

**Philanthropic response in the U.S. Southwest to the crises of 2020:**

A companion report looking at foundations' response to COVID and racial equity and justice

Philanthropy Southwest

in partnership with

The University of Texas at Austin



The University of Texas at Austin

**RGK Center for Philanthropy  
and Community Service**

*Lyndon B. Johnson School of Public Affairs*

## EXECUTIVE SUMMARY

- 2020 was an extraordinarily challenging year, starting with the COVID pandemic followed by the social unrest related to the killing of George Floyd. These crises have required philanthropy to respond in new and faster ways. During the Spring of 2021, Philanthropy Southwest conducted in-depth member interviews, a survey study and analyzed national trends to understand how philanthropy in the U.S. Southwest has responded to the crises of last year.
- 86% of foundations shifted their funding priorities towards COVID. The main area of response was in non-health sectors such as food, housing, etc. for impacted communities. 32% increased their total budgets following the pandemic and 63% anticipated up to half of their grantmaking budget going towards COVID relief and recovery efforts in 2021.
- 26% of foundations shifted their funding priorities towards racial equity and justice but only 5% increased their total grantmaking budgets following the unrest last year after George Floyd's death. 47% anticipated up to half of their 2021 grantmaking budget going towards racial equity and justice work.
- Generally, philanthropy has responded quickly and positively to the crises of 2020, but there is more room to expand work and contributions towards supporting racial equity and justice.

## DATA AND METHODOLOGY

The findings presented in this report are based on a study conducted by Philanthropy Southwest in partnership with the RGK Center for Philanthropy at the University of Texas at Austin. A short survey<sup>1</sup> was sent to a list of hundred randomly selected foundations in the U.S. Southwest region. We received 23 responses in total. Out of these, 19 responses were fully completed, 3 were partially completed and 1 was incomplete. 74% of the respondents were foundations from Texas, 9% from Oklahoma, another 9% from Colorado, 4% from New Mexico and 4% from other states. 13 respondents represented family foundations, 7 represented independent foundations and 3 respondents were from community foundations. These foundations had a range of focus areas with 22% working directly or indirectly in arts, culture and humanities, 19% in health, 18% in education and related activities, 16% in human services and other grantmaking areas.

We also conducted three in-depth interviews with representatives from foundations and initiatives with notable contributions to the COVID crisis and issues of racism in the last year. Their work and effort are presented in the spotlight sections of the report, and more information can be found in the websites or through the representatives.

A literature review was done in the beginning to understand philanthropic response at the national and global scale in response to the crises of 2020. An interview was conducted with the Center for Effective Philanthropy for the same purpose.

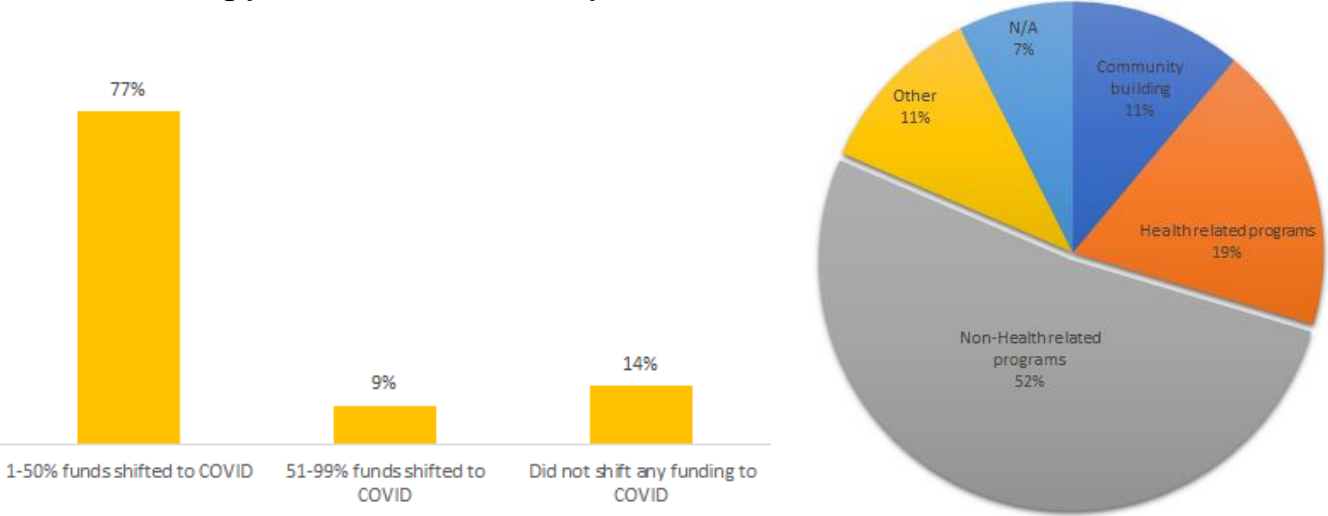
Information regarding interviews and survey materials can be provided upon request.

