

NationSwell Insights Briefing: Actionable practices for 2022





Table of contents

3 A letter to the leaders in our community

4 Racial equity

10 The “S” in ESG

17 Community-centered philanthropy

23 Looking ahead to 2022

24 Source references

A letter to the leaders in our community

Members,

We are grateful and honored that you are part of NationSwell: this diverse community of extraordinary leaders pioneering the field of social impact across business, finance, and philanthropy. The diversity of experiences, expertise and perspectives we bring combined with the ideals, values and beliefs we share are central to what makes this community unique and special.

We believe that we are all part of a greater whole — and are always striving to do better and be better in service of others. We are bold, daring, and believe in transformational progress — yet, clear eyed about the dogged and incremental progress it will take to get there. We see the promise and possibility in the role that our organizations can play in redressing past injustices, healing current wounds, and paving new pathways of opportunity, sustainability and well-being for a better and more equitable future. We also recognize that this is no ordinary time and that we must all push ourselves and lead with equal parts humility, empathy, urgency, and resolve.

We also know that we can't do it alone — that no one leader, organization, industry, or even sector can bring about the progress we seek.

So, we believe, as well, in the power of community — of coming together alongside fellow leaders — to learn, share, advise, debate, collaborate, and inspire; to lift each other up and to help each other to be our best, so that, together, we can rise up and meet the moment.

During this past year, we saw the power of the diversity we bring and the ideals we share in action at NationSwell. We equipped each other with exposure, insight, and support that helped each of us to lead with confidence, credibility, and efficacy around the issues and topics that matter most to us. We forged new connections and collaborations, investing alongside each other, achieving breakthroughs in our strategies, helping to see challenges and opportunities in a new light, honing our own practice of purpose-driven leadership, and enhancing the way we are fostering cultures of purpose in our organizations. We shared hardships, challenges as well as what's working best; we helped each

other to cut through to the next level — helped each other get to better faster. Most of all, we brought a spirit of generosity and service to this community, lifting each other up and providing doses of inspiration and connection as fuel for the important work ahead.

The team at NationSwell is building the Institutional Membership program with you and for you. Our aim is to provide the members of this community with the best practices, expert insights, peer-learning experiences, tools, resources and high-impact relationships needed to take your leadership and your impact to the next level. The team at NationSwell and I feel very fortunate to be at your service and in community with you. This young community is just getting started — with a wider array of offerings, resources and experiences for you next year and beyond.

Our actionable guide for 2022 is part of that. It's designed to provide you with visibility and exposure on issues that matter to you, to spark creativity and inspiration, and to present you with actionable practices and insights that you can bring into your leadership and work in the new year. This Insights Briefing was designed to be a living document. We hope you'll use the actionable practices we've surfaced to help you throughout the coming year.

Thank you for all you do everyday to make our world better. Thank you for your commitment, dedication, and leadership. And thank you for the privilege of being able to support you.

Here's to the joy and richness of sharing in community — and to the progress ahead.

With gratitude,



Greg Behrman, CEO & Founder

Racial equity



“

Racial equity is an outcome that requires consistent investment and tenacious maintenance.

THE STATE OF PLAY

In the wake of the protests for racial justice in Summer 2020, corporations and organizations are being challenged on their commitments to racial equity. Key stakeholders are demanding more than powerful statements that show our proficiency in the language of social change; they're urging us to redress injustice by taking actions that are long past due, setting clear goals, and rethinking our strategies towards meeting those goals with greater transparency.

We chose to tackle racial equity in this guide because of the renewed urgency with which leaders in this community and their stakeholders alike are demanding immediate action, actual progress, long-term commitment to the fight for racial justice equality, and the insights and resources that drive the very best work in the field.

In this section we'll surface findings and insights, as well as impactful and actionable takeaways from leaders on how they've met this moment.

Executive takeaways

1. According to the Racial Equity Tracker built by our partners at JUST Capital, 100% of America's largest employers are addressing racial equity through anti-discrimination policies; but as of 2021, only [32%](#)¹ of these employers conducted a pay equity analysis of discrepancies between white and BIPOC employees.
2. Many organizations conflate their racial equity strategy with racial equity results. An action is not an outcome. Hold yourself to the ambition of yielding results, rather than only on the new steps you're taking.
3. Racial equity is an outcome that requires consistent investment and tenacious maintenance. It's not enough to hit targets — leaders have to regularly communicate steps taken, both successes and failures, to internal and external stakeholders.

THREE NUMBERS

35%

Racially diverse companies outperform homogenous ones by 35%

52%

of America's largest employers have a response to mass incarceration

460+

Top companies offered Juneteenth as a paid holiday as of 2020



THREE TRENDS

Following Summer 2020, many organizational leaders published [open letters](#)² to the public on their organizational complicity in racial injustices and inequities. But the most effective of those leaders have, since then, [communicated successes, failures, and learnings](#)³ to the public as well.

Since Summer 2020, more organizations have gone beyond recruitment for BIPOC employees, measuring and goaling themselves around retention, promotions, and compensation increases for pre-existing BIPOC staff.

Organizational leaders are acknowledging the specific ways their companies have benefited from systemic racism; once they discover and acknowledge those ways, they get clarity on the specific actions they must take to build a more just organization.

What’s working best

One of the most powerful lessons for organizations comes from restorative justice: Go beyond acknowledgment of racial inequities and actually explore the ways your organization benefits from systemic racism. The contours of organizational complicity often contain a roadmap towards atonement and justice, and though practitioners in this space walk alongside one another towards the same destination, the shape of our paths must come from the specifics of our institutions.

What to do

- ☐ **Interrogate and audit the ways your team benefits from systemic racism**
- ☐ **If you’re looking for buy-in, lead with data**
- ☐ **Communicate to stakeholders with specificity — then build**

A CLICK DEEPER

Chart your roadmap

Convene a meeting of your organization’s leaders and cultural pillars to investigate and interrogate the specific ways your team benefits from systemic racism. For each way your organization has benefited, determine the specific action needed to counter those inequities. As an example, Google.org, led by Jacquelline Fuller, undertook an internal racial equity audit of their teams and leadership to better understand current state and areas of opportunity — to make sure that not only were they really walking the walk, but that they were walking a walk down the right path given the specific needs of the organization. In tandem with this analysis, Google.org took a look at their funding and grantmaking practices and asked themselves, “How many Black-led organizations do we support, and what role do we want to play?” Google.org [committed an additional \\$12 million — bringing their investment in racial justice to over \\$50 million — and 10,000 pro bono hours](#)⁴ to support organizations working on criminal justice reform and the fight for racial justice, taking action to expand quality data for a more equitable criminal justice system, working with the Equal Justice Initiative on providing legal assistance to individuals, and supporting community banks investing in Black-owned small businesses. Many of those pro bono hours went

towards a project in collaboration with the Center for Policing Equity, who were asking for help in analyzing police data to put smart solutions in place. What emerged was a data visualization tool called the [Justice Navigator](#)⁵ that could ultimately help communities and law enforcement monitor and redesign public safety.

