

# The Center on Philanthropy & Public Policy

## **FOUNDATION SUPPORT FOR NONPROFIT CAPITAL NEEDS IN SOUTHERN CALIFORNIA**

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**October 2007**

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## **ABOUT THE AUTHORS**

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## **EXECUTIVE SUMMARY**

This study examines foundation support of the capital needs of nonprofits in Southern California, encompassing the counties of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura. This analysis is based on information obtained from the Foundation Center on foundation guidelines and grantmaking for 2004, as well as insights gleaned from interviews with key foundations that provide capital support.

The analysis reveals that the potential for foundation support for the capital needs of nonprofits, such as capital campaigns, building and renovation, and land acquisition, is rather limited. Only five percent of the region's 3,064 foundations state in their grantmaking guidelines that they are willing to consider making grants to support the capital needs of nonprofits.

An examination of the actual grantmaking decisions of a sample of larger foundations in the state reinforces the scarcity of funding options indicated by the review of guidelines. Within this sample, only five percent of grants made to the region's nonprofits were for capital support; these grants accounted for only 14 percent of the total grant dollars going to the region's nonprofits. The great majority of these grants went for building and renovation. The Ahmanson Foundation, The Annenberg Foundation, and Weingart Foundation provided the great majority of the capital support dollars, and there were only a handful of other foundations that could be considered a source for capital funding for the nonprofit community in general.

Interviews with key foundations that provide capital support in the region reveal that they will continue to provide capital support, though none expected additional foundation resources to be devoted for such purposes. While foundations recognize that many nonprofits have important capital needs, especially with the high cost of capital in Southern California, foundations realize that they are unable to meet these needs for the growing nonprofit sector within their missions, strategies, and grant budgets. While there are a few foundations that provide capital support on a broad basis, nonprofits might want to approach foundations with whom they have a strong relationship for possible capital support; even more importantly, nonprofits may want to work to identify sources other than foundations for their capital needs.

## **FOUNDATION SUPPORT OF NONPROFIT CAPITAL NEEDS IN SOUTHERN CALIFORNIA**

Foundation grantmaking is a critical resource for nonprofit organizations. The type of support that foundations provide has an important impact on nonprofits in terms of their finances and capacity and, ultimately, their ability to meet their mission. While there is considerable attention in philanthropy today over the relative merits of program vs. operating support, for many nonprofits there continues to be a need for capital support – including funds for capital campaigns, building and renovation, and land acquisition.

This study examines foundation support for the capital needs of nonprofits in the Southern California region: Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura counties. It addresses three questions:

- What is the degree to which grantmaking guidelines of foundations in Southern California indicate the potential for support of capital expenditures for nonprofits?
- What is the degree to which California foundations have actually supported the capital needs of nonprofits in Southern California?
- What are the emerging trends in capital support and the future prospects among key foundations in Southern California?

Each question is considered, in turn. In the next section, we examine the grantmaking guidelines of all foundations located in Southern California to gauge the extent to which foundations signal to nonprofits their willingness to consider capital support grants. In the following section, we move beyond the inclusion of capital support in grant guidelines to examine grants made by foundations to nonprofits in the region, based on a sample of California foundations. This approach provides a more accurate portrayal of the actual level of foundation support for the capital needs of nonprofits. Finally, we discuss emerging trends, as well as the importance of guidelines and capital support decisions, gleaned from a set of interviews with some of the key foundations in the region.

## POTENTIAL CAPITAL SUPPORT FUNDERS

Foundations often will develop guidelines that help nonprofit organizations seeking grants to understand whether their needs are aligned with a foundation's funding interests and priorities. One of the key dimensions of these guidelines is the type of support that foundations are willing to provide such as general support, program support, capital support, research, or scholarships.<sup>1</sup> Foundations typically include in their giving guidelines the types of support that they are most inclined to fund. Thus, in order to examine the **potential** for foundation support of the capital needs of nonprofits in the Southern California region, we want to identify those foundations that express a willingness to provide grants for three principal types of capital support: capital campaigns, building and renovation, and land acquisition.<sup>2</sup>

We would expect that the foundations most likely to be sources of capital support for nonprofits in Southern California to be those foundations that are headquartered in the region, i.e., foundations that are located in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura counties. From this set of foundations, we identify those that have the potential to be sources of capital support for nonprofits in the region based on their **expressed willingness** to make grants for at least one of the three principal forms of capital support in their 2004 grant guidelines.<sup>3</sup>

Of the 3,064 foundations in the region, there are 147 foundations (5 percent) that indicate support for capital campaigns, building and renovation, and/or land acquisition. The great majority of these foundations, 102 or 69 percent, are located in Los Angeles County as indicated in Table 1. The only other substantial numbers of funders that indicate they provide capital support are located in Orange (17) and Santa Barbara (15) counties.

There is considerable variation in the capacity of foundations to make grants due to the size of their endowment in general or their annual grantmaking budgets. This is especially the case for capital support grants, which tend to be larger than grants for operating or program support.<sup>4</sup> This suggests that it may be more likely for larger

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<sup>1</sup> The Foundation Center's grants classification system tracks the purpose of grants across six types-of-support categories: general support, capital support, program support, research, student aid funds (excluding grants paid directly to individuals), and other (technical assistance, emergency funds, and program evaluation).

<sup>2</sup> Capital campaigns usually extend over a period of years to raise funds for enduring purposes such as building or endowment funds. Building and renovation grants provide support for constructing, renovating, remodeling, or rehabilitating property. And land acquisition grants enable the purchase of real estate property. Other classifications for capital support which were not specifically examined in this analysis include: equipment; computer systems/technology; endowments; debt reduction; and collections acquisitions.

<sup>3</sup> For this analysis we relied on the Foundation Center's *Guide to U.S. Foundations* circa 2004. This source includes all independent, corporate, community, and operating foundations making grants of at least one dollar during the relevant fiscal reporting period, and identifies the location of a foundation by the state of incorporation and the county in which the foundation is headquartered. Two foundations not headquartered in California but considered in this analysis due to their significant presence in the region are The Annenberg Foundation and the Conrad N. Hilton Foundation. The Annenberg Foundation does not specifically list any of the three capital support categories in its guidelines, but the Conrad N. Hilton Foundation does. Therefore, both are included in the total number of foundations in the region and the Hilton Foundation is included in the number of foundations that expressly support capital campaigns, building and renovation, and/or land acquisition. On the other hand, as the next section reveals, The Annenberg Foundation made grants for capital support to nonprofits in the region in 2004 while the Hilton Foundation did not. For further details on the Foundation Center data see: *California Foundations: An Update of the State's Grantmaking Community*, New York: The Foundation Center, 2006.

<sup>4</sup> In 2004, the average grant size for all grants in the U.S. was \$122,355, while the average grant size for capital support grants in the U.S. was \$224,532 (*Foundation Giving Trends*, New York: The Foundation Center, 2006). In 2004, the

foundations to include capital support in their funding guidelines. Indeed, this is borne out in terms of potential funders. Foundations that indicate they provide capital support represent a mere 5 percent of all foundations in the region, but account for 31 percent of total giving by all foundations in the region, and 30 percent of the assets of all foundations in the region.

