Survey of Current Area Needs (SCAN)

Opportunities for Community Investment and Philanthropy in California's Great Valley

A report to the James Irvine Foundation and PG&E Corporation

The Great Valley Center
Spring 2000

MISSION STATEMENT

The mission of the Great Valley Center is to support activities and organizations that promote the economic, social and environmental well being of California's Great Central Valley

The Survey of Current Area Needs (SCAN):

In order to assist those contemplating strategic investments, the Great Valley Center engaged in an effort to develop a philanthropic portrait and needs assessment of California's Great Valley.

The project's mission was to identify current investment activity and unmet regional needs while identifying opportunities for meaningful philanthropic activity. The Center used a four-stage process to meet its goal.

1. Develop an economic profile for each county

The Center first commissioned an assessment of existing economic and demographic data for each of the Valley's 18 counties. This background information served as the framework for understanding the economic challenges facing the vast majority of the region's communities.

2. Compile a register of documented Valley philanthropic investments

The non-profit Foundation Center maintains a database of the IRS 990-PF forms that every private foundation is required to file annually. These documents provide basic financial data, a complete grants list, and other information on the foundation. The 990-PF is generally the only source where one will find complete grant lists for funds actually disbursed (as opposed to simply "approved").

Using information culled from these forms by the Foundation Center, Great Valley Center staff compiled a listing of all grants in excess of $10,000 *actually disbursed* by state and national foundations within the Great Valley between 1995 and 1997 – the most recent dates for which this information is available. Instances where grants were made in a fiscal year ending in 1998 are noted where applicable. County-specific grant lists for each county were produced and each grant was evaluated to determine its source, purpose, and organization.

This information serves to identify to what extent the largest independent, corporate, and community foundations are presently investing in the Great Valley.

3. Conduct individual phone interviews of formal and informal opinion leaders within each Valley county.

The third and most time intensive stage consisted of telephone interviews targeted towards formal and informal opinion leaders who actually have an effect on day-to-day decisions.

The distinguishing feature of the survey was its reliance on a "phone tree" structure that encouraged interviewees to identify active leaders in their community.

Interviewees were also asked to suggest the names of others who they believed would have valuable contributions to make to the effort. Although the 37-question survey was somewhat structured, interviewees were encouraged to share anecdotes regarding challenges or problems from their personal perspectives. All respondents were guaranteed anonymity.

To ensure broad degrees of participation from all sectors, special efforts to reach minority and/or underrepresented groups were built into the process.

Four Weeks, Four Languages, 650 interviews

Over a four-week period beginning in mid-January 2000, Great Valley Center staff and volunteers conducted over 650 interviews – each averaging 30 to 40 minutes in length. The survey was also translated into Spanish, Laotian, and Hmong and used to conduct additional interviews performed by two immigrant interest groups.

4. Interviewer Analysis Meeting

At the conclusion of the data collection and interview process, the entire team of interviewers met in a facilitated session to identify and discuss common themes and lessons learned during the process.

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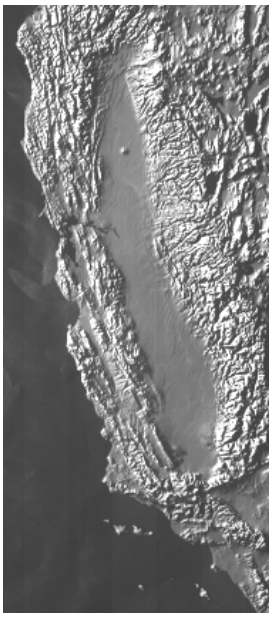
The Great Valley:
"*The Other California**"

"…this is the heartland of the Golden State, the terrain of our own hearts…another, the other California" (Haslam, 1990, p 2)

* *The Other California* is the title of Gerald Haslam's 1990 collection of essays on the Great Valley and the obvious phrase to describe the region revealed within this report.

From the air, the most distinctive aspect of California's landscape is the narrow 450 mile-long basin known as the Great Valley. Upon closer inspection, the green swath is revealed as a combination of two separate sub-regions – the San Joaquin Valley to the south and the Sacramento Valley to the north. Any distinguishing characteristics pale in comparison, however, to the list of common challenges being faced by the residents of both sub-regions. The reality is that even in an era of unprecedented national prosperity, the majority of Great Valley communities continue to struggle with meeting the basic needs required to make them healthy and vibrant.

The disparity between California and its Agricultural Heartland



California's mountain walled prairie

Topographical relief of the 450-mile long Great Central Valley

As the backbone of the country's top agricultural state, the Valley plays a leading role in ensuring the national availability of safe, plentiful domestic fruits and vegetables. The geography, climate, and fertile soil combined to allow for agricultural productivity that rivals that of any other region in the world.

The geography that creates the Valley's unique productivity has also contributed to the disparity between it and the coastal regions of the state. On the one hand, geography has deferred the impact of urbanization on the region's agricultural lands and natural resources. Conversely, separation from the urbanized coastal shelf has kept the region isolated from the economic change and social mobility that has propelled much of the Golden State forward.

With access into the Valley provided by relatively few transportation links, the economic and social

structure of the region has remained rooted in the history of self-contained and self-reliant rural communities. Even Fresno, a city with a population of over 450,000 (1999) and arguably the "capitol" of the San Joaquin Valley, relates more to its rural, agricultural roots than to the urban centers of other regions.

The Valley's relative geographic isolation and historically rural character kept the region from capturing the attention of policy makers who, in the past, have been more focused on the concerns of Southern California and the San Francisco Bay Area. However, demographic change and population growth pressures extending into the Valley from coastal areas and the Pacific Rim are now bringing higher visibility to the region and increasing commuter congestion and reduced air quality.

A region unprepared for rapid growth

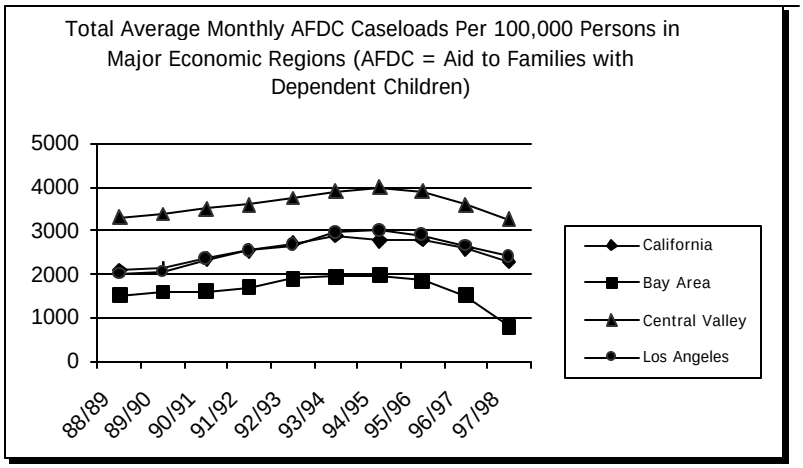
Population projections indicate that by the year 2040, the Great Valley population may grow from the current 5.6 million residents to an estimated 14 million residents. This growth involves domestic migration, including coastal residents moving inland; both legal and undocumented immigration; and natural increase (births over deaths).

New development south of Sacramento

The expected urbanization in the Valley not only poses potential problems of its own, given current development patterns and the serious issues surrounding infrastructure investment, air quality, and traffic congestion, but it can also compound other serious social and civic challenges that the region has yet to effectively address.

Important indices published in *The State of the Great Central Valley* (Great Valley Center, 1999) show that the region lags behind the coastal areas and the state as a whole in almost every category. From the doctor/patient ratio to the percentage of students who take the Scholastic Aptitude Test (SAT) and from overall job growth to voter participation, the region has a number of barriers to overcome before accomplishing growth in a healthy and sustainable manner.

Indicators as basic as the number of children living in poverty consistently indicate



Rising awareness of these existing and potential challenges has prompted serious discussion within the state's philanthropic community. How, it is asked, can we ensure the entire state, especially the 5.6 million people living in the region stretching from Redding in the north to Bakersfield in the south, benefits from the economic, social, and technological revolution that uniquely defines what it means to be a Californian in the new century?

Survey of Current Area Needs (SCAN)

In the GVC report, *The State of the Great Central Valley* (1999) it was revealed that significantly fewer grants per 100,000 people are made in the Central Valley than in the Bay Area and the Los Angeles region. Because of the regional disparity in philanthropic activity, the James Irvine Foundation and PG&E Corporation—two funders already active in the region—became interested in further study of the current conditions surrounding philanthropy in the area.