Follow-ups mean follow through. There are so many promising starts and major commitments organizations have made on racial justice, but what’s missing is regular communication of progress towards those goals.

Reshape how you communicate

Don’t just communicate to your stakeholders that you’re committed to racial equity, communicate your goals, the exact way you’re trying to build a more just world for people from BIPOC communities, how your organization has contributed to the problem, and how you’ll know when you’re not contributing to it anymore. Tell your stakeholders the specifics of what a just world looks like, then build to it. For instance, since announcing their renewed commitment to racial equity and justice, Target — a NationSwell Institutional Member led by Tracey

Burton, Senior Director of Corporate Social Responsibility — has communicated that they’ve invested [\\$100 million into the Black community](#)⁶ through 2025, and that their Racial Equity Action and Change committee has worked through the year on a robust racial equity plan that includes nurturing and hiring Black talent and investing billions in Black owned businesses.

The W.K. Kellogg Foundation determined that the U.S. economy would be [\\$8 trillion larger](#)⁷ by 2050 if we eliminated racial disparities in employment, health, education, and incarceration — or equivalent gains to a .5 percent boost in GDP year-over-year. Those numbers are staggering in aggregate, but on an organizational level, they mean a renewed commitment to racial equity is good for business in every way. If you’re looking for buy-in, lead with that data: diverse teams perform better, have more revenue, higher valuation and exit faster; [countless studies show it](#)⁸.

Get fluent with the numbers

Learn all the statistics, studies, and reports that spell the business case for racial equity. Get internal buy-in with both the justice case and the business case.

Because racially diverse teams are key to equity, justice, and your bottom line, goaling around hiring and retaining employees from BIPOC communities

is of the utmost importance. Don’t just look at your organization’s total percentage of BIPOC — look at each team’s makeup, look at how much of non-management vs. middle management vs. executive team, look at what percentage of the employees you lose year-over-year are BIPOC.

Go deep with your audit

Look at everything from hiring, retention, and promotions of BIPOC employees at every level. Refer to the [JUST Capital Racial Equity Tracker](#)¹ as a model for what you might want to explore that you aren’t exploring already, and how your numbers compare to other industry leaders and practitioners in the space.

Many organizations conflate their racial equity strategy with racial equity results. An action is not an outcome. Hold yourself to the ambition of yielding results, rather than only on the new steps you’re taking.

Kick the tires on your targets

Look at the goals you’re setting and ask yourself, “Is this goal a specific, ambitious target — or is it just a commitment to act?” Starbucks, a NationSwell Institutional Member, performs comprehensive civil rights assessments of its organization — the [most recent](#)⁹ was in March 2021, conducted under the leadership of former Attorney General Eric Holder. Camille Hymes, V.P. for U.S. Community Impact at Starbucks, shared that this tool “has been essential in providing an honest assessment of our commitment to civil rights, highlighting where we’ve made progress and where we can do better.”

“

An action is not an outcome. Hold yourself to the ambition of yielding results, rather than only on the new steps you’re taking.



The challenges that remain

[Only 32%](#)¹ of America’s largest employers conducted a pay equity analysis of discrepancies between white and BIPOC employees. There’s real and significant exposure [here](#)¹⁰: in 2020, Jackson National Life Insurance paid \$20.5 million to settle a legal claim that they paid Black women less than their white men counterparts.

What to do

- ☐ **Avoid jargon wherever possible — always move to align around specifics**
- ☐ **Invite team members to collaborate on an open-sourced internal glossary**
- ☐ **Stop asking for pay history when bringing on a potential hire**

A CLICK DEEPER

Stop looking at pay history

Though a racial pay equity audit at your organization is a comprehensive and necessary course of action, one step you can take right now to close the racial pay gap is to stop asking for pay history when you are bringing on a potential hire. Pay history can be a result of other organizations’ systemic biases, and a way of relying on the blindspots of others to set BIPOC employees up for failure.

Organizations are being challenged to prove more than an episodic interest in racial justice. We pay attention to issues when something tragic happens, but marginalized communities suffer when that attention fades. Corporations can pledge action and commitment in the wake of these events, but they aren’t legally obligated to say whether or not they’ve actually met their pledges. How can we be more transparent as we move away from looking at issues in an episodic way — and towards a more tenacious and comprehensive commitment?

Stick to the schedule

Promise your stakeholders a regular schedule of communicating your progress and learnings

towards your goals. Hold yourself accountable to that schedule. If the schedule needs to shift, communicate that out as well. For example, in 2020, Bank of America, a NationSwell Institutional Member, made a commitment of \$1 billion over four years to fight racial inequity. But in 2021, [they announced](#)¹¹ that, based on what they learned as they surveyed the deep, structural inequities across our nation’s racial lines, they’d deepen their commitment to \$1.25 billion.

The racial justice and equity space is filled with academic language that can present a barrier of entry to those who desire change and accountability but lack the fluency with new or newly prevalent terminology.

Avoid jargon wherever possible

Always move to align around specifics. John Brothers, President of the T. Rowe Price Foundation and a NationSwell Institutional Member, cautions us to watch out for harmful “legalese” or empty language that could be unknowingly damaging to a group or community; just because we’ve “always” used those clauses in a contract’s Terms & Conditions doesn’t mean they’re the right clauses. As an example, a community might not

want to sign off on the rights to their words and images. Stacey Ullrich, Global Head of Social Responsibility at Under Armour — a NationSwell Institutional Member — suggests spending time upfront to define what words mean: “funder,” “capacity,” and even “partner” can have different connotations to different groups. Another leader in our community recommends having open and upfront conversations at the onset of a collaboration; having each side define what they hope to achieve out of the partnership confirms alignment of expectations and helps mitigate confusion and crossed wires. Be intentional about aligning around specific definitions and parameters, even if it’s uncomfortable at first.

