

Delivering better funding
for Black-led
organisations and racial
justice

*Understanding what's
needed and taking
action*

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Authorship and acknowledgements

This discussion paper has been written by Keeva Rooney and Liz Firth, based on a review of research and campaign material from more than 20 Black-led organisations, racial justice organisations and funders, as well learning from funders and IVAR's own work with organisations in this space.

Terminology

We are using the definitions in '[Contains Strong Language: A Guide to Talking about Racism](#)', published by Reframing Race in July 2023. The report uses these key terms:

- **Anti-racism** is the practice of identifying and ending racism by changing the values, structures and behaviours that enable it.
- **Race equity** is the work of ending racial disparities and breaking the link between life outcomes and 'race' or ethnicity. Race equity builds on anti-racism because it focuses on treating people in an appropriate way – not necessarily in the same way – in order to overcome inequitable outcomes.
- **Racial justice** is a vision for a world transformed beyond recognition. It marks a future beyond 'race', racial hierarchy, racism and racial inequities, where proactive measures, structures and systems to ensure racial equity are normalised to allow Black and Minoritised and all people to thrive.

We follow Reframing Race's lead in using '**Black and Minoritised people**' to collectively recognise the many different ethnic groups who experience the negative impacts of racist ideologies, practices, and impacts in distinct ways.

And we describe the organisations led by people in these communities as '**Black-led and racial justice organisations**'.

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Purpose of this discussion paper

Black-led and racial justice organisations have long been under-resourced and underfunded. This has limited their ability to grow and flourish as a sector, further constraining Black and Minoritised communities and their voices. Funders increasingly recognise the need to step up the effort to deliver more equitable funding. While some Black-led and racial justice organisations can point to welcome changes in the funding environment, it is clear that this work has barely begun:

‘There is no doubt that a growing recognition of the barriers Black and ethnic minority organisations face in accessing finance, has catalysed changes in certain parts of the funding system ... However, we are far from the wholesale transformation that the funding system must undergo, to adequately reckon with the effects and influence of racism in this country.’

Booska Paper: Exposing Structural Racism in The Third Sector

Engaging meaningfully with equity and racial justice in grant-making is challenging. Whether working to understand fundamental questions about what it takes to be an anti-racist organisation, or making practical changes in long-established policies and practices that reinforce inequity, we all have to be ready for uncomfortable conversations. But this is work that has been much too slow in coming for Black and Minoritised people and communities. And there is an increasing body of expert advice and feedback from these communities to show ways forward:

‘We hope that by providing a bold roadmap for transformational change in which racial justice is centred and positioned as a prerequisite for any social change we will help support the funding sector to face some hard truths. We know this work is not easy, but it is urgently necessary. For too long those closest to power have skirted from their responsibility to address a system which works for few and deeply hurts many.’

Racial Justice and Social Transformation: How funders can act

More than 125 funders in the [Open and Trusting Grant-making](#) community have made concrete commitments to improving their practice by listening to charities and communities, and being accountable to them for their progress. However, while a more trusting and respectful funding approach does create a foundation for progress, it is not the same as a more equitable one. While IVAR is not an expert in racial justice funding, we are in a position to create opportunities for the voices and experiences of people furthest from power to be heard by funders and become influential.

This discussion paper draws on – and directs readers to – research and campaign material from more than 20 Black-led organisations, racial justice organisations, and funders, as well learning from funders and IVAR’s own work with organisations in this space. It begins with a brief summary of how Black-led and racial justice organisations experience the funding system, moving on to share some emerging ideas and practices to support better funding. We hope that this will help to generate new thinking on the practical actions that funders can take to respond to the experience of Black-led and racial justice organisations and, at the same time, support members of the Open and Trusting community and others who may – because of confidence or awareness or resources or history – find it difficult to initiate change.

Current experiences of Black-led and racial justice organisations receiving funding: messages from research

The increasing body of research, challenge and feedback from Black-led and racial justice organisations contains many important messages for funders, not only on grant-making practice but also on broader questions of governance and investment. Our focus here is on their experience of the funding process, highlighting nine commonly discussed barriers to better funding.