The Survey of Current Area Needs (SCAN) is part of an effort to inform the discussion regarding how additional resources can be best used to support Great Valley communities in addressing these important challenges.

To ensure the SCAN's comprehensiveness, economic data compiled by **former PG&E Corporation economist Tapan Munroe** and raw data regarding philanthropy from the **Foundation Center** was combined with findings of a first-of-its-kind **Needs Assessment Survey** of the Valley's community leaders.

This report references other Great Valley Center publications including *The State of the Great Central Valley* (1999), *The*

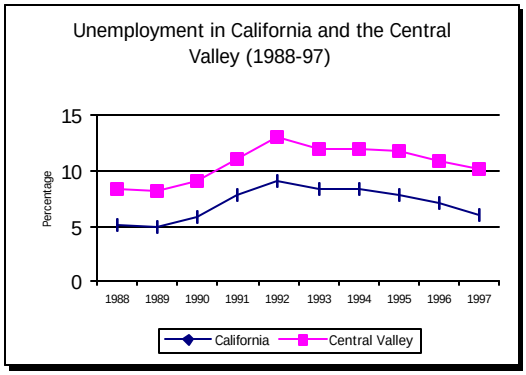
PPIC/GVC Central Valley Survey (1999), and *The Economic Future of the San Joaquin Valley* (2000).

Findings: The Valley Economy

■ The most productive agricultural landscape in the world has been plagued by chronically high unemployment for over 20 years

The Great Valley plays a key role in state agricultural production. The region produces over 350 different crops on some of the planet's most fertile soil. Eleven of those crops are exclusive to the Valley. Direct farm employment in the region constitutes 12% of total jobs in the region: another 28% are in farm-related industries.

While **6 of California's top 7 agricultural counties are located in the Valley**, agricultural productivity has been no guarantee of economic health for Valley communities. In spite of growth and productivity gains in agriculture, the industry alone cannot and will not produce sufficient jobs to keep pace with the region's growing population.



Source: Center for the Continuing Study of the California Economy

In the North Valley, unemployment is traditionally 3% to 4% higher than the overall state average. In the San Joaquin Valley, the same measure rises to 6% above the state rate and **despite a robust state and national economy, per capita income has actually declined** from $19,836 in 1990 to $18,849 in 1997, according to *The Economic Future of the San Joaquin Valley*.

The Great Valley has been unable to reduce persistently high unemployment rates while less than 100 miles away, Silicon Valley fueled a huge economic expansion.

"In general, how would you rate the Central Valley economy?"

	All Adults	North Valley	Sacramento Metro	North San Joaquin	South San Joaquin	Latino
Excellent	9%	3%	16%	8%	7%	11%
Good	46	34	56	42	42	42
Fair	35	48	22	39	39	35
Poor	9	13	5	11	10	10
Don't know	1	2	1	0	2	2

Source: *PPIC/GVC Poll*, 11/99; 2,016 polled, (+/-2% sampling error)

■ Local Perceptions of the Valley's economic situation suggest acceptance of underperformance

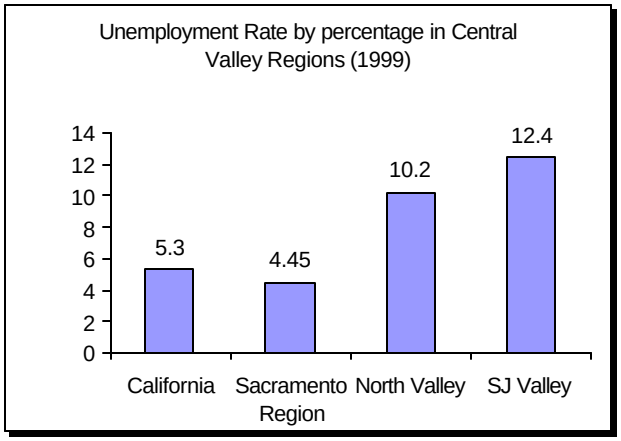
During a November 1999 poll conducted by the Public Policy Institute of California in cooperation with the GVC and KVIE, a representative sample of Central Valley residents were asked if they were satisfied with the Central Valley's economy. Despite the list of long-term economic woes consistently weathered by the region, **a solid majority of respondents said the Central Valley's economy was in "excellent" or "good" shape.** There were no statistical differences between Hispanics and non-Hispanic whites – the Valley's two largest demographic groups.

How positive assessments of a regional economy could be made in the face of data demonstrating other conditions might be explained by the fact that **after two decades of double-digit unemployment, these high rates of joblessness have come to be accepted as the status quo.**

Adding to this public acceptance, local leaders, mostly born and raised in the region, are not demanding the resources and tools required for positive change.

■ Economically Diverse Valley Communities thrive; Monoeconomic communities remain vulnerable

Source: Economic Profile of the Central Valley, Tapan Monroe



Valley communities have generally not been exposed to the dramatic economic changes that have reshaped the global economy.

Only the Sacramento Metropolitan Area has charted a different course – and it has reaped substantial rewards. With an unemployment rate of 4.45% (1999), Sacramento bests even the state average. Although the county is in the heart of an agriculturally rich region, it does not depend solely on farm production due in substantial part to its participation in the tech–based New Economy and its position as the state capital and government center.

By contrast, the communities of both **the North Sacramento Valley and the San Joaquin Valley ended 1999 with unemployment rates in double digits**.

February 2000 Rankings of Continental US MSAs by Unemployment Rate
(Great Valley areas in bold)

1.	Yuma, Arizona	26.0
2.	***Visalia-Tulare-Porterville, California***	14.5
3.	McAllen-Edinburg-Mission, Texas	13.0
4.	***Fresno, California***	11.9
5.	***Merced, California***	11.6
6.	***Yuba City, California***	10.5
7.	***Bakersfield, California***	10.0
8.	Brownsville-Harlingen-San Benito, Texas	9.8
9.	Yakima, Washington	9.2

Six of the 10 highest metropolitan statistical area unemployment rates are in the Central Valley. The common theme among these areas is agriculture's large economic share.

In Colusa County, for example, agriculture provides 37% of the economy's jobs – the highest in the Sacramento Valley – but it also has the highest unemployment rate of any county in California, 16.5%.

rce: Bureau of Labor Statistics

Slight weather fluctuations such as winter freezes can have disastrous effects on farm worker communities dependent solely on agricultural jobs.

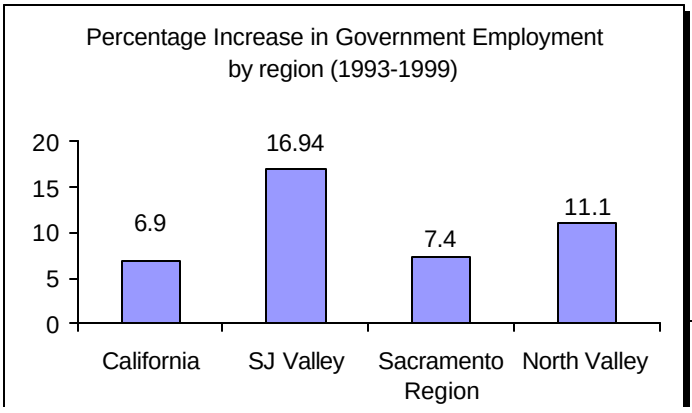
■ The Valley's Economy remains particularly sensitive to the availability of water and natural disasters

noeconomic vulnerability is intensified in agriculture by a nber of forces outside the control of farmers. For instance, en agriculture's primacy, **water is critical to the Valley**.

e San Joaquin Valley imports much of its water from the e's northern counties and the success of whole nmunities and individual endeavors has depended upon an quate supply. During the drought of the early 1990s, the loss of agricultural water in some parts of the region was devastating for farm-worker communities totally dependent on agricultural jobs.

In addition to the ever-present fear of drought, issues such as groundwater overdraft and pollution from runoff continue to create problems along several major rivers and tributaries in the Valley, heightening conflict between agriculture and environmentalists.

Other illustrations of nature's impact on economic health are not difficult to find. For example, when a four-day Christmas 1998 freeze destroyed 220,000 acres of citrus in Madera, Fresno, Tulare and Kern counties, 65 packing houses immediately idled. 12,000 to 14,000 farmworkers found themselves suddenly unemployed. This devastated many communities as most citrus pickers and packers count on the winter harvest to earn the bulk of their *yearly* income, a figure that ranges from $4,000 to $11,000. Communities are still struggling to recover.



