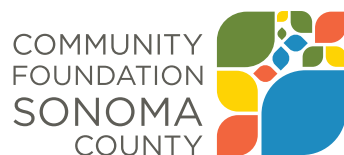


# **HIDDEN IN PLAIN SIGHT:**

Sonoma Valley and the  
Charitable Sector that Serves Us

A report presented to the community by  
**Sonoma Valley Fund**



SONOMA VALLEY FUND

This report was finalized in April 2017 by the Sonoma Valley Fund. Copies can be downloaded at [www.hiddeninplainsightsonoma.org](http://www.hiddeninplainsightsonoma.org), along with a separate, short summary document, and the accompanying report from the Sonoma County Economic Development Board.

We are very proud to provide our community with the information and analysis provided here. Our most profound wishes are that:

- Donors will be able to use the data in this report to inform the charitable contribution decisions they make;
- Nonprofits will be able to identify areas of greatest needs in the Valley and look for opportunities to collaborate to address the most intransigent issues;

and finally,

- All residents of the Valley will use the data in this report to further their own understanding about our community and identify ways to continue the work to preserve the unique character of the Sonoma Valley.

Comments or requests for a presentation to your group should be sent to [info@sonomavalleyfund.org](mailto:info@sonomavalleyfund.org).

*This report was designed by Sonoma resident Lori Winter of Explore Creative.*

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# INTRODUCTION: AN INVITATION

American philanthropy is in the midst of an historic moment. Greater wealth and greater inequality exist alongside new levels of ambitious philanthropy. Sonoma Valley is a rich region that epitomizes these national trends.

Underneath Sonoma's beautiful facade, hidden in plain sight, are two growing forces: the stresses of the Bay Area's boom and its accompanying inequality, alongside the growing need for philanthropic giving and nonprofit leadership.

This study aims to respond to this moment with original research about both sides of this equation: the growing needs, and the growing philanthropic response to them. The first step to charting an ever better future for all who live in Sonoma Valley is to understand our current complex reality in a deeper way.

The Sonoma Valley Fund, which is the local arm of Community Foundation Sonoma County, is a group of volunteers who have been working for the past decade to strengthen our community through philanthropy. Toward this end, we have been watching our community change and trying to determine how to respond. In 2015, we sponsored a community forum and subsequent survey to hear residents' assessments of both Sonoma's assets and its challenges.

There were few surprises as residents raised well-known issues such as sustainability of natural resources, the needs of youth, housing costs and the need to build strong relationships between the Latino and non-Latino communities. We heard a growing chorus beginning to confront the complex, interdependent nature of the issues:

**How can we best preserve and enhance the character of this place that so many love, while confronting the growing challenges that threaten our shared future? Can we create one Sonoma that addresses the needs of all without destroying the Valley's environment, culture and livability?**

These are tough questions, with no clear-cut answers. So we set out to take a fresh look at Sonoma Valley—the more than 40,000 people who live from around Sears Point north to Kenwood (including the roughly 25 percent who live in the town of Sonoma). We wanted to know what has changed here since the Great Recession and the Bay Area’s subsequent boom. And we wanted to know how our charitable community has evolved—the nonprofits providing services here, and the philanthropy that fuels them.

**Sonoma Valley clearly shows signs of growing stress, but it also has many assets. How are we using them?**

**Where might we best use them in the years to come to influence the key factors that shape the quality of life here for all?**

Providing a baseline of data to begin to answer these questions proved harder than we would have liked, especially for a group of volunteers. The relative isolation that provides Sonoma Valley with its essential character is a result of its location in one corner of a large sprawling county. Most of the available data—and many of the essential services—are provided at the county level and Sonoma Valley contains less than 10 percent of the county’s population. Trying to determine the situation here in the Valley required special effort and original research, and even then, the available data was incomplete and lagged behind the emerging reality by a couple of years.

Nevertheless, we believe that the results of our labors provide an important first step. Even as a new administration in Washington, D.C. makes changes that could have a profound effect in Sonoma Valley, we believe there is much to be gained from combining a deeper and longer-term view with the urgent actions needed now. Think of this report as “the deeper news,” for we offer it in the hope that our findings will deepen understanding, stimulate further inquiry and ultimately catalyze new action.

What follows is not a report card. There is nowhere near enough information at this point to offer judgments, and we are sure it wouldn’t be appropriate for us to provide them in any case. But the data that does exist—both about the emerging challenges and the existing charitable sector—is suggestive.

The research conducted through late 2016 and early 2017 consisted of two separate parts:

**1) A Study of Sonoma Valley.** Sonoma Valley Fund commissioned the Sonoma County Economic Development Board (EDB), which has a wealth of data about the county, to update a 2011 study of Sonoma Valley it had done in partnership with Community Foundation Sonoma County (CFSC). This particular research focuses on people—basic demographics, health, education, housing and the like, building on the well-publicized Portrait of Sonoma, presented by the county’s Department of Health Services in 2014. A complete study of the Valley would incorporate more information about business and the environment that were beyond the scope of our work at this time. We summarize our key takeaways from the EDB report in this document.

The complete document is available online at [www.hiddeninplainsightsonoma.org](http://www.hiddeninplainsightsonoma.org).

**2) A Study of Sonoma Valley’s Charitable Sector.** As far as we know, a baseline look at the nonprofit sector and charitable giving in the Valley has never been done, until now. Using publicly available data that legally must be provided to the IRS, our team of volunteers compiled information about the scale of our nonprofit sector, its growth and its composition. The findings of this study are all included in this document, along with the questions we are asking ourselves from looking at the EDB data and the nonprofit data in combination.

The complete document is available online at [www.hiddeninplainsightsonoma.org](http://www.hiddeninplainsightsonoma.org).

Clearly much vital work is already being done by amazing organizations here. We invite boards and staff of these organizations to use this study to look outward—to see what new opportunities, rising issues and potential relationships may be worth their closer attention. We hope our findings will be helpful as our charitable organizations continue to push themselves to become ever more effective and efficient, which in turn can give donors the confidence they need to increase financial support.

We also invite existing and potential donors—and Sonoma’s active granting organizations—to reflect on the findings as they set their priorities. We hope they will ask themselves where they are most energized:

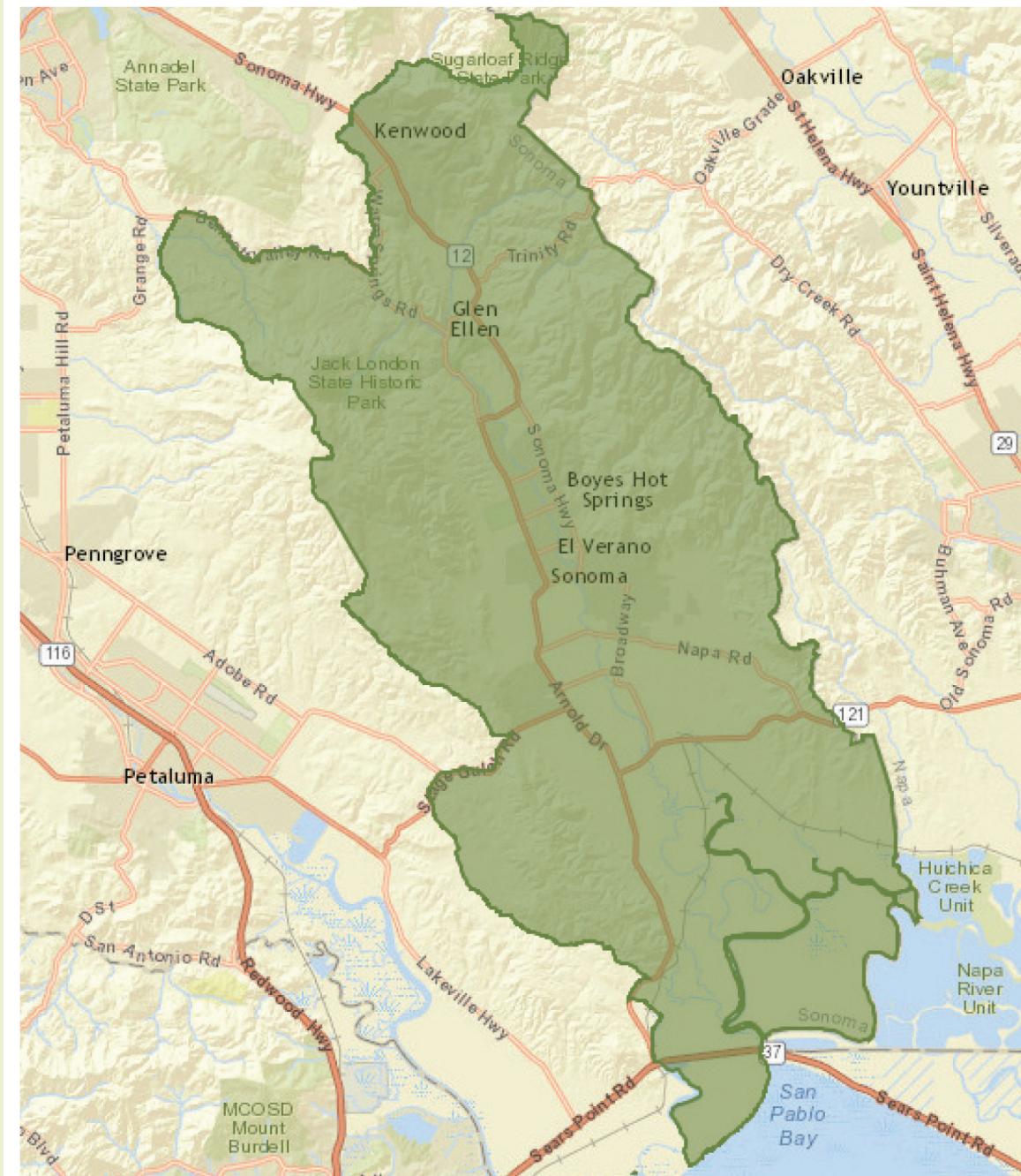
- ▶ to help meet new challenges,
- ▶ to strengthen existing organizations, and/or
- ▶ to play a leadership role shaping the future of Sonoma.

Finally, we invite groups of citizens and organizations to look collectively at the big picture we paint, for it is clear that addressing Sonoma’s growing issues is beyond the capacity of any single individual or entity. New collaborative efforts and additional philanthropic support (both money and time) will be needed.

**Fundamentally, we are asking how our community as a whole can be more effective and efficient at using its assets to preserve what is best about Sonoma, while confronting its growing challenges.**

Thank you so much for reading, and most of all, for caring!





*As we are defining it, Sonoma Valley extends from around Sears Point north to Kenwood. This corresponds roughly to the Census Bureau's Sonoma Census County Division (CCD), and incorporates the three main Valley zip codes – 95442, 95452 and 95476.*



## CHAPTER 1

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

To enter the main Sonoma Plaza is to feel as though you are stepping back in time, to an historic place that epitomizes natural beauty and small town intimacy. But this facade cloaks an important set of slow-moving, dynamic changes.

The picture of Sonoma Valley that appears from the new data is complex, with many crosscurrents. This much, though, is clear: **Sonoma Valley is growing, graying and diversifying, while becoming increasingly unequal.** The data illustrates how stresses are clearly increasing in this beautiful place, some visible and others not always easily seen. The profile of Sonoma that emerges is “hidden in plain sight.”

**Here are the key conclusions we drew from close study of the Sonoma County Economic Board report** that looks at what has changed in the Valley since 2011 when a similar report was commissioned by Community Foundation Sonoma County and Sonoma Valley Fund. Two charts illustrating some key trends appear on page 8. *(For more detail on the whole study, see Appendix One).*

### WHO LIVES HERE?

Day-to-day, week-to-week, and month-to-month, everything can seem the same. But over time, demographic shifts can drive dramatic changes. A close look at Sonoma Valley shows some clear long-term trends.

#### We are Growing

**The population of Sonoma Valley grew 4.8 percent between 2010 and 2016** to 42,587, slightly faster than the whole of California, which grew at a rate of 4.6 percent. And the experts project continued growth.

