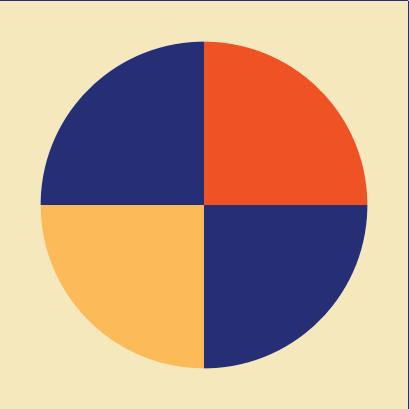
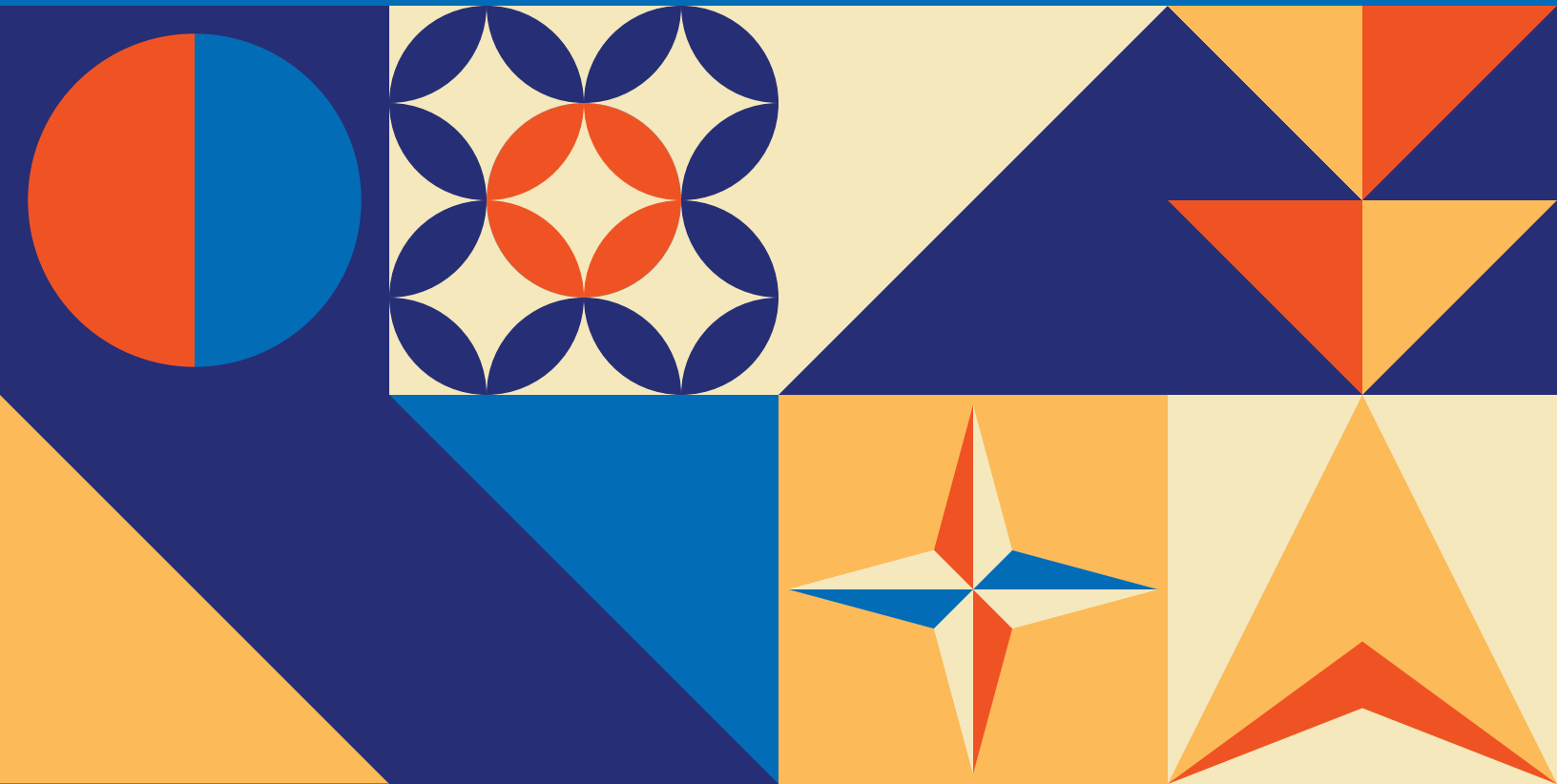




