

2022 GRANTMAKING PORTFOLIO REVIEW



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STATE OF OUR
STATE:
A ONCE-IN-A-
GENERATION-
OPPORTUNITY



California Voices

- In February 2022, 67% of Californians said the worst is behind us for the pandemic. In May 2021, about 86% believed the worst was behind us. This decline in optimism is likely due to Omicron.
- Only 28% of lower-income individuals and 35-40% of Latino and Black Californians say they are in good or excellent shape financially, compared to nearly half of all adults.
- 70% of Californians agree that racial and ethnic discrimination contributes a great deal/fair amount to economic inequality in this country.

Source: Public Policy Institute of California (May 2021, November 2021, and February 2022)

A ONCE-IN-A-GENERATION OPPORTUNITY

Two years into the pandemic, it remains sobering to reflect on the ongoing challenges for Californians as COVID-19 continues to disrupt lives, jobs, and labor markets.

More privileged communities are well on their way to recovery and many companies and individuals are experiencing astonishing growth in assets. Meanwhile, communities of color continue to experience disproportionate impacts from the pandemic (health and economic) as well as acts of racism and hate.

At the lowest point in the state's economy, around 3 million jobs were lost¹. California continues to regain jobs lost since 2020, but employers are struggling to hire and retain workers. Trends summarized as the "Great Resignation" have given employees more leverage over employers. The resurgence of worker power and heightened awareness towards racial equity underscores the importance of Irvine's investments in organizations working to advance, protect, and include low-wage workers of color.

We believe this is a critical moment that calls for everyone – the community, government, education, business, labor, social sector, and civic leaders – to come together to put worker voices at the center, acknowledge and address systemic barriers to equity, and build the foundation for an economic future that works for all Californians.

We must take this opportunity to reshape the future, especially for our most vulnerable populations. **We have a once-in-a-generation opportunity to change how our economy works: to make it more equitable and more resilient.**

IRVINE'S NORTH STAR

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

NORTH STAR INDICATORS

This section provides important context as we reflect on our previous year's work and look forward. Last year, we chose a set of indicators to regularly track for three important, inter-related dimensions of our North Star: **economic security**, **job quality**, and **worker power**.

This year, we updated the indicators with data collected at the end of 2021. We also complement these indicators with other data that focus on relevant new research, more in-depth areas of focus, and notable changes in context, including:

- The continued economic and health impacts of COVID-19
- Federal and state investments that provide short-term relief and opportunities to build a more equitable, resilient state for the future

The Three Dimensions of our North Star



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 for indicators if they are approximately 10% or more. We note changes in demographic breakdowns from last year in the narrative if they are approximately 5% or more.

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



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



While there are improvements in economic security, many Californians are still 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. Despite their economic conditions, younger adults tend to be more optimistic about their financial future as compared to older adults.

EMPLOYMENT

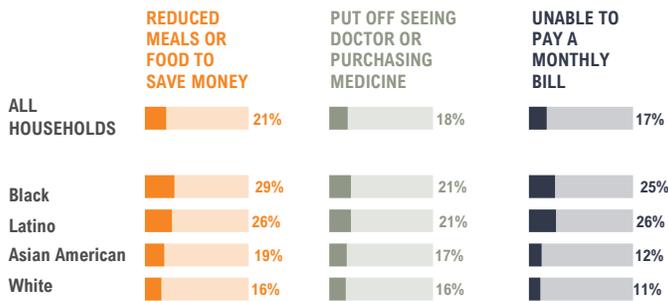
California ranks last among the 50 states with the highest unemployment, which does not include individuals marginally attached to the labor force or underemployed. At 6.5%, California's official unemployment rate is higher than that of the nation overall (3.9%) as of December 2021. Accounting for underemployed and marginally attached workers, the share increases to 10.1%, compared to 7.4% nationally. While overall unemployment has improved in the nation and in California*, the state's rank has dropped compared to last year when it was 45th.^{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. *All racial groups except for multiracial/other decreased in their overall "unemployed, underemployed, marginally attached" rate, with Latinos decreasing the most by 7.5%. Other groups experienced a 1.8-3.8% decrease in overall rate.

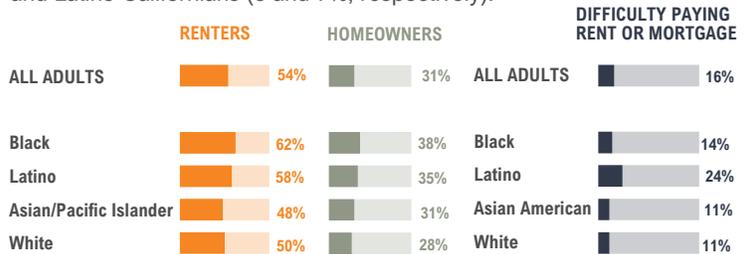
MAKING ENDS MEET

Many households experience challenges making ends meet, with difficult decisions about purchasing food and medicine, seeing a doctor, and paying bills.³ Compared to last year, Asian American households increased 6% in putting off seeing the doctor.



HOUSING BURDEN

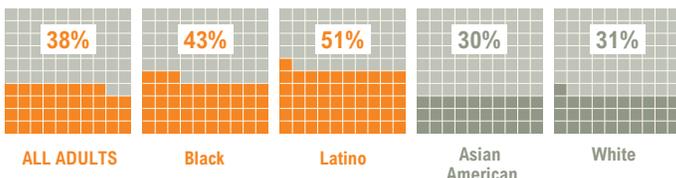
More than half of Californians are housing-burdened, spending more than 30% of their income on rent or mortgage.^{3,4} Compared to last year, difficulty paying for housing decreased most for Black and Latino Californians (5 and 7%, respectively).



Note: Housing burden is defined as the share of owner- and renter-occupied households that are cost-burdened (spending more than 30 percent of income on housing costs) and "severely" cost-burdened (more than 50 percent). Data for 2010 and 2019 represent five-year averages (e.g., 2015-2019). Categories for racial groups may differ slightly as the two graphs are from different data sources.

FINANCIAL RESILIENCE

Financial resilience has increased among all adults and most racial groups* compared to last year (range: 7-9%). However, more than one-third of Californians would have difficulty affording a \$1,000 emergency, 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."
*Asian Americans decreased 4% in financial resilience compared to last year.

FINANCIAL OPTIMISM

Over one in four Californians anticipate their personal finances to be better off in a year. All adults and racial groups experienced an increase from last year, except for Asian Americans. Latino and Black Californians are more optimistic about their finances improving despite reporting greater economic challenges.³



¹ Bureau of Labor Statistics (December 2021)

² Public Policy Institute of California calculations from the Census Current Population Survey (2019) as of January 2022

³ Public Policy Institute of California (November 2021)

⁴ National Equity Atlas' Analysis of Census American Communities Survey data (2019)

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.

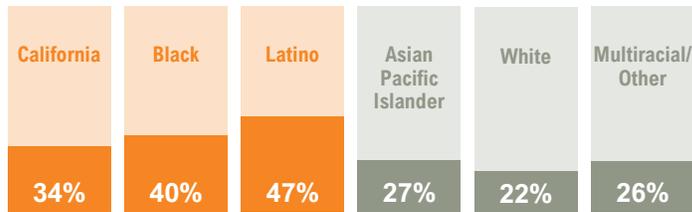
About two-thirds of California households make a living wage, with the majority of California workers report having good job quality as defined by: job stability, access to benefits, and advancement opportunities.

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 higher incomes tend to report better quality jobs as do full-time workers as compared to part-time workers.

HOUSEHOLD INCOME



More than one-third of California households are still living at or near poverty. This includes four out of ten Black households and nearly half of Latino households.¹

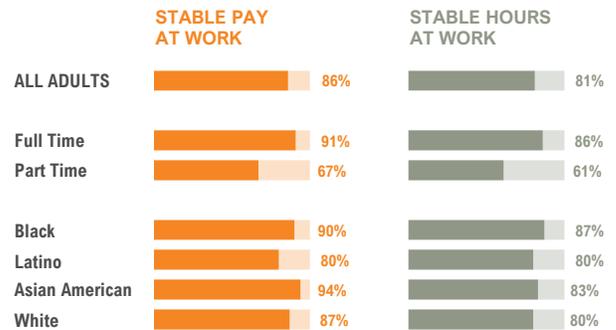


Note: "At or near poverty" is defined as 150% of the California Poverty Measure, which corresponds to approximately 250% of Federal Poverty Guidelines. This translates to a household of four with an average income of \$54,281. Adjusted by region, this ranges from \$43,072 for a household of four in Central Valley-Northern Valley to \$63,593 in the Bay Area. (See more on the California Poverty Measure [here](#).)

JOB STABILITY



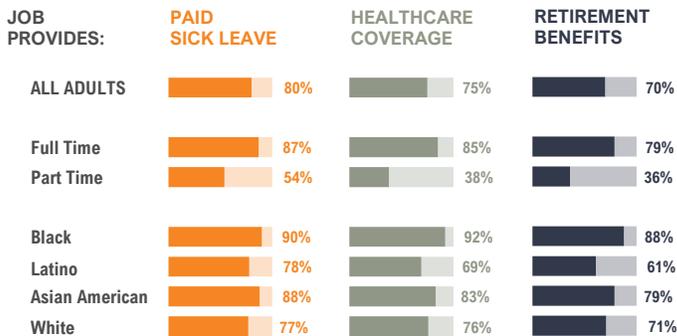
Many Californians report stable pay and hours at work, particularly those with full-time employment. Stable pay remained relatively the same compared to last year. Stable hours increased 6% and 8% for Latino and Black workers, respectively.²



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. Compared to last year, paid sick leave increased 5% for Latino workers. Retirement benefits increased for all adults, part-time, Black, and White workers (range: 5% to 12% increase).²

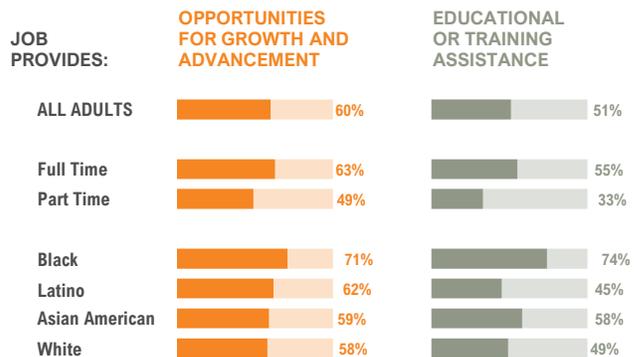


Note: The Census American Communities Survey (2019) includes data on healthcare coverage broadly, not just employer-sponsored coverage. This data reveals a much higher rate of coverage for all races: Black (94%), Latino (86%), Asian/NHPI (94%), White (95%), suggesting many are purchasing coverage on their own.

