

# Our Collective Opportunity

Ventura County's Historic Wealth Transfer

March 3, 2022

California Lutheran University

CENTER FOR NONPROFIT LEADERSHIP



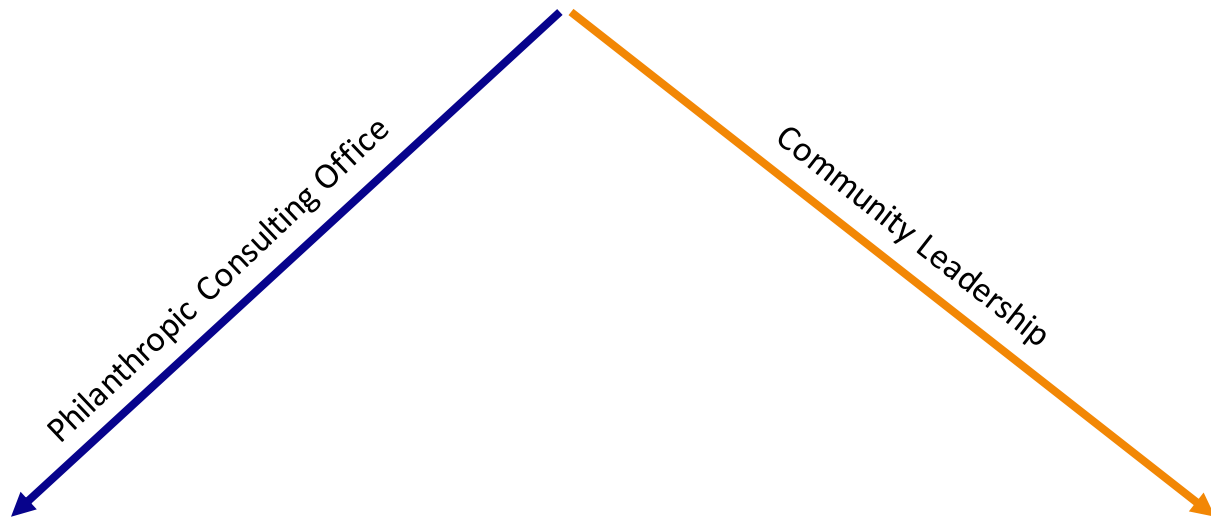
VENTURA COUNTY  
COMMUNITY  
FOUNDATION

# Welcome

## 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





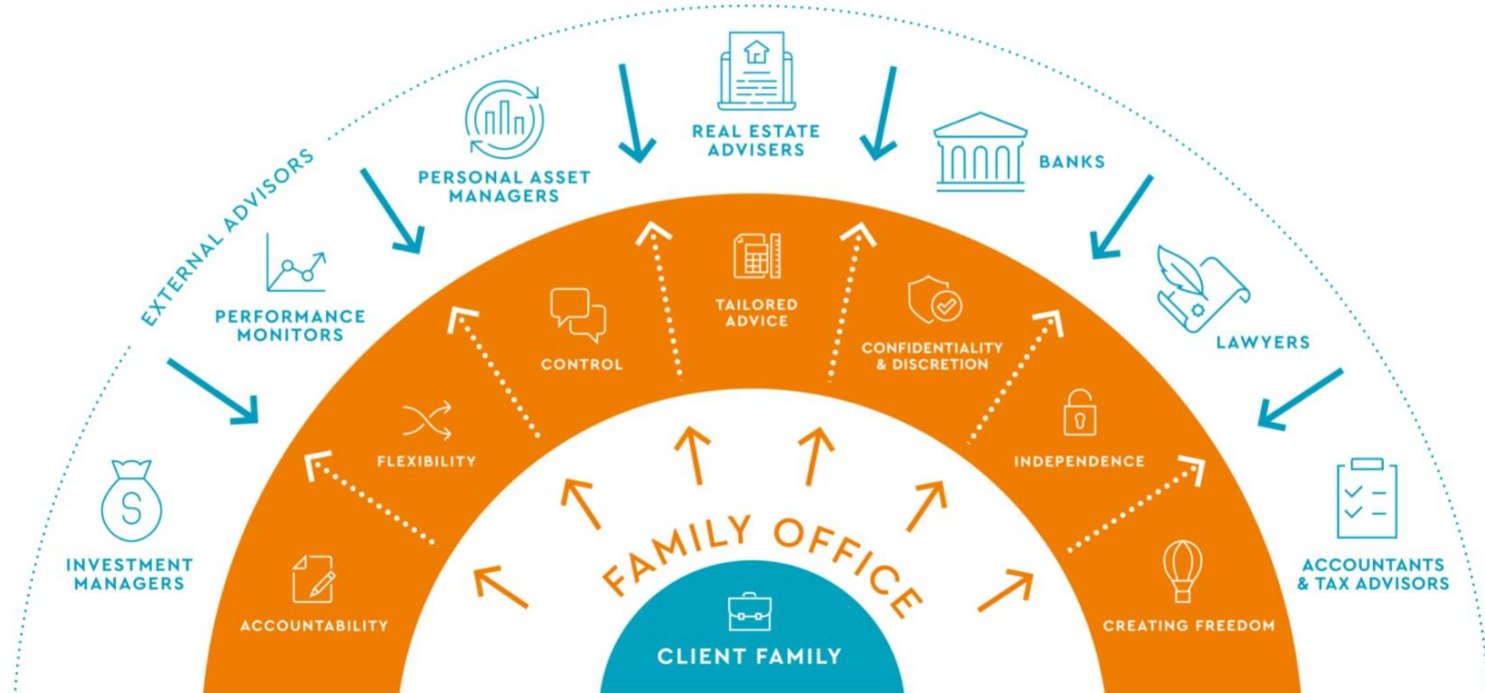
# Philanthropic Consulting Office

## 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...



# FAMILY OFFICE



## Asset Allocation & Performance


As of December 31, 2021

	Allocation			Net-of-Fees Performance (%)								
	Market Value \$	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Fund Composite</b>	<b>\$170,870,052</b>	<b>100.0</b>	<b>100.0</b>	<b>3.7</b>	<b>3.7</b>	<b>13.3</b>	<b>15.3</b>	<b>11.1</b>	<b>8.4</b>	<b>9.4</b>	<b>8.4</b>	<b>Jan 1992</b>
Long Term IPS Targets <sup>1</sup>				4.1	4.1	18.0	16.2	12.5	9.8	10.6	9.2	
Dynamic Attribution Index <sup>2</sup>				4.2	4.2	14.6	15.8	11.6	9.2	10.0	8.4	
<i>All Foundations-Total Fund Median</i>				<i>3.7</i>	<i>3.7</i>	<i>12.4</i>	<i>14.7</i>	<i>10.4</i>	<i>8.1</i>	<i>9.0</i>	<i>8.4</i>	
<i>Total Fund Composite Rank</i>				<i>52</i>	<i>52</i>	<i>41</i>	<i>38</i>	<i>32</i>	<i>39</i>	<i>38</i>	<i>48</i>	
<b>Global Equity Composite</b>	<b>\$97,927,657</b>	<b>57.3</b>	<b>45.0</b>	<b>5.6</b>	<b>5.6</b>	<b>16.8</b>	<b>19.9</b>	<b>14.3</b>	<b>10.8</b>	<b>12.2</b>	<b>9.1</b>	<b>Jan 1992</b>
MSCI ACWI Blend <sup>3</sup>				6.1	6.1	18.2	20.2	14.3	10.8	11.8	8.0	
<i>World Large-Stock Blend Median</i>				<i>6.5</i>	<i>6.5</i>	<i>18.2</i>	<i>19.3</i>	<i>13.5</i>	<i>10.1</i>	<i>11.6</i>	<i>8.6</i>	
<i>Global Equity Composite Rank</i>				<i>73</i>	<i>73</i>	<i>65</i>	<i>41</i>	<i>34</i>	<i>35</i>	<i>33</i>	<i>25</i>	
<b>US Equity Composite</b>	<b>\$55,782,597</b>	<b>32.6</b>	<b>25.0</b>	<b>9.9</b>	<b>9.9</b>	<b>27.7</b>	<b>25.6</b>	<b>17.7</b>	<b>13.5</b>	<b>15.1</b>	<b>10.1</b>	<b>Jan 1992</b>
Russell 3000 Index				9.3	9.3	25.7	25.8	18.0	14.5	16.3	10.7	
<i>All Cap Median</i>				<i>7.5</i>	<i>7.5</i>	<i>24.6</i>	<i>22.4</i>	<i>15.0</i>	<i>12.1</i>	<i>14.3</i>	<i>10.3</i>	
<i>US Equity Composite Rank</i>				<i>22</i>	<i>22</i>	<i>28</i>	<i>34</i>	<i>35</i>	<i>38</i>	<i>40</i>	<i>57</i>	
<b>Non-US Equity Composite</b>	<b>\$42,145,060</b>	<b>24.7</b>	<b>20.0</b>	<b>0.3</b>	<b>0.3</b>	<b>4.1</b>	<b>12.8</b>	<b>10.1</b>	<b>7.1</b>	<b>7.9</b>	<b>6.7</b>	<b>Jan 1996</b>
MSCI ACWI ex USA Blend <sup>4</sup>				1.6	1.6	8.5	13.6	9.9	6.7	7.4	5.6	
<i>Foreign Median</i>				<i>2.4</i>	<i>2.4</i>	<i>10.6</i>	<i>14.3</i>	<i>9.9</i>	<i>7.1</i>	<i>8.3</i>	<i>6.5</i>	
<i>Non-US Equity Composite Rank</i>				<i>80</i>	<i>80</i>	<i>90</i>	<i>70</i>	<i>47</i>	<i>50</i>	<i>58</i>	<i>45</i>	
<b>Fixed Income Composite</b>	<b>\$33,420,465</b>	<b>19.6</b>	<b>20.0</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>3.8</b>	<b>3.3</b>	<b>2.7</b>	<b>3.4</b>	<b>6.1</b>	<b>Feb 1995</b>
Blmbg. U.S. Aggregate Index				0.0	0.0	(1.5)	4.8	3.6	3.0	2.9	5.3	
Blmbg. Global Aggregate				(0.7)	(0.7)	(4.7)	3.6	3.4	2.2	1.8	4.7	
OCIO Fixed Income Benchmark <sup>5</sup>				(0.1)	(0.1)	(1.8)	4.7	3.7	3.0	2.9	-	
<i>Intermediate Core Bond Median</i>				<i>(0.2)</i>	<i>(0.2)</i>	<i>(1.6)</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>3.0</i>	<i>5.2</i>	
<i>Fixed Income Composite Rank</i>				<i>33</i>	<i>33</i>	<i>20</i>	<i>90</i>	<i>70</i>	<i>71</i>	<i>24</i>	<i>1</i>	

