

# Philanthropy Always Sounds Like Someone Else:

A Portrait of High Net Worth Donors of Color



By Hali Lee, Urvashi Vaid, Ashindi Maxton



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**B**lack, Indigenous, and People of Color (BIPOC) donors with high net worth (HNW) represent a transformational force in social change philanthropy. Their life experience, vision, and leadership are vital in an historical moment in which the salience of race and racism to every institution and system in U.S. society is glaringly evident, and in which new ideas and solutions are urgently needed. These individuals have the means and the ability to move large-scale resources to address the deep imbalance in racial equity giving. They have the interest and skill to fund and create systemic change. And they are getting organized and exerting leadership as never before.

Yet this story about donors of color has never been told. **Philanthropy Always Sounds Like Someone Else: A Portrait of High Net Worth Donors of Color** (hereafter cited as “Portrait”), presents a qualitative analysis of interviews with 113 high net worth Black, Indigenous, and People of Color (BIPOC) donors, conducted over three years in ten cities across the U.S. This is, to our knowledge, the largest qualitative research project of HNW people of color ever reported in the philanthropic literature.

The report takes its name from a reflection articulated by one interviewee, and shared by others with whom we spoke, that philanthropy as a concept never seemed to include them as people of color. This makes sense. Philanthropy is about class. And class has long had a race and a gender. The racialization of wealth and philanthropy in the U.S. is why the stories in this report have not yet been told. And it is also the reason why so many of the people interviewed in our research keep traditional philanthropic networks and organizations at arms-length,

The “Portrait” tells stories of people who experienced migration and exile, transcended racism, and barriers, invented new ideas, and worked hard to build businesses, families, careers, innovations, and who are leaders in many communities. The people interviewed are, as a group, seekers, and learners.

They are diverse in their interests and backgrounds; many grew up poor, some are immigrants; some are musicians, artists, and rock climbers; and others are bankers, entrepreneurs, teachers and nurses, corporate leaders, lottery winners. They are generous and diverse in their giving habits, and to a person, they deeply value the cultural and familial roots of their generosity. They shared stories of how their parents and other elders taught them to give or save money, about their first paychecks, about the money stories they inherited and those they’d like to pass on. They are highly networked but often not philanthropically, and many shared that they feel lonely, and are often the “only one” in the varied rooms they occupy. They also shared their experiences in all-white philanthropic spaces. Nearly everyone shared personal stories of racism, discrimination, and bias based on the color of their skin, country of origin, religion, or accent.

Our earlier research placed the number of high net worth (HNW) donors of color in the U.S. at well over 1.3 million people (see Table 1).<sup>1</sup>

These individuals can leverage assets worth many billions of dollars, and their estimated annual giving is still largely unmeasured.

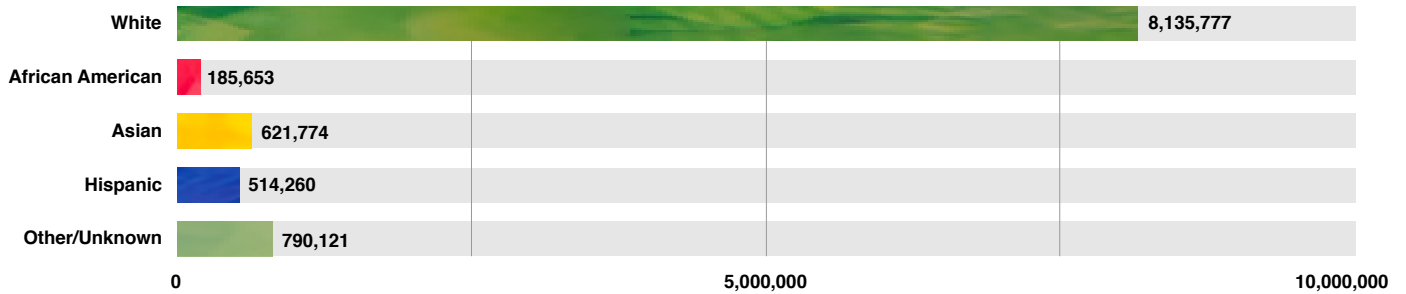
## The Research Sample

For this project, high net worth (HNW) donors are defined as those who have liquid net assets of \$1 million or more, which roughly translates to the ability to give \$50,000 per year. Ultra-high net worth (UHNW) donors are defined as those who have liquid net assets of \$30 million or more, which roughly translates to the ability to give \$1 million per year.

Interviews were conducted in person whenever possible; only a handful of video calls and phone interviews were conducted. The interviews were in-depth, 90-minute conversations about values, family stories, experiences with giving and wealth. Questions about giving to family and friends,

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<sup>1</sup> Urvashi Vaid and Ashindi Maxton, *The Apparitional Donor: Understanding and Engaging High Net Worth Donors of Color* (2017), p.12.



The charts created from the TargetSmart data, shows that individuals meeting this project's definition of high net worth number in the hundreds of thousands, and are present in significant numbers within each group.

**Net Worth by Race (Modeled Data)**

Net Worth	White	African-American	Asian	Hispanic	Other/Unknown
Net worth over \$1 million	8,135,777	185,653	621,774	514,260	790,121
Above \$10,000,000	170,215	1,397	16,928	7,310	21,871
\$5,000,000 - \$9,999,999	1,087,505	11,536	112,881	63,982	123,877
\$2,500,000 - \$4,999,999	3,895,376	86,469	392,616	292,285	416,939
\$1,000,000 - \$2,499,999	2,982,681	86,251	99,349	150,683	227,434
\$750,000 - \$999,999	1,710,209	79,216	86,645	120,487	129,866
\$500,000 - \$749,999	1,690,211	95,880	91,653	131,902	129,463
\$250,000 - \$499,999	2,027,058	115,891	97,094	147,362	148,500
<b>Total</b>	<b>13,563,255</b>	<b>476,640</b>	<b>897,166</b>	<b>914,011</b>	<b>1,197,950</b>

remittances, and political giving were included in the research questions because these areas of generosity are central to the ways that donors of color are giving.

