



2008

**Philanthropy Exploration
in Washington County**

Study conducted by

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VISION ACTION NETWORK
PHILANTHROPY EXPLORATION IN WASHINGTON COUNTY

Funding Partners

Meyer Memorial Trust
The Oregon Community Foundation
Tuality Healthcare
Oregon Food Bank
Community Action
Community Housing Fund
Hillsboro Community Foundation
Providence Health and Services
SOLV
United Way of the Columbia-Willamette

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INTRODUCTION & BACKGROUND

Oregon's Washington County is a community in transition. The county has experienced unprecedented growth in its population, diversity and economy over the past 20 years. This growth has presented many challenges, including the challenge for government and non-profits in keeping pace with serving the growing needs of the community and its residents. This study was conducted to explore philanthropy in Washington County and to assess whether giving trends in Washington County are keeping with this growing need.

According to U.S. Census data, the county's population has increased 45% from 1990 to 2000 and today includes a half-million people. One of three Oregon counties making up the Greater Portland Metropolitan area, Census data also shows that Washington County is the most ethnically diverse county in the Metro region, with communities of color growing at a faster rate than the county's population as a whole. Already the second largest county in the state, Washington County is projected to grow an additional 38% by 2030, according to the Portland State University Center for Population Research.

The county is also geographically diverse, with a mixture of rural and suburban areas. Fourteen cities and 20 zip codes reach across 727 square miles (Washington County, 2008). The cities in Washington County include Beaverton, Buxton, Cornelius, Forest Grove, Gales Creek, Gaston, Hillsboro, Manning, North Plains, Portland, Sherwood, Tigard, Timber, and Tualatin. Approximately 58% of the county's population currently resides within these cities, while 42% of residents reside in the county's numerous unincorporated areas.

While Washington County continues to have one of the highest per capita income rates in the state, the proportion of people living in poverty has increased significantly as well, rising from 6.5% in 1990 to 9.3% in 2004 (Washington County Commission on Children and Families, 2005).

Despite these changes, many of Washington County's civic infrastructures still reflect its history as a county with large rural areas, disparate small towns, and a strong agriculture and forestry background. Government and nonprofit agencies are stretching to meet the community's growing needs, and many have to extend their organizational capacity in a manner that is difficult to sustain in order to meet these needs.

Vision Action Network (VAN), a private non-profit organization committed to the promotion and support of collaborative community-based problem solving, was created to help address these challenges. By bringing together a broad array of community partners, VAN tackles ongoing and emergent issues to make fundamental changes in the civic infrastructure and health of the community.

One attempt by the VAN to respond to the community's changing philanthropic needs was the creation of *I Give Where I Live*, a collaborative initiative for which the VAN serves as fiscal sponsor. *I Give Where I Live* is a public information campaign designed to: 1) provide local donors with a single easy-to-access portal to local charities; and, 2) help local nonprofits increase their resource development capacity. While the *I Give Where I Live* campaign has made significant progress, its leadership recognizes that it is able to address only part of the community's growing philanthropic needs.

Key Questions driving the study

In 2007, in recognition of the changing landscape of the community, VAN's Board of Directors met with representatives from several regional foundations – Meyer Memorial Trust, The Oregon Community Foundation, and Grantmakers of Oregon and Southwest Washington – to discuss philanthropy issues in Washington County. These conversations coalesced into three key questions:

1. Are we leaving contributions from local donors untapped, either through our individual donor efforts or through our employee giving campaigns?
2. Are giving patterns in Washington County different in comparison to other counties and if so, why? What assumptions exist about charitable giving that should be explored?
3. Are there ways nonprofits can collaborate to make their philanthropic efforts stronger?

Based on these key questions, additional questions about individual, corporate and employee giving were developed for further study:

Individual and Corporate Giving:

- Is charitable giving in Washington County proportionately below that of other communities in Oregon, and if it is, why?
- Are individual and corporate donors in Washington County different from those in other communities, are their giving patterns and preferences different, and if so, why they might be different?
- What facilitators and barriers are experienced by individual and corporate donors who give locally, and what changes need to be made to improve giving levels?

Employee Giving Campaigns:

- Are there major employers in Washington County who want to implement employee-giving campaigns but have not, and if so, why not?
- Are there major employers who are not fully implementing employee-giving campaigns, and if so, why aren't they fully implementing them?

In early 2008, the VAN board of directors, in partnership with key stakeholders, directed a study to answer these questions and develop recommendations for action.

METHODOLOGY

VAN leadership convened an advisory team to provide direction for the study. The advisory team included study funders, nonprofit professionals, and representatives from the business community. The advisory team assisted in the formulation of the study, methods used, and strategy. At the study's conclusion, the advisory team reviewed and responded to the consultants' findings and provided recommendations for future action, which appear at the end of this report.

Consultants examined existing data and gathered new data in the course of the study. They analyzed foundation giving in Washington County using data from *The Oregon Foundation*

DataBook, 9th Ed. (www.FoundationDataBook.com) and from the Oregon Attorney General's Charitable Activities Section database of Oregon nonprofit organizations.

Nonprofit fundraising data was drawn from nonprofit organizations' 990 tax return documents filed with the Internal Revenue Service, and from the Oregon Attorney General, Charitable Activities Section database of Oregon nonprofit organizations. The Oregon Attorney General's (AG) Charitable Activities Section tracks Oregon nonprofit organizations' aggregate revenue and charitable contributed income. AG data does not track religious organizations, which were not included in this study.

Consultants gathered new data from study participants through an online survey and key informant interviews conducted between July and September 2008.

Participants

Four stakeholder groups participated in the study:

- Nonprofit organizations
- Businesses
- Foundations based in Oregon
- Individual donors

Nonprofits, businesses, and foundations received invitations to take an online survey between the end of July and early September. Individuals and businesses received a personal invitation to take part in a one-hour interview between mid August and early September. Differentiated sets of questions were developed for each stakeholder group. Some questions were administered to all participants in order to compare responses across stakeholder groups. A list of study participants appears in Appendix A.

Survey Methods

Online survey questions and responses appear in Appendix B, including those not noted in "key findings." Online survey participants chose one of three surveys depending on the type of organization they represented: nonprofit, business or foundation.

