

Case Study No. 16

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

The Equity Journey:

NewSchools Venture Fund and Lumina Foundation
Pursue Diversity on the Road to Equity

by CHRISTINA A. RUSSELL with LYNN JENKINS

SEPTEMBER 2017

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

Discipline & Focus	Knowledge	Resources Linked to Results	Effective Grantees	Engaged Partners	Leverage, Influence & Collaboration	Persistence	Innovation & Constant Learning
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Grantmakers for Education exists to improve outcomes for all learners by serving as a trusted partner for all education philanthropists as they adapt to the changes impacting our world. To accomplish this, Grantmakers for Education's purpose is two-fold:

1. To provide members with an informal and balanced environment for collaborating, discussing and acting on important issues in public education.
2. To help members identify and prepare for what's next. With our finger on the pulse of our diverse network and eye on the broader horizon, we keep members informed of relevant and pressing issues, and equip members with the tools and knowledge required to shape the future.

Grantmakers for Education developed its series of case studies on effective education grantmaking as reflection and discussion tools. Cases are not intended to serve as endorsements, sources of primary data or illustrations of successful or unsuccessful grantmaking. In addition, to help make the case a more effective learning tool, it is deliberately written from one foundation's point of view, even though other foundations may have been involved in similar activities or supported the same grantees.

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“Equity isn’t just nice. It’s necessary.”

– Susan Johnson, Lumina Foundation

“What is needed now is less conversation and more action.”

– Deborah McGriff, NewSchools Venture Fund¹

Grantmakers for Education is a national network of hundreds of education philanthropies, diverse in focus yet united by a passion and commitment to improve outcomes and expand opportunities for all learners, cradle to career. Founded in 1995 on the premise that collective insights, shared resources and constructive collaboration enable grantmakers to make more intentional and impactful investments in public education and beyond, Grantmakers for Education, in partnership with our members, extends the influence of education philanthropy by engaging in meaningful dialogue and collaborating to improve shared outcomes and opportunities for learners.

Equity is at the core of improving outcomes and opportunities and reducing the achievement and attainment gaps caused by disparities. The Equity Impact Group of Grantmakers for Education seeks to facilitate learning and collaboration as foundations embark on and deepen efforts and investments to “mitigate the predictive power of demographic variables such as race, income, class, ethnicity, gender, sexual orientation and religion on student success in school and in life.”

This case study profiles the equity efforts of two grantmakers represented on the Equity Impact Group steering committee: NewSchools Venture Fund and Lumina Foundation. By sharing their equity journey, including strategies they have pursued and lessons learned along the way, they hope to fuel the efforts of other grantmakers who are seeking to move from intention to action.

INTRODUCTION

There is probably not a single education grantmaker in the United States who is unconcerned by the persistent gaps in K-12 educational achievement and postsecondary attainment among various groups of students – in particular, those in different racial and ethnic groups. Still, relatively few funders have made a strong public commitment to addressing the equity challenge and worked intently over time to meet it.

To do so is no minor undertaking. Grantmakers must be willing to engage in uncomfortable conversations and scrutinize virtually every aspect of their organization, including what they do, who they hire, how they conduct their work and how they invest their resources.

NewSchools Venture Fund and Lumina Foundation know this first-hand. Over the past several years, their leaders have invested substantial time, energy and financial resources in programs and strategies aimed at providing all learners with access to a high-quality education. Just as their goals and investment priorities differ, however, so too do their definitions of equity and their means of pursuing the equity imperative. This case study tells the story of their work and reflects on what these leading grantmakers have learned so far in their respective journeys.

PART 1: NEWSCHOOLS VENTURE FUND'S EQUITY JOURNEY

Founded in 1998, NewSchools Venture Fund is a national nonprofit venture philanthropy that raises charitable funds to support entrepreneurs who are working to reimagine public education. Their ultimate goal is for all students to graduate from high school prepared and inspired to achieve their most ambitious dreams and plans.

From the beginning, NewSchools has invested in the early-stage work of leaders and organizations seeking to close educational gaps. Even so, for many years, diversity and equity were not explicitly part of its organizational strategy. That began to change in 2012, however, when Trayvon Martin was shot and killed in Sanford, Florida, by a community member who saw the black teenager walking through his neighborhood and assumed he was a threat. For many people across the country and at NewSchools – including Deborah McGriff, managing partner – this and other racially charged tragedies were a catalyst for soul-searching and for deep conversations about race.

As McGriff later wrote in the organization's *News + Ideas* blog:

Members of the NewSchools team gathered to share our reflections and pain. Given that our mission is to transform education so it works for low-income kids and kids of color, the conversation made us realize that we needed to invest more to enhance leadership and power in our partner communities.

Many education reformers ask, "Why should we focus on closing the demographic gap between the children we serve and the leaders of the ed reform movement?" Our answer is simple. Research shows that diversity matters, and a sustainable education reform movement requires a community to participate in its own liberation to achieve the practice of freedom. As the UNCF [Done to Us, Not With Us](#) project reported, "the history of social change, like the civil rights struggle, teaches us that no such movement can succeed without the support and active engagement of its intended beneficiaries."²

Wanting to use the conversations about race to build momentum at NewSchools, McGriff and the leadership team formed the Diversity Collaborative, a group of representatives from across the organization. Over time, the group continued to meet, talking about internal and external challenges related to race and diversity and considering how to address them.

Notably, most of the people around the table at the time were white. And when U.S. Secretary of Education Arne Duncan spoke in May 2013 at NewSchools' Summit, an annual gathering of more than 1,000 education leaders, he noted that the same was true of the entrepreneurs invited to the event. His comments gave voice to what many observers had left unsaid. The lack of diversity in education leadership was striking – and problematic.

From Conversation to Action

A year after Duncan's remarks, the topic of diversity was raised again when a panel of speakers at NewSchools' 2014 Summit urged the education entrepreneurs in attendance to accelerate their efforts to recruit and train more leaders of color. Deputy U.S. Education Secretary Jim Shelton reminded the crowd that when the 2014-15 school year began, half of the students attending public schools in the United States would be students of color. In contrast, 84 percent of educators were white.

Shelton and other panelists challenged Summit attendees to change the status quo, and soon. "Ask yourselves," he challenged the audience, "What do you believe? And what are you willing to do?"

McGriff shared Shelton's sense of urgency and saw the chance for a turning point: "What is needed now is less conversation and more action."

Two weeks after the Summit, in mid-May 2014, NewSchools' board of directors announced that Stacey Childress would become the organization's new CEO, succeeding Ted Mitchell, who had recently become the new U.S. undersecretary of education. For the past four years, Childress had led a team at the Bill & Melinda Gates Foundation focused on next-generation learning. Previously, she had been on the faculty of Harvard Business School. She would start her new role at NewSchools in July.

Childress was committed to putting diversity and equity front and center at NewSchools. As an attendee at the 2014 Summit, she had heard Shelton's challenge and knew the organization had to answer it. "NewSchools had already taken an external stance," she said. "We didn't have time for years of navel gazing."

First, Childress told the leadership team that NewSchools would "diversify this team, period." Using her personal network rather than a search firm ("that would take months and months," she said), Childress reached out to outstanding leaders of color and convinced them to join her. Before her first year was up, the senior team included three white leaders and three leaders of color. In turn, these leaders built their own teams. As the new CEO explained, "If we had a diverse senior team and a number of open roles to fill, I thought they would be likely to hire more diverse teams through their professional networks. It's not a silver bullet... but it's a first step."

Childress was also intent on diversifying NewSchools' 10-person board, as all nine external members were white and so was she. Within 18 months, the board had two members of color. And by 2017, almost half of the NewSchools staff were people of color. As a result, the organization began to look quite different than it had before.

Launching Diverse Leaders

Childress, McGriff and others at NewSchools believed that diversity was not simply an end goal in itself but was also crucial for transforming the education system so that it worked better for all students. Therefore, when the organization unveiled its new investment strategy in 2015, diversity was integrated throughout. The three elements of the strategy were:

- Investing nationally in **innovative school models** by supporting innovators and early adopters;
- Increasing the availability of **tools and services** that are important for broader adoption of innovative school models; and
- Funding organizations that **diversify education leadership** to bring more relevant and innovative solutions.

To carry this work forward, NewSchools launched a new Diverse Leaders strategy in late 2015 that would be overseen by managing partners Deborah McGriff and Frances Messano. “Before, we had a collection of disjointed efforts that did not rise to the level of organizational commitment,” McGriff said. “Now, diversity was one part of a three-part strategy, and could position ourselves as a leader in the space.”

