

This Fund Aims to Boost Racial Representation in the Nonprofit C-Suite

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When Derek Ferguson was growing up in the Bronx, his parents saw the value of education, despite his mother never finishing college and his father never attending. They sent him to four different elementary schools in search of the best education possible, and he excelled in his studies. “I had academic success, but I didn't see that I was different from the kid to the left of me or the right of me,” he told TriplePundit. “It was circumstance that changed our trajectories.”

Now a successful businessman with two Ivy League degrees, Ferguson parlayed his business acumen into a leadership role at **Robin Hood**, a social venture philanthropy that funds poverty-fighting nonprofit organizations across New York City. Its **Power Fund initiative**, launched in June of last year, focuses on building up a network of nonprofit leaders of color who are “measurably and sustainably lifting New Yorkers out of poverty to enjoy productive lives,” Ferguson said.

As the interim CEO of Robin Hood, Ferguson sees the Power Fund as a new resource to clear roadblocks for the more than 1.5 million New Yorkers who live near or below the poverty line, 80 percent of whom are people of color.

Lifting up nonprofit leaders of color to fight poverty

Although philanthropic giving has increased by 400 percent over the past two decades, only 10 percent of those dollars **went to organizations led by people of color**.

Organizations led by women of color receive even less investment. The Power Fund aims to address this disparity by investing in the most impactful nonprofit organizations led by people of color across the five boroughs.

The work of these leaders is informed by both professional expertise and personal experience, Ferguson said. “Typically, philanthropic dollars haven’t been going to leaders of color,” he told us. “But we’re seeing better outcomes with leaders of color who are driving the organizations in the neighborhoods where they grew up. We call it proximity: If you’re closer to the problem, you’re closer to the solution.”

It’s common sense to invest in solutions by people who understand the problem, but by funding these organizations, Robin Hood also seeks opportunities that other funders have likely overlooked. “The mere fact that you’re missing access to a whole group of people means you’re missing the most effective ways to combat issues,” Ferguson said. “We can’t say we’re addressing it unless we’ve expanded the net to consider everyone in our grant-making.”

How the Power Fund works

The Power Fund’s approach to investment is to finance the vision and human capital that already exists. Robin Hood aims to be a supporter, rather than trying to change the approach grantees take. “These organizations have long track records of success,” Ferguson explained. “The ultimate goal of the Power Fund is to influence our entire grantmaking portfolio, using proximity and lived experiences as thresholds for future grantmaking in our fight against poverty.”

Case in point: Once a nonprofit organization becomes a grantee or community partner, they get access to Robin Hood’s management assistance services — including everything from support with strategy and technology to board development — which bridge any gaps for more effective management and greater impact. “We’re very cognizant that philanthropy alone won’t solve all the issues, but through the Power Fund we are building partnerships across sectors that can help make a difference,” Ferguson said.

Robin Hood’s more than 30 years of experience in funding nonprofit leaders is beneficial for attracting other investors as well. Initial investment in the Power Fund Initiative came

from Capital One, BlackRock, Macquarie Investment Management Foundation and **others**. “It was an organic process to become partners with the Power Fund initiative,” said LaKia Williams, director of community impact and investment and Northeast market lead for Capital One. “In the first cohort of grantees, a few were already partners with us.”

Several elements came together at the right time for the Power Fund. “Our nation is experiencing a moment of reckoning,” Williams said, “and the Power Fund elevates the influence of leaders of color. Racial injustice interplays with every part of our lives and impedes progress. Leaders of color bring strategies that intimately understand racialized experiences and solutions.”

Further, historically, nonprofit leaders of color have had barriers in obtaining access to capital. “The Power Fund leaders are solid and strong and should be on an equal playing field with other organizations,” Williams said. To that end, Capital One has gone beyond funding the initiative to seek out additional ways to partner: The company is looking at a platform of resources, including networking opportunities and pitch competitions for nonprofit leaders of color.

Power Fund grantees tackle poverty in New York City

Robin Hood and the Power Fund prioritize creating opportunities to put New Yorkers on pathways out of poverty. “We focus on each stage of life, from prenatal to adult,” Ferguson said, “and think about the interventions needed at each stage to help move people out of poverty – for good.”

For example, one Power Fund grantee, **LaRay Brown**, executive director and CEO of One Brooklyn Health System (OBHS), is a leader in narrowing the disparities in maternal health. In the U.S., Black women have pregnancy-related mortality rates that are **three times higher** than white women, most of which are preventable with appropriate prenatal care. **According to the U.S. Centers for Disease Control and Prevention**, factors that contribute to these disparities include variations in quality healthcare, structural racism and implicit bias.

OBHS has three hospitals with historical ties to the neighborhoods they serve in central Brooklyn. The American Medical Association notes that **meeting people where they are** is a significant factor in improving health outcomes for Black Americans. Knowing the people in your community and fostering trust is critical to be able to provide adequate knowledge and health care, and groups like OBHS are well positioned to do just that.

For a different life inflection point, grantees such as Jessica Santana and Evin Robinson, co-founders of **America On Tech**, help train young people to prepare them for jobs in

the technology industry. Both founders are Bronx natives who left successful tech careers to elevate students from their own neighborhoods.

With America On Tech, high schoolers in New York City and Los Angeles have the opportunity to learn skills including coding, web development and digital marketing. That's important in an increasingly digital world in which **only 5 percent of tech jobs** are held by Black, Indigenous or Latinx people. In information technology, the number rises to just 14 percent, and the ratios are even starker for women of color. Training people for those jobs is critical, but having role models who look like the students and understand the obstacles they face is just as important.

The bottom line

Derek Ferguson was fortunate to have a family who pushed him academically and made sure he had opportunities to excel. He was also fortunate that he did not have a life-altering event to knock him off course. But he recognizes that because of this, he can play a role in seeing that kids who grew up in neighborhoods similar to his own in the Bronx also have access to those opportunities.

"There was nothing about most of my peers that said they couldn't do the same as me," he told 3p. "Given the opportunity, there's so much productivity and impact that can be gained if we give people who are resourceful, clever and capable the resources. If you give them the resources, they'll have extraordinary success. The Power Fund can continue building on that vision proves that to be true."

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