

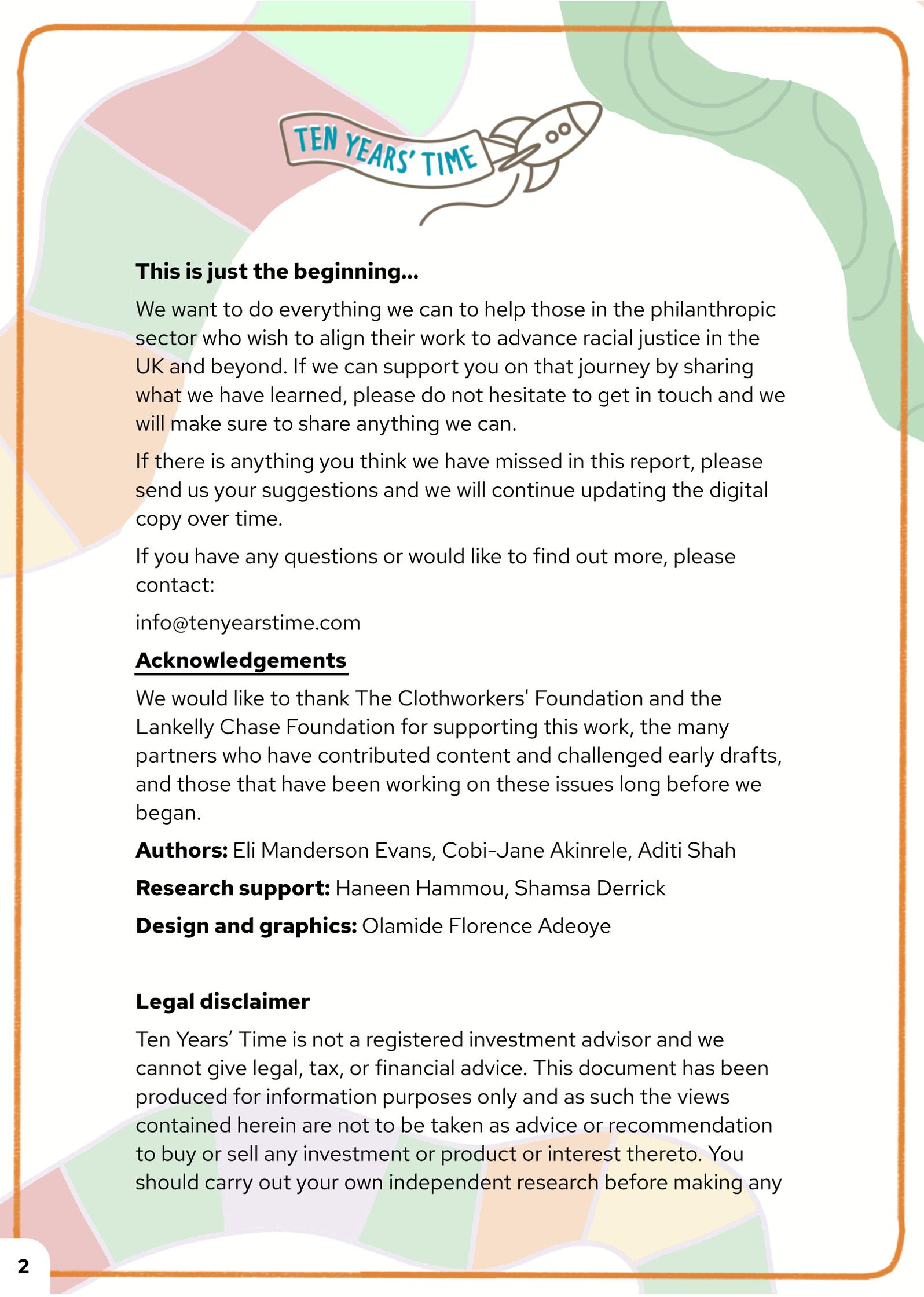
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Racial Justice and Social Transformation: How funders can act





TEN YEARS' TIME

This is just the beginning...

We want to do everything we can to help those in the philanthropic sector who wish to align their work to advance racial justice in the UK and beyond. If we can support you on that journey by sharing what we have learned, please do not hesitate to get in touch and we will make sure to share anything we can.

If there is anything you think we have missed in this report, please send us your suggestions and we will continue updating the digital copy over time.

If you have any questions or would like to find out more, please contact:

info@tenyearstime.com

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CONTENTS

Executive summary	6
Foreword	7
Introduction	8
Our Guiding Principles and Methodology	9
Chapter 1: Grantmaking	12
Past	12
Present	16
Future	24
Recommendations	31
Chapter 2: Investments and Racial Injustice	35
Past	39
Present	42
Future	56
Recommendations	68
Chapter 3: Organisations and Governance	72
Listen	76
Learn	77
Love	79
Recommendations and Reimagining	83
Conclusions	88
References	89

EXECUTIVE SUMMARY

Racial Justice and Social Transformation: How Funders Can Act is a report which we are proud to share with all those interested in advancing racial justice in the UK. It is a report which seeks to inject ambition into the British funding landscape and create a clear roadmap for action.

The report represents a place where we hope to clarify some of the best practice needed to make racial justice a reality and racial injustice a thing of the past. We turn our heads to the past, present and future, seeing that, for many of the conversations we are having today, the past is extremely important in making visible the racist and disempowering power dynamics that underpin many of the funding practices still used today. We review how both sides of the coin need to be addressed and understood to engage in racial justice work to the best of our ability. Such a multifaceted approach requires, in our eyes, a focus on the grantmaking endeavours of trusts and foundations in the UK, their investment strategies and the internal operations and governance of charitable funding organisations. Without applying a racial justice lens to all of these deeply important areas we believe we will not be able to achieve wholesale transformational change and instead will be committing to action, which plays within the confines of the current structurally racist system.

We centre joy and innovation in this report to inspire change. A change that is only possible through the ceding of power to communities of colour and changemakers of colour doing the work. We seek to uplift and platform many of those very voices in the report through a mixture of inserts, profiles and quotes.

By championing the values of love, empathy and honesty, all the while committing to ongoing learning, we believe we will be in a much better place as a sector to lead other sectors of our economy to take racial justice action seriously and to act with urgency. It will not be easy but it is possible, but first we have to take personal responsibility and educate ourselves on the reality of systemic racism and from that point we will be much better positioned to shift power. We must empower those who are able to lead

the way, supporting them whilst removing ourselves from further giving energy to systems, people and organisations that are invested in a racially unjust world or the subjugation and continued harming of communities of colour.

The UK funding sector is opportunistically placed to lead the way in advancing racial justice through its independent and extensive capital but also through its proximity to innovation in the third sector. We hope this report inspires conversation, self-reflection, the ceding of power and perhaps most importantly a renewed commitment to act to advance racial justice.

We hope you enjoy this report put together by the Ten Years' Time research team. We invite you to get in touch to discuss any findings or enquire as to how we may support or signpost you to those that can help you to reimagine the role that wealth holders and funding organisations can play in supporting communities of colour to live full and free lives, characterised by the dignity of equal opportunity and self-determination.

Lastly, we wish to thank all of the incredible people of colour who made this report possible and have so tirelessly worked to advance racial justice in the UK funding space. Many of these are unsung heroes who have quietly opened doors and made so much of the change we see today possible.

Thank you,

Eli Manderson Evans,
Lead Researcher



FOREWORD

The launch of this report is timely as we approach the second anniversary of the murder of George Floyd and the resurgence of Black Lives Matter as the global movement recognising the injustices and the structural racism faced by Black people in America and its implications in Britain. Coupled with the ravage impact of COVID-19 on Black and minoritised communities, along with the ongoing impact of austerity and Brexit, this further exposed the inequalities and structural racism in society. There is now a renewed and reenergised drive for structural reform, leadership, self-help, activism and new call for social justice and equity which is part of the epoch of British history from the days of Olaudah Equiano campaigning for the abolition of the slave trade and demands for reparations. Britain has a long history of the role of the philanthropist from the feudal period in using their wealth in filling the gaps in society where the state has not been able to provide resources (schools, asylums, hospitals, low-cost housing, soup kitchens, orphanages, museums, art galleries, public gardens, and parks).

With advent of the Industrial Revolution we were led to believe that great white men came up with innovation, technology, and entrepreneurship to transform the country from a small trading nation to controlling the resources and a third of the world population by the 19th century. What we know now is that, due to the work of scholars such as Eric Williams, Walter Rodney and Hilary Beckles, the roots of the funding of the Industrial Revolution were based on the enslavement and colonisation of Black people and other minoritised communities. This created the wealth and power for a new breed of philanthropists where their legacy has shaped the development of current endowments and grantmaking today. These men used their philanthropy to hide their deeds of violence and exploitation and rebranded themselves as caring benevolent individuals with strong Christian virtues in helping the deserving poor and building monuments and a range of social infrastructure to demonstrate a new Enlightenment Britain. It is in this context why this report is important to shape and develop a new perspective around the values, drive and action for philanthropists fit for the 21st century and beyond.

Current day philanthropists, fund managers and advisers need to have serious due regard to reflect on this history and start a process outlined in this report from moving from static traditional grant-giving and investment strategies to

one of racial equality and reparative justice. This will be a difficult and painful journey for everyone from grantmakers and their teams as well as Black-led organisations and advocates. Maybe if we had plantations in Somerset, Yorkshire, East Anglia, and Greater London we would be having conversations, identical to those in the US, on equity and reparations that have heavily influenced the approach to philanthropy and grant-giving. In the UK. The first major conversation on reparative justice and historical wrongs was back in 1993 when the late Bernie Grant MP made a speech in Parliament. This was followed by Tony Blair as Prime Minister making “a statement of regret” in 2006 on the eve of the 200th anniversary of the Abolition of The Slave Trade regarding Britain’s involvement in the slave trade. Thus, it is welcomed with the recent launch of the All-Party Parliamentary Group on Afrikan Reparations (APPGAR) which is chaired by Bell Ribeiro-Addy, MP. It would be great for philanthropists to engage in the process with Parliament on this crucial issue around establishing a dialogue on repairing the harm and changing the narrative in the context of the cultural wars.

However, in the context of looking at every day and structural racism, this report focuses on what philanthropists and advisers must do as best practice, using their wealth, resources, and the connections, in tackling racial inequality in Britain today. The report itself highlights a number of significant issues and challenges in the lack of Black representation in this sector at all levels and lack of race proofing on grant-giving policies procedures, governance, and community engagement/understanding.

This report has the power to be a game changer in the sector and the investment world. We now need conviction, leadership, and strong appetite for risk on the journey of tackling racial inequality and a process moving towards reparative justice and liberation.

**Professor Patrick Vernon OBE,
cultural historian, social
commentator, and philanthropist**



INTRODUCTION

The summer of 2020 sent shockwaves across the world. The easing of the first lockdown in June 2020 and the murder of George Floyd on 25th May, followed by the submissive response, from most major UK charities challenged the very notion that charitable giving was capable of tackling structural inequalities.

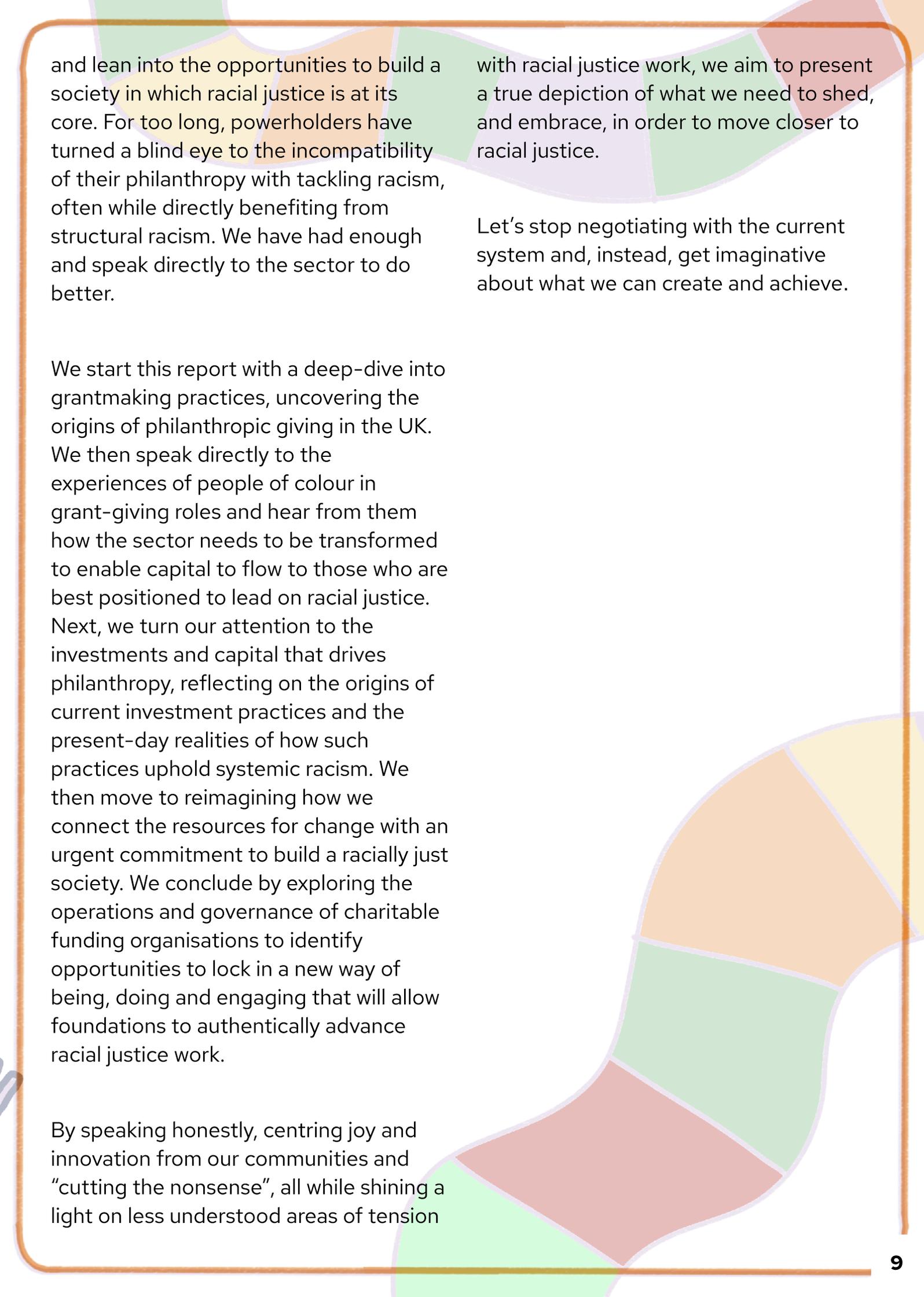
Perhaps for the first time, powerholders were confronted with the stark reality that they had largely been complicit in fuelling global and national racial inequality and injustice.

The disproportionate and racialised deaths of communities of colour due to COVID-19 demonstrated that the UK is a deeply structurally racist society. The social conditions and situatedness of people of colour (in relation to the environment, housing conditions, access to healthcare, inability to work from home, number of key workers, etc.) positioned them as more vulnerable in society and closest to harm. Following George Floyd's death, we witnessed the largest anti-racism dissents in the UK since the abolition of slavery. Over five million people signed 1,500 petitions and over 200,000 people took to the streets.¹ For the first time, many saw racial inequality in education, policing, healthcare and the UK's labour market. The gaze on racial injustice had never been so strong—the impetus to tackle the issue never so urgent. Still, they did not understand how such inequality has been upheld, nor were they able to acknowledge their complicity.

Racial injustice, present and past, is rooted in our economy and history; a system powered by the extraction of our natural resources and the exploitation of people of colour, not a consequence of Black and Brown peoples' genetic makeup, a common misconception that remains in the heart of Britain. To address such seemingly omnipotent injustice, and the role philanthropy plays in this, it is important that we collectively understand the contemporary and historic origins of philanthropic capital and refocus on the opportunity to redistribute funds to communities of colour.

Black Lives Matter UK raised £1.2 million from the public between 2nd June and 31st October 2020 and,² to that point, it remained unclear whether any UK funder had ever granted that amount of money towards an entity tackling racial injustice. As such, the need lays exposed for all to see. Still, the resources required to dismantle systems of racial inequality have not materialised, nor has a collective understanding of the role the funding sector must play in the fight for a society free of racism. It is essential to emphasise that advancing racial justice should underpin all grantmaking if the sector intends to positively address inequalities and discrimination in society.

We write this report, building on the powerful work of people of colour in the sector, to encourage funders to take urgent action to address racial injustice in the UK. We hope this report reenergises, refocuses and inspires charitable foundations to acknowledge their power



and lean into the opportunities to build a society in which racial justice is at its core. For too long, powerholders have turned a blind eye to the incompatibility of their philanthropy with tackling racism, often while directly benefiting from structural racism. We have had enough and speak directly to the sector to do better.

We start this report with a deep-dive into grantmaking practices, uncovering the origins of philanthropic giving in the UK. We then speak directly to the experiences of people of colour in grant-giving roles and hear from them how the sector needs to be transformed to enable capital to flow to those who are best positioned to lead on racial justice. Next, we turn our attention to the investments and capital that drives philanthropy, reflecting on the origins of current investment practices and the present-day realities of how such practices uphold systemic racism. We then move to reimagining how we connect the resources for change with an urgent commitment to build a racially just society. We conclude by exploring the operations and governance of charitable funding organisations to identify opportunities to lock in a new way of being, doing and engaging that will allow foundations to authentically advance racial justice work.

By speaking honestly, centring joy and innovation from our communities and “cutting the nonsense”, all while shining a light on less understood areas of tension

with racial justice work, we aim to present a true depiction of what we need to shed, and embrace, in order to move closer to racial justice.

Let’s stop negotiating with the current system and, instead, get imaginative about what we can create and achieve.

OUR GUIDING PRINCIPLES

Joy and innovation over pain.

We will be honest; this writing process has not been easy for us. We hurt as people of colour at the treatment of our peers, as is so poignantly expressed in this report. We hurt at the work we feel compelled to do collectively to ensure a brighter future for our children, our uncles, our aunties, mothers, fathers, siblings and friends. We hurt when we see the sheer disconnect from people with access to power to change things that do not see the violence, death, and obstruction of opportunity that results from racial injustice. As such, when speaking with people of colour, whose insights made this report possible, we sought as much as possible to centre joy. In addition to our shared pain there is so much shared love, laughter, and excitement for a bright future that we see as being central to this work.

We are sick and tired of the pain of communities of colour being exploited and used to motivate action for racial justice, especially when it is performative rather than transformative. We will no longer stand by this approach as the primary means to engaging powerholders; it only serves to deepen the power imbalances that support a system of white supremacy. We instead call for a commitment to the principles of transparency, love, kindness and understanding. We request that action is underpinned by a commitment to ongoing learning and an appreciation of our interdependent lives. As such, we

designed this research project with this in mind.

As people of colour writing this report, we are all but too aware of how exhausting these conversations are. We know the system and we know the past, and in this report we do not spend too much time educating those who “don’t get it”. Instead, we push forward to spaces of innovation and joy where we can get excited about our full and exciting futures.

In the same way that we express throughout this report that change starts at home, we believe that in order to produce transformational work and tap into visions of a world where people of colour are truly liberated from systems of oppression, we must live these values in our research and writing. The ways we showed up for each other as a research team matter. We checked in regularly with one another; made conscious space for pausing to reflect; gathered for grounding exercises before meetings and interviews. We can always do more, but we are proud of our efforts to move to more of a caring and transformational approach to research, seeing it as only making our work stronger.

Methodology

In order to write this report, we engaged in a number of research methods which included conducting over twenty-five individual interviews with changemakers in the UK and a roundtable discussion

with five grantmakers of colour working in the UK. In addition, we attended several relevant events and workshops as a research team to support our learning to better understand the ecosystem of racial justice work. The foundations of this report, and so many of its key insights, stem from an in-depth literature review process where we spent time reading, listening and reviewing the many powerful reports that came before.

Our networks as a research team and that of Ten Years' Time were crucial to this work, allowing us to sense check our work and to be signposted to people, resources and movements that brought so much value to this report. We spent many additional hours talking to our colleagues, peers, friends and families about our ideas for this report and see these hours as really important in testing our insights and creating space to dream and be courageous with our ambition.

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"Anyone who is interested in making change in the world, also has to learn how to take care of herself, himself, theirselves... it means that we are able to bring our entire selves into the movement... it means a holistic approach"

Angela Davis, Afropunk Festival, 2018

CHAPTER 1:

GRANTMAKING



PAST

On the origins of philanthropy

Philanthropy is not a new concept, neither is it unique to trusts and charities in Britain. Much of how we understand philanthropy today can be understood through the definition shared by the National Philanthropic Trust:

*"The practice of organized and systematic giving to improve the quality of human life through the promotion of welfare and social change."*³

National Philanthropic Trust, 2016

Few people will challenge that this is a worthy feat. Yet, the dichotomous relationship between the giver and the recipient embedded in this definition and the history of charitable giving in the United Kingdom suggests there is work to be done with regards to tackling how the origins of philanthropy infects organised giving today, if we are to successfully pursue systemic change in the sector.