Breaking down communication barriers is a huge step towards inclusion; and breaking them down together can deepen the bonds of connection across your organization. Invite members of your organization to Join in creating a glossary, raising their hands when they’re not familiar with a word or a phrase, or if they’ve heard it used multiple times in multiple different ways, and also what readings have helped them refine and advance their own personal thinking on racial justice. This will create a more inclusive approach to the necessary conversations about internal justice, invite more members of your team to feel like stakeholders regardless of their familiarity in the space, and lead to healthier and more productive discussions.

Make an all-hands resource

To help ensure inclusivity and alignment, create an open-source internal resource and encourage your team members, partners, and grantees to contribute to it. Praise them for their contributions and, should anyone go above and beyond in creating the resource, find a way to reward or compensate the effort. For an example, see NationSwell Institutional Member The Opportunity Network’s anti-racism resource [here](#)¹².



The “S” in ESG



“

You’re used to leading, but in some social good spaces, you should approach as one voice among many.

THE STATE OF PLAY

There is no real industry-wide consensus on what exactly constitutes the “S” in ESG. Of the three facets to ESG, the “S” is the most expansive, the hardest to define and elegantly measure, and the most challenging to report on. Yet, it’s a social and business imperative to get it right.

“A lack of consensus in the industry surrounding what constitutes the ‘S’ makes it harder to incorporate into investment strategies compared

to both the ‘E’ and ‘G,’” a recent report published by [BNP Paribas](#)¹³ said, “As such, it often acts as an interaction point between these two elements. The range of issues sitting under the ‘S’ umbrella, along with the qualitative nature of social metrics, further contributes to the difficulty of incorporating the ‘S’ into ESG analysis. A lack of social reporting from companies adds another layer of complexity.”

Executive takeaways

1. CEO activism is no longer optional. But the risk of exposure around authenticity is very real. You’re used to leading, but in some social good spaces, you should approach as one voice among many.
2. Purpose-oriented companies have higher productivity and growth rates, along with a more satisfied workforce who stay longer with them. Employees who are engaged through social impact show [21% greater profitability](#)¹⁴ to the business due to less turn over, higher retention, and more intentional engagement.
3. Communicating failures and shortcomings is as important, if not moreso, than communicating successes. This “net” approach provides credibility in the lasting nature of your social impact commitments.

THREE NUMBERS

98%

of investors evaluated companies' non-financial performance in 2020

6x

Consumers are 6x more likely to protect companies with a strong track record of acting with purpose

225

If satisfied employees are productive at an index of 100, **inspired employees**¹⁵ produce at an index of 225



THREE TRENDS

More organizational leaders are responding directly to the notion of regenerative capitalism¹⁶, a proposed refiguring of our socioeconomic systems based on sustainability principles and patterns that we see in nature.

As the measurements change, so does the strategy. Nonfinancial disclosures are of growing importance, and the cost of focusing on human capital is now an important consideration for the ESG-minded investor.

CEO activism is no longer optional. A majority of survey respondents said they expected CEOs to take the lead on driving social change. As a leader, your voice on social issues matters, and your investors, customer base, and your employees all demand that you address major societal problems.

What’s working best

When you lead with a purpose, your customers will follow. The vast majority of consumers say they will be more loyal to a company that leads with purpose, and are multiple times more likely to stick it out should that company find itself in hot water.

What to do

- ☐ Find partners to help you incorporate rigor and credibility into the work — you don’t have to do this alone
- ☐ Create honest touchpoints to remind the public about your commitment to social good through the power of storytelling
- ☐ Think beyond your company, and find the connection between your business objectives and your purpose

A CLICK DEEPER

Inspire your customers

An inspired customer is a loyal customer. Create meaningful and honest touchpoints to remind the public about your organization’s commitment to social good. We asked Caitlin Morris, VP of Social and Community Impact at Nike, a NationSwell Institutional Member, about the strategic actions they take to inform and mobilize public stakeholders about and around the scale of their impact. “Formally,” she shared, “we commit to an annual [Nike Impact Report](#)¹⁷, a public-facing online report detailing our commitments, targets and in-depth reviews of the work we are driving. We also focus on direct partnerships, working closely with other public stakeholders for true impact. Additional levers include direct communications with our external stakeholders on a regular basis, earned media opportunities, leveraging the extraordinary channels Nike owns across digital and social platforms, and providing toolkits and support to allow our partners to help tell their story.” This broad, community-focused strategy is working: Nike has consistently ranked among the top companies when it comes to brand loyalty.

There is no silver bullet in addressing the measurement challenges when it comes to the

“S” in ESG. But, understanding that leaders don’t have to do it alone and can benefit from a wide range of resources, partners and best practices, to help them incorporate rigor and credibility into measurement is key.

Leverage research

Maryanne Hancock, who leads ESG for the private equity firm Texas Pacific Group (including the firm’s impact investment firms) points to the power of leveraging research (academic, business, economic) both in approaching impact work and in identifying the right metrics and KPIs to measure. Researchers are very eager to test their work in business settings and may very well be willing to partner and provide direct engagement and support. If resources are available, bringing researchers into your organization who can both track the most current research and help translate the language used in sometimes academic papers can help you to yield the biggest benefit. Joey Bergstein, formerly CEO of Seventh Generation and now CEO of Sabra, shared that he’s found efficacy looking to leading NGOs to find the right way to goal and measure various facets of ESG. Bergstein also pointed to the power of creating comprehensive road maps for the goals that matter most. He starts with the desired end-state goal and then designs the road map to get there

— taking into account all the stakeholders who will need to be involved, the investments needed, and the key milestones that need to be hit in order to get to the end-state on time.

Whether it’s a comprehensive implementation of living wages throughout your supply chain or an ambitious commitment to exceed your industry’s DEIB benchmarks, the “S” needs specific definitions. It’s not enough to be better than nothing — it has to actually be good. As you’re strategizing, think about what an exciting headline in a national newspaper of a story written about your organization’s efforts would be. If you can’t think of one, odds are you’re thinking about a relative social good, rather than an actual one.

