



The James Irvine  
Foundation



# Year in Review 2017

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# Letter from our CEO

For many Californians, 2017 was a difficult – even traumatic – year. Immigrants lived in fear of deportation, disastrous wildfires raged across the state, four in 10 Californians lived in or near poverty, and divisive rhetoric and policies coming out of Washington sowed tension and animosity.

But it was also a year when Californians came closer together, with greater common purpose, acts of heroism small and large, and hopes for a brighter future.

I'm proud and grateful, as I look back on 2017, that Irvine had the privilege of supporting amazing nonprofit leaders who provide frontline support, strengthen the fabric of our communities, and advance opportunity for all Californians.

Our work is anchored by a simple premise: All Californians — no matter who they are or where they live — should be able to create a better life for themselves and their families. Californians should have the opportunity to earn a living, provide for their families, participate in their communities, and have a real voice in the decisions that affect their lives.

*\*Let me share a few highlights of what we did in 2017 to advance those goals:)*

- We launched two new grantmaking initiatives – [Better Careers](#) and [Fair Work](#) – to build better paths to family-sustaining careers and to ensure fair pay for work. Our board approved investing up to \$200 million over the next six years for these two initiatives combined.
- We provided fast and flexible funding to leaders who are protecting our immigrant communities and who are responding to natural disasters.
- We supported field leaders and their organizations in areas where Irvine support is coming to an end, enabling them to sustain their important work.
- Our grantees make me hopeful and optimistic that, in spite of the challenges we face, we can build a better future for the people of California. This look back on 2017 shares just some of their achievements.

Thank you to all of our grantees and fellow funders for your leadership and partnership in 2017. I also want to express my great appreciation for the staff here at Irvine and their commitment to making an impact in our state.

# Portfolio Review

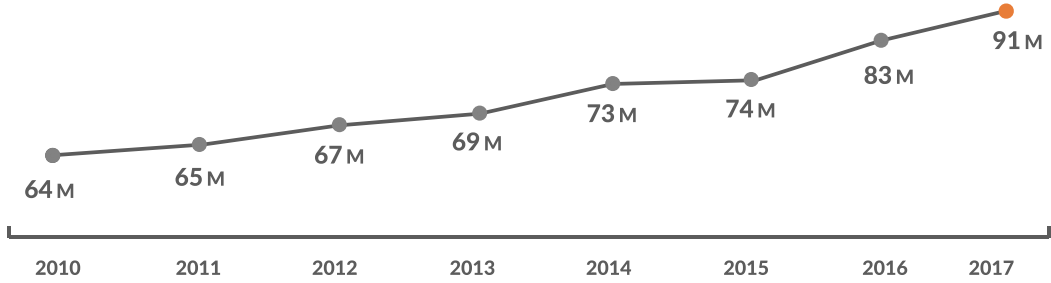
Our 2018 Grantmaking Portfolio Review was shared with Irvine's Board of Directors in March 2018. The review includes more about the relevance of the Foundation's strategy, our allocation of resources, how we gather feedback from the field, and an update on our staff and organizational culture.

The Portfolio Review helps us understand and communicate how strategy development, talent management, finance and investments, and operations come together and relate to our impact goals of expanding economic and political opportunity for working Californians. It is a useful tool to inform and guide our decisions moving forward.

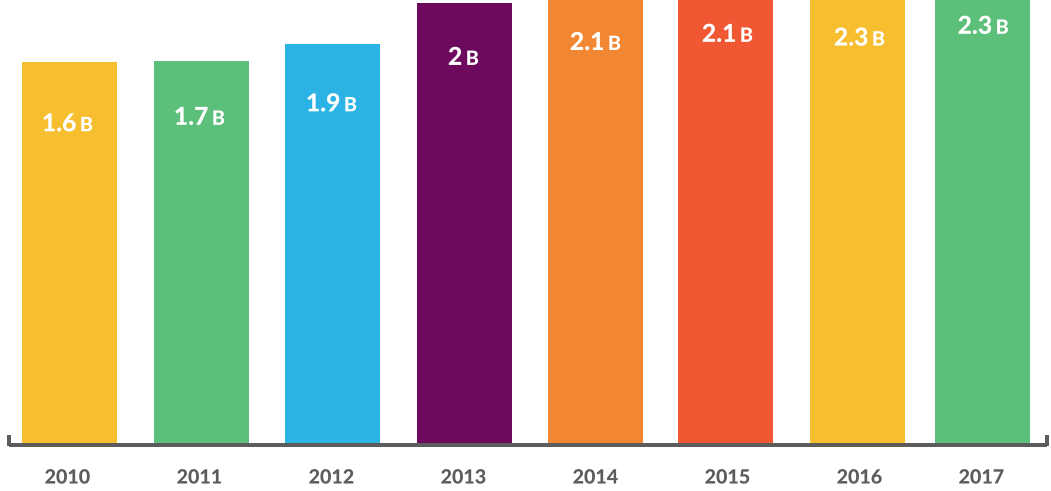
[Download our Portfolio Review](#)

