

2021 GRANTMAKING PORTFOLIO REVIEW



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STATE OF OUR
STATE:
A YEAR LIKE
NO OTHER



STATE OF OUR STATE

IRVINE'S NORTH STAR

A California where all low-income workers have the power to advance economically.

STATE OF OUR STATE: A YEAR LIKE NO OTHER

2020 began with the California economy particularly strong, including a budget surplus. By March, the world had changed.

A global pandemic has wrought havoc on the lives of millions of Californians' health and economic well-being. Longstanding, systemic inequities that have plagued our state and nation for centuries became even more evident. A recession created record layoffs and business closures, disproportionately affecting low-income workers and people of color. At the same time, the wealthy continue to make record profits, further exacerbating inequities. Making matters worse, ongoing displays of hate and racial injustice fueled by political partisanship continue to cause pain and destruction.

All this has reaffirmed the importance of our **North Star**. We have deep concern about the impact on and prospects for California's lowest earners, making us more committed to our goal. And we remain hopeful as more individuals receive the COVID-19 vaccine, the Biden administration launches, and opportunities increase to come together to rebuild with greater equity for all.

In this section, we look at the "state of our state" to provide important context as we reflect on our previous year's work and look forward. Starting this year, we have chosen a set of indicators to regularly track. These indicators represent three important, inter-related dimensions of our **North Star**: **economic security**, **job quality**, and **worker power**.

We will complement these indicators with other data that focus on relevant new research, more in-depth areas of focus, and notable changes in context. In 2021, we highlight the impact of COVID-19 on the health of Californians and the state's economy.

Shining the Light on Disparities

To better understand disparities, we analyzed all reported data by available demographics including race/ethnicity, gender, age, income, region, and/or employment status. We highlight demographic differences of approximately 10 percent or more.

An interactive North Star info graphic allows for further examination of data by each demographic (click link [here](#)).

Workers can afford basic needs and are resilient against unanticipated financial hardships.

Workers have access to employment opportunities that offer a living wage, stable job, opportunities for growth and advancement, and benefits that support health and well-being.



Workers have influence over decisions that impact their lives and are represented in related decision-making bodies.



ECONOMIC SECURITY

Workers can afford basic needs and are resilient against unanticipated financial hardships.

A California where all low-income workers have the power to advance economically

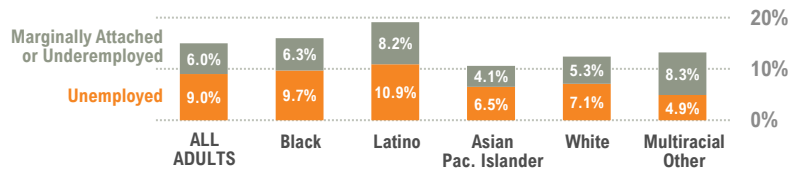


Many Californians are struggling, unemployment is high, making ends meet can be difficult, and housing costs remain high.

Across economic security indicators, challenges are particularly high for younger adults, Black, and Latino Californians. Not surprisingly, those with lower incomes and part-time work face greater challenges compared to those with higher incomes and full-time work.

EMPLOYMENT

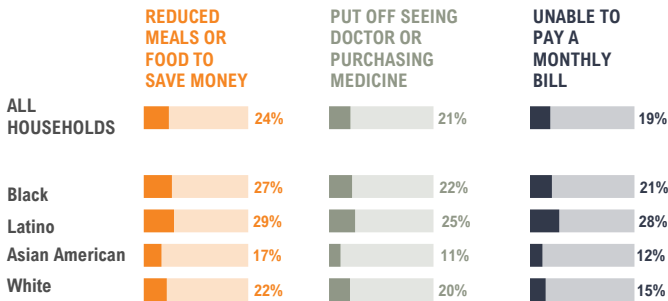
California ranks 45th with high unemployment, which does not include individuals marginally attached to the labor force or underemployed. At 9%, California's official unemployment rate is higher than that of the nation overall (6.7%) as of December 2020. Accounting for underemployed and marginally attached workers, the share increases to 15%, compared to 11.7% nationally.^{1,2}



Note: "Underemployed" includes persons who want and are available for full-time work but have had to settle for a part-time schedule. "Marginally attached" includes persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the past 12 months.

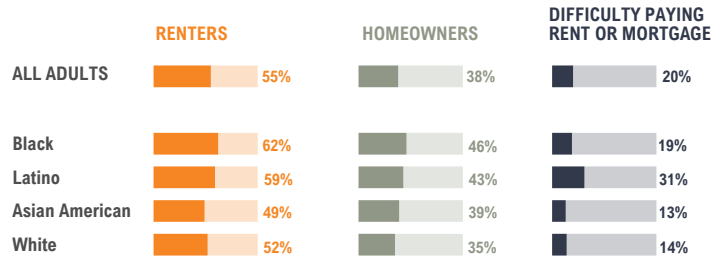
MAKING ENDS MEET

Many households experience challenges making ends meet, with difficult decisions about purchasing food and medicine, seeing a doctor, and paying bills.³



HOUSING BURDEN

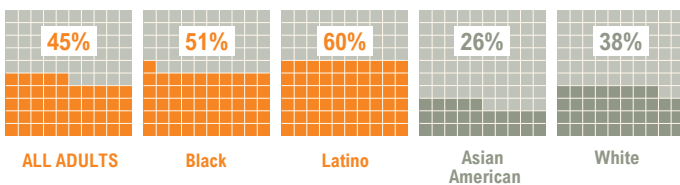
More than half of renters and one-third of homeowners are housing-burdened, spending more than 30% of their income on rent or mortgage.^{3,4}



Note: The U.S. Department of Housing and Urban Development defines cost-burdened families as those "who pay more than 30 percent of their income for housing" and "may have difficulty affording necessities such as food, clothing, transportation, and medical care." Asian American does not include Native Hawaiian and Pacific Islander which are at: 50% (renters) and 42% (homeowners).

FINANCIAL RESILIENCE

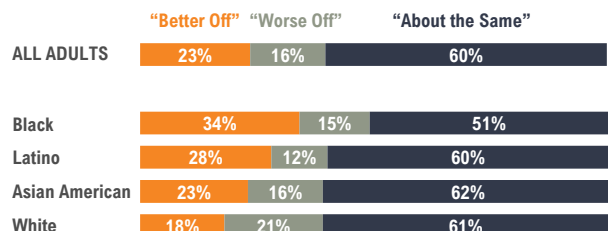
Nearly half of Californians would have difficulty affording a \$1,000 emergency expense, particularly Latino and Black Californians.³



Note: This includes survey respondents who chose "somewhat difficult," "very difficult," and "nearly impossible." It excludes those who chose "not too difficult" or "don't know."

FINANCIAL OPTIMISM

Nearly one in four Californians anticipate their personal finances to be better off in a year. While Blacks and Latinos report great challenges with economic security relative to Whites and Asian Americans, they are optimistic about their finances improving.³



¹ Bureau of Labor Statistics (December 2020)

² Public Policy Institute of California calculations from the Census Current Population Survey (October – December 2020)

³ Public Policy Institute of California (December 2020)

⁴ Census American Communities Survey (2018)

A California where all low-income workers have the power to advance economically



JOB QUALITY

Workers have access to employment opportunities that offer a living wage, job stability, opportunities for growth and advancement, and benefits that support health and well-being.

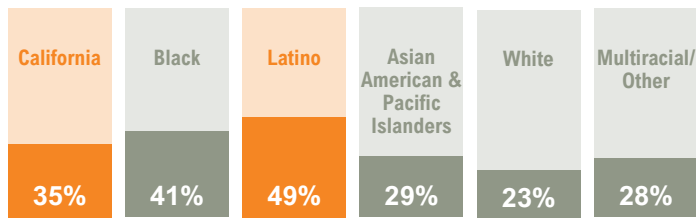
About two-thirds of California households make a living wage, with the majority of California workers reporting good job quality as defined by: job stability, access to benefits, and advancement opportunities.

Latino workers have the least access to quality jobs, while Black workers report similar, and at times higher, job quality compared to White and Asian American workers. Those with full-time jobs report better job quality than part-time workers.

HOUSEHOLD INCOME



More than one-third of California households, and nearly one-half of Latino households, are living at or near poverty.¹

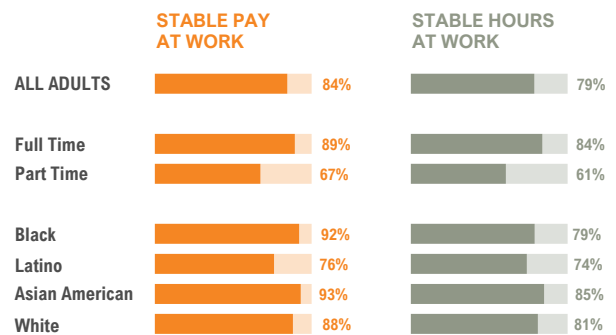


Note: "At or near poverty" is defined as 150% of the California Poverty Measure, which corresponds to approximately 250% of Federal Poverty Guidelines. This translates to a household of four with an average income of \$51,927. Adjusted by region, this ranges from \$41,169 for a household of four in Central Valley-Northern Valley to \$61,068 in the Bay Area. (See more on the California Poverty Measure [here](#).)

JOB STABILITY



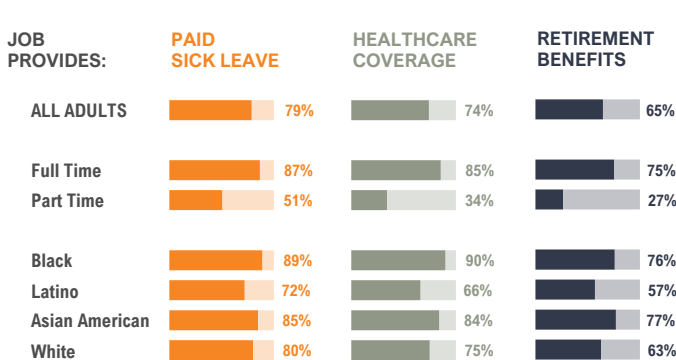
Many Californians report stable pay and hours at work, particularly those with full time employment.²



JOB BENEFITS



Californians' access to paid sick leave, healthcare coverage, and retirement benefits through their employers varies substantially. Those with less access to these benefits tend to be Latino, White, or those working part-time. These benefits tend to be most prevalent in the San Francisco Bay Area and Central Valley (not shown).²

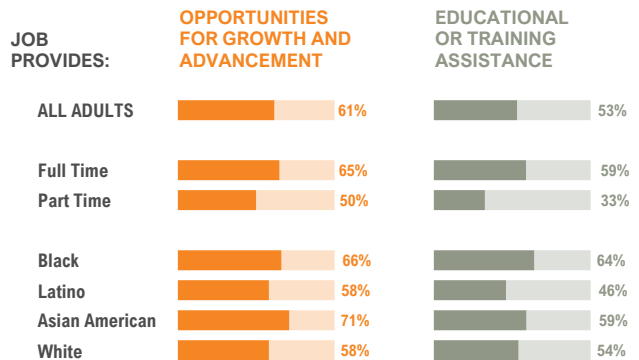


Note: The Census American Communities Survey includes data on healthcare coverage broadly, not just employer-sponsored coverage. This data reveals a much higher rate of coverage for Latinos (95%) and Whites (87%), suggesting many are purchasing coverage on their own. Estimated healthcare coverage for Blacks and Asian Americans (both 88%) are similar to the above.

