

# HIDDEN IN PLAIN SIGHT:

## Sonoma Valley and the Charitable Sector that Serves Us

# Executive Summary

One overarching question hangs over Sonoma Valley at this moment in its history: How can we preserve and enhance the character of this place that so many love, while confronting the growing challenges that threaten our shared future?

The answer begins with a better understanding of the present. To that end, Sonoma Valley Fund, the local arm of Community Foundation Sonoma County, has supported research that aims to inspire our community to ask better questions, make new connections and adapt to a changing world. Now, for the first time, Sonoma Valley has an in-depth look at our community's needs *and* its charitable resources—an integrated view of the “demand” side and the “supply” side of the Valley's philanthropy.

### A pair of findings, well documented with fresh data, rise above all the others:

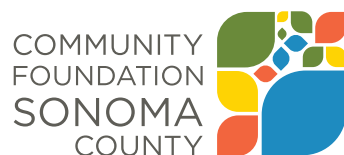
- ▶ **There is a growing disconnect** between the scale, interdependence and complexity of the challenges facing the Valley on the one hand and the current capacities and capabilities of our charitable sector on the other. Stresses are intensifying in several areas—the lack of adequate and affordable housing, increasing poverty, the rapid rise of our senior population and the environmental pressures created by population growth. Though the charitable sector as a whole is surprisingly large and growing, most nonprofits are relatively small and largely offer programs that were never designed to address this growing complexity. The growing disconnect is amplified by fragmented government responsibilities, since no government entity exists to focus solely on the Valley as a whole, connecting needs with forward-looking solutions.
- ▶ **Therefore, there is an urgent need** to challenge donors and nonprofits alike to seize new opportunities to work better and smarter, and to work together. We need to make sure that the resources we currently have are deployed effectively and efficiently. And we must work to keep expanding the philanthropic pie, especially in light of likely government funding cuts.

These are the challenges and opportunities that are *hidden in plain sight*. The research summarized on the following pages was presented to the community in the spring of 2017 and aims to:

Help **donors** to reflect on their giving priorities

Inspire **nonprofits** to explore new, collaborative and better ways to serve

Support **the community** to look ahead in a strategic and systematic way



SONOMA VALLEY FUND

# An Updated Profile of Our Valley: Growing, Graying, Diversifying...and More

Sonoma Valley Fund commissioned the Sonoma County Economic Development Board (EDB) to update a 2011 study done in partnership with Community Foundation Sonoma County. Their work provides a trove of data on basic demographics, health, education, housing and the like for the Valley, from Sears Point to Kenwood. The EDB report is the place to go for a more in-depth look than we provide in our primary, synthetic report, ***Hidden in Plain Sight: Sonoma Valley and the Charitable Sector that Serves Us*** (which this executive summary outlines).

Among the key findings about the Valley, and the conclusions that we derive from them are:

- ▶ **The Valley's population is growing** as fast or faster than the state as a whole, putting stress on infrastructure and challenging what it means to be a small community.
- ▶ **Sonoma Valley is already, on average, significantly older** than many other communities across the country, with almost one in four residents aged 65 and older. It seems clear that we have not yet invested in resources to address this gray wave (which is expected to continue growing), nor understood what the implications might be for our community overall.
- ▶ **We are diversifying and becoming increasingly unequal in terms of wealth and access to resources.** Latinos now comprise more than a quarter of the Valley's population, bringing unique culture and values to our community. At the same time, poverty is increasing, even in the face of growing employment, and this phenomenon disproportionately impacts the growing Latino community. These trends present a dilemma for our future: How can we build trust and bridges across two increasingly separate communities of haves and have-nots?
- ▶ **Access to housing** is a huge problem that is tied to poverty, the future of jobs, the economy, transportation and the community's character. So far, this problem is defying solutions. How do we come together as a community to ensure that our policies don't compound the problems of inequality and poverty?

On the bright side, the new research pointed to at least **one area where coordinated government and philanthropic investments appear to be having a significant impact.** Investments in Youth Development and Education seem to be paying off with continued improvements in certain outcomes related to access to preschool and improved Latino student performance in our public schools. We know how critical education is to future generations, and the impact of a clear community focus is becoming evident.

**The EDB's Sonoma Valley Community Profile provides a detailed look at these and many other issues.**



Poverty has grown even though the Valley now has close to full employment.


