

Inside Philanthropy



The State of
American Philanthropy

Giving for
Southern
California

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ABOUT INSIDE PHILANTHROPY

Inside Philanthropy is a digital media site that covers the world of charitable giving. We report daily on foundations, major donors, and trends in philanthropy. Through our GrantFinder resource, we also profile and track thousands of funders working across key issue areas and geographic regions. Inside Philanthropy is supported by reader subscriptions and advertising. We do not receive funding from any other source. Learn more at insidephilanthropy.com

ABOUT THE STATE OF AMERICAN PHILANTHROPY

The State of American Philanthropy is a series of background papers on important topics and trends in U.S. philanthropy. The papers draw on past research and reporting by IP writers, as well as new interviews, grantmaking data, and other sources. Learn more at insidephilanthropy.com/state-of-american-philanthropy.

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EXECUTIVE SUMMARY

It's difficult to describe Southern California philanthropy in monolithic terms, given the vast size of the region and the significant diversity among its many counties. Dominated by greater Los Angeles, as the county and its immediate surrounds are known, Southern California also encompasses the orchards and agricultural fields of Ventura County, inland areas growing in population but less so in giving; wealthy enclaves like Santa Barbara and Orange counties, and San Diego, with its international border region.

Great fortunes have been made by individuals here in a wide range of industries but, surprisingly to some, entertainment money is not yet a dominating force in the philanthropic community. Still, it does have impact, and that impact shows signs of enormous potential.

The region is highly complex and diverse, and so are some of its most intractable challenges. Homelessness continues to grow, despite the efforts of government and philanthropy. The high cost of living and ever-widening income inequality continue to play into the homelessness problem and show no signs of abating. Add the impact of climate change, exemplified in the growing number of catastrophic wildfires in the region, and it's clear that the challenges to philanthropy are significant.

Who's Giving

- A “stable core” of mostly private foundations, often working in concert, have become not just a dominant force in philanthropic giving, but a significant voice in the civic sphere.
- Corporate funders aren't quite the force they once were in the region, but still play an important role and offer critical support in some areas, like Amgen in Ventura County and Qualcomm and Sempra Energy in San Diego/Imperial Valley.
- A number of wealthy families and individuals focus their local philanthropy, with some staggeringly large gifts to area universities, museums, hospitals and research institutions.

Who's Getting

- Organizations with deep connections within communities applying innovative approaches that improve the lives and future opportunities of historically marginalized people comprise a focus of the region's most prominent funders. The Advancement Project, a policy and advocacy organization, the Community Coalition (CoCo) of South LA, and the East LA Community Corp. are a few examples.
- Health is the most-funded program area across the region, followed by human services, arts and culture, K-12 education, and community and economic development.
- Among those more traditional recipients of philanthropy are larger institutions like Cedars-Sinai, Children's Hospital of Los Angeles, and City of Hope, as well as the Los Angeles County Museum of Art, and the Academy Foundation.

The Big Issues and Funding Trends

- Throughout the region, foundations, corporations, private philanthropists and individuals have poured much-needed funding into large intermediaries like community foundations, as well as to food banks, mental health centers, homeless service providers and every other type of organization, large and small, working to mitigate the consequences of the COVID-19 pandemic, and the deep systemic inequities it exposed.
- Collaboration among funders is increasingly prevalent as a funding strategy, as is partnering with government and business in support of major initiatives. Principles of trust-based philanthropy have emerged in the wake of COVID. And many foundations have also moved into program and mission-related investing.
- Health funding is often more focused on an expansive view of wellness and on improving the social determinants of health in communities; homelessness continues to plague the region as a complex crisis, despite large investments from government and philanthropy.

Equity in the Sector

- Deeply rooted and widening inequities within Southern California, further laid bare by the pandemic, are top of mind for many funders in the region.
- Southern California Grantmakers began addressing issues of equity internally more than five years ago, and has been working to lead the grantmaking community to a deeper understanding of what it means to be equity-focused and anti-racist in their work. More internal work is needed among foundations, SCG leaders said, in diversifying boards and staff.
- Numerous equity-focused initiatives in the region have attracted major funding, from the Play Equity Fund's Alliance and Boys and Men of Color to several focused specifically on Black communities in San Diego, the Inland Empire, and statewide.

Fundraising Now

- California fundraisers IP spoke to in 2021 had praise for the region's private foundations for their responsiveness, generosity and flexibility during the pandemic; they had reached out to grantees to ask what was needed, gave more, and freed up restrictions on funds while trusting grantees to use the monies as they saw fit.
- A majority of nonprofits reported feeling uncertain about the coming year and expected revenues to decline, [according to a survey](#) conducted by the Southern California Center for Nonprofit Management. The organizations IP spoke with, though, generally fared well financially during the pandemic. And for many, it was a time of surprising opportunity.

Southern California's philanthropic community stands at an inflection point, a moment when deeply ingrained ways of operating became suddenly, even surprisingly, more fluid. As their grantees reeled from the consequences of the pandemic, funders were uncharacteristically quick and agile in their responses. Reporting requirements were scrapped, changes to grant agreements were approved with ease, and funders

put their trust in nonprofits to decide how to best serve their communities. The question going forward is whether funders will return to business as usual, or use this moment to fundamentally change the grantee/grantor relationship. The potential there is exciting.

Also promising is the growing willingness among funders to talk more explicitly about how to be actively anti-racist and the need for systemic change. But beyond more funding initiatives, foundation leaders will need to reflect internally, as well.

Southern California philanthropy is at a historic moment in its growth as a sector. There is enormous potential for new ways of operating as philanthropy works alongside the nonprofit sector to lift communities out of this current crisis. What changes are made now, at this moment of disruption, could have an enormous impact on shaping the region for future generations.

Introduction

For many, Southern California conjures images of sandy beaches, Hollywood glitz, juice-sipping health nuts, and people forever in cars. They are clichés deeply ingrained in our nation’s psyche and still regularly reinforced through the media. But that picture of Southern California fails to take in the rich diversity of the place—in its people, geography, history and social and environmental challenges.

Beyond a state of mind, the actual ‘where’ of Southern California can be a bit controversial. It certainly isn’t a dividing line halfway across the state. For purposes of this report, we are looking at Southern California as the region from the top of Santa Barbara County all the way south to San Diego and the U.S.-Mexican border. This area encompasses six regions:

- Los Angeles County
- San Diego County and neighboring Imperial County
- Orange County
- Santa Barbara County
- Ventura County
- The Inland Empire (comprising both San Bernardino and Riverside counties)

Southern California indeed contains glorious beaches and dramatic coastline, but also several mountain ranges with dizzying peaks, national forest lands, wine country and arid deserts. It is land once occupied by the Tongvan people, Chumash, Alliklik, and Kumeyaay, to name a few. Numerous missions built by the Spanish to “educate” California’s native people still stand.

The population today is one of the most diverse in the nation, with Los Angeles having reached people-of-color majority status in the 1980s. In Southern California, about 1.4 million undocumented immigrants live between the southern Ventura County border (where Los Angeles County begins) and the U.S.-Mexico border—the biggest concentration of undocumented people in the country.

What might be lesser known about Southern California is the diversity of its economy. Perhaps best known for its entertainment industry and early role as an agricultural powerhouse, the region is actually highly diversified. Aerospace and defense, biosciences, fashion and lifestyle, advanced transportation, and a rapidly expanding tech sector are all major economic drivers in Southern California. And while Los Angeles may be the country’s creative capital and today’s entertainment fortunes are larger than ever, thanks to globalization, fortunes made in real estate, land development, healthcare, tech, finance, and energy have had the strongest hand in shaping regional philanthropy to date. Still, the contributions of mega-donors like Haim and Cheryl Saban and David Geffen, and the growing maturation of foundations like the Eisner Foundation, Herb Alpert Foundation and the Entertainment Industry Foundation signify the greater philanthropic potential of entertainment.

Southern California has one of the largest populations of people experiencing homelessness in the country; income inequality in areas like the Inland Empire is widening at a faster pace than in most of the rest of the state. Add to these difficult issues the sweeping economic impacts of the COVID-19 pandemic—particularly among low-income and BIPOC communities—historic

growing prevalence of increasingly devastating wildfires, and it's clear that the challenges to philanthropy are many.

“The biggest issues we face are complex and intertwined, and we are pushing our members to think about issues with a more intersectional lens. So it's not just racial justice. Not just health or education,” said Chris Essel, president and CEO of Southern California Grantmakers. “But when we talk about finding solutions, we want to talk about finding the root of the problem and think about housing and homelessness, and criminal justice, and education, and community safety and health.”

Southern California institutional donors granted over \$17 billion to nonprofit organizations addressing many of these and other issues during the period 2014–2018. It's an impressive amount, but it pales in comparison to what foundations of Northern California gave during the same period. Still, much is happening on the philanthropic front, and there is more connection and collaboration, particularly in the more metropolitan areas, than perhaps ever before.

“Philanthropy in the region was already highly collaborative, and we're seeing more than ever, now,” said Megan Thomas, president and CEO of Catalyst of San Diego and Imperial County, that region's grantmaker association. “All the relief efforts and the coming rebuilding efforts brought into high relief the fact that any kind of economic development will have to be connected to cause-based funding... that makes sure people have enough income, that addresses food security, education equity, housing equity.”

The Lay of the Land

Who's Giving

California, and Southern California in particular, has long retained a mythos as a place where people come to pursue their dreams and make their fortunes. While the staggering wealth gap in the region tells another story, it's true that enormous fortunes have been amassed here. Real estate, manufacturing, agriculture, finance, technology and, to a lesser extent, entertainment, have all contributed to the growth of the region's active philanthropic sector. Community foundations, some of the largest in the country, are key players here, as are long-established family foundations with names connected to Southern California's past. Healthcare conversion foundations, too, are crucial to philanthropy in Southern California.

Four of the region's biggest funders of nonprofits located in Southern California are community foundations, and three rank among the largest 25 community foundations in the country – California Community Foundation, San Diego Foundation and the Orange County Community Foundation.

It's not surprising to find that the top seven grantmakers for the region are based in Los Angeles County, given the area's outsized population and wealth compared to the other Southern California counties. The philanthropic sector here has matured significantly in the last quarter-century, growing in size, but more importantly, emerging as a civic force guided by a core group of about a dozen foundations.

In addition to Los Angeles-based California Community Foundation, the sixth-largest community foundation in the nation in terms of

giving, this group includes: Ahmanson Foundation, J. Paul Getty Trust, Weingart Foundation, Ralph M. Parsons Foundation, The California Endowment (the largest health conversion foundation in the country), California Wellness Foundation, and the W.M. Keck Foundation. Rounding out this group are three foundations with national and international giving programs that have focused more attention locally in recent years: These are the Eli & Edythe Broad Foundation, Annenberg Foundation, and the Conrad Hilton Foundation.