OPPORTUNITIES FOR ADVANCEMENT



Compared to other benefits, advancement opportunities and educational/training assistance are relatively less accessible for California workers. Those in the San Francisco Bay Area are about 30% more likely to have access to educational or training assistance through their jobs as compared to other regions (not shown).²



¹ California Poverty Measure (2018)

² Public Policy Institute of California (December 2020)



WORKER POWER

Workers have influence over decisions that impact their lives and are represented in related decision-making bodies.

A California where all low-income workers have the power to advance economically

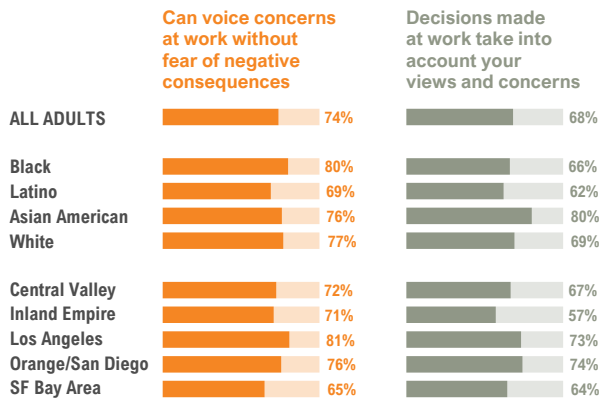


Californians agree on the importance of voting and of organizing so that employers do not take advantage of workers.

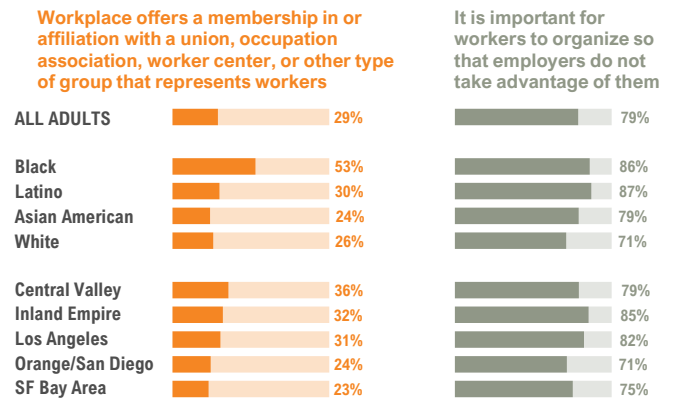
Meanwhile, only about half of Californians feel they can trust the state government on jobs and the economy, and about one-third of workers have a formal way to organize around their workplace concerns and rights.

WORKER VOICE

Three-quarters of California workers feel they can voice concerns at work without fear of negative consequences; fewer report that decisions take their views and concerns into account. Workers in the San Francisco Bay Area rate lower on both.¹



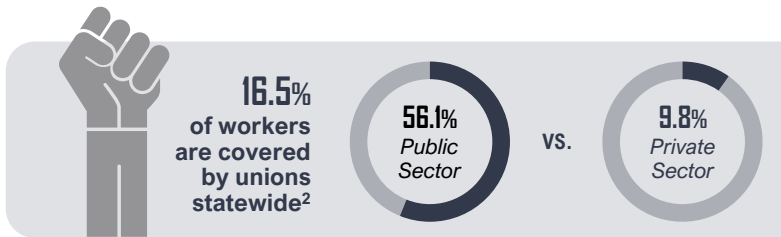
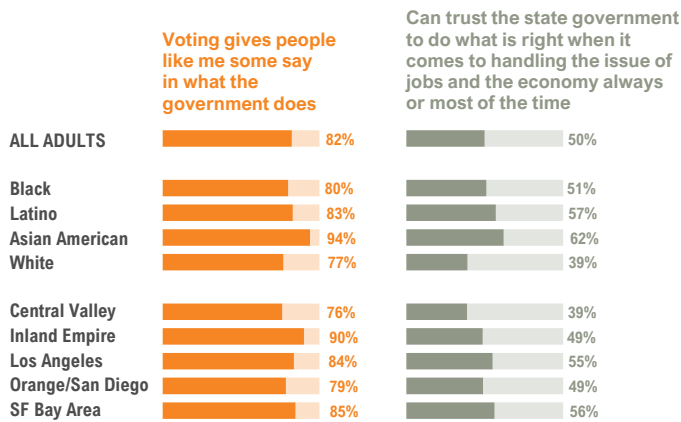
Most Californians (79%) feel it is important for workers to organize so that employers do not take advantage of them. This contrasts with approximately one quarter of Californian workers (29%) who report having workplaces that offer formal venues for worker representation.¹



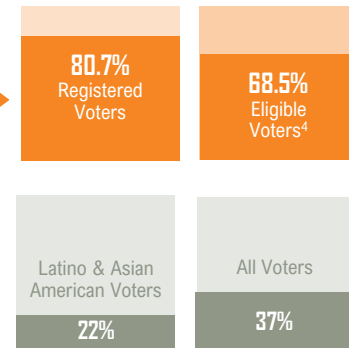
Note: The graph on the right includes survey respondents who chose "completely agree" and "somewhat agree." It excludes those who chose "somewhat disagree" or "completely disagree."

VOTING AND REPRESENTATION

Most Californians (82%) agree that voting is important in having some say in what the government does. Yet only half feel they can trust the state government to do what is right on the issue of jobs and the economy always or most of the time.¹



A record 80.7% of registered California voters cast a ballot last November, with wide ranges by county of 67.7-90.5%.³



Historically, Latino and Asian American Californians are less likely to vote or register to vote. Only 22% voted in the 2020 primary elections.⁵

More youth have been voting in recent years, particularly in the 2016 and 2020 presidential primaries.⁵

Notes: (1) For the question on voting, survey respondents could identify "completely agree," "somewhat agree," "somewhat disagree," "completely disagree," or "don't know." (2) For the question on trust, survey respondents could identify "just about always," "most of the time," "only some of the time," or "don't know."

¹ Public Policy Institute of California (December 2020)

² Union Membership and Coverage Database from the Current Population Survey, available at UnionStats.com (2019)

³ California Secretary of State

⁴ United States Election Project, <http://www.electproject.org/2020g>

⁵ USC Center for Inclusive Democracy

STATE OF OUR STATE

California Voices on Health and Safety

- **About one out of three Californians (31 percent) are very worried that they or someone in their family will get sick from COVID-19.** Levels of worry are highest among lower-income adults, Latinos, and those with children in the household.
- **Half of Californians (50 percent) feel that worry or stress related to COVID-19 has had a negative impact on their mental health;** the highest percentages are among young adults ages 18-34.
- **84 percent of Californians say that their employer cares about their health and safety at work as it relates to COVID-19.**
- **About half of adults (47 percent) report that they or someone in their household has been working remotely due to COVID-19.** Working at home increases with income.

Source: Public Policy Institute of California (December 2020)

IMPACT OF COVID-19

The pandemic has brought on an economic and health crisis that has exacerbated existing structural inequities for low-income people of color throughout California. Below we share highlights from our ongoing [COVID-19-related research](#).

Health Impact

Since an initial peak in July and August 2020, daily positive COVID-19 cases and deaths in the state have increased 2.5 times as new COVID-19 variants spread and vaccination progress remains slow.¹

- Latinos and Native Hawaiian/Pacific Islanders continue to be overrepresented in COVID-19 cases, and Blacks, Latinos, and Native Hawaiian/Pacific Islanders continue to be overrepresented in COVID-19 deaths relative to their share of the population.²
- Los Angeles continues to have the most cases and deaths by far of any single county in California, while Imperial County remains the highest per capita county for cases and deaths.¹
- As vaccinations began at the end of 2020 and beginning of 2021, California was performing below the national average, ranking 24th out of 51 in administering the first dose of the vaccine. Within California, vaccination rates have varied, with Priority Community counties ranking 39th-43rd out of 58 counties by doses administered per 100,000 residents.³

Sources:

(1) New York Times. [California Coronavirus Map and Count](#).

(2) California Department of Public Health, [COVID-19 Race and Ethnicity Data](#).

(3) National Public Radio. [How is the COVID-19 Vaccination Campaign Going in Your State?](#) Irvine's Priority Communities include Riverside, San Bernardino, Fresno, Salinas, and Stockton.

Data last updated on February 3, 2021.

STATE OF OUR STATE

California Voices on Economic Well-Being

- **Two-thirds of Californians are very worried (27 percent) or somewhat worried (38 percent) that COVID-19 will have a negative impact on the personal finances of themselves and their family.** Worry is higher among Latinos, lower income adults, and those with children in the home.
- **A quarter of Californians report being laid off or losing their job due to COVID-19.**
- **Over one-third of Californians (38%) report they or someone in their household has had work hours reduced or pay cut.** This is more frequent for Latinos, younger adults, part-time workers, and those with lower incomes.

Source: Public Policy Institute of California (December 2020)

Economic Impact

Throughout 2020, the pandemic disproportionately impacted the economic well-being of low-wage workers, Blacks and Latinos, women, and those living in Los Angeles County.

- California families with the lowest incomes continued to see the highest rates of unemployment, underemployment, and marginally attached workers even as unemployment rates fell by the end of 2020.¹
- Black and Latino workers nationally had higher unemployment rates relative to Asian American and White workers before the crisis, at the peak of unemployment during the crisis, and continuing to today.²
- Nationally, women ended 2020 with 5.4 million fewer jobs than they had in February, before the pandemic began. Meanwhile, men lost 4.4 million jobs over that same time period.³
- Due to its size, Los Angeles County saw the highest absolute number of unemployed workers but also exceeded the state average in its unemployment rate.⁴

Industries employing many low-wage workers - Retail, Accommodations, and Food Services - saw some of the most drastic employment losses.⁴

- Across highly impacted industries, undocumented workers made up a large share of workers, particularly in Agriculture, Accommodations, and Food Services.⁵
- Small businesses also took a hit nationally across industries, and Black small businesses in particular saw massive closures from February to April, with over 40 percent of Black-owned small businesses closing.⁶

LOOKING AHEAD

While these data provide important context of the state of our state, we remember that they represent millions of Californians who struggle to provide for themselves and their families. While the data highlight areas of great concern, we also see hopeful signs around job quality, a record election turnout, most individuals thinking their vote makes a difference, and high support for worker organizing to ensure workplace protections. We are heartened about greater attention to inequities, opportunities to think about work differently, and industries that promise job growth. As we reflect on our current work and make decisions about our path ahead, we keep the voices and stories of low-income Californians at the forefront and remain committed to partner with others to move closer to a state where all Californians thrive.

Sources:

- (1) PPIC. [Income Inequality and Economic Opportunity in California](#). Marginally attached defined as not looking for work though they would like to work.
- (2) [Federal Reserve Bank of St. Louis](#). National data, not CA-specific.
- (3) [National Women's Law Center](#). National data, not CA-specific.
- (4) Employment Development Department of CA.
- (5) [California Budget Center](#).
- (6) Institute of Labor Economics. [Impact of COVID-19 on Small Business Owners](#). National data, not CA-specific. Data last updated on February 3, 2021.

IRVINE'S APPROACH



CHARTING THE NEXT FIVE YEARS AFTER FIVE YEARS OF A NEW DIRECTION

It has been five years since the Foundation announced a change of focus and structure. In that time, we have developed and implemented a new strategy, built an almost entirely new team and board, and engaged new partners and grantees. All this has grown our knowledge of and relationships in spaces we believe are key to achieving our objectives, and we are in a strong position to impact the efforts of grantees and public and private sector partners committed to creating better jobs and more inclusive economies.