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<sup>1</sup> Survey was created using items from Philanthropy Southwest's Policy Priorities Survey (2020), Central Texas Giving Profile Survey (2020), Dalberg's Philanthropic Sector CEO Barometer Survey (2020) and Center for Effective Philanthropy's Foundation Perspectives surveys (2020).

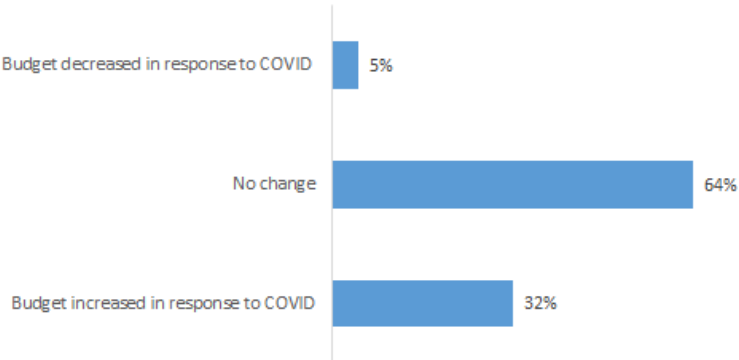
RESPONSE TO COVID RELIEF AND RECOVERY

Shift in funding priorities and areas of response



The majority of respondents<sup>2</sup> reported shifts in funding priorities in response to COVID. 77% of foundations shifted 1-50% of their funding priorities towards COVID relief and recovery efforts. A smaller percentage (9%) reported shifting more than half of their funding priorities towards COVID. A little more than half of this funding was directed towards non-health related programs and services delivery such as food, housing, etc. 19% was directed towards health-related programs (such as providing PPE, vaccinations, etc.). An even smaller percentage (11%) was given towards community building and organizing.

Immediate and anticipated changes in grant-making for COVID

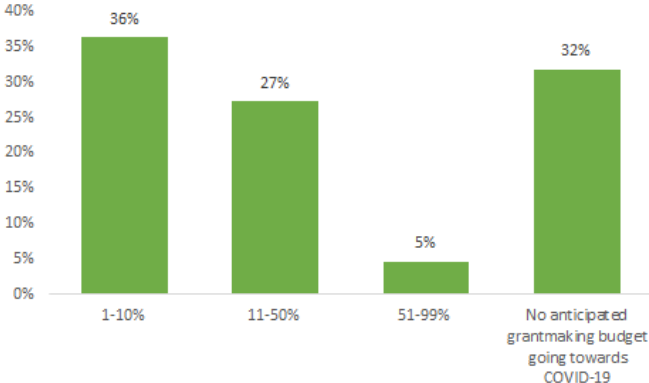


In response to the COVID crisis, total budgets increased for 32% of the foundations. More than half of the foundations did not have any changes in their budget for 2020 and 5% had

<sup>2</sup> Results are based on responses from 22 foundations.

budget decreases after the pandemic started.

For 2021, 63% of the foundations anticipated up to 50% of their grantmaking going towards COVID. 5% indicated more than half their budget going towards COVID while 32% did not anticipate any grantmaking budget towards the pandemic.



## Spotlight 1: NORTH TEXAS CARES

A collaboration of over 30 North Texas foundations and United Ways that came together to provide a common application to support organizations working with communities affected by COVID-19. Applications opened for the first phase on March 23rd, 2020 and 1,400 grants worth \$42 million were awarded to 630 nonprofits focusing on providing emergency funds towards food, shelter, medical supplies, etc. The initiative then opened a second phase of applications to support recovery efforts as well as respond to the social unrest related to racial equity and justice in July 2020, providing 391 grants worth \$17 million. The funders continue to meet and discuss ways to provide shared support for the needs of the community. For example, a subset of the partner organizations will be providing funds to help nonprofits who sustained damages following the Texas winter storm in February of this year.