**Table 1. Southern California Foundations with Capital Support in Grant Guidelines: Number, Giving, and Assets, By County, Ranked by Total Giving, 2004**

Foundation County	Number of Foundations	Total Giving	Assets
Los Angeles	102	\$482,255,642	\$10,914,275,989
Santa Barbara	15	68,804,949	431,996,260
Orange	17	11,719,935	159,275,914
Ventura	6	4,581,642	58,523,534
Riverside	6	4,371,718	68,161,657
San Bernardino	1	10,832	319,939
<b>Total Southern California</b>	<b>147</b>	<b>\$571,744,718</b>	<b>\$11,632,553,293</b>
<b>Percent of All Southern California Foundations</b>	<b>5%</b>	<b>31%</b>	<b>30%</b>

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, *Guide to U.S. Foundations*, Circa 2004; The Foundation Center, *California Foundations*, 2006.

There are nine foundations among the 147 with capital support in their grant guidelines that had overall grantmaking budgets, i.e., for all types of support, of \$10 million or more; all but one are in Los Angeles County. They are: The California Endowment, the Santa Barbara Foundation, the W.M. Keck Foundation, The Ahmanson Foundation, Weingart Foundation, the Conrad N. Hilton Foundation, the Eli & Edythe L. Broad Foundation, The Ralph M. Parsons Foundation, and The Milken Family Foundation. There are 47 additional foundations that include capital support in their grantmaking guidelines that have total giving in excess of \$1 million. The complete list of the 147 Southern California foundations with capital support included in their grantmaking guidelines is included in Appendix A.

Finally, it is important to underscore that the analysis in this section only indicates the **potential** for capital support. It is possible that a foundation may indicate in their guidelines that they provide capital support, but choose not to provide such support in any given year. Also, there may be other foundations in the region that make capital support grants, although they do not explicitly include this in their guidelines as a type of support they provide (as we observe in the following section). In addition, this analysis does not encompass foundations located outside of the region.<sup>5</sup>

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average grant size for all grants in California was \$109,778, while the average grant size for capital support grants in California was \$240,640 (*California Foundations: An Update of the State's Grantmaking Community*, New York: The Foundation Center, 2006).

<sup>5</sup> The Kresge Foundation, for example, which is located in Michigan, is a significant funder of capital support for nonprofits across the nation, including a substantial presence in Southern California. In 2004, for instance, Kresge committed \$3.75 million in capital support funds to nonprofits in the Southern California region.

## PATTERNS OF CAPITAL SUPPORT FOR NONPROFITS

In order to move beyond the potential for capital support to **actual** support for the capital needs of Southern California nonprofits, we turn our attention from an examination of foundation guidelines to an analysis of the grants made to nonprofits in the region for capital support – the numbers, grant dollar amount, and the average grant size. We focus specifically on three major types of capital support, as in the previous section: capital campaigns, building and renovation, and land acquisition.

For this analysis, we utilize data on grants made in 2004 derived from a sample of foundations for which there is available information on individual grants, including the type of support the grant is intended to provide to the recipient organization.<sup>6</sup> This sample includes grants of \$10,000 or more made by 1,172 of the larger foundations from across the U.S. and represented approximately half of the total giving of all foundations in the U.S. We examine the grants made to nonprofit organizations in the six-county region by the 119 California foundations in this grant sample, 59 of which are located in Southern California.<sup>7</sup>

In 2004, there were 328 grants in the sample totaling \$105 million that were expressly made for capital campaigns, building and renovation, and/or land acquisition.<sup>8</sup> These grants ranged from a low of \$10,000 to a high of \$6 million; the average grant was \$320,672 and the median grant was \$100,000. These grants represent five percent of all grants and 14 percent of total grant dollars to nonprofits in the region (within the sample), as indicated in Table 2.

**Table 2. Capital Support Grants to Southern California Nonprofits: Numbers, Grant Dollars, and Average Grant Size, By County, Ranked by Number of Grants, 2004**

Recipient County	Number of Grants		Grant Dollars		Average Grant Size	
	(Capital Support)	% of County	(Capital Support)	% of County	(Capital Support)	(All Grants)
Los Angeles	230	5%	\$77,108,560	12%	\$335,255	\$129,977
Santa Barbara	44	9%	2,613,006	10%	59,387	57,317
Orange	18	3%	6,168,040	13%	342,669	85,537
Riverside	15	7%	16,540,700	38%	1,102,713	192,641
Ventura	12	7%	1,480,000	11%	123,333	78,276
San Bernardino	9	4%	1,270,000	14%	141,111	66,049
<b>Total Southern California</b>	<b>328</b>		<b>\$105,180,306</b>		<b>\$320,672</b>	<b>\$120,128</b>
<b>Percent of All Grants Made in Southern California</b>	<b>5%</b>		<b>14%</b>			

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004.

<sup>6</sup> This is the most recent year for which data are available. The primary source of information on grants made is the informational tax returns filed by foundations. Given the timing of filing by foundations and the subsequent time until the release of this information by the IRS, there is a 2-3 year lag until data become available.

<sup>7</sup> The Annenberg Foundation is counted in the 59 foundations from the region for this analysis, although it is incorporated in Pennsylvania. For additional information on the sample see: *Foundation Giving Trends*, New York: The Foundation Center, 2006.

<sup>8</sup> In 2004, the type of support for about 18 percent of grant dollars and 27.5 percent of grants in the full U.S. sample was not specified (unidentifiable by type of support for lack of adequate information in the grant record). Therefore, there may be a number of additional grants for capital support that are not captured in this analysis. We do not believe that this is likely to skew the analysis because capital support is one of the easier types of grant support to identify.

Most of the capital support grants, 230 (70 percent), and capital support grant dollars, \$77 million (73 percent), in the sample went to recipients in Los Angeles County. Santa Barbara received a substantial number of the region's capital support grants, but not a corresponding share of capital support grant dollars (13 vs. 2 percent). In contrast, Riverside County received a relatively small share of the region's capital support grants, but a relatively large share of capital support grant dollars (5 vs. 16 percent), as explained by a few sizeable grants made to the Eisenhower Medical Center.

### ***Types of Capital Support***

The great majority of capital support was focused on building and renovation, as indicated in Table 3. Nearly three quarters (74 percent) of the grants made for capital support were targeted exclusively for building and renovation; they represent 69 percent of the grant dollars for capital support. The next most frequent focus of capital support grants were multi-purpose grants,<sup>9</sup> with at least one purpose being one of the three specific types of capital support; they represent 16 percent of grants and 25 percent of grant dollars. Within this multi-purpose category, building and renovation was the most prevalent type of capital support identified (49 of the 52 grants). Capital campaigns and land acquisition accounted for a relatively small portion of capital funding.

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<sup>9</sup> There are some grants that include multiple types of support, e.g., a grant that was for both building and renovation and program support.