Grantmaker	Dollar Value of Grants Awarded
California Community Foundation	\$333.53M
The California Endowment	\$232.98M
San Diego Foundation	\$219.63M
Ahmanson Foundation	\$207.12M
Jewish Community Foundation of San Diego	\$199.42M
W.K. Kellogg Foundation	\$32.02M
Eli & Edythe Broad Foundation	\$189.61M
Annenberg Foundation	\$183.55M
Orange County Community Foundation	\$157.93M
Cedars-Sinai Medical Center	\$150.49M

Source: Candid

This “stable foundation core,” as a recent USC study described it, has been complemented in more recent years by a number of newer entrants to the top foundations by giving. A few of these include the Herb Alpert Foundation, David Geffen Foundation, Margie & Robert E. Petersen Foundation, Resnick Foundation and the Tarble Foundation.

Still others that continue to play an important role in the local philanthropic landscape include the Righteous Persons Foundation, the Capital Group Foundation, the Dan Murphy Foundation, the Leavey Foundation, the Henry Guenther Foundation and the Norris Foundation.

Corporate funders aren't quite the force they once were in the region, but still play an important role and offer critical support in some areas. These include Amgen in Ventura County and Qualcomm and Sempra Energy in San Diego/Imperial Valley. Many of the region's remaining corporate headquarters are based in Orange County, including Allergan, Mattel, the Capital Group, Broadcom, Pimco and others. The 11 sports franchises in the region have recently joined together to step up their giving in an unusual collaborative effort.

Top 5 Funding Priorities: Southern California 2014 - 2018²	
Subject	Amount Funded
Health	\$3.99B
Human Services	\$2.75B
Arts & Culture	\$2.18B
Education	\$2.01B
Community & Economic Development	\$1.28B

Source: Candid

Outside of formal foundation giving, there are many wealthy families and individual donors who support the region, some making staggeringly large gifts to area universities, museums, hospitals and research institutions. Among them are Will and Cary Singleton, Stewart and Lynda Resnick, and

Carolyn Powers in Los Angeles, and Ernest and Evelyn Rady in San Diego. The tech entrepreneur John Tu, who lives in Palos Verdes and is worth \$6 billion, has increased his L.A. giving in recent years. Another tech winner, David Bohnett, has upped his game, too, with a \$20 million gift to the Los Angeles Philharmonic.

While foundations in Southern California are valued partners to both government and the nonprofit sectors, it might be surprising to learn that for 90% of nonprofit organizations, foundation funding represents 50% or less of their revenues. A recent survey by the California Association of Nonprofits (CalNonprofit) found that nearly three-quarters (72%) of California nonprofits reported receiving foundation funds within the last 12 months. But only 5% report that foundation funds represent more than 75% of their revenue.

Who's Getting

Across Southern California, health is the most funded program area, followed by human services, arts and culture, K-12 education, and community and economic development. A look at the top grant recipients in the region shows half are large, established research institutions and major healthcare providers. But the bulk of funding from the core group of funders outlined in the Who's Giving section is not focused on these larger institutions. Rather, these funders have long prioritized innovative approaches within communities that improve the lives and future opportunities of historically marginalized people.

The California Endowment, Weingart Foundation and others have been strong supporters of organizations like The Advancement Project, a

policy and advocacy organization, and the Community Coalition (CoCo) of South Los Angeles, a well-established social justice organization focused on community organizing and leadership development. Other examples include the East LA Community Corporation in Boyle Heights, Homeboy Industries, Asian Americans Advancing Justice, and Social Advocates for Youth in San Diego. These are organizations with deep ties within the communities they serve and a commitment to systems change, advocacy and leadership development.

In Orange County, the Orange County Community Foundation receives significant funding compared to other organizations and institutions in the region. In addition to managing about 600 donor-advised funds, the foundation receives significant funding support for its community initiatives around veterans issues, youth, and immigrants.

Among those more traditional recipients of philanthropy, the larger institutions attracting the biggest donations are: Cedars-Sinai Medical Care Foundation, Cedars-Sinai Medical Center, Children’s Hospital of Los Angeles, and City of Hope, the cancer research institute and hospital. Salk Institute for Biological Studies, in San Diego, was the top grant recipient for the entire Southern California region, drawing \$149 million in grants from institutional philanthropy during the period 2014–2018. The Salk Institute is an internationally renowned research center seeking new understandings in neuroscience, immunology, genetics and more.

Four other grant recipients receiving the most funding during that same five-year period are all major arts institutions, and all are located in Los

Angeles. Two, the Petersen Automotive Museum and the Broad Collection, are named for their founding philanthropists. Eli & Edythe Broad and Margie & Robert E. Petersen built architecturally significant, world-class museums in the City of Los Angeles, and both family foundations continue to contribute generously to those institutions, as well as to Southern California nonprofits.

The Academy Foundation supports the Academy of Motion Pictures Arts and Sciences, the host of the annual Oscar Awards. Its new Academy Museum of Motion Pictures has been in the works for several years now, and is currently slated to open in Hollywood in Fall 2021.

Top 10 Southern California Grant Recipients 2014 - 2018²

Recipient	Dollar Value of Grants Received
Salk Institute for Biological Studies	\$148.86M
Orange County Community Foundation	\$148.09M
Academy Foundation	\$140.02M
Cedars-Sinai Medical Care Foundation	\$139.93M
Cedars-Sinai Medical Center	\$133.18M
Children's Hospital of Los Angeles	\$118.51M
City of Hope	\$115.42M
Los Angeles County Museum of Art	\$101.05M
Broad Collection	\$90.53M
Petersen Automotive Museum	\$85.82M

Source: Candid

Giving & Getting: A Deeper Dive

During the last 25 years, Southern California’s philanthropic sector has grown in a variety of ways. Foundations created since 1995 represent 65% of all foundations headquartered in L.A., according to a recent USC study. It is these newer foundations that account for about half of all L.A. foundation giving. Reflective of the rest of the country, private foundation giving increased significantly since the ’90s and has been on an upward trajectory since. In the state, foundation assets grew by a whopping 34% to \$137.5 billion. In Southern California, funding from foundations nearly doubled from 2014 to 2015, from about \$2 billion to \$4 billion, a huge jump. From 2015 to 2018, though, overall giving remained about the same.

Within the region, Los Angeles receives the lion’s share of giving—\$11 billion during a recent five-year period. That’s two and half times more than San Diego, the second most-funded county, receiving \$2.45 billion during the same period.

But perhaps more notable than the size of the funding pool is the emergence of the Los Angeles region’s philanthropic sector as a more mature, collaborative and focused group that, according to that USC study, offers a collective civic voice, beyond business and government, about the needs of the diverse communities that make up the region.

“In response to complex issues facing our region, the philanthropic community has been creating new partnerships, abandoning oppressive practices, and prioritizing the wisdom of movement leaders,” said Essel of Southern California Grantmakers. “These actions are not a trend or a phase; they are the beginning of a more courageous path forward.”

There has been an explosion of philanthropic activity in response to the pandemic and economic recovery efforts, as well as on the inequities of the region, now in ever-sharper focus since both those crises and the murder of George Floyd.

County	Total Dollar Value of Grants Awarded	Grantmakers	Grants Awarded	Recipients
Los Angeles	\$11.01B	3,558	224,351	10,918
San Diego	\$2.47B	1,391	82,164	4,484
Orange	\$2.02B	1,562	52,063	3,341
Santa Barbara	\$721.53M	702	29,772	1,359
Riverside	\$454.13M	741	17,162	1,345
San Bernardino	\$283.19M	605	8,782	974
Ventura	\$241.59M	627	12,483	859
Imperial	\$18.89M	38	618	111

Source: Candid

“You can’t really talk about philanthropy in Southern California without talking about COVID and the impact on the economy,” said Megan Thomas of Catalyst in San Diego. “People are feeling disenfranchised. Their lives are in danger and philanthropy has to respond.”

Multi-funder initiatives focusing on building power and wealth in Black communities are taking root in Los Angeles, in the Inland Empire and San Diego. In Ventura, new funds have been established to support farmworkers and their families, as well as for undocumented people in that area.

Community foundations have reported significant increases in giving from individuals, doubling typical annual revenues in the case of the Ventura County Community Foundation. A \$38.5 million Arts Recovery Fund established at the California Community Foundation will benefit Los Angeles County arts organizations, which have been particularly hard hit by pandemic closures. The J. Paul Getty Trust initiated the fund with CCF and was joined by multiple other funders.

The Big Issues & Beyond

Homelessness, post-COVID economic recovery, health, a growing aging population – these are just a few of the big issues dominating Southern California funder discussions now. The vast array and sheer volume of challenges facing the region are hard truths funders increasingly acknowledge and are grappling with. But one issue, funders frequently say, is inextricably threaded through all the rest: systemic inequity. From Ventura to San Diego, Los Angeles to the Inland Empire, experts emphasized the need to apply that equity lens to every aspect of their work. (See more on how they’re doing that in Perspectives on Equity, below.)

“No one can really deny that the underlying layer of all issues is systemic inequities,” said Phuong Pham, vice president of knowledge and communications for Southern California Grantmakers. “And after last year, we now have the pandemic recovery as another component underpinning our work.”

Certainly, the economic crisis brought on by COVID-19 is top of mind for most funders throughout the region, though their approaches differ by location. In Ventura, where agriculture is a major industry, special funds have been established to help farmworkers as well as undocumented families at the Ventura County Community Foundation. In San Diego, and Ventura as well, funders have been working directly with their small business communities as a way to boost local economies. Everywhere, foundations, corporations, private philanthropists and individuals have poured much-needed funding into large intermediaries like community foundations, as well as to food banks, mental health centers, homeless service providers and every other type of organization, large and small, working to mitigate the consequences of this crisis.

Homelessness is now nearly synonymous with Los Angeles and the region. It continues to be an issue that has dogged all concerned-government officials and foundation leaders alike. Despite the passage of an initiative in 2017 to significantly increase funding to combat homelessness, the 2020 Greater Los Angeles showed a 12.7% rise in unhoused people. This comes in the face of an increase in the number of people rehoused. Funders and others are deeply concerned that even more people will be forced outdoors and out of state as a result of the economic fallout from COVID, which further exacerbated related issues like systemic racism, an inadequate housing supply, and income inequality.

Led by United Way of Greater Los Angeles, Home For Good is an initiative of over 30 public and private funders to invest in permanent solutions to homelessness in L.A. County. Through this initiative, the [Home For Good Funders Collaborative](#) has collectively committed more than \$33.5 million in philanthropic funds, which has leveraged over \$1 billion in public resources to date.

Health is a continuing concern for funders in the region, though the definition of what constitutes health and wellness has continued to expand in the past decade now including violence and poverty; most recently, racism has been declared a public health crisis in most counties across the region. Many funders are interested in addressing the social determinants of health as a more holistic, equity-focused and preventative approach.



SOUTHERN CALIFORNIA
GRANTMAKERS

“We definitely will continue to beat the drum around these topics (racial and social justice). If we are helping philanthropy transform around how they address issues, we can’t do things the way we’ve always been doing them. There needs to be more trust-based work, more collaborative work, more ground-up work that is informed and guided by people on the ground doing the work.”

—Chris Essel, president and CEO, Southern California Grantmakers

The California Endowment has long led the way with its expansive approach to funding wellness, as exemplified by its decade-long Building Healthy Communities initiative (see more under Perspectives on Equity.) The Endowment and California Wellness Foundation are two of the Southern California funders supporting the California Accountable Communities for Health

Initiative (CACHI), a public/private partnership between state government and private sector funders to create a model for a new, more integrated health system. Five of the 13 sites are in Southern California.

