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WHAT'S HAPPENING

Donors Give More

CCF donors contributed \$142.6 million from July 1, 2008 through March 31, 2009, up 10.6% compared with the same period in 2007-08. During the same periods, CCF awarded \$120.8 million in grants in 2008-09 through its foundation directed and donor advised funds, 38% more than the previous year.

Volunteers Give More

People who volunteered two hours a week donated an average of \$124,267 — more than three times what non-volunteers donated on average in 2007, according to a recent study by Bank of America and the Center on Philanthropy at Indiana University.

Business Owners Most Generous

Entrepreneurs who made their money from a family or startup business gave nearly \$250,000 in 2007 on average, 2.5 to 7 times as much as other high net worth counterparts, according to the Bank of America study.

see page 4 for more...

BACK TO BASICS:

Working Together to Feed and Shelter the New Poor

These turbulent times are devastating the basic needs of the most vulnerable people and families in our communities. Demand is outweighing supply as donations to nonprofits that provide food and shelter dwindle. Because of record layoffs, foreclosures and bankruptcies, we're seeing a new set of populations who have been forced to turn to help for the very first time in their lives.

In Los Angeles County, the need is especially great because of a 10.9 percent jobless rate that is higher than the national average of 8.5 percent in March (a 25-year high), 73,000 homeless and a 41 percent increase in demand at food banks. The California Community Foundation (CCF) has taken the lead in rallying support among funders, donors and nonprofits to work together to feed the hungry and shelter the homeless in this great time of need.

Basic Needs Get a Boost

California Community Foundation (CCF) donor and advisor Paul Shoop's deep concern about basic needs prompted him to call the foundation last fall to find out what CCF was doing to address the growing demand for services.

At Union Rescue Mission, where Shoop, 61, is a board member, nearly half of the families are homeless for the first time in their lives.

"This can happen to any of us. I believe the period we're about to go through is going to be the most difficult period this country, this city, this county has ever seen," Shoop said. "The service providers are essentially out of money and out of resources and if the funding sources don't come along and provide help, some very desperate populations aren't going to be served."

A funders meeting in January around basic needs was hence born. CCF sponsored the meeting along with the Weingart Foundation and United Way of Greater Los Angeles (see related story). Said Shoop: "We really applaud how CCF is bringing funders together to discover where the needs are, making the needs known to the public and getting resources to where they're needed."



Top right: Paul Shoop

Above: Union Rescue Mission serves nearly 3,000 meals a day, 900 more than last year. (Photos courtesy of Union Rescue Mission)

Collaborating During Tough Times

Partnerships and collaboration are the best way to respond to the acute demand for social services, funders agreed in a meeting to discuss how they could work together in the midst of the economic and housing crisis in Los Angeles County.

The meeting of 14 funders in January was sponsored by the California Community Foundation, the Weingart Foundation and United Way of Greater Los Angeles.

"The vast majority of funding comes from government," said Antonia Hernández, president and CEO of the California Community Foundation. "Philanthropy is the entrepreneurial arm. How can we use our limited dollars to help? Through partnerships and collaboration. That's how we can make an impact."

Recommendations from the meeting:

- **Collectively advocate at the state and national levels that all these problems are connected and have a ripple effect.**
- **Use the crisis as an opportunity and question basic assumptions about how things are done in human services.** Example: programs for homelessness deal with the symptoms rather than "the glue," such as case management.
- **Fund areas of innovation and research and come up with alternatives.**

more on Basic Needs: pages 2-3



ASK ED



Remembering CCF in Your Estate Plan

By Ed Mullen

Perhaps you're feeling pinched these days, but you still want to make a difference by giving in the future to a cause that is important to you.

The simplest way to do that is to include CCF in an estate plan, leaving an outright bequest to the foundation upon death through a will or revocable trust. This outright bequest can consist of any form of property (i.e., cash, securities, real estate and collectibles). An outright bequest can be a specific amount of money, a designated item of property, a certain percentage of the estate or the residue, or part of the residue, of your estate.

When you name CCF as a beneficiary in your estate plan, you become a member of CCF's Legacy Society, a premier group of donors whose philanthropic work will help make Los Angeles County a better place to live. Legacy Society members are recognized in our annual report and other publications, as well as at special events held in their honor. I am always available to discuss estate planning opportunities and concerns with you and your family. Contact me today at (213) 413-4130.

