

The State of OC Philanthropy: A Closer Look at Regional Grant Making



**ORANGE COUNTY
GRANTMAKERS**

Thirteen years ago, a group of regional funders commissioned a UCLA study of the nonprofit and philanthropic sector in the region. The results, which highlighted significant gaps and challenges, were the impetus for launching the OC Funders Roundtable to significantly increase the impact of philanthropy in Orange County. Today, that organization has evolved to become Orange County Grantmakers (OCG), a regional grant making association of more than 30 members. To better understand the current state of Orange County philanthropy and how it has changed since 2007, OCG commissioned a new study. The analysis consisted of a comprehensive survey of active OC grant makers, interviews with several regional grant makers, and a review of past documents and recent 990s. This is what we found.

We Are a Relatively Young Sector and We Have Grown and Changed

Then and Now

In 2004, identified Orange County foundations awarded \$50.2 million dollars to county nonprofits.

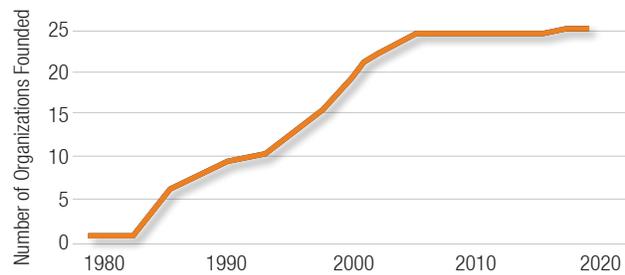
In their most recent Fiscal Year, identified Orange County foundations awarded at least \$174.3 million to Orange County nonprofits.

This total is undoubtedly an under-reporting as not all corporate, private or family foundation giving is captured. This total includes 28 foundations that responded to the survey and 11 that were included based on 990 research.

According to the foundations interviewed, several features about the philanthropic space in Orange County reflect *“to some degree, the newness of Orange County. We really weren’t developed before the early 1960s... The real boon of the broader nonprofit community happened from the mid-1970s to the late 1980s.”*

Growth of the Sector

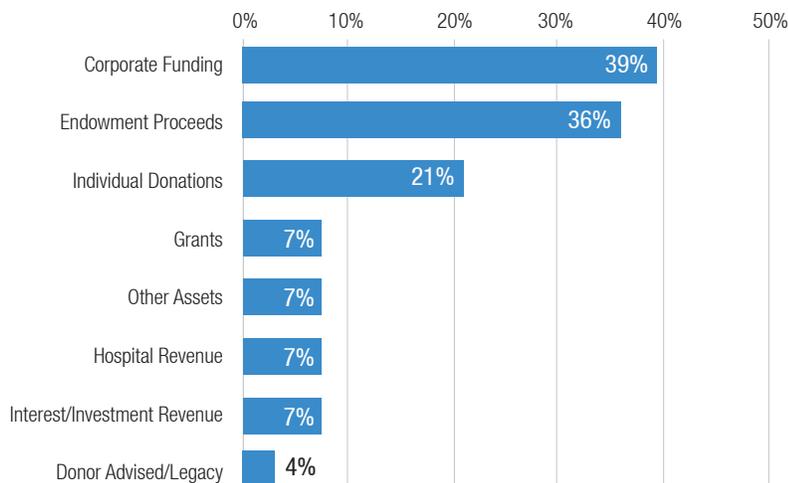
(Pre 1980-2017)
(n=25)



