

## **Why the Inland Empire Matters**

**Remarks by  
Jim Canales  
President and CEO  
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**Community Foundation Advisory Council Meeting  
San Bernardino, CA  
April 1, 2008**

Thank you, Jim, for your kind introduction and for inviting me to speak today to such an esteemed group of community leaders from the Riverside and San Bernardino region. Irvine has been proud to support the work of the Community Foundation, having provided nearly \$3 million in grants in the past decade to help the community foundation serve the people of Riverside and San Bernardino counties.

As many of you know, the Irvine Foundation was established by agricultural pioneer James Irvine to benefit the people of California. While we are a large foundation, with \$1.8 billion in assets and a grantmaking budget of \$81 million this year, we must rely on partners throughout California to carry out our mission. Community foundations have been important allies for us, and the Community Foundation Serving Riverside and San Bernardino Counties has been a valued partner as we have funded projects to support small and midsize arts organizations throughout the region, and an ongoing project to support new low-income students in making successful transitions from high school to post-secondary options. I will be talking about the value of partnership a little later, but let me take a moment now to thank Jim and all of you associated with the community foundation for your partnership with us on these and many other efforts.

I would also like to acknowledge one other person in the audience today. Several years ago, when it became evident to us that we wanted to increase our investments in the Inland Empire, we knew it would be beneficial to have on our board of directors a leader from this community. Our board of 14 is comprised of leaders from different sectors and various regions of California, who together bring a broad understanding of the issues facing California. As we looked to identify a leader from this region, one name kept emerging in our different conversations, and that was Jane Carney. We were therefore delighted when she accepted our invitation to join the board, and we have benefited from her insights, her deep knowledge of this region as well as the broader state, and her understanding of the nonprofit community. Thank you, Jane, for the contributions you make both to our Foundation and to this community.

**Philanthropic needs and opportunities in the Inland Empire**

I want to speak today about the Irvine Foundation's work in this region, both current and future, and why we believe that the ways in which this region accommodates its existing and anticipated growth will be critical to the future of California.

In 2002–2003, the Irvine Foundation engaged in a strategic planning effort to determine how best we could dedicate our limited resources for greatest impact across the state. Needless to say, with a mandate to benefit California, there were many directions we could go, but we wanted the outcome of our planning to be grounded in a deep understanding of the state. As part of our process, therefore, we looked carefully at who the people of California were, what their prospects were, how the demographics were changing, and what all of that might suggest about our grantmaking strategies.

As we researched California's regions, we realized that there were three specific regions that were experiencing significant population growth, that were currently dealing with and would continue to see major demographic shifts, and that were largely underserved by philanthropy in California. These three regions – the San Joaquin Valley, Los Angeles County and the Inland Empire – became priority regions for the Irvine Foundation in 2003.

By identifying these regions as priorities for Irvine, it did not imply that we intended to direct all of our grantmaking to these regions, because we remain a statewide funder. However, it did mean we would devote additional time and resources to these regions than we had in the past and that we would search out opportunities to expand our programmatic investments in these particular regions. Focusing specifically on the Inland Empire it became clear to us that, in many ways, the Inland Empire is a microcosm of California, facing the same challenges that everyone in the state will face, but in a more dramatic fashion. In that context, I'd like to share with you some of the trends and data about the Inland Empire that we found most revealing, and I'd like to point to some new research that is literally "hot off the presses."

With Irvine's support, the Public Policy Institute of California has just completed a report called "The Inland Empire in 2015." This report will be released by PPIC next week, with a series of events planned in the region to share the key findings and implications. As a result, I won't go into extensive detail today, but hope that by providing a preview of some of the findings, I can encourage all of you to participate in the public release next week.

Many of the trends we identified several years ago were confirmed by this recent report. Much of this will be no surprise to you as residents and leaders in this region, but I think the data is noteworthy enough that it's worth discussing:

- First, population growth continues to explode. The Inland Empire has experienced the most significant growth of any region in California over the past two decades. The population in this region has grown from 1.5 million in 1980 to 3.9 million in 2005. The PPIC report suggests that another million residents will be added by 2015, bringing the region to 4.9 million, and other reports have projected a population beyond 8 million residents by 2040.
- Second, major demographic shifts are taking place in the region and across the state. Demographers say that California today mirrors the ethnic makeup of what the rest of the country will look like in 50 years. Twenty-five years ago, the Inland Empire looked like much of the United States, with whites making up nearly three-fourths of the population. Today, there is no ethnic majority in the region. The PPIC report notes that the Latino and Asian population in the region will continue to see rapid growth, with Latinos comprising a majority by about 2015. And yet even as those populations increase, whites will continue to make up nearly half of all registered voters even though they will make up a little more than one-third of the adult population.
- Third, in terms of educational trends, the forthcoming PPIC report notes that there will be slight gains in the number of college graduates but little change in the percentage of adults who have completed high school.
- Fourth, a separate research study that the Irvine Foundation commissioned in 2006 to examine private and community foundation giving in California shows that the Inland Empire received less per capita giving from every type of foundation compared to every other region in the state. Grant dollars per capita were \$16 in the Inland Empire compared to a statewide average of \$102 per capita.