San Antonio Area Foundation

Case Study | July 2023



CFLeads

Community Foundations
Leading Change

**PUBLIC
EQUITY
GROUP**



The San Antonio Area Foundation, fueled by disparities across its service area and the largest donation ever made to a community foundation in 2015, used the opportunity to address equity issues unique to its community. The Area Foundation's focus on equity resulted in a shift in grantmaking principles and a sea change in board members' willingness to confront equity within and outside of the Foundation.



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Introduction

The dynamics of San Antonio, Texas, one of the fastest-growing cities in the country, with one of the highest percentages of Latino residents outside of Puerto Rico, have led to unique opportunities and challenges for the San Antonio Area Foundation. Particularly after its own exponential growth in the mid-2010s, the Area Foundation took time to address racial equity issues with its board members, and how to change its grantmaking structure and strategy so that the people and communities that needed it most could benefit from the Foundation's support.

The San Antonio Area Foundation began in 1964 through a \$100,000 honorarium gift from Manny Goldsmith.¹ The Foundation continued to grow through the next 50 years, but the major financial turning point came in 2015, when real estate and cinema magnate John L. Santikos left most of his estate, valued at \$605 million, to the Area Foundation, transforming it into one of the largest community foundations in the country.² By 2021, the San Antonio Area Foundation had \$1.1 billion in total assets, distributed 1,375 nonprofit grants for a total of \$48.4 million in grantmaking, and provided \$5.1 million in scholarships for graduating high school and current college students from over 100 different funds.³

Under the guidance of Patricia Mejia, Vice President of Community Engagement and Impact, the San Antonio Area Foundation adopted trust-based philanthropic principles in 2018. Trust-based philanthropy is a "charitable approach that reimagines the relationships between donors, nonprofits and communities to rebalance power and decision-making."⁴ These principles led the Foundation to shift from helping people fulfill charitable legacies as an agnostic service provider to one that is committed to the idea of trust and the impact of their work. The Foundation began to fund underserved groups, articulated equity as a priority, changed its focus to include smaller organizations, worked to sensitize its board to the needs for equity in all aspects of its activities, and ended up with a fundamental change to its culture, while embracing learning opportunities and navigating the challenges of operating in South Texas.

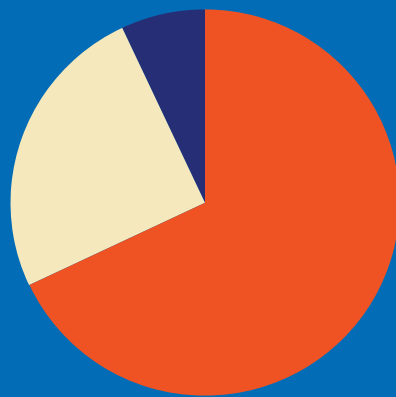


San Antonio
Area Foundation

San Antonio is the second largest city in Texas and has one of the highest population growth rates in the country.⁵

