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FIXES

A Call to Modernize American Philanthropy

The giving practices of rich magnates and foundations still suggest a colonial mind-set, the author of a new book argues, as he offers ideas for change.

By David Bornstein

Mr. Bornstein is the author of "How to Change the World."

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When America's philanthropic and social sector were developed early in the 20th century, the design resembled elements of colonial social architecture: bureaucracy, competition, specialization and consolidation of power and resources, Edgar Villanueva writes in his new book, "Decolonizing Wealth: Indigenous Wisdom to Heal Divides and Restore Balance."

Mr. Villanueva, who has held leadership positions in philanthropy, and is an enrolled member of the Lumbee Tribe of North Carolina, argues that philanthropy in the United States continues to transmit a "colonizing virus" by remaining "top-down, closed-door and expert-driven."

"Writing this book, I started from a place of pain," Mr. Villanueva said. "I was angry. But there's plenty of books that criticize. What would I do differently? I felt like I had to push through to a place where I'm offering a different way of thinking."

I sat down with Mr. Villanueva recently to discuss his book — a compassionate call for change and healing. Our conversation has been edited for length and

clarity.

DAVID BORNSTEIN: What's the main idea in "Decolonizing Wealth"?

EDGAR VILLANUEVA: Our history of colonization has been about dividing, conquering and exploiting people. The mind-set has permeated our policies and systems. It's the idea that certain groups of people are better than others. For me, the essence of decolonizing wealth is about closing the race-wealth gap. If you are working in finance or philanthropy, and your job is to move capital, you've got to be aware of the history. If we care about affordable housing, health care, education, whatever, we have to apply a lens of race to understand how to be strategic about how we deploy resources. If we do not put race at the center, we're not going to get solutions that work for all people.

D.B.: How does this critique apply to philanthropy?

E.V. There are great things that philanthropy does. But 95 percent of the money in foundations is not actually given away as grants. Rather, these endowments are invested on Wall Street in order to accumulate more wealth. For private foundations, only 5 percent of the wealth is given away each year on average, and of that 5 percent, only about 7 or 8 percent goes to communities of color. When Congress enacted the 5 percent distribution rule, it was intended to be a minimum; however, it has become the default yearly payout for most foundations.

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D.B.: Why does so little go to communities of color?

E.V.: Many reasons. One is leadership. When you look at the governance and staffing of foundations, it's anywhere from 85 to 90 percent white. There's a

direct correlation between the lived experience of the people in decision-making seats and where the money goes. And there's a white dominant mind-set inside the field in terms of who we lift up as experts, who we see as credible, and who we think of as having capacity.

D.B.: What are some barriers that make it difficult for communities of color to benefit from philanthropy?

E.V.: If you're a small organization and you don't have the network or resources to hire a great development director or put out nice communications, people make assumptions that you don't have capacity. Why can't we just sit and talk with people and hear about their work? I get calls all the time from funders — and I'm thankful for this — who are interested in funding Native communities. "Please send us every book." They have to become an expert on Native communities before they'll consider writing a check — and they want to do it by reading.

The best thing you can do is go and sit in a community. Participate in a feast day. If you feel a tug of the heart that there's something special there, fund it. By funding, you're opening yourself up to receive, so it becomes reciprocal. I say this as a critique. But it's more of a sadness for me that we're not opening our hearts and minds to receive and learn and be in relationship with communities.

Funding rules are also often decided without an analysis of race and place. I was working in a foundation that decided only to fund organizations with a budget of $500,000 or more. In foundations' defense, they often have small staffs and processes exist to be able to move money quickly, but sometimes the rules end up pushing people out instead of letting people in.

D.B.: You write that people of color who work in philanthropy often hold back authentic expressions of themselves. What have you seen?

E.V.: You know the movie "Titanic," when Jack, the poor guy, falls in love with

the rich girl, and she brings him upstairs to dinner. That's kind of how it feels. Folks are looking at you like, "How did you get in here?" And there's a culture of assimilation. I worked at the Kate B. Reynolds Charitable Trust, in North Carolina, which had an explicit mission of helping low-income communities. I was told early on that I needed to dress and conduct myself in a certain way. And they implied that I needed to get rid of my Honda Civic. What was so crazy was that the foundation had a bank of cars — so I wasn't even driving my car for foundation business.

In philanthropy, everyone's kind of looking at diversity, but we're still behind the curve. The culture is so mainstream white dominated that it's hard for people of color to be successful. I've heard stories: black women asked not to wear their hair a certain way, a Native woman who was asked not to wear Native jewelry to work because it made other people uncomfortable. For me, I've been sort of accused: "Which side are you on? Do you work here or do you work for the community?"