OPPORTUNITIES FOR ADVANCEMENT



Compared to other benefits, advancement opportunities and educational/training assistance are relatively less accessible for California workers. Compared to last year, Black workers experienced an increase in advancement opportunities and educational/training assistance (5% and 11%, respectively) and Latino workers experienced a 5% increase in advancement opportunities, while Asian Americans experienced a 12% decrease in advancement opportunities and White workers experienced a 5% decrease in educational/training assistance.²



¹ California Poverty Measure (2019)

² Public Policy Institute of California (November 2021)



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

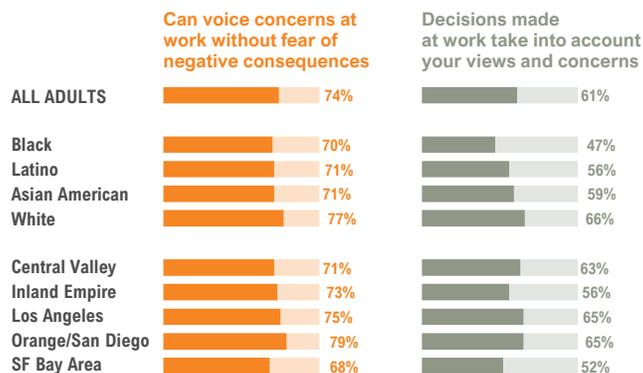


Most Californians agree on the importance of voting and worker organizing.

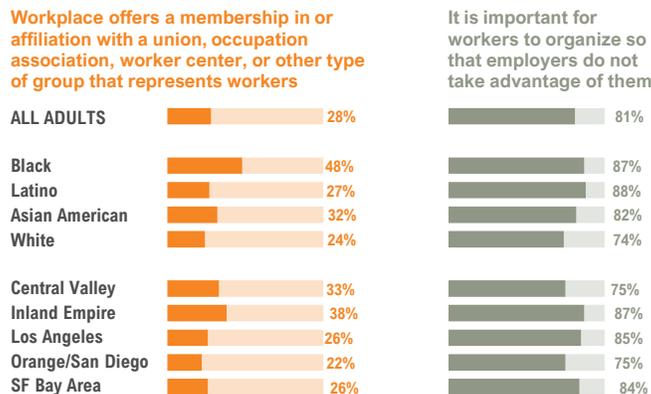
Meanwhile, only about half of Californians feel they can trust the state government on jobs and the economy, and only about one-third of workers have a formal way to organize around their workplace concerns and rights.

WORKER VOICE

Nearly 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. SF Bay Area residents rate lower on both. Since last year, fewer Black, Asian American, and Los Angeles residents feel they can voice concerns (6-10% decrease). All adults, Black, Asian American, Latino, Los Angeles, Orange/San Diego, and SF Bay Area residents decreased in feeling like employers take their concerns into account (range: 5%-22% decrease).¹



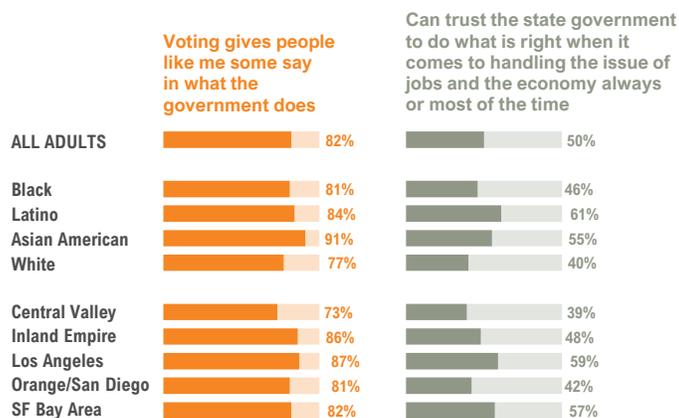
Most Californians (81%) feel it is important for workers to organize so that employers do not take advantage of them. This contrasts with approximately one quarter of Californian workers (28%) who report having workplaces that offer formal venues for worker representation. Since last year, membership has decreased by 5% for Black and Los Angeles workers and increased by 6-8% for Asian American and Inland Empire workers. Importance of organizing increased for SF Bay Area residents by 9%.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 jobs and the economy always or most of the time. Trust decreased by 5-7% for Black, Asian American, and Orange/San Diego county residents.¹



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."

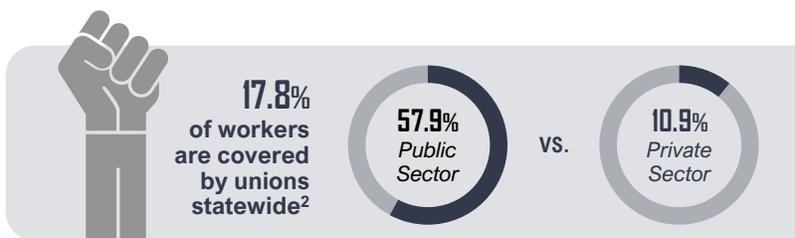
¹ Public Policy Institute of California (November 2021)

² Barry T. Hirsch and David A. Macpherson, "Union Membership and Coverage Database from the Current Population Survey", available at UnionStats.com (2021)

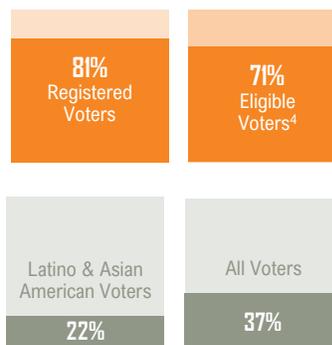
³ California Secretary of State

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

⁵ USC Center for Inclusive Democracy



A record 81% of registered California voters cast a ballot in November 2020, with wide ranges by county of 67.8-90.5%. During the special election in September 2021, 58% of those registered cast a vote.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

California Facts and Voices

COVID-19

- **COVID-19 death rates for the Black and Latino community are 16-17% higher than statewide, and the case rate for Pacific Islanders is 76% higher than statewide.**¹
- 14% of White Californians are concerned about hospitalization from COVID-19 as compared to 32-42% for people of color.²

Employment

- **Black and Latino workers continue to face higher unemployment rates**, at 9.9% and 6.1%, compared to other groups, such as 4.7% for White workers.³
- **Omicron has caused low-wage workers to lag further behind other groups.** As of November 2021, low-wage sectors were down 517,000 jobs from before the pandemic compared to 309,000 jobs in high-wage sectors.⁴

Health and Economic Impact of COVID

The health and economic crisis from the pandemic has exacerbated structural inequities for low-income people of color throughout California. Many workers struggle despite the economic gains.

- **COVID-19 continues to disproportionately impact** low-income, Latino, Black, and Pacific Islander communities in California.¹
- **The state's economy is a long way from fully recovering.** Employment in the public sector has recovered slower than employment in the private sector. Additionally, low-wage industries have yet to regain jobs lost from the pandemic.³
- **Unemployment is not the only story**, however, as many workers left the labor market (for higher wages, better quality jobs, and to deal with health concerns/childcare). With this new power for workers, some experts predict a future “economy based more on mutuality,” where capitalism is reimagined and employers consider employee well-being more often as part of their decisions.⁵

Federal and State Investments

With a budget surplus of \$21 billion for 2022-2023, California is poised to shift out of crisis management and utilize its' current fiscal health to address deep-seated systemic inequities. Along with addressing short-term investments to help Californians during the pandemic, there is a historic opportunity to align upcoming federal and state investments to create a more equitable California and build resilience for the future.

COVID-19:

- Some aspects of the **Coronavirus Aid, Relief, and Economic Security (CARES) Act** have been extended, while other provisions (such as the eviction moratorium) expired in 2021. The CARES Act provided economic assistance and other support to address issues related to the onset of the pandemic.⁶
- **SB 114** gives California workers access to up to two weeks paid-time off for COVID-related sick leave. However, this bill does not apply to employers with 25 or fewer workers and would leave at least 1 in 4 workers without access to the new paid leave.^{7, 8}
- **SB 113** provides \$6.1 billion in relief to California businesses, with \$150 million in COVID-19 relief grants for small businesses.⁹

Sources:

- (1) [COVID19.CA.gov](#), 2022
- (2) [Public Policy Institute of California, May 2021](#)
- (3) [UC Berkeley Labor Center](#), 2022
- (4) [CalMatters](#), 2022
- (5) [CalMatters](#), 2021
- (6) [California Budget and Policy Center](#), 2021
- (7) [CalMatters](#), 2022
- (8) [CalMatters](#), 2022
- (9) [Office of Governor Gavin Newsom](#), 2022

California Voices

- Similar to last year, **half of Californians think the state is headed in the right direction.**
- **47% of Californians think the state will have good times financially** this year, compared to 31% last year.
- Over half (58%) of Californians think **Governor Newsom and the legislature will be able to work together and accomplish a lot** in the next year.

