

Building an Equitable and Sustainable Future

The Philanthropic Case for Investing in Inland California

July 2020



Background

Building upon Governor Newsom’s “Regions Rise Together” initiative, [this study of Inland California](#) aims to understand how we might increase community-driven investments with sustainability, racial justice, and equity as key through-lines.



WHY NOW

The COVID-19 pandemic has illustrated the urgency of addressing the deeply rooted systemic racism and historic disinvestments that have plagued inland California.

“Growth must mean inclusion and inclusion means ensuring that [the Central Valley and Inland Empire](#) get the resources and attention from state leaders necessary to strengthen economic opportunity”

- Governor Gavin Newsom, 2019 Economic Summit

The work was developed by the Center for Social Innovation at UC Riverside and Freedman Consulting, LLC, with support from Governor Newsom’s Central Valley and Inland Empire Regional Directors and a broad range of foundations, in close consultation with public and philanthropic partners.

Goals for the Work



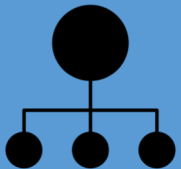
Understand the needs of communities and different stakeholders in Central Valley and the Inland Empire



Lift up recommendations for new and existing funders, accelerate and scale new investments



Build longer-term bonds and collaboration that can drive future efforts by the public and private sectors



Create a model for investment for other under-resourced regions

The Opportunity

Inland Communities Are the Future

- Areas of fastest population and job growth
- Among the most diverse regions
- Equity and inclusion are necessary components of state's economic future



THE OPPORTUNITY FOR INVESTMENT IN INLAND CALIFORNIA



Strong Momentum to Build On

- Newsom administration committed to inclusive growth and regional equity
- Cross sector stakeholders are increasingly focused on this topic and greater collaboration
- Significant development since Great Recession, communities that are poised for growth



COVID-19 and Racial Justice Movement Creates Pivot

- Crisis forcing new collaborations that offer foundation for building stronger communities
- Opportunity to rebuild and restructure institutions along more equitable lines

Methodology

Community Engagement



- 7 listening sessions with over 100 nonprofits and 55 residents across the Inland Empire and Central Valley – including sessions held in Hmong, Spanish, and Punjabi
- New and existing surveys of nonprofits (370 combined respondents)
- Literature and data reviews
- Input and feedback on findings and recommendations in consultation with cross sector partners and community stakeholders

Key Actors



- Governor's Office (including regional offices in the Central Valley and the Inland Empire)
- Philanthropic partners including the Sierra Health Foundation and other state and local funders
- Center for Social Innovation at UC Riverside
- Freedman Consulting, LLC

Overview of Presentation





I. Inland CA: Regions at a Glance



There is vast diversity across inland California, with **unique challenges as well as opportunities** at the regional, sub-regional, county, city, and community levels



But Central Valley and the Inland Empire also share many common needs and goals – especially on increasing regional investments and driving equitable and sustainable growth



This **report summarizes high-level themes and findings from community engagement across CV & IE**, to help advance dialogue on how to make shared progress on these common goals



Keep in **mind these themes play out differently in individual communities** in important and nuanced ways



Key Stats

	Inland California	San Joaquin Valley	Inland Empire	Bay Area	Los Angeles + Orange County
Population (2020)	8.9 million	4.3 million	4.6 million	7.7 million	13.4 million
Comparable State (population rank)	NJ (#11)	OR (#27)	LA (#26)	WA (#13)	IL (#5)
GDP (2015)	\$296 Bln	\$143 Bln	\$153 Bln	\$777 Bln	\$953 Bln
Comparable State (GDP rank)	AZ (#22)	NV (#33)	UT (#31)	IL (#6)	FL (#4)
Latinx	53%	54%	53%	24%	45%
White	30	31	30	38	29
Black	6.2	4.9	7.5	6.0	6.7
Asian	7.6	8.2	7.1	28	17
Native Am	1.3	1.4	1.1	0.6	0.7