# Sonoma Valley's Charitable Sector: Big, Growing...And Fragile

Sonoma Valley Fund conducted our own research to complement the EDB's look at the Valley's trends. As far as we know, this is the first in-depth, baseline look at the Valley's nonprofit sector and our charitable giving.

Using publicly available data, we learned that:

- ▶ Cumulatively, the **Valley's nonprofit organizations form a large economic force and appear to be growing at an impressive clip**. Overall, charitable organizations serving the Valley had revenue of more than \$113 million in 2014—up 23 percent since 2011. A significant portion of those resources—about \$34 million, or almost one-third—came from philanthropy. By comparison, the recent operating budget for the city of Sonoma was just over \$31 million. **Our nonprofits are clearly vital to the Valley's quality of life.**
- ▶ Ironically, while the total size of Sonoma Valley's charitable sector is large, one of its most striking characteristics is **how small most of the organizations are**. This is not necessarily unusual when compared with other communities. What is interesting and may be a bit more unique about Sonoma Valley is that, with few exceptions, even our larger organizations are still relatively small. Further, most of the Valley's nonprofits operate with little to no financial cushion—a reality that leaves our charitable organizations more vulnerable than they may appear.
- ▶ **Fund-raising in the Valley is focused on a few areas of need**. Youth Development and Education represents about one-third of all giving. Healthcare accounted for almost one-quarter of giving in 2014. Organizations serving 'basic human needs' (e.g. food and shelter) and battling poverty in other ways only received about one in every eight dollars contributed to nonprofits, and they also relied heavily on donors' charitable contributions to fund their operations (since it is difficult to charge for their services).
- ▶ **Some growing needs receive little or no attention**. For example, relative to the size of the aging population, few nonprofits exist to provide direct services to seniors. And no Valley nonprofit focuses on housing, arguably the Valley's most significant problem.

**Detailed data about these and other findings can be found in the main report, *Hidden in Plain Sight: Sonoma Valley and the Charitable Sector that Serves Us.***



Remove these nonprofit organizations from Sonoma Valley and it ceases to be the place that so many people love.

# Looking Ahead: What We Can Do, What We Can Dream

*Hidden in Plain Sight: Sonoma Valley and the Charitable Sector that Serves Us* aims to shine a light on the “deeper news” about Sonoma Valley that is usually cloaked by day-to-day headlines. The good news is that some of the new actions that can be taken are also coming into better focus. Our community has many assets, and much to build on. But given the scale of our charitable sector, and its importance to the Valley, the time has come to move beyond business as usual. We need to see the needs in front of us, find new solutions and embrace more effective ways of working.

Sonoma Valley is on a natural trajectory. To date, community leaders typically have created a new program to meet a need—such as providing youth with mentors. Organizations then grow up around these programs. Eventually there are lots of focused, independent nonprofits facing increasingly complex and interdependent issues, as in Sonoma Valley today. The way forward, we believe, requires community leaders to collaborate more so that solutions can be connected for greater impact. This is the critical “crossroads” where Sonoma Valley finds itself today.

As we at Sonoma Valley Fund reflect on what we learned from this new research, we are challenging ourselves and our community to do more, in four ways:

- ▶ **Reflect on the trends and data.** We hope donors and nonprofit staff and board members will study the research and ask how they can continue to improve their own performance against the challenges outlined. In a world of rising needs and increased pressure on resources, good intentions will not be good enough.
- ▶ **Explore how to collaborate and build capabilities.** We hope that donors and nonprofits will actively work together to coordinate resources and create greater impact. Our full report contains many ideas about how existing organizations and funders can lead in new ways.
- ▶ **Support “Sustainable Sonoma.”** We are hopeful about a new effort called “Sustainable Sonoma,” which is planning to bring Valley citizens and organizations together to look longer term toward 2030—initiating innovative projects at the intersection of issues, and aiming toward community-wide outcomes. This initiative, launching this spring, provides one important new vehicle to begin to address the growing disconnects our research highlights.
- ▶ **Invest in more research.** We believe our data points to many questions that need to be explored before we set out to develop and fund solutions. For instance, what kinds of services will the elderly need here? What have other communities done successfully to improve access to affordable housing without runaway development? Our research is a positive initial step, but more needs to be done.

**To download copies of the main report and this summary—along with the EDB’s deeper dive into the data and other materials—visit: [www.hiddeninplainsightsonoma.org](http://www.hiddeninplainsightsonoma.org).**

**If you or your organizations want to discuss these findings and their implications for you, contact us at [info@sonomavalleyfund.org](mailto:info@sonomavalleyfund.org).**