

SPECIAL REPORT

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CENTER FOR EDUCATION POLICY

## About the Author

**Jonathan Butcher** is Will Skillman Senior Research Fellow in Education Policy in the Center for Education Policy at The Heritage Foundation.

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This paper, in its entirety, can be found at <https://report.heritage.org/sr273>

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# How America's Great Philanthropic Foundations Are Corrupting Their Missions Under DEI Pressures

*Jonathan Butcher*

**W**oke orthodoxy has captured some of the wealthiest charitable foundations in the country today. Principles of individual character, merit, and personal responsibility have been replaced with identity politics and accusations of systemic inequities. American philanthropies must reposition themselves to help their beneficiaries to achieve personal and professional success instead of deepening societal division and discrimination. Philanthropies should support the free-market system that allowed so many of their founders to achieve success and award grants that made it possible for others to pursue the American dream—regardless of their skin color.

Bing Crosby's 1968 song "What's More American?" opens with "What's more American than corn flakes?"<sup>1</sup> Kellogg's Corn Flakes had long been a staple breakfast food by that time, and the W. K. Kellogg Foundation had become a major charitable presence in the United States.

Will Keith Kellogg, the younger of the two Kellogg brothers who developed Kellogg's cereals, created what is known today as his name-sake foundation. Kellogg originally dreamed that his philanthropic efforts would focus on "children's dental and eye care."<sup>2</sup> In later years, closer to the foundation's opening in 1930, Kellogg adjusted this mission slightly, saying that he wanted to "establish a foundation that will help handicapped children everywhere to face the future with confidence, with health, and with a strong-rooted security in their trust of this country and its institutions."<sup>3</sup>

Today, however, like many other long-standing philanthropic organizations, the foundation's original mission has pivoted away from its founders' intent and includes an ever-sharper focus on racial preferences, commonly referred to today as diversity, equity, and inclusion (DEI) programs.

Since the 1980s, and especially in the 2000s, the Kellogg Foundation has become increasingly and intentionally focused on racial preferences and the ethnicities of its beneficiaries. The foundation has adopted a DEI statement, with language nearly identical to that of dozens of other large foundations that focus on skin-color identity groups.<sup>4</sup> The foundation is committed to “antiracism,” a concept developed by radical leftwing legal professors from the 1970s and 1980s that is not, in fact, opposed to racism, but is a component of the Marxism-derived theory known as critical race theory.<sup>5</sup> Critical race theorists applied and expanded Marx’s philosophy that society is defined by class struggles to declare that society is driven by class *and* racial struggles for power.<sup>6</sup>

To execute donor intent, philanthropies should change their giving strategies, practices, and operations according to sound research on the outcomes of their activities. But the Kellogg Foundation, whose founder originally defined its purpose as promoting the health, education, and welfare of children “without regard to sex, race, creed or nationality,” has established a new mission driven by precisely such.<sup>7</sup>

By now, Americans are familiar with the term “woke,” the word that scholars and commentators use for the claim that racism or other forms of discrimination are the only determinants that explain different outcomes for people with different personal characteristics in public and private life. To be woke (to be awakened to this perspective), one must be aware of, and in agreement with, this view. This Heritage Foundation *Special Report* explains the fundamental ideas behind wokeness and demonstrates that some of the largest charitable foundations have pivoted away from their founders’ intent in exchange for this radical agenda.

The “critical” philosophy behind identity politics and those calling themselves woke rejects the progress made by the Civil Rights Act of 1964, which declared racial discrimination illegal in employment, public accommodations, and federally funded programs.<sup>8</sup> The woke agenda also ignores the widespread opposition to racial preferences in school admissions and public hiring, as evidenced by the passage of Proposition 209 in California in 1996, which abandoned racial preferences, and then the defeat of Proposition 16 in 2020, which had attempted to overturn Prop 209.<sup>9</sup> In fact, voters or policymakers in nine states have banned racial preferences.<sup>10</sup>

The woke agenda and critical theory, however, promote (1) racially divisive ideas that, if implemented, would violate federal civil rights laws; (2) applications, such as equity training programs, that research has found

ineffective in reducing racial or sexual bias; and (3) the belief that America is systemically racist and that its cultural and legal institutions must therefore be dismantled and replaced.