Envision your front page

If you’re not sure if your goaling is ambitious enough, write the headline of your own success stories based on those goals. If you can’t, aim higher or goal more clearly. Be bold about what’s possible and honest in your approach, and don’t let the enormity of what you’re trying to solve stop you from acting. Think beyond your company, and find the connection between your business objectives and your purpose. How can you connect people to a shared mission that is bigger than your company?

When a company leads with purpose, consumers and investors listen — and respond with their loyalty. Brands perceived as having a high positive impact on people’s lives have grown brand value 2.5 times more than brands with low perceived impact, according to the [2020 Kantar Purpose Study](#)¹⁸. According to the 2020 [Zeno Strength of](#)

[Purpose](#)¹⁹ study, global consumers are 4-6x more likely to trust, buy, champion and protect those companies with a strong purpose over those with a weaker one.

Human-centered storytelling for impact

Often a company’s impact narrative can be complex and hard for key stakeholders to internalize. But you can bring it to life through tangible examples that elicit an emotional connection from your audience. Salesforce has found that human-centered stories, such as [Trailblazers](#)²⁰ and [Ecopreneurs](#), resonate well and can make a multi-layered narrative more accessible. Sunya Norman, VP of ESG Strategy and Engagement at Salesforce, and a NationSwell Institutional Member, collaborates across the company to deliver a cohesive impact narrative. Norman recommends strategically releasing new content around tentpole moments throughout the year such as Earth Day and Veterans Day. These are times that audiences are primed and eager to engage with related content.

But it’s not just consumers — it’s employees, too. Purpose-oriented companies have higher productivity and growth rates, along with a more satisfied workforce who stay longer with them. According to [Forbes](#)¹⁴, employees & teams who are engaged through social impact and internal programming within organizations show 21% greater profitability to the business due to less turn over, higher retention, and more intentional engagement.

Inspire your workforce

An inspired worker is the most productive worker. Operationalize and systemize those moments of engagement, and create explicit manager tools and guidelines on how to create an environment of purpose. Consider re-examining your organization’s employee volunteering programs and initiatives, which are invitations to not only drive impact externally within communities, but internally within your organizations. These are opportunities to drive team connectivity and collaboration in an increasingly digital and virtual world. Sara Link, Director of Societal Impact at Verizon, a NationSwell Institutional Member, was responsible for building out the company’s new Citizen Verizon Volunteers portal and set a goal of achieving 2.5 million hours by 2025. In December 2021, two years into the launch of the program, Verizon “VTeamers” have completed 1,000,000 volunteer hours. How did Verizon inspire their workforce to get so engaged? Instead of a “one size fits all” approach, they leveraged the treetops in tandem with grassroots. Top-down messaging matters; C-level commitments drive progress and set the tone. Volunteering and employee engagement are of personal importance to Verizon’s CEO, Hans Vestburg, who devoted an hour of an executive team offsite to sharing why engaged employees are productive employees,

and explaining the importance of getting teams to use the new volunteering platform — as well as how it all ties back to corporate purpose. That being said, it is also important to allow employees to find their own passions within the overall strategy. Verizon achieves this through the Global Champion program, which allows leaders on the management committee to nominate Champions throughout the organization to lead volunteer opportunities within their regions. The Champions also have the ability to nominate organizations that fit within the overall volunteerism strategy, allowing for a nuanced approach to volunteerism and engagement.

Although being a first mover on key facets of ESG takes bravery, the market shows that risks are often rewarded with capital flow and that the distance between early adopters and laggards can widen. Leaders who go beyond the expectations ultimately raise the bar for everyone else. Data allows them to keep learning, iterating, and producing more transparency. With learning and transparency, impact starts to become financially material; they affect risk and return — creating a more virtuous cycle where more and more people start to care about these issues.

“

Although being a first mover on key facets of ESG takes bravery, the market shows that risks are often rewarded with capital flow and that the distance between early adopters and laggards can widen.

Connect across companies

Build [deeper bonds](#)²¹ with peer leaders at other organizations. Find data-driven ways to communicate with them on a regular basis about your progress towards your goals, how you're going above and beyond, and how they can learn and refine what they're doing from your glows and grows. Beware of being data driven with no destination. Ensuring that you are clear about what the social impact destination allows the data to be part of the journey vs. the only measurement that matters.

When debating whether to share some information around human capital management, it's often better to err on the side of transparency: the issues tend to get out anyway so best to be in control of the narrative and with a plan of action. There's always a risk of exposure — for instance, revealing a trade secret — but the pros of transparency far outweigh the cons.

A policy for transparency

Implement a robust policy around stakeholder transparency. Be clear about the specific types of events — internal and external — that might trigger a moment of communication, the specific groups of stakeholders to whom you communicate in those moments, and what gets included within each moment of communication. That way you're not deciding “should we?” from the ground-up each time — everyone will have their action items.



The challenges that remain

ESG is an evolving field, and where there are shifts there can often be a lack of rigor. That might be part of why ESG has skeptics warning of what they view as the perils and pitfalls of the field if it continues at pace. In his essay, “The Secret Diary of a ‘Sustainable Investor,’” Tariq Fancy, ex-CIO for Sustainable Investing at BlackRock, [warns](#)²² that sustainable investing “is a dangerous placebo that harms the public interest,” and likens it to “answering inconvenient truths with convenient fantasies.”

What to do

- ☐ Kick your own tires to test and refine your strategy to address your weak spots
- ☐ Use your platform to raise awareness on key issues where you have an honest track record for success
- ☐ Call out specific and attainable milestones when mapping out your overall vision

A CLICK DEEPER

Get clear-eyed with consequences

Knowing what we do about public backlash in the social media era, it’s always important to kick your own tires. Ask yourself, “Could a reasonable person accuse me of taking these steps for the wrong reasons?”, “Might this sound like spin?”, “Are we only revealing what’s best and shrinking from conveying a balanced and honest picture of where we are on our ESG journey?” If your answer is anything less than an emphatic “no!”, refine your strategy or your positioning to address what you perceive as the possibility of exposure. Invest in having subject matter experts on call.

While there’s real demand for [CEO activism](#)²³, the risk of exposure around authenticity is very real. You’re used to leading, but in some social good spaces, you should approach as one voice among many. The ones where you can lead are the fields where you can draw from your track record, your lived experience and/or your expertise to develop an authentic, credible stance. Your primary focus should be on areas where you have earned, and will continue to earn, the right to lead. This is a space where the best practitioners are the ones who know how to lead without ego.

