Insight, Impact, and Equity:
Collecting Demographic Data

Table of Contents

Foreword by Michelle Greanias

Grantmakers occupy a powerful space of privilege in the social change sector. As such, they have a unique opportunity—and responsibility—to work proactively toward equity and inclusivity. Increasingly, grantmaking institutions are challenging themselves to live their values through their grantmaking practices.

In 2016, Arabella Advisors highlighted data around the percentage of grant dollars being directed toward racial or ethnic minorities. They noted:

"...there is widespread appreciation within the social sector for the principles and goals of DEI, but there are huge gaps in our understanding of which populations ultimately benefit from grant dollars—and from what we do know, the distribution is not particularly equitable. In fact, according to the D5 Coalition, less than seven percent of grant dollars went toward ethnic or racial minorities in 2013, even though these individuals comprise nearly 40 percent of the US population."

For philanthropy to advance equity in all communities, especially low-income communities and communities of color, it needs to be able to understand the demographics of the organizations being funded (and declined), the people being served, and the communities impacted. The data that is collected about these organizations, people, and communities should be used to assess practices and drive decision making.

To that end, PEAK Grantmaking supports a vibrant community of grantmaking practice that advances shared leadership and learning across the sector in these issues. As an association for grants management professionals, we know that how philanthropy makes grants can have as much impact as what those grants fund. It's essential that we incorporate best practices in collecting and managing demographic data as we approach our efforts to be more equitable and inclusive. This data will ultimately determine how we build relationships with our communities into grantmaking decisions and design.

PEAK Grantmaking believes that having a common approach to demographic data will allow that data to be transformed into information and knowledge, strengthening the field. More consistency in grantmaker practice will also be critical to grantees who are being asked to become the sources of data. The current variability in grantmaker requirements can create an unnecessary burden for grantees, asking them to track their demographic data in different ways for different funders.

Through this report and our follow up efforts, PEAK Grantmaking is documenting the current state of the field's demographic data efforts, developing and testing answers to key questions, and sharing those answers along with the tools and resources grantmakers need to adopt effective demographic data collection and use practices in their organizations.

Our key questions are:
1. What data should grantmakers collect?
2. How should it be collected?
3. How can and should demographic data be interpreted?
4. How should funders use demographic data in their work?

PEAK Grantmaking is committed to contributing to the work that is moving the field forward on the issues of diversity, equity, and inclusion. This year, we will continue this work by convening a learning community of funders who will develop preliminary answers to the four key questions outlined above. These funders will pilot and test demographic data practices within their organizations to prove their efficacy. We will share the results of the pilots and promote the adoption of what works to the field through guides, case studies, conference sessions, workshops, and webinars.

If grantmakers do the work to collect data that will help them better understand their communities, it can have real implications for not only grantmaking practices, but also program design and strategic funding priorities.

In a sector that is largely led by white people, it will be incumbent on boards and senior staff to take active steps to address these issues inside their own organization.

Grants management professionals, those who lead the process of how grants are made, are in a unique position to identify gaps and suggest more equitable practices. Grants management professionals have the opportunity to serve as a key link between community data and their organization's strategies and priorities. They can also be strong internal champions for building the diversity, equity, and inclusion across their own organizations.

Our hope is that this report and the ensuing work on demographic data will help to build upon the evolving landscape of how we understand philanthropy's impact in the world.

Executive Summary

There is great interest among grantmakers in demographic data, but no consensus or shared purpose yet on what data should be collected and how it should be used.

This preliminary research on demographic data collection serves to create a baseline understanding of where the field is in demographic data collection that covers both the process of data collection and current use of demographic data.

In fall 2017, PEAK Grantmaking relied upon its positioning as a philanthropic support organization and association of grants management professionals from a broad range of funders and grantmaking institutions, to gather important information on how and to what degree they are collecting, using, and engaging with demographic data.

We are extremely grateful to all participants in both the survey and interviews for their time, input, candor and insights.

This report serves as an overview of our findings.
o Just over half of the respondents to the survey indicated that their organizations are collecting demographic date at some point in their grantmaking process.
o Overwhelmingly, this data was collected on who nonprofits were serving or benefiting as opposed to the demographics of the staff and leadership of the nonprofits themselves.
o Most funders that are collecting this data are collecting it on race, ethnicity, age and, to a lesser extent, gender. There is little insight into other demographic characteristics.
o Many grantmaking organizations are collecting this information but not using it systematically or consistently. The main reason funders are collecting this data is for general insight into who their grant dollars are funding and how.

Funders that reported they were not collecting demographic data gave several reasons, some of which included myths about demographic data collection and others which included challenges to data standardization and fidelity. Many didn't perceive this data as relevant or believed they already knew who they were serving. Some were unclear as to whether it was legal to collect demographic data. Others reported that they do not believe they have the competencies to engage both staff and community around why and how to collect this data.

Through our discussions with survey respondents, it became clear that there are already some strategies and best practices emerging around collecting demographic data.
o Data collection should always be part of a larger conversation about goals, insight, and impact as well as equity and inclusion.
o Conversations on this topic should engage the community and other allies and partners.
o It is important to have some idea of how you plan to use the data prior to collecting it, although the data itself may surface other strategies not previously expected.
o The tool and taxonomy used to collect this data should be simple and align with the most up-to-date standard to ensure meaningful interpretation and sharable insights.
o Look at this data over time and not just as one-time snapshots.

This report will dive into each of these issues more deeply:
1. Exploring the data we collected
2. Identifying myths and challenges that can be a barrier to this work
3. Secondary research on current trends and issues with respect to demographic data collection
4. Posing suggestions for next steps
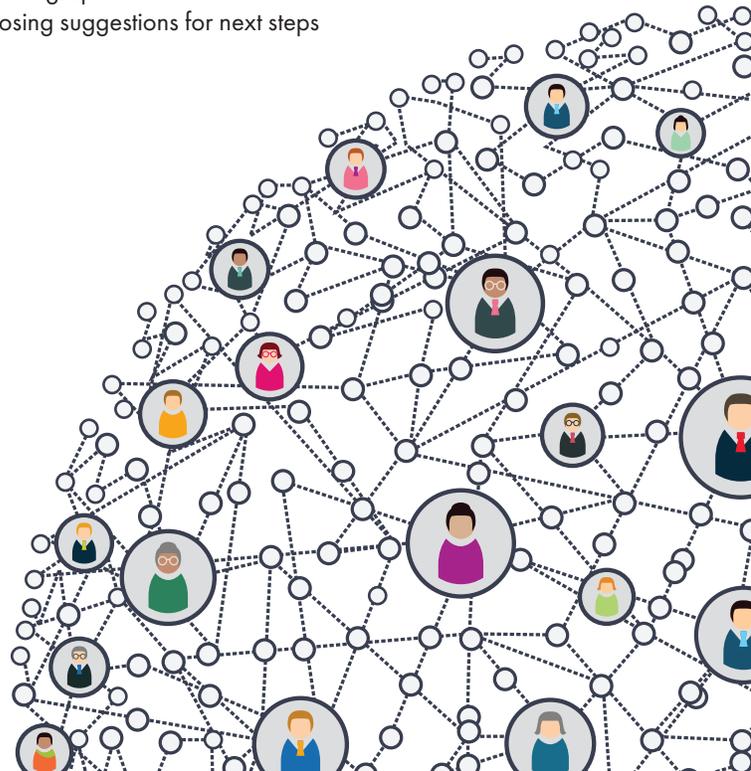
Introduction

PEAK Grantmaking launched a project to gather important information on how, and to what degree, funders and other grantmaking entities are collecting, using, and engaging demographic data. The objective of the study was to begin the process of better understanding these questions:

1. What demographic data are funders currently collecting and how?
2. How are funders using this data and information?
3. What are grantmaking staff learning from collecting this information?
4. How can PEAK Grantmaking contribute to help grantmakers better use and engage this data?

