

Environmental Scan

April 2008

Overview

Because of the high cost of living and construction in Santa Barbara, our community has been experiencing an exodus of both individuals and large corporations. This decrease in population is slowly eliminating the middle class and the age of its population, a large amount of wealthy retired and semi-retired individuals remain. Because of this community change, our yearly fundraising activities have also undergone some modifications to specialize in the outreach of individuals and selected organizations.

There has been very little economic growth in the South Coast. In the past six years, Santa Barbara County has seen a virtually zero percent job growth, but we have to look at two interrelated economies- the North and South County. Northern Santa Barbara County has been benefiting from the high cost of living in the South Coast. South Santa Barbara County has experienced little to no growth in economy. Overall Santa Barbara County's per capita output is better than California's, but all the trends measured in the 2007 UCSB Economic Forecast are in a downward trend for all areas of the county.

At United Way of Santa Barbara County, this downward trend is evident in the current level of donations to our annual campaign. Workplace campaigns, corporate gifts, and individual donations have been on a steady decline for the past two to three years and we have identified various environmental issues that are central to the changing community. However, grants from foundations are at an all time high for UWSBC's projects.

Below are observations regarding the current environment:

United Way Home Donors

- Growing numbers of 45+ aged wealthy residents need new messaging and solicitation practices to yield a higher level of giving potential, possibly a non-workplace ACI model may fit.
- Growing numbers of wealthy, part-time resident homeowners. Their Santa Barbara property is one of several residences they maintain and occupy on a limited basis, community involvement appears exceptionally limited and many may have AdT level giving capacities. This emerging group has been identified by other local philanthropies as problematic, challenging, and non participatory.

United Way Workplace Donors

- Continuing decline in number and size of major employer workplaces
 - Reduction in size of local employers below the top 10 employers
- Have identified 12 or more new employers with 100+ employees where our attempts to engage have not been successful
 - Owners appear to be non-local
 - Will likely move away when Santa Barbara costs exceed benefits of being here
- Continued decline in corporate gifts due to mergers/acquisitions
- Increasing numbers and complexity of working with corporate foundations

- Corporate policies changing constantly; continuing to be more designated to specific marketing interests
- Increase in difficulty of requests and monitoring of the grants - some are becoming too expensive to seek and manage
- Continuing acceleration of income concentration within top 5%
 - More people basing their work here now that could be writing us a check for \$2.5 million than ever before
 - Many do not live here
- Increase in IPO/Pre-IPO type organizations
 - Principals do not live here
 - 80% of income goes to investors, not employees
 - Require more high-tech professional support services staff @ \$100k+/year
 - We do not know how valuable they could be to us
 - Focus on Community All Star model will give us a new approach

Foundations

- Local foundations very interested in partnership projects
- Growing number of local personal foundations
- Some foundations are nearing the end of their active giving phase
- Opportunity to engage regional and national foundations

Government

- Interest from local government/public funders (e.g. First 5, County Human Services, Area Agency on Aging, Santa Barbara School Districts)
- Potential for long-term, larger government grants and contracts

To improve our current workplace and home donor trend we looked into our Resource Development, SWOT analysis and created a strategic approach to the 2008-2009 campaign year. We will revive some of the previous methods of “campaigning”. Staff has identified new methods of cultivating and retaining our donors. United Way’s strong brand recognition, relationships with key workplace donors, and seasoned staff will assist in the change.

A customized “ask” for an individual from home and workplace donors is the new way of philanthropy in our community. Donors are leaning more towards supporting specific community issues that are being solved through collaborations and partnerships. In response to this demand from UWSBC donors, 60 percent of donor funds are currently being used to support UWSBC’s *Power of Partnership* initiatives. Since complex community problems cannot be solved by one group alone, collaborative action and coordinated approaches are needed to more effectively address these issues.

SWOT analysis of the new vision and mission Strengths, Weaknesses, Opportunities, Threats

As part of the strategic planning process, UWSBC solicited input from a variety of sources to create a SWOT analysis of United Way's internal and external situation as it relates to the new strategic plan. Following are the collected observations grouped by the four goals of the plan.