#### We are Graying

The population aged 65 and over in Sonoma Valley has increased more than 20 percent between 2010 and 2016 and is expected to continue to grow rapidly. **Currently, almost one-in-four residents of the Valley is aged 65 and over**—much higher than the average in California, where currently just over 15 percent of residents are over the age of 65. This rapid growth trend is expected to continue.



## We are Diversifying

**Hispanics now comprise 28 percent of the Sonoma Valley population, which is 13 percent higher than in 2010.** (The Census Bureau uses the terms “Hispanic” and “Latino” interchangeably.)

The Census estimates 5,753 non-citizens lived in Sonoma Valley in 2014, up from 3,677 in 2009—a nearly 57 percent increase. (Citizenship is self-reported to the Census, so may be understated or inaccurate; the categories are birthright citizen, naturalized citizen, lawful permanent residency “Green Card”, refugee and non-citizen.)

The younger population of the Valley is decreasing. The majority of youth is Hispanic, and comprises the largest group in the Sonoma Valley school district in 2015-16, with nearly 57 percent of the enrollment, an increase from just over 48 percent in 2009.

## CURRENT STRESSES AND GROWING POVERTY

The housing challenge in Sonoma has intensified steadily along with the Bay Area’s boom; our problems here are a part of an overall Bay Area crisis, which will need regional as well as local solutions.

But underneath this all too visible crisis are **other subtle indicators** of many lives in stress, all the time, for many reasons:

**Poverty.** Almost 20 percent of families with children throughout Sonoma Valley now live in poverty as the government defines it—that represents at least a 60 percent increase between 2009 and 2014. Poverty is more prevalent with the Latino residents than with their White counterparts, and the gap between the top and the bottom of the income spectrum appears to be widening. The federal poverty line for a family of four is \$24,250—but the income needed to escape poverty in Sonoma is much higher, due to the cost of living.

**Employment.** Unemployment is down, with the rate fluctuating around 5 percent, considered close to full employment. So far, however, we have not seen this translate into a reduction in poverty.

**Pay Disparity.** While probably consistent with national trends, the pay disparity in Sonoma Valley for both Latinos and women is challenging, which is one clue about why poverty rates have not declined along with full employment. Clearly, more has to be done to create opportunities for better pay, and equal pay for equal work.

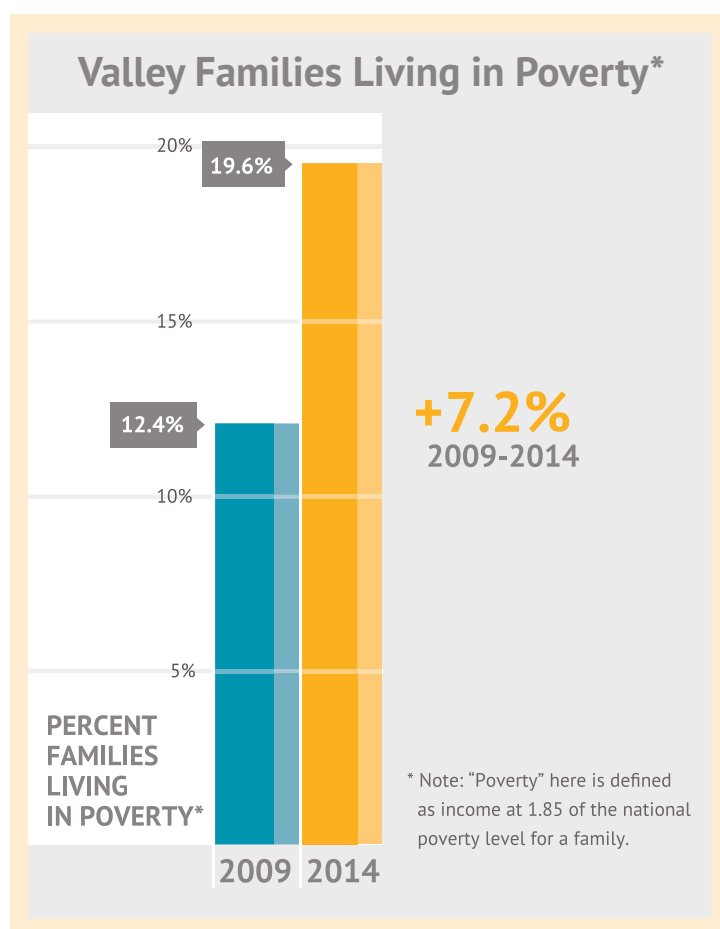
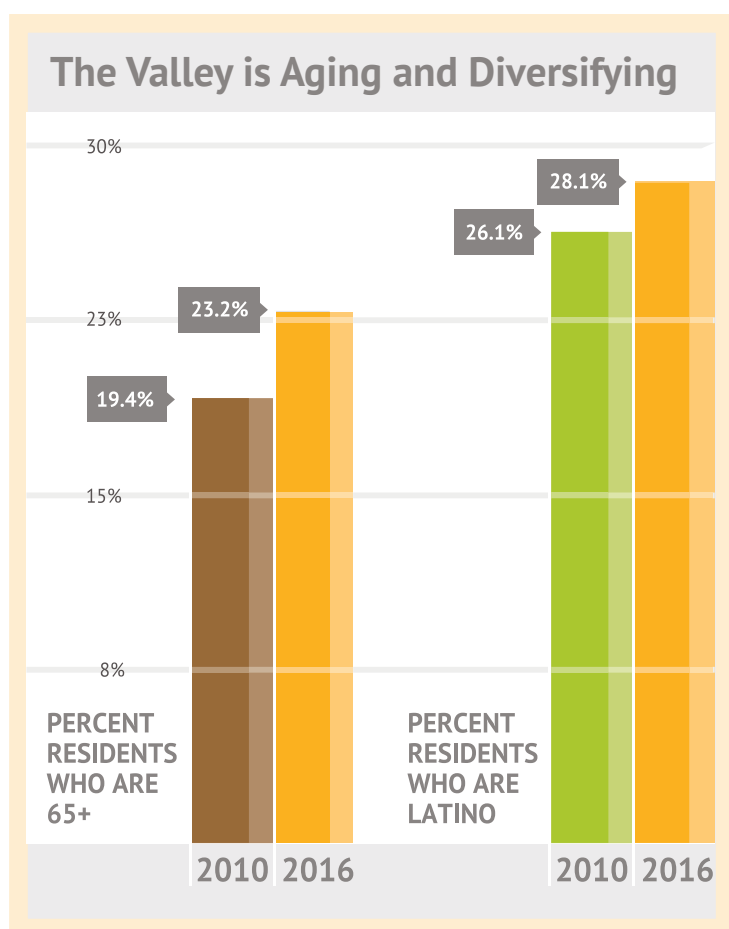


Poverty has grown even though the Valley now has close to full employment.

**Health Insurance.** Latinos are much less likely to have health insurance than Whites. More than 35 percent of Latinos have no health insurance, compared to less than 8 percent of Whites.

**School Lunch Assistance.** The percentage of Sonoma Valley public school students eligible for free or reduced price meals, which is a key indicator of household poverty, increased by more than 100 percent since the beginning of the century. In 2000, approximately 30 percent of public school students were eligible. Now almost 60 percent of students are qualified to take advantage of the program.

**Housing.** The data lags the reality, but it shows that home ownership is down across Sonoma Valley; more households are renting and spend a significant amount of income on rent. The 2008 Recession that drove a collapse in the housing market encouraged investors to acquire newly affordable properties and turn them into vacation rentals and second homes, particularly in the Springs. One indication of this phenomenon is that by 2014, about 46 percent of all vacant housing in the Valley was considered ‘Seasonal’, being used for occasional occupancy or as second homes.



Sources: U.S. Census Bureau and Environmental Systems Research Institute

# SOME HOPEFUL LONGER-TERM TRENDS FOR YOUTH

As the rest of this report will show, Sonoma Valley has been working hard to increase the attention paid to its young people. Significant philanthropic, government and school district efforts have been focused on improving the opportunities for education and enrichment, particularly for young people from less affluent families. **Results suggest that hard-working teachers, conscientious volunteers, focused nonprofit leaders and increased funding for special projects may well be starting to have an effect.** Some examples:

- ▶ The rate at which Latinos drop out of high school has dropped impressively, from 13.1 percent in 2008-09 to 1 percent in 2014-2015.
- ▶ The high school graduation rate for Sonoma Valley has remained close to 90 percent for more than a decade, higher than the state average of 83 percent.
- ▶ The number of 3-4 year-olds enrolled in pre-school was up from just over 45 percent in 2009 to more than 66 percent in 2014; research shows that earlier education correlates with future academic success.
- ▶ The percentage of Latino students in the Sonoma Valley School district who graduated with University of California and California State University (UC/SU) required courses increased by approximately 10 percent from 2014 to 2015.
- ▶ Meanwhile, the number of kindergartners receiving required immunizations edged up to 94.3 percent in 2016 from just over 88 percent in 2010.

While the data is suggestive, more research is needed on many key factors, not least the ultimate college graduation rate of students who come out of Sonoma Valley schools.

There are, however, some more challenging findings, particularly regarding high-risk behaviors still being exhibited by the Valley’s youth. The incidence of alcohol consumption, drug experimentation and bullying both in high schools and among younger students, while declining slightly since the 2009 report, continue to be alarming. Here again, more research needs to be done on which students are more at risk and why this level of risky behavior is occurring.

*Much more detail on all of these and other related trends appears in the full Sonoma County Economic Development Board report, which can be found at: [www.hiddeninplainsightsonoma.org](http://www.hiddeninplainsightsonoma.org).*

**This completes our short summary of how the Valley is changing. Next we look at the local organizations on the frontlines of these changes.**



The number of children attending pre-school is up dramatically, and the high school graduation rate remains close to 90 percent, higher than the state average.



## CHAPTER 2

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

Sonoma Valley is fortunate to have many nonprofits, made possible by the hundreds upon hundreds of people who give their time and their money to make this a better, more interesting and more compassionate place. Everyone who is connected to a local nonprofit—as a leader, a volunteer, a customer or a beneficiary—has a relationship with that cause or organization.

So at first glance it may seem odd to claim, as we do here, **that Sonoma's nonprofits are "hidden in plain sight."** Look more closely, though, and you will realize how hard it is to see the whole—the big picture of Sonoma's charitable sector and the role it plays in our community. That is what we are trying to illuminate here by assembling data that—as far as we can tell—has never been assembled before.

On one level, we were not surprised to learn about the overall size and growth of our local charitable sector. But even we were stunned to learn just how large and essential it has become to Sonoma's quality of life. **Remove these organizations from Sonoma Valley and it ceases to be the place that so many people love. And unfortunately, in many cases, these organizations are far more fragile than they may appear.**

Let's begin with the stunning overall size and growth of our charitable sector:

**We estimate that the charitable organizations that are either located in Sonoma Valley or offer services here had revenue from all sources in 2014 (the most recent year available) of \$113 million—a figure that was a full 23 percent higher than 2011.** And if one tried to add a monetary value from the work done entirely by volunteers, the amount would grow a great deal more.

By comparison, the 2016-2017 budget for the city of Sonoma for all its operating funds is just over \$31 million.

This comparison is not entirely fair, as the value of all government funds benefiting the whole Valley is substantially larger than the city's budget. This includes the roughly \$45 million public school budget and the much larger portion of the Sonoma County government budget that benefits the Valley (but which is hard to count, as the budget isn't broken out by geography).

This comparison, however, does show just how significant the work of our nonprofits is to the Valley—and therefore why it is important to try to understand today's reality more deeply.

The discussion that follows details what we have been able to learn about the Sonoma Valley nonprofit sector as a whole. It is not a study of any individual organization. We used publicly available data—laboriously culled from forms that all but the smallest charitable organizations are required to file with the IRS. We supplemented that research with some high-level estimates and the collection of very specific data directly from individual nonprofit published reports. A deeper understanding of the sector would require a far more elaborate and detailed study than we could manage as volunteers. *(For more detail on what we did and did not study, see Appendix Two.)*

Still, we are confident that what follows is a good first step in understanding the charitable system that has evolved over time to serve the Valley. Think of what follows as a snapshot, trying to illuminate what has not been fully visible. The reality is far more dynamic and changing over time, more like a movie. We hope that others, who know more than we do about various parts of the whole, can help improve this picture.

