

Inside Philanthropy



The State of
American Philanthropy

Giving in the
Southwest

Table of Contents

ABOUT INSIDE PHILANTHROPY

Inside Philanthropy is a digital media site that covers the world of charitable giving. We report daily on foundations, major donors, and trends in philanthropy. Through our GrantFinder resource, we also profile and track thousands of funders working across key issue areas and geographic regions. Inside Philanthropy is supported by reader subscriptions and advertising. We do not receive funding from any other source. Learn more at insidephilanthropy.com

ABOUT THE STATE OF AMERICAN PHILANTHROPY

The State of American Philanthropy is a series of background papers on important topics and trends in U.S. philanthropy. The papers draw on past research and reporting by IP writers, as well as new interviews, grantmaking data, and other sources. Learn more at insidephilanthropy.com/state-of-american-philanthropy.

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Executive Summary	1
Introduction	2
The Lay of the Land	4
Who's Giving	4
Who's Getting	6
Getting & Giving: A Deeper Dive	7
The Big Issues & Beyond.	10
Funder Trends & Strategies.	12
Perspectives on Equity.	15
A Closer Look at States of the Southwest.	18
Arizona.	18
New Mexico	21
Oklahoma.	23
Texas	24
A Closer Look at Funder Types.	26
Private & Family Foundations.	26
Corporate Giving	28
Community Funders.	29
Major Donors.	31
Associations & Intermediaries.	32
Fundraising Now.	34
An Analysis of Opportunities & Challenges.	37
Resources.	40

EXECUTIVE SUMMARY

Philanthropy in the Southwestern states of Texas, Arizona, New Mexico and Oklahoma doesn't have the deep roots of other regions, but there are still many interesting initiatives happening among this region's private foundations, community funders, corporate givers and individual major donors. The philanthropic landscape here is quite varied, with many oil-rich families who've been residents for generations, along with proliferating corporate headquarters and strong community foundation momentum in major Southwest cities. Health nonprofits receive the most funding from these donors, on average, but education and culture are also big philanthropic priorities across the region.

Each of the four states has its own unique mix of concerns guiding philanthropic priorities; for example, medical and research centers in Texas and Oklahoma, arts and cultural programs in New Mexico and STEM education in Arizona. Rural, isolated and Native American communities receive more philanthropic attention in the Southwest than other parts of the United States.

Yet philanthropy in the Southwest continues to evolve with emerging trends such as funder collaboration and impact investing; organizations are also shifting interests to adapt to the next generation of local philanthropists. As with much of the country, equity is a big issue among philanthropic leaders in the Southwest. However, these conversations often focus more on racial equity than the needs of women, LGBTQ populations, immigrants and indigenous populations.

Several high-profile private and family foundations with national interests have emerged from the Southwest; however, donors in this region tend to focus the bulk of their philanthropic resources on their home states. The largest number of corporate funders in the Southwest are based in Texas, but companies based in Arizona, New Mexico and Oklahoma are also well-connected to their local philanthropic sectors and have been increasingly engaged in collaborative funding efforts. Community foundations are major drivers of philanthropic activity across the region and stay in tune with local needs through affiliate programs that reach rural communities more specifically. It's also important to watch the activities of major individual donors who give locally and independently to causes they care about rather than working through a formal foundation structure. To tie all of these groups together, the Southwest is home to many associations and intermediaries that foster philanthropic and nonprofit collaboration, encourage networking and promote the spirit of giving in their communities.

While the Southwest's philanthropic sector is growing and extraordinarily dynamic, its leaders point to specific areas for potential improvement and opportunities to overcome the challenges that both nonprofits and funders currently face here. This brief explores programmatic concerns like the needs of immigrant communities and philanthropic trends like impact investing, collaboration and general operating support that leaders of the region say have the philanthropic sector talking.

Introduction

There is no consensus about what states comprise the Southwest, but Inside Philanthropy designates Texas, Arizona, New Mexico and Oklahoma as the states of the region. Compared to other parts of the country, such as the New England states, the American Southwest's institutional philanthropy is not nearly as established and does not have a history as deep. Many of the foundations discussed in this brief have only been around a few decades, but in that short time, a wide variety of funders have established themselves and supported the nonprofit sector in impressive ways.