I. Vision/Mission Goal:

Sustain and expand as the *Power of Partnership*TM leader for the communities that we serve

STRENGTHS - Internal

- Positive history of eleven years with Fun in the Sun collaboration
- Positive relationships with other organizations – current and potential partners
- Strong leadership (staff & volunteers)
- Long-term focus on outcomes and results
- Can bring resources or find resources
- Facility under our control
- Staff expertise
- Adaptable to change
- Organizational focus and agreement – Strategic Plan
- Community-wide perspective & experienced operational process
- Strong brand in the community
- New Power of Partnership identity emerging
- Perception of UW as impartial community leader

WEAKNESSES - Internal

- Need for additional staff and resources
- Ongoing education/communication lacking, need informational structure to external partners
- Internal partnering/cooperation needs constant focus and improvement
- Loss of knowledge/relationships as related to staff retention, some workplace customers asking for more continuity

OPPORTUNITIES - External

- Many organizations trust us to do what we say we will do
- Many community leaders trust us to do what we say we will do
- Grant makers are looking for productive partnerships – currently under utilized resource
- Government funding also untapped for contracts for services
- Emerging high-end market
- An experienced group of high-quality partners is emerging
- Positive results and outcomes to report (e.g. Fun in the Sun)

- Positive brand recognition
- Organizational and staff relationships
- Engaged Angel investors

THREATS - External

- Lack of media coverage of positive results; recent significant changes in local media focus
- Some agencies and donors feel threatened by our emerging new way of business
- Loss of key relationships with partners due to volunteer and staff turnover both internally and externally
- Economic changes affecting size of companies increasing our costs or limiting the efficacy of our processes
- Growing number of part-time residents/decline of involved or previously involved “indigenous wealthy”
- Overcoming historical foundation/government bias against funding traditional United Way
- Competition among service providers
- Typical health and human service organization’s focus is on narrow, internal goals and needs

II. Resource Development Goal:

Seek and develop resources for the purpose of meeting the requirements of our Vision and Mission

STRENGTHS - Internal

- High brand recognition
- Relationships with key retired and workplace volunteers
- Expanding relationships and program recognition from foundations
- Staff and volunteers unafraid, trained and are willing to cultivate and solicit
- Ability to produce successful fundraising and fundraising events
- Have sufficient materials to fundraise in a variety of capacities
- Many of our current larger donors have connections to many other networks of wealth and these have not been approached
- Have infrastructures (systems etc) that allow creativity in fundraising
- Flexible, dynamic product line that involves and resonates with donors and volunteers
- Not afraid to try new fundraising ideas or methods
- Diversified fundraising targets

WEAKNESSES - Internal

- Quality of relationships with donors has suffered in recent years
- We are not staffed to the needs of the current market
- Difficulties and costs of establishing new workplace campaigns
- Ability to track/apply donor information
- Managing individual donor relations
- More telecommuting

- Effective identification and communications with potential and existing Community All Star Donors
- Communicate, provide, integrate and leverage meaningful volunteer opportunities
- Turnover with media relationships

OPPORTUNITIES - External

- Continue and accelerate the increasing participation/average gift at existing workplaces to United Way
- Developing new kinds of campaigns at new workplaces where real wealth is being created (e.g., tech)
- Demonstrating positive results to help donors understand/value what we do
- Use our partnerships in new and expanded ways
- Develop new kinds of fundraising programs that seek gifts from senior executives, owners, Board of Directors and partners
- Use our partnerships in a new and expanded way – including new volunteer opportunities
- Affluent community
- Ask Community All Stars more specifically what they value
- Define the potential audience of new donors who will give substantial & multi-year donations when they understand what we are doing and it is consistent with their values
- Local foundations are increasingly supportive of UWSBC partnership projects

THREATS - External

- View that we are not different from other United Ways
- Increasing numbers of non-profits and other grant seekers - competition
- Decreasing access to workplaces
- Growing number of internal foundations within corporations
- Out-of-town (or country) business ownership
- Live/work patterns across multiple counties
- International lifestyle including multi-home ownership and low local community involvement
- Limited number of/increased cost to local foundations

III. Legacy Goal:

Secure the *Power of Partnership*[™] through long-term committed volunteer and staff leadership, resources, and endowment

STRENGTHS – Internal

- We will have a 10 year plan to present to people—*Power of Partnership Initiative*
- Tested, key volunteer leaders on Board of Directors and Campaign Cabinet
- Cultivation of volunteer website
- Endowment/Gift Planning staff is high quality
- Staff know how to share the vision
- Ability to attract quality volunteers
- Resources and key professional advisors on Endowment committee

- Professional marketing tools to get the word out
- Good leadership
- Longevity, ability to bring organizations and volunteers together to work for common cause on a multi-year basis.

WEAKNESSES – Internal

- Need key staff: More E/GP Assistance.
- Need volunteer and donor “buy-in” to support missing key staff
- Lack of communication between departments. Autonomous departments have not produced legacy gifts
- Endowment committee members are not donor cultivators
- Availability of extra resources to internally achieve goals
- Need improved brand management and marketing
- Need improved staff retention

OPPORTUNITIES – External

- Ability to market the *Power of Partnership Initiative* to large group of people (newsletters, campaigns, etc)
- To increase giving by utilizing a sophisticated Development Information System which combines Account/Client Agreements, Integrated Account Plan, Homework/Research, Results/Evaluation and Execution of Agreements (See graphic)
- Building a multi-year business plan

THREATS – External

- People might reject our *Power of Partnership Initiative*, we might lose the donors who value us as “grant makers” only.
- Some people are concerned about what we are doing now, more than what we will be doing
- The death of longtime annual donors who have not made a legacy gift
- Having older age audiences support this change
- Some organizations and individuals not fully supporting such a change from “old” way of United Way business.

