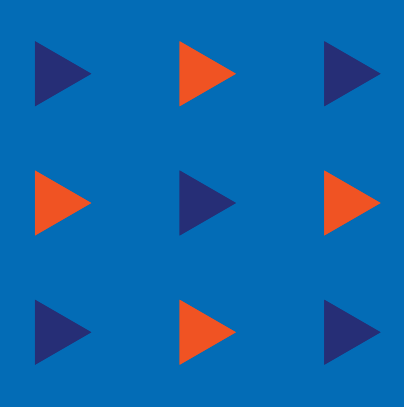
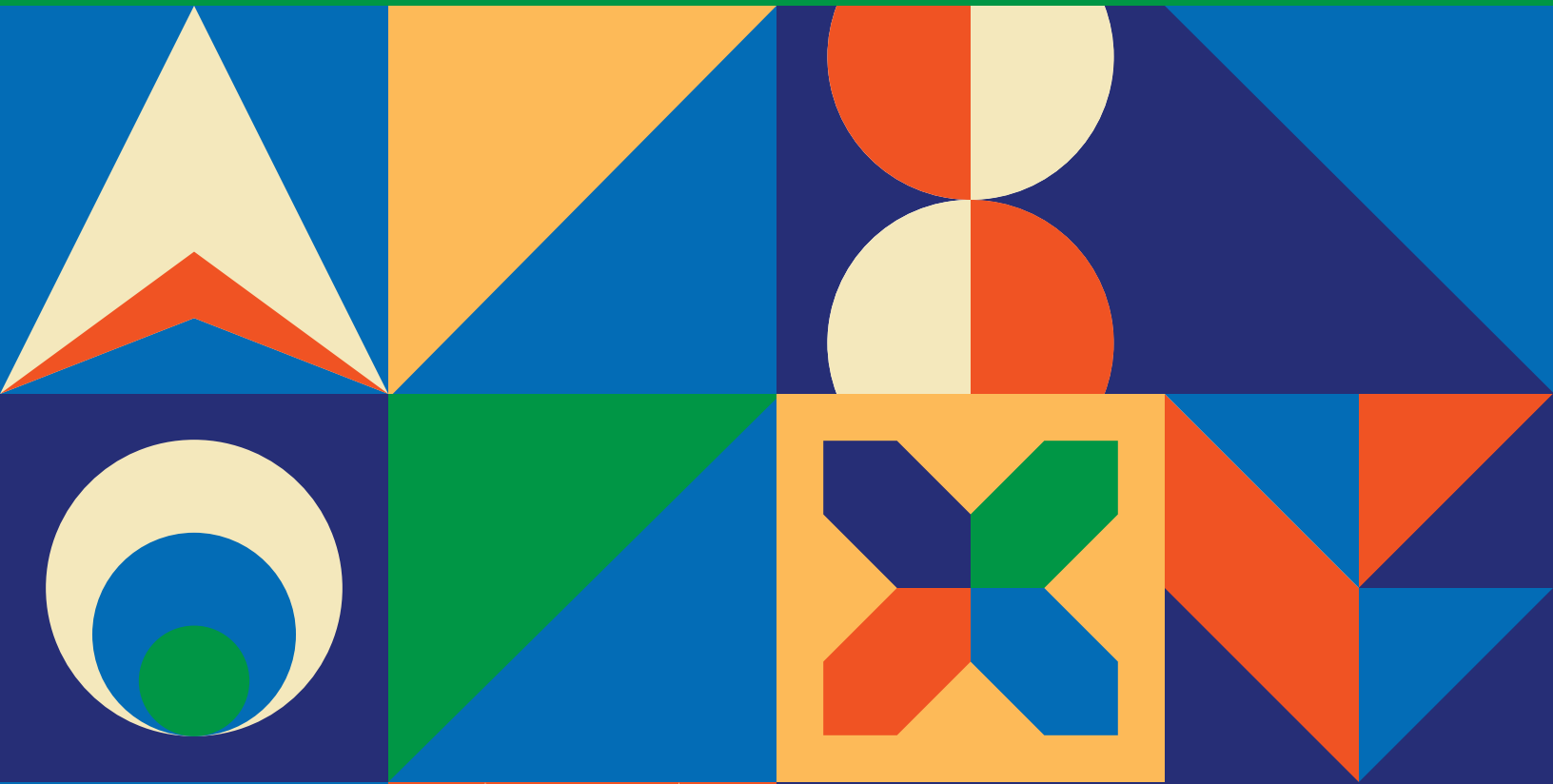


