Our Collective Opportunity
Ventura County’s Historic Wealth Transfer

March 3, 2022
Introductions & Connections

1. Welcome & Introductions
2. Opening Remarks
3. Connecting Together
4. Overview of Report & Key Findings
5. Moderated Panel Discussion; Q&A
6. Group Discussion & Report Out
7. Closing Remarks & Adjourn
Philanthropic Consulting Office

VCCF Services

• Support individuals, foundations, and local nonprofits in creating lasting impact in our shared world

• Identifying giving opportunities and designing grantmaking strategies

• Mobilizing philanthropic capital and facilitating partnerships

• Planned Giving and working with donors’ estate planning teams to achieve philanthropic goals and financial needs

• Engaging our next generation

• Investment management and stewarding complex assets

• Advising on effective governance structures and policies to support philanthropic objectives

• Helping nonprofits identify top planned giving prospects for their organization and conducting research

• And more…
# Asset Allocation & Performance

As of December 31, 2021

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Net-of-Fees Performance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value $</td>
<td>1 Quarter</td>
</tr>
<tr>
<td>$170,870,052</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total Fund Composite</strong></td>
<td></td>
</tr>
<tr>
<td>Long Term IPS Targets</td>
<td>4.1</td>
</tr>
<tr>
<td>Dynamic Attribution Index</td>
<td>4.2</td>
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<tr>
<td>All Foundations-Total Fund Median</td>
<td>3.7</td>
</tr>
<tr>
<td>Total Fund Composite Rank</td>
<td>52</td>
</tr>
<tr>
<td><strong>Global Equity Composite</strong></td>
<td>$97,927,657</td>
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<tr>
<td>MSCI ACWI Blend</td>
<td>6.1</td>
</tr>
<tr>
<td>World Large-Stock Blend Median</td>
<td>6.5</td>
</tr>
<tr>
<td>Global Equity Composite Rank</td>
<td>73</td>
</tr>
<tr>
<td><strong>US Equity Composite</strong></td>
<td>$55,782,597</td>
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<tr>
<td>Russell 3000 Index</td>
<td>9.3</td>
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<tr>
<td>All Cap Median</td>
<td>7.5</td>
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<tr>
<td>US Equity Composite Rank</td>
<td>22</td>
</tr>
<tr>
<td><strong>Non-US Equity Composite</strong></td>
<td>$42,145,060</td>
</tr>
<tr>
<td>MSCI ACWI ex USA Blend</td>
<td>1.6</td>
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<tr>
<td>Foreign Median</td>
<td>2.4</td>
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<tr>
<td>Non-US Equity Composite Rank</td>
<td>80</td>
</tr>
<tr>
<td><strong>Fixed Income Composite</strong></td>
<td>$33,420,465</td>
</tr>
<tr>
<td>Bimbg. U.S. Aggregate Index</td>
<td>0.0</td>
</tr>
<tr>
<td>Bimbg. Global Aggregate</td>
<td>0.7</td>
</tr>
<tr>
<td>OCIO Fixed Income Benchmark</td>
<td>0.1</td>
</tr>
<tr>
<td>Intermediate Core Bond Median</td>
<td>0.2</td>
</tr>
<tr>
<td>Fixed Income Composite Rank</td>
<td>33</td>
</tr>
</tbody>
</table>

**Investment Returns**
<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception Date</td>
<td><strong>5/15/1996</strong></td>
</tr>
<tr>
<td>Opening Gift + Subsequent Gifts (Rec'd 1996 - 1999)</td>
<td><strong>50,942.50</strong></td>
</tr>
<tr>
<td>Cumulative Grants</td>
<td></td>
</tr>
<tr>
<td>62 Grants Made 1996 - 2020</td>
<td><strong>(68,896.36)</strong></td>
</tr>
<tr>
<td><em>Estimated</em> Fees paid to VCCF</td>
<td><strong>(17,500.00)</strong></td>
</tr>
<tr>
<td>Gifts minus Expenses</td>
<td><strong>(35,453.86)</strong></td>
</tr>
<tr>
<td>Balance at 5.31.2021</td>
<td><strong>66,485.08</strong></td>
</tr>
<tr>
<td>Investment Earnings Impact</td>
<td><strong>101,938.94</strong></td>
</tr>
</tbody>
</table>
“This is not an opportunity to fix things today. This is an opportunity to plan our futures, to plan for the sustainability of our community’s ability to serve people who have the greatest needs.”

