

## 3<sup>rd</sup> Sector - State of Racial Equity

---

Overall, the state of racial equity within the 3<sup>rd</sup> Sector is relatively poor. In the UK, 65% of respondents in a 2020 survey by the Third Sector said they had experienced racism or helped someone through a racist incident, whilst 98% of them said they had witnessed racism in the last year (Delahunty, 2021b). In this same study, respondents who identified as minoritised ethnic groups cited problems in programming, workplace culture, and leadership as some of the biggest challenges faced from an organisational viewpoint (Delahunty, 2021b). Power dynamics in career progression, workplace culture, and funding opportunities are at play.

On a global scale, the 3<sup>rd</sup> Sector shows racial inequality within the industry. In the US, for instance, a study showed that less than 25% of their top leadership roles are made up of people of colour (Te, 2020). And in Europe, where immigration and migration are higher, there is a lack of people of colour within the 3<sup>rd</sup> Sector. Further research in the US shows that there is a disproportion in funding rates, where Black-led organisations had 24% less average revenues than white-led organisations and that Black-led organisations had 76% less unrestricted net assets than white-led organisations (Te, 2020).

There is disproportion in the industry on all levels, from funding, employment and career progression opportunities, and workplace culture. In the UK, we find the same, which reflects that these issues spill over into our 3<sup>rd</sup> Sector, too. A survey in 2021 showed that when respondents were speaking about workplace culture, they reported numerous instances of racial abuse and gaslighting. There was a prioritisation of white voices (Delahunty, 2021b). Those surveyed also said there were discriminatory hiring practices and inequitable treatment of local staff when compared to international staff (Delahunty, 2021b). Further, research conducted by Bond in June 2021 found that nine in ten aid sector staff said that they did not think that their organisation was committed to diversity, equity, and inclusion (Delahunty, 2021a).

Racism continues to be a problem within the 3<sup>rd</sup> Sector. Those from minoritised ethnic backgrounds are highly aware of their race at work because the 3<sup>rd</sup> Sector is a predominantly white environment (Mohideen, 2020). On joining the Sector, participants experience microaggressions, indirect racism, and direct racism, which many feel are not being dealt with effectively (Mohideen, 2020). 68% of workers in the 3<sup>rd</sup> Sector said that they had experienced an incident of racism in the workplace or had supported someone else who had experienced a racist incident in the last year (Delahunty, 2021a). In a 2020 study by Home Truths, participants cited microaggressive behaviour was prevalent within the charity sector. 246 out of 490 felt that they needed to 'tone down' behaviour or be on their 'best behaviour' to fit in in the charity sector (Home Truths, 2020). In the same study, 44% had been subject to ignorant or insensitive questioning about their

culture or religion (Home Truths, 2020). The most-reported form of racism was perpetrated by direct supervisors (Delahunty, 2021a). Almost a quarter of the Home Truths (2020) survey respondents said they had been subject to excessive surveillance and scrutiny by colleagues, managers, or supervisors.

Across the UK NGO sector, people of colour are underrepresented in senior roles, and they are facing multiple barriers to career progression; this is a problem sector-wide (Delahunty, 2021a). People of Colour in the sector state that they earn less for more work and qualifications (Delahunty, 2021b). A 2021 report found that 85% of respondents felt that people of colour are not getting promoted because it is a reward only accessible to people from non-minoritised groups (Delahunty, 2021a). Some respondents said that it was a case of cronyism, based on who you know rather than what you know (Delahunty, 2021a). Currently, only 9% of charity employees and 6% of CEOs are from minoritised ethnic communities (Mohideen, 2020).

Fewer than one in ten voluntary sector employees are from Black, Asian, and minoritised ethnic groups, which is a lower proportion than in both the public and private sectors and a lower proportion than the UK as a whole (ACEVO, 2018). Figures on racial diversity have stagnated over the last few years (ACEVO, 2018). In 2016, 14% of the working-age population was from a minoritised ethnic group, which is expected to grow to 21% by 2051 (McGregor-Smith, 2017). We would expect that more than 14% of the national population are represented in charities and 3rd sector organisations. The percentage of people from minoritised ethnic groups is much higher in London and major cities (rising to 40% in some places), where most charities are located (Mohideen, 2020).

A critical barrier to minoritised ethnic groups working in the 3rd Sector is the intersection between race and class. Entry positions into the Sector are either poorly paid or unpaid, making the Sector financially inaccessible to many in minoritised ethnic groups (Mohideen, 2020). There may be the financial security to work their way up the 3rd sector career ladder, which generates a predominantly white, middle-class work culture, especially within management teams; thus, this isolates or disengages those in minoritised ethnic groups (Mohideen, 2020). Because of this predominantly white management team, there is a lack of experience of racial oppression, which means, often, there is a failure to fully understand or prioritise underrepresentation and any prejudice within the organisation (Mohideen, 2020).

