

WASHINGTON BUSINESS JOURNAL

CORPORATE PHILANTHROPY

OUT OF REACH

Last year's philanthropy surge wasn't enough to bridge a long-standing funding gap

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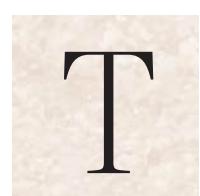
COVER STORY

GIVING GULF

Nonprofit leaders of color habitually get less funding — a problem even last year's surge couldn't correct

BY CAROLYN M. PROCTOR | cmproctor@bizjournals.com | @WBJBookofLists





The many tragedies of 2020 did have one positive effect: They forced greater attention on longtime inequities that needed to change.

Many corporations took notice of the deaths of George Floyd, Ahmaud Arbery and Breonna Taylor, among others, and the Black Lives Matter protests in response. They issued statements not only speaking out against racism, but also promising to take on the financial fight, in part through donations to nonprofits that aid and support Black communities. By mid-June, The New York Times reported that Black-led advocacy organizations – including the NAACP, Black Lives Matter Global Network and Color of Change – had been “flooded with millions in donations” in just weeks.

But the question remains: How much of this unprecedented support will continue on after the headlines fade? Before last year’s widespread protests, Black-led nonprofits and Black communities had historically received a significantly lower share of philanthropic donations than their white counterparts. That struggle remains today, even if awareness is growing.

And the need is great, not just for the recipients of their programs, experts say, but also for the region as a whole. If entire populations within the region are left financially stranded with no avenues for relief, they say Greater Washington’s entire economy will continue to lag behind that of its peers, failing to realize its full potential.

“If we are a place for everyone, that means that we have to be committed to racial justice and equity for the Greater Washington region,” said Ruth LaToison Ifill, president and CEO of Washington Regional Association of Grantmakers (WRAG) since June 1. “The only way that everyone can exist in this space in a fair way, in a just way, is for us to care about racial equity, especially when we know that white folks have 81 times more assets than Black families in this region – and that’s ridiculous for a place that was previously called Chocolate City.”

An unequal give-and-take

Last year, a D.C. watchdog group that monitors U.S. charitable spending analyzed how much 25 community founda-

BY THE NUMBERS

Funding for Black-led, early-stage nonprofits showed a large gap.

24%

That's how much lower the average revenue is for Black-led, early-stage nonprofits compared to white-led nonprofits

76%

How much lower the average unrestricted net assets are for Black-led, early-stage nonprofits compared to white-led nonprofits

45%

How much lower revenue is for Black-led nonprofits focused on helping Black men and boys, compared to white-led nonprofits with the same focus

91%

How much lower unrestricted net assets are for the Black-led nonprofits focused on Black male achievement, compared to white-led nonprofits with the same focus

\$20M

The funding gap between 492 Black-led and 396 white-led early-stage nonprofits in 2019

SOURCE: The Bridgespan Group; Echoing Green



Ruth LaToison Ifill has led Washington Regional Association of Grantmakers since June.

tions were investing in the Black communities of their metropolitan areas – and their findings showed stark divisions.

Altogether, the community foundations allocated about \$78 per person through their grants, but just \$6 per Black person on average, according to the report released last year by the National Committee for Responsive Philanthropy. After analyzing three years’ worth of grantmaking between 2016 and 2018, NCRP found a \$2 billion gap in aid to Black communities.

There was also often less funding for early-stage nonprofits led by Black leaders, according to another report released last year by The Bridgespan Group, a Boston nonprofit consulting organization focused on addressing social and economic inequities. The group, which analyzed the 492 Black-led and 396 white-led organizations that made up the 2019 Echoing Green applicant pool, found a \$20 million funding gap between those two categories, despite the higher number of Black-led nonprofits.

Additionally, Black-led nonprofits were consistently more likely to log lower revenue and much lower unrestricted net assets – the most valuable and useful kind of financial support, per the report. Bridgespan pointed to four persistent barriers that nonprofit leaders of color face: finding connections through their networks, building rapport, securing support and sustaining relationships. “Across all stages, repeated interactions with bias can cause leaders to adopt mindsets and behaviors

that further limit their fundraising,” the report stated.

