

2023 GRANTMAKING PORTFOLIO REVIEW

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STATE OF OUR STATE: REBUILDING WITH RESILIENCY

California Voices

- **About half of lower-income (<\$40K) individuals are satisfied with their financial situation**, compared to three-fourths of all Californians. Residents in the Central Valley and Inland Empire, African Americans, and those without a college degree are least likely to be very satisfied.
- **Nearly 70% of Californians predict bad times for the state economy in the next 12 months** — a significant increase from 52% of residents predicting this in 2021.
- **Eight in 10 employed residents report having at least a fair amount of job security.**
- **Eight in 10 adults completely or somewhat agree that it is important for workers to organize** so that employers do not take advantage of them.

Source: Public Policy Institute of California
(November 2022, February 2023)

REBUILDING WITH RESILIENCY

Uncertainty marks the beginning of 2023. By late 2022, California had finally recovered all the jobs lost in the pandemic. This and other positive indicators (fast job growth, increased wages, and lower unemployment than pandemic levels) signal the strength of California's economy on many measures.

However, the state's tough economic year means a projected deficit of \$22.5 billion,¹ making it more difficult to address economic security for low-wage workers. After receding in 2021, economic pessimism has returned for many Californians amidst a potential recession, high prices, and growing inequality. Inflation is a concern for nearly all Californians (97%) and disproportionately impacts low-wage workers.

The gap between top earners (90th percentile) and those with the lowest incomes (10th percentile) has widened. The ratio is currently at 10.73, close to an all-time high of 12-to-1 post-Great Recession.² A national poll shows that inflation has caused serious financial problems for a majority of Black, Latino, and Native American households.³

Despite these circumstances, California has a history of adapting to challenges and new realities. For example, the state recovered from the dot-com bubble and emerged stronger after the Great Recession. The state has \$37.2 billion in reserves (compared to \$4 billion in 2007) and is focused on one-time commitments to better manage a budget shortfall.⁴ New laws benefitting more Californians and shifts to long-term priorities in infrastructure and regional economic development hold promise for a more equitable recovery.

There are other signs of hope: The unemployment rate among Latino Californians is lower than before the pandemic, and regional unemployment gaps also shrank.⁵ There is also growing momentum and support for worker organizing. And California's COVID-19 state of emergency regulations expired on February 28, marking a turning point in the three-year battle against the virus.⁶

There are tremendous opportunities ahead to disrupt patterns of economic vulnerability. **We continue to be inspired by the resiliency of California's communities facing countless challenges — and the organizations that serve them — and by public calls to use unprecedented investments to rebuild an economy with inclusion and justice at the forefront.**

Sources:

- (1) CalMatters. [Reversal of fortune: Gov. Newsom outlines plan to deal with budget deficit.](#) (2022)
- (2) PPIC. [How did pandemic stimulus funds affect income inequality in California?](#) (2022)
- (3) NPR. [Poll: Black, Native American, and Latino families face serious problems from inflation.](#) (2022)
- (4) Bloomberg. [California faces \\$25 billion deficit in end to surpluses.](#) (2022)
- (5) PPIC. [Making sense of California's economy.](#) (2022)
- (6) The New York Times. [California will end its COVID state of emergency this month.](#) (2022)

IRVINE'S NORTH STAR

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

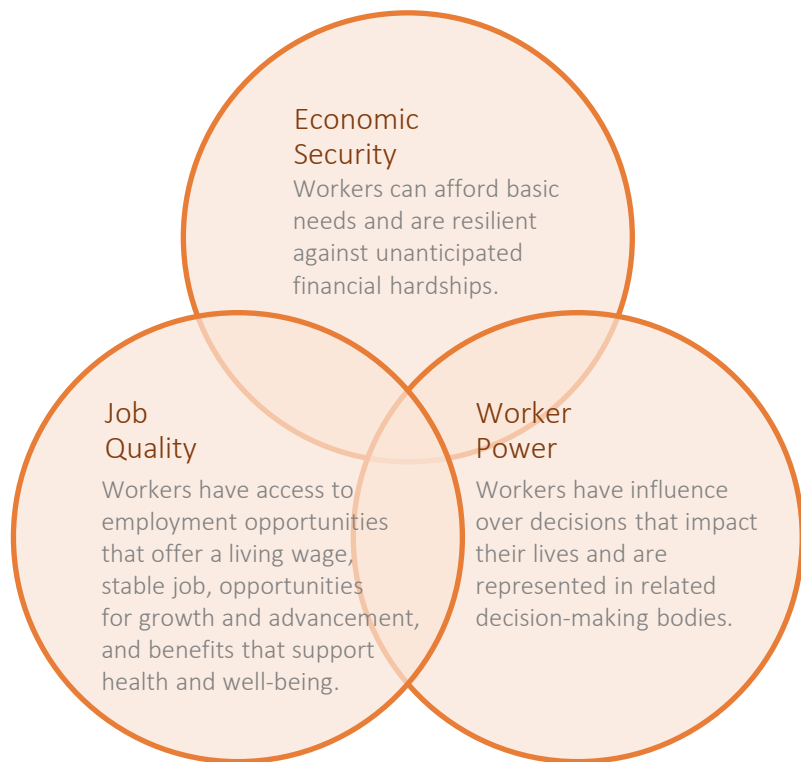
NORTH STAR INDICATORS

This section provides important context as we reflect on our previous year's work and look forward. We utilize 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 2022. We complement these indicators with other data that focus on relevant new research, more in-depth areas of focus, and notable changes in context, including:

- New policies that benefit workers
- State and federal investments that provide 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 analyze reported data by the following demographics as available: race/ethnicity, gender, age, income, region, and/or employment status.

We note changes in demographic breakdowns highlighted last year in the narrative if they are approximately 5% or more.



ECONOMIC SECURITY

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

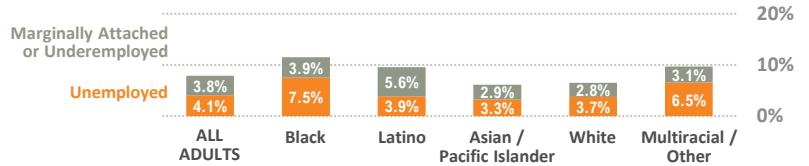
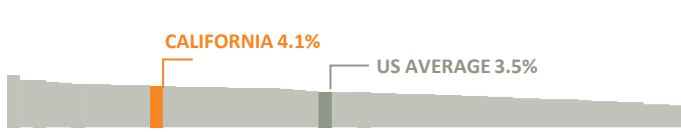
A California where all low-income workers have the power to advance economically



While there are improvements in unemployment across all groups, many Californians are still struggling to make ends meet (to different extents due to inflation). Across economic security indicators, challenges are particularly high for 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. Financial optimism has also declined across all groups, though younger adults still tend to be more optimistic about their financial future as compared to older adults.

EMPLOYMENT

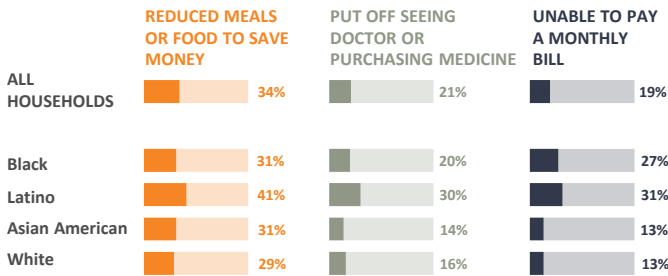
California ranks 12th among the 50 states with highest unemployment, which does not include individuals marginally attached to the labor force or underemployed. At 4.1%, California's official unemployment rate is higher than that of the nation overall (3.5%) as of December 2022. Accounting for underemployed and marginally attached workers, the share increases to 7.9%, compared to 6.3% nationally. The state has made strides in terms of unemployment, having had the highest unemployment rate among all states in 2021.^{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. The multiracial/other group decreased in its overall "unemployed, underemployed, marginally attached" rate by 6.3%.

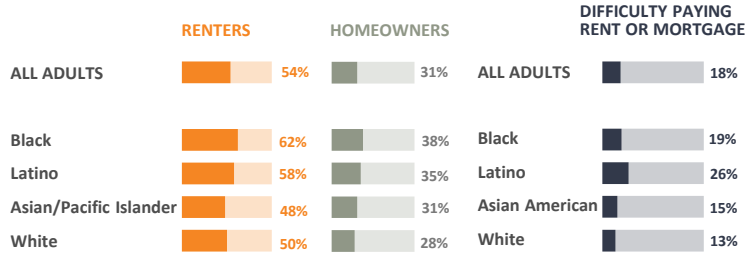
MAKING ENDS MEET

Households experience increasing challenges making ends meet.³ Compared to last year, 13% more households reported reduced meals, with all racial groups, except Black, increasing 12-15% in reducing meals. Latino households also increased 9% in putting off seeing a doctor and increased 5% in being unable to pay a monthly bill.



HOUSING BURDEN

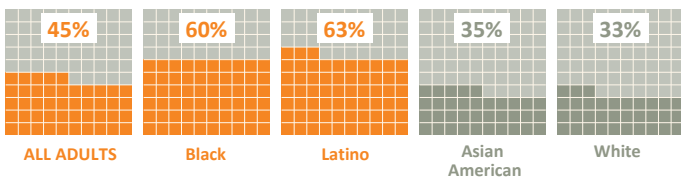
Over half of Californians are housing-burdened, spending more than 30% of their income on rent or mortgage.^{3,4} Compared to last year, difficulty paying for housing increased the most for Black Californians (5%).



Note: Housing burden is defined as the share of owner- and renter-occupied households that are cost-burdened (spending more than 30% of income on housing costs) and "severely" cost-burdened (more than 50%). Data for 2010 and 2019 represent five-year averages (e.g., 2015-2019). Native American renters are 55% housing-burdened compared to 30% for homeowners. Categories for racial groups may differ slightly as the two graphs are from different data sources.

FINANCIAL RESILIENCE

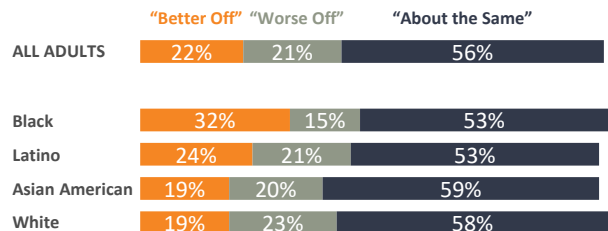
Financial resilience for all adults has decreased back to 2020 levels after it rose in 2021, with nearly 45% of Californians having difficulty affording a \$1,000 emergency expense. Compared to last year, financial resilience decreased the most for Black and Latino Californians by 17% and 12%, respectively.³



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

Around one in five Californians anticipate their personal finances to be better off in a year. All adults were less optimistic about their finances improving as compared to last year and experienced a decrease in "better off" by 7%. Black and Latino Californians were least optimistic, with a decrease of 14% and 10%, respectively.³



¹ Bureau of Labor Statistics (December 2022)

² Public Policy Institute of California calculations from EDD as of January 2023

³ Public Policy Institute of California (November 2022)

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



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.

