

State of the Nonprofit Sector in the San Fernando Valley - 2008

Overview

Valley Nonprofit Resources (VNR) offers comprehensive capacity-building services and information to strengthen the more than 4,000 nonprofit organizations in the San Fernando Valley region of Los Angeles County. VNR serves nonprofit executive directors, staff and board members, plus leaders of volunteer groups and of smaller foundations. Training workshops, conferences, technical assistance and a concierge service are among VNR's offerings to Valley nonprofits. More information on VNR is available at: www.valleynonprofitresources.org

One of VNR's objectives is to provide an annual update on the nonprofit sector in the Valley. This first report has been adapted from one section of the UCLA Center for Civil Society's (CCS) *Local Patterns & Dynamics: The State of the Nonprofit Sector in Los Angeles*, and from the executive summary of the CCS report. The adaptation is part of VNR's collaborative relationship with CCS. The data presented here compares the San Fernando Valley with Los Angeles County as a whole.

During its second year of operation, VNR has completed or is planning a number of activities designed to provide services and information to Valley nonprofits. These include training workshops, launch of the extensive VNR website, and a major conference, "MENDING Poverty," held on June 18, 2008 in collaboration with MEND and other organizations

A number of other capacity-building activities for Valley nonprofits also have been taking place over the last year. These include training workshops conducted by Center for Nonprofit Management, Los Angeles City Community Development Department and Community Redevelopment Agency, the Volunteer Center of Los Angeles, and numerous other groups. Among higher education institutions, both California State University Northridge and Pierce College give courses oriented to nonprofit managers. These are described in more detail on VNR's website, with linkages to the programs themselves.

VNR also has responsibility for providing information and services to the more than 300 small foundations in the Valley. A first training workshop was convened in February 2008, and more activities are planned. On the horizon are information and services for unincorporated volunteer groups, which also provide valuable services to the Valley.

Valley and Los Angeles County Findings from CCS Study

The CCS study defines Los Angeles County Service Planning Area 2 (SPA 2) as the San Fernando Valley. SPA 2 includes some geographical territories as the Valley that are not included in VNR's definition (see VNR website for further information), such as Santa Clarita and Westlake Village. It does not include Glendale and Burbank, which VNR does include. Since not all nonprofit organizations serve clients in the areas where they are located, using location analyses provides only an approximation of actual service capacity.

Three sets of data have been extracted from the CCS study and presented here: *Key Population Demographics* (Table 1), *Total Number of Nonprofits and Expenditures* (Table 2), and *Expenditures by Type of Nonprofits* (Table 3). NOTE: Throughout, the number of nonprofits given varies from one presentation to the next due to differences in legal definition of nonprofit for the various data sources.

Table 1
Key Population Demographics
San Fernando Valley (SPA 2) and Los Angeles County

DEMOGRAPHIC ELEMENT	San Fernando Valley (SPA 2)	Los Angeles County
Population		
Total Population	2,133,475	10,201, 401
Age 0-17 years	25.5%	27.0%
Age 65 and over	10.2%	9.7%
Ethnicity		
African American	3.4%	8.6%
Asian	9.8%	12.9%
Hispanic and Latino	38.5%	47.3%
White	46.1%	29.0%
Other	0.8%	0.9%
Multiracial	1.3%	1.3%
Income		
Average household income	\$82,005	\$70,238
Percent population in poverty	11.7%	16.3%
Per capita income	\$25,831	\$24,705
Education (adult attainment)		
Less than 9 th grade	11.2%	14.5%
Grades 9 - 12	10.4%	11.1%
High school	20.8%	21.8%
More than high school	57.7%	52.6%
Public high school dropout rate (one-year dropout rate, grades 9-12, 2004-2005)	4.9%	4.7%
Health		
Percent children, 0-17, uninsured	8.2%	8.3%
Percent adults, 18-64, uninsured	19.8%	21.8%
Percent adults reporting health fair to poor (2000)	15.4%	20.6%
Youth		
Percent children/youth, living in poverty	15.6%	23.3%
Homicide death rate, per 100,000 children, ages 0-17 (2004)	2.5%	4.2%
Immigration		
Percent population not a U.S. citizen	20.1%	20.9%
Percent population immigrated since 2000	16.8%	15.8%