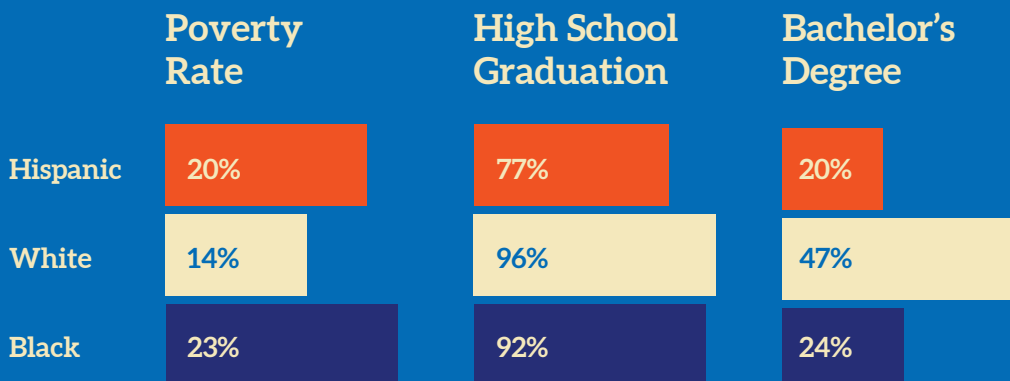


Straddling Bexar and Comal Counties, with a 2023 population of about 1.5 million (and a metro population of over 2.5 million), San Antonio's population is:



66% Hispanic
23% White
6% Black⁶

There exist significant disparities between these demographic groups:⁷



Origins: Funding Underserved Groups

In 2016-2017, the Area Foundation embarked on a focus group strategy to determine areas for improvement. Elected officials, funders, and nonprofit leaders joined other community members to consider which groups were in need of support and which were not receiving enough of it. In 2018 the Foundation hired San Francisco-based nonprofit consulting firm FSG to run a second round of focus groups and

help develop a new strategic plan. FSG laid out the need to address inequities and advised the Area Foundation to include this critical issue in its mission, vision, values, and programs. This work also led the Foundation to identify and focus on the 17 most distressed zip codes of the metropolitan area, a task made all too easy as a result of San Antonio's economic segregation, according to Patricia Mejia.

“ South Texas is an amazing community, super giving and collaborative, but we still need to be thoughtful when we have conversations with one another. That is why the data is so important; so it is not just a ‘feeling’ people have, so it is irrefutable.”