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



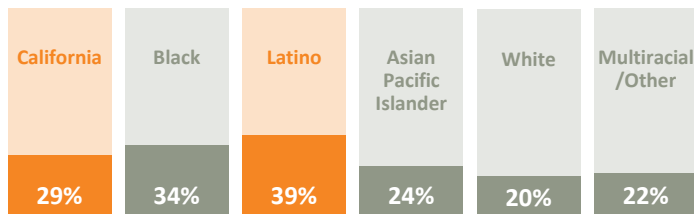
About seven in 10 California households make a living wage, an increase from last year — with most California workers reporting having good job quality (defined by job stability, access to benefits, and advancement opportunities).

However, this varies across races, as Latino workers report the least access to quality jobs, and Black workers report a decrease in many job quality measures compared to last year. Those with higher incomes tend to report better quality jobs, as do full-time workers as compared to part-time workers.

HOUSEHOLD INCOME



About one-third of California households are living at or near poverty. This has decreased for all households by 5%, with decreases the highest for Latino (8%) and Black (6%) households.¹

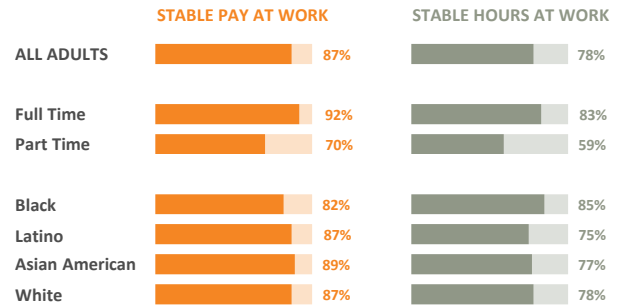


Note: "At or near poverty" is defined as 150% of the California Poverty Measure, which corresponds to approximately 250% of Federal Poverty Guidelines. This translates to a household of four with an average income of \$56,192. Adjusted by region, this ranges from \$44,243 for a household of four in Central Valley-Northern Valley to \$65,831 in the Bay Area. (See more on the California Poverty Measure [here](#).)

JOB STABILITY



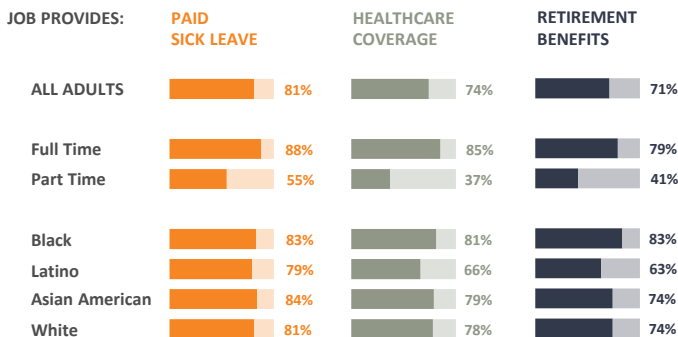
Many Californians report stable pay and hours at work, particularly those with full-time employment. Stable pay remained the same compared to last year for all adults. However, it decreased for Black and Asian American workers by 8% and 5%, respectively and increased for Latino workers by 7%. Stable hours decreased for Latino and Asian American workers by 5% and 6%, respectively.²



JOB BENEFITS



Californians' access to benefits through their employers varies substantially. Those with less access to benefits tend to be Latino and those working part-time. Compared to last year, paid sick leave, healthcare coverage, and retirement benefits decreased for Black workers by 7%, 11%, 5%, respectively. Retirement benefits also decreased for Asian American and part-time workers by 5%.²

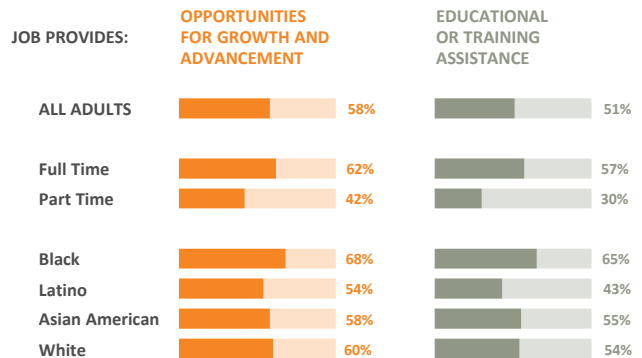


Note: The Census American Communities Survey (2021) includes data on healthcare coverage broadly, not just employer-sponsored coverage. This data reveals a much higher rate of coverage for all races: Black (94%), Latino (88%), Asian (96%), Native Hawaiian or Other Pacific Islander (93%), American Indian or Alaska Native (87%), White (96%), suggesting many are purchasing coverage on their own.

OPPORTUNITIES FOR ADVANCEMENT



Compared to other benefits, advancement opportunities and educational/training assistance are still less accessible for California workers. For advancement opportunities, compared to last year, Black workers experienced a 9% increase and Latino workers and part-time workers experienced an 8% and 7% decrease, respectively. For educational/training assistance, Black workers experienced a 9% decrease and White workers experienced a 5% increase.²



¹ California Poverty Measure (2021)

² Public Policy Institute of California (November 2022)



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WORKER POWER

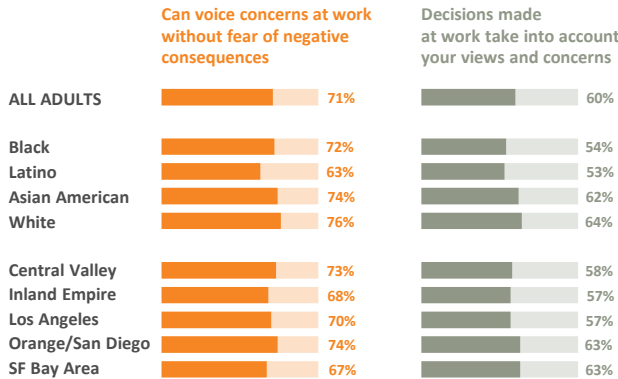
Workers have influence over decisions that impact their lives and are represented in related decision-making bodies.

Californians continue to agree on the importance of voting and worker organizing.

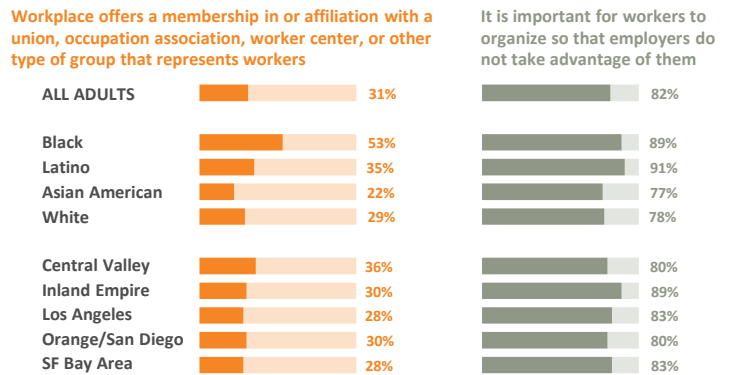
However, less than half of Californians feel they can trust the state government on jobs and the economy, and only about one-third of workers have a formal way to organize around their workplace concerns and rights.

WORKER VOICE

Nearly three-quarters of California workers feel they can voice concerns at work; fewer report that decisions take their views into account. Fewer Latino workers and Inland Empire, Los Angeles, and Orange County/San Diego residents feel they can voice concerns (5-8% decrease). More Black workers and Bay Area residents (7-11% increase) feel like employers take their concerns into account, while fewer Central Valley and Los Angeles residents do (5-8% decrease).¹



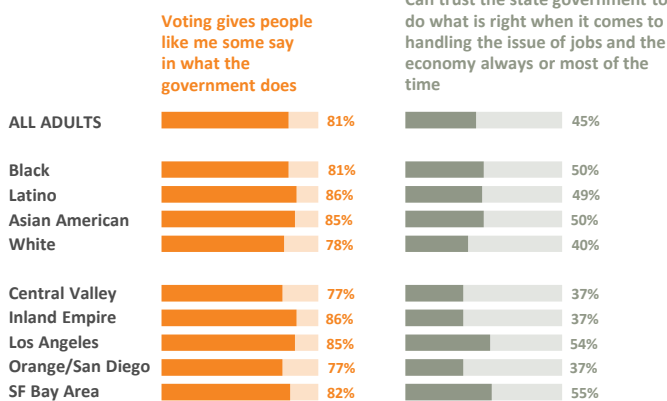
Most Californians continue to feel it is important for workers to organize so that employers do not take advantage of them. This contrasts with only a third of workers who report having workplaces that offer formal venues for worker representation. Since last year, membership availability has increased for Black, Latino, White, and Orange County/San Diego residents by 5-8% and decreased for Inland Empire residents and Asian American workers by 8-10%. Importance of organizing decreased for Asian American workers by 5%, while it increased for those living in Central Valley and Orange County/San Diego area by 5%.¹



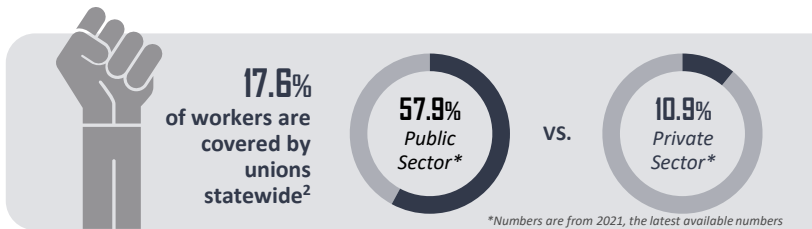
Note: The graph on the right includes survey respondents who chose "completely agree" and "somewhat agree." It excludes those who chose "somewhat disagree" or "completely disagree."

VOTING AND REPRESENTATION

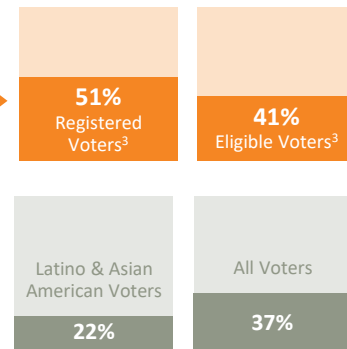
Most Californians continue to agree that voting is important in having some say in what the government does. For Asian American Californians, their belief in the importance of voting has declined by 6% compared to last year. Over the same period, trust in the state government has decreased from 5-12% for Los Angeles, Inland Empire, Orange/San Diego, and Latino residents.¹



Note: (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."



Turnout for those registered and eligible for the 2022 state general election was low but is typically higher during presidential election years.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

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 (2022)

³ California Secretary of State

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

⁵ USC Center for Inclusive Democracy

New Policies Signed Into Law

- **Increased minimum wage:** California's minimum wage will increase to \$15.50 on January 1, 2023.
- **Expanded pay data reporting:** Senate Bill 1162 increases pay scale transparency and requires certain employers to list salary ranges on job postings.
- **Extended paid family leave:** Senate Bill 951 extends temporary increases in benefits through 2024.
- **Farmworker unionization:** Assembly Bill 2183 will allow farmworkers to vote by mail instead of in-person, helping ease the path toward collective bargaining.
- **Commitment to racial equity:** A 2022 executive order established the state's first Racial Equity Commission. The order helps support equitable funding, promotes a more inclusive and diverse workforce, encourages contracting opportunities in disadvantaged regions, and more.

