

RACE-BASED PHILANTHROPY

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Race-based philanthropy has existed on a large scale since the end of the Antebellum Period of the United States, as an increasing awareness of racial inequality was at the forefront of American social thought. After the Civil War, especially in the early 20th century, wealthy philanthropists became concerned about the lack of African American education and economic opportunities. It was quickly discovered that access to equality under the law, equal and/or quality educational opportunities, cultural and artistic validity, and economic equality, was nearly nonexistent.

From the end of the Civil War through the Civil Rights Movement, these priorities were the primary focus of philanthropy along racial lines; however, these efforts mainly came from wealthy White benefactors to impoverished African American communities. With the Civil Rights Movement came a movement from communities previously marginalized in philanthropy to incorporate diversity, equity and inclusion.

However, many philanthropists did and still do not see their work through the prism of race, thereby, significantly inhibiting their ability to address the very issues they aim to fix. These structural aspects of philanthropic inequality put communities of color at a significant disadvantage economically, socially, and politically. This has led to the rise of community foundations, which have seen recent success in philanthropy and policy advocacy, leading to this method becoming the foundation of philanthropy along racial lines. Community foundations are defined as, "...grantmaking public charities that are dedicated to improving the lives of people in a defined local area. They bring together the financial resources of individuals, families, and businesses to support effective nonprofits in their communities. Community foundations vary widely in asset size, ranging from less than \$100,000 to more than \$1.7 billion" (Council on Foundations 2023).

As philanthropic efforts based on race have increased since the 1960s, two major challenges to institutional philanthropy have been identified: 1) Philanthropic stakeholders tend to have a limited understanding of and appreciation for the way race factors into the social challenges they are trying to solve, and 2) There is often a limited understanding of how much race is actually a factor in the way philanthropists engage in identity and then engage community and political leaders to solve these problems.

A key element to this inequality is access to capital for communities of color, meaning that the

research agenda regarding race and philanthropy must consider the wide disparity between White and African American assets (Conley, 2013). Wealthy communities make up the vast majority of the philanthropic landscape, making it inaccessible to most communities of color. Racial biases and interpersonal dynamics can lead to further barriers of access for leaders of color. The rapport-building that leaders of these communities must engage in leads to a higher level of emotional labor, and the politics of knowledge is thereby impacted by these racial income disparities (Perkins, 2020).

Increased usage of community engagement with marginalized communities has led to the rise of community foundations in the U.S., with over 750 registered community foundations in the United States with assets ranging from \$100,000 to \$1.5 billion. Community foundations often work with organizations like United Way to secure and distribute funding. This allows for community foundations to rise to the level of agenda-setters and community leaders. Marginalized communities in the U.S. have increasingly come to depend on philanthropic efforts for services no longer provided to them by government agencies (Venkatesh, 2002). Budget deficits, slashed funding, and the increasingly partisan debate over funding communities has led to grassroots leadership taking a more important role against neighborhood displacement and gentrification (Reece et al. 2022). In essence, bottom-up leadership has taken over the role of government-provided services provided to marginalized communities in the United States.

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