When people of colour are present in 3rd sector organisations, they are often concentrated in low-level roles, lacking career progression, even with years of experience in the Sector (Mohideen, 2020). This lack of progression opportunity is highlighted as one of the biggest challenges to retaining and attracting talent from minoritised ethnic communities. Another issue highlighted in multiple surveys was bonding and informal networking that happens in white spaces, like pubs, and over social activities like golf and skiing (Mohideen, 2020). CEOs and board members should commit to sponsoring people of colour by investing time with them, opening

doors, bringing them into existing networks, and championing them publicly, as there is a privilege that exists which can disrupt the power dynamics at play within the Sector (Delahunty, 2021a).

In 2018, ACEVO's Pay and Equalities survey found that only 3% of charity CEOs were from minoritised groups. Inclusive Boards looked at 500 of the largest charities by income. They found that only 5.3% of people in senior leadership teams were from a minoritised ethnic background and that women from these backgrounds only made up 2.25% of leaders (Kasumu, 2018). Further, the Charity Commission (2017) found that 92% of all charity trustees were white, and in the top 100 by income, only 9.6% were from a minoritised ethnic background.

The Department for Business Energy & Industrial Strategy (2017) estimates the complete representation of minoritised ethnic groups across the labour market to be £24 billion a year or 1.3% of GDP through improved participation and progression. In the United States, data shows a linear relationship between racial and ethnic diversity and better financial performance. It would, therefore, seem clear that more diverse teams within a charity would be better able to raise funds from the full diversity of the British public (ACEVO, 2018).

## References

- ACEVO. (2018, July). Racial diversity in the charity sector . Racial Diversity in Charity Sector. Retrieved April 10, 2022, from <https://www.acevo.org.uk/wp-content/uploads/2018/07/Racial-diversity-in-the-charity-sector.pdf>
- Akhtar, B. P. (2019, October 9). Challenging racism in the LGBT community. Retrieved April 13, 2022, from <https://www.stonewall.org.uk/about-us/news/challenging-racism-lgbt-community>
- Armitage, N., Celal, R. Z., Field, Y., Raymond-William, R., & Sinantha, F. (2021, April). Booska Paper. UBELE. Retrieved April 12, 2022, from <https://www.ubele.org/booska-paper>
- The Charity Commission. (2017, November 13). Taken on trust: Awareness and effectiveness of Charity Trustees in England and Wales. GOV.UK. Retrieved April 13, 2022, from <https://www.gov.uk/government/publications/taken-on-trust-awareness-and-effectiveness-of-charity-trustees-in-england-and-wales>
- The Charity Commission. (2018, September 30). Recent charity register statistics: Charity commission. GOV.UK. Retrieved April 13, 2022, from <https://www.gov.uk/government/statistics/charity-register-statistics/recent-charity-register-statistics-charity-commission>
- Delahunty, S. (2021, June 17). Ninety per cent of aid sector staff do not think their organisation is committed to diversity, research indicates. Third Sector. Retrieved April 10, 2022, from <https://www.thirdsector.co.uk/ninety-per-cent-aid-sector-staff-not-think-organisation-committed-diversity-research-indicates/management/article/1719677>
- Delahunty, S. (2021, November 17). Almost two-thirds of aid workers have experienced racism, research indicates. Third Sector. Retrieved April 13, 2022, from <https://www.thirdsector.co.uk/almost-two-thirds-aid-workers-experienced-racism-research-indicates/management/article/1733490>
- Department for Business Energy & Industrial Strategy. (2017, February 28). BME individuals in the labour market: Analysis of full representation. GOV.UK. Retrieved April 8, 2022, from <https://www.gov.uk/government/statistics/bme-individuals-in-the-labour-market-analysis-of-full-representation>
- Lingayah, S., Wrixon, K. & Hulbert , M.(2020 June). Home Truths: Undoing racism and delivering real diversity in the charity sector. ACEVO. [https://www.acevo.org.uk/wp-content/uploads/2020/06/ACEVO\\_Voice4Change\\_home\\_truths\\_report\\_v1.pdf](https://www.acevo.org.uk/wp-content/uploads/2020/06/ACEVO_Voice4Change_home_truths_report_v1.pdf)
- Kasumu, S. (Ed.). (2018, April). Charities: Inclusive governance. Inclusive Boards. Retrieved April 9, 2022, from <https://www.inclusiveboards.co.uk/wp-content/uploads/2019/08/Diversity-in-Charities-Report-November-2016-FINAL.pdf>

- McGregor-Smith, R. (2017, February 28). Race in the workplace . GOV.UK. Retrieved April 11, 2022, from [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf)
- Mohideen, A. (2020, January 3). What are the barriers to increased racial diversity within the third sector? ACEVO. Retrieved April 10, 2022, from <https://www.acevo.org.uk/2020/01/what-are-the-barriers-to-increased-racial-diversity-within-the-third-sector/>
- Te, N. (2020, August 19). How the third sector can do better. NonProfit PRO. Retrieved April 13, 2022, from <https://www.nonprofitpro.com/article/diversity-equity-and-inclusion-how-the-third-sector-can-do-better/>
- Warmmington, J. (2018, March). NHS Workforce Race Equality - NHS England. NHS workforce: Race equality a case for diverse boards. Retrieved April 11, 2022, from <https://www.england.nhs.uk/wp-content/uploads/2018/03/nhs-workforce-race-equality-a-case-for-diverse-boards.pdf>