Source: Public Policy Institute of California (December 2020, November 2021, and February 2022)

Federal and State Investments (cont'd)

Infrastructure:

- With the passage of the \$1.9 trillion **American Rescue Plan Act (ARP)** in 2021, state and local officials have significant opportunities to build an inclusive future for their communities. ARP's \$350 billion in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) can be deployed to address individuals that suffered disproportionate negative impacts from the pandemic and support community economic development.¹
- SB 162, signed in September 2021, established the \$600 million **Community Economic Resilience Fund (CERF)** in California. It aims to encourage community, government, business, labor, and other civic leaders to develop blueprints for their region's economic future.²
- The passage of the **Infrastructure Investment and Jobs Act (IIJA)** this past November creates undeniable momentum towards investments in infrastructure projects that advance equity and grow more good jobs. California aims to receive \$50 billion from IIJA, which also made the U.S. Minority Business Development Agency (MBDA) permanent, helping expand technical assistance for minority businesses.³
- The **Build Back Better bill**, which has been stalled, would address paid leave, immigration, and other tax provisions. Original proposals included around \$36.7 billion to California, local governments, and tribal agencies over the bill's 10-year lifespan.³

LOOKING AHEAD

Significant areas of concern remain, especially around continued inequities, but we are encouraged by glimmers of hope as federal and state investments offer opportunities to build a **more just and inclusive economy: one where we center worker voices, reduce racial barriers, and build systems that advance equity for all Californians.**

Irvine's increased endowment and growing staff also affords us the enormous opportunity to double down on our North Star. We are grateful to be able to deploy more funding and honored to partner with California leaders and communities to build a more equitable future together.

Sources:

- (1) [Brookings Institution](#), 2022
- (2) CA Forward, [CERF Fact Sheet](#), 2021
- (3) California Budget and Policy Center, Internal Irvine Presentation, December 15, 2021

IRVINE'S APPROACH



FOCUSED, IN THE FACE OF CHALLENGES AND OPPORTUNITY

The Foundation's singular goal — a California where all low-income workers have the power to advance economically — is particularly timely in our current moment. 2021 presented ongoing challenges and threats to workers and our economy but also unprecedented opportunity, including significant investments from the state and federal government, and growing commitments to racial equity.

We remain focused on our North Star and [the approaches](#) we have developed since 2016 to trust, listen to, and invest in the organizations best equipped to deliver impact for California workers. In our work we aspire to the values of **accountability, curiosity, empathy, equity, nimbleness, partnership, and transparency.**

Advancing racial equity is a particular and intentional focus. In 2021 we fulfilled a [commitment](#) to invest \$20 million to address anti-Black racism and racial equity, along with an 18-month period of learning by our board and staff together. In 2022, we are taking that learning and commitment to embed new approaches in all our work — grantmaking and operations — to address systemic racial barriers to economic opportunity.

This section includes updates and insights related to our:

- Current investments
- Investments we're exploring
- Listening efforts

IRVINE'S APPROACH

What We've Learned

- **There is a need to advance equity (racial and gender) and better align power-building and workforce:** Grantees and research continue to challenge the assertion that a skills gap alone drives income inequality. Grantees and coalitions are thinking differently about building jobseeker and worker power, changing relationships with employers, and better influencing labor markets — with an incremental focus on racial and gender equity.
- **Challenges and opportunity exist in the public sector:** Local providers and nonprofits feel disconnected from state decision-making and resources, but we have funded several successful innovation and partnership projects that build the skills and relationships within the public sector workforce system for better outcomes.
- **Reaching all Californians requires specific intention:** We support efforts with lessons on how workforce organizations can better serve those facing the greatest barriers to employment (e.g., people with disabilities, a criminal record, and immigrants without documentation).

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

CURRENT INITIATIVES

Better Careers

[Better Careers](#) supports efforts to:

- Provide training and access for Californians in low-wage jobs (and jobseekers) to family-sustaining careers
- Influence employer behavior around hiring, promotion, and training
- Improve public policies and workforce development systems' abilities to meet the needs of job seekers, employers, and local economies

Through the first four years of the seven-year initiative, Better Careers has granted **\$91.4 million**, primarily to 28 core grantees focused on **career pathways, employer engagement, and the workforce development field**.

Notable work

- 1 **Survival:** Despite many challenges in the sector, none of our grantees have closed their doors during the pandemic.
- 2 **Changing program delivery:** Grantees report expanded abilities to serve new and different clients, including online, in part because of Irvine's flexible funding.
- 3 **Accelerating apprenticeship:** Grantee work groups outlined critical strategies to improve and increase apprenticeships, in order to provide tangible, short-term recommendations to help reach the Governor's goal of 500,000 apprentices by 2029.
- 4 **Serving the whole person — and families:** Grantees have expanded their use and view of the comprehensive supports jobseekers need to be successful and remain employed (childcare, transportation, rental assistance, etc.), including the need to serve entire families and some emphasis on stipends or paid training.
- 5 **Expanding and improving coalitions:** Working in coalitions allows organizations to maximize strengths while reaching more and different people. Two coalitions powered by our grantees are achieving new levels of cooperation and reach in the field.

To navigate the current environment and leverage opportunities, we will engage grantees deeply to co-design a revised Better Careers strategy in 2022.

IRVINE'S APPROACH

What We've Learned

- **COVID-19 exacerbated economic inequities:** UC Berkeley Labor Center research reaffirms that low-income workers of color and women experienced the most job loss during the pandemic, with job recovery slowest for those earning less than the median wage, especially Black workers.
- **There are gaps in California's safety net:** Undocumented workers who lost work lack safety net protections and Unemployment Insurance payments to jobless residents were delayed.
- **Racism is at the center of economic and social inequities:** A PPIC survey found 4 in 10 Californians experienced discrimination or were treated unfairly because of their race or ethnicity.

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

CURRENT INITIATIVES (cont'd)

Fair Work

Fair Work supports:

- Collaboration between public labor enforcement agencies, worker centers, and legal aid organizations to address wage theft and improve working conditions across industries
- 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 2021, the initiative made grants totaling **\$70.2 million**, primarily to 25 organizations and coalitions focused on **wage enforcement, worker engagement, and building strong, sustainable nonprofits**.

Notable work

- 1 Organizing:** In 2021 we learned that organizations Fair Work supports reached more than 1.5 million workers in 2020 through organizing and nonpartisan civic and voter engagement.
- 2 Recovering wages and improving working conditions:** Organizations in and outside of the California Strategic Enforcement Partnership helped identify over \$30 million in unpaid wages owed to workers and secured over \$10 million in wage settlements in 2020, as well as agreements on tips, paid time-off, and time-keeping practices.
- 3 Coalitions address challenges in low-wage industries and public systems:**
 - *In 2021, Fair Work leaders formalized the California Coalition for Worker Power – 50+ organizations working for state-level policy advocacy.*
 - *Fair Work and Better Careers leaders in the Worker Equity Initiative are finalizing recommendations to the Labor and Workforce Development Agency and policymakers on addressing racial and other inequities in California's workforce development system.*
 - *Discussions are underway to extend the public health councils' pilot in LA County, a partnership among worker organizations and the LA County Department of Public Health.*

In 2022, the Fair Work team will review and assess, with grantee input, our strategy to refine our grantmaking approach for 2023 and beyond.

IRVINE'S APPROACH

What We've Learned

- **Be intentional about racial equity:** Priority Communities have a greater proportion of BIPOC workers earning low wages. We can directly invest in community-driven, BIPOC-led efforts that prioritize the needs of these workers.
- **Supporting scalable workforce programs:** Regional workforce development can be fragmented, reactionary, and difficult to navigate for workers. Inclusive economic planning can help locals strategically identify workforce needs. Communities also need investments to align programs, risk capital for engaging workers, and support to ensure equitable access for residents with barriers to work.
- **Industry-specific strategies:** Transportation, green tech, water conservation, childcare, cybersecurity, and agriculture offer the promise of quality jobs. Our support for local, cross-sector planning and networks creates community strategies for expanding these industries and set equity goals so all residents and workers have an opportunity to benefit.



CURRENT INITIATIVES (cont'd)

Priority Communities

Priority Communities supports efforts in Fresno, Salinas, Riverside, San Bernardino, and 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 2021, the initiative has spent **\$53.8 million** to support local efforts to **create good jobs** (such as local economic planning tables and building organizational capacity to ensure community participation), investing in entrepreneurship, research, and narrative change.

Notable work

- 1 **Inclusive planning:** Each city has at least one cross-sector table addressing inclusive economic development or recovery. Irvine is one of the only funders to specifically support these partnerships.
- 2 **Grantee influence:** Participating in reshaping local economies is new for many community-based grantees. They are growing their ability to influence and lead, and it will take time to build capacity and power relative to traditional stakeholders (e.g., industry associations, local economic development agencies, public institutions).
- 3 **Informing the recovery:** In the Inland Empire, Fresno, and Stockton, economic planning tables we support will be eligible for Community Economic Resilience Fund (CERF)¹ grants. They may also serve as examples to regional planning leads looking to structure community engagement to design solutions to systemic problems.
- 4 **Strengthening the entrepreneurship ecosystem:** Irvine is one of the only funders investing in the local entrepreneurship ecosystem, which is critical for local economies. Our flexible funding can significantly support under-resourced communities and prospective entrepreneurs.
- 5 **Offering a model:** The state is taking cues from Irvine. Our framework for supporting local development informed the state's recovery programs, including CERF and California's Regions Rise Together².

(1) <https://opr.ca.gov/economic-development/just-transition/cerf.html>

(2) <https://opr.ca.gov/economic-development/regions-rise.html>

ADDITIONAL GRANTMAKING

Housing Affordability

California's high cost of housing presents a significant barrier to economic advancement for workers. More than two-thirds of residents spend more than 30% of their income on housing, and half of low-wage workers pay 50% or more of their income on rent.

Workers of color are disproportionately affected by unaffordable housing after years of systemic racial bias, discrimination, and segregation embedded in housing policies and practices. Efforts to rebuild from the pandemic present a valuable opportunity to implement sustainable and equitable solutions, and we anticipate increased attention to housing policy in Sacramento. We believe the voices, ideas, and priorities of low-income workers must inform these conversations.