# Foundation Statistics: Our Grantmaking

Our grantmaking and assets increased in 2018

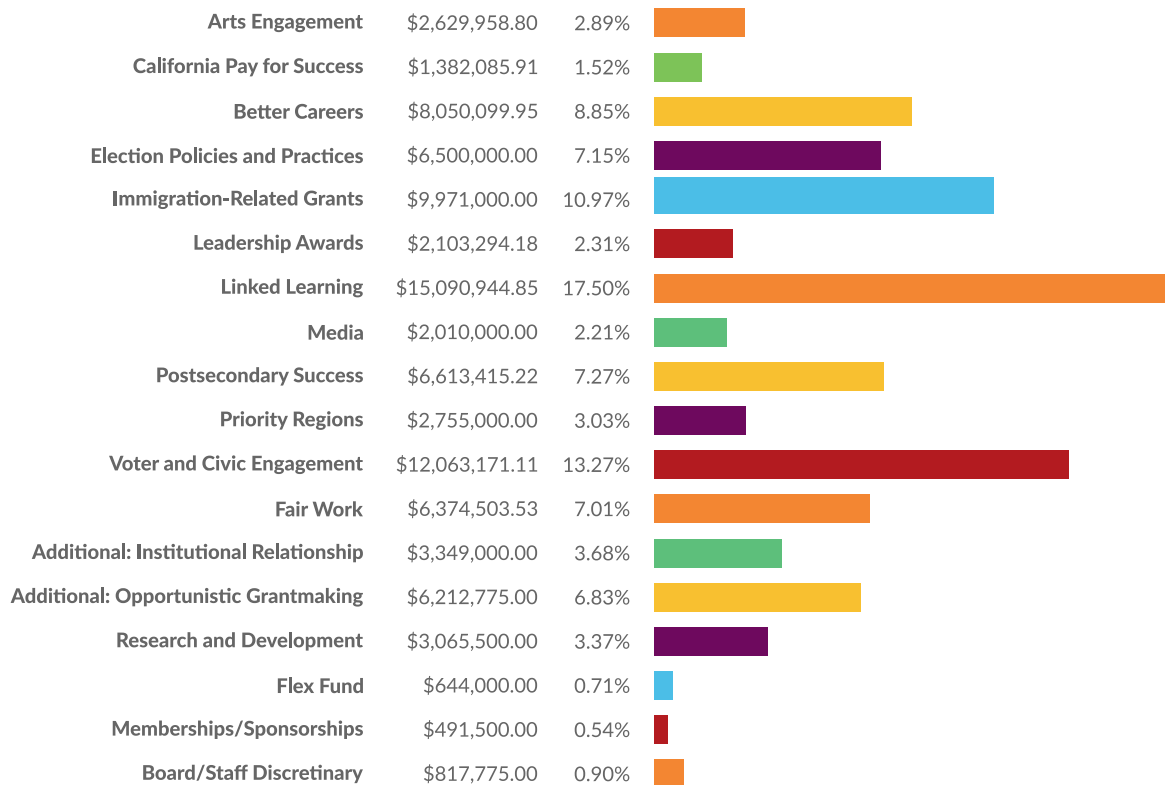


## ASSETS



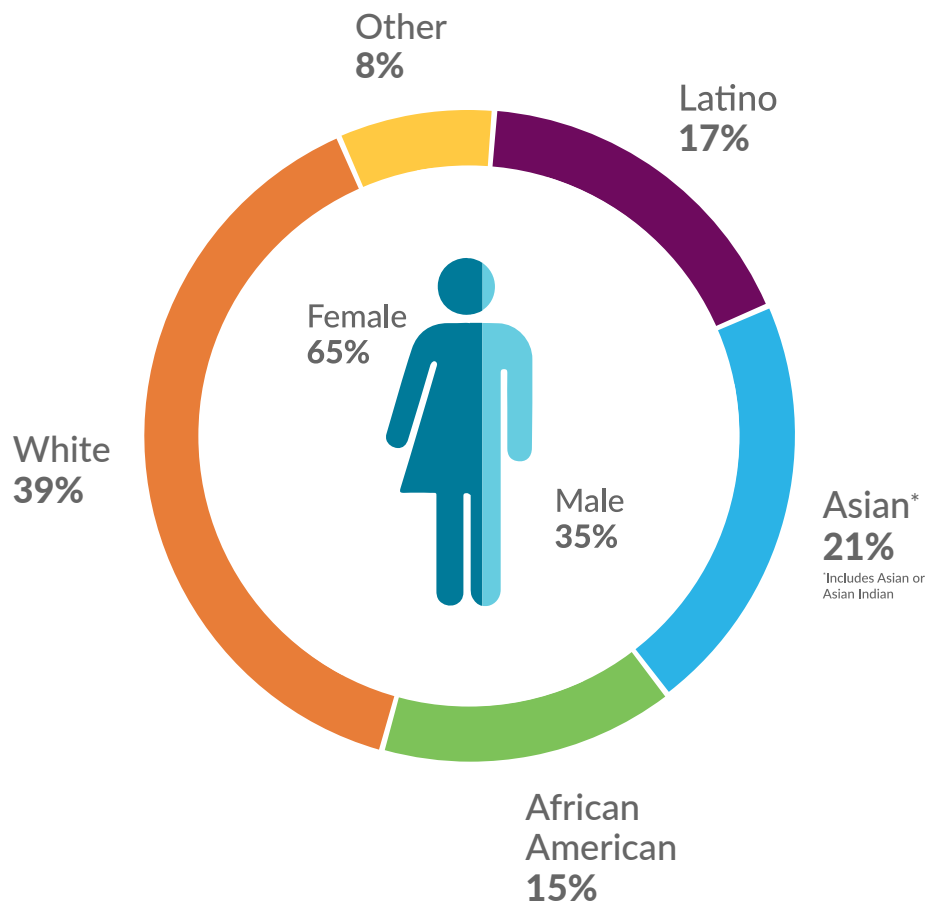
# Foundation Statistics: Our Grantmaking

