Despite enslavement and over a century of segregation and continued political disenfranchisement, Washington, DC is still fondly thought of as Chocolate City by many because of the resiliency of the Black people who live, thrive and shape the nation’s capital. However, that resiliency has been and continues to be tested.

These communities still suffer from mental and physical harm and neglect, compounded and entrenched by years of systemic racism in all aspects of their lives. Their presence has fallen to 46% of the population due to displacement, rising costs and gentrification. Black residents who remain experience the highest unemployment rates and the lowest life expectancy among all races in the city. More than 1 in 5 DC Black residents live below the poverty line.

This is not a coincidence. Existing research, including this report, makes clear that current trends are not a natural occurrence, but the result of a string of conscious choices by powerful actors in the public and private sector that repeatedly harmed these communities.

Throughout this report, we hear how the stories of Black residents who experienced the region’s egregious history are intertwined with the wealth creation of several notable local individuals and charitable institutions. Our community-centered framework contextualizes and analyzes the harm that local philanthropic wealth generation has caused DMV Black residents.

The inclusion of individual donors and institutions should not be misconstrued as ascribing to them the sole or even primary blame and responsibility for the structural racism that has limited the opportunities and survival of generations of the region’s Black residents.

However, neither the size of their past role, nor the current good done by their foundations, absolves these funders – as well as other philanthropic actors in the DMV – of the responsibility to investigate and acknowledge past harms, shift and share local decision-making power, and commit fiscal resources and social capital toward the immediate and long-term healing of impacted Black communities in the region.

This initiative is part of a larger reckoning that the sector must have around the source of so much of its grantmaking wealth. Since its inception, the original wealth used to fund philanthropy has been unjustly extracted and hoarded for perpetual existence and growth. The 5% endowment annual pay-out spending floor, which is the result of a period of congressional oversight and legislative focus on the sector in the late 1960s, has become a de facto ceiling for most funders. Few pay out over the minimum 5% each year, and even fewer go beyond the approximately 8% that would match foundations’ average annual endowment growth.

Social, political and financial capital are imperative to restore balance and justice in the region. Carrying out consequential reparative actions requires foundations to undertake a comprehensive approach to repair that goes far beyond meeting funding requests. They must also focus on addressing the structural barriers to equity and opportunity that their wealth generation and management had a role in creating or perpetuating. That means not only shifting resources away from ever-growing endowments built on historical harm, but also making bold investments in infrastructure and services that do the deep work of healing, repairing and restoring Black communities.

A reparations approach is a natural step for wealth-holding charitable organizations that benefited from extractive and exploitative policies and practices. For many, their mission is aimed at improving the well-being of people and communities in our region. Philanthropic reckoning and repair for past harms are integral parts of achieving that goal.
5-part plan for actions

African American Redress Network and other movement partners on our advisory committee helped NCRP develop a 5-part plan for actions a funder can and should take to engage in a full process of repair, healing and restoration in their communities.
Lead a transparent exploration of your foundation’s wealth generation story, making evidence of past harms available to community residents and culminating with a public apology for past harms and commitment to end any related current harms.

This report demonstrates that there are centuries of advocates and storytellers who have documented the history of Black people in the DMV. However, they are often overlooked and therefore left out of the conversation. Foundations have an opportunity to acknowledge this historical exclusion by publicly sharing the ways their stories of origin fit into the difficult history of how money and wealth are extracted and created in this country.

Our contribution to that discussion is the result of two years of public data collection and analysis carried out by a small team. Studied foundations should continue this work by investing in local historians to gather new oral histories by interviewing community members. They should work with historians already using oral histories as a form of racial justice. These historians should understand non-extractive practices for story gathering and equitable solutions for how and where these stories are shared. The Oral History Collaborative and DC History Center are 2 good options.

In addition, local universities and churches are often deeply engaged with communities to preserve historical knowledge through cultural heritage projects.

