

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

2021



**ORANGE COUNTY
GRANTMAKERS**

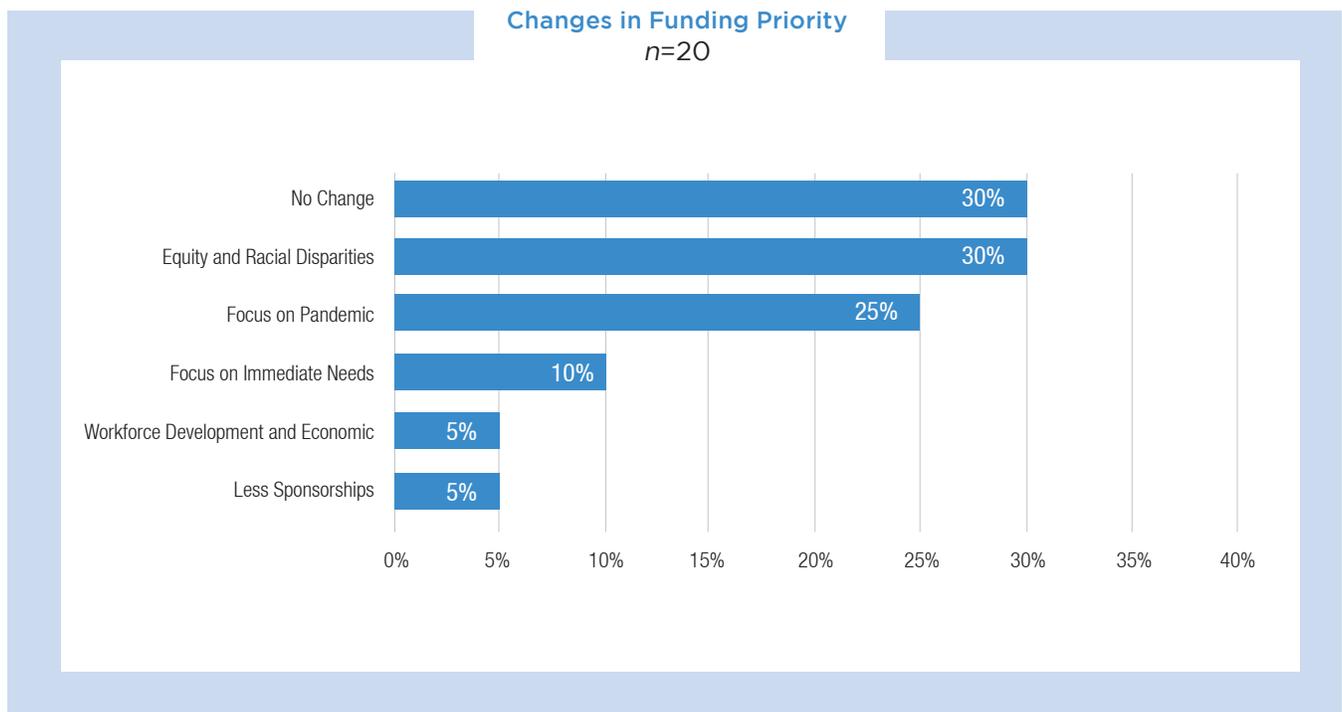
Fourteen years ago, a group of regional funders commissioned a UCLA study of the nonprofit and philanthropic sector in the region. The results, which highlighted significant gaps and challenges, were the impetus for launching the OC Funders Roundtable to significantly increase the impact of philanthropy in Orange County. Today, that organization has evolved to become Orange County Grantmakers (OCG), a regional grantmaking association of more than 40 members. To better understand the current state of Orange County philanthropy and how it has changed since 2007, OCG commissioned a new study in 2020 which assessed philanthropic activity within the county. That assessment consisted of a comprehensive survey of active OC grantmakers, interviews with several regional grantmakers, and a review of past documents and recent 990s. This report is a continuation of the assessment and update of OC Grantmakers' progress and current standing within the region.

Then and Now

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

In the most recent fiscal year of 2020, identified Orange County foundations awarded \$237.8 million¹ to Orange County nonprofits. In the previous year, a slightly larger group of funders provided a total of \$172.3 million to organizations in Orange County. In comparison to the current fiscal year and the previous, this presents a 38% increase in funds. While this is not a strictly even comparison due to the different group size, we can conclude that philanthropic giving in Orange County substantially increased in the past year.

