

Following the Money

for Community and Economic Development

Presented by:

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Community & Economic Development



2017 Policy Summit on Housing, Human Capital, and Inequality
July 22, 2017

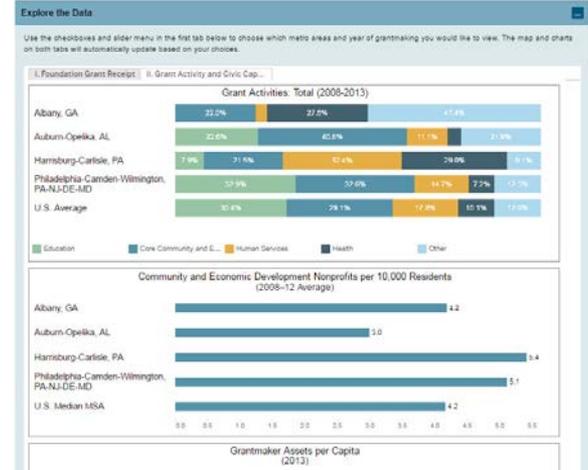
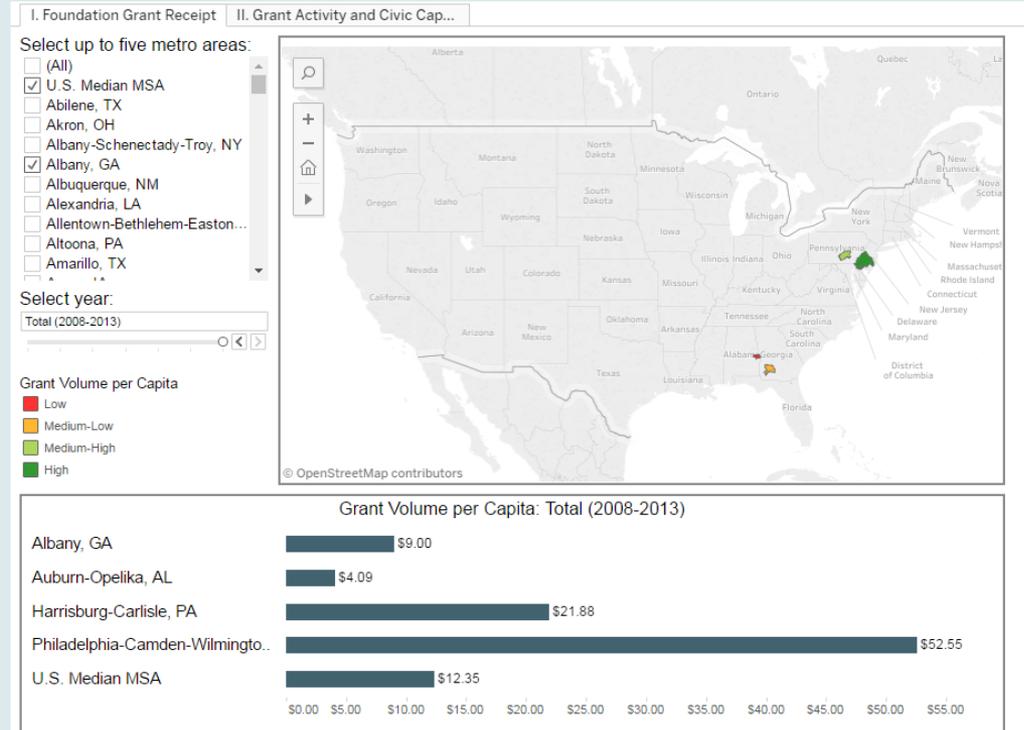
The views expressed are mine and not necessarily those of the Atlanta Fed or the Federal Reserve System.

Following the Money Online

<https://www.frbatlanta.org/followingthemoney>

Explore the Data

Use the checkboxes and slider menu in the first tab below to choose which metro areas and year of grantmaking you would like to view. The map and charts on both tabs will automatically update based on your choices.