in 2017, we gave  
\$90,934,032.55 to  
**381 organizations**



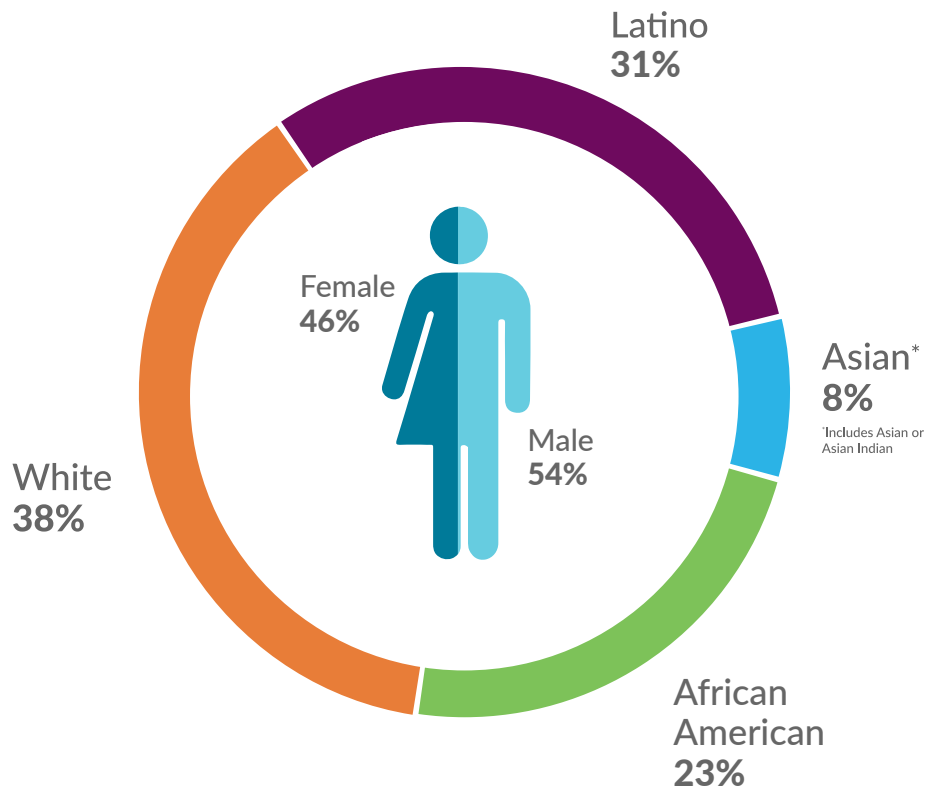
# Foundation Statistics: Demographics

## Staff 2017 Demographics



# Foundation Statistics: Demographics

## Board of Directors 2017 Demographics





# Our Initiatives

*In December we launched the first two initiatives of our strategy to expand economic and political opportunity for Californians who are working but struggling with poverty: the Fair Work initiative and the Better Careers initiative.*



## Fair Work

Low-wage workers are critical to California's economy. Too often, they lack voice or influence on the economic conditions that affect their families and communities. The Fair Work initiative will invest in leaders and organizations engaging low-wage workers to secure the wages, rights, and protections they deserve.

Through this initiative, we will support partnerships among community-based organizations, employers, and public agencies to ensure thousands of low-wage workers get paid the wages they are due, while leveling the playing field for employers.

We will also support these partners' efforts to educate and empower low-wage workers on their rights and legal protections, helping implement and advance policies governing the workplace for millions of workers

[Learn more about the Fair Work initiative.](#)



## Better Careers

California's workers should have the chance to earn wages that can sustain a family and advance in their careers. We also believe that a diversified workforce is good for workers and businesses alike.