The effort had four components:
1. An advisory committee comprised of PEAK Grantmaking members and leaders who worked with staff and the research consultant to identify key questions to explore, review the survey and interview protocols, react to preliminary results and findings, and advise on PEAK Grantmaking's ongoing role in supporting effective data collection efforts.
2. An online survey sent to PEAK Grantmaking members in August and September 2017.
3. Follow-up interviews with 19 individuals from a range of funders and grantmaking institutions.
4. Secondary research on current trends and issues with respect to demographic data collection drawn from research and testing done in preparation for the 2020 census.

This report summarizes the findings and insights from this research and includes suggestions and guidance for grantmakers who want to gain important insights from demographic data. It also shares thoughts on the role of PEAK Grantmaking in helping the field to better understand and use demographic data to strengthen their programs and achieve their missions more effectively.

Methodology

The Survey
The survey was administered through Survey Monkey by PEAK Grantmaking in August 2017. Identifying information (name, email, and funder name) was delinked from survey responses and the results were aggregated. The full survey and results can be found in Appendix B.

The survey garnered 326 responses. Of the respondents, 177 individuals responded that they collected demographic data at some point in their grantmaking process and were directed to complete the entire survey. Those that responded and stated they did not collect this data were directed to a specific question that queried them on their plans regarding demographic data collection in the future.

The survey consisted of 26 questions, 18 of which focused on what kind of demographic data is being collected and how, and 8 questions that provided general background on the respondents and their roles and institutions. One question asked if respondents would be willing to participate in a follow-up interview. Those that were willing were asked to provide their contact information at that point in the survey.

The Interviews
The bulk of this analysis is drawn from responses to questions regarding processes, goals, and strategies with respect to demographic data collection drawn from both the survey and follow up interviews. As part of the interview process, we reached out to funders that are and are not collecting this information to ensure that insight on the rationale was included.

Once the survey results were tabulated, 19 follow-up interviews were conducted to probe deeper on survey findings and to allow individuals to expand on their approaches with respect to demographic data.

The organizations' interviewees represented six independent grantmakers, five family foundations, three grantmaking public charities, two health care conversion funders, one community funder, and one population focused fund. The issue areas supported by these grantmakers ranged from direct service to arts advocacy. Their geographic scope ranged from metro areas, state-wide, national, and international.

The Results

Collecting demographic data on the staff, leadership, and constituents of current or prospective grant recipients has been practiced in philanthropy for decades. In a field increasingly driven by data, however, information on the characteristics of the human capital of these organizations is not routinely included in funders' analyses. Having said this, grantmakers are increasingly recognizing that collecting this data can provide critical insights into whether their grantmaking is having the intended impact.

This study asked respondents whether they were collecting demographic data on both the staff and leadership of the organizations they supported as well as on the constituencies these organizations served. It is worth exploring why both components are considered relevant.

Though the relationship between the composition of an organization's staff and its stakeholders is debated in the social sector, there is a well-established link between diverse and inclusive organizations and outperformance in the private sector. This manifests in terms of sales, market share, and long term economic performance.[1] There is also research that shows that organizations that can effectively draw upon many different perspectives and experiences are better performers overall.[2,3] While the social sector does not have the data required to test such a relationship, there is no reason to doubt that a similar correlation would be the case for nonprofits and funders. For many, it just makes sense that if the staff and leadership of an organization reflect the experiences and backgrounds of stakeholders, they will be better equipped to bring these insights into the effective design of strategies, approaches, and interventions.

There is no way to address issues of inclusion or equity without sound data. Inclusion speaks to whether certain communities and groups that have experienced both historic and persistent barriers to opportunity are being effectively served and included. Equity speaks to whether grantmaking dollars are deployed in ways that are cognizant of these barriers and how they contribute to the outcome disparities so many funders work to address.

Whether a grantmaker is driven by equity or impact, a program's human capital is clearly relevant to the capacity of that effort to execute effectively. As a result, many funders want to know this information and are collecting demographic data to gain insight.

Collecting Demographic Data

Just over half of the respondents to the survey (54%, N=177) indicated that their organizations are collecting demographic data at some point in their grantmaking process. Overwhelmingly, this data was collected on who nonprofits were serving or benefiting (88%) as opposed to the demographics of the staff and leadership of the organizations themselves (52%). For those collecting this information on the staff and leadership of nonprofit organizations, it was most often requested for board members.

Do you collect demographic data on the staff, senior leadership, and boards of the organizations you support?
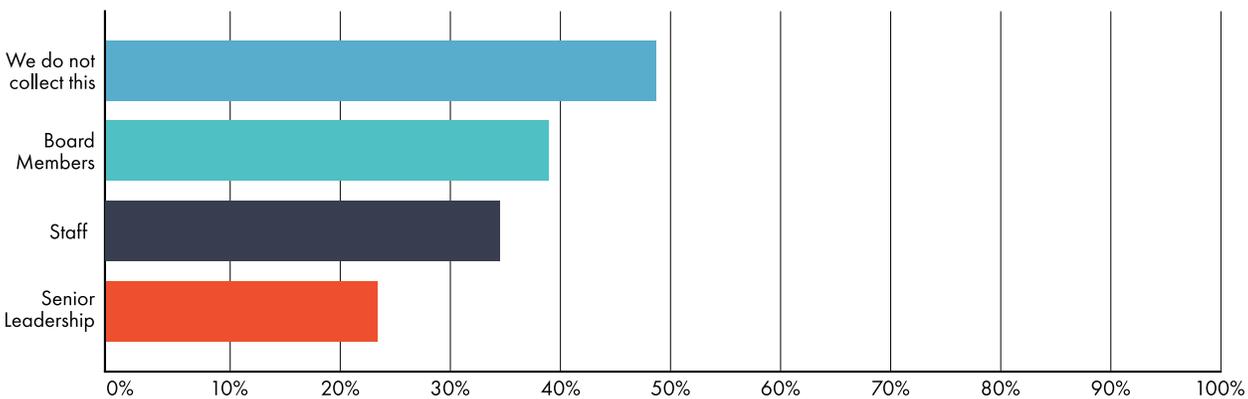
1.   McKinsey and Company, "Delivering through Diversity" January 2018, et.al.
2.   Phillips, Kathryn, et.al "Better Performance through Diversity" 2010
3.   Page, Scott, The Difference: How the Power of Diversity Creates better Groups, Firms, Schools and Societies" Princeton University Press: 2007

When asked what kind of demographic data was being collected, the most cited factor was race and ethnicity followed by age and gender and, for beneficiaries, socio-economic status. In addition, especially for beneficiaries, other characteristics such as immigration status, military service, or country of origin were being noted as a function of determining program eligibility.