Although this work is the most comprehensive research effort of its kind to date, the data have limitations: 113 voices, no matter how strong, are not enough to fully capture the stories of the large and diverse number of HNW BIPOC households in the United States. Additionally, because the project followed an organizers' methodology rather than a census-based one, the sample is not representative of the demographics or geographic distribution of HNW BIPOC people in the U.S.

**Giving Statistics**

The 113 BIPOC donors interviewed gave generously. When asked about their annual giving for the year in which their interview took place, donors reported a total of \$56 million. Among the 113 donors of color interviewed, the median annual giving was \$87,500. There was great variation in the level of giving that interviewees reported. Nearly one third (30%) reported annual giving of up to \$50,000. One quarter (25%) reported giving between \$50,000 and \$100,000, and 15% reported giving between \$150,000 and \$300,000. Over 20% of those interviewed

reported annual giving of more than \$300,000 a year, with 55% of this group giving more than \$1M a year.

### Source of Wealth

The overwhelming majority of the people interviewed (more than 80%) had earned their wealth themselves. Most had experienced a change in class status in their own lives while coming from families or communities that remained poor, low-income, or far less wealthy than they were. Only about one in ten (9.75%) had inherited their wealth. About a quarter identified marriage as a source of wealth, with 7% identifying marriage as their sole source of wealth. Some donors reported having more than one source of wealth, including 15.9% whose wealth was both earned and from marriage.

### Wealth by Liquid Investable Assets

The interview sample comprises individual BIPOC donors who have the capacity to give \$50,000 annually or more.<sup>2</sup> More than a half (56.8%) reported liquid investable assets between \$1 million and \$10 million.

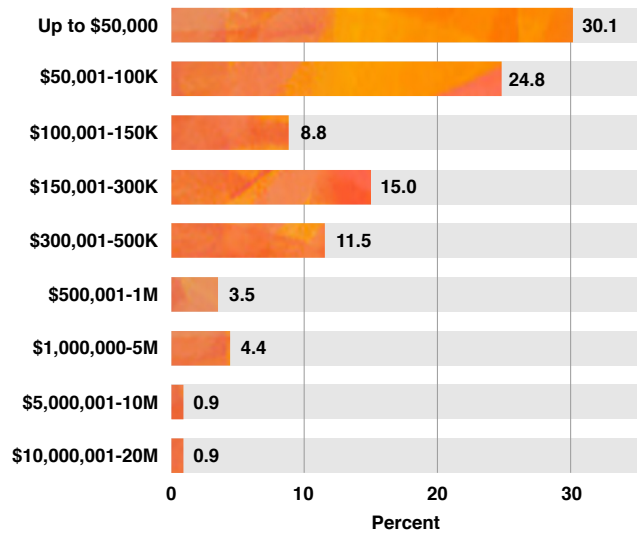
Slightly more than one fifth (22.7%) of the sample reported assets greater than \$30 million.<sup>3</sup> This finding was particularly unexpected and betrayed the project team’s own biases about its ability to find UHNW BIPOC donors. The project team had wrongly assumed that it would not find the wealthiest people of color because it had not targeted UHNW people, and because this study’s methods of recruitment involved generalized educational outreach through community foundation and conference presentations as well as referrals.

### Annual Giving

There was great variation in the level of giving that interviewees reported. Nearly one third (30.1%) reported annual giving of up to \$50,000. One quarter (24.8%) reported giving between \$50,000 and \$100,000, and 8.8% between \$100,000 and \$150,000. Fifteen percent (15.0%) reported giving between \$150,000 and \$300,000. Over 20% of those interviewed reported annual giving of more than \$300,000 a year, with 55% of this group giving more than \$1M a year.

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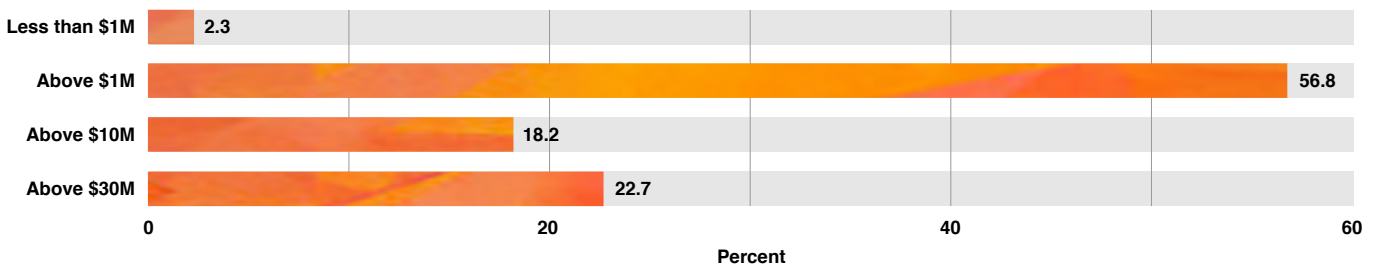
Annual Giving (n=113)



<sup>2</sup> As noted above, interviewees were not automatically disqualified if they gave less than \$50,000 per year, if they either a) gave less because most of their assets were not liquid or b) anticipated giving more than that threshold in the future.

<sup>3</sup> Half-way through the interview stage, we subdivided our highest bracket into a \$30-49 million category and a \$50+ million category. In this chart everyone in both groups is included in the \$30+ million category.

Liquid Investable Assets (n=88)





## Giving to Family

The vast majority (77.9%) of HNW donors of color indicated that they gave money to support family and friends, yet many didn't consider those gifts part of their charitable giving. The people interviewed reported giving from \$2,400 to \$1.2 million a year to support those closest to them.

