

A Brief Overview of “Organized Philanthropy” in San Diego March, 2010

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San Diego Grantmakers

- Regional association of grantmakers
 - ◆ Nearly 90 members – foundations, corporations, other
- **OUR MISSION:** To connect, educate, develop and inspire a diverse group of foundations and corporations to stimulate effective philanthropy in the San Diego region.
- **OUR VISION:** A vibrant, effective and growing philanthropic community that improves the quality of life in the San Diego region.

What is a foundation?

- A foundation is an entity that is established as a nonprofit corporation or trust with the principle goal of making grants for charitable purposes.
 - ◆ **Private Foundations:** Most funds come from one source (individual, family, or corporation). Can be operating foundations.
 - ◆ **Public Foundations:** Funds come from multiple sources. Can be community foundations.

Types of Foundations

- **Family Foundations:** provide a forum in which family members work towards common goals. Advantages include: tax benefits, personal control and flexibility, and perpetuity.
- **Independent Foundations:** independent board develops policies, manages grantmaking and investment of endowment.
- **Community Foundations: local charitable entities that administer a number of donor-advised funds to solve community or regional problems.**
 - ◆ **A donor-advised fund is a charitable giving vehicle administered by a third party and created for the purpose of managing charitable donations on behalf of an organization, family, or individual**
- **Corporate Foundations:** usually started with a single gift that can become the endowment, which may be added to on an annual basis or if profits allow.

Corporate giving programs

- A grantmaking program established and administered within a profit-making company. Gifts or grants go directly to charities from the corporation.
- Can be in Marketing, Public Relations, Human Resources, Community Relations.
- Objectives related to business development, giving back and community improvement.

Other types of SDG funders

- Giving Circles
 - ◆ Social Venture Partners, Women's Foundations
- Government and similar
 - ◆ SD Workforce Partnership
 - ◆ City of SD Arts and Culture Commission
 - ◆ First Five Commission

Sources of Funding for Nonprofits

■ Charitable contributions	19.9%
■ Dues, fees, charges	37.5%
■ Government grants	31.3%
■ Other	11.4%

Giving USA

Sources of giving

- **Individuals and Bequests** 82%
- **Foundations** 13%
- **Corporations** 5%

Giving USA

Government vs. Foundation Funding

■ Government

- ◆ More money: bigger grants, usually pay all costs+indirect
- ◆ More staff, technical assistance
- ◆ Focus on established needs and established applicants
- ◆ More bureaucratic
- ◆ Long, complex proposals & regulations

■ Foundations/Corporate

- ◆ Smaller grant size, usually won't pay all costs or indirect
- ◆ Fewer (if any) staff and resources
- ◆ More likely to focus on emerging issues and new needs: start-up funds
- ◆ More flexible
- ◆ Proposals easier and fewer applicants