Nonprofit Survey

The nonprofit online surveys asked about common measures of capacity necessary to conduct an effective fundraising program including staffing, fundraising activities, and board of director involvement. Nonprofits were also asked about fund development challenges and barriers. The criteria used for inclusion was: (1) 501c3 tax-exempt status and (2) an administrative address inside Washington County. The Nonprofit Association of Oregon sent electronic invitations to take the survey to member nonprofit organizations whose mailing addresses contained a zip code that fell within Washington County boundaries. *I Give Where I Live*, a coalition of Washington County nonprofits, also sent an electronic invitation to its affiliates. Consultants conducted personal outreach as well. Thirty-five nonprofit organizations participated in the study (see Appendix A).

Foundation Survey

Foundation surveys included corporate foundations, public foundations, donor advised funds, family foundations and United Way of the Columbia-Willamette. Foundation surveys

asked about grant-making philosophy, priorities and decision-making criteria. The 100 largest Oregon foundations based in Clackamas, Multnomah and Washington Counties were included in the study. Grantmakers of Oregon and SW Washington assisted in the outreach efforts. Vision Action Network sent letters to 100 foundations and United Way of the Columbia-Willamette and consultants conducted personal outreach to encourage participation. Fifteen foundations and United Way of the Columbia-Willamette responded to the survey (see Appendix A).

Business Survey

Business surveys asked about employee giving activities and decision-making practices and preferences about corporate charitable giving. Criteria for inclusion were broad and included any business with an interest in Washington County, either based in the county or doing business in the county. The Hillsboro and Beaverton Chambers of Commerce and Vision Action Network sent email invitations to members to participate in the surveys. Consultants conducted personal outreach to corporate representatives based on the Business Journal's 2007 Top Ranked Corporate Philanthropists List (Business Journal, 2007). Businesses that participated in the study represent banking and financial services, retail, food service, technology, publishing, agribusiness, and professional services. Thirty-one businesses completed the online survey (see Appendix A).

Interview Methods

Interviews followed a guided discussion format, starting from a set of predetermined questions. Guided discussions are not directive like a focus group but more structured than an informal conversation. In recognition that charitable giving is a highly personal activity, participants were not restricted to the list of questions and were able to skip questions if they did not want to answer, which many did. Several participants came to the interviews with philanthropy-related topics they wanted to discuss, which the consultant did not discourage.

Consultants identified donors from their past involvement with charitable organizations. Several participants helped the consultants to reach additional participants in the course of the study. Consultants sought both leadership donors and grassroots givers. About one-third of the households were experienced philanthropists: they had a history of making significant contributions – gifts of \$10,000 or more – and some had been involved in campaigns that were transformational for the institutions they served.

The consultants worked to ensure that interviewees were representative of various parts of the county and reflected the diversity of the county. Interviewees resided in Beaverton, Cornelius, Forest Grove, Hillsboro, Portland, Tigard, Tualatin and unincorporated areas. Interview questions appear in Appendix C.

Individual Donors

Consultants interviewed individuals and couples to learn about their experiences, preferences, and practices concerning charitable giving. Those who participated in the donor interviews met two criteria: residence in Washington County and a history of making one or more contributions to a nonprofit organization, other than a place of worship, in the past year. Three participants chose to include their spouse in the interviews. Fourteen households represented by nineteen individuals participated in interviews.

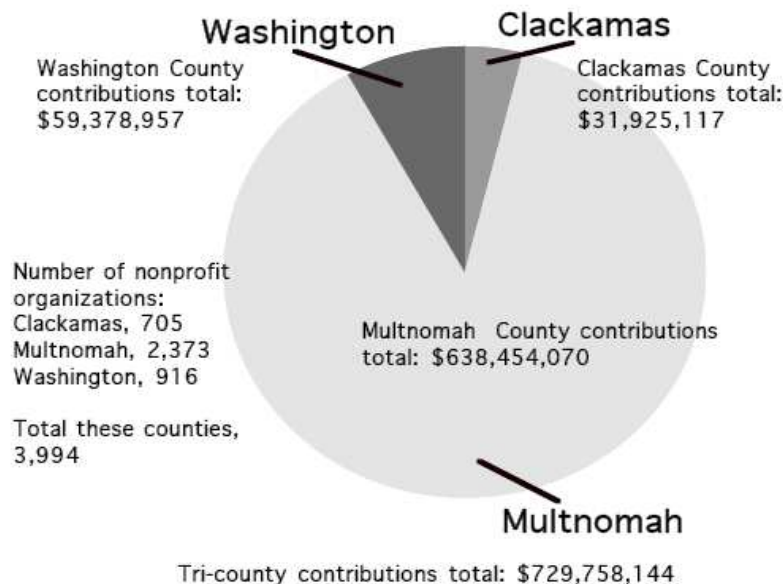
Business Interviews

Consultants interviewed company owners and representatives to learn about their experiences, preferences, and practices concerning charitable giving as well. Business donor interviewees met two criteria: (1) Own or represent a company doing business in Washington County and (2) The company has a known history of charitable giving. Consultants used personal outreach to business interview participants. Ten company owners and corporate representatives participated in the business interviews.

STUDY FINDINGS

Washington County Giving Trends

Between 1997 and 2005, the number of nonprofit organizations in Washington County increased by 37%. In 2005 there were 916 nonprofit organizations based in Washington County (Oregon Attorney General, Charitable Activities Section, 2005). Growth in the nonprofit sector outpaced both Clackamas and Multnomah Counties five to one. Between 2004 and 2005, Multnomah County nonprofits and Clackamas County nonprofits decreased in numbers by 1% while growth in Washington County increased 5%. The number of nonprofits in Washington County will likely continue to grow, due in part to the county’s dramatic overall population growth in the last twenty years. While growth in the number of Washington County non-profits is outpacing other counties, data on growth in gifts to these non-profits isn’t so clear. Washington County saw an increase in gifts from 2004 to 2005 of .44%, while Clackamas County saw a decrease of 4.32% and Multnomah County saw an increase of 11.85% in the same year. The chart below illustrates total contributions received by county in 2005:



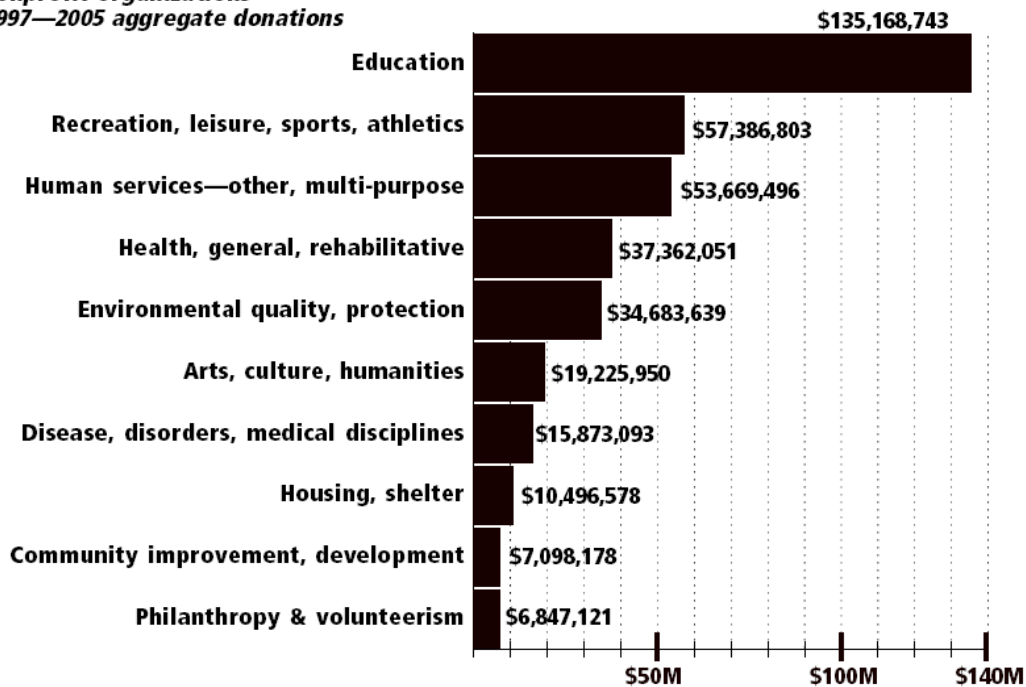
Data source: Oregon Attorney General, Charitable Activities Section, 2005 data (latest year available).

Multnomah County has the largest number of nonprofits in the tri-county area, resulting in far more charitable contributions than Clackamas and Washington Counties combined. Many large nonprofit organizations based in Multnomah County serve the tri-county area or beyond. Washington County has more nonprofits than Clackamas County, but also has nearly twice the population, which may partially account for a greater dollar amount contributed. The aggregate amounts given to organizations based in Multnomah County are far greater than in Clackamas or Washington Counties. Aggregate gifts to organizations in Washington County are almost half-again larger than in Clackamas County. However, the data does not indicate from which counties the contributions came and hence does not answer whether *giving* patterns in Washington County are different from other counties or whether giving in Washington County is proportionately below that of other communities in Oregon.

The following chart displays giving by category in Washington County from 1997-2005:

Donations By Categories of Support — Washington County, Oregon

Top ten categories of donations to Oregon nonprofit organizations 1997—2005 aggregate donations



Data source: Oregon Attorney General, Charitable Activities Section data, 2005

The chart above shows that education far outpaces other causes in contributions by category of support. The top twenty recipients of charitable giving in Washington County for 2005, in all categories, appear below:

Top 20 Recipients of Charitable Giving in Washington County (2005)*

<u>Rank</u>	<u>Organization</u>	<u>Charitable Contributions</u>	<u>Annual Operating Budget</u>
1	Tournament Golf Foundation, Inc.	\$11,618,569	\$12,091,034
2	Pacific University	\$5,057,667	\$68,909,575
3	Masonic and Eastern Star Home	\$2,569,975	\$13,702,797
4	Oregon College of Art & Craft	\$2,153,016	\$5,063,025
5	Oregon Episcopal School	\$1,965,075	\$17,449,184
6	Catlin Gabel School, The	\$1,873,448	\$14,160,346
7	Virginia Garcia Memorial Health Center	\$1,667,910	\$14,729,470
8	Good Samaritan Ministries	\$1,396,435	\$1,393,629
9	SOLV	\$1,252,649	\$2,059,985
10	Earth Advantage, Inc.	\$992,600	\$1,482,145
11	Youth Contact	\$988,221	\$1,880,288
12	Tuality Healthcare	\$938,780	\$149,271,697
13	Metropolitan Family Service, Inc.	\$899,700	\$4,002,019
14	Gales Creek Camp Foundation for Children with Diabetes	\$860,888	\$1,193,035
15	Community Action Organization	\$685,053	\$14,036,671
16	Lifeworks NW	\$658,386	\$20,818,395
17	Oregon Credit Union Foundation	\$601,214	\$638,138
18	Tuality Healthcare Foundation, Inc.	\$598,882	\$904,835
19	F.C. Portland Soccer Academy	\$421,332	\$1,275,506
20	Thomas A. Edison High School	\$418,252	\$1,504,888

*Data source: Oregon Attorney General, Charitable Activities Section data, 2005

Donor Interviews

(A summary of selected donor comments appears in Appendix D)

Five key themes emerged from the donor interviews:

- Weak identification with the concept of Washington County as a community
- Expressed interest in supporting “local” organizations
- Concerns about diversity
- Strong negative feelings about some fundraising tactics
- Behavior changes in response to economic conditions

1. Weak identification with the concept of Washington County as a community

Few participants identified with the concept of Washington County as a community. Most participants consider their city of residence or immediate neighborhood to be their community. People residing in and near the county seat resonated more with the idea of Washington County as a community. One resident explained, “I don’t think about Washington County. My home is Tualatin.”

2. Expressed interest in supporting “local” organizations

Participants reported a strong desire to support organizations in which they know and respect the organization’s leaders, and approximately one-third of respondents expressed a preference for organizations that serve their local community, however they define it. Many individuals expressed a preference for supporting local organizations over national or

international efforts because the impact of their gift feels immediate. Participants, however, differed in their definition of what makes an organization local. Some donors had a regional focus on effecting change; others defined local organizations as having a presence in their own community. Several donors reported they favor smaller grassroots organizations, and many expressed beliefs that small organizations are less likely to “waste money.”

3. Concerns about diversity in philanthropy and board leadership

One-quarter of donor households surveyed included an individual who self-identified as a person of color. Consultants asked participants the following question: “How well do you think Washington County is doing engaging people of color in philanthropy?” Respondents expressed concerns about a lack of diversity in philanthropy, or a lack of diversity in nonprofit board leadership, or both. These concerns were much more prevalent among people of color. When participants were asked what leads to a lack of diversity in philanthropy, three themes emerged:

- People of color reported observing few efforts to engage diverse communities.
- Many participants who did not identify as people of color held a common belief that non-white residents lack the interest and/or capacity to give.
- Some non-Latino people of color reported feeling “invisible.” One respondent explained, “When people talk about diversity in the county, it is a euphemism for Hispanics. It is as though no other minorities exist out here.”