## Giving Through Philanthropic Vehicles

A total of 34 donors (or 30%) reported that they had bequests in place through a planned giving instrument that specifies a charitable beneficiary (i.e. a charitable remainder or lead trust, a charitable gift annuity, a will with specific charitable provisions, and/or an endowment fund). Of the 72 HNW donors of color asked about having a donor-advised fund (DAF), a total of 44 reported having a DAF, while 23 reported not having one.

## Giving to Political Causes

Ninety-seven of the 113 donors interviewed reported giving to political causes, while 14 donors did not. A number of donors reported that their political giving was limited compared to other causes and often less gratifying when faced with candidates and parties that often do not reflect their backgrounds or interests. Donors who reported giving to political candidates and specified an amount, gave from under \$1,000 to \$150,000. Study participants were overwhelmingly Democrats, although not entirely homogeneous. When asked about their political affiliation, 83% identified as Democrats, while Republicans accounted for 10% and independents for 4%, with the remaining 3% identifying as "other."

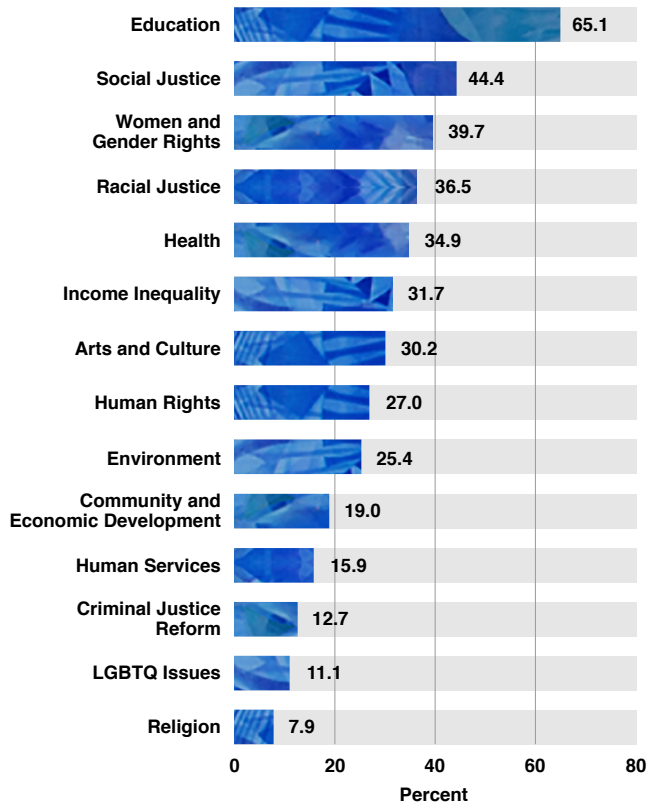
## Giving to Charitable Organizations

Each of the 113 donors interviewed specified giving some amount to traditional 501c3 charitable organizations. Forty donors gave less than \$50,000, 60 gave between \$50,000 and \$499,999, and 13 gave \$500,000 or more to a traditional 501c3 charitable organization.

## Philanthropic Priorities

A total of 63 donors ranked their top five philanthropic priorities. Nearly two-thirds (65.1%) ranked education as their highest philanthropic priority. Slightly more than two fifths (44.4%) ranked social justice as one of their top five priorities. Women's and gender rights (39.7%), racial justice (36.5%), and health (34.9%) were also ranked as high priorities. The graph below shows the breakdown of respondents' top five philanthropic priorities.

Philanthropic Priorities in Top 5 (n=63)



## Interview Insights

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The interviews highlight that HNW BIPOC donors are shaped by their unique lived experiences, with a different relationship to philanthropy than one might expect of HNW white people. Five main themes emerged:

1. **HNW donors of color interviewed were mostly first-generation wealth creators and often the people in their families of origin who had crossed into a new socio-economic class.** Many spoke explicitly about the structural barriers that prevented their families from accumulating wealth. More than 65% of the donors interviewed earned their wealth, another 15% had earned their wealth and benefitted from their marriages, 10% had inherited wealth, and 7% identified marriage as their sole source of wealth. Many of the HNW BIPOC we interviewed lived in proximity to the racial wealth gap and described that their perspective on philanthropy was affected by coming from historically marginalized communities. Most of the donors surveyed (over 80%) gave significant resources to their families — giving that is traditionally not counted as “charitable” or “philanthropic” — and stressed the importance of giving back and increasing opportunity for people like them.
2. **Nearly every single high net worth donor of color interviewed had personally experienced racial or ethnic bias.** The universality of the experience of racism, discrimination, and bias reported by each interviewee is a striking finding of this project. The donors of color we interviewed shared how their own and their family’s experiences with discrimination, bias, racism, and xenophobia had influenced their perspectives on wealth and giving. Black donors talked about generations of oppression, discrimination, and

racialized poverty. Donors with immigrant histories spoke about global economic disparity, immigration policy, and xenophobia. These experiences motivated many in our sample to seek systemic change through philanthropic or political giving, although many expressed not knowing how best to affect the changes they wished to see.

3. **HNW donors of color reinforced the importance of learned cultures of giving that shaped their approach to money, generosity, and the sharing of resources.** Although the specific cultures differed among interviewees, the importance of giving in their cultural history was a central theme among the HNW donors of color we interviewed. Many cited their parents’ home cultures as impacting their attitudes towards philanthropic giving, others spoke of the churches in their hometowns or the open spot at their grandmother’s dinner table. They credited their parents, grandparents, and elders with enabling their success. Many shared a visceral contempt for the idea that people “pull themselves up by their bootstraps,” and did not see their prosperity as the result of individual effort alone. For many interviewees giving was an expression of gratitude.
4. **The donors interviewed gave generously to a range of issues and causes and utilized varied practices of giving.** The 113 individuals reported annual giving amounts of between \$4,000 to \$17 million. Total giving in the year the sample was interviewed amounted to \$56 million. Donors gave most often to educational institutions which many credited as critical to their success, and to racial and social justice causes. All donors expressed a desire to be more effective as donors, but very few had worked with professional philanthropic advisors. Their giving styles, priorities, and vehicles



were diverse: they gave through giving circles, donor advised funds, community foundations, or other pooled strategies, occasionally through their own foundations, and often, directly through their checkbooks.

