

WEALTHIEST ANGELENOS – PHILANTHROPY IN L.A.

Community Foundation Faces an Array of Challenges

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ANTONIA Hernández picked quite a time to take over the California Community Foundation. Since the beginning of her tenure at one of Los Angeles' oldest and most prestigious non-profits, a wave of scandals has rocked the sector, including one at the renowned J. Paul Getty Trust. In the meantime, Hernández, a lawyer by trade, has worked to bring more transparency to her organization while attracting nearly \$250 million in new donations. The Foundation helps manage a collection of mostly smaller funds, which give money to non-profits and public institutions in health and human services, affordable housing, early childhood education and community arts and culture, among other projects. The former president and general counsel of the Mexican American Legal Defense and Education Fund, Hernández thinks non-profits need to run themselves more like businesses.

Question: Los Angeles has a reputation for being self-centered. Do you think that's deserved?

Answer: I think it's a misconception... There's a lot of money here, but almost every-one comes from another place. Where did you come from? Are you a native Angeleno? Have you reached the point where L.A. is your home and that you love the place?

Q: So how long does it take for people to reach that point?

A: It's a very personal decision. For some it happens very quickly, they get committed to one of the many communities, they get engaged and the feeling of belonging takes hold. For others it takes a little bit longer, but at



Talking Point: Antonia Hernandez chatting.

the end of the day they realize that what this community has to offer is significant enough that this is what they call home.

Q: With corporate pay going up, have you seen philanthropic gifts increasing at the same level?

A: We have not at CCF. And as you know L.A. has lost so many corporate headquarters and so many regional offices. Los Angeles' economy is so different. We're an economy of small-sized businesses, not the big conglomerates.

Q: How involved do you think the richest Angelenos are in philanthropy, particularly in your foundation?

A: We'll I'll tell you we have over 700 donor-advised funds and a lot of those are from wealthy individuals from Los Angeles.

Q: What do you mean "we should be having a lot more?"

A: We want donors from every community. We want donors from the African-American, Latino, Korean and Armenian communities. The message is: You don't have to be a millionaire to be a philanthropist. You can open a fund for \$15,000 to \$25,000. You can have a scholarship fund or a fund that gives to the many communities.

Q: How involved is Hollywood with the organization?

A: Very little.

Q: Why do you think that is?

A: I don't believe industry people sees themselves as Angelenos. This is their base of operations. And

I really do think the industry has so much to offer as individuals or collectively. And they would feel more connected to Los Angeles. But I hear this from non-profits. People expect this huge industry to be the backbone of philanthropy in L.A. and it really isn't. And it's a shame.

Q: Do you think the Getty scandal is turning people off? Have donors been asking questions?

A: Actually I have not had a lot, in fact very little negativity. Most people when they come, they inquire, they ask for our financials. As you know with anything, it's reputation. And most of our gifts come through referrals.

Q: What do you think about the Getty scandal?

A: In the Getty situation the board was not as diligent and as thorough and I strongly believe in a very active board that partners with me.

Q: Have you made changes to insulate the organization as a result of the scandals?

A: You use the word "insulate." When I came in here, what I did was to open. Make things more accessible, more open to information so I've opened up myself to the community much, much more. Secondly is when I came in I did a through review of our internal functions. Right now we're going through a review of our efficiencies with an outside consultant. Have we made major changes? No. But periodic checks to make sure we're on the correct path are important.

Q: What do you think are the key areas in which non-profits should focus their reforms?

A: One of the biggest problems at a not-for-profit is that you spend whatever money you have to help, for instance, the kids. You don't invest in the infrastructure to build up an institution. One of the biggest problems in Los Angeles County that we're facing and that all philanthropy faces is building the capacity of the not-for-profits, making them financially solid institutions that are able to provide services for the long-term. A lot of the not-for-profits are very fragile.

Q: What's the biggest obstacle to that?

A: Everybody wants to give money to help the youth, nobody wants to give money for paying rent or keeping on the lights. Well, not-for-profits are a business. They're in the business of doing good and so attention needs to be paid to the business side of philanthropy because you need a very strong not-for-profit.