Parts of the region are sometimes discussed among the states of the "desert Southwest," and the region is also discussed sociologically in the context of the larger, economically booming and population-expanding "Sun Belt" states (although Oklahoma is not generally included in that grouping). Across many dimensions, the region is highly diverse, with large cities and vast rural areas, rolling green hills and massive deserts, large Native American populations in some regions, long-established Mexican-American communities and white-dominated, Southern-influenced cultures in other places.

Sociological observers have noted that the history, politics, institutional cultures and philanthropic priorities of Oklahoma and Texas flow from ties to Southeastern parts of the United States. While Indigenous and Spanish-American culture played hugely influential roles in Arizona and New Mexico, Texas and Oklahoma's economic and philanthropic elite have not historically welcomed the influence of those people relative to their population size in their states. According to the Center for the Study of the American South, the

majority of residents of Texas and Oklahoma self-identify as living in the South rather than the West and consider themselves southerners, not westerners.

Some of the biggest issues confronting the Southwest today are the health and education of rural and indigenous people, especially those living on reservations, as well as early childhood education for young residents throughout the area. While institutional philanthropy often addresses educational needs in schools in the Southwest's largest cities, communities in smaller and more remote parts of the Southwest say they have vast educational resource needs that go unmet.

In addition to education and health, top priorities among philanthropists in the region as a whole include human services, community and economic development and public affairs. However, the Southwestern states each have their own unique approaches to charitable giving and their own powerful philanthropic forces at work. In their own way, they are each addressing equity at the local level and testing out new funding strategies. There are substantial opportunities for the philanthropic sector to more deeply examine the region's widening socioeconomic disparities, how it really addresses generational poverty and whether it will pursue greater collaboration among different types of funders.

One of the most defining features of the Southwest is its physical environment, and yet the environment and climate change as philanthropic concerns are largely absent from its attention. The region's climate is largely semi-arid to arid, depending on the location, and has serious water and wildfire issues. While not facing rising ocean waters (except for Texas's Gulf Coast) the

Southwest is nonetheless acutely affected by climate change. And it's not just water that people of the region are paying attention to; it is also the swell of climate refugees from Central America pouring into the region, now central to public debate, if not the programmatic focus of many funders of the region.

Over the past few decades, the Southwest's population and business growth continued unabated, although it has somewhat stabilized over the past few years. Industries like aerospace, defense and oil have moved from the North to the Sun Belt, not unrelated to the fact that the region is cheaper and has fewer labor unions. The region has many of the nation's largest, most sprawling cities, and the region's birth rate is higher than the rest of the U.S. But the Southwest's overall economic prosperity is uneven. With most state and municipal governments across the region pursuing low-tax, low-service strategies, a higher-than-average proportion of the region's metropolitan areas have the lowest per capita income in the nation.

The Lay of the Land

Who's Giving

The philanthropic terrain of America's Southwest is as varied as its environmental landscape. The vast number of corporate headquarters and long history of accumulated wealth in Texas's many large urban areas have produced a strong philanthropic infrastructure that includes many nationally recognized private foundations, along with many strong community foundations. Arizona is a major grantmaking hub in the Southwest with a wide variety of funders on the local philanthropic scene, though to a lesser degree than Texas. In a region where each of its states has a strong set of community foundations, New Mexico's numerous community foundations are particularly influential in the state. Oklahoma also has a serious community of givers, many historically tied to the fossil fuel industry, but in comparison to Texas's gravitational pull, its philanthropic resources and infrastructure are less stellar.

The Texas funders distributing the largest amounts are the Robert & Julia Driscoll & Robert Driscoll Jr. Foundation, the Greater Houston Community Foundation, the Communities Foundation of Texas, Inc. and the Houston Endowment. Texas is home to huge community foundations that give over \$100 million per year. In addition to Texas community foundations that have a specific city, county or multi-county region of interest, there are also small family foundations administered by banks and low-profile donors who make independent donations quietly in their home regions. There are many wealthy families and individuals that have

TOP 10 SOUTHWEST FUNDERS 2014 - 2018

Grantmaker	Dollar Value of Grants Awarded
Robert & Julia Driscoll & Robert Driscoll, Jr. Foundation	\$658.17M
Greater Houston Community Foundation	\$532.82M
Communities Foundation of Texas	\$363.77M
Houston Endowment	\$331.98M
Moody Foundation	\$326.18M
Baylor Health Care Systems Barnett Tower	\$291.30M
Brown Foundation	\$248.42M
Baylor University Medical Center	\$211.81M
United Way of Greater Houston	\$195.56M
Dallas Foundation	\$188.23M

Source: Candid

created private foundations after securing personal fortunes in the oil industry and other businesses; examples include offshore drilling equipment company Dril-Quip CEO J. Mike Walker, former wildcatter [Lester Smith](#) and travel/airline CEO [Robert Carney](#).