Comparing Economic Profiles

Coastal California



- Tech sector, from computing and info tech to biotech and entertainment tech
- R&D connected to university research powerhouses
- Financial services in Bay Area, entertainment industry in LA

Central Valley



- Agriculture historically dominant, plus natural resource extraction
- Recent growth in healthcare
- University-industry collaborations on food, water tech; emerging “inclusive tech” ventures
- Increase in warehousing, logistics

Inland Empire

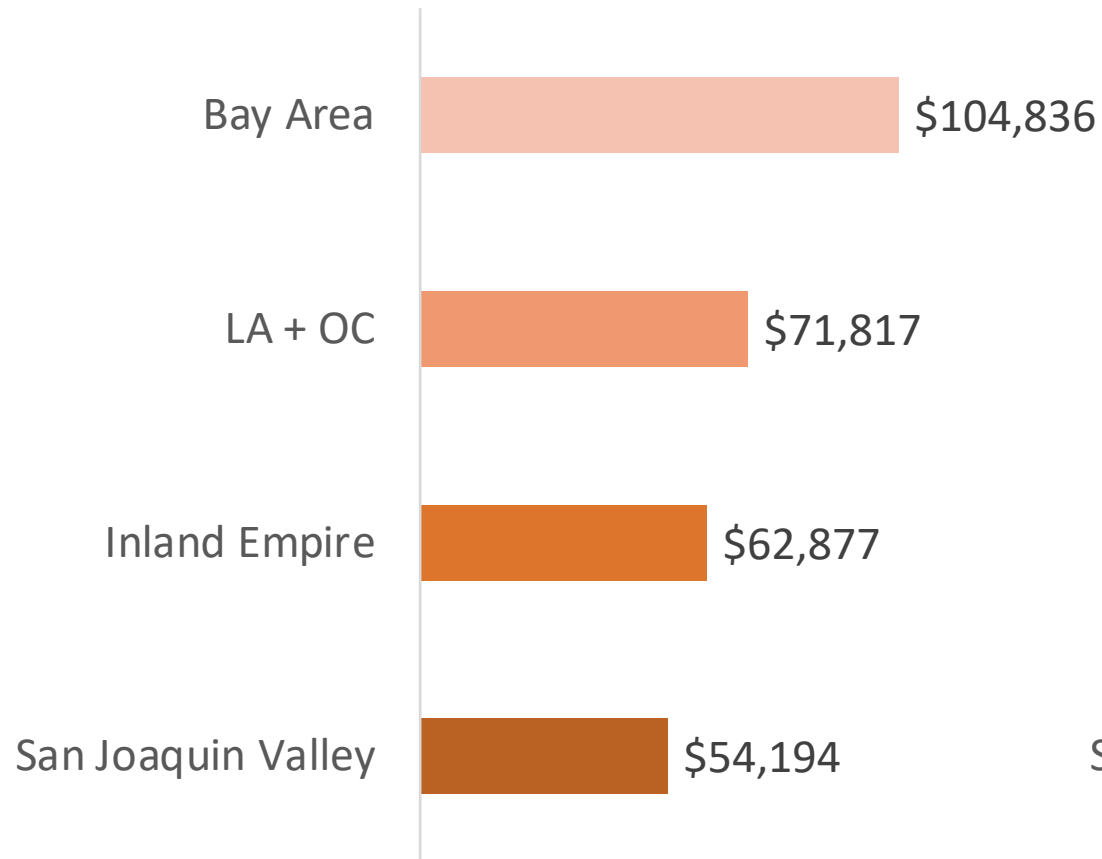


- From manufacturing post-WW2 to warehousing boom
- Recent growth in healthcare
- Long-standing innovation in GIS
- University-led innovations in biomed, air quality, green tech