Sources of Funding

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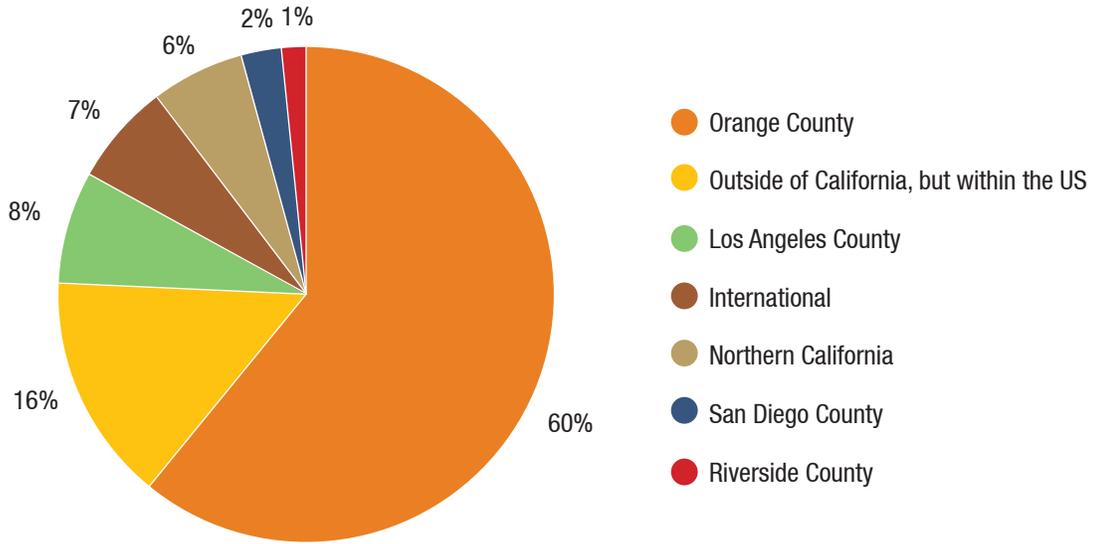
(n=28)



Where the Money Goes

Geographical Distribution of Funds

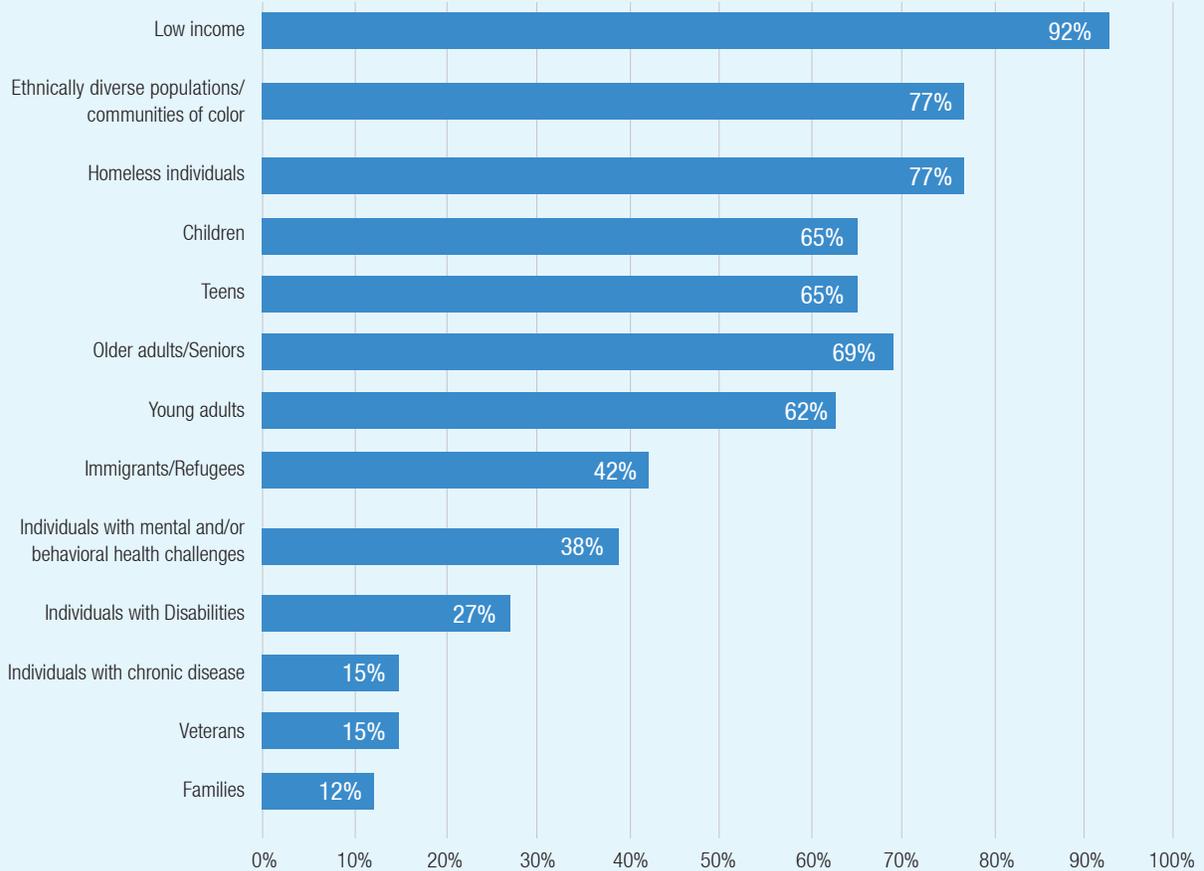
(n=28)