Since 2000, the California Community Foundation has awarded \$50 million to support children’s health insurance programs, physical and mental healthcare access, substance use prevention, advocacy and community clinics that often serve as the only option for Angelenos without health insurance. The California Wellness Foundation funds programs addressing economic mobility and wealth-building, re-entry programs for formerly incarcerated women, and efforts to strengthen the educational ecosystem that helps formerly incarcerated youth, homeless youth and foster youth to succeed at the post-secondary level, among many examples of grants that address the barriers to health and wellness in underserved communities.

Aging is another issue donors in the region are increasingly addressing with their funding. Within a decade, California will see its senior population double, reaching nearly 9 million by 2030 and amounting to more than 20% of the state’s residents. Grantmakers in L.A. and Orange counties, like Archstone, the SCAN Foundation and Pfaffinger Foundation, make this a priority issue, as does the San Diego Community Foundation. In Ventura, the Ventura County Community Foundation has taken an innovative approach by focusing on the needs of caregivers as their numbers increase along with the aging population.

With the calamitous wildfires raging through Southern California in recent years, climate change is an area of concern for funders in the region. The

San Diego Foundation has had a climate program since 2006, helping the region curb and prepare for climate change with a mix of research, funding and partnerships, putting a major focus on water systems. Still, giving falls well behind other priority issues like health and human services. Additional issues named by experts include severe underfunding in the inland regions of Imperial County and the Inland Empire, the critical lack of childcare for low-wage workers, issues related to immigration and immigrant rights, and new alternatives to incarceration, including greater community investment.

Funder Trends & Strategies

The trends and strategies taking hold among funders in Southern California as they seek new approaches to addressing some of the area's most complex challenges, according to the authorities on the region's philanthropy with whom Inside Philanthropy spoke, are trust, partnership, deeper listening and power-building. In more specific terms, experts say grantmakers across the region are beginning to employ principles of trust-based philanthropy, and increasingly engaging in collaboration, community-led grantmaking and movement-building. Different forms of impact investing, along with attention to diversity, equity and inclusion (addressed in detail in the Equity section below) are other innovative strategies funders employ.

COVID has upended everything, including the way philanthropy operates. From the onset of the pandemic, funders responded quickly by increasing general operating support, relaxing reporting requirements, allowing grant funds to be re-directed as needed, listening to their partners and "just not burdening nonprofits with as much paperwork," said Essel, president of Southern



CALIFORNIA BLACK FREEDOM FUND

MAKING RACIAL JUSTICE REAL IN CALIFORNIA

The Black Freedom Fund is a \$100-million initiative dedicated to Black power-building and organizing across the state. This fund is co-created with Black leaders and organizers to ensure that California's growing ecosystem of locally rooted Black-led organizing efforts have the sustained investments and resources they need to eradicate systemic and institutional racism. Southern California based supporters include the CalEndow, CalWellness, and the Liberty Hill, Annenberg, Hilton, and Weingart foundations

California Grantmakers. "They were being more trust-based in their giving strategies, even if they didn't call it that." She said her organization will continue to press members to continue these practices, even after the crisis ends.

Pleased with the "incredible partnership and trust" this approach has built at the San Diego Community Foundation, President Mark Stuart doesn't think his foundation will revert back. "Rather than requiring reports at three and six months about impact... we ask (our grantees) to let us know how the money was used and to share some stories of success so they can focus on the work and not on reporting to us."

A data analyst and grant writer from San Diego agreed with this, responding to an August 2020 IP survey, saying: "With so many aspects of society being re-evaluated and even jettisoned in light of the pandemic, I devoutly hope that the obsession with applying corporate efficiency to philanthropy—and to the third sector more generally—will be one

of them. The use of the word ‘disruption’ to connote something desirable, and the elevation of innovation to the point of neglecting the need to fund that which we know already works, but cannot work if underfunded—these ought to seem, and be, more and more, quaint relics of the time before the world turned upside down.”

The Durfee Foundation has long used a trust-based approach, particularly with a fellowship program it awards to government and social sector leaders that offers them the luxury of time to pursue new ideas and solutions. A trust-based, community-led approach is also at the heart of the Inland Empire Black Equity Fund (see Spotlight).

The Fund for an Inclusive California, an effort to address the racial and economic inequities at the root of the housing crisis, is a good example of philanthropy’s growing comfort with funding grassroots organizing—or movements—and engaging in both trust-based and power-sharing practices. The fund’s partners—including the California Community Foundation, Weingart Foundation, Liberty Hill Foundation and The California Endowment in Southern California—serve as the steering committee for the fund and oversee the budget and work of the backbone.

Notably, the funders in this effort share power with a group of 35 community advisors, made up of the core grantees in the regions that are directly involved in organizing and movement-building.

Bold funding of movement-building is also exemplified by the historic passage of Measure J in Los Angeles County—which dedicated no less than 10% of the county’s locally generated unrestricted funding to address the disproportionate impact of racial injustice through community investments such as youth development, job training, small business development, supportive housing services and alternatives to incarceration. It is a major milestone that grew out of the Defund the Police movement that took hold in summer 2020.

Hundreds of community organizations, with support from United Way of Los Angeles and the Liberty Hill Foundation, joined the coalition Reimagine LA and led the way toward the passage of Measure J. A few others made grants to inform and educate the public about the measure. More funders are expected to be involved in supporting implementation efforts.

Without a doubt, the most prevalent strategy employed across the region is collaboration — whether among funders, in the form of pooled

Leadership Spotlight: Miguel Santana



Miguel Santana is the new head of the Weingart Foundation, a philanthropic leader in Los Angeles around anti-poverty and homelessness issues. Santana is a former high-level administrator in both the city and county, and was a lead architect of a \$1.2 billion homeless housing bond measure. He takes the reins from

Fred Ali, who led the foundation for 21 years, a time during which he diversified its once all-white board of male businessmen and played a key role in encouraging greater collaboration within the Southern California philanthropic sector.

funds, or as increasingly frequent partnerships with government. Funders do embark on their own initiatives, but ever-growing need and the recognition that so much more can be accomplished when resources are combined means this is much more than a passing trend.

There is perhaps a glimmer of a trend emerging of a growing awareness that government's dependence on nonprofits to deliver so many services is actually a logistical and financial burden for nonprofits, thanks to byzantine administrative practices and unrealistically low overhead percentages.

Inside Philanthropy August 2020 Survey

“Foundations should be required to fully invest their 6% in community development activities that seek impact investing in fighting poverty and improving the lives of Americans. Failure to do so they should simply lose their nonprofit tax benefit that is provided for by American taxpayers.”

—Fundraiser, Los Angeles, California

Though it's not what most funders take on, the Ballmer Group, with an interest in more efficient government, made a \$2.6 million grant to support efforts to transform the contracting system for the L.A. County Department of Mental Health. The grant is an excellent example of how a relatively modest philanthropic commitment, well-targeted, may secure massive return on investment by eliminating public sector inefficiencies.

Regina Birdsell, president and CEO of the Center for Nonprofit Management in Los Angeles, has spent the last year on a county task force charged with recommending sector responses to post-COVID recovery. She sees “this little piece about

really boring stuff” as a critical issue for the nonprofit sector and the communities they serve. “All these public dollars are going to be filtered through a system that's broken,” she said, referencing the funds freed up by Measure J. “Let's not miss the opportunity to do something more innovative... to do something different with these dollars so we can make sure they're getting to the communities and not partially getting lost in the county system.”

Impact investing, including program-related investments (PRIs) and mission-related investments (MRIs) have also been growing in popularity among funders here. The California Endowment since 1999 has provided nearly \$120 million in PRIs and guarantees. The endowment made a \$50 million commitment to MRIs in 2020 to further explore how it could use its investment capacity in alignment with its mission. The foundation also more recently announced that it will invest \$300 million in social bonds. Weingart is in the process of going all-in as it sets new policies for mission investing related to its equity commitment, going beyond the more common approach of carving out a portion of the endowment for mission-related investing.

Perspectives on Equity

The deeply rooted and widening inequities of Southern California are becoming as much a defining feature of the landscape as sunshine and palm trees. It is also a set of issues that, at the very least, is being widely discussed in philanthropic circles, and is also the focus of a range of ambitious initiatives across the region. There are some signs within foundations of internal work being done, combined with small, but meaningful adjustments to processes that seek to produce greater inclusion.

While many equity-focused efforts have emerged in response to the inequalities more starkly laid bare by the dual crises of 2020, approaching issues with an intersectional framework and through an equity lens is not new to many funders and leaders within Southern California philanthropy.

In 2016, the Weingart Foundation moved to base all policy and program decisions on “achieving the goal to advance fairness, inclusion and opportunity for all Southern Californians—especially those communities hit hardest by persistent poverty.” In 2018, Weingart launched the California Executive Roundtable, a group of 16 foundation leaders from across the state focused on sharing best practices and taking aligned action to advance equity.

The California Endowment has long viewed health as an equity and racial justice issue. Its decade-long \$1 billion place-based Building Healthy Communities initiative is just one example, particularly in how it has adapted to include more direction from the communities it serves. Liberty Hill is a social justice funder in L.A. that has always addressed equity as part of its mission. And grantmaker associations around the region are

working to push their members toward a deeper understanding of how equity relates to all aspects of their work.

Since 2015, members of the California Funders for Boys and Men of Color (CFBMoC), which includes several Southern California funders, have collectively invested \$149 million each year to support better outcomes for boys and men of color and remove barriers to opportunity. The Los Angeles component of this effort has focused on transforming the youth justice system in the county.

Southern California Grantmakers took on internal equity and anti-racism work five years ago, which helped them take a stronger leadership role around the issue in the wake of COVID, George Floyd’s murder and the ensuing uprisings, Southern California Grantmakers President Chris Essel said. “When the opportunity arose to move things forward, we could do that more confidently in our programs—normalize terms like white supremacy and white privilege. And talk about racism and where it shows up.”

Collaborative Fund Spotlight



In the aftermath of the George Floyd murder and ensuing uprisings, a collaborative of black-led organizations working together as the Black Equity Initiative of the Inland Empire, were flooded with calls from funders interested in supporting them. “But they didn’t know how to accept it because they didn’t have the financial ability to do that,” explained Margarita Luna, chair of the Inland Empire Funders Alliance. “*And that’s because they hadn’t been invested in for such a long time, so that once again perpetuates this inability to receive money if you haven’t been funded. It’s really this terrible cycle.*” The Alliance partnered with the group to create the Black Equity Fund held at the Inland Empire Community Foundation, but solely under the direction of initiative members. “*We really wanted to engage in a Trust-Based Philanthropy approach,*” said Luna. “*We wanted to double down and give the reins over to our partners and we as funders need to learn and we need to be better and we need to be accountable.*”

In Los Angeles, funders joined with government, business and other leaders from the region as the Committee for Greater L.A. Their initial work generated the report “[No Going Back: Together for an Equitable and Inclusive Los Angeles.](#)” (See more under A Closer Look: Los Angeles County.)