# The San Francisco Foundation

Case Study | June 2022



**CFLeads**

Community Foundations  
Leading Change

**PUBLIC  
EQUITY  
GROUP**



The San Francisco Foundation (SFF) embarked on an equity journey in response to data showing growing racial and economic disparities in the Bay Area. Recognizing the need to address these inequities, SFF developed a new strategy centered on racial and economic equity. The strategy, called “People, Place, and Power,” aimed to advance the economic security of people of color, anchor neighborhoods for all residents, and ensure political voice for marginalized communities. SFF based its strategy on data analysis and community input, engaging in extensive community listening sessions. The Foundation also underwent an internal equity journey, focusing on reshaping its operations and culture around principles of equity.



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# Introduction

Founded in 1948, the San Francisco Foundation (SFF) is one of the largest community foundations in the U.S., serving over 4.4 million people across five Bay Area counties, with over \$1.9 billion in total assets and over \$166 million in grants in 2021. The goal of SFF since its founding has been to improve life for residents of the San Francisco Bay Area and the surrounding region.

As such, the Foundation's work-through grants, policy advocacy, impact investing, and partnerships with donors-aims to help create an inclusive Bay Area where everyone can get a good job, live in a safe and affordable home, and exercise their political voice.



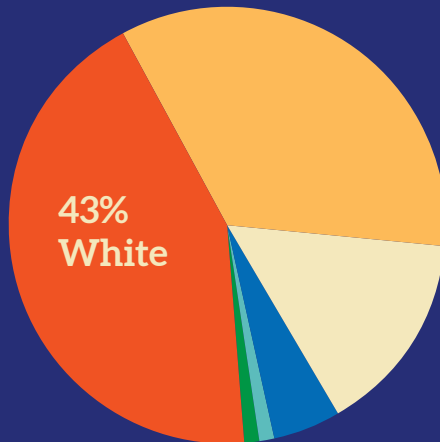
Founded  
**1948**

A city that cherishes  
its rich history and  
architectural heritage



The iconic Golden  
Gate Bridge spans the  
entrance to the Bay

**808,437** People who call the city their home.



**34% Asian**  
**15% Hispanic or Latino**  
**5% Black or African American**  
**<1% American Indian or Alaska Native**  
**<1% Native Hawaiian and other Pacific Islander<sup>1</sup>**



**Some of the country's top companies are headquartered in San Francisco:**

Uber, Lyft, Square, Salesforce, Snap, Instacart, and more.<sup>2</sup>

**22%**

**Percent of residents living 200% below the Federal Poverty line**

*From a 2019 report on San Francisco's community needs.*

**83%**

**Employment rate for Black or African American Residents**

*While the rate of employment in San Francisco is 93%, this is the lowest rate amongst all residents.<sup>3</sup>*



Data also shows greater health disparities by race in zip codes with greater populations of Black residents.<sup>4</sup>

# The Equity Journey

Although the Bay Area is known for its thriving regional economy, it also experiences an extreme and growing level of racial and economic inequity. Fred Blackwell (SFF's CEO) and Judith Bell (then SFF's Vice President of Programs) [wrote](#) in 2018:

*"In the Bay Area, we have an economy that is galloping forward at the speed of light while leaving more people behind every day."*

According to an [analysis](#) of 2018 US Census data, Bay Area residents in the 90th percentile of income earned \$384,000 per year, more than 10 times the income of residents in the 10th percentile (\$32,000 per year). White and Asian residents are overrepresented among the highest incomes, while Black and Latinx residents are overrepresented among the lowest. Relatedly, the Bay Area is deeply [racially segregated](#), and this phenomenon has only intensified: seven of the region's nine counties were more racially segregated in 2010 than they were in 1970.