Driving this work are our organizational values — **accountability, curiosity, empathy, equity, nimbleness, partnership, and transparency** — and the belief that we cannot do this alone. We need the expertise, resources, and reach that our grantees and other partners, across sectors, provide to have transformational impact for working Californians.

Five years in, we have the opportunity now to chart a course for the next five years. **How can we use our resources and momentum to help California emerge from the pandemic and recession stronger and more equitable?**

This section includes updates and/or insights related to our:

- Model, focus, and strategic anchors
- Tracking progress on our initiatives
- Potential initiatives
- Responding in an unprecedented year
- Listening to workers and grantees
- Partnership efforts

OUR MODEL AND GRANTMAKING PORTFOLIO

The following are the [strategic anchors](#) for our approach:

- A singular goal unites our work: a California where all low-income workers have the power to advance economically.
- We seek impact on individual, community, and statewide levels.
- Our initiatives have specific outcomes, timelines, and resources.
- We develop and adjust initiatives by learning from others.
- Each initiative invests in core grantees to achieve impact.
- We seek public and corporate policy change by investing in grantees' objectives.

Grantmaking in the portfolio

Each initiative makes multiyear, flexible investments to a select number of organizations that provide direct service or critical supports to achieve the initiatives' target outcomes. We also work with these core grantees to identify other supportive areas of research, strategic communication, and innovation that could help core grantees – and the field writ large.

Irvine's grantmaking portfolio also includes smaller, targeted investments that complement our initiatives and advance our goals for a more equitable California. This includes several sets of investments, including research, media, advocacy, civic engagement, immigrant rights, and cross-sector partnerships.

The grantmaking portfolio also includes the annual James Irvine Foundation Leadership Awards to honor innovative Californians working to solve some of the state's biggest challenges. We cancelled the Awards cycle for 2021 because of the pandemic but are soliciting nominations now for 2022 recipients.

CURRENT INITIATIVES

Much has changed in the world since the board, in December 2017, approved the first two initiatives under Irvine's new focus. The COVID-19 pandemic replaced a tight labor market with unemployment rates not seen since the Great Depression, and worker protections and organizing face new obstacles, overshadowed by the priority of simply surviving economically.

The health pandemic and resulting economic crisis have been compounded by persistent racial injustice, violence, and threats to Black Americans, immigrants, and Asian American and Pacific Islanders. And the normalizing and politicizing of White nationalism and extremism will continue to threaten our grantees and the workers they serve.

In the face of this, grantees have been resilient, responsive, and innovative. The board learned about grantee efforts and the progress of Better Careers and Fair Work as part of the December 2020 deep dives into each initiative – and reaffirmed the two-year budgets for each.

The board also approved, in March 2020, our third multiyear initiative: Priority Communities. You can read about all three initiatives on the following pages.

IRVINE'S APPROACH

What We've Learned

- Thousands of low-income Californians have gained access to middle-skill, middle-wage jobs through career pathway programs, and those programs are pivoting to meet the challenges of COVID-19.
- Grantees have effectively partnered with employers, far exceeding expectations, including using strategies to recognize high-road employers.
- Integrating an equity-based, industry-focused approach to engage employers can leverage industries that will remain stable or grow despite the pandemic.
- Innovative grantee efforts to explore new models are increasing workers' skills and opportunities for advancement – and offer promise for the growth and sustainability of workforce development programs.

CURRENT INITIATIVES (cont'd)

Better Careers

Better Careers supports efforts to:

- Prepare Californians in low-wage jobs and jobseekers for middle-skill, middle-wage careers
- Connect employers to more diverse talent
- Improve public policies and workforce development systems that are barriers – or doorways – for individuals seeking opportunities

As of December 2020, the initiative has spent **\$51.8 million of its \$110.8 million budget** via 36 grantees focused on **career pathways, employer engagement, and the workforce development field.**

In the first three years, Irvine has learned several lessons (see sidebar) that have led to the following implications:

- 1 Pivot from tracking employer engagement as a separate strategy, since data shows that successful career pathways grantees integrate employer engagement in all aspects of their programs and meet the needs of employers, workers, and jobseekers.
- 2 Integrate an industry-focused approach based on grantee successes in manufacturing, healthcare, construction, and/or information and communications technology (though we will continue to support grantees succeeding in other industries).
- 3 Center racial and gender equity in our industry-focused work, including learning from grantees grounded in their experiences.
- 4 Greater focus on quality jobs and connections across career pathways, including support for collective learning and advancing measurement efforts.
- 5 Maintain flexibility and support grantees through COVID-19, including their adjustments and innovations for workers who need to “start over” due to layoffs, closures, and increased competition for jobs.

Read more about the initiative's deep dive on its first three years [here](#).

IRVINE'S APPROACH

What We've Learned

- The Strategic Enforcement Partnership has proven effective, with the largest cases in the state's history and more than \$17 million returned to workers since 2018. COVID-19 has made health and safety an enforcement priority.
- Core investments have enabled grantees to engage workers in multiple ways and advance policy wins at the industry, local, and state levels. The emergency response to COVID-19 and advancing state policy to protect workers placed added demands on the workers rights ecosystem.
- Workers rights organizations made notable progress on several shared agendas, including advancing equity in the state workforce system, expanding worker engagement in Black and rural communities, and arriving at consensus on the need for a talent pipeline into the field.
- The pandemic also catalyzed collective work among grantees focused on policy and shifting narratives.

CURRENT INITIATIVES (cont'd)

Fair Work

Fair Work supports:

- Collaboration between public labor enforcement agencies, worker, and legal aid organizations to address wage theft and ensure workers receive their full wages due
- Multiyear grants to worker organizations that engage, support, and mobilize low-wage workers, informing them of their legal rights and elevating their voices to inform policy change
- Collaboration and innovation within the workers rights ecosystem in California, including helping organizations employ research, effective revenue models, and policy advocacy as a network

As of December 2020, the initiative has spent **\$43.5 million of its \$89.6 million budget** via 51 grants focused on **wage enforcement, worker engagement, and building strong, sustainable nonprofits.**

In the first three years, Irvine has learned several lessons (see sidebar) that have led to the following implications:

- 1 In light of COVID-19, engage partners to assist with strategic planning and new innovations that protect workers. One example is Los Angeles County's public health councils initiative.
- 2 Sustaining organizational gains remains critical, including continued multiyear, core support and technical assistance to expand online engagement of workers. Public sector and community-labor partnerships also play an important role in maintaining worker protections regionally and statewide.
- 3 Assess and support innovations and policy solutions addressing workforce equity, efforts to strengthen the talent pipeline for worker organizations, and work to develop a collective policy agency that centers the needs of workers across regions and industries.

Read more about the initiative's deep dive on its first three years [here](#).

IRVINE'S APPROACH

What We've Learned

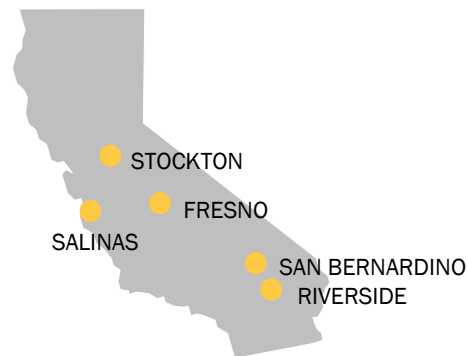
- It is necessary to balance urgent community needs due to the fallout of COVID-19 with the longer-term vision and work for an inclusive economy.
- A groundswell of support for racial justice underscores the need to center racial equity in economic development to create an inclusive economy and address the consequences of deep-rooted inequities.
- Building an inclusive economy requires collaboration with numerous community stakeholders. Strengthening capacity of partners, networks, and ecosystems is vital.
- Intermediaries and community organizations need support to lead and participate in inclusive economic development, including building their networks, investing in research and analysis of community-level economic data, and continuing to bring community partners together for peer learning.
- The team is learning about the context and issues that will influence the “future of work” (e.g., automation, climate change, and public policy) and exploring which community advocacy organizations are best positioned to represent and communicate economic policy change in the interest of residents in low-income jobs.

CURRENT INITIATIVES (cont'd)

Priority Communities

In March 2020, the board approved a seven-year \$135 million initiative to build on 15 years of Irvine investment in inland California. [Priority Communities](#) supports efforts in Fresno, Salinas, Riverside, San Bernardino, and, eventually, Stockton to:

- Create more good jobs that offer a family-sustaining wage, benefits, and opportunities to low-wage workers to advance economically
- Ensure more low-wage workers obtain good jobs and the training to land them
- Support effective, community-based approaches to increase the spread of good jobs
- Leverage Irvine's dollars to bring in more public, private, and philanthropic investments



As of December 2020, the initiative has spent **\$28 million of its \$135 million budget** to support local efforts to **create good jobs** (such as local economic planning tables, building organizational capacity to ensure community participation, and investing in entrepreneurship) and for local workforce training, research, and narrative change.

In the first year, Irvine has learned several lessons (see sidebar) that have led to the following implications:

- 1 The initiative provided cash-assistance grants to individuals disproportionately impacted by COVID-19 and to small businesses, especially those owned by people of color and immigrants.
- 2 The team is exploring how to develop more targeted, population-specific strategies for greater impact for communities of color.

POTENTIAL INITIATIVES

Housing

Before the pandemic, working Californians spent, on average, more than 30 percent of their paychecks on housing. What was unsustainable and inequitable during a growing economy now is even more dire, as millions face eviction because of coronavirus-related layoffs, furloughs, and reduced hours.

For example, [a report by the Economic Roundtable](#) predicted that 131,400 Californians of working age could face homelessness this year, if there is no intervention.

In 2018, Irvine began exploring how our investments could address California's housing crisis. We have since made more than [\\$9 million in grants](#) to learn about the complex issues of housing affordability.

We will not make any further investments in housing affordability through 2021 as we learn from these exploratory grants and determine the scope of new investments we are making related to racial equity and the economic fallout of COVID-19.

Statewide Impact

For all low-income workers in California to have the power to advance economically, we need public systems and policies – as well as employer policies and practices – that are inclusive and equitable.

Irvine already makes a range of investments to influence conditions at the state level, from grantee efforts within our initiatives to funding advocacy coalitions, civic engagement, media and journalism, research, and cross-sector partnerships. This includes [exploring how worker and grantee voices can inform policy solutions, improve policy implementation, and shift employer and industry practices to support the economic advancement of low-income workers](#).

We are exploring how these investments can contribute to a cohesive strategy for statewide impact that complements our current initiatives, identifies new partnership opportunities, and helps create a fair and inclusive economy that works for all Californians. In February, we hosted a lab with some of Irvine's grantees to build a shared understanding of respective policy and systems change priorities and strategies, as well as to hear potential opportunities for collaboration.

The board will receive an update later in the year about learnings and the strategic direction for a potential initiative.

IRVINE'S APPROACH

Recession Resilience Project Timeline

Phase One: April 2020

- Emergency rapid response grants to initiative core grantees

Phase Two: June 2020 – December 2021

- Financial resilience grants
- Financial training and capacity development

Recession Resilience Project Partners



RESPONDING IN AN UNPRECEDENTED YEAR

COVID-19

The coronavirus pandemic has been a once-in-a-century event, affecting our own operations, our grantees, and the working Californians they serve. Below are two ways we responded in our grantmaking.