D.B.: You argue that this diminishes the effectiveness of philanthropy.

E.V.: Yes, because it leads to a lack of proximity and understanding. I come from a lower-income community of color. When I worked at Kate B. Reynolds, I drove through rural counties in eastern North Carolina and found people doing work out of their churches and homes — amazing, innovative work that was not funded by philanthropy or connected to a mainstream nonprofit. By not investing more in communities of color, philanthropy, venture capital, impact investing and finance are missing out on rich opportunities to learn about solutions.

D.B.: You have a lovely phrase in the book: "listening in color." Can you elaborate on it?

E.V.: The No. 1 thing that nonprofits have said to me over the past 14 years when I asked them, "What do you wish funders would do more?" is just listen. How is

it that we have all this wealth and our job is to make smart investments with it, and we're going to communities and not listening more than we're talking? I think it goes back to this notion of a white dominant culture. When you hold power, the disposition often is one of: "I have an Ivy League degree. I know the answer." So listening in color is about opening your heart and mind to a different outcome. It's putting aside your judgments and conclusions, and putting yourself in the other person's shoes and trying to understand the world through their lived experience, and just trusting the wisdom that you're receiving.

D.B.: What conversations do you hope this book prompts in philanthropy?

E.V.: There are three questions that I want funders to ask themselves.

One: Where did this money come from? We're operating in the charity space and it feels pure. But we need to know the history and the role that people of color played in helping to amass the wealth. Then we'll feel more compelled to give some back to those communities.

Second: Who gets to allocate, manage and spend it? Who are the gatekeepers to the wealth? That representation matters.

Third: Look at your giving, look at the data. If we are a funder that is only supporting organizations led by white people and pursuing mainstream ways of doing change, then we should ask: How can we rise above the processes we've created to reach folks who may have different solutions?

D.B.: You write about the need for repair. What would you like to see?

E.V.: Investing in efforts that close the race-wealth gap.

We're never going to get there only moving 5 percent of foundation assets, and then of that amount, investing only 7 or 8 percent in communities of color.

When you look at how foundations manage the assets on the 95 percent side,

most invest in extractive industries that hurt the land and the people. That's something most people don't know about. One foundation I know of gave a significant amount of money to groups opposing an oil pipeline in Standing Rock — but refused to have a conversation about their investments in the oil company. So philanthropy is doing good with its left hand and bad with its right hand — and the right hand has a lot more money. Investments can be used to repair and build wealth in communities of color and facilitate healing.

Coming from a Southern faith tradition, I was taught to pay tithes. Ever since I had a job when I was 14, I've given away at least 10 percent of my income. I was taught that the money belongs to God and I was fortunate to keep 90 percent. I think everyone should consider giving 10 percent of their income to support causes they care about. And one way to begin to chip away at the race-wealth gap would be for foundations to take 10 percent of their assets and invest them in communities of color.

D.B.: The solutions you offer in the book are grounded in caring and respect. Can you speak about the importance of apologies?

E.V.: In every dignified society, when someone does something wrong, he apologizes. In the United States, there's never been an apology by the government for what happened to indigenous folks here. Ninety percent of our population was killed through genocide.

In my book, I talk about a woman named Hilary who wrote a letter of apology to me. She's a white woman and her family had a foundation and she started looking into her ancestry. She realized that her family had owned slaves in North Carolina adjacent to the town where my tribe, the Lumbee, is situated. In understanding that, she went through a process of grieving and soul-searching. She wrote letters of apology to a number of people of color. After we got connected she wrote one to me.

When I read her letter — I carry it with me — I broke down and cried. It was beautiful to me that this person was taking ownership of years of things that happened against my community, and it made me love her. And it wasn't her fault; she was just born into that family. But her acknowledging that she now has this wealth and privilege and that it came about by some wrongdoing — that created a deep relationship between the two of us.

We can't undo colonization, but to acknowledge it is a major step. That's what many folks are fighting for. Because we're still colonizing. We're still putting children in cages. People are not aware of our history and there's not been enough grief about it. We're in a vicious cycle of continuing to dehumanize folks. And an apology is a way of centering yourself in your own humanity.

David Bornstein is the author of "How to Change the World," which has been published in 20 languages, and "The Price of a Dream: The Story of the Grameen Bank," and is a co-author of "Social Entrepreneurship: What Everyone Needs to Know."

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