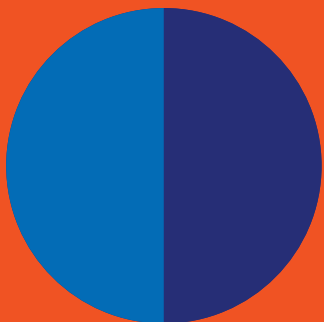
In 2016, faced with extreme levels of inequity in the Bay Area, SFF set a new strategy with racial and economic equity at its core. This strategy was centered on three interconnected pathways called "People, Place, and Power." Since the launch of this strategy, SFF has expanded its equity work, including embarking on an internal equity journey that parallels its externally-facing shift.

Throughout its equity journey, SFF has designed its strategy based on data and community input, including quantitative analysis of racial inequities in the Bay Area and extensive community listening sessions.



**\$384,000**

Annual earnings of Bay Area residents in the 90th percentile of income. White and Asian residents are overrepresented in the highest incomes.



**\$32,000**

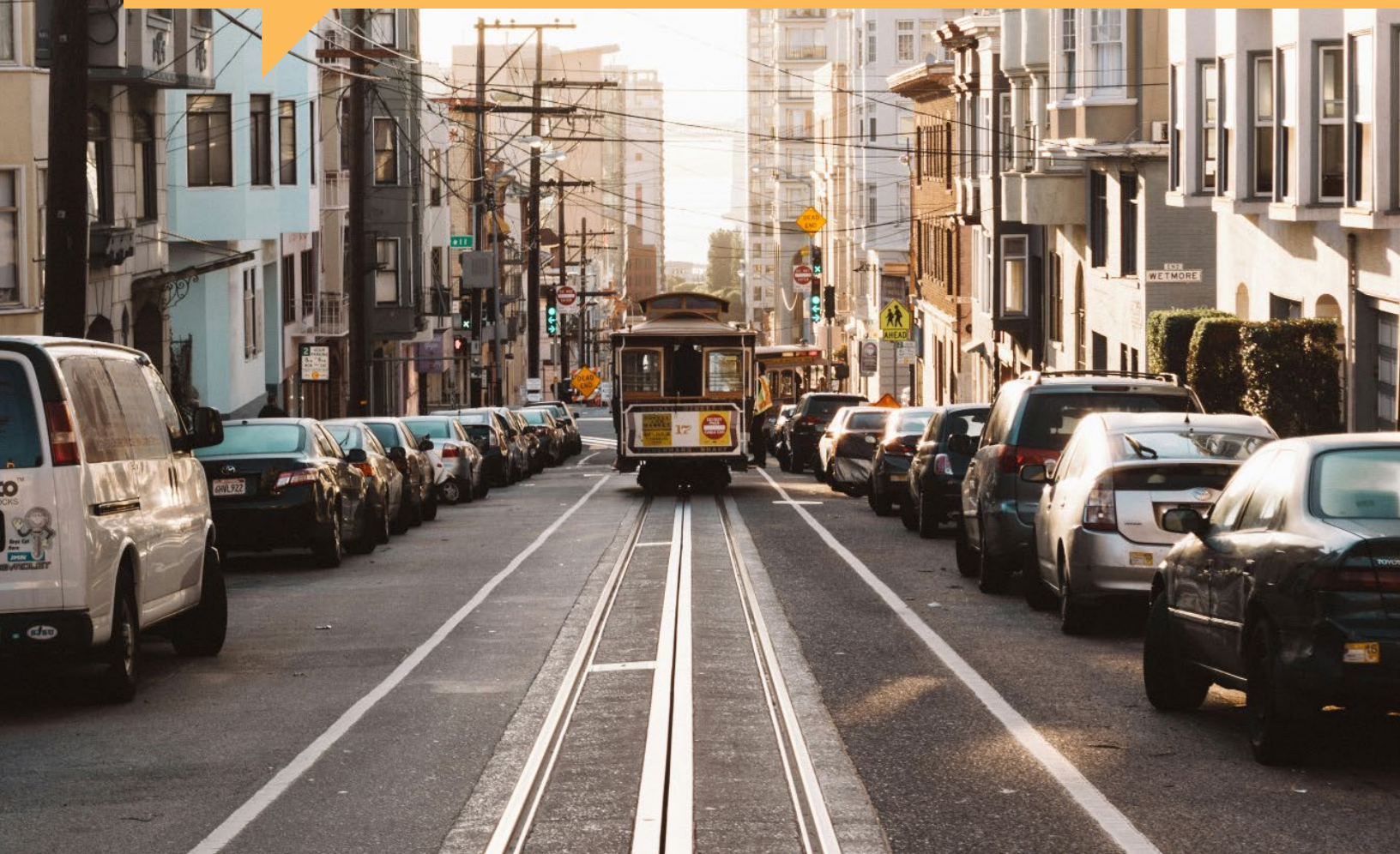
Annual earnings of Bay Area residents in the 10th percentile. Black and Latinx residents are overrepresented in the lowest incomes.