The Recession Resilience Project and grantee flexibility

The economic crisis hit in a year when the Foundation was already exploring how to strengthen grantees in a downturn. In April we were able to quickly implement the Recession Resilience Project to bolster the immediate and long-term sustainability of nonprofits on the crisis' front lines. This included **\$20 million to support core grantees in our Better Careers, Fair Work, and Priority Communities initiatives** through emergency funding, technical assistance for financial planning and recovery, and longer-term financial resilience grants.

We believe that significant re-investment in our core grantees is the most strategic way to support the low-wage workers at the core of our mission. The board also, in April, **approved \$2 million in additional funds to help other grassroots organizations in California to weather the storm.**

We know that the Recession Resilience funds helped grantees avoid layoffs and losing ground in their work, and we hope it also drives future planning and serves as a model for sustainability in the nonprofit sector.

In April we additionally communicated with all grantees our plans to:

- Relax and/or renegotiate restrictions on current grants, so grantees do not worry about previous expectations for affected activities
- Reduce restrictions on the use of funds with new grants, wherever possible (something we have increasingly done since 2016)
- Postpone or eliminate other requests of grantees, such as site visits and progress reports

Research and listening to inform investments

An internal working team explored how COVID-19 and the recession affect our strategy, conducting research and listening efforts (with workers, employers, and economists) on the pandemic's impacts. Staff and the board explored how the findings inform our grantmaking, which led to new grants and partnerships (many of which are mentioned in this section). We will continue to see how COVID-19 developments and research impact and inform our grantmaking initiatives.

IRVINE'S APPROACH

Example Grantees in 2020

- [Destination Crenshaw](#)
- [Fresno CDFI/Access Plus Capital](#)
- [Inland Empire Community Foundation – Black Equity Initiative Fund](#)
- [LISC-LA](#)

RESPONDING IN AN UNPRECEDENTED YEAR (cont'd)

Combatting anti-Black racism and racial inequity

2020 was a watershed moment in our nation's reckoning – or failure to reckon – with pervasive, persistent racism and racial inequities. The murders of George Floyd, Breonna Taylor, Ahmaud Arbery, and many other Black Americans in 2020 spurred nationwide protests, as well as statements and actions by the social and private sector, athletes and celebrities, and elected officials.

The heightened awareness about anti-Black racism and racial inequity is welcomed and long overdue. Irvine has long funded diverse organizations and leaders working on different aspects of these issues, but we also have a ways to go to more intentionally and effectively prevent racism and advance racial equity in our mission and in our own operations.

In June we announced the [Racial Equity Project](#), an 18-month effort and staff/board task force that will guide \$20 million in grants to combat anti-Black racism and advance racial equity in economic opportunity in California. This included some immediate grantmaking and the development of a long-term strategy for integrating a racial equity lens into and through all our work, internally and externally.

We made our initial grants in December 2020, specifically focused on Black-led job creation, small business, wealth building, and capacity-building strategies. 2021 goals include:

- 1 Building a shared definition and understanding of racial equity across the organization and amongst board and staff
- 2 Granting \$18 million to advance racial equity related to economic opportunity and aligned with our North Star
- 3 Developing an organizational framework or case statement that articulates how Irvine will define and embed racial equity across our programs, operations, and investments

The board will continue to engage on these goals throughout 2021. You can read more about internal efforts in “The People and Culture of Irvine” section.

IRVINE'S APPROACH

OUR LISTENING EFFORTS

Listening, learning, and reporting what we've heard are central to our work, driven in part by our [Impact Assessment and Learning Framework](#) (how we assess progress and use what we learn to inform our grantmaking, strategy, and operations). This listening takes many shapes, and 2020 examples include:



- **The Institute for the Future** conducted video interviews with low-wage workers from across California in August 2020 to learn about their work experiences, how COVID-19 has affected their jobs and job searches, and their aspirations for future work. You can read the Institute's report, which ties these workers' experiences to broader workforce trends [here](#), and listen to a [video](#) with the workers' voices – and some grantees – about this COVID-19 moment.



- **The Public Policy Institute of California** conducted its first-ever [Economic Well-Being Survey](#) asking over 2,000 Californians about their economic well-being and perspectives on economic mobility. PPIC also convened a [panel of labor economists](#) in the spring of 2020 to share their perspectives on COVID-19's short- and long-term impact on the state.



- **The Center for Effective Philanthropy** produced Irvine's fourth Grantee Perception Report, with over 200 grantees providing confidential feedback about their engagements with us. The board will discuss the findings and corresponding actions at the March 2021 meeting.



- The funder collaborative, **Fund for Shared Insight**, continues to promote listening and feedback practices with funders and nonprofits, including through its signature [Listen for Good initiative](#) that supports nonprofits in adopting high-quality feedback loops for greater impact.

IRVINE'S APPROACH

PARTNERSHIPS

Partnership is a core value for Irvine, and we deepened and expanded our partnership efforts across sectors in 2020, in addition to exploring the promise of a new federal administration.

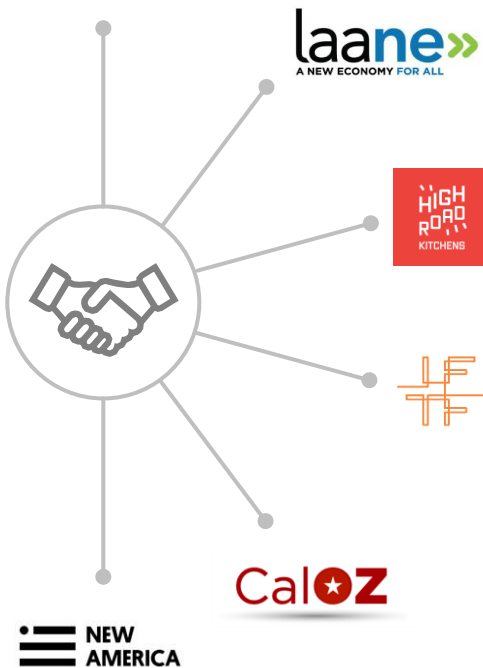
Public-private partnership examples in response to COVID-19

- A philanthropy collaborative to add \$50 million to a [state relief fund](#) of \$75 million for undocumented Californians who cannot apply for other state- and federal-funded supports
- The Los Angeles Alliance for New Economy's design and piloting of a LA County Public Health Council for health officials and worker organizations to learn from workers about health and safety risks
- Building the state's capacity for public-private partnerships to address COVID-19 and its impacts
- High Road Kitchens, a program of One Fair Wage, to help restaurants operate and provide higher-quality and more racially equitable jobs

Additional work with state and regional officials

The pandemic dramatically changed Governor Newsom's priorities and capacity, but we have continued to work with his administration on aligned efforts that preceded COVID-19 and new opportunities:

- The [Institute for the Future](#)'s support of the California [Future of Work Commission](#), which concluded its work and issued a [report](#) calling for a "new social compact for California workers"
- Organizing a cross-sector group committed to ensuring there are skilled trade workers for large infrastructure projects expected in coming years in Southern California
- The California Strategic Enforcement Partnership, an ongoing collaboration between the state Labor Commissioner's Office and community organizations to tackle wage theft, empower workers, and level the playing field for employers in several large industries
- Additional investments related to Opportunity Zones to ensure under-resourced regions (our Priority Communities) were educated and engaged on federal funding and examples of inclusive development
- The New America Foundation's process and [report](#) to determine how the state can support expanded, successful, and more inclusive apprenticeships in California (and inland California)



PARTNERSHIPS *(cont'd)*

Employers

In 2020 we continued to:

- Engage employers, training programs, and community colleges to create pathways to television and film production careers for low-wage workers in Los Angeles (through grants to the Entertainment Industry Foundation, the Motion Picture Academy's Academy Gold program, and the Television Academy Foundation)
- Support FSG Talent Rewire, who partnered with grantees Unite-LA and REDF to pilot a virtual Accelerator for employers in Southern California to learn about more equitable hiring and advancement practices for low-wage workers

A new federal administration

The Biden Administration offers the promise of new policies or funding that could have a major impact on California and its workforce. We are exploring how we can support immigration reform and how California communities can prepare for potential federal investments (including a prioritization of benefits to low-income residents and small businesses owned by people of color).

2021 GRANTMAKING PORTFOLIO AT A GLANCE

INITIATIVES

Better Careers

Goal: To connect low-income Californians to good jobs with family-sustaining wages and advancement opportunities.

Fair Work

Goal: To engage low-wage workers to secure their wages, rights, and protections.

Priority Communities

Goal: To partner with leaders and organizations in California communities to create good jobs and inclusive economies that work for all residents.

ONGOING GRANTMAKING

Leadership Awards

Goal: To recognize and support leaders advancing innovative and effective solutions to significant state issues.

Media

Goal: To support quality information to elevate the experiences of low-wage workers and inform decision-makers and influencers.

PROGRAM DEVELOPMENT

New Initiatives in Development

Goal: To support grantmaking that enables learning during the development of a potential future Irvine initiative.

Research and Development

Goal: To support research that expands knowledge and grantmaking that tests new ideas to increase impact towards Irvine's North Star.

CULMINATING WORK

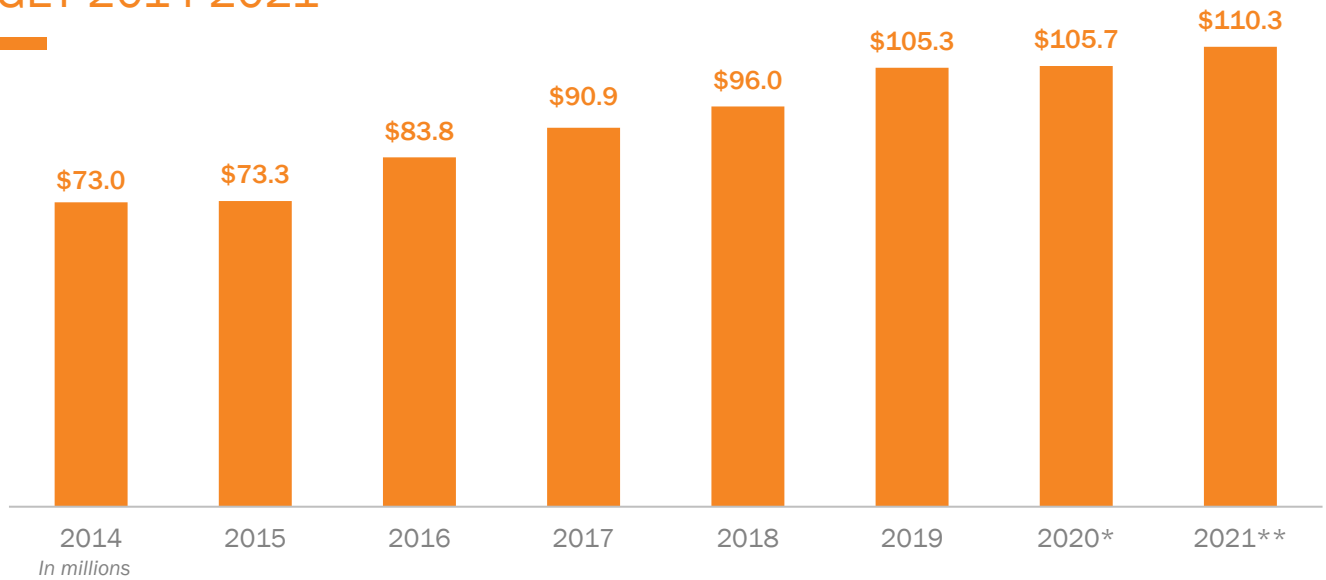
Postsecondary Success (*final investment in 2021*)

Goal: To strengthen low-income students' transitions to – and through – postsecondary institutions.