1. Funders don't recognise the deep and extensive impact of racism in their own practices

Racism is a systemic issue and funders are part of the system. This means they are also part of the problem. Unless funders actively scrutinise everything they do through an anti-racism lens, they continue to reinforce the systemic racist structures that the charity sector and its funding are built on:

'First we have to take personal responsibility and educate ourselves on the reality of systemic racism and from that point we will be much better positioned to shift power. We must empower those who are able to lead the way, supporting them whilst removing ourselves from further giving energy to systems, people and organisations that are invested in a racially unjust world or the subjugation and continued harming of communities of colour.'

[Racial Justice and Social Transformation: How funders can act](#)

2. Even when trying to take positive action, funders tend to be controlling

They are used to setting the agenda rather than serving an agenda defined by others or ceding control over how resources are used:

'How BME leaders and communities frame and narrate their issues – and therefore how they choose to work to address those issues – should be respected and adopted by funders; their lived experience and expertise are central, not marginal, to the ultimate impact of the funding under question.'

[Shared futures: Funders, Funding and the BME third sector](#)

3. Funders often get stuck on defining the problem, not working towards solutions

Respecting the lived experience, skills and knowledge of Black and Minoritised people must not mean expecting them to do all the work:

'[Contributors shared] the frustration felt by racialised communities tired of doing the heavy lifting for the sector, pointing out structurally racist and historic problems only to be shown blank pages when it comes to delivering solutions.'

[No more blank pages](#)

4. Funders can be extractive in their dealings with Black-led and racial justice organisations in other ways

Many Black-led and racial justice organisations welcome funders who, for example, want to engage in serious discussion about better funding practice or have introduced lived experience panels into their decision-making. But, too often, they are asked to do this without remuneration. This drains resources from their own organisations, reducing their capacity to do their own work and raise funds to support it.

5. When it comes to funding, most funders see racial justice work as 'too risky'

Many shy away from supporting work on root causes and there is very limited long-term commitment to substantive racial justice strategies or to grass-roots community organising:

'Funding Justice 2 analysed over £950 million worth of grants. It found that just 5.7% of UK foundation giving in 2021/22 went towards work to tackle injustice [and] 0.3% ... went towards building people power through organising. This is despite growing recognition that "community organising and local power building is simultaneously one of the best and one of the most under-resourced mechanisms we have to shift power to and secure just outcomes for (and with) communities".'

[Funding Justice](#)

6. Funders often encourage (or require) collaborative bids from Black-led and racial justice organisations

This is often inappropriate, ineffective and damaging to their capacity and ability to focus on mission:

'One funder directly told us: "you should all get together and coordinate better amongst yourselves." This statement we heard a funder say needs challenging for the following reasons: 1) it assumes it is our responsibility and not the funders to address how we are treated 2) we are not one homogenous group 3) not all Black and Minoritised community led organisations have the same purpose and mission, nor the same role. Whilst acknowledging that there is room for better coordination and communication within the sector, the problem with this type of thinking is that Black and Minoritised communities are seen as the ones at fault here. It does not account for funders' own responsibility producing the dynamics that shape the current landscape in the first place.' [Booska Paper: Exposing Structural Racism in The Third Sector](#)

7. Funder expectations effectively exclude many Black-led and racial justice organisations

Common eligibility criteria – such as funding only registered charities – act as a common barrier to access, with many community-based organisations set up as CICs or constituted groups. But long-established assumptions about what a fundable organisation looks like have a wider effect:

‘Because of historic neglect, many Black and Minoritised community groups are excluded from most funding programmes by default because they don’t meet requirements. Many are micro or small, operate at the grassroots level and lack robust financial and governance structures. It is our view that if funders want to address inequality it is their responsibility to design programmes and adopt approaches to be responsive to these features, rather than continue making them a subject to eligibility. There also needs to be recognition that the scrutiny funders often apply at the review stage for these smaller organisations only reinforces the culture of dominance. Black and Minoritised community groups are in their current condition because funding has been structured to benefit certain portions of the VSCE sector.’

[Booska Paper: Exposing Structural Racism in The Third Sector](#)

8. Funders’ low commitment to giving feedback is a serious barrier to progress

Black-led and racial justice organisations talk about the crisis of confidence created by repeated rejections as one of the most significant barriers to groups accessing funding:

‘Funders should provide applicants with more detailed feedback when applications are unsuccessful. In the short term this would ensure that Black-led impact organisations learn from their mistakes but in the long term improve their conversion rate, aid in the equitable distribution of funds and indeed leverage the large amount of lived experience that exist at the grassroots for social change.’