There are many generalist funders in Texas that have broad giving interests, such as the Abell-Hanger Foundation in West Texas, Nathalie and Gladys Dalkowitz Charitable Trust in Bexar County and the Amon G. Carter Foundation in Tarrant County. The Herzstein Charitable Foundation, Hubbard Family Foundation and Robert J. Kleberg Jr. and Helen C. Kleberg Foundation are other

examples of private funders that have broad interests and fund numerous causes in Texas.

There are also many major medical centers based in Texas, which converted from nonprofit to for-profit status and led to the formation of high-profile health legacy foundations with ample money to give. The health legacy funders in Texas are larger and more powerful than those elsewhere in the Southwest and in the U.S. more generally. Many companies are headquartered in the Texas cities of Houston and Dallas, which influences steady corporate giving in those major metropolitan areas.

The Arizona grantmakers distributing the most funds are the Arizona Community Foundation, the Virginia G. Piper Charitable Trust, Bob and Renee Parsons Foundation and the Ben and Catherine Ivy Foundation, but other significant philanthropic forces in the state include the Flinn Foundation, and other more low-key family givers, sports team foundations and health legacy funders.

Funder Spotlight



In 2018, the Dallas Women's Foundation became the Texas Women's Foundation, signaling a broader statewide focus. With this name change and geographic expansion, the Texas Women's Foundation became the first and only women's foundation to move 100% of its financial assets into a gendered impact strategy. Economic security and leadership opportunities for women and girls are primary interests of this newly reinvented funding group.

Arizona's philanthropic sector is dominated by community foundations and wealthy families who have deep roots in Arizona. Community foundations are key drivers, especially through the involvement of regional affiliates with a physical presence in remote communities and are most in tune with local needs. However, the economy in Arizona has been growing rapidly in recent years (until the COVID-19 pandemic), so corporate philanthropy has been taking on a larger role. Arizona's economic growth is also producing new wealth and powerful company executives who are using their fortunes to advance personal philanthropic goals outside of their companies. Generational wealth transfer is now driving changes in Arizona's private foundations as the founders pass on responsibility to their descendants.

In New Mexico, community foundations are particularly important – with the major giving power emanating from the Albuquerque Community Foundation, Santa Fe Community Foundation, Taos Community Foundation and Community Foundation of Southern New Mexico – in part because of the relatively small number of other private, corporate and other types of institutional funders in the state.

That's not to say that New Mexico doesn't have a healthy mix of corporate donors, private family foundations and health legacy foundations. In fact, the majority of the grants in the state come from family and independent foundations, which hold the bulk of philanthropic assets in the state. The top funders in the state are the private foundations: the JF Maddox Foundation and the Thornburg Foundation. The McCune Charitable Foundation is another major private giver with a local focus and significant public profile. Corporate philanthropy

is not as widespread in New Mexico as in other parts of the Southwest because there are fewer companies headquartered there.

Oklahoma has several community foundations, but the private family foundations connected to the oil, gas and other local business sectors are significant funders as well. One of the top private foundations in the state is the Charles and Lynn Schusterman Family Foundation, which is dedicated to the city of Tulsa and often supports children’s needs and community service causes there. Other major private funders in the state are the George Kaiser Family Foundation, J.E. and L.E. Mabee Foundation, William K. Karren Foundation and Anne and Henry Zarrow Foundation. These funders dominate the philanthropic scene, but the state has a variety of corporate foundations (see Corporate Funders section) and health legacy funders, which often have a strong local focus.

Who’s Getting

Across much of the Southwest, health is the program area that receives the greatest amount of philanthropic resources (excluding funding to colleges and universities), which is something that sets this region apart from others in the U.S. This is true in Texas, Arizona and Oklahoma. In most states of the region, education comes in second. But in New Mexico, cultural organizations take center stage.