Women of color who were at the helm of local nonprofit organizations have also reported bias directed against them. Two Black female nonprofit executives filed separate lawsuits in the summer of 2020 in D.C. Superior Court, before both were moved to U.S. District Court for D.C. Both women alleged discriminatory treatment that led to their terminations.

One was filed June of last year against WRAG and WRAG Chairman Nicky Goren among other association officials by Madye Henson, its former president and CEO. Henson said in her suit that she was subjected to disparaging comments and treatment that white colleagues didn’t receive and was ignored when she reported incidents and complaints of racial discrimination on behalf of employees of color at the D.C. nonprofit – all allegations that the defendants denied in their response. The parties settled out of court under undisclosed terms this past June, and the case was dismissed in July, along with any claims against the defendants.

The other was filed in July 2020 by Terri Wright, former vice president of program and community at the Eugene and Agnes E. Meyer Foundation. Wright sued the foundation, as well as Goren as its former president and CEO, claiming that she was unfairly targeted for termination by

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COVER STORY

CONTINUED FROM PAGE 21

Goren and then disparaged afterward in a conversation Goren shared with Henson after the latter joined WRAG. Wright said Goren's comments breached the severance agreement the parties agreed to upon Wright's departure from the Meyer Foundation. Legal representatives for the foundation and Goren deny any discrimination or breach and have filed motions to dismiss this case, which remains ongoing.

Henson declined to comment on the suit, and Wright did not respond to a request for comment as of press time.

Goren declined to comment. Charlene Dukes, the foundation's board chair, declined to comment on the lawsuit's specifics, but said in a statement that the group's leadership had decided to shift its philanthropic efforts toward racial justice well before the events of 2020.

"Seven years ago, the Meyer Foundation started on a journey to focus our programming and resources on advancing racial equity in the Greater Washington region. That commitment, first proposed and acted on by Nicky Goren during her tenure as CEO, transformed how we do our work as an organization," Dukes said as part of a statement to the Washington Business Journal. "One thing is clear, as the country and the region continue to grapple with the disproportionate impact of the Covid-19 pandemic for people of color and confront issues rooted in systemic racism that prevent a multiracial healthy democracy, it is important for the Meyer Foundation to stay the course and serve those in the fight for justice."

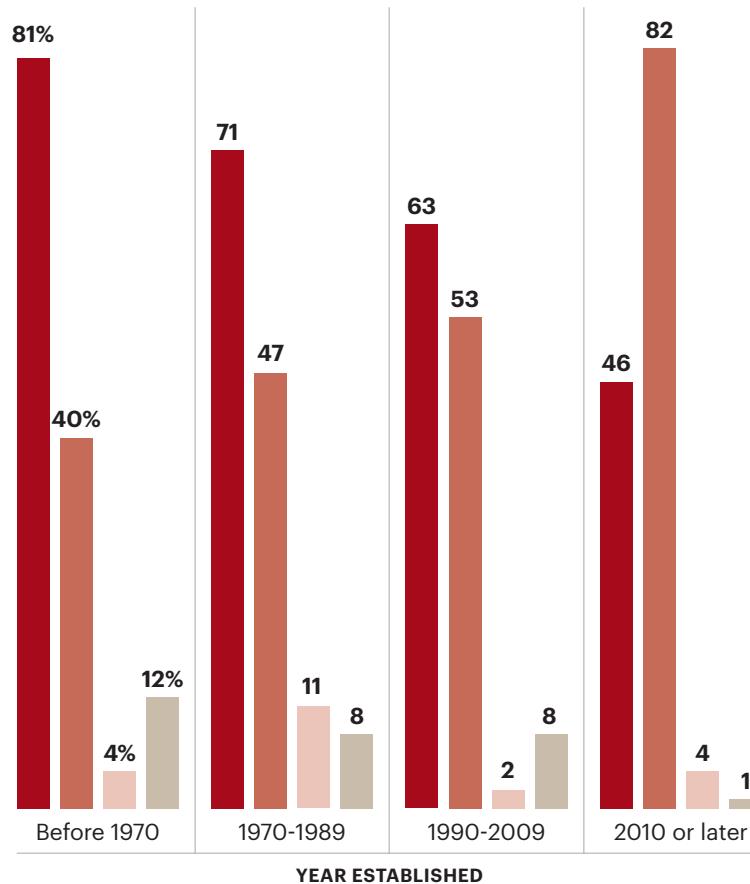
WRAG, for its end, also declined to comment on the suit's specific claims. The group is unveiling a new strategic plan at its Nov. 12 annual meeting, one that focuses squarely on racial justice for the first time, said Ifill, who had served as its interim chief until getting the role permanently this past June.