While most philanthropic attention to equity in recent years has been focused on underserved communities of color generally, in the wake of George Floyd’s murder, it’s no surprise that there is a greater emphasis on Black communities in particular.

In 2020, the San Diego Community Foundation launched the Black Community Investment Fund; the Inland Empire Black Equity Fund grew out of a new partnership between funders and the already-established Black Equity Initiative, and a large collaborative of funders created the statewide Black Freedom Fund (see Spotlight).

Elsewhere, after a period of self-reflection, Orange County Grantmakers commissioned a study to explore the area’s equity issues. And in recent years, the Ventura County Community Foundation began reformatting each grant proposal uniformly to even the playing field for smaller grassroots nonprofit organizations. Several years ago, Santa Barbara Funders provided what many nonprofit leaders have called for throughout the country: a common application that can be directed to nine funders.

In response to a significant national spike in violence toward AAPI communities in early 2021, The California Endowment committed \$100 million over the next 10 years to support AAPI-led organizations across the state. And what of other equity issues in the region? There is a statewide

funder collaborative called the California Gender Justice Funders Network formalized in 2019 to center women and gender in solutions to any systemic problem. But no high-profile initiatives have been taken up in recent years addressing the ongoing needs of LGBTQ communities or people with disabilities.



“The Black Equity Fund is being developed through an iterative process based in equity whereby those most impacted and closest to the problems and conditions we need to change are driving the strategy and decision-making process. It’s in those lived experiences where generative and relevant solutions are birthed.”

—Margarita Luna, co-chair, Inland Empire Funders Alliance

A Closer Look at Southern California's Distinct Regions

Los Angeles County

In many ways, the nation's second-largest city embodies the challenges and potential of the United States in this century. The Los Angeles metropolitan area is a highly diverse cultural mecca with a vibrant economy and a strong philanthropic sector. The personal wealth here is staggering. But L.A. also faces enormous challenges: a monumental housing shortage and teeming homeless population, the largest share of the state's poor, and a public education system consistently ranked among the lowest-performing in the country.

Not surprisingly, L.A. County eclipses the rest of Southern California in terms of foundation giving, but doesn't come close to the amounts foundations invest in San Francisco. During the years 2014-2018, foundations contributed \$11 billion to nonprofit causes in the county, or about four and a half times more than was distributed by foundations in San Diego County. But it's interesting to note that while foundation giving in Los Angeles translates to \$272 per capita, in San Francisco that figure is \$745.

The funders contributing the most philanthropic dollars to nonprofits of the county include the California Community Foundation, The Ahmanson Foundation, Cedars-Sinai Medical Center and the H. Leslie and Elaine S. Hoffman Foundation, big funders of USC. Funders regularly involved with collaborations on local and state-wide initiatives on this list include the Weingart Foundation, The California Endowment, The Ralph M. Parsons Foundation and the community foundation. The Academy Foundation, the philanthropic arm of the

Academy of Motion Pictures Arts & Sciences, has for several years directed a substantial portion of its grantmaking to the development of a new Academy Museum, set to open in Hollywood in Fall 2021.

Health is clearly a top program priority in Los Angeles County, receiving \$1 billion more in a recent four-year period than funding for education, which comes in second, followed by human services, community and economic development, and arts and culture.

Though the entertainment industry looms large in Los Angeles as a cultural force and employer, it has long had less of an impact on the philanthropic sector. Celebrities tend to give independently or use their platforms to encourage giving. Some giving from studios, networks and others in the industry is filtered through the Entertainment Industry Foundation, which serves as a fiscal sponsor for entertainment-related donors. Local experts point to the Will & Jada Smith Foundation, the Disney Family Foundation and J.J. Abrams' Katie McGrath and JJ Abrams Family Foundation as entertainment industry funders that stay involved with the Los Angeles philanthropic community.

Once seen as chronically siloed in their funding efforts, Los Angeles grantmakers have become increasingly collaborative and intentional in their giving over the past decade. Partnerships that include government agencies are increasingly common as are cross-sectoral approaches.

Los Angeles County now has an active Center for Strategic Partnerships, an initiative with Southern California Grantmakers, which is currently focusing efforts on transforming the child welfare system. Funder partners have included social justice funder Liberty Hill, Weingart, The California Wellness Foundation, Ahmanson, W.M. Keck Foundation, and also family foundations like The Ballmer Group, Reissa Foundation and the Philip and Muriel Berman Foundation. In response to COVID, the county established the L.A. County Economic Resiliency Task Force, which includes a Foundations/Nonprofit Work Group to advise the county on its economic recovery.

Numerous multi-funder collaborative efforts in the region and statewide are working to address homelessness and its root causes, the impacts of systemic racism on the black community, and systems and policy change around the criminal justice system. But the onset of the pandemic and the racial reckoning propelled by the George Floyd murder sparked an urgency among Los Angeles funders probably unmatched since the Los Angeles uprisings of 1992. Millions of philanthropic dollars flowed to disproportionately impacted communities, more grants were made for general operating support, and long-held rules around reporting requirements were relaxed.

“I think philanthropic sector leaders really moved mountains fast to get money out and to do the best they could. It was stunning,” said Regina Birdsell, president and CEO of the Center for Nonprofit Management. “They did things that you would have never thought they’d do, like changing reporting requirements... I just really saw a generosity of spirit throughout the year. \$100 million came together in a couple of weeks.”

Coalition Spotlight PledgeLA

PledgeLA is a coalition of tech and venture capital companies working to increase diversity, equity, and community engagement within their industry. PledgeLA is an outgrowth of the Annenberg Tech initiative, and includes the support of Mayor Eric Garcetti. The group created the Fund for South LA Founders and is working to raise \$500,000 in non-equity funding for Black and Latinx-led businesses in South LA.

But funders saw a need for more, and 10 joined together with government and other leaders to establish the Committee for a Greater LA. Its first step was a study and ambitious set of recommendations—No Going Back LA—which lays out a roadmap for a post-pandemic economic recovery centered on addressing anti-Black racism and equity, as well as everything from homelessness and health to the economic system, immigration, the nonprofit sector and beyond.

Bold, broad and far-reaching, the report offers a high-level look at how those 10 funders may seek to address inequity and systemic racism in the future—and possibly influence their peers around the country, as well. Time will tell whether the county lives up to the expansive vision of this report or whether that vision inspires foundation leaders beyond the state’s borders. Participating funders include the Weingart, Conrad N. Hilton, Annenberg, Eli and Edythe Broad, California Community, California Wellness, John Randolph Haynes, and Smidt foundations, as well as the California Endowment and the Ballmer Group.

San Diego and Imperial Counties

San Diego is the second most populous city in California after Los Angeles, and is home to quintessential SoCal beaches, numerous military bases and includes the busiest international land border crossing in the world outside of Asia, at San Ysidro. A 2017 Charity Navigator report named San Diego's philanthropic community number one in the nation in terms of overall financial health and commitment to accountability and transparency for the fifth time, and two of the Southern California region's top funders are based here. Despite that, Imperial County, San Diego's more rural, inland neighbor to the east, is one of the most underfunded counties in the entire state.



“Issues of economic mobility are becoming much more prominent within conversations right now. The understanding is that we have to rebuild our economy entirely and prioritize those historically marginalized communities.”

—Megan Thomas, president and CEO of Catalyst of San Diego & Imperial Counties

The San Diego Community Foundation and Jewish Community Foundation of San Diego rank as top funders here and across Southern California, as well. The top funders list also includes a number of family foundations, including the Leichtig Foundation, Dunaway Foundation, David C. Copley Foundation and Viterbi Foundation. Among those, the David C. Copley Foundation, which derived its endowment from the Copley newspaper chain, funds human services, military and military veterans, youth development, medicine and medical research, education, arts and culture, and animal welfare, primarily in the San Diego region.

Billionaires Irwin and Joan Jacobs are prominent San Diego philanthropists and Giving Pledge signatories. They give individually as well as through their Dunaway Foundation, mostly for education and health organizations, and through a \$50 million fund at the Jewish Community Foundation of San Diego. Irwin Jacobs is a co-founder of San Diego-based Qualcomm.

Also well-known in San Diego philanthropic circles is the Jacobs Family Foundation (no connection to Irwin Jacobs) which primarily supports The Village at Market Creek, a 60-acre, community-led development started in 1997 to revitalize a southeastern San Diego neighborhood. The family's third generation now leads the foundation.

Corporate funders play an important role in San Diego philanthropy. Major corporate funders include Sempra Energy and Qualcomm. One, the UBS Optimus Foundation, in recent years spearheaded a three-year, \$3 million collaborative effort to combat human trafficking.

The San Diego Foundation made over \$207 million in grants from 2014–2018. In 2019, it distributed \$52.5 million across more than 5,600 grants, the bulk of which went toward education and health and human services, making up about 60% of its giving combined. About 7% of funding that year went to the environment, and the foundation's climate program has granted more than \$3.5 million since it began in 2006. A more recent priority of the foundation is an outgrowth of its partnership with the Black Chamber of Commerce, among others, on the funder's COVID response.

“We wanted to find out from these partners, of all the disparities in San Diego County chiefly driven by race, which would be the most impactful for us

to address now and in the future,” said community foundation President Mark Stuart. “What we landed on was generational wealth-building.” Entrepreneurship, homeownership, education and employment are the four pillars of the initiative, which has already secured \$3.5 million in funding. Initial funding will help 50 black families with financing for their first homes.

“Issues of economic mobility are becoming much more prominent within conversations right now,” said Megan Thomas, president and CEO of Catalyst of San Diego & Imperial Counties (formerly San Diego Grantmakers). “The understanding is that we have to rebuild our economy entirely and prioritize those historically marginalized communities.”

Candid data for San Diego shows philanthropic dollars flowing primarily to the program areas of health, human services, philanthropy, arts and culture, and science, respectively.

Thomas said primary issues of concern for San Diego funders include the housing affordability crisis—reflected in the fact that the median price of a house in the region is upwards of \$600,000. That in turn connects to the issue of homelessness, she noted, as well as the significant lack of affordable childcare that also meets the realities of real work

schedules. The area has experienced its share of devastating wildfires in recent years, pushing climate change to the forefront, as well. And with the proximity of the border region, immigration is a continuing concern.

The under-investment in Imperial County is a focus of Catalyst’s work, which recently changed its name from San Diego Grantmakers to include the region in its name. While San Diego is second only to Santa Barbara in Southern California in terms of per capita nonprofit funding, at \$3,008, Imperial County is one of the lowest, at \$835.

“This is an extremely under-invested region,” Thomas said. “Incomes are low and philanthropy there is disconnected. Catalyst is working to address the problem by reaching out and connecting funders to opportunities there.”