# Investment Returns



Find ID	
Description	
Inception Date	5/15/1996
Opening Gift + Subsequent Gifts (Rec'd 1996 - 1999)	50,942.50
Cumulative Grants 62 Grants Made 1996 - 2020	(68,896.36)
<i>Estimated</i> Fees paid to VCCF	(17,500.00)
Gifts minus Expenses	(35,453.86)
Balance at 5.31.2021	66,485.08
Investment Earnings Impact	101,938.94

A photograph of a natural bridge made of tree roots spanning a small stream in a lush forest. The bridge is constructed from a dense network of thick, dark tree roots that arch over the water. The surrounding forest is vibrant green, with sunlight filtering through the leaves. The scene is peaceful and natural.

*"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





## Breakout Group #1

# Introductions & Connections

## Quick Conversation Topics

1. Your name and organization
2. What brings you here today?
3. What do you hope to leave with?



An aerial photograph of a coastal town, likely Ventura, California. In the foreground, a long wooden pier extends from the beach into the blue ocean. The beach is sandy and stretches along the coast. In the background, a town with various buildings is visible, including a prominent tall, multi-story building. Beyond the town, rolling hills and mountains are visible under a clear sky. The text is overlaid in the center of the image.

**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**



A photograph of a coastal scene at sunset. In the foreground, there are green plants with white and pink flowers. The background shows a calm sea and a sky with soft orange and yellow hues from the setting sun. The text is overlaid in the center of the image.