America's charitable sector is filled with philanthropic organizations founded by business leaders from previous generations, along with entrepreneurs and doctors who were successful in industries from health care to automobiles to banking to energy because of America's free-market system and rule of law. Capitalism allowed these leaders to prosper, and they wanted to share their success with their communities. Kellogg, Rockefeller, Mellon, and Ford, to name a few, are American icons for their business success, as well as household names for their charity work. They represent the American dream of earning one's success and then using one's rewards to help others.

Now, though, many foundations started by Americans who amassed fortunes and worked to help those less fortunate are distracted by racial ideology. These foundations have joined the woke agenda of redefining "diversity" from the appreciation of differences in a pluralist system to the rejection of anything not representing ethnic minority interests. Activists committed to the new woke orthodoxy are successfully pressuring these formerly great foundations to exchange their noble missions for a Marxist worldview centered on power struggles that does nothing to help those who are in need and rejects America's founding ideals of equality before the law and freedom and opportunity for all.

## Philanthropies, DEI Statements, and Critical Race Theory

The Kellogg Foundation's mission statement evolved over the years; it was revised in 1999 and again in 2006, for example, but its focus was still on providing assistance and improving the lives of "future generations."<sup>11</sup> Yet the foundation's *diversity* statement and current operations do not align with the mission.

Today, according to the foundation's website, "racial equity and racial healing" is one of three commitments that is "embedded within all we do." This sounds benevolent enough, but this new mantra is designed to change the "narrative" about America's national identity from a nation of freedom and opportunity to a nation that is divided into categories of race, sex, country of origin, and other immutable characteristics.<sup>12</sup>

For example, the foundation hosts an annual event called the National Day of Racial Healing, which, again, *sounds* welcoming, but dwells more

on racial differences between Americans than finding common ground among people from different ethnic backgrounds. Instead of “healing activities,” participants are encouraged to start conversations about racial differences between people of different skin colors, emphasizing the differences. The “Action Kit” for this National Day of Racial Healing contains questions, such as “How often do you think about your racial or ethnic identity?” “What aspect of your racial or ethnic identity makes you the proudest?” and “Does racial or ethnic identity enter in your process of making important daily decisions?”<sup>13</sup> The foundation argues that everyone must be aware of “implicit bias,” but, as this *Special Report* explains, research finds that implicit-bias tests and diversity training programs do not change participants’ perspectives on race and tolerance.<sup>14</sup>

The Action Kit does not mention America’s founding ideals. Absent, too, are issues related to helping children with physical or intellectual challenges. One wonders what Will Kellogg, someone who, according to historian Martin Morse Wooster, “rejected socialism,” embraced personal responsibility, and “never used his foundation to promote political ideas,” would think about his foundation supporting policies and programs focusing on racial differences rather than assistance for children in need, promoting liberty, and fostering opportunities for individuals living in poverty.<sup>15</sup>

The Kellogg Foundation’s new commitment to DEI is not unique. The Mellon Foundation, created through the merger of two foundations operated by Andrew W. Mellon’s children in 1969, noted in its 1971 annual report that the foundation had a “special concern for institutions of higher education” and was “convinced of the basic importance of strong colleges and universities in preparing individuals and in supplying ideas to help society to cope with its problems.”<sup>16</sup>

But the Mellon Foundation has taken a decidedly different turn in recent years.<sup>17</sup> In President Elizabeth Alexander’s 2021 foundation letter, she wrote that Mellon has “made the shift to assessing all of our work in the arts and humanities through the lens of social justice.”<sup>18</sup> Alexander uses the term “critical consciousness” three times in her letter, a phrase that does not refer to an analysis of the accuracy or value of a particular idea, but to critical theory and critical race theory’s thesis that everything in life is defined through the struggle for power. The term “critical consciousness” describes the radical belief that racism is the defining element of human interaction (the central idea of critical race theory).