Target Beneficiaries

(n=26)

Respondents could mark all that apply



One foundation indicated environmental focus and one indicated a focus on women and girls.

Top Areas of Strategic Investment

Strategic Priority Area (n=26)	Percent
Housing	23%
Education	17%
Access to health care	13%
Jobs & Skills	8%
Hunger	8%
Older adults	6%
Inclusive community development	6%
Health & Human Services	6%
Mental health	6%
Financial health	6%

On Collaboration

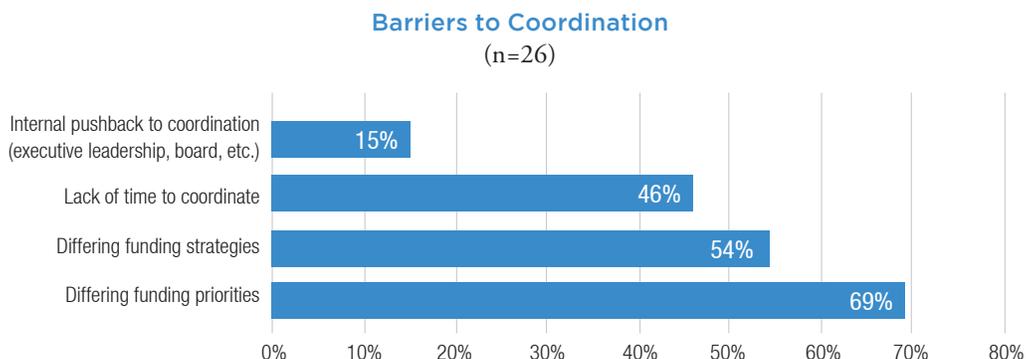
One of the most resounding findings is the extent of philanthropic collaboration and growth in philanthropic collaboration since the previous assessment of the sector. 86% of funders have policies that allow granting to a pooled fund for collaborative funding. From very little formal collaboration in 2007, this is a snapshot of OC philanthropy's collaborative engagement today.



50% of funders reported participation in at least one additional local, regional, or national partnerships.

From 2007 to the present, philanthropic organizations have become less siloed, and engaged in more strategic conversations about impact, equity, systems-change, policy and advocacy. Some of the conversations are still new, but they are happening at a furious rate and with extensive engagement.

However, we know that collaboration and coordinated funding is not easy. Only 36% of funders stated that efforts to coordinate funds were very effective. Barriers to coordination were:



A majority of funders surveyed (79%) stated that they would like to coordinate funding more closely if they could. When asked how to improve coordination, some solutions shared include:

- Stay in the conversation despite diverging priorities or strategies or time constraints
- Seek commonalities and overlap
- Ensure that all are invited into the conversation
- Facilitation and backbone support

Systems Change, Policy, and Advocacy

OC grantmakers are relatively comfortable with systems change work, and stakeholders are increasingly getting into the conversation about funding nonprofit policy and advocacy work.

