increased sectoral progress on the issues. A lot of people are also increasingly talking about **effectiveness** as an important rationale for this work and suggesting that the outcomes look different and better when more diverse constituencies and stakeholders are involved in shaping them. Do you buy that argument?*

Carson: Certainly there is a lot of interest in that approach, and I should have mentioned it. I remain unconvinced at this juncture about the truth of that approach in all cases, however, and let me tell you why, not to be overly provocative but rather to push thinking on this point.

In the first place, we do not have actual evidence that diversity in representation necessarily leads to greater inclusivity or better, more fairly distributed investments. In the second place, possibly related, one's outward appearance or status as a member of a traditionally disadvantaged group does not necessarily guarantee sensitivity to diversity issues as such.

If you look at the number of women in foundations – on boards, executive staffs, program staffs and the like – and compare that to what The Foundation Center tracks for the still relatively few dollars that are intentionally directed to women's and girls causes, one has to conclude one of a couple of things. Either women, who are now disproportionately successful leaders in the philanthropic community, get and keep those jobs and appointments because they don't care about women and girls issues, or their male counterparts across the field secretly control everything and prevent money from going to women's and girls issues. Neither of course is true, but the performance data in this area are nevertheless as underwhelming as they are perplexing given the recent feminization of professional philanthropy. Were you to tell me in the absence of the data that we had succeeded in placing so many women in leadership roles at foundations, I would surely expect the benefits to women's and girls groups to improve discernibly over time; and yet they haven't. The whole situation suggests that getting different outcomes is not a simple matter of changing the people at the decision making level, even when more and more of the decision makers are products of historically disadvantaged groups.

The problem is even more complicated when you consider promoting diversity beyond one's own experience or community, as a diverse leader. I accept and believe fully, and my wife and daughter tell me all the time, that no matter how much I might try I'll never understand what it is to be a black woman or a black girl. And, I understand that no matter how hard they try, they will never truly know what it is to be a black man. If those statements are true, then my sitting at the table brings only one element of experience in. I can empathize with other experiences. I can try to understand other experiences. So can others, I suppose. But if the people around the table are more homogenous in their experiences and perspectives, whatever the apparent diversity of their backgrounds, I think we certainly remain limited in knowledge in a way that invites still less than perfect outcomes, even with the fact of some superficial "difference" in the room. Because what happens is that proposals come in

and if those relatively monolithic (if apparently diverse) decision makers can't relate to it – if they can't collectively understand the value of it - it gets a "no" on the front end. And so the eyes that read and assess the proposals foundations consider are key – not just in their physical properties, but also in their experiential and perceptual characteristics. You need people at the table who can actually say: "I know those people;" "I know the history of that community;" "I know that neighborhood or that part of the world." This is terribly important in the context of philanthropy's evolving work.

The person who comes to the table with these attributes can authentically become the advocate within the process for why a proposal that otherwise on the face of it seems weak or misdirected, should really be understood as the absolute right thing to fund. So foundation leaders concerned with effectiveness ought to assure themselves that they've got diverse eyes and perspectives – not merely the appearance of diversity, not just the numerical appearance of difference, but rather the reality of experiential breadth extending beyond their own identity group or class. To be truly inclusive and effective, that is to say, you've got to have people who have a broad range of perspectives and cultural experiences. That makes the ultimate work we do richer, more impact-oriented and I think more relevant to all communities.

DPP: So, on that point what in your judgment is the cost of the private foundation community not moving forward more swiftly in this direction in years to come or, on the other hand, perhaps moving too quickly? You clearly are concerned about legislative challenges on the first point.

Carson: Yes, the legislative threat is the clear and major risk on the first point. And on the second point, I suppose the risk is – if you accept that foundations have some modicum of power and influence – it means that those people, institutions and groups most accustomed to receiving philanthropic largess are likely to get less, right? And that could have some negative consequences for the broader field if it creates a backlash. It is at some level a zero sum game. We only pay out so much each year, and if I've got to put other mouths at the table, other ideas, other communities, other competitive interests there is logically going to be less for those interests that have benefited the most historically from one-dimensional grant making. In short, with added diversity, we run the risk of creating new and potentially thorny intergroup dynamics that could disincentivize more endowed members of traditional backgrounds to see philanthropy as a field they want to play in.

DPP: Yes, that's very complicated by nature, but if that doesn't happen, if that process of reshaping the established dynamic around winners and losers does not take hold in the future, do you worry in any way about credibility in the public view where philanthropy's broader relevance, its legitimacy, is concerned?