“Social justice,” too, may sound like a noble goal unless one understands critical race theory. Critical race theorists use terms like “social justice” and “critical consciousness” to claim that America’s rule of law and representative system are systemically racist. According to critical race theorists’ definition of social justice, the only way to explain why people with different skin colors experience different outcomes in life—in education, income, health care services, and more—is through racism.<sup>19</sup> For example, a group of critical race theory’s founders, including Kimberlé Crenshaw, wrote:

Our critiques of racial power reveal how certain conceptions of merit function not as a neutral basis for distributing resources and opportunity, but rather as a repository of hidden, race-specific preferences for those who have the power to determine the meaning and consequences of merit.<sup>20</sup>

Stated simply, critical race theorists do not believe that people earn the good things that they receive. Rather, the members of the ruling class manipulate the outcomes of public policies and programs. A contemporary expositor of the theory, Ibram X. Kendi, directly explains this position, saying, “There is no such thing as a nonracist or race-neutral policy. Every policy in every institution in every community in every nation is producing or sustaining either racial inequity or equity between racial groups.”<sup>21</sup>

Social justice, then, is served when “those who have the power” alter the natural operations of economic, political, and social institutions, such as markets, government, and culture, respectively, so that ethnic minorities receive goods, services, and sanctions based on their skin color and irrespective of their choices and actions. This theory of justice removes individual choices, people’s agency to make decisions in their own best interest or even in the interest of others and submits to a ruling class that determines outcomes for everyone.

In 2017, the Kresge Foundation also adopted an “equity” statement that is at odds with the virtues demonstrated by its founder. Sebastian Kresge founded K-Mart, but only after an upbringing marked by hard work and industriousness.<sup>22</sup> Kresge was born into a poor family and worked his way through college, committing to give his earnings to his father, who paid for his business school tuition, until he was 21.<sup>23</sup> His frugality and persistent hard work epitomized the virtues of self-reliance and responsibility that were rewarded by America’s free-market system—regardless of skin color. By the time Kresge was opening his



five-cent and ten-cent stores near the turn of the 20th century, “black Americans were just as likely as white Americans to be employers, and almost as likely as white Americans to be self-employed,” according to historian John Sibley Butler.<sup>24</sup>

Yet Kresge’s foundation now operates under a mission statement that contains a remarkable condemnation of the United States:

Since this country’s inception, every facet of community life has been shaped by pervasive, enduring, corrosive, and invidious structural and institutional impediments to racial equity and racial justice.... Through *critical* examination of the values, implicit biases, policies, and practices that drive both our internal culture and external engagements, we will strive to fashion an institutional role that propels, rather than impedes, progress for the communities we aim to serve.<sup>25</sup> (Emphasis added.)

The woke orthodoxy has gripped charities of all types, regardless of a philanthropy’s focus, whether it is the arts, higher education, or health and science. And the larger the philanthropy, the longer the reach of that organization’s commitment to radical causes.

The Howard Hughes Medical Institute (HHMI), a science philanthropy, is the fourth-largest foundation in the world according to ARCO, a research organization studying philanthropic organizations.<sup>26</sup> With the support of the foundation’s benefactor, industrialist and aviator Howard Hughes, doctors and scientists created the foundation in 1953 to be a “steady operating organization with its own laboratories and not a general program of giving money away.”<sup>27</sup> Years later, HHMI became an official private foundation and, while it operates research campuses of its own, it also funds research teams at different universities.

Recently, the institute turned its attention to “diversity” because under the woke agenda it is not enough to advance scientific research. Now, the institute wants people to be hired based on skin color and “gender,” stating that it wants to build “a workforce that fully reflects the racial, ethnic, and gender demographics” of the country.<sup>28</sup> The institute announced that in 2021 it devoted \$2 billion “to increase racial, ethnic, and gender diversity in science.” Today, HHMI notes it has placed “equity at the center of policies and practices in research, classroom, and administrative settings.”

Critical race theorists driving the new “social justice” movement have dismissed the idea that everyone should be treated equally under the law. Instead of “equality,” they favor “equity,” which is the idea that

some deserve rewards or sanctions that they have not earned. The woke definition of equity is when “we all end up in the same place,” as Vice President Kamala Harris declared on social media in 2020.<sup>29</sup> Kendi, for one, is even in favor of using racial discrimination to produce equal outcomes: “If discrimination is creating equity, then it is antiracist,” Kendi writes.<sup>30</sup> Antiracist goals justify the means of achieving them: Antidiscrimination law should be dismissed if it does not result in equal outcomes (as opposed to equal treatment), which Kendi refers to as “resource equity,” for ethnic minorities. The new “equity” does not empower individuals, but a ruling class that redistributes money and resources according to race.