Sources:

[Los Angeles Times](#), January 2023
[Office of Governor Gavin Newsom](#),
September 2022

Sources:

- (1) [Los Angeles Times](#), February 2023
- (2) [Office of Governor Gavin Newsom](#), November 15, 2022
- (3) [California Department of Finance](#), December 2022
- (4) [Governor's Office of Planning and Research](#), October 2022
- (5) [The White House](#), August 2022

NEW POLICIES TO BENEFIT WORKERS

Impressive strides have been made to shape policy and increase investments that will continue to prioritize workers in the state. However, one important bill is on hold. The Fast Recovery Act, which aims to provide substantial wage hikes for fast-food workers, is on hold until a ballot measure, supported by a coalition of corporations, goes before voters in November 2023.¹

FEDERAL AND STATE INVESTMENTS FOR GREATER EQUITY

California has a budget deficit of \$22.5 billion (with revised numbers coming in May) and must make some tough decisions. But the promise of continued prioritization of social services in the budget and remaining federal investments means there are still many opportunities ahead.

- In 2021, the **Infrastructure Investment and Jobs Act (IIJA)** sent the state more than \$16.3 billion in federal infrastructure funding. This, alongside the \$47 billion multiyear federal infrastructure package already in California's budget, has led to the creation of over 17,000 jobs a year later.²
- California has received over \$43 billion in funds from the **American Rescue Plan Act** to help recover from the pandemic. From March 2021 to December 2022, nearly \$20.2 billion was spent, with ~16% addressing negative economic impacts such as relief for unpaid utility bills, expanded job opportunities, affordable housing, unemployment, and other financial aid. However, most funds (about 83%) have been spent on government operations.³
- The state's **\$600 million Community Economic Resilience Fund (CERF)** initiative, which supports efforts to diversify and develop local economies, began its distributions last October, with 13 High-Road Transition Collaboratives receiving \$5 million each to participate in the planning phase.⁴
- The **Inflation Reduction Act**, signed in August 2022, aims to help lower energy costs but will also expand good-paying jobs across solar, wind, storage, and other clean energy industries. It will do so by deploying an estimated \$21 billion of investment in large-scale power generation and storage to California between now and 2030.⁴

LOOKING AHEAD

Income inequality, racial inequity, and economic pressures threaten the prosperity of our state, but we can harness our collective ability to take advantage of the opportunities that lie ahead. California has proven time and time again that it is a state built on resilience, strength, and determination.

By supporting workers and focusing on creating a more inclusive economy, we can ensure a better future for everyone in the state. We are grateful to continue to work with others to strategically leverage these legislative opportunities to drive inclusive growth and build resilience throughout California.

IRVINE'S APPROACH

A PIVOTAL MOMENT

The pursuit of our North Star goal is at a juncture — based on the organization's evolution and external factors — ripe with both challenges and opportunities.

Externally, we face economic uncertainty, with the state's budget shortfall, fears of a national recession, and California poised to receive billions of public sector dollars to rebuild and strengthen our economy and infrastructure — but without certainty that these dollars will be spent equitably.

Internally, the Foundation has grown significantly; our endowment and staff have grown more than 50% since we shifted our focus and structure in 2016. Such growth adds capacity and expertise but also requires thoughtfulness as we build and strengthen our culture, operations, and [approaches](#) in a new hybrid-work model.

Top of mind are our values of *accountability, curiosity, empathy, equity, nimbleness, partnership, and transparency*, including our steadfast commitment to advancing racial equity at Irvine and through our grantmaking. ([Read our racial equity statement here](#) and more in the People and Culture section of this document.)

We are reflecting in this pivotal moment on the progress of our initiatives, our efforts to work across sectors, and what is next as we focus on rebuilding with resilience. Along those lines, this section includes updates and insights related to our:

- Initiatives
- Additional grantmaking
- Cross-sector investments
- Exploratory grantmaking
- Listening and learning

Initiatives

Better Careers initiative vision

Californians whose talent and labor have been undervalued can thrive in an ever-changing economy if they benefit from and have influence over an equity-focused network of organizations and public programs that provide effective training and remove barriers to quality jobs.

BETTER CAREERS

[Better Careers](#) made grants from 2018-2022 to support 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 those first five years, Better Careers has granted more than **\$100 million** to more than 70 grantees focused on **career pathways, employer practices, and the workforce development field and system.**

The initiative has helped place more than 16,000 people in jobs averaging \$20+ per hour, and we are on track to meet or exceed most impact goals. But these gains are vulnerable to changes in the labor market and can be short-lived, and workforce efforts (public and private) fail too many low-wage workers.

We learned from these five years of grantmaking that we can have greater impact and help build a more equitable and inclusive workforce system by supporting programs that provide job training and access, investing in efforts to advance quality jobs and provide clear pathways to those jobs, and via a stronger focus on equity to remove racial barriers to economic opportunity.

In December 2022, the Irvine board approved a revised strategy for Better Careers, committing an additional **\$160 million over the next seven years to support high-quality training, promote quality jobs, and address systemic racism** by focusing grantmaking on three interrelated, complementary areas:

- 1 **Supporting community-led and -accountable organizations** trusted by Californians who have been failed by multiple systems to provide comprehensive support, build power, and connect them to quality jobs
- 2 **Strengthen the field of apprenticeship** to provide sustainable and viable paths for low-wage workers to access jobs with quality benefits and wages, opportunities for advancement, and worker voice
- 3 **Promote inclusive public services and investments** to focus public dollars on equity and better meeting low-wage workers' needs and the opportunities that communities identify

We believe the next phase of Better Careers, with our stronger focus on racial equity and quality jobs, will make more meaningful progress in ensuring all Californians, especially those whose talent and labor have been undervalued, can thrive in an ever-changing economy.

In 2023, we will continue to work closely with grantees and engage new ones to refine how we assess progress.

Key Learnings as of 2022

- There is greater momentum for collaboration and policy alignment in the worker rights field, with the California Coalition for Worker Power at the center. This coalition succeeded in making the case for millions in new state investments in 2022 to strengthen anti-worker retaliation programs at the Labor Commissioner’s Office, and for programs that inform workers on health protections, including COVID-19.
- The California Strategic Enforcement Partnership is a valuable “proof of concept” for how nonprofits can serve as full partners with government to enforce labor laws. More work is needed to ensure workers feel safe to identify violations when they occur, address policy gaps, and engage employers in solutions. Worker rights groups expanded their tools to address these needs.
- Worker rights organizations are expanding their focus beyond raising the floor for workers to building ladders to more secure, high-road employment through training partnerships, programs to increase access to public sector jobs, and forming worker cooperatives.

FAIR WORK

Since 2018, [Fair Work](#) has invested approximately **\$108 million** to “raise the floor” for workers in low-wage industries in California by improving enforcement of federal and state labor protections, increasing engagement of workers on their labor rights, and advancing policy solutions that secure fairness and dignity. The main strategies have been to:

- 1 **Ensure workers are informed and civically engaged** – strengthening the capabilities of worker rights groups to organize and engage low-wage workers on their rights at greater scale
- 2 **Ensure workers receive the full wages and benefits they’ve earned** – expanding nonprofits’ partnership with enforcement agencies to strengthen assessment and collection of wages, and to implement other workplace policies
- 3 **Build strong, sustainable nonprofits** – supporting grantees to work as a cohesive network, through better use of research, effective revenue models, and alignment on policy advocacy

Formal evaluation shows the approach is working: Grantees have grown significantly in staff and budget size; thousands of workers are organization members, serve as movement leaders, or actively engage in advocacy in their workplaces or communities. In just two years, grantees helped advance more than 25 pro-worker reforms at the city, regional, and state levels.

At the same time, more workers need to be engaged, efforts need to be strengthened to ensure policy reforms and labor protections are fully enforced, and groups need added capacity to advance and sustain wins at multiple levels — in workplaces, policy arenas, and in the democratic process.

In 2023, the Irvine board will review progress and lessons from the grantees supported by Fair Work in order to consider any strategy refinements.

“After [2016]... it became so clear that the solution is not just to win in some sliver of the movement. The solution is to build a real vibrant alternative vision of multiracial social democracy in a participatory economy that everyone can see themselves in, and no one organization can accomplish that.”

— Fair Work leader

Initiatives

Notable in 2022

In October, the [state awarded regional planning grants](#) to cross-sector collaboratives to plan for a just transition to economies that work for all. We're proud to support many of the community organizations that are core to those planning efforts.

Similarly, the [Fresno DRIVE initiative led a coalition](#) to receive the nation's largest grant (\$65 million) — and only one in California — from the federal Build Back Better Regional Challenge (USA EDA). The funds are for a core DRIVE investment idea: the Fresno-Merced Future of Food Innovation (F3) project.

Ashley Swearingen, CEO of the Central Valley Community Foundation and convenor for Fresno DRIVE's planning efforts shared:

"If it weren't for the Irvine Foundation, DRIVE would have been conceived of and launched with less focus on equity and inclusion. Because the Priority Communities team has walked alongside, coached, supported our work, and helped us build bridges with community advocates, F3 was designed with worker voice and small farm advocates in the room. It is a much different initiative today than if we were not partnered with Irvine."

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 2022, the initiative has spent **\$82.2 million** to support the local infrastructure needed to **create quality jobs and put workers paid low wages at the center**. The initiative has helped to:

- 1 **Strengthen local planning tables** that include participants from across sectors
- 2 **Build the capacity of community organizations** to ensure residents and workers have a voice in economic planning
- 3 **Invest in small business development**, especially approaches that prioritize entrepreneurs who traditionally have received less investment
- 4 **Support economic research and narrative-change efforts**

Key Learnings in 2022

- **Communities need extensive resources.** Local partners have a history of siloed work, competing for resources, and longstanding power dynamics. Collaboration is growing but it takes time, space for resolution, and funding for partnership. The pandemic stretched community organizations and systems who need support to do this work while also addressing basic needs of residents. Transformational impact that enables communities to incentivize quality jobs will take time and resources.
- **The accelerating pace of economic change in inland California is a threat.** The Central Valley and Inland Empire are at the frontlines of climate change, automation, housing shortages, and other factors that can displace vulnerable people. Systems and nonprofits responsible for supporting workers are stretched and historically under-resourced. If the regions are to have good jobs and a just transition, those who are most impacted by these upcoming changes need resources to lead and offer alternatives to the status quo.

Initiatives

Example Grantees



Advancement Project: fostering upward mobility in low-income communities through research, advocacy, and capacity building



California Black Power Network: supporting power building infrastructure across the state, including advocacy and narrative capacity on behalf of Black, low-income workers and families



California Calls: increasing civic engagement, education, and awareness on policies that impact low-income communities



California Immigrant Policy Center: supporting the inclusive policies that support immigrant workers, including undocumented workers and their families



California Native Vote Project: deepening the power building, advocacy, and data research of Tribal communities and Native organizations



Capital & Main: broadening media coverage on the economic challenges facing millions of Californians, particularly communities of color



Milken Institute: convening private and public partners on equitable development for low-income workers



PICO CA: building a statewide, multiracial, multifaith movement for racial and economic justice



PPIC: conducting a statewide survey of Californians on their economic well-being



UCLA CA Policy Lab: improving the effectiveness of economic mobility policies and publicly provided programs through research and policy analysis

JUST PROSPERITY

In March 2022, Irvine's board approved the [Just Prosperity initiative](#), which will provide \$107 million in its first four years for statewide efforts to develop and implement policies that reflect the priorities of low-income Californians. This will be through investments in organizations, partnerships, and new ideas that amplify worker voices, advance racial equity, and spark dialogue and action across the state.