- Research conducted with Keith Wardrip (Philly Fed) and Mels de Zeeuw (Atlanta Fed) and published in *The Foundation Review* (September 2016)
- Motivations for the research:
 - There is the perception among many in the community and economic development (CED) field that small and socioeconomically distressed cities do not attract a proportional share of grant capital from the nation's largest foundations.
 - Very little is known about how CED funding from large foundations is distributed geographically.

- Grant-level data for CED:
 - Acquired from the Foundation Center
 - Grants of at least \$10,000 from the 1,000 largest foundations, 2008–2013
 - Primary subject of grant or recipient: meets a fairly narrow definition of CED; meets a broader definition of CED, and grant serves an economically disadvantaged population or is made to a local/tribal government
 - (Imperfectly) excludes research and evaluation grants and grants to organizations that work extralocally
 - 170,000 grants totaling \$15 billion (2013 dollars)
- Caveats

Top 10 Grantmakers by Grant Volume



Grantmaker	Number of Grants Made	Total Grant Volume	Average Grant Size
Bill & Melinda Gates Foundation	790	\$753,430,117	\$953,709
W. K. Kellogg Foundation	955	\$401,747,673	\$420,678
Walton Family Foundation	970	\$352,245,172	\$363,139
California Endowment	1,810	\$308,943,912	\$170,687
Ford Foundation	788	\$261,618,745	\$332,003
Bank of America Charitable Foundation	6,662	\$235,967,948	\$35,420
JPMorgan Chase Foundation	3,220	\$221,466,133	\$68,778
Silicon Valley Community Foundation	2,509	\$176,108,200	\$70,191
Kresge Foundation	403	\$161,669,335	\$401,165
Annie E. Casey Foundation	1,517	\$157,889,556	\$104,080

Source: Analysis of data from Foundation Center's FC1000 database

Grant Volume per Capita

Annual average



Rank		
1	Battle Creek, MI	\$392.59
2	San Francisco–Oakland–Fremont, CA	\$216.79
3	Omaha–Council Bluffs, NE–IA	\$214.78
4	Jonesboro, AR	\$157.80
5	Pittsburgh, PA	\$157.13
.....		
362	Sandusky, OH	\$0.31
363	Longview, TX	\$0.24
364	Williamsport, PA	\$0.18
365	Hattiesburg, MS	\$0.17
366	Lake Havasu City–Kingman, AZ	\$0.17

Source: Wardrip, Keith, William Lambe, and Mels de Zeeuw. "Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development," *Foundation Review*, 8(3), Article 7, 2016