IV. Capacity Goal:

Build quality-based capacity to deliver the *Power of Partnership*TM

STRENGTHS – Internal

- Online volunteer website—Volunteer Santa Barbara County! (www.volunteersbc.org)
- Identified by the State of California as a Volunteering “Hub” and Volunteer Center for our area
- Day of Caring, Lunch Bunch already established with plans to expand number of Days of Caring per year with the help of www.volunteersbc.org
- Ability to publicize opportunities
- Current Volunteers, Staff, Board of Directors etc

- Quality staff to implement the vision
- Ability to attract quality volunteers
- Visionary leadership
- Longevity, ability to bring organizations and volunteers together to work for common cause, leadership.

WEAKNESSES – Internal

- Need more volunteers and people who are interested in participating
- Need to fill currently identified but unfunded positions:
- Staff turnover too high at times
- Staff requires more training on the *Power of Partnership* to have the ability to share the vision with donors and prospects
- Lack of dedicated staff to guide and support volunteers and their work
- Lack of availability of extra resources to financially be able to achieve goals
- Current facility and information technology budget not sufficient to implement unfunded positions
- Need CEO succession plan

OPPORTUNITIES – External

- Potential to form a connection in people’s minds between United Way and other agencies through volunteerism
- We are known in the community
- Greater focus on staff retention and training
- Sharing info/presentations with key prospects
- An extensive contact and prospect list

THREATS – External

- Lack of resources directed at UWSBC infrastructure
- Need increased volunteer opportunities
- Fewer workplace opportunities
- Some organizations and individuals not fully supporting a change in “old” way of United Way doing business.
- Competition from other major fundraising drives (e.g. Cottage etc): dollars, skilled staff, etc
- High cost of living in South Santa Barbara County

Santa Barbara County

Telling Demographic Statistics

Children and their families

2006 SB County Children's Scorecard

- In Santa Barbara County, nearly one in five children ages 0-17 live in poverty. Of these:
 - 81% are from Hispanic backgrounds.
- 1,452 or 54.6% of students qualify for free/reduced lunch in the Carpinteria Unified School District.
- 1,306 or 37% of students qualify for free/reduced lunch in the Goleta Unified School District.
- 3,357 or 58.6% of students qualify for free/reduced lunch in the Santa Barbara Elementary School District.
- It is estimated that 43,600 children need Child Care but only 31% (13,500) receive it.
- With an average annual income of \$48,000, the cost of care for an infant/toddler consumes approximately 20% (\$9,600) of a typical family's living expenses per year; care for two consumes approximately 32% (\$15,360). For a single parent earning minimum wage, annual child care for an infant accounts for 72% of total income.
- One-third of all pre-school children involved in the Women, Infants, Children Supplemental Nutrition Program (WIC) in Santa Barbara County are over weight.
- 26% of Santa Barbara County students are classified as English language learners.
- Non-economically disadvantaged children achieve at the 50th percentile or above in Reading, Language, Math, and Spelling at approximately a 2:1 ratio compared to economically disadvantaged children in Santa Barbara County (2006 CAT-6).
- Non-Hispanic children achieve at the 50th percentile or above in Reading, Language, Math, and Spelling at approximately a 2:1 ratio compared to Hispanic or Latino children in Santa Barbara County (2006 CAT-6).
- In the 3rd grade CAT-6 test results, children whose parents are college graduates were found to achieve at the 50th percentile or above in Language, Math, and Spelling at a 2:1 ratio compared to children whose parents did not complete high school. A 3:1 ratio in Reading was found among the same groups in Santa Barbara County (2006 CAT-6).
- Number of Child Welfare Service referrals in Santa Barbara County – 4,116.
- Mandated Reporters Child Welfare Services referrals – 4,338 SB County

Chronic Homelessness Task Force 2006

- 3,000 children are considered homeless (spent at least one night in a shelter).
- 1,000 children are considered chronically homeless (at least two separate stays in a shelter).

National Research

- Only 1 in 5 of the approximate 15.3 million children who receive **free or reduced lunch** during the school year have access to similar meals during the summer (Food Research / Action Center, 2002).
- Unsupervised children and teens during out-of-school time are more likely to use **alcohol and drugs, and engage in criminal and other high-risk behaviors** (Carnegie Council, 1994).

