

WHAT IF

Almost \$20 billion was invested in exercise and wellness programs for low-income kids and a summer job for every teen?

SPA 2



San Fernando Valley

This area is physically very large, with a western boundary defined by the Santa Monica Mountains. It has:

- A wide range of communities, including pockets of higher net worth households
- Relatively higher ratings compared to L.A. County, in 2010 current net worth, transfer of wealth potential and incidence of high net worth household.
- Higher housing values than L.A. County averages
- A somewhat older population on average with higher educational attainment rates and greater incidences of professional workers

Estimated net worth of this community: **\$365.96 billion** (1st of 8 SPAs)

Estimated TOW opportunity in 10 years: **\$32.78 billion**

If five percent were given to local nonprofits: **\$1.64 billion**

Estimated TOW opportunity in 50 years: **\$398.23 billion**

If five percent were given to local nonprofits: **\$19.91 billion**

Conclusion: The San Fernando Valley has a high potential for transfer of wealth, but wealth is distributed in pockets and other areas still have large amounts of need.

Figure 9 – SPA 2: San Fernando Valley		U.S.	California	Los Angeles County	SPA 2
Results	Current Net Worth (in Billions)	\$48,907.00	\$6,015.15	\$1,283.57	\$365.96
	Per Household (in Thousands)	\$435.10	\$475.03	\$389.84	\$504.70
	10 Year Transfer of Wealth (in Billions)	\$6,162.74	\$490.27	\$113.53	\$32.78
	Per Household (in Thousands)	\$51.50	\$38.70	\$34.50	\$45.00
	50 Year Transfer of Wealth (in Billions)	\$75,089.08	\$6,562.14	\$1,383.96	\$398.23
	Per Household (in Thousands)	\$628.00	\$518.20	\$420.30	\$546.00
CNW Indicators (2010)	2010 Average Household Income	\$70,173	\$82,070	\$74,879	\$84,710
	2010 Median Household Income	\$54,442	\$60,992	\$54,755	\$61,912
	2010 Average Value: Owner Housing Unit	\$220,131	\$398,345	\$452,158	\$488,890
	2010 Median Value: Owner Housing Unit	\$157,913	\$311,251	\$361,987	\$409,952
	Percent of Households with \$200k Income	3.5	5.6	4.8	6.1
	Percent of Households with \$500k Income	0.4	0.7	0.6	0.7
Key Characteristics (2010)	2010 Total Population	311,212,863	37,983,948	10,240,505	2,171,467
	2010 Total Households	116,761,140	12,662,806	3,292,577	725,086
	2010 Median Age	37	34.4	32.8	35.2
	Percent of Education Attainment for Pop 25+				
	Less than Associate Degree	64.2	62.4	64.6	59.4
	Associate Degree	7.7	7.7	6.8	7.1
	Bachelor's Degree	17.7	19.1	18.8	22.3
	Graduate Degree	10.4	10.8	9.8	11.2

Give to L.A. Generations Wealth



Entrepreneurs
Transfer Immigrants
Planning



Immigrants Nonprofits Generations



The Future of Philanthropy in Los Angeles: A Wealth of Opportunity

Entrepreneurs Planning Wealth



Wealth Generations
Planning Entrepreneurs
Immigrants

Give to L.A. Entrepreneurs

Transfer Immigrants Wealth

Entrepreneurs Planning Generations



Wealth Generations
Poverty
Entrepreneurs
Transfer

HIGHLIGHTS OF A REPORT BY THE CALIFORNIA COMMUNITY FOUNDATION

DECEMBER 2011

Highlights of a report by the California Community Foundation

California Community Foundation (CCF) has been the public foundation in Los Angeles for individuals, families and organizations since 1915. It serves immediate needs and local nonprofits while facilitating philanthropy and civic engagement in perpetuity. In 2011, therefore, CCF commissioned a study from the RUPRI Center to project wealth and the opportunity for wealth transfer between generations of Angelenos over the course of 50 years. Here are selected highlights from the report, *The Future of Philanthropy in Los Angeles: A Wealth of Opportunity*.

The Opportunity

- Los Angeles County residents have an estimated net worth of almost \$1.3 trillion, the result of assets accumulated over a lifetime, savings and investments. Almost \$114 billion will be transferred between generations by 2020, and an estimated \$1.4 trillion by 2060.
- To put this in perspective, if just five percent of transferred wealth in the next 10 years was invested in L.A.'s nonprofit community, that amount – \$5 billion – would fund all operating expenses for more than 15,000 of the 19,000 nonprofits (75 percent)!
- By 2060, the L.A. transfer of wealth is predicted to be 424 percent higher than Chicago, 590 percent higher than Cleveland and 1303 percent higher than Philadelphia.

Some areas of the county have more potential for wealth growth and transfer than others, but all wealth is mobile and distributed over time.

The Reasons Why

L.A.'s growing and future wealth is being driven by U.S.-born and immigrant entrepreneurs.