■ Government's share of the Valley's workforce increasing faster than in the state as a whole

Between 1993 and 1999, state and federal government employment statewide grew by 6.9%. In the Valley, government employment grew by 11.8%, a rate almost twice that of the state. In Madera and Kings Counties, in which new prisons were constructed, respective increases in government employment were 31 and 16 percent. **Prison building is seen by some Valley communities as a means to spur economic growth**. In spite of that hope, the desired economic outcomes have not been achieved.

ıia Economic
epartment

The costs of servicing new suburbs – extending police and fire protection, water, sewers and streets – have greatly exceeded property and sales taxes generated by growth.

■ "Quality" of Life – a key aspect of successful economic regions – may be threatened by rapid levels of unbalanced growth

In an increasingly competitive world, a region's quality of life and amenities attract investment. The Valley's historic reliance on cheap land and labor are insufficient to bring the high-quality jobs that will increase the economic and civic capacity of the region. Some Silicon Valley investors have looked at communities and rejected them because they lack the quality community features and resources expected by companies and their employees.

Effect of Coastal Migration Shift

While job growth has been substantial, economic development efforts have been unable to keep pace with population. Population growth in every Central Valley county exceeds the statewide average and is projected to continue to do so through at least 2020. Some of the Valley's larger cities, such as Fresno and Sacramento, have grown as much as 20% in the 1990s.

Much of the new population, especially in the Northern San Joaquin Valley, originates from the urban regions of the state. These **newcomers, many of whom continue to work in the San Francisco Bay Area, are seeking more affordable housing** and a lower cost of living. In other parts of the region, the new population is attributable to immigration and high birth rates.

In addition to the serious air quality and traffic congestion problems that the unbalanced shift is creating, many communities are dealing with the challenges of building new schools, improving infrastructure, and providing basic quality-of-life amenities such as parks and libraries in an era of fiscal restraint.

"Fiscalization" of Land Use

Between 1996 and 1997 the Central Valley saw a 141% increase in agricultural land annexations by cities. According to the *Los Angeles Times*, this has happened because many Valley communities faced with the dilemma about how to increase tax revenue have chosen growth as a financial solution – notwithstanding the fact that local taxes and fees are not producing sufficient revenue. As such, **cities and counties in the region have found themselves trapped in a cycle of increasing debt** to cover the shortfall and then seeking more growth to cover the debt service, resulting in a cycle that has no end.

Los Angeles Times, October 6, 1999

■ The ethnicity of the Valley's workforce remains comparable to the State as a whole

Over the period between 1990 and 1996, ethnic demographic trends in the Valley mirrored those in the state: a decline in the relative percentage of whites, a constant level within the African American community, and increases in the numbers of Asians and Hispanics.

Findings: "Scanning" the Valley's Needs

During the course of a four-week period, over 650 community, business, and minority group leaders within the region were interviewed regarding their impressions of the Valley's needs and their awareness of existing philanthropic efforts.

These conversations were structured around a 37-question survey. As opposed to a rigid, "scientific poll" (which the SCAN decidedly is not), **respondents were encouraged to add nuances to their responses**, provide real-world examples of ongoing resource gaps, and then, most importantly, suggest other people whom they thought should be included in the survey.

This unique "phone tree" structure created a useable, ground-level portrait of each county complete with names, effective organizations, and major concerns.

The SCAN confirmed that **a majority of communities throughout the Great Valley share a number of serious challenges**.

■ Basic community needs top list of priorities

Basic issues vital to healthy and vibrant communities led the list of concerns most important to those scanned. This was especially true within minority communities – in which **"access to services"** (#4) and **"health care"** (#7) both were rated higher than in the general interview group.

Many participants had difficulty assessing the availability of services for the overall population, stating that access to services depended greatly upon an individual's economic status.

Respondents noting **education** (defined at times to incorporate issues of quality and quantity at both the adult and youth level) and **economic development** (defined as training and both quality and quantity of jobs) were careful to point out that the two worked in tandem. Without a well-educated workforce, economic development efforts cannot be fully effective. In the maturing Sacramento area, ensuring **funding for the arts** rounded out the list of dominant issues – this is the only region where this point repeatedly arose.

Top Concerns identified in SCAN of Great Valley Communities

	All Central Valley Respondents	Immigrant and Minority Groups
1	Education	Jobs/Economic Development
2	Jobs/Economic Development	Youth/Gangs/Teen Pregnancy
3	Growth	Education
4	Coordination/Collaboration	Access to Services
5	Environmental/Air Quality	Crime/Substance Abuse
6	Access to Services	Diversity Divide
7	Youth/Gangs/Teen Pregnancy	Healthcare
8	Diversity Divide	Isolated Communities
9	Isolated Communities	Coordination/Collaboration
10	Crime/Substance Abuse	Growth

Additionally, lack of leadership and physical infrastructure needs were frequently cited by the broader group "All Central Valley Respondents."

On Education:

"UC Merced won't make a difference as long as the children remain unprepared"

-Interviewee, Fresno County

■ Education: "Brain Drain" concerns

SCAN participants expressed concern over the fact that their brightest students "seemed to leave the area and never return," while the young people who stayed were unprepared.

These concerns reflect the following fact regarding Central Valley high school students and the nation's primary college entrance examination, the Scholastic Achievement Test (SAT):

According to the California Department of Education, **substantially fewer Central Valley high school seniors – especially in the San Joaquin Valley - take the SAT** when compared to the state average, but when they do take the test, *they perform on par or better* than their state peers. Presumably, the ones who take the test are those who "never return."

Types of groups most frequently mentioned as guiding discussion on local issues in the San Joaquin Valley

1. Chambers of Commerce/Economic
2. Development Corporations
3. Farm Bureau
4. Service Clubs (Rotary/4H)
5. Developers

Types of groups most frequently mentioned as guiding discussion on local issues in the Sacramento Valley

1. Service Clubs (Rotary/4H)
2. Chambers of Commerce/ Economic Development Corporations
3. Farm Bureau
4. Churches

Others remarked that the Valley's "culture does not encourage higher education" or that if it does, students are encouraged to attend schools located nearby. No existing Central Valley college or university is considered among the top 25 in the country as recorded by *U.S. News & World Report* magazine's 1999-2000 rankings.

The University of California has a campus at Davis in Yolo County and plans are underway to open a San Joaquin Valley campus based in Merced with a network of "satellite locations" in Modesto, Fresno, and Bakersfield. UC Merced's planned opening year (2004) enrollment is 1,000. By 2035, the campus plans to be fully operational with 19,000 students.

Even the prospect of the new campus in Merced was greeted by muted enthusiasm. Despite its promotion as the "Valley's campus," the notion of traveling up to 150 miles away to attend a school "still" in the Valley struck some as contrary to the conventional wisdom that many college-bound students *want* to leave the Valley. Moreover, the conversations indicated satisfaction with the established California State campuses. The California State University system has five campuses in the Central Valley (Bakersfield, Stanislaus, Fresno, Sacramento, and Chico).

■ Economic Development: Concerns about expanding the base

On Economic Development:

"We are competing nationally against other areas with more resources than we have. We have no ability to market. Most job growth is in tech areas [that are] not based here."

-Interviewee, Shasta County

Population growth has driven job growth in the service industries such as retail and housing construction. However, interviewees in the San Joaquin Valley often mentioned their county's **economic development commissions are spearheading attempts** to expand the region's economic base.

This was especially true with respondents in Kings County, where the cities of Avenal, Corcoran, Hanford, and Lemoore together with the County have consolidated resources to attract business. At the same time, those same respondents generally remarked it was "**too soon to tell" whether this cooperative effort has been effective.**

■ Leadership Fatigue

On Health Care:

"[Many groups] are trying to address the problem, but it's a very large one with complex issues attached to it …[A more] comprehensive approach is needed for health care."

Interviewee, -San Joaquin County

While there was near consensus on the challenges ahead for Valley communities, analysis of how leaders are addressing them fell into one of two camps: fragmented efforts or surface solutions. Either too many interests were involved (as perceived by some in the debates over water) or the ones involved were perceived as approaching complicated issues **with well-meaning but short-term "band-aid" repairs.**

Over-subscribed local resources

In some cases, organizations and institutions are already taxed to a maximum. Operating with few resources, **groups expressed difficulty at taking on new projects.** One county employee voiced typical frustration: "Sure it's a good idea. But we just can't take on any more good ideas. We're just getting by."

According to one interviewee in Yuba, a county distinguished by a large rural population living in unincorporated towns, the effect of not cultivating broad community-interested leadership capable of planning and encouraging business development has led to the "rural ghettoization" of the area.