In recent years we have engaged in research and field conversations to learn what role Irvine could play in housing affordability. We made nearly [\\$10 million in grants](#) to more than **20 organizations** between 2017 and 2020 to inform decision-makers and advance policy solutions, support innovations to reduce production costs, increase understanding of drivers and solutions, and create a sense of urgency among key audiences.

Our exploratory efforts concluded in 2021, and we have since launched a time-limited project providing up to **\$40 million** over four years to support the statewide and regional policy research and advocacy needed to improve housing affordability for low-wage workers. In 2022 we will direct **\$20 million** of this overall investment to intermediaries who can regrant funds to organizations that have racial equity at the center and help advance policies that improve housing affordability throughout California.

Leadership Awards

Each year, the [James Irvine Foundation Leadership Awards](#) recognize leaders whose innovative solutions to critical state challenges **improve people's lives, create opportunity, and contribute to a better California**. The Foundation spotlights these leaders, helps share their approaches with policymakers and peers, and grants each organization **\$250,000**. We suspended the Awards program for the 2021 cycle, due to the pandemic, and were excited to return in 2022 to honoring extraordinary California leaders ([read about them here](#)).

IRVINE'S APPROACH

Example Just Prosperity Grantees in 2021



PolicyLink



CODE for
AMERICA

Small Business Facts

- More than **40% of Black-owned small businesses** closed from February to April 2020.
- Only **5% of Black-owned businesses** accessed federal Paycheck Protection Program loans. Those that did, on average, received the smallest loans.

Related Irvine Grantmaking

- Approximately \$20 million in current grants related to small businesses
- Example grants to: Small Business Majority, AmPac Business Council

INVESTMENTS WE'RE EXPLORING

Just Prosperity

Expanding economic opportunity for low-wage workers requires regional, state, and federal policies designed to achieve equity and improve outcomes at scale. However, persistent structural inequities have kept low-wage workers out of important conversations about the policies and systems that foster economic advancement for all families.

Irvine has a long history of supporting statewide civic engagement, media and journalism, policy research and advocacy, and cross-sector partnerships. In 2020 we began to focus our investments to impact conditions at the state level and support efforts to ensure worker and grantee voices inform policy priorities and solutions.

We have made related grants to learn and pave the way for a potential initiative. In 2021 we invested **\$17 million** in grants to **build awareness of policy solutions, support policy advocates, build cross-sector power, and drive innovation in policy and systems**. We will conclude the New Initiative in Development (NID) phase of this work and will seek board approval for an initiative called Just Prosperity in the first half of 2022. The development phase had a very intentional process to put grantee voices at the center, engage them in co-creating strategies, and develop collaborative solutions across sectors to create more inclusive systems. We will make additional grants in 2022 and continue this focus if Just Prosperity becomes a multiyear initiative.

Small Business

Small businesses in California employ nearly half of all private employees and, during a prolonged pandemic, have faced numerous challenges, including accessing capital in the face of reduced revenue. The past two years have also underscored systemic racial inequities in this landscape. Small businesses are a common source of employment for Californians returning to work after unemployment, and the health of the sector is critical to a recovery that is both sustainable and equitable.

In 2021, we began to explore what role Irvine might play in supporting small business through research, internal education, and engaging experts in the field. We also learned from related current Irvine investments.

This learning is sharpening our hypotheses about how Irvine could invest moving forward. In 2022, we will make pilot grants to deepen learning about the field and engage with new grantees and stakeholders to inform a potential initiative that prioritizes racial equity and strengthens the small business landscape in California's recovery.

INVESTMENTS WE'RE EXPLORING (cont'd)

Equitable Infrastructure

2021 saw a significant infusion of government funding for infrastructure projects at the state and federal level. Irvine is engaged in several efforts and conversations to leverage these dollars to advance racial and economic equity with infrastructure projects.

- We created the **Southern California Infrastructure Working Group**, composed of Los Angeles employers, labor representatives, and nonprofits to discuss anticipated infrastructure projects and resulting jobs — and how to best prepare more low-wage workers of color for those opportunities. We built upon those conversations by convening 12 funders to explore equitable infrastructure investments.
- California's **new Community Economic Resilience Fund (CERF)** is an unprecedented, \$600 million investment that allows communities to set their own priorities and transition to inclusive, just, and climate-resilient economies. Irvine has supported a group of organizations assisting communities preparing to apply for these funds.
- We also supported pilots that seek to increase the number of Black workers in carpentry jobs; create a Career Navigation portal for infrastructure jobs; develop a pledge to increase the number and value of procurement contracts going to minority-owned businesses; and establish standards for workforce development to gauge success in state infrastructure projects.
- Nationally, we are exploring how to best partner with the federal government, speaking with funders from around the country to elevate learnings from our regions and inform the government's rollout of the infrastructure bill.

Long-Term Financial Resilience

We know that our Recession Resilience Project, implemented in 2020, helped grantees avoid layoffs and maintain operations by combining rapid-response and financial resilience grants with financial training and capacity development. The learnings from that project and the positive response from grantees underscored **our commitment to providing more flexible resources and other tools for grantees to weather financial uncertainty.**

We are now exploring the viability of a Long-Term Financial Resilience Project that would support grantees to strengthen their financial health. This will include hearing from grantees how the project would impact their organization, helping to inform an approach that provides them with the financial flexibility for long-term sustainability and even greater impact.

A survey of California nonprofits during the pandemic found that nearly 25% of organizations laid off or furloughed staff and that 12% reduced staff compensation.

CalNonprofits Statewide Survey

IRVINE'S APPROACH

Listening Partners



OUR LISTENING EFFORTS

Listening, learning, and sharing what we've heard are fundamental to our work, driven in part by our [Impact Assessment and Learning Framework](#) (how we assess progress and impact and use what we learn to inform our grantmaking, strategy, and operations). We support, and are involved in, listening in many forms, and 2021 examples include:

Listening to Grantees

- We convened nine partner organizations to co-create, with our staff, possible goals and outcomes for a potential new initiative, Just Prosperity.
- We hosted listening sessions with janitorial and residential care workers about their experiences with wage theft and perspectives on organizing around wage enforcement. We shared our learnings with the California Strategic Enforcement Partnership, and in 2022 we will hold additional listening sessions with workers in the carwash industry.
- The Center for Effective Philanthropy shared the results of Irvine's fourth [Grantee Perception Survey](#) in January 2021. Our board and staff reflected on the findings and corresponding action steps to improve our clarity for and ability to serve and partner with grantees.

Listening to California Workers

The Institute for the Future shared learnings from its [California Worker Voices report](#), which examined the experience of California workers living on low incomes who were directly impacted by the pandemic. IFTF also provided in-depth sessions specifically for our staff and grantees, so we can apply what we heard to our work.

The Public Policy Institute of California conducted its second annual [Economic Well-Being Survey](#), asking 2,292 Californians about their economic well-being and their perspectives on economic mobility.

Supporting Field Listening and Feedback Practices

The Fund for Shared Insight (FSI) continues to promote listening and feedback practices with funders and nonprofits in the service of equity. Its signature [Listen for Good](#) initiative supports nonprofits in adopting high-quality, equity-based feedback loops for greater impact. Irvine provides ongoing input to support FSI's research and evaluation efforts, and this year, the scaling of its initiative to become self-sustaining.

2022 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.

PROJECTS

Housing Affordability

Goal: To support policy efforts that aim to improve long-term housing affordability for low-income workers in California.

PROGRAM DEVELOPMENT

Just Prosperity New Initiative in Development

Goal: To support low-income Californians to have the power to influence regional, state, and federal public policy priorities.

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.

ONGOING GRANTMAKING

Leadership Awards

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

CULMINATING WORK

Media

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

2021 GRANTMAKING PORTFOLIO BY THE NUMBERS



GRANTMAKING BUDGET 2015-2022



*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.

2021 GRANTMAKING BUDGET

	2021 ACTUAL
Initiatives	
Better Careers	\$36,222,711
Fair Work	\$23,868,000
Priority Communities	\$26,241,900
Projects	
Housing Affordability	
Program Development	
New Initiatives in Development*	\$19,125,800
Research and Development	\$6,089,208
Ongoing Grantmaking	
Leadership Awards	\$1,045,858
Culminating Work	
Media	\$1,645,000
Postsecondary Success	\$5,000,000
Additional Grantmaking	
Impact Assessment and Learning	\$1,142,000
Institutional Relationship Grantmaking	\$1,700,000
Opportunistic Grantmaking	\$4,506,500
Flex Fund	\$350,000
Membership/Sponsorship	\$415,000
Board/Staff Discretionary Grants	\$1,588,816
Total**	\$128,940,793

Notes:

*2021 budget included Just Prosperity/Statewide and Housing pilot grants.