Carson: Well, our relevancy is already being questioned through a variety of proposals intended to respond to the sense that we are not sufficiently accountable to our public responsibilities or the perception thereof. There are already proposals that have been floated that every foundation should devote a particular percentage of its grant making and investment capital to poverty reduction. There are others who say every foundation should sunset after operating for a certain number of years. That's another response. So I think there are a number of active proposals that are gaining greater credence with the public to say, hey, as institutions, you are amassing these quasi-public dollars and we are not altogether sure that those dollars are being expended for the broader benefit of the public. And, unfortunately for our field as a whole, the data – from very reliable sources including The Foundation Center, the Council on Foundations, Independent Sector and other groups – consistently show that we do not have the breadth of staff diversity, the breadth of inclusiveness, that we should given our unique charge in society.

DPP: Given the still unsatisfactory nature of those data, what in your judgment is the proper role of anchor institutions in the field (including the ones you just mentioned) to assume greater leadership and to take more aggressive action on the issues?

Carson: Well, I think that several of them are starting to intermittently take leadership roles today. The Council on Foundations and Independent Sector have created a joint task force to look at diversity and inclusiveness issues. The Council's Diversity and Inclusiveness Committee has also been recently revitalized and important new staffing assignments have spoken to that organization's commitment to the issues. Independent Sector has released suggested principles and practices that have a large part of its membership talking about diversity and inclusiveness. The Foundation Center has taken on important new efforts related to diversity research and performance reporting. So, I think these infrastructure institutions recognize the significance of the challenges that are before us. I think your question gets to whether membership organizations lead or follow. And I think the matter of diversity and inclusivity has put that question squarely to the test. Unfortunately, in some of these situations, leading may mean that some, less progressive members do not go there with you. How to balance out this fact is a real challenge across the board. Sarbanes-Oxley resulted because accounting industry leaders thought that they didn't have to be responsive to public and governmental concerns.

But in the current environment facing virtually all industries and professions, sitting still – or, worse yet, looking more backward than forward – is not a wise course of action. We are faced with a real and present threat that if we don't show credible efforts to make progress in this area, legislatures will not wait to act; and when they do they're not likely to frame the issues in ways that allow us to continue to do the most good. So, I think that it's in our best interest and society's best interest, and a major indicator therefore of our evolving fiduciary responsibility and mission consistency, to do this work in a meaningful way out of our own volition.

DPP: Many foundation leaders who share your views but are only now beginning to gain focus on the issues will admit in private that they want to do more but really just don't know how or where to begin. Can you point to any specific examples or readily accessible inclusivity promotion models or promising practices that would be available for quick application and replication in the broader field?

Carson: Many years ago the Ford Foundation did some work involving larger community foundations and diversity, and much of that research was written up by Rainbow Research in three books that are still used. I think those reports document well what's possible when people are committed to this work. I also think The Mott Foundation has done some path-breaking work in encouraging non-profits broadly and some foundations to engage in asking questions of themselves around the issues, and the Kellogg Foundation has recently announced a major commitment in this area. And so, I think there are a lot of informational resources. Many of the regional associations of grant makers across the U.S.—for example, the Minnesota Council on Foundations—have developed workbooks to help their members who want to go through this. What's been lacking, frankly, is the will. It's not an issue of the way to get it done.

Other sectors have recently demonstrated what's possible in this area where willful leadership is committed to change. We've seen dramatic changes in professional sports. We've seen dramatic changes in the private business sector. In the political sphere we're at a time in our history when both an African American and a woman are serious contenders to win the White House; and, yet, foundations seem stuck in time. So, I don't think this is an issue where we don't know how to do this or there aren't

examples throughout our society that reveal how we can do it. I think the challenge is we live in such an insulated, non-market driven world that the same pressures that apply in other professional arenas just do not apply to us. And, so, I believe that if we don't soon take more collective self-initiative to change, we will unwittingly invite still stronger claims for a level of government intervention that would not ultimately be positive or to our liking.

DPP: Is there any last thought that you would like to share – Anything that you didn't cover to this point that you would want to comment on?

Carson: Just that I think as a professional field with a unique social charge we've got to stay focused on these issues, and we need to ask our leadership institutions to rally us. I also think we need to ask individual foundation leaders who run our anchor institutions to have their voices heard in order to underscore that they are committed themselves – personally committed and on record as wanting to work through these issues in an honest and fruitful way. They can't take a pass on this one merely because it's complicated or uncomfortable. At this point in our national and professional journey, passing is just not an option.