Just Prosperity is the latest chapter in Irvine's long history of supporting statewide civic engagement, media and journalism, policy research and advocacy, and cross-sector partnerships. Structural inequities keep low-wage workers out of conversations about the policies and systems that help all families advance, so Just Prosperity aims to:

- Strengthen the organizations, coalitions, and networks supporting the leadership of low-income workers to create a better future for themselves and their families across California
- Build public will for policies that reflect the priorities of low-income workers and their families
- Create new models, policies, and practices that advance racial equity and economic opportunity for Californians who are paid the least

In 2022 we invested **\$28.5 million in 32 grantees** focused on:

- 1 **Organizing and advocacy** — organizations and efforts that elevate worker leadership, so their voices are heard and represented at decision making tables
- 2 **Research and storytelling** — quality research, compelling stories, and opportunities to amplify worker perspectives and promote dialogue that complements the efforts of worker advocates
- 3 **Partnerships and new ideas** — collaborations across sectors to spark new ideas and solutions that lead to a more equitable California

We partnered with eight grantees to inform the initiative since its inception. We continue engaging these organizations to develop the initiative's impact goals and eventual measures of progress.

HOUSING AFFORDABILITY

California's high housing costs are a significant barrier to economic advancement for low-income workers and their families. Workers of color are disproportionately affected by unaffordable housing after years of systemic racial bias, discrimination, and segregation in housing policies and practices.

Efforts to rebuild from the pandemic present a valuable opportunity to consider long-term policy changes to address the state's housing crisis, and we believe the voices, ideas, and priorities of Californians most deeply impacted by the housing crisis must inform these conversations.

In 2021, Irvine committed **\$40 million over four years** to:

- 1 Build the capacity of housing policy advocates across the state** to elevate the voices, interests, and ideas of low-income residents
- 2 Engage impacted populations** in the design and implementation of policy solutions
- 3 Advance a 3Ps agenda** (protect tenants, preserve affordable housing, produce new affordable units)

In 2022, we directed **\$19.5 million** of our commitment to support an array of statewide housing advocacy efforts, strengthen the capacity and coordination of community advocates in Los Angeles County, and advance policy research that lifts up the voices and priorities of low-income residents and embeds a racial equity analysis.

In 2023, we will consider additional grants for statewide and regional housing advocacy, partner with peer foundations on investments that support community-driven priorities and begin to assess our grantees' progress. We want to especially understand how and at what pace our funding is being regranted, how grantees are collaborating, and how and to what extent racial equity is embedded in their work.

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 are excited to have returned to an in-person celebration of Award recipients in 2023.

[Read about these impressive leaders here.](#)

PUBLIC FUNDING INVESTMENTS

Because we cannot achieve our North Star goal alone, Irvine looks to collaborate with funders, the public sector, organized labor, and employers to improve outcomes for Californians paid low wages.

A major opportunity now is leveraging the significant funding coming from the state and federal government to rebuild our economies, infrastructure, and to prepare for climate change. If California uses these tens of billions of dollars equitably and effectively, we can produce higher-quality jobs and career pathways that benefit all workers. 2022 examples include:

- ▶ California's \$600 million [Community Economic Resilience Fund](#) will enable **regions of the state to create their blueprints for pandemic-recovery funds in equitable and carbon-neutral ways**. We and other California foundations are providing grants to nonprofits to build their capacity to participate effectively in these regional collaboratives.
- ▶ We partnered with the Sierra Health Foundation and four other funders to create the \$17.7 million Community Economic Mobilization Initiative ([CEMI](#)), which aims to **strengthen community organizations** so that they can govern how \$139 billion in state and federal resources are invested for infrastructure and economic recovery.
- ▶ We supported the [Equity in Infrastructure Project](#) that aims to **increase the number, size, and proportion of government contracts going to historically underutilized businesses**. The project will help these firms compete more effectively by working with government agencies to revamp the contracting process. Several government agencies in California and beyond have signed on.
- ▶ We're one of six foundations supporting a national public-private partnership called [What Works Plus](#) to be a **hub for grantmakers to coordinate on projects funded by the federal infrastructure bill**. A core goal is to learn and share what does and doesn't work, so that federal agencies and philanthropy adapt in real time as massive investments flow into communities.
- ▶ We're a contributing member of the multi-donor [Families and Workers Fund](#), which, among other things, has a broadly endorsed [definition of good jobs](#) and is **partnering with the U.S. Department of Labor to develop and release a series of recommendations on integrating job quality into traditional economic measures** such as unemployment.
- ▶ We provided \$1 million to the [Redwood Region Climate and Community Resilience \(CORE\) Hub in Humboldt County](#) for **organizing and educating community leaders to ensure community benefits from an enormous federal offshore wind energy project**. If designed and implemented appropriately — with priorities of the tribal nations at the center — their efforts will deliver new jobs and economic opportunities for rural and tribal residents historically excluded from both.



SMALL BUSINESS

Small businesses in California employ nearly half of all private employees, are particularly an economic opportunity for people of color, and are commonly an option for unemployed Californians returning to work. The health of this 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. And in 2022 we made pilot grants to deepen learning and to engage with new grantees and stakeholders to inform a potential initiative.

We will continue to explore possibilities in 2023, specifically how we can deepen our investments in small business through our existing initiatives.

LONG-TERM RESILIENCE

In our 2022 Portfolio Review we shared our plans to explore the viability of a Long-Term Resilience Project to support grantees in strengthening their organizational and financial health. This grew out of funding we began providing in 2020 to help grantees manage the economic fallout of COVID-19, including technical assistance for enhanced financial planning and capacity development.

Since then, fluctuations in Irvine's endowment have required us to pause the idea of a separate Long-Term Resilience project in 2023. Our primary focus is fulfilling commitments we have made to grantees in our multiyear initiatives, and we will continue providing flexible resources to those partners.

We also will invest an additional \$2 million in 2023 for more technical assistance/capacity-building training on financial resiliency to select grantees to help them better navigate turbulent times.

Listening and Learning

Learning

In addition to our ongoing Impact Assessment and Learning efforts, we also used 2022 to reflect specifically on some institutional-level work outside of our main grantmaking initiatives over the past five years.

In 2022 we worked with Redstone Strategy Group to identify various partnership efforts with the public, private, and philanthropic sectors to draw lessons from. This included interviews with staff and external stakeholders to more fully understand what worked, didn't, and how we can be most effective and focused with future partnerships.

LISTENING EFFORTS

Listening to those we seek to serve is 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 various forms of listening across the Foundation, and use what we hear to inform our thinking, approaches, and practices. We also share what we learn with others, as relevant and useful.

Below are some 2022 examples of listening to grantees and California workers, as well as supporting grantees and field-level efforts to strengthen listening and feedback practices.

Listening to Grantees

We invested nearly \$1 million in five Native-led and/or serving organizations to support Irvine's deeper learning about California's Indigenous and Native communities. The resources are designed to expand opportunities for these grantees to listen and engage with tribal communities and Native Californians, support more robust Native-led research, and elevate the voice of Native workers and leaders through narrative and policy change.

As part of our Fair Work initiative, we partnered with Engage R&D to host listening sessions with carwash workers (similar to sessions with janitorial and residential care workers in 2021) to hear about their experiences with wage theft and employer retaliation, participating in wage claim cases, and worker organizing. We shared our learnings with the California Strategic Enforcement Partnership, the partnership between the California Labor Commissioner's Office, the National Employment Law Project, and 14 worker organizations that bolster anti-wage theft enforcement and labor law compliance efforts.

The Fair Work initiative also supported a listening and storytelling project to capture the social and economic impact of wage theft on workers and communities, explore solutions, and illuminate the role of strategic enforcement in supporting workers who are paid low wages. The final report, along with written portraits and videos highlighting the voices and experiences of individual workers, will be published in 2023.

Listening to Working Californians

The Public Policy Institute of California conducted its third annual [Economic Well-Being Survey](#), asking 2,307 Californians about their economic well-being and perspectives on economic mobility. The survey includes a focus on residents living on low incomes (under \$40,000 per household).

SUPPORTING LISTENING AND FEEDBACK PRACTICES IN THE FIELD

The Fund for Shared Insight (FSI) continues to promote listening and feedback practices with funders and nonprofits in service of greater impact and equity. FSI's signature [Listen 4 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 provides support for four grantees to participate in Listen 4 Good.

2023 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.

Just Prosperity

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

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 policies that aim to improve long-term housing affordability outcomes for low-income workers in California.

Leadership Awards

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

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.

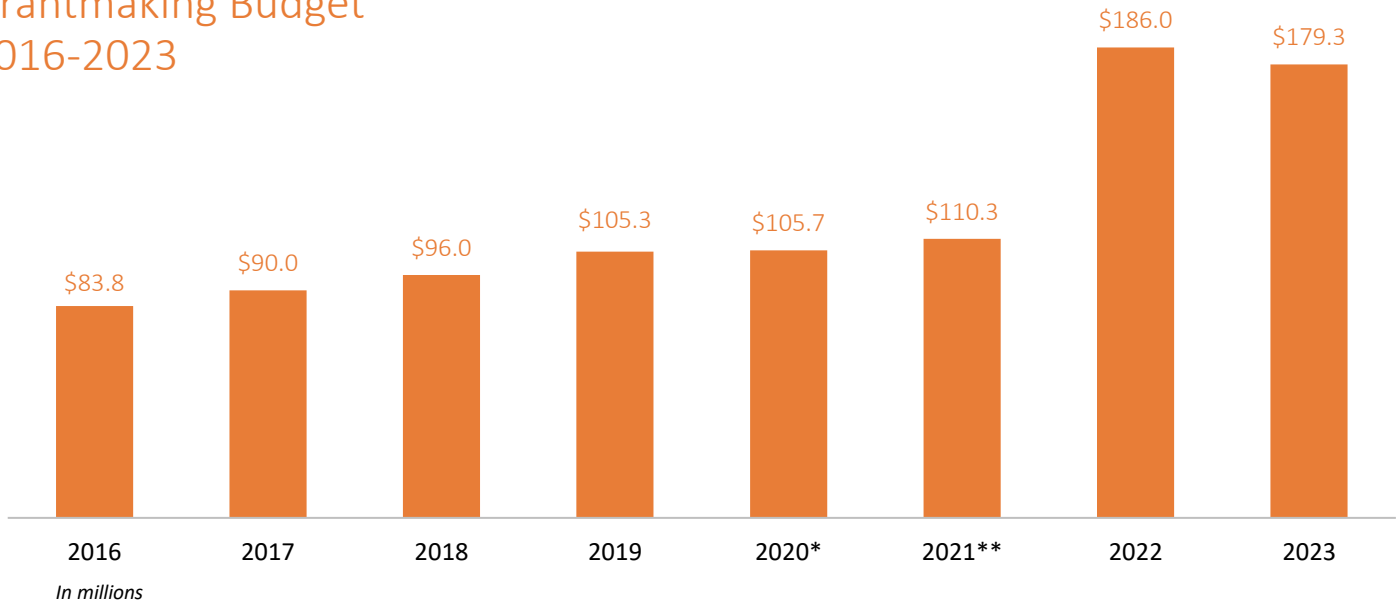
CULMINATING WORK

Media

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

2022 GRANTMAKING PORTFOLIO BY THE NUMBERS

Grantmaking Budget 2016-2023



*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

2022 Grantmaking Budget

	2022 Actual
Initiatives	
Better Careers	\$ 26,134,561
Fair Work	\$ 36,580,000
Just Prosperity	\$ 30,042,551
Priority Communities	\$ 28,412,000
Projects	
Housing Affordability	\$ 19,515,000
Leadership Awards	\$ 4,295,000
Program Development	
New Initiatives in Development*	\$ 2,500,000
Research and Development	\$ 27,675,000
Culminating Work	
Media	\$ 1,736,300
Additional Grantmaking	
Impact Assessment and Learning	\$ 1,600,000
Institutional Relationship Grantmaking	\$ 2,788,375
Opportunistic Grantmaking	\$ 3,080,000
Flex Fund	\$ 447,500
Membership/Sponsorship	\$ 595,050
Board/Staff Discretionary Grants	\$ 1,898,400
Total	\$ 187,300,000

*2022 New Initiatives in Development budget included Small Business pilot grants.