[Black-led Impact Organisations: The Lived Experience Report](#)

9. When funding is given, it is often tightly controlled and does little to enable Black-led and racial justice organisations to develop and thrive

Funding practices continue to reflect unequal power dynamics, with a focus on restricted, one off or short-term project delivery with pre-determined outcomes and performance measures:

‘Funding needs to shift from short-term, project based, and often “performative” funding – which meet the ad hoc, target-driven agendas of the individual funder – into long term investment, which make financial and other resources available for the core and development costs of the BME group or organisation, and build sustainability and resilience.’

[Shared futures: Funders, Funding and the BME third sector](#)

Practical steps towards better funding

Some of these criticisms are hard to hear. But they come with many messages of hope and potential:

‘While the level of change still needed may appear daunting for some, it was reassuring that the funders we spoke to are in a process of deep unlearning and re-learning as a consequence of the last year. However, deeper and decisive action is needed, one that recognises the significant benefits of levelling up and integrating a racial and intersectional lens can bring to the social impact outcomes of funders overall.’

[Digging Deeper](#)

And they come with a wide range of insights, testimony, data, analytical tools, practical recommendations and offers of support from Black-led and racial justice organisations for funders committed to change. Other funders, too, are sharing both examples of their own racial equity programmes and thoughtful reflections on their progress, and missteps in working to become anti-racist organisations.

In this section, we highlight five key areas in which Black-led and racial justice organisations are urging funders to take action. Members of the Open and Trusting community are at different stages in this journey. While fundamental change takes time and hard thinking, there are also smaller steps here that funders can take more quickly. This discussion paper can only scratch the surface. But, to help support constructive debate across the Open and Trusting community and beyond, for each area we point to some examples of practical action and resources to help funders go further.

1. Do the research and educate yourself on key issues

While this may sound like a big place to start, it is an essential first step. Without proper thought, efforts to ‘do the right thing’ may be tokenistic and ultimately harmful. Educating yourself on the role that systemic and institutional racism plays in funding and the wider sector means that, when you are ready to take practical steps, you will take them in a meaningful and intentional way.

Getting started:

- **Engage with what it means to be an anti-racist organisation** – the Ubele Initiative’s [Booska Paper](#) aims ‘to support funders in better equipping themselves to work in service of equality and justice’. It includes questions for funders to ask themselves when judging the extent and depth of their anti-racist practice.
- **Take a long-term view in understanding the impact of racism** – in [Racial Justice and Social Transformation: How funders can act](#), Ten Years’ Time frames its analysis in terms of the past, present and future, seeing that ‘... the past is extremely important in making visible the racist and disempowering power dynamics that underpin many of the funding practices still used today’.
- **Explore your own history around race and racism** – [The Barnwood Trust](#) built its commitment to become an anti-racist organisation on research into its historic connections with the slave trade.

- **Use language intentionally to support positive organisational change** – Reframing Race argues that *‘the words used by advocates and campaigners can bring audiences to understand and accept that the ideologies, practices and harms of racism are real and systemic – but also solvable’*. Although written for specialist advocates, it invites others with serious intent to use the findings and recommendations in [Contains Strong Language: A Guide to Talking about Racism](#) to help them develop and demonstrate their *‘holistic commitment to becoming anti-racist and pro-race equity’*.

2. Look hard at who your funding is reaching now

How much do you know about how well you are reaching Black-led and racial justice organisations through your grant programmes? Are you getting applications? Are they less likely to be successful? Are the grants you make to Black-led organisations shorter, smaller or more restricted than those made to other groups?

Getting started:

- **Critically analyse what you know and what you don’t know** – are you collecting the information you need to enable you to analyse both your applications and your grant portfolio through a racial justice lens?
- **Align your data collection with funder best practice** – [the Data Equity and Inclusion Standard](#) was developed by a group of independent funders who believe that *‘without an effective framework to capture DEI data there can be no effective action to identify and target funding to address structural inequalities’*.
- **Consider joining Funders for Race Equality Alliance** – their [audit tool](#) identifies how much funding is reaching Black-led and racial justice organisations, establishing a baseline for tracking change. One of 40 funders who have been through this process, [Paul Hamlyn Foundation](#), reports that it *‘has given us a new perspective on our grant-making and will inform shifts in our practice’*.