The Bill & Melinda Gates Foundation has also adjusted its mission over the past 20 years. Formed in the mid-1990s “to address two main issues—global health and community needs in the Pacific Northwest,”<sup>31</sup> the foundation has now adopted a DEI statement saying that its leaders “recognize the inherent power imbalances in our work” and “must look critically at our own culture and practices,” using terminology that comes directly from the critical race theory lexicon.<sup>32</sup> The foundation underwrote the creation of a math curriculum in use at schools in California and Oregon that substitutes “dismantling white supremacy” for “getting the right answer.”<sup>33</sup> The curriculum wants teachers to focus on “infusing antiracist pedagogy” in math and “provide learning opportunities that use math as resistance.”<sup>34</sup> The philanthropic focus on critical theory and its applications, such as DEI, is not only a dramatic departure from this foundation’s original mission. These new goals and activities promote racial discrimination and do not promote diverse ideas or result in people feeling more included in workplaces or schools.

To be sure, for institutions to include a diversity of individuals and their ideas can be a laudable goal so long as “diversity” includes viewpoint, personal experience, religion, and political beliefs and advances an organization’s mission rather than distracts from it. Private foundations should focus on helping marginalized communities and adhere to that mission if their founders envisioned such work. Yet, Americans must recognize that many major foundations started with certain missions and have added a radical set of ideas that would be unrecognizable to their founders. As the examples in Table 1 demonstrate, these new ideas are consistent with critical theory and have nothing to do with advancing the founders’ intent and everything to do with identity politics, often undermining that original purpose.

TABLE 1

## Examples of Philanthropies' Mission Statements (Page 1 of 2)

Foundation	ARCO Rank <sup>a</sup>	Mission Statement	New DEI/Woke Statement
Bill and Melinda Gates Foundation	2	Originally formed in the mid-1990s “to address two main issues—global health and community needs in the Pacific Northwest” <sup>b</sup>	From the DEI statement published in 2021: “We recognize the inherent power imbalances in our work. We must look critically at our own culture and practices, while building on our existing work in gender equality and listening to and learning from the many organizations that have undertaken their own DEI journeys.”
Wellcome Trust	3	“To improve health by supporting scientific research and the study of medicine” <sup>c</sup>	Diversity, equity, and inclusion are now “at the heart” of the Wellcome Trust’s strategy. <sup>c</sup>
Ford Foundation	8	Foundation resources were to be used for “scientific, educational and charitable purposes, all for the public welfare.” <sup>d</sup>	“Diversity, equity, and inclusion are core to our mission and to who we are as a foundation ..” The foundation is now committed to “funding with a DEI lens.” Also: “it’s essential diversity, equity and inclusion live across all of our work.” <sup>e</sup>
James Irvine Foundation	54	“The James Irvine Foundation was founded in 1937 with the broad mandate to benefit the people of California.” <sup>f</sup>	The DEI statement says, “Structural racism has historic and ongoing impact on economic opportunity for Asian American, Black, Indigenous, Latino/a, Pacific Islander, and other people of color... Removing and replacing policies, systems, and structures that perpetuate racial inequity is necessary to improve economic outcomes for everyone... We must align our internal policies, practices, and systems with our racial equity aspirations.” <sup>g</sup>
McKnight Foundation	57	To advance “a more just, creative, and abundant future where people and planet thrive.” <sup>h</sup>	“[T]he McKnight Foundation is committed to diversity, equity, and inclusion as core values... Racial discrimination is a legacy of our nation’s painful history, and institutional racism and unconscious bias persist.” And, “We respect the role of intersectionality.” <sup>i</sup>
Gordon and Betty Moore Foundation	22	“We chose the original areas of interest (environmental conservation, scientific research, higher education and the San Francisco Bay Area) because of our special involvement in these areas prior to the formation of the Foundation, as well as the great opportunities they represent.” <sup>j</sup>	From the organization’s DEI statement: “In our work, we face many choices and sometimes conflicting values. As grantmakers, we benefit from examining our aims and assumptions through a lens of diversity, equity, and inclusion, asking such questions as: When Indigenous peoples are centrally involved in our work, are we engaging them respectfully and effectively? How can we better engage historically and currently excluded communities and broaden constituencies to enhance the scale and durability of environmental conservation? ... In what ways do our own identities, backgrounds and experiences bias our choices of grantees? Have we intentionally reached beyond our familiar networks to challenge our assumptions, broaden our vision, gain fresh insights, and identify new ideas, solutions and partners?” <sup>k</sup>