"We believe that a racially just and equitable region must be the vision for all of philanthropy across all funding priorities, all geographic scopes, any type of foundation and any sizes of giving," she said in an interview. "So if you say that you care about nature, we still think that there is a racially just and equitable component that should be a part of your mission. And so

ALL IN THE FAMILY

At family foundations in particular, few are focused explicitly on serving communities of color.

■ Geographically focused ■ Issue focused
■ Racially/ethnically/culturally focused ■ None/other



Board diversity at family foundations could lead to more diversified grantmaking — and that's becoming a higher priority for many.

► A 2020 study showed **71% of family foundation boards** are made up of family members.

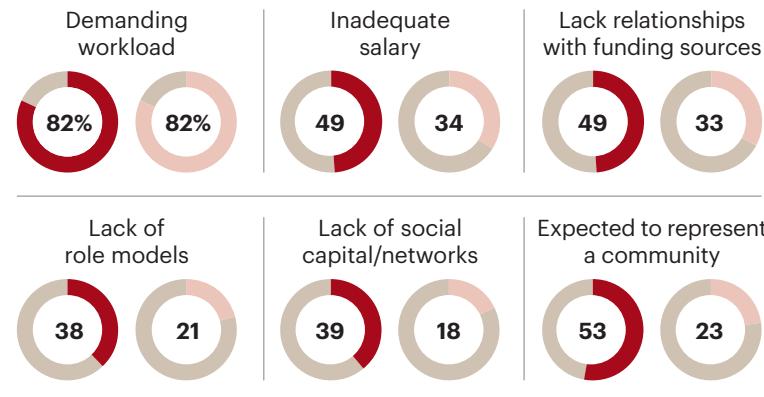
► But **21% of the foundations** said they planned to increase the racial diversity of their boards in 2020, compared with just 4% who mentioned that goal in 2015.

SOURCE: National Center for Family Philanthropy

HIGHER HURDLES

Another study identified some of the challenges that a nonprofit CEO or executive director of color often disproportionately faced.

■ Leaders of color ■ White leaders



SOURCE: Building Movement Project

BACKERS ON TRACK

Black families on average donate more to charity than white families do, year after year.

25%

Increase in the portion of annual household incomes that Black households donate to charity, compared to white households

66%

Portion of Black households that regularly donate to charity, averaging a total \$11 billion each year.

SOURCE: W.K. Kellogg Foundation

that means that we care about Kenilworth Gardens and not just Rock Creek Park."



Kautz



Carr

At the annual meeting, WRAG will also discuss how foundations can engage on this front with a combination of grantmaking and vocal advocacy, Ifill said. It's why WRAG joined with the newly rebranded, D.C.-based if, A Foundation for Radical Possibility, formerly the Consumer Health Foundation. They started Let's GO DMV, a five-year program set to provide a guaranteed \$1,000 in monthly income for upward of 50 to 75 local hospitality workers laid off due to Covid and often concentrated in lower-income areas of the region. "It doesn't make any sense to talk about philanthropy if we're not talking about resourcing communities with money specifically," Ifill said.

Time for change

Many other leaders of color around the region say there are ways to better address these funding gaps.