**The rest of this chapter outlines what we found, using both prose and a series of charts, to put together an overall step-by-step narrative:**

## size

### The Size and Shape of the Valley's Charitable Sector

A special graphic and explanation provide the detail of how we got to our \$113 million estimate of overall size. We also look more closely at the revenue sources for local nonprofits, and the types of organizations that comprise the sector here.

## growth

### A Closer Look at How the Sector is Growing

Next we look underneath the hood at what is—and isn't—driving the growth.

## donations

### A Closer Look at Where Donations Go

Philanthropy is not the only means of support, but it is critical. What are donors' priorities? We also explain how and why environmental issues and causes are likely undercounted.

## fragility

### The Fragility Under the Surface

Size isn't the same as strength. We cannot take the sector for granted, as our research shows how close to the edge many organizations live.



Donors gave nearly \$34 million to Sonoma Valley nonprofits in 2014. By comparison, the current Sonoma city budget is just over \$31 million.

# size

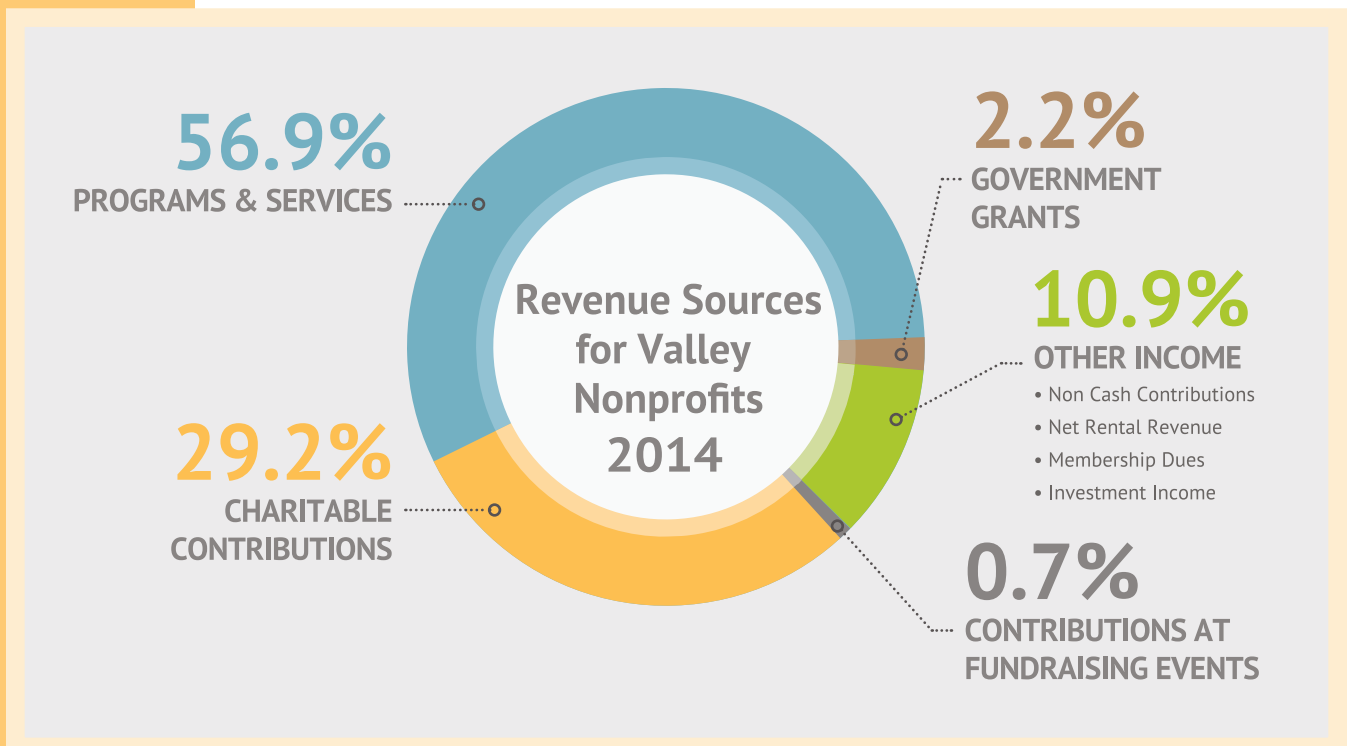
## The Size and Shape of the Valley's Charitable Sector

**How is it possible that Sonoma Valley's nonprofits contribute \$113 million to our Valley's economy? And how did we estimate that number?**

The special box, ***How Did We Estimate the Size?*** on page 14, explains our methodology, and outlines the shape of Sonoma Valley's nonprofit sector.

One thing to remember as you look at the variety of nonprofits here is that they have many different models for funding and supporting their programs and services. Some are run by professional staff and earn income from their products, services and performances. Others charge members dues, or get government funding or reimbursement. Still others rely entirely on volunteers. Each organization has a unique model based on its mission and the level of support it has been able to attract. All get some amount of philanthropic support—and often this support is critical to survival. Human needs organizations, such as Friends in Sonoma Helping (FISH) or Sonoma Overnight Support (SOS), depend almost entirely on philanthropic support. But even the Valley's largest nonprofit, the Sonoma Valley Hospital, has a foundation to raise the money it needs to invest in improvements that will ensure its future.

Our estimate represents the total revenues from all financial sources, for all of the nonprofits that serve the Valley. The chart below, ***2014 Revenue Sources for Valley Nonprofits***, breaks down how we estimate the relative size of each revenue source, when one looks at the whole pie (rather than how the sources are derived for each organization).

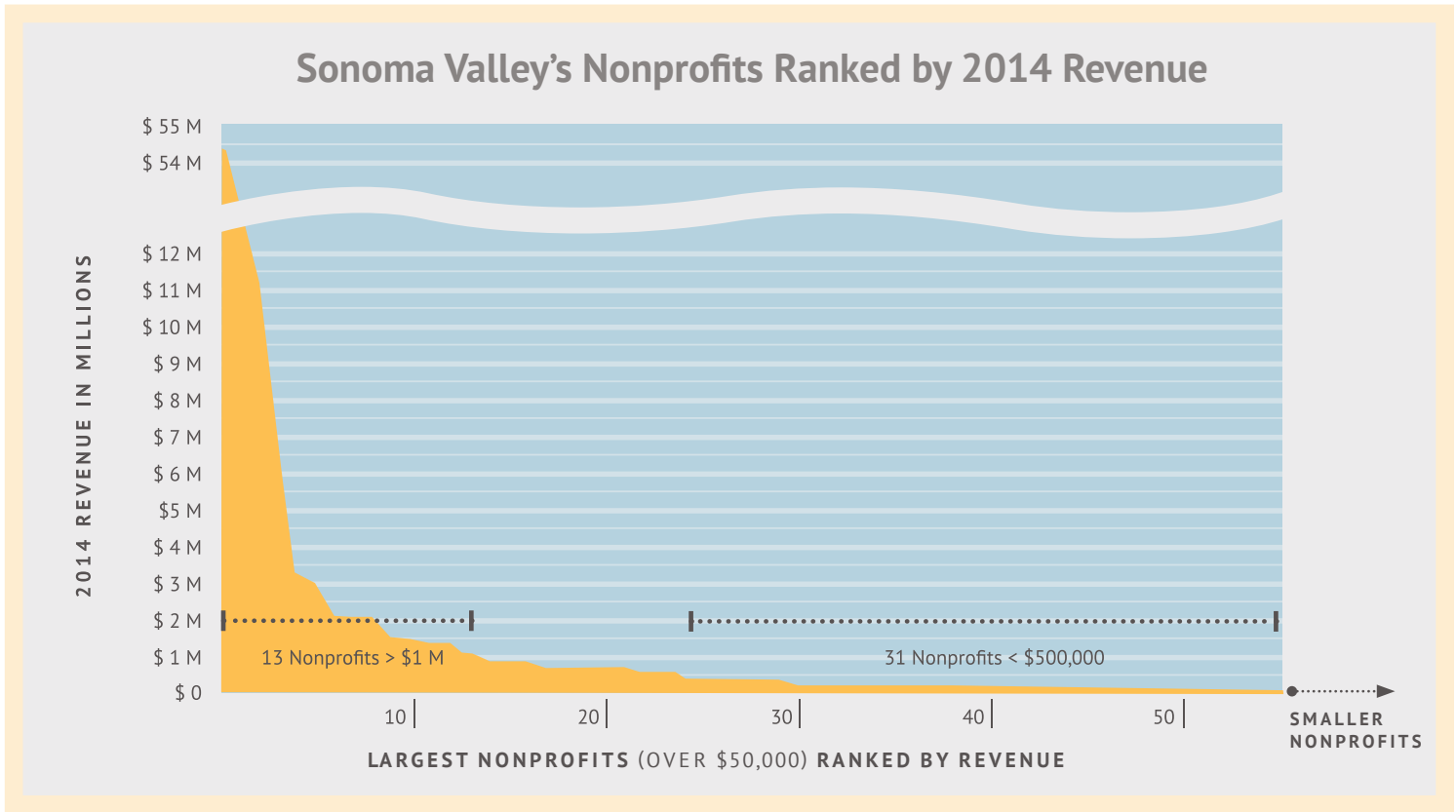


It is worth highlighting our **estimate that charitable contributions and fundraising events provided about 30 percent of the total pie, or \$33.8 million in 2014.** There are two ways to view this finding. On the one hand, local organizations work hard to earn nearly 60 percent of what it takes to run themselves by operating programs and in other ways, such as selling memberships and tickets. On the other hand, philanthropic giving is critical to the vitality and even survival of Sonoma’s nonprofits. **The amount of money raised in this relatively small place is surprisingly large.**

**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, as America’s nonprofit sector is characterized by hundreds of thousands of organizations that are proudly small, focused and local. What is interesting about Sonoma Valley is that with few exceptions, even the larger organizations are still relatively small.

**Only about a quarter of the larger nonprofits in the Valley have annual revenue of at least \$1 million** (plus or minus a bit in any given year). In addition to the Sonoma Valley Hospital and the Community Health Center, the other larger organizations located here include the Boys and Girls Club (the only national nonprofit brand based here), Sweetwater Spectrum (a residential facility for autistic adults), Transcendence Theater (a new professional theater company), the Ecology Center, the Community Center and two schools (Woodland Charter and The Presentation School). (It is possible that in 2015-2016, additional organizations have grown to the \$1 million mark; we could only compare for 2014).

As the chart below shows, **Sonoma Valley’s Largest Nonprofits Ranked by 2014 Revenue**, the bulk of nonprofits in Sonoma Valley are much smaller, and the distribution has what is called “a long tail,” which means the numbers fall off quickly. The majority have revenues under \$500,000, and many are smaller than \$100,000, relying mostly or entirely on volunteers. **When we use the term “larger nonprofits” in this report, we are referring to all the organizations with revenues over \$50,000 that we could study more closely. Clearly, “large” is a relative term.**





## HOW DID WE ESTIMATE THE SIZE?

Our approach to estimating the size of the sector was to quantify what we could from publically available data and, for segments that were more difficult to identify, to use high-level estimates based on desk research.

(See Appendix Three, “Who Are Sonoma Valley’s Nonprofits?”)

### Step 1: Using publicly available data

We were able to get financial data on the **larger operating nonprofits** located in the Valley, serving the Valley, raising money in the Valley and with revenues that trigger IRS filing requirements. There were more than 60 organizations that comprised this group during the years we studied, 2011-2014.