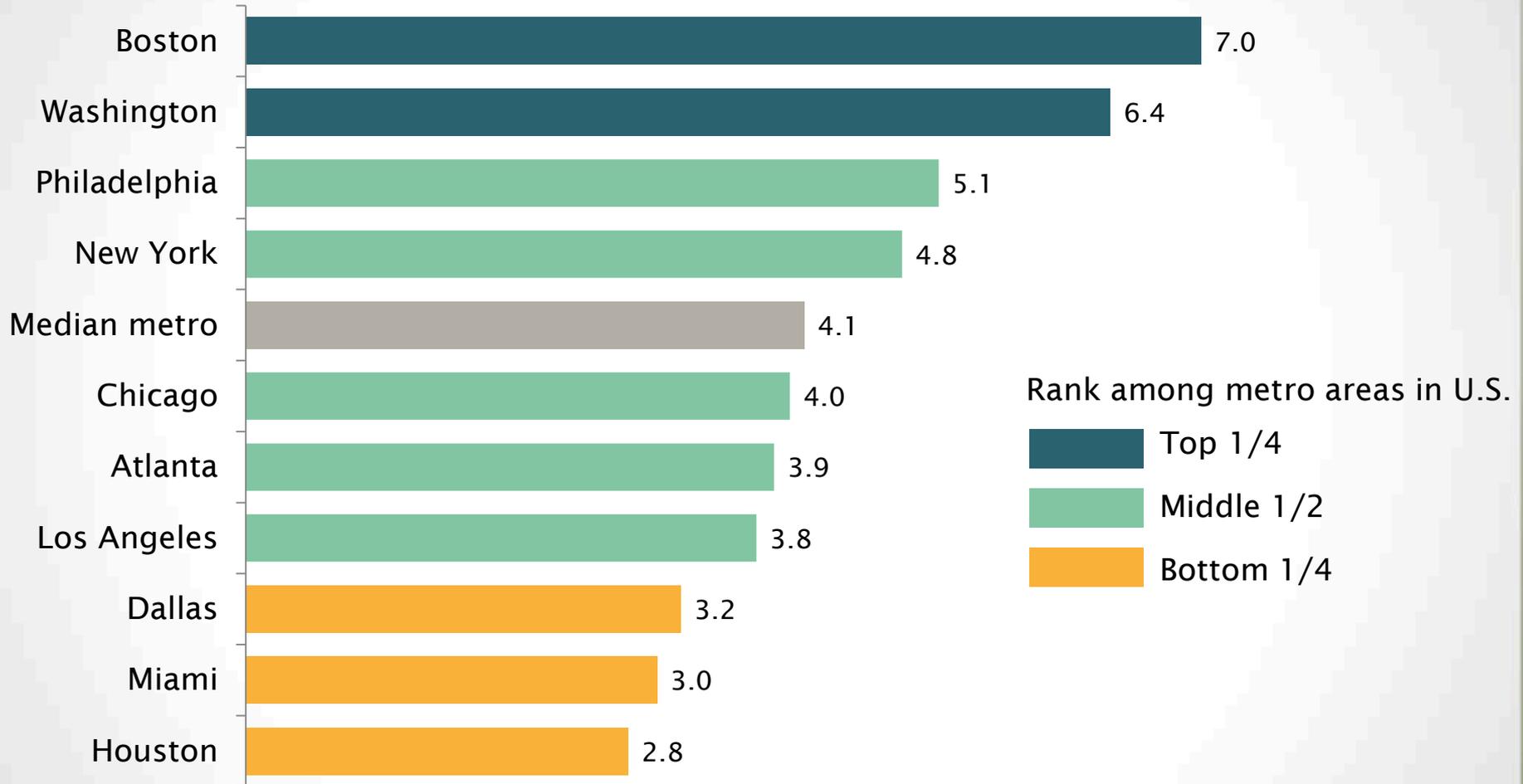
<i>Percent increase expected with 1-unit increase in independent variable</i>	Grant Volume per Capita		Number of Grants per 10,000 Residents	
	All recipients	Excluding government recipients	All recipients	Excluding government recipients
Presence of a large foundation	331.5	371.1	158.8	173.5
Number of nonprofit organizations per 10k residents	23.9	28.7	22.8	24.0
Population 250,000–499,999 (vs. <250,000 pop.)		42.0	25.6	42.6
Population 500,000–999,999 (vs. <250,000 pop.)	40.1	82.9	34.0	59.4
Population 1 million + (vs. <250,000 pop.)	102.4	158.6	64.4	107.9
Poverty rate	6.8	6.9		2.6
Unemployment rate				
Population growth				
Bachelor's degree or higher			2.2	2.7
Northeast (vs. South)				
Midwest (vs. South)				
West (vs. South)	111.1	83.7	58.7	58.7
State capital				
Presence of a research university				
General revenue per capita (log)*			3.1	3.9
Debt outstanding per capita (log)				
N	366	363	366	363
Model fit	0.535	0.553	.607	.603

* Values reflect the impact of a 10 percent increase in general revenue per capita.

Source: Wardrip, Keith, William Lambe, and Mels de Zeeuw. "Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development," *Foundation Review*, 8(3), Article 7, 2016