It starts with intentionality when taking out the checkbook or drafting the philanthropic agendas, said Larysa Kautz, president and CEO of Melwood, an Upper Marlboro nonprofit focused on securing opportunities for people with disabilities. "Find nonprofits that you may not have heard of and learn more about the ways they serve people of color, and understand that there are many needs to be met," she said.

The key, she said, is to address both short-term and long-term needs in the community to create more lasting, systemic change. Kautz also pointed to a need for nonprofit leaders to build their own teams and culture with diversity and equity at the core. "Purposefully foster diversity at every level of your organization's leadership, including your board of directors," she said.

Charities Aid Foundation America, an Alexandria-based grantmaking organization led by President and CEO Ted Hart, is among the region's largest nonprofits with more than \$428 million in revenue in 2020. Since the 2020 protests, Hart said he's seen more corporations "far more likely to speak

A CLOSER LOOK

Group speaks to study that found gaps

In its study last year, the National Committee for Responsive Philanthropy pointed to wide gaps in grants from community foundations to Black versus white communities in their coverage areas.

Of the 25 foundations studied, the Greater Washington Community Foundation performed far better than most, giving the third-highest percentage of its dollars to Black communities among the group — and yet that still added up to just 3.3% of its total grants, despite the Black population comprising 27% of D.C.'s total, per the NCRP's report. New York Community Trust gave 4.2% of its grants to Black communities, while Black Belt Community Foundation in Selma, Alabama, gave 9.4%, ranking as the highest percentage, the report found. Three of the foundations measured in the study gave zero dollars to Black communities, while eight gave less than 1%.

The report predictably created some waves in the foundation community. After getting some pushback, NCRP later added an editor's note to further explain its methodology,

up for fairness, diversity and inclusion and put their philanthropic dollars where their mouth is," investing more money into smaller community nonprofits, including more unrestricted funding. But he's pushing nonprofits themselves to adopt formal DEI policies and goals and be held to a high standard.

Unrestricted funding for Black-led nonprofits is crucial to Ellis Carr, president and CEO of Arlington nonprofit Capital Impact Partners. Donors are better served leaving the spending decisions to the nonprofits that understand their constituencies the most, he said, rather than tightly restricting funding and requiring "rigorous" reporting on where those dollars landed, ultimately hindering the process more than helping.

"The most important missing ingredient in philanthropy currently is trust," he said. "The way donors currently select which organizations they fund suggests they may not really trust us [community development organizations] to spend the money wisely. If we are listening to the community and are developing products and services that the community is asking for, then we shouldn't have to go through a convoluted application process to prove to philanthropy why it's a good idea."

Much of the disparity seen in communities of color has centered on health care, dating back countless decades before George Floyd's death. And experts say the most effective forms of giving in the past year have gone beyond public declarations and focused on real action, often-times through new partnerships between health companies and nonprofits to reach more people in need.

"This is a change that we recommend companies start with by supporting nonprofits led by racially marginalized, disenfranchised people of color, as well as assessing the true influence and impact of nonprofits in communities of color. For health companies, this often means working with nontraditional nonprofits," said Adjoa Kyerematen, vice president of District health care marketing and communications company JPA Health. "To put this bluntly, partnerships to address racial equity must be more than a branding effort. Authenticity, real impact and a sustained commitment should be the goal." ■



Wellons
EMAN MOHAMMED / WBJ

stating for instance: "These numbers do not, and were never meant to, represent the totality of community foundation support that may reach Black residents. What these numbers do identify — from the best, currently available, public data — is the amount of grants that were specifically coded as being designated for Black communities as a percentage of foundations' overall grantmaking portfolio."

Tonia Wellons, president and CEO of the Greater Washington Community Foundation, said that while her organization "strongly agrees with NCRP's conclusion that philanthropy can and should be doing better, we believe the report doesn't

fully capture the range of ways our investments support and impact communities of color."