**2021 grantmaking budget included special Racial Equity allocation of \$18M.

2021 GRANTMAKING PORTFOLIO OVERVIEW

2021 GRANTMAKING CATEGORIES

Initiatives

- Better Careers
- Fair Work
- Priority Communities

Ongoing Grantmaking

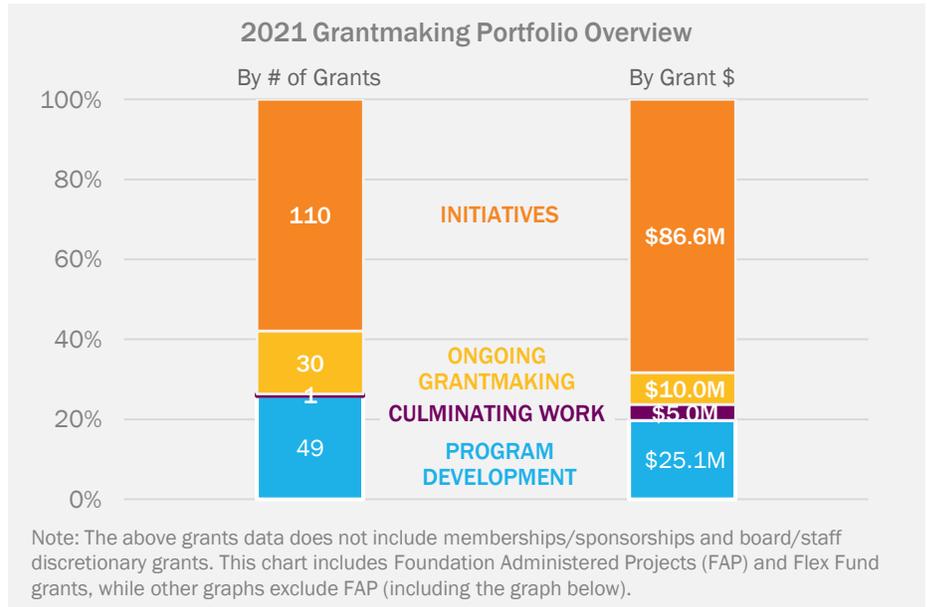
- Additional Grantmaking*
- Impact Assessment and Learning
- Leadership Awards
- Media

Culminating Work

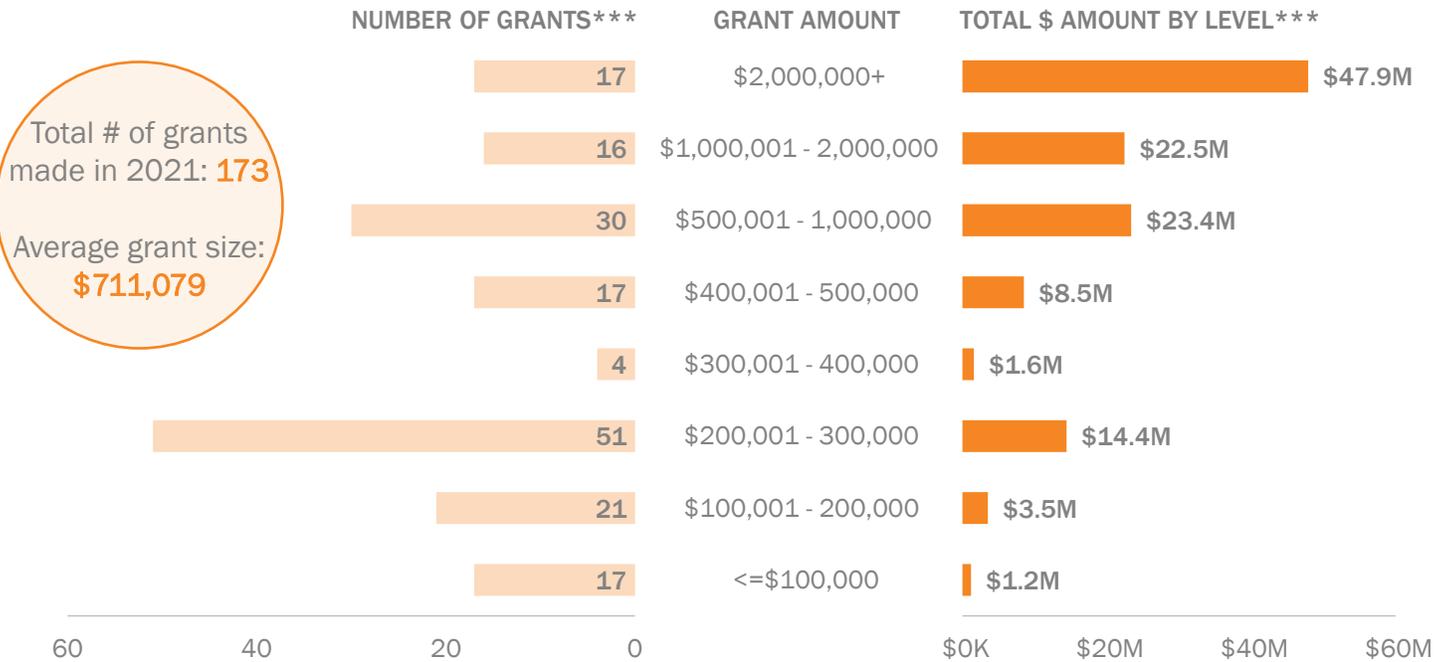
- Postsecondary Success

Program Development

- New Initiatives in Development
- Research and Development**



TOTAL GRANTMAKING IN 2021 BY GRANT AMOUNT



*Additional Grantmaking in this section includes Flex Fund and Institutional Relationship and Opportunistic grantmaking.

**Research & Development includes Strategic Partnerships as a body of work starting in 2021.

***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.

2021 GRANTMAKING BY REGION OF CALIFORNIA



	2021 Regional Grantmaking	% of Total 2021 Regional Grantmaking	Active Portfolio* (as of 1/2022)	% of Total Active Portfolio Regional Grantmaking	% of California Population (2019)	% of Californians At Or Near Poverty (2019)**
CALIFORNIA REGIONS						
Bay Area	\$18,615,550	26%	\$28,368,574	19%	20%	16%
Central Coast	\$7,707,690	11%	\$14,530,714	10%	4%	4%
Los Angeles Metro	\$13,008,817	18%	\$24,679,923	16%	28%	32%
North Coast and North State	\$30,000	0%	\$168,024	0%	1%	1%
North Valley	\$130,000	0%	\$445,600	0%	2%	2%
Orange County	\$1,054,500	2%	\$4,720,750	3%	8%	8%
Riverside and San Bernardino	\$9,820,412	14%	\$24,100,736	16%	12%	12%
Sacramento Metro	\$497,500	1%	\$1,393,750	1%	6%	5%
San Diego and Imperial	\$4,302,567	6%	\$11,370,341	8%	9%	9%
San Joaquin Valley	\$15,513,115	22%	\$41,596,239	28%	11%	11%
Sierra	\$0	0%	\$0	0%	1%	1%
TOTAL REGIONAL GRANTMAKING	\$70,680,150	100%	\$151,374,650	100%		
	2021 Grantmaking	% of Total 2021 Grantmaking	Active Portfolio* (as of 1/2022)	% of Total Active Portfolio Grantmaking		
TOTAL REGIONAL GRANTMAKING	\$70,680,150	57%	\$151,374,600	55%		
TOTAL STATEWIDE GRANTMAKING	\$52,336,550	43%	\$124,461,550	45%		
TOTAL REGIONAL AND STATEWIDE	\$123,016,700	100%	\$275,836,200	100%		

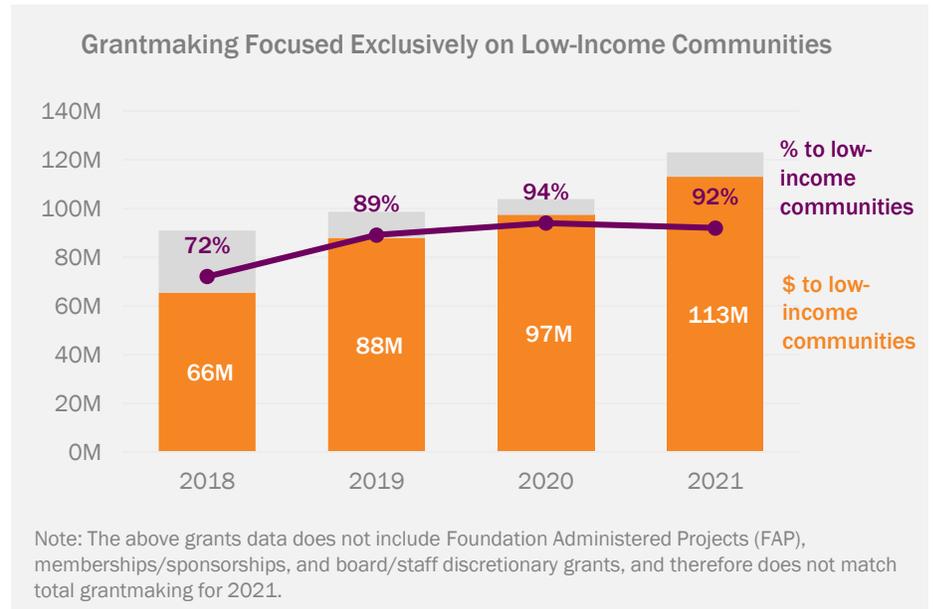
Note: Percentages may not add up to 100% due to rounding.

*Active Portfolio is comprised of grants made in 2021 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 2019 California Poverty Measure (CPM) research, as of January 2022. 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.

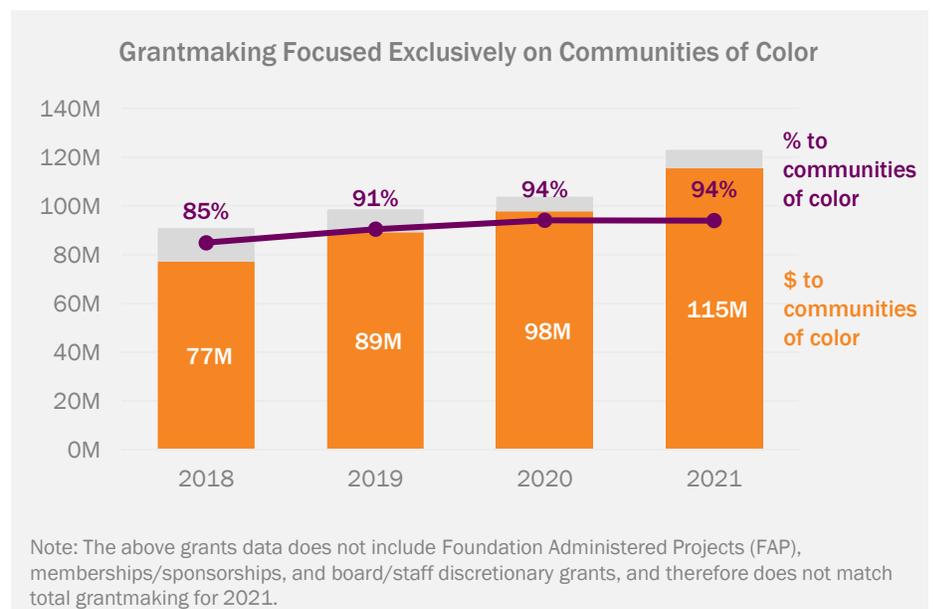
2021 GRANTMAKING TO SUPPORT LOW-INCOME COMMUNITIES

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



2021 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.