■ Local needs consistent throughout region

On local organizational capacity:

"Our civic clubs are making an attempt [to improve the well-being of the community] but it is not sufficient given the extent and complexity of our needs."

-Interviewee, Merced County

When asked whether their community's strongest organizations are addressing their area's major issues, North Valley respondents highlighted the fact that their **most effective groups were necessarily focused on social issues** rather than broad prescriptions for the regional economy or education. Specific groups mentioned included United Way and the YMCA.

Most effective local groups focused on social needs

Respondents in the San Joaquin Valley pointed to their various economic development commissions to a greater degree than in the North. However, the tendency to equate the region's most effective groups with *social* issues was identical to that in the North Valley.

■ Specific impressions of respondents representing minority and immigrant groups

With the help of organizations identifying themselves as active within Central Valley immigrant and minority groups, the SCAN was used to obtain perspectives from 50 minority, immigrant or low-income representatives. When queried, immigrant group respondents were more likely than others to answer from the perspective of a particular city or, more often, a neighborhood; thus questions about the most influential people and organizations generally drew local names rather than individuals defined by their position in the county.

When compared to general responses, some important trends appeared.

Immigrant groups: Growth not seen as major issue compared to basic needs

One striking fact revealed in this process was the divide between the immigrant Hmong, Central American and Laotian community and white population regarding growth-related issues. The SCAN found that growth, as it pertains to pressures created by increasing population, did not rank as a major issue to the respondents representing immigrant groups. Respondents were **far more focused on basic human and economic needs** such as decent wages than on more abstract ideas of land use and growth.

Growth control efforts are also sometimes viewed as elitist, i.e. they make it harder for immigrants to find housing and live in mainstream communities.

Immigrant and Minority Groups: Concerns regarding infrastructure and transportation—access to resources

Current development patterns in smaller rural communities, however, are perceived to contribute to the existing difficulties for immigrant populations in their own way

The mention of infrastructure or transportation by low-income and minority respondents came in the form of **concrete problems such as finding the transportation needed to access the available medical care, services and educational opportunities** as opposed to the effects of

freeway expansion or regional development on the larger community.

As a point of example, one interviewee remarked that while the resource of a consolidated health clinic in a nearby San Joaquin Valley town provided the promise of effective care to the neighboring community, the bus to the facility was scheduled to run only twice a week. Even if the resource is available, people frequently have limited access to it.

Resources should eventually be directed to getting communities beyond survival issues

On scholarships:

"I think scholarships are available, but they are hard to access or get information for."

-Interviewee, Butte County

Strong support was shown for language access through classes and future-oriented programs with an emphasis on youth programs of all kinds (i.e. dealing with gang violence, and reducing teen pregnancy).

Immigrant group responses to questions regarding UC Merced led to a hope that there is an effort to ensure people are first able to learn how the system works through consistent, long-term outreach efforts.

Responses on the whole indicated a need for increased local capacity and resources in virtually every area.

Latinos more likely to view UC Merced as "very important"

"How important is UC Merced to the future economy and quality of life in the Central Valley?"	All Central Valley Adults	Latino Central Valley Adults
Very important	53%	75%
Somewhat important	34%	20%
Not important	10%	4%
Don't know	3%	1%

Source: *PPIC/GVC Poll*, 11/99; 2,016 polled, (+/-2% sampling error)

Findings: Philanthropy and the Great Valley

Raw data on philanthropic activity is maintained by the Foundation Center, a national non-profit organization that collects information on foundations and corporate giving.

For this analysis, data was acquired for all **private grants over $10,000 actually disbursed in the Central Valley between 1995-1997**, the most recent period for which data was available. In order to maximize the comparative utility of the database, the Foundation Center does not track grants until they are in fact paid out (i.e. Grants, net payable) and recorded with the Internal Revenue Service. As such, these numbers are generally lower than what one might find in a foundation Annual Report listing grants *approved*.

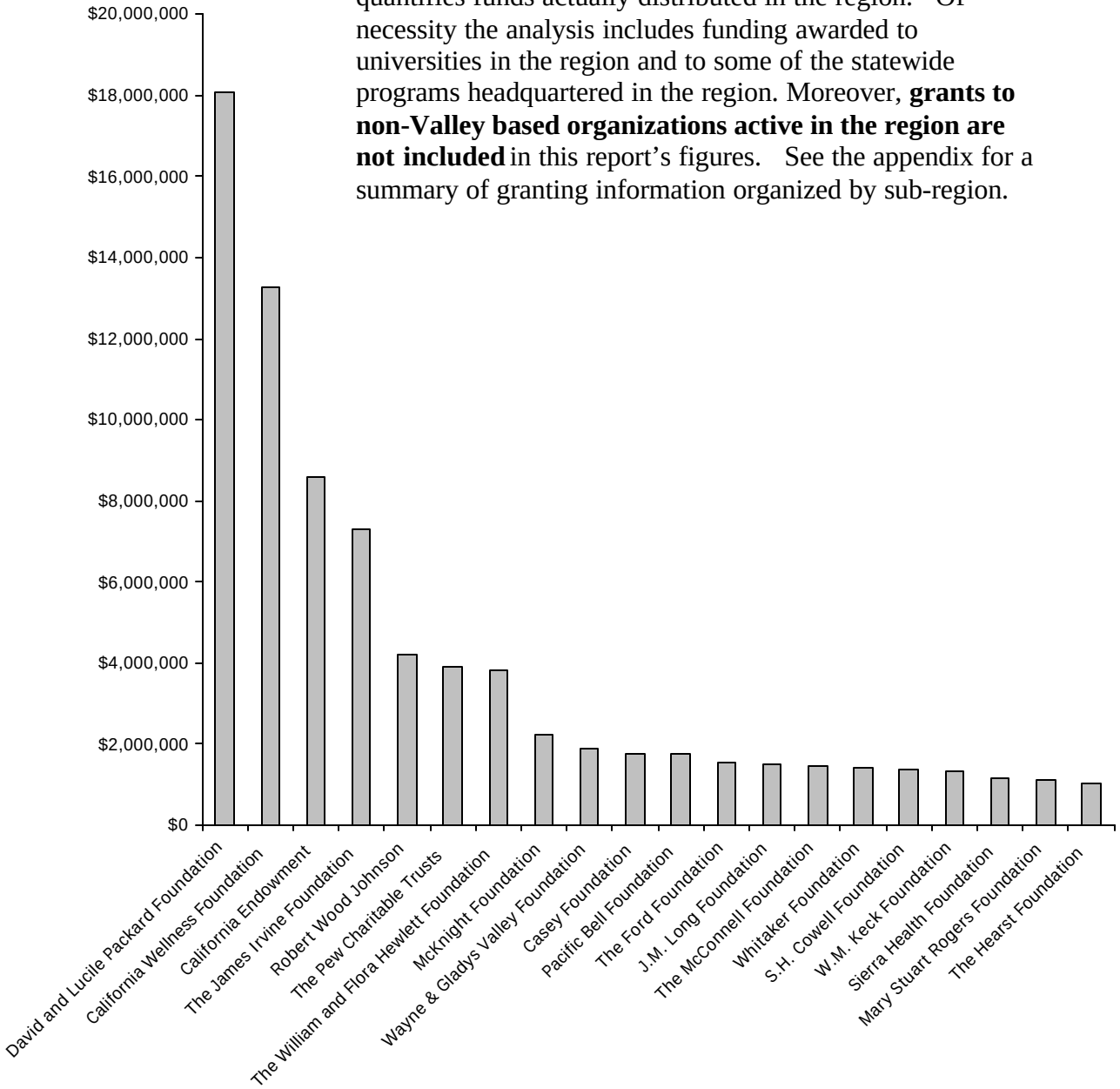
To give a framework for foundation giving, according to the Foundation Center, In 1998, US foundations gave $19.46 billion to nonprofit organizations nationwide.

In the Central Valley, during the three-year period between 1995 and the end of fiscal year 1997/98, **a total of $66.66 million in grants were disbursed to Valley organizations by a combined total of 204 state, regional and national foundations.** (This figure does not included grants to Sacramento-based organizations with a national or statewide mission).

Statewide, philanthropic grants average $3 million per 100,000 people. In the Central Valley, the number is $1.2 million per 100,000 or 40% of the state average.