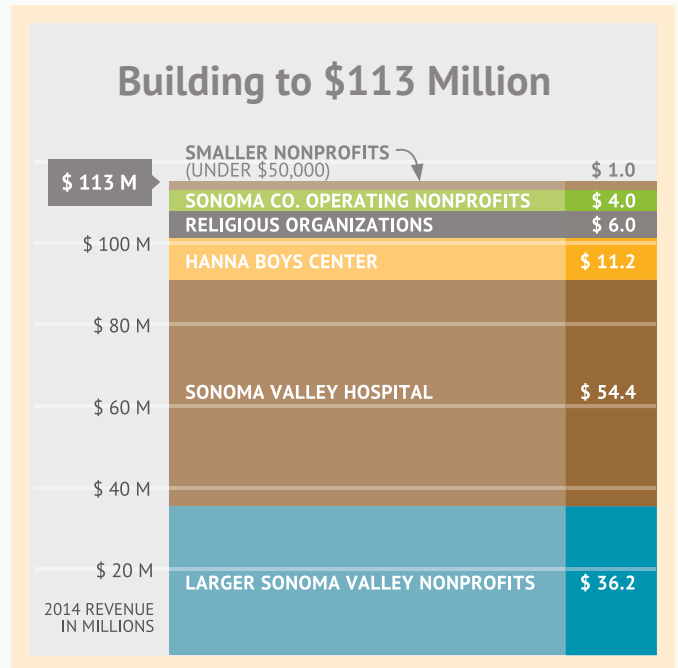
Although quite large, neither Sonoma Valley Hospital nor Hanna Boys Center are required to file the same IRS forms that most nonprofits do, for different reasons. However, both organizations issue annual reports that helped us fill in the blanks.

- **Sonoma Valley Hospital** is a quasi-public institution governed by an elected board and supported with some tax revenues. Its revenue in 2014 was \$54.4 million, which included all paid services, government reimbursements and capital campaign fundraising. The hospital’s fundraising arm, the Hospital Foundation, is counted here as one of the Valley’s larger operating nonprofits (described above).
- **Hanna Boy’s Center** is a residential educational program serving boys who have suffered trauma, and it is technically categorized as a religious organization. In 2014, Hanna earned \$11.2 million, of which, approximately \$4 million comes from donations, events, bequests and trust income. (While Hanna does serve some local boys, it has *not* historically raised most of its funds from the Valley.)

We excluded a small group of Valley nonprofits that are located here but do not seem to provide services locally, nor actively to raise funds here. Our overall sizing also excluded private foundations and general fundraising organizations located in Sonoma Valley (such as Impact100), because the money they give away here is already counted in the coffers of operating nonprofits.

### Step 2: Estimating the size of charitable segments that are harder to quantify

Three additional types of organizations were incorporated and there is little, if any, publically available information on their finances.



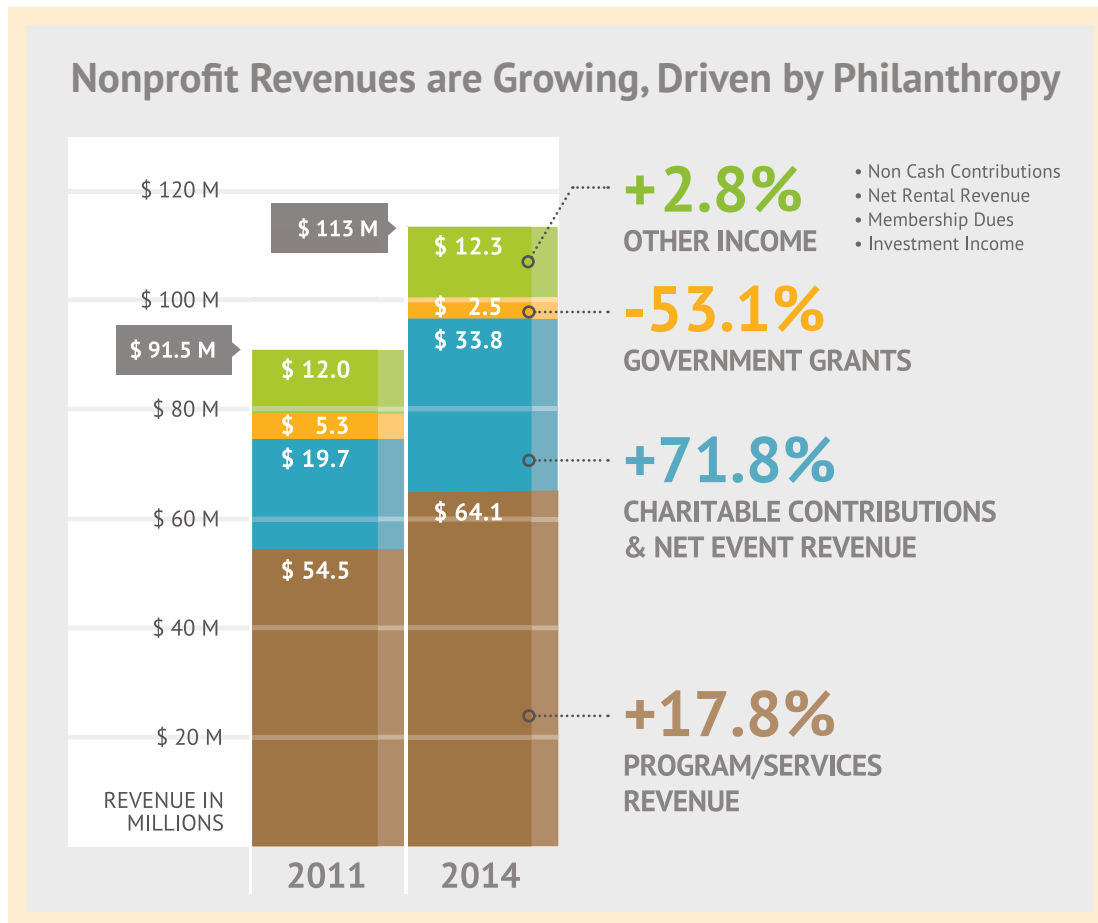
- **Religious Organizations.** Nationally, about one-third of all charitable giving in the United States goes to **religious organizations**. Internet searches found 30-40 religious organizations operating in Sonoma Valley. None are required to report their finances to the government. If the Valley’s religious groups raised money at the national average—about a third of all giving—the total giving here could easily be \$9-10 million. We have used a more conservative estimate of \$6 million of philanthropic giving here, since many of our religious organizations are quite small.
- **Non-Sonoma Valley Nonprofits that Serve the Valley.** **Some nonprofits who work here are physically headquartered elsewhere**, serving all of Sonoma County, or an even larger geography. Examples of organizations that spend a portion of their budget in Sonoma Valley include the Sonoma Land Trust, Becoming Independent, 10,000 Degrees, the Council on Aging, among others. A conservative guess, based on web research, is that these organizations spend \$2-\$5 million serving the Valley, and we used \$4 million for our estimate. A more reliable estimate would require detailed research and interviews.
- **Smaller Sonoma Valley Nonprofits.** These organizations may be the heart of the “volunteer” nonprofit sector in any community, but unless they have revenues in excess of \$50,000, triggering reporting requirements, it is difficult to track them. We did a simple calculation assuming that the Valley has up to 30 to 40 of these organizations which include parent-teacher groups, festivals and other small entities. We also assumed that on average their revenues were \$25,000, totaling aggregate revenues of under \$1 million annually.

# growth

One of the most striking findings of our study was that overall the nonprofits serving the Valley grew revenue by at least 23 percent between 2011 and 2014, from about \$92 million to just over \$113 million.

That growth is much faster than the overall economy or the growth in population, and there is every reason to believe as we publish this report more than two years later, the sector is bigger still. (The lag in the available data makes it impossible to know for sure, and we can only count the growth of the charities that we could study from publicly available data.)

A Closer  
Look at How  
the Sector  
is Growing



The detail in the chart above, ***Nonprofit Revenues are Growing, Driven by Philanthropy***, tells a very important story. **As government funding for nonprofits fell, private funding stepped in to fill the gap**, along with increases in earned revenue. **Charitable giving** to nonprofit organizations (including money raised at events) **grew by more than 70 percent between 2011 and 2014, from \$19.7 million to \$33.8 million.**

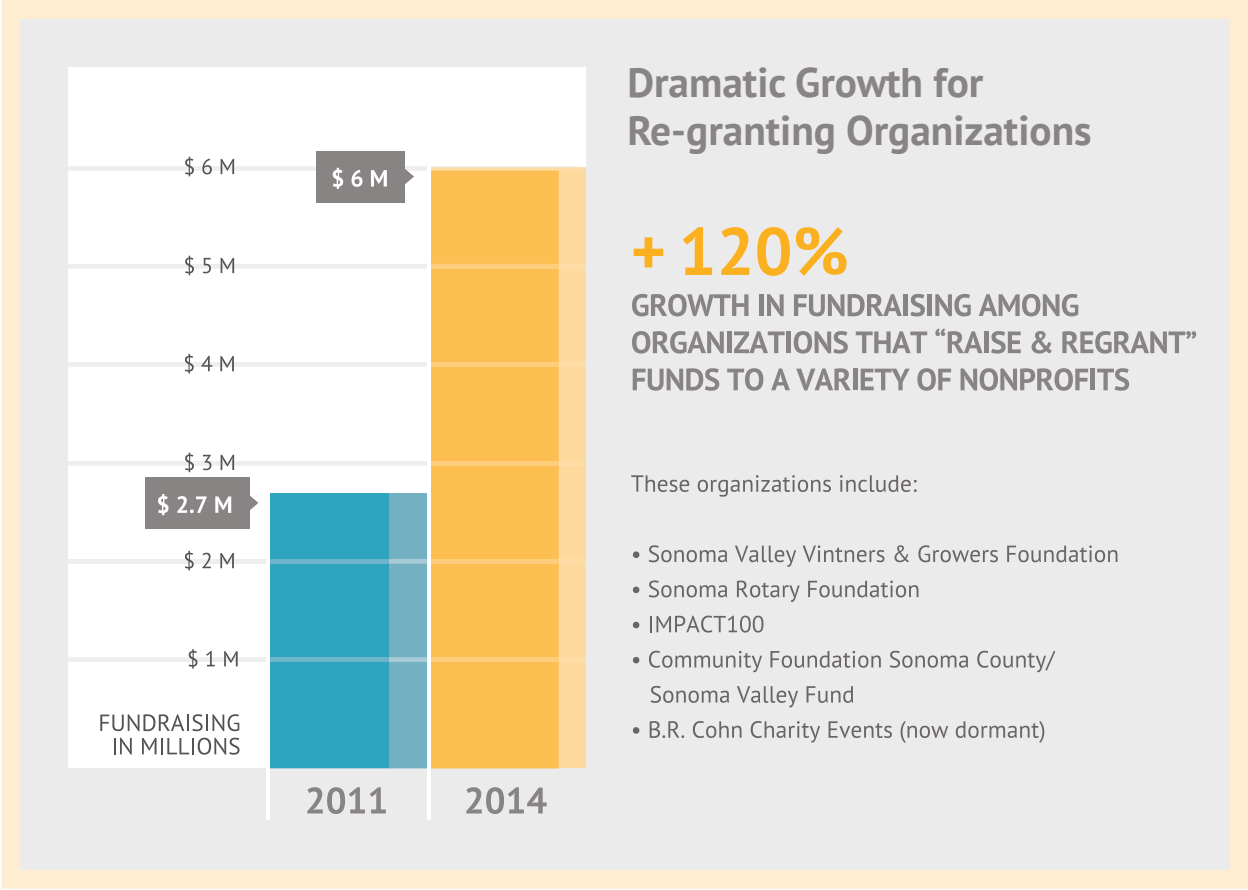
Understanding what happened, and why, requires looking at many factors. In 2011, nonprofits were still recovering from the Great Recession, as nonprofits and charitable contributions tend to rebound more slowly after downturns. So the starting point may have been a bit low; it's hard to know without looking at earlier years in depth.

**Some of the growth clearly was driven by new or expanding organizations.** For instance, Transcendence Theater has been growing rapidly, and it is already one of the larger nonprofits in the Valley; it didn't exist here five years ago. Valley of the Moon Natural History Association, which serves Jack London Park, also ramped up its operations when state government cuts took effect. At the same time, 13 organizations in our study actually shrank.