**Table 3. Types of Capital Support Grants to Southern California Nonprofits: Number, Grant Dollars, and Average Grant Size, By County, 2004**

Type of Capital Support/ Recipient County	Number of Grants	% of Grants for Capital Support in 6-County Area	Grant Dollars	% of Grant \$ for Capital Support in 6-County Area	Average Grant Size
<b>Building and Renovation</b>	<b>242</b>	<b>74%</b>	<b>\$72,336,306</b>	<b>69%</b>	<b>\$298,910</b>
Los Angeles	170	52%	50,004,560	48%	294,144
Riverside	13	4%	16,190,700	15%	1,245,438
Orange	16	5%	3,068,040	3%	191,753
Santa Barbara	27	8%	1,343,006	1%	49,741
San Bernardino	7	2%	580,000	1%	82,857
Ventura	9	3%	1,150,000	1%	127,778
<b>Multiple Types of Support</b>	<b>52</b>	<b>16%</b>	<b>\$26,295,000</b>	<b>25%</b>	<b>\$505,673</b>
Los Angeles	41	13%	21,863,000	21%	533,244
Riverside	1	0%	17,000	0%	17,000
Orange	1	0%	3,000,000	3%	3,000,000
Santa Barbara	5	2%	445,000	0%	89,000
San Bernardino	2	1%	690,000	1%	345,000
Ventura	2	1%	280,000	0%	140,000
<b>Capital Campaigns</b>	<b>26</b>	<b>8%</b>	<b>\$5,149,000</b>	<b>5%</b>	<b>\$198,038</b>
Los Angeles	14	4%	4,041,000	4%	288,643
Riverside	1	0%	333,000	0%	333,000
Orange	0	0%	0	0%	n/a
Santa Barbara	11	3%	775,000	1%	70,455
San Bernardino	0	0%	0	0%	n/a
Ventura	0	0%	0	0%	n/a
<b>Land Acquisition</b>	<b>8</b>	<b>2%</b>	<b>\$1,400,000</b>	<b>1%</b>	<b>\$175,000</b>
Los Angeles	5	2%	1,200,000	1%	240,000
Riverside	0	0%	0	0%	n/a
Orange	1	0%	100,000	0%	100,000
Santa Barbara	1	0%	50,000	0%	50,000
San Bernardino	0	0%	0	0%	n/a
Ventura	1	0%	50,000	0%	50,000
<b>Total</b>	<b>328</b>	<b>100%</b>	<b>\$105,180,306</b>	<b>100%</b>	<b>\$320,672</b>

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004.

Note: percentage subtotals may not sum accurately due to rounding.

### *Size Concentration*

There is a high degree of size concentration in capital support grants, as is often the case in foundation giving. As Table 4 reveals, 26 of the 328 grants account for nearly half of capital support dollars in the sample, but only 8 percent of the capital support grants. On the other hand, there are 102 grants, about a third of the capital support grants, which account for just 7 percent of total capital support grant dollars.

**Table 4. Size Distribution of Capital Support Grants and Grant Dollars Made to Southern California Nonprofits, By Grant Size, 2004**

Size of Grant (Dollars)	Number of Grants		Grant Dollars	
	Total	%	Total	%
\$1million and above	26	8%	49,476,000	47%
\$500,000 to \$999,999	32	10%	20,095,500	19%
\$250,000 to \$499,999	47	14%	12,576,400	12%
\$100,000 to \$249,999	66	20%	10,733,000	10%
\$50,000 to \$99,999	55	17%	4,574,720	4%
\$10,000 to \$49,999	102	31%	7,724,686	7%
<b>Total</b>	<b>328</b>	<b>100%</b>	<b>\$105,180,306</b>	<b>100%</b>

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004.

The 26 grants of \$1 million, with a high of \$6 million are listed in Appendix B. The largest recipient was the Eisenhower Medical Center located in Riverside County, receiving a total of \$14 million in four large grants from two funders for building and renovation. The University of California at Los Angeles Foundation was next, receiving a total of \$10.2 million in four grants from four funders, also for building and renovation. The largest single grant of \$6 million was made by The Annenberg Foundation to the Accelerated School, a charter school in Los Angeles, for multiple purposes.

### *Who are the Funders?*

There were 31 California foundations making grants for capital support to nonprofits in the region; they are listed in Table 5. Of these, 24 are located in Southern California (including The Annenberg Foundation). Eleven of the foundations are included in the previous section's list of potential funders, i.e., their grant guidelines indicate support for capital campaigns, building and renovation, and/or land acquisition.

Among the 31 foundations, The Ahmanson Foundation is the largest funder in terms of total grant dollars for capital support, followed by The Annenberg Foundation and Weingart Foundation. All three provided capital support at or near the \$20 million mark for 2004. In the case of The Ahmanson Foundation and Weingart Foundation, that support was provided to numerous nonprofits, 63 and 75 respectively, while The Annenberg Foundation's capital support was made in larger grants to a smaller number of nonprofits (12). The next largest provider of capital support, the H. N. and Frances C. Berger Foundation, provided just over \$7 million; and there were 14 other foundations that provided capital support of \$1 million or more in 2004.

**Table 5. California Foundations Providing Capital Support Grants to Southern California Nonprofits, By Total Grant Dollar Amount, 2004**

Foundation Name	Number of Grants	Grant Dollars	% of Foundation Total Giving**	Average Grant Size	Location
The Ahmanson Foundation*	63	20,478,900	60%	325,062	Los Angeles
The Annenberg Foundation	12	20,294,000	10%	1,691,167	Los Angeles
Weingart Foundation*	75	18,878,845	57%	251,718	Los Angeles
H. N. & Frances C. Berger Foundation	13	7,265,200	41%	558,862	Riverside
Eli & Edythe L. Broad Foundation*	4	6,670,000	37%	1,667,500	Los Angeles
W. M. Keck Foundation*	10	3,725,000	8%	372,500	Los Angeles
The Ralph M. Parsons Foundation*	26	3,110,000	19%	119,615	Los Angeles
The James Irvine Foundation	2	3,090,000	6%	1,545,000	San Francisco
Resnick Family Foundation	1	3,000,000	67%	3,000,000	Los Angeles
The Kenneth T. and Eileen L. Norris Foundation*	15	2,560,000	34%	170,667	Los Angeles
Henry L. Guenther Foundation	7	2,385,000	41%	340,714	Los Angeles
Carrie Estelle Doheny Foundation*	22	2,004,805	27%	91,128	Los Angeles
Thomas & Dorothy Leavey Foundation	1	2,000,000	18%	2,000,000	Los Angeles
B. C. McCabe Foundation	8	1,796,000	26%	224,500	Los Angeles
L. K. Whittier Foundation	1	1,600,000	29%	1,600,000	Los Angeles
The Fletcher Jones Foundation*	5	1,200,000	17%	240,000	Los Angeles
Santa Barbara Foundation*	28	1,168,006	2%	41,715	Santa Barbara
Peter Norton Family Foundation	1	1,000,000	21%	1,000,000	Los Angeles
California Community Foundation	4	629,550	1%	157,388	Los Angeles
The California Endowment*	3	625,000	0%	208,333	Los Angeles
Wood-Claeysens Foundation*	10	485,000	11%	48,500	Santa Barbara
Joseph Drown Foundation	2	275,000	6%	137,500	Los Angeles
Richard & Rhoda Goldman Fund	1	250,000	1%	250,000	San Francisco
The David and Lucile Packard Foundation	1	250,000	0%	250,000	Santa Clara
Peninsula Community Foundation	3	137,500	0%	45,833	San Mateo
The Marisla Foundation	2	120,000	1%	60,000	Orange
UniHealth Foundation	1	60,000	0%	60,000	Los Angeles
The Wells Fargo Foundation	2	37,500	0%	18,750	San Francisco
The Capital Group Companies Charitable Foundation	2	35,000	0%	17,500	Los Angeles
The San Diego Foundation	2	35,000	0%	17,500	San Diego
The Bothin Foundation	1	15,000	1%	15,000	San Francisco
	<b>328</b>	<b>\$105,180,306</b>		<b>\$320,672</b>	

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004. \*\*Source: The Foundation Center, *California Foundations*, 2006.