**“ Together with community leaders, nonprofits, and donors, we are committed to advancing racial equity and economic inclusion to ensure that everyone in the Bay Area has a chance to attend a good school, get a good job, live in a safe and affordable home, and have a strong political voice.”**

**Fred Blackwell**

*CEO, San Francisco Foundation*





# Mission and Vision

SFF's mission has historically been to improve life for Bay Area residents, but it lacked an explicit acknowledgment of the Bay Area's high levels of racial and economic inequity. When Fred Blackwell joined SFF as CEO in 2014, he began talking about racial equity as a new "North Star" for the organization. This led to a series of large public listening sessions in diverse communities with low incomes, and a series of consultative sessions with local experts, aimed at designing a new strategy centered around racial equity. Over the subsequent two years, SFF engaged in an iterative process with staff, grantees, board members, donors, community leaders, and outside consultants to arrive at its new "equity agenda."

Racial equity became an explicit and central part of the organization's mission statement:

*"Together with community leaders, nonprofits, and donors, we are committed to advancing racial equity and economic inclusion to ensure that everyone in the Bay Area has a chance to attend a good school, get a good job, live in a safe and affordable home, and have a strong political voice."*





# Theory of Change

SFF's new racial equity-focused mission also came with a new theory of change and the creation of three pathways that helped organize their work internally: "People, Place, and Power":



## People

Advancing the economic security of people of color with low incomes in the Bay Area;

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## Place

Anchoring the region's neighborhoods so that all residents, particularly people of color with low incomes, can live, work, thrive, and create;

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## Power

Ensuring that people of color, residents with low incomes, and youth have a strong political voice and can shape the decisions that affect their lives and communities.

This tripartite theory of change reflects SFF's vision for what will create sustainable equity in the Bay Area region: economic security for people of color with low incomes; strong connections to healthy neighborhoods; and the ability to exert political influence.

SFF's shift in strategy was lauded by the broader philanthropic community. A 2018 [Inside Philanthropy](#) article on the Foundation's equity journey reads: "SFF already stood out among community foundations for its strong commitment to social justice. But making equity the foundation's North Star to guide all its work took things to the next level."

# Programs and Activities

With the new equity agenda in place, SFF turned its attention towards implementing the strategy. One month after unveiling the shift in the summer of 2016, SFF announced \$5.3 million in new grants under the strategy. These included large grants (over \$200,000 each) in the “Power” category to five organizations focused on voter engagement, organizing, and movement building in low-income communities of color. In July 2017, SFF committed grants totaling \$11.5 million to 140 local organizations under the new equity agenda—the largest combined grant announcement in the Foundation’s history. Several of these grants went towards policy advocacy and direct services in the public safety and criminal justice spaces, marking the first time the Foundation had focused on these issues. Another grant in this group supported the development of a regional “[equity atlas](#),” designed to provide the data that captures patterns of inequity in the region, informs solutions, and allows for progress to be measured.

Across issue areas, SFF has focused its efforts on policy and systems change.