4. Strong negative feelings about some forms of fundraising

Consultants asked donors about their number one fundraising pet peeve. Phone solicitation, door-to-door solicitation, and requests by a person who is not part of the recipient organization were most often cited as the least favorite methods of being approached for a contribution. Four participants specifically disliked solicitations by retail store clerks, a practice that is increasing at check stands. One participant explained, “Sometimes I have given, but you can’t say ‘no’ even if you want to because everyone in line hears.”

5. Behavior changes in response to economic conditions

The majority of donors report they will continue to give in difficult economic conditions, but will change the way they give. The changes they plan to make include decreasing cash gifts and decreasing the number of organizations they support. Some plan to make larger gifts to fewer organizations. Some donors reported reduced confidence in making charitable gift pledges that will extend beyond the current year.

In order to understand the impact of current events on charitable giving, consultants asked donors about political contributions and disaster relief contributions. One-hundred percent of interview participants who make political contributions say these gifts will have no affect on their charitable contributions. The responses suggest that contributions to political causes do not detract from charitable gifts.

The consultant asked households if they support global relief efforts responding to natural disasters. Few reported that they support disaster relief. Of the donors who contribute to disaster relief, they report making relief donations in addition to their routine charitable giving. Only one household reported that a disaster might prompt them to change their

charitable giving plans in order to support the cause. Two said they might seek to support a local organization delivering the relief. With the exception of one interviewee, donors do not report choosing national or international relief efforts over the charitable organizations they routinely support.

In response to the question, “Have you included charitable gifts in your estate plan or will?” five households either had taken steps or were considering including organizations in their estate planning. In response to the follow-up question, “Do you plan to inform the organization(s) of your intentions?” the five respondents all said they did not plan to discuss their intentions with the intended recipients. The most commonly cited reason for not disclosing their plans to the intended recipients was fear of future economic instability. Donors expressed concern that they might need money earmarked for charitable contributions for future living expenses.

Business Surveys and Interviews

Corporate participants represented banking and financial services, retail, food service, technology, publishing, agribusiness, and professional services. Thirty-one businesses took the online survey and ten participated in interviews.

Key Findings from the Business Surveys

Most common charitable activities that companies engage in:

- ✓ Sponsorship support for events (71.4%)
- ✓ Non-cash gifts (60.7%)
- ✓ Support for annual campaigns, e.g., United Way (53.6%)

Benefits of supporting community organizations:

- ✓ General community good will (96.3%)
- ✓ Improved, more livable communities (96.3%)
- ✓ Stronger relationships with community leaders (81.5%)
- ✓ Increased name recognition or brand awareness (63.0%)

Factors influencing decisions to give to a community organization:

- ✓ Community needs (78.6%)
- ✓ Alignment with focus areas of company philanthropy (75.0%)
- ✓ Mission of the applicant organization (67.9%)
- ✓ Geographic proximity to the company (53.6%)

Decision making practices for company contributions:

- ✓ Decision is made by President/CEO (48.1%)
- ✓ Decision is made locally (44.4%)
- ✓ Decision is made by a committee of employees (40.7%)
- ✓ Decision made by senior management (37.0%)

Gifts by companies as a percentage of income:

- ✓ Company does not make gifts as percent of income (65.4%)
- ✓ 1%—3% (26.9%)
- ✓ 3%—5% (3.8%)
- ✓ Less than 1% (3.8%)

Businesses that actively encourage giving by diverse communities (youth, people of color, sexual minorities, rural communities or other emerging groups):

- ✓ Yes (48%)
- ✓ No (52%)

Most significant barriers for organizations in attracting philanthropic support:

- ✓ Competition from local charities (56.0%)
- ✓ Weak or no public awareness of organization (48.0%)
- ✓ No outcome measures; No plans on how to sustain the program; Ineffective or no board (all 34.6%)
- ✓ No involvement in fundraising; lack of personal contacts/strategic relationships (all 36.0%)

When visiting a charitable organization online, most companies check:

- ✓ Organization's own website (78.6%)
- ✓ Google (67.9%)
- ✓ Guide Star (46.4%)

Key Findings from the Business Interviews

Interviews with ten business owners and corporate representatives enhanced the information gathered from the business surveys. Consultants asked company owners to share their opinions about workplace-giving campaigns. About half of respondents hold giving campaigns. The decision whether or not to encourage employee-giving seemed to result largely from the personal philosophy of the company founder or CEO. Entrepreneurs cite early experiences with workplace-giving campaigns in shaping their decisions to promote giving among their employees. Early positive experiences seemed to foster encouragement of workplace-giving.

Several businesses cited challenges to their giving programs resulting from larger economic forces. Many reported that they plan to make more in-kind donations instead of cash gifts in the coming year. Others cite the weak economy as a reason to practice more focused giving, reducing the number of charities they support. General economic conditions also play a role in successful workplace campaigns. One business owner concluded, "Years ago we did a much better job engaging employees in giving programs, now we are just trying to get them to fund their 401K plans."

Nonprofit Surveys

Thirty-five nonprofit organizations participated in the study, representing a broad range of organizations within the county. Few organizations reported that charitable giving was declining; most reported giving was about the same or increased over the prior year. Organizations cite lack of resources to fund and lack of capacity to carry out fund development activities as their most significant barriers to fundraising success. Survey responses suggest that organizations could make better use of "top line" activities such as major gift solicitation and planned giving in order to increase dollars raised.