Note: Foundations with an \* include support for capital campaigns, building and renovation, and/or land acquisition in their giving guidelines as noted in Appendix A.

As evident in Table 5, there are only a handful of foundations which may be considered broad capital funders for the Southern California region, based on 2004 data, in terms of the number of capital support grants and the funding levels. The Ahmanson and Weingart Foundations make a considerable number of grants for capital support and each devotes approximately 60 percent of their grantmaking budgets to capital support for nonprofits in the region, for the year examined. There are a limited number of other funders who make numerous capital support grants and devote substantial resources for capital support: The Annenberg Foundation,<sup>10</sup> H. N. & Frances C. Berger Foundation, W. M. Keck Foundation, The Ralph M. Parson Foundation, The Kenneth T. and Eileen L. Norris Foundation, Henry L. Guenther Foundation, and Carrie Estelle Doheny Foundation. In Santa Barbara, the Santa Barbara Foundation and the Woods-Claeysens Foundation provide numerous capital support grants.

<sup>10</sup> The Annenberg Foundation, as noted, provides a high level of capital support to nonprofits in the region, but to fewer nonprofits. The percent of the total grantmaking budget devoted to capital support listed in Table 5 is a bit misleading in the case of The Annenberg Foundation given that it is a national foundation and makes a substantial number of grants, encompassing substantial grant dollars, to areas outside of Southern California.

Of course, there are other foundations that can be important sources of capital support. Smaller foundations, many of which are not included in this sample, may help to support the capital needs of nonprofits. In many cases, these are likely to be the result of the direct involvement of the foundation with a particular nonprofit, rather than the case of being a source of capital support for the nonprofit community in general.

### ***Who are the Recipients?***

The 328 grants for capital support were made to a total of 254 unique recipients in the six-county area. The Eisenhower Medical Center in Riverside County received the greatest amount of capital support at \$14.3 million, followed by the University of California Los Angeles Foundation and the Accelerated School. Table 6 lists the recipients who received \$500,000 or more in capital support grant dollars, ranked by grant dollars.

### ***Summary***

This examination of capital support grants reinforces the conclusion of the previous section in that the number of foundations that provide capital support to nonprofits in the region is limited. In fact, this analysis demonstrates that it may be even more limited than the impression that the analysis of grantmaking guidelines suggests. There are only a handful of foundations that can be viewed as providing broad support for the capital needs of the region's nonprofits. In addition, this analysis reveals that most capital support is targeted for building and renovation, that a sizeable majority of the capital support dollars are concentrated in a few large grants, and that capital support grants are larger, on average, than program or operating grants.

**Table 6. Southern California Nonprofit Grant Recipients with \$500,000 or more in Capital Support Grants, Ranked by Grant Dollars, 2004**

<b>Recipients of \$500,000 or Greater</b>	<b>Number of Grants</b>	<b>Grant Dollars</b>	<b>Average Grant Size</b>
Eisenhower Medical Center	5	14,333,000	2,866,600
United Way, Inc.	4	6,670,000	1,667,500
Accelerated School	2	6,250,000	3,125,000
University of California at Los Angeles Foundation	4	6,000,000	1,500,000
California Science Center Foundation	3	5,166,000	1,722,000
Autry National Center of the American West	2	3,100,000	1,550,000
Childrens Hospital Los Angeles	2	3,025,000	1,512,500
Orange County Performing Arts Center	1	3,000,000	3,000,000
USC/Norris Comprehensive Cancer Center	1	2,145,000	2,145,000
House Ear Institute	1	2,000,000	2,000,000
Saint Johns Health Center	1	2,000,000	2,000,000
Childrens Hospital of Los Angeles Foundation	1	1,600,000	1,600,000
Cathedral High School	4	1,600,000	400,000
Richard Nixon Library and Birthplace Foundation	1	1,500,000	1,500,000
Saint Vincent Senior Citizen Nutrition Program	3	1,375,000	458,333
University of Southern California	2	1,200,000	600,000
Huntington Library, Art Collections and Botanical Gardens	4	1,105,000	276,250
Foundation for the Junior Blind	1	1,000,000	1,000,000
Braille Institute of America	1	1,000,000	1,000,000
Armand Hammer Museum of Art and Cultural Center	1	1,000,000	1,000,000
Institute of Critical Care Medicine	1	1,000,000	1,000,000
Public Counsel	3	900,000	300,000
Toberman Settlement House	4	810,000	202,500
Beverly Hills Cultural Center Foundation	2	775,000	387,500
School of Theology of Claremont	1	751,000	751,000
Claremont University Consortium	2	750,000	375,000
Saint Joseph Center	4	750,000	187,500
Pueblo Nuevo Development	1	750,000	750,000
Switzer Center	2	750,000	375,000
Ronald McDonald House Charities of Southern California	2	750,000	375,000
Boys and Girls Club of Coachella Valley	3	750,000	250,000
Meet Each Need with Dignity (MEND)	2	700,000	350,000
Church of Our Saviour	2	650,000	325,000
Archdiocese of Los Angeles	1	650,000	650,000
Boys and Girls Club of Los Angeles, Challengers	2	600,000	300,000
California State University	1	600,000	600,000
Casa Colina Centers for Rehabilitation Foundation	1	600,000	600,000
Mount Saint Marys College	2	600,000	300,000
Midnight Mission	2	600,000	300,000
Foodbank of Santa Barbara County	3	550,000	183,333
Pediatric and Family Medical Center	2	550,000	275,000
Violence Intervention Program (VIP) Community Mental He	3	525,000	175,000
Painted Turtle	1	500,000	500,000
Inner-City Arts	1	500,000	500,000
Boys and Girls Club of Coachella Valley	2	500,000	250,000
West Angeles Community Development Corporation	1	500,000	500,000
Saint John of God Nursing Hospital and Residence	1	500,000	500,000
Weingart Center Association	1	500,000	500,000
Viewpoint Educational Foundation	1	500,000	500,000
Ocean Park Community Center	1	500,000	500,000
Valley Presbyterian Hospital	1	500,000	500,000
Art Center College of Design	2	500,000	250,000
Painted Turtle Gang Camp Foundation	1	500,000	500,000
California Lutheran University	1	500,000	500,000
YMCA of Orange County	1	500,000	500,000
Greater Los Angeles Zoo Association	1	500,000	500,000
<b>Total</b>	<b>106</b>	<b>\$87,430,000</b>	<b>\$824,811</b>

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004.

## **FUTURE TRENDS IN CAPITAL SUPPORT**

In order to better understand the patterns in capital support observed in the previous section and to help discern future trends, we conducted a set of telephone interviews with foundations which appear to be the most prominent sources of capital support in the Southern California region.

We contacted 26 foundations to inquire about their views on providing capital support, the factors behind their funding decisions, and any anticipated changes in the next few years as it relates to funding capital support. The 26 foundations included 18 foundations that provided over \$1 million dollars in capital support to Southern California nonprofits in 2004, and eight foundations with considerable grant budgets (i.e., foundations whose total giving in 2004 exceeded five million dollars) that include capital support in their grantmaking guidelines but did not make capital grants in 2004.