These trends combine to create a unique set of challenges for the region. The PPIC report will recommend a focus on improving educational outcomes and training for lower-skilled workers, namely by improving high school graduation rates. They will also suggest increasing participation in public decision making to help shape the future of the region.

It just so happens that we at Irvine Foundation are working on both of those issues, and we view these challenges as opportunities. It is no secret that the future of California largely depends on how the state will accommodate the explosive growth of the next few decades and that regions like the Inland Empire will be on the front lines of these major changes. When we look at this region, we see opportunity to influence positively the future of the Golden State:

- We see the opportunity to model for the state how a region manages growth and expansion in a reasonable and sustainable way;
- We see the opportunity for a region with a significant number of young people to be successful in preparing those youth for higher education and the workforce;

- We see the opportunity to tap the economic potential of this region in a way that benefits all, and not just some, residents.

### **Irvine's focus on the Inland Empire**

So, the new data from PPIC confirms that the Irvine Foundation's focus on the region is warranted, so let me share a few highlights of how we plan to maintain and build upon that commitment going forward.

As a reminder, Irvine has three programmatic areas of focus:

- Arts, which seeks to promote a vibrant and inclusive artistic and cultural environment in California.
- Youth, which strives to increase the number of low-income youth in California who complete high school on time and attain a postsecondary credential by the age of 25.
- And California Perspectives, which aims to improve decision making on significant state issues by informing public understanding, promoting broader civic participation and encouraging more effective state governance.

Let me provide a few examples of some of the work we have funded in this region in the past few years. Through our Arts Regional Initiative in 2006, we provided more than \$4 million in grants to 12 arts institutions in the Inland Empire and Orange and San Diego counties to enhance their infrastructure and create long-term plans to bring quality art to more diverse audiences. Grantees in the Inland Empire include the Redlands Symphony Orchestra, the Riverside Art Museum, and the San Bernardino Symphony, among others. Already we've seen significant efforts on the part of these organizations to strengthen and diversify their boards and engage new audiences. We hope to report additional success over the next year or two of the Arts Regional Initiative, which has since expanded to the Central Valley and later this year will expand to the Central Coast.

Our efforts to improve the educational outcomes for youth throughout the state have extended into the Inland Empire in a number of different ways, including through our support of academically rigorous career and technical education, which I will discuss a little later. We have also directly funded the Community Foundation for an expansion of the number of science, technology, engineering and math-related secondary programs available for underrepresented San Bernardino County high school students. These programs seek to increase high school retention and completion rates, and increase enrollment in postsecondary programs and readiness for related high-wage, high-growth careers.

Within our California Perspectives program, we have seen noteworthy gains in voter turnout rates in Riverside and San Bernardino counties thanks to the efforts of one of our grantee-partners, the Center for Community Action and Environmental Justice, which participates in Irvine's California Votes Initiative. As part of a new grant, the Center is

conducting outreach to 17,000 voters within targeted communities in both counties through door-to-door outreach, mailers, phone calls and community activities, such as congregation-based voter forums. We hope to hear similar success stories after the conclusion of this busy election year.

**How Irvine will expand its efforts in the Inland Empire**

Now I would like to turn to our future plans. Our grantmaking will expand in the Inland Empire in a number of ways this year and beyond. Later in 2008, we will launch the College and Career Connections Fund to support community-based organizations in the Inland Empire that help low-income youth who have dropped out of high school to reconnect to pathways that prepare them for a variety of career and postsecondary options. The fund will support small to midsize community-based organizations that have demonstrated experience engaging youth who are not currently enrolled in a formal educational program.

We also plan to expand to the Inland Empire the Families Improving Education Initiative, through a competitive grant process, to support organizations that help families, particularly those in low-income, ethnic and immigrant communities, become involved in policymaking concerning their local schools. The initiative currently supports five organizations in the San Joaquin Valley, and organizations in the Inland Empire will be invited to apply for funding beginning this fall.

Each of these efforts acknowledges that while we at Irvine have increased our grantmaking to the region in the past few years, there is much more to be done. We will continue to identify ways to deepen our investments, but it is also our hope that by supporting research, as we did with the philanthropy study in 2006 and with the PPIC study to be released next week, we can help others in philanthropy to understand the urgent needs in this region and to appreciate the benefits of expanding their investments here.

**Building Community Partnerships Through ConnectEd and California Forward**

Before concluding with a description of two other Irvine initiatives that I believe are relevant for our work here, I'd like to say a few words about the unique role of philanthropy. When I think about the work of organized philanthropy, I often return to the theme of humility. At the Irvine Foundation, we are enormously privileged to be the stewards of significant philanthropic resources and to be given the responsibility to apply those resources to expand opportunity for the people of California.

While humility is an honorable trait regardless of your industry, those of us in philanthropy have a particular reason to be humble. Our mission is to have a positive impact on the quality of life of Californians, yet the only way we can achieve that mission is through the hard work and successes of our grantee-partners. If foundations have a positive impact, we have it because of our grantees. We can spend all the time we want soliciting, analyzing and funding grant proposals, but ultimately, the real work, where the dollars create impact, is done by our grantee-partners.

