

Despite Pandemic-Era Uncertainty, Many Southern California Fundraisers Optimistic

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There's a lot of money floating around the Golden State, and that certainly applies to Southern California. Anchored by the sprawling Los Angeles metropolitan area and home to a diverse array of cities and suburbs, many with high degrees of affluence, the region is well known for its wealthy residents and well-established philanthropies.

But it's also a place of stark contrasts and urgent needs, many of which have grown more acute during the COVID-19 pandemic. Wealth and income inequality, racial disparities, a housing and homelessness crisis, and environmental stresses are only some of the challenges facing the region and its many nonprofit organizations.

To get a sense of where fundraising is for Southern California nonprofits, Inside Philanthropy checked in with six executive directors and development professionals at a range of organizations large and small across the region. Although this sample group could never stand in for the diverse experiences of Southern California nonprofits more generally, they did share some common experiences, observations and challenges regarding post-pandemic philanthropy in the region.

“Overwhelming in the nicest way”

Respondents roundly commended the region's private foundations for their responsiveness, generosity and flexibility during the pandemic. Funders 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 was when funders eased up on 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.

Will pandemic-era changes last?

Although fundraisers appreciated funders' more flexible, trust-based attitudes during the pandemic, the concern is that funders will choose not to stick with the changes grantees found so liberating. Some have noted that a few funders 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 half—for instance, racial equity, anti-Black and anti-Asian racism, and food insecurity—concerns about whether these priorities will have staying power was particularly acute.

“Will Blacks still be the new black in five years, is what we're asking,” said Pastor 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.

The unrestricted funds the San Diego Hunger Coalition received, Brakke said, allowed it to be “so much more responsive and jump on things that we wouldn't have been able to.” The coalition was able to help schools get the word out and help families access the emergency funds (Pandemic Electronic Benefits Transfer, or P-EBT) meant to replace the loss of federally funded school meals.

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 keep addressing issues of anti-racism and equity moving forward. 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.

Future prospects

Across the region, a majority of nonprofits reported feeling uncertain about the coming year and expected revenues to go down somewhat, according to a survey conducted by the Southern California Center for Nonprofit Management, which heard from about 235 respondents.

These organizations we spoke with, though, generally fared well financially during the pandemic. And for many, it was a time of surprising opportunity.

“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%. Mid-level giving is expected 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.”

“We've learned so much”

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,” Sausser said. “I have to say, my mouth dropped,” she said, noting that her organization does not typically receive much corporate funding.

Governor Gavin Newsom also name-checked 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 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 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 a lot 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.

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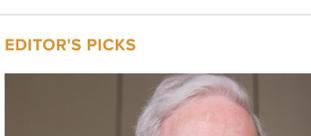
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