Sixteen foundations responded to our request. Fourteen of these foundations provided capital support to Southern California nonprofits in 2004. Eight of these include capital support in their guidelines,<sup>11</sup> and six do not.<sup>12</sup> The other two foundations include capital support in their grant guidelines, but did not provide capital support in 2004.<sup>13</sup> Interview questions covered the foundation's grant guidelines; strategies and decision making with respect to capital support; and recent and anticipated changes in capital support. The specific questions are provided in Appendix C.

### ***Grantmaking Guidelines***

Interestingly, six of the 14 foundations interviewed that did provide capital support in 2004 do not identify capital support as a type of support that they provide in their grant guidelines. However, four of the foundations indicated that they commonly award capital grants to nonprofit organizations. This seeming inconsistency is due to the fact that these foundations prefer to "retain some flexibility in the types of grants awarded," provide capital support funds by invitation, or limit capital support to "special opportunities," and that not all foundations regularly update their guidelines. The other two foundations indicated that they typically do not provide capital support, although each made a single capital support grant in 2004. Overall, these six foundations indicate that they do not make capital support grants as part of their general grants program. For example, three of these foundations indicate that they have a preference to focus their grantmaking on program and operating support.

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<sup>11</sup> The eight foundations are: The Ahmanson Foundation, Carrie Estelle Doheny Foundation, the Fletcher Jones Foundation, W.M. Keck Foundation, The Kenneth T. and Eileen L. Norris Foundation, The Ralph M. Parsons Foundation, Santa Barbara Foundation, and Weingart Foundation.

<sup>12</sup> The six foundations are: The Annenberg Foundation, H.N. & Frances C. Berger Foundation, The James Irvine Foundation, Peter Norton Family Foundation, Resnick Family Foundation, and L.K. Whittier Foundation. Two of the six – Peter Norton Family Foundation and L.K. Whittier Foundation – indicated that they generally do not provide capital support. The fact that each foundation only provided a single capital grant in 2004 suggests that these were special cases.

<sup>13</sup> The two foundations are: The Eisner Foundation, Inc. and S. Mark Taper Foundation.

The eight foundations that include capital support in their grant guidelines have a history of providing support for nonprofits in terms of capital campaigns, building and renovation, and/or land acquisition. The support of the capital needs of nonprofits reflects, as one respondent put it: “a legacy inherited from the foundation’s founder,” when foundations were more involved in bricks and mortar. These foundations do not foresee eliminating capital support from their giving guidelines, though the interviews detected that there has been a shift towards other types of support. For example, one respondent indicated: “now there is a shift to granting more programmatic and operating support.”

While grant guidelines may provide an indication of the types of support that funders have an inclination to provide, it is not as useful a gauge as one might suspect for nonprofits. The majority of foundations interviewed, including those that did not include capital support in their guidelines, stressed their interest in being responsive to the needs of the nonprofits. What is or is not in their guidelines is not as important to them as working to assess the needs of the nonprofits which they see as doing important work in the areas of greatest interest to them.

### ***Capital Support Decision Making***

The approach of a foundation to capital support is much more important to understanding the potential for this type of support now and in the future than what is in grant guidelines. With most of the foundations focused on responsive grantmaking, they do not have a particular strategy that leads them to prefer capital support over program or operating support. As several of the foundations noted, they view capital support as an opportunity to increase nonprofit capacity – “it allows for the growth of nonprofits that are delivering essential services to the community to have a significant and lasting impact.”

Despite the interest in being responsive to nonprofits’ needs, there were limits on a foundation’s willingness to consider capital support grants. In some instances, foundations limit capital support to some of their programmatic areas such as higher education or medical research; or to their regional support as opposed to their national programs. Still others had limits on the types of capital they would support, e.g., a couple of foundations mentioned a bias against grants for endowment or land acquisition. In the case of endowments, it was believed that foundations could “make more money in the market and then allocate those funds to organizations in need.” And, in the case of land acquisition, given the overpriced land values in Southern California, such grants were viewed as a bad investment.

Given the high cost of capital and what appears to be the limited number of foundations providing capital support, we explored how choices about which projects to support were made. Interestingly, most of the foundations preferred to have an indication of broader support from other foundations and/or the community. The majority of the foundations indicated they require that at least 50 percent of capital funds be raised before they would commit any funds. Two-thirds of the foundations indicated that support from peer foundations had a positive influence on their making a capital grant. The majority of foundations, for example, indicated that support from Weingart Foundation and The

Ahmanson Foundation was helpful – many of the larger foundations in the region consider Weingart and Ahmanson to be peer foundations, while smaller foundations indicated that because they do not always have the resources to review and research each capital application, commitments from Weingart and Ahmanson signaled a worthy cause. In addition, foundations indicated that they look for a “broad base of support for the campaign from the community at large,” as well as from “the nonprofit’s lead donors.” Only two foundations were comfortable making the lead gift.

In addition, a relationship with the grantee seems to increase the chances for capital support. Although, none of the foundations indicated they restrict capital grants to organizations that they have previously funded, many indicated that a new grantee is unlikely to receive a large capital grant as its first gift. Also, while none of the foundations insist on a matching requirement, a few mentioned that they would make such grants if they thought that it was helpful to the success of a project. Finally, while the size of capital grants varied across foundations, they rarely made grants in excess of \$1 million.

### ***Emerging Trends***

The foundations interviewed did not anticipate any changes in their own approach, decision making or funding levels for capital support. But, the respondents noted some trends that they had observed in recent years from the various requests they had received.

Two-thirds of the foundations noted an increased demand for capital support, i.e., a larger number of requests. All of the foundations noted the high cost of capital campaigns in Southern California and the tendency for foundations in general to shift to program and operating support. Several of the foundations observed that they were seeing an increase in requests for new facilities for charter schools, renovation of the aging infrastructure of higher education, and new equipment and technology for many health and human service nonprofits.

Two concerns foundations expressed based on their recent observations were the difficulty in successful completion of capital campaigns and the transition issues after campaigns had concluded. For example, with the high cost of campaigns some nonprofits had difficulty meeting their goals in a timely manner, leading at least one foundation to delay making grants until “ground had been broken.” Also, a few foundations noted that capital campaigns can be exhausting and “burn out” staff and board members at the end of campaigns, limiting their ability to fully leverage the capital investment. Therefore, more foundations are funding nonprofits with “professionalized capital campaigns that include feasibility assessments, strategic plans, resource studies, etc.” This concern is also manifesting itself in a few foundations indicating their shift to funding more general operating support grants – one foundation mentioned that “some foundations seem less likely to support the operating needs of nonprofits, but that is a critical area of support once the capital investment project is completed.”

Although the demand for capital support may be increasing due to the rising cost of capital in Southern California or the growing need to update technology and aging infrastructure, none of the foundations anticipated a significant increase in their support

for the capital needs of nonprofit, in terms of the percent of their grant budget. A couple of foundations indicated that their capital support might increase in the future as they continue to recover from the downturn in the economy in the 2001-02 period, but they did not indicate that it would lead to a greater share of their grant budget. In one case, a foundation responded to the increased cost of capital with larger grants, but fewer of them, so as to maintain the percentage of its grant budget allocated for capital support.