In the belief that the core problem they needed to solve was the mismatch between the racial/ethnic composition of education leadership and the students they were serving, the Diverse Leaders team set an ambitious goal: 30 percent of senior education leaders should be black or Hispanic by 2020. Reaching this goal, they believed, would result in more innovation in education, leading to better outcomes for all students – in other words, *equity*.³

To focus and guide their work, the Diverse Leaders team developed a three-part strategy:

1. Invest in entrepreneurs with bold ideas to diversify education leadership.
2. Influence entrepreneurs, funders, and partners to prioritize diversity, equity and inclusion.
3. Reinforce NewSchools’ commitment to diversity to ensure it was well equipped to deliver on its goals.

“At first, the strategy wasn’t perfect,” Messano reflected later. “We knew we would expand it. But in putting a new strategy out in the world, don’t let the perfect be the enemy of the good. It is perfectly okay to learn while doing.”

Changing the Face of Education Leadership

In March 2016, Messano announced the first group of Diverse Leaders ventures, selected from a pool of nearly 40 entrepreneurs seeking an investment. “We believe this is an important step towards building a community of entrepreneurs who are committed to changing the face of K-12 leadership,” she said.⁴

Four of the ventures selected for Diverse Leaders investments were new organizations:

- Education Leaders of Color (EdLoC) aspired to increase the number of black and Latino leaders in high-level education roles; build and support local and national networks of leaders; and influence funders and decision-makers to engage families and communities.

- Latinos for Education aimed to develop, place and connect Latino leaders in the education sector and to establish an advocacy agenda.
- The National Charter Collaborative was committed to providing the supports, services and resources that single-site charter school leaders of color needed in order to build sustainable, high-quality schools.
- Ops360 would support the creation, growth and management of high-quality school operations by providing leadership development and training to diverse finance and operations leaders.

The other two were existing organizations launching new efforts to diversify education leadership: Charter Board Partners planned to raise the percentage of black and Latino directors on charter school boards nationwide, and Education Pioneers planned to expand and diversify its visiting fellowship program to increase the supply of rising education leaders.

In addition to money, NewSchools provided the Diverse Leaders ventures with management assistance and support targeted to their needs, ranging from help with fundraising to board development to business planning. Their leaders were also able to join a community of practice in which ideas, challenges, strategies, connections and advice were freely shared.

Rather than assume the value of these supports, NewSchools conducted an annual satisfaction survey of its ventures, and the responses were highly positive. As a respondent from one Diverse Leaders venture wrote:

*Best. Funder. Ever. Not kidding. Partnership, supportiveness, genuine commitment to us as leaders and as people, incredible thought leadership, focus on building the network/community/ecosystem of like-minded reformers.*⁵

Changing the Investment Criteria

NewSchools has always used a rigorous process to evaluate potential ventures. In particular, it looks for teams of educators and entrepreneurs with ambitious and promising ideas for improving student learning, especially for underserved students. It also looks for ample internal capacity, growth aspirations, and an interest in collaborating with and learning from other entrepreneurs. As its investment criteria state, “We expect our entrepreneurs to build high-functioning teams at all levels, particularly at the board and senior leadership levels, to ensure they are surrounded by individuals with the range of skills and backgrounds necessary to deliver on their venture’s vision.”

To pursue the second component of NewSchools’ Diverse Leaders strategy, Messano and McGriff added another element to the overall investment criteria: a strong commitment to closing racial/ethnic gaps. They wrote questions on diversity, equity and inclusion (DEI) to be added to NewSchools’ investment applications, listened in on selection conversations, made recommendations on selection decisions, and coached members of the Innovative Schools and Tools & Services teams on DEI issues.

“Initially, we had a lot of debates on how diversity could be prioritized alongside other criteria,” Messano recalled. For example, a member of the Innovative Schools team worried that adding leadership diversity to the selection criteria would reduce the pool of proposals, shutting out some entrepreneurs with innovative strategies.

Reflecting back later, Messano offered her takeaways from the experience: “Be willing to have a good fight and to work through the fight. We had pushes and pulls and argued a lot, but in the process, we were getting people comfortable with asking questions about DEI and learning by doing.”

To address the concerns of those who were struggling with the idea of including diversity in NewSchools’ overall investment criteria, data were crucial. The Innovative Schools team, for instance, looked at data from all stages of the investment process to see how different racial and ethnic groups fared. As managing partner Scott Benson explained:

We did a post-mortem on our applicant pool. We analyzed demographic data for the leadership teams and boards of all organizations that applied for grant funding, and we looked at all stages of the process, from application through review and due diligence to final selection. Why were some not making it through? It was incredibly helpful to get the data in front of us and look at it with the Diverse Leaders team. Deborah and Frances asked us questions. It didn’t feel adversarial. They didn’t come from a place of judgment. They just said, “Let’s look at data and have a conversation.” We weren’t seeing the diversity we wanted in the applicant pool, so data helped us make sense of our process and test for bias. That ultimately yielded the right outcome.

Through these data-informed discussions, NewSchools’ investment teams refined their selection criteria. The Innovative Schools team, for example, embraced a broader range of innovative design choices to implement personalization. As Childress explained:

We think of personalization as tailoring the learning experience to each student’s needs, skill levels and interests so that he or she builds a strong academic foundation and other important mindsets, habits and skills. We started a couple of years ago with a perspective about design and implementation choices that teams would make to put personalization into practice, and we continue to learn with each new cohort we fund. For instance, as our pipeline has become more diverse, we are inspired by the design choices that many leaders of color are making to foster students’ identity and sense of self and the ways they intend to personalize students’ experiences in service of these aims.

As NewSchools moved forward in this work, however, its leaders saw a need for better “on ramps” for potential ventures. Unlike many funders, NewSchools has an open funding process; any entrepreneur can apply for an investment. But many diverse entrepreneurs needed help with refining their ideas and increasing their readiness for investment funding. In response, the Innovative Schools team began offering design camps

where early stage entrepreneurs could pilot new school models and receive coaching. They also gave small grants to some entrepreneurs so that they could further develop their school design models before applying for funding.

Collectively, these efforts yielded significant changes in the composition of NewSchools' investment portfolio. As of 2016, 35 percent of its Innovative Schools ventures and 15 percent of its Tools & Services ventures were led by black and Latino entrepreneurs. And in spring 2017, more than half of the 25 leaders receiving an Innovative Schools planning grant were black or Latino.

Changing Ourselves

To ensure that NewSchools was living up to what it was looking for in its ventures – in other words, internalizing a strong commitment to diversity, equity and inclusion – it decided to team up with Fellowship for Race & Equity in Education (FREE). In 2015, FREE founder Michelle Molitor led a series of sessions with NewSchools staff designed to increase their understanding of racial equity, unpack issues of race and personal bias and identify ways to strengthen the organizations' systems and practices related to diversity and equity. As Molitor explained:

What often happens is that organizations reach a tipping point, either because a respected person of color says things are untenable or because the leader sees things playing out in the organization and decides they have to do something about it. [But] every now and then, there is a leader who says, from the outset: "This is important to us, and it would be antithetical to our mission if we don't take this on." NewSchools told me, "We want you to help us help ourselves."

From Molitor's perspective, one of NewSchools' first priorities was to create a culture in which people of different backgrounds could better understand and learn from each other. "That is hard when people have had very different lived experiences," she said.

Scott Benson, managing partner of NewSchools' Innovative Schools team, agreed: "Being in an organization that focuses on black and Latino students and on diversifying leadership ranks is something I am excited about, but I don't share the same life experiences. As a white male leader, I've been glad to have the opportunity to go through this intensely. It's not an easy thing, but it's been a good thing."

Molitor was impressed by NewSchools' commitment and by the progress she observed over time:

True leadership in this area means full participation. It also shows itself in the investment of time and money. Some people want to "do equity" in two hours, or four hours, but that's not how this works. It needs to be ongoing. It needs to be an embedded part of all conversations. I have seen the work take root, shifting from just having the conversations to being central to what they are doing.

These internal changes were also evident to entrepreneurs across all three NewSchools portfolios. As Amanda Fernandez of Latinos for Education said:

In most organizations, diversity is usually an add-on and plays a backseat role. Here, it gets equal attention. It has been a breath of fresh air working with them, having honest conversations. One of the things they do through management support is allow us to talk candidly about experiences as an entrepreneur of color. They have created a safe space. The more you talk about equity, the more comfortable you will get – and it's okay to be uncomfortable.