2020 GRANTMAKING PORTFOLIO BY THE NUMBERS



GRANTMAKING BUDGET 2014-2021



*2020 budget shown above is the originally approved budget and does not include the \$2M special allocation for racial equity grants.
 **2021 budget shown above is the originally approved budget and does not include the \$18M special allocation for racial equity grants.

2020 GRANTMAKING BUDGET

	2020 ACTUAL
Initiatives	
Better Careers	\$12,913,851
Fair Work	\$14,697,856
Priority Communities	\$27,984,508
Ongoing Grantmaking	
Leadership Awards	\$3,093,537
Media	\$2,370,000
Program Development	
New Initiatives in Development*	\$6,125,000
Research and Development	\$2,470,000
Strategic Partnerships	\$2,162,425
Culminating Work	
Postsecondary Success	\$6,000
Protecting Immigrant Rights	\$7,570,000
Voter and Civic Engagement	\$155,000
Additional Grantmaking	
Racial Equity**	\$1,520,000
Impact Assessment and Learning	\$1,601,500
Institutional Relationship Grantmaking	\$1,459,250
Opportunistic Grantmaking***	\$23,175,000
Flex Fund	\$120,000
Membership/Sponsorship	\$456,000
Board/Staff Discretionary Grants	\$1,328,500
Total	\$105,700,000
Racial Equity Special Budget Allocation	\$2,000,000
Total with Racial Equity Allocation	\$107,700,000

Notes:
 *2020 NID budget included Statewide and Housing pilot grants.
 **Resources transferred from 2020 Racial Equity budget to Priority Communities budget for joint racial equity-related grants.
 ***2020 Opportunistic Grantmaking budget included \$22M for the Recession Resilience Project and other COVID-19 emergency response grantmaking.

2020 GRANTMAKING PORTFOLIO OVERVIEW

2020 GRANTMAKING CATEGORIES

Initiatives

- Better Careers
- Fair Work
- Priority Communities

Ongoing Grantmaking

- Additional Grantmaking*
- Impact Assessment and Learning
- Leadership Awards
- Media

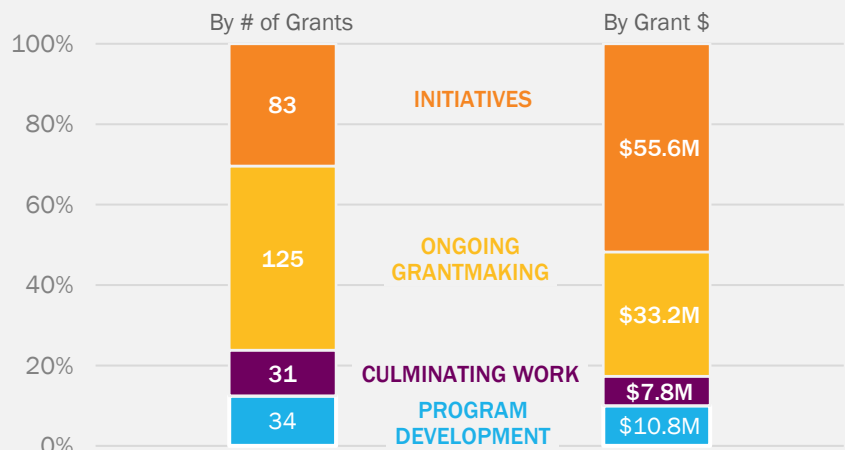
Culminating Work

- Postsecondary Success
- Protecting Immigrant Rights
- Voter and Civic Engagement

Program Development

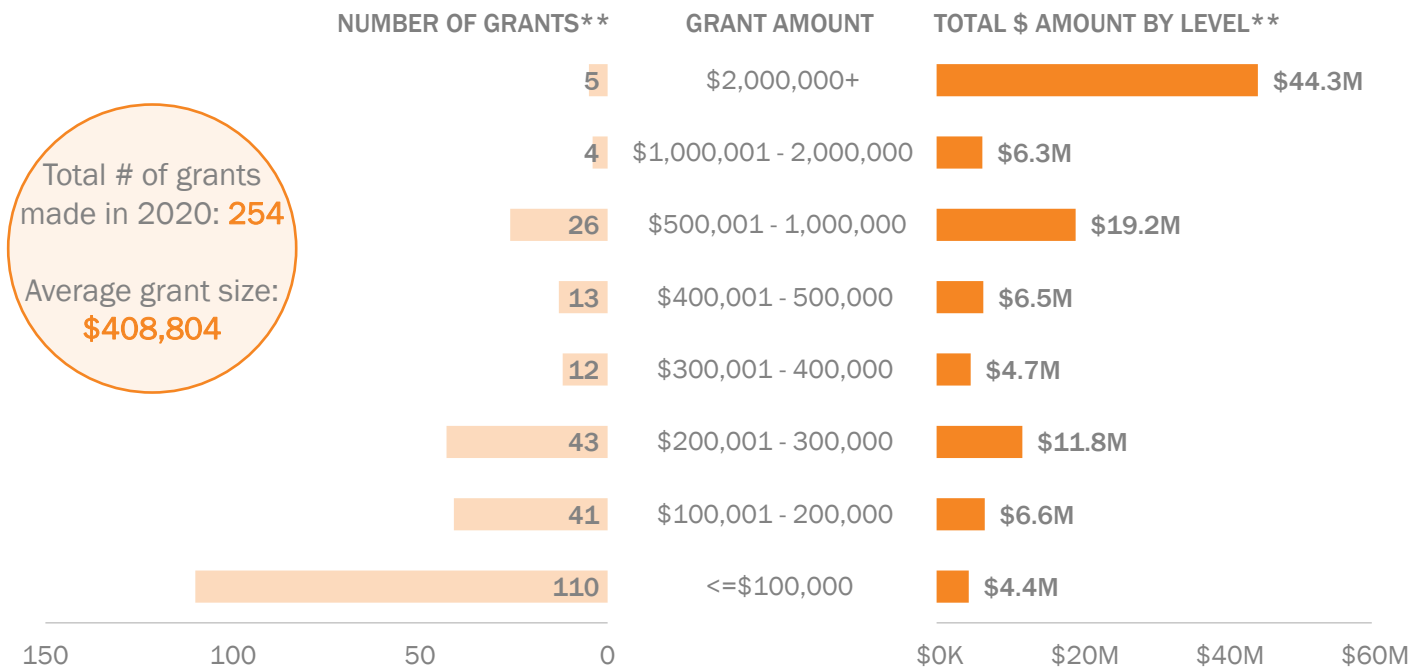
- New Initiatives in Development
- Research and Development
- Strategic Partnerships

2020 Grantmaking Portfolio Overview



Note: The above grants data does not include memberships/sponsorships and board/staff discretionary grants. This chart does include Foundation Administered Projects (FAP) and Flex Fund grants.

TOTAL GRANTMAKING IN 2020 BY GRANT AMOUNT



*Additional Grantmaking in this section includes Flex Fund and Institutional Relationship and Opportunistic grantmaking. In 2020, Additional/Ongoing Grantmaking also included one \$18M grant and 62 emergency rapid response grants to initiative core grantees as part of the Recession Resilience Project.

**Number of Grants and Total \$ Amount do not include Foundation Administered Projects (FAP), memberships/sponsorships, and board/staff discretionary grants. It does include Flex Fund grants. Note: The 110 grants <= \$100K includes 62 emergency rapid response grants of \$25K made to initiative core grantees as part of the Recession Resilience Project. The \$44.3M total for grants above \$2M includes two large grants of \$18M for the Recession Resilience Project and \$15M to support the DRIVE initiative in Fresno.

2020 GRANTMAKING BY REGION OF CALIFORNIA



	2020 Regional Grantmaking	% of Total 2020 Regional Grantmaking	Active Portfolio* (as of 2/2021)	% of Total Active Portfolio Regional Grantmaking	% of California Population (2018)	% of Californians At Or Near Poverty (2018)**
CALIFORNIA REGIONS						
Bay Area	\$3,441,000	6%	\$20,767,554	17%	20%	15%
Central Coast	\$7,501,150	13%	\$9,222,024	7%	4%	4%
Los Angeles Metro	\$10,370,699	18%	\$21,010,681	17%	28%	33%
North Coast and North State	\$25,000	0%	\$313,024	0%	1%	1%
North Valley	\$110,000	0%	\$530,600	0%	2%	2%
Orange County	\$2,177,100	4%	\$6,850,150	6%	8%	8%
Riverside and San Bernardino	\$10,339,096	18%	\$20,738,399	17%	12%	12%
Sacramento Metro	\$615,750	1%	\$2,121,250	2%	6%	5%
San Diego and Imperial	\$2,381,750	4%	\$10,657,074	9%	9%	9%
San Joaquin Valley	\$21,824,344	37%	\$31,641,624	26%	11%	11%
Sierra	\$0	0%	\$0	0%	1%	1%
TOTAL REGIONAL GRANTMAKING	\$58,785,989	100%	\$123,852,380	100%		
	2020 Grantmaking	% of Total 2020 Grantmaking	Active Portfolio* (as of 2/2021)	% of Total Active Portfolio Grantmaking		
TOTAL REGIONAL GRANTMAKING	\$58,785,989	55%	\$123,852,380	53%		
TOTAL STATEWIDE GRANTMAKING	\$48,633,990	45%	\$108,428,500	47%		
TOTAL REGIONAL AND STATEWIDE	\$107,419,980	100%	\$232,280,880	100%		

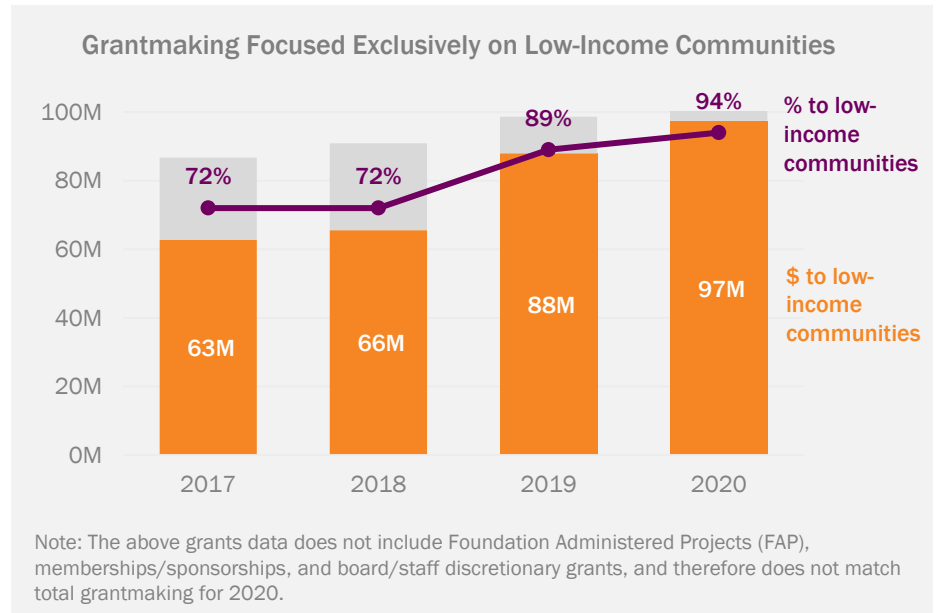
Note: Percentages may not add up to 100% due to rounding.