Research and dissemination of these new stories told from the perspective of Black residents should culminate in a formal public apology from foundations for the role their wealth origins may have played in both past harm and the present consequences of that harm. Foundations can reference existing reparations bills like the California Reparations Report as an example of the level of historical detail that should be made public. An apology must not be performative. Instead, it must be accompanied by the publication of specific information and clear commitments on how they plan to engage in a reparative process.
Connect

*Develop a community working group to work directly with and solicit ideas and solutions from those that have been directly impacted by the actions that generated foundation wealth.*

Leading experts such as the [African American Redress Network](https://www.africanamericanredressnetwork.org) have piloted the Community Development Working Group as a successful model for providing political capital and funding to impacted groups for the redevelopment of communities negatively affected by past foundation actions.

Foundation grants should be developed to assist Black communities in DC with capacity building to give community-led organizations agency over the allocation of funds. Part of the process of giving agency and conscious decision-making power back to those who were harmed includes centering their voices, stories, perspectives, and demands. For example, a foundation could work in conjunction with a community-led coalition and a developer to redevelop vacant office buildings for residential or communal use. The offsetting of the cost of development could provide true housing affordability, increased housing supply, and access to ownership for Black households hitherto shut out of the market.

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Repair

Make reparations to people and communities that have been directly harmed by the way the foundation’s wealth was generated through direct cash payments, infrastructure investments and vouchers aimed to close the wealth gap.

The case studies in Appendix B of this report offer research to help identify both material and intangible harms Black people faced, how much money was originally used to create each foundation and what those assets have grown into today. Using the Social Determinants of Health – economic stability, education access and quality, health care access and quality, neighborhood and built environment, and social and community context – NCRP researchers laid out multiple points across our foundation wealth creation timelines to show where Black communities suffered quantifiable loss and/or where foundations had economic gains from exploitation or extraction of resources. These figures are only a baseline. However, they do offer a starting point for action and additional research questions for a more complete quantitative economic evaluation.

In order to carry out repair and restoration, foundations should explore meaningful ways to connect with harmed communities. Compensation and land trusts should not be left under control of foundations but decided by impacted communities. Foundations should hold public hearings to understand the needs and desires of the community and meet its local leaders. From these voices, foundations should establish relationships, create transparent lines of communication, and share decision-making power with community representatives, harmed individuals and their descendants on when and how money is redistributed. Justice Funders supports foundations interested in facilitating relational repair, recentering communities from where wealth was extracted and reorganizing that wealth for regeneration.
Decolonize

Embrace a plan and dedicated time-bound goals to decolonize institutional structures, policies and practices through regular grantmaking, endowment growth strategy and power sharing.

Before foundations can consider responsible redress that does not create harmful repetition, there should be a long-term impact study and a critical reorganization of institutional policies. To address the structural racism underpinning the history and practice of standard philanthropic practice, foundations need to remove manufactured barriers.

Grantmaking

NCRP has long advocated for multi-year general operating support ensuring grant partners have more secure funding for the long term.

In partnership with our nonprofit members and movement allies, we also call for specifically targeted funding of Black and other communities because such direct grantmaking will better support those most impacted by structural discrimination and racism.

DEFINITION

Conceived by john a. powell, director of the Othering & Belonging Institute at UC Berkeley, “targeted universalistic interventions undermine active or passive forces of structural exclusion and marginalization and promote tangible experiences of belonging. Outgroups are moved from societal neglect to the center of societal care at the same time that more powerful or favored groups’ needs are addressed.” As Black people have historically and repeatedly been furthest from universal access in this country, centering their success will improve access for many others.
**Endowment Growth Strategies**

Nearly all private foundations are endowed with a corpus whose investment gains finance each year’s grantmaking budget.

The statutory minimum spend by a foundation is 5% of a lagging, running average of assets under management each year. Yet the same spending floor that allows foundations to exist rather comfortably year after year, stands forever in the way of providing resources to communities who would immediately put them to work.

The default to perpetuity, which became commonplace in the sector in the 20th century, is rooted in paternalistic, white supremacist notions about civil society. Perpetuity and repair aren’t necessarily mutually exclusive, but no foundation pursuing repair should let the sector-wide default to perpetuity stand in the way of repairing past harm. To ensure guarantees of non-repetition, foundations must flip our sector norms of who is the benefactor of endowment investment strategies.