### How did it come about?

A group of individuals that included the Communities Foundation of Texas, The Dallas Foundation and several other foundations started talking in early March 2020, just as COVID cases were beginning to spike in the US. Funders were hearing from nonprofits and were interested in talking about possible ways to respond. A phone call was organized with around 90 interested funders on a Friday in mid-March, and over the weekend, a website was set up to host one common application for nonprofits to apply to for emergency funds and would be shared by all participating funders. All types of foundations, both big and small, took part to plan, discuss applications and make granting decisions together.

### Learnings and challenges

A challenge in mobilizing forces with many foundations involved speeding up the grantmaking process for participating members while also reducing the burden on nonprofits in applying for grants. Members in the initiative successfully dealt with this by creating and sharing a common spreadsheet to track funding.

The collaboration also helped to galvanize support from small and big foundations by creating a sense of community and inclusivity. For some members, the joint efforts provided a sense of belonging, voice and also the resources to help provide grants which may not have otherwise been possible.

### Parting advice

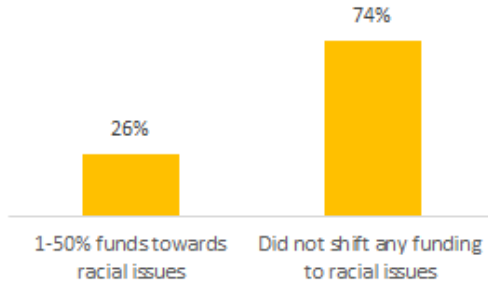
*“We were very intentional to not make this about any of one of us, but to keep in mind that North Texas Cares is first about the community that we serve, and as funders, we are all equal partners.”*

*-- Wende Burton, Communities Foundation of Texas*

For more information, visit [www.northtexascares.org](http://www.northtexascares.org)

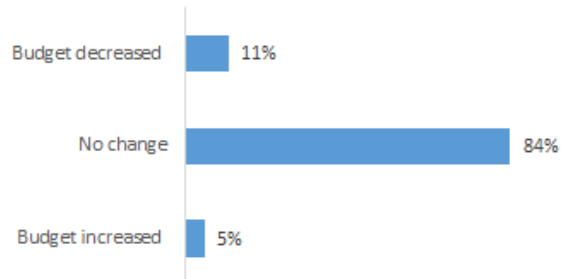
## RESPONSE TO RACIAL JUSTICE AND EQUITY

### Shifts in funding priorities and changes in grantmaking

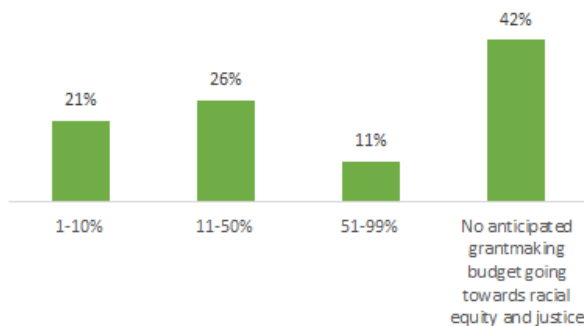


In response to the social unrest following the killing of George Floyd last year and the racial inequities highlighted in the health system, 26% of foundations<sup>3</sup> shifted up to 50% of their funding priorities towards racial equity and justice issues. The majority, however, did not see any shifts in funding priorities for racial issues.

5%<sup>4</sup> of the foundations had an increase in their budgets



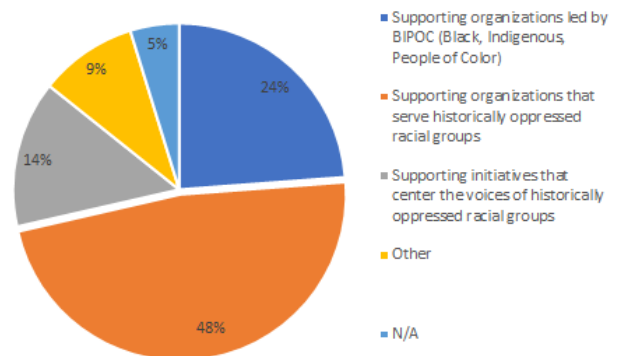
following issues related to race in 2020, but the majority (84%) had no change. A small percentage (11%) also experienced decreases in budget.