She pointed out that NCRP's analysis omitted some of GWCF's largest grants "to high-impact nonprofits operating in and primarily serving communities of color" because they didn't meet the research criteria. In fiscal 2020, she said, 24.2% of GWCF's giving went to organizations led by people of color, 19.4% of them Black-led.

"The report did encourage us to take action to improve our data and reporting on our mission critical work in this area," Wellons said.

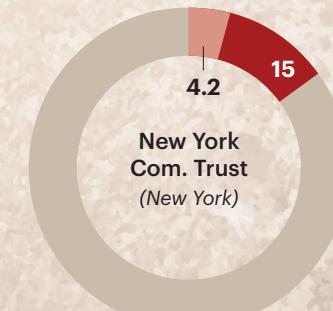
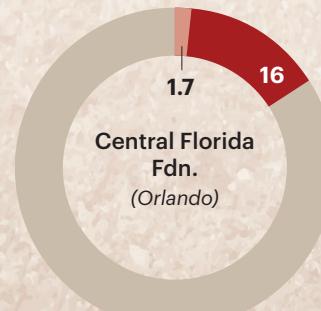
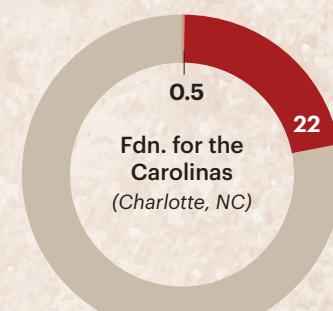
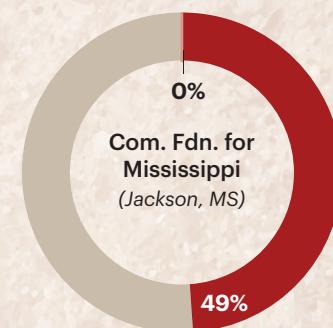
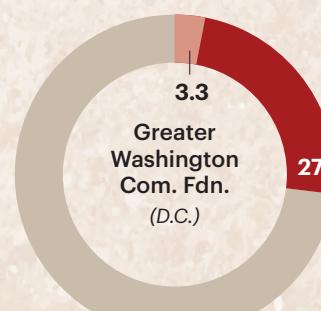
Last year, GWCF launched Black Voices for Black Justice DMV, investing in the racial justice and equity work of 10 Black activists, organizers and leaders, while also directing nearly \$1 million "in 17 local Black-led organizations working in the critical area of systems change to help support their immediate infrastructure needs," Wellons said. This October, it also released its 10-year strategic vision, which carries an emphasis on closing the region's racial wealth gap.

GRANTMAKING GAPS, 2016-2018

This shows the portion of grants allotted for Black communities from seven foundations based in comparable markets to ours from the study.

- Percent Black population
- Percent grants designated to Black communities

SOURCE: National Committee for Responsive Philanthropy



COVER STORY

NICOLE LYNN LEWIS

Founder and CEO, Generation Hope

Generation Hope may have a simple mission – to help student parents succeed and achieve economic mobility – but there's nothing simple about its execution.

Ninety percent of the students Nicole Lynn Lewis' D.C. organization helps are students of color, many of whose families were also disproportionately affected by the pandemic. Many were single mothers, front-line workers and making lower incomes, oftentimes already dealing with housing and food insecurity well before 2020.

The pandemic led Generation Hope to ramp up its emergency funding and mental health services as a result, as it gave \$60,000 in additional emergency grants to its student-families this year, on top of regular funding. It saw 85% of its students remain enrolled in school throughout the pandemic, "which is huge, given all of the things that they're up against," Lewis said.

And there's plenty in it for local businesses should they decide to contribute – she said student parents are high-performing, highly motivated, and untapped, employment potential. "There's a significant link between helping more marginalized students get their postsecondary credentials and move into the jobs that these companies are looking to fill," Lewis said. "We see this as an opportunity for us to really partner with the business community to meet their employment goals and their job goals, but also to help them advance that raised equity agenda."

Lewis shared more thoughts, edited here for space and clarity, on how to better advance racial equity in philanthropy.