2022 Grantmaking Portfolio Overview

2022 GRANTMAKING CATEGORIES

Initiatives

- Better Careers
- Fair Work
- Just Prosperity
- Priority Communities

Projects & Ongoing Grantmaking

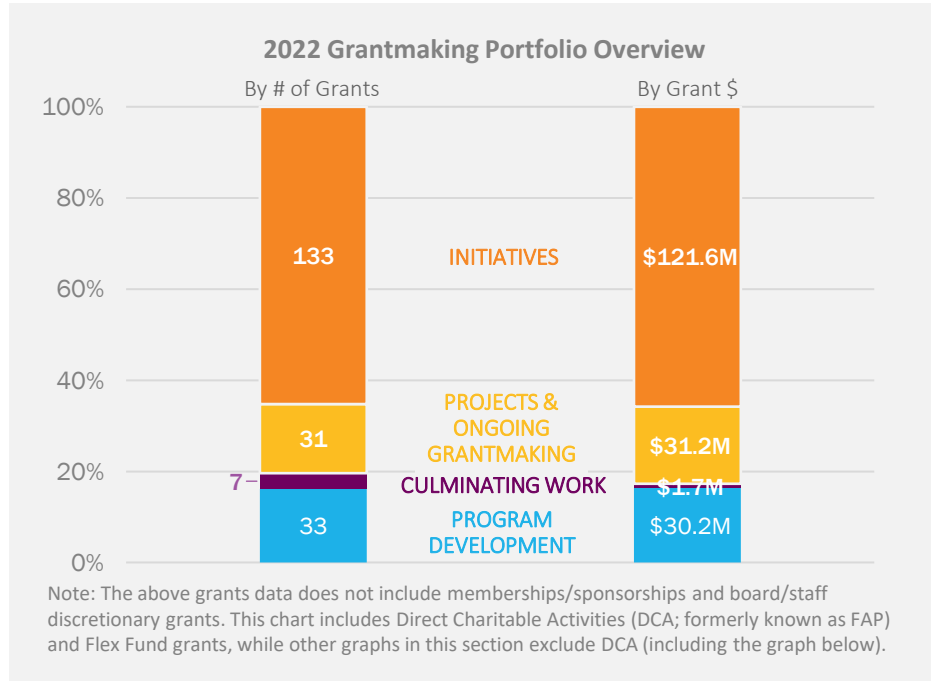
- Additional Grantmaking*
- Housing Affordability
- Impact Assessment and Learning
- Leadership Awards

Culminating Work

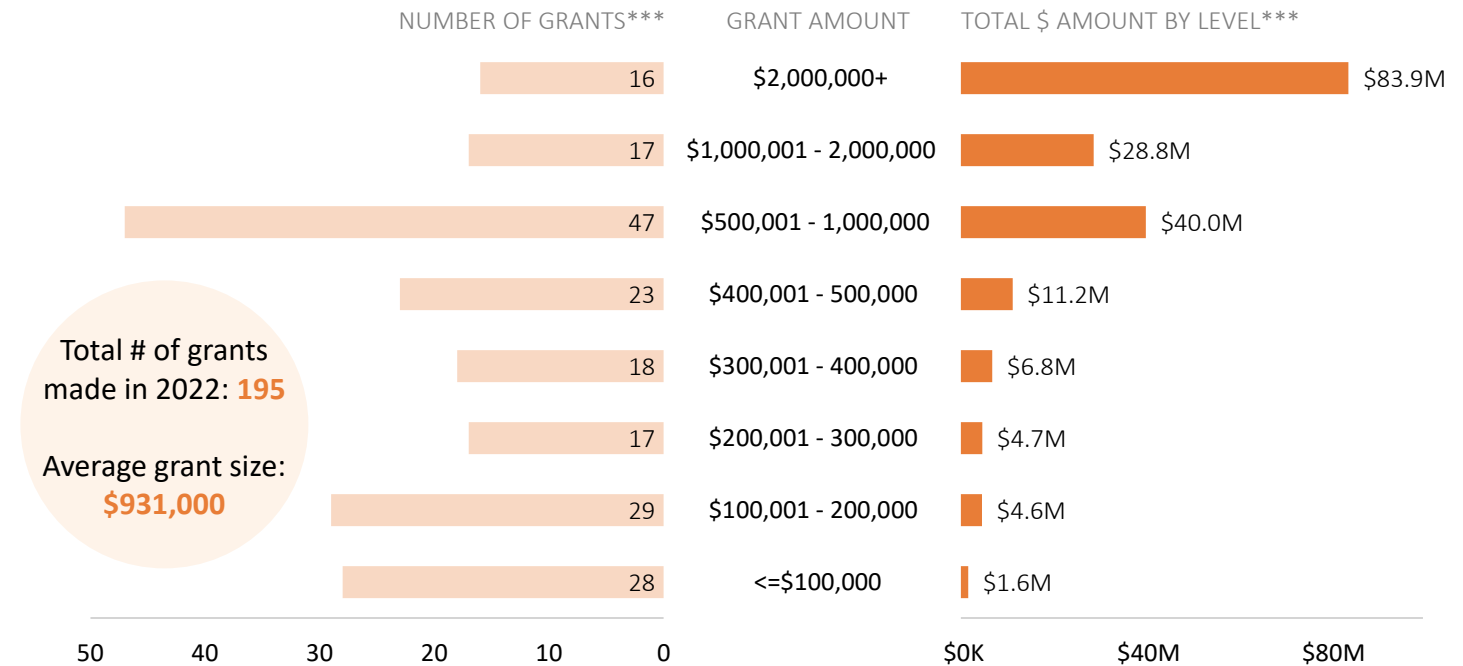
- Media

Program Development

- New Initiatives in Development**
- Research and Development



Total Grantmaking in 2022 by Grant Amount



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

**New Initiatives in Development includes Small Business exploratory grants.

***Number of Grants and Total \$ Amount does not include Direct Charitable Activities (DCA), memberships/sponsorships, and board/staff discretionary grants. It does include Flex Fund grants.

2022 Grantmaking by Region of California



	2022 Regional Grantmaking	% of Total 2022 Regional Grantmaking	Active Portfolio* (as of 1/2023)	% of Total Active Portfolio Regional Grantmaking	% of California Population (2021)	% of Californians At Or Near Poverty (2021)**
CALIFORNIA REGIONS						
Bay Area	\$6,602,750	8%	\$27,693,224	15%	20%	17%
Central Coast	\$11,707,855	14%	\$23,022,569	12%	4%	4%
Los Angeles Metro	\$22,822,100	26%	\$36,517,773	19%	28%	33%
North Coast and North State	\$1,534,750	2%	\$1,702,774	1%	1%	1%
North Valley	\$522,500	1%	\$552,500	0%	2%	1%
Orange County	\$3,627,500	4%	\$5,059,000	3%	8%	9%
Riverside and San Bernardino	\$18,356,634	21%	\$31,406,636	16%	12%	11%
Sacramento Metro	\$1,296,500	1%	\$2,231,500	1%	6%	5%
San Diego and Imperial	\$4,576,750	5%	\$11,566,441	6%	9%	9%
San Joaquin Valley	\$15,653,684	18%	\$51,680,389	27%	11%	10%
Sierra	\$0	0%	\$0	0%	1%	1%
TOTAL REGIONAL GRANTMAKING	\$86,701,024	100%	\$191,432,805	100%		
	2022 Grantmaking	% of Total 2022 Grantmaking	Active Portfolio* (as of 1/2023)	% of Total Active Portfolio Grantmaking		
TOTAL REGIONAL GRANTMAKING	\$86,701,024	47%	\$191,432,805	52%		
TOTAL STATEWIDE GRANTMAKING	\$98,101,504	53%	\$177,738,925	48%		
TOTAL REGIONAL AND STATEWIDE	\$184,802,527	100%	\$369,171,730	100%		

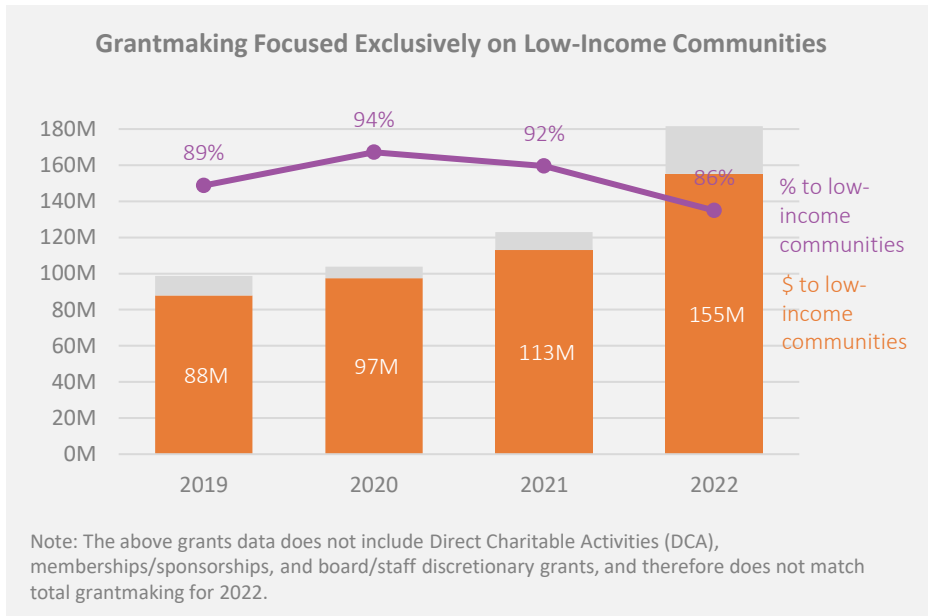
Note: Percentages may not add up to 100% due to rounding.