**It is also true that in recent years some local nonprofits have invested in improving their fundraising, and the results have been impressive.** The Sonoma Valley Education Foundation, which funds programs in the public schools, is particularly interesting in this regard. In 2011, the Education Foundation raised \$295,983 from contributions and net proceeds from events, according to its IRS filing. In 2014, the comparable number was \$1,199,426—more than four times as much in just four years.

**Another key factor seems to be the growth of what we would call “collective giving” efforts, where organizations raise money and then re-grant to other nonprofits.** Between 2011 and 2014 the amount of money granted by the largest of these organizations more than doubled, as the chart below, *Dramatic Growth for Re-granting Organizations*, shows.

This is a fascinating and diverse category. Many of these re-granting organizations, including Sonoma Valley Fund and our parent Community Foundation Sonoma County, provide value-added services for donors or hold specific events to raise and aggregate funds. Or course, few events are as successful as wine auctions in wine country. Sonoma Valley Vintners and Growers (which has worked in partnership with Sonoma County Vintners to produce Wine Country Weekend) has grown their



giving dramatically in recent years, making themselves a much bigger and welcome player in the local charity scene. And Impact100 (officially named Women Giving as One, Inc.), which brings together donors to collaborate on identifying and funding projects jointly, has also grown rapidly; it now has nearly 300 members.

**Clearly these organizations are hitting a nerve with donors and we anticipate continued growth in this area.** (Note: This category does not include organizations dedicated to raising money for a single cause, such as the foundations benefiting the hospital and the public schools, which we treat as regular operating nonprofits since their fundraising efforts would not otherwise be reflected in the revenue we are estimating. Also, in this report, when we look at money raised by local nonprofits, we do NOT count these re-granting organizations in order to avoid double counting, since most of the money they give away shows up as revenue for local nonprofits.)

The overall growth story also contains two more important components.

**First, it is clear that one of Sonoma Valley's most frequently used fundraising techniques—holding events and parties—is overall a relatively small source of funding for Valley nonprofits.** While individual organizations at times have great success with events (building relationships and educating constituents as well as raising money), events are usually not among the most cost effective ways to raise money.

One has to look closely to understand why. While the research does show that more money was raised overall through events in 2014 than in 2011, it is still a small percentage of all giving. What's more, our more detailed research reveals that the net proceeds from the events are often much lower. The IRS filings we studied showed that many nonprofits have to spend almost 50 percent of the direct proceeds from events to cover the costs of the events themselves. Some smaller Valley nonprofits show even worse results. One organization reported raising more than \$55,000 at an event, but spending almost \$49,000 to hold the event. As a result, they actually raised only about \$6,000. Imagine the volunteer energy that went into this event—and then multiply it many times by the number of events held in Sonoma every year.

**Finally, Sonoma does not seem to rely much on funding from regional and national private foundations, a source of charitable dollars that is growing rapidly nationally.** Without a closer look at the finances of our individual organizations, it is impossible to know whether Sonoma Valley is attracting more foundation funding from outside. Generally it takes professional fundraising staff to attract the interest of large institutional givers. Sonoma Valley and its organizations are generally too small to support this kind of fundraising, which must match the priorities of the big funders, in any case (often not an easy matter). Meanwhile, our research indicates that the Valley has few local private foundations that fund local nonprofits at any significant scale.

Sonoma Valley must rely, therefore, on the generosity of individuals. Nationally, more than 70 percent of all charitable giving does come from individuals—not businesses or foundations. In Sonoma Valley, we expect the percentage given by individuals is even higher.



One organization reported raising more than \$55,000 at an event, but spending almost \$49,000 to hold the event.

# donations

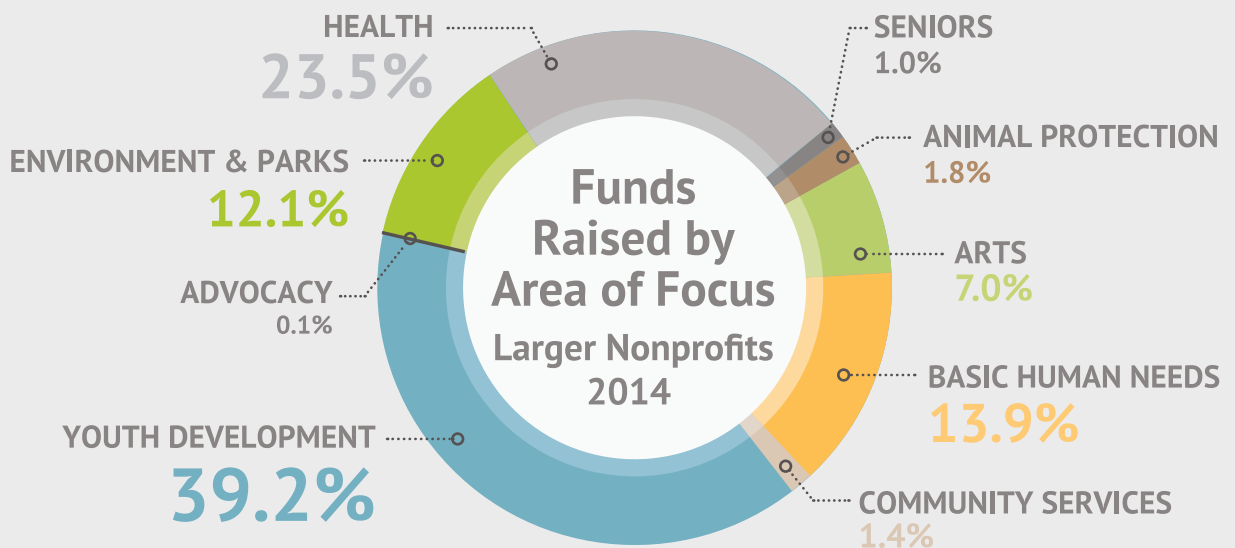
## A Closer Look at Where Donations Go

**The Sonoma Valley Fund is primarily interested in philanthropy in the Valley—how to grow it and improve it.**

So we closely studied the larger nonprofits located in the Valley, to build an initial estimate of where Sonoma Valley donors are directing their attention and dollars. The chart below, **Larger Nonprofits: Funds Raised by Area of Focus**, gives an overview of what we learned.

It is important to view this chart as an imperfect estimate, as it is a snapshot of the one year we could study (2014), and it includes a significant capital campaign run to support Sonoma Valley Hospital and major gifts for a new public pool. We also believe that this view undercounts the significance of the environment in terms of the importance it plays in local giving and volunteering. (See the box on page 20, **Special Note about the Environment**).

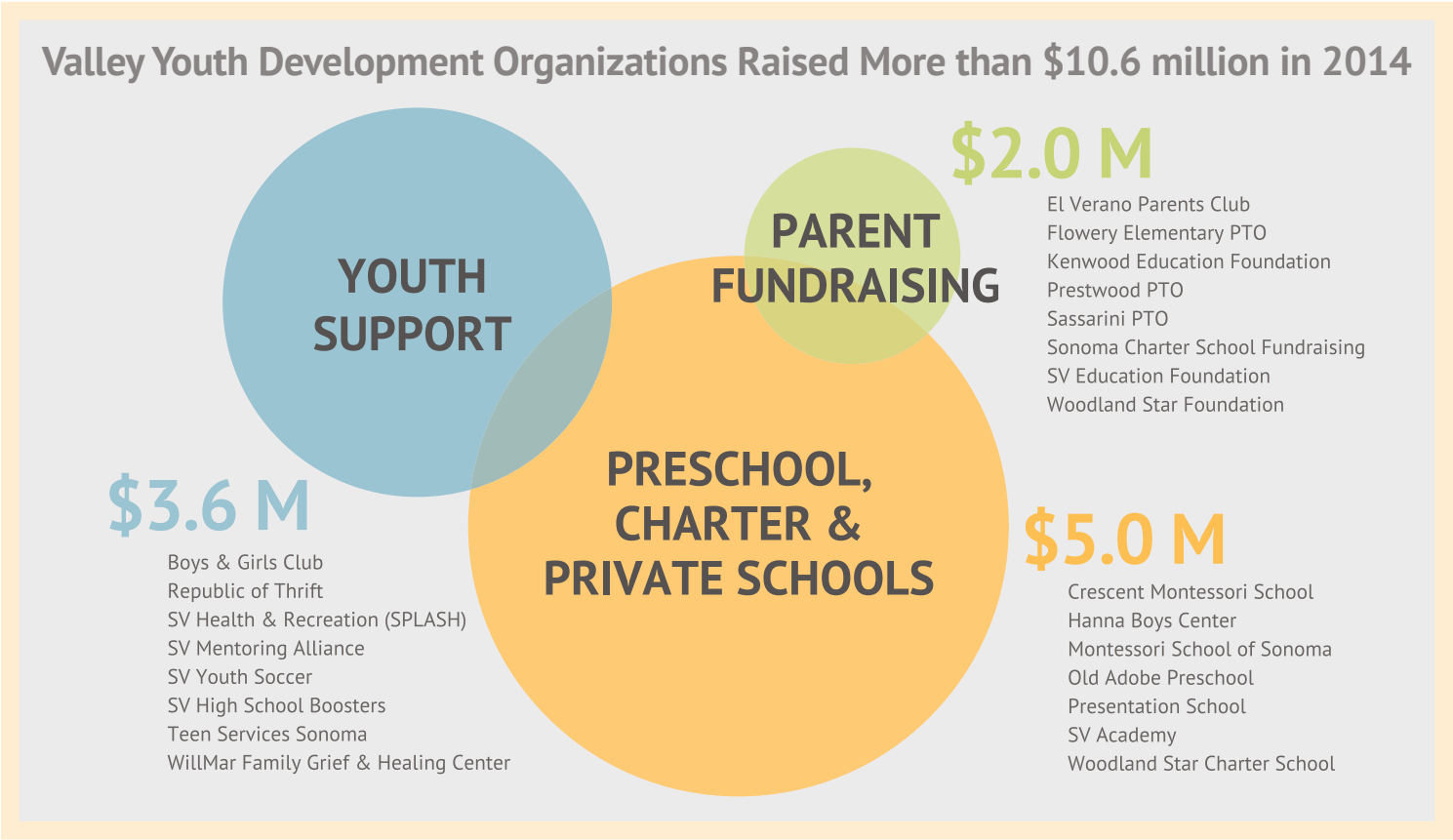
Nevertheless, our study points to some interesting trends. Next, we explain what we learned about each of the major funding categories.



Includes all donations plus net proceeds from events. Does not include funds raised by smaller organizations (under \$50,000 raised/year)

**Youth Development.** More than one-third of all the giving we documented in 2014 (\$10.6 million) went to this category, which includes all money directly raised for schools (public and private), and for programs serving youth outside school. (Some other organizations, such as the Museum of Art, also provide services to youth, but this spending cannot easily be tracked without more detailed research).

The size of the youth development segment is particularly interesting in light of the trends highlighted in the Economic Development Board (EDB) study about rising poverty and the needs of youth. The chart below, *Valley Youth Development Organizations Raised More Than \$10.6 Million in 2014*, looks under the hood at the variety of organizations supporting youth.



It is worth noting that the Economic Development Board study highlighted both the growing needs of youth living in poverty, and also some hopeful trend lines among efforts to improve their prospects. A close look at the chart above reveals that much of the philanthropic giving documented in this category does go to benefit the youth most in need in the Valley—whether attending public or charter schools, receiving assistance outside school, or living at Hanna Boys Center. There is no evidence to show a direct cause-and-effect relationship between an increase in philanthropy for youth and improving trend lines. But the data suggests that the additional giving may be making a difference, along with other factors.