**At the same time, the divide  
between Wealthy and Poor  
continues to grow**

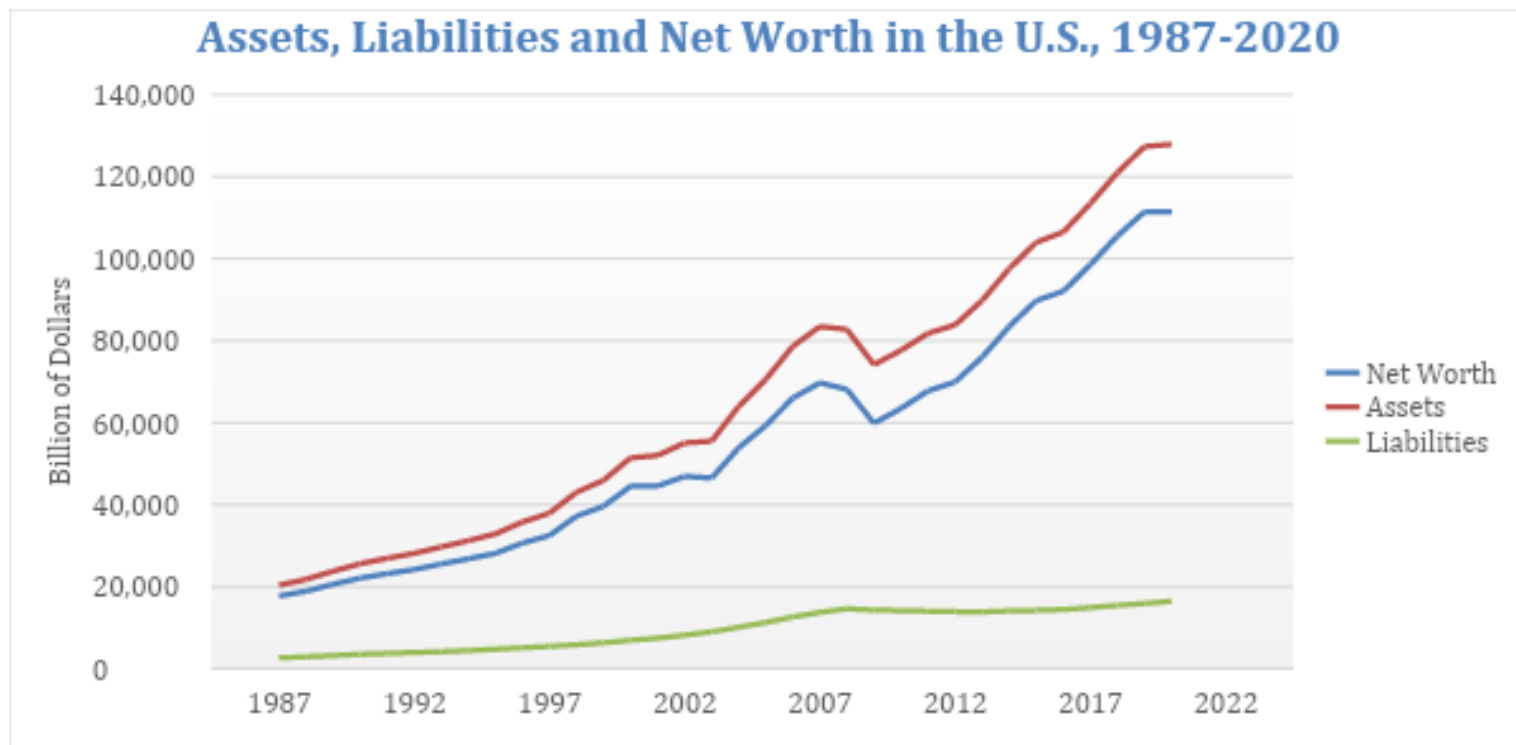
## Two Key Questions

**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?**



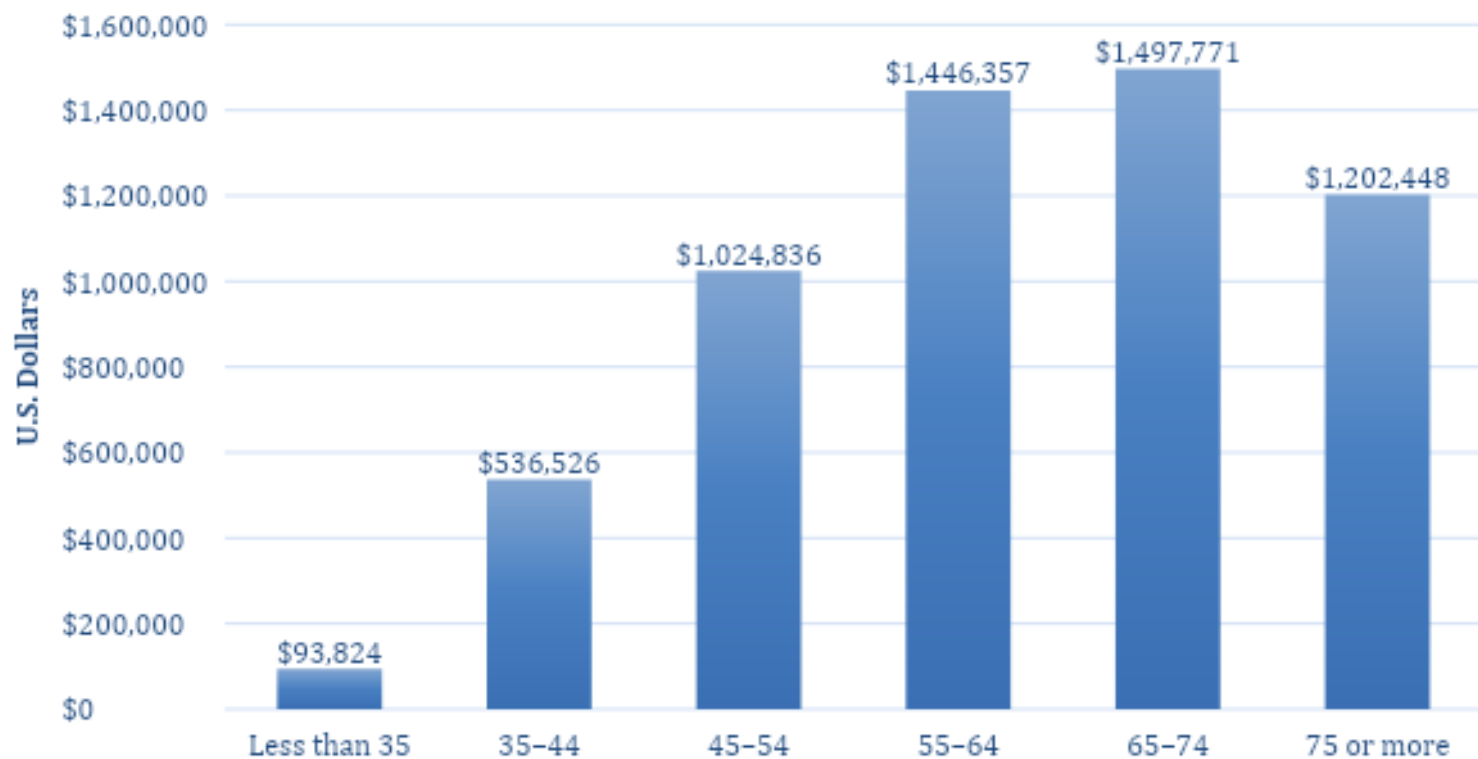
# Myth #1 Only the wealthy can make meaningful planned gifts