The standards and rules governing institutional investments were created to preserve and protect institutional wealth, and they successfully do just that. According to Climate Justice Alliance, “in 2020, philanthropic institutions in the U.S contributed over 13 times the amount of money to extractive global stock markets ($1.2 trillion) as they did to all of their grantmaking focus areas ($88.6 billion).” Simply put, endowment investments contribute more to corporate profits than to the communities receiving their grants. Capitalism has convinced this country that all investments must have financial returns that can be accounted for in a financial statement. Foundations live in constant contradiction as decisions about investments are often made in isolation from decisions about the mission-driven work of the organization, despite ongoing advocacy efforts for foundations to adopt mission-investing screens. A shift away from extractive capital gains and toward community-centered investments is essential to end the continuous harm of the philanthropic sector.

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**Decision-Making Power**

Inside the foundation, the board rules. As with any other 501c3 organization, foundation boards have the final say on everything the organization does.

Tens of thousands of U.S.-based foundations have no staff, and in those cases, board members – sometimes as few as 2 or 3 people including the donor and their relatives – make all grant decisions. With almost no federal regulations — outside of those to prohibit self-dealing — the governing principles among private foundations differ from foundation to foundation. Among private foundations with an annual giving of more than $10 million, 48% do not have limits to the number of terms board members may serve.

In order to achieve a healthy balance of power in funding relationships, grantmakers have to strive for equitable partnership amongst all the entities that play a role in advancing social justice work. This means sharing and – when appropriate – ceding decisions about allocating charitable resources with communities that have historically been excluded and/or harmed directly by the creation of philanthropic wealth. It means moving money to Black communities while also shifting decision-making power toward them, not one or the other.

Once foundations have restructured, it is incumbent upon them to support and stand alongside communities across Washington, DC to structurally upend the systems that have perpetuated harm. Foundations must pursue this process with transparency by acknowledging and accepting their own position of power and privilege as a form of initial repair.
Advocate

Support racial healing efforts aligned with the movement’s policy demands by publicly advocating for local reparations legislation as well as a federal executive order creating a reparations commission.

Despite their sizable power and status within their regions, foundations across the United States do not fully control what is required for a transformative solution. The private and public sectors must be part of advocating for city, state and federal reparations programs.

Here in Washington, Independent DC Council member-at-large Kenyan McDuffie submitted the Reparations Foundation Fund and Task Force Establishment Act of 2023 in February. In June 2023, Councilman McDuffie in his capacity as chair of the Committee on Business and Economic Development hosted his first hearing to solicit feedback and ideas. A small-but-committed group of local, regional and national philanthropy leaders showed up to testify at this hearing.

Public charities, including grantmaking public charities like community foundations, do have the ability to lobby and influence. As powerful, resourced institutions, foundations should stand next to community members in advocacy for forward movement on local and national legislation.
Conclusion

Moving forward on any of these suggestions is a modern study in courage for our times.

We live in an era where the bill for everything – racism, climate change or health crises – seems to be coming due. “Influence” may be more accessible than ever in an increasingly online world, but power – and the benefits and wealth that stem from it – remains increasingly concentrated in the hands of a racialized few. A new generation is poised to do things differently, but what will be left for them to act on if we do not start the process of bringing the country back from the brink by healing the long-standing racial wounds that stand in the way of our collective safety, progress and joy?

Reparations is integral in balancing the scales of justice for Black communities but offers no easy instructions. There are no clean data tables that provide simple equations for redress. The full impact of much of the harm done to Black people in this country over centuries of physical and emotional violence is hard to put into simple quantitative terms. Yet the enormity of what has transpired in the past is no excuse for inaction.

Reparations and redress demand bold, novel and informed action. We believe that our community-centered research framework provides a chance for foundations to stand on the right side of history. This is an opportunity not just to learn from the pain of the past, but to take real, practical steps to help communities heal. It begins to give back to Black communities something that we all seek and deserve – restorative justice and with it, the chance to seize opportunities and determine for themselves how they want to succeed.