TABLE 1

## Examples of Philanthropies' Mission Statements (Page 2 of 2)

Foundation	ARCO Rank <sup>a</sup>	Mission Statement	New DEI/Woke Statement
David and Lucile Packard Foundation	18	<p>"David and Lucile Packard believed America to be the home of a unique type of organization—foundations—that are dependent upon both private funding and volunteer leadership. Along with universities, national institutions, community groups, youth agencies, family planning centers, and hospitals, foundations constitute a great American tradition that complements government efforts to focus on society's needs."<sup>m</sup></p>	<p>From board chair David Orr's statement in June 2020: "Black people also make up one of the many groups who bear the disproportionate negative impacts of our climate crisis and the rollback of environmental laws and regulations... I have committed to—and I have asked staff and fellow Board members to commit to—examining how our organizational and grantmaking structures, processes, and practices contribute to inequitable racial outcomes, and how we can help to end racism."<sup>n</sup> The DEI statement is available on the foundation's website.<sup>p</sup></p>

**SOURCES:**

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## Research on Diversity and Implicit-Bias Training Programs

For foundations to adjust their mission statements so that the statements better reflect their founders' missions is not unusual. Nor is it unusual for charities to change their giving practices or their philanthropic programs to be more effective at reaching certain goals. Yet the relatively recent and intense focus on DEI runs contrary to what research has demonstrated is effective and what is not. The racially charged conversations that Kellogg encourages as part of its National Day of Healing and other foundations' commitments to rooting out implicit biases sound identical to the diversity training programs that are common in K-12 schools, higher education, and corporations. The Gates Foundation, for example, offers its employees 11 activist or racial affinity groups to join, as well as an array of DEI training programs.<sup>35</sup>

Research finds that diversity training programs are highly ineffective. Harvard researchers have written that antibias training programs are "likely the most expensive, and least effective diversity program around."<sup>36</sup> Some two-thirds of human resource officers reported that diversity training does not have positive effects, with some reports showing specifically that these trainings have no effect on improving the careers of women or ethnic minorities or managerial diversity.<sup>37</sup>

The author of this *Special Report* summarized the related research in his book *Splintered*<sup>38</sup>:

In one review of nearly 1,000 studies on the effects of antiprejudice training, researchers at Harvard and Yale "conclude that the causal effects of many widespread prejudice-reduction interventions, such as workplace diversity training and media campaigns, remain unknown."<sup>39</sup> Another meta-analysis (a study combining the results of other studies in the same research area), looking at nearly 500 papers reviewing different attempts to change implicit bias, found that measurements of changes to "implicit" bias "are possible," but "those changes do not necessarily translate into changes in explicit measures or behavior" and that "effects are often relatively weak."<sup>40</sup> One review of the research in this area from 2017 finds that most of the changes in attitudes among participants did not last long after the training.<sup>41</sup>

A recurring theme in the research is that even when changes in implicit bias are measured, they do not persist. A study of 6,300 participants using nine different interventions for antibias training found that "none were effective after a delay of several hours to several days."<sup>42</sup> (Footnotes 38-41 are citations from the original text.)

Research on the most famous implicit-bias test, the Implicit Association Test created by Anthony Greenwald and Mahzarin Banaji, has found similar results. In fact, in 2015, Greenwald, Banaji, and a co-author reported that their test has “properties that render it problematic to use them to classify persons as likely to engage in discrimination.”<sup>43</sup> Following this research, a writer for *The Washington Post* claimed that required diversity training aimed at reducing bias “actually do more harm than good.”<sup>44</sup>

## Environmental, Social, and Governance Metrics

The environmental, social, and governance (ESG) movement is also pushing foundations’ giving and endowments in the direction of prescriptive causes. Those business leaders, philanthropists, and investors who adhere to the ESG movement are changing the measures of corporate or investment effectiveness from productivity or returns on capital to success in promoting narrowly defined ideological causes.

