



THE APPARITIONAL DONOR

Understanding and Engaging
High Net Worth Donors of Color

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The POC Donor Collaborative Project Team

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www.thevaidgroup.com/initiatives/hnwdonorsofcolorreport/



“The culture of expertise in philanthropy doesn’t recognize the experts in the community. **How will you know what change is supposed to look like if the people around the table don’t have lived experience in those communities?”**

■ **Chris Cardona**, Ford Foundation

Project Goal

The overall goal of the project is to **uplift the power of high net worth (HNW) donors of color** to strategically advance racial and social justice, and systemic change by:

- **Building knowledge** about/doing research on high-net worth (HNW) donors of color
- **Networking and building communities** among HNW donors of color around their giving
- **Educating and influencing the fields of philanthropy**, donor advising and social justice activism
- **Advancing the political and philanthropic journeys of**, and creating spaces and homes for, **HNW donors of color**

Outcomes

- **Unleash resources and power** into the world for racial and social justice projects
- **Build joyful communities** among HNW donors of color
- **Build and disseminate knowledge** about HNW donors of color

Project's Initial Phases (2016 & 2017)

The project's initial phases built knowledge about high net worth people of color (HNW POC) engaged in philanthropy and political giving. The work consisted of several closely connected projects conducted in 2016 and 2017 by four lead researchers supported by a team of other experienced philanthropic and political activists — called the POC Donor Collaborative.

The Initial Phases of the Project included:

- 1** **Research and publish** the first-ever landscape analysis summarizing knowledge about HNW donors of color – see The Apparitional Donor report by visiting www.thevaidgroup.com/initiatives/hnwdonorsofcolorreport/;
- 2** **Conduct 100 interviews** with HNW POC to learn about their philanthropic priorities and stories (full results to be published in 2018); and
- 3** **Convene and meet with HNW donors** of color to test a case statement for the creation of a new donor network, conference and institute focused on supporting HNW donors of color who are focused on racial, economic and social justice (in process).

The research reveals that the **priorities, interests and experiences of HNW donors of color are largely invisible in discussions of mainstream HNW philanthropy**. HNW POC are generous, philanthropically and politically engaged, but they remain invisible to mainstream philanthropy and isolated from each other, rendering their giving less impactful. The absence of giving and learning networks that connect HNW donors of color as an organized force in philanthropy has material consequences. It renders critical experiences, resources and talent missing at a moment which requires new ideas, investment and innovation.

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Some Highlights from the first 60 Interviews

23-79

Age range of interviewees,
with an average age of 51.2,
and a median age of 50

Well Educated

The large majority of study
participants (98.3%) have
a college degree, and over
70% have an advanced or
professional degree.

79.6%

of our donors express
interest being networked
with other HNW POC
donors.

Racial and Ethnic Identity is:

36.8%

Asian/ Pacific Islander

10.5%

More than one race

45.6%

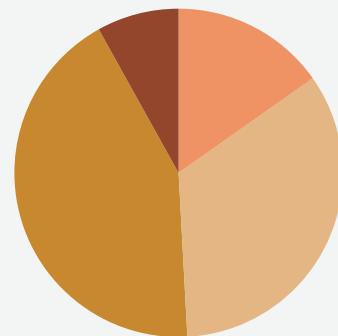
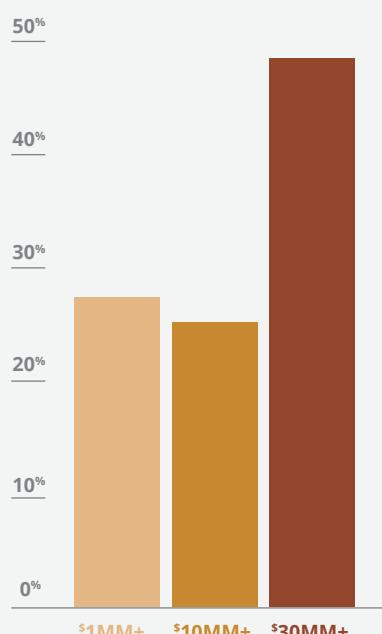
Black

8.7%

Latinx/Hispanic

**"I feel like I
finally will get
invited to a
party where
I belong and
want to go to!"**

Value of liquid, investable assets



Birth cohort is a mix:

- 15.1% Millennials
- 34% Gen X
- 43.4% Baby Boomers
- 7.5% age 72 and older

Source of wealth:

45%

report their wealth is
self-made (salaries,
savings, investments)

34%

indicate their wealth
has been acquired
via marriage

21%

indicate
they inherited
their wealth

Emerging themes

Because our cohort remains small, these themes are very preliminary and cannot be generalized. With that being said, **some themes are emerging from our interviews:**