*Active Portfolio is comprised of grants made in 2020 and multiyear grants made in previous years.

**% of Californians At or Near Poverty - i.e., 33% of Californians at or near poverty live in Los Angeles. Source: PPIC calculations from the 2018 California Poverty Measure (CPM) research, as of January 2021. California Poverty Measure poverty thresholds are for a family of four that rents its place of residence. The CPM differs from the federal poverty line in that it takes cost of living into account. "At or near poverty" is defined as 150% of the California Poverty Measure, which corresponds to approximately 250% of Federal Poverty Guidelines.

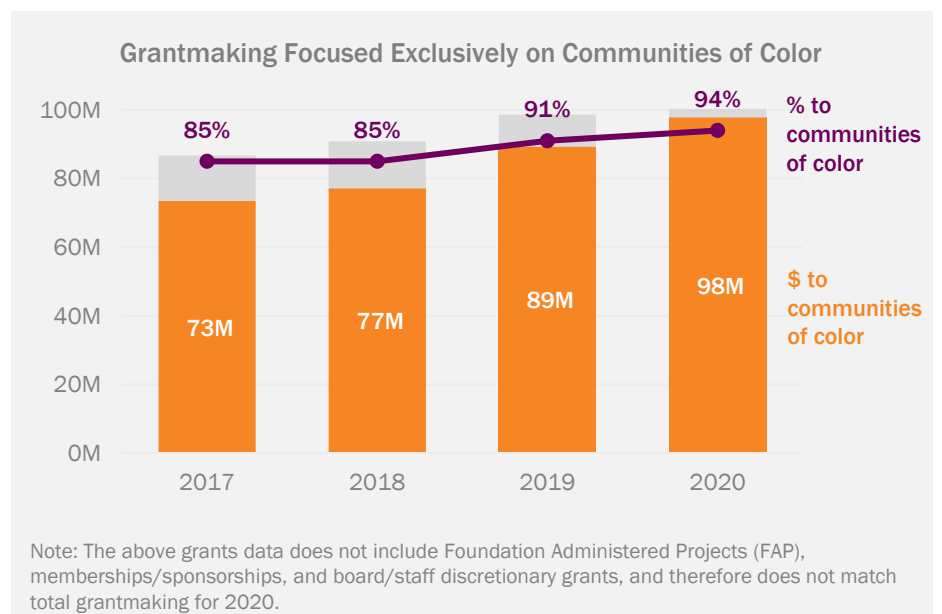
2020 GRANTMAKING TO SUPPORT LOW-INCOME COMMUNITIES

Our support to low-income communities has continued to increase as the majority of our grantmaking resources are now focused on our North Star.



2020 GRANTMAKING TO SUPPORT COMMUNITIES OF COLOR

Our support for communities of color has also continued to increase as more of our grantmaking resources are focused on our North Star.



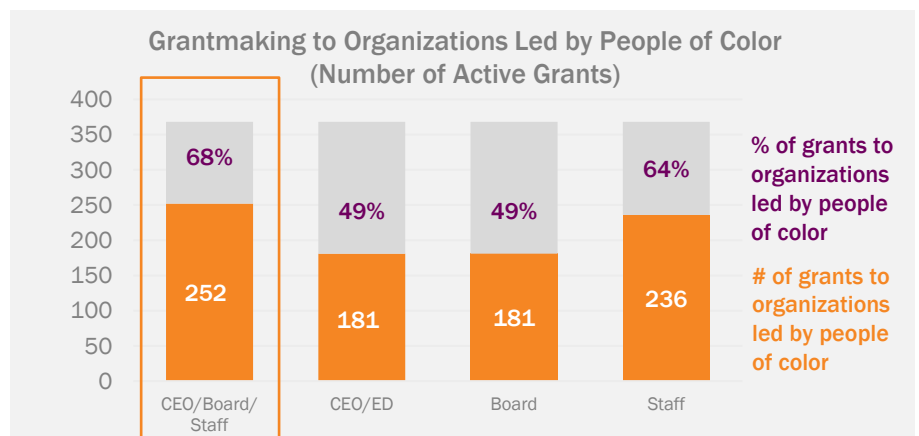
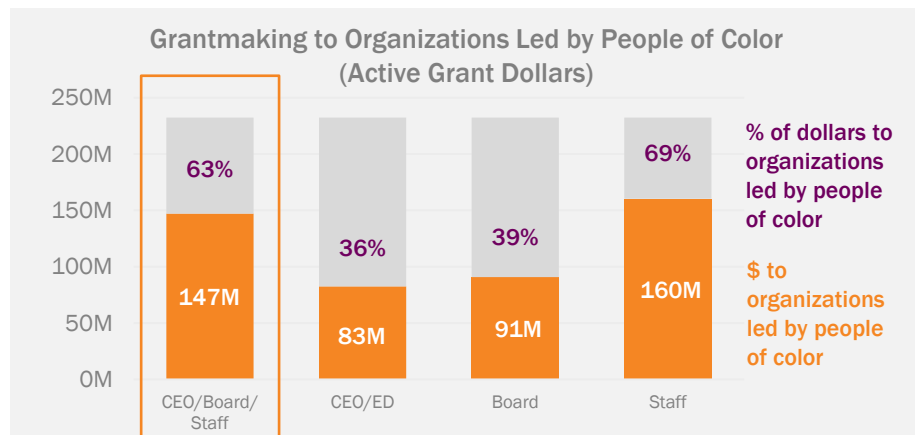
GRANTMAKING TO ORGANIZATIONS LED BY PEOPLE OF COLOR

Irvine currently collects data on the following criteria to determine if organizations are led by people of color:

- (1) CEO/Executive Director is a person of color
- (2) Board of Directors is comprised of 50 percent or more people of color
- (3) Staff is comprised of 50 percent or more people of color

For active grants* that meet any of these three criteria, 63 percent of our grantmaking dollars support organizations led by people of color, and 68 percent of our grantees are led by people of color.

Below we show breakdowns of this data by grantmaking dollars and by number of grants to organizations that meet only one of the above criteria.

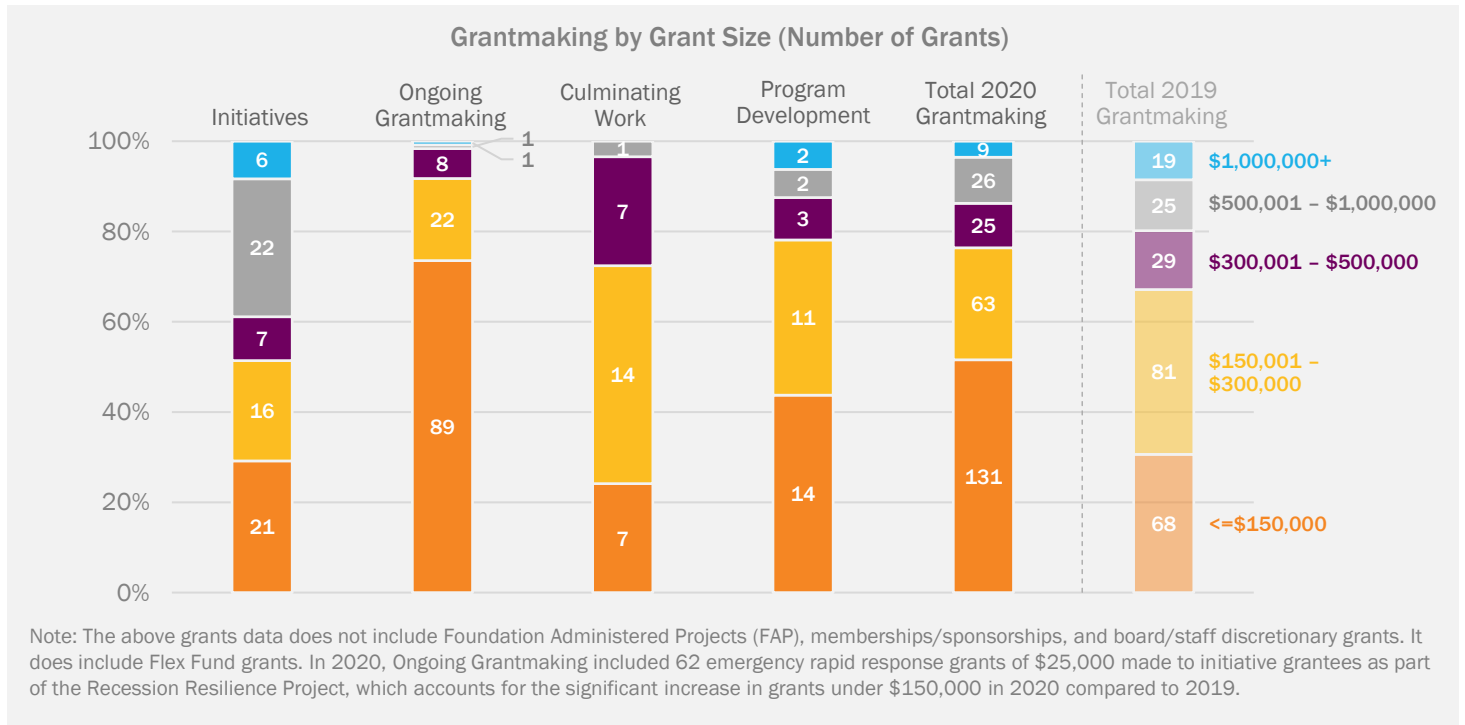


Through the Racial Equity Project, we will explore how Irvine could seek to increase our grantmaking to organizations led by people of color as part of the project's scope in 2021 and beyond. In addition, we are collaborating with The California Endowment and Weingart Foundation to identify more effective and efficient ways to collect this data from grantees and to streamline these practices across the field.

*Active grants (as of February 2021) include grants made in 2020 and multiyear grants made in previous years.

