

Fiducient Advisors, Nonprofit Investment Stewards Podcast

Episode 28, September 22, 2021

How Nonprofits Can Drive Results Through Diversity, Equity, and Inclusion – with Cynthia Primo Martin

[00:00:00] Welcome to Non-profit Investment Stewards with Bob DiMeo and Devon Francis from Fiducient Advisors. Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment, foundation or retirement plan investments, this podcast exists to help stewards improve performance, reduce costs and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:26] Now onto the show. Hello, and welcome back to the Nonprofit Investment Stewards podcast. I'm Bob DiMeo, always great to be joined by co-host Devon Francis. Today, we have an extraordinary guest who I was recently introduced to by a mutual friend. Our guest's expertise and topic are very timely and super important.

[00:00:49] And I'm certain that if you're a leader in non-profit organization, you're already investing time in this subject. Before we dive in, Devon, always good to be with you. How's your day going?

[00:01:00] Wonderful. Can't complain. I am so happy to have Cynthia Primo Martin with us today. Cynthia is known for many things. But let me just mention a few for our listeners.

[00:01:11] She was the founder of the Trustees of Color initiative, whose mission is to ensure that nonprofit boards are inclusive of people of color. Cynthia has served as a director and trustee of many nonprofit organizations, including the University of Delaware, Delaware Symphony Association, African-American endowment fund at DCF and the Waterson Family Foundation.

[00:01:34] Earlier in her career, she served as human resources and equal employment opportunity director for a major insurance company. And Cynthia is the author of the Handbook for Nonprofit Leadership: Recruiting, Training and Engaging Trustees of Color. Cynthia, it is so great to have you on the show. Welcome. Thank you so much for having me. It's a pleasure.

[00:01:55] Cynthia, we're just thrilled to have you, and you have so many [00:02:00] initiatives and accomplishments. Before we drill down on practical advice for investment committees and nonprofit leaders in general, would you share what it is that drove you to be passionate about diversity and nonprofit organizations?

[00:02:14] Sure. Sure. Actually, I have had a lot of careers. My husband might say, I can't hold down a job. I don't know. But I started out as a remedial reading teacher after I got my master's in reading from the University of Delaware. And I wanted at that point in my life to be able to help kids who are underserved.

[00:02:32] So I think it started there, but I moved to Hartford, Connecticut and joined an insurance company and became an equal employment opportunity officer. So, I was addressing diversity and inclusion and equity at that point, but I moved back to Delaware and became a nonprofit development professional, and ultimately served as a nonprofit CEO of a local retirement community.

[00:02:57] Once I retired myself, I was recruited for [00:03:00] a lot of nonprofit boards. And I realized that the same five to six people were continually recruited for these boards. And I knew there were a lot more people of color in the community who had the skills, expertise, and interests to serve. So that's what I found at TOC.

[00:03:15] And with TOC, we were able to place more than 500 trustees of color in Delaware and Pennsylvania. And I retired, I thought from TOC again in 2019, but then decided to publish the handbook. So, I've been doing this for a long time. That's great. So, in the handbook, Cynthia, you present a very strong business case for diversifying boards, committees, and staff.

[00:03:36] So what can you share with our listeners on that topic for folks who sit on an investment committee or folks who lead a nonprofit? Okay. Frankly, I often hear, well, why do I need to diversify? We're good the way we are. And, and, uh, I say you can be even better. Top of leadership has to set the tone.

[00:03:56] They have to lead by example. They have to recognize the need [00:04:00] and communicate their diversity, equity, and inclusion initiatives to everyone. You have to establish what I call the four Ps: plans, policies, procedures, and practices, to achieve your goals. You have to publicize and implement. And you got to measure the results and make changes at little or no progress is being made.

[00:04:21] And I always tell people, it's not enough just to ask the persons of color to sit on your committee or board. They must be welcomed and engaged in conversation and listened to, I have an example of a friend who became a trustee of color and went from just a small committee to being chair of the board over a number of years, a real success story.

[00:04:44] But one board she joined. She had gone to her first meeting. She goes a few minutes late because she had been in traffic and she walked into the board room and nobody acknowledged her. This is a person of color, nobody acknowledged her. And she, [00:05:00] there was nowhere to sit. So, she went and got herself a chair from another room, brought it into the room and put it behind the table with all of those people already seated.