*According to Judith Bell, SFF’s Chief Impact Officer, “to achieve impact at a population level, we had to increase our focus on policy and systems change.”*

To this end, SFF created a Policy and Innovation team in 2019, and has increased its grantmaking towards 501(c)(4) organizations engaged in critical

policy fights. In 2019, SFF supported a network of organizations that successfully campaigned for a suite of state legislation designed to prevent homelessness, protect renters, preserve existing affordable housing, and produce new affordable homes. One bill, the California Tenant Protection Act of 2019, limits annual rent increases, and requires landlords to have a “just cause” in order to terminate a tenancy. In 2020, SFF directed significant funding to advocacy organizations driving California Proposition 15, which would have increased taxes on large commercial properties, and generated billions in tax revenue for public schools, community colleges, and local government. Although the ballot measure was defeated by a small margin, it represented a watershed moment in contemporary state politics, and a significant step in SFF’s support of statewide policy initiatives.

SFF has also stepped into the national reckoning around systemic anti-Black racism. In partnership with other philanthropic partners, SFF helped launch the California Black Freedom Fund, a five-year, \$100 million initiative that prioritizes investments in Black-led grassroots organizations working to “eradicate systemic and institutional racism.” As of March 2022, this fund has awarded \$9 million in grants to 74 Black-led groups across California.



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## 2022

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# Evaluation and Learning

In an effort to collect candid feedback from its grant applicants, grantees, and donors, SFF partnered with the Center for Effective Philanthropy to launch anonymous surveys in 2018. This research yielded valuable insights, both in terms of what SFF was doing well in implementing its new equity agenda, and what needed improvement.

Via the grantee survey, SFF was encouraged to learn that its grantees spend a relatively small amount of time dealing with grant reporting requirements, validating SFF's efforts to center the needs of grantees. However, grantees also reported that SFF could do a better job responding quickly to their questions, and communicating how each grant fit into SFF's overall racial equity and economic inclusion strategy. To address

these concerns, SFF identified one point of contact for each grantee, so they know where to go for questions or feedback, and created additional materials that more clearly articulate the organization's goals and strategies, and how grantees fit into that vision.

The donor survey revealed similar themes. While donors reported positive overall experiences with SFF, they suggested that SFF could do a better job with responsive communication, explaining their goals, and capturing the value of the Foundation's work. Acting upon this constructive feedback, SFF conducted additional listening sessions to connect directly with donors, explored new ways to communicate the Foundation's impact (including video and social media), and held events to bring together donors and regional nonprofit leaders.



# Operations

With the launch of the Equity Agenda in 2016, SFF announced that it was remaking its programs around the North Star of racial and economic equity. While this externally-facing transformation was dramatic and powerful, SFF's internal equity journey was only just beginning.

The decision to start with the external equity journey was an intentional one, but it came with a tradeoff: the internal equity work was delayed.

*According to CEO Fred Blackwell, "There was a sense of urgency to draw a line in the sand externally, and to get the organization pointed in the right direction... which means work on the internal equity journey was a little behind the external one."*

This was a complicated decision for SFF leadership: "I still don't know if it was the right answer," Blackwell said, "but if I had to do it again, I would do it in the same order." The internal equity journey focused on reshaping the organization's operations and culture around principles of equity. "The internal journey has been messy, emotional, time consuming, absorbing and rewarding at the same time," said Blackwell.

SFF has sought to diversify its leadership and staff, beginning with [a recognition](#) of philanthropy's historical failure in this regard: "We recognize that philanthropy has long been hampered by the sector's failure to hire people who reflect the communities that its institutions serve." In 2021, 70% of SFF staff identified as people of color (up from 56% in 2016), significantly higher than in foundations across the country (where 24% of staff identified as racial or ethnic minorities, according to the [Council on Foundations](#)). SFF prioritizes transparency when it comes to its push for diversity, publishing these statistics annually on its [website](#). To further develop pathways into the

philanthropic sector for diverse candidates, SFF continues its [Multicultural Fellowship Program](#), established in 1981.

This two-year, full-time fellowship places early-career leaders of color in prominent positions within the Foundation, enabling them to learn on the job, and bring fresh perspectives to SFF's work.