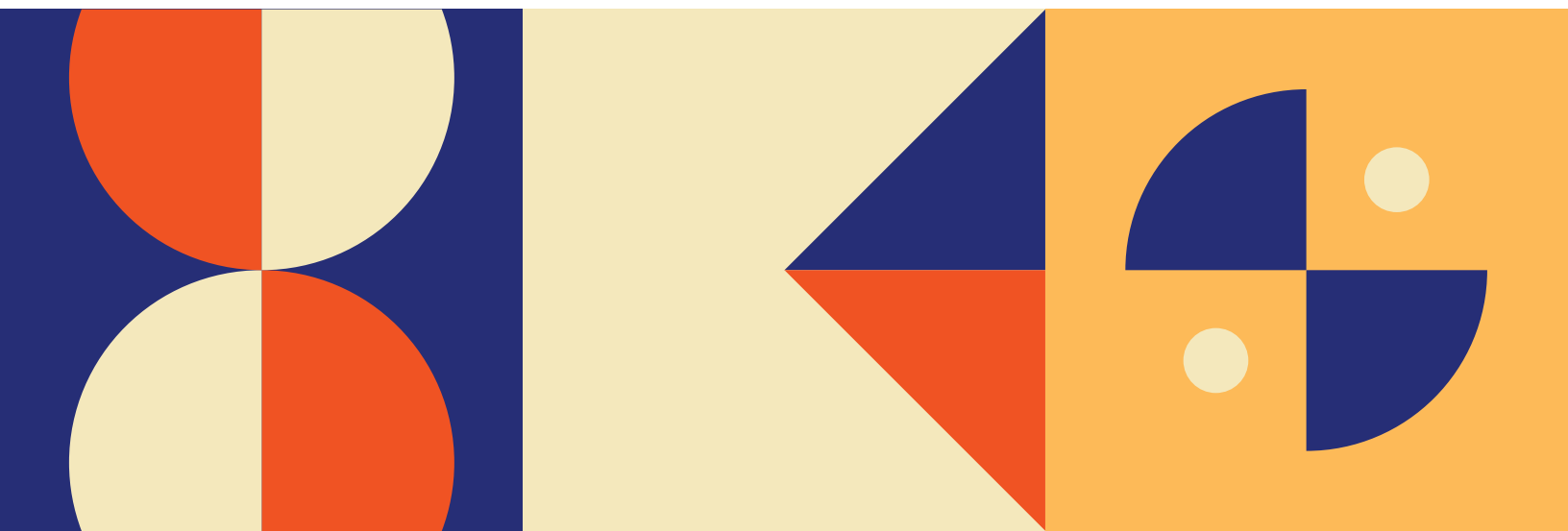
Darryl Byrd

San Antonio Area Foundation Board Member

Articulating Equity as a Priority

In 2019 Marjie French joined the San Antonio Area Foundation as Chief Executive Officer. By 2021 the Area Foundation embarked on another round of strategic planning and developed new mission and vision statements to reflect a greater focus on equity. The Foundation's new mission statement read: "The San Antonio Area Foundation serves as your most trusted and impactful philanthropic partner," an outgrowth of the focus on trust-based philanthropy. This change was a simple but impactful one, according to French, who stepped down as CEO in 2023. At the same time, the Foundation's new vision statement became "To close opportunity gaps for the people in San Antonio who need it the most." This vision statement focused on the city's many people living in poverty and embodied the Foundation's commitment to moving resources through grantmaking, whether from donor-advised funds (private funds administered by a third party to manage charitable donations) or the Foundation's investments, to assist San Antonio's 17 most distressed zip codes.

The Area Foundation has also honed in on equity issues in its research and reports, including the 2019 "State of the African American Community in San Antonio and Bexar County," a comprehensive review of issues such as population, housing, education, employment and financial stability, business, health, criminal justice, and social connection. The report includes a set of specific policy recommendations on criminal justice (addressing the overrepresentation of Black people in traffic stops, arrests, and within the criminal legal system), education justice (including barriers for African Americans to entering school kindergarten-ready, disproportionate disciplinary actions toward Blacks, and low representation in Advanced Placement exams) and financial wellbeing, financial inclusion, and small business growth.⁸ Another Foundation report, produced in partnership with Connecting Communities across the Americas, expected in fall 2023, and supported by CFLeads (a network of community foundations), examines the disproportionate impact of COVID-19 on the Latino community.



Shifting the Focus from Large to Small

The Area Foundation recognized that much of its grantmaking had focused on larger organizations with greater capacity rather than serving the areas that needed it the most. The Foundation made changes to its application process to make it easier for organizations of all sizes, including startups, to apply for grants. This shift resulted in 30 percent of funding going to entities that had never before received funds from the Area Foundation in 2019, with 70 percent of recipients in the most targeted zip codes.

One of the newer organizations to receive Area Foundation funding is Fuerza Unida. Fuerza Unida grew out of the closure of three Levi Strauss manufacturing plants in 1990, which left 1,150 San Antonio Southsiders (primarily Mexican and Mexican American women) without employment. Viola Casares joined forces with Petra Mata to fight for severance pay through boycotts, hunger strikes, and protests. In 1993, Fuerza Unida filed a class action lawsuit against Levi Strauss & Co. The case and its appeal were ultimately dismissed, but

Fuerza Unida's efforts led to severance packages for future Levi employees, in addition to a seamstress union and economic empowerment for the women the organization represented.⁹ In 2022, with funding from the Area Foundation, Fuerza Unida partnered with the Centers for Disease Control and Metro Health to strengthen and build a community health worker network that assists communities most in need.

One new organization receiving Area Foundation support is "Somos Cultura y Más," whose mission is "to commemorate and celebrate the traditions, history and heritage of the Latino community." Somos Cultura y Más achieves its mission by creating special events and projects that preserve and promote culture, as well as producing ethnographic research and reports on the Latino experience. In the context of cultural preservation, the organization has an education program on Mexican history for children and adults, has explored the origins of "el chocolate," and has produced plays.¹⁰

30%

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The Esperanza Peace and Justice Center, a grassroots, community-based arts and cultural organization that works on issues of social justice and cross-cultural understanding, also received funding to strengthen its nonprofit status.¹¹ The Area Foundation also provided funding for a capital project called “El Museo del West Side,” which is capturing that neighborhood’s history and creating a museum of oral histories.

The Area Foundation’s equity lens enabled it to support these smaller organizations, which would have had trouble competing if they had applied directly to the City of San Antonio for grants. Partnering with the Foundation enabled Metro Health to broaden its grantmaking process and take risks. The Foundation is also using its African American Outreach Fund to take small steps, such as funding bail relief, researching the state of the African American community, and helping diminish the wealth gap.

