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L.A. tops Silicon Valley in giving

The region's rich donate a median 1% of liquid assets, the highest in the state, a study says.

By MOLLY SELVIN
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When it comes to charity, wealthy people in the Los Angeles area are more generous than their counterparts in Silicon Valley and other parts of California, according to a study to be released today.

Southland high-income residents give away twice as much of their wealth as those in the rest of the state, according to the study, which analyzed the charitable patterns of Californians who earned more than \$200,000.

The average size of gifts from Silicon Valley residents is the highest in the state measured as a percentage of their liquid assets, said Tim Stone, director of NewTithing Group, which produced the study. But Stone, who said the study was the first of its kind, said a few super-large donations skewed the average.

When donations were measured by median share of liquid assets, however, L.A.-area residents, at 1%, gave the most in the state, according to the San Francisco nonprofit, whose mission is to encourage conscious budgeting for charitable giving. That means half of local residents gave more than 1% of their liquid assets and half less. Under that measure, Silicon Valley donors gave away only 0.5% of their wealth.

Included in the study's wealth measure are stocks, fixed-income securities and private partnerships. The researchers excluded the value of investment real estate, retirement pensions and personal homes.

Neither Stone nor several philanthropic leaders could definitively explain the munificence of local residents, but they

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L.A.'s rich ranked top in giving

[*Charity*, from Page C1] suggested some theories.

People think more about philanthropy as they age and begin to take stock of their life, Stone said. Although the San Francisco Bay Area and Silicon Valley have a disproportionate number of wealthy young people, many of whom are engaged in start-up and venture capital enterprises, Stone believes there may be a higher proportion of older affluent people in the Los Angeles area who have become active donors in recent years.

Peter Dunn tends to agree. The senior vice president for the Los Angeles-based California Community Foundation has seen "a notable increase" in the number of older residents who are selling their businesses and giving a portion to charity. The foundation manages more than \$1 billion in assets, much of it through donor-advised funds.

"There has been a significant appreciation of wealth here," he said, much of it concentrated in business and real estate. In addition, Dunn said, there has been an increase in contributions from entertainment industry writers, directors and producers — the result of residuals they've earned in the last five years.

Zuzka and Phil Polishook are a good example of Southland residents who give. The Pacific

Palisades couple started their careers at a Fortune 500 company, then worked for an Internet-based firm and now operate a small office-furniture manufacturing company in Los Angeles.

Seven years ago, they became active donors through the California Community Foundation, focusing much of their giving on the St. Joseph Center, which serves low-income families and the homeless in Venice. The couple participate in center events as well as donate funds.

"It makes us feel pretty good to know that we can impact an organization," Zuzka Polishook said. "We sometimes feel we're getting more out of it than we're putting in."

The NewTithing study relied on state Franchise Tax Board data on California tax filers earning \$200,000 or more in adjusted gross income in 2004, the latest year available. Virtually everyone in that tax bracket itemizes their charitable contributions, Stone said, unlike those earning less.

As a result, he and his colleagues could link data on the income of higher earners with their investment assets and charitable contributions. To preserve confidentiality, the agency consolidated the data into six geographic regions.

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