

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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## ***The Future of Philanthropy Is Trust-Based***

*Sponsored by Trust-Based Philanthropy Project*

## ***Racial Justice Requires Trust***

By Nat Chioke Williams & Liz Bonner

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unrestricted funding. Studies have shown that philanthropic norms have inhibited nonprofit impact and exacerbated racial inequalities.

The tide finally began to turn in 2020, when, in response to the COVID-19 pandemic, political turmoil, and global uprisings for racial justice, funders began to reexamine their work at every level. Many dropped onerous reporting requirements. They moved money quickly, with fewer strings attached. They converted restricted grants to general operating support so nonprofits could pivot to meet unforeseen needs.

Of course, sector-wide change does not happen spontaneously. Years prior to the sea change of 2020, a small group of funders had been organizing around a shared approach rooted in trust and collaboration. They listened deeply to what nonprofits needed. “Trust us” was the message from nonprofits. Following that cue, these funders pooled their time and resources to influence others. Inspired by their vision and motivated by my personal experience, I joined them in building the campaign that would eventually become the Trust-Based Philanthropy Project.

#### A RISING CULTURAL SHIFT

The Project launched in 2020 with humble aspirations to promote six grantmaking practices to alleviate funder-grantee power dynamics. Since then, we have inspired hundreds of funders to embrace unrestricted funding, streamlined paperwork, and support beyond the check. We have shifted the narrative around conventional practices while providing tools and resources for operationalizing trust-based giving.

One insight we have gleaned is that making changes in practice is relatively easy. But trust-based philanthropy goes *much* deeper than grantmaking. We envision a future where nonprofits and communities are celebrated as essential contributors to social change. This trust-based future requires shifts in philanthropic mindsets and cultures, as well as the structures that scaffold them. It requires funders to relinquish their individual power to achieve a more equitable and democratic future.

Fortunately, more philanthropic leaders are stepping up to do the bold, rigorous, and infinitely more rewarding work of institutional change. They are reimagining traditional roles and structures in radical ways, including transforming organizational cultures from corporate to community-centric. These leaders recognize nonprofit health and well-being as a major ingredient in advancing social progress.

Trust-based philanthropy also expands our definitions of accountability in ways that center the needs and dreams of marginalized communities, providing a pathway to liberation and justice. Trust-based funders are modeling the kind of culture that will contribute to a more democratic future for everyone.

The stories in this supplement demonstrate that while there is no one-size-fits-all approach to trust-based philanthropy, the core values remain the same. What was once expressed on the sector’s fringes is now a chorus, with voices coming from across the United States and abroad. This movement proves how the power of an idea can reshape philanthropy, especially when funders relinquish personal power to build collective power. I hope our sector can maintain this momentum to realize a better future.

**Shaady Salehi** is cofounder and executive director of the Trust-Based Philanthropy Project. She has worked at the intersection of narrative, culture, and social change for more than two decades.

# RACIAL JUSTICE REQUIRES TRUST

**A commitment to racial justice means transforming conventional practices and embracing trust-based philanthropy.**

BY NAT CHIOKE WILLIAMS & LIZ BONNER

Over the years, funders would tell those of us at the Hill-Snowdon Foundation, “You’re such an example.” They were so proud of our organizing work, especially in the US South. They pointed to how we centered our relationships with our partners and how we focused on racial justice as underlying and informing every issue. These acknowledgments could have served as a signal that we were doing enough, causing us to stop interrogating our own behaviors.

But we did not stop. Instead, we uncovered gaps in our approach and outdated practices that did not align with our values. Like so many in philanthropy, we relied on old habits, having inherited certain practices without taking time to critique them. A new philosophy that aligned with trust-based philanthropy helped us realize that our commitment to centering racial justice and power building required us to change.

Together, we offer our combined reflections on that process as executive director and board president of the Hill-Snowdon Foundation. We share the following road map for other funders who are committed to advancing justice but may feel stuck using conventional practices that cause more harm than good.

#### STOP AMBIVALENT NO’S

Our need for change came into sharp focus in 2020. Funders that had long accepted status quo philanthropy began to shift when faced with the unprecedented needs of communities amid the pandemic, racial justice uprisings, and political upheaval.