Community partner Perri Rosheger, Vice President of Community Engagement and Communications at the H.E. Butt Foundation, gives her perspective on equity-based programming for smaller groups at the Area Foundation:

“We have a cohort-based model for our Foundation to do equity capacity-building work and the Area Foundation wanted to piggyback off that model and do work for smaller organizations that have a smaller budget, recognizing for San Antonio that there will be a lot of Black- and brown-led organizations.”

The H.E. Butt Foundation and the Area Foundation are now running this program together.

“We provide them with a supplement tool, a few meetings, and leveraged a capacity driver for organizations to provide. We call it ‘Early Stage Capacity Building.’”



When Equity in Programming Becomes an Imperative

Darryl Byrd, President of ULTRAt Strategy and Consulting, and an Area Foundation board member for eight years, identifies the murder of George Floyd in Minneapolis in May 2020 as a pivotal moment for equity in programming at the Area Foundation. “A number of San Antonio-based organizations were trying to figure out how they could be more impactful in their social justice, philanthropy, and general support of the moment,” he explains.

“A couple of CEOs reached out to me saying they wanted to do something meaningful and with their peers in San Antonio. I saw it as a great opportunity to bring those CEOs together around common causes and bigger things ... We thought that was a huge opportunity to leverage their roles in the community to tell a story about social justice and equity in San Antonio.”

The contingent of companies involved ended up including the San Antonio Spurs, Frost Bank, Toyota, Valero, and USAA, all of which have operations in the San Antonio area. Byrd brought the companies together for several months through his consulting firm to focus on what racial equity looks like in America.

“As you can imagine,” he explains, “the 11-12 folks in those rooms looked like most CEOs—older White males. They had some learning to do from their perspective. We wound up creating a fund where those CEOs would make investments, personally or through their corporation, to fund areas around racial equity: equity and education, economic opportunity, and safety and justice.”

In the end, the Area Foundation joined forces with Byrd and the corporate CEOs to create the Corporate Partners for Racial Equity through a \$14 million fund to address these issues. This initiative funded efforts in Equitable Education, one of the aims of which is to increase the number of students at or above proficiency for 8th-grade math. The result of this was 425 students enrolled in programs supporting increasing math proficiency in quarter 1 of the initiative’s investment year, as opposed to 203 students enrolled in similar programs for the entire previous year. The initiative also funded Economic Opportunity, which supports adult education and workforce training; quality childcare and out-of-school-time programming; and awarded \$500,000 for educational training of Black-owned businesses, among other things.¹²

“I think it was huge that the CEOs have remained together for almost two years now,” Byrd adds, “that these busy men continue to work together and use their voice to say this is what we have to do for the community to thrive.”

Bringing the Board Along

When the Area Foundation received the largest donation ever made to a community foundation in 2015, the growth that followed was rapid, and led to the need for a new strategic plan. But when the collaborative strategic plan process yielded the suggestion that the Foundation should foster more community involvement and focus on equity, the board did not immediately sign on.