Therefore, if we want to stay true to our philanthropic responsibilities, it is our job in philanthropy to do what we can to help our grantees to succeed. But it is more than our responsibility. For the work that we support in the nonprofit sector to be successful, it also requires the active engagement and support of the public and private sectors. In our increasingly complicated world, it is only through partnership — working together to solve common problems bringing the various resources we all have to bear on those problems — that we will be able to improve people's lives.

Here are two examples of such partnerships in which we are engaged, which we are persuaded will have beneficial effects for all of you in this community.

In March 2006, Irvine established ConnectEd: The California Center for College and Career to revitalize and strengthen career and technical education throughout the state. ConnectEd is showing that we can better prepare high school students for success in college and careers by providing academically rigorous classes that are relevant to their future.

ConnectEd has established model programs throughout California, including the Project Lead the Way Pre-Engineering Program at Barstow High School. The program consists of a four-year series of courses that dovetail with traditional mathematics and science topics and emphasize hands-on projects focused on engineering. Through this program, students are being exposed to the field of engineering, architecture and other technology related areas.

The program in Barstow and other programs like it across the state can only thrive with community partnership. Local businesses and industry sectors can provide the work-based learning opportunities that bring classroom work to life, and help students make the connection between their studies today and their careers tomorrow. Community leaders and parents can advocate for more funding and support for academically rigorous classes that prepare students for success in college and career.

There is a lot of negative coverage about our schools, and indeed, much needs to be done to reduce the dropout rates and prepare the next generation for success, but we think ConnectEd has identified a successful approach and I encourage you to learn more about this work and find ways to promote this strategy as one solution to the challenges that confront our educational system.

The second initiative I'd like to describe was just announced last week in Sacramento. With support from five major private foundations in California, including the Irvine Foundation, a new organization called California Forward was launched. California Forward hopes to chart a new path to more effective state governance and fiscal policy. Through nonpartisan policy analysis, public dialogue throughout the state, and pursuit of sensible governance and fiscal reforms, California Forward aims to solve the electoral, fiscal and management problems undermining public trust and government performance.

By working on our state budgeting process, redistricting and other governance reform measures, California Forward hopes to give Californians a stronger voice in making government responsive and accountable.

California Forward is certainly not the first organization to attempt to make democracy work better in California, but we believe California Forward has a real chance to succeed because of its commitment to partnership, including reaching across ideological lines that often lead to partisan gridlock. With a bipartisan leadership council, chaired by former Congressman Leon Panetta and the CEO of the Automobile Club of Southern California, Tom McKernan, California Forward intends to focus on action and change, not issuing reports and recommendations. Rather than sitting in Sacramento and releasing reports into the political echo chamber, they will listen to community leaders across the state to understand the impact of political gridlock and fiscal mismanagement. Core to their approach will be the creation of a genuine statewide conversation about how to make government more responsive. They will be listening to and learning from community leaders like you, and I encourage you to find those opportunities to engage with California Forward.

These two organizations are tackling two of the most important challenges in the state, and both enjoy the advantages of substantial philanthropic resources from Irvine and others. Yet their success will be dependent on engaging citizens and leaders such as yourselves in their efforts. Foundations like ours can only do so much, we realize, but in these two cases, we are optimistic that we are on the right track and we invite your engagement in these efforts.

Across all our work, and I would venture to guess this applies to much of the community work you are engaged in, the path to a brighter future is paved by successful partnerships among a diverse group of community leaders, nonprofits, philanthropy, and of course, the people of the region. Partnership — common action towards a common goal — is a powerful force that can overcome the many obstacles and challenges that we will face as we seek to expand opportunity and improve the quality of life in our communities and across California.

Let me conclude with a final thought: While we all may have different positions and roles in our community, we are bound together by our commitment to service and our desire to make the Inland Empire and all of California a better place in ways small and large. There is great power in that collective aspiration, and I would urge all of us to ensure we devote the time, as we are doing today, to take a step back from the day-to-day realities of our work and to consider how we can learn, how we can improve, and how we can come together with others who share our aspiration to make a greater difference. In that spirit, I leave you with the following:

In 1966, the late Robert Kennedy delivered an address to a group of young people in South Africa on their Day of Affirmation. I conclude with his words, which remain as relevant today as they were more than 40 years ago:

The future does not belong to those who are content with today, apathetic toward common problems and their fellow man alike, timid and fearful in the face of new ideas and bold projects. Rather it will belong to those who can blend vision, reason and courage in a personal commitment to the ideals and great enterprises of American Society. Our future may lie beyond our vision, but it is not completely beyond our control. It is the shaping impulse of America that neither fate nor nature nor the irresistible tides of history, but the work of our own hands, matched to reason and principle that will determine our destiny. There is pride in that, even arrogance, but there is also experience and truth. In any event, it is the only way we can live.

I look forward to our ongoing work together for the people of the Inland Empire and the future of the Golden State. Thank you for your kind attention.