**Health.** Two significant nonprofit organizations provide health-care services in our community, the Sonoma Valley Hospital and the Community Health Center. The hospital also has a supporting organization, the Sonoma Valley Hospital Foundation, which is the fund raising arm of the hospital with its own separate board of directors. However, periodically the hospital has raised money directly, most recently during the capital campaign to support the opening of the new Emergency and Surgical facilities. Together these two institutions and the hospital’s foundation raised \$6.4 million in 2014, or 23.5 percent of the total for the Valley. This includes approximately \$3.7 million raised for the hospital’s capital campaign in that year, an amount that will not be repeated regularly in future years.

**Basic Human Needs/Poverty.** In our study, there were five organizations that primarily address human needs (and therefore, growing poverty) in Sonoma Valley—FISH, La Luz, Nuestra Voz, Sonoma Home Meals and Sonoma Overnight Support. They rely nearly entirely on charitable giving to fund their operations. Together, these organizations raised just over a million dollars in 2014, which was about 85 percent of their overall revenue. In a time in which stresses from inequality are growing, and the housing situation has reached a crisis, **it is striking that no organization in Sonoma exists to address low-income housing or housing policy.** (The other organizations categorized as part of the “human need” segment were Sweetwater Spectrum, a residential facility for autistic adults, and Seeds of Learning, which exists to create cross-cultural understanding, including improving access to education in Central America; it does not address poverty in Sonoma per se).

**Arts (visual art, film, theater, music).** As a relatively rich community, with a strong tourism economy, Sonoma is also rich in cultural amenities, including three professional and well-known arts organizations (the Sonoma International Film Festival, Transcendence Theatre Company and the Sonoma Valley Museum of Art). Nine arts organizations in our study raised about \$1.9 million in 2014, and many of these organizations were able to supplement this philanthropy with ticket sales, art sales and membership revenues. (There are also a number of small, volunteer arts organizations in Sonoma that were not formally counted, especially in the music category.)

**Seniors.** **Given the rapid growth of this population, more work needs to be done to look at specific services for the aging (in addition to what may be happening through basic human needs and other categories).** Sonoma has only one local organization exclusively focused on seniors: Vintage House. The Council on Aging and Sonoma Home Meals provide services to the elderly in the Valley, as does Hospice for end of life. Other organizations such as La Luz provide services to seniors as well, but there is no easy way to quantify their size or impact. Nor does the data from the EDB tell us how many of the seniors are wealthy and how many poor. More detailed research is needed to look at what services already exist and where the gaps are most acute. But it does appear as if philanthropic funding of the elderly does not match the needs of a rapidly growing segment that already represents one in four Valley residents.

## A SPECIAL NOTE ABOUT THE ENVIRONMENT

**Our research understates the importance of environmental issues and organizations to our Valley. There are several reasons for this.**

Environmental and open space issues were outside the scope of the 2011 Economic Development Board (EDB) study that was updated at Sonoma Valley Fund’s request. Instead EDB focuses on the Valley’s human systems—its demographic and economic trends. Other sources indicate that the stresses on the Valley’s natural environment are growing. Indicators are worsening for ground water and threatened and endangered species (both plant and animal). And pressures are growing to break up larger parcels of land for development, as the Valley’s population grows.

The Sonoma Ecology Center, the Valley’s largest environmental organization, has had some funding in the past to study the Valley’s environmental trends, but has had no funding to paint a comprehensive picture. Later this year, the organization will issue a *Roadmap for Climate Resilient Natural Resources in Sonoma Valley*. Sonoma County does have a Biodiversity Action Plan that is countywide, and the Bay Area Open Space Council has done important mapping. But clearly, more in-depth understanding is needed for our Valley.

For an entirely different reason, our study of the Valley’s charitable resources undercounts organizations working on the environment and parks—the natural assets that benefit all Sonoma Valley residents. Our use of publicly available data prevented us from looking in detail at any organization whose legal location was outside Sonoma Valley. For environmental organizations, this was an important factor—for they often align themselves with natural ecosystems. Hence, important environmental organizations, such as the Sonoma Land Trust, often serve the whole county or more than one county (and therefore serve Sonoma Valley as part of their mission).

The Sonoma Ecology Center, which recently celebrated its 25th anniversary, is obviously included in our study. So are Quarryhill Botanical Garden and Valley of the Moon National History Association, which now manages Jack London Historic State Park.

Regional environmental organizations active in the Valley but not incorporated in the study, and smaller organizations too small to file IRS reports include: Land Paths, the Sierra Club, Sonoma Mountain Preservation, Audubon Canyon Ranch (which operates Bouverie Preserve), the Greenbelt Alliance and the Valley of the Moon Observatory Association.



# fragility

**We suspect there are many important stories underneath the big picture we have just sketched. But there is one we are sure about, and so we want to highlight it.**

We have detailed what is obviously a huge effort from a generous community, and it's clear that the Valley's overall charitable sector is surprisingly large and growing. The hard reality, however, is that at the organizational level, many Sonoma nonprofits are very small, live hand-to-mouth, and compete with each other for charitable dollars.

In this sense, they are no different from most American nonprofits. Our cultural tradition of "letting a thousand flowers bloom"—where anyone who sees a need can start a nonprofit—has encouraged a proliferation of organizations that is the envy of the world. Unfortunately, it also means that there are many small nonprofits, each of which has to work hard to survive. This is compounded in our small community where even our largest nonprofits are small when compared to those serving larger geographies. Lack of size and scale can be a significant barrier to achieving efficiency, effectiveness and professionalism.

Our study shows that this is certainly true for Sonoma Valley, where nearly all of our nonprofits are small or very small, and quite a few are run entirely by volunteers. As a result, few Sonoma Valley nonprofits have any financial cushion—much less resources that would allow them to meet growing needs. We looked deeper in the data to get a closer look at this issue, examining the larger nonprofits we could study closely with IRS data. As the chart below shows, **Most Valley Nonprofits Live Close to the Edge**, the average Sonoma nonprofit we studied has only about three months of operating cash on hand. Furthermore, about one-third of the organizations we studied had no cash or savings on hand at the end of 2014.

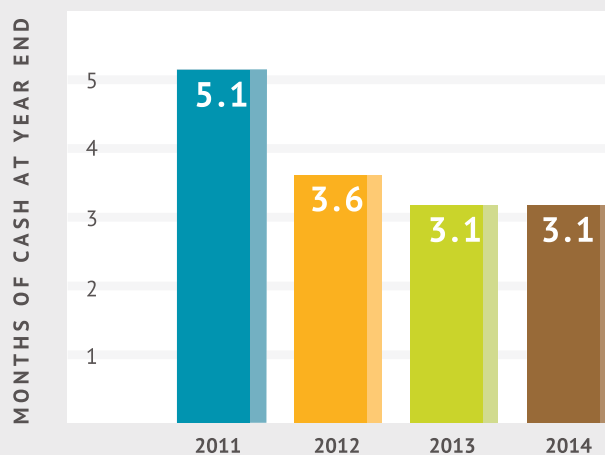
**The upshot is that the rest of our story cloaks the fragility of many of our local organizations. Even as the sector as a whole has grown and is now relatively large, its continued existence and success cannot be taken for granted. Overall size is not the same as strength.**

Which leads us to ask: What is next for Sonoma's charitable sector? What changes might be made in how it works? What new needs should be addressed? Are there ways we might do even better than in the past?

The rest of this report begins to address these questions.

## The Fragility Under the Surface

**Most Valley Nonprofits Live Close to the Edge**



## CHAPTER 3

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

The two complementary studies summarized in this document—the one we commissioned from the Economic Development Board on Sonoma Valley’s shifting reality, and the other that Sonoma Valley Fund did ourselves on the charitable sector—are best viewed together. That was our design.

### Here is a summary of today’s integrated picture, hidden in plain sight:

- ▶ A Valley that is steadily growing and changing, with increasing inequality and shifting demographics—putting ever greater pressure on the natural environment and built infrastructure of a cherished place.
- ▶ A surprisingly large charitable sector that is still growing as a whole, well balanced between long-standing organizations and newer arrivals, but that nevertheless is comprised almost entirely of small organizations, many of which lack financial stability, rely on volunteers, or both.
- ▶ Many generous donors and hard working leaders who have, over time, created, preserved and improved a special place, giving ever more generously of time and money.
- ▶ Nevertheless, despite good intentions and much hard work, a growing disconnect between the scale, interdependence and complexity of the social, economic and environmental challenges facing the Valley, and the capacities of the charitable organizations serving it.
- ▶ This disconnect is amplified by fragmented government responsibilities—the fact that no government entity exists to look solely at the Valley as a whole. (The city of Sonoma covers only a quarter of the Valley. And while our county supervisorial district covers all of the Valley, it also covers a substantial portion of Santa Rosa as well.)
- ▶ In particular, there is a clear need to intensify efforts to address the growing stresses in the Valley—the housing crisis, the increasing poverty, the rising numbers of aging residents and the environmental pressures created by population growth.

Therefore, there is an increasingly urgent need to ask how we might do ever better with the resources and organizations we already have, while working to grow the philanthropic pie. We need to encourage the leadership needed to shape the Valley’s future, and also engage those who have moved to Sonoma more recently, or who keep second homes here.

The good news is that there is so much to build on here, and **many opportunities to work better and smarter**. We will outline some of those that our research has suggested. But first an important cautionary note.

**It would be terrible if this study simply increased the competition for existing funds without sparking more than marginal improvements.**

Together, Sonoma donors are giving sizeable sums, which is why donors sometimes complain of their “fatigue” at the endless need and requests for donations. But this is not an argument for doing less. *To the contrary.*

**In the face of shifting and growing community needs, are we collectively doing the most important things well? Are we fully leveraging all the existing resources of money, time and talent? Are we anticipating well enough what we need to do, given the trends outlined here? Have we been creative enough about attracting new philanthropic resources?**

To ask these questions is also to answer them. Of course we haven’t done all that we can. **Given the scale of our charitable sector, and its importance to the Valley, the time has come to move beyond business as usual and find new ways of working both at the organization level, and at the community level.**

Sonoma’s nonprofit leaders are forced today into competing with each other, like it or not. Anyone who has ever tried to run a nonprofit knows that all too often it feels like a zero sum game: if they raise more money, it will come at the expense of someone else. For the community it can feel like endless running in place, with little clarity about what is being achieved overall.

Our intent here is to inspire Sonoma Valley to move beyond this stuck place and seek improvement all around—from donors, from organizations and from the community as a whole.

What follows is a call to action for Sonoma Valley’s leaders—executive directors of nonprofits, nonprofit board members, donors of all sizes, and the many volunteers and citizens who contribute to and benefit from our charitable sector. The strategies we suggest require that we have different kinds of conversations with each other, and that we take action together in new ways. So the discussion below is organized by *type of action, not by type of actor*. Many actions can be pursued simultaneously.



Our intent here is to inspire improvement all around—from donors, from organizations and from the community as a whole.



We have never seen an organization that couldn't benefit from much more honest conversation about its priorities and strategies.

## IMPROVING THE PERFORMANCE OF CHARITABLE ORGANIZATIONS

The conversation about improving efficiency and effectiveness begins with the charitable sector's key leaders. The brave and hard working people who take on leadership at nonprofits—serving as executive directors or board chairs—have among the hardest jobs in any town, Sonoma included. They have to play a variety of roles all at once: visionary, manager, fundraiser, program leader, spokesperson and sometimes also building manager. (Not to mention emptying the trash!)

Improvement starts with listening. We have never seen an organization that couldn't benefit from much more honest conversation about its priorities and strategies. Boards and donors should ask what support their staff most needs (if they haven't already).

We also hope that boards will look closely at the EDB study on the shifting needs of Sonoma Valley, and ask what more they might do to address either what's already happening, or what is anticipated. Part of such an inquiry is asking harder questions about the impact of the work they already do.

**In a world of increased pressure on resources—and the need to grow the pie—good intentions are not enough.** Sometimes a favorite program has slowly lost its effectiveness, costing a great deal to provide only a little gain. Other times, small changes can yield big benefits. Some of the nation's most innovative nonprofits are experimenting with new mobile technologies to get much better and quicker feedback from beneficiaries about the quality of service they are receiving. In short, by whatever means, nonprofits and donors need to know more about what is and isn't working, so they can focus resources where they are most needed and will have the most impact.

