

# The Case for Equitable Grantmaking

In philanthropy, the status quo upholds imbalanced power dynamics and barriers that keep out smaller, grassroots organizations, especially those led by people of color. According to a recent report, BIPOC-led organizations receive only 4% of all philanthropic dollars, and only about 9% of grantmaking from foundations goes to communities of color.<sup>1</sup> And in 2020, the unrestricted net assets of Black-led organizations remained 91% smaller than white-led organizations that focus on the same work.<sup>2</sup>

**For historically excluded communities to thrive, we need more equitable grantmaking practices and less barriers and roadblocks. Here's how we got here, and here's where we need to go.**

## Philanthropy's Roadblocks

Philanthropy's power to shape our communities is immense, but systemic roadblocks are preventing money from moving to BIPOC-led organizations in an equitable way.

### Dollars Sitting Idle



There's an estimated \$141.95 billion in assets sitting untouched in Donor Advised Funds (DAFs), getting tax breaks for the donors, but not being invested into communities.<sup>3</sup>

### Disparity in Distribution



In 2020, big nonprofits got bigger, with the largest nonprofits seeing a 5.3% increase in fundraising. But the smallest nonprofits saw a 7.2% decrease in fundraising revenue.<sup>4</sup>

### Capacity Crunch



Applying for grants is a tedious, expensive process, with about 40% of applications taking a week or more and costing organizations up to \$5,000.<sup>5</sup>

## Change is Happening



- » More people and organizations are giving through mutual aid, where people work cooperatively to meet the needs of everyone in the community and address causes of inequity.<sup>6</sup>
- » Grantmakers are responding more quickly to urgent crises such as COVID-19 and the Black Lives Matter movement.<sup>7</sup>
- » Foundations are loosening restrictions on grantees, with 56% planning to permanently stick with the less burdensome practices they adopted in 2020.<sup>8</sup>
- » Collaborative giving is on the rise as funders look to learn in community, manage their risk, increase impact and align giving with values-aligned funders.<sup>9</sup>

## A Future with Equitable Philanthropy Looks Like...



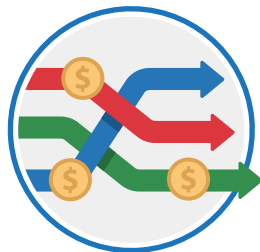
Distribution of dollars that centers historically excluded communities



Time, talent, and treasure going back to nonprofits to do what they do best



Opportunities for BIPOC-led organizations to grow and thrive



Money moving quickly to where it's needed



Transparency among funders and grantees

## JustFund with Us.

JustFund is changing the way money moves, taking the barriers and bottlenecks out of grantmaking by making funding simple, easy, and fast.

To learn more about centering equity, trust, and transparency in your grantmaking, visit [justfund.us](https://justfund.us), the only nonprofit grantmaking platform created by funders and organizers of color.



[justfund.us](https://justfund.us)

# JUST FUND.

**SOURCES:** 1 "Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table," The Bridgespan Group and Echoing Green, 2020 | 2 *ibid.* | 3 "The 2020 DAF Report," National Philanthropic Trust, 2021 | 4 "COVID-19 scenario planning for nonprofit and philanthropic organizations," Deloitte, 2020 | 5 "The 2019 State of Grantseeking Report," GrantStation, 2019 | 6 "Mutual aid grows in popularity during protests and pandemic," Marketplace, 2020 | 7 "Grantmaking Trends & Insight from 8 Experts [Innovative Giving Part 1]," Submittable, 2021 | 8 "Fundraising Update: A Sunny Forecast for Giving," The Chronicle of Philanthropy, 2021 | 9 "Collaborative Giving," Rockefeller Philanthropy Advisors