Philanthropy across time and space

If you were to take a guess as to what the defining historical moments of British philanthropy are many would refer to the development of the National Health Service in 1948. Perhaps, others might make reference to the 1815 Poor Law and its subsequent amendment in 1834. Both are essential for understanding how the desire to bring about social change, cohesion and order became the driving forces of systematic giving in Britain, Europe and much of the Western world.

The Reformation in 1517 gave rise to centralised giving for a purpose as opposed

to between individuals outside the influence of the State. Protestants were no longer tied to the traditions of the Catholic Church that suggested that giving to the poor was an act of penance, a way for people to cleanse their souls. In contrast to Catholicism at that time, Protestantism was committed to the tangible impact of giving, in other words, the extent to which giving produced outcomes that could be seen.⁴ On the surface, it appears that modern philanthropy more closely resembles the latter. Yet, the secularisation of philanthropy did not do away with acts of penance by donors whose charitable efforts at times appear to shield them from critique.

Social, religious, or cultural influences in modern philanthropy are not in and of themselves bad. While the language used may not be the same, the concept of philanthropy transcends cultures and faiths and broadly advances ideas of community building through reciprocity, equality of persons regardless of their access to wealth, and the responsibility of all to all. Prior to the arrival of European settlers, many Native American people gave as part of a practice closely associated with honour and obligation.⁵ For example, potluck traditions, gift giving feasts, among people in the Pacific Northwest in the 1900s.⁶ According to Confucian thought, *ren*, loosely translated to benevolence, is that thoughtful consideration for others throughout life ought to guide society.⁷ Communities across Ethiopia have been known to set up informal support groups, *Mahiber*, translating to an association.⁸ These groups are made up of people connected by a common factor, this could be belonging to the same church, neighbourhood or family. It is common for these relationships to provide social and

financial support in times of crisis. Similarly, sou-sou, saving and distribution groups across West Africa, Latin America, and the Caribbean can act as safety nets for those who are unable or do not wish to access traditional forms of financial assistance.⁹ We see elements of each of these different giving traditions in modern philanthropy today, often rebranded as new models of participatory philanthropy.

“The grant-giving space in the UK does not exist in the same way in the United States. Prior to the establishment of the welfare state, the tradition has always been that wealthy people gave and defined British philanthropy.

Grant-giving here is a closed and exclusive space. In other countries, you see the prominent individuals and the business sector drive the philanthropic agenda in a way that is not seen in the UK. British philanthropy, at times, is very much an extension of government.

I think if we hope to see social transformation in British philanthropy we must first make the important distinction between philanthropy and grantmaking. To do this successfully, we must first identify where the money goes, and why it goes where it does.”

Viv Ahmun, Baobab Steering Group

When philanthropy divides?

Arguably, the origin of philanthropy in Europe can be traced back to medieval times and the fall of feudalism. As the relationship between landowners and tenants waned with the rise of capitalism, a new relationship between people was necessary to maintain social order in Britain. Later, with the Industrial Revolution, overcrowded urban communities were vulnerable to the constantly fluctuating demands for employment and no landowner

or local church to turn to in times of need.¹⁰ By the 15th century, economic growth that came with capitalism led to an exponential rise in urban populations without embedded social norms of reciprocity, care, or equality among the newly established social classes. As such, the implementation of the 1601 Statute of Charitable Uses was a much-needed way to ensure local trustees took the responsibility of those around them, this time with government oversight. It could be argued that this move by the British parliament was simply a different way of imposing feudalism. What has this got to do with philanthropy one might say?

As secularism rose in Europe, the role of missionaries and their charitable works in the British empire grew.¹¹ What came to be known as the “mission civilisatrice” was presented to the European audience as justification for colonial rule in other parts of the world and also secured the Church’s waning support in the West.¹² Colonising nations in Europe presented themselves as the moral, ideological, and political nations to aspire to as they competed in the scramble for Africa, mass acquisition of land and persons through colonial rule on the continent. However, such charitable works and giving by the Church did not conceal the lasting harm done by colonialism’s systemic division: prejudice based on the colour of one’s skin.

Power-corrupted giving

Throughout history, there have been a number of philanthropists who have extended their benevolence in ways that have made a positive impact on British society. Nonetheless, it is the systematic process of giving that prevents real change from occurring in modern philanthropic

sectors. Due to the sheer number of people who required assistance during the Industrial Revolution and both world wars, the idea arose that a more centralised approach to giving needed to be adopted in Britain. As such, pooling funds through an intermediary who were viewed as better equipped with understanding the causes of poverty became the norm.¹³ It is this transition that separated the giver from the recipient and subsequent forms of accountability.¹⁴

Assessment of another's needs without a relationship prevents solidarity between people and increasingly mimics the unequal relationships propagated during colonial rule. More importantly, organising bodies prevent individuals from seeing how their own contributions to society may serve to perpetuate the same societal ills they are seeking to alleviate just as it had done in the past.

“Conflating philanthropy with grant-giving suggests there are goods of a particular value exchanged. Under this line of reason, what the giver has to offer is greater than anything the recipient can offer. For example, ‘I have knowledge, which is superior to yours, which will inevitably help you navigate your life and make it more successful’. Or ‘I have skills, I have experience, I have money’. Whatever it is that's being given, it is always assumed that this somehow has a value greater than anything that the recipient can potentially give to themselves, or that contributes to somehow a better world. And in the realm of race, that's a very contentious thing to assert.

In much of their [grantmakers] giving an inverted commerce is usually carried out across some kind of divide, whether that divide is that of race, which is the most usual or class, which is unspoken. It is premised on this idea that somehow; one set of individuals are superior to another and that is why giving is taking place. I think it's really important that we start to reconfigure the idea of giving and receiving, and the different directions it can flow. Until we start to look at those structures, we end up perpetuating particular mythology, which I think keeps things unequal. If what we're aiming for is some kind of equity or equality and we are still transacting philanthropy, we uphold the status quo. We just perpetuate the old.

So what might better look like?

I think even material needs are still configured within the construction of what is good and what's bad. There has to be some kind of disruption of the whole framing.

People who are giving must understand that they have something to receive. They are not complete. They are not entities that are finished. I'm really happy to be identified as coming from a developing country. It means that I understand that I'm still learning. I'm still growing. I've still got somewhere to go.

When you stop learning, It's over. You're effectively dead. You're just rotating on what you already have.”

Mama D Ujuaje, Community Centred Knowledge

PRESENT

We are not the first to recognise these issues, we know that the sector has some skeletons in the closet when it comes to racial diversity and equity. We seek to build on the literature that exists and bring together what we consider to be missing. In doing so we hope to encourage and facilitate genuine racial justice action to advance the lives, opportunities and self-determination of communities of colour in the UK. As such, this section will seek to provide clarity, the values and examples that can inform your grantmaking practices and push them to be more racially just and useful to the efforts of communities of colour doing this fundamental work. We will also reflect on the experiences of people of colour working in grantmaking roles.

Understanding the origins of philanthropy provides us with the blueprint to understand the racist core of modern philanthropic giving; this is vital in order to be able to address the extractive roots of philanthropic wealth (which we discuss in more detail in the investments chapter). It is this very erasure of the truth about the extractive roots of power and wealth that has blurred the lines of causation between colonialism and capitalist history and the racial injustices that people of colour live day in, day out today.

As we explore the relationship between philanthropy and the people it's meant to

serve, it becomes glaringly obvious that whilst serving as a form of support, it is also masking its use as a tool of social control which relies heavily on a hierarchy of power. In this dynamic it is presumed that those closest to wealth are best positioned and best trusted to know what those most vulnerable in society need. In this way, a one-way relationship of giving was created which solidified the stratification of social classes and racial groups. Whiteness was positioned as supreme and people of colour were positioned as having nothing to give in philanthropy. We argue that this is incorrect and, given how the wealth was derived and how it passed to the present day, we should instead focus on reparative action to address the harm that was caused in the accumulation of such wealth.

These dynamics have been further exacerbated through the centralisation of funding and the positioning of intermediaries to give funds to recipients, as they create a great distance between the "giver" and the "receiver". We argue that a more direct link needs to be re-established as good and effective funding is about making time and space for relationships steeped in trust and understanding; giving without such a relationship removes agency and the space to question and call out.

The fact of the matter is, no matter how progressive the sector may feel today with countless announcements towards racial and social justice funding and its EDI (Equality, Diversity and Inclusion) agendas, the core



power dynamics within the space haven't changed very much at all. Philanthropy was and continues to be shaped by the elite class, those who are the furthest from the needs on the ground. This reality positions it as incompatible with racial justice work whilst also continuing to cause great harm to people of colour working in the sector.

This work needs to be more than just a PR statement

As the summer of 2020 brought about the resurgence of Black Lives Matter following the murder of George Floyd the hurt and injustice of communities of colour flowed into huge protests and a collective feeling that "this is enough". Black and Minority Ethnic people comprise around 14% of the UK population. Still, most funders do not give away anywhere near the equivalent of 14% towards Black and Brown-led organisations or to organisations advancing racial justice.¹⁵ Even last year's efforts fell well short, with headline-grabbing POC-focused funds representing a minor percentage of overall grant-giving while continuing to operate in a silo.

A report in 2020 by Ubele found that 87% of BAME-led micro and small organisations reported that they did not have sufficient reserves to last more than three months due to the Covid-19 pandemic.¹⁶ The reality for many charitable organisations led by people of colour, as detailed in the Ubele report, is all the more worrying when we look at the 2020 research commissioned by The Funders for Race Equality Alliance. The Alliance's research reflected on the outpouring of funds targeting Black and Minority Ethnic VCS (voluntary and community sector) during the Covid-19 pandemic and shared a number of powerful

findings. The report went a long way in highlighting the unsustainable nature of the funding directed to communities of colour in that they had extremely short windows for which the funds had to be used which "puts organisations at risk of financial insecurity after this period". The Alliance called for longer term funding and reminded funders of their "responsibility to redress the historic underinvestment of the Black and Minority Ethnic VCS and create generational funding opportunities to advance greater racial justice in the UK".¹⁷ The report also called out the London centricity of funders, citing 66% went to London.¹⁸

Over and over again we hear about the need to move towards a more participatory, regenerative, redistributive, anti-racist grantmaking world. Yet what we're hearing from practitioners on the ground is that none of this talk is turning into reality, and any work that is being done is not at the speed or scale that can make any real difference. In response, we know this may ruffle a few feathers, but we see the current efforts to advance racial justice through funding as drastically lacking in the ambition, honesty, urgency and, ultimately, in the size of resources deployed. We have found that the vast cognitive dissonance in the sector is stopping the shift of power to enable those that know best to lead the way and is hurting communities of colour further.

So the question remains, how do we get this work to be more than just an empty, performative PR statement?

We thank organisations like Ubele, Future Foundations UK and The Funders for Race Equality Alliance for their work to map the reality of the funding sector in relation to resourcing racial justice, their work speaks clearly to the issues and many of the solutions and we would urge people to read their resources and further support their needed work.

Moving beyond an obsession with data – Impact

"It becomes so impact oriented, like the donor, the organisation, it's like, we need to prove our impact, we need to show our impact... So much resource and time, energy, effort and thinking goes into how to measure impact. And a lot of the time measuring impact for really important work isn't so tangible. Or maybe it's not so instant, maybe it's not short term. But there's still the pressure, the pressure doesn't go."

Shahd Hammou, Programs & Gender in International Development

The sector is obsessed with statistics and figures, yet interestingly enough for communities of colour, very limited data is collected. However, most funders still measure impact with this limited data, and proposals are "strengthened" by the use of statistics. Funders often push charities and changemakers to prove the utility and legitimacy of their work through collecting arbitrary data for their own systems rather than basing evaluations on the level of reach in communities, the depth of relationship and ascertaining through conversation the impact of an intervention. We assert that impact should be reframed completely to adopt a human centred approach. As such,

instead of pulling all the figures together here to compel power-holders to move to action we centre human insight. We believe in the power of trust-based philanthropy that centres on building confidence with the communities you exist to support and ceding power to them. It is important to reflect on who is doing the trusting, given the demographics of the sector, to ensure it isn't simply reinforcing the same power structures we are seeking to disrupt. At the core of this approach there is a need to listen to and act on the insights of humans experiencing racial injustice.

"I feel often really conflicted in my role overseeing grants to racialised communities. I want to do my bit to get capital flowing to resource change in communities that look like mine but it is hard to feel like you can support the kind of organisations that you really want to be supporting and uplifting when you are worried about the successful organisations getting their funding cut because they weren't delivering on outcomes that my organisation sees as valuable. They obsess over delivering outcomes rather than trusting the visions and people that are the closest to the issues and are living the change they want to see."

Participant, Roundtable

"The main objective is to fulfil the donors' needs, to fill donor requests on the donors' timeline, through the donors' perspective. And so then whether people like it or not, they lose focus on their original objective and mission. And then the power dynamic between donor and recipient/grantee becomes skewed and awkward. In what world are the group with the capabilities and know-how to trigger change and create impact within their communities, under such intense scrutiny by those who have the money?"

Shahd Hammou, Programs & Gender

Hearing from grantmakers of colour

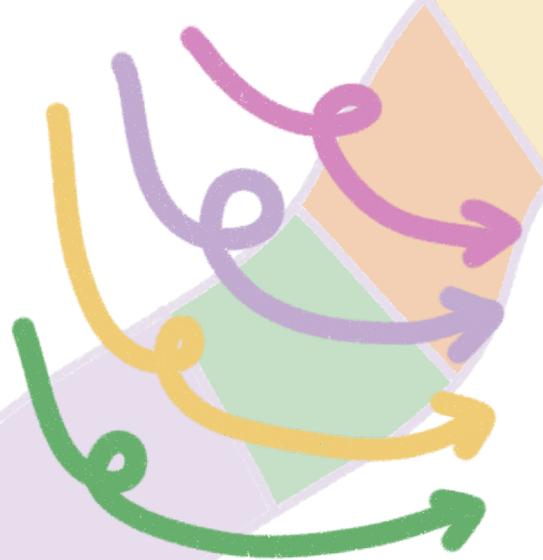
In the Summer of 2021, we facilitated a roundtable discussion with five grantmakers of colour, distributing grants across the UK, to engage in a conversation about the realities of resourcing racial justice work in a UK funding institution. We chose to hold the event at Sugarcane London, a Caribbean restaurant founded by Tarell McIntosh, Chef Tee, due to its commitment to uplifting and supporting the community through hiring care-leavers as employees at the restaurant.¹⁹ We wanted to put money back into communities of colour by actively choosing which businesses aligned with our own mission and working with them. In addition, the food was delicious! The environment was key to creating a space where we could speak to the experiences of the grantmakers in a way which created space for the pain but championed and centred our individual and collective joy. This was all supported by modelling the transformational change we hope this report inspires, paying participants for their time like the experts they are.

There is something powerful about coming together over food that is innately centring,

nourishing for the soul and calming. Whilst the space was created to hear of the experiences of people of colour presiding over grant funding in relation to racial justice to inform the writing of the report it was also much more than that. It was a space focused on building connections, relationships and an attempt to support the healing of some of the wounds we had collectively and individually sustained in our work to disrupt the very power dynamics we talk to in this chapter.

The key themes that emerged from the roundtable were around the sheer incompatibility and cognitive dissonance at large in the sector when it came to racial justice work and the real harm being done to people of colour in grant-giving roles.

The powerful insights from this roundtable have been used to craft a lot of this report and you will see quotes throughout. You will also see that we have anonymised the participants' names to avoid any potential repercussions for their honest reflections which, again, highlights a real issue with the shape of the sector and the lack of safe spaces for grantmakers of colour to openly talk about their experiences.



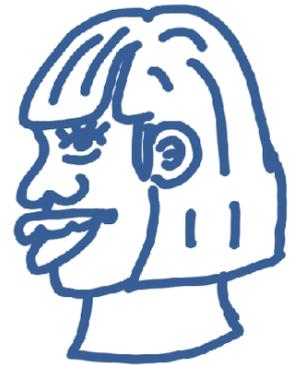
"I'm taking a lot of risks with my personal life. I'm constantly wrestling with myself and my values and how I'm going to achieve my aims. I think in the grantmaking sector it comes with risks, our lives are impacted in ways that are really not OK. I think the space is full of people that think they are really nice because they sit on money they can give away. I do see the beauty and the joy we support but I think we are paying a really high price as people of colour trying to move things forward." **Participant, roundtable**



"I don't think the sector is necessarily ready, not just in terms of the grantmaking process as a whole, for what they think they are trying to do. And the people that need to give up power, aren't necessarily going to do it... I would probably say I'm on the edge of leaving [the sector] now simply because of the things that have happened in the last 18 months. What has now become D&I issues and core brand values which is like my pain is your brand which is problematic."

Participant, roundtable

"It's a systemic structural thing that funders tend to trust the particular types of groups that look and talk like them. They are very risk averse and it often feels like they perceive racialised bodies as a risk that in itself means the types of grants that they give out are to white-led organisations the majority of the time. They see more established groups as groups that can access funding, that are then long term funded with unrestricted grants, whereas the types of projects that I'm interested in because of my own background are grassroots community organisations with radical projects led by the actual communities that I'm a part of. I feel a responsibility being in the role because I know that if I try and get those people through the door, they'll go through the whole process and then be met by the trustees, and the trustees will be like, 'Oh, this one's a little bit risky', or 'we don't really get this', like, 'do you know what the impact of this going to be?' but when it comes to the other organisations, that doesn't really exist." **Participant, roundtable**



"For me there is nothing harder than when I'm talking to Black and Brown organisations who have come to me to help them navigate through our grant systems. They'll send me what they've written and I'm going back and saying, 'Well, instead of using racial justice why don't you use racial heritage, don't use advocacy, and campaigning, use influencing', and like literally watering down their language for them, so that they can get through. I am having to help you lose your authenticity just so you can jump through the first hoop which doesn't even guarantee funding, all it does is get someone to look at your application in our offices." **Participant, roundtable**



The gaps in the data – a lack of accountability

“Every other grant that I've managed pretty much has been to white-led organisations, and I work in international development. So these are white-led INGOs, going out to work in East Africa, with small, tiny, community led organisations getting a fraction of the funding. We say, we're trying to shift the power, but we just don't practice it.”

Participant, roundtable

Throughout the roundtable, we heard that even though there has been an increase in the number of grants towards work focused on BAME communities, there's a lack of data on whether or not that work is Black or Brown led. Furthermore, there is also a lack of data around how many Black and Brown organisations have been rejected through a particular funding round and why they were rejected. There needs to be far more accountability and transparency in this decision-making process because until we know why and who was rejected, we won't be able to fully understand the structural barriers preventing funding getting to communities of colour.

In addition, participants of the roundtable spoke about the need for more funding of unconstituted organisations led by people of colour. They cited the reality of many funds requiring an organisation to be a constituted charity as a barrier to many POC-led organisations accessing resources.

“A lot of groups are not even able to access funding because they are not registered charities and you need to be a registered charity to access it, but actually registered charities are part of the NGO industrial complex.”

Participant, roundtable

“The Alliance [The Funders for Race Equality Alliance] has designed a racial justice funding audit to help funders identify how much of their UK funding is going to Black and Minority Ethnic-led organisations, and contributing to race equality outcomes. The audit is an important tool for funders' accountability, transparency and strategy. The Alliance's ambition is that all funders will be able to track and share information about where project funding and core funding is going.”²⁰

A sense of disingenuity and its toll on mental health

“Racial trauma, a form of race-based stress, refers to people of colour and Indigenous individuals' (POCI) reactions to dangerous events and real or perceived experiences of racial discrimination. Such experiences may include threats of harm and injury, humiliating and shaming events, and witnessing racial discrimination toward other POCI. Although similar to posttraumatic stress disorder, racial trauma is unique in that it involves ongoing individual and collective injuries due to exposure and reexposure to race-based stress.”²¹

A message that came across strongly and clearly from the roundtable was the toll that this has taken on the mental health of Black and Brown people who are trying to change this industry from the inside. We heard of people needing to take a step back and start disengaging because it was overwhelming and exhausting to constantly fight against the system, and have their trauma and pain be used like a marketing tool.

"I have had an emotionally and mentally tough time . I think 2020 was absolutely exhausting, especially in terms of what I tried to give to my organisation and how little changed. So I've just got to a point now where I'm emotionally tapped out and I keep telling myself this is temporary and it's just a coping mechanism and it's a place that I've arrived at because I burnt myself out last year but I don't feel myself about coming back from that yet."

