California Community Foundation (CCF) has been the public foundation in Los Angeles for individuals, families and organizations since 1915. It serves immediate needs and local nonprofits while facilitating philanthropy and civic engagement in perpetuity. In 2011, therefore, CCF commissioned a study from the RUPRI Center to project wealth and the opportunity for wealth transfer between generations of Angelenos over the course of 50 years. Here are selected highlights from the report, *The Future of Philanthropy in Los Angeles: A Wealth of Opportunity.*

**The Opportunity**

- Los Angeles County residents have an estimated net worth of almost $1.3 trillion, the result of assets accumulated over a lifetime, savings and investments. Almost $114 billion will be transferred between generations by 2020, and an estimated $1.4 trillion by 2060.
- To put this in perspective, if just five percent of transferred wealth in the next 10 years was invested in L.A.’s nonprofit community, that amount – $5 billion – would fund all operating expenses for more than 15,000 of the 19,000 nonprofits (75 percent)!
- By 2060, the L.A. transfer of wealth is predicted to be 424 percent higher than Chicago, 590 percent higher than Cleveland and 1303 percent higher than Philadelphia.

Some areas of the county have more potential for wealth growth and transfer than others, but all wealth is mobile and distributed over time.

**The Reasons Why**

L.A.’s growing and future wealth is being driven by U.S.-born and immigrant entrepreneurs.

**Entrepreneurship**

In 2010 the Los Angeles Metro Area had the highest level of entrepreneurial activity among America’s 15 largest cities, according to the Kauffman Foundation’s 2010 *Kauffman Index of Entrepreneurial Activity.*

- L.A. and its surrounding area was the most entrepreneurial “big city” in the U.S. in 2010, with more entrepreneurs per capita than the Silicon Valley, New York or any other major metro area – 620 per 100,000 adults.
- When it comes to generating wealth, the Federal Reserve reports that entrepreneurs generate nearly six times the wealth of non-entrepreneurs – an average net worth of $2 million, compared to $368,000.

**Immigration**

L.A. is a preferred destination for high net worth and highly educated immigrants. According to the report, they are attracted by:

- Higher education and research talent
- Economic and political safe harbor
- Pacific Rim connection
- Large and growing immigrant communities

Immigrants are more than twice as likely in 2010 to start businesses each month.

**The Great Resources and Great Needs**

- On one hand, L.A. County is home to 28 billionaires, with a total net worth of $67.55 billion.
- On the other, more than 1.25 million households (38.2 percent) in the county have zero or negative transferrable net worth (almost 2 of every 5 homes), including a majority (56%) of South L.A. residents.
- L.A. County is home to 19,000 nonprofit organizations and 2,412 private and community foundations.

Transforming any amount of wealth into investments in nonprofits with impact takes vision, planning and means for donors. Accepting planned gifts takes vision, planning and means for nonprofits as well.

**The Need to Tell L.A.’s Story**

Los Angeles receives less funding from national foundations than other major cities. A comparison of grants to top metro regions from the top 50 U.S. foundations (2009 data):

- New York – $1.5 billion ($80 per capita)
- San Francisco – $943 million ($218 per capita)
- Los Angeles – $781 million ($60 per capita)
- Boston – $716 million ($218 per capita)

Just as businesses need to create more jobs in communities of L.A., national funders need to invest more resources in the needs and nonprofits of L.A.

To read the full report, visit calfund.org/transfer