Know when to lead — and when not to

Determine opportunities to lead others: Use your platform to raise awareness on key issues where you have a track record for success; leverage your economic power to affect and change policy. For example, for more than ten years, Verizon has been at the top of the field when it comes to speaking on the issue of digital inclusion. Rose Stuckey Kirk, Chief Corporate Social Responsibility Officer, leads important work that her peers on the Public Policy team — and the CEO — have leveraged in front of the United States Congress and the Federal Communications Commission. While many organizations shy away from engaging in public policy efforts, Kirk and her colleagues leaned in: they were able to engage in an honest and confident manner because this issue, digital inclusion, is one on which they have the research and leadership to navigate the thicket of government in order to drive impact. Even with that credibility, they know they can’t do it alone, and are joining forces with industry and government partners to accelerate connectivity and access to digital technologies across the globe. It’s important to identify opportunities where you can learn from the best, standing shoulder-to-shoulder with other leaders when they have a stronger track record of service around a key issue.

Human behavior asks for immediate gratification, so we often focus on intention and action rather than the difficult work of long-term goaling and sticking to a strategy even as it yields no immediately or easily discernible results month to month, quarter to quarter. Driving real outcomes around ambitious goals will take a long time, and the feedback structure can be painful; it's important for leaders to be clear-eyed about what part of that pain is a feature, and what part of that pain is actually a bug.

Stay in it

When you're embarking on a new strategic action towards a new goal, ask yourself, "How can I keep myself in this? What would disincentivize my long term investment here? How can I maintain this commitment without pivoting resources towards next year's big topic?" and plan accordingly. When mapping out your overall vision, add a time horizon and then call out specific and attainable milestones. Make your case with data as you progress toward your goals. Where possible, build in moments of celebration along the way.

“

Identify opportunities where you can learn from the best, standing shoulder-to-shoulder with other leaders when they have a stronger track record of service around a key issue.

Community-centered philanthropy



“

We must start thinking about communities as the drivers of impact, rather than as solely the beneficiaries of it.

THE STATE OF PLAY

Spurred by stakeholders' newly impassioned demand for equity, justice, and change, we now find ourselves at the precipice of a new era of philanthropy. But to fully harness the potential and possibility of this moment in our evolution, the philanthropic sector must acknowledge that the inequities of its past are inextricable from the inefficiencies of its systems — systems that, by and large, eschewed voices from the communities that philanthropy purports to serve.

Philanthropies achieve their biggest impact when they act as the intermediary that can help empower local communities towards their own self-determination.

In order to make good on the promise of this new era, leaders behind philanthropic efforts and at the top of philanthropic organizations must place the communities they serve at the very center of every aspect of their work.

Executive takeaways

1. Local communities must play a central role in leading towards their own self-determination. The people who are closest to the problem are closest to the solution. We must start thinking about communities as the drivers of impact, rather than thinking about them as solely the beneficiaries of it.
2. Too much of how we think about impact focuses on creating something new and celebrating its success. Leaders in philanthropy must move towards identifying community assets that already exist and making them even better.
3. One major hurdle keeping us from centering communities: the bureaucracy around reporting. To put community first, and to ensure marginalized voices can actually come to the table, cut the red tape.

THREE NUMBERS

14%

of foundations [give both](#)²⁴
general operating support
and capacity building
grants

30pts

The increase in [COVID-19](#)
[related funding](#)²⁵ for
BIPOC organizations
from H1 2020 to H2 2020

54%

The percentage of total
awards from community
foundations — the most of
any grantmaker type



THREE TRENDS

Philanthropy has to change their criteria: donors say they want to fund organizations that have systems in place to measure impact; but research shows that People of Color (POC)-led organizations are not given the general operating support they need to put these processes in place.

Organizational leaders are finding that getting rid of bureaucracy is key to reducing barriers to diversity in philanthropy.

Local communities need to be empowered to lead towards their own self-determination. We must be their co-collaborators and thought partners rather than solely instructing them about what the best solutions are.

What’s working best

The people who are closest to the problem are closest to the solution. We must start thinking about communities as the drivers of impact, rather than thinking about them as solely the beneficiaries of it. Therefore, don’t start in your organization’s boardroom: Start with those people, the businesses, and the organizations in that place and space. Have open sessions. Look for place-based allies with common goals, with specific gifts that only they can bring. Look at mission, vision, how you can fit in, how you can work together and how to lay this out properly.

What to do

- ☐ **Find ways to bring the communities you’re serving into your organization to help you strategize, and compensate accordingly**
- ☐ **Embrace entrepreneurial modesty: The best ideas will come from a synthesis of yours and the community’s experience**
- ☐ **Invest in grassroots leaders lifting up solutions and meet them there**

A CLICK DEEPER

Bring them in early

Find meaningful and specific ways to bring the communities you’re serving into your organization to help you strategize, and compensate accordingly. For example, in 2021, NationSwell partnered with our Institutional Members at American Family Insurance’s Institute of Corporate and Social Impact to set up Youth Climate Collaboratives, a 12-month long, deep empathy research project to learn from Youth and Young Climate Advocates (YCAAs), to inform the future of AmFam’s work in climate justice. Together, we thoughtfully and intentionally designed the experience to support and empower YCAAs in their activism and inform strategies for how the Institute can better work with young people.

All communities have good things; things they’re proud of; things they love. Identify a community’s specific assets — its local leaders, its places of gathering, its institutional pillars — and build from there, rather than coming in and immediately piloting new things based on your own values. This might require a shift in strategy away from piloting and towards a new kind of research and identification — embrace those shifts.

Don’t start from zero

No one wants to be referred to as a “need” to be solved — they want to be viewed for what they’re good at. Shifting to an asset-based mindset builds community trust. Embrace entrepreneurial modesty, and trust that the best ideas will come from a synthesis of your expertise with the community’s experience.

Organizational hierarchy doesn’t translate well to place-based philanthropy; embrace lateral structures that emphasize cooperation, rather than competition. Emphasize that everyone has a level voice and equal opportunity, and lead gracefully by practicing that. Caitlin Morris of Nike says, “Stay focused and flexible. We’ve pivoted and refined our approach to strategy when needed and are placing a higher premium on trust-based philanthropy, aligning to values and goals of the organizations we’re supporting and allowing them the space to drive impact where they may need it most. This was critical during the pandemic and continues to be important as we begin to emerge from it.”