5. **Interviewees participated in many networks and viewed these as important to their giving practices, but they were not networked with other donors of color.** Our interviews confirm earlier findings that most donors of color are not regular participants in philanthropic or political donor networks. However, they belong to an impressive array of civic, professional, and other civil society organizations. They expressed great excitement about the possibility of new networks that could connect them to other HNW donors and donors of color. The overwhelming support for the formation of a new donors of color network was striking — support that has translated into the successful launch and formation of the Donors of Color Network in 2019.

## Discussion

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HNW donors of color constitute a powerful new resource for racial and social justice. Through their life experience, motivation to give, skills, and networked relationships, donors of color have the power and potential to significantly advance racial, gender, and economic equity. This conclusion was hypothetical when we started our interviews, but its truth has been borne out at each step.

Our findings reinforce earlier research on donors of color.<sup>4</sup> They confirm that donors of color are often of the first generation with wealth in their families; they are part of many cultures/worlds and networks; they believe in giving back and fund both nonprofits and causes, but also support family and friends; they fund causes that impact their own community, but do not limit their giving to those causes; and they do not use traditional philanthropic vehicles as often as non-POC donors.<sup>5</sup> Recent research by the Women's Philanthropy Institute at the Lilly School shows that HNW donors of color give at levels comparable to white HNW donors.<sup>6</sup>

This study suggests several ways in which BIPOC donors engage in giving that could impact and help transform the field of philanthropy.

First, HNW BIPOC donors expand our understanding of not just who gives and who can be a philanthropist, but also of *what counts as giving*. Numerous studies have shown that counting only formal giving or cash donations to charities as philanthropic does not fully capture the forms that generosity takes in many people's lives. It especially undercounts the giving of HNW donors of color. The donors in our study gave formally to nonprofits, faith-based institutions, and political causes, but also gave significant amounts informally, to support family or help friends and other individuals in their lives. As the Women's Philanthropy Institute at the Lilly Family

School of Philanthropy concluded in its "Women Give 2019" report on the giving of women donors of color, "Diverse donors are ushering in new, expansive ways of thinking about generosity and philanthropy. This includes tools like impact investing, cause marketing, informal giving, and using one's voice or testimony to advocate for causes without necessarily making a financial commitment."<sup>7</sup>

Expanding what counts as giving is essential to fully "seeing" the giving in which donors of color are engaged. A wider focus on what counts as philanthropy could result in new methods of tracking how much people of color give to support their families, and how the wealth of HNW BIPOC individuals translates into economic security and opportunity for a wider circle of their family members, friends, business associates, and other people they help through direct giving. New measures could explore the different kinds of giving, employment, and support that HNW BIPOC donors are providing to other people of color. Expanding what counts as giving might encompass tracking the enormous amount of funding that immigrant donors of color (at every wealth level) give through remittances to families in their countries of origin.

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<sup>4</sup> Pioneering work to understand the giving of donors of color was conducted in the late 1990s and early 2000s by the Coalition for New Philanthropy (whose members were the Asian American Federation of New York, the Hispanic Federation, 21st Century Foundation, the Center on Philanthropy and Civil Society, New York Regional Association of Grantmakers); New Ventures in Philanthropy (at the Forum of Regional Associations of Grantmakers); Council on Foundations Cultures of Caring: Philanthropy in Diverse American Communities; the W.K. Kellogg Foundation's Cultures of Giving initiative, among others.

<sup>5</sup> Mindy Berry and Jessica Chao, *Engaging Diverse Communities for and through Philanthropy*. New York: New Ventures in Philanthropy, 2001, pp. 8-15.

<sup>6</sup> Women's Philanthropy Institute, "Women Give 2019: Gender and Giving Across Communities of Color." Indianapolis: Indiana University Lilly Family School of Philanthropy, March 2019, pp. 14-15.

<sup>7</sup> "Women Give 2019," p. 30.

**Second, in welcome news for racial, gender, and social justice advocates whose work is limited and drastically underfunded by the mainstream philanthropic sector, HNW donors of color represent an additional and potentially more long-term source of revenue for racial and gender justice organizations and movements.**

Data from this research show that HNW donors of color prioritize funding for racial and social justice and build economic opportunity and advancement. Other research also confirms that giving by HNW donors of color differs from that of HNW households overall in its support of racial and ethnic-focused organizations.<sup>8</sup> The Lilly School released a report in August 2021 that found that total giving for social and racial justice increased in 2020 overall, and that donors of color led the way. Thirty one percent of Asian American households, 19% of Black households, and 14% of Hispanic households said they gave to those causes in 2020, while 13% of non-Hispanic white households did so.<sup>9</sup>

**The commitment of BIPOC donors to these causes may prove to be more authentic and durable than that of traditional liberal philanthropy. When strategically deployed and coordinated through networks that enable individuals to work toward shared outcomes, HNW donor giving could generate additional resources and new strategies to dismantle structural racism.**

Third, the data from these interviews with HNW donors of color reveal that their motivation to fund social justice is not episodic nor determined by a moment of crisis but reflects a lifetime of experience with race-based (and for women, gender-based) discrimination. The desire to have an impact on racial inequality and to support people of color certainly motivated the founding of the [Donors of Color Network](#), the first national network to bring together a cross-race group of individual donors aligned around values that center racial justice.