Source: Board of Governors of the Federal Reserve System

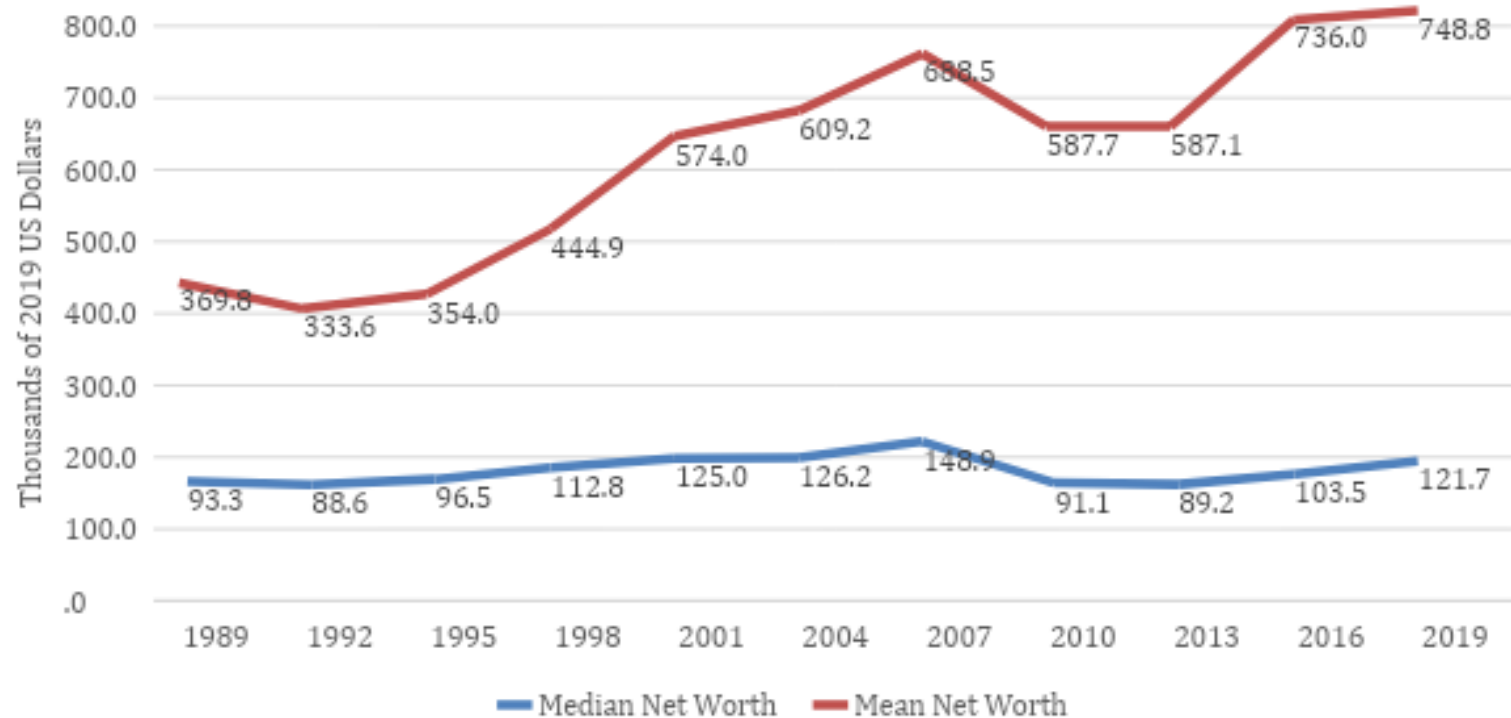


## Mean Net Worth of Ventura County Households by Age of Head, 2019





## Mean and Median Household Net Worth, 1989-2019



## Myth #2 Who gives?

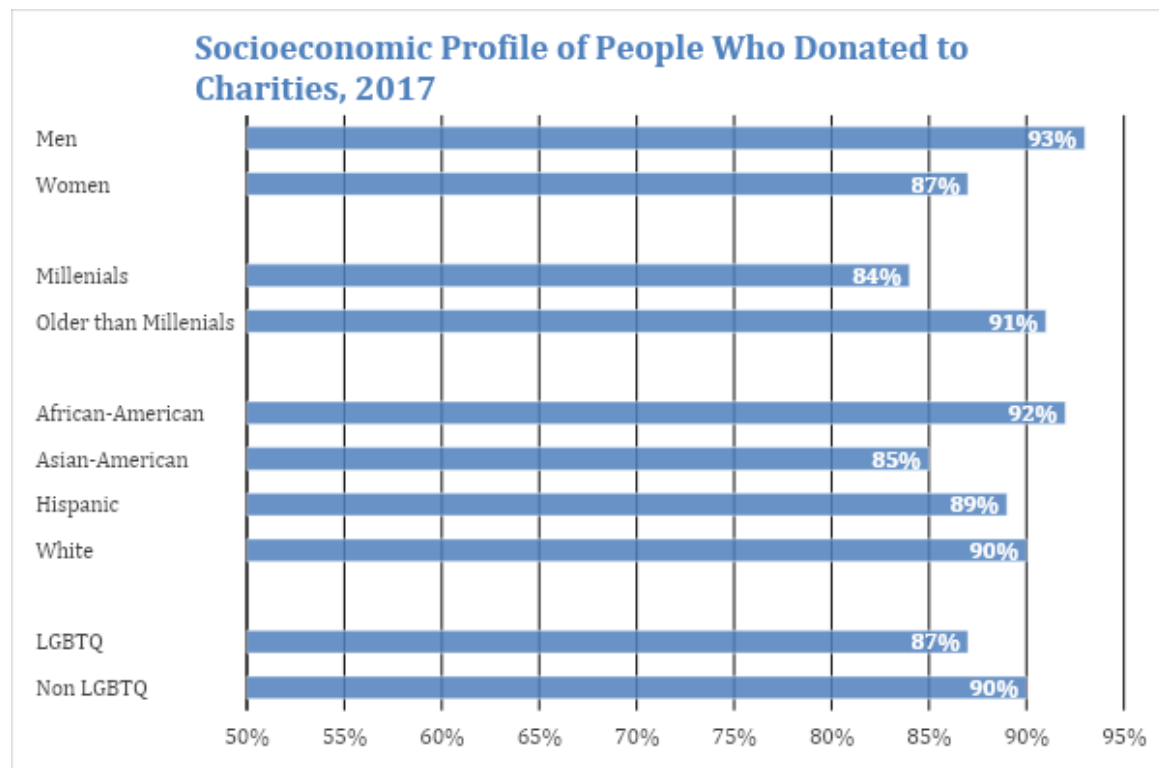


Figure 49 Socioeconomic Profile of People Who Donated to Charities, 2017



## Myth #3 People change their giving in disasters

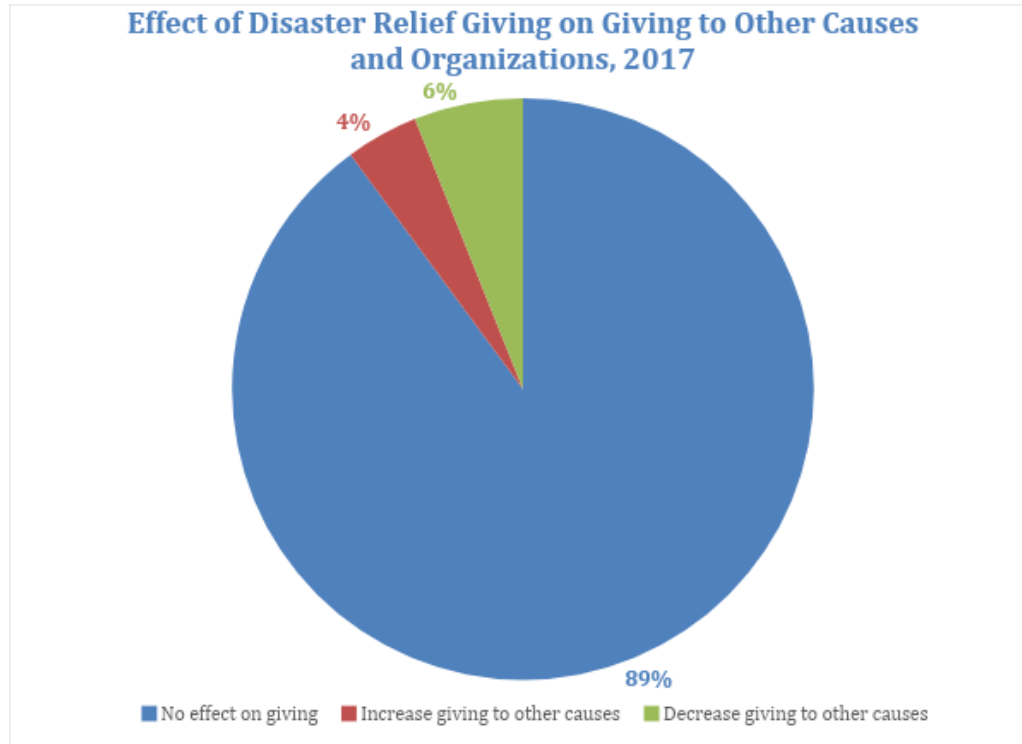
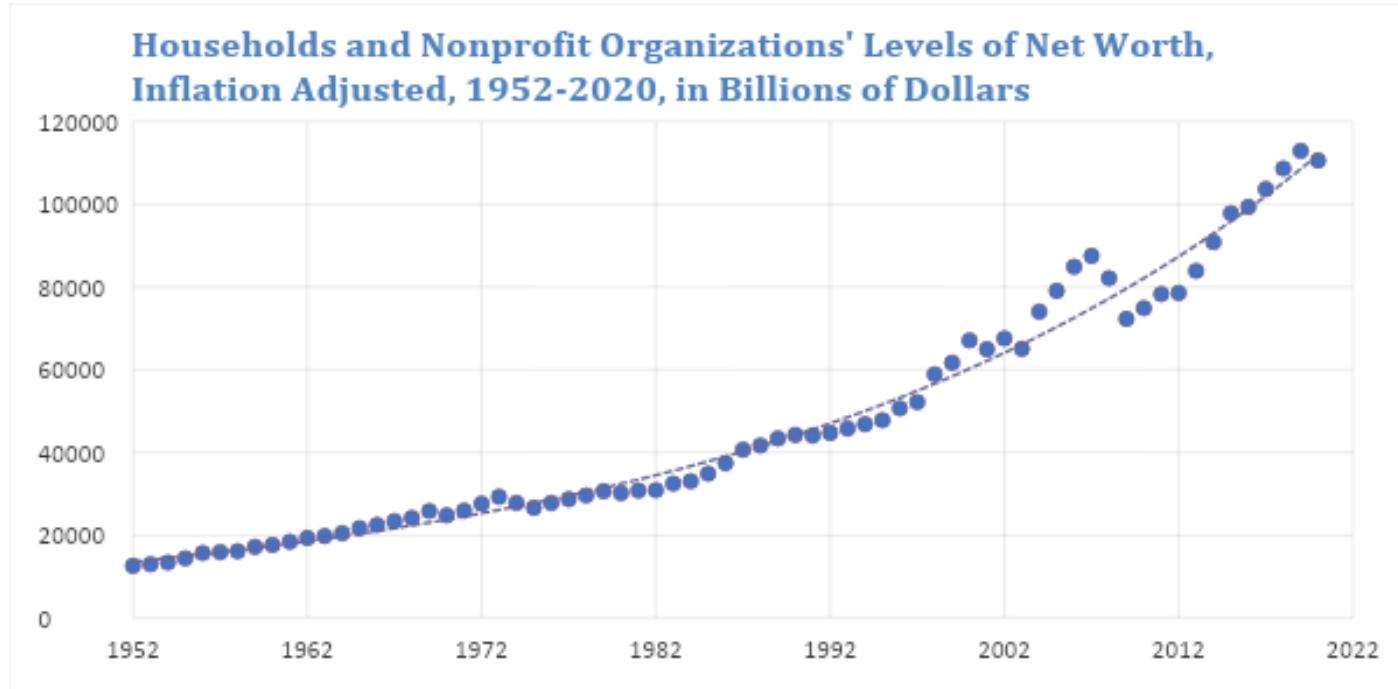


Figure 51 Effect of Disaster Relief giving on Other Causes and Organizations , 2017