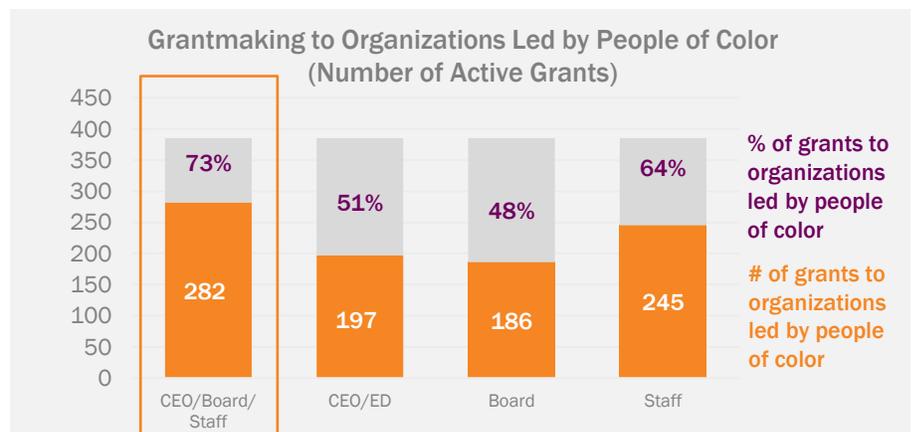
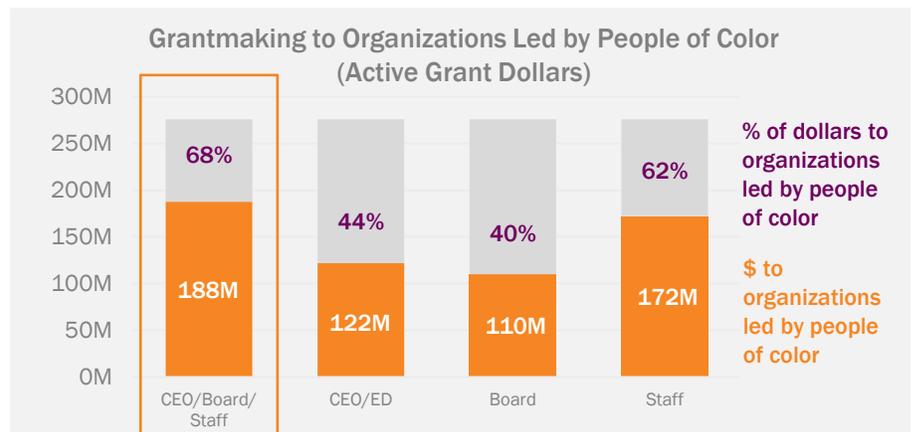
GRANTMAKING TO ORGANIZATIONS LED BY PEOPLE OF COLOR

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, 68 percent of our grantmaking dollars support organizations led by people of color, and 73 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.

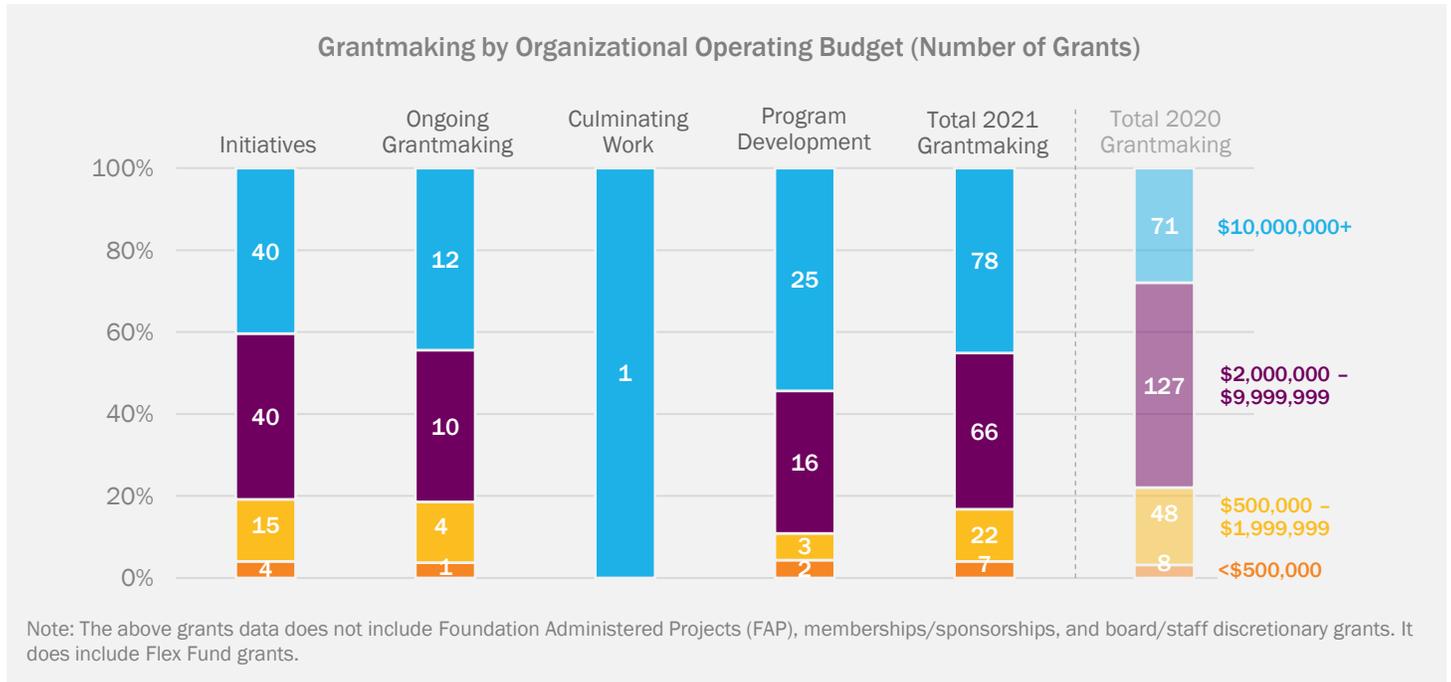


Through our racial equity work, we are exploring how Irvine can continue to increase our grantmaking to organizations led by people of color. In addition, we continue to collaborate with The California Endowment and Weingart Foundation to identify more effective and efficient ways to collect this data from grantees and to streamline these practices across the field.

*Active grants (as of January 2022) include grants made in 2021 and multiyear grants made in previous years.

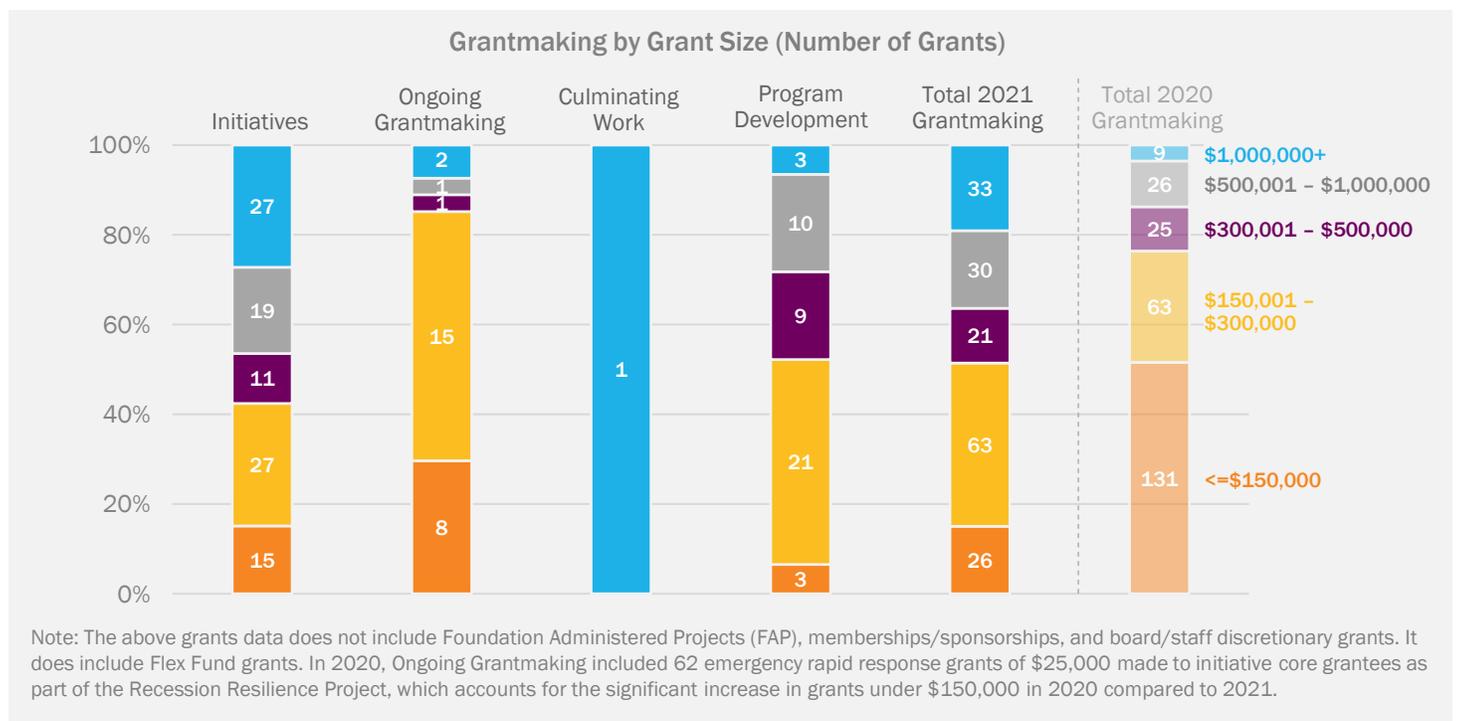
Note: The above grants data does not include Foundation Administered Projects (FAP), memberships/sponsorships, and board/staff discretionary grants. It does include Flex Fund grants.