What demographic data do you collect from organizations applying for and/or receiving grants?
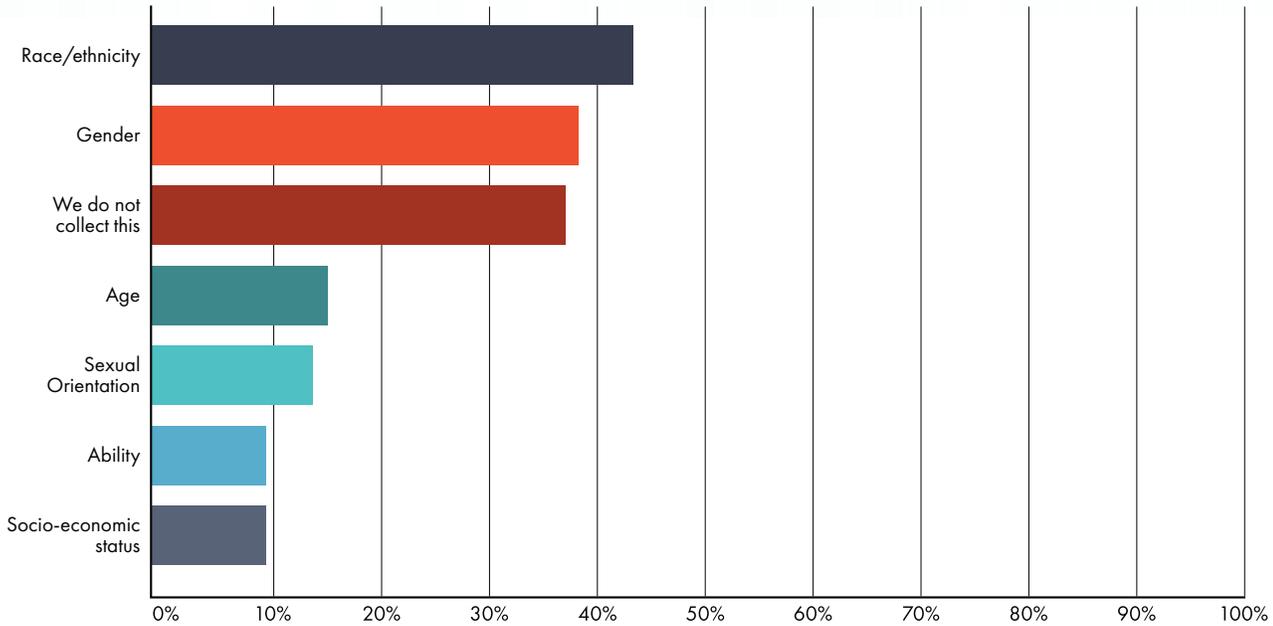
What demographic data do you collect on the beneficiaries/constituents of organizations applying for and/or receiving grants?
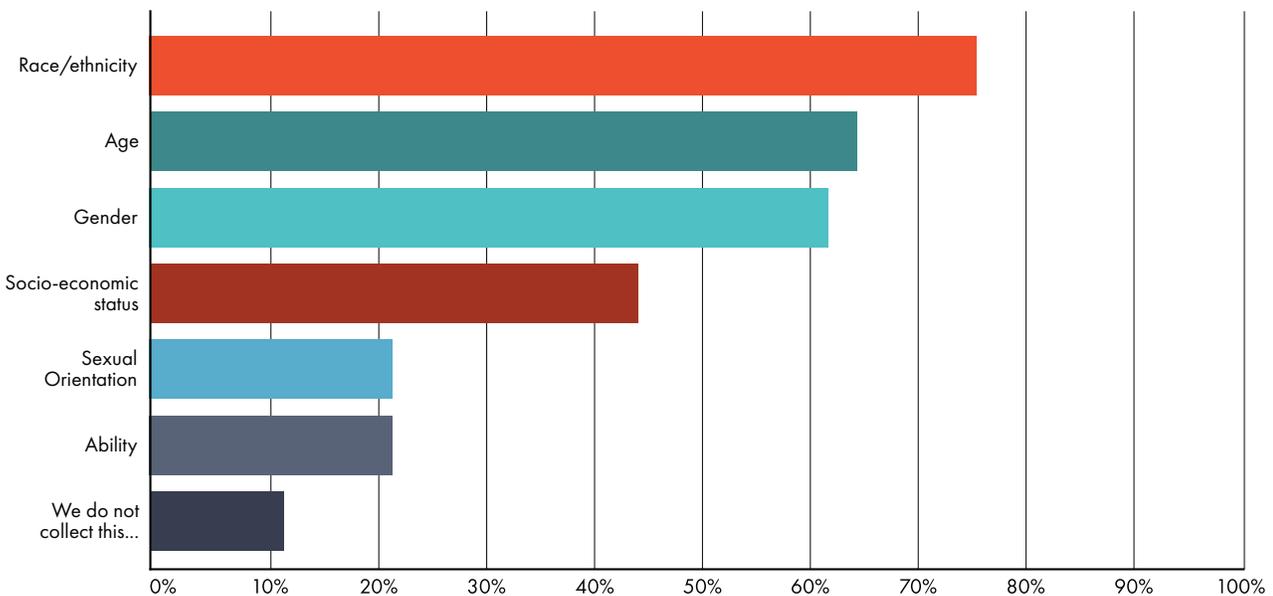
The survey also asked how funders were collecting this data and processing it for analysis and use. Most collected it from nonprofits directly at the point of application using taxonomies (i.e., category nomenclature) developed in-house. Some reported that they gathered the information informally through the proposal narrative, the reporting process, or in interviews and 'let nonprofits define for themselves' what terms or categories they used.

Interestingly, while some funders drew upon tools from other agencies or grantmakers—including census taxonomy or taxonomies of other public agencies they worked with or which they knew the nonprofits they funded worked with—this was not common. Most respondents said they rarely shared or engaged their peers around what they learned, even those with whom they worked closely or those within their geographic impact area. In some cases, data was compared to census or other government data sources, but not with allies or peers. Several respondents mentioned that they shared the data with their grantees either individually or in the aggregate and that their grantees used this data to refine or strengthen their programs.

Interpreting and Using Demographic Data
One key insight with respect to interpretation was that to be useful, the data needed to be collected and assessed over time and in context. While many funders look at demographic data at the application stage, it was all but impossible to get any meaningful insight from only one point in time. While a preliminary query can often produce unexpected awareness and insight, generally the benefits came from assessing change over time, and through engagement with nonprofits and peers about what the data said.

The changing face of America, 1965-2065

The changing face of America, 1965-2065
% of the total population
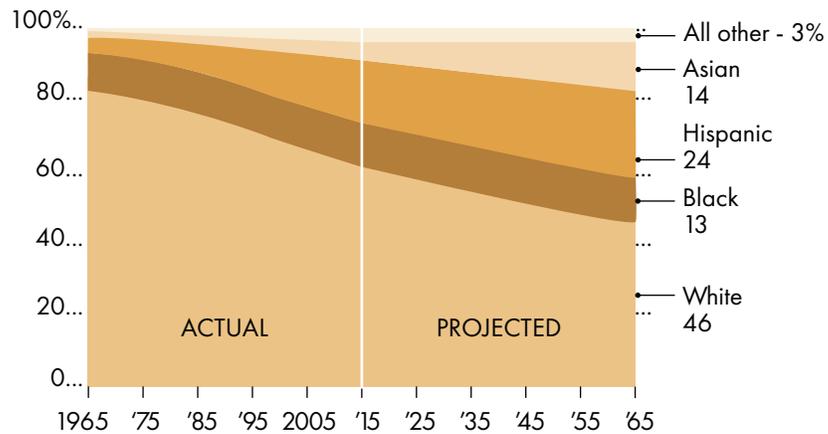
Note: Whites, blacks and Asians include only single-race non-Hispanics; Asians include Pacific Islanders. Hispanics can be of any race.
Source: Pew Research Center 2015 report, "Modern Immigration Wave Brings 59 Million to US, Driving Population Growth and Change Through 2065"

PEW RESEARCH CENTER

The rapidly changing demographics in many communities is one of the most compelling reasons to engage this data over time. This includes the changing way in which individuals define and engage their sense of identity and the implications of this for grantmaker-funded programs. As a result, effectively using this data must be an active process but not a constant process. It takes time to interpret this data, to design strategies in response to them, and then to see the results of changes which can sometimes take years.

For Insight

When queried on how they were using demographic data, most respondents said their funders used this data to understand whether they were reaching the people they intended to reach. Since many grantmakers have fairly explicit target populations, this was an important objective. But while program staff may complete due diligence to select organizations they believe are effectively reaching target populations, this diligence may not be supported since many funders do not require organizations to also provide information about how they are collecting and using this demographic data.