Size of operating budget for respondents:

- ✓ 0—\$100,000 (25.0%)
- ✓ \$1,000,001—\$5,000,000 (22.2%)
- ✓ \$250,000—\$500,000 (19.4%)
- ✓ More than \$10 million (11.1%)
- ✓ \$100,000—\$250,000 (11.1%)

Type of mission of respondent organizations:

- ✓ Human services—multipurpose (22.2%)
- ✓ Housing, shelter (19.4%)
- ✓ Animal-related (11.1%)
- ✓ Health, general, rehabilitative (11.1%)
- ✓ Community improvement, development (8.3%)
- ✓ Education (8.3%)
- ✓ Environmental quality, protection (8.3%)
- ✓ Disease, disorders, medical disciplines (5.6%)
- ✓ Mental health, crisis intervention (5.6%)
- ✓ Philanthropy & volunteerism (5.6%)
- ✓ Recreation, leisure, sports, athletics (5.6%)
- ✓ Youth Development (5.6%)

Compared to last year, organizations who say their charitable gifts have gone up, down or stayed the same:

- ✓ Up (44.4%)
- ✓ Down (8.3%)
- ✓ About the same (47.2%)

Organizations believe these factors impede the organization's ability to attract philanthropic support:

- ✓ Inadequate financial resources to fund development activities (52.8%)
- ✓ Inadequate time/staff capacity spent on fund development (47.2%)
- ✓ Ineffective or no board involvement in fundraising (44.4%)
- ✓ Lack of personal contacts/strategic relationships (41.7%)
- ✓ Poor economic conditions (30.6%)
- ✓ Weak public awareness of problem being addressed (30.6%)

Organizations with paid development staff:

- ✓ No, we do not employ development staff; board/executive director/volunteers handle all the work (44.4%)
- ✓ Yes, more than one person full time (40 hours per week) (27.8%)
- ✓ Yes, one person, full time (11.1%)
- ✓ Yes, one person half time (11.1%)
- ✓ Yes, less than half-time (2.8%)
- ✓ No, but we do hire consultants and/or contractors (2.8%)

What organizations consider to be a “major gift:”

- ✓ No definition for “Major gift” (33.3%)
- ✓ \$5,000 (22.2%)
- ✓ \$1,000 (19.4%)
- ✓ \$500 (13.9%)
- ✓ \$10,000 (8.3%)

Organizations that actively seek out and cultivate youth, people of color, sexual minorities, rural communities or other emerging groups for charitable contributions:

- ✓ Yes, youth groups (12.1%)
- ✓ Yes, racial minorities (15.2%)
- ✓ Yes, emerging groups (15.2%)
- ✓ No (57.6%)

***Importance of development activities in meeting fundraising goals
(Choices: very important/ somewhat important/ somewhat unimportant/not applicable/do not engage in):***

- ✓ Grant writing (69.4% Very important)
- ✓ Face-to-face solicitations for major gifts (48.6% Very important)
- ✓ Corporate grants/sponsorships (75.0% Very important)
- ✓ Special events (58.3% Very important)
- ✓ Face-to-face solicitations for grassroots/smaller gifts (61.1% Somewhat important)
- ✓ Direct mail (47.2% Somewhat important)
- ✓ Online fundraising (44.4% Somewhat important)
- ✓ Planned giving (27.8% Somewhat unimportant)
- ✓ Telephone solicitations/phone-a-thon (76.5% Not applicable/don’t engage in)
- ✓ Planned giving (27.8% Not applicable/don’t engage in)

Organizations with an established planned giving program (to handle gifts from wills, bequests, charitable remainder trusts, etc.):

- ✓ No planned gift program (61.1%)
- ✓ Have received gifts from bequests, wills, estates or other planned gifts (25.0%)
- ✓ Have an established program (16.7%)
- ✓ Encourage people to contribute via will, bequest or other estate gift (16.7%)
- ✓ Board members are active participants in the planned giving program (5.6%)

Organizations rate philanthropy in Washington County:

Comparatively speaking, the Washington County community:

- ✓ Gives about the same as similar communities (63.9%)
- ✓ Gives less than similar communities (25.0%)
- ✓ Gives more than similar communities (11.1%)

Foundation and Grant Maker Surveys

Many foundations registered in Oregon are small family foundations that do not employ paid staff. In many cases, these foundations do not convene regularly, other than to make disbursement decisions annually. This likely impeded participation from foundations. Even after considering this, foundation participation was unexpectedly low with only fifteen

foundations and United Way of the Columbia-Willamette responding to the survey. All foundation respondents reported that Washington County is in their geographic funding area.

Key Findings from the Foundation Surveys

Factors that foundations believe are most important when choosing to support a charitable organization:

- ✓ Type of mission (arts, education, health, human services, etc) (76.9%)
- ✓ Community needs (69.2%)
- ✓ Fit with proposal guidelines, including Requests for Proposals (61.5%)
- ✓ Reputation in the community (53.8%)
- ✓ Board of directors of the nonprofit organization (46.2%)
- ✓ Geographic proximity/area served in relation to the Foundation (46.2%)
- ✓ Specific populations served (Hispanics, women, children, etc.) (46.2%)

Factors that foundations believe are most important when choosing to support a charitable organization, continued:

- ✓ Support from other foundations (46.2%)
- ✓ Administrative costs or "overhead" (38.5%)
- ✓ History of previous support by the Foundation (30.8%)
- ✓ Reputation/strength of executive leadership (23.1%)
- ✓ Support from businesses (23.1%)

Foundations believe the following factors impede a charitable organization's ability to attract philanthropic support:

- ✓ No solid service/poor reputation (46.2%)
- ✓ Unclear message/lack of a compelling story (46.2%)
- ✓ Ineffective or no board involvement in fundraising (46.2%)
- ✓ Instability of organization (46.2%)
- ✓ Inadequate time/staff capacity spent on fund development (23.1%)
- ✓ Inadequate financial resources to fund development activities (23.1%)
- ✓ Lack of personal contacts/strategic relationships (15.4%)
- ✓ Other (15.4%)

When visiting a charitable organization online, most foundations check:

- ✓ The organization's own website (84.6%)
- ✓ Guide Star (69.2%)
- ✓ Oregon Department of Justice/Charitable Activities Section (38.5%)
- ✓ Google (23.1%)
- ✓ Other (3.1%)
- ✓ Charity Navigator (15.4%)
- ✓ Oregon Involved (1.7%)
- ✓ Multnomah County Library databases (7.7%)

Foundations that offer programs or activities that actively encourage charitable involvement by youth, people of color, sexual minorities, rural communities, or other emerging groups:

- ✓ No (61.5%)
- ✓ Yes (23.1%)

Foundation agreement/disagreement with the following statements:

- ✓ Washington County does not have many nonprofit organizations (AGREE: 7.7%—DISAGREE: 92.3%)
- ✓ Our Foundation receives many requests from Washington County nonprofits (AGREE: 16.7%—DISAGREE: 83.3%)
- ✓ Wash. Co. should be developing strong nonprofits that serve its citizens (AGREE: 91.7%—DISAGREE: 8.3%)
- ✓ Our Foundation would fund projects that build the fundraising capacity of Washington County organizations: (AGREE: 41.7%—DISAGREE: 58.3%)
- ✓ Our Foundation prefers to fund collaborative efforts in Washington County: (AGREE: 41.7%—DISAGREE: 58.3%)
- ✓ Our Foundation is aware of the needs in Washington County: (AGREE: 83.3%—DISAGREE: 16.7%)
- ✓ Washington County is within our geographic funding area: (AGREE: 100.0%—DISAGREE: 0%)
- ✓ Comparatively, the needs in Washington County are less urgent than in other counties: (AGREE: 8.3%—DISAGREE: 91.7%)