Through the Better Careers initiative, Irvine will invest in organizations that connect low-income Californians to jobs with family-sustaining wages and advancement opportunities. Through our grantmaking and partnerships, this initiative aims to help low-income jobseekers secure employment that pays at least \$18 per hour (on average across our state). We also will support new models related to training, recruitment, and public/private workforce development funding opportunities.

[Learn more about the Better Careers initiative.](#)

# Our Initiatives



## Priority Regions

Irvine has a longstanding commitment to funding in regions of California that philanthropy has historically overlooked. In 2017, our board approved piloting a new approach to our investments in these promising but under-resourced parts of our state.

This pilot is beginning in Fresno and Salinas, where we are now working with regranting partners to fund local community efforts that improve civic engagement, develop emerging leaders (individuals and organizations), and increase access to quality public information



## Protecting the Rights of Immigrants

We are fortunate to [work with partners around the state](#) to respond to changing national immigration policies with critical funding for grassroots and statewide efforts that inform, engage, and protect immigrant families.

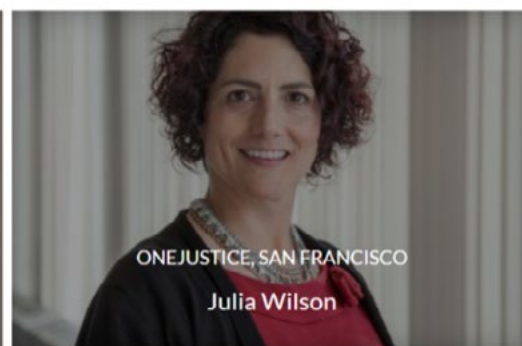
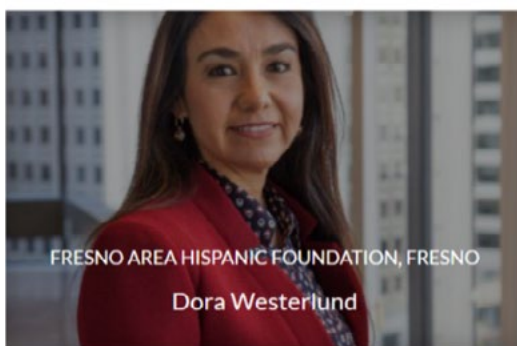
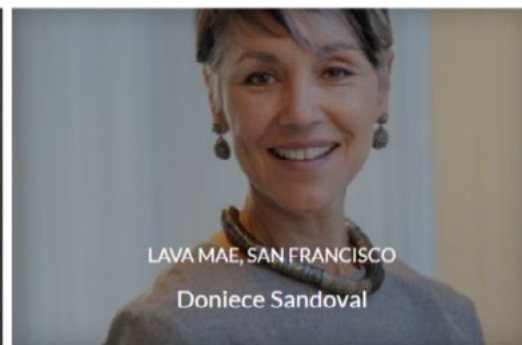
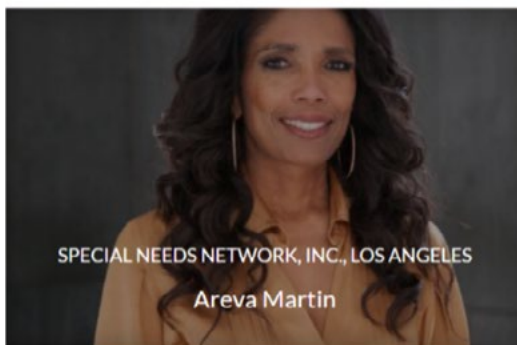
In response to the threats we saw in 2017 to immigrant families, we expanded our support to grantees protecting the rights of California's immigrant communities. This included \$1.7 million in flexible funds to grantees like the [National Immigration Law Center](#), [Mexican American Legal Defense and Education Fund](#), [Black Alliance for Just Immigration](#), and the [National Day Laborer Organizing Network](#).