Fourth, through the networks to which they belong, and using their platforms as successful

entrepreneurs and professionals, BIPOC professionals are influencing the actions of corporations, professional associations, private, family and community foundations, banking, investment and finance institutions, among others, to do much more to advance racial, gender, and social justice.<sup>10</sup> One example of how HNW donors of color can leverage their influence to transform the giving of mainstream philanthropy comes from the Donors of Color Network's (DOCN) Climate Justice Funders Pledge Campaign, launched in January of 2021.<sup>11</sup> DOCN launched a multi-year [Climate Funders Justice Pledge](#) in close partnership with environmental justice and climate justice leaders, to challenge the 40 largest climate funders to increase

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<sup>8</sup> The Women's Philanthropy Initiative noted that "... 43.8% of the wealthy Black donors surveyed indicated that they made giving to groups that aim to improve race relations a high priority, as opposed to an average of 5.7% all donors." Kim Williams-Pulfer and Una Osili, "Racial Justice Funding is Booming: 4 Trends," Indiana University Lilly Family School of Philanthropy online blog, October 9, 2020, <https://blog.philanthropy.iupui.edu/2020/10/09/racial-justice-giving-is-booming-4-trends/>. In addition, the 2018 U.S. Trust Study of HNW Philanthropy noted, "Among all high net-worth households, a relatively small percentage supported racial or ethnic and LGBTQ affinity groups. However, among [donors of color] giving to these respective causes was significant. For example, half (50 percent) of wealthy African Americans gave to causes or organizations specifically focused on African American causes and 43 percent of LGBTQ households gave to LGBTQ-focused organizations and causes. One-quarter of Hispanic / Latino donors gave to Hispanic or Latino affinity groups and 10 percent of Asian Americans gave to Asian American affinity groups in 2017." See U.S. Trust and Indiana University Lilly Family School of Philanthropy. "The 2018 U.S. Trust Study of High Net Worth Philanthropy: Portraits of Generosity," p. 22, <https://scholarworks.iupui.edu/bitstream/handle/1805/17667/high-net-worth2018.pdf>

<sup>9</sup> "Everyday Donors of Color: Diverse Philanthropy During Times of Change" Indianapolis: Indiana University Lilly Family School of Philanthropy, August 2021, at <https://philanthropy.iupui.edu/news-events/news-item/study-philanthropic-landscape-shifting-as-everyday-donors-of-color-increasingly-shape-giving.html?id=365>

<sup>10</sup> Andrew Ross Sorkin and David Gelles, "Black Executives Call on Corporations to Fight Restrictive Voting Laws," *New York Times*, April 3, 2021, <https://www.nytimes.com/2021/03/31/business/voting-rights-georgia-corporations.html>; David Gelles, "Corporate America Has Failed Black America," *New York Times*, June 6, 2020, <https://www.nytimes.com/2020/06/06/business/corporate-america-has-failed-black-america.html>; Lindsey Tanner, "US Doctors Group Issues Anti-Racism Plan for Itself, Field," *Associated Press*, May 11, 2021, <https://apnews.com/article/business-race-and-ethnicity-science-coronavirus-pandemic-health-bdff6225b933e47997291cd6fe7e87a5>.

<sup>11</sup> Media coverage of the campaign and detailed additional info to complement this effort can be found [here](#). By July of 2021, four of the top forty foundations, joined by an additional five funders, had committed to both goals. Three of the top 40 foundations had committed to greater transparency about their giving, joined in this pledge by an additional seven funders.

their giving to BIPOC-led groups and to be more transparent about whom their grants were serving.<sup>12</sup>

Fifth, donors of color can also influence foundations and nonprofit organizations through their participation on boards of directors or investment committees. Board and organizational leadership in both the nonprofit and foundation sector are additional arenas in which individual donors of color can bring their unique experience to bear, in ways that can increase work to achieve racial, gender, and social justice. In its June 2021 report on board composition and practices, Board Source noted that 78% of board members in its survey sample were white.<sup>13</sup> Similarly, a recent survey by the Center for Effective Philanthropy found that of 218 foundations that responded, more than half (57%) had fewer than 25% people of color representation on their board.<sup>14</sup> These data present an opportunity for leadership for donors of color seeking to advance racial and social justice. Research shows that organizations with more BIPOC leaders on their boards express a stronger commitment to diversity, equity, and inclusion internally and to racial justice being incorporated as a programmatic priority externally.<sup>15</sup>

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<sup>12</sup> Movement networks that have advised and support the campaign include, among others, New York City Environmental Justice Alliance, Asian Pacific Environmental Network, Front and Centered, Gulf Coast Center for Law & Policy, Indigenous Environment Network, Green Latinos, NDN Collective, Climate Justice Alliance, Mosaic.

<sup>13</sup> Among the Boards respondents, 10% Black, 5% Hispanic/Latinx, 4% Asian Pacific Islander, 1% Native American/ Indigenous, 1% multi-racial, and 2% other; “Leading With Intent: Reviewing the State of Diversity, Equity, and Inclusion on Nonprofit Boards,” BoardSource, June 2021 p. 3, <https://leadingwithintent.org/wp-content/uploads/2021/06/2021-Leading-with-Intent-DEI-Report.pdf?hsCtaTracking=6fea211c-bd59-41a5-bfec-19e4a5e97ee4%7Cbb4b1792-83d8-4942-a949-3794a8ad5554>. See also, “Leading With Intent: BoardSource Index of Nonprofit Board Practices,” BoardSource, June 2021, [https://leadingwithintent.org/?\\_hstc=98438528.bbd9c6b6856baf2a8db19c61049f919d.1625494722570.1625494722570.1625494722570.1&\\_hssc=98438528.1.1625494722570&\\_hsfp=1774700292](https://leadingwithintent.org/?_hstc=98438528.bbd9c6b6856baf2a8db19c61049f919d.1625494722570.1625494722570.1625494722570.1&_hssc=98438528.1.1625494722570&_hsfp=1774700292).