Orange County

Orange County may be the smallest county in Southern California by area, but its record of charitable giving is third in the region. Disneyland, the area’s largest employer, is here, as are Laguna and Newport beaches, wealthy seaside communities and popular tourist destinations. It is a prosperous area with a strong economy that has become

Strategy Spotlight: Impact Investing in California

The recent convergence of the global pandemic with demands for racial justice has pushed collaborations to reach for even greater heights, faster. This spring saw the launch of a new collaborative place-based impact investing effort called Investing for Impact: A Philanthropy California Investment Collaborative (PCIC), which aims to bring together foundations, public funds, individual investors, and, eventually, corporations, to invest in California’s underserved communities. It’s the brainchild of Philanthropy California, the collaboration of Southern California Grantmakers, Catalyst of San Diego and Imperial Counties and Northern California Grantmakers, along with other funder investors.

dramatically more diverse in the last 20 years. But income inequality has grown, as well, and will likely worsen unless addressed, something local funders are beginning to grapple with.

Top funders in the county include the Orange County Community Foundation, which is the 25th largest community foundation in the country, and a number of family foundations, including The Marisla Foundation, Argyros Family Foundation, The Keith and Judy Swayne Foundation, and the William, Jeff and Jennifer Gross Family Foundation.

Orange County is a hub for numerous corporate headquarters—including several Fortune 500 companies—as well as tech start-ups and an abundance of U.S. headquarters for international automotive companies. It’s unsurprising then, that corporate philanthropy plays a larger role within the philanthropic space here as compared to other Southern California locales. A recent report from Orange County Grantmakers found that among 28 foundations surveyed, 39% were funded via corporate dollars. Pacific Life Foundation is one of Orange County’s most generous funders. Others active in the region include The Capital Group Companies Charitable Foundation, Pimco Foundation, Allergan and Western Digital.

Orange County has its share of wealthy donors whose philanthropic interests include supporting local causes and institutions. Among them is billionaire Broadcom co-founder Henry Samueli, whose \$200 million gift to UC Irvine in 2017 is one of the largest gifts made to higher education on record. Locally, he supports children’s organizations, health and Jewish causes through the Samueli Foundation and Broadcom Foundation.

Giving by funders in Orange County is primarily going toward the broad categories of health, the environment, human services, philanthropy, and community and economic development. Though this region has not suffered from wildfires to the degree that places like San Diego, Ventura and Santa Barbara have, it’s interesting to note that the environment is a top two funding interest here, but only registers within the top five in Santa Barbara and the Inland Empire. According to a recent survey, more than 90% of area foundations say they target low-income populations with their

Collaboration Spotlight



In an unusual collaboration, all 11 professional sports teams in the greater L.A. region put aside their rivalries and joined together in 2020 as The Alliance, a comprehensive five-year initiative to address social justice issues, with a focus on play and sports. They partnered with The Play Equity Fund, an offshoot of the LA84 Foundation and a leader around the play equity movement, which sees play sports “just like any other resource (that) marginalized communities aren’t getting as much or as often as other communities,” Otha Cole, the fund’s project director, told IP. “So when you talk about equity, this needs to be a part of the conversation, too.” The Play Equity Fund serves as a neutral manager of the initiative, which will work to raise awareness about the barriers to equitable access to sports in poorer communities and also lift up student athletes as leaders in their communities.

grantmaking, as well as ethnically diverse/communities of color, and people experiencing homelessness. A full 60% of giving stays in the region, according to the report.

The Orange County Community Foundation, the largest giver in the area and a collaborative force here, gave a total of \$111 million between 2014 and 2018 to area organizations. OCCF often makes grants to programs that assist veterans, help at-risk teens, and address community issues like poverty, homelessness, health and education. The foundation also has several community leadership initiatives that provide funds, including the [Orange County Veterans Initiative](#), [ACT Anaheim](#), and the [OC Opportunity Fund](#). ACT Anaheim, for example, was originally funded by sports teams the Ducks and Angels, along with the Disneyland Resort, to address the urgent needs of Anaheim’s at-risk youth and families.

In response to COVID, many foundations gave to the OC Resilience Fund, created through a collaboration of Charitable Ventures, a local fiscal

sponsor, OC Grantmakers, OCCF, and St. Joseph Community Partnership Fund. Halfway through 2020, the fund had distributed \$4.3 million to 164 organizations and a broader impact evaluation had been commissioned to gain a better understanding of how communities and nonprofits have been impacted by the pandemic.

Collaborative efforts such as these are on the rise in the OC, according to that recent OC Grantmakers report. It also noted that philanthropic organizations are more engaged in discussions about systems change, policy, advocacy, impact and equity.

And in laying the groundwork to move toward greater equity, OC Grantmakers recently commissioned an Equity Profile of Orange County from PolicyLink and USC, which identified the county as 58th in income inequality among the 150 largest regions, a ranking higher than the nearby San Diego metro area. The collaborative nature of this effort and the clear-eyed approach to gaining a deeper understanding of the issue seems a promising opportunity for Orange County’s philanthropic sector to begin the work of addressing the root causes of the disparities preventing their region from realizing its full potential for the benefit of all residents.

Santa Barbara

Santa Barbara is a study in contrasts. Tourists are drawn to its stunning coastline, picturesque Mediterranean architecture and the upscale village feel of its downtown. Billionaires own massive estates in the hillside community of Montecito. While the philanthropic sector is quite active and nonprofit revenues per capita here are among the most robust in the state, the poverty rate in the county is high.

Inside Philanthropy August 2020 Survey

“With so many aspects of society being re-evaluated and even jettisoned in light of the pandemic, I devoutly hope that the obsession with applying corporate efficiency to philanthropy—and to the third sector more generally—will be one of them. The use of the word ‘disruption’ to connote something desirable, and the elevation of innovation to the point of neglecting the need to fund that which we know already works, but cannot work if underfunded. These ought to seem, and be, more and more, quaint relics of the time before the world turned upside down.”

—Data writer/grant analyst, San Diego, California

The approximately 1,960 nonprofits in Santa Barbara County generate revenues of over \$3 billion, translating to over \$5,500 per resident. That's second only to San Francisco in the entire state. Still, Santa Barbara's poverty rate ranks third among California's 58 counties. Nearly 1 in 4 residents (23%) fall below the poverty threshold, a greater proportion of poor people than in any other county except for L.A. (24%) and Santa Cruz (24%).

Philanthropic giving in Santa Barbara is the fourth highest among Southern California counties. From 2014 to 2018, local funders gave \$714 million.

The top funders in the region include the Santa Barbara Foundation, Wood-Claeysens Foundation, Hutton Parker Foundation, James G. Bower Foundation, The Ann Jackson Family Foundation, J & J Family Foundation, and the Audacious Foundation. Funders here, a majority of which are family foundations, give the most to human services, followed by education, arts and culture, health and the environment.

Leading giving in the county by a significant margin is the Santa Barbara Foundation. The community foundation distributed 5,013 grants totaling \$80.60 million to Santa Barbara causes from 2014 to 2018. As with most community foundations, they are the local lead on collaborative efforts. Most recently, the foundation serves as the home to The Latinx & Indigenous Migrant COVID-19 Response Task Force, a multi-sector effort focused on the health and safety of farmworkers in North County. The task force also serves as a bi-weekly convening between more than 90 organizations in the region.

The Hutton Foundation, a family foundation with assets built on real estate investments, focuses on

nonprofit sustainability. The foundation houses nearly 50 nonprofit organizations in 17 commercial properties it owns and operates and also makes loans and grants primarily for general operating support, endowment, and capital grants.

Efforts at more equitable funding approaches have been happening in Santa Barbara for a while. Social justice funder the Fund for Santa Barbara got its start in 2008 and uses a grantmaking committee made up of local community activists to determine how funds should be spent. Likewise, the Santa Barbara Foundation uses community-led grantmaking committees to aid in funding decisions.

Members of the Foundation Roundtable, the local association of grantmakers, made it simpler for nonprofits to apply to nine foundations by creating a common application.



“The Play Equity Fund highlights that sports and social justice are intertwined and access to sports is a social justice issue. Our hope and our mission and our goal really is to bring a long lasting sustainable stream of resources to these communities that have been ravaged, really, by systemic and structural inequities for generations.”

—Otha Cole, project director, Play Equity Fund

Inland Empire

Spreading east from Los Angeles County is the Inland Empire, which includes both San Bernardino and Riverside counties. With 4.6 million residents, the region is the third largest in the state. But it trails precipitously behind the rest of California in terms of philanthropic investment.

The Inland Empire ranks the lowest among major population regions in California, with only \$31 per capita in foundation giving in 2016, according to a study by the Center for Social Innovation at the University of California, Riverside. That is compared to the Bay Area, which receives \$745 per capita and Orange County, with just 3.1 million residents, receiving \$139. Compounding the issue, according to the study, Inland Empire-based foundations give to the area's nonprofits at an average of only \$1,560 each. By contrast, giving by Bay Area foundations to Bay Area nonprofits averages over \$43,000 per nonprofit, and Los Angeles comes in at about \$32,500. The shortfall can be attributed to both the smaller asset base of local foundations, as well as the tendency of those grantmakers to give outside the region.

Despite this, there are still positive signs of progress, with greater philanthropic investment, impressive collaborative efforts, a growing interest in racial equity, and innovative funding strategies. The top giving priority for foundations in the region is education, followed by health, and then human services. Prominent funders in the Inland Empire include Prime Healthcare Foundation, the Inland Empire Community Foundation, Desert Community Foundation and the Desert Valley Charitable Foundation.

In 2009, a network of funders with a commitment to the region came together as The Inland Empire Funders Alliance to address significant needs in the under-funded counties. The alliance includes such local funders as the Inland Empire Community Foundation, First 5 Riverside, Desert Healthcare District and Foundation, San Manuel Band of Mission Indians, and the Valenzuela Foundation, in addition to The California Endowment and several other major regional funders. Early on, the alliance

Community Foundation Spotlight



The Inland Empire Community Foundation (IECF) is the oldest and largest community foundation serving San Bernardino and Riverside counties. IECF invests and administers approximately \$113 million in charitable funds and supports a wide range of nonprofit organizations in the region. In late 2019, IECF supported the formation of the Just San Bernardino Collaborative Project (Just SB), which aims to address disparities in education, housing, job opportunities, and wage equity in the Inland Empire. Just SB also received a \$2.7 million grant from the James Irvine Foundation.

focused primarily “on building up the nonprofit ecosystem, on capacity-building and power-building,” said Margarita Luna, a program officer at the Endowment who is co-chair of the alliance with Celia Cudiamat of Inland Empire Community Foundation. They also embarked on a strategic communications campaign that included a “Changing the Narrative” toolkit to help nonprofits and others in the region better communicate their impact to funders. The strategy has paid off, according to the alliance, which reported a 143% increase in local grantmaking by foundations outside of the Inland Empire between 2013 and 2016. “People on the ground were doing great work,” Luna said. “They just needed help to communicate that impact effectively and to the right people.”

The Inland Empire Funders Alliance has since created pooled funds for census work, engaging the

likes of the Chan Zuckerberg Initiative, which had not previously contributed to the region, as well as the Blue Shield of California Foundation, and a COVID response fund that has raised \$1,045,000.