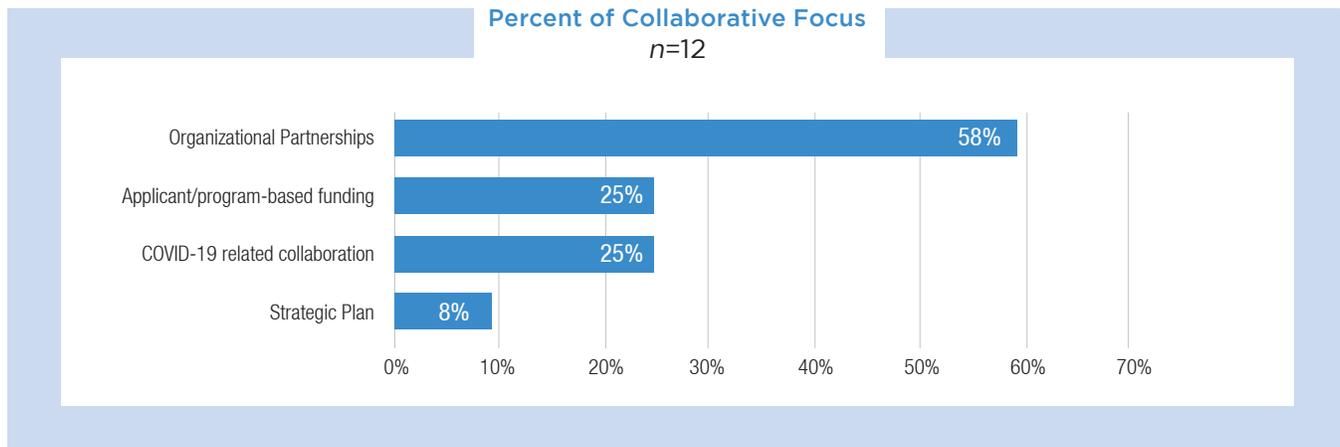
Based on the most recent fiscal year, 20 participants identified how their funding priorities changed in the past year, if at all. 30% of respondents stated that their priorities have not changed. However, due to the pandemic within the past year, 25% of respondents stated that their priorities have shifted to accommodate for the pandemic, including several that have provided emergency relief funds to smaller organizations to stay open. 30% of the respondents stated that they shifted focus more towards equity and racial disparities. Other responses included increased focus on immediate needs such as hunger relief, child care, distance learning, and rent/utility assistance and workforce development and economic empowerment, and a switch from sponsorship to straight donations.



¹ This total is a conservative number based on the survey responses of 21 grant-making organizations. All included funders were members of OC Grantmakers and/or based in Orange County. The survey and research attempted to capture a significant portion of the institutional grant making organizations active in the region. This is not a comprehensive total as it does not include all corporate foundations, the private giving of family foundations with no standardized grant cycles, or non-responding organizations.

On Collaboration

57% of the funders have changed their grantmaking or internal operations over the past year to support collaboration. 25% of these funders have found that collaborative funding during COVID-19 was extremely important to leverage impact and outreach. Additionally, collaborative grantmaking increased due to the pandemic. Another 25% of these funders responded that they have funded programs or applicants that involve collaboration while 58% of these grantmaking organizations collaborated with other organizations to form partnerships to collaborate on areas of focus. 8% of the funders focused internally to refocus on collaboration between funded lead organizations to strategize and engage partners collaboratively and plan for the coming year.



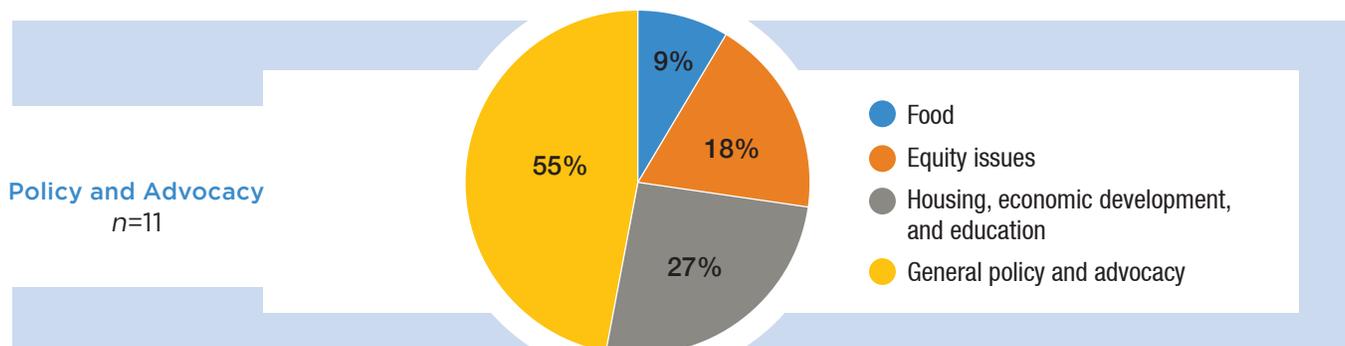
42% of funders surveyed stated areas of collaboration where they would like to focus on or are currently focusing on. Some collaborative initiatives shared include:

- Capacity of partnerships focused on the Social Determinants of Health
- Investment in collaborative to foster systems change and sustainability
- Collaborate in areas of education, youth, and food distribution
- Support new priorities identified in their health needs assessment and advocacy with partner agencies
- Provide food and recognition to front line workers
- Marine conservation program

Systems Change, Policy, and Advocacy

When asked how funders support their strategic priority areas, 52% indicated through advocacy and policy and system change; 43% do both. In comparison to the previous year, when asked how funders support their strategic priority areas in 2019, 54% indicated through policy and system change; 50% do both.