## CONCLUSION

While foundations have traditionally provided support for the capital needs of nonprofits, recent trends in foundation grantmaking have shifted to a greater emphasis on program and operating support. This is true here in Southern California as well, as this study reveals through the analysis of foundation guidelines and the examination of grantmaking patterns. There are only a handful of foundations that can be considered as providing capital support, on a broad basis, to nonprofits in the region.

There are relatively few foundations that include capital support in their grantmaking guidelines or that actually make capital support grants. Only five percent of Southern California foundations were identified as potential capital support funders based on their grant guidelines. These foundations tended to be the larger foundations in the region and were clustered in Los Angeles County.

The possibilities for foundation support of the capital needs of nonprofits in the region are even scarcer when one examines the recent pattern of grantmaking for capital campaigns, building and renovation, and land acquisition. An examination of a sample of the grants made by the larger foundations to nonprofits in the region in 2004 reveals that only five percent of the grants made and 14 percent of the grant dollars awarded were for capital support, and the great majority of grants and grant dollars went for building and renovation.

There are only a limited number of foundations that are a broad source for capital support in the region. The most prominent of them in terms of grant dollars are The Ahmanson Foundation, The Annenberg Foundation and Weingart Foundation. Other foundations playing important roles in capital support within the region for the year examined include H. N. & Frances C. Berger Foundation, W. M. Keck Foundation, The Ralph M. Parson Foundation, The Kenneth T. and Eileen L. Norris Foundation, Henry L. Guenther Foundation, Carrie Estelle Doheny Foundation, Santa Barbara Foundation, and Woods-Claeyssens Foundation.<sup>14</sup>

Admittedly, other foundations in the sample are important sources of capital support for a few nonprofits, and we suspect that the same may be true of foundations not in the sample. But it appears that these grants are likely the result of relationships between the specific foundation and a particular nonprofit, rather than an accessible source of capital support for nonprofits in general.

There are a variety of factors at play that suggests the prospects for foundation support for the capital needs of the region's nonprofits are not particularly bright. There is a general trend, at both the national and regional levels, to provide program and operating support for nonprofits. While foundations recognize that many nonprofits have important capital needs, especially with the high cost of capital in Southern California, most of the foundations realize that they are unable to meet that need within their mission, strategies, and grant budgets. The increasing number of nonprofits, the price of capital, and the more

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<sup>14</sup> The H. N. & Frances C. Berger Foundation's support is focused on the Riverside area and the Santa Barbara Foundation and the Woods-Claeyssens Foundation are focused on the Santa Barbara area.

immediate needs of nonprofits lead foundations to focus their support of nonprofits for programs and operations. Even those foundations who have been prominent in providing capital support indicated that they are not likely to increase the resources they devote to such needs in the coming years.

This study suggests some important insights for nonprofits seeking capital support. The first is that foundations in general are not likely to be a primary source of funding for capital, and nonprofits need to identify and rely on other funding sources, such as individual donors or corporations, for their capital support. And, when foundations do provide support they are more inclined to provide support for building and renovation, and do so once a majority of the funds have already been raised. In addition, foundations are more likely to fund capital support if they have a prior relationship with the nonprofit. The analysis also suggests that nonprofits should look beyond grant guidelines to discern the possibilities for capital support, especially from foundations they know.

Finally, while this study has provided an important assessment of the options for foundation support of the capital needs of nonprofit organizations in Southern California, it is important to underscore that this is only a first cut. This study only examines data on capital support for 2004. The study does not examine how foundation funding has changed over time nor does it examine other segments of the “supply side” for nonprofit capital support – individual donors or corporations. Moreover, it does not assess the capital needs among the region’s nonprofits or what the implications of limited access to capital support might mean for the capacity of the region’s nonprofits. These are issues that deserve further examination.

**Appendix A. Southern California Foundations With Capital Support in Grant Guidelines,  
By County, Ranked by Total Giving, 2004**

Foundation Name	Number	Total Giving	Assets
The California Endowment		153,242,789	3,729,571,524
W. M. Keck Foundation		48,658,855	1,307,546,774
The Ahmanson Foundation		34,131,350	890,412,590
Weingart Foundation		32,938,475	795,207,659
Conrad N. Hilton Foundation		22,544,897	764,031,944
Eli & Edythe L. Broad Foundation		17,991,673	467,696,217
The Ralph M. Parsons Foundation		16,702,634	367,479,701
The Milken Family Foundation		13,698,399	221,044,152
The Gonda Family Foundation		8,713,636	6,012
Carrie Estelle Doheny Foundation		7,464,011	160,312,543
The Kenneth T. and Eileen L. Norris Foundation		7,430,270	169,349,386
The Fletcher Jones Foundation		7,219,654	167,820,293
Bill Hannon Foundation		5,961,333	56,554,807
The Eisner Foundation, Inc.		5,765,011	125,912,705
Union Bank of California Foundation		5,750,022	2,023,845
Wasserman Foundation		5,265,200	207,104,977
S. Mark Taper Foundation		5,222,600	124,558,168
Saban Family Foundation		4,674,127	3,904,554
The Sharon D. Lund Foundation		4,488,805	109,283,389
John Jewett & Helen Chandler Garland Foundation		3,758,000	1,264,798
Amateur Athletic Foundation of Los Angeles		3,536,512	139,775,448
George Hoag Family Foundation		3,262,000	73,938,019
The Walt Disney Company Foundation		3,198,257	1,469,839
Warren & Katherine Schlinger Foundation		3,167,544	74,113,225
The Carsey Family Foundation		3,055,000	403,765
Iris & B. Gerald Cantor Foundation		2,925,995	59,112,957
William H. Hannon Foundation		2,925,051	55,331,329
L. and S. Milken Foundation		2,739,850	54,871,680
John Stauffer Charitable Trust		2,300,000	44,108,725
DJ & T Foundation		2,247,729	22,124,346
WWW Foundation		2,176,853	55,226,098
The Times Mirror Foundation		2,111,075	428,811
Crail-Johnson Foundation		2,100,985	17,859,235
Pasadena Community Foundation		1,856,683	20,109,731
Confidence Foundation		1,817,940	50,683,823
Hugh and Hazel Darling Foundation		1,800,000	31,838,845
Burton G. Bettingen Corporation		1,769,000	14,007,009
Mericos Foundation		1,651,000	34,982,943
Occidental Petroleum Charitable Foundation		1,633,517	0
Earl B. & Loraine H. Miller Foundation		1,472,660	37,933,597
JL Foundation		1,323,800	28,179,570
The Thornton Foundation		1,122,000	25,969,112
Robert and Carole Daly Foundation		1,102,585	4,276,334
Majestic Realty Foundation		1,072,393	0
Steve and Robin Kim Family Foundation		875,753	10,420,187
Will J. Reid Foundation		873,334	20,159,860
William R. & Virginia Hayden Foundation		814,050	9,811,615
Camilla Chandler Family Foundation		755,000	9,457,767
J. B. and Emily Van Nuys Charities		752,955	660,725
Aratani Foundation		731,362	31,175,916
The Caruso Family Foundation		703,484	698,351
The Ayrshire Foundation		687,891	19,413,782
John W. Carson Foundation, Inc.		645,000	4,205,786
John Gogian Family Foundation		643,626	11,659,538
Ueberroth Family Foundation		640,468	14,159,678
Max Factor Family Foundation		593,842	11,381,465
Columbia Charitable Foundation		584,538	68,710,797