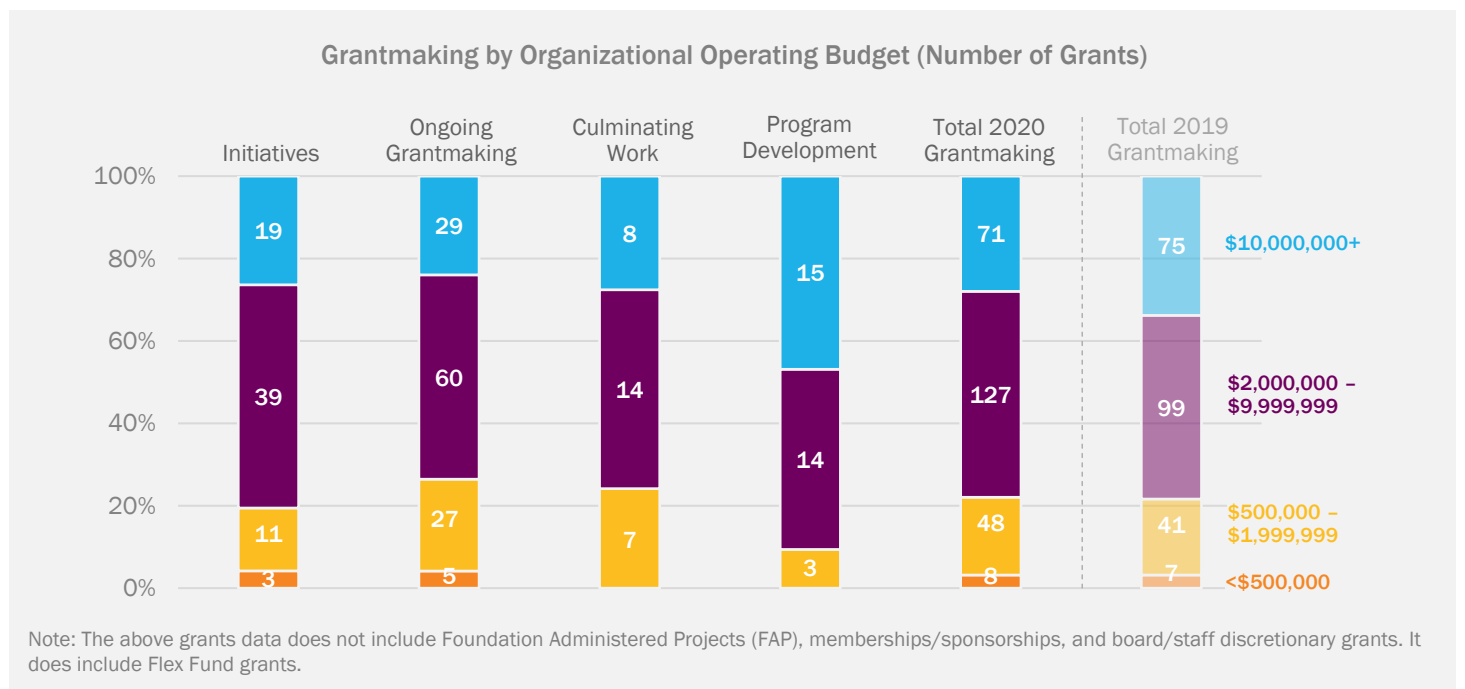
Note: The above grants data does not include Foundation Administered Projects (FAP), memberships/sponsorships, and board/staff discretionary grants. It does include Flex Fund grants.

GRANT SIZE IN 2020

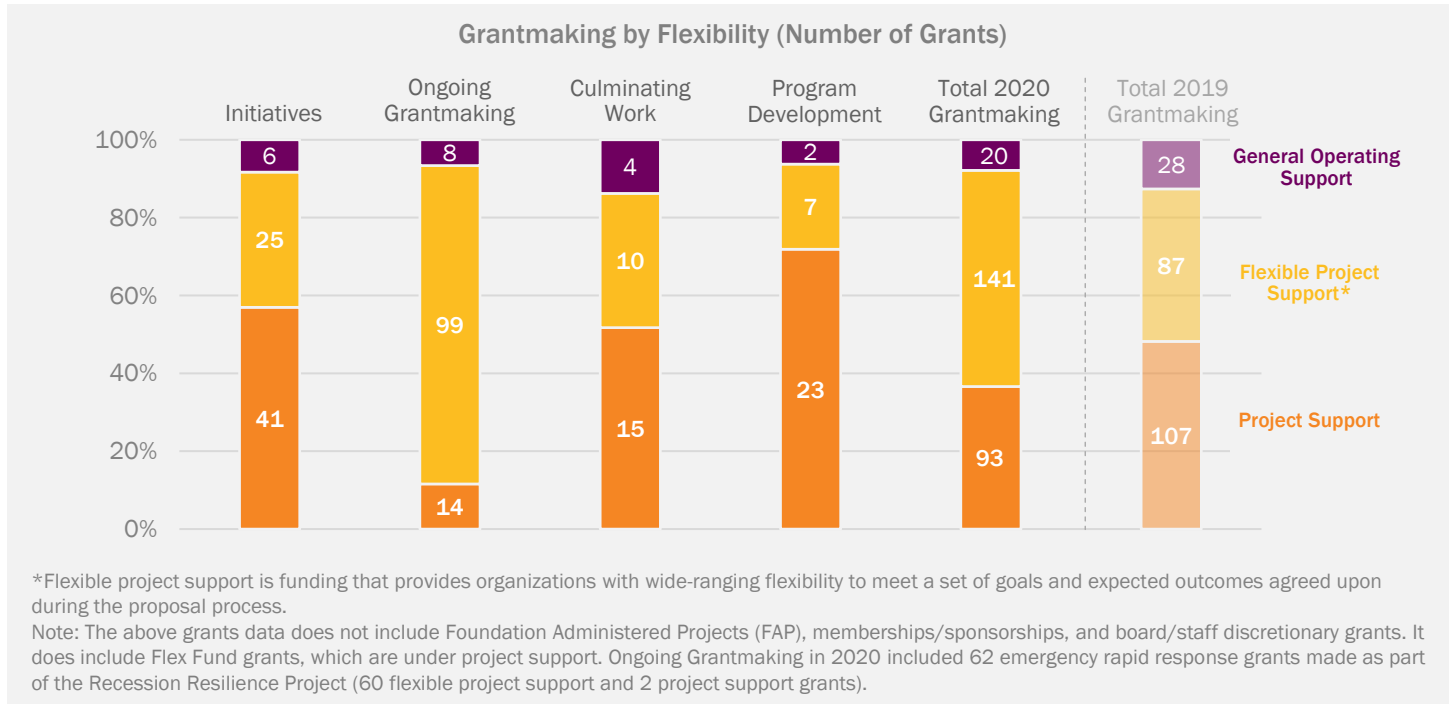


OPERATING BUDGET SIZE OF 2020 GRANTEES

Through our initiative approach, our intention is to make larger investments to a select group of leading organizations in each initiative. One tradeoff is grants to relatively larger organizations that can absorb these types of investments, which we balance with targeted support for priority geographies and underserved populations.

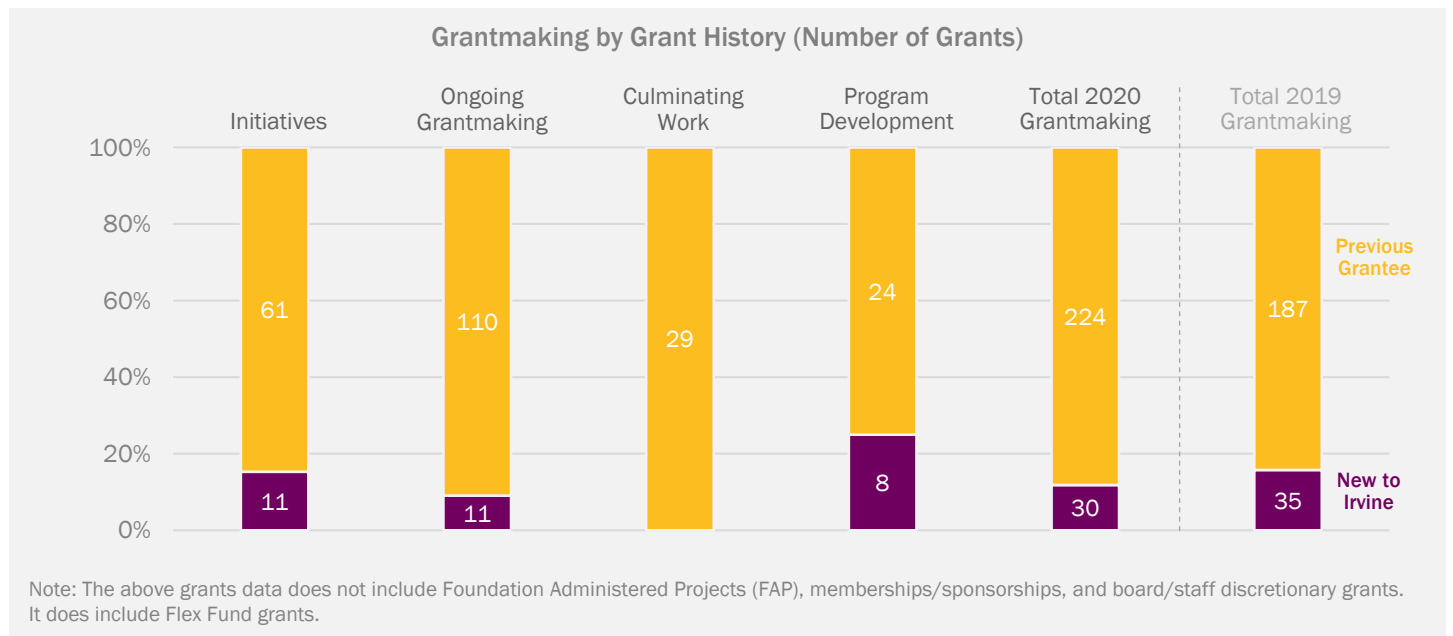


TYPES OF GRANT SUPPORT IN 2020



PREVIOUS VS. NEW ORGANIZATIONS TO IRVINE IN 2020

A significant percentage of our grantmaking in 2020 supported organizations with a previous relationship to Irvine, as we renewed funding for several initiative grantees and completed the culmination of prior work. As we continue to embark on new bodies of work, we anticipate an increase over time in organizations new to Irvine.



THE PEOPLE AND CULTURE OF IRVINE



THE PEOPLE AND CULTURE OF IRVINE

Diversity, Equity, and Inclusion (DEI) and the Racial Equity Project (REP)

We continually strive to find new opportunities to live our [organizational values](#) and foster a diverse, inclusive, and equitable culture at Irvine.

In a year that required the whole nation to reckon with persistent anti-Black racism and structural inequality in society, we committed significant time and resources for staff and board reflection, dialogue, and learning on anti-Black racism and racial equity through the ongoing work of the DEI Staff Advisory Committee and the Racial Equity Project.

DEI STAFF ADVISORY COMMITTEE

In 2016, Irvine began a journey to create a more diverse, inclusive, and equitable culture at the Foundation and grow our cultural competency in service of our work. In 2017, the Leadership Team empowered a Diversity, Equity, and Inclusion (DEI) Staff Advisory Committee to advance the following goals at Irvine:

- Further increase mutual understanding of our diverse experiences
- Cultivate a work environment and culture that supports everyone to show up as their authentic selves
- Increase our ability to engage in dialogue around race, culture, and identity
- Advance our ability to address DEI in the workplace

RACIAL EQUITY PROJECT

In June 2020, the board approved an additional \$20 million in grantmaking (over 18 months) deployed in two phases – a rapid-response effort to confront anti-Black racism, and a longer-term effort to strengthen racial equity approaches in all of our initiatives. To sustain this effort, we also committed to undertake an introspective process to strengthen our understanding and ability to become an anti-racist organization, including embedding a racial equity lens into our programs, operations, and investments.

