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A Silicon Valley Funder Diversified Its Board. Big Changes Followed

Recruiting former grantees as board members has helped the Silicon Valley Social Venture Fund better connect to communities and boost fundraising.

By Jim Rendon | JULY 29, 2024

COURTESY OF SILICON VALLEY SOCIAL VENTURE FUND (SV2)

Donors and board members from the Silicon Valley Social Venture Fund visited the Edmund Pettus Bridge in Selma, Ala., on a trip to key sites in the Civil Rights Movement in the South.

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Linda Prieto was nervous before her first meeting as a new board member at the Silicon Valley Social Venture Fund. She is the executive director of Upward Scholars, a group that received a grant from the fund, and she knew her life experience was different from that of many of her fellow board members. Prieto, whose family immigrated to the United States from Mexico, spent her childhood working alongside her parents in the fields of California's Central Valley before going on to college, graduate school, and a nonprofit career.

"I'm overwhelmed. There's going to be all these rich people with all this money who have been funding my organization," she remembers of that first meeting. "That's really daunting to me."

Prieto had been invited to join the board as part of an effort to diversify its membership. By offering leadership positions to former grantees whose life experiences reflect the people served by the nonprofits the fund supports, the group hoped to change philanthropy's traditional power dynamics and improve its connection to the communities and

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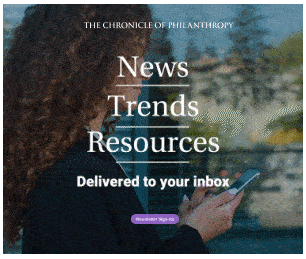

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Prieto is normally gregarious. But she told Silicon Valley Social Venture Fund CEO David Onek that unless someone asked her a direct question, she would clam up. In that first meeting, Onek asked Prieto her opinion and she opened up. Since that first meeting, she has felt embraced by the board and an integral part of its effort to change how the organization works.

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"I go in there and I'm like, 'Hey, how's it going?' I'm hugging on everybody. I'm super aware of who the new people are and wanting them to feel comfortable and wanting them to feel included. I make a point of sitting next to somebody different at each board meeting," she says. "It's a complete change of what I first felt on that first day."

A Change in Strategy

The Silicon Valley Social Venture Fund, which made grants totaling nearly $1 million in the fiscal year ending in 2023, is a nonprofit funded by about 120 donors that makes grants to other charities and investments in for-profit social ventures. Donors often work directly with grantees, providing mentoring and expertise. In one instance, a donor helped an organization develop a strategic plan. Donors have acted as sounding boards for leaders or helped connect the leader with other people they know. Some have later joined the organizations' boards.

Founded in 1998 by philanthropist Laura Arrillaga-Andreessen, the fund had been working on DEI efforts since the board formed a working group on the subject in 2020. In April 2021, the group began a nine-month strategic planning process that sought input from donors, grantees, and recipients of impact investments.

The fund wanted to increase the number of groups it supports that focus on equity and are led by people of color. It increased its emphasis on learning for board members, donors, and grantees with trips to Alabama, Mississippi, and other parts of California to learn about the civil rights movement and to meet with community leaders. Ultimately, the fund wanted to shift the power dynamics to give grantees more say over its giving.

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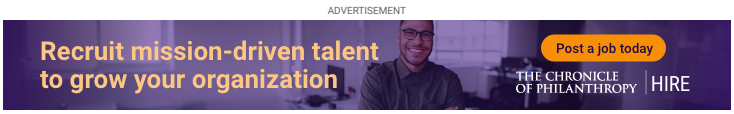

One way to do that: start diversifying its board. In the 2020 fiscal year, five of the fund's 15 board members were BIPOC and 11 were women. In June 2022, the board added three leaders from nonprofits who had received grants in the past, followed by another former grantee in 2023 and the leader of one of the companies in which it invested this year. Now the board has grown to 20 members, 16 of whom — 80 percent — are women and 14 of whom are people of color — 70 percent.

That is far more diverse than most nonprofit boards. According to data from BoardSource, collected in the second half of 2023 for an upcoming report, 77 percent of board chairs and 63 percent of board members were white. The group's 2021 report found that 78 percent of nonprofit board members were white. Women made up 53 percent of board members in both surveys.

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There's often a lack of alignment between nonprofit leaders who hope to improve board diversity and their boards. According to the 2023 data, 48 percent of nonprofit leaders were dissatisfied with the racial makeup of their boards, but only 35 percent of board members said that race and ethnicity were a high priority when recruiting new board members.