When asked how funders support their strategic priority areas, 96% indicated through programming and services and 54% through policy and system change; 50% do both.

Within policy and advocacy support, organizations mostly fund general issue advocacy and outreach (80%). Fewer organizations fund engagement of elected officials on issues (27%), voter registration or education (20%), canvassing (13%), and phone banking (7%). None reported funding direct lobbying. For organizations that are working in the area of civic engagement, policy and advocacy, or considering getting involved, the philanthropic support in OC is still relatively scarce.

One foundation leader stated, *“systems change is something we have been talking about for 10 years. Understanding that none of these problems exist in silos, that they are interconnected... that is something that we are comfortable with and more versed in as funders. Regarding advocacy, which has so many facets, there is the least amount of comfort and expertise on the policy level, other than policy at the county or city level.”*

Another foundation leader echoed the same thoughts on newness. *“Advocacy is relatively new for us in philanthropy collectively. I’m sure each individual org does its own advocacy work, but I think collectively we realize that we need a collective voice. It’s like anything else, when you divide, everything gets watered down. But if we come together as a collective group of philanthropic professionals and practitioners, it provides leverage for us to tell elected officials that there is a power base that is advocating for certain issues... That’s relatively new... but we have a lot of traction and plans to be involved.”*

As we work to define regional strategic policy and advocacy goals, another foundation leader reminds us of the importance of being thoughtful about racial equity, building the power of youth, and community-led organizations. Also funding policy work and advocacy is commonly a state or national strategy. It is important for Orange County grant makers continue a thoughtful cultivation of relationships with grant making entities and collaboratives outside of the county.

On that same point of interacting with entities outside of the county, another foundation leader stated that, *“OCG has done a great job of plugging into national affiliate organizations, and distinguishing Orange County’s philanthropy and needs. If you look at the immigration issue for example, (the interviewee has) heard that what we do in Orange County (through the Orange County Opportunity Initiative) could become best practice for the rest of the country.”*

Equity

Funders in OC want to engage with the topic of equity. Moreover, the conversation about equity is certainly more active than in years past and most funders believe strongly that they are focused on or becoming focused on the goal of advancing equity. However, 68% of players are not entirely sure how to measure equity. Those who have a strong definition and vision might not be accessible to those who want to learn. What is clear is that there is a strong desire to learn, to engage, and that is a great opportunity for collaboration.

One foundation leader shared how equity has evolved, especially since 2016. *“I had the full support of my board to launch a first ever... a racial justice and equity clear and definitive public statement after George Floyd’s murder. We really never explicitly talked about issues of race (before)...”*

Another foundation leader stated with regard to equity, that for *“some people, this is the first time they’ve heard of it. For some it has been worked on for a long time without realizing it is called “equity”... As we are becoming more educated and clear on what equity is, and coming to an agreement about what the definition is, we can start moving the needle a little more, and being a bit more deliberate about that. Equity work isn’t a program, it’s a complete overhaul of a system...”*