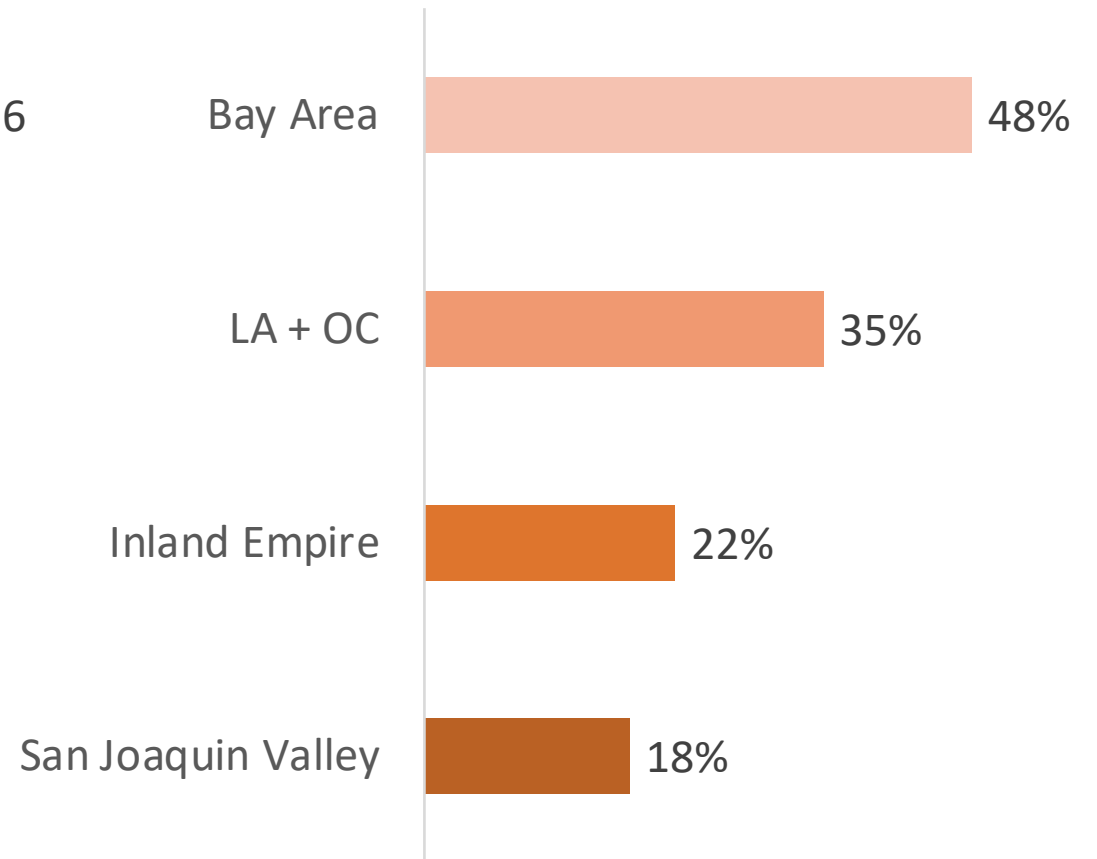


Economic & Educational Disparities

Median Household Income



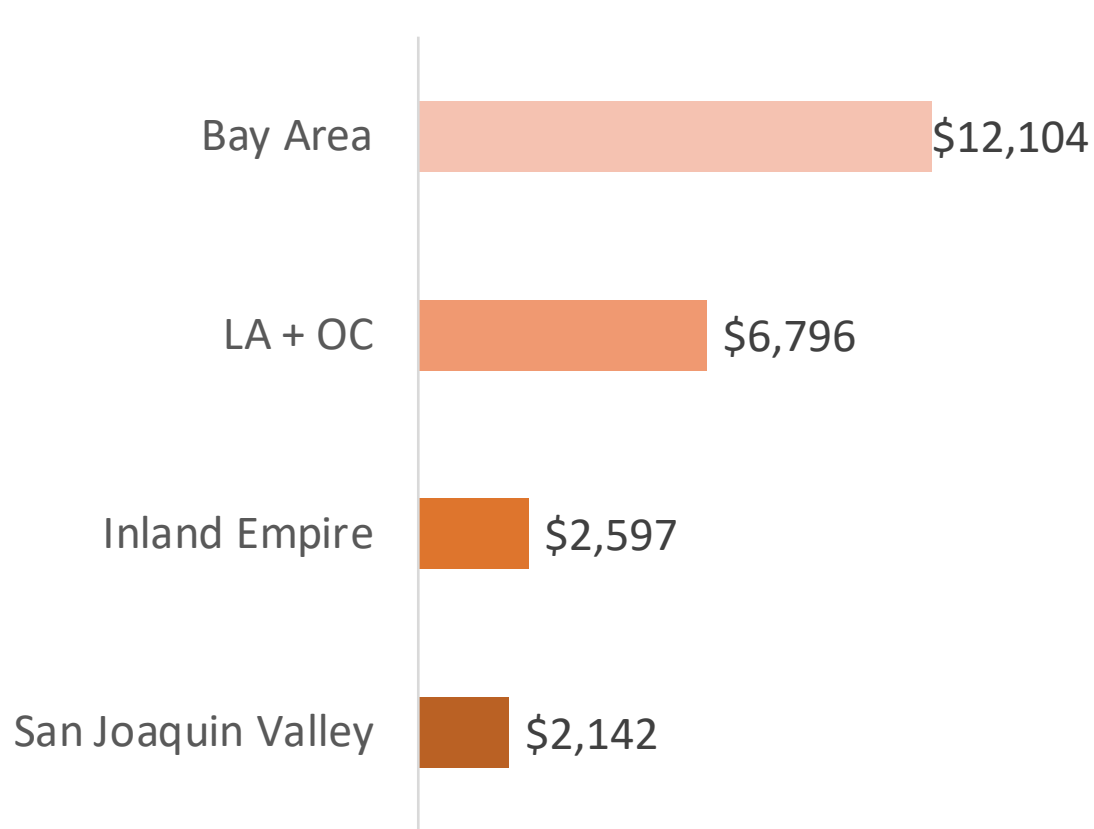
College Attainment Rates



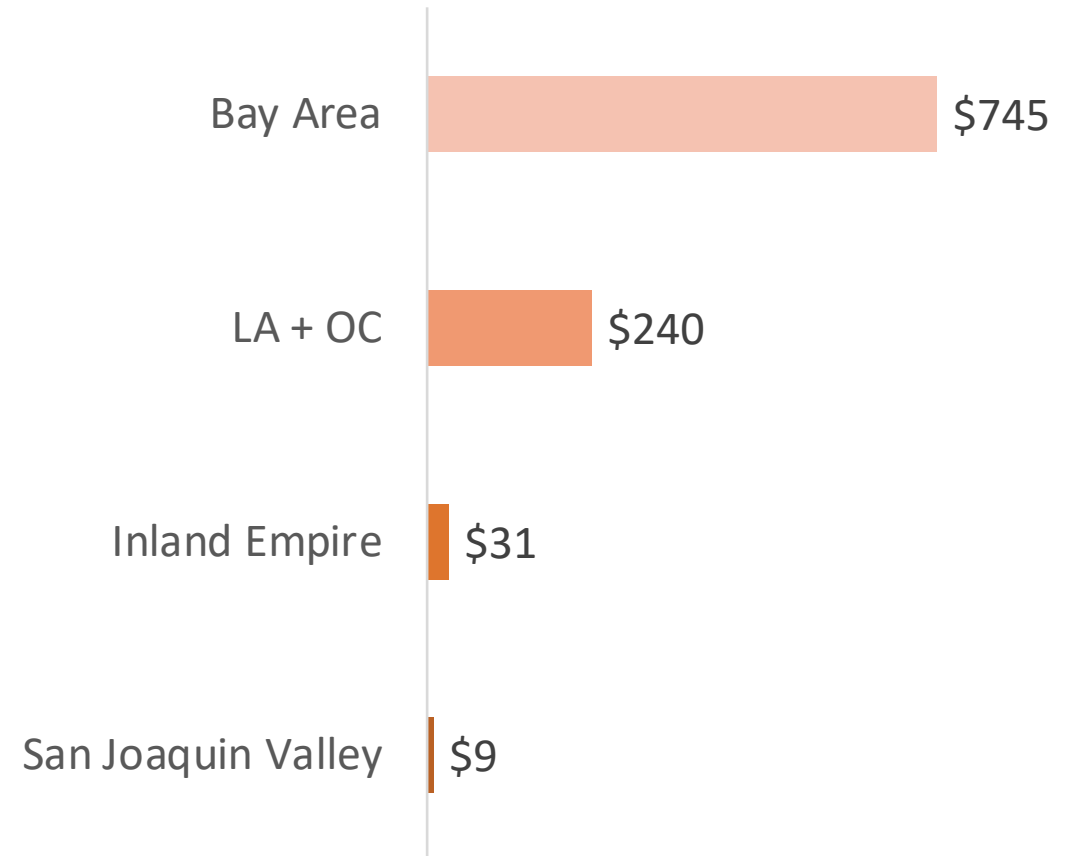


Philanthropic Investment Disparities

Non-Profit Revenues, Per Capita



Foundation Giving Per Capita

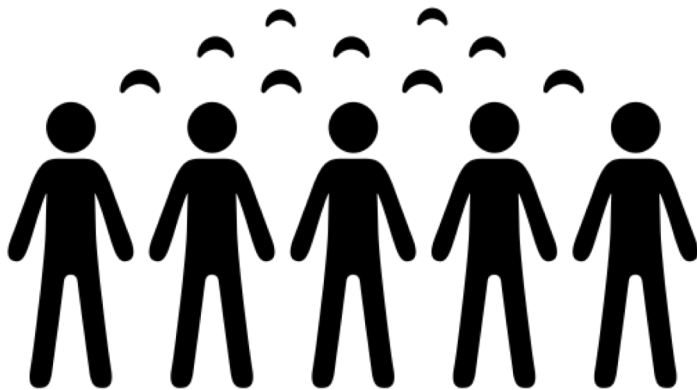




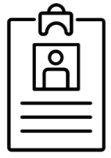
II. Current Crisis & Where We Go from Here

- California is an engine of growth and innovation but remains beset by regional inequities and challenges
- COVID-19 and recent events have highlighted and at times deepened these pre-existing inequities, including across racial and socioeconomic lines
- We cannot simply “go back”: Rectifying inequities is essential to expanding opportunity, addressing racial disparities, and strengthening the economy of the state as a whole

What We Heard from Residents:



- Communities need information related to COVID-19 in a culturally & linguistically competent way