- Many of our donors are **actively engaged** in building their wealth, which impacts how they relate to their money, their families and their philanthropy.
- Donors are **keen to help create opportunities for others**, as others have done for them, often through education and gifting money to family and friends.
- Many of our respondents **discuss the complexities of being part of mixed-income families and communities**. "...there's so much need in front of you...family is first priority with discretionary income."
- Donors who are part of a network (such as Resource Generation and Social Venture Partners) seem to be **more knowledgeable about philanthropic strategies** and often express appreciation for the learning and comradery that are a part of being networked with other like-donors.
- **Faith-based giving and giving to family and friends are often not considered philanthropy per se**, but the donors we've interviewed are, in some cases, giving substantially more discretionary dollars to these channels of giving.
- The **racial wealth gap is real** and nearly all our interviewees talk about it.
- Most of our interviewees have **experienced discrimination personally**.
- Many **donors expressed feeling isolated** and are hungry for opportunities to meet each other and learn – in non-pitchy spaces.
- It is notable that many of our **interviewees express interest in giving to big systemic change**, yet they don't know how – so they give to scholarship and pipeline programs at Harvard, MIT, etc.

"...we don't have a lot of generations of wealth, and there's so much need in front of you, in your own family. Family is first priority with discretionary income."

Results of Case Studies of Inclusion Efforts in Existing networks

The experiences of donors of color in existing networks of high net worth donors is nearly untouched as an area of research. Because this experience has such direct bearing on any future efforts to engage and network high net worth donors of color, we have **undertaken case studies to glean key lessons from previous efforts to network and be inclusive of high net worth donors of color.**

Here is what we learned from our on-going interviews with leaders of HNW donor networks:

- The **founding members of a network create its permanent DNA.** It is challenging to retrofit an organizational culture that attracts significant numbers of HNW donors of color.
- No donor network without a **diverse founding team** has successfully attracted a critical mass of donors of color.
- HNW donors of color are **connected to each other within existing social networks**, primarily within rather than across racial groups.
- Donors **join and remain in networks primarily due to interpersonal relationships.** Attention must be paid to peer-to-peer relationships
- Donors must have a leadership role in **building the organizational agenda.** The members should drive the action plan.
- Initiatives **without appropriate staffing** tend not to fail or stagnate.
- **Values agnostic approaches have not worked.** In the absence of shared values, the work flounders.
- Proactively identifying and building from **shared values ensures that work is mission-driven**, rather than pushed forward by contests of egos or resources. Values agnosticism is counter-productive.
- Funding that applies to communities of color may be necessary but is not sufficient to keep HNW donors of color engaged. **Organizational culture and existing membership must also align.**
- **Execution and excellence matter to all donors.** High quality, high impact work is key.

2018 work plan

The work ahead of us in 2018 includes:

- Finish **interviews with 100 HNC POC donors** nationally and write/disseminate report
- Finish and **publish Case Studies/Lessons Learned** of past efforts to organize HNW donors
- Develop **Case Statement on value of forming a network** of HNW POC donors, to be tested in small focus groups of HNW donors
- Conduct **public briefings**, smaller living room conversations and interviews in the following areas in 2018:
 - + **In process:** Atlanta, Seattle, Denver, Albuquerque, Dallas, DC, Boston, Miami
 - + **Future target cities:** Chicago, Minneapolis/ St. Paul, Miami, Los Angeles, SF/ Bay Area, Columbus, OH
- Conduct **Living Room Conversations in donors' homes** to test the case that there is value in networking HNW POC donors. SF and NYC planned (March & April 2018); two additional in process 2018.
- Ongoing **dissemination of project and findings** via large and small briefings, press, blogs, articles, and social media as funding allows.
- Ongoing **infrastructure, fundraising, administration** of grants and project management
- Creation of **communications plan** to the public and for ongoing communication with donors

2019, 2020 and Beyond

We have ambitious plans for 2019 and beyond for which we are currently seeking funding:

- **Creation of HNW Donors of Color Research Institute** or Think Tank to expand knowledge-building about donors of color and to commission, house and influence research
- **Creation of HNW Donors of Color Network(s)** – that might be formed regionally and/or by interest area to potentially pool funds, organize resources & learn together
- Hold **Annual Conference** of HNW Donors of Color
- Offer **Philanthropic Advising** for HNW POC Donors
- **Finance/Trust Sector Organizing and Education** – influencing professional wealth advisors, bankers, estate attorneys, etc.
- **Development of curriculum and learning modules** around topics of interest
- **Continue in-person interview research** for more statistically significant data on POC donors.

Current Partners and Funders

- Ford Foundation
- Marguerite Casey Foundation
- Open Society Foundations
- New York Women's Foundation
- Advancement Project
- Women Moving Millions
- Women Donors Network
- Raikes Foundation
- Andrus Foundation
- Arcus Foundation

Project Budget

- 2017 and 2018, \$1.2 million total (\$145,000 to be raised for 2018)
- 2019, 2020 est. \$550,000-\$1million per year dependent on which of the above activities are undertaken
- Briefings: \$10,000 to \$15,000 per city, depending on number of trips, number of people, number of interviews to be conducted at each site.

How You Can Help

- Connect us with Interviewees
- Host a local briefing or conversation
- Connect us with potential supporters
- Talk about the project with your networks
- Keep us posted on related efforts
- Stay in touch!