One example of this work that we were proud to support: Following to the decision to end the Deferred Action for Childhood Arrivals (DACA) Program, we worked with Irvine Awards recipient Jose Quinonez at [Mission Asset Fund](#) to support scholarships to Dreamers to cover their DACA renewal fees. The \$495 application fee posed a significant barrier to many young people eligible to renew their DACA status. Thanks to Mission Asset Fund's quick work and the partnership of eight fellow funders, more than 5,000 young people received scholarships to cover their DACA renewal fees.

# Ongoing Work

## Leadership Awards

Every year the Leadership Award recipients remind us that there are solutions making an impact to seemingly unsolvable problems. In February 2017, we celebrated the work of six leaders advancing solutions in education, after school support, small business, legal aid, and treating autism.



# Culminating Work

## Pay for Success

Our California Pay for Success Initiative, which is coming to a close, had exciting results in 2017. You can read [a blog](#) from Irvine's Connie Malloy that outlines the lessons we learned over the course of this initiative.

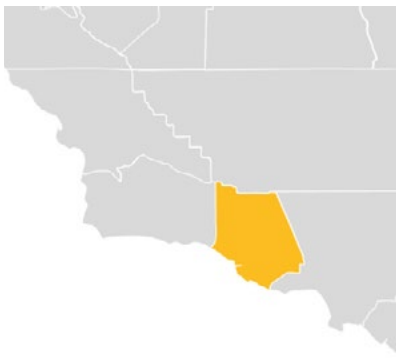
[Three counties](#) that participated in the California Pay for Success Initiative launched projects this year. These collaborations between government, nonprofits, and philanthropy are outcomes-oriented approaches to providing high-quality services to Californians in need.

## Learn more:



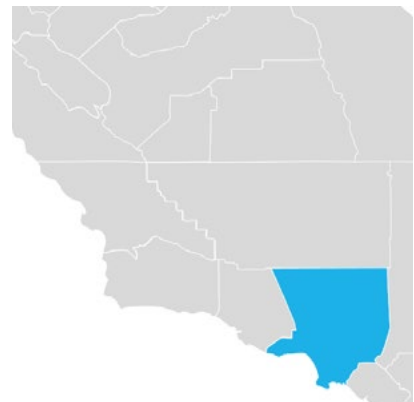
### Alameda

The Alameda County Justice Project is designed to reduce recidivism through 24/7 supports, including access to drug treatment, job training, adult education, mental health services, case management, and housing assistance.



### Ventura

The Ventura County Project to Support Reentry expands on proven approaches that tailor supports for men and women on probation to their individual needs, so they are more likely to lead healthy, productive lives when returning to their families and community.



### Los Angeles

Over a five-year period, the Just in Reach Program will connect homeless, frequently incarcerated individuals in LA County Jail to services (like mental health and drug treatment) and, ultimately, to 300 permanent supportive housing slots.