Aaron Walker of Camelback Ventures agreed. “I’ve always believed that DEI is a strategy for change,” he said. “NewSchools has taken the lead on that. They said, ‘We are going to be a funder that puts DEI as a funding priority alongside innovative schools, and it has been game-changing to have a funder actually do that. Getting other funders to coalesce around that priority has been more challenging.’”

A More Diverse Summit

Knowing that internal change was necessary but insufficient, NewSchools kept looking for ways to propel other education leaders – and funders – from conversation to action on diversity and equity issues. “We know we can’t achieve change across the sector if we are one of the few education funders or leaders taking concrete steps forward,” Messano said. “Diversifying the field and advancing inclusive and equitable education organizations will require collective commitment and action from a range of education actors.”

Messano, Childress and others saw Summit 2016 as a great opportunity to spur action on a broader scale. To that end, NewSchools invited an array of diverse speakers and planned several sessions related to diversity, equity and inclusion. One session was titled, “What Will It Take to Integrate Our Schools?” Another was titled, “I Care About Diversity But... Moving From Talk to Action.”

Because NewSchools set a goal for the racial/ethnic composition of attendees and offered scholarships to remove financial barriers for diverse leaders who might not otherwise be able to attend, nearly one-third of the attendees at Summit 2016 were black or Latino. From Aaron Walker’s perspective, this was significant. “A lot of this is about access,” he said. “Access to money and connections and people who can coach you – derivatives of access to power.”

In addition to the other panels and presentations at the Summit, NewSchools hosted a learning session for funders in which the Diverse Leaders group shared its theory of action (see Attachment A), details of its work, and a tool that funders could use to assess their organizations and grantees with respect to diversity, equity and inclusion (see Attachment B). McGriff and Messano hoped the assessment would help spur other funders to pursue their own equity journeys and address the organizational needs they identified.

To support them in this work, NewSchools offered recommendations, such as:

- Build senior leader support for advancing DEI within your organization.
- Model diversity and inclusiveness at the board, senior leadership and staff levels.
- Create an inclusive and welcoming environment.
- Create an investment area focused on DEI and/or infuse the commitment across all of your programs.
- Gather DEI data on grantees and analyze your grantmaking patterns (e.g., percentage of grants made to organizations led by people of color).
- Build your capacity to have conversations about race/ethnicity and equity.

Seeking Common Ground

NewSchools' Summit 2016 achieved its goal of being more diverse with respect to attendees as well as content. It also achieved the goal of sparking a conversation within the sector. Some praised NewSchools for tackling race and diversity so directly and openly. As Marilyn Rhames wrote in an education blog:

[Some told me that the NewSchools Summit] is typically a forum for rich white funders to mingle with white, Ivy League-educated entrepreneurs seeking capital to advance their silver bullet tech ideas. If that was ever true, clearly things have changed... [This] was the first time I have seen my white allies and funders admit their limitations and take a backseat to leaders of color. Thank you, NewSchools. Please invite me back next year so I can help hold you accountable for accomplishing the game-changing goals you so boldly have set on behalf of disadvantaged students.⁶

But others were upset by the extent of Summit 2106's focus on diversity, equity and social justice and reacted especially strongly to the opening plenary, "Movements for the Next America," which featured a speaker from the Black Lives Matter movement. As Robert Pondiscio of the Thomas B. Fordham Institute wrote in a blog entry titled "The Left's Drive to Push Conservatives Out of Education Reform:"

Like the proverbial frog in a pot, education reformers on the political right find themselves coming to a slow boil in the cauldron of social justice activism. ... At meetings like NewSchools Venture Fund ... conservative reformers report feeling unwelcome, uncomfortable and cowed into silence. There is an unmistakable and increasingly aggressive orthodoxy in mainstream education reform thought regarding issues of race, class and gender. And it does not include conservative ideas ... The conditions are ripe for an intellectual monoculture to take root.⁷

The article drew such acrimonious debate that the publisher had to shut down the comments feature.

Childress responded to Pondiscio's arguments in a blog entry entitled "Let's Get to Work" that called on people across the political spectrum to bridge their differences and come together to meet the challenges at hand:

We're coming off a couple of decades of an ed reform agenda aimed at closing achievement gaps affecting low-income Black and Latino kids in urban areas, largely developed and led by a coalition of likeminded center-right and center-left white elites. These efforts have produced some wins and some losses. In reflections about lessons learned as we think about the future, there's a sense that our efforts might have been more powerful and stickier if they were done "with" rather than "to" communities ...

We can do this differently, but we have to want it enough to show up, speak out, be offended and still work together to find areas of agreement suited to the current moment we are in, not shout at each other through our twitter handles or whisper anonymously to friendly bloggers. ... At NewSchools, we're ready to be part of an effort to assemble a new coalition that can cut across lines of difference, including political views. Let's get to work.⁸

Consistent with this call to action, 25 “influential thinkers and doers” – including Pondiscio, Childress and others of varying perspectives – met at the American Enterprise Institute in January 2017 for a private discussion (and sometimes debate) that was later summarized in a paper entitled “Fostering a Productive Dialogue on Race, Social Justice, and School Reform,” jointly published by AEI and NewSchools.⁹

The group's consensus:

- Education leaders interpret the problems in education differently, leading to different goals and approaches.
- There are costs and benefits to positioning educational improvement as part of the broader pursuit of social justice.
- Many conservatives now feel marginalized in DEI discussions, just as leaders of color have long felt marginalized as white elites have been the primary architects and funders of education reform.
- Mutual understanding depends on effective, specific communications and oversimplification can cause confusion or miscommunication.

Espousing the belief that “pluralism can be a strength,” meeting participants drafted a commitment to respectful and productive dialogue, which they defined as a willingness to practice humility and courtesy, check assumptions, avoid caricature, build relationships and affirm common values. “At times of passionate disagreement,” they wrote, “we will affirm each other's sincere and heartfelt dedication to improving education and expanding opportunity for young people.”

All of the participating leaders signed the commitment, and the “field-wide conversation” continued for months – including a plenary at NewSchools' Summit 2017 that was aptly titled, “Why Can't We Be Friends? Disagreements, Tradeoffs, and Common Ground.”

Observers like Lindsay Hill of the Raikes Foundation commended NewSchools for how it handled the controversy. “They continue to lean in ... [and] as they do, they want to convene others. That's unique. They are modeling how to learn and reflect and own mistakes in real time.”

Unrealized Impact

Meanwhile, NewSchools was also forging a collaboration of another kind. In January 2017, it convened a group of education funders to explore how to advance DEI within their organizations and sector-wide. Many of those attending voiced a commitment to this work but cited the lack of data as a hindrance. Without benchmarks on the state of the field, how could they integrate DEI into their grantmaking and hold grantees accountable?

In response, Messano asked the Chan Zuckerberg Initiative, Charles and Lynn Schusterman Family Foundation, Raikes Foundation and Walton Family Foundation to join NewSchools in underwriting a comprehensive study on the state of diversity in education organizations. Bellwether Education Partners designed a multi-part study that would profile the composition of leadership and staff in more than 200 education organizations; survey nearly 5,000 staff members about their perceptions of diversity, equity and inclusion in these organizations; and capture data on a variety of DEI measures that were rarely tracked in a systematic way.

As one of the study authors, Xiomara Padamsee of Promise54, explained:

It's one thing to ask an HR director or CEO about the demographics of an organization [but] another thing to hear from people in the organization about their experiences. The individual staff perspectives are a truth check. How do you institutionalize your intentions? How do they translate to actual experience? It was interesting that NewSchools was interested in going beyond.

The findings of the study – the most comprehensive study ever conducted on diversity, equity and inclusion – were previewed at Summit 2017, and the full results were released in July 2017 in a report entitled *Unrealized Impact*, authored by Padamsee along with Becky Crowe of Bellwether Education Partners. Among the major findings:

- The percentage of black and Latino leaders in U.S. education organizations remained unbalanced relative to the student population. For example, 49 percent of staff, 64 percent of leaders and 74 percent of CEOs in the sampled organizations were white, compared to 24 percent of students. And 41 percent of staff, 24 percent of leaders and 17 percent of CEOs in these organizations were black or Latino, compared to 61 percent of students.
- Every organization participating in the study was focused on DEI to some extent, but less than half had formal DEI policies.
- 24 percent of all staff respondents reported experiencing discrimination in the workplace, and staff of color were 50 percent more likely to report such an experience.
- DEI practices had a positive impact on staff recruitment, retention and overall favorability.¹⁰

In addition to the full report, each participating organization, including NewSchools, received a share-back report containing an analysis of its own data compared to others.

The funders saw great value in the study results. As associate Darnell Cadette of the Chan Zuckerberg Initiative said, “The survey encouraged organizations to reflect and ask, where are we? It’s hard to take action if you don’t know where you are or what you’re moving toward.”