<sup>14</sup> Ellie Buteau and Naomi Orensten, “Foundations Respond to Crisis: Toward Equity?” New York: Center for Effective Philanthropy, 2020, p. 17, [http://cep.org/wp-content/uploads/2020/12/CEP\\_Foundations-Respond-to-Crisis\\_Toward-Equity\\_2020.pdf](http://cep.org/wp-content/uploads/2020/12/CEP_Foundations-Respond-to-Crisis_Toward-Equity_2020.pdf).

<sup>15</sup> *Ibid.*, p. 12.

# Implications for the Philanthropic Sector

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Forty years ago, philanthropy as a field grew in its knowledge, reach, and donor base through the development of women's funds. Twenty-five years ago, the field grew again with the emergence of donors supporting LGBTQ issues, organized through the efforts of the Gill Foundation's pioneering OutGiving conference and network.<sup>16</sup> The increased organizing and networking underway among donors of color represents a similar field-building moment for philanthropy.

We see several implications from our research for HNW donors of color, and for philanthropic and nonprofit organizations:

- 1) Donors of color have a growing number of opportunities to leverage their giving and build their knowledge in how to achieve greater impact.
- 2) Nonprofits that adapt and develop specific fundraising strategies to engage HNW donors of color can diversify donor bases and secure new resources.
- 3) Financial and donor advisory service providers as a field could diversify and/or build new knowledge to better serve HNW donors of color.
- 4) More research is needed to understand the values, priorities, and giving potential of HNW donors of color.

## New Networks and Opportunities Exist for HNW Donors of Color

Our social networks can bind, but they can also exclude. According to the American Values Survey, 75% of white people have exclusively white networks.<sup>17</sup> "Too often, leaders of color are excluded from both formal field events like convenings and informal gatherings," according to a recent article in the *Stanford Social Innovation Review*.<sup>18</sup> Philanthropy, like other sectors, is built on relationships. Who you know, whom

you hang out with, where you went to school, where you vacation, all matter. Peers are often cited as trusted sources for advice, including philanthropic guidance and advice. But asking only peers (who are likely very much like you) for advice can create a self-reinforcing and self-validating echo chamber.

Donors of colors today can participate in several networks that can support their learning and giving journeys. Several BIPOC-focused giving communities exist, and they are growing. It is notable that most of the networks connecting HNW donors were created within the last five years.

- The [Black Economic Alliance](#) is a community of Black business leaders working on issues of equity and economic progress.
- The [Community Investment Network](#) is a network of BIPOC giving circles across the country, many located in the South and Southeast.
- The [Donors of Color Network](#) remains an innovative and unique space as an intentionally cross-community of HNW and UHNW donors committed to systemic racial justice and power building for communities of color.
- The [Pillars Fund](#) is a network of Muslim American families; and the [American Muslim Community Foundation](#) hosts several giving circles, including a Muslim Women's Circle and a new Inter-Faith Circle.
- The [Latino Community Foundation](#) hosts over 20 Latinx circles in California. There are many others.<sup>19</sup>

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<sup>16</sup> <https://gillfoundation.org/outgiving/>

<sup>17</sup> <https://www.washingtonpost.com/news/wonk/wp/2014/08/25/three-quarters-of-whites-dont-have-any-non-white-friends/>

<sup>18</sup> [https://ssir.org/articles/entry/overcoming\\_the\\_racial\\_bias\\_in\\_philanthropic\\_funding](https://ssir.org/articles/entry/overcoming_the_racial_bias_in_philanthropic_funding)

<sup>19</sup> For more information about giving circles, and how they have boomed in the last decade, see the body of research here: <https://johnsoncenter.org/collection/giving-circles/>

- The urgency of addressing anti-Asian bias and empowering Asian American communities led five donors to pledge \$125 million to found the Asian American Foundation in the Spring of 2021. In May of 2021 the new Foundation was reported to have raised hundreds of millions in pledges to address the gap in philanthropic funding for Asian American Pacific Islander communities.<sup>20</sup>
- Giving circles represent powerful organizing structures, enabling donors to build deep relationships with each other and with community leaders, and generating culturally specific philanthropic practices.<sup>21</sup> As just one example, the Asian Women Giving Circle, an all-volunteer group of Asian American women in New York City founded by one of this report's authors, Hali Lee, pools and raises resources to support Asian American women artist activists in New York. It has distributed over \$1 million dollars in 15 years. Inspired by a cultural practice in Korea called a "geh" — a shared savings circle that combines food, conviviality, social networks, trust, and money — the women in this Circle created a philanthropic space that is sisterly, fun, community-building, values-imbued, meaningful — *and* raises the visibility of Asian American women doing philanthropic work.

An individual donor who is on a learning journey, may find it fruitful to investigate their local community foundation's initiatives on racial justice and equity work.

- The East Bay Community Foundation, Liberty Hill Foundation, Headwaters Foundation, San Francisco Foundation, Texas Women's Foundation, and the North Star Fund are examples of resources for individual donors seeking community and values-framed learning.
- Pooled funds focused on racial justice, pandemic relief, and democracy have also increased, and provide opportunities for learning and community.<sup>22</sup>

- Finally, a number of donor networks not specifically designed for BIPOC donors have centered racial justice, BIPOC-led organizations, and equity in their work, including Solidaire, Groundswell Fund, Resource Generation, and the Women Donors Network.

The philanthropic sector must increase and improve its support of diverse network building, donor education, and donor engagement with donors of color at every level of giving.

## Nonprofits Can Do Better by Engaging with HNW Donors of Color

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Development directors and executive directors of nonprofits strive to attract new donors. Many ask how they can be more effective in identifying, engaging, and recruiting more diverse donors at every level of giving; others are focused on how to engage diverse individuals as board members.