**Table 2
Total Number of Nonprofits and Nonprofit Expenditures
San Fernando Valley (SPA 2) and Los Angeles County**

POPULATION AND EXPENDITURES	San Fernando Valley (SPA 2)	Los Angeles County
Total Nonprofits	1,722	9,019
Total Nonprofit Expenditure	\$3,277,698,051	\$22,829,832,844
Average Nonprofit Expenditure	\$1,903,425	\$2,531,304
Median Nonprofit Expenditure	\$105,581	\$126,749
Total Population	2,133,475	10,201,401
Nonprofits per 1,000 Population	0.81	0.88
Expenditure of Nonprofits per Capita	\$1,536	\$2,238

**Table 3
Expenditures by Type of Nonprofits
San Fernando Valley (SPA 2) and Los Angeles County**

TYPE OF NONPROFIT	San Fernando Valley (SPA 2)	Los Angeles County
Children and Youth	\$1,053	\$886
Senior Service	\$1,550	\$931
Poverty Relief	\$3,623	\$2,519
Health	\$4,368	\$6,200

Larger Context

Local Patterns & Dynamics, the sixth report on *The State of the Nonprofit Sector in Los Angeles*, like previous editions, offers a statistical update of the scale and scope of nonprofit and philanthropic activities in the region, examines policy issues, and presents an overall assessment of current and future developments. This year, for the first time, the report also takes a closer look at local nonprofit capacity and examines how the capacity of the nonprofit sector in different parts of the County matches up with the needs profile of the local population. While this question is relevant in the best of times, it assumes immense importance in the context of the unsettled fiscal and economic situation facing millions of County residents.

Among this year's major findings are:

* There were nearly 40,000 registered nonprofit and community organizations in Los Angeles County. Of these, approximately 32,800 were registered as 501(c)(3) public charities, including about 4,300 foundations.

* Growth of Los Angeles County's nonprofit sector, in terms of both number and expenditures, has leveled off since 2003. The slow-growth period of the nonprofit sector is now in its fifth year, despite a growing economy between 2003 and 2007.

* At the same time, average and median expenditures of nonprofits have decreased as well, continuing a slow erosion in the scale of resources individual nonprofit organizations command. This also indicates that growth has been greatest among smaller nonprofits, and that as a result, smaller organizations now make up a larger share than was the case ten years ago.

* The “wage gap” between public and nonprofit agencies has decreased in recent years, and in fact, average annual wages for nonprofits are now on par with wages in the public sector. Nonprofit wages exceed those in the for-profit sector across several industries with high levels of nonprofit activity, and are increasing over time for large nonprofit organizations.

The examination of population needs and nonprofit capacity shows stark contrasts across regions of Los Angeles County relative to service needs and nonprofit supply: the most affluent area of the County receives the most nonprofit resources per capita for children and youth and for persons living in poverty. At the same time, the poorest regions in the County receive the lowest nonprofit resources per capita for children, youth and the elderly as well as for persons living in poverty and for the uninsured. Differences between richer and poorer regions correlate highly with ethnic concentrations. The overall results, while complex and varied, nonetheless point to a striking conclusion: not only are nonprofits spread very unequally across Los Angeles; to a large extent, their distribution mirrors and perhaps even reinforces rather than deflects regional patterns of economic segregation and disparities.

Such a finding has profound policy implications, given the substantial cuts in spending that are being proposed and implemented at all levels of government. While vulnerable populations may begin to rely more heavily on the nonprofit sector for services of many kinds, our findings suggest that such reliance may be an even less realistic option precisely in those parts of the region with the greatest needs. The Center for Civil Society suggests that civic and philanthropic leaders and community activists explore the significant discrepancies in nonprofit capacity as a matter of urgency, and consider the implications of regional inequities in nonprofit provision for the County and the region as a whole.

This report prepared by Thomas E. Backer, PhD and Adryan Russ, *Valley Nonprofit Resources*.

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