Ed Mullen is the foundation's estate and gift planning officer. Have a question or topic that he can address in subsequent newsletters? E-mail him at emullen@ccf-la.org.

DONOR SPOTLIGHT:

Getting Advice on a Capital Campaign

Peter and Cam Starrett created a donor advised fund at CCF in 2004 by donating stock. The fund supports literacy and reading and social service programs. Peter is a senior executive with more than 20 years of operating experience in the retail industry. He has been affiliated with Freeman Spogli, a private equity investment firm, since 1998. He is also vice chair of the board of Goodwill Southern California. Cam retired from Nestle USA three years ago as executive vice president of human resources and is now a business consultant and chair of The Wonder of Reading. Their son, Grant, 21, is a senior at Stanford University studying history. He plans on going to law school and then public service. As chair of Goodwill's five-year, \$15 million capital campaign to renovate Goodwill's three campuses and expand its job training and placement programs, Peter Starrett credits CCF with helping him weigh the pros and cons of launching the campaign in economically turbulent times.



Cam and Peter Starrett.

Q: Why did you seek CCF's advice on your capital campaign?

PS: "Our capital campaign total is \$15 million. We will take out a bond for about half of that but will have to raise the other \$7.5 million. The campaign will bring our campuses up to 2009 standards and double the number of clients served to over 60,000. I called John Kobara at CCF (senior vice president, external and donor relations) in October to ask for advice on how to approach foundations because clearly resources were going to be much more precious going forward. I wanted his advice on ways we could have a successful campaign in spite of the economic turmoil. He spent a lot of time with me talking that through. This was very valuable because I was going to the first campaign meeting that day and in that sense, CCF was involved right at the inception. One of the questions I asked was, should we delay the campaign? He said no, not in his judgment. Because of the nature of what we do, our services during tumultuous times will be needed more than ever and that will make a very compelling case to foundations and donors. That was probably the most important advice. There was a lot of debate on our board, but the authority of CCF was impactful and helped us make the decision to launch the campaign. Since then, demand for services is off the charts. We're bumping up our capacity so we have to expand."

BACK TO BASICS:

How You Can Support Critical Needs

Thanks to the generosity of our donors, CCF has raised more than \$233,000 to support basic food and shelter needs of our community. Including CCF's match, we raised a total of \$85,525 for the Share the Joy Fund, which benefits the Los Angeles Regional Food Bank.

An article about the Pass it Along (Acts of Kindness) Fund last month in the *Los Angeles Times Magazine* generated donations of \$147,726 from new and existing donors. The fund, which has a balance of \$257,967, helps individuals who need emergency financial assistance. To donate, go to www.calfund.org.

HOW TO GIVE IN CHALLENGING TIMES:

Ask the Right Questions, Know Your Goals

Vera de Vera, director of grants at CCF, shares her thoughts on how to become an effective philanthropist in the current recessionary climate. De Vera helps oversee a program that recommends just 1 in 10 grant requests for board approval a year.

What kinds of grants are most needed in this climate?

“General operating costs, unrestricted funding and multiyear grants. Because funding sources have dried up and demand is so great, organizations now need to be able to use contributions as flexibly as possible. We also recommend multiyear grants because they enable nonprofits to effect long-term change.”

What are the key steps that lead to impactful giving?

“A deeper relationship with the organization. This requires time to understand not just the organization but also the community in which it operates, to understand the challenges that might affect the organization’s results.”

What are the most important questions to ask a potential grantee?

“Donors first need to know their own mission and vision for giving, and ask themselves how the organization’s own mission or work aligns with theirs. Then they need to ask the organizations:

- What difference are you making in your work? That’s different from how many people they’re serving. It’s not just about the numbers of participants served, but how the organization’s work has changed or improved the quality of life for the participants.
- In this climate, how are you doing business differently? Demand is up and resources are down, and organizations have all had to adapt in different ways.”

What resources are available?

“Donors should consult other donors and grantmaking trade associations like Southern California Grantmakers or the Association of Small Family Foundations. Look at nonprofits in the field and their benchmarks, to get a sense of realistic measures. A great online resource for donors is www.smartlink.org. It covers issue areas, helpful resources, networking for donors to meet like-minded donors, and tips and questions to ask for more impactful giving.”