The movement has grown rapidly. In 2019, Americans invested \$20 billion in ESG funds, a fourfold increase from 2018, according to Stephen Soukup.<sup>45</sup> Noticeably absent is a dedication to producing returns for investors. As Vivek Ramaswamy explains in *Woke, Inc.*, ESG investing “demands that a small group of investors and CEOs determine what’s good for society rather than our democracy at large.”<sup>46</sup> Ramaswamy continues: “They steal our shared American identity. Woke culture posits a new theory of who you are as a person, one that reduces you to the characteristics you inherit at birth and denies your status as a free agent in the world.”<sup>47</sup>

What does this mean for charity? US SIF: The Forum for Sustainable and Responsible Investment, a membership organization that seeks to advance “sustainable” investing, operates the US SIF Foundation for the purpose of advancing ESG goals.<sup>48</sup> This foundation defines sustainable investment as “an investment approach that considers environmental, social and governance (ESG) factors in portfolio selection and management”<sup>49</sup> and represents “some \$5 trillion in assets under management or advisement.” The US SIF Foundation’s materials explain that the foundation helps member companies or foundations that make charitable contributions to engage in “sustainability themed/thematic investing” that invests according to certain “themes,” including “green buildings” and “gender equity” and “diversity.”

Among the partners of this behemoth advisory foundation is the Racial Justice Investing (RJI) group.<sup>50</sup> This group of business leaders and investors aims to guide philanthropic investments according to certain themes that



match the guiding ideas of critical race theory. For example, RJI wants to “elevate understanding of the harmful relationship between the systems of racism and capitalism in the U.S.,” which corresponds to Ibram X. Kendi’s claim that capitalism and racism are conjoined twins.<sup>51</sup> RJI also seeks to “center the perspectives and expertise of people of color, especially Black people,” with no mention of a person’s work ethic, knowledge, or work experience or of the behaviors that would make someone a valuable employee and colleague.<sup>52</sup>

According to RJI, “white supremacy” is “entrenched” in American business and society, and RJI “denounce[s] the racist tactics and brutality deployed by law enforcement.” RJI argues that companies should commit to having a board of directors in which at least 30 percent of the members are from minority ethnicities, “with particular attention to historically marginalized groups,” and advises that businesses should conduct a “racial equity or civil rights audit.”

Is capitalism racist, though? The research on free-market, capitalist systems that allow individuals to improve their stations in life—to move from poor to middle class or above—is strangely neglected by critical race theorists. “The literature on Afro-American entrepreneurship, both slave and free, is systematic testimony to the spirit of enterprise even under troublesome conditions,” writes John Sibley Butler, whose *Entrepreneurship and Self-Help Among Black Americans* is a seminal piece of research on how some black Americans were able to prosper despite discrimination thanks to America’s free-market system (what Butler calls the study of “ethnic enterprise”).<sup>53</sup>

Butler and other historians, such as Abram Harris, record examples such as that black Americans “dominated the restaurant business before the Civil War”; a group of black businessmen in New Orleans made millions speculating on cotton in the late 19th century, with one attaining a fortune of approximately \$13 million in inflation-adjusted dollars at the time of his death in 1890; and black Americans living in New York in the 1850s owned property worth more than \$20 million in current dollars.<sup>54</sup> These examples and more from the work of Butler, Harris, and others show that “Afro-Americans are woven historically into the economic fabric of America.” Butler adds, “There is nothing permanent, as can be seen in the presentation of data in this work, about underclass status.”<sup>55</sup>

Nevertheless, philanthropies are radically changing their spending and investment practices—along with their mission statements. In early 2022, consultant Timothy McClimon, an advocate of ESG investing, wrote for *Forbes*, “Many foundations have taken an initial step of *negative*

*screening*—trying to ensure that they aren’t investing in companies that are counter-intuitive to their missions,” that is, the new missions described in this *Special Report* that are dictated by ESG and the critical race theory notion of DEI.<sup>56</sup> McClimon added that some foundations are even divesting their endowments from companies that do not follow these woke approaches. The Merck Family Fund, for example, will not invest its endowment in companies that generate more than 5 percent to 10 percent of their revenues from nuclear power or uranium or gold mining.<sup>57</sup> The Robert Wood Johnson Foundation “screens out” companies that “primarily” manufacture or sell tobacco, alcohol, or firearms.<sup>58</sup>