[00:05:11] And the meeting continued. And then, two white males came in, who everybody apparently knew, and there was a hello, how are you? Let us make room for you at this table. There are two chairs in the other room, bring them in and so on and so forth. And I got to tell you, she didn't last long with that board to say the least.

[00:05:34] It's not just sitting on the committee or at the table. It's making sure people are engaged as well. Yeah, absolutely. I mean, we talk about DEI, diversity, equity and inclusion. That inclusion is such an important component of it. So, Cynthia, as I think you know, we at Fiducient manage money for a huge variety of charitable organizations. One very common trait among them is that their hearts tend to be in the right [00:06:00] place.

[00:06:00] So if that is generally true, that people care and that they want to do the right thing, why is it that trustees of color are still somewhat rare? Well, it's certainly not unique to this industry, uh, people of color are not representing a nonprofit corporately and all kinds of entities. And I would say, it's great to have it in your heart, but it's not about hearts.

[00:06:26] It's about results and implementing diversity. And I'll say it many, many times, it has got to be intentional. An organization must establish a program and make plans that signal the importance of the issue and then provides a means of execution and measurement. People are often reluctant to step out of their comfort zones.

[00:06:47] We understand that. And leaders and managers are more comfortable with people who look and act like them, who live in their neighborhoods, who socialize with them. People they trust, think like them. And [00:07:00] it's sometimes difficult to take the risks of bringing on new voices and lenses. So, they're not often looking for new or different perspectives. Again what they say, if it ain't broke, don't fix it.

[00:07:10] It worked in the past. Again, others feel it may be a hassle. One story I heard was that on a committee call, a black trustee inadvertently overheard the chair complaining that "diversity for the sake of diversity" doesn't help his board. And the board was made up of traditional committees, finance board development, governance, et cetera.

[00:07:34] And although the black trustee was an extremely accomplished attorney, the chair just couldn't seem to solicit input or figure out what input that black trustee could have on the organization. And I think we all realized that the chair just didn't want to be bothered. DEI is hard work and you have to work on it all year to achieve results.

[00:07:56] Another example for me is, a nonprofit [00:08:00] board nominating committee members saying, in May of one year, that I need to have a board candidate of color to present for nomination in June. Well, it's not that easy. These relationships build over time. My brother who, uh, his name is Quintin Primo and he's chairman and president and CEO of Capri Global Investment Group.

[00:08:26] And he always says that you really have to look at all parts of your organization, not just the leadership, but the staff and, and your supplier diversity and your consultants, your money managers, everyone, every part of your business. And he mentioned to me that one of his friends who, he runs a family office, decided the only way to achieve equity over a short period of time is for their money to be managed a hundred percent by diverse managers by the end of a five-year period. [00:09:00]

[00:09:00] And studies from Harvard, Stanford show that above market returns are best achieved by small and medium sized firms which can be diverse. So it is, it's not easy, it's not easy. And I will say that the third time, it's not easy. So I understand, but we've got to change that for the future. We completely agree.

[00:09:20] And Cynthia, the earlier example you mentioned about the woman of color coming in and not being welcomed. I mean, it's so disheartening. We try to, and, and listen, we all have unconscious bias and, and, and there are all sorts of challenges, but we firmly believe at Fiducient that really having an inclusive, whether it be an investment committee or a management team or what have you, having an inclusive approach is not only the right thing to do.

[00:09:51] It produces better outcomes. So, when we talk about outcomes or think about outcomes, what successes might a nonprofit strive for or an [00:10:00] investment committee strive for and what challenges will they likely face as they pursue greater diversity and inclusion? Well, as I mentioned earlier, that you have to get all people. Everybody's gotta be on board.

[00:10:13] Those are the challenges, just to get everybody on board and speak the same language. And the successes are that an organization is really presented with a smarter set of opportunities and ultimately better problem solving. The recognition that a group with diverse background really brings more richness to the conversations and solutions to the problems is very important.

[00:10:42] And it does mean understanding that each individual is unique and recognizing individual differences. I think over time, organizations that really have embraced these initiatives become best in class to call it a term.