Foundations rate philanthropy in Washington County:

- ✓ About the same as similar communities: (76.9%)
- ✓ Less generously than similar communities: (15.4%)
- ✓ More generously than similar communities: (7.7%)

SUMMARY OF COMMON THEMES

Giving Patterns in Washington County

Results of the Philanthropy Exploration in Washington County study are inconclusive in answering the question as to whether or not giving patterns in Washington County differ from giving patterns in comparable counties. Data presented on page 5 from the Oregon Attorney General’s Charitable Activities Section database of Oregon nonprofit organizations showed a mixed picture. In addition, one-quarter of nonprofit organizations believe the Washington County community gives less generously than similar communities, while 84.6% of foundations believe that the Washington County community gives the same as or more generously than similar communities. This discrepancy suggests the issue may be one of perception, but further study is warranted to explore this in more depth.

Washington County as a Community

The study suggests that Washington County has not yet established a ‘sense of place.’ Many donors interviewed experience their community as a particular city, neighborhood or region,

but few described Washington County as their community. Many donors and foundations provide support beyond Washington County and to organizations in Multnomah County, which serve all or part of Washington County. The contrasting sense of community among donors may lead to a vague awareness of needs. Foundations and businesses report that ‘community needs’ are very important in their funding decisions; but, a shared definition of community was not found.

Untapped Giving Potential

Evidence indicates that there may be untapped giving potential in Washington County. Foundations reported that they receive few grant requests from Washington County non-profits. When asked to respond to the statement “Our foundation receives many requests from Washington County nonprofits,” 78.6% of foundations disagreed. It should be noted that some foundation respondents are not grant making entities, meaning, they exist to support a specific organization, e.g., a library foundation; or they are a family foundation that does not accept solicitations. Regardless, the number of foundations that disagreed with this statement was surprising, given the emphasis nonprofits place on grant seeking. In addition, many donors reported that they believed communities of color can and should be engaged more in giving.

The study suggests that two factors may contribute to untapped giving potential: (1) rapidly changing demographics and a lack of strategy to reach emerging groups and (2) limited nonprofit fundraising capacity.

1. Strategies to Reach Emerging Groups

Half of businesses and nonprofits and 61% of foundations do not actively engage diverse populations in philanthropy. People of color expressed concerns about a lack of diversity in philanthropy and board leadership. They also suggest the county could do a better job engaging minorities, especially non-Hispanic people of color. This issue will continue to challenge Washington County, as the area grows more diverse. Improving efforts to reach emerging groups will maximize the potential for giving in the county.

2. Non-profit Fundraising Capacity

Nationwide, individual donors contribute approximately 84% of all charitable dollars (including bequests); foundations contribute approximately 12% and corporations contribute approximately 3-4% of total charitable contributions (The Center on Philanthropy at Indiana University, 2005). When Washington County nonprofits ranked activities they considered “very important” to achieving their fundraising goals, activities targeting foundations and corporations ranked highest. Grant writing and seeking corporate grants/sponsorships ranked higher than activities targeting individual donors, such as major gift solicitation, grassroots gift solicitation and planned giving. This suggests many organizations are not focusing on “top line” activities that will significantly increase fundraising revenue and build sustainability over time. Nonprofits can make their philanthropic efforts stronger by building their fundraising capacity and focusing their efforts more strategically on individual donors and, specifically, major gifts.

The report uncovered a growing divide in Washington County between educational institutions and community based organizations. The nation is currently in the midst of the

largest transfer of wealth in America’s history as ‘boomers’ age and pass on their wealth. Very large institutions - higher education, the arts and hospitals – are reaping the bounty and building endowments to secure their future by way of planned giving and bequests. Many planned giving tools are quite sophisticated, require special expertise, and Board effort to incorporate into an existing development program. Accepting a simple bequest, however, is not complicated and is a natural extension of a major gift program. The absence of major gift and planned giving efforts in Washington County nonprofits will have future ramifications on long-term sustainability of individual organizations. The lack of transformational giving will also shape the collective future as Washington County increasingly relies on local nonprofits to feed, shelter and provide safety net services that are critical to the quality of life enjoyed by all.

STUDY CHALLENGES

The philanthropy exploration study was complex, with multiple components and stakeholder groups. As a result, a few challenges presented themselves. Early in the study, a larger than expected amount of time was spent coalition building to stimulate support for and participation in the study. As a result, the study timeline needed to be adjusted.

The study targeted 100 survey participants and 24 interview participants. As a result of the timeline adjustment, the surveys and interviews took place during the summer months, which may have contributed to low participation rates. Specifically, participation by foundations was weak despite significant outreach efforts. For this reason, interpretation of survey findings should be considered with an understanding of the limited data set.

The study advisory team originally envisioned the project as an exploratory effort. Therefore, despite the challenges mentioned above, the study serves to stimulate a countywide conversation about community, philanthropy and sustainability of nonprofit services.

RECOMMENDATIONS

Based on the common themes that emerged from the study the project consultants and Advisory Team recommends the following:

Build Nonprofit Capacity to Meet the Needs of a Growing Population

The Advisory Team recommends that the Vision Action Network look to partner with existing programs, organizations and foundations to:

- Provide regular trainings for Washington County non-profits to build their fund development capacity – such as individual donor solicitation, planned giving and building endowments
- Provide regular networking opportunities for Washington County non-profits to share information and make connections
- Explore the idea of a more formal non-profit mentoring program that would pair more established non-profits with newer organizations
- Hold “Funders Fairs” twice a year in Washington County to support non-profits in learning more about foundations and corporate funders, and in developing relationships with potential funders
- Work to improve the diversity and competence of nonprofit boards – including creating leadership development in communities of color, providing general board

- leadership trainings and creating a “pipeline” to board service for the next generation of leaders
- Encourage funders to invest in capacity building

Help Businesses to Give and Encourage Giving

- Celebrate corporate philanthropy and volunteerism: Consider increased partnerships with Chambers of Commerce and Westside Economic Alliance to recognize outstanding west side corporate philanthropists – possibly develop a Corporate Philanthropy Awards (similar to Portland Business Bureau’s)
- Provide information to businesses on workplace giving programs and employee involvement campaigns
- Convene businesses to share results of study, build excitement and celebrate corporate giving