**Appendix A. (continued)**

<b>Foundation Name</b>	<b>Number</b>	<b>Total Giving</b>	<b>Assets</b>
Goldsmith Family Foundation		584,108	16,763,981
Ludwick Family Foundation		574,152	36,234,044
The Edwin W. Pauley Foundation		568,375	6,255,494
Von der Ahe Foundation		395,900	7,202,198
The Teichman Family Charitable Foundation		365,740	2,771,492
Hyman Levine Family Foundation		363,540	6,378,920
The William C. Bannerman Foundation		351,000	9,445,092
Kelsey Grammer Charitable Foundation		339,500	600,887
The Patron Saints Foundation		322,475	10,037,049
Rincon Foundation		292,695	56,063
The Bob & Dolores Hope Charitable Foundation		283,250	4,874,638
Milton and Sophie Meyer Fund		279,470	4,000,052
The Carol & James Collins Foundation		276,700	4,726,944
Corday Family Foundation		264,410	4,283,914
The Bireley Foundation		252,500	5,799,247
Georges and Germaine Fusenot Charity Foundation, Inc.		246,750	6,054,158
Associated Foundations, Inc.		234,000	4,641,361
Morris & Julia Gold Charitable Foundation		214,230	3,397,159
The Kathyne Beynon Foundation		192,000	8,407,447
Artevel Foundation		187,000	2,835,409
John and Beverly Stauffer Foundation, Inc.		178,000	4,746,869
Sketch Foundation		171,000	4,202,479
Freeman E. Fairfield Foundation		151,900	3,388,764
The Essick Foundation, Inc.		143,000	3,203,328
Corwin Family Foundation		142,320	686,752
Gordon Ross Medical Foundation		141,000	3,209,336
The Stans Foundation		136,450	2,420,490
The Ben Franklin Family Foundation		126,756	293,554
The Grant A. Tinker Foundation		123,100	13,455
The Vollmer Family Foundation		115,050	966,678
Victor and Wendy Coleman Family Foundation		111,000	41,823
Frances Schermer Charitable Trust		107,900	2,376,801
Glen & Dorothy Stillwell Charitable Trust		104,830	1,985,517
Claremont Community Foundation		99,773	594,234
The John Jay Hopkins Foundation		85,000	2,365,074
Carol and Kent H. Landsberg Foundation		84,035	1,833,500
The Adele Morse Platt Foundation		68,740	60,520
Zoline Foundation		60,700	1,941,166
The Field Foundation		44,500	770,335
The Foundation		43,550	46,706
Knapp Foundation		42,900	1,981,189
Leon and Toby Gold Foundation		40,000	993,066
Hezlep Family Foundation		28,000	885,864
Moore-White Medical Foundation		25,870	615,797
Gaewood Foundation		1,000	141,197
<b>TOTAL LOS ANGELES COUNTY</b>	<b>102</b>	<b>\$482,255,642</b>	<b>\$10,914,275,989</b>

## Appendix A (continued)

Foundation Name	Number	Total Giving	Assets
The Fluor Foundation		3,268,718	12,446,834
Pacific Life Foundation		2,861,974	48,179,953
The R. C. Baker Foundation		1,665,150	31,470,745
Ralph and Eleanor Leatherby Family Foundation		1,500,000	4,751,428
Femino Foundation		448,065	10,432,302
Waltmar Foundation		382,500	7,795,007
The Harry and Grace Steele Foundation		350,000	18,909,081
First Fruit, Inc.		210,818	15,548,862
Campbell Family Foundation		166,687	1,073,817
RBF Consulting Foundation		158,029	14,075
The Marshburn Foundation		154,240	2,068,891
Carl N. and Margaret M. Karcher Foundation		147,750	40,817
The Wilder Foundation		130,107	3,826,684
Anima Christi Foundation		116,446	33,848
Hsu Hwa Chao Foundation		85,500	1,422,953
Raymond G. & Estelle K. Spehar Foundation		61,000	0
Donalda M. Pelletier Foundation		12,951	1,260,617
<b>TOTAL ORANGE COUNTY</b>	<b>17</b>	<b>\$11,719,935</b>	<b>\$159,275,914</b>
The Community Foundation Serving Riverside and San Bernardino Counties		3,145,197	42,558,164
The Coeta and Donald Barker Foundation		480,050	10,617,992
Ednah Root Foundation		331,715	7,477,842
Lluella Morey Murphey Foundation		204,500	5,284,849
Bourns Foundation		143,500	180,996
Laura May Stewart Trust		66,756	2,041,814
<b>TOTAL RIVERSIDE COUNTY</b>	<b>6</b>	<b>\$4,371,718</b>	<b>\$68,161,657</b>
High Desert Community Foundation		10,832	319,939
<b>TOTAL SAN BERNARDINO COUNTY</b>	<b>1</b>	<b>\$10,832</b>	<b>\$319,939</b>
Santa Barbara Foundation		54,781,446	153,340,248
Wood-Claeyssens Foundation		4,414,965	58,065,091
The Ann Jackson Family Foundation		2,201,100	48,402,890
Hutton Foundation		1,897,677	60,516,058
Samuel B. and Margaret C. Mosher Foundation		1,129,100	27,354,980
Lennox Foundation		1,115,132	26,388,898
Schlinger Foundation		783,369	15,687,470
The Towbes Foundation		609,575	389,232
Alice Tweed Tuohy Foundation		579,105	16,048,752
The Henry W. Bull Foundation		410,053	9,200,425
The Looker Foundation		283,900	6,592,471
Henry E. & Lola Monroe Foundation		221,500	4,745,906
The Wharton Foundation, Inc.		180,930	3,357,750
Henry James and Christie M. Metz Foundation		106,565	902,256
George V. and Rena G. Castagnola Family Foundation		90,532	1,003,833
<b>TOTAL SANTA BARBARA COUNTY</b>	<b>15</b>	<b>\$68,804,949</b>	<b>\$431,996,260</b>
Ventura County Community Foundation		2,935,779	51,198,402
The Sudikoff Family Foundation		960,100	12,141
Obren B. & Marilyn M. Gerich Foundation		315,193	1,440,372
Swift Memorial Health Care Foundation		166,020	3,798,210
Leonardt Foundation		128,050	2,071,285
Cherrie Foundation		76,500	3,124
<b>TOTAL VENTURA COUNTY</b>	<b>6</b>	<b>\$4,581,642</b>	<b>\$58,523,534</b>
<b>Total Southern California Foundations Stating Capital Support</b>	<b>147</b>	<b>\$571,744,718</b>	<b>\$11,632,553,293</b>
<b>Percent of All Southern California Foundations</b>	<b>5%</b>	<b>31%</b>	<b>30%</b>

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, *Guide to U.S. Foundations*, Circa 2004; The Foundation Center, *California Foundations*, 2006.