Much of the data that was being collected was categorical according to program impact, e.g.:
o Veterans
o The homeless
o Youth
o The aged

Demographics within these categories (disaggregated data) like male vs. female veterans or African American vs. Latino homeless youth, were often not included, which might have important implications to inform impact.

Currently, funders cite three primary reasons they are collecting this data:
o For insight
o To support diversity, equity, and inclusion efforts
o To paint a picture for internal and external audiences

> **We were surprised by the number of groups who just guessed at who they were reaching/serving.**
>
> **- Regional independent foundation**

To measure Diversity, Equity and Inclusion goals

The second most important reason that funders collected this data was to understand whether or not they were reaching and including target populations. This has been the primary motivation in philanthropy around demographic data, or as some refer to it, 'diversity' data, and has been used to correct for patterns of exclusion that have left many communities with unequal access to services, resources, and power. The goals of equity and inclusion are seen as critical objectives by many grantmakers and they use this data as part of their efforts to be in proactive partnership with the groups they support.

> **We have seen impact increase when we targeted more resources to organizations led by people of color.**
>
> - Regional family foundation

Ironically, for others, this may be one of the reasons why the data is sometimes so difficult to get. Pushback from nonprofits on collecting this data often comes if the demographics of staff and leadership is not reflective of its constituents and many fear this will be perceived as a negative when considering a grant. Some funders are very clear that evidence of diversity, inclusion, and representation is a suitable criterion for receiving funding. Others, however, are unsure about how to constructively engage nonprofits with whom they have longstanding relationships but who are struggling or reluctant to enact inclusive practices.

It was clear that many funder staff and leaders felt ill-equipped to engage in these conversations both internally and with nonprofits. Since communities are becoming more, diverse, this speaks to a clear need to build these competencies within grantmaking organizations and the social sector.

To paint a picture for internal and external audiences

For many who collect this information, especially for those who do it intermittently, unevenly, or informally, it is primarily used to paint a picture, in many cases for the board, of who the funders is impacting. Sharing this information, however, does not necessarily lead to changes in practices or programming. For those who share it with external audiences, it is most often with the nonprofits themselves though, again, there is not always an expectation on the part of the funder for the organization to change as a result.

The most consistent feedback was that grantmakers should give some thought as to how they will use the data if they intended to collect it, as many respondents admitted to collecting it but not using it consistently or at all. No one would argue that funders should collect data that they do not use. The issue, however, is one of building the capacity to effectively use this data to improve insight, impact, and equity.

Myths and Challenges

Most of the data for this report came from respondents who were collecting demographic data or were considering it. We also got feedback through the survey as to why some funders do not collect this data or were struggling with the challenges of collecting and interpreting it. Together, their experiences shed light on the myths and challenges that stand in the way of effective collection of demographic data.

Myths About Demographic Data Collection

It's Irrelevant
Some respondents indicated that, given their programs and type of grantmaking, they did not think that demographic data was relevant to understanding whether they were reaching the intended communities or achieving their desired impact. The idea of, 'we don't discriminate' and therefore don't need to have a clear picture of constituencies may be well-intentioned, but without data there is no guarantee that programs presumed open to all, or impacting everyone equally, are in fact doing so.

> **The Truth**: Demographic data may be one of the most important types of information a funder can focus on gathering if they want to have a true picture of their impact and outcomes. This data is the only method of measuring populations served that gets at the disaggregated landscape of beneficiaries.

> " Asking the simple question, 'Who are you serving?' raises so many other questions and insights. "
> - Arts funder

We already 'know' who we're serving
Related to the first point, many funders, especially those that had clear, targeted constituencies, thought there was no need to explicitly collect demographic information, because as a function of their outreach and RFPs, 'who they are serving' was implicit. They expressed that due diligence in reviewing and accepting applications included efforts to ensure they were reaching the populations intended.

> **The Truth**: Within certain categorical constituencies, like veterans, homeless, immigrants, uninsured, etc., there is a great deal of meaningful variation and change. Decades of social science research speaks to how issues of gender, race, age, and socio-economic status might have an impact on how individuals experience these larger circumstances and how they engage interventions to address them. Furthermore, these things are dynamic; populations change over time, often unnoticed and under the radar. If these dynamics are not routinely examined, even people working 'on the ground' may miss changes and fail to adjust interventions to accommodate them.

> " This is not just data for the sake of data; the learning is in the exchange with staff and stakeholders about these issues. "
> - Regional arts council

Doesn't apply to general support grants
Further related to the relevance of the data, some respondents believe that the data was irrelevant to organizations who receive general support, though in some cases data was collected for programs targeting a specific population.

> **The Truth**: The overarching work of an organization would dictate what kind of data is feasible to collect but having a picture of its overall constituent base would still seem both relevant and important. Even the process of aggregating this data across programs would provide important information on who an organization is reaching and where there may be gaps or important insights.

Not needed for advocacy/policy work
The case for demographic data gets challenging for policy advocates as their work is intended to impact a broad range of constituents. Organizations working for civil liberties, for example, champion those rights for all Americans and as such the demographics of their 'constituents' is a picture of the U.S. as a whole.

> **The Truth**: Policy advocates and their organizations cannot be blind to the degree to which the broad policies they are advocating for may impact communities differently, even if this is unintended. In addition, because of the potential for varying impacts, if the staff and leadership of advocacy organizations are not reflective of the demographics of the broad populations on whose behalf they are advocating, they run the risk of losing touch with key constituencies who could be allies or, conversely, generating unforeseen resistance to their policy agendas. As a result, insight into the nuances of demographics might uncover both opportunities for more effective impact or potential challenges to address.

It's Illegal

Some respondents thought or had been informed that requesting demographic data is illegal. Because some might use this data to discriminate, organizations often err on the side of no insight into the makeup of their staff, leadership, and stakeholders to avoid potential liability. It is important, however, to be clear about what's illegal and what are conventions employed to play it safe. The issue of legality is one of how not whether. It is also important to frame the intended use of this data as a tool for insight and inclusion as opposed to discrimination or tokenization. This is another area where competencies can be strengthened.

The Truth: As we know, the U.S. Census asks this information of Americans every ten years, and the Equal Employment Opportunity Commission requires firms over a certain size to report this information to guard against employment discrimination. Despite this, the idea that requesting this information is somehow not allowed is still pervasive and there are some good reasons for this. We know that, unfortunately, information on an individual's race, gender, sexual orientation, immigrant status, etc., can and has been used to discriminate against people and to deny them opportunities. There are federal laws that protect some (but not all) groups from this kind of discrimination, so the part that is illegal is using this data to discriminate. To reinforce these protections, it is also illegal to REQUIRE any individual to provide this information when requested. This is why appropriate data collection tools provide the option for people to decline to report this data if they choose to do so.[4,5]

> **We need guidelines about how to have conversations about this data and why it's important.**
> - Large independent foundation