In the spring of that year, the Hill-Snowdon staff had many calls with our partners to hear what the foundation could do to better support them. At the end of one call, one of our longtime partners, the Black Organizing Project, inquired if the foundation could begin multiyear grantmaking.

Until that point, Hill-Snowdon had only provided long-term grants on an annual basis. To us, longer or shorter grant periods were a technicality; our commitment was the same. However, for our community partners, who had asked us to shift to multiyear grants during our 2005 strategic planning process, longer-term grants brought stability to their work.

Yet we had failed to grasp this truth—not because of a strategic disagreement but simply, we realized, because of habit: Multiyear grants would have required changes to our accounting practices. The shift from one year to multiple was tedious and technical, which at the time was enough of a barrier to stop us changing.

Fifteen years later and in the context of crisis and turmoil, our “no” to the request for multiyear funding felt wrong. It served our own interests, not our community partners’.

### REORIENTING TO SERVICE

Our shift from single-year grants to multiyear funding opened other questions and possibilities. We called this our *strategic reorientation*: We reoriented ourselves from supporting our partners to serving them, by not only moving the foundation's grant dollars to our community partners but also doing it in a way that fully and deliberately aligned with our values.

This service reorientation gave us a different lens for examining our work. We began to ask ourselves, "How is this serving our partners?" When the answer was that it wasn't, we then asked what must change so that it did. For example, staff members previously spent hundreds of hours creating long and detailed write-ups for our board dockets. When we realized that this wasn't serving our partners, we eliminated these time-consuming write-ups, which created time for staff to connect with community partners to learn more about how to better serve them.

### THE CONDITIONS FOR CHANGE

Among many elements that helped the Hill-Snowdon Foundation introduce these changes was the clarity of our values around power and racial justice. Building trusting relationships with our partners had always mattered to us and was central to Nat Chioke Williams' experience as a community and youth organizer. We were committed to investing directly in and following the lead of marginalized individuals working to create a new system that benefited everyone.

Hill-Snowdon's racial justice orientation made it possible to explore the changes we incorporated into our organization. Trust-based philanthropy gave us the language to understand that while we were clear on our values, our commitment to relationships was not being reflected in our grantmaking practices. With changes like embracing multiyear grants and doing away with lengthy dockets, we saw our organization's actions more closely reflect our words. As we moved into our strategic reorientation, we learned four lessons, which we hope will inspire other foundation board and staff members seeking to strengthen their own racial justice and trust-based orientations:

**Consider the changes your board needs.** | One of Williams' primary roles is to foster relationships between the board and the community. This is done through site visits and other opportunities that ground racial justice issues in personal experience and connection. By making this an explicit part of his role, Williams built trust, eventually paving the way to expanding the board to include trustees beyond just family members.

In 2020, three non-family community trustees—leaders of color who are experts in their fields—joined the board. Recruiting, selecting, and onboarding new trustees took a great deal of care and contemplation. We pushed ourselves to understand how to create a multiracial space from a monoracial one. We also redefined our board's role in order to increase support for Black-led organizing.

Additionally, in November 2022, the Hill-Snowdon board decided to relinquish some of its decision-making power. In that meeting, we voted to move to multiyear general operating support grants and to transfer decision-making for all grants up to \$100,000 to our staff.

**Deepen internal racial justice work.** | Hill-Snowdon was not new to racial justice and equity grantmaking. But we realized that becoming fully committed to anti-racism as an organization required exploring what it means to have a predominantly white board investing in Black-led organizing. It was not enough to rely on aligned grantmaking or to invite the board to build alliances with our community partners. We also examined our identities in relation to the work, including the biases we bring.

While we already had the desire to engage in this work, we did not have the structure and support for reflection and learning. Hill-Snowdon hired a racial equity consultant to embark on this journey with family



members on the board, year over year. The process included having deep conversations about the family's intersections with racism and examining their sources of wealth.

**Invest in building trust internally.** | We strive for nonhierarchical dynamics and relationships. For example, any staff member may attend any board committee meeting. We also respect the expertise, experience, and knowledge of each person on the team. Liz Bonner, a family trustee, has full faith in Williams as the expert in grantmaking and the person who has deep relationships with grassroots partners and other funders. It may sound simplistic, but sharing each person's contributions and working together for so many years have cultivated mutual trust and respect.