The key insight from this report for nonprofit development directors, executive directors, fundraisers, and strategic planners is this: **you cannot raise money from those you do not see**. Fundamentally, we urge nonprofit leaders to seek out leaders and members of color within their organizations, to listen more and pitch less. We encourage leaders to forge values-aligned and authentic ways to engage with diverse donors because people can tell when they are being tokenized or are an item on a check list. If appropriate and aligned with your organization's mission, nonprofits can build projects that address the concerns raised by the donors and volunteers they interview.

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<sup>20</sup> "Asian American Foundation raises nearly \$1.1 Billion," *Philanthropy News Digest*, May 24, 2021, <https://philanthropynewsdigest.org/news/asian-american-foundation-raises-nearly-1.1-billion>

<sup>21</sup> If you are interested in starting a giving circle, check out <https://philanthropytogether.org/>. There has been an exciting growth in political giving circles nationally. For more information about these, go to <https://www.futurenow.org/>

<sup>22</sup> <https://www.philanthropy.com/article/a-closer-look-at-the-pooled-funds-that-are-shaking-up-philanthropy?cid=gen>



## Donor Advising & Wealth Management Sectors Must also Diversify

Wealthy individuals rely on professionals to manage assets, provide legal and accounting advice, engage in estate planning, manage their lives, and sometimes, help advise and manage their philanthropy. The scope of this project has focused on the donors themselves, and not on their service providers. However, it is our observation that providers in each of these professional arenas are not well equipped to work effectively with high net-worth donors of color as regards to their philanthropy.

For one, people of color are underrepresented in the fields of financial advising, wealth management, and asset management. A recent Morningstar Fund forum on ‘Closing the Racial Wealth Gap’ noted that “According to the Bureau of Labor Statistics (BLS), 82% of financial advisers are white. Asset management is also dominated by white men, as firms owned by white men manage close to 99% of the \$69 trillion in the U.S. asset management industry, according to a 2019 Knight Foundation analysis.”<sup>23</sup> Additional research, networking, development of targeted tools and training modules are needed for each of these professional communities of practice.

At the same time, those in the financial and advising sectors who support wealthy individuals must learn how to support an increasingly diverse and complex client base. George Nichols III, the President of the American College of Financial Services, wrote recently, “It’s not lost on me that I’m a Black President and CEO of the nation’s oldest, most storied institution serving a predominantly white financial services industry.”<sup>24</sup> Nichols is building a Center for Economic Empowerment and Equality at the College to diversify the financial services sector top to bottom. The American College also runs the nation’s only certification program for philanthropic advisors (Chartered Advisors in Philanthropy, CAP),

and it has a goal to graduate 100 BIPOC people from that program this year.

## Increased Information on BIPOC Donors Helps the Sector

There is a need for increased research on donors of color and BIPOC giving. This is fundamental to any effort to increase BIPOC involvement in nonprofit and philanthropic organizations. Some foundations and donors have pioneered in supporting research on donors of color — the Ford Foundation, the W.K. Kellogg Foundation, the Bill and Melinda Gates Foundation, Open Society Foundations, the Raikes Foundation, and MacKenzie Scott, to name a few. We encourage them and others funding in the nonprofit and philanthropic infrastructure spaces to do more. Philanthropic institutions supporting research can do much more to support work on donors of color and could support work done by a wider array of organizations — not just a handful of think tanks and academic centers. Corporate, institutional, and academic studies must grapple with how to gather more information from givers who are people of color. We urge researchers to remove race blinders from their research and to ask about giving that goes beyond traditional giving to nonprofit organizations. The field needs more insights about the levers people

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<sup>23</sup> Amanda Umpierrez, “Closing the Racial Wealth Gap,” *PlanAdvisor*, June 21, 2021, <https://www.planadviser.com/closing-racial-wealth-gap/>; Sagar Tandon, “1.3% is Not Enough: The Case for Diversity in Investment Fund Management,” *Next Billion*, March 17, 2021, <https://nextbillion.net/diversity-in-investment-fund-management/> (Currently, women- and minority-led funds account for just 1.3% of the US \$69 trillion investment industry in the United States — even though investment teams led by women and minorities perform better than funds that are managed by white men.”); Diverse Asset Managers Network, *Diverse Investment Consultant Survey* (2020), <https://www.diverseassetmanagers.org>; Jason Bisnoff, “Diversity in Wealth Management Still ‘Awful,’ Advisors Say,” *Forbes*, October 13, 2020, <https://www.forbes.com/sites/jasonbisnoff/2020/10/13/diversity-in-wealth-management-still-awful-advisors-say/?sh=738895b64494>; Danielle Walker and Billy Nauman, “Ethnic and Racial Diversity At Asset Management Firms,” Money Management Institute and FundFire, 2017, [https://www.mminst.org/sites/default/files/file\\_attach/MMI-FF%20Diversity in Asset Mgmt Full-Report-FINAL.pdf](https://www.mminst.org/sites/default/files/file_attach/MMI-FF%20Diversity%20in%20Asset%20Mgmt%20Full%20Report-FINAL.pdf);

<sup>24</sup> <https://www.theamericancollege.edu/our-people/office-of-the-president/blog/black-history-month-american-college-center-for-economic-empowerment-equality>

exert to achieve change — political, cultural, capital (economic and social), personal.

Data on HNW donors of color remain limited. Significant segments of communities of color must be more deeply analyzed (Native American, Latinx, Middle Eastern, Arab) and researchers working in these areas struggle to find support for their work. Further research is needed to:

- Determine more precisely the number of wealthy people of color
- Learn more about their giving — including giving vehicles and strategies
- Compare donor of color giving to HNW white donor giving to learn if it differs
- Learn about regional priorities and differences in giving by POC donors
- Learn about diasporic giving by people of color
- Explore the participation of donors of color in boards and leadership of institutions
- Explore industry differences in giving (if any)
- Learn more from populations underrepresented in our sample

Even within the sample profiled here, there is more work to be done. We could do further analysis by race and ethnicity, religion, gender and sexual identity, political giving, areas of interest, source of wealth, even geography. We could interview hundreds more individual high net worth donors of color and survey many more people. But without investment in this work, such research is not possible.