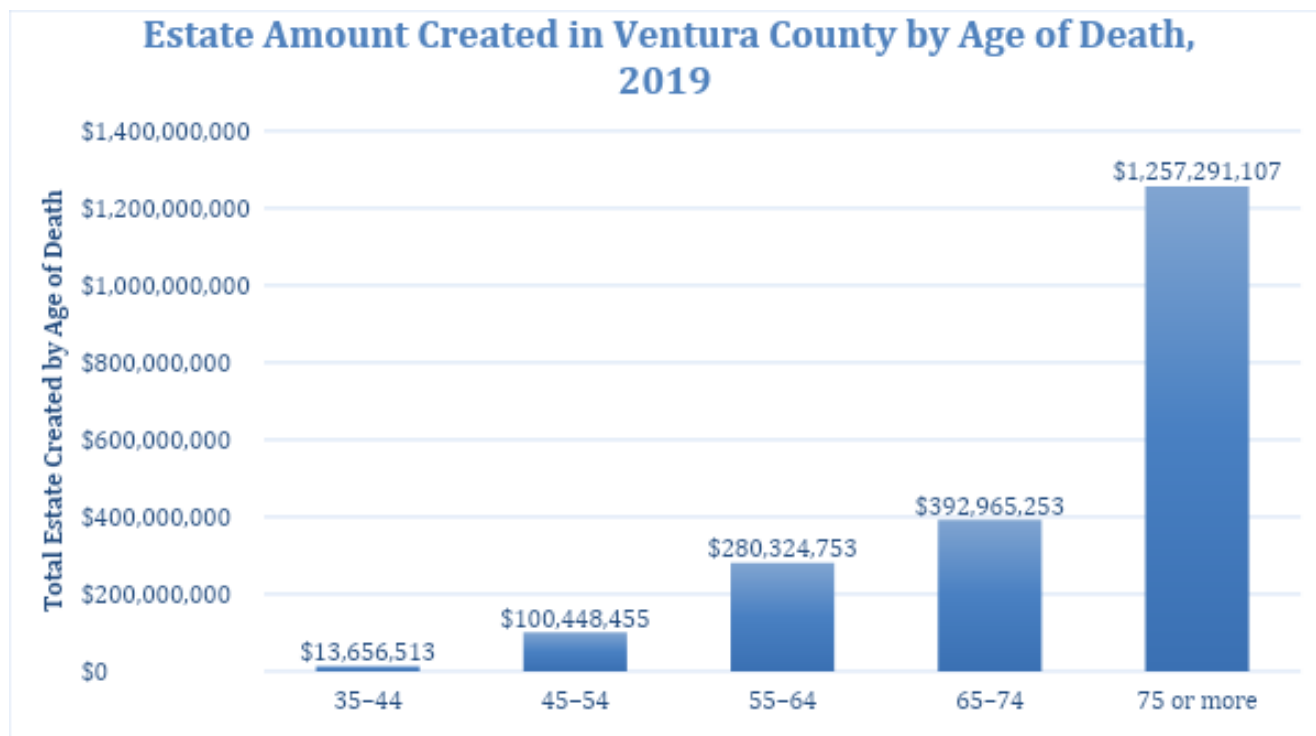


## Myth #4 People aren't as generous as they used to be

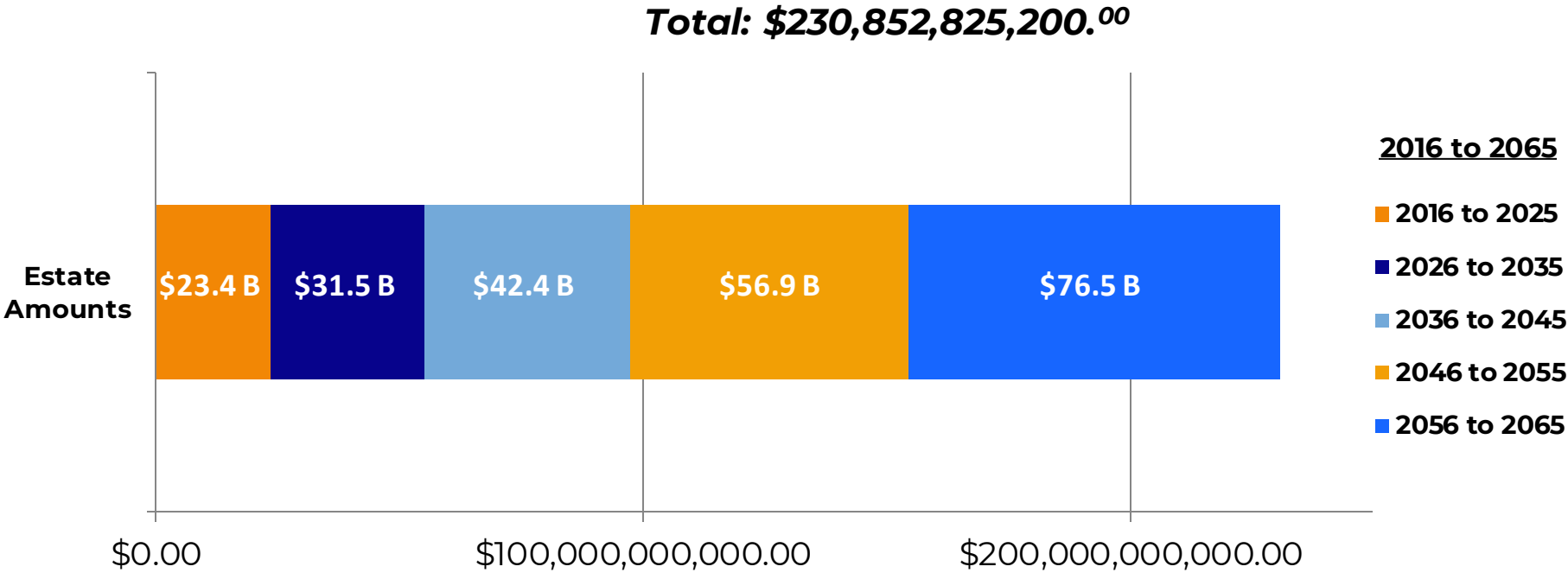




## Myth #5 Thinking about planned giving begins in 70's and 80's



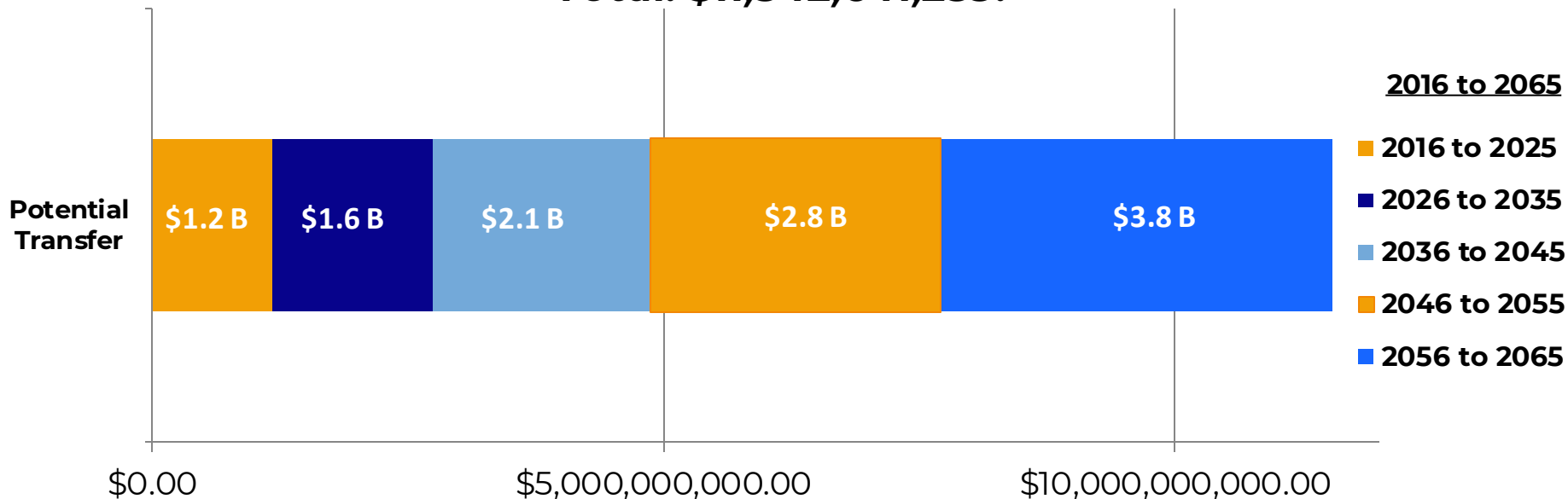
# Estate Amounts in Ventura County



# Potential Transfer to Nonprofits in Ventura County

Transfer of Wealth if 5% of Estate Amount is Endowed

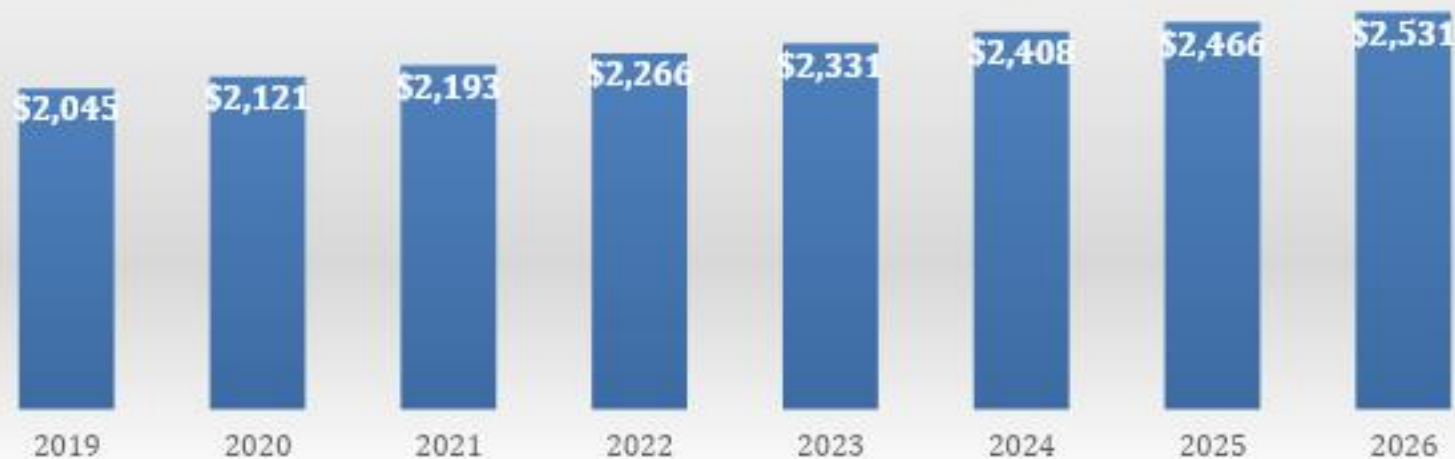
**Total: \$11,542,641,259.00**



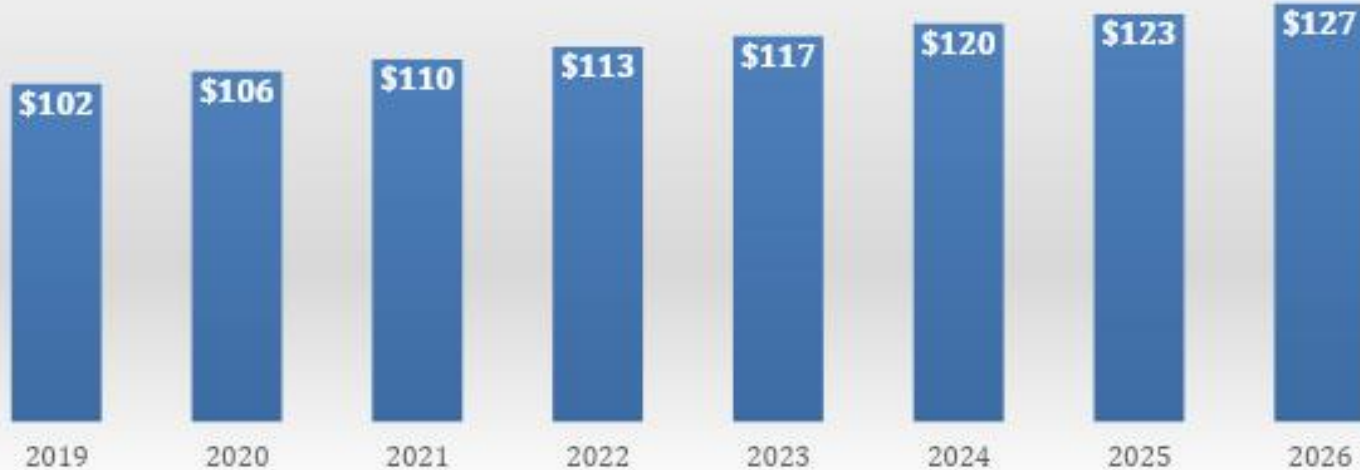
## Charitable Bequests by Estate Size in 2019

Size of Estate	Percent to Charity
Under \$10 million	4%
\$10 million < \$20 million	6%
\$20 million < \$50 million	9%
\$50 million or more	22%

## Transfer of Wealth in Ventura County, 2019-2026, in Millions of Dollars



**Estimated Size of Transfer of Wealth to Charities if 5% of  
Estate Amount Endowed in Ventura County, 2019-2026, in  
Millions of Dollars**