Entrepreneurship

In 2010 the Los Angeles Metro Area had the highest level of entrepreneurial activity among America's 15 largest cities, according to the Kauffman Foundation's *2010 Kauffman Index of Entrepreneurial Activity*.

- L.A. and its surrounding area was the most entrepreneurial "big city" in the U.S. in 2010, with more entrepreneurs per capita than the Silicon

Valley, New York or any other major metro area – 620 per 100,000 adults.

- When it comes to generating wealth, the Federal Reserve reports that entrepreneurs generate nearly six times the wealth of non-entrepreneurs – an average net worth of \$2 million, compared to \$368,000.

Immigration

L.A. is a preferred destination for high net worth and highly educated immigrants. According to the report, they are attracted by:

- Higher education and research talent
- Economic and political safe harbor
- Pacific Rim connection
- Large and growing immigrant communities

Immigrants are more than twice as likely in 2010 to start businesses each month.

The Great Resources and Great Needs

- On one hand, L.A. County is home to 28 billionaires, with a total net worth of \$67.55 billion.
- On the other, more than 1.25 million households (38.2 percent) in the county have zero or negative transferrable net worth (almost 2 of every 5 homes), including a majority (56%) of South L.A. residents.
- L.A. County is home to 19,000 nonprofit organizations and 2,412 private and community foundations.

Transforming any amount of wealth into investments in nonprofits with impact takes vision, planning and means for donors. Accepting planned gifts takes vision, planning and means for nonprofits as well.

The Need to Tell L.A.'s Story

Los Angeles receives less funding from national foundations than other major cities. A comparison of grants to top metro regions from the top 50 U.S. foundations (2009 data):

- New York – \$1.5 billion (\$80 per capita)
- San Francisco – \$943 million (\$218 per capita)
- Los Angeles – \$781 million (\$60 per capita)
- Boston – \$716 million (\$218 per capita)

Just as businesses need to create more jobs in communities of L.A., national funders need to invest more resources in the needs and nonprofits of L.A.



Preregister for a planned giving kit for nonprofits or download the full report at calfund.org/transfer

PLANNED GIVING TOOLKIT*

Secure your future



So much simpler than you might have imagined

Any organization can do it

Get started quickly

*** IT'S EASIER THAN YOU THINK**

How to leverage billions of dollars in Los Angeles County



HIGHLIGHTS OF A KIT BY THE CALIFORNIA COMMUNITY FOUNDATION

MARCH 2012

Highlights of the Planned Giving Toolkit

It's Easier than You Think!

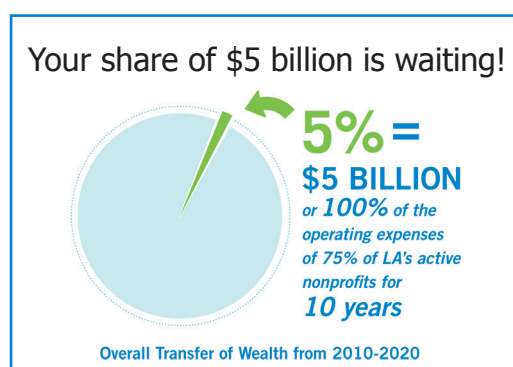
A planned giving program can easily be incorporated into any nonprofit organization's fundraising efforts, but many nonprofit leaders feel planned giving is too complicated, time-consuming or slow to benefit their organization. It's understandable but unfortunate, because even one planned gift from an individual or family can have a huge, immediate impact and create a pipeline for future revenue.

What is Planned Giving?

Planned giving is the charitable gift of any asset that requires planning by the intended donor. This could be a bequest through a will or trust, a complex asset such as real estate, or a special charitable vehicle that creates a lifetime income stream for a donor.

Why Now?

Nonprofits of all types throughout Southern California are struggling financially. Many can't see over the horizon. At the same time, there's a tremendous amount of personal wealth in Southern California, and an unprecedented transfer of wealth between generations taking place in Los Angeles County over the next 50 years. If local nonprofits were able to capture just five percent of that wealth through planned giving, the result would be \$5 billion in revenue!



How Does the Kit Help?

The no-cost Planned Giving Kit from the California Community Foundation (CCF) is designed to help nonprofit leaders throughout Los Angeles and Southern California...

- Educate and engage staff, the board of directors and/or group of fundraising volunteers
- Gain the basic knowledge and tools needed to start conversations about planned giving with current donors, and then follow through with acknowledgements and more
- Customize a pamphlet with your organization's name for current and prospective donors
- Incorporate planned giving information into websites, annual reports, correspondence, etc.
- Create a legacy society to recognize people who are planning future charitable gifts
- Get to know local resources

Get started quickly!

The kit has all the tools you'll need to start a no- or low-cost program, including:

- The basics about four popular planned giving options
- Four easy ways to talk about bequests
- Six easy steps to start a legacy society
- Two partnership models for easy, low-cost planned giving management
- Six template letters and brochures to get you started today



To download a planned giving kit,
visit pgtoolkit.org