## Conclusion

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This is a moment of tremendous opportunity for those who care about racial, economic, and gender equity. Movements led by people of color are growing and thriving. Many institutions are affirming commitments to finding new paths to ending structural racism. And movements for racial, gender, and economic equity have never been bigger nor more intersectional.

This is also a moment of crisis. Across the country there is visible, deep-seated, and rising racism, entrenched misogyny, and persistent economic inequality, all of which seems to have tacit approval and encouragement from some political and economic establishment elites. A toxic combination of white nationalism, supremacist thinking, climate change denialism, gender bias, xenophobia, homophobia, and an irrational argument against expanding the well-being and shared prosperity of millions has created destructive political regimes across the globe.

Philanthropy is being called upon to meet these changing realities. It is being asked to invest more in racial equity and fund strategies that seek to dismantle white supremacy and systems that exclude based on gender and gender identity. It is being challenged to diversify its composition, decision making bodies, and the strategies and communities on which it focuses.<sup>25</sup>

Yet, the philanthropic ecosystem today is largely a monoculture. Existing networks and organizations, especially those working with individuals with high net worth, are — except for the Donors of Color Network — overwhelmingly white.

To meet the many challenges of today, we must gather all our resources. It is imperative that we create a more reflective philanthropic sector, one that more truly reflects the changing demographics of our country, one that is more truly reflective of the growing influence and affluence in all our communities. To not do so leaves valuable resources and life experiences on the table.

This is a moment that demands field building, field expanding. Donors of color are generous and insightful, and because of their lived experience, they have the potential to be a driving force behind massive change in the field of philanthropy and for equity and justice movements. Donors of color bring critical insights, resources, and talent to bear at a socio-political moment in which new ideas, investment, and innovation are more important than ever.

Representation matters, in philanthropy as in other fields. To inspire others to give more, give better, and give more strategically, we need more role models, including the narratives of donors of color. At a time when the prevalent media images of immigrants and people of color are often dangerously negative and one-dimensional, it is important to amplify the stories of immigrants and people of color who are generous, civic-minded, honorable, patriotic, decent, relatable, hilarious, big-hearted, and kind — in other words, complex, multi-dimensional, and contributing.

The coming years will show that people who are more proximate to the experience of structural racism and denial of opportunity can achieve collective impact through the visible, networked, and strategic deployment of their resources.

Imagine a coral reef. Imagine the flora and fauna, inter-related in complex ways, each dependent on the other for their mutual thriving. Picture the vibrant colors, the mind-boggling patterns, the undulating blue water, the slightly ominous parts and the stunningly gorgeous parts, the shadows and the light, the moving elements and the mostly still ones. Let's have that beautiful coral reef, not an endangered, bleached monoculture. Can you see it?

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<sup>25</sup> Edgar Villanueva, *Decolonizing Wealth: Indigenous Wisdom to Heal Divides and Restore Balance*, Oakland, CA: Berrett-Koehler Publishers, 2018; Rob Reich, *Just Giving: Why Philanthropy is Failing Democracy and How It Can Do Better*, Princeton, NJ: Princeton University Press, 2018; Anand Giridharadas, *Winners Take All: The Elite Charade of Changing the World*, New York: Knopf, 2018.

## Bios of Authors

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### Radiant.

**Hali Lee** (she/her) is delighted to have been co-builder of a few pieces of philanthropic infrastructure. She is founding partner of Radiant Strategies. She co-founded the Donors of Color Network, was on the co-design team for Philanthropy Together, and is the founder of the Asian Women Giving Circle. Hali was born in Seoul, South Korea, and grew up in Kansas City. She graduated from Princeton University, studied Buddhism at Mahidol University in Bangkok, Thailand, and received a Masters in Social Work from New York University. Hali lives in Brooklyn, NY along with her dear husband, three college-age children, two cats and a big dog. In her free time, Hali loves to travel, read, play tennis and keep rooftop honeybees. She can be reached at [Hali@radiantstrategies.co](mailto:Hali@radiantstrategies.co).



**Urvashi Vaid** (she/her) is an organizer and strategist working for gender, racial and social justice. She is President of The Vaid Group LLC, a consulting and innovation firm and the director of Justice Work, a social justice incubator and think/action tank. Urvashi has served as Senior Fellow at the Center for Gender & Sexuality Law at Columbia Law School; Executive Director of the Arcus Foundation; Deputy Director of the Governance & Civil Society Unit of the Ford Foundation; Executive Director of the National LGBTQ Task Force; and Staff Attorney at the ACLU National Prison Project. She is author of several books and publications and co-founder of the Donors of Color Network, among other infrastructures. She can be reached at [thevaidgroup.com](http://thevaidgroup.com).



**Ashindi Maxton** (she/her) has developed funding strategies informing more than \$100 million in investments from foundations and individual donors towards racial justice and a more inclusive democracy. She was Executive Director and is a co-founder of the Donors of Color Network and has also created or co-created the Reflective Democracy Campaign, the Youth Engagement Fund, and New Media Ventures. Ashindi was recognized by *Inside Philanthropy* as “Donor Organizer of the Year” as a member of the co-founding team of the Donors of Color Network, listed three times to *Washington Magazine*’s list of “forty and under geniuses, visionaries, crusaders and innovators shaping Washington’s future,” and the “NAACP Power 40” list of most influential African-Americans under forty. She serves on the boards of Voqal USA and Way to Win. She can be reached at [ashindi@gmail.com](mailto:ashindi@gmail.com).