While the harms from tobacco are well-documented, and a foundation’s position on firearms can be explained as the organization’s effort to take a position on a policy issue, attempts at “negative screening” are often just acts of woke virtue signaling that result in discrimination. The Compton Foundation, for example, began divesting from “an old, dirty, fossil-fuel based economic system” and investing with a “gender lens” in 2011, which focuses on critical race theory’s concept of intersectionality. Intersectionality is Kimberlé Crenshaw’s addition to critical race theory that claims that certain people are burdened in multiple ways based on the identity groups with which they identify themselves.<sup>59</sup> Thus, a lesbian from a minority ethnicity could claim any disparate outcomes in her life to be the result of homophobia, sexism, and racism.<sup>60</sup> Compton is part of a larger movement called the “Divest/Invest Philanthropy” campaign that includes some 170 philanthropies worth some \$6 trillion total, which are “publicly committed to divestment” from fossil fuels and the supposed interrelationship between social justice and “climate change.”<sup>61</sup>

According to the Criterion Institute, which helped develop the “divest/invest” concept, climate change and social justice are interrelated:

There is potential to shift the field of gender lens investing to be more focused on gender equity rather than on diversity alone, to make it less binary and inclusive of diverse sexual identities, and to ensure that it incorporates race and other intersectional identities. There is an imperative to ensure that climate finance is more attuned to issues of social inequities and to incorporate the goals of climate justice in the work of reversing climate change.<sup>62</sup>

Climate change, then, is the result of racism and sexism: “98.7 percent of investment power is with white men,” says Tracy Gray of The 22 Fund, adding that



perhaps this is why there has never been the urgency around climate change—the white men in power were not experiencing the same negative impacts. Now that climate change is priced into investable assets as a risk, we need to look to and invest in BIWOC [black, indigenous, and women of color], globally, for the solutions to address the deleterious climate effects these women are experiencing.<sup>63</sup>

At issue is not just reducing waste that is harmful to the environment or helping women in poverty, but the claim that there are no nuances in public policy, no competing factors that cause disparate outcomes—the world is only understood as a power struggle caused by racial and sexual disparities, precisely the zero-sum game described by critical race theory.

So, not only will foundations include a DEI form among the application materials for grantees, positively screening grant recipients for their radical positions, but the philanthropies themselves are aligning their endowments with radical ideology by investing in companies committed to ESG, critical race theory, and the woke orthodoxy.

## What Will Satisfy Radical Groups?

Now that these foundations have revised their missions, what should they expect from the media and advocacy organizations that the foundations should consider their allies? If foundations are expecting applause from the Left, they will be disappointed. No change in mission or activities will ever be enough, since critical theory claims that large power centers, such as foundations, are part of the nation's irredeemable systemic racism and must themselves be dismantled.

A *Washington Post* report released in 2021, after businesses and philanthropies around the world made pledges to support Black Lives Matter and released DEI statements in the wake of George Floyd's killing, stated: "More than a year after America's leading businesses assured employees and consumers they would rise to the moment, a *Washington Post* analysis of unprecedented corporate commitments toward racial justice causes reveals the limits of their power to remedy structural problems."<sup>64</sup> One corporate advisor on social justice issues told the *Post*: "The answer to these massive problems is not in capitalism doing better or more. It's not going to come from philanthropy. It's not going to come from promises. It's got to be a policy change." The advisor adds, "We don't want just benevolent billionaires and nicer, softer, more-woke monopolies."