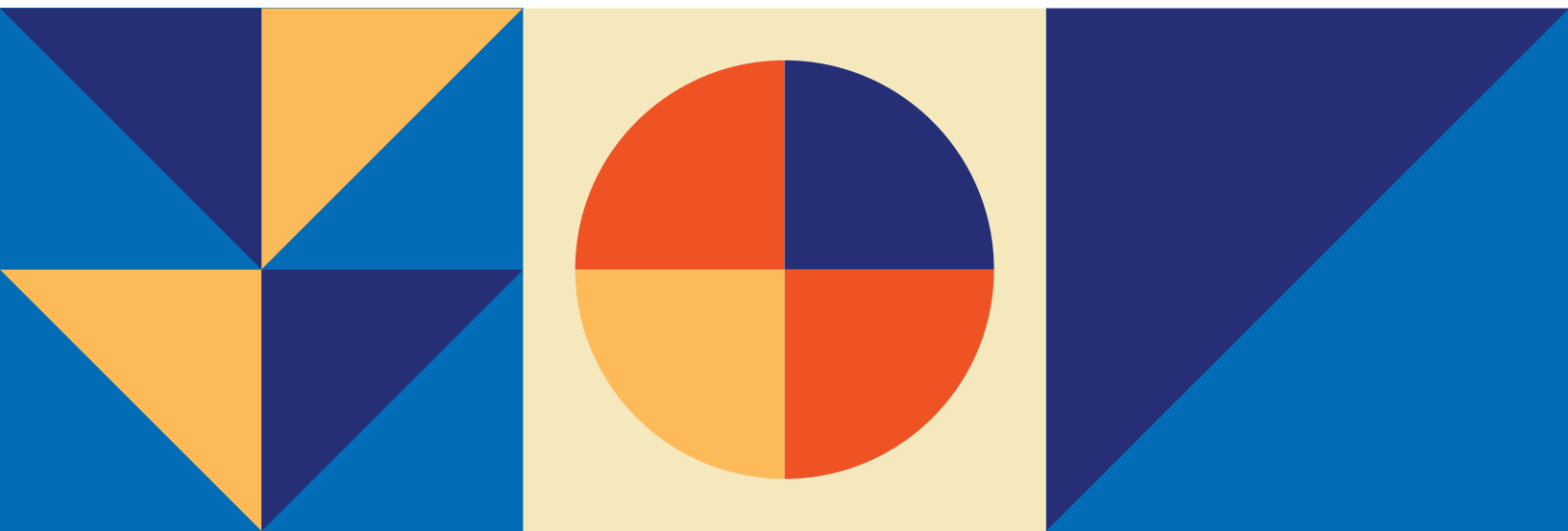
“A big part of what I had the privilege of doing was sewing that idea of equity as a North Star into the fabric of what we are trying to achieve in a way that the board could understand and embrace,” former CEO Marjie French has said. “We did not lead with ‘racial equity,’ but with ‘equity.’ That resonates more here because we are so diverse. I learned from CFLeads that it doesn’t matter how you talk about that if you are doing the work.”

The San Antonio Area Foundation joined the CFLeads Equity Network (of community foundations interested in advancing equity in

their work) in 2022 and very quickly saw the benefit. “We had a board member with us and he was delighted to be in that learning experience,” French has said. “In our equity journey, I believe we were fearful, more than we should have been, about talking about equity and equitable opportunities for everyone. We defined equity as a group—that it would be achieved here, who you are and where you come from no longer determines your life outcome. Those were words the board really got behind and they started to embrace the work because they helped co-create it.”

Perri Rosheger, the community partner who also participated in the Equity Network, comments on the Area Foundation board journey:

“I think they have been on the equity journey for a long time. The Area Foundation recognized that the board tended to be an affluent group of individuals and probably did not represent the landscape of the socioeconomic demographics of San Antonio.”



Rosheger explains that the Foundation has tried to give deeper consideration to equity on its board, but that this has not been an easy process: “Saying you are centering equity is not as common in talking about the work. It is not necessarily in the language. I do believe that when they did their strategic planning process about two years ago the board became comfortable saying our strategy is about closing the economic equity gap. You can’t do that without thinking about the racial landscape in San Antonio. I think that is the kind of language that worked well with the board.”

Rosheger attested to the initial difficulties that French and others faced in persuading the Area Foundation board to embrace equity as a focus:

“There have been internal struggles getting the board to sanction something.” For example, the board would agree to center the Foundation’s annual budget on the opportunity gap for certain communities, but then board members might give an extra gift in an area that they particularly care about. “This might not be equity-centric,” Rosheger adds.

“They used to have a large percentage of funding that went to animal and humane society type of things. It is just taking time for people to understand why that might not land in the strategy and the North Star they stated.”

Rosheger’s participation in the Equity Network made her realize that all foundations have to think about donor-advised funds being their largest funding component. “It is not even from a governance lens, but how do you shift the advised dollars to meet the strategy of the Foundation?” she explains.

“That is a governance issue because the board would have to be clear to say we are shifting all giving. The North Star has to be clear for the Foundation.”