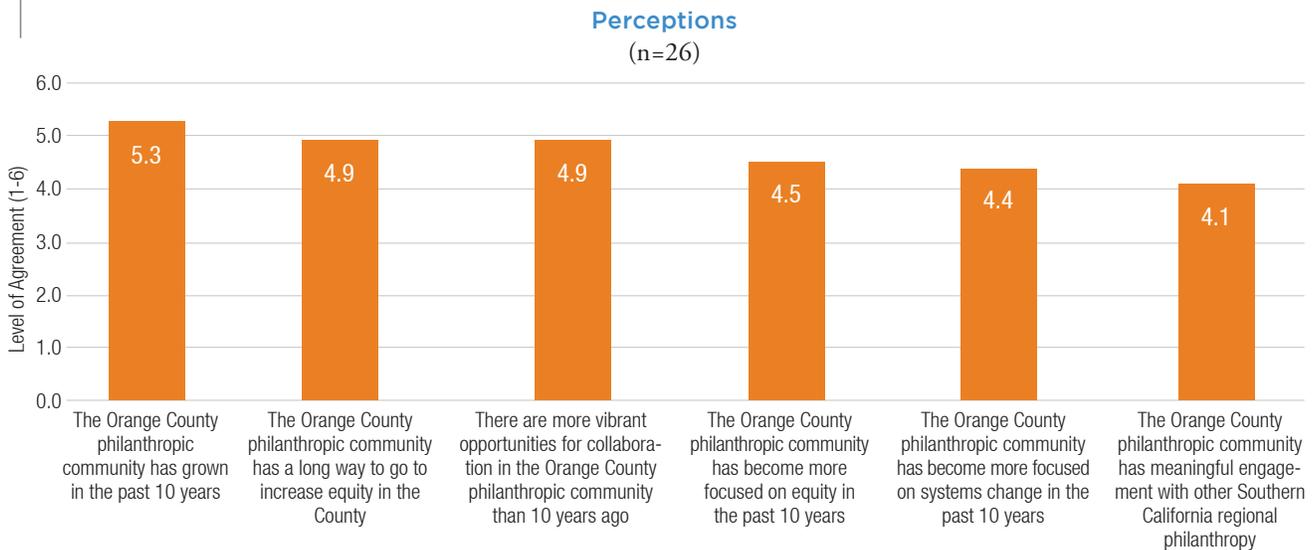
When asked about external barriers to funding equity, they were not overwhelming. 80% of 10 respondents shared that corporate concerns are not a barrier, 70% shared that Board concerns were not an issue either. Some respondents mentioned that the newness of the topic and some difficulty defining strategy posed barriers.

Board demographics is another indicator of equity. An analysis of funders' Board of Directors demographics considering gender and race/ethnic equity is in the chart below.

Demographic Group (n=19)	% Board	% Population	% Nonprofit Workforce
Female	45%	51%	75%
API	13%	22%	*
Latino/a	10%	35%	*
Black/African American	5%	2%	*
Other Communities of Color	5%	2%	*

* = Local data is not available for these categories.

Perceptions and Next Steps



Funders were asked about their perceptions of philanthropy in the county. They largely agree that the OC philanthropic community has grown in the past 10 years, and that there are more vibrant opportunities for collaboration. There is slightly less agreement that the philanthropic community has become more focused on systems change and equity. And while there is more attention to these issues, the conversation and strategic decision making has a way to go. Finally, there is meaningful engagement with other Southern California regional philanthropy, and opportunities to deepen that engagement.

The Orange County grant making community has grown and changed by leaps and bounds over the last ten plus years, in size, in sophistication, in terms of collaboration and strategic conversations, and efforts. As conversations around equity, policy, and advocacy continue, it is critical to remain committed and open to strategic collaboration. For those conversations to yield the best outcomes for those most vulnerable in our communities, all who can must sit at the table together to define equity measurements, to define policy and advocacy goals, and to seek commonalities, and to work collectively together. How do we get there when our missions or strategies vary or our definitions vary or are not yet codified? One grant maker says it best:

“When we disagree with somebody, I think we have to stay at the table and keep the conversation going and we have to keep talking until I understand you, and what your questions are, and what your frustrations are, and you understand me and where I am coming from. And just because we are at a difference of opinion we can’t slam our books on the table and walk out of the process. We have to stay there in the process. And if it takes five years to get to commonality, then that’s five years that gives us a jump start onto the future.”

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Advance social impact by supporting, strengthening,
and building adaptive leadership across our nonprofit
and philanthropic community.

Assessment done by



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Our mission is to support and empower community leaders
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