SFF has created structures to guide its internal equity work. The "internal equity working group," made up of staff from a variety of backgrounds and seniority levels, is responsible for leading on internal equity initiatives. Brandi Howard, SFF's Chief of Staff, is part of the working group's design team and a leader in internal equity work; she said:

*"We're grappling with heavy concepts, and we don't always have the answers or a blueprint for the change we want to see, but we want our internal equity group to use this space to reimagine a system free from inequities and where everyone feel a sense of belonging. So we need to have a strong representation of diverse voices in that group. It's a safe space to brainstorm ideas and solve problems."*

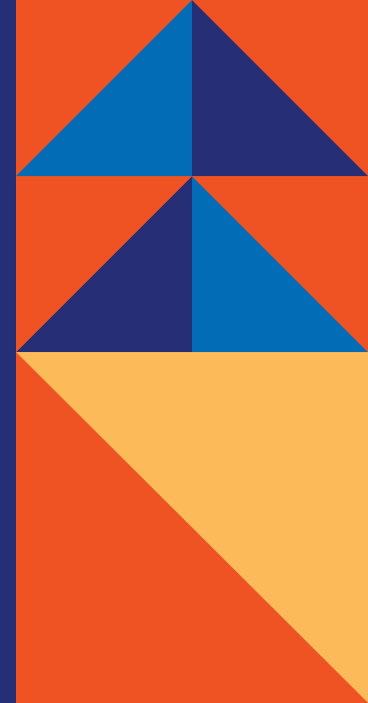
Finally, SFF has transformed its investment strategy to align with its equity focus. Of the firms managing SFF's investments, 23 percent were majority owned by women and 12 percent were majority owned by people of color. (Industry-wide, firms that are majority owned by women or people of color manage just 1.3 percent of global investment assets.) SFF also prioritized impact investing (through its [Mission-Aligned Investments Pool](#)), and provided low-interest loans to nonprofits addressing racial and economic equity in the Bay Area (through its [Bay Area Community Impact Fund](#)).

# Governance

From the beginning, the SFF board has been a key driver of the organization's equity journey. In 2016, the board provided high-level guidance and ultimately decided to adopt the "People, Place, Power" equity agenda. The board established an Equity Subcommittee, specifically created to provide feedback on the emerging strategy. Andy Ballard, a former chair of the board of trustees, said, "You can make lots of grand statements about doing an equity strategy, and then you look back two years later and you're still funding the same people that you funded, with the same organizational structure. There was a lot of push to say—if we're going to do this, let's jump in with both feet."

SFF has also worked to diversify its board. In 2021, 75 percent of SFF's board of trustees identified as people of color, significantly higher than the nationwide average (where 15 percent of foundation board members identified as people of color, according to BoardSource).

The equity focus of SFF's strategy continues to expand, with the board deciding to increase funding towards organizations led by and serving people of color over the next 3-5 years, with a specific goal of increasing support towards Black, Latinx, and Asian American and Pacific Islander communities.



# Culture

An essential and ongoing aspect of SFF's internal equity journey is its work on organizational culture.

At the time of this case study's writing, SFF is working towards launching a set of shared values for the organization in the fall of 2022. According to CEO Fred Blackwell, this is a key step in the organization's internal equity journey: "In the absence of organizational values that we collectively hold, people will bring individual values that they try to impose on the organization. And in an organization that's now 100 people, there's no way to manage that." After establishing these collectively-held values, SFF will operationalize them in part, through a program called San Francisco Foundation University (SFFU), which onboards new staff, including dedicated training on the organization's equity journey, and core competencies related to equity and inclusion. According to CEO Fred Blackwell, "we've become much more intentional about introducing people to the equity journey and the culture we're trying to achieve." Chief of Staff Brandi Howard has been leading on much of the organization's culture work and reflected, "we want to build a culture of inclusion and belonging... It's so fundamental to our work that internal culture has become the fourth pillar of 'People, Place, Power.'"



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## Endnotes

- 1 United States Census Bureau
- 2 Built in SF, “For 15 of San Francisco’s Top Companies, There is Real Strength in Numbers,” January 2022
- 3 San Francisco Health Improvement Partnership, “San Francisco Community Health Needs Assessment 2019,” 2019
- 4 City and County of San Francisco, “Health Disparities Dashboard”

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