Darryl Byrd stresses the importance of having a CEO who is a successful leader with experience running a complex organization. A board up to the task of advising such a CEO and organization also needs to be strong and capable. “It’s difficult to recruit and retain CEOs without good board governance,” says Byrd. The Area Foundation improved its governance and clarified the role of board members with the help of nonprofit professionals from the Harvard School of Education.

“We haven’t been perfect,” Byrd adds, “but we have been working hard at the governance table every year.”

Byrd feels that it is still early to determine the impact of the Foundation’s participation in the CFLeads Equity Network, but he found that the murder of George Floyd “was a transformative moment for us and we became a lot more courageous when it came to lending our voice and expertise as an organization to the issues that matter, that will let us grow and thrive and help young people achieve their opportunity arc in a way they would not have before. We started getting involved in equity work in a way we haven’t in the past due to the catalytic event of the death of Mr. Floyd.”



Equity on the Inside

The murder of George Floyd was also a catalyst for deeper conversations about equity between Area Foundation staff and board members. “In 2020 we had our second-ever African American chair on the board,” explains Patricia Mejia. “He pushed for us to have a statement on internal equity.” The statement affirms the following, among other things: “We commit ourselves to engaging, listening, and living our values more fully by using our collective influence to help create a San Antonio where who you are or where you come from no longer predicts your life outcomes; and one, where we all share equitable opportunities to live and thrive, and to feel safe.”¹³ “This allowed us to create an internal equity committee,” Mejia continues. “We began to ask questions about what we wanted to do internally. We started dotting our i’s and crossing our t’s in human resources.” Darryl Byrd has noted increasing diversity within the Area Foundation, including within the administration and on the board of directors. Perri Rosheger gives her view: “They have tried to hire more program staff who have lived experience—who worked in the field and lived these experiences. In grant management, they have also worked very hard to shift how they do business.” This shift became evident as the Foundation began to direct its funding toward people and organizations that had never before benefited from an Area Foundation grant, particularly in lower-income areas.



Cultural Changes and Learning Opportunities

Area Foundation leadership has stressed the significance of the board's adoption of new mission and vision statements: "They are so excited about this new mission and vision that they are embracing and are asking us to define how we measure our performance in this area," explains Marjie French.

"I have to say our entire culture has changed here because every team connects to closing the opportunity gaps. How that works in real time is that our discretionary grantmaking has changed because we have more focus on it. All the teams are excited about the pillars that will sustain our mission statement. We reward that performance, so we are building a culture around doing more for our community and bringing everyone up together."

French found that participation in the Equity Network has been invaluable, "especially the work around systems change, the groundwater material, and real data."

Darryl Byrd felt that the Area Foundation's efforts within the network were "genuine and serious." He also agrees with French about the rich educational aspects of participating in the network: "The biggest takeaway was to be able to understand hard facts of data; it was not just the anecdotal. They had elements of that work that were very data-heavy: what the maternal health

is for African American women vs. White women, educational outcomes, children of color. It was powerful for me as a person of color to hear that and have it backed by data. I think there are areas of my life where I and the Foundation can use this for decision-making and grantmaking."

Patricia Mejia has a clear vision of the current and future value of participation in the Equity Network: "In 2022 when we did the equity program, the important part and the reason it was a game changer is that it allowed us to say we aren't the only ones doing this. It is not just Patricia or Patricia's team—it's the entire country ... It gave us an opportunity to see what was happening in community foundations across the country that are pursuing racial equity. It allowed us to know where we wanted to land." Mejia found the learning from other foundations to be critical:

"We also were able to have honest conversations about what the demographics meant ... As a woman of color in philanthropy, I need to be able to improve what I present and increase programs. CFLeads has allowed me to say that if we want to be the best of the best, this is what we have to do." Mejia goes even further in crediting the Equity Network: "Given that this is not a linear process, if we didn't have their expertise or the way they brought people together, it might not have happened for us, or it would have been a lot slower."

Challenges

Sensitizing the board to the need to incorporate equity into the Area Foundation's work and priorities was undoubtedly one of its greatest challenges.