Participant, roundtable

We were told that there was little hope for conversations and statements by organisations about racial justice to turn into legitimate change and action, "it felt as if it was all designed to make the white employees feel better about themselves than actually be of real use", one participant mentioned. We heard that, in some cases, people of colour wanted to distance themselves from conversations about shifting cultures in the workplace because nothing they suggested was ever acted upon. Instead, they were being told that their suggestions for change "won't work because they need to work for everyone", a concept that would never have been applied

if the suggestions were coming from white people.

"But what has been supportive is just having our core group to have each other's back and we strategise who takes the lead on saying things in meetings and how we can chip in to spread the load."

Participant, roundtable

Centring joy and creating space for healing

Many people of colour within the sector are taking matters into their own hands and prioritising spaces and opportunities to heal, connect over joy and to embrace liberatory practices to resist the constant harm they are exposed to. Our roundtable experts shared generously with each other stories about how they heal and replenish.

"Candles, honouring our ancestors, music, watching grime reaction videos on YouTube, football, making teas, making homemade and natural hair products, gardening, nature..."

Participants, roundtable

They shared just how tired they were – tired from waiting for non POC folks to play catch-up, tired from having to smile, nod, and pretend everything is okay, tired from having to keep a poker face as they watch their pain being commoditised.

"I ask for those that can, take some of this weight from us. This emotional burden we carry is heavy and at times debilitating. Let us breathe, let us laugh because Black lives matter. Allow us to stay in this sector and to provide our wisdom, insight, and leadership to disrupt systemic racism and give it the biggest blow it has ever faced so that we can build a fairer world together where we do not harm the planet and communities in the quest for profit."

Participant, roundtable

In addition to the things that individuals of colour can do to resist some of the impacts of racial trauma experienced in the workplace and throughout society, funding organisations need to resist and reduce the harms caused by current philanthropic practices and policies.

Attempts at racial justice, but room for improvement

As a result of the global pandemic and the Black Lives Matter protests, we do see funders beginning to unpack and engage with the complexities of racial inequality in a way that they hadn't before.

There's work happening around improving the diversity amongst staff and boards, collecting data on diversity of portfolios and grantees, amending the grant application process to make it more inclusive, engagement in participatory grantmaking, to name a few. However, whilst funders have started to acknowledge how their existence and their practices have upheld racial injustice, we believe there's a long way to go until they really understand what it means to resource racial justice work and redistribute their power.

Our research revealed that there is a lack of change on a structural and systemic level; companies put out statements about racial justice but many took the form of internal memos that weren't made public, and those that were made public felt awkwardly written and disingenuous. A lot of things were offered, done, or said on the "down-low" such as quietly offering staff of colour an extra week of annual leave, as if organisations were embarrassed to actually act on their promises that they so boldly made as a form of PR.

For organisations that were trying to initiate more than simply tokenistic acts and instead strategically shifting money and power, the burden of the work still fell disproportionately on the shoulders of Black and Brown employees (who also face salary discrimination). People of colour are carrying this racial justice work on half the salary of the leaders who are made to look good because of their work. The lack of racial diversity in organisations means that it's very likely that there is only one Black or Brown employee, and the entire burden of inputting and reviewing any change or statement that the organisation intends to make falls on them and them alone.

"I vividly remember a conversation with our CEO, who called me up and said 'I wanted to check this statement we want to share on racial justice with you and I'm going to be blunt with you, it is because you are the only Black employee'. And I was like, that's a problem with the organisation."

Participant, roundtable

We heard about organisations using words such as “reparative” and “restorative justice” without appreciating the amount of currency this type of language holds in this space, what they mean to communities of colour who have been oppressed for centuries, nor the work that needs to underpin the usage of these words. Whereas employees of colour feel a deep sense of responsibility towards turning this language from intent into real action and transformation, to do right by the communities they’re from and work with. This disconnect in understanding of the weight that these terms hold has exacerbated the feeling of tokenism, the empty promises, and the disproportionate workload on Black and Brown people. We also heard of white-led organisations being paid to deliver racial justice work, which we see as a big moral and ethical issue, especially when you look at who is profiting from pain and where the money is going.

There was also a sense of white organisations congratulating other white organisations for doing any ounce of racial justice work instead of really questioning whether what was being done was useful and reparative for the damage that’s been caused. We heard about the need for white organisations to get used to the discomfort of listening to the truth about the origins of their wealth, their links to slavery, rather than avoiding it because “it’s too hard” to process.

In the instances where there was more than one person of colour in the organisation, participants informed us that they built alliances amongst them of support, care, action, and accountability in order to create collective power. It helped individuals not to feel isolated in calling out empty PR statements, strategic interventions, and clear instances of deep-seated racial injustice.

We hoped and prayed that there would be some reckoning and that society would have been completely overhauled after what happened to so many Black Britons; **Joy Gardner, Cherry Groce, Christopher Alder, Sean Rigg, Kingsley Burrell, Darren Cumberbatch, Simeon Francis, Rashan Charles, Edson Da Costa, Mark Duggan, Zahid Mubarek** and so many more – but the reality is that it hasn’t. And wealth holders, and society in general, need to remember that if we go back to how it was before, it isn’t good for anyone.

FUTURE

We need to disrupt the status quo and act on changing the traditional power dynamics in the grantmaking sector. We want to see communities of colour given the value they deserve, we want to see more participatory grantmaking led by people of colour and legitimate decision makers. We want this disruption to be centred in more innovation and joy, and we want grantmakers of colour to be listened to, to be supported, and for their work not to be hindered. We need to work towards a more nuanced, informed and culturally sensitive way of grantmaking where it is no longer those who are furthest from experiencing racism and marginalisation framing the solutions.

Funders: using your privilege for good

Funders are uniquely positioned to support actors within an ecosystem of change or society more widely to connect with one another, build relationships, share learning and much more. This kind of connecting infrastructure and practice is extremely important for POC-led organisations since the majority are under-resourced and,

therefore, have reduced capacity to build such relationships. We believe that such connecting work will allow all organisations to work better and to repress less and ultimately collaborate more towards a shared vision of a racially just society.

Funders have time, money and resources, however, they are largely not acting on this golden opportunity to enable, connect and build strong ecosystems of change. We argue that funders should create space for interaction between their grantees working on similar issues, fund learning exchanges between organisations working on racial justice and provide funding for roles where people can focus on building collaborative learning and sharing practices. We see this as particularly important for those organisations and movements working on the frontline of racial justice. We also urge funders to resource support for these frontline changemakers, reflecting the impacts on their identity, mental health and energy levels to sustain their powerful work.

Supporting frontline workers

As we will see below, people of colour carry so much of the labour and hold so much of the emotional burden of racial justice focused work and there are often no existing structures that you can turn to in order to rest, breathe, re-energise and ultimately heal. Constantly code switching as part of your job, going the extra mile to shield the communities you are supporting from harmful funder/grantee power dynamics, taking “hits” to your identity from the racist and anti-Black interactions, all the while supporting your community, is exhausting.

Frontline workers innately hold value in the context of advancing racial justice, and they also answer to the hierarchy of their

organisations. They have proximity and connection to communities and work to resource them and, yet, do this within the context of a sector that is fundamentally racist, that is structurally underfunded and under-resourced. With their personal experiences of racism, they carry more burdens and responsibilities than they should, to navigate the sectoral injustice whilst pursuing equity.

We believe that positioning frontline workers as experts and bringing them closer to grantmaking decisions is a great way for funders to make sure that their money is getting to the pockets of communities that would most benefit from it. They hold such deep knowledge and understanding of the ecosystem and have spent their careers building relationships with their communities that redistributing power to them would allow funders to more effectively resource “successful interventions”.



I am a specialist ISVA, supporting young Black females who have experienced or are at risk of experiencing sexual violence. As a young Black woman myself, I am able to deliver this specialist support service, but the emotional toll of specialist roles is high. Trauma stewardship is taxing for any individual, but working with survivors of sexual violence who exist across multiple axis of oppression is much more challenging because of vicarious trauma, misogynoir and racism. Structurally, the impact of being a Black woman working with Black women and girls has not been considered. My clients are carrying the weight of generational trauma, trauma from sexual abuse, trauma from the people and systems around them who uphold white supremacy and oppress them in the process.

Though I have regular access to clinical supervision, funding for the role including my salary is too little for the intellectual and emotional labour I constantly put in.

Primarily, my role is to support these young Black women through the criminal justice system, from when they report to the police, to Courts (if it makes it there). The organisation I work for applies a holistic approach to healing and this means making sure their needs are being met within all institutions they exist within i.e. healthcare, education, housing, etc.

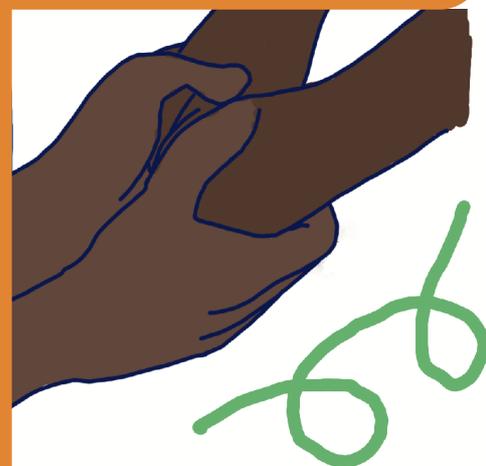
To do this effectively, I often have to do institutional advocacy – helping external professionals such as social workers, understand the nuances of sexual violence trauma and how that will impact the way they interact. This is part of the ISVA role but for me it's often calling people out on racism.

Being a young Black woman myself, it is exhausting to package my outrage with institutional failings in a palatable way. It's burdensome because it has to be done in a way that doesn't jeopardise the level of support my clients receive. That and constant code-switching, between my clients, colleagues and management makes this role a lot more strenuous than other ISVA roles and the funding does not reflect that.

Roles like mine are not funded indefinitely, nor are they funded without conditions as we often have targets to meet. As a low level worker, this isn't supposed to be my concern but when supporting young Black girls and women who are in desperate need of this support it's hard not to worry about whether you'll even be there to support them if/when their case makes it to court as most roles are only funded for a year, despite the fact that it can take up to 3 years for a case to be heard in Court.

In addition to navigating these institutions on behalf of my vulnerable young Black clients, I also have to navigate the hierarchy of my organisation, the inherent racism that exists within the gender based violence sector and 'political blackness'. The latter being the most harmful, as I am an unambiguously Black woman, when I leave work I do not have the privilege of being perceived in any other way.

Yasmeen Ojeleye, a young Black women's sexual violence advocate



I think the corporate world historically and still constantly predates on social work in many ways. In the 'corporate world', I include any capitalist structure, structure that centres profit, 'economical growth' or any space that defends the idea that 'business' is a 'positive' force for social change, an idea often held by the social innovation world. This corporate world, voluntarily choosing to ignore that 'the master's tools will never dismantle the master's house' (Audre Lorde), and so refusing to admit that there is no hope for humanity in capitalism or 'business', unfortunately often has the 'ear' and the attention of the funders of our frontline social work.

It is not a coincidence that the language around 'impact' has inundated our funders' expectations, it is not a coincidence that numbered targets to measure the value of our social work have been normalised so heavily in recent history. What counts most is 'how many' service users, young people, community members... you've engaged with. Everything is based on numbers and if you reach the number you have been successful and if you haven't reached the number, you have failed. What so many of us see as the heart and core of social work, building trustful relationships, supporting individual and community wellbeing, has been relegated to 'qualitative outcomes' and still we are pressured into finding ways to translate these unmeasurable things into numbers.

I believe that this culture has been forced on our sector because of the influence of the corporate and social innovation world, on all of us and on funders especially. From the funders' point of view, I can see how a series of hard numbers is more enticing and 'impactful' than a paragraph describing the 'qualitative' work you've done - just like a complex and nuanced world view is harder to hold than simplistic narratives.

I just wish funders would listen first and foremost to experienced frontline social workers on how and why they define 'success', and that they would look at the attempts of the corporate world to impose their language and culture critically for what they are - part of a bigger framework maintaining the historical coloniality of the social work and charity sector, with privileged white people benefitting from

capitalism at the top, and frontline social workers, often Black and of the global majority, fighting to maintain human-oriented processes and fighting for their communities' wellbeing, at the bottom.

Annick Metefia, Youth and social worker, activist, researcher



"I came into the grantmaking world after 15 years in community work because I couldn't find any equitable opportunities with the frontline work I was doing. I was finding myself in a position where I was a part of powerful work I was proud of but was barely able to pay my bills and support myself. But now me being here is really important to my community because of the impact and influence I can have here over where funds end up.

I discovered the 2027 Programme and that's what first really encouraged me to value my lived experience, all of

my unpaid work, and look towards the possibility of having a career in this sector. I'm still here because the things I have learned on the ground sustain me here and I hope I can continue learning to support my community. 2027 helped to navigate me into the sector as a whole and gave me some type of agenda that included me as an individual so looking at my own professional development as well as looking at how I can resource the community."

2027 Programme: Participant Reflection

Recentring innovation and joy

One's "value-add" as a grant-giver is not, and should not, be more than the communities they exist to support. As discussed in the origins of philanthropy section of this report, philanthropy positioned its "recipients" as "having nothing to give but everything to gain from grants", with which we disagree wholeheartedly. We believe the communities that grantmakers exist to serve have everything to give, especially the deep understanding of the very systems and issues grantmakers are seeking to address.

We are certain that if the sector listened to

people of colour working in grantmaking and deferred power to them when it came to developing funds to support communities of colour, things would be very different. Here we mean deep listening without talking or taking up space and acknowledging that these people are experts in what they know, believe, and have lived.

When Black and Brown people are given the chance to have influence and authority over how money is spent, they are seemingly better at resourcing Black and Brown joy instead of pain. If you want to do the same, and redistribute your wealth and power to resource joy, we've put together a few organisations doing just that that inspire us.

"There has to be some kind of disruption of the whole framing... People who are giving must understand that they have something to receive. They are not complete. They are not entities that are finished." **Mama D Ujuaje, Community Centred Knowledge**

Bridging to the future – funds, organisations and initiatives that inspire us

- **2027 Talent Programme** – The 2027 Talent Programme is a new, paid training programme that prepares brilliant professionals from working class backgrounds for decision making roles in the grant-giving sector. The programme, which launched in 2018, takes on 15 associates each year over the course of 10 years. These individuals will start a movement that fundamentally changes the skill set, approach and class makeup of senior teams at foundations and trusts whilst valuing all forms of knowledge needed to create social change in society.
- **Baobab Foundation** – The Baobab Foundation is a new type of foundation; one that seeks to support, grow and strengthen communities, groups and organisations led by Black people and communities experiencing racial injustice in the UK. The foundation is unique because it will be led by the community organisations and communities it supports.
- **The Dream Fund** – An initiative of Civic Square, the Dream Fund seeks proposals that take the form of provocations, interpretations, as well as open frameworks that can be reused, reconfigured and reinterpreted by anyone. They particularly look for proposals that can be used as participatory activities, that encourage play and creativity, are society-centred, open source-able and can act as convening tools around dreams, imagination, foresight, and identity.
- **Black Feminist Fund** – The Black Feminist Fund exists to significantly increase the resources available to Black feminist movements globally, contributing to strengthening their sustainability and resilience. The fund supports grassroots Black feminist organisations working in Africa, the Americas and Europe.
- **Black Wellbeing Collective** – The Black Wellbeing Collective is a space that provides a mental health and wellbeing service, prioritising the lived experiences of the Black community. The collective encourages a space to heal, recharge and indulge in self-care using various forms of therapeutic practices. Many of the practices are centred around the impact that racial trauma has on communities leading to self-care talks, creative and holistic workshops and empowering projects to find validation, acknowledgement and ways to heal.
- **The Phoenix Way Partnership** – The Phoenix Way Partnership is a £50 million partnership aimed to boost funding and support to Black and Minoritised community charities and grassroots groups over the next five years. Chaired and led by The Ubele Initiative, The Phoenix Way Steering Group is made up of leaders from Black and Minoritised communities from across England and is a deeply participatory and collaborative fund.
- **Charity So White** – Charity So White is a campaign calling for a fundamental shift in power structures in the UK charity sector and to hold leaders to account. The group's 2019 #CharitySoWhite hashtag sparked a conversation about racism in the charity sector and encouraged many people of colour to share their experiences in the third sector with racism.
- **Resourcing Racial Justice** – The Resourcing Racial Justice fund is a coalition of people of colour (POC) innovators, change makers, activists, artists and social leaders dedicated to social change. Together, they established a new UK wide-funding pool to support individuals and communities working towards racial justice.

Giving up power and stepping aside

"Justice is what love looks like in public"

Cornel West

In order to advance racial justice it is clear that we need to disrupt the status quo. Business as usual does not align with racial equity nor does it support racial justice. In order to truly create a racially just society there needs to be a redistribution of both resources and power. Representation alone will not do it. We need to give resources and authority to those who know best, now, to immediately resource racial justice work. The more we wait, the more harm is done.

We hope that this chapter inspires those working in the funding space to be ambitious in resourcing racial justice and equity. Giving up power is not easy, it is uncomfortable but it is rare that true growth

comes from a place of comfort.

For those reading this that feel they have too much to learn and are struggling to understand how deeply complicit they have been in sustaining systemic racism we urge you to step aside. There is great strength in humility, knowing when you are the right person to drive change and also acknowledging when you are acting as a barrier. We urge you to be brave in trusting that those communities with over 500 years' experience of racial injustice know their reality better than you and also are best positioned to develop the solutions. After all, this is not a game. The consequences of inaction, silence and the sustaining of racial inequity and injustice means the continued violence committed against people of colour and less and less Black and Brown joy.



"Last year, our board recruited three trustees. For the first time, the process was held externally. On this occasion, candidates who were not members of the Livery Company could apply. In the context of the resurgence of the Black Live Matter protests and as it became apparent that minoritised communities were disproportionately impacted by the Covid 19 pandemic, 3 women (including 2 Black women) joined our board.

Although something to acknowledge, intentionally increasing a board to bring diversity is not as meaningful and powerful as restructuring it." **Nelly Koko-Konan, Grants Officer, The Clothworkers' Foundation**



RECOMMENDATIONS

Five short-term things you can do:

1. Educate yourself on the origins of philanthropy in the UK and how it was fundamentally crafted by white supremacist thought and geared towards sustaining a social hierarchy that is, and always was, outdated.
2. Fund learning exchanges between organisations working on racial justice and provide funding for roles where people can focus on building collaborative learning and sharing practices.
3. Position frontline workers as experts and bring them closer to grantmaking processes and decisions.
4. Collect data and publish it publicly in terms of how much money you give in grants to POC-led organisations, and how many POC-led organisations were rejected in the process.
5. Cede power to communities of colour and if you recognise you are not best placed to direct money to POC then hand over money to the funds that are best placed (see list of some funds and organisations that inspire us above).

Five longer term recommendations:

1. Audit your grant-giving practices through a racial justice lens, informed by the experiences of staff members of colour. Hire an external expert of colour to lead this work.
2. Reframe how you measure and centre impact in your grantmaking and adopt a more human-centred approach. Assess your work by building trusting relationships and actually creating space to speak with those impacted by the projects you fund.
3. Change the way you recruit staff members. Reimagine the skills needed to be a grantmaker in your job descriptions and actively build a team that reflects the issues and communities you are funding on. Publishing houses hire sensitivity readers to assess the language of books they deem potentially controversial. Here, funders would be best served to hire POCs in similar roles, particularly in their use of language in recruitment.
4. Create spaces and opportunities for people of colour to heal from racial trauma and connect over joy.
5. Develop processes to fund unconstituted organisations, through funders looking into how they can fund individuals and unregistered organisations.

The sky's the limit...

1. Dream big, get ambitious and dedicate real time to reimagining society and the world, then reflect on how you can make grants to make these dreams a reality.
2. We would urge someone to make a racial justice quality assurance index of funders to view what work they have ACTUALLY done in comparison to their statements and verbal commitments. You could rank funders in terms of their commitment to racial justice and allow grassroots organisations to share their insights of working with a funder, for example.
3. Spend down your endowment! The current funds in circulation to advance racial justice are not enough. Mobilise your endowments to save lives now rather than waiting.
4. Pick up the phone, email, WhatsApp, text the organisations you fund and get to know the people that are leading the work to a more racially just world. Change is all about relationships. Invest in the relationships of those that you fund and create space to reorient the relationship between "funder and funded" to one that is rooted in equal value and appreciation.
5. Physically move your funding organisation into communities of colour and embed your grantmaking in the community through participatory grantmaking, accountability structures at all levels of your operations that include the communities you serve and convert your office building into a community asset.