4. National Association of Law Placement, "Tips on Collecting Demographic Data"
    https://www.nalp.org/collecting_demographics;
5. D5 Coalition http://www.d5coalition.org/tools/resources-for-data-collection/
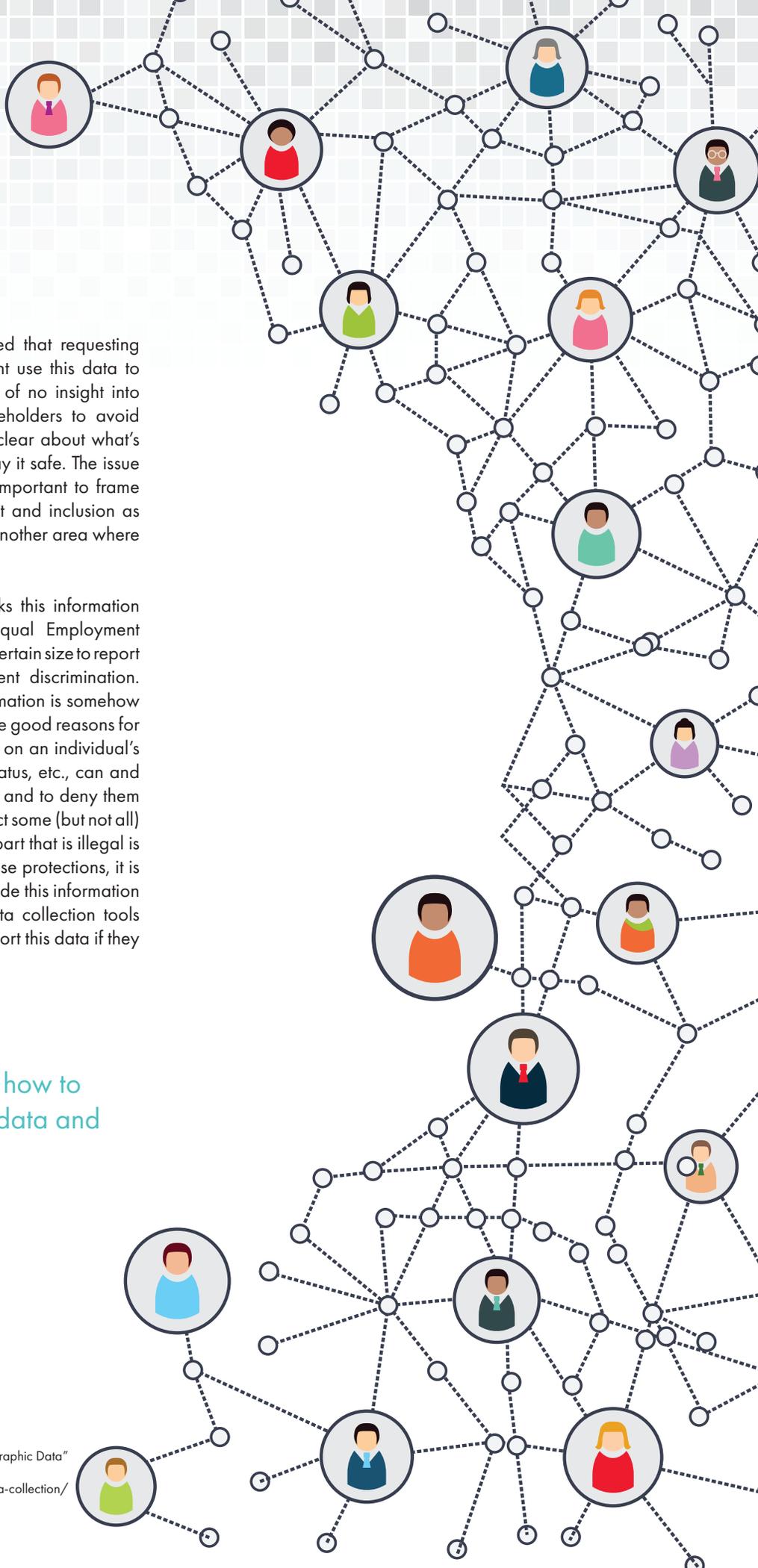
Challenges of Demographic Data Collection

Managing self-reported data

Philanthropy is increasingly focused on the fidelity of information and promotes tools that ensure accuracy and rigorous data collection. Most understand, however, that much of the data on impact in the social sector is nuanced and difficult to measure.

Despite this, many funders are flying blind with respect to demographic data because they think that the data they get will be inaccurate. To use the routine analogy, they let the quest for 'the perfect be the enemy of the good.' By not engaging the information at all because it will be, almost by definition, imperfect, they implicitly assert that engaging the dynamics and complexities of demographics is not helpful at all. This concern is often coupled with concerns about the 'cost' of collecting this information, which can be, at least initially, material.

The Solution: The field routinely invests in building capacity to collect data to strengthen evaluation and substantiate impact. This same ethos can be applied to learning from the process of collecting demographic data. Nonprofits, especially small nonprofits, may not have the data expertise or database to collect, analyze, safely store this information. If grantmakers want to know information about the demographic data of the communities that nonprofits are serving, they should open up a conversation with their grantees about how they can assist in building this data capacity.

Untangling broad variations in taxonomies

The range of taxonomies and mechanisms grantmaking organizations use for collecting demographic data is a real challenge. While detailed or self-defined terms and forms allow for the flexibility and inclusiveness that people often seek, the lack of some level of standardization makes it difficult to analyze the data across programs, in relationship to external or field-wide data, and over time. For nonprofits, having to engage many different taxonomies to describe staff and constituents is burdensome, costly, and reduces accuracy.

The Solution: How people engage and frame identity can vary tremendously, so many are concerned about 'doing it wrong' or not being inclusive. As a result, many preliminary tools often include a broad range of parameters or terminology. While most ultimately end with more streamlined approaches, the internal process of engaging the broad spectrum of identity helps build the capacity to engage these issues in a meaningful and constructive way. This in turn, strengthens a funder's ability to have meaningful and constructive conversations with their stakeholders. Funders could support efforts to build and promote more standard categories that work for a variety of nonprofits and stakeholders.

Creating a system for data across very different program areas

Related to taxonomy, designing demographic data collection tools for different program areas that can feed into an institution-wide system is no easy task. For example, an arts advocacy program may have more in common in terms of assessing constituent impact with an environmental policy program than it does with an organization supporting a portfolio of community-based arts programs.

The Solution: The arts advocacy and environmental policy organizations have a much broader reach for their impact (like a state or a country) and would likely want to collect data on both their broader community and their specific audience and reach so they can approach their advocacy with an equity lens. A community-based arts program would more likely want to collect a more narrow set of data for their specific artist demographics. The rationale for solving this challenge is the same in terms of insight, but may require the funder of both types of organizations to find more creative ways of collecting, aggregating, and interpreting the data. It may be possible to design systems that collect and aggregate data by types of organization or strategy and approach to problem solving.

Creating systems for coalitions and collaborations

Accurate and aggregate data across a range of organizations that may vary by type, size, capacity, or function can be difficult both to collect and interpret. Systems and parameters that may work for one organization may not easily translate to others, but the insights from demographics are no less relevant for coalitions. It may be even more so if the intent is to build an inclusive and comprehensive approach to a problem, to reach or impact a broad range of constituents, or to build a more impactful array of stakeholders to move an agenda.

The Solution: Helping coalitions and collaborations build their capacity to engage with this data may not only produce creative and efficient ways to collect and share it across organizations, it may also lead to deeper insights among collaborative partners about how to work effectively on behalf of their broad constituencies. For coalition and collective efforts, it may make sense to additionally fund a backbone organization or management service organization to assist in this (and other!) coalition capacity needs.

Trends in Demography

While philanthropy and the social sector are grappling with these issues, it is important to remember that demography provides essential strategic insight to every arena of society. In the public sector, demographics are essential for understanding constituencies and the behavior of the electorate. In the private sector, they are crucial for understanding trends and consumer behavior. A great deal of effort is being applied to understand how to collect and analyze demographic data that philanthropy and the social sector can draw upon.

As the U.S. prepares for the 2020 census, ongoing research to test questions, protocols, language, interpretations, response rates, and accuracy has been underway to inform the design and implementation. Leading public opinion and survey researchers along with the U.S. Census have discovered several important insights in terms of demographic data collection, which reflect changing norms, values, self-identities, and how and when people want to be seen.