His colleague, program and policy officer Cristina Huevo, saw that the data had another value too: peer pressure. “If organizations are behind,” she said, “it gives them a push. Many organizations have been thinking or talking about this for a while but have not moved as quickly as they could or should. It is good to see people start to take action.”

As education leaders weighed how to act on the study’s results, author Crowe warned against a piecemeal approach:

Education organizations need to advance diversity, equity and inclusion at the same time. Although the terms may seem similar or even interchangeable, each is distinct and important. Organizations often start with a focus on diversity and think that’s enough. Diversity, without a focus on inclusion (belonging) and equity (fairness), leaves impact on the table.¹¹

Continuing the Journey

By the time that Summit 2017 occurred, approximately a year and a half had passed since NewSchools launched its Diverse Leaders investment strategy. For Childress, McGriff and Messano, there was much to feel good about. NewSchools had invested \$2.94 million in 16 ventures working to advance black and Latino leadership in education. Almost two-thirds of the Diverse Leaders ventures were led by black or Latino entrepreneurs, and these ventures, in turn, were reaching some 5.8 million students.

The ventures had also been successful in leveraging NewSchools’ funding, raising \$13 million on top of its investments. As entrepreneurs continued to expand their efforts and pilot new approaches, NewSchools expected the positive impacts to keep adding up.¹²

But Messano and her colleagues knew there was much more work to be done. Accordingly, in the summer of 2017, they talked internally about various ways to expand the scope of the Diverse Leaders strategy. They decided to increase the goal for black and Latino leadership in PreK-12 education to *40 percent* by 2020, rather than 30 percent. Less clear, however, was what they should do to have the greatest impact in the field.

The results of the *Unrealized Impact* study, along with conversations with the leaders of NewSchools ventures and other education organizations, had shown Messano and her colleagues that growing numbers of education leaders were committed to equity but were unsure of how to act on this commitment. And even if they were clear about where to begin, their needs for support were often extensive.

How should NewSchools support education organizations in their efforts to become more diverse, inclusive and equitable? Should it invest in more service providers and capacity builders? Should it create a more

general investment pool to provide black and Latino entrepreneurs with risk capital to support their education innovation ideas beyond leadership?

Answers to some of these questions were starting to emerge, while other answers were still unknown. The NewSchools leaders were determined to find them. And they were confident that if they continued to learn from their investments and remained open to the full range of possibilities, they *would* find them.

PART 2: LUMINA FOUNDATION’S EQUITY JOURNEY

Founded in 2000, just two years after NewSchools Venture Fund began, Lumina Foundation – an independent, private foundation based in Indianapolis – is the largest funder in the U.S. focused exclusively on making opportunities for learning beyond high school available to all.¹³ The foundation envisions a system that is easy to navigate, delivers fair results and meets the nation’s need for talent through a broad range of credentials. Its goal: to prepare people for informed citizenship and success in a global economy.

From the beginning, expanding access to postsecondary education was central to Lumina’s purpose, but it was not until 2007 that its focus shifted to encompass *completion*. “That was the year when the idea that equal opportunity was sufficient started to be challenged,” said Kevin Corcoran, strategy director for Lumina’s communications team.

The following year, in 2008, the foundation put forth a target: *By the year 2025, we want 60 percent of Americans to hold a college degree, certificate or other high-quality postsecondary credential.*

The goal was audacious, as less than 38 percent of Americans between the ages of 25 and 64 had either a two- or four-year degree at the time. But CEO Jamie Merisotis and his board were firmly committed to it, since data made it abundantly clear that individuals lacking a postsecondary credential fared much worse than degree holders in long-term employment outcomes, income and other measures.

A Goal and a Plan to Reach It

In January 2013, Lumina Foundation unveiled a new strategic plan that would guide its work over the next four years. Announcing the plan, Merisotis emphasized that it did not represent a change in the foundation’s direction but was simply the next step in its steady shift toward focusing more of its investments on the 2025 goal. “To Lumina, the goal has always been more than a vision statement,” the new plan said. “We believe it must be attained, and we believe it can be attained.”¹⁴

Despite increases in the percentage of adults earning a two- or four-year degree (for young adults, the figure was 40.1 percent – up 2.5 percentage points from 2008), major disparities in attainment by race and ethnicity persisted. Attainment rates for young adults who were Asian (65.6 percent) or white (44.9 percent) were far higher than those for peers who were black (24.7 percent), Hispanic (17.9 percent) or American Indian (16.9 percent).

As Lumina's 2013-16 strategic plan declared:

The gaps in attainment have become unacceptable. Given that increasing higher education attainment is critical to a strong economy and a strong society, the fact that educational success is denied to so many in our nation can fairly and accurately be described as a crisis. ...

Put bluntly, this is an intolerable situation. Not only will the nation fall short of the attainment levels it needs unless these gaps are closed, the fact that they exist must be rejected on moral grounds given the increasingly severe consequences of not obtaining a postsecondary credential. America's democracy and its economy are ill-served by a system that fails to tap all of our talent. At Lumina, we will redouble our efforts to close these gaps through our work, and we call upon all our partners and stakeholders to do the same.

Consistent with this declaration, Lumina would invest in a series of strategies aimed at reaching the 2025 goal (see Attachment C). The first set of strategies would mobilize action at the local, state and national levels and in higher education systems and institutions throughout the nation. As the plan explained, "thousands of educators (including faculty and administrators), elected officials, community leaders, business leaders and other citizens must understand and accept as their own the need to increase attainment." This part of this strategy would concentrate on equipping these individuals and groups with the tools and support needed to do this work.

The second set of strategies would focus on building a 21st century higher education system in the U.S. – one with new models of student financial support, new higher education business and finance models, and new systems of postsecondary credits and credentials.

Starting the Journey

By now, as the new strategic plan conveyed, equity was a growing topic of discussion among Lumina's board and senior leadership. Danette Howard, Lumina's senior vice president and chief strategy officer, put it plainly: "It was mathematically impossible to reach the 2025 goal by continuing to do very well by white, middle-class Americans while ignoring those from our equity populations who have not been well represented among degree holders."

Racial and ethnic tensions erupting across the country further intensified the leadership team's sense of urgency. As strategy officer David Croom reflected:

I'm a black male, and in 2013 and 2014, a lot of issues and conversations were swirling across the country around policing, around Black Lives Matter, around race. Conversations were happening on college campuses. There was the Fisher v. University of Texas affirmative action case. There were conversations about the campus climate and protests at Mizzou. The

media shared the big things, but there were large and small conversations about students of color not feeling comfortable and about their points of view not being represented. There was a lot going on externally that motivated us to ask, are we truly addressing this in our work?

Sam Cargile, then a vice president at Lumina, reached out to professor Estela Bensimon, director of the Center for Urban Education (CUE) at the University of Southern California, and asked her to conduct an environmental scan of the foundation's internal operations and external messaging about equity. Bensimon and her team surveyed staff, conducted interviews and reviewed a variety of documents.

Their conclusion was that Lumina's staff needed a deeper understanding of and comfort level with racial equity, as well as more consistent language in talking about equity. "Equity is not the same as diversity or equality," Bensimon emphasized.

Following up on the review, the entire Lumina staff, including the CEO, attended a full-day session at which the CUE team shared background information about the meaning of racial equity and delved into the complexities of talking about equity. Participants were asked to map out their respective social networks "so they could see that, essentially, they were relying on the same people," said Bensimon. At the end of the day, they brainstormed action steps to continue this work.

Afterward, CUE prepared a report for Lumina that detailed its findings and provided recommendations related to leadership, strategy, organizational development, networks, partnerships and communications. In particular, the report noted: "Our surveys and interviews yielded a common desire, particularly among program staff, for greater clarity around Lumina's vision of equity and for concrete tools staff could use to communicate that vision and incorporate it into their work."¹⁵ In doing so, Lumina could be a powerful leader in equity work and provide a model for others to emulate.

Assigning a Point Person

The CUE team's recommendations propelled Susan Johnson, a strategy officer at Lumina, to think about what the foundation was doing with respect to its 2013-16 strategic plan. "I noticed that we called out equity but didn't indicate how we were going to address it," she said.

Wanting to see the foundation make more significant progress, Johnson approached leadership with the idea of developing a new position that would have primary responsibility for leading Lumina's equity work. To draft the job description, she drew on many of CUE's recommendations.