The top grant recipients most years in Texas focus on health, among them, the Driscoll Children’s Hospital, Health Texas Provider Network, and the University of Texas M.D. Anderson Cancer Center. In fact, almost all of the top 10 grantees in the state are health organizations. Other top recipient organizations in Texas are the Museum of Fine Arts in Houston and managers of DAFs such as the

TOP 10 SOUTHWEST GRANT RECIPIENTS 2014 - 2018²

Recipient	Dollar Value of Grants Received
Driscoll Children's Hospital	\$667.52M
Health Texas Provider Network	\$283.20M
Mayo Clinic of Arizona	\$270.46M
University of Texas M.D. Anderson Cancer Center	\$178.02M
Museum of Fine Arts of Houston	\$159.31M
Dallas County Indigent Care Corporation	\$136.37M
Baylor Research Institute	\$135.80M
Methodist Hospital Foundation	\$115.20M
Texas Bay Area Clinical Services	\$110.78M
Jasper Ridge Charitable Fund	\$105.00M

Source: Candid

Jasper Ridge Charitable Fund (the charitable arm of an investment firm) and the Community Foundation of Texas. Although education continues to be a top funding priority in the state, the largest grant recipients are rarely educational institutions. Issue areas receiving far fewer grants from Texas grantmakers are the environment and social issues like immigration and racial equity.

In Arizona, the majority of the top grantees are also health organizations. Between 2014 and 2018, the list of top 10 grant recipients included Mayo Clinic Arizona, Barrow Neurological Institute, Banner Health System and the Honor Health Foundation. The top grantee, Mayo Clinic Arizona, received over \$270 million during that time period. Beyond

health, other top grantees work in the areas of religion and the environment. For example, the Alliance Defending Freedom, a conservative Christian, anti-LGBTQ, anti-abortion nonprofit framing its work around “religious freedom,” is one of the state’s most successful fundraisers.

Top 5 Funding Priorities: Southwest 2014 - 2018 ²	
Subject	Amount Funded
Education	\$9.10B
Health	\$6.95B
Human Services	\$4.89B
Arts & Culture	\$2.32B
Philanthropy	\$1.84B

Source: Candid

Many of Arizona’s givers are concerned about the environment, the organizations that receive the most funds from Arizona philanthropic organizations in this program area. For example, Arizona donors provided large contributions in recent years to Redwood National Park Grand Canyon Village. Arts organizations receive a small proportion of Arizona’s philanthropic funds, which may be either the cause or the effect of a less robust arts community compared to other states, particularly New Mexico, with its especially vibrant arts scene. Despite substantial poverty in Arizona communities, relatively few funders are supporting community and economic development in small towns and rural areas where resources are scarce.

In New Mexico, arts organizations receive an unusually healthy proportion of philanthropic support, including the Santa Fe Opera, which was the top recipient between 2014 and 2018. Other top recipients are the Santa Fe Community Foundation Santa Fe Preparatory School and Santa Fe Institute.

Museums and legal aid organizations are also among the major recipients of grants from local funders. Well-established museums and schools are typical grant recipients of New Mexico’s biggest givers. Compared to elsewhere in the Southwest, fewer health organizations receive large grants in New Mexico. There is also limited giving to environmental organizations here, despite the many outdoor recreation areas and wide-open spaces where New Mexicans love to spend time.

In a recent four-year period, the top grant recipient in Oklahoma was the Tulsa Community Foundation. A Gathering Place for Tulsa received the second-largest amount of funding, followed by the Mental Health Association and the American Cancer Society, National Office. Grantees receiving the most support in Oklahoma often work in the fields of health, medical research, leadership, youth and hunger. Unlike other parts of the Southwest, education nonprofits do not typically receive the largest grant amounts or the highest numbers of grants in the state. Notably, fewer grants go to Oklahoma nonprofits that work to improve the local environment, the arts and workforce development. These tend to be lower-priority issues among Oklahoma funders, especially large private foundations with the largest sums to give.