THE GRANTMAKING REPORT

*Foundation and Corporate Giving
in the San Diego Region*

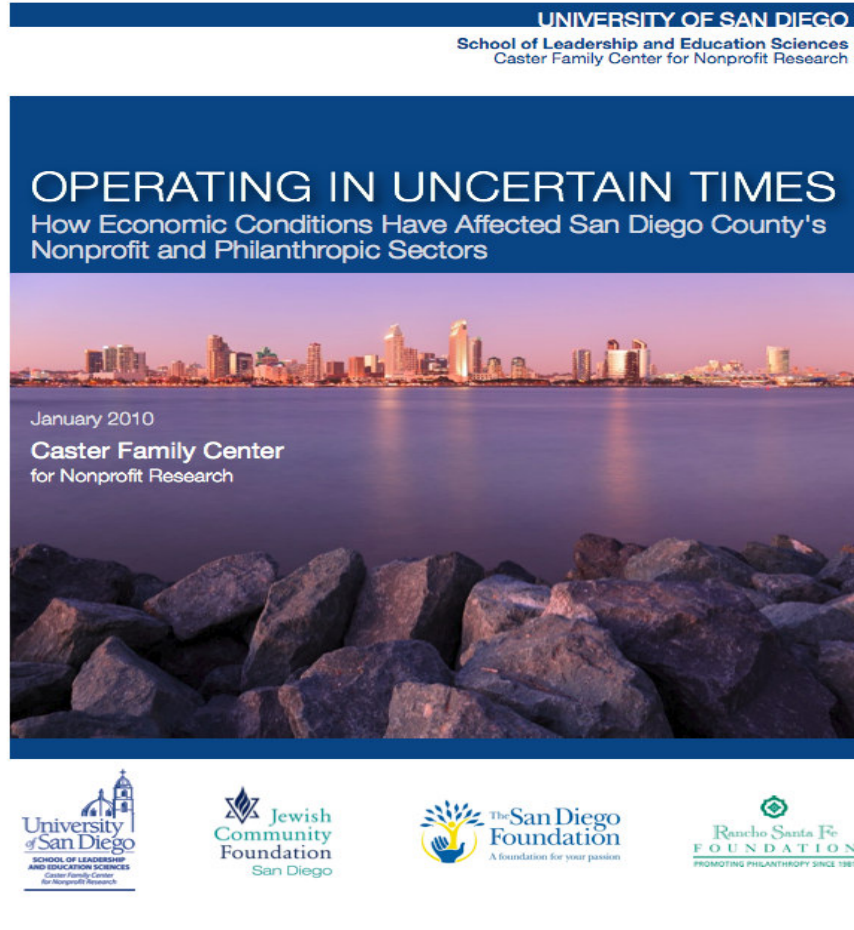
FALL 2008



Quick SD Facts from the Report

- SD based foundations: 499
 - ◆ Typically small, unstaffed
- Over 50% foundations have less than \$500K assets (i.e. give less than \$25K)
- Per capita giving: \$81
 - ◆ LA \$138; SF \$1157; CA \$122
- 50% foundation \$ invested here come from non SD based foundations
- 30% of SD foundation \$ go out of SD

New Research from USD



Some USD results about philanthropy

- Economy has had a negative impact on their organization (68% somewhat negatively and 32% very negatively)
- 78% reported that the value of their assets had decreased (26% greatly decreased, 52% moderately decreased)
 - ◆ Of these, 41% said the value of their net assets declined by 11-20%.
- 57% said their operating budgets had remained the same
38% said their annual operating budget had decreased in some way
 - ◆ Of those, the majority (67%) said their budget had declined by 11-20%
- The vast majority (68%) have scaled back many of their existing programs/services

Perfect Storm...

Nonprofit and Community Need Increased
BUT

Foundation Resources Reduced
Corporate Budgets Slashed
Government Budget Crises

- Not all nonprofits will survive
- Not all people/causes will be served
- New ways to do things will be discovered – an overall “reset”

Resources for Grantseekers

- Foundation Center Searchable Database
 - ◆ NMS www.npsolutions.org
 - ◆ The San Diego Foundation www.sdfoundation.org
- Foundation Center Website/Publications
www.foundationcenter.org
- Foundation Search
www.foundationsearch.com
- Chronicle of Philanthropy
www.philanthropy.com
- Guidestar
www.guidestar.org

- Common Grant Application
www.sdgrantmakers.com/grantseekers

Economy Related Resources for Nonprofits

- **Fieldstone Alliance** www.fieldstonealliance.org
- **Fiscal Management Associates** www.fmaonline.net
- **Nonprofit Finance Fund** www.nonprofitfinancefund.org
- **National Council of Nonprofits**
www.councilofnonprofits.org/economy

Best Practices for Grantseekers

No matter what is going on in the economy

- Do homework; follow directions
- Look for a good fit
- Show commitment
- Demonstrate expertise & convey success
- Input from clients about needs
- Secure multiple funding sources
- Work collaboratively
- Evaluate
- Show sustainability
- Communicate

Some Trends in Organized Philanthropy

- Strategic, Change, Focused
 - ◆ Operating Support/Capacity Building
 - ◆ Venture, Involved
- Collaboration, Leverage, Partnerships
- Advocacy
- Outcomes, Evaluation, Impact
- Transparency and Accountability
 - ◆ Examining Failures
 - ◆ Streamlining Processes

Trouble is opportunity in work clothes.

Henry J. Kaiser