Some key insights we can gather from this work include:
o   There is a growing sense of the need to separate sexual orientation from gender identity. The process of asking about gender identity in a two-step question that asks gender assigned at birth and then how people currently identify yields significantly higher rates of transgender identity. This, coupled with the insight that more than 63 percent of transgender people identify as straight, indicates that this is an area that requires active attention.[6]

o   The nomenclature of White-Non-Hispanic has become confusing to people and is often disregarded; most Hispanic or Latino individuals perceive Hispanic in a way similar to how people identify with race and will select that category rather than non-white Hispanic.[7]

o   Testing of a Middle Eastern/North African (MENA) category, which is likely to be adopted in the upcoming census, is expected to yield much higher response rates, most of which will be drawn from the white category. Tests indicate that when this category is an option, 80 percent of respondents who previously identified as white would choose this category. [8]

o   The category of American Indian Alaskan Native (AIAN) reflects broadly different interpretations when questions using the word 'tribe' or 'enrolled' are asked. Many people perceive those terms very differently and they are not relevant to indigenous people from other countries.[9]

o   In general, people are comfortable responding to questions about race, ethnicity and gender identity though this varies by race, age, and education level. One small study even suggested that, for young white males, income and wage questions were more sensitive than questions about sexual orientation.[10]

These studies reflect just a few of the important insight demographers offer to help us better understand our changing communities. This work can inform philanthropy as it navigates these questions and reduce the need to start from scratch, build their own, or guess with angst at how to frame questions or design taxonomies. The robust field of demography reinforces the idea that these issues are essential to understanding who people are, how this changes over time, and how best to engage and support the complexity of our communities.

6.   https://www.census.gov/programs-surveys/decennial-census/2020-census/research-testing/content-research.html
7.   Census 2015 National Content Test
8.   ibid.
9.   AAPOR Panel 2017 "Race, Tribal and Tribal Enrollment Research for American Indians -and Alaska Natives: The Challenges of Measuring a Diverse Population"
10.   AAPOR Panel 2017, "Diversity Attitudes and Measurement"

Analysis - Insight and Equity

This summary of findings reflects a changing and complex landscape with respect to how funders are collecting and using demographic data. It provides evidence that funders are realizing the importance of understanding who their grants are impacting with appropriate clarity and insight. It also raises a number of challenges that need to be overcome if the field is to have data that can substantiate the impact it purports to make and its ability to be inclusive and impactful.

One of the most important reasons for collecting this data is to support inclusion and equity. Our primary questions about collection were:
1. What data should grantmakers collect?
2. How should it be collected?
3. How can and should demographic data be interpreted?
4. How should funders use demographic data in their work?

These questions are crucial for inclusion and for addressing the historic and persistent barriers that many have faced because of their race, class, gender, sexual orientation, ability, and the complex interaction of these identities. One may believe intersectional identities are not relevant to their grantmaking practice, but our identities play a large role in how we perceive the world around us and act within it. It doesn't become irrelevant because we choose not to collect data to understand how this data impacts our mission.

Other key questions that we hope the collection and disaggregation of demographic data include:
o Who are grantmakers leaving behind or excluding?
o Do they understand the rapidly-changing make-up of their constituents?
o Are their staff equipped to relate to their external stakeholders?
o Are their board and staff reflective of the people they are engaging?

But there is a challenge with framing the value of demographic data ONLY as a tool for accountability around inclusion and equity. "These numbers aren't good; they haven't changed." "Why aren't there any black people on your board?" "Latinos aren't getting their fair share." "Women are still hitting a glass ceiling." These insights are essential because we know there are real barriers that operate to exclude people and groups from opportunity and this damages our country and values. However, by only focusing on the issue of accountability, we run the risk of dampening the will collect the data. As a result, we not only lack insight on progress into inclusion and equity but insight into the complexity of our communities and our impact. Issues of equity and inclusion are critical, but progress toward our impact goals cannot be addressed without good data.

In a field that increasingly prides itself on being data driven, the fact that this kind of data is not more robustly engaged is puzzling. Decades of rigorous social and biological science has established that demographic variables—especially but not exclusively race, class and gender—have important implications for assessing the impact of any kind of intervention, whether it is an educational curriculum, a message to reach audiences for a performance, or the design of a poll to assess public opinion for a key policy. By not collecting and analyzing this data, many nonprofits and grantmakers are denying themselves essential insights into how to make their work more effective and meaningful. These variables are certainly not the only things that matter, nor do they always matter in the same way over time, but by not including them in our analysis, nearly half the field is essentially saying they don't matter at all.

Lessons Going Forward

This report was designed to assess where grantmakers are on collecting and using demographic data. While the discussion around this data is not new, this study was an effort to explore in some depth the current practices and rationales of a cross-section of grantmakers with respect to this data. This report is just a start and raises as many questions as it answers. There are some key lessons learned however, that are important for guiding the field toward more effective and insightful impact.

Among these are:

a. The field should work toward building an internal understanding of why demographics is essential not just for equity but also for insight into impact.
b. Engaging this data should not just be an exercise; conversations, plans, and effective communications about what will be collected, how it will be used, and why it is important are an essential part of the process.
c. Demographics, and the identities people associate with them, are dynamic, so you can't always assume you know who you are reaching, especially over time.
d. There are important variations within target populations that have an impact on interventions and this variation can be obscured by collecting only categorical data without considering intersections between categories.
e. Don't let "perfect" be the enemy of "good." Piloting tools, terminology, and processes is essential to learning and to contributing to better practice.
f. It is essential to engage this data constructively and not just judgmentally if people are to voluntarily collect it and use it effectively.

What are the next steps for PEAK Grantmaking?

PEAK Grantmaking, whose mission encompasses support, learning, and good practice among grants management professionals and data collectors, is well positioned to help funders who are engaging this type of data, including:

o **Share stories** of how this data is essential to meeting programmatic goals. Collect and disseminate examples of how grantmakers are currently using this data to change practice and increase impact.
o **Promote tools** to make data collection easy and as standard as possible so it can be shared and analyzed at the field level. There are emergent tools that can help make collecting demographic data more efficient and easier to analyze. PEAK Grantmaking can design and disseminate communications vehicles and tools that effectively build both the will and competency of funders to effectively collect and use this data. PEAK Grantmaking can also contribute to this by feeding insights from members practices into these systems so that they reflect what funders need.
o **Focus on building competencies** around discussing and analyzing this data. How grantmakers communicate internally and with external stakeholders about the use of demographic is key to building buy-in and participation.
o **Promote insight and equity**. Reinforce the idea that this data is as much about insight into impact as it is about equity. PEAK Grantmaking's commitment to supporting members' efforts to promote equity can be realized by reinforcing that this data is as essential for understanding impact as it is for assessing equity.

Conclusion

With this study, PEAK Grantmaking set out to better understand how funders were engaging demographic data on projects they supported, and the communities impacted by them. It discovered that while there was clear engagement with this data by many grantmakers (and has been for some time), this engagement is uneven and inconsistent both in its collection and use. Many use this data to ensure that some populations are not left behind, that underrepresented groups are included, and that the relics of systemic barriers are rectified. Others use it simply to understand if they are reaching their intended beneficiaries.

All these goals are important, but to really allow philanthropy to substantiate its impact, demographic data must be engaged as rigorously as any other we collect. Fortunately, the tools, technologies, and frameworks to do this are increasingly available. As a result, rigorously engaging this important data our field will be stronger, more effective, and more equitable.

At PEAK Grantmaking, we will continue our work of improving philanthropy by encouraging the elimination of outdated grantmaking processes related to inclusion and equity. We will continue our work to improve funders' relationships with grantees by encouraging both to begin to better collect and use demographic data.

We will continue to champion learning and problem-solving through our professional network and collaborations with philanthropic peers to support better grantmaking practices that support an equitable world in which people have the resources and opportunities to thrive.