OPERATING BUDGET SIZE OF 2021 GRANTEES

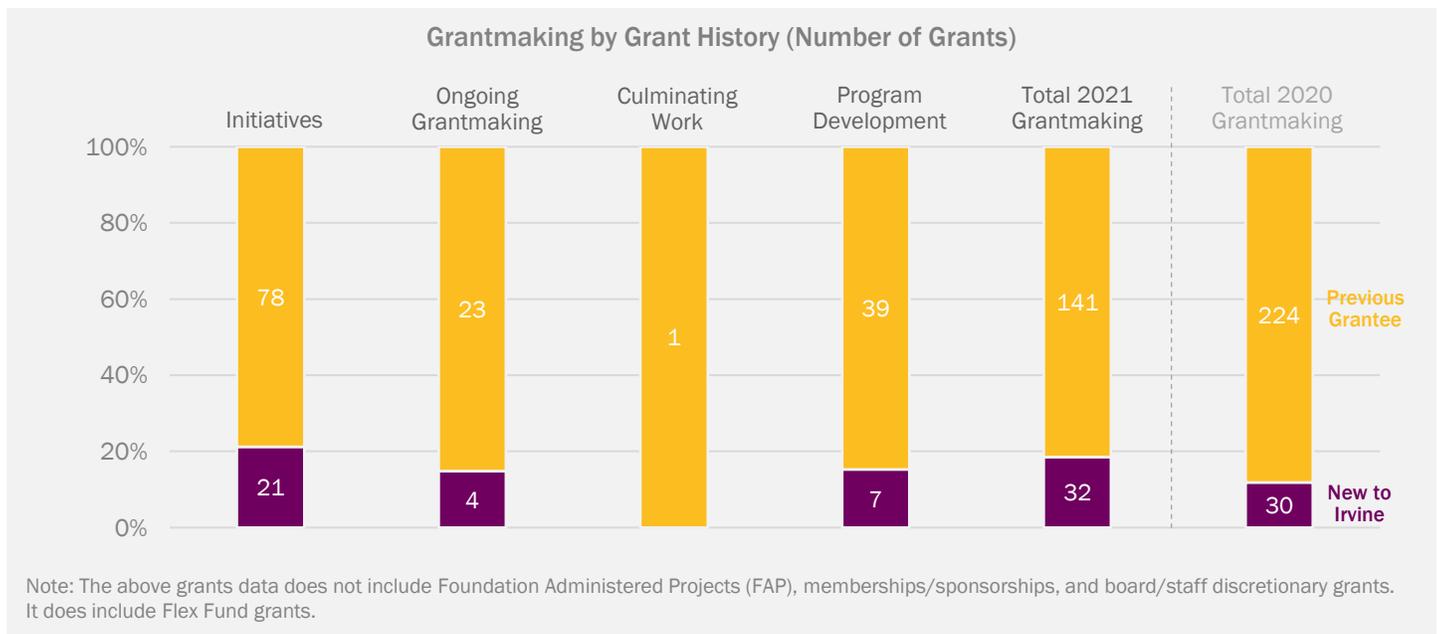


GRANT SIZE IN 2021

Our average grant size increased significantly in 2021 to \$711K, compared to \$409K in 2020. This is due in part to an increase in the number of grants made over \$1 million in 2021 (33 grants) compared to 2020 (9 grants).

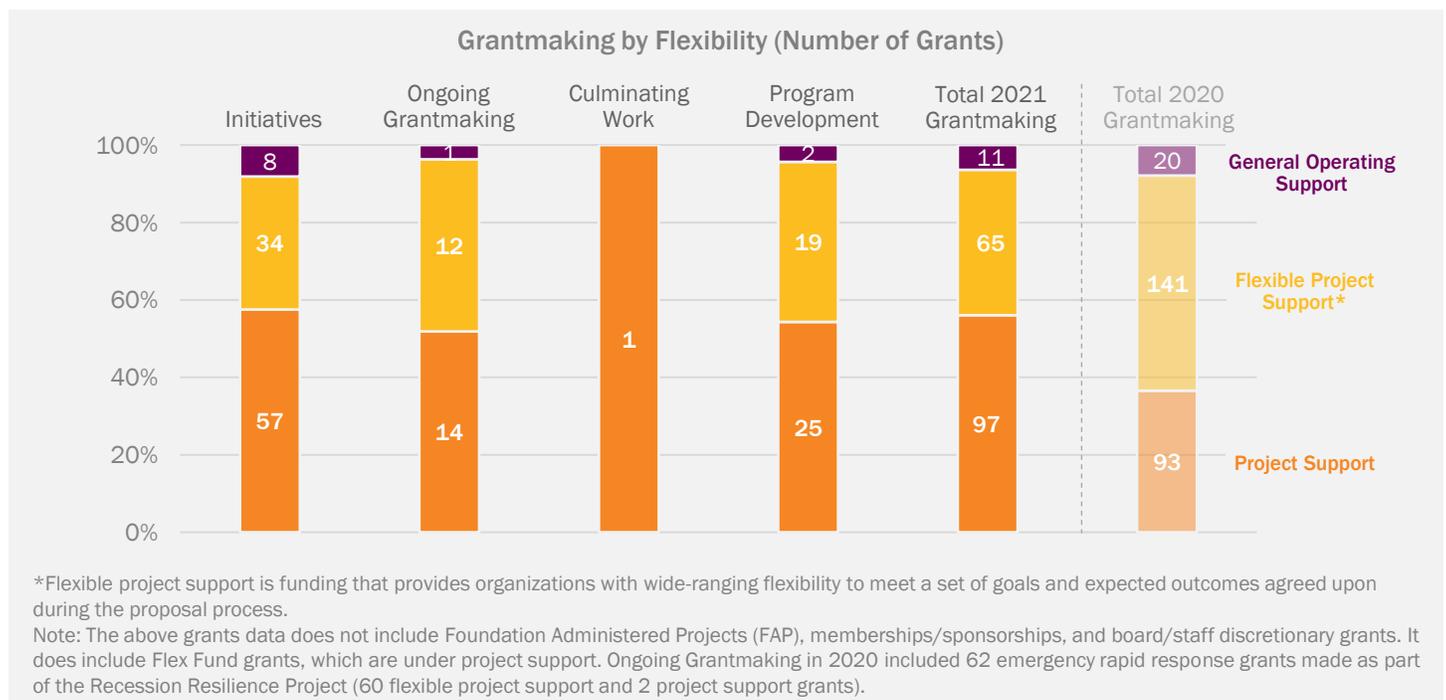


PREVIOUS VS. NEW ORGANIZATIONS TO IRVINE IN 2021



TYPES OF GRANT SUPPORT IN 2021

We strive to provide funding that is as flexible as possible to support grantees to achieve their goals. We are not able to provide general operating support to some organizations, for reasons including when they are national or broad in scope, serve as fiscal sponsors, and/or regrant Irvine dollars.



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 2021, we committed significant time and resources for board and staff reflection, dialogue, and learning on advancing a race equity culture within our institution and developing organization-wide diversity, equity, and inclusion priorities 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:

- Provide staff with a voice and vehicle for identifying DEI priorities and advancing DEI activities
- Create a focus on DEI activities that staff have identified as priorities
- Operationalize DEI throughout our policies and practices in an inclusive way that elevates strong staff voices
- Create accountability back to leadership on implementing DEI activities

RACIAL EQUITY PROJECT

In June 2020, the board approved an additional \$20 million in grantmaking (over 18 months) to strengthen racial equity approaches in all our initiatives and 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
- Creating a REP Board-Staff Steering Committee to help inform and guide our racial equity journey
- Enhancing and aligning racial equity approaches in our grantmaking
- Articulating Irvine's shared beliefs and long-term priorities and commitments to advance racial equity

THE PEOPLE AND CULTURE OF IRVINE

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

2021 ACCOMPLISHMENTS

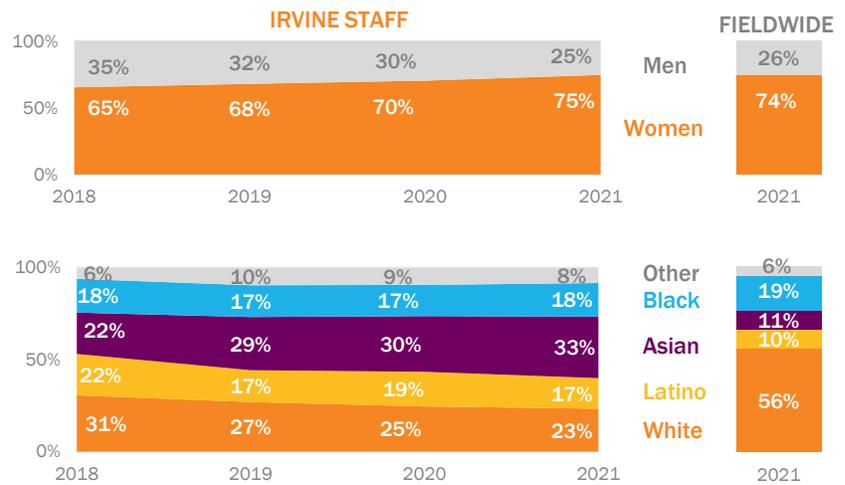
Focus Area	Accomplishments
Assessing Strengths and Opportunities	<ul style="list-style-type: none"> Annual DEI Staff Survey measured staff perspectives on DEI-related issues over time and identified opportunities to improve DEI practices at a team and broader organizational level Racial equity organizational assessment facilitated by ProInspire established a shared understanding of strengths and barriers around race equity
Developing Priorities	<ul style="list-style-type: none"> DEI “Big Ideas” conversations allowed cross-functional teams across the organization to uplift specific, actionable solutions to leadership and inform organizational priorities Each department developed team goals to advance racial equity as part of annual planning and goal setting Board and staff began to develop shared organizational beliefs and long-term commitments to advance racial equity
Advancing Shared Learning	<ul style="list-style-type: none"> The REP Board-Staff Steering Committee deepened its learning of the impact of structural racism on communities of color in California Nine all-staff learning sessions and five Leadership Team coaching sessions facilitated by ProInspire focused on development of individual and organizational racial equity competencies and skills Racial equity onboarding sessions introduced for all new staff
Supporting Self-Directed Learning	<ul style="list-style-type: none"> Professional development resources made available for all staff to further their individual learning, reflection, and skill-building on racial equity topics Racial equity discretionary grantmaking made available for board members Curated racial equity resource guide developed for board and staff to support ongoing learning