ERIKA LAYNE PHOTOGRAPHY



What is one way you see racial disparities affecting nonprofits led by people of color? There are a lot of challenges for leaders of color in terms of starting and growing organizations. First and foremost, in order to grow an organization, you need to have the resources to do that. And being a leader of color, your networks don't look the same as other leaders necessarily, where you have the ability to get in front of people in the C-suite in a major corporation to say, "I have this idea" or "I have this vision and I'd love your help in making it a reality." So just getting in the door and getting that meeting – that could be crucial to getting the resources that you need to grow your organization. It can be really difficult.

What else? Other things that we see are funding processes or cycles that are extremely cumbersome, particularly for smaller organizations that don't have as many staff to dedicate to a greater process, where there could be multiple rounds or tons of paperwork to complete. An organization that doesn't have the same capacity could really struggle. That's often leaders of color trying to grow these smaller, community-based organizations.

What are some other unintentional barriers? I think the definitions of what makes for a strong organization or a good funding choice can often exclude and kind of push smaller organizations that are led by people of color to the fringes.

What do you mean? For example, it's something that we hear sometimes when it comes to funders who have the ability to make significant investments, maybe a seven-figure or six-figure investment: "You're too small for us to be able to make that kind of investment. You wouldn't know what to do with those resources." And what that ends up doing is it excludes leaders of color from being able to have access to significant investments that would allow them to actually get their organizations to that bigger level. It's narrowing the pool to these multimillion-dollar organizations that are often not led by people of color.

What have you seen in terms of actual giving since last year's reckoning with racial injustice? We want people to start to really at least name the fact that this is a huge disparity in our philanthropic landscape. What we're not sure about yet is, with those statements, how much money has

GENERATION HOPE

- **2020 revenue:** \$1,623,785
- **2020 fundraising expenses:** \$219,158
- **Employees:** 14
- **Volunteers:** 205
- **Year founded:** 2010

actually made it to build the organizations and to those communities. And that's where I think the jury is still out.

What are some standout examples of companies that actually impressed you on that front? Goldman Sachs committing \$10 billion over the next decade to improve the lives of 1 million Black women by 2030. That has been really promising and wonderful to see. But again, we haven't seen actually where that funding is going to land. I know that [Goldman Sachs] had talked about doing some listening tours before making any investments or donations from that fund. And I think that that's a really good place to start as well – it's acknowledging that we have to listen to the people who are most impacted before we make decisions because, again, the structures we've historically had in place may make us miss the mark on what we're trying to do here.

What might prevent corporate donors from reaching more Black-led causes?

It has to be a commitment that is shared throughout the entire company and organization. That can't just be the folks that are on the front lines working closely with the organizations – it has to be the people who are also making decisions at the top. That's been frustrating not only for nonprofits to see the disconnect there, but also for people working within these companies who want to help create change.

So, how do we keep the momentum up, going forward? That's a great question and one that we're certainly thinking about too. We don't want this to be a passing fad, something that people are committed to right now because it's top of mind, but, you know, in a year or three years or 10 years, it kind of fades into the background. The way we can ensure that doesn't happen is that this effort is part of a larger strategy when it comes to addressing race equity, so that it's not a siloed program. We need more companies and organizations committing to a race equity agenda that permeates the entire organization, with philanthropic decisions being a part of this larger strategy.

COVER STORY

RAHSAAN BERNARD

President, Building Bridges Across the River

Rahsaan Bernard has his eye on one of the hardest-hit portions of D.C.

As president of District-based Building Bridges Across the River, a nonprofit working to reduce economic barriers for D.C. residents living east of the Anacostia River, he focuses particularly hard on Ward 8, which has historically seen the largest disparities and suffered the most painful impacts of the pandemic in the past year.

Ward 8 residents – who already see significantly lower life expectancy by 15 years than peers in other wards – also couldn't find and book Covid vaccine appointments easily thanks to the digital divide there. Building Bridges helped to vaccinate 5,000 residents on top of its regular work in education, arts, recreation, workforce development, and health care. It also partnered with Capital Area Food Bank and Martha's Table to provide meals.