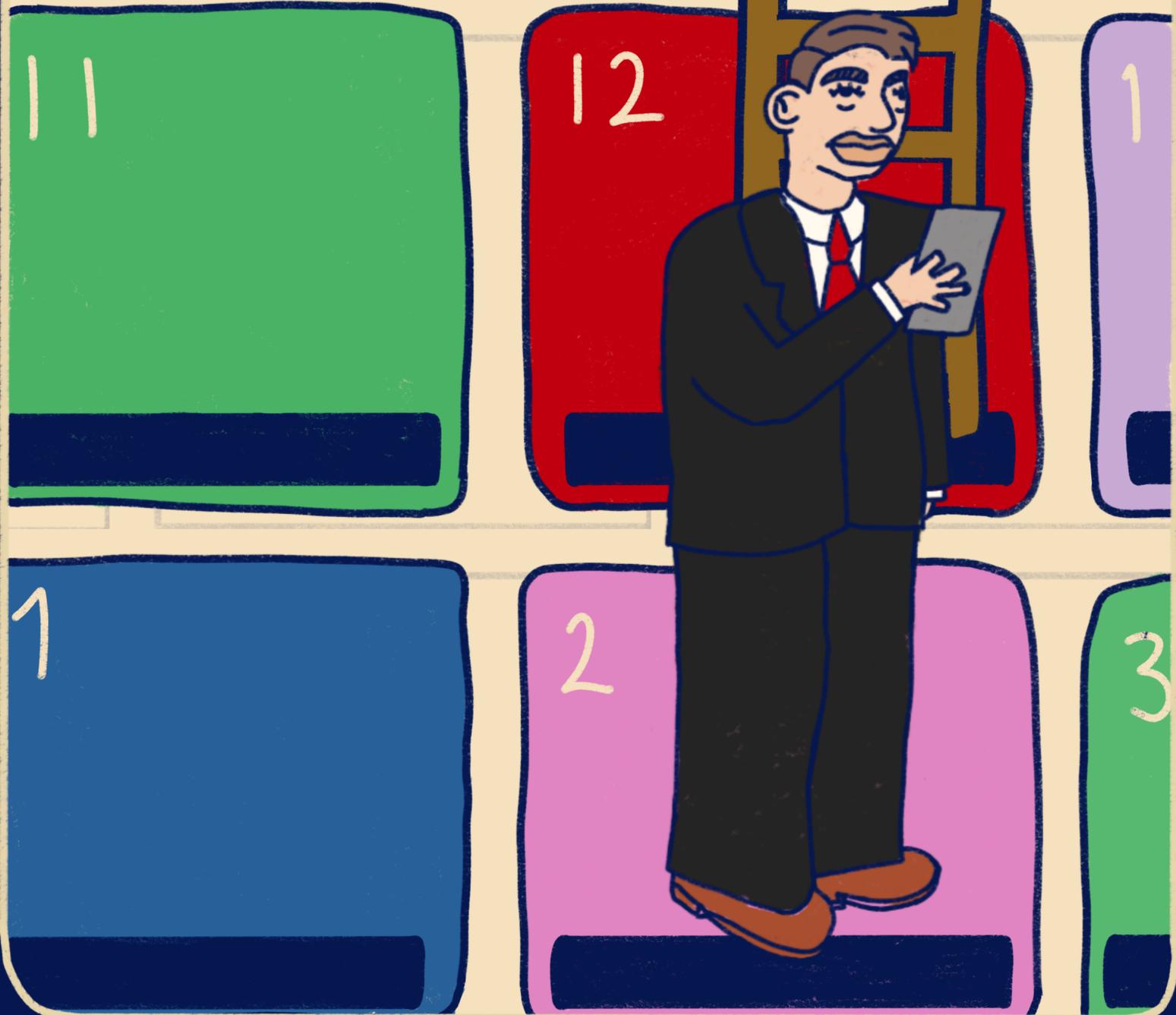
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CHAPTER 2: INVESTMENTS AND RACIAL INJUSTICE



INTRODUCTION

Whilst there have been conversations in philanthropy about how to give up power in decision making, honing in on giving strategies and participatory grantmaking, there has been far less effort focused on investment where arguably the most impact could be created. People are starting to gently move towards understanding that such vast amounts of capital cannot be created without deeply extractive and disempowering strategies, especially when we expect large returns and profits year-on-year. But if we consider that the money circulation in the UK grant-giving sector is not taxed, and as such that revenue is not coming back to the state to be partially invested in social support for those most in need, it feels right that at a time of many conversations, heightened rhetoric and huge amount of innovation around racial justice that we widen our lens to also look at investment and the opportunity that lies there.

The money is not yours – the wealth amassed has been created through the labour of others, a lack of financial agency, and a deeply racist, patriarchal and non-environmentally friendly nature of power relations. Over time these dynamics have favoured the west and elite sections of our society, shifting very little resource to those whose present and past labour enabled this great accumulation of wealth and power. We hope that bringing attention to this will create strong impetus for action to address the racialised harm committed in the name of charity.

The future can be different but only if we interrogate how our wealth is invested,

challenge notions of endless growth, and work harder to question financial advisors and the financial industries to develop more equitable, reparative and racially just investment strategies. We hope this chapter and recommendations inspire those with direct access to investments and those able to influence investments to stand in solidarity and support communities of colour in the UK. We also recognise that the investor community has not been held accountable for promoting racial justice or equity and that ESG guidance alone does not ensure this. As such, we also use this platform as a call for action; for greater accountability, justice, education and oversight so that profit can no longer be chased without a commitment of action to racial justice and equity.

Investments 101

In this report when we say investments, we are largely (but not exclusively) referring to the process where charitable funding organisations, philanthropists or those engaged in resourcing social change with a focus on racial justice, invest their capital not only to preserve their wealth but also to grow it.

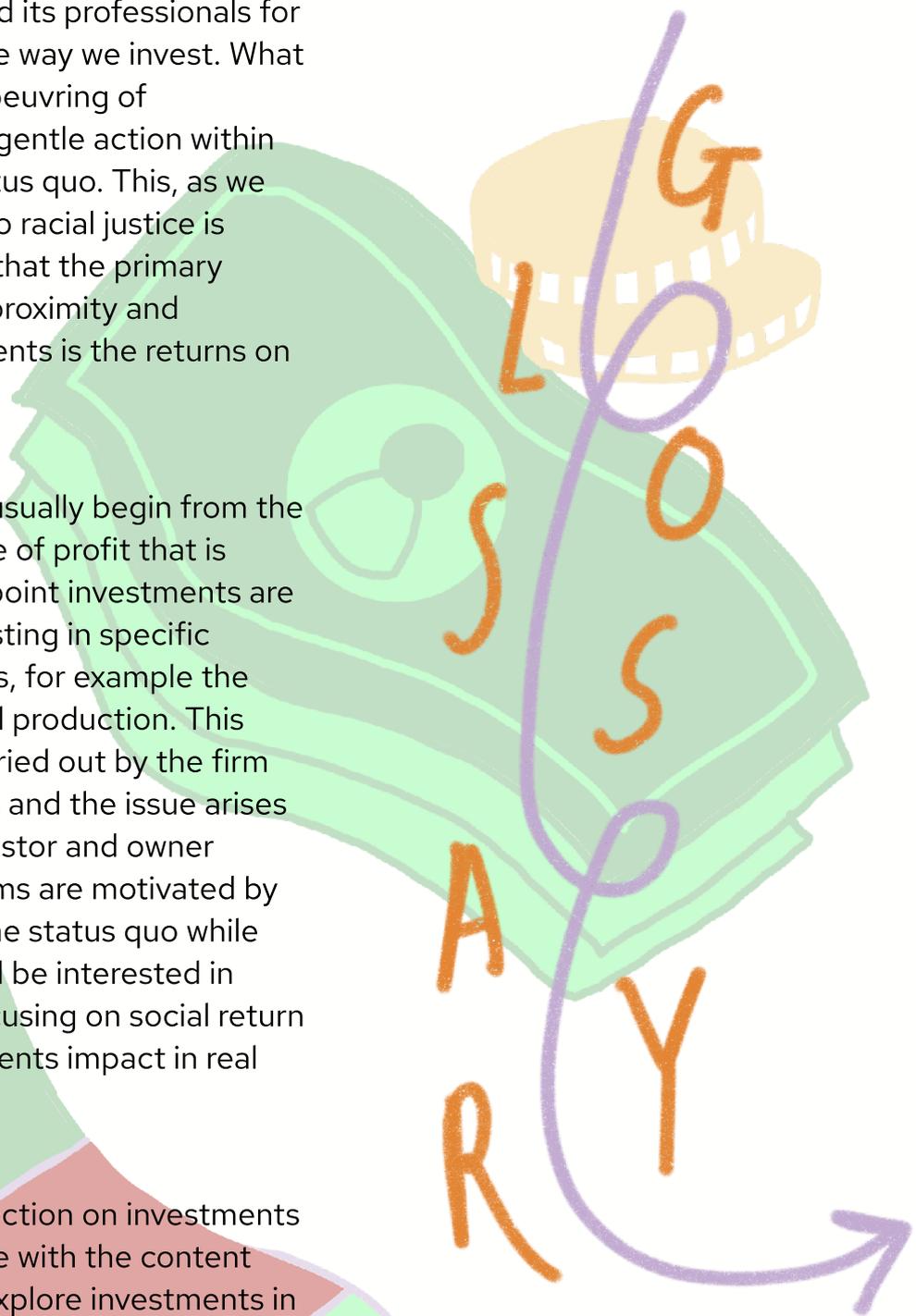
Many funding bodies seek to exist in perpetuity which means they wish to exist forever, so, in order to 'protect' their assets which essentially enable them to grant-make and resource social transformation they lock their money into companies that are turning a profit so that they can also benefit from the profits. This practice has largely been unquestioned until recently when campaigning organisations and those with a strong commitment to systemic change have called out the

hypocritical and worrying positioning of funders' capital in alignment with some of the most socially destructive industries. In recent years there has been growing awareness of the need for charitable organisations to divest from carbon intensive industries and companies with high profile cases. We have found this move encouraging but, still, there is a lack of understanding and too much trust vested in the financial system and its professionals for us to fully transform the way we invest. What we have seen is a manoeuvring of responsibility and only gentle action within the confines of the status quo. This, as we will explore in relation to racial justice is largely due to the fact that the primary concern of those with proximity and influence over investments is the returns on their capital.

Investment strategies usually begin from the point of the percentage of profit that is desired and from that point investments are screened to avoid investing in specific industries or companies, for example the arms trade or fossil fuel production. This screening is usually carried out by the firm that handles the assets and the issue arises when the values of investor and owner diverge. Investment firms are motivated by profit and protecting the status quo while the organisation should be interested in disrupting both and focusing on social return and how these investments impact in real terms.

We hope this brief reflection on investments supports you to engage with the content that is to come as we explore investments in the past, present and future, leading our way to see how engaging authentically and

honestly with investments can ensure we have the greatest positive impact in our work to transform society and address racial injustice in the UK. To support your understanding we have created a short glossary of terms below using definitions from Big Society Capital²² and one or two of our own:



INVESTMENTS GLOSSARY

Asset: a financial benefit recorded on a balance sheet. Assets include all properties, both tangible and intangible, and any claims for money owed by others. Assets can include cash, inventories, and property rights. Tangible assets are those that have a physical form such as buildings, equipment and vehicles.

Capital: capital usually refers to financial capital or money, and the amount of cash and other assets held by an organisation.

ESG: stands for environmental, social and governance – principles that can be used to measure the sustainability and ethical impact of an investment.

Endowment: an endowment represents a set of assets donated (property or capital) to be invested by (in our case) a charitable foundation to support its charitable work in perpetuity. They are a legal structure that most trusts and foundations use and many were set up through a large donation by a founder of a foundation.

Grant: a conditional or unconditional gift of money with no expectation of a financial return.

Impact investment: investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

Place-based impact investment: place-based impact investment refers to impact investments made into a variety of social sector organisations (such as social enterprises and charities) tackling different social issues within a specific geographic location, often made alongside grant funding and local council support. The aim of place-based investment is to tackle entrenched issues of inequality and poverty, ultimately creating a more inclusive place.

Social impact investment: subset of impact investments that are intentional about creating impact by targeting and supporting organisations dedicated to delivering a measured, deep and lasting positive social impact, whilst providing financial returns

www.bigsocietycapital.com/glossary/

PAST

Introduction

The UK economy is embedded in a system in which wealth, power and access has been decided upon racial lines from the era of empire, colonisation and slavery. This system has always been designed to serve the wealthy elites at the expense of the poorer classes and people of colour. It is important for us to discuss investments and the accumulation of capital that enables philanthropy as we know it today in order for us to have honest conversations about how we can transform the way investments are handled.

The DNA of capital is deeply extractive. Profit has been prioritised over the means by which profit is gained. This is deeply concerning for charitable organisations that exist to serve communities and issue areas that are, largely, a result of such extractive practices. This concern raises bigger questions about the compatibility of the charity sector and capitalism, a system of economics and power which seeks to subjugate humans in order to extract as much profit as possible.

Decolonising investments and philanthropy

Most wealth holders today have come to their wealth accumulation through an economic and social system that encourages and allows for appropriation of people and the planet.

Most philanthropic money isn't actually given away as grants, but is held as endowments invested in the stock market in order to accumulate more wealth. The fact

that the philanthropic sector isn't filled with donors looking to spend down their wealth suggests that these organisations exist to increase or preserve their wealth.

In his book, "Decolonizing Wealth", author and philanthropist Edgar Villanueva says that the DNA of the philanthropic sector is very much connected with the DNA of colonisation – extracting, dividing, controlling, exploiting.²³ Decolonising investments and philanthropy, simply put, starts at accepting that institutions that control (and build) wealth today are inherently broken, and that people with wealth have benefitted from this broken system.

"There are people, even the people that are doing good, who are generally maintaining power. And, there's an undercurrent that runs through all philanthropic activity, certainly in the Global North, which is all about doing good and maintaining power."

Stephanie Brobbley, Founder & CEO, The Good Ancestor



Capitalism – the racist system of power

“Through the development of plantation agriculture and a succession of history-altering commercial crops – tobacco, coffee, cacao, indigo, rice and, above all, sugar – Europe’s deep and often brutal ties with Africa drove the birth of a truly global capitalist economy. Slave-grown sugar hastened the coming together of the processes we call industrialisation. It radically transformed diets, making possible much higher worker productivity. And in doing so, sugar revolutionised European society.”²⁴

In the UK, the wealth that established the British Empire as a global superpower was derived through the destruction and brutalisation of its colonies across the world. The root of capitalism in the UK is intrinsically linked with its role in the slave trade. Slavery meant that the UK gained access to free labour in its colonies in the Caribbean, in India, and in the Americas and beyond. In its colonies, primary commodities were produced at very suppressed prices and the sales of these primary commodities brought huge profits, and this profit margin is what created the capital sums for the emergence of capitalism.²⁵ This horrific reality dealt huge blows to the development of the countries from which humans, resources and so much more were extracted by force. It is said that in the mid 19th century the African continent was home to 100 million people, and when we take into account that the transatlantic slave trade stole over 12 million lives to grow capital in the Americas, in addition to over 6 million that were killed on the journey to the

Americas “one begins to gauge the enormity of the demographic assault that the slave trade represented”.²⁶ The under development of the Global South was an intentional consequence of Europe's quest for supremacy on the globe and paved the way for the West's economic and political hegemony which as such translates to narratives around how the “modern world” was formed.

The problem today is that wealth continues to be drained from formerly colonised peoples in the form of land grabs, ultra-low wages, and national debt. Most of the former colonies, in order to build (back) their infrastructure and economy and pay off their loans, have had to borrow money. Money, ironically, that was theirs to start off with but was stolen from them during colonialism. The fact that they have to borrow money to manage their finances sends them deeper into debt, and this debt crisis is the crux of the long-term racial impact of capitalism. This vicious and never-ending cycle of debt also underpins the tools and practices that we see in the investment world, suggesting that they were largely created under racist circumstances and in an environment where Black and Brown people were not considered human.



The Centre for the Study of Legacies of British slave-Ownership

The Centre for the Study of the Legacies of British Slavery at UCL (University College London) builds upon work undertaken since 2009. The initial project (2009-2012) focused on identifying those who received compensation for the loss of their 'property', that is enslaved men, women and children, following the abolition of slavery in the British Caribbean, the Cape of Good Hope and Mauritius in 1833. There were about 47,000 recipients of the £20 million which the British state paid out. Identifying the recipients has meant not only documenting who received compensation but also charting their legacies in economic, social, cultural and political life in 19th century Britain. The project was then extended (from 2013) to chart the ownership of enslaved people in the Caribbean from the 1760s onwards. More recently, the Centre's focus is shifting more towards documenting the lives of the enslaved themselves, in work which will continue for several years yet.

The overall purpose of the work has been to show the central importance of slavery to the formation of modern Britain as an imperial power and that the legacies of slavery have been imprinted on many diverse aspects of the society, not least in the continuing and baleful effects of racialisation, racism and injustice. It is very striking that the threads of slave-ownership were so pervasive in Britain: in geographical terms, slave-owners were to be found in north-east Scotland as well as Glasgow, in Devon or Norfolk as well as Bristol, Liverpool and London. In social terms, owners of the enslaved included not only immensely wealthy individuals but also 'ordinary' middle-class people; and owners were women as well as men.

It is also striking that there were important philanthropic or charitable activities undertaken by some slave-owners. For example, the great wealth of the Hankey family, with extensive holdings of enslaved people in Grenada and Jamaica, was the foundation of the Thomson Hankey Charity (1854-1994) to support impoverished widows or children of the clergymen of the Church of England. Eleanora Atherton (1782-1870) endowed churches, almshouses and the Cheetham Society of Manchester. The Codrington family endowed the Codrington Library at All Souls College, Oxford. These are just some of the ways in which wealth derived from the business of slavery has been implicated in British society over the last 300 years: more can be seen by consulting the Centre's website at www.ucl.ac.uk/lbs/



Keith McClelland,
Centre for the Study
of the Legacies of
British Slavery, UCL

Origins of wealth

"The current state of affairs is not compatible with achieving racial justice and racial equity in all our institutions and communities because the existence of philanthropy, and continued wealth accumulation and people holding on to their power means that we can't actually get to racial equity."

Stephanie Brobbley, Founder & CEO, The Good Ancestor

Some funding organisations shared compelling statements in the aftermath of the BLM protest of 2020, exposing how their wealth was deeply tied to the transatlantic slave trade and through the violence and harm caused to communities of colour. However, there was very little action on how the realities of the present-day investment practices needed to be transformed, or perhaps eradicated, to facilitate racial justice. The sector has been silent when it came to questioning just how close and complicit it is with the financial services industries where their asset managers, advisors and so many board members hail from.

"Out of the over \$70 billion pledged by American companies for racial justice, very little actual cash has been delivered. There's lots of talk, lots of big numbers, but the money isn't getting to where it really makes a difference to people's lives."

Patricia Hamzahee, Founder, Integriti Capital

The level of present-day giving to communities of colour does not nearly come

close to addressing the harm it created in those communities as the wealth was grown. We need to address this incompatibility in present day investment practices and do better.

PRESENT

The exponential growth of endowments during a global pandemic

As COVID-19 put a stop to global progress on addressing extreme inequality, the world's wealthiest recorded record financial gains.²⁷ Billionaires across the globe – collectively worth more than \$13 trillion – saw their wealth increase by \$5.2 billion per day.²⁸ In the 18 months whilst the world was crippled by a global crisis the wealthy became wealthier.

In this section we explore present day barriers to an agenda of racial justice; appropriately resourcing efforts to build a racially equitable society; addressing the past legacies of slavery and colonialism. We also look to the opportunity to do things differently and hope to shed light on an area of the sector that, for too long, has been shrouded in secrecy and shadows to show the immense potential for the charitable funding space to use its independence, clout and vast capital reserves to shift the dial on racial justice in the UK. It is clear we need to transform the status quo. It is not fit for purpose. If we are to build a society in which racial justice is a reality we must shift power and the narrative.

SPOTLIGHT ON ENDOWMENTS

The role that endowments play in the long-term sustainability of charities and impact organisations is vital, and likely most of the powerful and long-standing organisations have endowments. Yet there is the continual battle around endowments about where its funds are actually invested to cause it to grow for the money to be used for the benefit of the charity.

They also have the issue of historical context and where that money came from and was built up from. New organisations do not have this issue as its likely to be a government or charity grant, but if you take the old institutions it's likely that there is a direct link to their endowment size and funding and historical slavery or unsavoury past. This then brings up the issue of, is it really enough to be spending or should the boat be pushed out more and the endowment be placed in the hands of the communities they have historically hurt?

Ultimately it is an extremely difficult issue as often there is legislation that states the 'endowment must be grown to as much as possible' so often people will lean towards investment managers that will bring the most return.

Previously I worked for an organisation where the CEO went through the process of trying to change the investment manager to a greener and more ESG focused one. It proved to be an extremely difficult process as we had to take multiple looks at the constitution and what it really meant to 'maximise the value' of the endowment. I think if not for the motivation of my CEO, it is unlikely it would have happened. The issue of making endowment investment more impactful at the front end is one that if solved can bring real long-term impact.

This is perhaps why you don't see a lot of community involvement within the conversations of what happens with endowments, and I think there is a need to bring more co-design and co-production within this conversation where possible. If local communities and residents are educated on how endowments work, they could be utilised and included in the process of how they are invested and spent. Furthermore, the lived experience would have a vital role in ensuring the impact into the communities is the best it can be.