"We were speaking to the board in a language that they didn't get," Marjie French explains. "It wasn't that they didn't embrace the mission of equity, they just didn't understand words like 'theory of change.' They felt that consultants were coming down and condescending to them in their attitudes and words. One board member who had been on the board for a number of years raised his hand [in a session] and said he had no idea what I was talking about. We learned, we were schooled, in our communication strategies. We thought they didn't embrace equity, but that wasn't the case. We just didn't socialize it well. It was a communication issue."

Perri Rosheger concurs: "I think this came up a lot for [the Area Foundation]: how to educate donors. That is where the lion's share of their resources comes from. How do you do that without turning people off, or helping them achieve their goals with that lens? In San Antonio, a lot of the learning is around the Black community, but it is a highly populated Latinx community, so there is not as much focus or understanding on how to think about equity in that lens as opposed to the African American experience." Board members' volunteer status can also be an obstacle in that they are not engaged in the same way as staff members in learning about issues like equity, even though they are making important financial decisions that affect the Foundation. "It is this constant battle of convincing the board of where we want to go that might go against the grain of their learning journey," Rosheger adds.

Darryl Byrd is candid about the challenges of operating in a conservative state: "We are in Texas and it's tough. There are a lot of great things about Texas but there are some challenges when it comes to matters like this." Byrd feels that the South Texas community has been both generous and supportive, but having conversations about equity with a wide range of people requires careful thought. Supporting these conversations with data helps make arguments in favor of equity less of a "feeling" and more factual. The ethnic makeup of the city is also an issue: "San Antonio is diverse in terms of its mix between Anglos, Latinos, and a smaller population of African Americans. The Hispanic community is not a monolith, so there are lots of different identities within that community. Some might identify more with traditional communities of color, and just as many do not and identify with Anglos. You have to be careful about painting with a broad brush and you have to meet them where they are. You have to be very mature in your approach when having these types of conversations."

Patricia Mejia elaborates on the challenges of conversations about equity: "We have to move at the pace of need and urgency and recognize that people are people. To do it in a way to bring everyone along, you have to recognize people who have lived experience, especially around the word 'equity.' If you put 'racial' in front of that, it triggers people."

The Area Foundation continues to work to overcome challenges like its location in a conservative state, sensitizing its board to the need to incorporate equity into its work and priorities; educating donors about equity issues without alienating them; and facilitating equity conversations using language and an approach appropriate for individual partners.

What Comes Next

Despite these challenges, the San Antonio Area Foundation is hopeful about promoting equity, and believes that connections made through the CFLeads Equity Network can help. Marjie French points to the importance of national connections made through CFLeads in comparing the Area Foundation's journey with that of other foundations engaged in equity work: "I think that when you build a network of colleagues, great partnerships can happen. We are hungry for that kind of expertise because it is so important to us for all of our community leaders to help improve our economy here." Patricia Mejia sees the Foundation's equity work contributing to a sea change in the economics of San Antonio: "The rewarding part about equity work is to see our intentions monetized. The more we can help others understand the interconnection of our community, whether they are Black or brown, the more you can see people go off and say this isn't just about me helping Petra or Viola [the founders of Fuerza Unida], this is about me helping the whole community."



Endnotes

- 1 San Antonio Area Foundation, [“Our Mission and History”](#)
- 2 Inside Philanthropy, [“This Community Foundation Went all in on Trust-Based Philanthropy. Here’s What It Has Learned”](#)
- 3 [San Antonio Area Foundation](#)
- 4 National Philanthropic Trust, [“Trust-Based Philanthropy: A Primer for Donors”](#)
- 5 [United States Census Bureau](#)
- 6 [Texas Demographics](#)
- 7 [United States Census Bureau](#)
- 8 San Antonio Area Foundation, [“State of the African American Community in San Antonio and Bexar County”](#)
- 9 [Fuerza Unida](#)
- 10 Somos Cultura y Más, [“Our Story”](#)
- 11 The Esperanza Peace and Justice Center, [“Our History”](#)
- 12 San Antonio Area Foundation, Corporate Partners for Racial Equity Compilation Report, March 2023
- 13 San Antonio Area Foundation, [“Joint Statement From San Antonio Area Foundation Board Chairman Theodore Guidry II and CEO Marjie French”](#)

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