Thus, in early 2014, Johnson became Lumina's new director of equity and inclusion, and over the next six months, she spent most of her time working with the foundation's leaders to map out an equity strategy. Through a series of in-depth conversations, she later recalled, "we settled on racial and ethnic equity based on the belief that these were the most significant needs and were crucial to a stronger nation."

When these priorities were presented at a staff meeting, however, some staff members raised concerns. What about all of the other issues? they asked. What about gender inequities, for example? Johnson and others emphasized that they were not saying that other issues did not matter, but race and ethnicity would be the core of the foundation's equity work.

The Equity Imperative

In June 2014, Lumina unveiled a new Equity Imperative, which defined the postsecondary attainment of American Indian, black, and Hispanic students as a priority for the foundation. Rather than launch the Imperative separately, Lumina decided to include it as part of the release of a book it had co-funded with The Century Foundation entitled *The Future of Affirmative Action*. Looking back later, Johnson saw this as a missed opportunity. "If we had done something separate," she said, "it may have sent a more concrete message to our partners and grantees that we were serious about equity."

Beyond the issue of the release strategy was the larger question of how to operationalize the Equity Imperative. "It took time to figure out what it really meant to embed equity into our work," Croom recalled.

Initially, Lumina focused on reviewing and revising its recruiting practices for staff and board members. Although the foundation already had policies that mandated diverse hiring pools for both, it sought to strengthen them and ensure they were being implemented consistently. For example, the board's membership policy listed specific characteristics to consider in recruiting new board members, such as race, gender, ethnicity, age and professional skills. These were captured in a talent grid that Lumina began using more extensively to guide the recruitment of new board members.

Staff hiring practices were also changed to ensure that the interview process would advance only if there was a diverse pool of applicants. Diversity and equity were incorporated into the onboarding process for new staff and interns too, and new language was added to the employee handbook:

Lumina's Equity Imperative undergirds all of our work. The Equity Imperative is Lumina's commitment to equity and excellence in higher education; it focuses us on closing attainment gaps for Native American, African American and Latino students. The evidence is indisputable: We cannot reach Goal 2025 – or reap the considerable national benefits stemming from that goal – unless significant progress is made to close these gaps. In order to affect significant and lasting change, Lumina must be a leadership organization. ... We're working hard, in many different ways, for nothing less than a fundamental redesign of American higher education.

Along with these changes in recruiting and hiring, Lumina decided to start offering staff learning opportunities focused on race and equity. Readings were shared on the foundation's internal communication platform, and optional "lunch and learn" sessions featured leaders from organizations such as Education Trust.

One of the presenters was Heather McGhee, president of the liberal think-tank Demos. She shared her struggles with trying to bring the topics of race, diversity and inclusion to bear in her organization that was “full of progressive talent but still predominantly white.” Croom felt that McGhee’s talk was “a lightbulb moment” for many people at Lumina:

It signaled that there were people in the foundation who really cared about these topics ... and helped make the case for doing this work. But because there was no mandate, people who wanted to engage in those conversations went and those who didn’t want to have the conversations weren’t having them. It was about engaging those who wanted to engage and then figuring out later how to move others.

Changing the Grantmaking Criteria

In late 2014, Lumina undertook another important step: revising its grant application materials to align them more closely with the Equity Imperative. The new application form, released before the 2015 funding cycle began, explained the foundation’s new mode of operation:

Demographic Information

Lumina Foundation is interested in engaging partners and organizations that proactively contribute to the core principles of Lumina’s Equity Imperative and Goal 2025. The ideal partner would demonstrate a commitment to racial and ethnic equity as reflected:

- In values and/or mission;
- In language expressed through organizational products and tools;
- In demonstration of populations or clients served; and
- As evidenced through diversity of the organization’s team and leadership.

Applicants were asked to report on the gender and racial/ethnic composition of their organization and project staff and to indicate what target populations they primarily served (first-generation students, Hispanics/Latinos, immigrants/refugees, low-income, males, underserved students, etc.).

The narrative section of the form was also revised. New questions asked applicants to explain how their organizational mission and work would promote the core principles of the Equity Imperative as well as how they would assess outcomes.

Organization Description

Please share your organization's mission statement. You are also welcome to link to your organization's public strategic plan, if applicable. No hard copies please.

Please describe the extent to which your mission and/or the partners you engage around your mission promote the core principles of Lumina's Equity Imperative, which seeks to:

- Eliminate widening postsecondary attainment gaps for Native American, African American and Latino students
- Creation of opportunities, sharing of resources, and empowering students for success
- Focus on institutional accountability rather than student deficits

Project Overview

1. Please provide a brief purpose statement for your project.
2. What are the expected outcomes of this project, i.e. what do you expect to accomplish or produce?
3. How will you measure progress on these outcomes throughout the course of this grant? Please provide a list of performance indicators and target dates for those indicators.
NOTE: Lumina will be asking you to report on these indicators.
4. How will you produce the expected outcomes? Please describe the activities or strategies you will employ.
5. What is your project's duration and timeline of activities and outcomes?
6. Describe how this project contributes to the core principles of Lumina's Equity Imperative as outlined at Lumina's Equity Imperative. To what extent will this project serve and address the attainment rates of Native American, African American and Latino students? If applicable, please provide the numbers of these students that will be impacted by the work.

To provide more information and support for applicants, existing grantees, and others, Lumina created a new equity section on its website, where it posted information about the imperative, including an infographic, video and other resources.

Embedding Equity in Strategy

Throughout 2015, Johnson worked with Lumina's strategy directors to help them consider how to advance equity in their respective portfolios and ensure that prospective grantees' values and activities were well aligned with the foundation's Equity Imperative.

"A few teams were trying to do their utmost in embedding equity," she later recalled. "The state policy team was the most fervent."

By this time, many states had been focusing for years on students' postsecondary outcomes, but few had adopted race-oriented outcome metrics. To be successful in increasing postsecondary attainment, states needed to look more closely at how particular groups of students were performing – for example, black students – then consider what kinds of services and supports they needed to improve outcomes.

Jimmy Clarke, senior director of state policy at HCM Strategists, a long-term Lumina grantee, managed the Strategy Labs that helped states identify and develop policies to support the 2025 goal. “To elevate the conversation past a group of believers, data are essential,” he said, “and how you present the data matters.”

To help state policy leaders understand how their states could use data to address equity gaps and increase postsecondary attainment, Lumina sponsored an “academy” in the spring of 2015. As the participants reviewed their states' attainment data – which highlighted persistent differences in outcomes by race and ethnicity – the facilitators helped them distill policy implications and develop plans of action.

Lumina also commissioned the National Equity Project to deliver “equity learning seminars” for higher education professionals, directors, counselors and program managers involved in the National College Access Network (NCAN). Experts provided guidance, best practices and resources on topics such as the effects of racism and biases on education policies and practices; individual and organizational dynamics that impede change; how to improve collaborative relationships in diverse settings; and leading change toward equity goals in challenging contexts.

Why Equity Matters

By 2016, the foundation was immersed in the internal discussions and reviews that would provide the basis for developing its next strategic plan.

The results, Johnson said, revealed that Lumina had made “a lot of assumptions.” Specifically, in the early stages of its equity work, the foundation had quickly shifted its focus to grantmaking rather than investing time in building the capacity of staff to consider how diversity and equity pertained to their lives and their work.

An internal review of Lumina's equity work using the D5 Coalition's Self-Assessment for Foundation Diversity, Equity & Inclusion¹⁶ reinforced this conclusion. A report called Why #EquityMatters noted the following:

While Lumina identified equity as a central component of the 2016 strategic plan, the extent to which we have defined, embedded, and operationalized equity in a way that is easily consumable by both internal and external constituents has yielded mixed results. [While] several strategies fully embraced the equity imperative as a priority in moving their work forward ... less attention was given to the internal development of staff expertise and comfort around racial equity, thereby hindering the Foundation's ability to fully embrace equity as THE framework through which we can achieve the 2025 goal. Without this critical step, a deep and sustainable commitment to equity is impossible.

The 2017-20 Strategic Plan, the report emphasized, provided the perfect opportunity to align all of the foundation's policies and practices with the Equity Imperative. "Closing attainment gaps must be part of the core design of all our strategic work. Furthermore, Lumina's internal operations and culture must focus on equity with an intentionality that mirrors the focus of the strategic work." The report concluded:

We as a Foundation have the freedom and power to actively close these gaps by modeling the change we want to see and supporting that which will fulfill the promise of quality education AND equal opportunity in America. Therefore our external strategic work and internal operations must have focus and intentionality – recognizing that race matters and should not be diluted, confounded, or masked by less controversial factors that are often easier to discuss but fail to address the root of inequality in America and [its] postsecondary system.¹⁷

Everyone's Effort, Everyone's Goal

Recognizing that it needed to make racial equity an organization-wide priority, Lumina's executive team decided that it needed to "own" this work. As one member of the team put it, "If one person is carrying all of the water, it's not enough to get the job done. It has to be everyone's problem and everyone's effort and everyone's goal. It's *our* goal."