3. Engage meaningfully with Black and Minoritised people and communities

There are many examples to draw on of what funders have done – for example, increasing the diversity of their board and staff team or bringing lived experience into their programme design and decision-making. But unresolved power dynamics and tokenism are strong recurring themes in research reports and feedback from Black-led and racial justice organisations, and from Black and Minoritised foundation staff and board members.

Getting started:

- **Take the initiative** – actively seek out people from Black and Minoritised communities and their organisations, rather than assuming that they will come to you. [The Ubele initiative](#) stresses how important it is to understand the context for this engagement. It calls on funders *‘to change transactional relationships with the community, to relational’* and advises on the behaviours this calls for.
- **Commit to quality** – the [Phoenix Way](#), for example, offers learning on what it takes to develop and deliver a funding programme, which *‘had an equity lens at its heart and sought to be co-created from its inception’*. Fundamental is the understanding that *‘this path is as much about changing your own culture ... your organisation must go through the process themselves regardless of how enticing a potential shortcut may seem’*.

- **Value and support your own lived experience trustees and staff** – [Racial Justice and Social Transformation: How funders can act](#) shares practical ways for funders to start reimagining operations and governance through a racial justice lens: *‘Embracing difference is so much more than simply bringing new players into the room’*.
- **Recognise the value of lived experience and the costs of providing it** – pay Black-led and community organisations for the time they give and to compensate for the attention it draws away from their own mission and services.

4. Be more equitable in your grant-making

Social purpose organisations of all kinds suffer when funders’ processes and expectations are onerous, unreasonable or poorly communicated. But historic underinvestment means that Black-led and racial justice organisations have even less capacity to absorb the negative effects of poor funder practice. They also fall foul of established funder assumptions about the nature of risk in grant-making.

Getting started:

- **Get the basics right** – taking steps to reduce the time, effort and stress of applying for and managing grants is a general good. Responding to the feedback from charities and community organisations to IVAR’s [Funding Experience Survey](#) is a valuable first step in making a practical difference for Black-led and racial justice organisations. Both this survey and the wider research make it clear that giving meaningful feedback on unsuccessful applications and offering unrestricted funding and multi-year grants are particularly high priorities.
- **Critically examine application and assessment processes through a racial justice lens** – for example, do eligibility or decision-making criteria (e.g. choice of organisational forms or reserves levels) unintentionally exclude many Black-led and racial justice organisations? Do application processes further exclude organisations led by communities whose first language is not English through their emphasis on written language skills (e.g. very tight word limits, overlapping and unclear questions, no opportunities for conversations)?
- **Challenge assumptions about ‘risk’** – when [Peter Minet Trust](#) explored the question of risk for a new fund for Black-led organisations, they found different ways of working but no justification for seeing them as inherently riskier: *‘If you’re going to be open to learning – really letting different perspectives and ideas come into your organisation and into your processes – it will mean rethinking some quite well-established routines and frames for the work’*.
- **Consider developing targeted funds** – Baobab Foundation’s [Digging Deeper](#) explores funders’ insights into, and experiences of, implementing tailored funding programmes for Black people and communities experiencing racial justice in the UK. A number of funders, including [Corra Foundation](#), offer practical insights into implementation.

5. Make your commitment to funding racial justice work public

More transparency from funders is incredibly important to all applicants and organisations in receipt of funding. By publicly making a commitment to fund in a more equitable way, not only do you encourage more Black-led and racial justice organisations to apply for funding, but you also begin to hold yourself accountable to them. Following through on this

commitment can help to build trust and connection, enabling funders to improve their contribution in support of the collective effort towards racial justice:

'It cannot be done in isolation, in part, or through short term surges in focus. It cannot be solved by one approach, initiative or idea. We need scaled, sustained and coordinated efforts to emerge which enable funders to work with and through the expertise of existing and emerging groups, organisations and movements for change on racial justice, in an open and progressive way.'

[Digging Deeper](#)

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