# 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%**

# Reasons Why High Net Worth Households Do Not Give/Stop Giving

## Reasons to NOT Give to Charity

Family is First Priority  
**54.7%**

No Reason  
**25.4%**

Lack of Connection to  
Charity  
**22.9%**

Lack of Desire  
**21.6%**

Lack of Interest in Cause  
**17.8%**

Lack of Resources  
**14.7%**

## 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%**

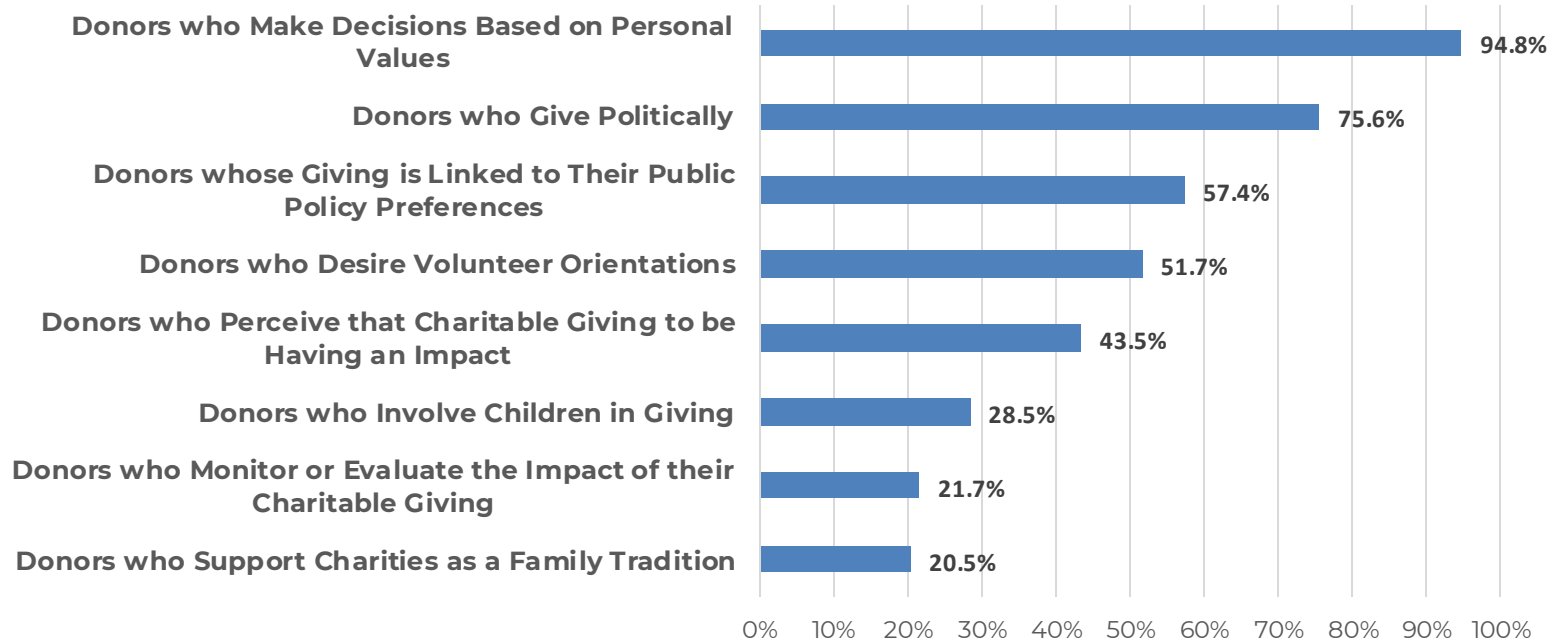
Other  
**15%**

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



## Local Importance

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

97%

*of survey  
respondents  
identified  
“Giving Locally”  
as a priority*



## 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)

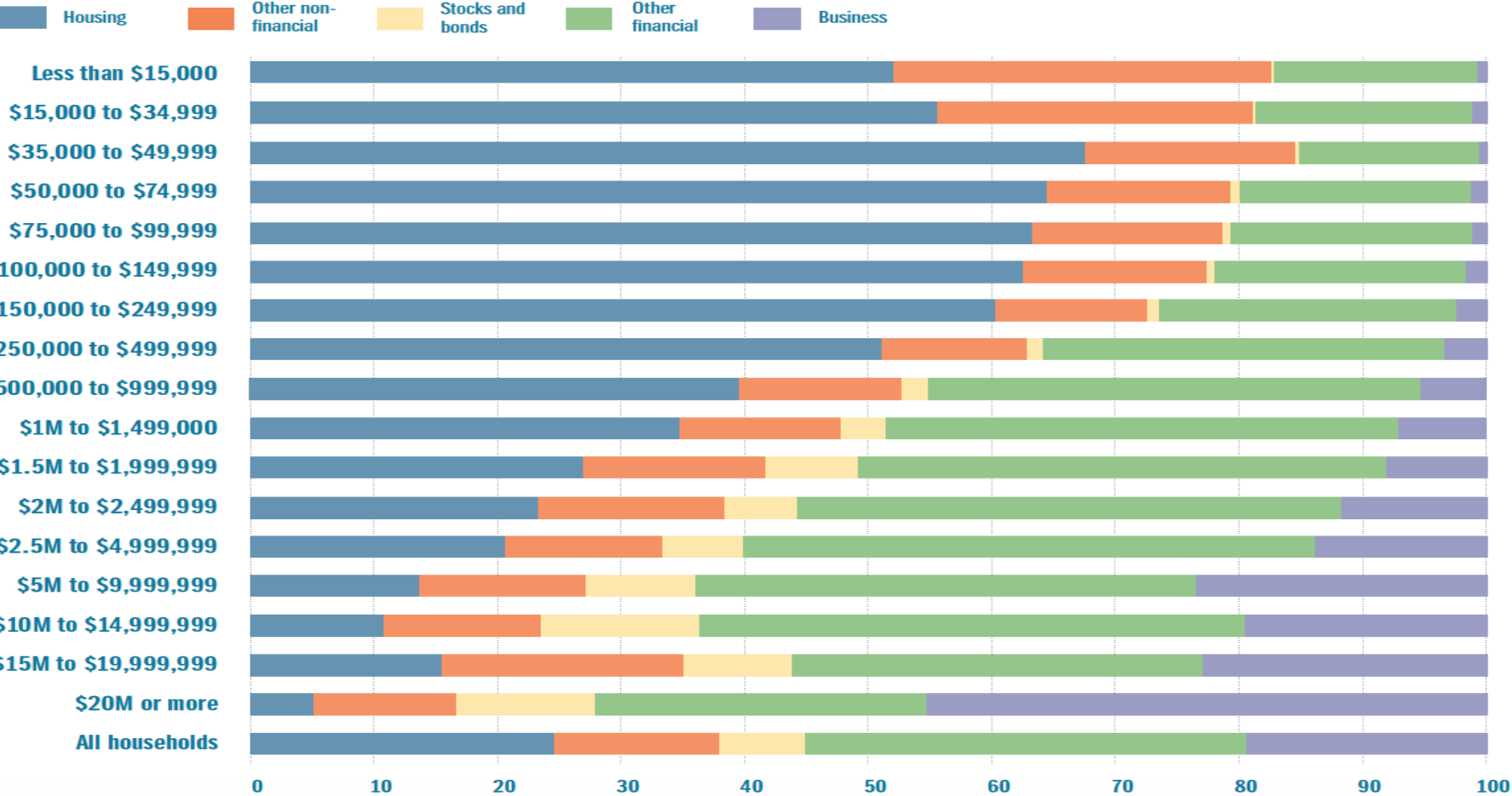
- Think regionally
- Foster and support meaningful relationships wherever possible with donor community
- Support local entrepreneurship
- Collaboration not competition between organizations
- Empower a community development philanthropy movement