--- California Community Foundation
Introductions & Connections

Quick Conversation Topics

1. Your name and organization
2. What brings you here today?
3. What do you hope to leave with?
More than $207.3 billion changing hands in Ventura County in next 45 years
By 2027, Venturans will give more than $600 million to charities.
At the same time, the divide between Wealthy and Poor continues to grow.
Two Key Questions

Will this transfer of wealth create philanthropy that will invest in Ventura County’s nonprofit sector?

How can our nonprofit and philanthropic community work collectively with donors, funders, nonprofit agencies, and foundations to best position Ventura County for this historic wealth transfer?
Myth #1 Only the wealthy can make meaningful planned gifts

Source: Board of Governors of the Federal Reserve System
Mean Net Worth of Ventura County Households by Age of Head, 2019

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Mean Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 35</td>
<td>$93,824</td>
</tr>
<tr>
<td>35-44</td>
<td>$536,526</td>
</tr>
<tr>
<td>45-54</td>
<td>$1,024,836</td>
</tr>
<tr>
<td>55-64</td>
<td>$1,446,357</td>
</tr>
<tr>
<td>65-74</td>
<td>$1,497,771</td>
</tr>
<tr>
<td>75 or more</td>
<td>$1,202,448</td>
</tr>
</tbody>
</table>
Mean and Median Household Net Worth, 1989-2019

Thousands of 2019 US Dollars

- Median Net Worth
- Mean Net Worth
Myth #2 Who gives?

Figure 49 Socioeconomic Profile of People Who Donated to Charities, 2017
Myth #3 People change their giving in disasters

Figure 51 Effect of Disaster Relief giving on Other Causes and Organizations, 2017
Myth #4 People aren’t as generous as they used to be

Households and Nonprofit Organizations’ Levels of Net Worth, Inflation Adjusted, 1952-2020, in Billions of Dollars
Myth #5 Thinking about planned giving begins in 70’s and 80’s.
Estate Amounts in Ventura County

Total: $230,852,825,200.00

Estate Amounts

- 2016 to 2025: $23.4 B
- 2026 to 2035: $31.5 B
- 2036 to 2045: $42.4 B
- 2046 to 2055: $56.9 B
- 2056 to 2065: $76.5 B

2016 to 2065
- 2016 to 2025
- 2026 to 2035
- 2036 to 2045
- 2046 to 2055
- 2056 to 2065
Potential Transfer to Nonprofits in Ventura County

Transfer of Wealth if 5% of Estate Amount is Endowed

Total: $11,542,641,259.00

Potential Transfer

<table>
<thead>
<tr>
<th>Year Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 to 2025</td>
<td>$1.2 B</td>
</tr>
<tr>
<td>2026 to 2035</td>
<td>$1.6 B</td>
</tr>
<tr>
<td>2036 to 2045</td>
<td>$2.1 B</td>
</tr>
<tr>
<td>2046 to 2055</td>
<td>$2.8 B</td>
</tr>
<tr>
<td>2056 to 2065</td>
<td>$3.8 B</td>
</tr>
</tbody>
</table>

2016 to 2065

- 2016 to 2025: $1.2 B
- 2026 to 2035: $1.6 B
- 2036 to 2045: $2.1 B
- 2046 to 2055: $2.8 B
- 2056 to 2065: $3.8 B
<table>
<thead>
<tr>
<th>Size of Estate</th>
<th>Percent to Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $10 million</td>
<td>4%</td>
</tr>
<tr>
<td>$10 million &lt; $20 million</td>
<td>6%</td>
</tr>
<tr>
<td>$20 million &lt; $50 million</td>
<td>9%</td>
</tr>
<tr>
<td>$50 million or more</td>
<td>22%</td>
</tr>
</tbody>
</table>
Transfer of Wealth in Ventura County, 2019-2026, in Millions of Dollars