Shake off hierarchy

Don't consider the people you're helping accountable to you, even as structures of funding might necessitate that paradigm. "Strategic philanthropy" was (and is) a harmful trend because it treated nonprofits and communities like businesses, and introduced business concepts like "scale" — which are important, but mis-applied can also do harm— into the space. Rather than exacerbating these power dynamics, see yourself as a co-partner with communities.

Getting rid of bureaucracy — the "whitesplaining" of how resources should be used — is key to reducing barriers to diversity in philanthropy. One key way Jonathan Jayes-Green, Vice President of Programs at the Marguerite Casey Foundation and a NationSwell Institutional Member, helps to encourage their foundation — and by extension,

their field — to operate: funding leaders in traditionally underfunded fields with life-changing, "no-strings-attached" grants. Such was the case with the Foundation's Freedom Scholars, twelve experts who received \$250,000 to pursue radical, paradigm-shifting ideas.

Scissors and rulers

Don't just cut the red tape of grantee reporting because it's becoming more and more popular: Measure what happens as a result of cutting that red tape. Do you increase internal efficiencies? Do your grantees hit goalposts more quickly? Does their relationship with your organization deepen? This can reinforce your organization's commitments to these practices and also provide guideposts for others in the field.

Strong coordination between grassroots and treetops will lead to sustainable success. We know that our biggest opportunities are in local communities. We have to invest in grassroots leaders lifting up solutions and meet them there,

rather than force them to be something else. You benefit from their authority. The unspoken value of coming from — and living in — a community will not only contribute to the success of your shared project, it will help to identify and potentially mitigate any local issues or flags.

Find. Nurture. Support.

If you really believe in these places, then you as an organizational leader must invest in finding, nurturing, and supporting leadership that actually comes from these places. As Camille Hymes of Starbucks, told us: "We ground all of our work in partner (employee) and community listening. We also gather inputs from our nonprofit partners to help us ensure we are addressing the largest community needs. We know that our partners work and live in the communities we serve. So we listen to what they tell us about how they are engaging and what they care to support. When a

partner volunteers to support an organization or nominates an organization, that gives us valuable data to know what issues are relevant at the local level... [helping us] make more informed decisions, [such as] where we open our Community Stores."

The diversity of large organizations' workforces — racial, spiritual, geographic, socioeconomic, and beyond — can be one of their greatest assets.

Start with your team

Find members of your workforce with connections to the communities you're working to impact and empower. Ask for their help. Compensate them accordingly. The Opportunity Network, headed by AiLun Ku, pays its students for all the work they ask of them.

“

We must start thinking about communities as the drivers of impact, rather than thinking about them as solely the beneficiaries of it.



The challenges that remain

Data can be extremely powerful — it is an asset and a barrier, a community and an organizational bargaining chip. If you’re asking communities to give you their data, don’t just assume they understand that you’re trying to help them. Data is power, and in this exchange, you are often asking marginalized people to cede the power that they have to you.

What to do

- ☐ **If you’re asking communities to give you their data, don’t just assume they understand that you’re trying to help them**
- ☐ **Reflect on the ways community inputs diverge from your organization’s hypotheses and propositions — and why**
- ☐ **Recognize the harm that can be caused while looking to drive scale, and instead lean into consent and empowerment**

A CLICK DEEPER

Think of data as owned by the communities you’re serving

Vilas Dhar, President of the Patrick J. McGovern Foundation (PJMF) — a NationSwell Institutional Member — writes, “Every day, most of us are generating a vast amount of data that is being collected, stored, and used without our consent or knowledge. We need to give individuals and communities agency over their data by building structures for data privacy that allow people to choose how their data are used and to participate in the economic opportunities created by and from that use.” In interactions, get specific about what the data will be used for, and the opportunities it might unlock for the community. Make commitments to regularly communicate with stakeholders. And if it comes to it, be ready to take no for an answer.

According to the [Center for Effective Philanthropy](#)²², 82% of nonprofit leaders receiving both capacity-building support and a multiyear general operating support grant found it very or extremely helpful. However, only 14% of foundations provide both forms of support to the majority of grantees.

Stick around for the long haul

If general operating support tends to get allocated to the needs of specific programs, help your grantees provide additional dedicated support for the long-term health of their organizations. Hold space for them to tell you the best ways you can support them.

While communities are often seen as key stakeholders in designing social impact strategies, often they are invited into the process after it has already begun. Implementing long-lasting sustainable change requires us to think differently about the role of communities, not as beneficiaries but as drivers of impact. As Vilas Dhar of PJMF puts it, “We know that technology will only benefit everyone when communities are equipped to use these tools to solve local problems. It’s not enough to just have access to products — communities must be the co-creators, designers and implementers of their own technology solutions. We leverage a broad range of philanthropic approaches — from direct technical support to capacity building grants to convening stakeholders across sectors — to center community in all we do.”

Center the people you're supporting

Invite the people you're helping into the decision making process as early as possible; also, think about the ways their guidance aligns with your organization, but more importantly, reflect on the ways their guidances and inputs diverge from your organization's hypotheses and propositions — and why that might be.

Despite the best intentions, philanthropy can often cause damage to communities, particularly when trying to drive scale. It's important to recognize the harm that can be caused while looking to drive scale, and instead lean into consent and empowerment. Because we think about national funding as the deepest pocket in the world, we often conclude that national initiatives with national dollars are the most effective drivers of change. But on the local level, this money can actually wreak havoc.

Earn trust over time

Don't interpret local leaders as territorial; rather, acknowledge that they have been closest to the negative repercussions of quick hit national involvement, and earn their trust accordingly.