At the Silicon Valley Social Venture Fund, the group had to make some changes to recruit board members from among its grantees. Trustees have traditionally been required to donate at least $6,000 each year, while many gave more than $25,000. The fund waived the minimum for past grantees who have joined the board, but they are still required to donate something.

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Examples of board diversification efforts often focus on the pitfalls, but there is much to learn from those that are having success, says Monika Kalra Varma, CEO of BoardSource. Many of those effective efforts are underpinned by a clear sense of mission. When a group's diversity, equity, and inclusion goals are aligned with its purpose, she says, the group has a strong foundation to pursue those goals — and it's harder to backtrack.

"You're looking around the table and saying, 'Do we have the right people here, or do we have people with the right authorized voice?'" she says. "When you have the right people sitting around a board table, you can make those decisions in a much more informed way that is aligned with why you exist."

'I Have to Defer'

Even before the fund brought on new board members, it was experimenting with different ways to make grants and share power with community leaders. In 2022, the fund created a $500,000 community grant-making initiative. It gave 10 board members, donors, community leaders, and staff members power to distribute the money. The community leaders' votes were weighted more heavily so they had as much say as the staff, donors, and board members combined.

The group chose an organization called Redwood City Together to receive the three-year unrestricted grant. This year, the fund had an event that brought together donors and community leaders from Redwood City to exchange ideas about work the group could pursue. Two community members have since joined the fund's board.

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"It really taught our donor partners that just because you are wealthy, that doesn't mean you have all the answers or should have all the decision-making power," says Onek, the fund's CEO. "People closest to the problems are going to have the best idea of the solutions. We want to share power."

Adding former grantees to the board helped shift the board's mind-set, making the benefits of sharing philanthropic power clear, says Kwok Lau, the current board chair who spent nearly three decades as an executive at Apple. As a philanthropist, she says, it's easy to see yourself as riding in on a white horse to save the day with your experience, education, and money. But if you listen, you will find out that you may not know what the needs are, what would help, and what would do harm. Lau says donors need to listen and trust that grantees know best.

PHOTO BY MEGHAN MACASKILL

Board members of the Silicon Valley Social Venture Fund meet with Redwood City Together to exchange ideas about what work to pursue. The fund had awarded an unrestricted grant to Redwood, chosen by board members, donors, community leaders, and staff members, with community leaders' votes were weighted more heavily so they had as much say as the others combined.

"It's sometimes giving up power to say, 'I don't know, so I have to defer,'" she says. "To me, that was a real big switch."

Jim Basile, a San Francisco attorney who was chair when the grantees joined the board, says he's found that sharing power doesn't require giving anything up. "It's actually improving our organization and its efficacy by getting voices in the room that have more experience and knowledge of issues than we do."

In the 2021 BoardSource report, leaders of nonprofits whose boards engaged in multiple DEI-specific actions rated their organizations' effectiveness more highly than leaders whose boards took fewer DEI actions. While it's not clear whether one causes the other — it could be that groups that are more effective also work on diversifying their board — the correlation is clear, according to the report.

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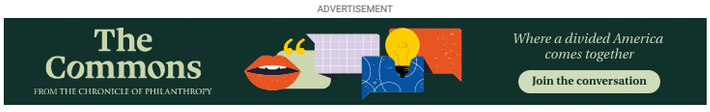

New Skills and Perspectives

The new board members bring different skills and perspectives to their board service — which is paying off for the fund, literally.

This year, the board started a development committee to boost fundraising. Some of the new grantee board members joined the committee, and they have been a key to the committee's success, says board chair Lau. Although the donors are used to giving money, they don't have much experience raising it. But the board members who run nonprofits raise money all the time. Thanks in part to their efforts, the fund attracted 31 new donor partners over the past year and had its best fundraising year ever, Lau says, exceeding $2 million for the first time.

Nonprofit CEOs have a lot to contribute to board conversations, says Zelica Rodriguez-Deams. She used to work for an organization that received a grant from the fund and is now the director of thriving communities for Sobrato Philanthropies. The grantee board members help fellow trustees understand the pressures nonprofit leaders are under. That includes the experiences of leaders who may face bias because of their race, gender, or sexual orientation as well as the struggles of people who live on constrained incomes.

New board members have also helped the fund diversify its staff. Thanks to input from trustees, the staff has been sharing job postings with more diverse audiences, says Rolland Janairo, a new board member who is executive director of the Silicon Valley Urban Debate League. He says that he also shares postings for some positions with his nonprofit's alumni.