**Appendix B. Grants of \$1 Million or Greater That Support Capital Campaigns, Building and Renovation, and/or Land Acquisition, Awarded by California Foundations to Nonprofits in Southern California, By Recipient and Grant Dollar Amount, 2004**

Recipient/Grant Description/County	Grant Amount/ Type of Support	Foundation Name/County
<b>Eisenhower Medical Center</b> (For renovation and expansion program)/Riverside	<b>\$14,000,000</b> Building and Renovation	
	4,000,000; 1,000,000	H. N. & Frances C. Berger Foundation/Riverside
	5,000,000; 4,000,000	The Annenberg Foundation (included as Los Angeles)
<b>University of California at Los Angeles Foundation</b> /Los Angeles	<b>\$10,200,000</b>	
Art Center (via United Way, Inc.)	4,700,000 Building and Renovation	Eli & Edythe L. Broad Foundation/ Los Angeles
(For endowment fund for construction of medical sciences building)	3,000,000 Multiple Type: Building & Renovation; Endow	Resnick Family Foundation/Los Angeles
(Toward replacement medical center)	1,500,000 Building and Renovation	The Ahmanson Foundation Los Angeles
(Toward replacement medical center)	1,000,000 Building and Renovation	Weingart Foundation Los Angeles
<b>Accelerated School</b> (For construction of new high school and establishment of endowment for professional development)/Los Angeles	<b>\$6,000,000</b> Multiple Type: Building & Renovation; Endow; Faculty/ Staff Dev	The Annenberg Foundation (included as Los Angeles)
<b>California Science Center Foundation</b> (Toward World of Ecology)/Los Angeles	<b>\$3,500,000</b>	
	2,000,000 Building and Renovation	Weingart Foundation/Los Angeles
	1,500,000 Capital Campaign	The Ahmanson Foundation/Los Angeles
<b>Autry National Center of the American West</b> (Toward construction of new facility)/Los Angeles	<b>\$3,000,000</b> Building and Renovation	The Ahmanson Foundation/Los Angeles
<b>Childrens Hospital Los Angeles</b> (Toward construction of new inpatient hospital facility)/Los Angeles	<b>\$3,000,000</b> Building and Renovation	Weingart Foundation/Los Angeles
<b>Orange County Performing Arts Center</b> (For construction of new facility and expansion of arts education programming)/Orange	<b>\$3,000,000</b> Multiple Type: Bldg&Renov; Prgrm Dev	The James Irvine Foundation/San Francisco
<b>USC/Norris Comprehensive Cancer Center</b> (For Harlyn J. Norris Cancer Research Tower)/LA	<b>\$2,145,000</b> Building and Renovation	The Kenneth T. and Eileen L. Norris Foundation/Los Angeles
<b>House Ear Institute</b> (Toward construction of new research wing)/Los Angeles	<b>\$2,000,000</b> Multiple Type: Bldg&Ren & Research	The Ahmanson Foundation/Los Angeles
<b>Saint Johns Health Center</b> (For Campaign for Saint John's)/Los Angeles	<b>\$2,000,000</b> Building and Renovation	Thomas & Dorothy Leavey Foundation/Los Angeles
<b>California Science Center</b> (For capital campaign)/Los Angeles	<b>\$1,666,000</b> Capital Campaign	The Annenberg Foundation (included as Los Angeles)
<b>Childrens Hospital of Los Angeles Foundation</b> (For expansion)	<b>\$1,600,000</b> Multiple type: Bldg&Ren; Elect Media/Online Srv	L. K. Whittier Foundation/Los Angeles
<b>Music Center</b> (via United Way, Inc.)	<b>\$1,530,000</b> Building and Renovation	Eli & Edythe L. Broad Foundation/ Los Angeles
<b>Richard Nixon Library and Birthplace Foundation</b> (For Annenberg Court)/Orange	<b>\$1,500,000</b> Building and Renovation	The Annenberg Foundation (included as Los Angeles)
<b>Armand Hammer Museum of Art and Cultural Center</b> (For capital campaign building fund)	<b>\$1,000,000</b> Building and Renovation	Peter Norton Family Foundation/Los Angeles
<b>Braille Institute of America</b> (new educational center)/Santa Barbara	<b>\$1,000,000</b> Building and Renovation	Henry L. Guenther Foundation/Los Angeles
<b>Institute of Critical Care Medicine</b> (For dev and construction of new headquarters)/Riverside	<b>\$1,000,000</b> Building and Renovation	H. N. & Frances C. Berger Foundation/Riverside
<b>Foundation for the Junior Blind</b> (To renovate Camp Bloomfield)/Los Angeles	<b>\$1,000,000</b> Building and Renovation	Henry L. Guenther Foundation/Los Angeles
<b>University of Southern California</b> (For construction of science building)/LA	<b>\$1,000,000</b> Building and Renovation	The Ahmanson Foundation/Los Angeles

Source: The Foundation Center, Custom Search, May 2007 for California Foundation Capital Support, Grants Sample Database, Circa 2004.

## Appendix C. Interview Questions

### Guidelines<sup>15</sup>

- 1a. Although your foundation's giving guidelines do not specifically include the support of capital categories, the data we received from the Foundation Center for 2004 indicate that your foundation made grants for capital support. Is there a reason capital support categories such as capital campaigns, building and renovation, and land acquisition, are not listed in your giving guidelines, and why the foundation chose to give towards capital support anyway? Has that been an area in which you historically provide support? If not, what has led you to include it in recent years?
- 1b. According to the Foundation Center's Directory of U.S. Foundations, as of 2004, your grantmaking guidelines indicate that you provide grants for capital support. Has that been an area in which you historically provide support? If not, what has led you to include it in recent years?
- 1c. According to the Foundation Center's Directory of U.S. Foundations, as of 2004, your grantmaking guidelines indicate that you provide grants for capital support. Has that been an area in which you historically provide support? If not, what has led you to include it in recent years?
  - Do you expect to change your guidelines in the next few years?

### Decision Making

2. Do you have any particular features or conditions that you think about in making capital support grants?
  - For example, do you require matching funds or make challenge grants?
  - Do you restrict capital support grants to programmatic areas? For instance, health, social services, or the arts?
  - Do you look to other foundations making support, e.g., would having Weingart or Ahmanson support influence your grantmaking?
  - Do you restrict these grants to organizations that you have previously funded?
  - Is there a limit to the size of the grants for capital support? Do you have any limit to the percentage/or dollar amount of your grantmaking budget that goes to capital support?

### Emerging Trends

3. Do you have any particular philosophy or strategy underlying this type of support? Has it changed over time? In what ways?

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<sup>15</sup> Note: Group "a" indicates questions for foundations with capital support grants in 2004, but not in their guidelines; "b" indicates questions for foundations with capital support grants in 2004 and in their guidelines; and "c" indicates questions for foundations with no capital support in 2004, but in their guidelines.

- For example, have you noticed changes in the needs of nonprofits for this type of support? How has your support for these needs changed over time?

**Other**

- 4a. Was 2004 a typical or atypical year for the foundation in terms of capital support?
- 4b. Was 2004 a typical or atypical year for the foundation in terms of capital support?
- 4c. We notice that you did not make any capital support grants to nonprofits in Southern California in 2004? Was this an unusual year? Any particular reason why?  
Or is capital support infrequent?
- 5. Is there any other information that we have not discussed that you think may be helpful to us in understanding the support of the capital needs of nonprofits and the role that your foundation or foundations in general play in this type of support?