*Active Portfolio is comprised of grants made in 2022 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 Fall 2021 California Poverty Measure (CPM) research, as of January 2023. Based on the American Community Survey in 2019 with projections to Fall 2021. California Poverty Measure poverty thresholds are basic needs estimates for a family of four that rents its place of residence, averaged over all Californians in the state or region. 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.

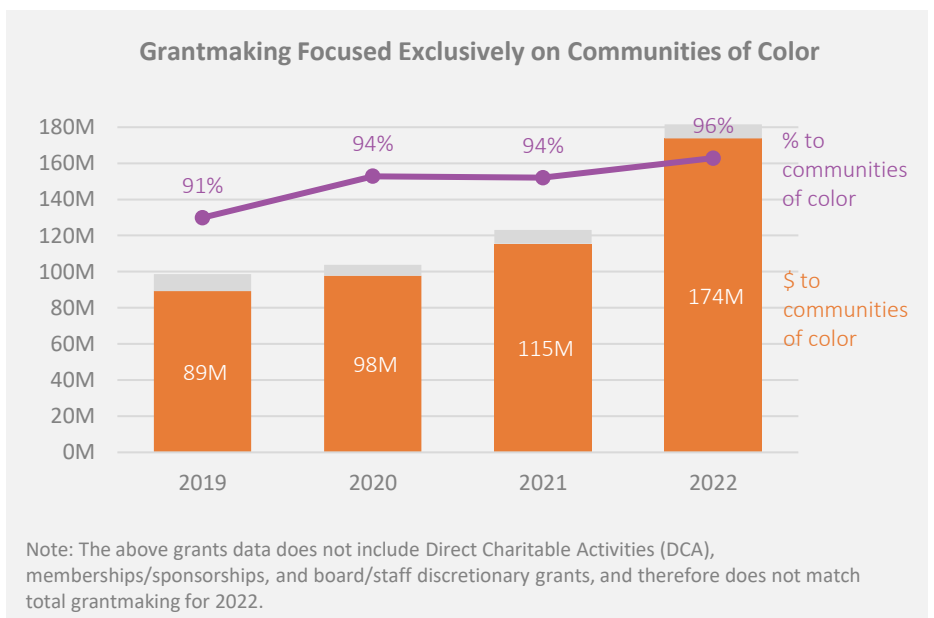
2022 Grantmaking to Support Low-Income Communities

Our support to low-income communities has continued to increase as the majority of our grantmaking now focus on our North Star. The slight decrease in 2022 in the overall percentage of our funding *exclusively* focused on low-income communities, as compared to prior years, is due to a \$14 million grant to launch the Community Economic Mobilization Initiative (CEMI), which regranted Irvine dollars to community organizations across the state. This funding ultimately supported the ability of underserved and BIPOC communities to secure public funds and reduce economic inequities.



2022 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.



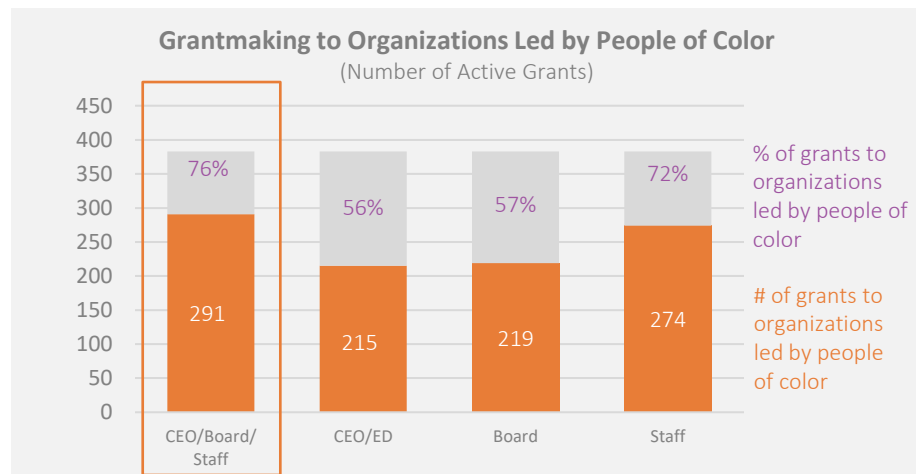
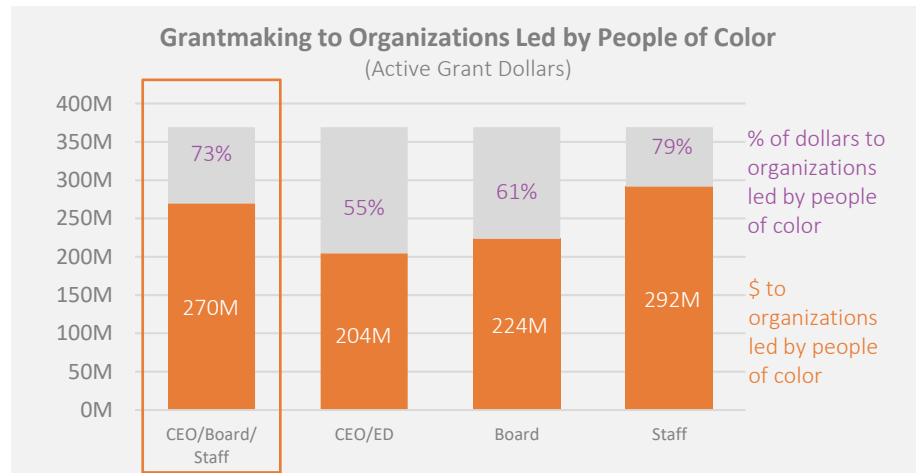
Grantmaking to Organizations Led by People of Color

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% or more people of color
- (3) Staff is comprised of 50% or more people of color

For active grants* that meet any of these three criteria, 73% of our grantmaking dollars support organizations led by people of color, and 76% 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.

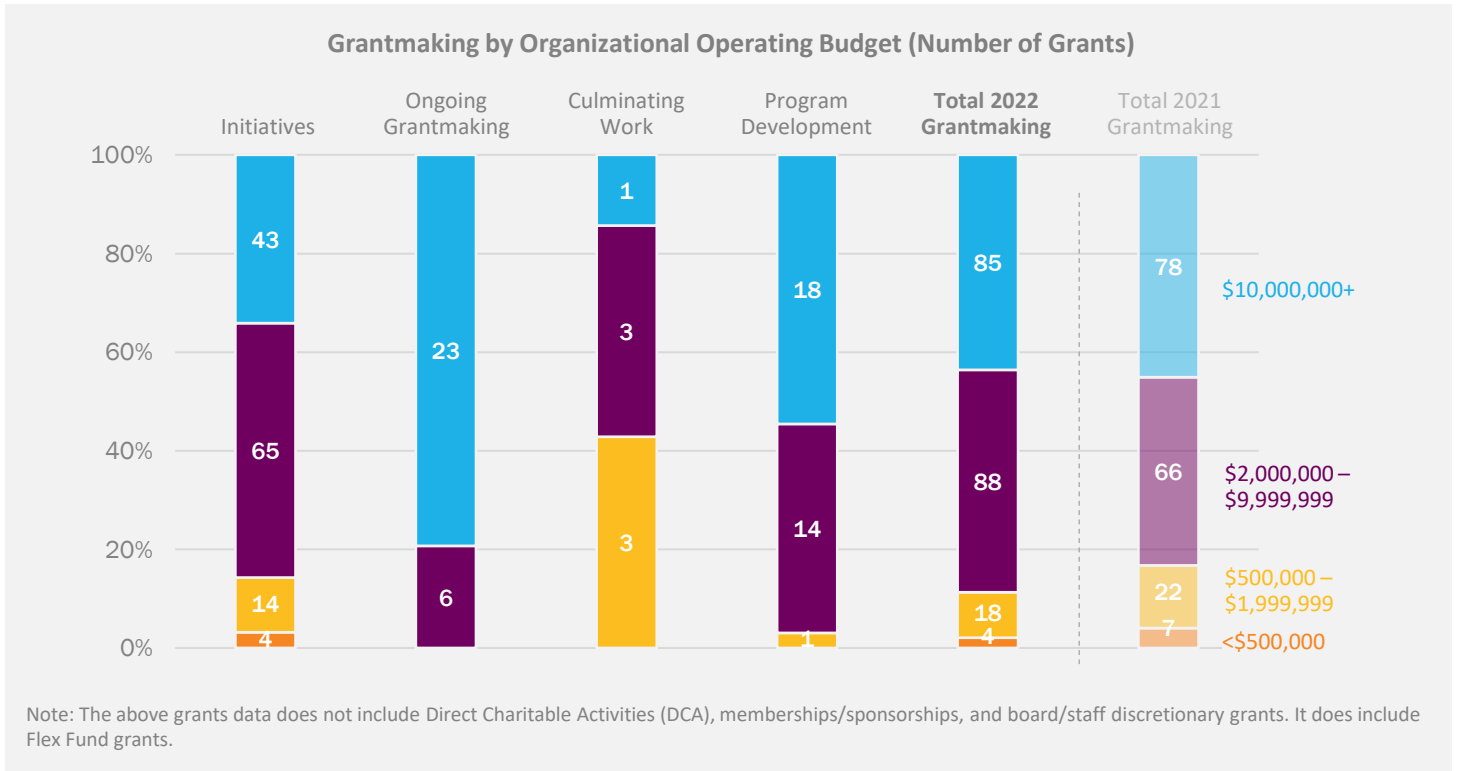


Through our racial equity work, we are exploring how Irvine can continue to increase our grantmaking to organizations led by people of color. In addition, we continue to collaborate with The California Endowment and Weingart Foundation to identify more effective and efficient ways to collect this data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

*Active grants (as of January 2023) include grants made in 2022 and multiyear grants made in previous years.