Key priorities of the Racial Equity Project include:

- Facilitating board and staff learning about racial equity at individual, interpersonal, organizational, and structural levels
- Enhancing and aligning racial equity approaches in our grantmaking
- Developing a framework or case statement by December 2021 that articulates how Irvine will define and embed racial equity across the Foundation

THE PEOPLE AND CULTURE OF IRVINE

Diversity, Equity, and Inclusion (DEI) and the Racial Equity Project (REP)

2020 ACCOMPLISHMENTS

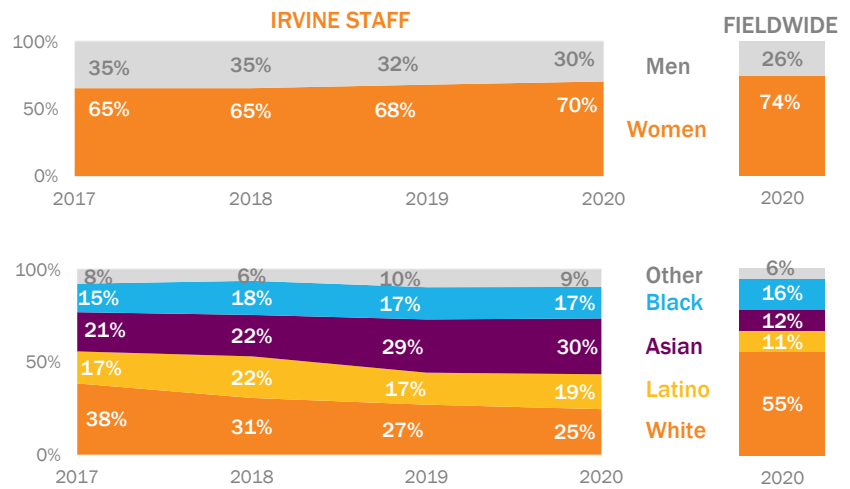
Focus Area	2020 Accomplishments
DEI Staff Survey	<ul style="list-style-type: none"> Refined DEI survey to include questions focused on staff's DEI experiences at Irvine and reviewed disaggregated results by gender, ethnicity, team, tenure, and location Facilitated staff and team discussions in partnership with IA&L to review results and create action plans as needed The DEI survey will launch again in Spring 2021
Open Discussions with Staff	<ul style="list-style-type: none"> DEI Committee hosted and facilitated topical discussions with staff, including the death of George Floyd and the 2020 presidential election, to allow for staff to learn together and live out our organizational values of empathy, equity, and transparency, while respecting different views
Racial Equity Project Launch	<ul style="list-style-type: none"> Board-Staff Steering Committee launched in July to provide guidance and ongoing input to 18-month Racial Equity Project REP Project Team responsibilities include identifying learning priorities, designing and facilitating meetings, liaising with internal and external stakeholders, managing and sharing knowledge, and implementing REP action plans
Structured Learning	<ul style="list-style-type: none"> REP Board-Staff Steering Committee reviewed critical analyses, research, data, and calls-to-action to surface lessons and opportunities for Irvine's racial equity work September board meeting discussion with Angela Glover Blackwell, PolicyLink Founder in Residence, and Michael Tubbs, Mayor of Stockton All-Staff learning sessions in October and November on the history and current context of anti-Black racism
Partnership Across Workgroups	<ul style="list-style-type: none"> DEI Committee embedded into the Values workgroup to provide DEI perspectives, help construct framework, and communicate goals and efforts with staff DEI Committee and REP Project Team collaborated to review relevant past efforts and surface shared priorities for the upcoming year

THE PEOPLE AND CULTURE OF IRVINE

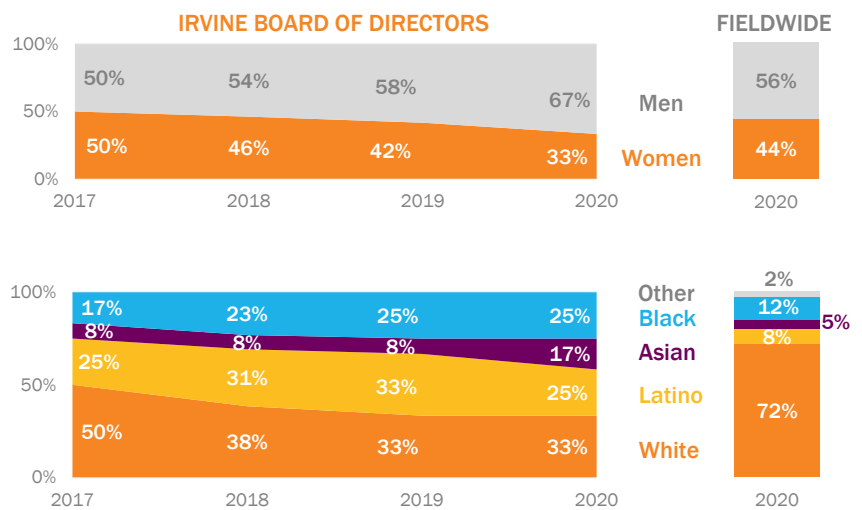
Staff and Board Demographics

In the tables below, we provide demographic data on Irvine’s board and staff. We continue to benchmark our demographics against our peers, which show that our racial diversity continues to distinguish the Foundation from the broader field of private foundations.

Self-identification data, where staff and board members were asked to identify their own demographic representation, has been incorporated in the following charts:



Note: Fieldwide data comes from the Council on Foundations, 2020 Grantmakers Salary and Benefits Report. Irvine data includes staff members as of December 2020. Graph may exclude staff who have chosen not to disclose their data.

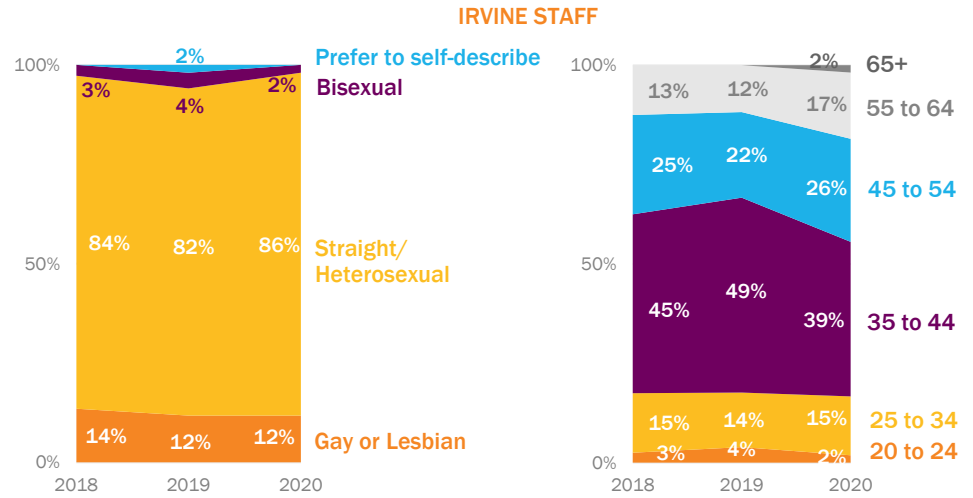


Note: Fieldwide data comes from the Croner 2020 DEI Survey sponsored by The Ford Foundation. Irvine data includes board members as of December 2020, and includes Irvine’s President and CEO, who is an ex-officio board member.

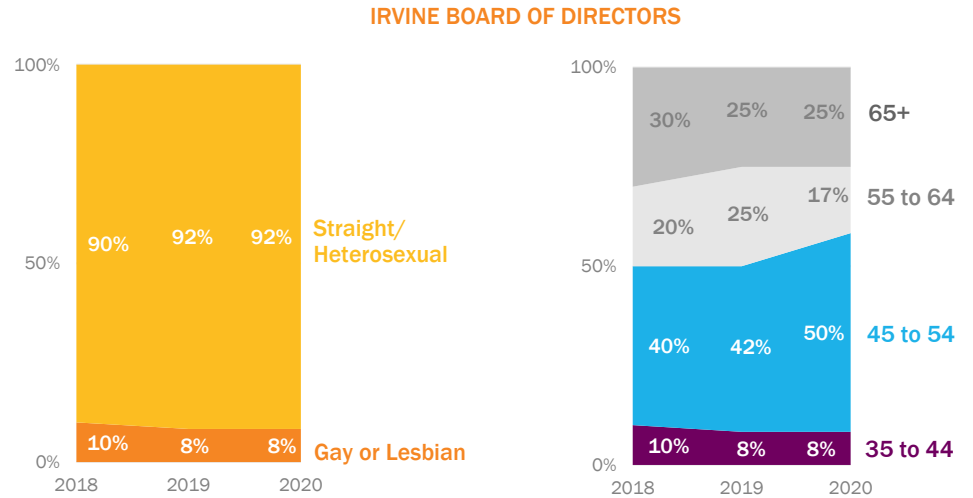
THE PEOPLE AND CULTURE OF IRVINE

Staff and Board Demographics

When we transitioned to a self-identification method of data collection in 2018, we added demographic categories for sexual orientation and age.



Note: Only responses captured from the self-identification survey are represented above. Includes staff members as of December 2020. Graph may exclude staff who have chosen not to disclose their data. No fieldwide data is available for these demographic categories.

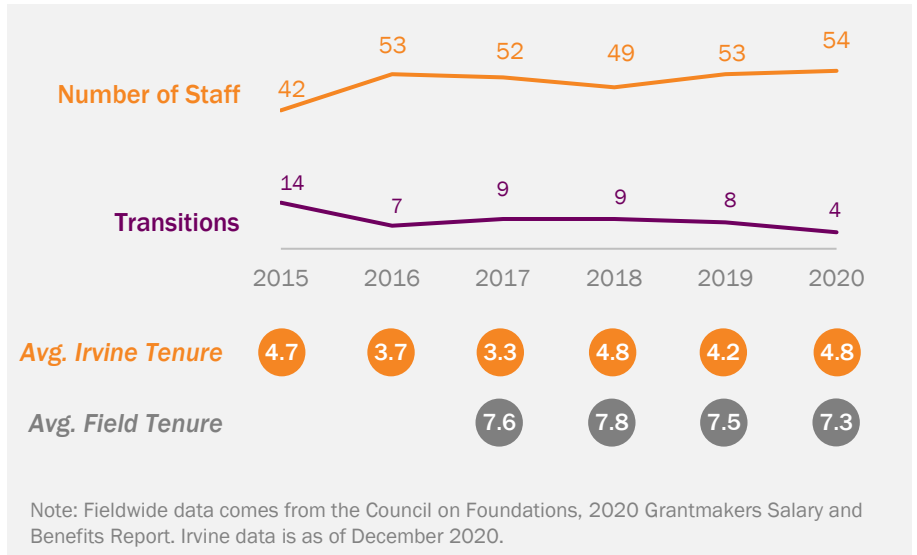


Note: Only responses captured from the self-identification survey are represented above. Includes board members as of December 2020, and includes Irvine's President and CEO, who is an ex-officio board member. No fieldwide data is available for these demographic categories.

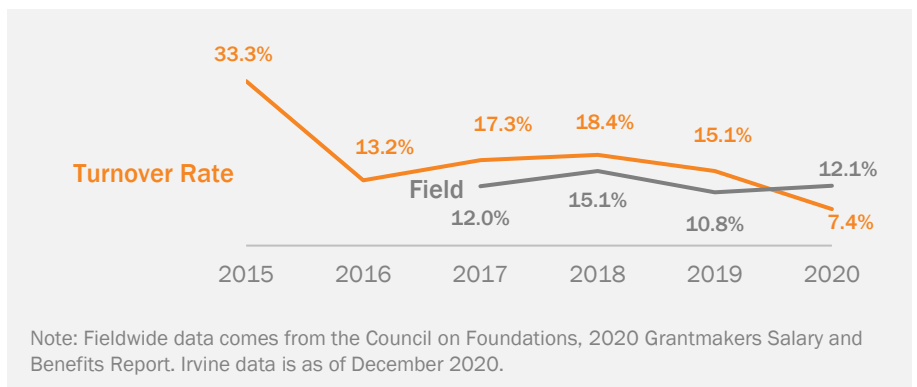
THE PEOPLE AND CULTURE OF IRVINE

Staff Headcount and Turnover

The table below shows that we have maintained our staffing levels from 2016, when we saw overall growth from previous years.



The chart below shows that our 7.4 percent staff turnover rate in 2020 is below our normal historical range.



We successfully recruited four new staff members in 2020. As of December 2020, **14 staff were located in our Los Angeles office, with the remaining 40 in San Francisco.**