Accordingly, the director of equity and inclusion role was discontinued, and Johnson became the foundation's new director of impact and research. "Moving the ownership into the hands of our leadership kicked things up a notch," she said.

Perceiving that Lumina's leaders and staff needed more help in order to develop the competencies needed to talk openly about racial inequities and systemic barriers and embed an equity focus in their work, the executive team brought in external facilitators. They worked with staff to develop a shared understanding of equity, recognize systemic barriers to equity, and strengthen their personal competencies related to working with individuals of different races and backgrounds.

This work was challenging for many of those involved. "Lumina wasn't used to having these uncomfortable conversations," Croom said. "We don't talk politics or race, so creating spaces for these conversations is important. We need more time to be uncomfortable."

Johnson agreed. "Without dissonance, there can be no growth."

Though the internal capacity building required significant resources, there was broad agreement that the time and money were well spent. As Howard observed:

There were assumptions that because people believed and were committed to equity, they could "do it." But commitment doesn't equate to having the skills and competencies needed to embed and lead on equity. We are entrusted with these resources and making decisions

about new work, and we have to decide whether this new work is likely to close equity gaps. If you have some understanding of systemic racism, or what leads to or sustains attainment gaps, or what will lead to narrowing of attainment gaps, that will help all of us make better decisions as we work with grantees.

Intensifying Equity Work

Amid this intensive internal work, Lumina was also rolling out its new 2020 strategic plan, which called for the foundation to adjust its 2025 goal to focus not only on increasing educational attainment but also on eliminating attainment gaps among specific groups of learners. “Lumina’s commitment to the 2025 goal and to issues related to equity, increased opportunity and quality credentials for all learners remains the same,” Danette Howard emphasized. “But the plan amplifies our strong emphasis on first-generation students, people from low-income families, African-American, Hispanic and American Indian students, as well as returning adult learners and adults without any postsecondary education experience.”

To reach these goals, Lumina’s strategic plan outlined five priorities (see Attachment D):

- A postsecondary learning system in which the top priorities are completion of quality credentials, affordability and closing equity gaps.
- A new, national system of transparent, high-quality postsecondary credentials.
- National expansion of competency-based learning.
- Pathways to initial credentials—including certificates and certifications—for adults without postsecondary education.
- An integrated, quality assurance system for postsecondary learning.

Recognizing that success would depend on large-scale collaboration, Lumina would also invest more deeply in stakeholder engagement. As the strategic plan explained:

[We] must strengthen our capacity to build coalitions among the numerous stakeholders who need to understand and support action to increase attainment. ... While we build our capacity to engage these stakeholders, we must in turn support their efforts to engage their multiple stakeholders, including students and families. In this way, efforts to increase attainment are magnified and can reach the scale needed to reach Goal 2025.¹⁸

In conjunction with the new strategic plan, the foundation released an updated version of the Equity Imperative (see Attachment E), which now highlighted the critical importance of increasing postsecondary attainment while at the same time closing racial and ethnic gaps.

Walking the Walk

As 2017 continued, Lumina’s executive team often thought about how far the foundation had come in its equity journey as well as how much still needed to be done. As Danette Howard saw it:

As with any true commitment, it starts with leadership. We are incredibly fortunate to have Jamie Merisotis as our CEO. He didn't need to be convinced [about the importance of this work]; he's been committed throughout his career. Our board is also fully committed. And our executive and our senior leadership team started engaging in this work even before the rest of the staff. We had to invest time, resources, money – you can't just talk the talk, you have to walk the walk, and we've done that. It doesn't always go as fast as we want, but we are committed.

This commitment was apparent among the members of the executive team, and throughout the foundation people openly acknowledged how much they valued both talking about and being about equity. As Holiday Hart McKiernan, Lumina's executive vice president, chief operating officer, and general counsel, observed: "It's part of our discussions. It's part of our hiring process – not just in terms of looking for diverse [applicants], but looking for equity-mindedness. We are bringing in more people who share that mindset."

Entities that Lumina funded also seemed to be increasingly open to discussing equity – for example, in terms of providing differentiated supports targeted to the needs of specific groups of students. "Raising all boats is not a strategy," Lumina strategy director Haley Glover said. "So we encourage institutions to keep disaggregating their data so they really know who their students are and what they need."

In the future, Lumina's leadership team hoped to see more of Lumina's equity messaging reflected not only in grantees' work but also in state policy. Alabama's new governor had recently issued an executive order specifically referencing closing educational attainment gaps for black and Hispanic students – a positive sign. "To have a southern state put this in policy and codify it is significant," said Jimmy Clarke. "It's significant to have an organization like Lumina there to have states feel like it's okay. It's respected. It's nonpartisan. It's elevated."

As Lumina continued working to embed equity, Kevin Corcoran continued to look for better, more inclusive ways for the foundation to communicate about equity work. As he reflected:

I don't think we have quite landed in the right place on that yet. A lot of language we and our partners use is not the most inviting language. It reaches people who are already on board but not others who might be more open to arguments about fairness and economic justice. Equity and racial justice sound like zero-sum propositions to people who enjoy a certain amount of privilege now. So the question is, what is the best way to talk about this to get people talking and challenging their views and assumptions?

The communications strategy is like any other strategy we are pursuing. We need to figure out what people believe and the extent to which what they believe helps or hurts what we are undertaking. A lot of things that get in the way of what we are trying to accomplish have to do with what people believe.

REFLECTIONS

While NewSchools Venture Fund and Lumina Foundation were very different entities with different missions and goals, their equity journeys nevertheless had many things in common. For one thing, each believed that in order for equity to truly be at the core of its work, everyone in the organization – top to bottom – had to own it.

“A lot of times people name a position and expect that that one person to carry all the weight around issues of equity,” said FREE’s Michelle Molitor. “But that’s not really how this works. It needs to be an embedded part of all conversations.”

As a result, it needed to be an ongoing process. As McKiernan of Lumina recalled, “One of my colleagues said, ‘Once you try to be equity-minded, you see inequities everywhere.’ There is a sense that the more aware we are, the more we want to do about it. I am mindful that this is not a linear progression. There will be steps forward and steps backward.”

Frances Messano of NewSchools shared a similar view. “There isn’t a blueprint for the journey,” she said. “It’s an iterative cycle of learning, doing, and learning some more.”

Continued progress depended on a steady supply of evidence so that leaders and staff can know how things are going and revise the road map as needed. “People should not be afraid to course-correct along the way,” said Danette Howard of Lumina. “If something is not working, it’s okay to regroup and think about another path forward. We have had to do that several times, and we will undoubtedly need to do so again.”

Most importantly, leaders from Lumina and NewSchools knew they could not make the journey alone. Each believed it was crucial to keep learning from others in the field and bringing people together to talk, share strategies and leverage knowledge and resources. For NewSchools, this meant convening entrepreneurs and hosting its annual Summit of leaders. For Lumina, it often meant reaching out to policy organizations and to state and federal policymakers. For both, it also meant learning from others and exploring new opportunities for collaboration in Grantmakers for Education’s Equity Impact Group.

Each learned much from the programs and initiatives they funded and the partnerships they formed, but there was always more to know – and this meant that risk-taking was part of the journey too. As Stacey Childress put it, “We are always taking risks and backing people who know more than we do in all of our investment areas. Whatever the topic is, it’s always going to take a handful of leaders who put a stake in the ground and approach it differently and bring others along. Diversity, equity and inclusion are no different.”

Self-Study Questions

Questions to consider while reading this case about leverage, influence, and collaboration to promote equity in education grantmaking:

1. What were the lessons learned from NewSchools Venture Fund and Lumina Foundation about how to develop internal organizational capacity to support equity in grantmaking?
2. What were the lessons learned about how to message equity as a strategy within each grantmaking organization? With external partners and grantees?
3. What approaches did each organization take to promoting equity through grantmaking strategies?
4. What was the role of leadership in communicating and promoting equity? What role could your leaders play in your organization's equity journey?
5. In what ways did external partners support the equity journeys at NewSchools and Lumina? How might external partners support your own efforts to become more equity-minded?
6. How did data support equity efforts in grantmaking? In making the case for equity? What data would be most useful for your initiatives?
7. In what ways were efforts to influence the field important and complementary to the equity-focused grantmaking strategies at NewSchools and Lumina?
8. What specific insights did you gain from the case and experiences of these two organizations? How might those insights apply in your own organization?