Dialogue for Diversity

- Educate residents about changing demographics and the power of “the young creatives” in shaping a vibrant and economically sound community; consider cultural fairs or opportunities to use existing events to celebrate diversity
- Engage and provide opportunities for people of color to be more involved in philanthropy and leadership roles
- Engage people of color in elevating the conversation about diversity and consider how existing plans might better address this issue

Building the Washington County Community

- Offer geographically focused meetings/trainings/gatherings for non-profits regularly and consistently over time to develop Washington County network
- As mentioned under “*Help Businesses Give and Encourage Giving*”, utilize the release of the study to convene businesses to highlight and celebrate corporate giving in Washington County
- Utilize the release of the report to have a discussion in the broader community – pull cross-sector of stakeholders together to share results and develop a shared vision of philanthropy in Washington County

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Appendix A: Study Participants by Category

Study participants: Businesses

2. MPF Conservation
3. CCB
4. Kaiser Permanente NW
5. Banner Bank
6. Columbia Community Bank
7. Lattice Semiconductor Corp.
8. Entrepreneurs Foundation of the NW (on behalf of member companies in Wash. Co.)
9. Bank of the Cascades
10. Reedville Cafe, Catering, Center
11. Epson Portland Inc.
12. McKenzie Ford
13. MBank
14. Grande Foods
15. Fred Meyer
16. Intel Corporation
17. Washington Mutual
18. Invisible Inc. dba Ritual Hair Design
19. Wells Fargo
20. Key Bank
21. Vernier Software & Technology
22. Samuel W. Shogren & Associates, LLC (aka Shogren Consulting)
23. Non-profit strategies & affairs
24. Portland Family Magazine
25. Central Bethany Development
26. J D Fulwiler & Co
27. Hines Nurseries
28. NW Natural
29. Community Newspapers
30. Semiosis Communications
31. Legacy Meridian Park Hospital (also a non profit but chose business category)

Study participants: Nonprofit organizations

1. Edwards Center, Inc.
2. Adelante Mujeres
3. SOLV
4. Ride Connection, Inc.
5. Abuse Recovery Ministry & Services
6. CASA for Children
7. East Washington County Shelter Partnership Council
8. CASH Oregon
9. Willamette West Habitat for Humanity
10. Alagille Syndrome Alliance
11. Medical Teams International
12. Virginia Garcia Memorial Foundation
13. Friends of Tualatin River National Wildlife Refuge
14. Oregon Food Bank
15. Tualatin River Watershed Council
16. Bradley's Equine Assisted Therapeutic Riding Center, Inc. (BEAT)
17. Community Action Organization
18. Oregon HEAT
19. Rebuilding Together Washington County Inc.
20. Essential Health Clinic
21. Tualatin Hills Park Foundation
22. Willamette West Habitat for Humanity
23. Financial Beginnings
24. Community Housing Fund
25. Tuality Healthcare
26. Business Education Compact
27. Tualatin Historical Society
28. Washington County Bicycle Transportation Coalition
29. Arins House A Teen Center
30. WWCIHN dba Family Bridge
31. Oregon Dog Rescue
32. LifeWorks Northwest
33. Cat Adoption Team
34. Domestic Violence Resource Center
35. The Alliance for Contraception in Cats & Dogs

Study participants: Foundations

1. Marie Lamfrom Charitable Foundation
2. The Collins Foundation
3. Harold & Arlene Schnitzer CARE Foundation
4. Meyer Memorial Trust
5. Prefer to remain anonymous for the purposes of this survey
6. The Kinsman Foundation
7. 93-1245000 (Juan Young Trust)
8. James F. and Marion L. Miller Foundation
9. The Oregon Community Foundation
10. Wessinger Foundation
11. Intel Foundation
12. Hillsboro Community Foundation
13. United Way of the Columbia Willamette
14. Hillsboro Library Foundation
15. Kinnie Family Foundation

Study participants: Individuals

1. Anonymous
2. Ivan Camacho
3. Steve Clark
4. Robin Cook
5. Tom Evans
6. Gordon Faber
7. BJ Faber
8. Clarinda Hanson White
9. Bob Harding
10. Monique Hayward
11. Gwyn Hilden
12. Carolyn Hymes
13. John Hymes
14. Dick Inukai
15. Pat Reser
16. Denzell Scheller
17. Dianne Danowski Smith
18. Andrew Smith
19. Gene Zurbrugg

Appendix B- Online survey responses

Appendix C - Interview Questions

Philanthropy Study Introduction for Participants

Thank you for being willing to participate in our study! This study was sparked by the realization that Washington County is growing rapidly: in population, number of businesses, number of nonprofit organizations...and community needs.

When finished, this study will be the most comprehensive exploration of philanthropy in Washington County to date. A final report will be released in the fall. In the final report, we plan to print some participant comments but we will not disclose who made the comments. Your comments will be kept confidential.

Our conversation will take 30-60 minutes. All participants are being asked the same questions, primarily about personal approach to charitable giving, beliefs and preferences. You will not be asked to disclose how much money you contribute or your net worth.

If there are any questions you are uncomfortable with, you do not have to answer them. If there are any comments about charitable giving that you feel are important to include but I do not ask directly please feel free to share them!

Interview questions...

Name _____

City of residence _____

Questions regarding personal approach to philanthropy

1. How long have you been active in charitable giving?
2. What do you consider the advantages of charitable giving?
3. Who taught you about philanthropy or inspired you to make charitable gifts?
4. What types of charitable gifts do you prefer to make (stock/cash/real estate/other in-kind)?
5. How many gifts do you plan to make this year or how many charitable organizations do you plan to support?
6. Do you prefer to spread your philanthropy across many organizations or support only a few?
7. Do you have a personal strategy or plan for making charitable gifts? For example, do you seek a specific kind of involvement with an organization (board service) Do you support certain types of organizations, etc.?

Questions regarding impact of current affairs/economy

8. Do you contribute to Political Action Committees? Do you consider these an addition to your charitable giving or part of your charitable giving?
9. Has the current economy affected your giving? How?
10. How do you feel about contributions to disaster relief? What is your personal approach to this type of giving?