Utility of the Grant Database

As these figures only represent funds allocated to organizations based in the Central Valley, this report quantifies funds actually distributed in the region. Of necessity the analysis includes funding awarded to universities in the region and to some of the statewide programs headquartered in the region. Moreover, **grants to non-Valley based organizations active in the region are not included** in this report's figures. See the appendix for a summary of granting information organized by sub-region.



Top 20 National and State foundations by total amount of grants disbursed within the Central Valley (1995-97)

Source: The Foundation Center

Top 10 California-focused Foundations based on actual disbursements (End of Last Fiscal Yr. Available 1997 or '98)

1.	The California Endowment Woodland Hills, CA	$68,550,000
2.	The San Francisco Foundation San Francisco, CA	$45,298,867
3.	California Community Foundation Los Angeles, CA	$40,867,398
4.	William and Flora Hewlett Foundation Menlo Park, CA	$38,648,532
5.	Weingart Foundation Los Angeles, CA	$38,598,732
6.	The California Wellness Foundation Woodland Hills, CA	$35,825,034
7.	The Ahmandson Foundation Beverly Hills, CA	$35,667,536
8.	Price Family Charitable Fund La Jolla, CA	$31,469,988
9.	SBC Foundation (Pacific Bell) San Antonio, TX	$30,546,174
10.	The James Irvine Foundation San Francisco, CA	$27,902,140

Source: The Foundation Center

■ Leading California Foundations vary dramatically in commitment to the Central Valley

The foundations listed by the Foundation Center were classified for this report as state, national, or regional.

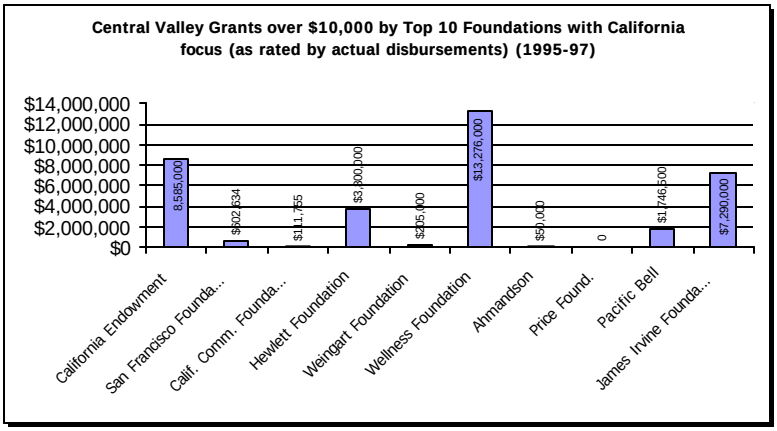
Five of the top ten California-focused foundations were actively involved in the Great Valley between 1995 and 1997.

Mirroring the combined state and national list of leading givers, the top California foundations active in the Central Valley were the **California Wellness Foundation** with *$13.3* million followed by the **California Endowment** with *$8.6* million and the **James Irvine Foundation** with *$7.3* million. The James Irvine Foundation total does not include a $1 million grant made to the Great Valley Center in 1998.

The David and Lucile Packard Foundation is classified as a national foundation for this analysis and is not included here.

Top 10 National U.S. Foundations based on actual disbursements (End of Fiscal Yr. 1997)

1.	The Ford Foundation New York , NY	$440,400,415
2.	Lilly Endowment Indianapolis, IN	$425,188,708
3.	W.K. Kellogg Foundation Battle Creek, MI	$202,919,594
4.	David and Lucile Packard Foundation Los Altos, CA	$263,929,118
5.	Robert Wood Johnson Foundation Princeton, NJ	$289,143,569
6.	The Pew Charitable Trusts Philadelphia, PA	$161,411,658
7.	John D. &Catherine MacArthur Foundation Chicago, IL	$156,976,932
8.	Andrew W. Mellon Foundation New York, NY	$142,232,000
9.	Annenberg Foundation St. Davids, PA	$105,217,817
10.	Open Societies Institute New York, NY	$102,508,902



Source: The Foundation Center

■ Central Valley Activity by National

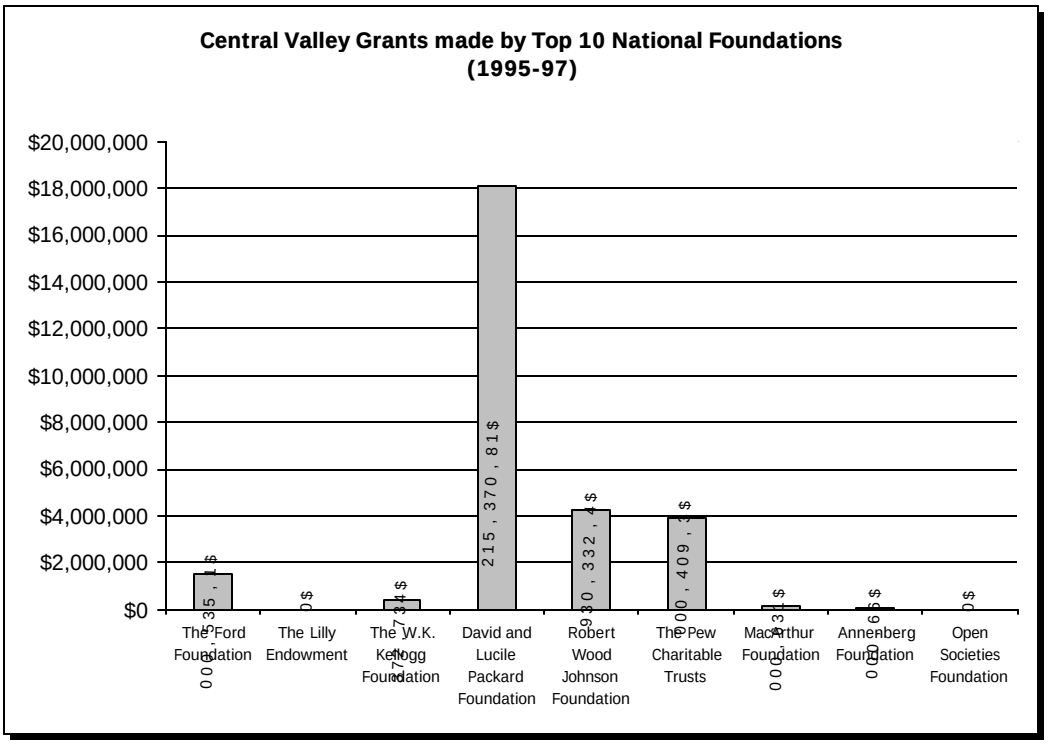
Foundations

Approximately 541 grants totaling $50.7 million were made in the Central Valley by 151 different foundations with a National or International outlook in the years between 1995 and 1997. The average grant by a national foundation for the period was $99 million as compared to the state foundation average of $93.1million

The top 5 Valley counties of interest to national foundations were Sacramento, Yolo, San Joaquin, Fresno, and Kern – attributable in large part to education-related grants made to colleges or universities located within those jurisdictions and grants to state agencies.

Of the country's top 10 foundations, four have made significant investments in the Valley**: The David and Lucile Packard Foundation,** *($18 million*); **The Robert Wood Johnson Foundation** *($4.2 million)*; **The Pew Charitable Trusts** *($3.9 million)* and **The Ford Foundation** *($1.5 million).*

Source: The Foundation Center



■ Central Valley-based Foundations are substantially smaller than their national or coastal counterparts

The majority of California-specific foundations are based within fifty miles of the Pacific Ocean. The top Valley-based foundations are spread evenly from Redding to Visalia.

Even if the top ten Valley-based foundations were to merge, their combined giving rate, $23.9 million (1997), would not move it into the top ten of California foundations.

Although not included in the above list as a foundation, the Great Valley Center (established after the data period used for analysis) "regrants" over one-half million dollars each year exclusively within the Valley through its **LEGACI** (Land Use, Environment, Growth, Agriculture, Conservation, Investment) program, placing it well within the top 10 funders in the region.

