Beyond the Generosity Gap

You've probably heard about the recently released report from UCLA's Luskin School of Public Affairs, regarding individual giving trends in Los Angeles County. Their report[1], commissioned by the California Community Foundation, provides information about local donor behaviors, motivations, and patterns of giving, 2006–2013.

Amongst many key findings, the starkest is this: Angelenos were giving less — much less — even five years post-recession than they were pre-recession. In addition, by the close of the study period, individuals making the very largest gifts were almost without exception directing their funds to organizations *outside* Los Angeles County.

At the same time, the number of nonprofit organizations competing for funding here has continued to grow. The report notes that, as of January 2016, there were 35,226 registered nonprofit organizations with 501(c)(3) status in the region — and, despite some post-recession fluctuation, nonprofits now "appear to be proliferating faster than ever."

Giving USA's 2015 report on nationwide philanthropy details an upward trend for 2014 and 2015. Will Los Angeles experience the benefit from this macro trend on the local level? It's hard to know. In the meantime, UCLA's 2006–2013 study is certainly an important benchmark. And the report's authors not only provide compelling data; they also offer four broad recommendations designed to help the local nonprofit sector in light of their findings. In summary, these recommendations are to: (1) Use cross-sector partnerships to attract funds from outside the region, (2) strengthen and streamline local nonprofits through partnerships, restructuring, etc., (3) build better connections between the donor and nonprofit communities, and (3) pursue planned gift opportunities during this time of unprecedented wealth transfer.

At Thurlow/Associates, we've worked closely with numerous clients and partners in the nonprofit sector for more than 25 years. We've seen the economy — and, with it, philanthropic support in our region — rise and fall. Building on this experience, as well as on input from nonprofit organizations and donors, and on the recent UCLA study, we'll spend the next few e-newsletters exploring ways in which nonprofit

---

[1] J. Shawn Landres and Shakari Byerly, with Bill Parent, Paul Ong, and Silvia R. González, 2016. *The Generosity Gap: Donating Less in Post-Recession Los Angeles County.* Key findings from the California Community Foundation from the 2016 State of the Nonprofit Sector in Los Angeles Report. Los Angeles: UCLA Luskin School of Public Affairs. Copyright, 2016, The Regents of the University of California. http://calfund.org/wp-content/uploads/ucla-ccf-report-may2016-rev5-WEB.pdf

organizations can strengthen their ability to weather financial storms and transform their own work and that of the sector as a whole.

In keeping with *The Generosity Gap* study recommendations (and especially the recommendation regarding strengthening and streamlining nonprofits), we'll explore the pros (and some potential cons) of collaborations, mergers and acquisitions, using local case studies. We'll also touch on planned giving as we look at the broader topic of funding diversification in support of sustainability.