*“Almost 74% of the largest gifts were not restricted.”*

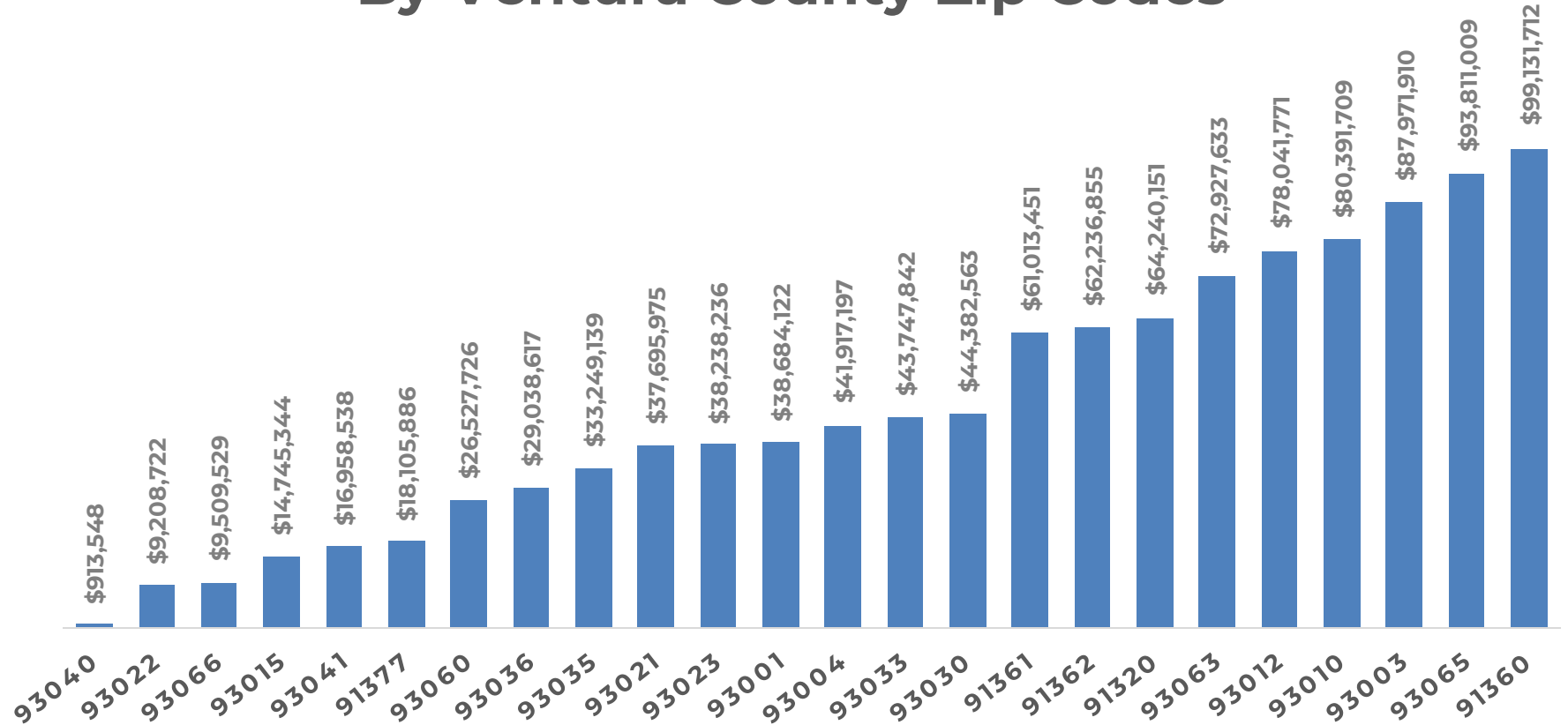
*– Dr. Jamshid Damooei,  
Transfer of Wealth*

# 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.



# Transfer of Wealth 2016-2026 By Ventura County Zip Codes



## 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



*Figure 24 Challenges to High Net Worth Donors' Charitable Giving*

**Source: The 2016 U.S. Trust Study Of High Net Worth, Philanthropy, Charitable Practices and Preferences of Wealthy Households**

A long wooden pier extends from the foreground into the distance, leading towards a horizon under a dramatic sunset sky. The sky is filled with soft, horizontal bands of orange, pink, and purple. The pier is made of dark wooden planks and has a simple wooden railing. Several street lamps with curved poles and glowing yellow lights are spaced along the pier. In the distance, a small flag is visible on a pole at the end of the pier. The ocean is calm, reflecting the colors of the sky.

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

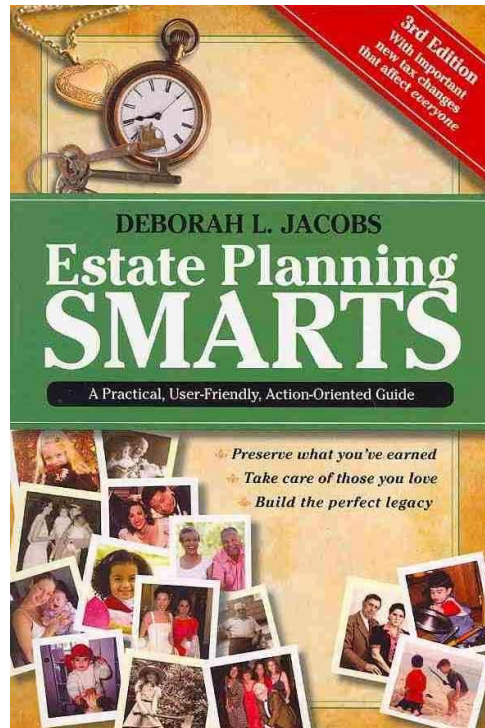
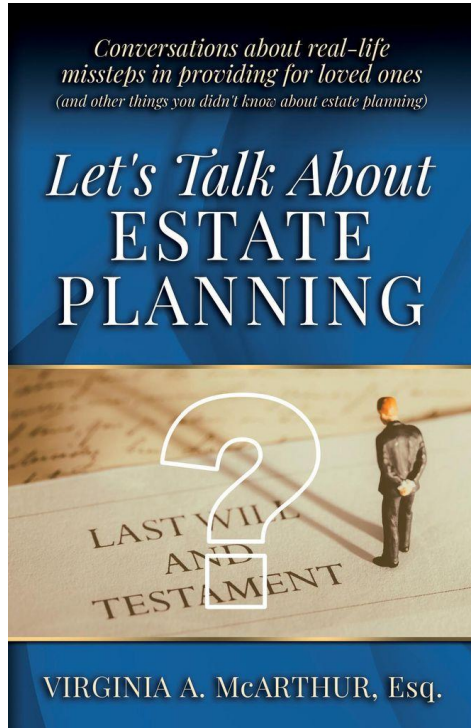
**- Mahatma Gandhi**