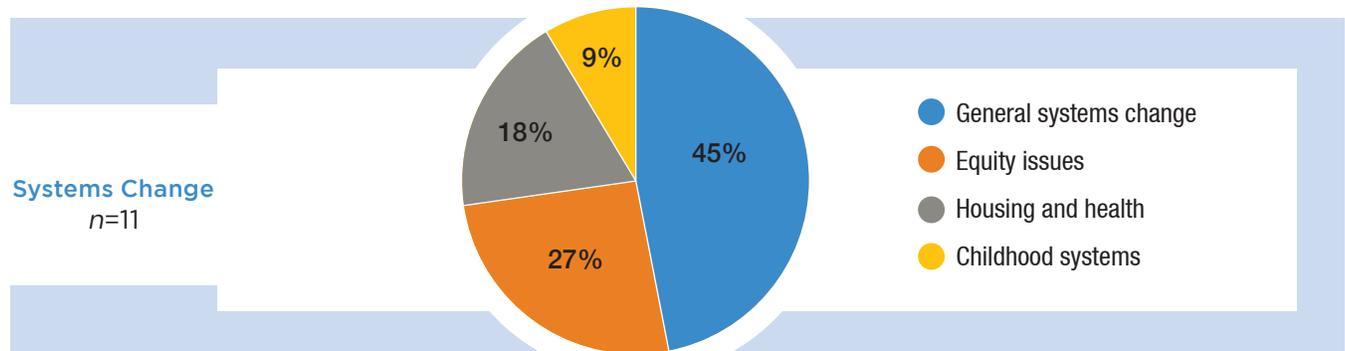
Within policy and advocacy support, organizations mostly fund general issue policy and advocacy (55%). Fewer organizations fund affordable housing, economic development, and education (27%), equity issues (18%), and food (9%).



One foundation leader stated, "This is an area I personally would love to fund but our Board and other staff are not there yet."

Funding policy and advocacy in grantmaking is a way to substantially enhance results and advance goals and missions. It has been described as "one of the most powerful tools available to foundations for creating real change".² Funding policy work and advocacy is commonly a state or national strategy. Few foundations to date have incorporated policy in their grantmaking strategic plans, and foundations that make policy grantmaking are still considered innovators among the industry. It's just a minor typo from incorporating to incorporated. This landscape provides Orange County grantmakers the opportunity to be ahead of the curve by cultivating partnerships and collaborations to create changes and advancement.

For those that worked on systems change, organizations also mostly fund general system changes (45%). Fewer organizations fund on equity issues (27%), immediate needs such as housing and health (18%), and supporting early childhood systems of care (9%).



Another foundation leader expressed that, "We are committed to systems change and realize it is a long process that takes significant conversation and collaboration." Systems change is often about addressing the root cause of social issues. Systems grantmaking influences and analyzes complex issues to create lasting and effective change. In a similar manner to funding policy and advocacy, few foundations have also yet to incorporate system changes in their strategic plan. Systems grantmaking is crucial to influence changes within Orange County.

Equity

71% of the surveyed funders reported being engaged in equity. Within the past year, the conversations behind equity has been more active and a majority of the funders have either been focusing on advancing equity or are becoming more focused. 53% of the funders state that they are beginning to increase support for marginalized communities, be more proactive around equity, and also view persons in leadership positions to examine if there needs to be more diversity internally. 47% of the funders have already been focusing on equity in their strategic plans and funding.

One foundation leader shared that, "Equity has always been an implicit goal, and we have been more explicit in calling it out over the last year. More clear, both internally and in external messaging about how both the strategy and operations is rooted in equity, as well as the destination"

Another foundation leader stated in regard to equity that, "Equity grantmaking this year included funding Systemic Racism, Aces/Trauma and Anti-Asian Hate. It wasn't just the focus of the work that needed to be on equity but those in leadership positions and the board were needing more diversity."

Conclusion

The current state of philanthropy in Orange County reflects of the effects the pandemic of the last two years, and the shift of moving beyond diversity towards racial equity. These trends are shown in data on changes in funding priority, with 25% identifying the leading areas of focus on the pandemic and 30% on racial and equity issues. These dual focus points demonstrate the evolving nature of Orange County philanthropy towards a responsive, equity centered sector that is attuned to the needs of the larger community and the nonprofits that support it.

² Alliance for Justice (2004). Investing in change: A funder's guide to supporting advocacy. Washington, D.C.: Author, p.1