Similarly, leaders need to ask harder questions about fundraising approaches. In particular, our research suggests that Sonoma may put far more energy into holding parties and events than their yield justifies. For some nonprofits, the large amount of time and energy required for events pays off in increased visibility and new relationships as well as funding; for others, it distracts them from doing their core work, while yielding less than other approaches might.

## JOINING TOGETHER TO IMPROVE PERFORMANCE

All of the things we have just mentioned can be done, organization-by-organization.

**At Sonoma Valley Fund, we are particularly excited about the ways that greater effectiveness and efficiency can result when donors fund improvements for multiple organizations at the same time, rather than one-by-one.**

For instance, using money from a major bequest, Sonoma Valley Fund and Community Foundation Sonoma County launched an unusual program in 2015 specifically aiming to help build the capabilities of organizations addressing disparities in our community. Six local nonprofits were chosen to participate together for a year, professionally led by national

experts—with an invitation to step back and ask how they might best improve their organizations. During their time together, each came forward with their best ideas for improvement, initiatives such as building new operational systems to standardize procedures; assembling better data on program outcomes; and designing new program delivery approaches.

At the end of the year, the organizations were asked to create a proposal for funding their particular capability building initiative. Much to our delight, three of the organizations serving youth development requested joint funding. They believe they may be serving some of the same youth but have no way of knowing that. If they can create better data systems, they can put together a joint picture of those being served, and lay the foundation for serving the community's youth even better. Collaboration wasn't a mandatory part of this innovative grants program, but it was a terrific outcome.

**Efforts similar to these—which focus on the community or on outcomes as the unit of analysis, rather than on a single organization—have great potential, and in particular require donors to think and act differently.** For those donors and funding organizations interested in exploring new ways of working, here's a brainstorm of some of the possibilities for improving the capabilities and capacity of Sonoma Valley's charitable sector:

**Building better boards,** through training and recruitment. In particular, most nonprofits could benefit from much better preparation for inevitable leadership succession (at the staff and board levels). In smaller organizations, these transitions can sometimes set organizations back years; for volunteer organizations, they can be fatal, or precipitate the need to transition the organization to a paid staffing model. Impact100 has already sponsored board training for local nonprofits. Much more could be done.

**Improving understanding of best practices in nonprofit business models and fundraising.** Training and sharing best practices represents a terrific opportunity for building capacity among multiple organizations simultaneously. In particular, we need to make sure that smaller organizations understand the risks of relying on events, especially when they are run in such a way to yield little, compared to the effort.

**Funding capacity building programs.** Donors tend to like to fund programs that provide direct help to programs and recipients, leaving the organizations that run those programs starved for the funds they need to improve their own operations. The Sonoma Valley Fund experiment just described was a start, but the need for such programs is much greater. A donor or group of donors could launch a fund or funds to encourage organizations to define their most important organizational needs, and then provide funding for those improvements.

**Funding evaluation.** Judging the impact of the charitable sector's work is a perennial challenge, and it can be expensive. That is why it may make sense for donors and organizations to join together to ask what is working, especially in the largest funding area, youth development. What holds the most promise for accelerating improvement? Where are the key gaps and overlaps? Are there ideas that have been tried in other communities that might be tried here? And what could be discontinued?

**Advocacy, access and support at the county level.** While some local nonprofits are active in countywide programs, particularly those led by the County's very innovative Department of Health Services, Valley leaders and donors should make certain that we are taking full advantage of existing resources, ideas and talent available from larger county nonprofits and county government. At present, the Valley has very little advocacy capacity.

**New cross-organization initiatives.** Sometimes the right approach is to come together to do something no organization can do alone. In Napa County, for instance, the Community Foundation sponsored in-depth research on the immigrant community, and discovered 9,000 people eligible to become citizens. They then raised nearly \$2 million to fund One Napa Valley Initiative, a three-year public-private partnership to create new citizens and a stronger community that is clearly producing impressive results.

Many new solutions are “hidden in plain sight.” Local leaders need to ask new questions, make new connections and take steps to adapt to a changing world.

**Over time, as confidence builds and organizations increasingly engage with one another, some may choose to pursue even more ambitious opportunities, such as looking for ways to combine organizational needs** (such as space, human resource or fundraising) or to deliver services collectively rather than independently. Some organizations might even want to consolidate in more dramatic ways, reducing any duplication or coming together to increase scale and effectiveness. But in the absence of a crisis, donors cannot and should not force this upon organizations, as that usually leads to bad results. Any initiative must come from the organizations themselves in order to have a chance of succeeding.

## DREAMING BIGGER, AND LONGER TERM

In our view, any number of the suggestions we have just put forward could help Sonoma better leverage its assets and begin to act more effectively together on behalf of the community as a whole, rather than focusing solely on single organizations or specific problems in isolation. **Sometimes, though, the best way forward is to think bigger still, taking a long view together. Challenging issues remain challenging because no single organization has responsibility for them.**

Many far-sighted and innovative communities in America are experimenting now with ways to get around this problem. Their efforts—many of which go by the name “collective impact”—find ways to bring leaders together to invest behind common goals, and then measure whether the community reaches those goals (<https://collectiveimpactforum.org>). Organizations find their purpose and role in meeting the overall goal, rather than working in isolation.

Sonoma Valley is fortunate that a group of leaders has been slowly laying the groundwork for just such an effort with the aim “to make Sonoma Valley more healthy, thriving, equitable, and sustainable by 2030.” The effort is called Sustainable Sonoma. So far, its leadership includes the Sonoma Ecology Center, the Sonoma Chamber of Commerce, La Luz and the Sonoma Valley Health Roundtable, but many other local groups have already expressed their support for working on “a shared agenda for action, across the sectors of health care, economic development, social justice, housing, transportation, tourism, land use, recreation, and environmental protection.” The new group is just now launching, and can be contacted at [www.sustainablesonoma.net](http://www.sustainablesonoma.net).

Such an approach to thinking longer term—whether provided by Sustainable Sonoma or someone else—will clearly require funding of a different type than usually provided. It would be more like a larger institution’s capital campaign than ordinary organizational fundraising, and requires visionary philanthropic leadership.

Sonoma Valley Fund has been working for the past decade to get donors to think longer term, with a special focus on legacy gifts made as part of a family’s estate plan. We know of more than 200 families who have made these commitments, and over time, they could make a big difference to Sonoma. We’ve seen at least three very recent legacy gifts to Sonoma Valley nonprofits in excess of \$1 million. This is an important area of philanthropic growth for our community.

In addition, many communities in America have built endowments through community foundations that can be used over time on behalf of the whole community—not just to fund a single organization. These funds can be used to support new experiments, or to respond to emerging needs before any organization exists to do so. At Sonoma Valley Fund we dream of a Fund for the Future—an endowment dedicated to the Valley—that could provide support for years to come. This is no quick fix for the challenges we outline in this report, but over time in an asset-rich community such as this one, it could make a significant difference.

**What we're sure of is that it's important for nonprofits and donors alike to find new ways to get out of the trap of focusing only on the short-term and on individual programs.**

## BUILDING DEEPER UNDERSTANDING

While this study revealed many needs and ideas for action, it also exposed us to many questions that we would love to see explored more deeply than we were able to do at this time. Here are some of them:

**What do our nonprofit leaders think?** We encourage a donor or donors to step up to fund a confidential and professional survey (including interviews) of the Valley's top nonprofit leaders to hear their ideas about what their organizations and the community most need—supplementing all the data in this study with first-hand, direct knowledge.

**What do the Valley's top donors think?** We also believe it would be valuable to have a confidential, professional effort to reach out to those who year after year have already stepped up to meet the Valley's needs. What inspired them to give in the first place? Why do they keep giving, and why do they give to the organizations they give to now? What would cause them to reduce or increase the amount they give? Would they be willing to join together with other donors to do more collective work? Addressing questions such as these on behalf of the community as a whole could help boards and organizations raise their game over time, while helping donors to reflect on the changes taking place here.

**How can second-home owners and new residents best be engaged** in helping to preserve and enhance the community that has attracted them in the first place? Anecdotal evidence, plus the sharp rise in housing prices, suggests that there is a growing supply of talented, well-connected and wealthy people who are either moving here later in life or buying vacation homes. The community needs their help. How to invite them in without overwhelming them? How do we build understanding of the community's needs, and help promote organizations working to meet those needs?

**What else must we learn about our key challenges before we can begin to address them?** Funding could also be well used to extend the research we have begun here. As we suggested earlier, more documentation of environmental issues is needed. Similarly, the Economic Development Board research implicitly raised a number of important questions that deserve to be probed more deeply. What would we learn if we more comprehensively mapped existing Valley services against both existing and new needs, to see where the key gaps and overlaps exist? How can there be an increase in poverty while there is "full employment?" How many of the growing numbers of elderly are poor? What are the most innovative ways to address the housing crisis? Who comprises the growing number of Sonoma Valley residents (families with children, single individuals, elderly, English speakers, etc?)? What are the best projections that exist about future demographic changes? And so on.





“The true  
meaning of life  
is to plant trees,  
under whose  
shade you do not  
expect to sit.”

Sonoma Valley Fund is one small part of this big picture, but we commit to doing everything we can to begin to act on the findings we communicate here. The first step, as we have said, is new conversations. If you or your organization want to discuss these findings and their implications for you, please reach out to us at [info@sonomavalleyfund.org](mailto:info@sonomavalleyfund.org). We are a group of volunteers, but we will do our best to respond.

## CONCLUSION

**We titled this report “Hidden in Plain Sight” for many reasons.** The ultimate one is that we believe many new solutions exist, just waiting for us to get excited about the possibilities and begin to act on them.

We hope that this integrated view of Sonoma Valley’s needs and the charitable sector that serves it will inspire local leaders to ask new questions, make new connections and take steps to adapt to a changing world.

Our polarized national political life can leave a citizen feeling powerless, regardless of station or political persuasion. But whether we are newcomers or long-time residents of this beautiful and historic Valley, we are not powerless here.

Nelson Henderson, a Canadian farmer and writer, is famous for having said: “The true meaning of life is to plant trees, under whose shade you do not expect to sit.”

In Sonoma Valley, we enjoy the many trees—real and metaphorical—planted by the far-sighted people who settled this place, built the Plaza, preserved the open spaces and developed the community institutions that have attracted us all here. Now, individually and together, it is our turn to look ahead, and to do the best we can both for those among us now, and for the generations to come.

# APPENDIX ONE

## HOW THE EDB PROFILE OF SONOMA VALLEY WAS DONE

The Sonoma Valley Community Profile, summarized here, is an Economic Development Board (EDB) Update to the 2011 Sonoma Valley Community Profile, done originally at the request of the Sonoma Valley Fund (SVF) and Community Foundation Sonoma County (CFSC). The Update, which SVF commissioned and paid EDB to do, focuses on demography and provides indicators that focus on the connections between the economy and the community. As noted earlier, one area that is not covered in the report is a comprehensive study of environmental indicators. There is clearly more that can be done and learned about the Valley, but this profile contains a lot of important information.

Wherever possible, to insure the consistency of data comparisons, the same sources were used for the Sonoma Valley Community Profile Update 2016 as those used for the 2011 version of the report. The data for the current report is largely from the U.S. Census 2014, while the 2011 version used data from 2009; however in some cases data was available for 2016. There is usually a lag time of approximately two years from the U.S. Census data collection to the time the data becomes available. In areas such as housing, this lag time means that significant, recent changes in the Valley housing situation may not be fully reflected in the data.