- Lack of access to technology resulting in inequities in education
- Inadequate safety nets, barriers, & fear of accessing resources such as testing, food, UI benefits, & FML continue to plague inland regions – particularly immigrants and other underserved populations
- Essential workers still lacking adequate PPE and/or work in locations where physical distancing is not taking place



Inclusive Recovery: Defining Sustainable & Equitable Growth



Good Jobs and Living Wages

- Better wages with a wider range of benefits and worker protections
- A focus on career pathways and clear opportunities for upward mobility
- Growth needs to be built on a pillar of quality education and human capital



Not Just About Economy

- Environmental sustainability is essential
- Affordable housing, healthcare, and childcare should be priorities
- Needs to be a focus on general quality of life measures



Inclusion and Equity in Every Sense

- Inclusion in process; Equity in outcomes
- Strong focus on communities historically left behind; greater local “ownership” over economy and development
- Attention to divides within regions as well as across them, especially urban v. rural



III. Community Challenges & Barriers to Equitable Growth





Importance of Quality Jobs



Not Just Quantity

- Focus needs to be on good jobs not just any job
- Not enough career pathways
- Lack of opportunities creates “brain drain”



Local Ownership

- Stakeholders need more direct input in economic decisions
- There isn't enough local ownership and control of resources and businesses



Wealth Building

- Inter-generational economic issues continue to present barriers
- Difficulty in wealth-building threatens long-term economic sustainability

“One thing we need to recognize, and address, is the inability of people, especially minority communities, to build intergenerational wealth.”