- 2019: $2,045
- 2020: $2,121
- 2021: $2,193
- 2022: $2,266
- 2023: $2,331
- 2024: $2,408
- 2025: $2,466
- 2026: $2,531
Estimated Size of Transfer of Wealth to Charities if 5% of Estate Amount Endowed in Ventura County, 2019-2026, in Millions of Dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$102</td>
</tr>
<tr>
<td>2020</td>
<td>$106</td>
</tr>
<tr>
<td>2021</td>
<td>$110</td>
</tr>
<tr>
<td>2022</td>
<td>$113</td>
</tr>
<tr>
<td>2023</td>
<td>$117</td>
</tr>
<tr>
<td>2024</td>
<td>$120</td>
</tr>
<tr>
<td>2025</td>
<td>$123</td>
</tr>
<tr>
<td>2026</td>
<td>$127</td>
</tr>
</tbody>
</table>
Mindset and Tendencies of High Net Worth Givers

Giving Categories
- Basic Necessities: 63%
- Religious: 49.6%
- Health: 40.2%
- Family Services: 36.1%
- K-12 Education: 33.4%
- Animals: 32.5%

Reasons to Support
- My Values: 21.6%
- Interest in the Issue Area: 64.2%
- Firsthand Experience: 55.1%
- Recognized Non-profit: 51%
- Need of the Org.: 50%
- Nonprofit Report Ranking: 20.4%

Issues that Matter Most
- Healthcare: 29%
- Education: 27.7%
- National Security: 26.9%
- The Economy: 25.6%
- Tax Policy: 17.5%
- Poverty: 17%

Motivation to Give
- Belief in Org’s Mission: 51%
- My Gift Makes a Difference: 44%
- Personal Satisfaction: 38.7%
- Always Support Same Cause: 35.7%
- Give Back to Community: 27.3%
- Religious Belief: 23.3%
<table>
<thead>
<tr>
<th>Reasons Why High Net Worth Households Do Not Give/Stop Giving</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reasons to NOT Give to Charity</strong></td>
</tr>
<tr>
<td>- Family is First Priority 54.7%</td>
</tr>
<tr>
<td>- No Reason 25.4%</td>
</tr>
<tr>
<td>- Lack of Connection to Charity 22.9%</td>
</tr>
<tr>
<td>- Lack of Desire 21.6%</td>
</tr>
<tr>
<td>- Lack of Interest in Cause 17.8%</td>
</tr>
<tr>
<td>- Lack of Resources 14.7%</td>
</tr>
</tbody>
</table>

| **Challenges to Giving**                                      |
| - Identifying the Cause 67.3%                                 |
| - Unclear How Much to Give 49.8%                              |
| - Allotting Volunteer Time 45.3%                              |
| - Monitoring Giving 37.4%                                     |
| - Making Gift Tax Effective 21.7%                             |
| - Managing Gift w/ Others 19.1%                               |

| **Reasons to NOT Make Political Donations**                   |
| - Can't Compete w/ Corporations 46.7%                        |
| - Not Making a Difference 30.5%                               |
| - Can't compete w/ PAC 26.0%                                  |
| - No One to Support 25.9%                                     |
| - Giving to Charities 2.8%                                    |

| **Reasons to STOP Supporting**                                |
| - Too Many Requests 40.7%                                     |
| - Circumstances at Home 40.2%                                 |
| - Org was not Effective 18%                                   |
| - Other 15%                                                    |
| - Inappropriate Request 14%                                   |
| - Change of Donor Focus 12.8%                                 |
A Pattern of Behavior of High-Net-Worth Donors

Behavioral Depiction of High Net Worth Donors

- Donors who Make Decisions Based on Personal Values: 94.8%
- Donors who Give Politically: 75.6%
- Donors whose Giving is Linked to Their Public Policy Preferences: 57.4%
- Donors who Desire Volunteer Orientations: 51.7%
- Donors who Perceive that Charitable Giving to be Having an Impact: 43.5%
- Donors who Involve Children in Giving: 28.5%
- Donors who Monitor or Evaluate the Impact of their Charitable Giving: 21.7%
- Donors who Support Charities as a Family Tradition: 20.5%
Local Importance

Q33: Please share your belief in the importance of philanthropy for the development and wellbeing of the Ventura County Community.