In my experience of advising on endowments, there is a clear issue of inaccessibility not only in terms of who can access them but who sets them up and the long-term aim of them. Whilst sitting on my role as an Advisor for the Spirit of 2012 Youth Advisory Board it was enthusing to see that they had an aim of spending down their endowment within 10 years, something you often do not see within endowment-based charities. And I feel like this is something that should be the aim for all.



Michael Blake,
Senior Social
Investment &
Engagement

Investment status quo

Digging deeper still and unpacking the complex financial instruments and economic systems that we abide by day in, day out, we discover the legal structures which exempt wealth holders from playing by the rules that the rest of us play by.

The four key attributes of capital (priority, durability, universality, and convertibility) are coded into laws, and these combined, allow for any asset to be turned into capital, which in turn means that they can create or increase wealth for the asset-holder. This becomes even more problematic when the legal coding of capital is elastic for wealth and power holders and binding and rigid for those positioned furthest from wealth and power, allowing for structural inequalities to persist. Our democracies are built on a series of structural inequalities and hierarchical systems, and the legal code underpins our democracies. As a result, we inherit a system where some people are better positioned than others to pick and choose the laws (and lawyers) that will protect their personal interests at the expense of the common good.²⁹

As a wealth holder, if you are indeed trying to deliver truly reparative, ethical, redistributive work in the investment world, there are a number of gatekeepers you'll have to navigate your way through as well as this entrenched legal coding. The industry is rooted in growing and maintaining wealth and power; its ruling practices and theories are grounded in economic schools of thought that fuel extraction, racism, and classism, and these practices are protected and held up by asset managers, investment committees, and regulators.

"Our financial system is intentionally complicated and abstract in order to:
(1) systematically deny access to women, people of colour, poor and working-class communities, LGBTQ folks and other marginalised groups; and (2) hide the dehumanising, harmful, and inequitable nature of investments."³⁰

Resource Generation

"It became apparent to me that the advisory industry itself is built on two narratives. The first is that excessive wealth accumulation is not only acceptable, it's encouraged. That's what advisors get paid thousands of pounds to do – to set up these elaborate structures, which offshore wealth and keep wealth accumulated and tied up almost in perpetuity sometimes. The second narrative is that taxes are synonymous with waste."

Stephanie Brobbey, Founder & CEO, The Good Ancestor

ESG - Environmental, social and corporate governance

"Each impact fund or foundation is guided by their mission and target impact metrics, which are often specific SDGs or other specific social benefits. Because most of these organisations zoom in on these targets, almost none of them capture negative externalities associated with their work, like upticks in inequality. It is a classic case of the left hand not knowing what the right hand is doing, except when \$1-2 trillion of impact capital is circulating through the global economy, these externalities can either radically shift or cement existing socio-economic ills."

**Tara Sabre Collier, Co-Founder,
Elinor Ventures and Visiting Fellow,
Oxford University**

In recent years, we've seen a shift in the investment world towards ESG investing, with Bloomberg predicting that Global ESG assets are on track to exceed \$53 trillion by 2025.³¹ On the surface, an alignment of financial portfolios with environmental and social criteria focused on sustainable development seems like a win-win opportunity for injecting more equality and sustainability into our financial markets. However, the fundamental issue is that all instruments in a financial market exist to help companies maximise shareholder wealth – it doesn't matter if that's through the lens of traditional investments or through ESG.

Responsible investment strategies such as ESG may seem to be extracting less but the framing around them is still dependent on extraction, and it's the asset owner and asset

manager who get to define what good looks like when it comes to environment, social, and governance issues, as they're the ones with money and resources.

"The environment and climate change are the low hanging fruit, and that's where everyone has been putting their time and energy. The 'S' of ESG was always seen as too hard or too political to tackle. Do you focus on racial equity issues, or workers' rights, or gender parity or all of them? Racial justice should be part of the 'S' in ESG."

**Patricia Hamzahee, Founder,
Integriti Capital**

It is clear that without being incentivised by clients demanding an ESG commitment to racial justice across a foundation's portfolio of investments, the asset manager and financial advisors will not actively pursue such an approach. It is not in their best interests since they are hugely influential actors who are quietly sustaining societal inequality. As such, what we have is an unregulated ESG space where investment managers present as ethical advisors even though their investment portfolios are not ethical. We believe that there is a need for an independent regulatory body that is honest and bold in preventing ESG from "green washing" harmful investment practices. This body would demand high standards, and support people with a vision of a fair, regenerative and racially just society to influence how philanthropic capital is invested into communities.

Currently, we understand that for many funders who are actively thinking about how they can align their investment portfolios with a commitment to racial justice, a combination of ESG and negative and

positive screening of assets is the best they can do right now. However, we would urge those with influence over investments to seek inspiration from the work of Robasciotti & Philipson, a Black-owned investment firm in the US. The firm "created a bold and comprehensive racial justice screen for publicly traded companies". They give free access to the list of companies they exclude from their portfolios based on their racial justice screen which identifies companies that exacerbate racial justice inequalities. Their powerful work exists as a great source of inspiration to our relatively lukewarm commitments to racial justice this side of the Atlantic and the below statement from their website feels very appropriate to the conversation we need to all have with our investment committees, asset managers and the Charity Commission.

The failure of the Charity Commission

The Charity Commission's "Charities and investment matters: a guide for trustees" represents a guide on how charities should make investment decisions as the regulator of charities in England and Wales. The official document provides a very broad set of guidelines on the ways charitable organisations can and cannot invest.

"All charities are able to invest, and investments can be a major source of funding for them. However, investing also exposes charities to risks which, if not properly managed, can affect not just the charity itself but the public's trust and confidence in the sector more generally. Because of this, it's important that charities manage these risks and operate within the law."³³

As we will explore, there is a fundamental risk or perhaps incompatibility of certain investment strategies that fail to address the deeply racist and extractive origins of capital in circulation in the funding sector. We urge funders to advocate for legal frameworks that understand this incompatibility, and that includes lobbying the Charity Commission to develop a framework that is fit for purpose.

The guide's core assumptions on investment, is that it occurs primarily so that a charity can have more money to further their aims. It goes further to break down investment into a number of types which include; financial investments, which means "the best financial return within the level of risk considered to be acceptable".³⁴ Since its update in 2016, the Charity Commission developed a draft guide on responsible investment in August 2021 following a 2020 listening exercise in which they recognised

"Want to work for racial justice? Organize, protest, vote, and spend with intention. And stop giving your investment dollars to companies that exacerbate racial inequities. When publicly traded companies employ these practices, the repercussions extend throughout the financial system."³²

Robasciotti & Philipson, a Black-owned investment firm

"We need funders doing more radical activism and advocacy, like lobbying the Charity Commission to change structures, because we know the law has such an important role to play in terms of setting the parameters of investment practices, e.g. the rules on how long charities are allowed to accumulate for and that kind of thing. We need some rebels. More sector rebels."

Stephanie Brobbey, The Good Ancestor

the lack of clarity in the Commission's investment guidance and identified a number of barriers faced by trustees when contemplating a responsible investment approach. As such, the draft guide builds on the 2016 advice and offers a series of examples for responsible investment, showing how certain investment strategies can ensure you do not contradict your charitable aims. The examples essentially demonstrate negative and positive screening in alignment with the mission of your organisation whilst also mentioning shareholder activism.³⁵ However the draft guide does little to clarify what responsible investment is beyond the 2016 guidance which at the time of writing this report was still the most extensive guide on charity investments.

The broad definition of responsible investment in all of the guidance documents effectively states that charities can pursue profit and further their cause simultaneously, but it does not address the incompatibility with charitable aims such as racial equity, for example. In a subsection of the guide, the Commission does state that a social investment is not a social investment when invested for "the purpose of achieving a financial return for the charity",³⁶ which is confusing when we look at ESG and how it serves as an extremely light touch commitment to anything that is loosely related to more altruistic endeavours at a surface level. The ESG framework, as we have seen, effectively allows investment to look good but still expect the same or very similar levels of return as pure financial investments. We must question the utility of the Charity Commission's inclusion of social investments in the guide as nothing more than a continuation of the status quo and a lack of critical analysis on how such

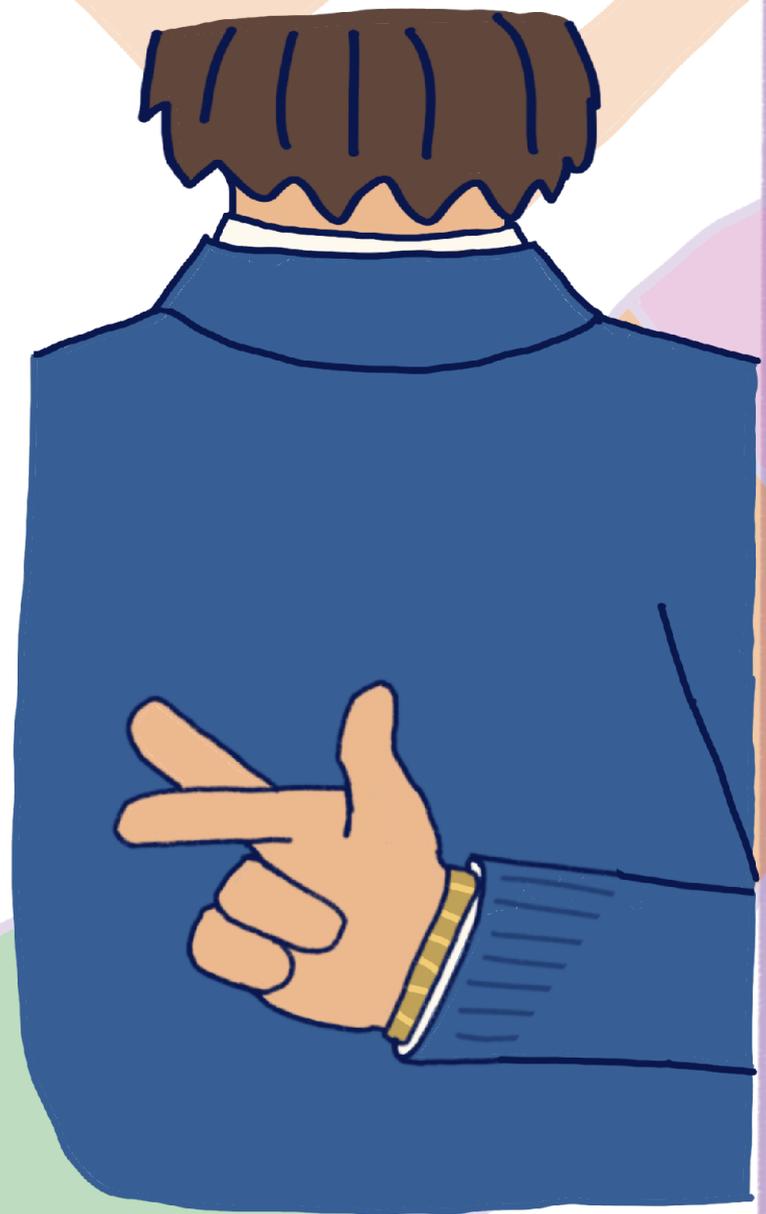
investment practices play out in the real world.

Trustees are responsible for the investments of a charity's capital; the guide states that they should "take advice from someone experienced in investment matters where they consider they need it" and "review investments (and their investment manager) from time to time, changing them if necessary".³⁷ This reinforces the status quo in terms of removing access from the communities the charities exist to serve, maintaining power in the hands of wealthy elites and financial institutes who are not bound to any moral commitment to people and planet but to profit and profit only.

The guide mentions vague ways in which charities can make ethical investments through negative screening (avoiding investments in certain companies or activity), positive screening (investing in areas that support a charity's mission) and stakeholder activism which is "where a charity, as a shareholder, exercises its voting rights in order to influence a company's policies in a way that reflects its values and ethos".³⁸ The guide makes no reference to systemic racism, racial justice or environmental degradation, nor does it speak in depth about any specific social justice issues beyond the protection of the environment. What is needed is more comprehensive examples and a much deeper effort to define ethical and social investments. Stating these terms with the closest definition to business-as-usual further entrenches the notion of investments as separate to a charitable organisation's moral and social obligation. This essentially keeps power and resources flowing to where they always have.

As the regulator of charities in England and Wales, would it not make more sense for the Commission to offer support and frameworks that support charities in aligning their investments with their charitable objectives? Perhaps they could offer guidance on how and why the communities that organisations serve should have a seat at the “investment table”? Would it not make more sense for the Commission to set a legal framework for ESG and provide lenses of a racial justice nature to ensure the sector addresses the deep harm and racial injustice that sits behind so much of the wealth it uses for charitable purposes?

At the time of writing this the Charity Commission had recently closed a public consultation on the clarity of the draft revised guidance about adopting a responsible approach to investing charity funds. The Commission states that they “will move to a full redesign of the rest of our investment guidance once we have completed the consultation and publication of the revisions to the section on responsible investment”. In addition, two charities in April 2021 brought a case regarding responsible investments to the High Court to gain clarity of the law.³⁹ As such, the guidance from Charity Commission appears to be in flux and under review. We welcome these reviews and urge the Charity Commission to set a high standard for responsible investment and be bold in generating conversations about the incompatibility of charitable aims and current investment practices.



INVESTMENT COMMITTEES

Investment Committees play slightly different roles from organisation to organisation but basically serve to:

- Recommend investment strategies;
- Pick managers or hire staff to implement those strategies;
- Oversee performance against those strategies.

I would love to be able to say that they take responsibility that every penny of money is invested in fulfilling the foundation's public benefit and mission, but this is not normally the case. As it stands, investment committees tend to undermine the public benefit which their foundation exists to serve in order to make money to build the power of the foundation.

There are three things that set the foundation investment strategy for failure:

1. **Recruitment:** Investment Committees (IC) tend to be dominated by people who are wealthy, have worked in finance, have a positive view of the current economic system and are from a small and privileged sub-section of society.
2. **The rest of the board:** Like other board committees, the IC reports to the board itself but very few people are expert enough to digest and understand the dense minutes of IC meetings and so they tend to get a lot of delegated authority to "get on and do". The IC serves as the chief source of education for the board on investment matters.
3. **Investment managers:** Most ICs spend their time reviewing performance of investment managers with a view to renewing or firing them every 5 years or so.

Investment Management firms present their "performance" every three months to the Investment Committee for review centered around profits and losses in a portfolio. The investment managers normally present this report once a year to the IC with a smooth justification (that non-finance trained people cannot understand) for whatever has happened to the portfolio.

Although these firms are in the "finance" industry, they tend to focus on making money without adding any value to the world. It's like buying a house and hoping the housing market goes up. The house was there before and will be there after, you will never live in it. You didn't add any value to it, you just held ownership of it for a bit. That is the most common form of foundation 'investing'.

Investment managers will try to nullify any guilt associated with such investments and the harm they might do by signing a letter once a year telling the company they'd like it to "do better" before sitting back and profiting from the fact that nothing changes.

So, what should ICs do?

- 1. Train and recruit majority members from non-finance backgrounds** to transform the “who” of ICs;
- 2. Work long-term** – refuse quarterly financial performance reporting as its short-term mindset is harming society and planet alike;
- 3. Board time commitments to investments** – trustees of the main board should be expected and supported to understand finance and spend as much time in board meetings on investment strategy as they do on their grant strategy;
- 4. Sell everything and start again** – breaking cycles of exploitative investment has to start with stopping. So long as we feel a divine right to make money by virtue of having it in the first place, we will be stuck in this addictive profit loop.
- 5. Pick managers not funds** – at present ICs are searching for more “ethical” funds but in doing so they are giving social licence to the completely unethical companies that manage those funds. These companies will have a few percent of their money in “ethical” portfolios whilst pushing every other penny they can into businesses that are exploiting people and the planet in equal measure. We cannot legitimise and indeed bankroll major investment houses who are profiting from harm by giving them charity funds to manage even if it is in their “ethical” fund.
- 6. Spend real time with fund managers** – fund management is a lazy industry anchored in “trackers” – lists of companies to invest in normally based simply on the fact that they are big. When fund managers come to a boardroom table they generally want to be left alone to keep doing exactly what they are. They bring a long presentation precisely to avoid real conversation. Take them out for a walk, talk to them about the world as human beings. If you try to grill them over the board table based on the presentations they give, you’ll always lose.
- 7. Create accountability** – if a manager provides you a reporting matrix on “what’s important” you will hear lots about financial performance, then a note on carbon emissions, a note on the increasing number of women in the firm and a note on pledges they’ve signed. We need foundations to identify what investment is actually in line with their status as a public benefit organisation and work alongside managers to report on it.

- 8. Understand the conflicts** – a typical foundation writes its biggest cheque each year to its financial managers. Its second biggest cheque goes to its staff team. What's left is probably distributed to charities. This means that both investment managers and staff are compromised in conversations about how much the foundation is prepared to undermine its values in order to make money.
- 9. Start with moral absolutes** – public benefit organisations should not be investing in companies that are exploiting land or populations, increasing greenhouse gas emissions or leaving workers in poverty. If investments do not regenerate the planet and make the world a more equitable place then why would a public benefit organisation invest in them?
- 10. Treat "engagement" strategies as the conflict of interest it is** – some foundations invest in extractive companies with a commitment to trying to make them less extractive from the inside. However, so long as they are profiting from those companies' extractive behaviours, this is a major conflict of interest and should be treated as such.
- 11. Get a lawyer** – at some point when all other defences have failed them, someone from the investment world will tell your IC that your level of ethics could compromise returns and put you in breach of "fiduciary duty". Fiduciary duty has become a short-hand for 'maximising returns' and is used to try to scare trustees away from their values. No trustee has ever in British history even had an attempt at prosecution for investing in ways which support social equity and environmental regeneration. There are even plenty of lawyers who will support you now to argue (not that you ever need to argue it because you will never be prosecuted*) that investing in redistributive and regenerative ways will in fact make your money less likely to go off a cliff as the stock market crashes and is, in a perverse way, an exhibition of fiduciary duty.
- 12. Invest in the real world** – invest locally, invest in real things and real people and if that means hiring an in-house team or clubbing together with other foundations then go for it.

- Anonymous irate blogger.

Access and the investment industry's deep diversity deficit

The investment space in the UK and beyond, including the realm of financial services, is extremely lacking in a diversity of race, thought, and education and motivations. As individuals and firms with huge amounts of capital under their influence, this is extremely worrying and dangerous for those at the receiving end of the harm left in the wake of the profit such firms and people seek. This disconnect from communities of colour and the physical separation reduces the space for understanding and learning, and for people to address their internal biases and reflect on how they uphold structural racism.

The disconnect of those in the world of investments is also reflected in the way that the investments are positioned as separate from the real world. The investment world is not positioned as a world of finite resources, where financial decisions have human consequences and where profit can only be made in relatively few ways; e.g. paying less for labour and raw materials, reflecting a zero-sum game.

The investment industry suffers from a diversity deficit and this is then reflected in a very narrow flow of capital for which diverse communities have very limited access to. Without more POC representation it is still the case that Black and Brown entrepreneurs in the space of impact investment are the least funded.

We heard that the diversity issues and apparent feelings of being positive forces in all things social change – the cognitive dissonance – was even more apparent in the impact investment arena

"Black founders get the absolute least and are blocked from entry to the spheres where decisions are made. There's a huge campaign to help investors understand the biases that they have. It's underway, but it is far behind. In the philanthropic world things are a little more ahead, but only because they've been challenged more. The social investment side have only recently confronted their weaknesses and the implications of their approach to racial injustice. We've got such a long way to go and so many conversations that still need to be had, real and honest conversations."

**Patricia Hamzahee, Founder,
Integriti Capital.**

"If you talk to anybody senior of colour in those roles, they don't last that long, because they are treated so badly....And you think it's social investment, the whole reason they are there is to make positive impacts on society. It is probably one of the most disheartening sectors for inequity there is. I'd rather be dealing with a bank, a traditional financial organisation, because at least I know the rules. I know it's a commercial transaction, I know where I stand. Whereas the social investment sector comes with their well-meaning blinkers that allow them to be terrible."

**Patricia Hamzahee, Founder,
Integriti Capital**

We see change, especially that of a systemic nature, being highly dependent on our relationships with self, services, the communities around us, those further afield and nature. Without these connections it is all too easy to ignore the fact that we are but one part in a deeply interconnected and interdependent ecosystem and chase personal gain and profit at the expense of some sections of our ecosystem.

Bridging to the new

It is apparent that a new way of investing the vast amounts of capital under the influence and control of trusts and foundations in the UK is paramount to honestly and

authentically resourcing racial justice. It is clear that there is no ethical basis for using, in earnest, the excess wealth from which we have benefited – wealth gained in a deeply unjust system – to further our own power and central position in deciding how change should be created. Furthermore, being public benefit organisations makes this an even more fundamental point.