– *Funder, Inland Empire*

“\$15 is not a living wage, even in the valley.”

– *Community Member, Central Valley*



Lack of Affordable Housing



Central Priority

- Often cited as the most important concern
- Especially worrying given pandemic – COVID-19 likely means more inland housing need



Linked to Growth

- Robust economy requires affordable housing
- Provides a foundation to address other issues



Policy Solutions

- Adequate solutions will ultimately depend on policy changes
- NIMBYism a central barrier

“Without a home nothing else matters. Fix the housing and you fix a lot of other issues.”
– *Service Provider, Inland Empire*

“It is essential that communities have access to clean water and affordable housing in order to thrive economically.”
– *Survey Respondent, Central Valley*



Threats to Environment & Health



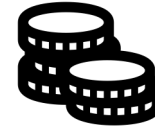
Air & Water Quality

- Burden felt heavily by low-income communities
- Concerns about disregarding environment during downturn
- Highlights need for local control



Affordable Healthcare

- Access to and cost of healthcare both concerns
- Some disagreement over proper remedy



Green Economy

- Need to prioritize “green” businesses
- Economy isn’t sustainable if it is disregarding natural resources (extractive industries pose threats)

“Focusing on healthy individuals will mean prioritizing environmental protections.”
– *Service Provider, Inland Empire*

“Water quality is a big issue. Communities are paying twice for water: once from the tap for water they cannot drink and once at the stores for bottled water.”
– *Survey Respondent, Central Valley*



Barriers to Social Inclusion



Overlooked Stakeholders

- Need to work together to highlight organizations receiving inadequate funding
- Must use the current moment to rebuild structures along more equitable lines



Language & Tech Divide

- Language issues impact inclusive community planning and other services
- Technology barriers especially around education and during COVID-19



Early Childhood

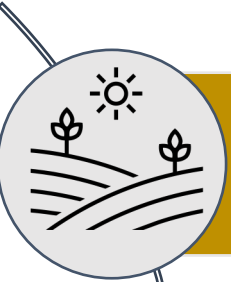
- Lack of access to childcare and early childhood education
- Inequities limit access to workforce

“Childcare providers are underpaid and there's a huge turnover... we wouldn't have people working on the front lines [of COVID] without childcare.”
– *Service Provider, Inland Empire*

“Broadband issues and digital inclusion activities are the most pressing issue in the community, even predating COVID-19, and they have only been exacerbated.”
– *Survey Respondent, Central Valley*



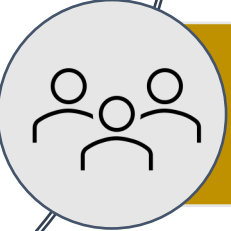
IV. Organizational Opportunities & Challenges



Responding to New Landscape



Need to Empower Nonprofits



Support Ecosystem of Large & Small, Old & New



Responding to New Landscape



Long-Term Funding

- Worries about consistency of funding needed for sustained impact
- Current crises could cause outside funders to overlook inland regions



Swift Action

- Hard to overstate urgency of current moment
- Groups are encouraged by the speed of their response
- Racial justice movement accelerating racial equity prioritization



General Support Grants

- More basic funding can help groups define their own needs
- Especially important for smaller nonprofits post-COVID and BI-POC nonprofits post-Floyd

“Funders often do not give us the flexibility we need to address the community needs.”
– *Base Builder, Inland Empire*

“Invest in programs that are proactive and that will support long-term recovery rather than short-term fixes.”
– *Survey Respondent, Central Valley*



Need to Empower Nonprofits



Power of Coalitions

- Groups need to collaborate effectively together.
- Collaboration across orgs and regions nascent but growing
- Funders have a role to play in supporting collaboration



Voice in Recovery

- Nonprofits had less input in COVID reopening plans than other actors, including biz community
- Need strategic, collective action to boost nonprofit voice in long-term recovery & growth plans



Racial Equity Lens

- Groups led by and who support people of color are critical
- Racial equity can serve as an umbrella for many of these efforts

“We need something to rival local chambers of commerce in terms of nonprofit advocacy. The chambers hold a lot of power in the region and have been at the core of COVID relief efforts.”