Attachment A
NewSchools Diverse Leaders Theory of Change

Our Theory of Change

Problem we seek to solve There is a large racial / ethnic demographic gap between education senior leaders and the students they serve, which limits the development of relevant, innovative solutions needed across the field

What it will take across the field

Make the case	Recruit leaders	Provide support	Prioritize inclusion
<ul style="list-style-type: none"> • Compel funders, entrepreneurs and non-profits to advance Black and Latino senior leadership 	<ul style="list-style-type: none"> • Attract and recruit more Black and Latino entrepreneurs and leaders into education at all levels 	<ul style="list-style-type: none"> • Provide targeted support (e.g., coaching, capital) to develop and retain Black and Latino leaders in education 	<ul style="list-style-type: none"> • Infuse a commitment to diversity within ed orgs and identify ways to benefit from varied perspectives and insights

NewSchools' unique role

Given our role, capabilities and strengths, we will focus on these 3 activities:

- ▶ **Invest** directly in entrepreneurs focused on increasing representation of Black and Latino senior leaders and hold all ventures accountable to this commitment
- ▶ **Catalyze the field** of donors, entrepreneurs and partners focused on increasing representation of Black and Latino senior leadership in education
- ▶ **Reinforce our commitment** to diversity across NewSchools by creating an inclusive environment and ensuring we are well equipped to deliver on our goals

Intended impact

By 2020, 30% of education senior leadership will be Black or Latino. This increased level of diversity will yield more relevant and innovative solutions across the field, ensuring more children have the opportunity to succeed

Source: NewSchools Venture Fund (2016, May). Funders Learning Session: 2016 Summit.



Attachment B
NewSchools Organizational Self-Assessment – Page 1

Organizational Assessment

Form a group with other members of your team to evaluate how your organization is doing against the following DEI criteria. Jot down your reflections on each question below, while considering what you are doing particularly well, where you need to improve, and the opportunities and challenges that lie ahead.

Category	Key Questions	Reflections on your organization
Organizational Commitment	Do you have CEO and/or board level support for focusing on DEI?	
	Do you have a clear definition of DEI and why it is important for your organization?	
	Is a commitment to DEI reflected in your mission, vision, core values and goals?	
	Do you have a DEI strategy, including specific, measurable goals?	
	Do you collect, disaggregate and publish data related to your goals and the progress you're making?	
	Do you use your organizational clout and position in the field to advance DEI?	
Talent Management & Culture	Is your staff, senior leadership team and board racially and ethnically diverse?	
	Do you have formal practices to recruit, select, develop and retain diverse staff members and board members?	

Attachment B
NewSchools Organizational Self-Assessment – Page 2

	Are staff and board members experienced in talking about race/ethnicity, diversity and inclusion?	
	Have you established an inclusive culture where all members of your organization feel safe, respected and valued?	
	Are staff members assessed and rewarded for their ability to connect with diverse grantees and community members?	
Grantmaking Strategy	Do you have a view on the role that race / ethnicity plays in driving educational inequity? Do you have access to data on racial / ethnic disparities to guide your work?	
	Does your grantmaking / investment strategy address the racial inequities you've identified? Do you have a dedicated investment area focused on this issue or is it a priority infused across all of your work?	
	Do you have investment criteria in place to assess your grantee's commitment to advancing DEI internally and programmatically?	
	Do you gather DEI data on your grantees? Do you analyze your grant-making patterns? Do you measure the racial/ethnic diversity of your grantees' staff, leadership and boards?	
	Do you hold your grantees accountable for advancing DEI / addressing racial inequity as part of their investment milestones / performance measures?	
	Do you systematically engage diverse grantees and constituent groups (families, students, community members) to inform your strategy?	

Source: NewSchools Synthesis. Adapted from the following sources: "From Intention to Action: Building Diverse, Inclusive Teams in Education to Deepen Impact"; "Grantmaking with a Racial Equity Lens"; "D5 Coalition DEI Self-Assessment"

Attachment C
Lumina Foundation Strategic Priorities, 2013-2016

Strategies for 2013 to 2016

Lumina’s specific strategies for 2013 to 2016 and their outcomes, organized around the two strategic initiatives that will drive our work

Mobilizing to Reach Goal 2025

Mobilize action at the local, state, and national levels and in higher education institutions and other organizations throughout the nation

1	2	3	4	5
<p>Build a Goal 2025 Social Movement</p> <p>An increased number of target audiences and populations actively support policies and practices to reach Goal 2025</p>	<p>Mobilize Employers, Metro Areas and Regions to Increase Attainment</p> <p>Active partnerships adopt Goal 2025 and act to increase attainment</p>	<p>Mobilize Higher Education to Increase Student Success</p> <p>Higher education institutions and systems adopt data- and evidence-based policies, partnerships, and practices that increase attainment and close attainment gaps for underserved students</p>	<p>Advance State Policy for Increased Attainment</p> <p>States adopt formal goals and implementation plans for increasing attainment that are specific, challenging, and address attainment gaps for underrepresented populations</p>	<p>Advance Federal Policy for Increased Attainment</p> <p>Federal policy proposals reflecting Lumina priorities to increase attainment are developed and advanced</p>

Creating a 21st Century Higher Education System

Contribute to the development and implementation of new models needed to move from a time-based system of higher education to an affordable and high-quality system based on student learning to help meet changing individual, societal, and workforce needs

6	7	8
<p>Design New Models of Student Financial Support</p> <p>New national student finance models make college more affordable, make the cost of college more predictable and transparent, align federal, state and institutional policies and programs, and provide incentives to students and institutions to increase completion</p>	<p>Design New Higher Education Business and Financial Models</p> <p>New models significantly expand the nation’s capacity to deliver affordable, high-quality education and are supported by public finance and regulatory policies that create incentives for and remove barriers to innovation</p>	<p>Design New Systems of Quality Credentials</p> <p>New systems of quality credentials and credits are defined by learning and competencies rather than time, offer clear and transparent pathways to students, assure high-quality learning, and align with workforce needs and trends</p>

**Attachment D
Lumina Foundation Strategic Priorities, 2017-2020**

Lumina Foundation Strategic Plan for 2017-20

Priorities for Action	Opportunity Populations	Goal 2025
<p align="center">2017-20</p> <p>Student Success A postsecondary system in which top priorities are completion of quality credentials, affordability, and closing of equity gaps</p> <p>.....</p>	<p align="center">By 2020</p> <p>Increase attainment by 5.9 million above current rates</p> <p>Increase attainment among 25–64-year-olds from 45.3% to 51.2%</p> <p>Increase attainment among 25–34-year-olds from 47.2% to 53.3%</p>	<p align="center">By 2025</p> <p>Increase attainment by 16.4 million high-quality credentials above current rates to reach 60%</p>
<p>Transparent Credentials A new, national system of transparent, high-quality postsecondary credentials</p> <p>.....</p>	<p align="center">By 2020</p> <p>500,000 more degrees and certificates to traditional-age students</p>	<p align="center">By 2025</p> <p>Increase attainment among traditional-age students by 4.8 million</p>
<p>Competency-Based Learning A national expansion of competency-based learning</p> <p>.....</p>	<p align="center">By 2020</p> <p>2 million more degrees and certificates to returning adults who have some postsecondary education but no credential</p>	<p align="center">By 2025</p> <p>Increase attainment among returning adults who have some postsecondary education but no credential by 6.1 million</p>
<p>First Credential for Adults Pathways to initial credentials—certificates and certifications—for adults who have no postsecondary education</p> <p>.....</p>	<p align="center">By 2020</p> <p>3.4 million more certificates and certifications to adults who have no recognized postsecondary education</p>	<p align="center">By 2025</p> <p>Increase attainment among adults who have no recognized postsecondary education by 5.5 million</p>
<p>Quality Assurance An integrated quality assurance system for postsecondary learning</p>		



Lumina Foundation's Equity Imperative

Committed to equity
and excellence in higher education

Why equity matters

While the face of America is changing, economic and social inequities among racial and ethnic groups persist. Historical and current patterns of discrimination, segregation and racism continue to foster disparities that make it increasingly difficult to achieve "the American dream." American Indian, African-American and Hispanic students are disproportionately poor, have less access to quality education, and are underrepresented in positions of power. **Without intentional and focused efforts to address inequality in our society, the gaps will only continue to grow.**

Education is the great equalizer. However, racial and ethnic stratification plague our nation's educational system. Schools are more segregated than a decade ago; dropout rates are highest among African-American, American Indian and Hispanic students; and these students are less likely to earn a postsecondary credential or degree.