Top 10 Central Valley-based Foundations ranked by actual disbursements (End of Last Fiscal Yr. Available 1997 or 98) [State Ranking indicated by parentheses]	
1. Mary Stuart Rogers Foundation *Modesto, CA (45)*	*$6,695,500*
2. Sierra Health Foundation *Sacramento, CA (50)*	*$5,972,559*
3. Sierra Pacific Foundation *Redding, CA (103)*	*$2,682,204*
4. McConnell Foundation *Redding, CA (104)*	*$2,677,771*
5. Buck Foundation *Vacaville, CA (129)*	*$1,932,730*
6. Sacramento Regional Foundation *Sacramento, CA (213)*	*$1,080,307*
7. Fresno Regional Foundation *Fresno, CA (223)*	*$1,002,784*
8. Gallo Foundation *Modesto, CA (284)*	*$ 732,947*
9. Fansler Foundation *Fresno, CA (341)*	*$ 578,500*
10. The Sence Foundation *Visalia, CA (353)*	*$ 556,445*

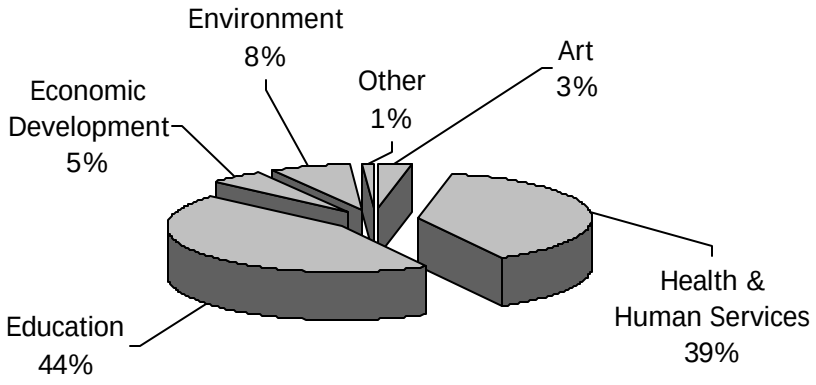
■ Health/Human Services and Education overwhelmingly dominant subject area

The two dominant subject areas of philanthropic giving in the Valley include Health/Human Services and Education. In analyzing grants made for health purposes, interests in simplicity dictated that investments made for everything from Hmong radio broadcasts on Health to acquisition of equipment at Valley Children's Hospital in Madera be grouped together under health and human services.

Not surprisingly, educational grants were especially high in counties with major research universities, such as Yolo County's UC Davis. Across the board, education accounted for 44% of all grant awards made between 1994 and 1997. This includes grants made to higher education institutions as well.

Funding percentages for the Arts, Environment, and Economic Development remain in single digits.

Central Valley Grants by Subject Area - All Foundations (1995-97)



Source: The Foundation Center

Corporate Philanthropy

Cooperation between the public, non-profit, and private sectors can have a sizable impact on state and local economies.

Organized Corporate Giving

Larger corporations often have centrally-managed corporate giving programs. The programs are frequently targeted to specific interest areas and, by being so, can have a sizeable impact. While corporate grants are generally smaller than those of major foundations, by granting a greater number of grants, corporate giving programs often attempt to provide resources to as many interests as possible.

A number of corporations are active participants in Central Valley giving, however, the data for corporate giving is not readily available for a given geographic area. While the Foundation Center tracks the gifts of some corporate foundations, the listing is not complete. For instance, the gifts of PG& E Corporation, Bank of America Foundation, Wells Fargo, Arco, Chevron, and a number of other entities known to be active funders do not appear. When contacted, a number of these organizations stated that their organizational data is typically compiled by interest area as opposed to geographic area.

Additionally, individual corporations vary in the degree to which they publicize their giving. Some concern was demonstrated among funders that while their giving may vary from area to area because of valid reasons (such as population or need), publicizing the data without explanation may unintentionally create a mistaken impression of granting inequities.

Because examples of corporate gifts that have occurred in the region, but which do not appear in this registry of giving, it is impossible to assess the aggregate impact of corporate philanthropy with the current information. Further study of the collective role of existing gifts could play a valuable role in addressing corporate citizenship and additional funding opportunities. It is, however, outside the scope of this report.

Location remains important

Despite the centralization of large corporate giving programs, much of corporate philanthropy can still be seen as a local enterprise.

The Target Foundation (formerly the Dayton Hudson Foundation) follows the following guidelines in giving:

- "Giving 5% of our profits back to the communities we serve -- a 54 year tradition at our company
- Continuing to focus our giving in Minnesota and the Twin Cities" (home of Target corporate headquarters)

Communities that are home to large corporate operations or headquarters typically receive greater investment than those that are not. As Tapan Munroe pointed out in the *State of the Great Central Valley (1999),* "It is generally easier to develop corporate support from a locally based company… historically, many companies have devoted a disproportionate share of their philanthropy to their headquarters' hometown." Broad corporate philanthropy cannot help but be the product of corporate location.

The more successful the Valley is in attracting competitive corporate facilities and cultivating economic opportunities for a "professional class," the more likely the Valley is to see greater corporate investment in its communities.

Corporate Headquarters with over 400 employees in the Central Valley Sub-regions	
North Valley	0
Sacramento Region	15
San Joaquin Region	18
Central Valley Total	33

Source: Northern California Business Directory, American Business Directory 1998, 1999. Directory of California Wholesalers and Services Companies, 1998. Database Publishing Company

Local involvement: Difficult to measure

The days of the community-minded Mom-and-Pop store may be passing, but the regional and national corporations that have replaced many of them play a vital part in maintaining healthy communities.

Civic and charitable organizations, as well as educational institutions, depend heavily on the philanthropic efforts of corporate citizens, and in turn, enlightened corporations recognize that strong community-based organizations and leaders are a foothold for their financial base.

"We are one of the last locally owned operations in town and it seems that every organization is coming to us for support because we are accessible.

--Interviewee, Sacramento County

However, the SCAN revealed the concern regarding lack of community investment among leadership of local corporate chains, plants, and branches. Frequently assigned to a location for a limited time until the next promotion, branch management of corporate operations is perceived in many cases to be less involved in the community than the locally rooted counterpart. This, however, does not mean that local-level giving by corporations does not exist or that there are not examples of strong leadership.

Some of the more community-minded companies give local managers freedom to invest in their community as they see fit. Additionally there is a great deal of benefit in in-kind philanthropy. In communities dealing with serious issues of poverty, assistance in the form of donated food, clothing, and child care are important contributions that are typically not reported. However, this non-monetary philanthropy makes measuring the local contribution of corporations difficult at best.

Changes on the corporate landscape

While the Valley has never been a locus for corporate headquarters or giving, the merging of entities with even Los Angeles or San Francisco ties, further strains the ability of the region to tap corporate resources, creating greater competition for corporate grants, awards, and resources among charitable organizations.

■ SCAN responses regarding philanthropy

On grants:

"It's often a waste of time unless you have a relationship with the funder. It's very frustrating to be rejected."

-Interviewee, Shasta County

The SCAN included a set of questions regarding philanthropy.

Large number of people unaware of philanthropic efforts in their community

Respondents were asked if they believed "the right amount" of foundation attention was being targeted toward their community. Some interviewees tended to confuse the concept of "philanthropy" with "charities" such as the Salvation Army or the United Way, but the greatest response was that there was too little foundation investment or that they did not know about the level of foundation attention in their community.

Name recall of active foundations poor

Participants were told that "a number of large state and national foundations [were] making grants throughout California" and asked if they were able to identify any of them.

In some counties where poverty and unemployment are greatest, respondents could not name a single state or national foundation

In 1998, Mervyn's California contributed over $120,000 throughout the San Joaquin Valley, supporting youth activities, the arts, and the United Way

Some responded by listing charities such as the United Way. When a foundation was mentioned it was usually the California Endowment, The David and Lucile Packard Foundation, the Wellness Foundation or a local entity such as the McConnell Foundation in the North Valley. The James Irvine Foundation was occasionally identified in some of the ethnic and immigrant respondents.

In the Sacramento region, foundations established by the Teichert and Raley family, owners of a locally headquartered construction company and grocery store chain respectively, were frequently listed as active contributors. These local foundations are highly visible due to their contributions into the metropolitan area.

SCAN respondents also pointed to large corporations with facilities in the area but not headquartered in the region as not being active enough.

The General Mills foundation was mentioned several times among respondents in the Community of Lodi. The company is the San Joaquin County's sixth largest private employer, with 825 employees. In 1999 it invested at least $350,000 into community and county organizations.

There are examples of corporate community investment outside of the headquarters community. In Kings and Tulare Counties the Pasadena-based J.G. Boswell Foundation was mentioned five times – a likely reflection of the Boswell family's history as a dominant agricultural interest within Kings County. (Just before this survey began, the J.G. Boswell Foundation also announced a $1.2 million endowment for the School of Agricultural Sciences and Technology at California State University, Fresno).

The overwhelming reality surrounding community investment, however, is that substantial investments, while they do exist, are few and far between. The general consensus in the SCAN was that the region needed significantly more assistance from state and national foundations or corporations if such help is available.