In 2014, when Michael Brown was killed by police in Ferguson, Missouri, and BLM was gaining mainstream visibility, Williams wrote an article called "Making Black Lives Matter," about philanthropy's role in investing in Black-led social change. As executive director, Williams informed the board that the article would be published under the Hill-Snowdon Foundation's name, rather than asking for their permission. The entire board endorsed his decision because they fully supported his leadership—a level of affirmation reflecting their relationship rooted in trust, shared values, and a shared commitment.

**Start with power.** | If our goal is to redistribute power toward a more equitable future, we must begin by identifying how and where power exists in our work and processes. From there, funders can begin making intentional shifts toward a greater goal.

When Hill-Snowdon began updating our approach, we got organized by creating a map of the changes under our new model. With every interrogation of a process came change. All the elements in our work were connected, requiring us to stay deliberate and flexible. For example, when we removed our board dockets, we had to rethink board meetings and staff roles so that we could continue to share high-level learnings with the board. We discovered that 100 elements had to change.

#### VIGILANCE IS THE ONLY VICTORY

How, in this moment, can there be racial-justice funders who do not adhere to trust-based principles? How are we still witnessing funders who voice their commitment to social justice while missing the chance to truly serve their partners?

When we understand that this work is about breaking down hierarchies and restructuring relationships, we realize, as Williams says, that vigilance is the only victory. Who we are and how we show up is a perpetual experience. There is no finish line. You cannot have a just society without trusting in the humanity of all people.

In recent years, we have seen some funders change the window dressing of their grantmaking to resemble trust-based practices. But trust-based philanthropy is deeper than a shift to multiyear grantmaking or simplifying grant applications. If we stop being vigilant about making racial justice and trust the foundation of our work, we risk replicating the very dynamics that define our unequal society. Vigilance is especially important if we understand philanthropy as a direct product of racialized power in this country. If we can change relationships in our sector, imagine the potential for change on an even broader scale.

**Nat Chioke Williams** is the executive director of the Hill-Snowdon Foundation.

**Liz Bonner** is a family trustee of the Hill-Snowdon Foundation.

# REIMAGINING FUNDER ACCOUNTABILITY

**Funders often mistake accountability for compliance. Instead, accountability must be rooted in mutuality, relationships, and power analysis.**

BY LORRIE FAIR ALLEN, ASHLEE GEORGE  
& CHARLIZE THERON

*was born in apartheid South Africa, where racism and injustice defined society. The country's white minority used its power to build systems and structures to divide and oppress people. Inequity was all around us. While this history still looms over the country, South Africa is not alone. Historical inequities have shaped every society, every sector, our contemporary lives, and our organizations. Philanthropy is no exception. I founded the Charlize Theron Africa Outreach Project (CTAOP) because of the lasting impact of inequity on young people and their communities. The longer we do this, the more we realize that conventional philanthropy, like many other sectors, keeps power where it is. — Charlize Theron*

As funders, if we are to achieve our shared vision with our grantee partners, we need to build an environment with strong relationships, where each of us takes responsibility for our role. Too often this isn't the case. Our mission at CTAOP is to invest in and advance the health of young people in southern Africa to create a more equitable future for all. We achieve this by forming close bonds with our program partners, which requires both trust and accountability. It is our belief that through these relationships we can best support community leaders to create positive change in the lives of young people.

By defining accountability as taking responsibility for our actions, we can think critically about the role we play in a larger ecosystem of change. While we understand that each funder operates in unique contexts and with limitations that shape their approach, our hope is that this article encourages them to think more with an equity lens, especially as it pertains to their own accountability.

#### FROM CONTROL TO ACCOUNTABILITY

In philanthropy, accountability is a practice generally required solely of the grantee, and grant makers often pass on any accountability requirements to their community partners. Many funders require burdensome proof of numbers reached and completed activities, quarterly impact, or detailed financial audits. Such data are often more about compliance with funders' requirements than learning about community impact. Funding and strategy decisions not based on learning may subsequently be based on biases shaped by non-local norms. Individuals with relevant lived experiences are often labeled solely "beneficiaries" or "recipients," while others who possess greater positional power are deemed "experts" or "authorities" best suited to solve societal challenges.

Some indicators can be helpful for learning about our partners' work. But if we are honest with ourselves, philanthropy's conventional accountability practices often more closely resemble a comprehensive