But its core work well predates Covid. BBAR built and operates the Town Hall Education Arts Recreation Campus, known as THEARC, which houses 14 other nonprofits and provides the community with theaters, a gym, libraries, galleries, classrooms, studios, playgrounds and an urban farm. It also manages the Skyland Workforce Center, providing job training services.

And, yes, it's literally building bridges – it proposed the \$139 million 11th Street Bridge Park project to join Anacostia and Navy Yard together. "That park will just be, I think, the embodiment, the physical edifice emblematic of the work that we're doing here in Ward 8," Bernard said.

Here's what else he had to say, edited for space and clarity, on how to address racial equity in the nonprofit realm.



What are some of the ways you see racial disparities affecting your work in D.C.? We have the highest unemployment rate here east of the river, more specifically in Ward 8. And it's all Black and Brown people. Compare that to unemployment on the west side of the river with people that are non-Black, and you see there's a there's a huge chasm there.

What else? We could talk about education – our kids, who are going to public schools, were out of school for the majority of the time [during the pandemic] because our public schools weren't open. Most private school kids were back in school and not really having an educational gap, so to speak, because their parents could afford to get them to school and provide whatever protective equipment they need. We're living in a food desert – or a food swamp is probably a better way to define it, because there's an availability of food, but not healthy food – here east of the river. And that level of food insecurity is not seen west of the river.

So much of that inequity is still split by where people live. The concentration of Black people in Washington, especially those close to the poverty line or below it, are here in wards 7 and 8. So it's very easy to see those kinds of contrasts. A Black woman can't have a baby east of the river today. There's no obstetrics ward here on our side.

Did last year's racial reckoning have a positive impact on your support? Thankfully, the corporations that have supported us have been supporting us for many, many moons. And we're a known anchor institution in Ward 8. And we are known to provide support for the community, not only in enrichment services, but basic need services.

So we saw our corporate partners support us in ways that we have not seen before, and we've even seen foundation partners being supportive by giving us unrestricted funding, which I think is a proxy of trust for Black leaders.

What do you mean by that? When unrestricted giving is at the forefront of any corporate or foundation or personal giving, it communicates that that person, entity or institution trusts that you will do and use it for your best use and cause. We saw a huge influx of

BUILDING BRIDGES ACROSS THE RIVER

- **2019 revenue:** \$15,479,980
- **2019 fundraising expenses:** \$456,302
- **Employees:** 58
- **Volunteers:** 100
- **Year founded:** 1997

gifts that were restricted that became unrestricted with our corporate partners.

How do you think we as a community can keep that kind of support going?

These institutions, organizations, foundations, corporations must begin to implement policies that change behavior. It's one thing to have great aspirations and hope, and to be vocal about something. It's another thing to realize that by action, by doing something, by creating policies and programs that ensure that DEI measures are put in place for organizations, that [Black, Indigenous and people of color] leaders are sought after in networks that are not necessarily available to some of our corporations.

What else can other nonprofits do to foster more equity? I'm on the board for the Catalogue for Philanthropy – our whole role is to provide equitable access for smaller nonprofits. So we vet these nonprofits and support them by giving them visibility and capacity building. But more emphasis on things like that – partnering with organizations like that or seeking to empower smaller organizations that are pretty much run by BIPOC communities. Establishing a relationship like that would be helpful. Reaching out to leaders of color to find out how to access our networks of executives of color so that if you don't have them, you can meet people and get connected.

Anything else? There should be training on unconscious bias and diversity because many of the things that have happened over the last couple of years have gone without people actually knowing the details and the history. And I think it's important that training takes place and is continuous.

Where do you see these issues going in the next few years? I am extremely hopeful, despite the tough year that we've gone through with the twindemic – systemic racism and the pandemic. I am hopeful in our leaders in this region. There is a lot of allyship along racial lines. There's a lot of partnership and collaboration, and we're moving the needle one day at a time.



TASHA DOOLEY FOR WBJ