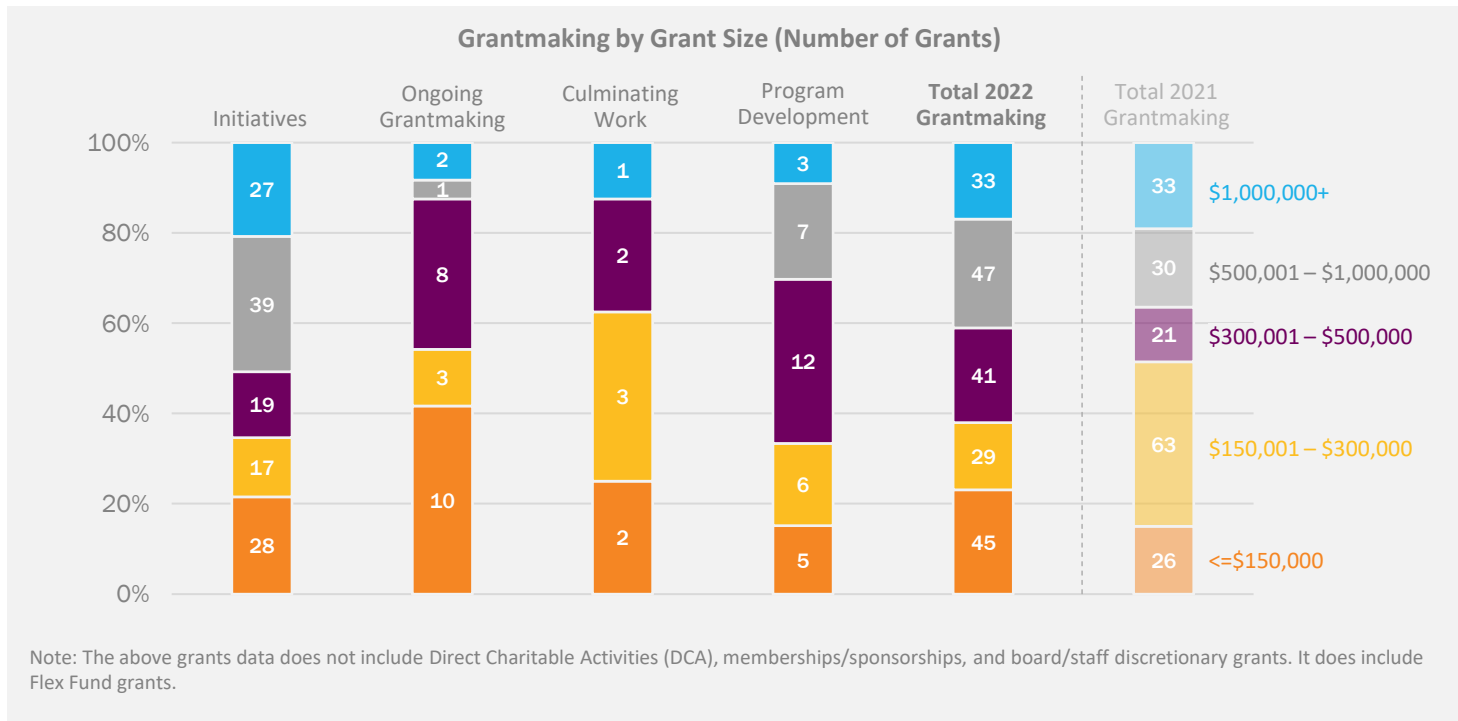
Note: The above grants data does not include Direct Charitable Activities (DCA), memberships/sponsorships, and board/staff discretionary grants. It does include Flex Fund grants.

Operating Budget Size of 2022 Grantees

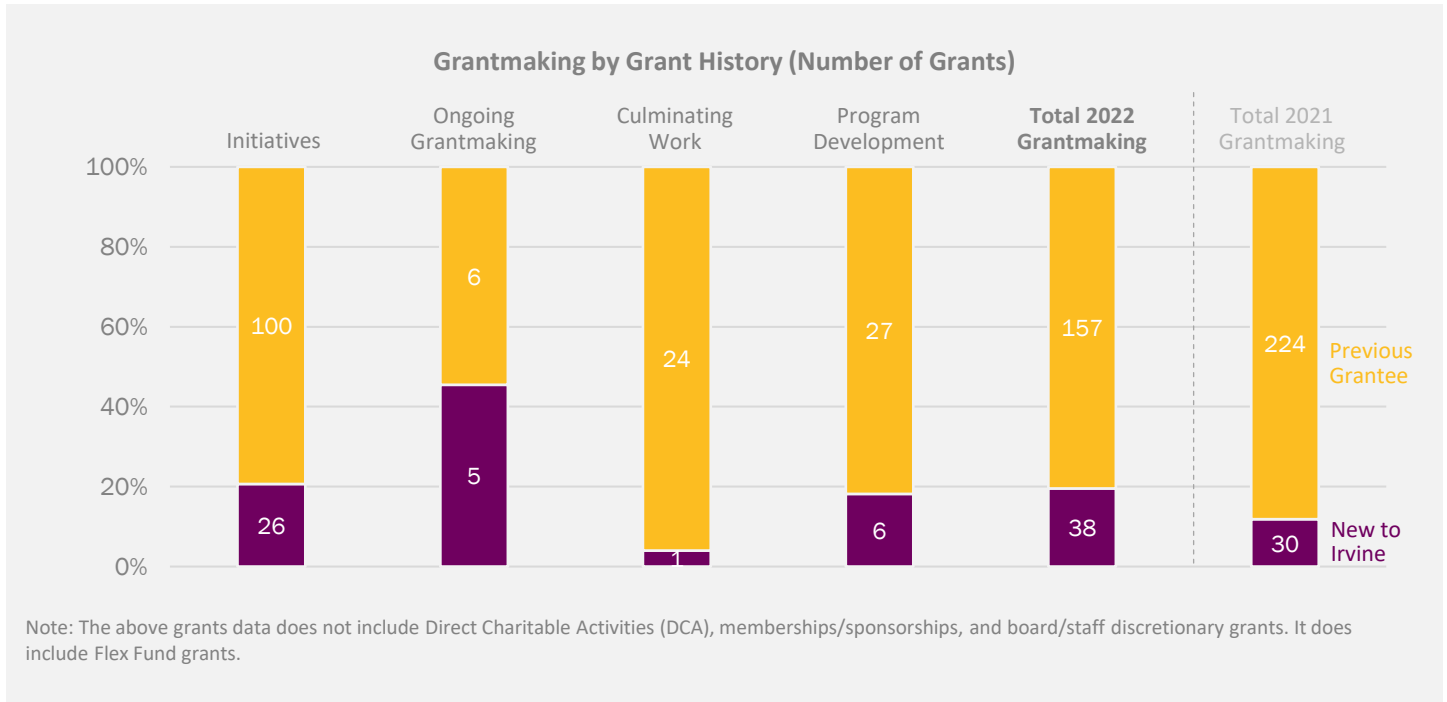


Grant Size in 2022

Our average grant size increased significantly in 2022 to \$931K, compared to \$711K in 2021 and \$409K in 2020. This is due in part to an increased percentage of grants made over \$300,000 in 2022 (62%) compared to 2021 (48%).

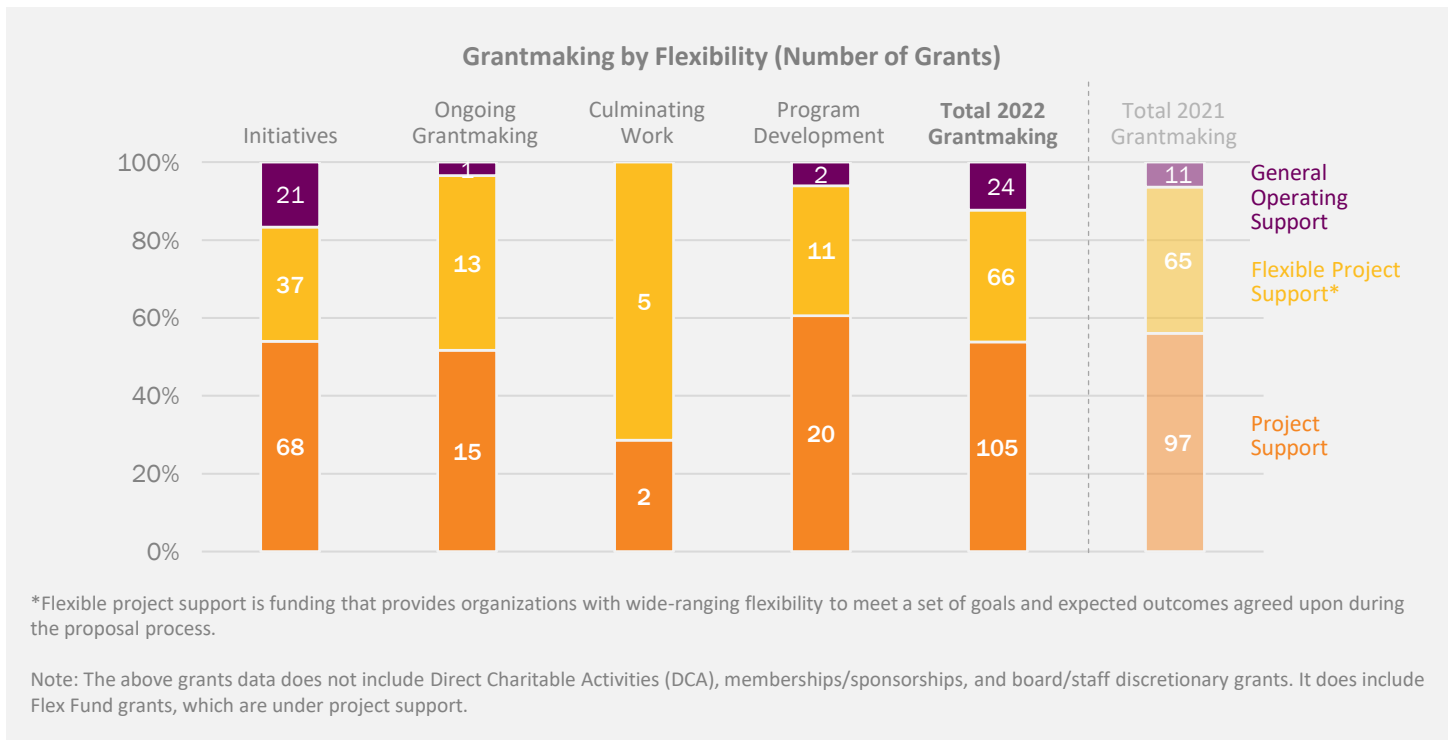


Previous vs. New Organizations to Irvine in 2022



Types of Grant Support in 2022

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

Diversity, Equity, and Inclusion

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

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

The staff-led committee has become a trusted partner embedded in the fabric of Irvine to ensure the organization not only maintains but deepens its commitment to DEI. With Irvine's recent growth, new staff have joined the committee and brought fresh perspectives, ideas, and insights to carry the committee into a new chapter for Irvine.

RACIAL EQUITY PROJECT

In June 2020, the board approved an additional \$20 million in grantmaking dollars (over 18 months) to strengthen racial equity approaches in all our initiatives and committed to undertake an introspective process to embed a racial equity lens into our programs, operations, and investments.

Key priorities of the Racial Equity Project from 2020-2022 include:

- Facilitate board and staff learning about racial equity at individual, interpersonal, organizational, and structural levels
- Enhance and align racial equity approaches in our grantmaking
- Articulate Irvine's shared beliefs and long-term priorities and commitments to advance racial equity

In March 2022, the board approved a statement that outlines Irvine's long-term [commitments to advance racial equity and address structural racism](#), which our leadership and staff have since begun to operationalize across departments.