# Culminating Work

## Arts Engagement

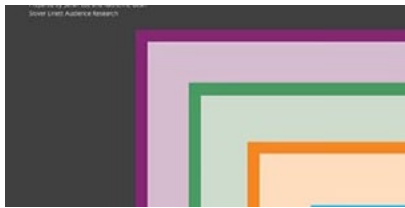
As we culminate the Arts Engagement Initiative, we continue to share exciting learnings from the work. We released three reports this year that add to the growing field of knowledge around how to better engage Californians in the arts:



### Hearts and Minds: The Arts and Civic Engagement

Hearts and Minds: The Arts and Civic Engagement gathers compelling evidence that people who participate in the arts are more likely to be active in their communities.

[Download Report](#)



### The Engagement Revolution: A Study of Strategic Organizational Transformation in 10 California Arts Nonprofits

The Engagement Revolution documents the first cohort of NCAF grantee-partners' achievements and challenges from 2013-2016, and provides considerations for arts organizations and funders interested in reaching ethnically diverse and/or low-income communities.

[Download Report](#)



### Building the Field of Arts Engagement: Prospects and Challenges

Building the Field of Arts Engagement suggests new courses of action to accelerate the building of a strong network of arts engagement practitioners.

[Download Report](#)

# Culminating Work



## Linked Learning

We're very proud of the progress the field of Linked Learning has made over the past decade. This year we continued to support the Linked Learning Alliance's growing leadership in the field, and their efforts to build high-quality career pathways that support student success.

My colleague Elizabeth Gonzalez provides a great recap of 2017 (and look forward) [on our blog](#), and you can explore our [Linked Learning in Motion graphic](#) to learn more.

# What We're Learning



## Impact Assessment and Learning

This year we also developed a framework to enhance our understanding and impact, and to inform our grantmaking as we move forward with our new initiatives. You can view the framework on our [What We're Learning page](#), where we highlight different learnings from our work.

[View the Framework](#)



# Letter from our CIO and Treasurer

Irvine's investment portfolio had an exceptional year in 2017, with double-digit returns driven by robust equity markets globally. It was also a year of transition and growth for the Foundation's investment team.

We tackled several key priorities that I identified when I joined Irvine as CIO one year ago. First and foremost, we rounded out our team with two new members. We also adopted a new asset allocation framework and updated our Investment Policy Statement. Finally, we streamlined and rebalanced capital among managers to align with our investment principles – and as part of our focus as a conviction-based investor.

## Irvine's Investment Principles

Our relationships with investment partners are critical to our continued success. That's why, early in my tenure as CIO, the investment team articulated our shared Investment Principles; we believe it is important to share these with our investment partners so they can better understand Irvine's approach to investments and what drives our behavior. I believe these principles are the foundation for building a successful investment portfolio:

- We are a long-term investor
- We believe that relationships matter
- We value independent thinking
- We are a conviction-based investor
- We are a flexible and nimble partner
- We are intellectually curious
- We align Irvine's interests with the interests of our partners



# Letter from our CIO & Treasurer

## Irvine's Portfolio Results

Partnering with top investment managers will help Irvine continue to evolve its investment strategies and the opportunities those can present. Like many endowments and foundations, Irvine's investment portfolio currently has a significant exposure to equity securities, both public and private. This includes a significant commitment to venture capital and private investments. Irvine has benefited significantly from this positioning since the financial crisis. That said, private investments declined from 39 percent of the portfolio at the end of 2016 to 34 percent at the end of 2017. The private investment portfolio continues to track above the target allocation of the total portfolio due to multiple years of strong performance.

As a long-term investor, it is important to measure performance over long time periods, especially when the portfolio has a significant amount of private investments. The Foundation has been rewarded as a long-term investor, generating a 7.1-percent portfolio return over the past 10 years. Two key contributors drove Irvine's long-term returns: superior manager selection and an overweight to quality private investments.

2017 was a strong year, where the portfolio delivered a 13.5-percent return, driven primarily by robust global equity markets.

As a result of strong historical investment results, Irvine's Board of Directors approved an increase in how much we can give as grants: from a \$91 million budget in 2017 to \$96 million in 2018. And that, at the end of the day, is why we are in business.

We would like to thank all of our investment partners for their contributions in allowing us to increase our grantmaking budget and our ability to support organizations working to expand opportunity for the people of California.

*Tim Recker*

[Read our audited 2017 financial statement](#)

**Thank you to all of our partners for your work  
expanding opportunity for California.**