The James Irvine Foundation recently announced a seven-year, \$135 million investment in the region in partnership with the IECF, which will focus on grassroots nonprofits and helping to build the economy. In the wake of racial justice uprisings following George Floyd's murder, the Alliance partnered with the Black Equity Initiative of the Inland Empire to launch the Black Equity Fund—a regional pooled fund with a preliminary goal of raising \$5 million over two years to support long-term investments in Black-led organizations. The fund is being seeded with investments from The California Endowment and the Inland Empire Community Foundation.

Ventura County

Ventura County, encompasses wealthy suburbs just outside of L.A. County. It includes the Ojai Valley, a picturesque tourist destination with an artistic flair, and the Reagan Library. It is a place of wide income gaps, a high cost of living and home prices affordable to just 28% of the 753,197 people who live there. The county was already in recovery mode after two of California's worst-ever fires hit this area two years in a row. While COVID has had a compounding effect on that recovery, the philanthropic response has been strong, and experts see signs of resilience and even growth.

The Ventura County Community Foundation (VCCF) is the top funder in the region, a testament to the strength and commitment of individual philanthropists in the area. The United Way is also a top giver in Ventura.

A majority of the region's largest grantmakers are family foundations, often deriving their wealth from agriculture, land development, and manufacturing, as well as from retirees moving from Los Angeles.

Biotech firm Amgen is the area's leader in corporate giving and supports a number of local initiatives, including one to build leadership capacity within local grassroots organizations. Patagonia makes its corporate headquarters in nearby Ojai. Its giving program focuses on environmental issues all over the world.



Investing Together. For Good. For Ever.

**Ventura County
Community Foundation**

"I really think things are changing in Ventura County. I'm seeing philanthropy grow on all fronts. I'm seeing giving go up. I'm seeing corporations playing a more active role. I'm seeing families start foundations like I haven't seen before—whether that's creating a DAF or creating an actual foundation. I feel really excited for Ventura County's future in philanthropy and in giving."

—Vanessa Bechtel, president and CEO Ventura County Community Foundation

In response to COVID, VCCF has raised more funds, disseminated more grants and direct support, and attracted more individual donors than any other time in its history, said Vanessa Bechtel, president and CEO of VCCF. With a COVID rapid-response fund, another designated for farmworkers and their families, and a third addressing the needs of undocumented families, the foundation raised around \$28 million in 2020, Bechtel said, about seven times what they attract in a typical year. "It was similar to what we did after the fires," she recalled. It made approximately \$20 million in grants, or four times the average.

In addition to COVID recovery, Bechtel said the issues of most concern in the region include poverty, exploitation of farmworkers, an aging population growing at a higher rate than the rest of the state, a critical lack of childcare, and the need for philanthropy and the nonprofit sector to address the growing diversity in the region. The foundation has a caregiver initiative addressing the impacts of aging, and works with local partners to find new ways to access untapped government funds addressing the region's childcare crisis, as well as to increase the number of pro bono immigration attorneys, a much-needed resource in the county.

As far as trends or strategies go, Bechtel said she's seeing more pooled funding and more funding as part of collaborative efforts. There's also a growing interest in working on job training directly with local business, she said, noting that two groups receiving the most funding from the foundation in the last two years were the Women's Economic Ventures and the Economic Development Collaborative. "Philanthropy is really starting to tie the strength of our business community and job creation to their dollars," she told IP.

"I really think things are changing in Ventura County," said Bechtel. "I'm seeing philanthropy grow on all fronts. I'm seeing giving go up. I'm seeing corporations playing a more active role. I'm seeing families start foundations like I haven't seen before—whether that's creating a DAF or creating an actual foundation. I feel really excited for Ventura County's future in philanthropy and in giving."

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"[In grassroots movements] funders are missing the ball completely. They would, almost 100% of the time, fund a small organization that purports to speak up for an underserved population with little concern for true impact or effectiveness, over something like a 21st civics program that could train thousands of youth to develop real systems change through more effective advocacy."

—Fundraiser, Long Beach, California

A Closer Look at Funder Types

Private Foundations

Community foundations are a dominant force in philanthropy throughout Southern California but private foundations and the three big health conversion foundations are a close second in terms of giving and influence here. The private foundations providing the most funding in Southern California are the Ahmanson, Eli and Edythe Broad, Weingart, and Ralph M. Parsons foundations, all Los Angeles-based grantmakers.

The Ahmanson Foundation, founded by financier Howard Ahmanson, prioritizes grantmaking in four key areas: arts and humanities, education, healthcare, and human services. It is unique in that a majority of its grants support capital expenses, not a common fundraising priority for many foundations. In addition to the Broad's funding of its downtown L.A. museum and Santa Monica performance spaces, the foundation's funding initiatives are education, science and the arts. The foundation's education program prioritizes the greater Los Angeles area and partners with organizations that aim to improve educational opportunities for disadvantaged students.

The Weingart Foundation has long supported nonprofits that fight poverty and expand opportunities for people in Southern California. The foundation shifted its focus in 2016 to specifically address structural racism and inequality with grants toward health, human services, and education. Also funding nonprofits in Southern California is the Ralph M. Parsons Foundation, which focuses exclusively on Los Angeles and practices responsive grantmaking in human

services, civic and cultural issues, education, and health. Parsons, who founded a company that specialized in engineering and construction, established his philanthropy in 1961. The Conrad Hilton Foundation, founded by the late hotelier, funds internationally, but is based in Los Angeles County and conducts significant grantmaking in the greater Los Angeles region.

The Annenberg Foundation, too, is a large, family-directed foundation, one with longstanding history in Los Angeles philanthropy; it is strategic in its support of the nonprofit community. Its long-running Annenberg Alchemy program provides capacity-building and leadership development training to small to mid-sized Los Angeles-based nonprofit organizations and their leaders. The foundation has also made its share of major institutional gifts, including \$50 million for a new building at USC to house the Annenberg School for Communication and Journalism, as well as big gifts to the Annenberg Space for Photography and the Wallis Annenberg Center for Performing Arts.

Two of the top funders to Southern California nonprofits are health conversion foundations—the California Endowment and California Wellness Foundation. Archstone, which focuses its giving on issues relating to the aging population, is also a leading funder based in Los Angeles County.

The California Endowment, the largest health funder in the state, gave \$161.4 million to nonprofits in Southern California from 2014–2018. It was created in 1996 when Blue Cross of California acquired the for-profit subsidiary WellPoint Health Networks. Today, with more than \$3 billion in assets, the foundation makes grants broadly through its People Power Health strategy, a \$225 million, health-related racial-justice campaign. This

program replaces the foundation's previous 10-year initiative, Building Healthy Communities.

The California Wellness Foundation (TCW) was created in 1992 when Health Net converted from a nonprofit to a for-profit insurance plan. TCW supports a broad range of health and wellness initiatives among underserved communities, with a focus on diversity in the health profession, environmental health, healthy aging, mental health, teenage pregnancy prevention, violence prevention, women's health, and work and health.

Funder Spotlight

The Ralph M. Parsons Foundation

Established in 1961 and made fully independent from the Ralph M. Parsons Company in 1976, this foundation continues to focus its grantmaking on Los Angeles County. Funding priorities include civic and cultural projects, education, health, and human services. The majority its grants go toward general operating support. The Parsons foundation prioritizes its grantmaking to support organizations offering direct services.

The Leichtag Foundation is one of San Diego's top grantmakers. Founded by Toni and Lee Leichtag in 1991, the foundation became an independent private foundation in 2007. It funds Jewish causes in North County San Diego and in Jerusalem.

The McCune Foundation, a leading funder in Ventura County, was established in 1990 by George D. McCune and Sara Miller McCune, the founders of SAGE Publications, Inc. The foundation supports projects addressing critical issues in Santa Barbara and Ventura counties by empowering and mobilizing excluded populations.

Established in 1986, the Marisla Foundation was founded by Anne Getty Earhart, the granddaughter of oilman J. Paul Getty. The private foundation makes environmental grants internationally but also targets women-focused homelessness, substance abuse and domestic violence, and vocational training programs in Orange County and Los Angeles.

Corporate Funders

For the most part, corporate philanthropy in Southern California is overshadowed by the more robust giving of the region's large private and community foundations, and represents a small percentage of giving, though there are a few businesses with sizable local giving programs. The continuing story of the exodus of California-based corporations to more tax-friendly, lower-regulation states, however, has most likely had an impact on Southern California corporate philanthropy.

In Los Angeles, corporate philanthropy represented just 2% of all giving in the county in 2017. JMM Charitable, Mattel Inc., the Walt Disney Company, American Honda, Cathay Bank, Edison International and Southern California Gas Co. are a few of the corporations with giving programs in Los Angeles. The Comcast NBCUniversal Foundation sponsors an annual Project Innovation grants program to "recognize nonprofits that are pioneering programs to advance communities in the areas of storytelling, community engagement, culture of inclusion and youth education."

Four corporate funders are represented on the SCG board. Citigroup focuses on low-income communities by investing in programs that advance youth economic opportunities, financial inclusion and community solutions; the Capital Group Companies, headquartered in Los Angeles,

focuses its philanthropy on a variety of issues, including arts and culture, education, the environment, health, youth development and human services; and Bank of America is targeting economic opportunity, healthcare initiatives and racial equality through its grants program.

A new addition to the board is the Snap Foundation, the philanthropic arm of Snapchat, which focuses on developing pathways to the creative economy for underrepresented youth in Los Angeles. The addition of the foundation to SCG's board is a possible indicator of Southern California tech's nascent interest in local philanthropy. The Annenberg Foundation has made a formal initiative of its efforts to engage this growing sector in local philanthropy. The region's professional sports teams all have philanthropic programs; 11 of them joined together recently in support of expanding sports and play to underserved communities.

Orange County is one region where corporate philanthropy plays a bigger role. One of the top funders to Orange County nonprofits is Pacific Life Foundation, which also makes grants in two other cities outside California where it does business. About 80% of its giving goes to education and health and human services.

Amgen, the biopharmaceuticals giant headquartered in Ventura County, is an important contributor to that region's philanthropic activities and beyond. San Diego nonprofits look to Sempra Energy and Qualcomm as significant philanthropic partners, among others.

Other huge companies headquartered in the region and giving locally, although not at the levels that attract the attention of their corporate philanthropic peers, include [CBRE](#), which funds homelessness programs; [AECOM](#), which supports education and environmental projects; and [Edison International](#), which gives to education, environment, emergency preparedness and civic engagement.

Major Donors

The region's biggest donors often bestow mega-gifts in support of Southern California's largest institutions—major hospitals, universities, research institutes, and museums. These ultra-wealthy individuals direct their philanthropy through their own private foundations or make splashy individual gifts on their own.

The Ballmer Group, one of the newest on the scene, does things a little differently. The giving vehicle for former Microsoft CEO and current L.A.

Major Donor Spotlight: Carolyn Clark Powers

The Broad has been admission-free since its opening in 2015, thanks to the largesse of the museum's founders, Eli and Edythe Broad. Across the street at the Museum of Contemporary Arts (MOCA), however, museum-goers still had to fork over \$8 to \$15 to enter. Thanks to a \$10 million gift in 2019 from Carolyn Powers, MOCA's board of trustees president, MOCA, too, is now free and accessible to all. "[C]harging admission is counterintuitive to art's ability and purpose to connect, inspire and heal people," Powers said.