Donors Contribute More Than \$1 Million To Basic Needs

California Community Foundation donors contributed more than \$1.2 million to basic needs organizations that serve communities in L.A. County between July 1, 2008 and March 15, 2009.

What Was Your Life-Altering Experience?

Developing a grantmaking plan and sticking to it is one of the lessons that donor Linda Duttenhaver learned at CCF’s “Grantmaking Essentials” workshop she attended in 2007. Said Duttenhaver: “The way to develop a plan is to hone in on those areas that have personal significance, and not just respond to requests from others.”

For example, Duttenhaver’s support for international education comes from a year spent abroad in France while in college, an experience that changed her life. She set up a scholarship program at the University of California to help students with financial need to achieve their dreams of studying abroad. Since the program’s inception in 2004, more than 180 beneficiaries of her scholarships have studied in Europe, Southeast Asia and the Middle East.

“Having a positive impact on someone’s life is immensely satisfying,” said Duttenhaver.



GIVING TRENDS

Today's economic and social climate has led to many questions about who is giving, why, and if these trends should change. A recent report, *2008 Bank of America Study of High Net Worth Philanthropy*, by the Center on Philanthropy at Indiana University, examines the giving, consulting and volunteering habits of 20,000 high net worth households nationwide. High net worth was defined as household income greater than \$200,000 and/or net worth (excluding the value of their residence) of at least \$1 million. Following are key findings:

HIGH NET WORTH GIVING AT A GLANCE

High Net Worth Households Comprise Majority of All Giving

Wealthy people account for about half of all giving, and between 65 and 70 percent of all individual giving. All giving includes giving from corporations, foundations and both living and deceased people.

Flexible Support Favored

- The majority of high net worth households gave their largest gift to general operating support in 2007 (56.7 percent), with more than one-third citing long-term investment (37.2 percent) and supporting growth (34.1 percent) as other main objectives.

Need for More Long-Term Support

- Few high net worth households gave their largest gift as multiyear grants (30.8 percent) compared to one-time gifts (69.2 percent).

See page 3 to learn more about effective grantmaking.

Seeking Help with Mission

- 34.2 percent of high net worth households consulted community foundation staff on mission definition/creation, second only to peers and peer networks (40.8 percent).

Distribution of High Net Worth Aggregate Giving by Subsector, 2007 (%)

This chart shows the top five issue areas to which high net worth households give: Education ranks No. 1 at 27 percent, with giving vehicles (gifts to private foundations, charitable trusts and donor advised funds) and religious organizations comprising 16.5 percent and 14.6 percent, respectively.



Education
27.1%



Giving Vehicle
16.5%



Religious
14.6%



Health
10.4%



Combination
6.8%

Note: Aggregate giving means direct giving through personal assets including giving from foundations, funds and trusts. 'Giving Vehicle' represents gifts to private foundations, charitable trusts and donor advised funds. Source: 2008 Bank of America Study of High Net Worth Philanthropy.

Nonprofit Sector Suffering: Study Calls for Service Jobs, Incentives for Volunteering

The U.S. economic debate has ignored a key player: the nonprofit sector, which constitutes 11 percent of the American workforce, more than the auto and financial industries combined, according to a report from the W.K. Kellogg Foundation. Nonprofit revenues fell by a median of 2.4 percent in the first half of 2008, with donors down 3.8 percent compared to the same period in 2007.

The report recommends that the national government support the sector by sponsoring service jobs, incentives for volunteers, and capacity building for nonprofits facing overwhelming demand from the community. Read more about the challenges your grantees and the nonprofit sector face at www.civicenterprises.net.

Foundations Gave More as Economy Plummeted

U.S. foundations gave 2.8 percent more in 2008 than in 2007 for an estimated total of \$45.6 billion. Community foundations surpassed corporate foundations for the first time, giving 6.7 percent more in 2008 for a total of \$4.6 billion. Source: Foundation Center

Foundations in the Western United States Gave Most

Foundations in the western region awarded the largest portion of grant dollars in 2007, with a focus on health. Foundations in other regions focused most on education. Source: Foundation Center



The California Community Foundation meets the most rigorous standards in philanthropy and complies with the National Standards of U.S. Community Foundations.

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