[00:10:59] And they [00:11:00] outperform others who have not stepped up. Lastly, they really do serve the mission or goals of their organization, but unless everyone is on board and they have networks, and I'll talk about that later, to really pursue diversity and inclusion, there will be little progress made. And there's also the transfer, even these days of baby boomer wealth, um, certainly big philanthropic gifts like Mackenzie Scott's gifts to historically black colleges and universities.

[00:11:31] And still there is a transfer of wealth and, and, and, and even the 2020 census figures show that the US is more racially and ethnically diverse than ever. So again, these prospects may not be able to do Warren Buffet or Mackenzie Scott type gifts, but they can make smaller and medium sized gifts and be consistent in their giving to causes to which they are committed.

[00:11:55] So it's a process, that's, that's what I'm saying. It's a process and all will have to [00:12:00] learn in this process. That's helpful. And you mentioned the challenge, one of the sort of core challenges is that it does require effort and it is a process. Are there other challenges that committees, nonprofit, charitable organizations heading down this path are likely to face? The issue of, I've always been faced with is people running nonprofits saying we can't find anybody.

[00:12:26] And that it's very difficult to find those communities of color or, or women that they feel it's very difficult to find. And I think that's really the challenge that people will face is, is pulling out all the stops, enhancing your social networks, an on all the time. You're almost on all the time.

[00:12:49] Um, I know me personally, when I was trying to find trustees of color, I mean, no matter where it was, the grocery store or whatever, I may run into someone and say, oh, are you on a board? I mean, [00:13:00] that's probably going beyond what people want to do, but I'm just trying to indicate that it's an ongoing task and that's what people have to be committed to.

[00:13:10] And those are the challenges. I think once you have a stream and network and you're listening to the people that are there and you're incorporating what they say, then all in all, you will make considerable progress and you'll have good outcomes. You make a great point there and it makes, it makes me think about, think of any, any manager leader of any type of organization.

[00:13:37] They are regularly thinking about the things that are important. Right? I was out to dinner not too long ago with the chairman, CEO and chairman of a large real estate company. And our server was just extraordinary. I mean, truly extraordinary. And he asked her, have you ever thought about being in real estate?

[00:13:55] So, that's where his mind is. And, and as you say that, [00:14:00] Cynthia, it's a war for talent, but it's a war for diverse talent. So, we need to be thinking about it all the time. That's super helpful. I have one more question. It might segue us into sort of the investment side of things.

[00:14:13] But last week I was meeting with a large new, actually children's hospital, a newer client of ours. Billion-dollar plus portfolio, and they have some initiatives with respect to the money that's being managed and using minority and women owned and persons of color in terms of the portfolio.

[00:14:36] And one of the various astute committee members, it really, really an established women in finance, she just said, hey, I just want us to think about this, that we're asking these dollars to support our mission and add beds for the hospital and care and service for the sick children. And we're asking these dollars to represent women and minority and people of color.

[00:14:58] She, she just said, you know, we're [00:15:00] asking these dollars to do a lot of things. How should we think about wanting effort on this, but, but still staying true to our mission? Any thoughts on that? Well, I think the, you got to balance goals and objectives, as well as you do for anything, for any business objective.

[00:15:19] And, and they're achieving that, again, take some time and some work but in the long run, uh, as we said, the outcomes are, are shown to be much higher and much better and to achieve success. So, you can't expect that certainly you're going to get one business goal by doing something else. That just doesn't, that's not what you need to do.

[00:15:48] So you have to put it in perspective and, and do the kind of balancing it needs to. And, and it means working on several goals at the same time. Some that might be [00:16:00] in contradiction, that's not exactly the word, with another goal, but you have to find a way to manage them. I dunno if that answers your question, but I think it's a give and take and it takes, again, the talents of people who are at the table to help you sort through that. Makes sense.

[00:16:16] We, we, we can have more than one goal and objective, and all important goals and objectives should be pursued. So, Cynthia, in your writing, you use a term called board readiness. So, as we think about practical points for investment committees or boards, what does that term board readiness mean? And do you have specific advice or perhaps examples for some of our listeners?

[00:16:43] Oh, definitely. Certainly. If the board is not ready for diversity and inclusion, then it will not happen. They've gotta, as we've said, it's gotta be from the leadership down. And some of the ways we get boards ready and you can get [00:17:00] a lot of this stuff on the internet, our board readiness checklist that you actually have you check off, does your board feel this way?