For anticipated grantmaking budget towards racial justice and equity, 47% expected up to half of their grantmaking budget going towards racial issues in 2021. Relatedly, 11% of the foundations expect more than half of the budget going towards racial issues while 42% do not anticipate any grantmaking going towards racial equity and justice.

### Internal and external response

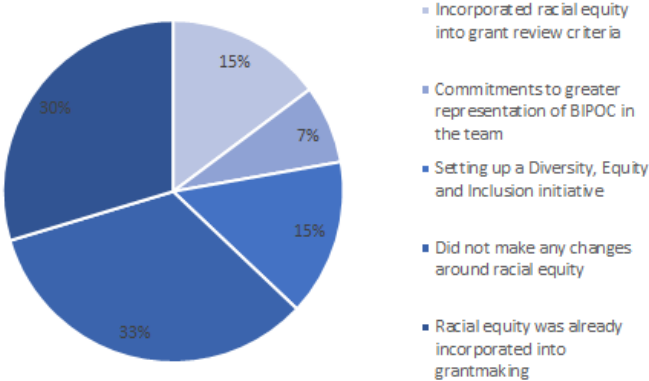
For most foundations, supporting organizations that serve historically oppressed racial groups was the major area of response (almost half of all the other forms of support towards external members). Internally, setting up a DEI program was one of the bigger responses. Notably, several foundations



<sup>3</sup> Results are based on 19 complete responses.

<sup>4</sup> Statistic represents one foundation which reported majority of funds going to BIPOC-led organizations on a variety of issues but may not specifically focus on racial equity.

reported that racial equity was already incorporated in their grantmaking criteria.



## **Spotlight 2:**

### **TULSA FUNDERS' ROUNDTABLE: Working Group on Advancing Racial & Social Justice**

After the killing of George Floyd last year, members from the Tulsa Funders' Roundtable developed a set of standard operating policies and procedures on racial justice and equity. A detailed survey was conducted with nonprofit members to understand their needs and provide support in the form of fundraising, advocacy, policies and capacity building. Subcommittees focused on each of the different aspects for example, the fundraising committee discussed ways to do more equitable grantmaking and how wealth can be infused in greater sums and speed to communities of color. The advocacy committee housed a list of all nonprofits led by people of color and was involved in finding ways to have their voices represented in grantmaking decisions. Consideration of nonprofits led by people of color was made a criteria for grantmaking. The group also helped create resources and assisted in training workshops to increase representation in board and staff members.

#### **How did it come about?**

Powered by the Tulsa Community Foundation, the Tulsa Funders' Roundtable serves as an active professional network for several foundations in Oklahoma. As the state approached the centennial for 1921's race massacre, a group of 12 members in the roundtable came together to write a letter to change a local school district's redskin mascot which was offensive to the local Native American Community. After the killing of George Floyd and the ensuing national social unrest, the group decided to further their efforts for racial justice and equity by developing a set of standard operating procedures and policies.

#### **Learnings and challenges**

While recognizing that the philanthropic community is predominantly White, the initiative has focused on representation by bringing in more voices of people of color, creating community advisory teams consisting just of people of color, etc. to build a space that is more diverse and equitable.

In developing the standard operating procedures and practices, members have not only created impact in communities of color but have also forged new relationships with community organizations that were never under their radar before. For example, for the first time, they funded churches serving Black communities as they perform several functions in communities besides religious services such as after school programs, counselling programs for families, etc.

#### **Parting advice**

*"Always question if, as allies, are we doing things the most effective way possible, if we are inserting ourselves into the hard conversations, if we're willing to have those hard conversations."*

*-- Heather Palacios, Coretz Family Foundation*



## GENERAL TRENDS

### **Combined philanthropic response towards the crises of 2020**

Philanthropic foundations in the Southwest responded to the crises of 2020 in several ways. 86% of the foundations shifted their funding priorities towards COVID relief and recovery programs. However, only 26% shifted funding towards racial justice and equity issues after the social unrest following George Floyd's death in 2020.

While the general budgets remained unchanged for most foundations, 32% of foundations reported increases in budget following COVID, but only 5% had budget increases related to the racial justice and equity issues. 67% of respondents anticipated up to half of their grantmaking budget going towards COVID in 2021. 47% of the foundations expected up to half of their grantmaking budget going towards dealing with racial issues.