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At the same time, the fund has made progress in its goal to support more groups led by people of color and organizations that work on equity. Before the new strategic plan, it didn't track that information, but now it does. In the fund's 2023 fiscal year, the share of Black-led groups receiving grants was 22 percent, up from 15 percent the previous year. Grants to groups with Latino and Hispanic leaders jumped from 32 to 41 percent. Community members' trust in the fund has also grown as a result of adding the new board members, Onek says.

"We are a much stronger organization because we made these changes," he says.

A Sense of Belonging

It's not easy to change the makeup of boards, particularly when they have historically been mostly male and white.

Initially there were discussions among the fund's board members about why it was making this change, says former trustee Basile. "We've got a lot of smart people in this room. We have a lot of experience in philanthropy, with a lot of experience in running businesses. We've educated ourselves on issues," he says of the board's mind-set at the time. "Does it make sense to bring in people who don't have that level of expertise?"

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There wasn't opposition, he says, just a sense that the board needed to talk it through and "kick the tires" to question whether the proposed changes made sense. Ultimately, the change was approved unanimously. Basile says it didn't take long for them to understand that maybe they don't have as much expertise as they thought.

COURTESY OF SILICON VALLEY SOCIAL VENTURE FUND (SV2)

Donors, board members, and staff visited the Oakland Museum of California during the fund's California Equity Journey earlier this year.

"The notion of 'expertise' is quite slippery when it comes to someone who doesn't understand experiences on the ground," he says. "In any organization, I think more voices are better and more perspectives are better, and you get to a better solution to the problem."

But adding new board members isn't enough to ensure they can help make change, says Kalra Varma of BoardSource.

Onek understood that new trustees might feel awkward or nervous about joining the board and that they needed to feel welcomed and comfortable to participate fully. The new board members all say they appreciated the informal lunch Onek arranged before new members' first official board meeting.

During the lunch before Rodriguez-Deam's first meeting, someone asked her what she did for a living. At the time, she was the manager of Santa Clara County's Office of Immigrant Relations. That led to a discussion about immigration policy, politics, and foreign policy — the other board members were genuinely curious, she says. The conversation turned to ways institutional racism shows up in the immigration system. "I remember looking at David and being like, 'Is that OK?' and he was like, 'It's absolutely OK.'"

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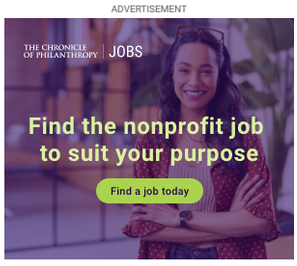

The goal of the informal gathering was to help everyone get to know and respect each other as people before they met as board members, Onek says. "You can appoint people and have diversity, but how do you get that belonging and inclusion part of it?" he asks. "Even though everyone has an equal vote on the board and they are equal legally on the board, it's not like the power dynamics disappear."

Social interaction is one of the keys to diversifying a board effectively, says Kalra Varma. Her board has a dinner — with no formal agenda — the night before board meetings. She says changes at an organization create anxiety, and personal connections among board members help them work though tough moments because they trust one another.

That's been the case for Gatanya Arnic, a grantee board member who is now COO of the Illinois Public Health Institute in Chicago. "In no way, shape, or form do I feel like I was a token person on the board. I feel like my opinion is heard. I feel like I'm a part of the conversation," she says. "I feel like I'm just as important as these people who give."

Early this year, Rodriguez-Deams suggested that that the group open board meetings with a reflection from someone who benefited from the fund's giving. At the June meeting, board members each read lines from a poem written by members of the Dream Club of Sequoia High School in Redwood City, a group of undocumented students.

Says Arnic: "It was the most grounding, emotional realization of why we do this work."

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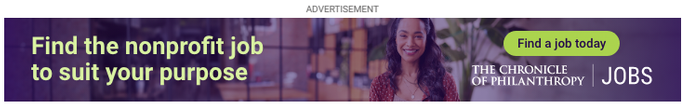

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Correction (July 30, 2024, 2:52 p.m.): A previous version of this article said that David Onek is the executive director at the Silicon Valley Social Venture Fund instead of the CEO. It also said Gatanya Arnic is the CEO of the Illinois Public Health Institute in Chicago instead of the COO.

We welcome your thoughts and questions about this article. Please email the editors or submit a letter for publication.

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