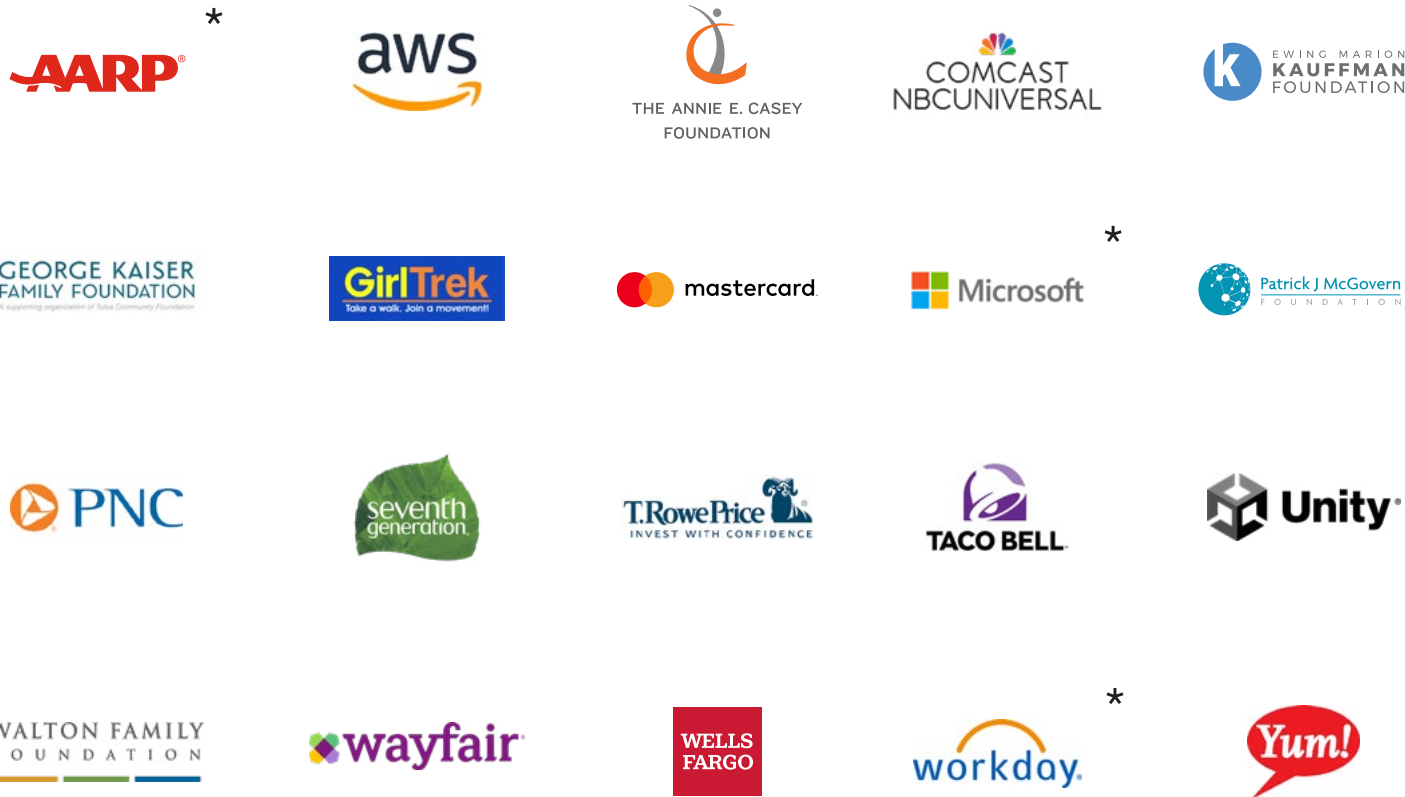
Looking ahead to 2022

This Insights Brief would not be possible without all of you: the incredible leaders and practitioners in the NationSwell community. You shared your needs and burning questions, your goals and aspirations with us, and we combed through hundreds of hours of event recaps, revisited countless emails and notes from our calls and touchpoints with you, and delved into some research and benchmarking to surface insights and practices that we hope you have found valuable. To help us align our future research publications with your goals, needs, and preferences, please take 5 minutes to fill out [NationSwell’s 2022 Research Agenda Survey](#) before it closes on February 28, 2022.

This amazing community is just getting started. We are deeply grateful for your leadership, your partnership — and for the chance to support you and to share in the important work ahead. We are looking forward to helping you to take your leadership and impact to new heights in 2022!



On that note, we’d like to extend a warm welcome to our newest Institutional Members — the class of 2022 — and our partners who have deepened their relationship with NationSwell through participation in Collaboratives.



* Companies with an asterisk denote NationSwell partners who are both Institutional Members and helping to spearhead and lead a Collaborative. NationSwell Collaboratives build cross-sector coalitions of leaders and experts to propel progress around an important social, economic, or environmental issue such as climate justice and the future of work. Building on the success and impact of 2020’s [award-winning](#) and [well-covered](#) Built it Back Better campaign, Collaboratives are designed to bring diverse and extraordinary leaders together to drive tangible impact around an issue that matters deeply to them. To learn more, reach out to [our team](#).