We urge funders to act in alignment with the system we want to see instead of seeking to negotiate with it through ESG and other “tinkerings” with the “edges” of the system. Tinkering will not get us to a more equitable, reparative and redistributive place.

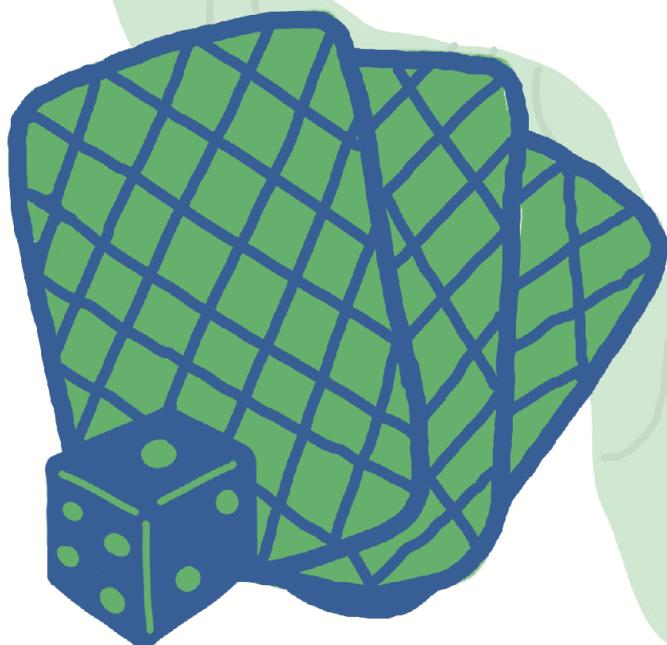
“Because the business and the finance worlds have been dominated by white males, it has also served the needs of the white male and as such has been heavily biased towards that group of people. One of the major things is the lack of diversity in where the money is sitting which impacts how decisions are made around where that money goes. It is very narrow-minded. So, in terms of resourcing entrepreneurs to build solutions for communities, if all of the money is being managed by people who don't engage with those communities and who don't understand the communities, then those solutions are less likely to get built.

When I was working in London, you could count the number of Black people working in impact investment or venture capital on one or two hands. As the young talent matures, goes higher and higher in the organisations, starts to succeed in these organisations, they are going to start influencing, in the same way that I am able to influence 10s of millions of dollars of capital now, and putting it to where I believe people have been overlooked. Where people are overlooked from a purely commercial perspective, there's a fantastic opportunity. And from a social change perspective, I mean, it's changing the power dynamics, and changing the flows of funding to place it and to allocate it more appropriately, where it's needed in a way that someone who doesn't have lived experience wouldn't be able to do.

In the UK, what is needed, when it comes to investment, is more people with lived experience having more influence over more capital. Once we have that, then capital will start to flow into projects, initiatives, groups, and people that are having more impact in the community.”

Mike Mompi, CEO, Enza Capital

We need to bridge to a new way of working in which values, ethics and racial equity are valued over accumulation of profit and the need for funding organisations to exist in perpetuity. We need to actively redistribute wealth and power. No such transition occurred for communities of colour now living in the UK following hundreds of years of British colonial rule and extraction which allowed Britain to become “great”. There is an urgent need to address this dynamic. Wealth and power have been hoarded in the UK to sustain its global dominance, sustaining oppressive systems of power, and funders are complicit with this. Let's stop and move to a new way of doing things.



Baobab Foundation is a new type of funder led by and supporting Black people and communities impacted by racial injustice in the UK. Our ambition is to scale resources and capital to these communities. Unlike many funders our intention from the outset is to make our funds as flexible and as responsive as possible. Simple processes, community-led decision making, multi-year, strategic support with the scale, sustainability, and freedom to set the agenda at its heart.

To make this happen we are building a significant and long-term endowment that will enable us to untether our support to communities from the dictates of the current funding ecosystem. It is our belief that this forms part of a reparative and restorative approach which will be built over time. It requires us to build an alliance of funders, investors and wealth holders who share our values and recognise that racial justice cannot be achieved without liberated funding systems and are prepared to disrupt their own institutions and practices.

We will aim to build and use this investment differently. As a first step, establishing a high-standard ethical investment portfolio; through our governance model bringing community organisations led by us into the oversight of such a fund alongside the serious talent and expertise of folks from our community who are committed to change; as the fund matures going beyond the classic 4-5% distribution strategy to additional tactical and solidarity investments that support our communities and causes. This is just one step in a swell of changes that are required in the space. Suffice to say for us this work is about good ancestry past and present and it's not about Baobab, it's about us all. We're here to see in a world where sizeable investments into our spaces is a reality across the board.

The Baobab Foundation

The Covid-19 pandemic should teach us many lessons. Thirty Percy's investment portfolio (comprising stocks and bonds in theory aligned with a Just Transition to a net-zero carbon economy) increased in value by over 20% whilst millions of people lost livelihoods, families, and friends. It was a clear demonstration of how our economic and financial systems have been constructed to serve the accumulation of capital, rather than the wellbeing of human and more-than-human life. Holding tightly our emotional responses to this injustice, we have sought – through facilitated discussions with experts from across the globe – to rethink the purpose and meaning of “investment”. Our desire to do so also comes from a place of excitement – there is an opportunity here to pour our joy, our creativity, and our values into new investments and lay down a path for others to follow.

From there, our aim now is to flip the current system on its head; to place the investment of financial capital unconditionally in service of human societies, the natural ecosystems in which they thrive and upon which they depend, and our shared planetary home. As we do so, we need to ask: How can we reimagine investment so it is distributive and regenerative by design? Which ontologies are currently excluded in mainstream investment? Which communities, peoples, and ecosystems has the current system exploited? What can we do to repair the damage wrought on them? How do we centre values of care, collaboration, intergenerational social justice, sufficiency, balance, and interconnectedness?

The Thirty Percy Foundation



If it is to use wealth effectively to tackle inequalities and injustice, philanthropy must reckon with its roots and ongoing relationship to racism and other systems of oppression. Lankelly Chase has recently moved from an investment objective based on accumulating increasing financial returns, to a holistic focus on the real world impact that investing has on our mission, in which racial justice is central.

We've agreed "Statements of Intent" with investment managers which identify racial justice as a priority for us, and are committed to embedding this throughout our investment governance and processes. We're looking forward to building on Ten Years' Time's report, and to collaborating with our peers in the Charities Responsible Investment Network over the coming months to put investment practices and resources in service of this work.

Lankelly Chase

Future

Reimagining investments and racial justice

Reimagining is the first step to reparations. Reimagining pushes us to think about what our world and our economic systems would be like if wealth wasn't accumulated like it is today. Where would we be if this money was never extracted in the first place? We need to question the market's obsession with generating the highest possible returns on investment; this obsession is not the law, it's just the current norm, and, therefore, it should be possible to question and, more importantly, change.

We are at a turning point and have the opportunity as funders to refuse to accept society as it's presented to us, invest deeper into communities, repair, and reconstruct.

"By moving towards restorative and regenerative investment models, funders can seek to align their portfolios with the goals of social justice movements."

Adasina Capital

We're really inspired by the work of Adasina Capital who have adapted the Extractive to Regenerative Spectrum (which was originally introduced by the Justice Funders as a guide for social justice focused philanthropy) to the investment industry. We think that their spectrum (shown below) sets a great pathway for those wanting to move towards more regenerative investment practices.



Investment Spectrum



	EXTRACTIVE	LESS EXTRACTIVE	RESTORATIVE	REGENERATIVE
Investment Category	<ul style="list-style-type: none"> • Traditional • Conventional Investing 	<ul style="list-style-type: none"> • ESG • Socially Responsible 	<ul style="list-style-type: none"> • Social Justice • Impact 	<ul style="list-style-type: none"> • Impact • Living Economy
Financial vs Social Return	Prioritizes financial returns without considering the social impact	Considers social impact, but may prioritize financial returns for the investor	Prioritizes social impact while considering financial returns for the investor	Prioritizes social impact, building community wealth and assets without focusing on maximum financial returns for the investor
Markets	Traditional public and private financial markets	Traditional public and private financial markets	Traditional public and private financial markets	Primarily direct investments, occasionally traditional public and private financial markets
Impact on Social Justice	Disregards negative social impacts, exacerbates inequitable power structures, and capitalizes on unjust financial systems. Often harms vulnerable communities, and actively subverts social justice.	Attempts to limit negative social impact, but often reinforces inequitable power structures and financial systems. Without consulting those most impacted, may actually inflict harm on communities and impede social justice.	Within existing financial systems, aims to restore power and influence to those most impacted by investment decisions. Actively works to dismantle unjust systems and advance social justice.	Aims to create equitable, just, and inclusive economic and social systems. Invests directly in regenerative and sustainable solutions to community-identified needs.

Racial Justice and Investments

The Good Ancestor Movement, which officially launched as a social purpose business in September 2021, sits at the intersection of private wealth and social justice. We exist to disrupt the mainstream wealth advisory industry and to challenge traditional ideas about the economy, wealth stewardship and the redistribution of resources and power. We help individuals, families, and foundations to stop accumulating wealth and pursue reparative and regenerative wealth redistribution, with a view to building a fairer society and an economic system that serves all forms of life on the planet.

An emerging number of wealth holders are growing their consciousness of the flaws and challenges presented by the dominant economic paradigm; and grappling with the urgent need for new economic models and mindsets. Over the next 20 years, a minimum of \$35 trillion, and up to \$70 trillion, in wealth will change hands between baby boomers and millennials globally. In 2017, it was estimated by the Kings Court Fund that around £5.5 trillion will pass between generations in the UK alone. This phenomenon, known as the Great Wealth Transfer, is the largest intergenerational wealth transfer in human history. This unprecedented wealth transfer presents a unique opportunity for global capital to be redirected at scale from extractive investments towards resourcing social movements, grassroots leaders and organisations that are working to avert ecological collapse and remedy social and economic inequities – including racial injustice.

Having spent a decade advising individuals and families in relation to the legal aspects of their private wealth, conversations around philanthropy were often framed through the lens of tax planning rather than an express or strategic intention to address social and economic injustice. I cannot recall a single occasion on which the alleviation of racial injustice specifically featured in charitable objects or grantmaking policies. I should think it highly unlikely that advisors have (prior to June 2020) recognised and highlighted a need to question the role of investments in repairing racial inequities. Part of the challenge of being a private wealth advisor, particularly a lawyer, is that one feels compelled to exercise neutrality. Clearly such neutrality is complicit with perpetuating systems of oppression.

Through the Good Ancestor Movement, my work is now focused exclusively on supporting values-driven individual wealth holders (and other custodians of capital such as trusts and foundations with endowments) to push back against the prevailing narratives of infinite growth, excessive wealth accumulation and tax minimisation. Much of this includes supporting clients to de-centre their relationship to philanthropy. Instead, we help them to interrogate their role as

actors in the global economy and assess how they might be upholding systems of oppression through their behaviours around wealth and tax.

To my mind, wealth holders seeking to mobilise their resources for racial justice must undergo a form of political education which enables them to understand the fundamentally extractive and exploitative nature of the economy; particularly insofar as racialised communities are concerned.

In resourcing reparations, wealth holders must commit themselves to the work of learning from leaders with lived experience, and organisations working on the frontlines of the communities which are subjected to ongoing racial violence.

Stephanie Brobbey, Founder & CEO, The Good Ancestor



Things that need to be reimaged

The work it takes

The philanthropy sector is at a crossroads. If willing to harness foresight and sit with uncomfortable truths about the origins of their wealth, there's potential for foundations to lead real transformation when it comes to racial and social justice. We find that the Three Horizons framework developed by Bill Sharpe is a useful tool in exploring this more.⁴⁰

The first horizon – H1 – is today's "business as usual". As our societies evolve, many aspects of business as usual begin to feel outdated or no longer fit for purpose, and are eventually superseded by new patterns of activity.

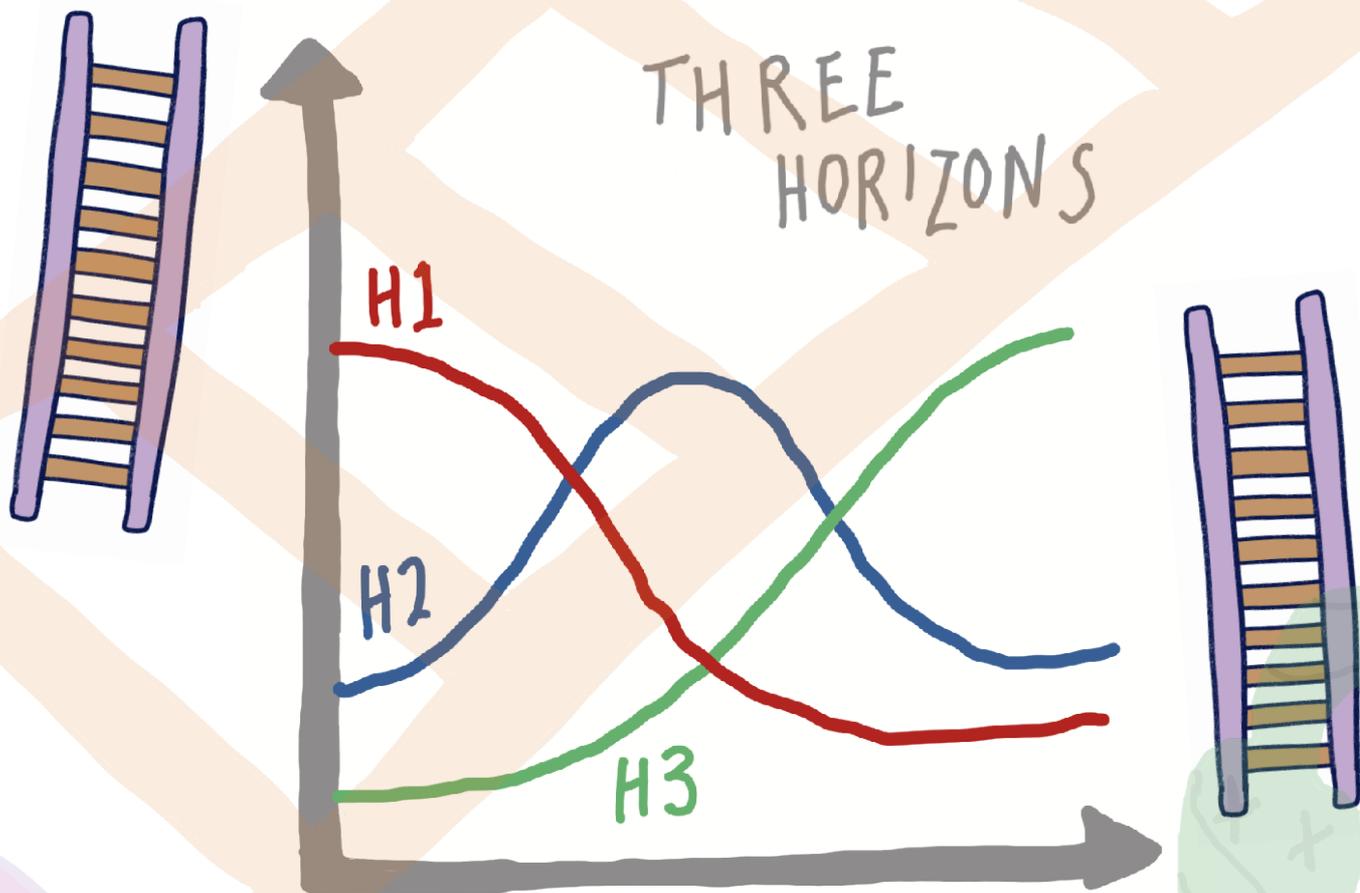
The second horizon – H2 – is the innovation that's bubbling in response to the out-dated business as usual. Some of these innovations will be absorbed into the H1

systems to improve them and to prolong their life (we call them "H2 minus") while some will pave the way for the emergence of the radically different H3 systems (these we call "H2 plus").

The third horizon – H3 – is the long-term successor to business as usual. It grows from fringe activity in the present that introduces completely new ways of doing things but which turn out, in the long run, to be much better fitted to the new world than the current business as usual.

Applying the Three Horizons framework to the context of racial justice and social transformation, people of colour have been living and breathing solidarity economic practices since the beginning of time – it's something that is instinctual to them. Care, solidarity, and cooperation has always been at the centre of how the communities nourish themselves and others.

THREE HORIZONS



The regenerative economy (the radical H3) model that we should all be working towards, the POC communities are already there, leading the way, and waiting for us to catch up.

Wealth holders today are stuck on H1 and then look to move straight to H3 as they want to show that they're keeping up with the changing world. However, the bridging work that H2 entails often gets missed out or is done in very superficial ways. To support the transition towards H3, it is essential to put in the resources to build the foundation of knowledge, understanding, and expertise needed to do truly transformative work in a deep and systemic way. The transition towards H3 also requires people to stick their head above the parapet and ask difficult and uncomfortable questions to be able to realign their work with their values, all of which needs intentional time and space to be done well and correctly.

Reframing risk

One question that we should be asking in the sector is, how do we move from seeing risk as something for funders to tolerate or avoid and moving to seeing it as something that funders who hold the wealth and power have the privilege to take on? To make even a dent in racial justice work it is imperative that funders adopt a risk-sharing mechanism instead of the current model of risk-shifting on to communities.

We're not just talking about risk purely in terms of returns on investments and grants, but also encouraging people to take on the risk of finding out the origins of their wealth even though, or especially because, it'll be an uncomfortable experience. Take on the risk of changing the way your grant applications work so that you can be more accessible to people with lived experiences. Take on the risk of upsetting some board members and trustees. But know that you're

doing it to work towards a more racially just and equitable world.

Reimagining repayment terms

Instead of centring investments, grants, loans on extractive repayment terms, what if we centred them around truly helping the communities we look to serve through investment decisions? There is a need for finance to be in service of the economy, for the economy to be in service to society, and for society to be collaboratively designed by communities. From allowing communities to decide where investment returns are reinvested to 0% interest long-term loans, there are many organisations reinventing how repayment terms are worked into grant and investment agreements.

Redesigning access

Everything from creating more accessible language around how financial and economic systems work to opening up senior leadership teams, trustee boards, and other decision-making power to people of colour and other marginalised groups helps with opening up space to more understanding, collaboration, and reparative action. For too long communities of colour have been seen as a token in the world of philanthropy, their lived experience used as currency in the charitable sector, particularly by funders, in a way that is extractive and exploitative and forces them to relive their trauma.

Racial bias in all its forms – personal, systemic, conscious, unconscious – has crept into all the elements of philanthropy and grantmaking processes and organisation. The result is that non-profits led by people of colour receive less money

than those led by white people, and philanthropy ends up reinforcing the very social ills it says it is trying to overcome.

People of colour are a global majority, but in the UK they are minoritised. This can be seen within trusts and foundations. But not only there, in this sector, everybody needs to be both intentional, and accountable for racial justice work.

Reimagining what's fair

Most wealth in the UK today has been derived through extractive methods, be it through the empire, colonisation or slavery. We need to think of investments and grants as reparations, seeing such capital as a way to restore economic self-determination to people of colour.

There's a danger in viewing impact investments, ESG, and the likes as the silver bullet for addressing all of the racial and social injustices, because even though the financial returns are centred alongside environmental and social returns in these deals, the issue is that profit is still central to the conversation. There is a disconnect in the world of investment between what investment is for and the harm it creates, and we need to question whether investment can actively be ethical, given that it's rooted in the accumulation of wealth and power.

