

Institutional Racism and AFSC Finances

Susan Cozzens, November 12, 2017

The moment was charged with emotion. In the year of its Centennial celebration, AFSC was cutting over ten percent of its budget. The day after that celebration concluded, the Board was listening to staff voices, filled with caring and commitment and pain. The Chief Diversity Officer had done an analysis that concluded that “institutional racism was evident throughout this process.”¹

Ewuaare Osayande, that Chief Diversity Officer, is a talented speaker, impassioned on issues of racism. He looked the Board in the eye during that session and reminded us that our programs work almost universally with people of color. “Wherever you lay your hand at AFSC,” he said, laying his own hand dramatically on the podium in front of him, “it falls on people of color.”

I got part of what Ewuaare was saying in that meeting, and took accountability with those present for the time when as a Finance Committee member, I was not critical enough of the financial model that led us to that moment. Re-reading Ewuaare’s report as background for the November Board Executive Committee, I got more of it. That second insight sounds so simple once it is heard: if we want to fulfill our commitments to the communities we work with, we have to be sure the money is there to do that.

Why is it so hard for AFSC decision makers to understand that simple message? Ewuaare identifies one reason in his report: the people who make the budget decisions are insulated from program realities and lead privileged lives themselves. He also identifies as part of the “recipe for institutional racism” the “conflict avoidant organizational culture” that Quaker groups often create. Conflict avoidance makes it hard for leadership groups to make difficult decisions and to say no.

As someone involved in AFSC financial decisions for the past decade, I want to name another part of that organizational culture, shared by Board and staff, and link it to institutional racism. I am going to call it the Budget Stretch.

The way I have experienced the Stretch most directly is in interactions with General Secretaries over AFSC budgets. I have experienced it with three of them now, so I am pretty confident that this is not a personality issue but a structural one. General Secretaries always press governance bodies to spend more money than we have available. They do this in the small meetings where the Stewardship (formerly Finance) Committee develops budget recommendations for Board action, and they feel free to take appeals directly to the Board if they do not get the answer they want from that committee. Of course, this is always done with the impeccable reason of doing more work for peace and social justice, all of which is badly needed.

I believe that General Secretaries are not aware that they are also creating an implicit Stretch expectation for those around them, in particular the Chief Financial and Development Officers. Projections for fundraising results are particularly vulnerable to this unspoken expectation; in recent years, we have substituted fundraising goals for fundraising performance in AFSC budgeting, to the peril of programs and jobs. And the now-infamous five-year model that the former CFO used to advise on the

¹ Ewuaare Osayande, “Anti-Racism Analysis of the American Friends Service Committee Fiscal Crisis of 2016-17,” presented to the Board of Directors, April 17, 2017.

Organizational Target not only folded volatile sources of funds into regular budgets, but multiplied the over-optimism by five.

Please note, however, that the General Secretaries are themselves responding to pressures within the organization to do the Budget Stretch. The five-year model was a response to voices both in governance and staff complaining about a period of budget drought; it was initially developed to justify 3% increases in unrestricted funds in order to cover raises that are written into union contracts. The double-digit increases in restricted funding projections that make the FY18 budget a Stretch were produced against the background of the staff voices I invoked at the beginning of this essay, voices calling out, “Don’t cut any more than we have to. Maybe the money will come in.”

Those voices are often echoed on the Stewardship Committee. Of course, we do not want to keep the organization in budget drought when the economy as a whole is recovering. Of course, we do not like to be the source of painful budget cuts. Of course, we trust Development to deliver on its promises. The Committee is as emotionally vulnerable to the Budget Stretch as staff, particularly when face to face with the General Secretary in our meetings.²

What I *got* from Ewuare’s report when I re-read it is that these emotional reactions to finances are part of our pattern of institutional racism. In order to be responsible in our relationships with the communities we accompany, we must be extremely conservative fiscally, even when our hearts tell us to be the opposite. We can’t just hope that the money will be there; we have to be very, very confident. This level of confidence does not need to characterize the whole AFSC budget; we can put the volatility of our income streams to work in flexible ways, with shorter term commitments. But we need to make our longer-term commitments firm, not just with words but with resources. As Richard Foster observes in Freedom of Simplicity, “Every firm yes requires many firm nos.”

The light bulb goes on. The work of the Stewardship Committee and of the Board in its fiscal role do not stand outside our organizational commitment to eliminate institutional racism. Indeed, because that work underlies our relationship with communities, they stand at its center.

² The most striking example was Mary Ellen McNish persuading the Finance Committee to approve an organizational target to support a \$48 million budget just before the financial collapse in 2008. Within a year, we were headed to a budget of less than \$30 million.