Writing for *Inside Philanthropy*, Orlando Watkins wrote, “Many of us have made statements and launched standalone ‘equity’ portfolios, but a closer examination of grantmaking decisions—who receives funding, how much, and for how long—reveals a striking absence of equity.”<sup>65</sup> Then he stated plainly: “Philanthropy is falling short in its effort to support BIPOC-led [black, indigenous, people of color] and BIPOC-serving organizations.” The Development Guild, a consulting firm for philanthropies, says that charities should have separate events to talk about Black Lives Matter and that DEI and DEI events should be restricted to individuals “who belonged to those groups.”<sup>66</sup>

Again, these activities do not encourage unity but promote segregation—and point to power struggles. The president of the Seattle-based Marguerite Casey Foundation, Carmen Rojas, wrote in the *Seattle Times* in 2021, “Our philanthropic model needs to move beyond generous donations to commitment rooted in social justice if we are to make bold changes that shift the balance of power in our society.”<sup>67</sup>

In some cases, these critiques come years after foundations made commitments to DEI and social justice. The Kellogg Foundation has been working on such initiatives for at least three decades. Others, like the McKnight and Heinz charities, have invested at least 10 years in these efforts.<sup>68</sup> It is not clear what or how much could satisfy social justice advocates. A review of foundations’ DEI activities by Grantmakers in the Arts, a national association of charitable associations that funds arts programs, notes:

On the public-facing side, foundations are proclaiming their values using DEI statements or by including them in other official materials, such as mission, vision, or values documents. While many foundations are employing this strategy, it is unclear whether their actions match the rhetoric of their DEI statements. It is also difficult to know how arts organizations interpret these statements, and whether arts and culture professionals believe they will lead to demonstrable change in funding practices.<sup>69</sup>

Foundations’ DEI statements and racially focused programs may never appease those calling for a dismantling of American institutions. If these philanthropies understood the origins and goals of critical race theory, the less-than-sanguine reactions from activists would not come as a shock.

Critical race theory was designed and canonized by law professors who were skeptical of the way both those on the ideological right and left handled the civil rights movement.<sup>70</sup> Critical race theorists are not satisfied with the commitment to advancing civil rights from those on the right side of the

political spectrum nor the commitment from those on the left.<sup>71</sup> Over the past 30 years, these critical theorists have advanced radically new ideas that have no regard for America's founding ideals or the American legal tradition.

The problem with diversity statements and new philanthropic pledges on social justice is that such statements are not radical enough in the eyes of the woke. Any institution still operating within the realm of America's constitutional order and the rule of law has not done enough to overturn America's legal system and methods of justice. "Laws produced racial power" and "[insulated] white dominance," according to critical race theory.<sup>72</sup>

According to critical race theory, philanthropies must not just say they care about racial issues, they must also award grants to groups based on their race, not the effectiveness of any particular initiative, Watkins wrote in *Philanthropy Today*. This is a sadly discriminatory directive that Americans should reject.

The Civil Rights Act of 1964 removed racial discrimination from American law, eliminating the legal endorsement of prejudice, while the civil rights movement changed the public consciousness about discrimination. Supreme Court justices who are ethnic minorities, a former President and the current Vice President who are of mixed ethnicities, minority business leaders and successful actors—all indicate revolutionizing progress that American culture has made in living up to the country's founding ideals. In his National Book Critics Circle Award-winning book *The Content of Our Character*, Shelby Steele writes that black Americans who are obsessed with race "see racism everywhere and miss opportunity [for self-advancement] even as we stumble over it."<sup>73</sup> Critical race theory does not view efficiency, transparency, or effective programs as measures of success but instead prefer bean counting to give more money and representation (including the power to run foundations themselves) to minority groups—again, not based on a specific need or merit but on racial preferences.

## Conclusion

The woke orthodoxy has captured the missions of some of the wealthiest charitable foundations today. Abandoned are the principles of individual character, merit, and personal responsibility—replaced with commitments to identity politics and accusations of systemic inequities.

This has led to a homogenizing of foundations, replacing a diverse ecosystem that once reflected myriad causes and missions that served individuals and communities of all different backgrounds with a Marxism-based ideology focused on racial preferences.

Philanthropies should help those in need. The obsession with racism “[neglects] the individual initiative” that can lift people out of poverty, as Steele writes.<sup>74</sup> “The emphasis on race now,” says Robert Woodson, whose Woodson Center is a charitable organization that is highly successful at helping minority individuals lift themselves out of poverty, “is acting as a primary barrier for us to address the deeper malaise facing this country.”<sup>75</sup> Philanthropies must reposition themselves to drive success, not deepen ideological division and discrimination.

Philanthropies should support the free-market system that allowed so many of their founders to achieve success and award grants and, in turn, made it possible for others to pursue the American dream—regardless of their skin color.

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