- Low-income children tend to have **less opportunities** to attend summer camps, visit museums and parks, learn new social and emotional skills, or take family trips (Rothstein, 2004).
- Children from high-poverty schools suffer **significant and cumulative reading losses over the summer**, especially among children entering first and second grade (Entwisle, Alexander, & Olson, 1997).
- Low-income students experience greater summer reading loss than middle- and high-income students, particularly in reading. While high- and middle-income students show slight gains, **lower-income students lose approximately 2-3 months in reading achievement** (Cooper et al., 1996).
- The **achievement gap** between advantaged and disadvantaged children may be **the result of summer reading loss as opposed to school-year circumstances**. As children progress through school, this cumulative summer loss effect increases the achievement gap (Alexander & Entwisle, 1996).
- Correlations between reading and comprehension skills in students from first through ninth grade are very high. This suggests that if students don't progress in reading and comprehension skills in the early grades, it is **unlikely that they will catch up over time** (Compton, 2000).

Seniors and their families

- Total Population Santa Barbara County: 421,625
(CA Dept Finance)
- **Population adults 60 and over** -
(AAN – 2006, SBCAG – 2005)
 - 2000: 15.2% of total population or 64,922
 - A 9% increase between 1990 and 2000
 - The City of Santa Barbara has the largest percentage of seniors in the county - 22% (SBCAG – 2005)
 - The City of Santa Maria (second largest) – 16%
- **2000 - 2010 (projection):** A 10% increase or about 71,414
(AAN - 2006)
- **2000 - 2030 (projection):** *Forecast to more than double itself!*
(SBCAG – 2005)
 - Increasing by 68,000 from 64,921 to 132,921
(SBCAG 2005)
 - **By the year 2030, 25% of California's population will be over age 60!**
- **Population adults 65 and over** (as a percentage of total population) –
(2000 Census)
 - 2000: 13.2% or 55,654
 - Ages 65-74: 5.8% or 24,454
 - Ages 75-84: 5.3% or 22,346
 - Ages 85 and over: 2.7% or 11,383
- **Population adults 85 and over** –
(AAN - 2006)
 - Adults over 85 - fastest growing segment of SBC's population

- 45% increase since 1990
- **Adults over 55 versus children under 19 as a percent of total population** (*CA Dept of Finance/Counting California*)
 - 2010
 - **Over 55:** 22%
 - Under 19: 29%
 - 2020
 - **Over 55:** 25%
 - Under 19: 30%
 - 2030
 - **Over 55:** 25%
 - Under 19: 32%

Care giving

- One in every four households in California is involved in care giving
- **Profile of care givers in SBC:**
(*AAN - 2006*)
 - By age
 - 65 and over: 57%
 - 18-64: 40%
 - 18 and under: 3%
 - By relationship
 - Daughters: 29%
 - Wives: 23%
 - Husbands: 13%
 - Sons: 9%
 - 20-40% of caregivers also have children under 18
 - *The average woman spends 17 years caring for children and 18 years caring for an elderly relative*
 - 53% of caregivers under 65 are juggling care giving with work
- 34 million informal caregivers nationally (friends or family)
 - Average caregiver spends 1080 hours per year
 - Estimated economic value (nationally) = \$35 billion
- Grandparents as caregivers in SBC
(*2000 Census*)
 - 1,486 seniors/grandparents live in a household with one or more of their own grandchildren under the age of 18.
 - 29.6% or 440 are responsible as the child's primary caregiver

Health & Wellness/Safety

- Alcohol and drug misuse affects 17% of older adults and is the fastest growing health problem facing the county
- The top five causes of death to Santa Barbara County residents 65 and older:
(*AAN - 2006*)
 - 1) Diseases of the Heart
 - 2) Cancer

- 3) Cerebrovascular Disease
 - 4) Chronic respiratory Disease
 - 5) Alzheimer's Disease
- In 2005, 1,086 adults over 50 received hospice care by Visiting Nurse and Hospice and Marian Hospice in SBC
 - Senior In-Home Support Services
(*SIHSS - 2008*)
 - As of January 2008, 2752 people over the age of 65 received IHSS in SBC
 - 1990: 1,402
 - 2004: 2,308
 - Disabilities affect 64,541 or 16% of SBC's population
 - 18,114 or 28% were over age 65
 - Abuse
 - The number one violent crime against older adults in SBC is elder abuse.
 - Number of reports to the Department of Social Services Adult Protective Services:
 - 1994: 870
 - 2004: 1,523

Financial

- Poverty in SBC
(*AAN - 2006*)
 - 6.2% adults age 65 or older are living at the 125% poverty line
 - Between 65 and 85, a senior experiences a decrease in median income of 37%
- Fraud
 - In California, \$4 billion has been lost by adults over 50 to telemarketing and investment fraud
 - The average individual loss is \$12,500