Appendix A - Resources

[D5 Coalition Demographic Data Collection Resources](#)
o   Why is it Important to collect Demographic Data? And how do I start?
o   So, you want to collect demographic data....?
o   Opinion on Legalities and Liabilities Related to Collecting Demographic Data

[D5's Tips for Data Collection](#)

[GuideStar](#)

[GuideStar's Demographic Data Collection Efforts](#)

[Racial Equity Tools – Tips for Collecting and Using Data](#)

[Data Arts](#)

[Funders for LGBTQ Issues](#)

[Council on Foundations](#)

[Foundation Center](#)

[Board Source](#)

[Pew Research Center](#)

[The Williams Institute](#)

[The Census Bureau](#)

[U.S. Census Data Tools](#)

[Center for Medicaid Services Data Collection Resources](#)

[NALP](#)

[Bay Area Justice Funders: Choir Book for Social Justice](#)

[Survey Monkey Tips for Demographic Data Collection](#)

Appendix B - Analysis of Survey Response Data

Q1. Does your organization collect demographic data (characteristics of a population, such as age, gender, race, class, etc.) as part of its grantmaking process?

N	326
Yes	177
No	149

Just over half of the respondents are collecting some sort of demographic data as part of their grantmaking process. Even of those that responded no, some are collecting it for some programs or collect it inconsistently.

Q2. Do you collect demographic data on any of the following members of organizations applying for and/or receiving grants? (Please check all that apply)

N-Answered	105
Skipped	221
Senior Leadership	25
Staff	35
Board Members	41
We do not collect this	51
Other	16

Most of the funders that collect demographic data do not collect it on the staff or leadership of the organizations they fund. Of those that do, board demographics are most commonly collected. A few respondents also collect this information on researchers/investigators and volunteers.

Q3. If so, what demographic data do you collect from organizations applying for and/or receiving grants? (Please check all that apply)

N Answered	105
Skipped	221
Race/Ethnicity	46
Gender	40
We do not collect this	39
Age	16
Sexual Orientation	14
Ability	10
Socio-Economic Status	10
Other	23

Of the range of demographic categories collected, race/ethnicity is by far the most common, followed by gender. Other categories collected include geographic location, sometimes by zip code or district, as well as social status characteristics such as country of origin.

Q4. What demographic data do you collect on the beneficiaries/constituents of organizations applying for and/or receiving grants? (Please check all that apply)

N-Answered	105
Skipped	221
Senior Leadership	25
Staff	35
Board Members	41
We do not collect this	51
Other	16

Q5.

When did you begin collecting these data?	
N Responded	103
Skipped	223
3 - 10 yrs	43
>10 yrs ago	31
< 3 yrs	12
Don't know	12
Other	5

Most of the funders collecting this data have been doing it for over 3 years although this time frame may not have applied to all program areas, which may explain why many are not using GuideStar as the profile was only launched in the last two years.

Q6.

At what point in your process do you collect this information? (Please check all that apply)	
N responded	105
Skipped	221
At application	89
As part of reporting process	38
After grant approval	5
At point of decision	2
Other	5

This data, if collected, is overwhelming collected at the time of application with some engagement at the reporting stage.

Q7.

How does your organization collect these data? (Please check all that apply)	
N answered	221
Skipped	102
Directly from applicant	10
Through a 3rd party	

This data is overwhelmingly collected from non-profits themselves through the application process though it is sometimes collected via narrative application, site visits or conversations with nonprofit leaders as opposed to formal surveys or charts. In some cases, grantmaking staff conduct their own research on nonprofits or use government data sources or third parties.

Q8.

How are these data analyzed?	
N Answered	104
Skipped	222
In-house	95
By an External entity	3
Other	6

To the degree that it is analyzed, it largely done in-house, but this can vary by program even within a funding organization.

Q9. What system do you use to collect and manage

N Answered	104
Skipped	222
Other	22
MicroEdge Gifts Online	19
MicroEdge Gifts	17
Foundant	12
Fluxx	7
Excel	4
Other	
GuideStar	
Encompass	
Micrsosoft Dynamics	
Custom System	

Several grants management systems are being used by respondents to collect and analyze this data, but MicroEdge Gifts is the most common. Several funders also use custom systems or basic excel databases.

Q10. What format or taxonomy do you use to collect these data?

N-Answered	105
Skipped	121
Categories developed in-house	52
Census Categories	17
Philanthropy Classification (Fnd Cntr)	12
Categories used by other grantmakers	9
Other	7
NTEE codes	6
GuideStar Categories	2

Grantmakers are overwhelmingly using taxonomies developed in-house though they draw on other sources such as census categories or tools other funders use to do this. Many systems are developed to align with their programs but not with external or standard systems.

Q11. How do you use this information? (Please check all that apply from least important to most important. If data are not used for this purpose, please leave blank.)

N Answered	105
Skipped	121

	Least	Less	Neut	Some	Most
To understand whether the grants our organization makes are reaching the populations it intends to benefit	1	0	6	25	68
To understand whether the grants our organization is making are inclusive of a diverse and representative array of recipients and constituents	2	6	8	28	56
To provide a picture to internal audiences of whom our organization is serving/benefiting	3	7	8	35	49
To provide a picture to external audiences of whom our organization is serving/benefiting	8	11	16	27	36
To understand the degree to which a grantee's staff and leadership represent its constituents	14	4	19	22	30
To understand the degree to which grantees understand the composition of, and variation within their constituents so they can develop appropriate and effective interventions	5	5	14	46	29
Other goals or objectives, please explain	3	0	24	4	10

The top uses for this data are to:
1. Assess if the funder is reaching the populations it intends to reach;
2. Assess progress on diversity and inclusion goals;
3. Provide internal audiences a clear picture of impact;
4. Provide external audiences with a clear picture of impact

For several respondents, these goals are inter-related and priority on the uses, vary across program and/or over time.

Q12. How are these data analyzed (e.g., do you share and engage nonprofits around this data, do you analyze data across program portfolios, do you report to your board on change over time, etc.)?

N Answered	105
Skipped	221

The data is largely used for internal analysis/guidance and overwhelmingly that includes the board. Some indicate that they report back to, and engage, non profits about this data and some are tracking change over time. Several have uneven approaches for analysis either across program area or over time and many do not engage or analyze it at all.

Q13. How, if at all, are these data used in your grant assessment and learning process?

In addition to the reasons listed above, grantmakers use this data primarily to
1. assess whether they are reaching the intended population;
2. to assess if there are gaps in who they are reaching and to design strategies to address any gaps;
3. to determine eligibility for grants, especially for programs that have specific targeted beneficiaries
4. to engage non profits about diversity and inclusions goals and to inform progress toward the grantmaker's own goals on these issues

Q14. How has grantmaking changed as a result?

Key Changes
o Data has spurred internal and external conversation around diversity
o Date has led to efforts to target unreached or underserved populations (such as Asian populations or people with disabilities)
o Data has surfaced, and been used to fill, gaps in services to important populations.

Q15. Is there anything else you would like us to know about how your organization uses demographic data?