Here is an overview of data sources used and available for further information:

- ▶ The **primary** source of data for the Sonoma Valley Community Profile Update 2016 is the U.S. Census 2010-2014 American Community Survey (ACS) 5-year Estimates.
- ▶ In **Employment**, the California Employment Development Department is the primary data source.
- ▶ In **Education** the California Department of Education Demographics and The California Healthy Kids Survey 2013-2014 are primary sources. This is data submitted to the state from school districts. Additional information on Education can be found on the Sonoma Valley Unified School District web site ([svusdca.org](http://svusdca.org)) and Sonoma Valley Education Foundation ([svgreatschools.org](http://svgreatschools.org)).
- ▶ In **Health** the primary data source is the California Department of Public Health. Additional information can be found in “A Portrait of Sonoma County 2014” by the County of Sonoma Department of Health Services, Sonoma Valley Hospital Community Report 2016 and Sonoma Valley Community Health Center ([svchc.org](http://svchc.org)).
- ▶ For **Housing**, the primary data source is the U.S. Census American Community Survey. Additional information on Housing can be found on the City of Sonoma website ([sonomacity.org](http://sonomacity.org)) in the City of Sonoma 2020 General Plan, Housing Element 2015-2023. La Luz Need’s Assessment ([laluzcenter.org](http://laluzcenter.org)) and Board of Supervisors District 1 Supervisor Susan Gorin (<http://sonomacounty.ca.gov/Board-of-Supervisors/District-1/>) also have pertinent information.

We are grateful to Ben Stone and Sean Werkeman for their partnership with Sonoma Valley Fund and their authorship of the report. We’d also like to thank Jen Lewis of the Sonoma County Health Department and Jennifer Gray of County Supervisor Susan Gorin’s office. Both provided valuable insights and interpretation of the data and helped in the review of both data and prose. Nancy Ramsey, a Sonoma Valley Fund board member, took the lead on working closely with EDB to produce this update.

EDB can be contacted at [edb@sonomacounty.org](mailto:edb@sonomacounty.org) or 707-565-7170.

# APPENDIX TWO

## A CLOSER LOOK AT THE SONOMA VALLEY CHARITABLE SECTOR STUDY

This study largely looked at certain types of nonprofits in Sonoma—called IRS Section 501 (c)(3)s in the tax code, and the most common type of nonprofit. We were able to look most closely at those public charities with revenue over \$50,000, as these organizations can be researched with publicly available data, using the ubiquitous Form 990 and Form 990-EZ. We also did additional research on two large and important Valley charitable organizations who are legally classified in a different way (Sonoma Valley Hospital and Hanna Boys Center).

Sonoma also has many much smaller groups that do many things for the community, such as run festivals and youth sports programs, but there is no straightforward way to document them. Many other types of nonprofits also exist, such as trade associations (e.g., Chamber of Commerce) and private foundations, but these were outside the charitable sector we were studying.

We paid Guidestar, a national nonprofit, to provide digitized records for 2011-2015 for all of the organizations located in the Sonoma Valley zip codes (95442, 95452 and 95476) that filed the full Form 990 with the IRS. Not all organizations located here had filed data for all the years, so the actual number of organizations counted varied from year-to-year. We then entered data by hand from original IRS filings for another 15 organizations too small to be in Guidestar's database but who did file a Form 990 EZ, a much-abbreviated submission. The filings for 2015 are not yet available online for all organizations, so we had to rely on 2014 as our most recent comparison year.

Finally we supplemented our quantitative research by talking to local nonprofit leaders and donors, and also reading regional and national studies.

In analyzing the data, we excluded organizations that happen to be physically located here, but which do not serve Sonoma Valley (e.g. the Snow Leopard Conservancy).

**This study also does NOT create a complete picture of the many ways that local businesses support the nonprofit sector.** If businesses made cash contributions, they show up in the revenues of local nonprofits. However, many businesses provide in-kind gifts—food, wine and other services—which are not always formally valued or counted.

Appendix Three provides our best attempt to list the most relevant public charities serving the Valley. For more detail on how we did the study, see also page 14, ***How Did We Estimate the Size?***, which gives a step-by-step breakdown of the key segments.

The terms “nonprofit” and “charitable” are use interchangeably in the report, as both are technically correct. But we chose the word “charitable” as our primary term, because it helps remind us that the study does NOT count all nonprofits, only public charities.

Sonoma Valley Fund board members Katherine Fulton and Joshua Rymer conducted this study as volunteers. Both were trained as management consultants, and Fulton has extensive experience working with nonprofits nationally. They would like to thank the board of the Sonoma Valley Fund and the staff of the Community Foundation Sonoma County for their input and advice. But any errors of omission or commission are theirs alone.

# APPENDIX THREE

## WHO ARE SONOMA VALLEY'S NONPROFITS?

Creating a list of Sonoma Valley nonprofits requires research and judgment. We are sure that the list we created isn't perfect and look forward to improving it over time. We explained our methodology in Appendix Two and on page 14, in the description of how we estimated the sector's size in the Valley. Here are the names of the organizations.

### Sonoma Valley Nonprofits

These organizations are headquartered in the Valley and predominately serve the Valley (or served the Valley for the years of our research, as a few have ceased operations). **Those marked with an \* are the ones we did not study with Form 990 IRS data.** We believe that there are additional small organizations that operate here, but we were unable to document them.

Artescape	Sonoma Petaluma State Historical Parks Association, Inc.
Arts Guild of Sonoma	Sonoma Plein Air Foundation
Boys & Girls Clubs of Sonoma Valley	Sonoma Valley Academy
BR Cohn Charity Events	Sonoma Valley Chorale*
Crescent Montessori School	Sonoma Valley Film Society
El Verano Parents Clubs	Sonoma Valley High School Boosters*
FAHA Manor, Inc.	Sonoma Valley Historical Society
Finnish American Home Association	Sonoma Valley Hospital*
Flowery Elementary Parent Association	Sonoma Valley Hospital Foundation
Friends of the Sonoma Valley Library	Sonoma Valley Community Health Center
Friends In Sonoma Helping, Inc. (FISH)	Sonoma Valley Education Foundation
Hanna Boys Center*	Sonoma Valley Fund/Community Foundation
Impact100 (Women Giving as One, Inc.)	Sonoma County*
Jack London Foundation	Sonoma Valley Grange*
Kenwood Education Foundation	Sonoma Valley Health and Recreation Association (Sonoma Splash)
La Luz Center	Sonoma Valley Mentoring Alliance
Montessori School of Sonoma	Sonoma Valley Museum of Art
Nuestra Voz	Sonoma Valley Rotary Foundation
Old Adobe Preschool	Sonoma Valley Teen Services
Pet's Lifeline, Inc.	Sonoma Valley Vintners and Growers Foundation
Praxis Peace Institute	Sonoma Valley Woman's Club Foundation*
Prestwood Parent Teacher Organization	Sonoma Valley Youth Soccer, Assoc.*
Quarryhill Botanical Garden	Sweetwater Spectrum
Republic of Thrift	The Presentation School
Sassarini Parent Teacher Organization	Transcendence Theatre Company
Sebastiani Theatre Foundation	Valley of the Moon Children's Foundation*
Seeds of Learning	Valley of the Moon Natural History Association
Sonoma Arts Live	Vintage House
Sonoma Charter School Fundraising, Inc.	Wildlife Fawn Rescue*
Sonoma Classical Music Society*	Willmar Family Grief & Healing Center
Sonoma Community Center	Woodland Star Charter School
Sonoma Ecology Center	Woodland Star Educational Foundation
Sonoma Home Meals, Inc.	
Sonoma League for Historic Preservation	
Sonoma Overnight Support (SOS)	

## Nonprofits Serving Sonoma Valley but Located Elsewhere

The following is a partial list of organizations who operate services/programs in the Valley but also serve a wider geography and do not file their 990's with a Sonoma Valley address/zip code. We did not study these organizations.

4 Paws	Hospice by the Bay, Sonoma and Valley
10,000 Degrees	of the Moon teams
Audubon Canyon Ranch (Bouverie Preserve)	LandPaths
Becoming Independent	On the Move Early Learning Initiative in SV
CASA (Court Appointed Special Advocates)	Redwood Food Bank
Sonoma County	SAY (Sonoma Advocates for Youth, took over Wilmar)
CERES Community Project	Sonoma Land Trust
Child Parent Institute Sonoma County	United Way of the Wine Country
Council on Aging (operates one Meals on Wheels)	Verity Rape Crisis hotline
Habitat for Humanity of Sonoma County	

## Sonoma-Located Organizations that Do Not Serve the Valley Specifically

Data was available for these charitable organizations, but we excluded them from this study because they seemed to neither serve nor raise funds in Sonoma Valley. (And some no longer exist.)

Friends of Turkana, Inc.	National Preservation and Conservation Foundation
Glen Ellen Vocational Academy	Sri Sarveshwari Samooh
Growing Real Opportunities in the Workforce	Snow Leopard Conservancy
Heart Mountain Wyoming Foundation	The Bread Bakers Guild of America
Inquiring Systems, Inc.	Hope of Survivors
Kigali Center Entrepreneurs	Unfettered Mind
Mistwood Center for Education	

## Other Types of Nonprofits Not Studied

**Churches and other spiritual organizations.** We found more than 30, in many faiths, but as religious organizations, they do not have to file with the IRS.

**Quasi-Governmental or Membership/Trade.** This includes Sonoma Valley Chamber of Commerce, Sonoma Visitors Bureau and Volunteer Fire Departments. These organizations play a significant role in the Valley, but are a different type of nonprofit than we studied.

**Fraternal Organizations.** Again, these organizations are a different type of nonprofit. In Sonoma Valley they include Kiwanis, Sonoma Moose Lodge, Masonic, Elks and Rotary. When charitable efforts are separately organized legally, as they are for the Rotary Foundation, we included them in the study.

## ABOUT THE STUDY SPONSORS

Community foundations are a great American invention, existing to catalyze investments from a community on behalf of that community. For more than a century, they have been providing a way for citizens to work together to invest time, energy, and resources to achieve common goals for communities. There are now more than 750 community foundations in the U.S.

Sonoma Valley is served by Community Foundation Sonoma County (CFSC), and its local affiliate Sonoma Valley Fund (SVF).


CFSC was established nearly 35 years ago, and has awarded more than \$160 million in grants since its inception. It serves as Sonoma County's hub of philanthropy, connecting people, ideas and resources to benefit all who live here. CFSC works with donors and their advisors to help them have an impact on the community today, and to create their long-term legacy. It supports a diverse cross-section of effective nonprofits. And it convenes individuals and organizations to stimulate new ideas, foster collaborations and strengthen community philanthropy.

Sonoma Valley Fund is celebrating its 10th anniversary as CFSC's volunteer-led affiliate, with a mission of strengthening the Valley through philanthropy.

This report is our latest effort to contribute to the community. Over the past decade we have:

- Enlisted 20 of the Valley's major nonprofits to join as "Partners" to support the growth of legacy giving;
- Working through Community Foundation Sonoma County and thanks to the generosity of donors, provided more than \$4.5 million in grants, scholarships and donor-advised funds to Valley nonprofit organizations and college-bound students;

- Hosted an annual event ("STAR Volunteer Recognition") recognizing our nonprofit Partners' volunteers, those who are the essential asset driving survival for many;
- Organized and hosted two major community convenings bringing residents together to better understand the challenges we face and identify potential solutions for the future;
- Working with Community Foundation Sonoma County staff, implemented an innovative grant and workshop program for six Valley nonprofits aimed at building each organization's capability to achieve their mission;
- Disseminated a comprehensive, step-by-step step guide for how Valley nonprofits can implement their own, successful legacy giving program; and,
- Sponsored a month-long set of events ("Endow Sonoma Valley Month") with speakers and workshops designed to increase the awareness of planned giving and encourage donors to include Sonoma Valley nonprofits in their estate plans. This set of events led to a dramatic increase in the number of known legacy gifts to Valley nonprofits.



America's nonprofit "sector is a source of deep and positive meaning in our national life. If it were to disappear, we would be less distinctively American.

"The sector enhances our creativity, enlivens our communities, nurtures individual responsibility, stirs life at the grassroots, and reminds us that we were born free. Its vitality is rooted in good soil — civic pride, compassion, a philanthropic tradition, a strong problem-solving impulse, a sense of individual responsibility, and despite what cynics may say, an irrepressible commitment to the great shared task of improving our life together."

**John W. Gardner**

Advisor to six U.S. presidents

Founding chairman of Independent Sector