Source references

1. "The Corporate Racial Equity Tracker." JUST Capital, 2021, justcapital.com/reports/corporate-racial-equity-tracker.
2. Sternlicht, Alexandra. "'We Must Do More'—What CEOs Like Tim Cook, Jamie Dimon, Larry Fink Say About Racial Inequality Protests." Forbes, 2 June 2020, www.forbes.com/sites/alexandrasternlicht/2020/06/01/we-must-do-more-what-ceos-like-tim-cook-jamie-dimon-larry-fink-say-about-racial-inequality-protests/?sh=24f53f185bc0.
3. Adia Colar, and Anna Koob. "Are Corporations Making Good on Their Racial Equity Pledges?" Candid Blog, 2021, blog.candid.org/post/are-corporations-making-good-on-their-racial-equity-pledges.
4. Google.org. "Our Commitment to Racial Justice." Google.Org, 2020, www.google.org/racial-justice.
5. Center for Policing Equity. What We Do: Justice Navigator, 2021 <https://www.policingequity.org/what-we-do/justice-navigator>.
6. "Inside Target's \$100 Million Investment in Black Communities, Our Latest Effort in Our Commitment to Advancing Racial Equity." Target Corporate, 2021, corporate.target.com/article/2021/10/reach-pensole.
7. "Business Case for Racial Equity." W.K. Kellogg Foundation, 2018, www.wkkf.org/resource-directory/resources/2018/07/business-case-for-racial-equity.
8. Alexander, Moira. "5 Ways Diversity and Inclusion Help Teams Perform Better." CIO, 3 Sept. 2021, www.cio.com/article/3632168/5-ways-diversity-and-inclusion-help-teams-perform-better.html#:~:text=With%20diversity%20comes%20multiple%20perspectives,better%20decisions%20based%20on%20facts.
9. "Starbucks." Starbucks' Third Civil Rights Assessment, 2021, stories.starbucks.com/press/2021/our-third-civil-rights-assessment.
10. Tucker, Michael. "How to Ensure Pay Equity for People of Color." SHRM, 11 Mar. 2021, www.shrm.org/hr-today/news/hr-magazine/spring2021/pages/pay-equity-for-people-of-color.aspx.
11. Bank of America. "Bank of America Increases Commitment to Advance Racial Equality." 2021 <https://newsroom.bankofamerica.com/content/newsroom/press-releases/2021/03/bank-of-america-increases-commitment-to-advance-racial-equality-.html>
12. The Opportunity Network. "Anti-Racism Resources & Tools." Opporrtunity Network, 2020, opportunitynetwork.org/antiracismtools.
13. Beheshti, Naz. "10 Timely Statistics About The Connection Between Employee Engagement And Wellness." Forbes, 27 Sept. 2019, www.forbes.com/sites/nazbeheshti/2019/01/16/10-timely-statistics-about-the-connection-between-employee-engagement-and-wellness/?sh=7a9baf2522a0.
14. BNP Paribas. "The ESG Global Survey" 2019. <https://securities.cib.bnpparibas/app/uploads/sites/3/2021/03/ss-brochure-esg-global-survey-2019.pdf>
15. Fullerton, John. "Regenerative Capitalism: How Universal Principles and Patterns Will Shape Our New Economy." Capital Institute, 2015. <https://capitalinstitute.org/wp-content/uploads/2015/04/2015-Regenerative-Capitalism-4-20-15-final.pdf>
16. "Engaging Your Employees Is Good, but Don't Stop There." Harvard Business Review, 25 Oct. 2017, hbr.org/2015/12/engaging-your-employees-is-good-but-dont-stop-there.
17. Nike Impact Report TO ADD!!! <https://purpose.nike.com/fy20-nike-impact-report>
18. "Igniting Purpose-Led Growth: Purpose 2020." Kantar, June, 2019. <https://consulting.kantar.com/wp-content/uploads/2019/06/Purpose-2020-PDF-Presentation.pdf>
19. "Unveiling The 2020 Zeno Strength of Purpose Study." Zeno, 17 June 2020, www.zenogroup.com/insights/2020-zeno-strength-purpose.

20. "Meet the Trailblazers." Salesforce Trailhead, 2020, trailhead.salesforce.com/trailblazers.
21. NationSwell: A diverse community of leaders on the vanguard of change. <https://nationswell.com/community/#institutional-memberships>
22. Fancy, Tariq. "The Secret Diary of a 'Sustainable Investor' — Part 1." Medium, 8 Nov. 2021, medium.com/@sosofancy/the-secret-diary-of-a-sustainable-investor-part-1-70b6987fa139.
23. "The New CEO Activists." Harvard Business Review, 1 Dec. 2020, hbr.org/2018/01/the-new-ceo-activists.
24. Orensten, Naomi. "Strengthening Nonprofits: The Value of Complementing Multiyear GOS Grants with Capacity Building Supports." The Center for Effective Philanthropy, 12 Oct. 2021, cep.org/strengthening-nonprofits-the-value-of-complementing-multiyear-gos-grants-with-capacity-building-supports.
25. "New Report Finds That More Than \$20 Billion Went to COVID-19 Philanthropy in 2020." Candid, 2021, candid.org/about/press-room/releases/new-report-finds-that-more-than-20-billion-went-to-covid-19-philanthropy-in-2020.

LEGAL CAVEAT

NationSwell has made efforts to verify the accuracy of the information it provides to members. However, this report relies on data obtained from many sources and NationSwell cannot guarantee the complete accuracy of the information provided or any analysis based thereon. Content found in this report is not intended to serve as or shall be deemed individual investment, legal, tax, accounting, or other regulated advice. Members should not rely on any legal commentary in this report as a basis for action, or assume that any tactics described herein would be permitted by applicable law or appropriate for a given member's situation. Members are advised to consult with appropriate professionals concerning legal, medical, tax, or accounting issues, before implementing any of these tactics. Neither NationSwell nor its officers, directors, trustees, employees, and agents shall be liable for any indirect, incidental, consequential, or punitive damages or losses for lost revenue or profits, whether or not advised of the possibility of such damages or loss and regardless of the theory of liability.

"NationSwell" is a registered trademark. Members are not permitted to use this or any other trademark, product name, service name, trade name, and logo of NationSwell without prior written consent. All other trademarks, product names, service names, trade names, and logos used within these pages are the property of their respective holders. Use of other company trademarks, product names, service names, trade names, and logos or images of the same does not necessarily constitute (a) an endorsement by such company of NationSwell and its products and services, or (b) an endorsement of the company or its products or services by NationSwell.

NationSwell has prepared this report for the exclusive use of its members. Each member acknowledges and agrees that this report and the information contained herein (collectively, the "Report") are confidential and proprietary to NationSwell. By accepting delivery of this Report, each member agrees to abide by the terms as stated herein, including the following:

Each member shall not sell, use, copy, reproduce, modify, display, perform, sublicense, or distribute this Report, in part or in whole (except as detailed below). Members shall not disseminate or permit the use of, and shall take reasonable precautions to prevent such dissemination or use of, this Report by (a) any of its employees and agents (except as stated below), or (b) any third party.

Each member may make this Report available solely to those of its employees and agents who (a) are registered for the workshop or membership program of which this Report is a part, (b) require access to this Report in order to learn from the information described herein, and (c) agree not to disclose this Report to other employees or agents or any third party. Each member shall use, and shall ensure that its employees and agents use, this Report for its internal use only. Each member may make a limited number of copies, solely as adequate for use by its employees and agents in accordance with the terms herein.

Each member shall not remove confidential markings, copyright notices, and/or other similar indicia from this Report.

Each member is responsible for any breach of its obligations as stated herein by any of its employees or agents.

If a member is unwilling to abide by any of the foregoing obligations, then such member shall promptly return this Report and all copies thereof to NationSwell.

These Terms are governed by the laws of the State of New York without reference to the principles of conflicts of laws thereof.



We'd love your feedback!

As always, everything we do is with you and for you. We'd love your feedback!

Please reach out to faustynahariasz@nationswell.com on the Institutional Membership team with your thoughts, builds, and ideas for this coming year. Let's keep pushing forward together.