In addition to reiterating previous responses, there was a clear interest in learning more about how to use this data better, collect it more effectively and understand what other funders are doing.
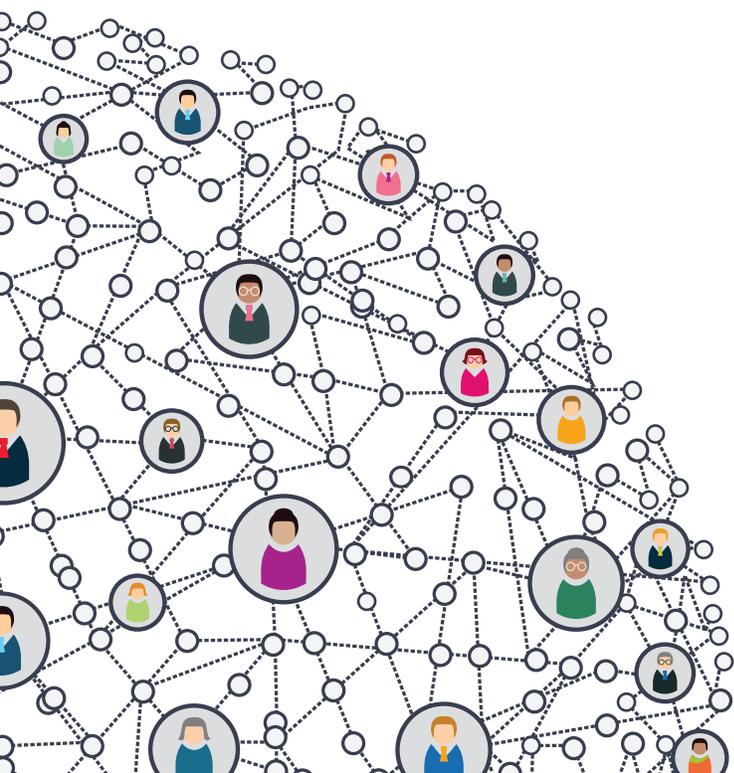
Characteristics of Respondents

Q16. Please select category that best describes your organization

ANSWER CHOICES	RESPONSES	
Community foundation	10.48%	11
Family foundation	14.29%	15
Private Independent foundation	41.90%	44
Corporate foundation	8.57%	9
Population-focused fund	0.95%	1
Don't know	0.00%	0
Other (please specify)	23.81%	25
TOTAL		105

Q17. How many FTs does your organization employ?

ANSWER CHOICES	RESPONSES	
None (no paid staff)	0.00%	0
1-2	6.67%	7
3-10	41.90%	44
11-30	22.86%	24
31-75	15.24%	16
76 or more	13.33%	14
Don't know	0.00%	0
TOTAL		105

Q18. What is your organization's annual grant making budget?

ANSWER CHOICES	RESPONSES	
Less than $1 million	6.67%	7
$1 million to $10 million	44.76%	47
$10.1 million to $20 million	16.19%	17
$20.1 million to $30 million	8.57%	9
$30.1 million to $50 million	9.52%	10
More than $50 million	13.33%	14
Don't know	0.95%	1
TOTAL		105

Q19. What best describes your organizational role?

ANSWER CHOICES	RESPONSES	
CEO/President/Executive Director	4.76%	5
Board member/trustee	0.00%	0
Program	18.10%	19
Administration	3.81%	4
Finance	1.90%	2
Grants Management	62.86%	66
Other (please specify)	8.57%	9
TOTAL		105

Q20. Which of these areas does your grant making support?

ANSWER CHOICES	RESPONSES	
Agriculture, fishing, or forestry	2.86%	3
Arts and culture	32.38%	34
Community and economic development	40.95%	43
Education	61.90%	65
Environment	23.81%	25
Health	49.52%	52
Human rights	21.90%	23
Human services	40.95%	43
Information and communication	5.71%	6
International relations	5.71%	6
Philanthropy	12.38%	13
Public affairs	12.38%	13
Public safety	9.52%	10
Religion	4.76%	5
Science	5.71%	6
Social science	4.76%	5
Sports and recreation	3.81%	4
Other (please specify)	28.57%	30
TOTAL		105

Q21. What is the geographic region in which your organization primarily operates?

ANSWER CHOICES	RESPONSES	
International (around the world)	17.14%	18
National (throughout the US in all regions)	23.81%	25
Single state or local area within a US region, please specify below	63.81%	67
Specific US region(s), please specify below	11.43%	12
TOTAL		105

Q22. If you selected US regions, please select from listed regions.

ANSWER CHOICES	RESPONSES	
Northeast (Connecticut, Main, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	12.00%	3
South (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)	16.00%	4
Midwest (Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	44.00%	11
West (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)	44.00%	11
TOTAL		25

Q23. If you are not collecting this data, does your organization plan to collect it in the future?

ANSWER CHOICES	RESPONSES	
Yes, we are planning to collect it	15.60%	22
No, we have considered it and have decided not to	9.22%	13
No, we have not considered it and have no plans to	29.08%	41
Unsure/Don't know	33.33%	47
Other (please specify)	12.77%	18
TOTAL		141
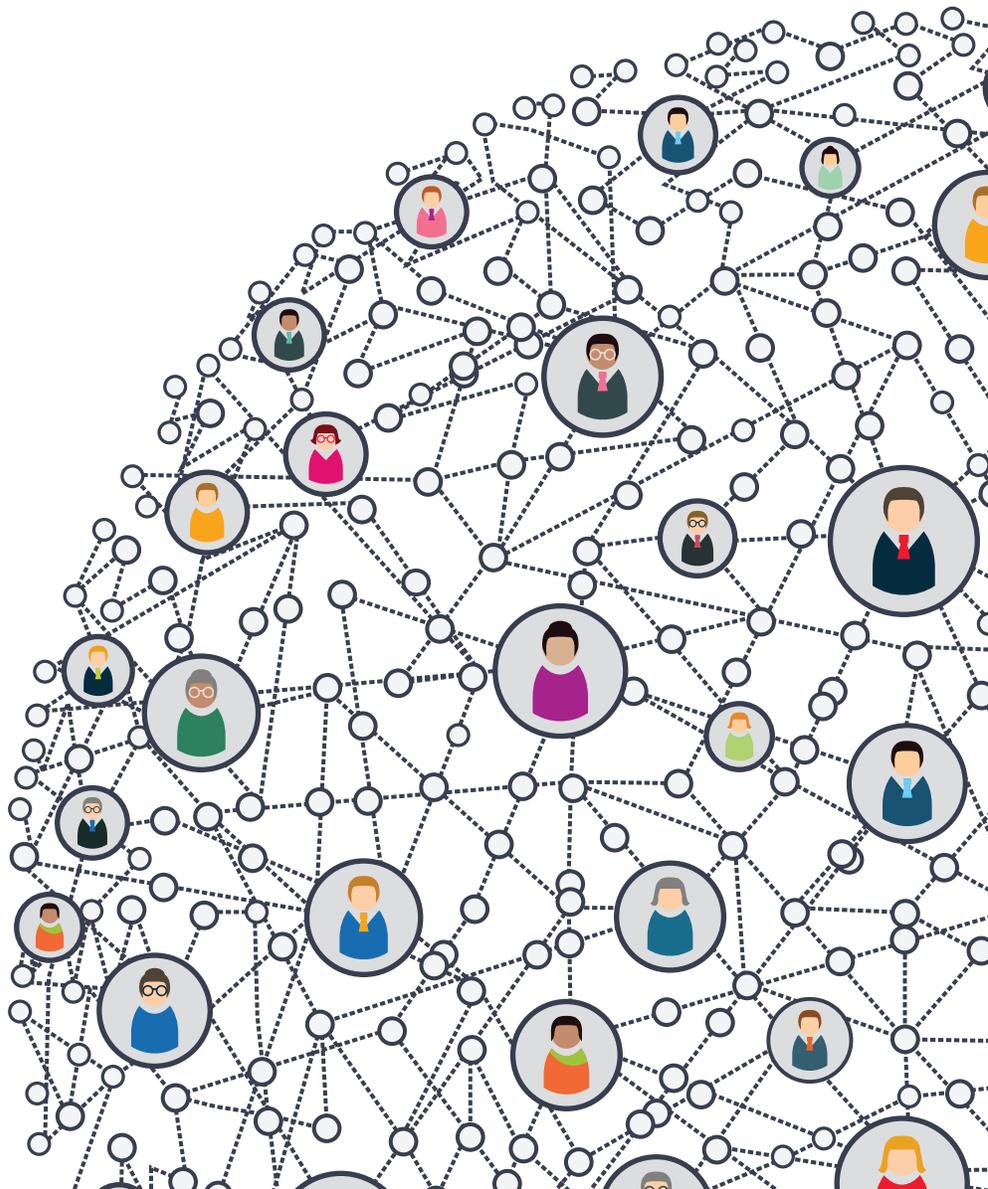
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