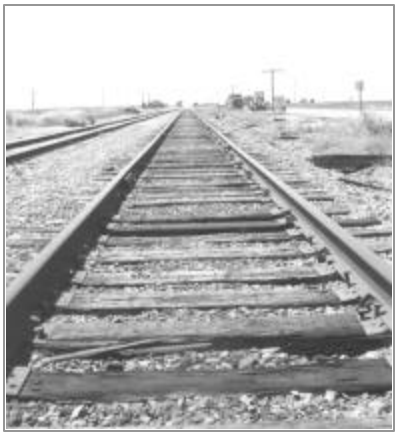
Conclusion: Next Steps

As a "snapshot" of the region and its needs today, the Survey of Current Area Needs (SCAN) was designed to inform discussions directed toward improving the region's well being as it becomes a major force in the state.

Addressing the SCAN's themes: Connection, Competitiveness, Capacity

Reviewing the empirical data and the personal responses and observations of the interviewees suggest three themes that can be used to provide a framework for discussion of the needs and opportunities in this vast region: Connection, Competitiveness, and Capacity.

Connection



As a vast plain surrounded almost completely by mountains, the physical configuration of the Central Valley has kept it isolated from the rest of the state. With only two north-south highways and very few east-west connections to coastal urban centers, the Valley has grown and developed on its own path and remains a mystery to much of California. Connecting the region to the global economy and to the rest of California will begin to reduce the disparity that currently divides the rich from the poor, the haves from the have-nots.

Physical connection is an important part of the challenge. Building roads and infrastructure often requires local matching funds that are beyond the capacity of many Valley communities. When other regions of the state urbanized, there were massive grants available from both the State and Federal Governments. Much of the transportation infrastructure built today will be the responsibility of already strapped local governments. Transportation links are vital to the region.

The proposed High Speed Rail project, envisioned to link the San Joaquin Valley with Southern California and the Bay Area, is still years if not decades away.

Not all issues of connection are transportation-related. Connection to the New Economy requires another system: ubiquitous bandwidth. Economic activity of virtually every kind in the 21st Century requires telecommunications capacity. As other regions are rushing to expand their capacity, the Central Valley has to address its own question of "connection" to be economically competitive.

The most difficult part of the Central Valley's connection challenge is not physical. Political jurisdictions, sometimes separated by agricultural land and open space, have not historically understood their common destiny and the benefit that could accrue to all by collaborating strategically. While there are nascent signs of regional collaboration, there is still a long way to go before the region acts effectively on its own behalf.

The final aspect of connection is the most fundamental one—the connection between human beings at the community level. It was quite apparent during the SCAN interviews that in too many cases, the declining white populations and the growing Hispanic and other ethnic populations are not connecting or even communicating with each other.

The region will transition to a non-majority state, with multiple pluralities, none a dominant majority. **People will have to learn how to form coalitions across racial and ethnic lines to provide governance and leadership.** Without significantly narrowing the gap that separates whites from non-whites in the region, there is great potential for political conflict and tension, pulling both energy and resources away from more productive activities.

Competitiveness

For many reasons, too complex to analyze in this document, there are those in the region who accept their status as "the other California," a cheap place to live, with more

characteristics that compare favorably to the Oklahoma of the Dust Bowl migration or to rural Mexico than to coastal California but that pale in comparison to metropolitan areas of the rest of the State.

When Isao Fujimoto, president of the California Institute for Rural Studies at UC Davis plotted the 50 wealthiest cities in California, all appeared within a stone's throw of the Coastline. When he plotted the 50 poorest cities, he was not surprised to find that most of them are in the Central Valley.

In an electronically connected world, new economic investment seeks quality and amenity, more than low-cost land and cheap labor. If the Central Valley is going to diversify its economy and provide upward mobility and economic opportunity for its growing population, it has to raise its sights and begin to create attractive communities with amenities that will attract new investment.

Students and young people need to be counseled and encouraged to pursue education as a step on the ladder toward greater economic security. Local policy makers need ensure communities and the region as a whole receives their share of government and private resources in order to increase the competitiveness of the area.

Capacity

Much needs to be done to strengthen the base—build the capacity—of the area to make decisions that will move toward a more successful outcome. Most institutions have few resources.

The existing non-profit sector is weak, hampered in many cases by overwhelming needs and few resources. The vast majority of non-profits are run by volunteers in both staff and board roles: professional management and effective programs are too rare a commodity.

Local governments in the region are among the poorest in the State with per capita revenues for most jurisdictions below the state averages.

Throughout the region are dedicated citizens who have worn the mantle of leadership for decades, many of whom have too little understanding of the changes and challenges that are taking place around them as the demographics, the values and the power structures of their communities change. At the same time, the growing numbers of Asians and Latinos have had little training or preparation for the leadership roles they will gain.

In almost every aspect, there is an urgent need to create, enhance, and support local leadership in the region to facilitate civic involvement and increase the region's capacity to create for itself a sustainable, healthy and competitive future.

> *"If we had more resources we would work to increase farm worker housing, but we just don't know where to start.*
>
> *-Interviewee, Yuba County*

Next Steps

The Survey of Current Area Needs (SCAN) was designed to assess the region's own view of its needs and the extent to which philanthropy serves as a viable resource. It is intended to educate the region about philanthropy and educate the community of funders about the needs of the under-served region.

The SCAN can be used by organizations inside the Valley to provide information and demonstrate need to other funders and granters. As with any provocative project, in attempting to answer a few questions, additional ones for future efforts were raised in the process.

How can better data be obtained? What is the nature of informal giving in the Valley? How can regional giving through both foundation and corporate philanthropy be accurately counted and further analyzed? What technical assistance can be provided to help Central Valley non-profits increase their resource base and gain funding. As the region continues in its effort to foster connections, develop capacity, and encourage competitiveness, answering these questions would surely paint a more complete picture of the region.

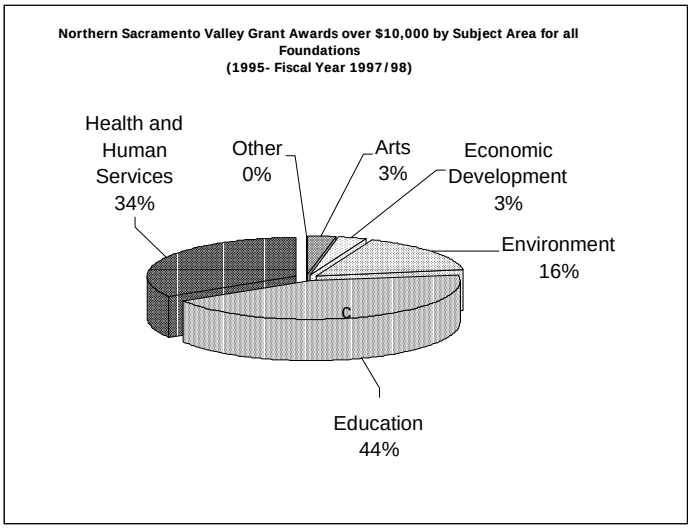
Conclusion

Most of the challenges in the region—California's Great Central Valley—are predictable. They frequently occur in rural communities, in ethnic colonias that are ports of entry for the nation's newest immigrants, and in economies that are externally controlled and not self-sufficient. The urgency in this region, however, comes from the rapid change that is occurring now and will continue for the next few decades. The rate of growth, the pressures on agricultural land, water, and other natural resources and the enormous human and economic needs of the area create an imperative to act now. The future of the Central Valley—its success or its failure will define much of California's future.