Clippers owner Steve Ballmer and his wife Connie, The Ballmer Group's philanthropy largely focuses on children and families as a strategy for addressing intergenerational poverty and boosting the economic chances of low-income families. Unusual for many funders, the Ballmers have a penchant for general support grants to boost the capacity of established nonprofits. The foundation has given well over \$110 million across the region, putting it in the same league as some of the largest L.A.-area philanthropies, with only a few like the California Endowment and the Annenberg Foundation giving.

It directed giving to places like South and East L.A., areas with deep need but a strong existing network of nonprofits and advocacy organizations. Going forward, the plan is to move into areas with less ingrained capacity—locales like the San Gabriel Valley, Antelope Valley and Long Beach. Additional funding interests include criminal justice, support for charter schools and systems change. A few grantee examples include Friends of the Children, City Year, the Boys and Girls Club of Metro L.A., the Anti-Recidivism Coalition, and Home for Good, via United Way. The Ballmers also support community-led initiatives like Promesa Boyle Heights, SLATE-Z, Community Coalition, and Inner City Struggle.

Major Donor Spotlight: Patrick Soon-Shiong and Michele Chan

Patrick Soon-Shiong and Michele B. Chan move their philanthropy through the Chan Soon-Shiong Family Foundation. Considered some of the most generous philanthropists in the country, the family has pledged \$1 billion to transform healthcare in the U.S., 135 million to St. John's Health Center in Santa Monica, and \$100 million toward the reopening of the Martin Luther King, Jr., Hospital in South L.A.

The Ballmers have been plugging into existing networks and trusting longtime L.A. players rather than reinventing the wheel. They've forged partnerships with the Weingart Foundation and Liberty Hill. Ranked among the richest people on the planet with a current net worth of just over \$50 billion, it will be interesting to see the impact of their philanthropy in coming years. David Geffen, co-founder of DreamWorks Studio, gives hundreds of millions to Los Angeles institutions, including the UCLA School of Medicine that bears his name, the Los Angeles County Museum of Art, and the Academy Museum, expected to open in 2021.

Stewart and Lynda Resnick, California agricultural moguls and owners of Fiji Water, made the second-largest single commitment on record to an American university when they made a \$750 million donation to Caltech. The Resnicks, who have received a lot of environmental criticism over their water and plastic consumption in particular, made the mega-gift to support climate change research at Caltech. In addition to higher education, the Resnicks have also given tens of millions to the Los Angeles County Museum of Art (LACMA) and the Hammer Museum.

In the arts, Eli and Edythe Broad have made an indelible mark on Los Angeles through both the arts and architecture, though their giving through the Broad Foundations also funds education and science beyond the L.A. region. The Broads helped make Disney Hall, the grand Frank Gehry-designed concert hall, possible. They then built The Broad, a major new art museum, just a block away to house their vast modern art collection. A major gift to Los Angeles' Museum of Contemporary Art by MOCA board of trustees member Carolyn Powers recently opened that institution up for free admission. A \$25 million gift in 2020 from Tina and Jerry Moss, co-

founder of A&M records, to the Los Angeles Music Center, was the biggest in the institution's history.

Anthony and Jeanne Pritzker focus their substantial multi-million-dollar gifts on educational institutions like UCLA. But the Pritzkers, whose wealth comes from Anthony's family, who founded the Hyatt hotel chain, also more recently helped start L.A. Students Most in Need, which provides 500,000 meals a day for students from 63 LA Unified School District schools.

[Patrick Soon-Shiong](#), the richest man in L.A., has engaged in a lot of big giving in recent years, mainly focused on healthcare. The [Marisla Foundation](#), based in Orange County and funded by a Getty oil heiress, is engaged in robust local grantmaking with a focus on women.

In San Diego, Rady is a family name associated with local philanthropy. Ernest and Evelyn Rady, who have called San Diego their home since 1966, have shown strong commitment to their community, with major support to the Rady Children's Hospital-San Diego and other health institutions. Ernest Rady, a billionaire who amassed a fortune through banking, insurance and investments, recently supported the San Diego Zoo with the largest challenge gift in the organization's history.

Community Foundations

Community foundations play a major role in driving philanthropy throughout Southern California. Community foundations are often the top funders, serving as leaders around major collaborations and initiatives, providing rapid response funds in times of crisis—particularly during the pandemic—and serving as knowledgeable resources to inform their donors about issues of concern in their communities.

In Los Angeles, the California Community Foundation has long been a critical philanthropic player as one of the country's oldest and largest community foundations. It holds some 1,700 funds and manages \$1.8 billion in assets. From 2014–2018, the community foundation made \$333.5 million in grants within the Southern California region. Its focus is on long-term, systemic solutions addressing the root causes of the most pressing issues facing L.A. County. CCF most recently launched its Black Empowerment Fund and joined with the statewide Black Equity Collective. It also made COVID response grants to help arts nonprofits as well as to support a new collaborative for people experiencing homelessness.

Community Foundation Spotlight



The California Community Foundation focuses on improving the health and well-being for the residents of Los Angeles communities. In 2015, it made a 10-year \$1 billion pledge to improve the quality of life for underserved and marginalized communities in L.A. County. The plan is to distribute the grants, loans and scholarships among L.A. nonprofits focusing on early childhood education, low-income housing, community

Community foundations serving the philanthropic interests of Jewish donors are also significant funders in the region. The Jewish Community Foundation Los Angeles, like many other funders post-COVID, made a significant shift in its giving, distributing nearly \$8.3 million to relief efforts. The Jewish Community Foundation San Diego shows up as a top funder in San Diego County. It manages 1,600 funds and made grants of \$184.8 million from 2014–2018 in the county alone.

The San Diego Community Foundation, which distributed \$207 million to organizations in San Diego and Imperial counties from 2014–2018, has seen the work they’ve done in response to COVID attract more unrestricted funds and, they say, engender ever greater trust from their donors. “Increased unrestricted funds to the foundation is helping the community see the potential of a community foundation as a changemaker, not just a kind of bank,” said foundation President Mark Stuart. “Donor advisors are asking for more guidance... and we can help major donors to re-think the restrictions they want to place on their money and see the community foundation as a partner they can trust to do important work with their funds.” The foundation recently launched a major initiative to address wealth-building for Black families in San Diego.

The Ventura County Community Foundation has led the way in raising funds and awareness about the plight of farmworkers and undocumented people in the wake of COVID, among other issues. “I think it’s really critical,” said Vanessa Bechtel, the foundation’s president. “[The Farmworker Household Assistance Program] is creating a safety net. When farmworkers get sick, there’s a reticence,

to miss work because there’s no safety net for them and this not only provides farmworkers safe housing, like a hotel... but also offers cash stipends so that it doesn’t compound the problem.”

The Orange County Community Foundation has \$378 million in assets and manages about 600 individual charitable funds. Giving focuses on issues like poverty, homelessness, health, education and safety nets. According to a recent report, its veterans initiative over the last five years has invested more than \$4 million into 17 nonprofits across Orange County and has now reached 29,286 veterans and their families.

In the Inland Empire, the Inland Empire Community Foundation has served as an important anchor for pooled funds. Currently, it is housing the Inland Empire Black Equity Fund, which it created in collaboration with the Inland Empire Funders Alliance.

Associations & Intermediaries

There are a number of organizations throughout the Southern California region that provide opportunities for learning and collaboration to grantmakers and nonprofits. But the most active and well-resourced are two situated in Los Angeles – Southern California Grantmakers and the Center for Nonprofit Management.

Southern California Grantmakers (SCG) has become a dynamic force for philanthropy in the region in recent years under the leadership of President and CEO Chris Essel and her team. When she took over in 2013, funders weren’t collaborating with each other as much as they could have, nor were they connecting with other key drivers of change—namely government and business. SCG opened membership up to

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“I believe there needs to be a national call and agreement among philanthropy to increase funds and spend more than their 5% a year on organizations. During this time there needs to be more money going into building housing for middle class families; investing in long term solutions that will strengthen our democracy and provide for job creation in rural and urban areas.”

—Nonprofit CEO, Buena Park, California

government grantmakers as well as consultants and helped initiate collaborations around foster care and veterans issues, to name just a few. More recently, SCG has taken up a leadership role in educating its members on issues of racial equity and social justice, and will continue to push for change in the sector.

“We definitely will continue to beat the drum around these topics. If we are helping philanthropy transform around how they address issues, we can’t do things the way we’ve always been doing them,” says SCG President and CEO Chris Essel. “There needs to be more trust-based work, more collaborative work, more ground-up work that is informed and guided by people on the ground doing the work.” SCG has managed grantmaking funds for specific projects or collaborative funds, but does not have its own endowed funds to distribute.

Catalyst of San Diego and Imperial Counties (formerly San Diego Grantmakers) is also focused on issues of equity in its work with grantmaker members. Over the past five years, its Social Equity Collaborative fund has provided more than \$2 million toward collaborative grassroots racial justice efforts throughout the county. Catalyst, along with SCG and Northern California Grantmakers, created Philanthropy California several years ago in order to strengthen their ability to advocate on a statewide level for legislation related to nonprofits and foundations. They’ve also taken on some collaborative efforts, including one to increase the number of grantmakers committed to funding all aspects of a nonprofit’s operations. Like many regional associations, Catalyst has occasionally managed collaborative funds, but does not have its own grantmaking funds.

Though SCG serves the entire region, grantmakers in Orange County are actively engaged in work together through Orange County Grantmakers. And there are other similar groups in the Inland Empire and Santa Barbara.

Helping to strengthen nonprofits throughout Southern California is the work of the Center for Nonprofit Management, which offers a range of seminars, certificate programs, special events and a popular annual conference. It also offers coaching and consulting services. It does not distribute grants or host collaborative funds.

Elsewhere in the region, OneOC serves Orange County nonprofits through trainings and consulting services. They also partner with local companies to build their corporate social responsibility programs.

Intermediary services also play an important role in the region’s charitable infrastructure. Grantmaker and nonprofit associations, including some of the ones mentioned here, increasingly play that role, offering a home for pooled funds ventures that require a neutral manager, expanded administrative and staff expertise, fiscal sponsorship or a combination of some or all of these. There are also dedicated organizations whose sole mission is fiscal sponsorship and intermediary services. Community Partners in Los Angeles has served in this capacity for close to 30 years, managing more than 150 projects under fiscal sponsorship and about a dozen programs and initiatives as an intermediary. Many of these involve multiple funders as well as state and local government agencies. Others in the region include Heluna Health, Mission Edge, in San Diego, and OneOC and Charitable Ventures in Orange County.

Fundraising Now

To get a sense of where fundraising is for Southern California nonprofits, in the Summer of 2021, Inside Philanthropy checked in with six executive directors and development professionals at a range of organizations large and small across the region.

According to a survey conducted by the Southern California Center for Nonprofit Management, which heard from about 235 respondents, the majority of nonprofits reported feeling uncertain about the coming year and expected revenues to go down somewhat. But the organizations we spoke with generally fared well financially during the pandemic. And for many, it was a time of surprising opportunity.