– *Base Builder, Inland Empire*

“The economic recovery of businesses and nonprofits is incredibly important to the broader recovery efforts. Funding should be used to rebuild our communities.”

– *Survey Respondent, Central Valley*



Support Ecosystem of Large & Small, Old & New



Closest to Community

- Smaller community organizations often providing essential services
- These groups also more “grassroots,” offering windows into community needs

Diverse Leadership

- Newer nonprofits, younger leaders give greater priority to racial equity in leadership
- Opportunity for peer learning and capacity building on DEI

Need Support

- Easy for outside funders to overlook small orgs
- Referrals, partnerships, coalitions of large and small can help
- Opportunity for pooled funding

“We're stretching the capacity of our nonprofits... They need to build capacity and have an infrastructure to take on additional work... They're taking on more projects, and then they kind of implode because it's too much.”

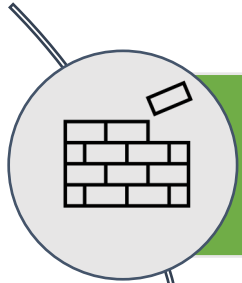
-Funder, Inland Empire

“There are smaller organizations doing the hands-on work to create change. They have human capacity, but not enough funding to provide assistance on a larger scale.”

– Survey Respondent, Central Valley



V. Role of Funding



Need for Coalition Building



Trust Local Partners



Create Inclusive Plans



Need for Coalition Building



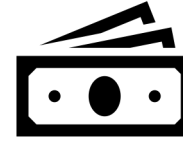
Build Connections

- Need to work together to highlight organizations receiving inadequate funding
- Philanthropy needs to trust young people and POC to drive and lead collaboration



Expansive Partnerships

- Build cross-regional partnerships across common themes
- Census coordination and COVID response have helped build relationships, collective muscle



Collaborative Funding

- Funders often concerned about lack of coordination among nonprofit “asks” and efforts
- Funding itself can be a tool in facilitating collaboration

“Having a really strong coalition, with a really focused vision and mission, is so important to build community power.”

- *Latino serving nonprofit, Inland Empire*

“Provide funding for organizations that work together to come up with new strategies for serving the community around specific issues.”

- *Survey Respondent, Central Valley*



Trust Local Partners



Build Local Expertise

- Support the development of local expertise and infrastructure
- Ensure that support for advocacy, power building, and local electoral politics is not overlooked



More Investing by Locals

- More county and city contracts need to go to local nonprofits
- As nonprofits get stronger and outside investments come in, need to boost local philanthropy



Don't Reinvent Wheel

- Important planning conversations often underway at local level
- Ensure outside stakeholders take time to learn about existing structures

“National funders giving in so many different places... should consider those already-established collective efforts in the Inland Empire, because those are already moving. Reaching out to the Funders Alliance is a good place for an outside funder to start.”
- *Funder, Inland Empire*

“Let’s work together! That includes working with trusted non-profits who know the community and how to engage hard to reach community members—especially those at high risk.”
- *Survey Respondent, Central Valley*



Create Inclusive Plans



Community Driven

- Community members and local groups must set the terms of planning, not just be asked to participate
- Accountability is key: Inclusion and Equity work is ongoing



Existing Models

- Fresno DRIVE, Reinvent Stockton, IEGO, and IE RISE all offer different models
- Good starting place for new funders, new community plans



Government Coordination

- Support from local govt is crucial, & helps attract partners
- Inconsistent relationships among local govt, funders, and non-profits
- Ensure govt & community plans align

“Political will is something that funders are always looking for. If government officials can become better advocates for their community-based organizations, that is very promising.”

- *Regional Funder, Inland Empire*

“We need to buy a new table and then bring others to that. Why should we just come to a table that was never meant for us?”