Given this polarization, American higher education is also at a critical juncture with regard to equity and excellence. As global demand for postsecondary skills and knowledge rises, the pace at which Americans are obtaining postsecondary degrees continues to lag behind other countries. Moreover, this situation is exacerbated by the persistent gap in degree attainment by race in the U.S. According to the most recent Census figures (2015),

Core principles

Equity: The recognition and analysis of historic, persistent factors that have created an unequal postsecondary education system.

- Elimination of widening postsecondary attainment gaps for American Indian, African-American and Hispanic students.
- Creation of opportunities, sharing of resources, and empowering students for success.
- Focus on institutional accountability rather than student deficits.

Excellence: Clear, flexible and transparent pathways to students in their pursuit of postsecondary credentials.

- Credits and credentials defined by learning and competencies rather than time.
- Assurance of high-quality learning that aligns with 21st century workforce and industry needs.
- An affordable system with incentives that encourage students and institutions to increase educational attainment and close achievement gaps.

Attachment E

Lumina Foundation Equity Imperative, 2017 Version – Page 2

Asian adults (ages 25-64) lead all races with approximately 61 percent degree attainment, followed by whites at 46 percent. African-American, American Indian and Hispanic students rank 29 percent, 24 percent and 21 percent, respectively. Despite improved college-going rates in postsecondary education for African-Americans, American Indians and Hispanics, the gaps that remain in educational attainment must be addressed if we are to flourish as citizens and as a nation.

Lumina's commitment

Since its inception in 2000, Lumina Foundation has focused on increasing access and success for all students in postsecondary education. The Foundation has made a consistent commitment to address the needs of those who have historically been underserved by higher education through efforts ranging from supporting the development of statewide attainment goals that close achievement gaps to targeted support for minority-serving institutions.

In 2008, we sharpened our mission and centered all of our efforts on Goal 2025, which seeks to increase the

Lumina recognizes that, to make effective change in higher education, equity *and* excellence must be at the center of all of its efforts to reach Goal 2025.

percentage of Americans with high-quality postsecondary credentials to 60 percent by 2025. To reach Goal 2025, we quickly realized the need for a student-centered higher education system that focuses on student learning

outcomes, values diverse learning styles, and provides affordable paths for students to attain their educational goals.

Simply stated, the higher education system in America is in need of major redesign. While we know that educational attainment is at the center of civic, social and economic

success, the current system prevents an increasing number of students from realizing that success — particularly those who have been historically excluded from and served the least by the existing structure. The system must be redesigned in a way that values the diverse pathways by which students obtain the knowledge, skills and abilities they need to succeed in the workplace and in life. Achieving Goal 2025 requires Lumina to acknowledge systemic disparities and to place equity and excellence at the center of all of its work.

Equity means:

- Recognition of the need to eliminate disparities in educational outcomes of students from historically underserved and underrepresented populations.
 - Elimination of widening postsecondary attainment gaps for American Indian, African-American and Hispanic students.
 - Creation of opportunities, sharing of resources, and empowering students for success.
 - Focus on institutional accountability rather than student deficits.

Excellence means:

- Offering clear, flexible and transparent pathways to students in their pursuit of postsecondary credentials.
 - Defining credits and credentials by learning and competencies rather than time alone.
 - Assuring that high-quality learning aligns with 21st century societal and workforce needs.
 - Building an affordable system with incentives that encourage students and institutions to increase attainment and close achievement gaps.

As stated by Jamie Merisotis, Lumina's president and CEO, the current system must be redesigned to "meet future workforce needs, strengthen our democracy, and give all Americans — regardless of race, income and other socioeconomic factors — the opportunities that postsecondary attainment provides."

In other words, without equity and excellence as co-driving forces, Lumina and the nation will have fallen short in their efforts to meet the needs of students in a 21st century economy and society.

Lumina Foundation is an independent, private foundation in Indianapolis that is committed to making opportunities for learning beyond high school available to all. We envision a system that is easy to navigate, delivers fair results, and meets the nation's need for talent through a broad range of credentials. Our goal is to prepare people for informed citizenship and for success in a global economy.

ENDNOTES

¹ Remarks at the NewSchools Venture Fund Summit 2014.

² McGriff, D. (2015, March 16). Our Commitment to Diversifying Education.

³ Per NewSchools' Diverse Leaders Overview, this theory of action is rooted in research by McKinsey and others indicating that diverse organizations tend to have higher levels of employee collaboration, satisfaction and retention, and are more likely to take risks and challenge the status quo.

⁴ Messano, F. (2016, March 1). "Announcing Our Diverse Leaders Ventures," NewSchools Venture Fund News + Ideas.

⁵ NewSchools Venture Fund (2017, May 31). Diverse Leaders Overview. Internal document.

⁶ Rhames, M.A. (2016, May 16). "How An Elite Education Reform Conference Felt More Like a #BlackLivesMatter Rally," Education Post.

⁷ Pondiscio, R. (2016, May 25). "The Left's Drive to Push Conservatives Out of Education Reform." Thomas B. Fordham Foundation.

⁸ Childress, S. (2016, May 26). "Let's Get to Work: A Response to Robert Pondiscio." NewSchools Venture Fund News + Ideas.

⁹ American Enterprise Institute and NewSchools Venture Fund (2017, April). Fostering a Productive Dialogue on Race, Social Justice, and School Reform.

¹⁰ Padamsee, X. and Crowe, B., with Hurst, L., Johnson, E.T., Louie, L., Messano, F., and Paperny, T. (2017). Unrealized Impact: The Case for Diversity, Equity, and Inclusion.

¹¹ Stolnitz, E. (2017, July 2017). New Report: Most Comprehensive Study Ever Done on Diversity, Equity, and Inclusion in the Education Sector. News Release.

¹² NewSchools Venture Fund (2017, May 31), op cit.

¹³ Lumina was founded as the USA Group Foundation after USA Group Inc. (the nation's largest private guarantor and administrator of student loans at the time) sold the majority of its assets to Sallie Mae.

¹⁴ Lumina Foundation (2013). Strategic Plan: 2013-2016.

¹⁵ Center for Urban Education (2014, April 11). Lumina Foundation Recommendations Report.

¹⁶ <http://www.d5coalition.org/tools/dei-self-assessment-survey/>

¹⁷ Lumina Foundation (2016?). Why #EquityMatters: Lumina's Policies and Practices for Advancing Equity. 2015 Review [Internal Document].

¹⁸ Lumina Foundation (2017). Strategic Plan, 2017-2020.

Effective Education Grantmaking

principle
no.

1

Discipline and Focus

In education, where public dollars dwarf private investments, a funder has greater impact when grantmaking is carefully planned and targeted.

principle
no.

2

Knowledge

Information, ideas and advice from diverse sources, as well as openness to criticism and feedback, can help a funder make wise choices.

principle
no.

3

Resources Linked to Results

A logic-driven “theory of change” helps a grantmaker think clearly about how specific actions will lead to desired outcomes, thus linking resources with results.

principle
no.

4

Effective Grantees

A grantmaker is effective only when its grantees are effective. Especially in education, schools and systems lack capacity and grantees (both inside and outside the system) may require deeper support.

principle
no.

5

Engaged Partners

A funder succeeds by actively engaging its partners – the individuals, institutions and communities connected with an issue – to ensure “ownership” of education problems and their solutions.

principle
no.

6

Leverage, Influence and Collaboration

The depth and range of problems in education make it difficult to achieve meaningful change in isolation or by funding programs without changing public policies or opinions. A grantmaker is more effective when working with others to mobilize and deploy as many resources as possible in order to advance solutions.

principle
no.

7

Persistence

The most important problems in education are often the most complex and intractable, and will take time to solve.

principle
no.

8

Innovation and Constant Learning

Even while acting on the best available information – as in Principle #2 – a grantmaker can create new knowledge about ways to promote educational success. Tracking outcomes, understanding costs and identifying what works—and what doesn’t—are essential to helping grantmakers and their partners achieve results.

Grantmakers for Education is a national network of hundreds of education philanthropies, united by a passion and commitment to improve public education and learning for all students of all ages, cradle to career. Grantmakers for Education is a force multiplier, harnessing the collective power of education grantmakers to increase momentum, impact and outcomes for this nation's learners. We are proud to promote a culture of learning among education funders and provide a forum for interaction and engagement that builds upon and deepens the impact of our member's individual investments. Grantmakers for Education and its members believe in the power of what we can all achieve when we work together and learn from each other's successes and challenges.