These seasoned fundraisers roundly commended the region's private foundations for their responsiveness, generosity and flexibility during the pandemic. Funders, they said, had reached out to ask what was needed, gave more and freed up restrictions on funds while trusting these grantees to use the monies as they saw fit.

"It was overwhelming in the nicest way," said Bess Walkes, vice president for development at Planned Parenthood Los Angeles. "[Private foundations] were reaching out, asking how they could help, asking if we wanted them to un-restrict their gift, or give extra money to continue. It was really lovely and such a relief to not have to write a proposal."

Amy Sausser, director of development for the Advancement Project California, also used the word "overwhelming" to describe the response from private foundations. Based in L.A., Advancement Project focuses on policy advocacy, data research and power-building to advance the needs of

marginalized communities. "California is blessed with foundations that understand systems change and power-building and the work it takes to solve intractable problems," Sausser said. "We got through in pretty good shape because our funders understood what we needed."

Veteran fundraising consultant Rebecca Merrell of Netzel Grigsby Associates agreed that funders in both Ventura and Santa Barbara counties, where she works, were particularly responsive. Especially helpful were eased requirements for already overburdened and underfunded nonprofit organizations, especially those in Ventura county. But there were also some funders, she noted, that chose to take a step back and re-evaluate their giving. According to Merrell, the more affluent city of Santa Barbara, unsurprisingly, has a more established culture of philanthropy. Ventura, where per capita giving is significantly less, has what she described as a more homegrown approach.

The concern is that funders will choose not to stick with the changes grantees found so liberating. Some fundraisers have noted that institutional donors are beginning to ask for grant reports or are requiring proposals again.

For those working on issues that took on greater resonance during the events of the last year and a half—for instance, racial equity, anti-Black and anti-Asian racism, and food insecurity—concerns about the staying power of these priorities were particularly acute.

"Will Blacks still be the 'new black' in five years, is what we're asking," said Rev. Samuel Casey, executive director of Congregations Organized for Prophetic Engagement (COPE). COPE is a leading community organizing and advocacy organization

in the Inland Empire, comprising parts of Riverside and San Bernardino counties and adjacent regions inland of Los Angeles. “We need foundations to be prepared to fund us beyond this moment... We need more long-term funding to allow us to do some planning and thinking.”

Anahid Brakke, president and CEO of the San Diego Hunger Coalition, expressed frustration that prior to the dramatic increase in food insecurity experienced during the pandemic, funder interest in the issue was on the wane. “I think we’re really at a turning point, now,” she said. “Funders are going to need to decide if they are willing to fund basic needs... and whether they will continue what they started, which is a more trust-based approach.” Brakke also asked whether funders will continue acknowledging the expertise of those long on the front lines of these issues.

In Orange County, Mary Anne Foo, executive director of the Orange County Asian Pacific Island Community Alliance (OCAPICA), is encouraging funders to consider how they’ll continue addressing issues of anti-racism and equity moving forward.

Community Organization Spotlight



Founded in 2000 by a group of pastors, C.O.P.E. is a Black led, faith-based organization serving the Inland Valley region and focuses its efforts on educational equity, criminal justice reform, and community wellness. C.O.P.E aims to support and revitalize the communities it serves by increasing the power of the people and fighting to change the current systems that negatively impact the Inland Valley region.

The alliance saw financial support increase significantly in response to recent spikes in anti-Asian hate crimes. “You’re pushing equity, you’re talking about DEI, but you have to look at how you’re implementing that and what kind of funding you’re giving,” she said. Foo shared data with United Way board members, for example, revealing that in the last five years, they had not given to any organizations serving the Asian-Pacific Islander community, something they had not realized.

While current funding seemed on track for most, future prospects seemed to be in question. “Those who had the courage to keep going during the pandemic have actually done very well,” said Merrell, the fundraising consultant focused on Ventura and Santa Barbara. “Those that closed in on themselves, who stopped communicating with their donors and clients—they’re now trying to emerge and having a hard time.”

Merrell pointed to two organizations that successfully forged ahead with \$5 million capital campaigns, despite the setbacks of the pandemic. The Boys & Girls Clubs of Greater Ventura and Port Hueneme raised a majority of the funds they needed to add STEAM centers to all their sites, while the Santa Barbara Public Library Foundation, which is raising funds to renovate a plaza area, is at 80% of its goal. Individual giving accounts for a majority of funds raised, she said.

Planned Parenthood, which had a banner year in 2020 thanks to funding from private foundations, according to Walkes, will lower expectations for the coming year by about 20%. Planned Parenthood expects mid-level giving to be down and the organization will again nix plans for its big annual event. Work with donors will continue. “There’s

been something really grounding about this whole year,” Walkes said. “It’s changed my relationships with donors. It all got more personal.”

As the only Black-led organization that, for 20 years, has been addressing racial inequity in the Inland Empire’s Black community, COPE saw awareness of its mission increase significantly in 2020. The organization received such an influx of donations from private foundations and individuals in the wake of the 2020 racial justice protests that it was difficult to keep up with, bringing into high relief the organization’s capacity issues. But “courageous conversations” are beginning to happen, said Felicia Jones, COPE’s assistant director. According to Jones, COPE is finally talking to funders about “the need to invest in our operational capacity, shoring up our back office and solidifying our salaries. We have pay inequity... and we need to be able to attract and retain staff if we’re going to continue to grow this work.”

Both corporate and individual funding increased last year for both OCAPICA and Advancement Project California, a majority of it unsolicited. A gift of \$500,000—very large for Advancement Project California—came from Niantic Inc., a San Francisco-based tech firm. In the wake of George Floyd’s murder and the ensuing protests, “[Niantic] did a ton of research and settled in on Advancement Project. I have to say, my mouth dropped,” Sausser said, noting that her organization does not typically receive much corporate funding.

Governor Gavin Newsom also name-checked the Advancement Project in a newsletter, resulting in thousands of smaller individual donations to the organization. During the pandemic, Advancement Project tracked the spread of COVID, analyzing its

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“Our regular donors are primarily over 50 years of age with a large cohort 70+ who still want paper newsletters and funding solicitations with remit envelopes. We are all struggling to cross the digital divide—raising funds online when your primary donors aren’t there yet or don’t plan to be.”

—Fundraiser, Los Angeles, California

impact on all counties across the state and creating a “vulnerability and resilience index” to help state and local government direct funds to areas most in need. Going forward, Sausser said Advancement Project California will take this opportunity to work on cultivating those new donors.

Foo of OCAPICA said the pandemic pushed her organization to be more creative. She credits younger staff with social media skills for helping the organization tell its story better, particularly as anti-Asian hate crimes surged. As a result, OCAPICA saw more giving from individual funders and an increase in interest from corporations. Going forward, Foo’s staff have reorganized into teams to better harness their talents and focus on stronger communications and donor cultivation.

“I feel very, very hopeful, because I feel like we’ve gone through so many challenges and we’ve learned so much,” Foo said. She spoke at length about how she thinks going through the economic downturn beginning in 2008 prepared the organization—and funders—to better face the challenges of 2020. “And I think our resiliency is really, really high,” she said.

An Analysis of Opportunities & Challenges

There is no denying the devastation COVID has wrought across the United States, and Southern California has been no exception. Yet it has also presented the region's social sector with a new opportunity, nothing short of a dramatically altered way of operating.

Foundations seemed to surprise even themselves at their ability to respond to the pandemic with both speed and agility, two adjectives not often associated with our current understanding of philanthropy. And yet, many foundations of all sizes were quick to alter their protocols for the benefit of their reeling grantees. Reporting requirements were scrapped and modifications to grant agreements were made on the fly, allowing monies to be re-directed as nonprofits saw fit.

Funders asked what was needed and gave accordingly, and continued to ask and listen. They put their trust in nonprofits to best decide how to serve their communities.

The question going forward is: Now that the door is open to a new kind of donor/grantee relationship, will funders continue to step through? The potential is exciting. Funders could use this moment to begin addressing the power imbalance inherent in their work by deepening this trust-based approach. It would mean continuing to listen to the needs of the nonprofits they fund and respond with more general operating funds, with capacity-building support, and with more flexible, multi-year funding less burdened by onerous reporting requirements.

Funders could also stay close to the communities they most want to serve, not leading but exploring

how communities themselves are responding to the crisis and finding ways to support what emerges, even if it doesn't take the form of a traditional organizational structure. Grassroots networks may require new approaches and funding strategies.

Some funders during this time did give beyond the 5% requirement, but could there be a more critical time for that to continue, and for many, many more to push beyond a figure that is only meant as a floor? Greater transparency should also be a requirement for the tax benefits philanthropists enjoy. Far too many foundations have no website and no discernible way for nonprofits, or the communities they are supposed to benefit, to know how they are benefiting the public good.

Talk of equity, anti-racism, and the need for systemic change is on the lips of many funders across the region. And much is being done to start addressing these deeply critical issues. But how far will funders go? Beyond funding initiatives, foundations need to take difficult steps to address issues of equity internally, involving grant application processes, hiring practices, and internal work on the part of staff, all the way to the C-suite and boardrooms. Philanthropy should also be cautious and not lose sight of equity as it relates to gender, LGBTQIA communities, people with disabilities, immigrants and Native groups.

Foundations will hopefully continue to build on the complex work they are doing collaboratively, seeking to address the intersectional root causes of seemingly intractable problems like homelessness and poverty. Bringing along less-engaged philanthropists would be a positive step, as well.

The vulnerabilities laid bare by the pandemic should also point funders toward the need to invest in disaster resilience, because there will be more disasters. In Southern California, that means investing in building resilience in those communities of color most vulnerable to wildfires, or the next earthquake, the impact of climate change, or the next pandemic.

Disparities in giving across the state, as well as within the region, also present an opportunity for change. The information is readily available. If the historic underfunding of Southern California's inland communities is allowed to continue, it will do so at the peril of the region at large. Again, investment in the seemingly more mundane aspect of nonprofit work—in building capacity and infrastructure—is what will be needed to empower these communities.

Southern California philanthropy is at a historic moment in its growth as a sector. The changes made now, at this moment of inflection and disruption, could have an enormous impact on shaping the region for future generations.

Collaboration Spotlight



PHILANTHROPY CA
An Alliance of Northern California, Southern California and San Diego Grantmakers

Philanthropy California is a collaborative effort between Northern California Grantmakers, Southern California Grantmakers, and Catalyst of San Diego and Imperial Counties. The alliance represents over 600 foundations, corporate funders, individuals, families, giving circles, and government agencies. Working with Grantmakers for Effective Organizations, Philanthropy CA leads statewide projects increasing grantmakers committed to supporting all aspects of nonprofit operations, advocates for state legislative bills impacting philanthropy, and coordinates statewide communications to ensure the philanthropic sector has a voice in matters of mutual concern.

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¹Based on available grantmaker data from Candid. Excludes federal funding, funding by higher education institutions and major donor advised funds (DAFs.)

²Based on available grant recipient data from Candid. Excludes government organizations.

Feedback?

The State of American Philanthropy is an ongoing project, each SAP brief will be updated periodically to integrate new information, additional data and evolving perspectives. If you have comments or information you'd like to share with us, please email us at managingeditor@insidephilanthropy.org.