[00:17:07] Does it do this? Is it organized this way? And you use these tools to identify your board's or committee's strengths and areas that need improvement. There are lots of diversity and inclusion assessment tools as well. One that I've recommended and there are more in my handbook, project implicit bias quiz, really look at yourselves and your individual thoughts and biases and, and, and, and try to deal with them upfront before you start to develop, to recruit some other people who are not like yourself.

[00:17:45] And, and I said, if you had great DEI policy statement, and then you have all those plans with your goals and your steps and your timelines and your measurement tools. You will be very accessible, but it has to come [00:18:00] from the top down.

[00:18:00] So we've talked a lot about diversity and inclusion and we've thrown those two terms around. And in your writing, you expand upon this. So, for our listeners, can you define the

difference between diversity and inclusion and weigh in on considerations for nonprofit leaders? There've been so many definitions from time, for diversity and inclusion.

[00:18:24] Um, even back when I was an equal employment opportunity officer for an insurance company in Connecticut, it was about action versus just letting things be the way they are and hoping that it'll change. And I think diversity and inclusion definitions, the real definitions are there. Diversity is a fact of life.

[00:18:48] I've come to believe it just is. Any group will be diverse because there are differences among people. Some are visible, many are not visible by merely looking at the group. [00:19:00] But when you start to talk about inclusion, it does call for behavior change. It calls for you to do something, to invite or accept. Roll out the welcome mat as I call it and involve individuals who have traditionally been excluded.

[00:19:14] And it does, again, take effort and intention. And Cynthia, let's talk, you mentioned on the subject of recruiting to be thinking about it regularly, if it's important, it should be top of mind. Are there other best practices with respect to recruiting and then even ultimately working through the selection process and making that fair and appropriate?

[00:19:38] The best advice I was ever given by an associate was that recruiting should be "by design" and not "by accident." It actually has to be planned. Again, that's where the time and effort take place. Uh, and I think we have to be sensitive to the need for more than [00:20:00] one, adding at least two to three people of color or women at any given time.

[00:20:05] So there isn't a quote unquote token in the group. One of my colleagues uses the rule of three to introduce limit in people of color and other guidelines, 30% of your board or committee. And then you got to look at your larger community and see the numbers and see those you serve. That should be part of your guideline.

[00:20:25] And, and reaching out for recruiting, there are all kinds of national organizations of people of color, where they're also regional and local chapters. And again, you have to do the research and build the relationships. And it's not like you can just go home and forget about it, as you have to continue to do it.

[00:20:44] And you've got to watch your own biases and don't let them impact your judgment and actions in this arena. In terms of selection, you got to make careful, thoughtful choices. You don't want to choose anyone based on one characteristic [00:21:00] and the selection should fill a need for expertise and experience that will enhance the mission in your organization.

[00:21:07] And I just want to say, people are often nervous about, whoa, what if I turn this candidate of color down? Oh, what'll happen? And I say, no, you treat everybody equitably and you get back to any candidate promptly. And you don't have to select every candidate. But I will say that communities of color is small enough.

[00:21:29] If you don't get back promptly, the word will spread and then no one will want to serve on your committee or board and they won't want to recommend others to do so. So just be professional and courteous in your turndowns. And believe me, it has happened in organizations. And your selections should be representative of the communities you serve or want to serve.

[00:21:52] That's helpful. So, Cynthia, there's a study by the global economic group on the diversity of asset managers in philanthropy. [00:22:00] And this study looks at the top 50 US charitable foundations and assesses representation of women and racial and ethnic minorities. What are some of the findings that you value most from that study?

[00:22:14] Again, that people do indeed, I really believe they want to do the right thing, that they are committed, but it takes more than just saying, I really want to do this. And I think the statistics from this report said that of the 26 foundations included in the analysis, the share of assets managed by diversely owned firms range from 0% to as high, which is unusual, as 45.9% of the Knight Foundation.

[00:22:42] But the median is about 13.5%. And talking with my brother, he said that, people who manage money or manage endowment and so on, that less than 1% of those managers [00:23:00] are black. So, it's just something that we paid attention to, but we really have to all contribute to and all of our various occupations and, and, and our boards and our, and our groups to, to, to make those numbers better in the future.