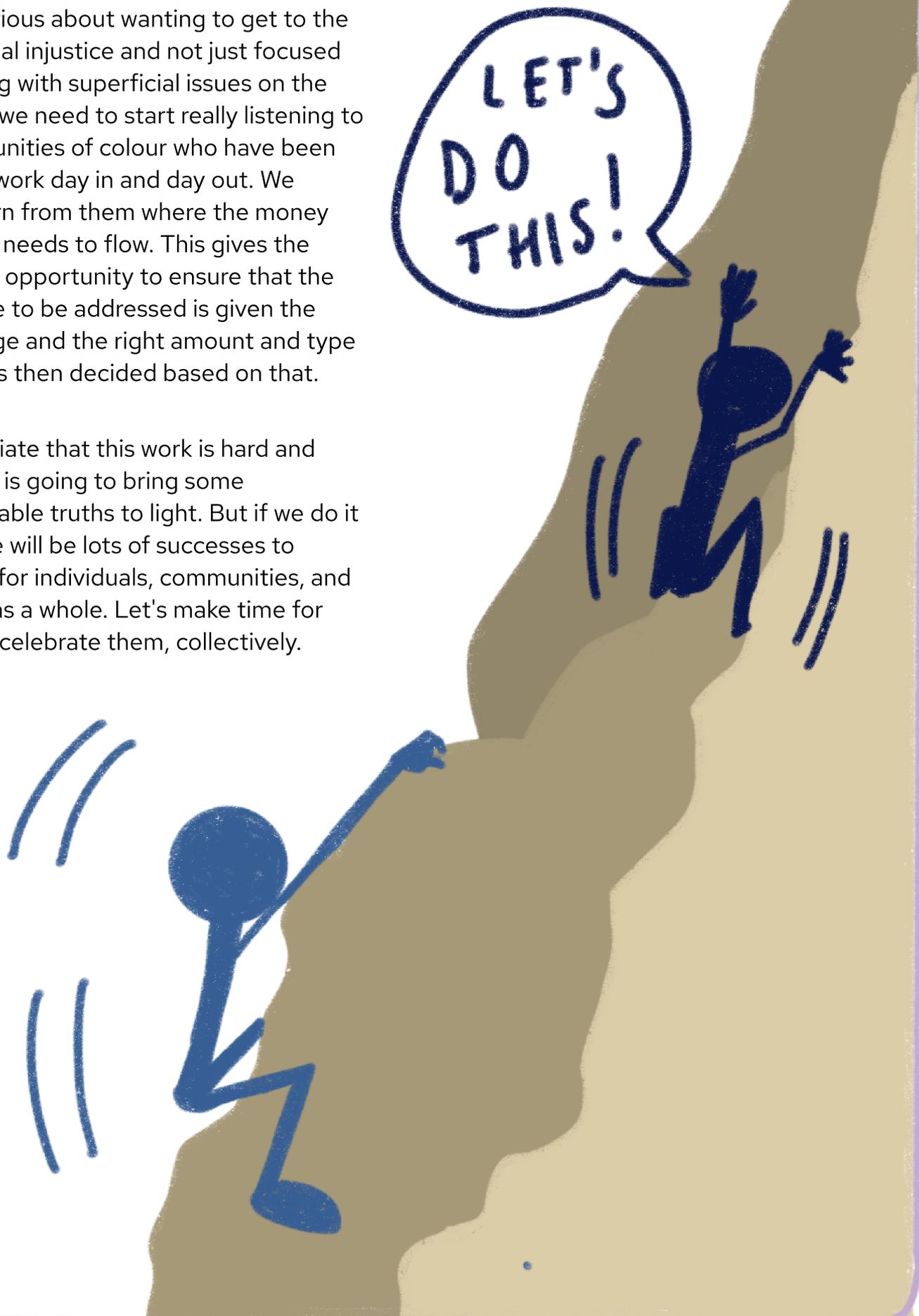
The accumulation of wealth and power has been enabled by white supremacy, racial protection of property and land, and policing, and it's both wealth and power that we need to see dis-accumulated and redistributed. Accumulated wealth and power is dangerous as it has to find returns,

somewhere, and the more you have, the more it searches for extraction and growth.

Thinking systemically

If we're serious about wanting to get to the root of racial injustice and not just focused on tinkering with superficial issues on the periphery, we need to start really listening to the communities of colour who have been doing the work day in and day out. We should learn from them where the money and power needs to flow. This gives the funders an opportunity to ensure that the social issue to be addressed is given the centre stage and the right amount and type of money is then decided based on that.

We appreciate that this work is hard and heavy, and is going to bring some uncomfortable truths to light. But if we do it right, there will be lots of successes to celebrate, for individuals, communities, and the world as a whole. Let's make time for them, and celebrate them, collectively.



How do we reimagine? What comes out of the reimagining?

Here are some examples of re-imagining the current system that we're really excited by:

Thousand Currents are flipping the tables on decision making power and wealth distribution such that the grassroots groups and social movements that they're working with have the financial resources and the decision-making powers to decide how, what, who is funded. Their flagship programme, the Buen Vivir Fund (BVF), is an impact investment fund based on the premise that financial investors and grassroots organisational leaders should be seen as equals and aims to shift practice in the field of impact investing to focus on the wellbeing of all people, planet, and the system. They run a participatory approach such that investors and grassroots representatives have equal voting rights in the governance and management of the Fund through its Members Assembly, and loan terms shift risk away from the grassroots investees who make a solidarity contribution (called aportes) of their choosing based on the rate of growth and success of projects. Any financial growth after a round of funding is passed forward as increased abundance to the next projects and groups in the Fund.

Chordata Capital is an anti-capitalist wealth management firm that works with its clients to redistribute instead of continuing accumulating wealth. The journey starts with the client divesting from Wall Street and transitioning towards shifting their money into community-controlled investments that centre racial and economic justice. Their focus is on helping clients understand the history of the wealth they have access to now, work towards reparations and repair, and supporting the likes of community-controlled loan funds and holistic investments that support Black sovereignty and economic self-determination.

Land in our Names (LION) is a grassroots Black-led collective working on reparations in Britain by connecting land and climate justice with racial justice. The collective's goal is to shift the narrative around land and race in Britain, creating a new movement which centres land access and food sovereignty within the wider struggle for racial justice. LION works within a reparative justice framework, which relies on an understanding of the history behind BPOC communities' disconnection from the land. Currently, the top 50 landowners in the UK own over 12% of its landmass – they are also overwhelmingly white. LION is mobilising a network of BPOC "land stewards" – from farmers to growers and land workers – to facilitate wider access to land and farming for inner-city BPOC communities.

The Centre for Knowledge Equity runs a variety of programmes and partnerships that combine and connect lived, learned and practice-experience and put these at the core of how we address socio-economic and environmental issues. They're home to the Lived Experience Leaders Movement (LEx Movement) which connects, supports, and strengthens the capacity of LEx Leaders to create systems-level change and help communities thrive. Amongst other programmes, they're also running the 2027 programme which helps shift power so people with lived, learned and practice-experience can help funders make better and fairer decisions about where their funding goes.

Decolonising Economics works to deepen the analysis of current economic and financial systems which are rooted in the colonial legacy of maintaining wealth in whiteness, and invest in capacity building and leadership in marginalised communities of colour in the UK to help them move towards a solidarity economy where there is community ownership of assets. Their practices are based on the strategic framework for just transition, and similar to Chordata Capital, their mission is to identify ways in which individuals and institutions can divest from whiteness, and create the infrastructure that organises those with wealth to redistribute towards marginalised communities who are investing in the solidarity economy.

Boston Ujima Collective, taking its name from the Swahili Kwanzaa principle for "collective work and responsibility", is working to organise Greater Boston area neighbours, workers, business owners, and investors to create a community-controlled economy. It focuses on creating a model for deep democracy through community planning and non-extractive finance. The planning aspect of the Ujima loan fund is perhaps more important than the fund itself. The collective wants to create space for working class people of colour in Boston to come together to reimagine and decide on things that they need as a community and share the responsibility of making it a reality. Ultimately, they are working towards creating a public bank but only after building a certain amount of community power through collective decision-making, which is what Ujima provides.

Impact Investment, horizons of hope

The impact investment ecosystem still hasn't interrogated its role in maintaining racial inequality, especially from an economic lens. There have been calls to both measure and integrate racial equity the same way gender equity is being addressed but, in general, it still seems that most of the impact investment industry would like to avoid accountability for enabling and measuring equality of outcomes, especially in regards to race.

After George Floyd's death, I started to have an existential crisis about impact investing. An internal reckoning questioning to what extent impact investment and development aid were just maintaining existing systems and power structures which, by the numbers, were quantifiably anti-Black. All of the emotions that were brought to the surface made me question my choice to dedicate two decades to this career path, to the point where I started having nightmares about slave ships trading impact units, not people. That's why I decided to start my own company, Elinor Ventures. We are focusing on backing BIPOC founders who are under-served by the impact investment ecosystem, visionary leaders who understand how to serve our communities but are getting overlooked by many impact funds. Even if Elinor deploys a much, much smaller pool of our own capital, I can say that my impact investments aren't simply furthering racialized economic inequality and be part of a paradigm shift of impact funds that intentionally address racial and gender inequality in tandem with climate change.

I have been active in trying to support a more inclusive impact ecosystem through research, education and funding. I decided with my family to start our own company to support underrepresented founders in the impact ecosystem, using our own capital initially. The intentional focus on supporting BIPOC, and especially Black entrepreneurs, within the impact ecosystem is our distinction because without that, impact investment can worsen racial disparity.

Lived experience in Black communities and markets leads to far better understanding of what business models are needed and how to design and optimise for product-market fit in our communities. My thesis is that this can lead to outperformance relative to similar companies developed by outsiders, if given the same access to capital and support.

With the Skoll Centre at Oxford University, I've been teaching what initially started as a gender finance class and this past year it became an equality impact investing class where I'm just taking everything that I get from the ecosystem and sharing it with emerging impact investors. With grant funding from Oxford's own diversity fund, we are embarking upon a yearlong initiative, Oxford Initiative for Inspiring Entrepreneurial Diversity [OXIFIED] which includes content, venture building, ecosystem engagement

activities to create more inclusive start-up ecosystems within or connected to Oxford. I'm also part of the steering group of the Gender Smart Justice Equity Diversity Inclusion initiative, a working group of gender lens investors that are integrating an intersectional approach that integrates race, ethnicity and beyond. It is compelling because historically many policy changes aimed at diversity ultimately contributed to progress for white women, but with far lesser benefits to women of colour. Additionally, I lead one of the MOBILIST platforms, which is a government-backed initiative to scale impact capital into the UN SDGs, working with institutional investors to back emerging market impact funds and get them listed on stock exchanges

A major learning from all this work is how important new metrics, methodologies and mechanisms are for systems change, specifically for transforming the investment landscape for economic inclusion.

These are structural changes that can be pivoted sometimes just with policy or protocol shifts led by intentionality. For example, the way that asset owners and asset consultants typically decide to evaluate fund managers is about past performance. If you're using past performances as the measure, then you'll never back a first time fund manager and so the cohort of fund managers remains all white and all male. But ecosystem players, like the 2X Challenge and Included VC, have been campaigning against this – and gradually this will chip away at that outdated practice and start to enable a more inclusive cohort of asset managers.

And such structural changes are necessary; evolution is necessary for capitalism to survive and thrive. Now even the biggest institutional investors are divesting from fossil fuels and investing in climate finance. Similarly, the same asset owners are likely to find that if inequality spirals out of control, the risks of political instability and social strife can also wreak havoc on the same assets in a different way.

While racial justice may seem incompatible with capitalism (based on the history of capitalism itself in the West), my bet is that this equality lens is just smart investing with a long-term view.

This is not just a matter of doing well while doing good – it is also deeply personal, a sort of ancestral vindication. As a woman, as an African American, as an indigenous American, it's like our labour and our value addition has always been central to the system, in ways that generated immense wealth for others at our expense. Today, it's reflected in terms of lack of proportional economic ownership and decision making power, which negates the tremendous value of our contributions to the economy.

In 10 years' time, I'd like the impact investment ecosystems to look like the population at large, and ideally more like the target communities or markets.

My heart sings to imagine the ways this kind of representation could support more aligned business models, more innovations, more enduring companies with greater impact and scale. My heart sings to think of the entrepreneurs we could support and the way we can build systems that work better for all of us. An impact investment industry that creates inclusive growth, that is true systems change for the financial sector.

Tara Sabre Collier, Co-Founder, Elinor Ventures and Visiting Fellow, Oxford University



RECOMMENDATIONS

Five short-term things you can do:

1. **Reflection and honesty:** the first step is understanding to what extent the way you spend your money is keeping existing systems, rules, protocols that fuel racial and economic inequality, in place and re-design for equity and equality.
2. **Share decision making power:** creating working groups of racialised people and people of colour to be advisors on funding decisions including pensions, investments and endowments and support the creation of more POC-led funding vehicles.
3. **Allocating resources and time:** there needs to be commitment to individual work and serious accountability underpinning that. This entails continual dialogue with communities, creating intentional space and time, and allocating resource for continuing individual transformational journeys, from the top to the bottom of your organisation.
4. **Radical transparency:** funders need to talk more about the intricacies of financial systems, their connection to it, and the complicity with it.
5. **Increase participation:** your strategy should be more representative of those that you are trying to help, but it tends to be the case that strategies are designed behind closed doors. We need more participatory design so that the strategy is being fed into by people that are experiencing the issues

Five longer term recommendations:

1. **Redistribute power:** start the process of people in senior leadership positions giving up power and sharing equity with those from racialised backgrounds, trial co-CEOships as a way of succession planning.
2. **Create space and accept failure:** provide more funding for Horizon 2 work, and more specifically incentivise or invest in more POC-led infrastructure to support a just-racial transition from Horizon 2 to 3. Share what didn't work, and create space for people to fail and learn from each other.
3. **Educate:** invest in improving the understanding around financial systems and investments for non-finance professionals to address the information inequality, removing barriers to access, and diversifying the landscape. Train and recruit majority members from non-finance backgrounds.
4. **Invest in the real world:** invest locally, invest in real things and real people and if that means hiring an in-house team or clubbing together with other foundations then go for it.
5. **Work long-term and with patience:** refuse quarterly financial performance reporting, it is this sort of short-term mindset that is harming society and planet alike.

The sky's the limit...

- 1. Reparations:** don't shy away from that word. Instead, look to spend down your endowment and grant all of it to POC-led organisations as a form of reparations. After all, these endowment funds were accumulated from the historical destruction of racialised communities.
- 2. Independent governance:** lobby for an independent body or a new model of the ACF that is not compromised by the government or its business model, and can serve the function of a critical friend for the sector or lobby the Charity Commission to change their structure and governance laws, i.e. the rules on how long charities are allowed to accumulate wealth for.
- 3. Sell everything and start again:** we need to break cycles of exploitative investment which has to start with stopping. So long as we feel a divine right to make money by virtue of having it in the first place, we will be stuck in this addictive profit loop.
- 4. Don't take shortcuts:** It's a long, hard, challenging journey. Don't try and skip the hard and uncomfortable parts, it's part of the parcel, and it'll pay off in the long run

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CHAPTER 3:

OPERATIONS AND GOVERNANCE



“In the aftermath of widespread coverage of police brutality against Black populations globally, the summer of 2020 opened up a conversation about race and racial injustice in all sectors. The grant-giving sector was no exception. We have begun to have more in-depth conversations that are long overdue and that are beyond representation, however, this is an uncomfortable conversation for many and one that has pushed people to the limits of their understanding of diversity and the term BAME. Whilst we welcome a new commitment to tackle the racial diversity deficit in the sector, we urge organisations to pause, to listen, to learn and to reflect before acting in ways that unduly cause damage to Black and Brown communities, including those within their staff teams.”⁴¹

INTRODUCTION

As we emerge from the “post-George Floyd era”, it is apparent that institutions, both public and private, must contend with the long-held systems that continue to propagate marginalisation and oppression. Using the lens of racial justice, one might assume that the demands for systemic change are not so relevant to the philanthropic sector. Unlike the private sector “we are guided by our desire to pursue social good and often support marginalised and oppressed communities”. Persistent campaigns that call for better and more meaningful diversity in grantmaking bodies, participatory giving practices, and understanding of the harm (even if unintended) our current system of philanthropy is causing suggest the public and private sectors are not dissimilar.

The Charity Governance code offers trusts and foundations a guide on what the organisational practices for trusts and foundations are in Britain. This code highlights seven key principles that, if implemented, are said to ensure the effectiveness of the charitable sector.⁴² While there is no law binding trusts and foundations to abide by the code, many refer to the Charity Governance Code when assessing the strengths of their internal processes. Of the seven principles, the sixth on equality, diversity, and inclusion suggests that if we were to increase diversity among staff and trustee boards, organisations within the sector are more likely to make better decisions. This is true. Yet, how might equality, diversity, or inclusion be addressed without first recognising how charitable organisations contribute to injustice and exclusion of people, particularly those of colour within the sector?



Cut the nonsense

According to the Association of Charitable Foundations, as of 2020, over 99% of foundation board members were “two-thirds male, and only 3% under the age of 45”.⁴³ It appears that little had changed since 2017, when the same organisation found that leadership in British trusts and foundations were largely homogenous.⁴⁴ In fact, their 2017 report highlighted that the informal recruitment process (occurring in 73% of organisations) and lack of clear job description prior to joining (occurring in 66% of organisations interviewed) are the likely cause of a lack of diversity in the sector.⁴⁵ This sounds like the making of an “old boys’ club”. For some, the reluctance to change at a board level is attributed to the fact that 76% of advice was sourced from other board members or the Charity Commission (69%). If both are not diverse in themselves, how might we expect them to encourage or pursue further diversity in order to improve decision making within the trust or foundation?

In 2020, fewer than 10% of employees at trusts and foundations were Black or Brown, of which only 6% were CEOs,⁴⁶ despite many of them serving these communities through their grantmaking activities. Again, in 2017, racial diversity in the sector was reported as “disproportionately low” with “just 3% of charity leaders are from BAME backgrounds”.⁴⁷ This sheer deficit of diversity is all the more stark when we understand the overwhelming concentration of funders based in London, a city where 36.8% of the population is of colour.⁴⁸ The London Funders network alone is home to 176 funders who are all based in London.⁴⁹

While a lack of diversity is an indicator of unaddressed racial injustice within the sector, it far surpasses a lack of representation. In 2020, a study carried out by Voice4Change and ACEVO found that 68% of participants reported that they had experienced, witnessed, or heard of racial abuse during their time in the sector.⁵⁰ A further 45% had received insensitive questioning about their culture and 30% experienced being treated like an intellectual inferior in the workplace because of their race.⁵¹

Powerful words from our peers

The issues of racial injustice in the sector are not new. Practitioners in trusts and foundations have written numerous reports and briefings on the importance of tackling racism in the sector. Here are a few powerful words from our peers:



“Beyond the specific priority of board diversity, a stronger foundation is able to promote, deliver and represent diversity, equity and inclusion (DEI) in its wider practice. At the heart of this is a clear understanding of how a foundation defines and interprets DEI, and how this in turn informs the development and delivery of its strategy. There is no single way to approach this, and the task is never complete. Stronger foundations continually strive to learn and constantly challenge themselves (and enable others to challenge them) to do more.”⁵²

“The sector is relatively good at talking about inequalities in wider society, but is reluctant to recognise its own problems and contributions: failing to provide communities with ownership of activities for change, failing to share power and, albeit subtly, disempowering through its processes.”⁵³

“The listening cultures within funders reflect the systems of oppression in our society. When listening takes place it does so within a system that is inherently based around cultures of sexism, ableism, classism, homophobia and racism and cannot escape these. The philanthropic sector lacks diversity and lived experience as highlighted by 2027, Charities So White and Future Foundations UK among others.”⁵⁴

“Certain groups such as communities and lived experience were seen as valid sources to gain knowledge but funders did not tend to listen to these groups by putting them in positions of leadership or decision making. Knowledge could be extracted from certain groups who were not in a position of power moving forward. There were also interesting patterns on who was expected to give knowledge and insight for free which was also based around biases and who was valued.”⁵⁵

“Persistent inequalities at the governance level will continue to undermine a broader approach to racial justice. Funders have increasingly focused on building a more diverse profile at the staff level, however, these efforts tend to be isolated to one of two additions within a wider team comprising a more privileged background. For many Black and minoritised organisations, their access to funders seems to rely on direct relationships with these one or two staff members or a small handful of allies in the funding sector. This is extremely precarious, unsustainable and unjust.”⁵⁶

What organisations need

All organisations, big and small, must first reimagine the future of philanthropy should we hope for any kind of systemic change to occur in Britain. But what does this mean practically for the sector? It means to cultivate a culture within your organisation where your sector peers, employees, and trustees listen, learn and love. Not for the sake of it, but as the necessary foundation for radical change and systemic reform.

"Funders just want to be seen doing the right thing but why don't they respond to report findings?...They like putting out reports but not doing anything."

Darren Murinas, Chief Executive, Expert Citizens CIC

Listen

- Consider how power determines who we listen to, and in what context.
- Step aside if necessary – know when you are not in the best position to facilitate a much-needed conversation.

"There is a big difference between listening and consultation, and I reiterate that when we talk about engaging with communities, we are not consulting. Our job is to listen." – **Sufina Ahmad MBE, Director, The John Ellerman Foundation**

The heartbeat of any trust or foundation is the board. After all, even if they do not decide who exactly is allowed aboard, they still steer the ship. What does this mean for racial justice in the grantmaking sector?

Well, it is unlikely that there might be any forcible change if the captains of these ships come from similar social, economic, and cultural backgrounds. More pointedly, if there are few to no individuals on these boards from visibly underrepresented groups, Black and Brown communities, then to what extent can the sector contend with pressing matters that affect these individuals? Can a call to diversify staffing overcome the lack of representation at a board level?

- Considering the language used to advertise for roles specifically for underrepresented groups, have you considered how traditional channels for recruitment such as LinkedIn might place unnecessary barriers to entry? E.g. requiring applicants to have an unneeded amount of experience or needing to have a master's degree.
- At the interview stage, who is seated on the panel? Remember, this is the first experience this candidate would have of your organisation.
- Have you considered how new entrants might be better supported in a new role or whether they may feel alienated as a minority in a new organisation?