California Lutheran University

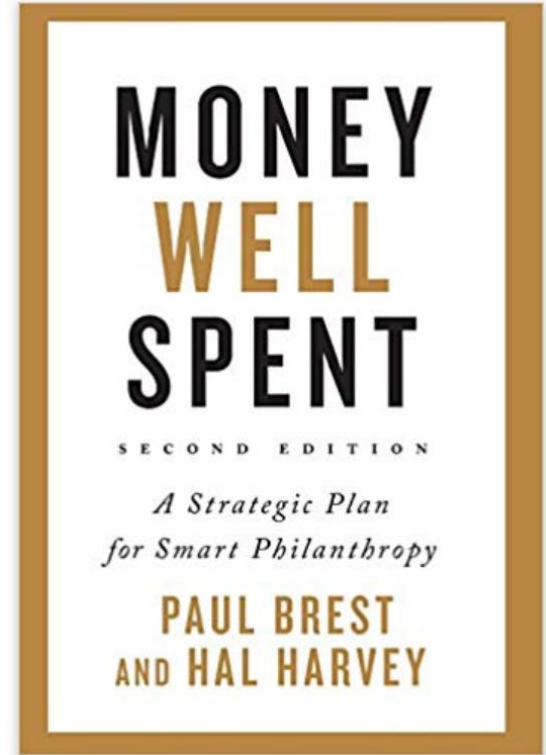
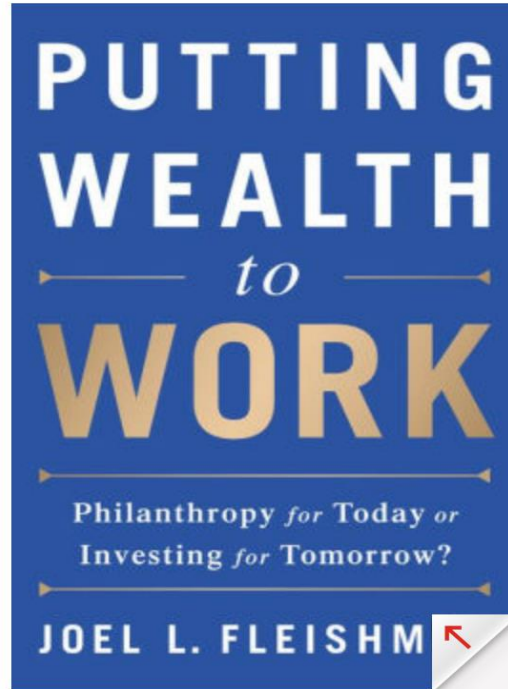
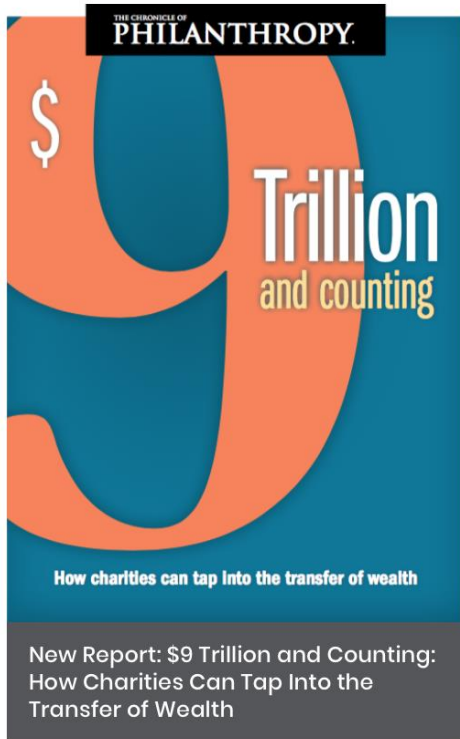
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# Recommended Readings

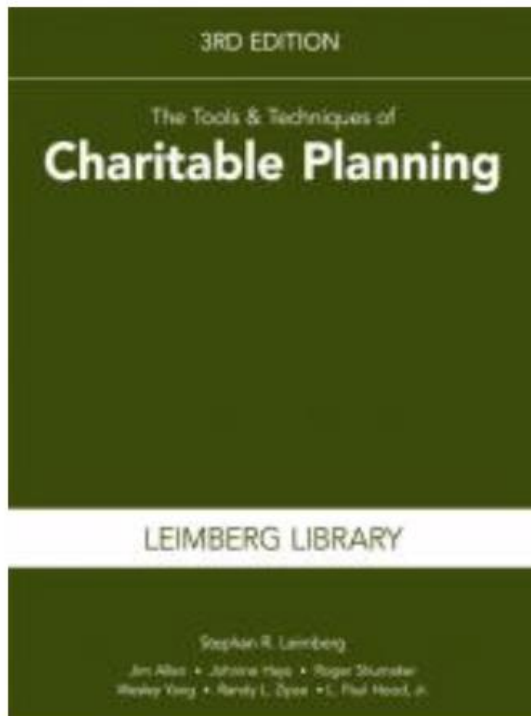
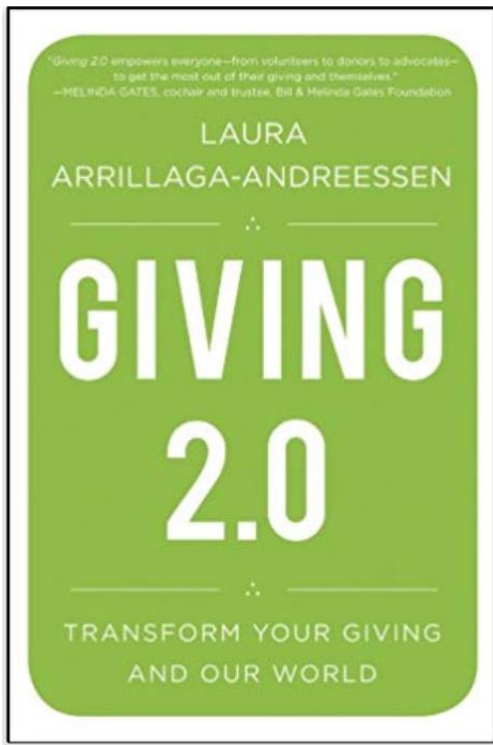




# Additional Readings



# Additional Readings



## gift planning

### Concierge Stewardship

By BRIAN M. SAGRESTANO, J.D., CFRE, AND ROBERT E. WAHLERS, M.S., CFRE



Concierge stewardship gives donors exactly what they have stated they want to see from an organization. A very creative and customized program mapped out to provide supporters with the seven touches will remind them how valuable they are to your organization.

#### Concierge Stewardship for Your Transformational Philanthropists

With competition for the wealthiest donors, charities need to adapt to the needs of donors born in 1946 and afterward (the New Philanthropists) who have come to expect that their gifts will be honored and put to good use.

Like the concierge service at a fine hotel, a nonprofit may have a variety of services and items that it can provide to its donors. Organizations will have distinctly different offerings chosen by the development officer, the nonprofit's primary relationship manager, that are selected based on the fundraiser's knowledge of the donors and their wishes. This approach gives donors a tailored stewardship regimen. For example, to show the outcomes of their giving, an organization may engage donors by giving a first-hand look at successes. In health care, supporters may have an opportunity to shadow a physician during afternoon rounds. In higher education, donors may attend a lecture on a topic in an area that they funded. These would be tremendous glimpses into programs made possible by the donors' generosity.

Stewardship of donors at the top two tiers of the Philanthropic Planning Pyramid should be commensurate with their philanthropy. Concierge stewardship ensures that philanthropists are receiving the attention, information and experiences they expect as investors in the organization's mission.

Heedily, charities and professional advisers would have the time, volunteers and staff to work with all philanthropists equally. However, with limited resources, charities and advisers need to provide the highest level of attention to those philanthropists who are capable of making the most meaningful and transformational gifts, since charitable giving by high-net-worth households to nonprofit organizations accounts for about two-thirds of all individual giving and half of all charitable giving in the United States.

The concierge at your favorite hotel can make your stay a memorable one, securing dinner reservations, obtaining tickets to a sporting event or show, booking a sightseeing excursion—all the special touches that keep you coming back. If you enjoy life's finer things, the crossed Golden Keys (Les Clefs d'Or) awarded to top experienced and recommended concierges are a familiar and welcome sight.

Philanthropists who make transformational gifts need to feel a lifetime of commitment to and from a charity. The difference is in the delivery of stewardship activities. Throughout the philanthropic-planning process, this group of donors was worthy of one-on-one attention—and their stewardship should be no different.

Regular interaction and communication 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 one-on-one support, help and affirmation that are personal and customized to donors' needs and objectives—"concierge stewardship."

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# 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)





# National Committee on Planned Giving's Model Standards of Practice for the Charitable Gift Planner

(See link)



## Model Standards of Practice for the Charitable Gift Planner

### Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

### I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

### II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

### III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

### IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

### V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

### VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

### VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

### VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

### IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

### X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

*Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999. Reprinted with permission.*

## **Next Steps**

- 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



# Thank You!

Please contact **Calleen Pardinas**,  
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California Lutheran University

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