### **Global trends**

Globally, over \$20 billion were awarded towards COVID recovery and relief in 2020<sup>5</sup>. In the US, 35% of the awarded dollars towards COVID were given specifically towards communities with people of color. Close to 72%<sup>6</sup> of foundations increased their grantmaking budget in 2020. In general, almost 90% of foundations made efforts to serve communities most affected by the COVID pandemic. For 11%<sup>7</sup> of philanthropic entities, racial equity became a key focus after the crises compared to the beginning of 2020.

### **Conclusion**

In general, philanthropy has responded quite actively and positively to the crises of last year. From shifting funding priorities, to changing budgets as well as anticipated future grantmaking, foundations have risen to the challenges brought on by COVID and issues of racial justice and equity. However, compared to the response towards COVID, foundations have made smaller and fewer contributions towards racial issues. Specifically, in terms of the dollar amounts granted and the anticipated funding changes, philanthropic foundations fall short in their racial equity contributions in comparison with their giving towards COVID relief and recovery.

At the same time, we want to mention two caveats related to these findings. First, the survey did not ask foundations for the exact value of funds and therefore the findings only present a general trend in giving. Second, we received a total of 23 responses out of 100 foundations that were randomly selected for the survey study. It must be noted however, that the responses received were adequately representative of the US Southwest region. The findings and recommendations here provide a macro perspective for foundations to understand philanthropic response in the southwest.

While the pandemic has presented grave and serious challenges that require immediate response, issues of racial injustice and inequity have been present for generations. The recent incidents in

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<sup>5</sup> Data obtained from the "Philanthropy in COVID-19" report by Candid and Center for Disaster Philanthropy (2020)

<sup>6</sup> Source: "FOUNDATIONS RESPOND TO CRISIS: A Moment of Transformation?" (Center for Effective Philanthropy, 2020)

<sup>7</sup> Source: "Responding to Crisis: Philanthropic Barometer Survey" (Dalberg, 2020)

2020 and 2021 serve as a clarion call for philanthropy to respond in a way that is commensurate with the size of the problem. Foundations have the opportunity to prioritize racial equity and approach it head on, strategically and holistically.

### **Spotlight 3: COLORADO HEALTH FOUNDATION**

The Colorado Health Foundation (CHF) has taken a holistic approach in deploying their philanthropic tools to deal with the challenges brought on by COVID and issues related to racial equity last year. It increased its initial budget by 25% in 2020, providing an additional \$41.9 million to support response efforts in the areas of food security, housing and homelessness, primary care, mental health and more. It also provided \$590,000 in support of civic engagement efforts centered on people of color. It conducted deep opinion research to understand vaccine hesitancy and factors that affect Coloradans of color in deciding whether or not to get vaccinated. The foundation also invested \$50,000 to support journalism outlets in Colorado that provide culturally responsive reporting so that communities facing systemic barriers have access to trusted news sources and information about COVID vaccines. CHF has also been actively involved in policy and advocacy efforts to reduce racial disparities in reporting of COVID data, both at the local and state level.

#### **How did it come about?**

While simultaneously working on several initiatives to respond to the COVID crisis, most notably, CHF started conducting a [state-wide poll](#) at the height of pandemic with Healthier Colorado to understand how the coronavirus had impacted different communities and their emotional, financial and physical well-being. Polling almost 1,100 Coloradans, the findings were released in April 2020 providing them and other philanthropic entities with useful insights to understand the needs of the community and best ways to respond. It launched its [annual and much larger poll](#) in September 2020 surveying 2,275 Coloradans about racial justice and police conduct in addition to questions about the impact of the coronavirus.

#### **Learnings and challenges**

One of the bigger challenges was learning how to operate virtually while also acting quickly to respond to the crises. It highlighted the importance of having good and authentic relationships with community-based organizations and building on these in a virtual environment.

Strong support and direction provided by senior leadership played a key role in the foundation's quick and sizable response to the crises of last year. Furthermore, as a team, they worked hard to support impacted communities while also ensuring their existing community partners received the same level of support as before.

#### **Parting advice**

*"We CAN move fast. Philanthropy often has a reputation for moving slowly but we can respond by adjusting and adapting. We shouldn't have to wait for a crisis to make these changes."*

*-- Amy Latham, The Colorado Health Foundation*

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