There is a lot of talk around recruitment but what efforts are made to retain new entrants to the grantmaking space. Private recruiters often act as gatekeepers in the sector, many operating on models that prioritise profit over centring values that align with transformational social change. What might ensuring primary recruitment takes place

in-house look like? If organisations have a significant number of frontline workers from Black communities, we must ask ourselves, why, then, do we not see these same numbers in middle and senior management. Can we really attribute this to a lack of skill? If so, what training and professional development are made available? Even when such programmes exist, are there any seats at the table for new entrants in leadership?

Learn

- Consider how power determines who we listen to, and in what context.
- Step aside if necessary – know when you are not in the best position to facilitate a much-needed conversation.

“We need new thinkers and different outlooks, people with perspectives, we need to bake a cake with all the different ingredients regarded as equal.”

Anonymous interviewee

Understand racial justice as anti-oppression work

We remember the catchphrases – the simple analogies used to describe why it is so important to recognise, embrace, and celebrate difference. Does the simple fact that we remember these training sessions or external consultations suggest they are effective? While an expert with lived experience may come into an organisation to highlight their shortcomings on a specific topic, to what extent do they tackle organisational cultures that facilitate harm? How far removed are instances of racism in the workplace from other forms of workplace harassment or bullying? People are not a single identity and their negative experiences

in the workplace cannot be addressed without adopting an intersectional approach to alleviating harm.

Pause. Think. Consider.

- Has the purpose of this training been clearly identified and shared across the organisation?
- How does this session fit into our broader strategy toward organisational learning?
- Does the consultant, beyond their lived experience, share our organisation's values and ideas?
- Do we, as an organisation, have a system in place for support and accountability among our clients, staff, and trustees? How might this consultation help us develop and implement one?
- What ideas have our staff presented with regards to anti-oppression work in the organisation? Have these ideas been implemented? If not, why?
- How might the organisation continue its anti-oppression work beyond this session? Are our trustees engaged and involved in this process too?
- Will this training or consultation put undue pressure on the visible minority within the organisation to be a spokesperson for others? How might the organisation minimise the chances of this occurring?

Learn from more than one source

“I am tired of teaching everyone and being the representative, tired of it, and of floating in between. I’m tired and drained.”

Anonymous interviewee

“As with anything, there’s no point simply “shoving people on the board” and expecting them to be the moral compass of the organisation or to represent everyone from their background.”

Anonymous interviewee

Welcome people into your organisation as their whole selves, rather than relegating them to a single identity marker. We have all heard that it is important to incorporate people with lived experience into our boards, staffing, and consultancies, yet little has been said about how to best engage underrepresented groups in our organisations in a manner that is not extractive. When Black and Brown people are introduced to organisations to fulfil one’s diversity quota, it removes the richness of skills, talents, and experience further marginalising the same communities one intends to support. While others on the same board are able to share from their professional and lived experiences, individuals introduced to leadership because of their lived experience are only seen as valuable when speaking of that said experience under the terms and contexts set by those with power within the organisation.

We cannot always assume that academic expertise is more reliable than that based on one’s lived experience. To minimise an individual to a narrow single experience when their lives are made up of different intersecting instances, values, and beliefs that can and ought to be learned from is reductive. Social issues do not exist in neat carefully delineated siloes. As such, to authentically fight against racism, climate change, sexism, or income inequality,

foundations ought to adopt a systemic approach. We must ask ourselves why we are so comfortable with avoiding this lens to social change – only then can we begin to address racial injustice as a sector.

“But we are trying to learn. Surely, it’s better to ask than assume we have all the answers?”

Pause. Think. Consider.

- Have you made any attempts to learn about racism or oppression using resources readily available to you?
- How might the question you are about to ask affect your colleague, friend, supporter? Are they able to decline your request for information? If not, why?
- How often do you engage with this person outside soliciting information or advice?
- Is this the right time or context to raise, what could be, an emotionally charged conversation?
- Are you ready and willing to hear the answers to your question, even if they are uncomfortable?
- What do you intend to do with the information gained?

Make innovation a part of your organisation’s DNA

“We also need to do more than simply talk about diversity. I’m tired of conversations – can we do something with it?”

Anonymous interviewee

Embracing difference is so much more than simply bringing new players into the room. Anti-oppression work ought to take place as part of any organisation's effort to grow and learn. This is because progressive governance requires forward and future thinking.

We cannot expect change to occur if there is no time or space within organisations to reimagine a future that uproots the status quo and benefits all. In your organisation, time and space to innovate might look like facilitating a meeting where there is no pre-fixed agenda but rather a single idea to be discussed and explored. It could be ensuring that decision making within the organisation does not occur in silos by cultivating a culture of non-hierarchical transparency.

As a sector, we can learn from one another by taking the time out to share our wins and areas of improvement so that we do not replicate practices that we do not need or that impede progress. Larger funding bodies could listen and engage more with those they seek to fund, using their feedback to improve their organisational practice. More formally, there is a need to invest in research and development in the philanthropic space. Self-reflective research that looks into our governance models and the change theories. By doing so, grantmaking bodies can begin to unpack the unspoken assumption that they know what is best for the communities they support and the marginalised groups within their organisation.

"I've always tried to show pragmatism in my leadership and that isn't easy. Copying what has always been done is not going to get us [the funding sector] to the right place. Change is possible. I do see change as being, and I mean radical change, is incremental. I think oftentimes the stories we read, the things that we get taught are about the endpoint, where the big thing happened and you're like, wow, that was amazing. Whereas actually, what I've always been more interested in is what were the small steps that were taken to get to this endpoint."

Sufina Ahmad, Director at the John Ellerman Foundation

Love

- Recognise how grantmaking can instil a culture of "them" and "us".
- Implement organisation-wide strategies that unite.
- Build systems of trust and accountability within your organisation.

Know that philanthropy is so much more than just giving

Giving with constraints might be the best way to describe philanthropy in the UK. This is because, typically, charitable trusts and foundations determine what causes are worthy of funding, how they ought to describe their need, and what solutions are best suited to the need identified. By doing this, British philanthropy, as current practice, implies there is nothing to be gained from the recipients of funding. Let us think about how we can elevate the virtue of the giver and the receiver. How can we move away

from a system that divides communities and instead pursue ways of community-building through philanthropy?

Ensure your work prioritises the knowledge, skills, and experience of all people, not just “benefactors”. Through individual and organisation self-reflection, think about how our ideas of giving perpetuate the status quo. Ask yourself hard questions.:

- Whose time frame does your grant application cycle service?
- What values underpin your assessment of need? Are these shared with those you fund?
- Independent of a grantmaking cycle, are you aware of the ideas, values, or beliefs of the communities you serve?
- How embedded are you in these communities?
- What, if anything, do you hope to learn from the communities you are a part of?
- What does holistic community-based philanthropy look like to you? What role do you play in achieving this?

Strive for systemic change by strengthening an ecosystem of change

Racism is a systemic problem. Diversifying your staff or trustee board, while important, will only go so far. Therefore, a holistic and systemic approach to racial justice, and to oppression in the grantmaking space more broadly, must be pursued if we hope to see real change. Systemic change and anti-oppression are mutually constitutive.

“We can’t talk about the need to change in the giving sector, or grant-giving, without talking about the systemic change, you can’t have the conversation in isolation. We can’t talk about the change if you’re not talking about greater allyship building. We can’t talk about this without talking about the supply chain in the philanthropic entities.”

Viv Ahmun, Steering Group Member of Baobab Foundation

Where can we start?

Identify your ecosystem of change, like-minded individuals and organisations equally committed to pursuing anti-oppression in their personal and professional lives. This sounds like a heavy task, but it does not need to be. Building and strengthening your ecosystem of change could be as simple as creating time and space to align and develop a strategy with other people who share your values. Resourcing Racial Justice’s accountability work is important here as an indication of some of the steps that are being taken. They have worked to take a handful of funders on a journey to changing their approach to racial injustice.

A networked ecosystem is a governance model whereby each of us has something to offer, we are clear on what that is, and how that offering serves our shared purpose. It recognises that not one individual, organisation, or community can do it all but instead, like starlings, are most powerful working in concert towards a central goal.

We cannot talk about developing new governance models based on collaboration without addressing the role allyship can and

ought to play in social justice movements. Sometimes, allyship is “quiet action” as opposed to loud exercises that further crowd out marginalised voices. An effective ally must recognise the power they hold and understand how that power can undermine any attempts to help if not carefully yielded

Build trust from the inside out

Anti-oppression work can be hard. Trust is an essential component of anti-oppression work, especially between marginalised groups and those who, in a given context, are in the position of power. As part of this work, ensuring that conversations are slow and reflective can be a way of building trust. Openly showing your support of a cause such as racial justice AND showing evidence of actually supporting said cause also serves the same end.

Trust is intrinsic to how we can further build accountability around social justice in the sector. Calls for better regulation around social justice in the grantmaking space is evidence of low trust in the sector.

Reimagining accountability requires close proximity and the ability to rely on one another. In different contexts, this might vary. It is not practical to assume that all members of an organisation can be close enough to each other to trust everyone and anyone. Yet, where individuals know they are heard when affected by injustice or when they are in fact inflicting injustice in a context of trust, the seeds of organisational accountability are sown.

“What are the complementary community structures we're going to create that create accountability?”

Anonymous interviewee

“We need to establish informal ways of accountability. What are some things that you can do better? Are these incorporated in our systems of governance? There's a reason that some of these accountability structures are informal. I think regulation is legal, it's dry and it's not relational. If anything, I think regulation is often evidence of very low trust.

“The point of regulations is to provide safeguards where trust does not exist. When we don't think people will do this on their own, we insist they send us paperwork on it. So we have to think about the complimentary community structures we are going to create to foster accountability. My first thing is, as a leader, has anyone told you that you've been offensive recently?”

“If there's no one in your life that tells you when you're wrong, something's wrong. There's no way you're going through life without being an asshole. How do we incorporate transformative justice in our governance models?”

Anonymous interviewee

Stop. Think. Consider.

- Is there a record of how change is being created within the organisation?
- Are there consequences for behaviour that harms others?
- Does your organisation have the tools needed for changed behaviour to become possible?
- Are there any opportunities for counsel if you harm others within your organisation?

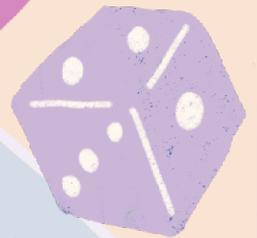
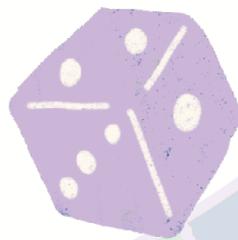
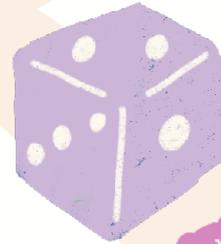
Who holds you to account, as an individual and an organisation?

... and above all, act

"The entire sector should also think about what role it plays in struggles for justice, supporting and counselling one another to make the right decisions and enact change in practice rather than just talking about it"

Anonymous interviewee

- Be pragmatic. Identify the steps required to achieve social transformation.
- Be fearless. Failure to act (or even try) does harm.
- Be patient. Change is often a long, slow, iterative process.



RECOMMENDATIONS AND REIMAGINING

Ten things to start reimagining your operations and governance

1. *Build creativity into your everyday communication within your organisation.*
2. *Establish or support existing peer support networks. Recognise that it can be difficult to become comfortable in spaces where you are the odd one out, even if you are aware of how important your role is in the organisation.*
3. *Provide support for your staff to access professional mental health support.*
4. *Set clear rules and guidelines against oppression in the workplace and hold staff and trustees accountable when they repeatedly disregard these boundaries.*
5. *Embed yourselves in the communities you work in. Get to know them, not for their expertise on how best you should fund a given project but to start to remove the barrier between funders and beneficiaries.*
6. *Ask the communities you work in or organisations you fund to review your current practices.*
7. *Interrogate your current recruitment and staff retention practices. Establish why they exist in their current form and whether they are producing results that best align with your values.*
8. *Create opportunities for all staff to express their concerns with regards to your organisation's current practices and any ideas they may have to improve them.*
9. *Examine whether your board of trustees best reflects the communities you serve or organisations you fund.*
10. *Identify your organisation's strategy towards racial justice and social transformation. Ensure this strategy can be operationalised at all levels of your organisation.*

Beyond business as usual in grantmaking

How to ensure your values are translated across your supply chain

As mentioned in the investment chapter we also need to ensure that all entities influencing or directing our investments are guided by the same values and adhere to the same organisational strategy as other foundations staff to ensure alignment throughout. Increasingly, corporations are striving to pursue and maintain ethical supply chains. For many, this means ensuring their suppliers do no harm to people or the planet. We cannot assume that seeking to share wealth with those most in need automatically entails that trusts and foundations have ethical supply chains. Consider reviewing your current service providers. If you are diversifying your staff and trustees, perhaps you could consider how you can support companies led by people of colour entering your supply chains. Could you support communities of colour by hosting your events in “their spaces”, or hiring Black or Brown caterers or event planners? Beyond racial justice, how do you as an organisation ensure your commitment to anti-oppression extends to contracted staff? Are your cleaners on zero-hour contracts? Justice does not end in the boardroom. Pursuing real justice in your organisation will require you to seek change across your entire organisation.

Organisations to learn from

The Edge Fund

“Edge Fund began from the ground up as a participatory grantmaking fund in 2012. The people who set it up had experience as activists or funders, and many as both. If community organising and community development could involve the people affected by decisions, then why couldn’t funding happen the same way?”⁵⁷

The founders of the Edge Fund were participatory grantmaking pioneers and ceded power to the communities too. The fund were early stage funders of Black Lives Matter UK, the Ubele Initiative and Sisters Uncut, who have been among the most active and impactful voices in the last 12-18 months when it came to advancing racial justice in the UK.

Camden Giving on participatory grantmaking

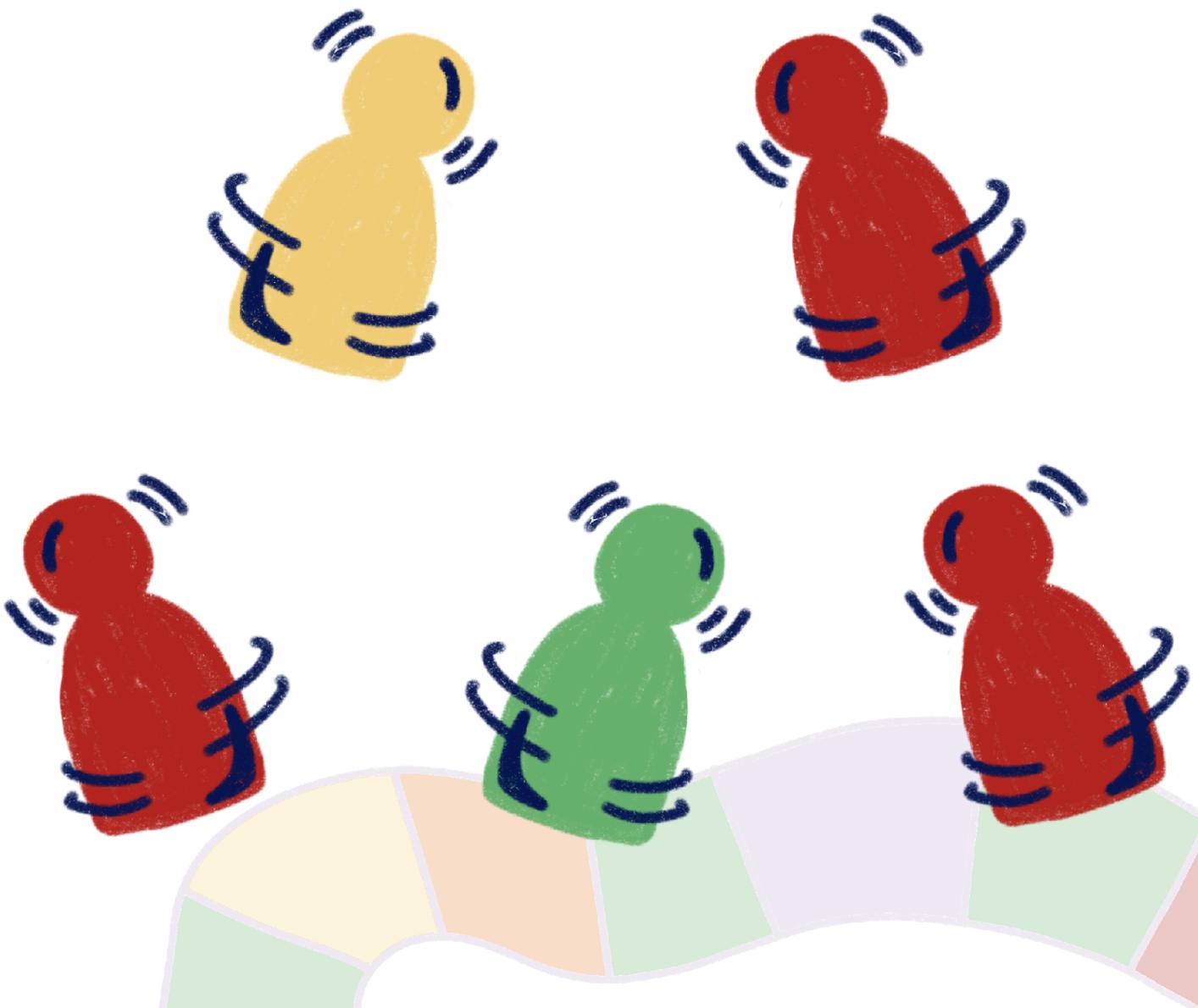
Resident-decision making is at the heart of organisational practices at Camden Giving. They set up community panels that are central to the monitoring and evaluation process of the organisation. The panel decides which project is best suited to the needs of their community and captures the learnings garnered as the project progresses. According to Natasha Friend, Director of Camden Giving, “this new way of reporting is intended to capture a more realistic view of what happening on the ground”. Natasha reports that the opinions of the staff team do not trump that of the community panel as they recognise that “Camden Giving are there to support and acknowledge the expertise they (the community panel) have and support them as they use their power to create change in their communities”.

Thirty Percy on Resourcing Racial

“Resourcing Racial Justice is a way for funders to understand why there is not more diversity among the organisations they are funding. The answer is simple, funders need to do things differently. This could mean doing away with your trusted application form or your typical evaluation parameters.”

Diana Clarke, Foundation Executive at Thirty Percy.

In response to the disproportionate impact the coronavirus pandemic had on communities of colour, Thirty Percy established a fund to address structural racism in the UK.⁵⁸ Led by a coalition of Black and Brown people in entrepreneurship, activism, and the arts, the fund sought to address racial inequality in Britain that left these communities more vulnerable to crises such as Covid-19. It is important to note here that the work of Resourcing Racial Justice pre-dates Covid-19 and the murder of George Floyd; there had already been a commitment within the Thirty Percy Foundation to resource racial justice, but the emphasis shifted amid the crisis. It was an extremely visionary piece of work because it was born out of innovation and ambition rather than in reaction to a crisis.



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Conclusion

We hope that by providing a bold roadmap for transformational change in which racial justice is centred and positioned as a prerequisite for any social change we will help support the funding sector to face some hard truths.

We know this work is not easy, but it is urgently necessary. For too long those closest to power have skirted from their responsibility to address a system which works for few and deeply hurts many. Racism, racial inequity, and injustice are not a Black and Brown issue. These evils represent a society and culture in the UK in which the majority has lost its connection and commitment to love, compassion and honesty; and has a fatal inability to recognise and treat the global majority as humans with the respect and dignity we all require to live full lives. We call on all funding organisations to sit with any discomfort that arises from reading this report and then act with love. Change is coming and with your help we will get there much sooner than without it. What side of history would you like to stand on?

We hope you, like us, are inspired by the incredible innovation hailing from communities of colour across the country and beyond, despite such limited resources deployed to our aid. Imagine the possibilities when racial justice is funded appropriately, with urgency and with intention, with those that have lived experience and deep understandings of racial oppression leading the way.

We invite you to pause and take some time to reimagine the world you want to live in. What does that world look like? What will it feel like? How will that world be experienced by your children and future generations? And ultimately how likely is the reality of that world if we do not disrupt the status quo?

By applying a racial justice lens to your investment strategy, grant-giving practices and internal organisational culture we know that racial justice is achievable. For too long the sector has sought to pick and choose when it comes to commitments of racial justice, a DEI initiative here and a few Black and Brown board members recruited there, or taking an extremely siloed approach to this work. It is clear this approach is ineffective, performative, and often wrong. It simply hasn't worked. Racial injustice is a result and founding principle of our economy, our society and the very sector we call home. To address this reality, we need people to be bold, brave and ambitious in taking on the whole system rather than attempting to break it down into small, digestible and comfortable chunks.

Ten Years' Time commits to working with funders who share our ambition for a world that is kind, regenerative and sustainable but in order to advance racial justice we need people to give up power to communities of colour, trust our visions and support us.

With love,

Ten Years' Time

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Let's get to
work!



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89