Questions regarding relationships with nonprofits/corporate giving

- 11. Tell me about your best experience with a nonprofit. How did they get it right?
- 12. How do you think Washington County, as a community, is doing engaging “non traditional” philanthropists? Do you think the community activity engages people of color or youth? Are rural communities being overlooked? *
- 13. Do you encourage workplace giving at your place of business?
- 14. What is your biggest challenge with regards to employee giving?
- 15. Can you think of any tools or resources that would make it easier for you to carry out workplace giving campaigns?

Questions regarding significant gifts

- 16. What do you consider to be a substantial or “major gift”? *
- 17. Can you remember the first time you made a substantial gift? What prompted it?
- 18. Has your giving increased over time (frequency, size, or both)?
- 19. How important is it to have public recognition of your giving?
- 20. Have you ever made a gift that you wanted kept anonymous?
- 21. What preceded a decision to make a personally significant contribution? *
e.g., I was asked by someone/I attended an event/I received a direct mail appeal/ I made the decision on my own with no prompting/other

Questions regarding transfer of wealth/planned giving practices

- 22. Have you included charitable gifts in your estate plan or will?
- 23. Does the organization(s) you plan to support know of your intentions?
- 24. Do you have a family foundation: e.g., discretionary fund/donor advised fund or donor-designated fund?
- 25. Are the younger generations in your family involved in charitable gift decisions? How are you involving them?

We want to know your personal opinion about the following:

14. How would you rate philanthropy in Washington County?

- Comparatively speaking, the Washington County community gives more than similar communities
- Comparatively speaking, the Washington County community gives about the same as similar communities
- Comparatively speaking, the Washington County community is less generous than similar communities

Conclusion

Do you have additional thoughts about charitable giving that you would like to share?

May we print your name in the appendix of the final report for this study? Your name would appear as part of a list of several people who participated in this study. Printing study

participant names helps us to demonstrate credibility in the methods we used to conduct this study.

Permission to print name: _____

Again, thank you so much for participating. By giving us the gift of your opinion, you are helping our community to meet the needs of its growing population and plan for future sustainability of our critical nonprofit services.

Would you like to receive an advance copy of the study report?

Yes _____ No _____

If you have additional thoughts to share, please do not hesitate to email them to

jeri@oncourseforsuccess.com

Appendix D – Donor Interviews

Selected quotes from donor interviews

Send me a letter that tells a story. How is the organization touching lives? Invite me to stay connected physically- I like to attend things so I have the choice of meeting other people who care about the organization

I'll give to 10 organizations this year. I prefer smaller organizations where I can see a tangible difference. I've pulled away from national nonprofits lately. I'll keep it local.

Get into people's workplace. Don't cold call. Stop mailing me.

Only Centro helps the Spanish speaking community become involved and Adelante Mujeres is empowering young women- great examples of engaging people in the community. Maybe we need more education- highlight the cultures or maybe we overlooked it in the 2020 Vision Plan.

They are not thinking about how to leverage diversity in the community. What is it in our community about diversity that we need to focus on and address? We're working at Intel, Nike, Tektronix: engage us in the dialogue.

I don't see the appetite out here for fundraising like I see in Portland. It doesn't seem to have the celebrity appeal the Portland charities do.

If I were to look for the future of giving, I'd look in communities that are untapped. We're rural-we're overlooked.

I'd encourage people to do a "giving fair" to educate-teach people what's out there. I would like it if someone gave me direction and said, "here's what you can do!"

You can give a lot of money and not be generous. Generosity is in the heart.

You don't just give a gift: you become a supporter and a critic. You have a little ownership. That wetland? I own part of it as much as you do.

Automated requests?! Who listens to these? And I hate requests by people who aren't directly involved in the organization.

The CEOs running the nonprofits must be truly focused. You have to spend your time getting to know people- its about relationships and it does take time

I have a sense young people have a different approach to giving, but we don't know what it is yet. I worry-I don't see the passion in my own children

Everyone wants the big contributor. You're missing the opportunities with the "small" citizens or small companies. There are a lot of us.

My employer encourages me to give a portion of my commission checks; my company has a foundation I support. I'll give 10-15 gifts this year but only 1 or 2 significant donations.

More interfaith involvement! We just need to bring it together. We have a lot of resources but sometimes we don't involve everybody.

Wishy washy missions-or they aren't clear about their mission - or they are taking on too much: it's a recipe for disaster.

I look around my neighborhood and see all this capacity to help but I don't know if these people are involved in anything.

The amount of volunteering doesn't impact our monetary decisions but volunteering is more precious to me than cash. They really have to communicate why the community is better because they exist

I remember the first time I gave \$100 to the church. It felt like a lot of money and it felt *good*.

You can't be held hostage by requests for giving. When you feel that, reflect on your core values because you can't be everything to everyone.

Know what you want, develop a plan, before you ask. Your skill set should match your ambitions or at least be developing.

I hate being asked to contribute at the check-out line. Sometimes I have given, but you can't say no even if you want to because everyone in line hears.

I think a lot of these organizations are wasteful. They need to run like a business.

Selected quotes from business interviews

When reviewing requests we always ask, Will this be well attended? Will it be attended by people we want to get in front of? How are we going to leverage this sponsorship? Take some time to get to know us before you ask.

Our relationships with nonprofits are about growing our business.

A lot of companies pressure their employees to give. That just turns me off.

Ten years ago we did a better job getting employees engaged in giving. Now, we're just trying to get them to do a 401K plan.

We view philanthropy in terms of community involvement. We give a lot more gifts in kind now than cash. That's probably been the biggest impact from the economy.

We employ a lot of Hispanic folks and I don't know that philanthropy is part of their culture. Or maybe we just never thought of doing a giving program.

Organizations need to get clear about who their customer is and what value their organization adds.

Board service is important to us-we encourage this among employees

I don't think we are engaging people of color. But I don't think Hispanic folks are interested in giving. Just because I made one gift, don't assume I'm going to be an annual contributor.

I had no idea what to do. I got on the phone to the pastor down the street and said, I have a woman in my bank. She's homeless and she's hungry. The pastor said, give her \$100, send her over and I'll match it. That's community. I never saw her again but I know she got help.

We prefer to run our own employee giving campaign because it is more personalized. Every employee can dedicate money to a favorite cause. The biggest challenge is the time it takes us to do this.

The best experiences I've had with nonprofits were win-win situations. It wasn't just about giving a lot of money to the nonprofit-we both got something out of it. I got to promote my business.

Early in my career I learned about philanthropy from United Way. They helped me connect to people and get involved through the annual campaign