[00:23:16] It's funny. I did surf the internet and I found a website for international endowments network which helps those manage endowment funds learn about allocating to diverse asset managers. So, I guess in my field, you can find anything on the internet. So, but I was impressed that the study was done and, and that it can be done.

[00:23:37] We can achieve this kind of work, but it really does take a village. Absolutely. Well, you've provided great insights into this extremely important topic. Is there anything else, Cynthia, that you'd share with leaders of endowments or foundations on how diversity and inclusion can and really should be used to create a more just society [00:24:00] and very importantly, and better results?

[00:24:03] Well, I will point to, uh, August is black philanthropy month. And I attended the Zoom meeting this week hosted by Philanthropy Delaware, which featured the discussion with Dr. Tyrone McKinley Freeman of Columbia University. And he spoke about the importance and difference of black philanthropy versus white philanthropy, men versus women, Latino versus African-American, so on.

[00:24:28] There are many different interesting concepts around how people give, why they give, what they're comfortable in doing. And again, as I said, he wrote, this particular person wrote and published a book on Madam CJ Walker, who was the first black woman millionaire and philanthropist in this country.

[00:24:47] And I think the bottom line was that anybody can give. You've got to find them and you've got to cultivate them and you've got to ensure they're treated well and, and, and, and engage [00:25:00] in the results of whatever your organization's mission is. And, but their spirit is in giving for black people is rooted in family and it's rooted in community and our shared humanity rather than what often becomes a benefactor to beneficiary relationship.

[00:25:20] And I think that's important going forward. It's not just about people giving money. The cause is, but they have to be causes that the people who give are committed to and feel so strongly about that they're willing to go the extra mile. Cynthia, before we let you go, we're so appreciative of your time.

[00:25:37] We'd love to learn a little bit more about you as a person. So, what do you enjoy doing outside of work and your many volunteer efforts? Well, I try to exercise six or seven days a week. I'm not sure it does much good, but I try anyway. I enjoy cycling. And, uh, I do that, we have a place in the Hilton head as well as here in [00:26:00] Delaware.

[00:26:00] And I do more of that there. I do sing and I play piano in Oregon. I love expanding my networks and learning about people of other cultures and races. But most fun is spending time with my grandchildren. And I have one in LA and one in Boston and they are the lights of my life. That's great. Bi-coastal grandchildren.

[00:26:19] Wonderful. Oh, that's great. Well, thank you so much for joining us today. You've provided so many great insights. How can listeners learn more about your work, perhaps access resources, maybe even contact you? Oh, they can get me personally at the CPrimo@comcast.net. That's it. CPrimo@comcast.net is my email address.

[00:26:45] If they want to get me, they can get my, my cell phone and a text. It's (302) 540-0196. (302) 540-0196. If you want more nuggets of information and really [00:27:00] true stories, please get my handbook that you mentioned earlier, Devon. Thank you very much. And it's a website www.Cedartreebooks.com.

[00:27:11] And I'm happy to talk to anybody. I, you can tell I talk a lot. So, and my book has a lot of resources in it. So, if you really want some more nuggets, that's the place to get them. Cynthia, we are so appreciative and you can just feel your passion. It's wonderful. And you're making a difference. Thank you so very much for joining us.

[00:27:33] Thank you so much for having me today. I enjoyed it. And thanks so much to our listeners. Cynthia shared valuable points. I'm happy to add a resource that dovetails her advice. Devon actually recently wrote an excellent blog post titled focus on diversity, equity and inclusion. It's at fiducient.com. We'll include that.

[00:27:53] And we'll include all of the other information that Cynthia mentioned in our show notes. So, to all you good stewards, [00:28:00] thanks for investing time to help your nonprofits prosper. We'll connect with you soon on the next episode. Thank you for listening to the Nonprofit Investment Stewards podcast. Click the subscribe button below to be notified of new episodes and visit fiducientadvisors.com for more information. The information covered and posted represents the views and opinions of the guests and does not necessarily represent the views or opinions of Fiducient Advisors.

[00:28:24] Content is made available for informational and educational purposes only and does not represent a specific recommendation. Always seek advice of qualified professionals familiar with your unique circumstances.