91% of survey respondents identified “Giving Locally” as a priority.
Strengths

Weaknesses

Opportunities

Threats
Strengths

• Ventura County is full of loyal donors, volunteers, staff, and Board members
• Not a lot of duplication of services
• We know and trust each other
• High quality programs and services
• Recent disasters and census work have highlighted what we can do together
• Strong collaboration with local government (our community’s largest funder)

“Loyalty leaders grow revenues roughly 2.5 times as fast as their industry peers and deliver two to five times the returns over the next 10 years.”

– Harvard Business Review Jan/Feb 2020
Weaknesses

- Liquid Unrestricted Net Assets (LUNA)
- Embrace transparency
- Apply donor-centered design thinking
- Fiduciary training at ALL levels in organizations
- Are we teaching donors how to give?
- Communication (Are we using donor focus groups to drive activities?)

“All too often, no one has told them (donors) how to make a meaningful gift. They just did not think they could, so they didn’t.”

– Charitable Planning 2018
Opportunities

- Exceptional opportunities for learning (Financial, Planned Giving, Fiduciary)
- Statistics and data should lead the way
- Build robust donor-value management processes and tools (including digital)
- Partnerships and collaboration are key to success
- Develop in-depth understanding of why people give
- Lead for loyalty

“Substantial bequests don’t always come from donors who give a lot during their Lifetimes... Loyalty to an organization, not massive annual gifts or capital-campaign contributions, is the surest indicator of a candidate for a bequest... Fundraisers, he says, should look for donors who have given “$100 or $500 a year for 25 years.”

– Jeff Comfort, Oregon State University Foundation
Opportunities (Cont’d)

• Think regionally
• Foster and support meaningful relationships wherever possible with donor community
• Support local entrepreneurism
• Collaboration not competition between organizations
• Empower a community development philanthropy movement

“Almost 74% of the largest gifts were not restricted.”
– Dr. Jamshid Damooei, Transfer of Wealth
WHERE THE MONEY IS: Who’s Got Which Assets?

For households with up to $500,000 in net worth, real estate represents more than half of holdings. Business-related and other financial assets (such as trusts and investment accounts, including retirement funds) make up most of the wealth in households worth $2 million or more. At $5 million and up, at least 10 percent is in stocks and bonds.
Threats

- Building community-wide confidence in entire nonprofit sector and local economy
- Lack of time/ Other urgent priorities
- Not asking and not engaging donors as volunteers/ strategic thought partners
- Short-term thinking/ Wrong metrics
- A belief that people are “less generous” or poorer than they are
- 53.5% of high-net-worth donors do not know if their donations are making a difference

“All too often, the reason that no gift is made is that the potential donor feels that he cannot make a gift that is large enough to make a meaningful difference... (experienced) planners know that almost anyone can make a sizable and important gift.”

– Charitable Planning 2018
Challenges to High Net Worth Donors' Charitable Giving

- Identifying what I care about and deciding what to donate: 67.3%
- Understanding how much I can afford to give: 49.8%
- Allocating time to volunteer/get more involved in the organization I care about: 45.3%
- Monitoring giving to ensure it has its intended impact: 37.4%
- Structuring gifts in a tax efficient manner: 21.7%
- Managing my giving with someone else: 19.1%
- Identifying an advisor that understands my goals and priorities: 3.2%

“The future depends on what we do in the present.”

- Mahatma Gandhi
Recommended Readings

Let's Talk About ESTATE PLANNING
Conversations about real-life missteps in providing for loved ones (and other things you didn’t know about estate planning)

VIRGINIA A. McARTHUR, Esq.