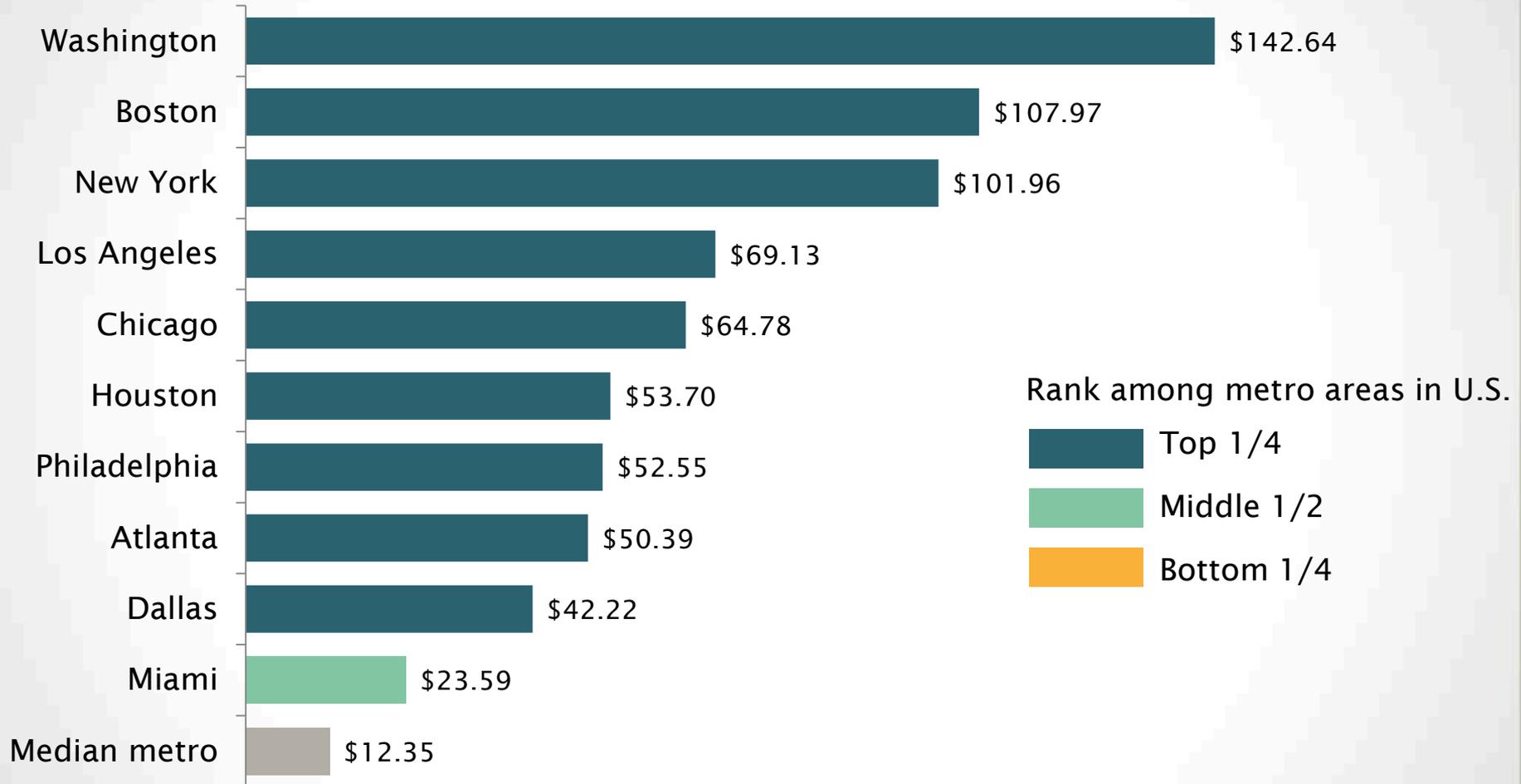
CED Nonprofits per 10,000 Residents

(2007-12 Average)



Source: Analysis of data from Urban Institute's NCCS Core Trend File for public charities

Grant Volume per Capita



Source: Analysis of data from Foundation Center's FC1000 database

Intermediary Grant Flows

New research



Intermediary	Grant Volume (2009-14)
Neighborhood Reinvestment Corporation	\$1,089,340,159
Boys and Girls Club USA	\$245,350,870
Local Initiatives Support Corporation	\$232,701,990
Teach for America	\$112,318,523
Jobs for the Future	\$97,160,902
Enterprise Community Partners	\$92,125,048
Nonprofit Finance Fund	\$88,862,325
Living Cities	\$38,347,840
Housing Partnership Network	\$25,821,563
Corporation for Supportive Housing	\$21,200,108
IFF	\$16,593,175
Reinvestment Fund	\$14,504,931
Low Income Investment Fund	\$13,310,899
Capital Impact Partners	\$7,847,867
Accion	\$5,712,216
<i>Total Grant Volume</i>	<i>\$2,101,198,415</i>

