

Foundation Diversity and Transparency Act

Fact Sheet

What does the bill do?

- A.B. 624, the Foundation Diversity and Transparency Act requires large foundations operating in California to gather and disclose pertinent diversity data.
- A.B. 624 will get foundations to disclose key data related to diversity on an annual basis.

Why do we need this legislation?

- The U.S. population of communities of color is projected to comprise of half of the population by 2050. In California, over 50% of the state's population is already Latino, Black, and/or Asian-American/Pacific Islander. The failure by foundations to respond to these demographic changes threatens the effectiveness and viability of foundations to achieve their missions.
- Foundations receive approximately \$40 billion in tax subsidies to operate.
- Several studies over the last ten years demonstrate that only 10% of foundation philanthropic dollars go to the needy, and that approximately 5% of foundations dollars reach communities of color.
- Unlike other industries that receive tax subsidies, foundations are not required to report how they are serving diverse and underrepresented communities.
- There is increasing public awareness that tax-exempt foundations should be held more accountable to the country's diverse populations.

How does A.B. 624 work?

- A.B. 624 is a tool to promote greater effectiveness for California Foundations.
- The bill would apply to public, private, and corporate foundations with assets over \$250,000,000.
- Specified ethnic and gender data pertaining to foundation governance and grant-making would be collected and posted on the foundation's website and included in their annual report. Data will also be collected on giving to organizations serving the LGBT community.