Appendix

■ Analysis of Granting by Subregion

North Sacramento Valley



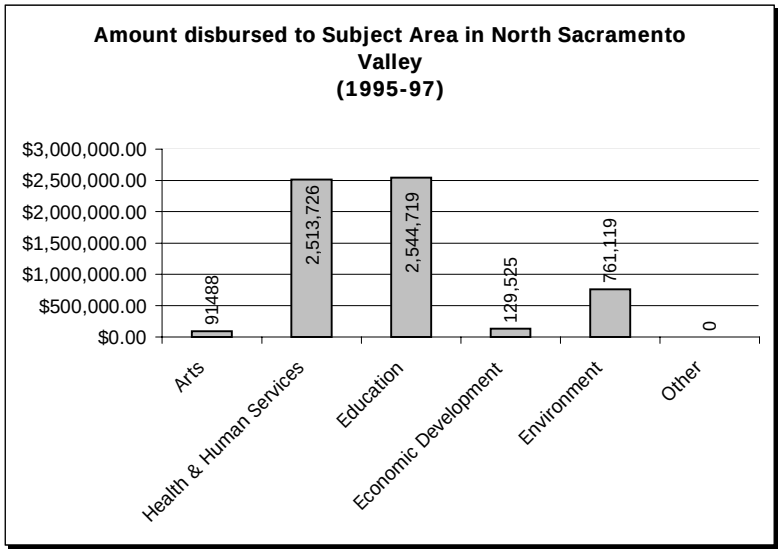
Source: The Foundation Center

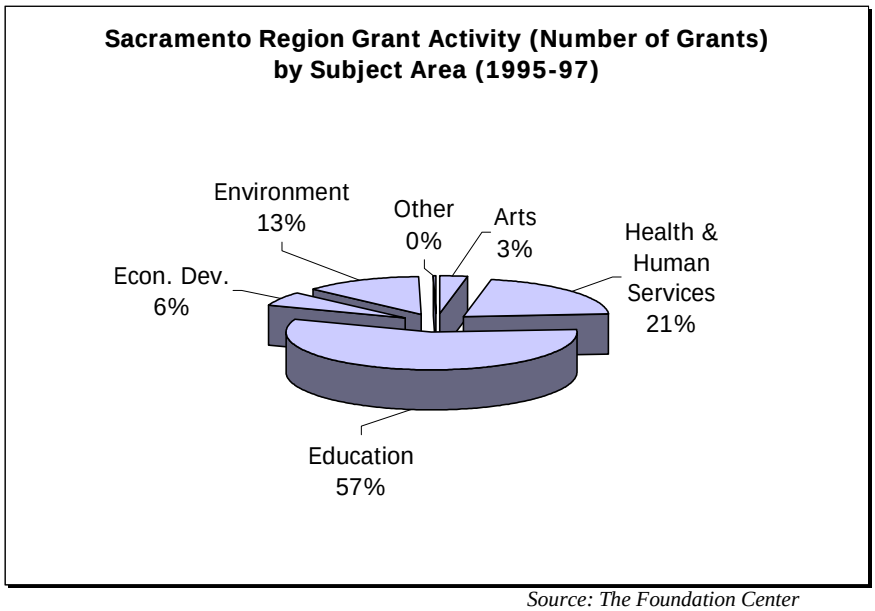
The counties included in the North Sacramento Valley are Shasta, Butte, Glenn, Colusa, Sutter, Yuba, and Tehama.

The most active foundations (measured by *number* of grants over $10,000 – measured in parentheses) during the period 1995-1997 in the North Sacramento Valley were:

1. The McConnell Foundation (20)
2. Sierra Health Foundation (8)
3. The James Irvine Foundation (5)
4. Pacific Bell (5)
5. Andrew Foundation (4)

The majority of environmental grants were awarded to entities in Shasta County, of which the James Irvine Foundation was the leading environmental donor at $375,000 for the period.





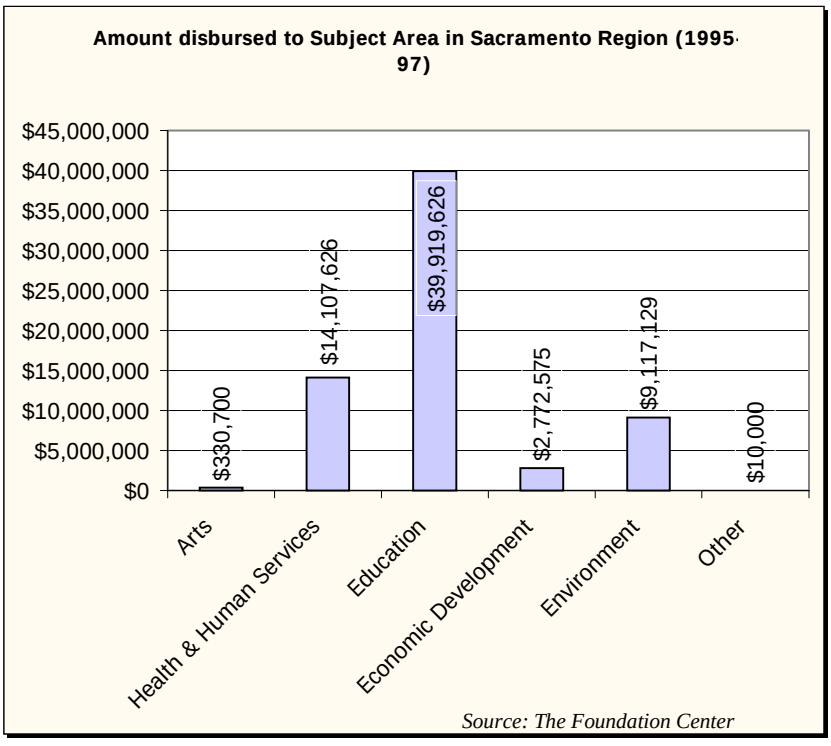
Source: The Foundation Center

Sacramento Metropolitan Region

The Sacramento region for this analysis includes the counties of Sacramento, Yolo, and Placer. The Sacramento region accounted for $66,650,595—over 66% of all grants in the Central Valley.

The most active foundations in this region (calculated by number of grants) were:

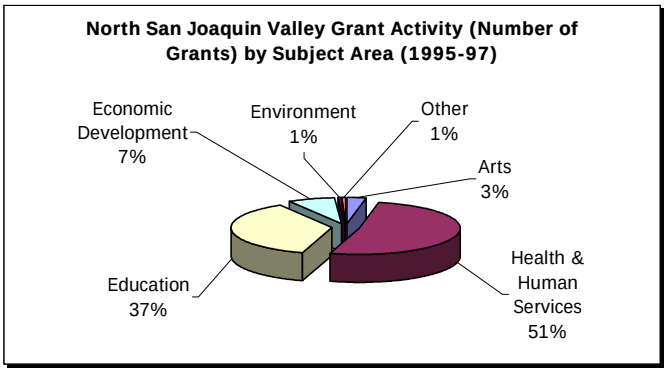
1. The California Wellness Foundation (85)
2. The David & Lucile Packard Foundation (60)
3. The William & Flora Hewlett Foundation (20)
4. *Tie:* The California Endowment, The James Irvine Foundation, The Ford Foundation (19)
5. The Cowell Foundation (13)



Source: The Foundation Center

North San Joaquin Valley Grants

The North San Joaquin Valley covers Merced, Stanislaus, and San Joaquin Counties. Between 1995 and 1997, a total of 163 grants were disbursed totalling $11,815,715.

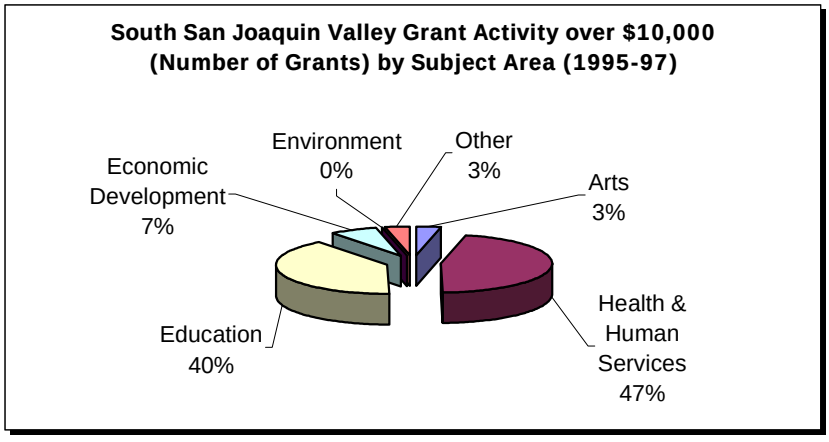


Source: The Foundation Center

The most active foundations in this region (number of grants) were:

1. The General Mills Foundation (25)
2. The Mary Stuart Rogers Foundation (17)
3. The Sierra Health Foundation (13)
4. Proctor & Gamble Foundation (7)
5. The Wayne & Gladys Valley Foundation (6)

South San Joaquin Valley Grants



Source: The Foundation Center

The South San Joaquin Valley covers Madera, Fresno, Tulare, Kings, and Kern counties.

Health and Human Services was the most active grant area out of a total of 138 grants between 1995 and 1997.

The foundations that granted the largest number of awards were:

1. The California Wellness Foundation (9)
2. The Pacific Bell Foundation (7)
3. The California Endowment (7)
4. Texaco (6)
5. The Hearst Foundation (6)