Hypothesis: National intermediaries help move subsidy dollars (grant funding from public and philanthropic sources) to relatively smaller, more socio-economically distressed, and lower-resourced places

Intermediary Grants (per capita, 2009-14)		
1	Great Falls, MT	\$80.85
2	Blacksburg-Christiansburg-Radford, VA	\$41.72
3	Harrisburg-Carlisle, PA	\$40.02
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	\$39.91
5	Santa Fe, NM	\$39.41
.....		
341	Beaumont-Port Arthur, TX	\$0.09
342	Burlington, NC	\$0.09
343	Flagstaff, AZ	\$0.06
344	Yuba City, CA	\$0.06
345	Hanford-Corcoran, CA	\$0.06

Sources: Author's analysis of data from Foundation Center's FC1000 database; Public Tax Filings (990s), Bureau of Economic Analysis: Regional Price Parities; US Census Bureau Population Estimates

Community Investment

The System



Investors

- Banks
- Foundations
- Government
- Mission investors

Intermediaries

- CDFIs
- Real estate investment funds (LIHTC/NMTC)
- Business investment funds (SBICs/RBICs)
- Community Development Corps (CDCs)



Investments

- Housing
- Charter schools
- Community facilities
- Infrastructure
- TOD
- Small business
- Programs/services

Atlanta Fed resources:

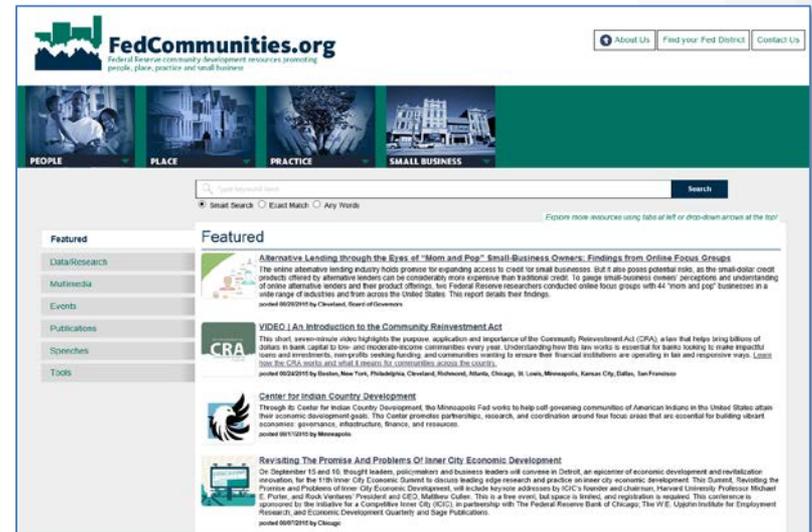
<https://www.frbatlanta.org/community-development.aspx>

Federal Reserve System
resources at :

www.fedcommunities.org

Contact me at:

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The screenshot shows the homepage of FedCommunities.org. The header includes the logo and navigation links for 'About Us', 'Find your Fed District', and 'Contact Us'. Below the header is a navigation bar with four tabs: 'PEOPLE', 'PLACE', 'PRACTICE', and 'SMALL BUSINESS'. A search bar is located below the navigation bar. The main content area is titled 'Featured' and lists several articles and videos. The first article is 'Alternative Lending through the Eyes of "Mom and Pop" Small Business Owners: Findings from Online Focus Groups', dated 09/29/2015. The second is a video titled 'VIDEO | An Introduction to the Community Reinvestment Act (CRA)', dated 09/29/2015. The third is 'Center for Indian Country Development', dated 09/15/2015. The fourth is 'Revisiting The Promise And Problems Of Inner City Economic Development', dated 09/15/2015.