Estate Planning SMARTS
A Practical, User-Friendly, Action-Oriented Guide

DEBORAH L. JACOBS

THE ROLE OF THE PLANNED GIVING PROFESSIONAL
Serving Nonprofit Organizations and Their Donors
Additional Readings

1. "$9 Trillion and Counting: How Charities Can Tap into the Transfer of Wealth" by Joel L. Fleishman
2. "Putting Wealth to Work: Philanthropy for Today or Investing for Tomorrow?" by Joel L. Fleishman
3. "Money Well Spent: A Strategic Plan for Smart Philanthropy" by Paul Brest and Hal Harvey
Additional Readings

Concierge Stewardship

By Brian M. Saunders, JD, CFRE, and Robert E. Wadler, MS, CFRE

Concierge stewardship gives donors exactly what they have stated they want more from in an organization. A fully created and customized program aligned not to provide support with the same level of which donors have come to expect that their gifts will be honored and put to good use.

Like the concierge service in a five-star hotel, it may have a variety of services and amenities that it can provide to its donors. Programmers will have distinctly different offerings shown by the development office, the organization’s primary relationship manager(s), that are selected based on the funders’ knowledge of the donors and their wishes. This approach gives donors a tailored stewardship regimen. For example, to show the outcomes of their programs, an organization may engage donors by giving a first-hand look at success. In healthcare, supporters may have an opportunity to shadow a physician during after-hours rounds. In higher education, donors may attend a lecture on a topic or an area that particularly interests them. A concierge approach to stewardship programs made possible by the donor’s generosity.

Concierge Stewardship for Your Transformational Philanthropists

The difference is in the delivery of stewardship activities. Throughout the concierge stewardship process, this group of donors know exactly where and when their attention should be on different. Regular interactions and communications are an integral part of a successful stewardship program. Care must be given to not only offer information that consistently keeps donors abreast of the outcomes of their investment but also position the case for making the next gift to an organization. (See sidebar.) Charitable organizations should provide the concierge’s support, help and advice that are personal and customized to donors’ needs and objectives. —Concierge stewardship.
Professional Education & Designations

• Center for Nonprofit Leadership

• American College
  (Offers the Chartered Advisor in Philanthropy (CAP) designation)

• Fi360
  (Offers the Accredited Investment Fiduciary (AIF) and Accredited Investment Fiduciary Analyst (AIFA) designations)

• Gift College
  (Offers Certified Gift Planning Associate certification)

• American Institute for Philanthropic Studies
  (Offers Certified Specialist in Planned Giving (CSPG) designation)
Donor Bill of Rights

(See link)
Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by ensuring the integrity of the charitable gift planning process, and to promote the Charitable Gift Planner's role. This principles applies to all benefactors and other financial services professionals who are employed by a charitable inclination.

I. Competence and Professionalism

A Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and should observe the highest standards of professional practice, free from any conflicts of interest. Gift Planners that do not observe these standards should not be in the business of gift planning. Gift Planners who do not observe these standards should be removed from the business of gift planning.

II. Competence and Professionalism

A Gift Planner should be knowledgeable and competent in his or her chosen area, and should observe the highest standards of professional practice, free from any conflicts of interest.

III. Competence and Professionalism

A Gift Planner should be knowledgeable and competent in his or her chosen area, and should observe the highest standards of professional practice, free from any conflicts of interest.

IV. Competence and Professionalism

A Gift Planner should be knowledgeable and competent in his or her chosen area, and should observe the highest standards of professional practice, free from any conflicts of interest.

V. Competence and Professionalism

A Gift Planner should be knowledgeable and competent in his or her chosen area, and should observe the highest standards of professional practice, free from any conflicts of interest.
• Help share the data in this report within your organization and among your nonprofit colleagues

• Build your nonprofit planned giving capabilities

• Make your personal planned giving commitments

• Conduct a readiness assessment for your organization

• Consider joining or forming a wealth transfer strategy group that meets quarterly

• Share success stories

California Lutheran University
CENTER FOR NONPROFIT LEADERSHIP
Thank You!

Please contact Calleen Pardinas, VCCF Philanthropic Services Officer, to learn more at cpardinas@vccf.org

Please contact Jennelyn Tumalad, CNL Program Specialist, to learn more at jtumalad@vccf.org

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