THE PEOPLE AND CULTURE OF IRVINE

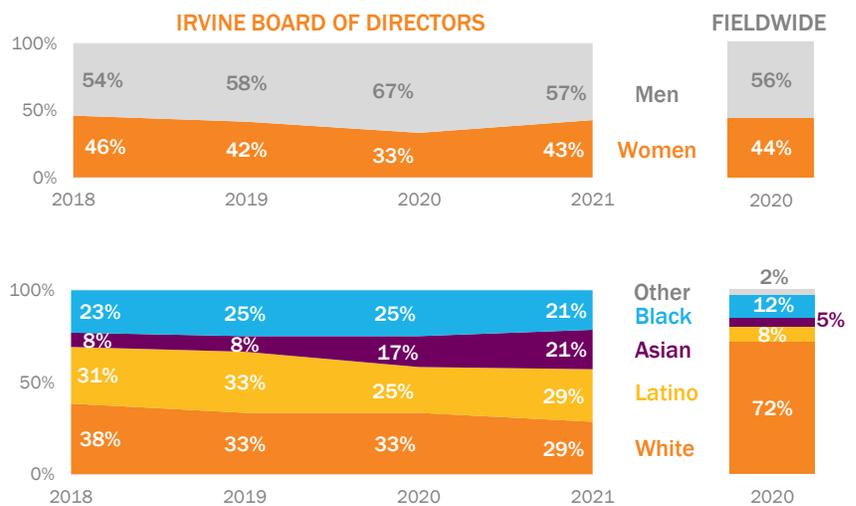
Staff and Board Demographics

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, 2021 Grantmakers Salary and Benefits Report. Irvine data includes staff members as of December 2021. Graph may exclude staff who have chosen not to disclose their data.

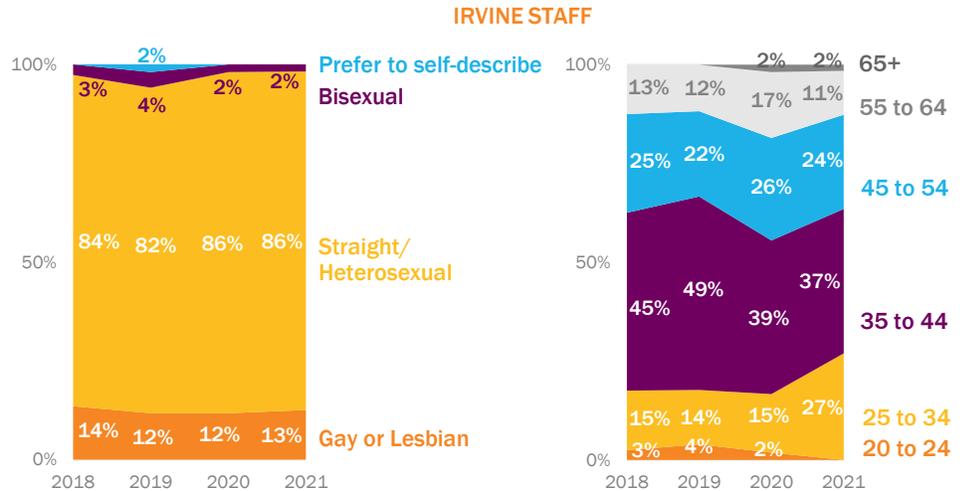


Note: Fieldwide data comes from the Croner 2020 DEI Survey sponsored by The Ford Foundation. Irvine data includes board members as of December 2021, and includes Irvine’s President and CEO, who is an ex-officio board member.

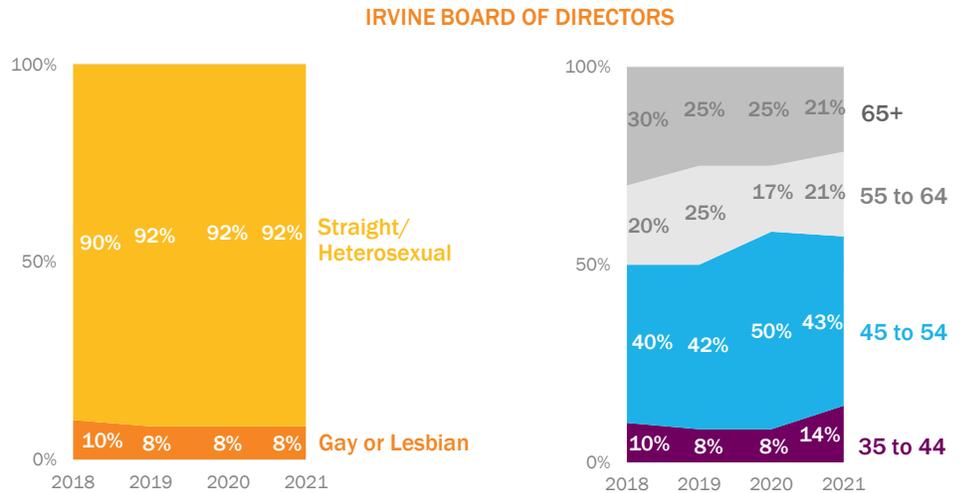
THE PEOPLE AND CULTURE OF IRVINE

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 2021. Graph may exclude staff who have chosen not to disclose their data. No fieldwide data is available for these demographic categories.

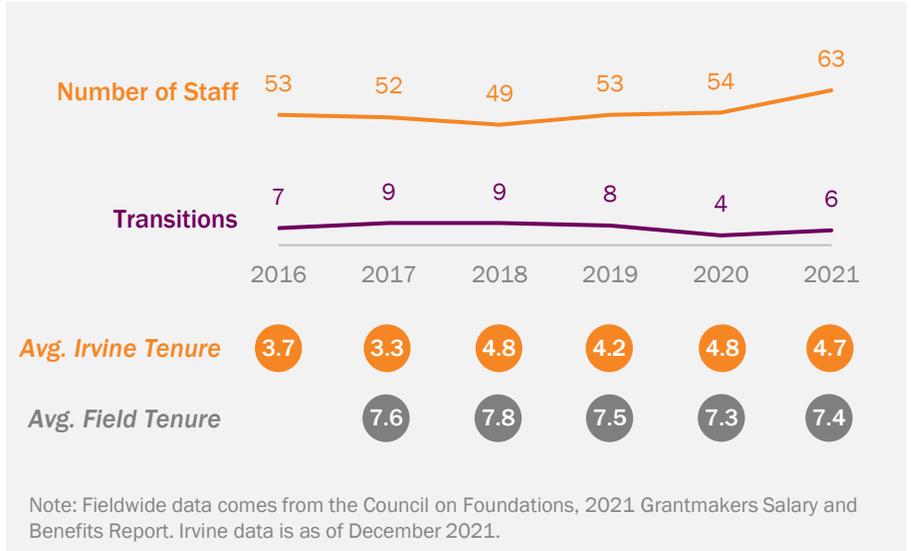


Note: Only responses captured from the self-identification survey are represented above. Includes board members as of December 2021, and includes Irvine's President and CEO, who is an ex-officio board member. No fieldwide data is available for these demographic categories.

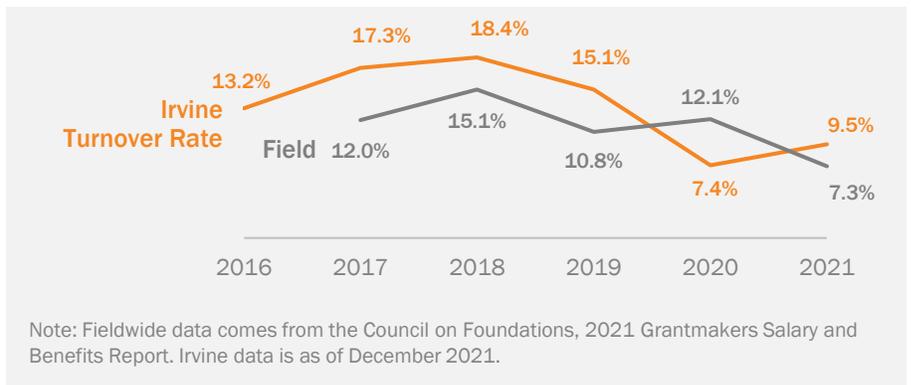
THE PEOPLE AND CULTURE OF IRVINE

Staff Headcount and Turnover

The table below shows that we have maintained our staffing levels from 2016 and have recently begun to increase staffing.



The chart below shows that our 9.5 percent staff turnover rate in 2021 is below our normal historical range.



We successfully recruited 16 new staff members in 2021. As of December 2021, **20 staff were located in our Los Angeles office, with the remaining 43 in San Francisco.**