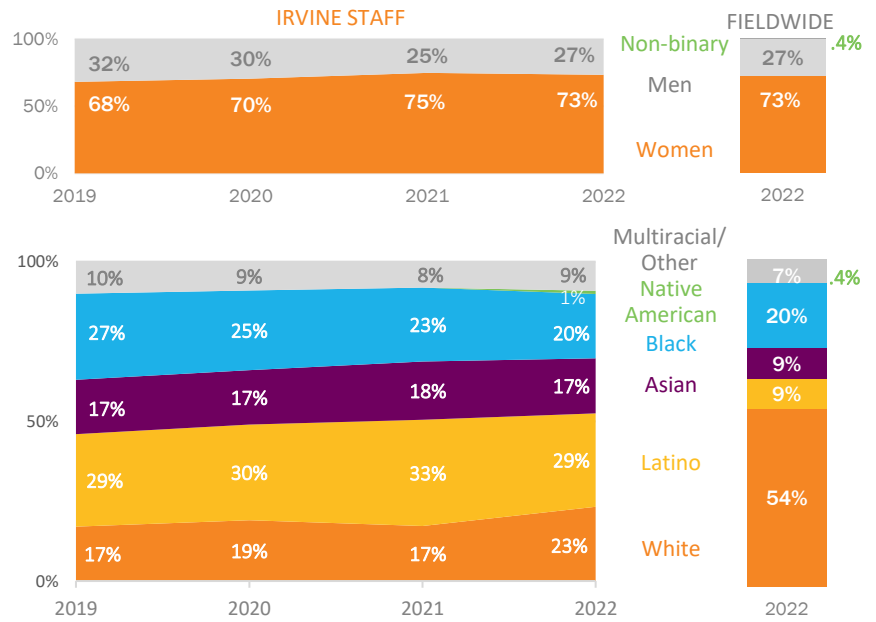
2022 ACCOMPLISHMENTS

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• Advanced actionable solutions for DEI “Big Ideas” priorities related to talent, workload, culture-building, and external partnerships
Facilitating Learning and Reflection	<ul style="list-style-type: none">• Racial equity onboarding sessions organized for all new staff• Professional development resources made available for all staff to further their individual learning, reflection, and skill-building on racial equity topics• New materials developed to preserve and cement institutional knowledge of the DEI Committee’s work• Asset Framing workshop organized for all staff• Voices from the Field session facilitated in response to ongoing AAPI violence and discrimination• Piloted exercises to encourage staff dialogue on tough conversations and diversity of thought
Advancing Priorities	<ul style="list-style-type: none">• Staff workgroups launched to develop portfolio-wide racial equity goals and refresh our grantmaking processes and policies• Opportunities identified to embed racial equity in our organizational processes and practices, such as vendor selection and talent advancement• Developed a set of DEI-related criteria and questions for staff engagement events• Board committees reviewed charters and began to develop committee-specific racial equity commitments• Accountability framework developed and internal infrastructure recommended to help track and ensure progress on our organizational and departmental racial equity commitments

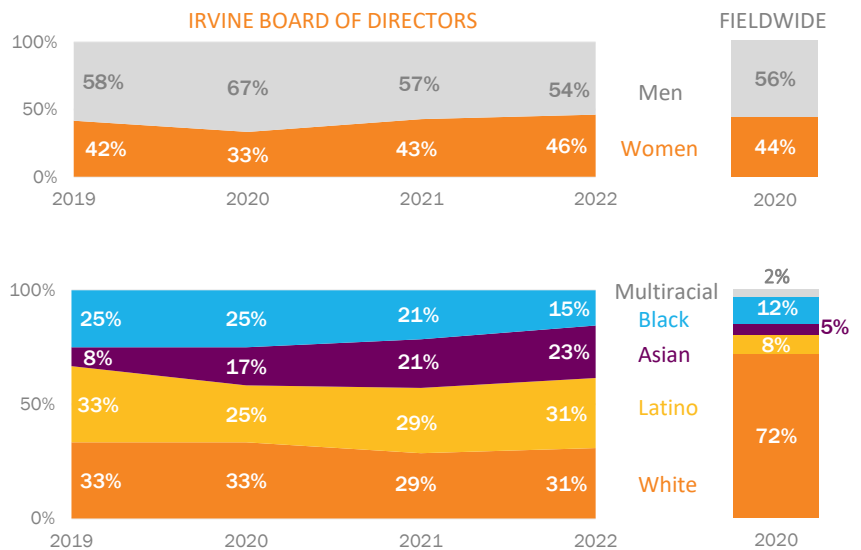
Staff and Board Demographics

In the tables below, we provide demographic data on Irvine’s board and staff. We 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:



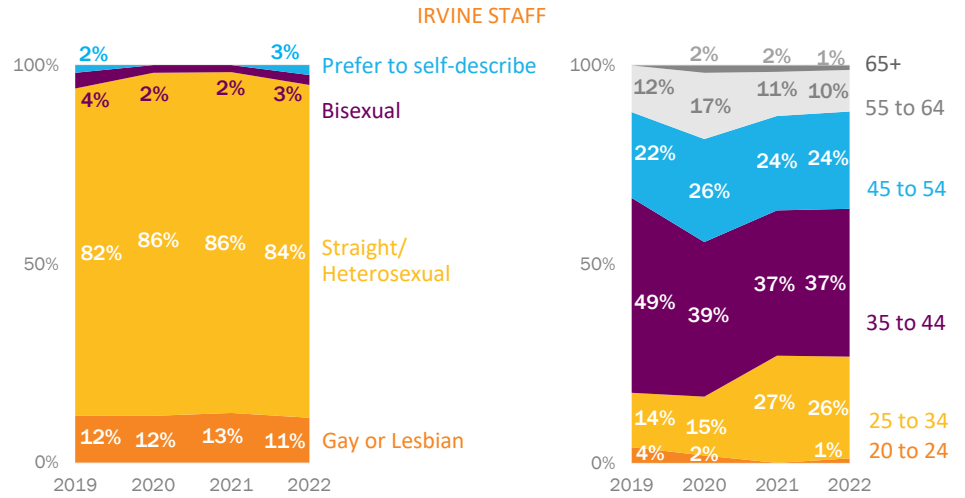
Note: Fieldwide data comes from the Council on Foundations, 2022 Grantmakers Salary and Benefits Report. Irvine data includes staff members as of December 2022. Graph excludes staff who have chosen not to disclose their data.



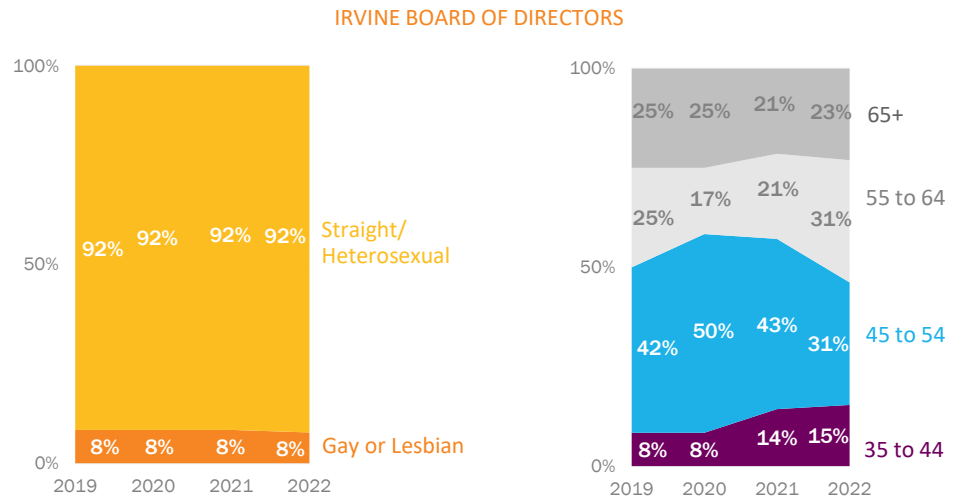
Note: Fieldwide data comes from the Croner 2020 DEI Survey sponsored by The Ford Foundation (more recent data is not currently available). Responses represented above are captured from the self-identification survey from 2019, as well as board members who joined in 2022. Irvine data includes board members as of December 2022, and includes Irvine’s President and CEO, who is an ex-officio board member.

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.



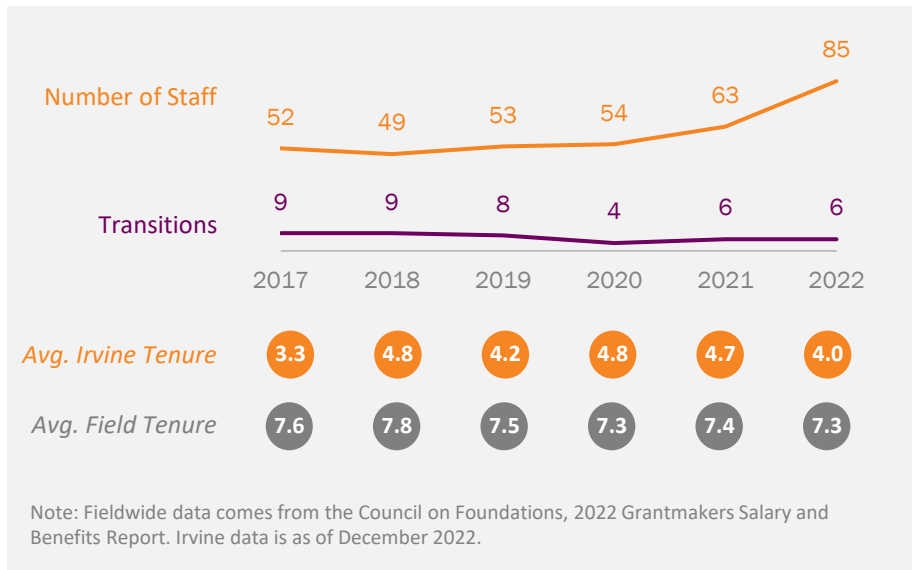
Note: Only responses captured from the self-identification survey are represented above. Irvine data includes staff members as of December 2022. Graph excludes staff who have chosen not to disclose their data. No fieldwide data is available for these demographic categories.



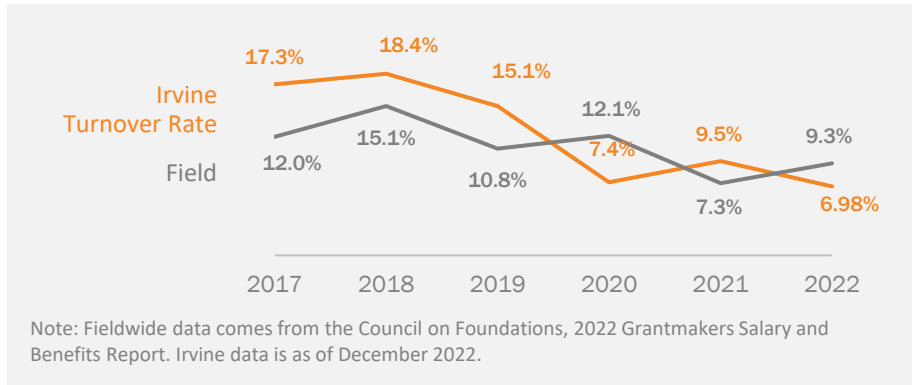
Note: Responses for sexual orientation and age are captured from the self-identification survey from 2019 and 2023 respectively, as well as from board members who joined in 2022. Includes board members as of December 2022, and includes Irvine’s President and CEO, who is an ex-officio board member. No fieldwide data is available for these demographic categories.

Staff Headcount and Turnover

The table below shows that our staffing levels have steadily increased since 2017, with significant growth in 2022.



The chart below shows that our 7% staff turnover rate in 2022 is below our historical range.



We successfully recruited 24 new staff members in 2022. As of December 31, 2022, 31 staff were located in our Los Angeles office, with the remaining 48 in San Francisco.