- *Community Development Nonprofit, Central Valley*



Resident Identified Investment Opportunities

Education

- Apprenticeship programs for youth, individuals without formal education, and non-English speakers
- Early childhood education programs and affordable higher education opportunities
- Program that address the digital divide in rural communities and improve computer literacy trainings

Economic Growth and Recovery

- Financial and technical assistance to minority small businesses and entrepreneurs
- Economic recovery that addresses existing disparities, prevents further inequities, and results in sustainable jobs
- Infrastructure projects, e.g. water, transportation, medical facilities, broadband, and housing

Community Development and Relief

- Emergency relief assistance for essential workers, the undocumented community, and other vulnerable populations
- Community capacity building and leadership development to create more equitable public participation process
- Support for grassroots organizations, with flexible funding to meet community needs



VI. Recommendations





Strengthen Community Organizations

Support Local Problem Solving and Strong Nonprofit Ecosystems

- Ensure that groups have space to **define their needs and priorities** and provide **general support grants and flexible funding** where possible.
- Healthy nonprofit ecosystems mean **supporting small as well as large and new as well as long-established** service providers and power builders.
- Recognize and invest in **local expertise**, including community organizations and researchers.

Ensure Equity and Sustainability

- To overcome legacies of discrimination and disinvestment, provide **extra support for groups led by, and working with, historically marginalized communities**.
- **Hold government, organizations and initiatives accountable** on inclusion, equity, and sustainability, with **concrete measures and milestones**; strategies could include **insisting on DEI among established nonprofits, making racial equity an overarching focus** for new funding, and developing **leadership trainings**.
- Develop a mindset focused around new funding as **social justice** not charitable giving



Expand Scope of Collaboration

Build on Emerging Partnerships

- Use **2020 census infrastructure as a foundation for new work** and community development and begin thinking now about how these tools can be redeployed.
- **Learn from, solidify, and expand new collaborations** and coordinating structures that have grown out of the current pandemic. Work with partners to identify effective partnerships and ensure these are sustained beyond the immediate crisis.

Emphasize Cross-Regional Collaboration

- Prioritize **new convenings and collaboration around shared challenges** that exist across inland and underserved regions of California – including by investing in research that can measure and track disparities between inland and coastal regions.
- Place an emphasis on **highlighting cross-cutting regional funding opportunities** to new philanthropic partners.



Build Philanthropic Capacity

Strengthen Funder Ecosystem

- **Augment relationships among regional funders**, including via creating or expanding coordinating structures – such as the IE Funders Alliance – that can provide forums for aligning grantmaking on vetted opportunities and offer entry-points for new funders.
- Support **capacity building for local community foundations**, such as through investments in technology to help improve grantmaking, connecting with shared business and fundraising supports, and providing opportunities for matching grants and funds.

Streamline Funding Opportunities

- **Increase the use of both regional and statewide pooled funds** – such as through creation of a new Regional Equity Fund – to streamline funding opportunities (particularly for new funders).
- **Develop menu of shovel-ready investment opportunities** led by engaged inland funders, who can act as trusted on the ground partners – vetting projects and even administering funds – for new funders.
- **Catalogue and memorialize recent reforms** funders and nonprofits have made that have helped drive efficiencies and expedite funding during the COVID-19 crisis. This could involve outlining and committing to new standards and best practices for grantmaking, including for government.



Promote Community Development

Invest in Planning and Innovation

- **Invest in regional planning and community development and fundraising blueprints** like Fresno Drive, Reinvent Stockton, IEGO, and IE RISE – and support capacity of local non-profits to participate in the process and to carry out the recommendations.
- **Strengthen culture of innovation within inland regions through more seed funding and risk capital** as well as strategic investment funds, including a focus on access to capital for minority owned businesses and non-profits.

Leverage Government Funding Streams

- **Emphasize new public-private partnerships** that feature aligned funding and strategies and that bring new partners to the table.
- Encourage local government funding by **adopting new contracting best practices that preference local providers**. Private and philanthropic partners can build relevant local capacity through **aligned investments in workforce and business development**.

Thank You!