Giving & Getting: A Deeper Dive

Even though there are some geographic and social concerns that are more common across the Southwest compared to other regions of the nation –being situated along (or near) the southern border, having high proportions of immigrants, and experiencing temperatures that might raise awareness of climate change those commonalities do not seem to be reflected as philanthropic concerns across the four states. Yes, Texas and Oklahoma giving for health generally focuses on

big medical and research centers at the expense of public or behavioral health, but that could be said of many states. New Mexico’s philanthropic attention to cultural institutions certainly has a relationship to its long history as a destination for visual artists, but many cities across the nation, including several in Texas, can boast a longstanding commitment to their artistic communities. Truly understanding the philanthropic scene of the Southwest requires diving more deeply into each state (see more on the individual state section later in this brief).

Houston, Dallas, San Antonio and Austin are major hubs of Texas philanthropy. The highest number of grants and highest giving totals are in the Houston metro area, which is closely followed by the Dallas/Fort Worth area. Charitable giving in San Antonio has been on the rise lately, increasing by **32.5%** over a recent five-year period.

The University of Texas Southwestern Medical Center and the University of Texas M.D. Anderson Cancer Center are among the most prolific fundraisers in the state’s health sector. Rural libraries, charter schools and efforts to improve access to college often receive education-related grants in Texas. Meanwhile, arts and culture grants are most common for large, well-established Texas organizations such as major art museums.

There are many foundations directing resources toward West Texas because of the magnitude of the needs in this remote, mostly rural region. After Houston, Dallas, Austin and San Antonio, rural giving in areas with no major metropolitan area receive the most support. Compared to other parts of the country, more Texas funders keep their grants local, in-state or at least in the Southwest, awarding few grants to international causes.

Arizona’s philanthropy has been growing along with its population and economy in recent years, so it is not surprising that the nonprofit sector itself is becoming a driver of economic growth. The state’s nonprofit sector contributes more than \$22.4 billion to Arizona’s gross state product, and the state’s over 21,000 registered nonprofits generate an approximate \$28 billion in revenue. The nonprofit sector here employs around 325,000 people, a figure that has been growing in recent years, along with nonprofit professionals’ wages.

The most prevalent type of philanthropic giving in Arizona is health, and the largest health recipients are major hospitals and health systems that are based in the Phoenix metropolitan area. However, many of these health organizations have branches that serve smaller communities, as well, such as Banner Health System, which has multiple

Year	Dollar Value of Grants	Total Number of Grantmakers	Total Grants Awarded	Total Number of Recipients
2014	\$2.50B	3,421	90,235	18,469
2015	\$1.35B	4,601	156,161	26,776
2016	\$5.12B	4,643	173,954	30,271
2017	\$5.73B	4,825	101,382	22,557
2018	\$6.68B	4,921	93,176	23,737

Source: Candid

locations around the state. In a recent four-year period, the Mayo Clinic Arizona received 216 grants totaling \$270.46 million, which made it the top grantee in the state, receiving four times the amount of grant funding than the next nonprofit on the list of top recipient organizations.

A considerable amount of education philanthropy in Arizona is focused on STEM education for youth, which is related to the increasing activity of corporate foundations that support a variety of initiatives to grow the local workforce. Arizona's institutional funders of religion and environment, on the other hand, tend to give to national organizations rather than local ones. Among Arizona's environmental grantmakers, support for parks is popular, as well as giving to local urban gardening initiatives and beautification projects. In local environmental grantmaking, Sprouts Healthy Communities Foundation, based in Phoenix, recently announced \$2.2 million in nonprofit awards to promote health and nutrition education through urban gardening and nutrition curriculum for elementary school students.

In New Mexico, most philanthropy is toward urban areas, such as Albuquerque and Santa Fe, while rural Bernalillo, Santa Fe, Eddy and Lea counties receive the bulk of foundation grants. Notably, a sizable portion of the philanthropic support in the state comes from out-of-state foundations, while roughly half of New Mexico foundation grants leave the state. Such a large portion of philanthropic dollars leaving a state is unusual. There are opportunities here for more local giving among funders of all types based in New Mexico.

A significant percentage of education funding in New Mexico is directed to early childhood education. The state consistently ranks low in all

levels of education, especially for opportunities for its youngest residents, so this philanthropic focus on early childhood makes sense. New Mexico funders are also prioritizing funds for high school graduation rates more than large grants for higher education.

While not known as a state with an especially strong nonprofit infrastructure, Oklahoma nonetheless has nearly **19,000 nonprofit organizations**, nearly 12,000 of which are public charities, with some religious organizations included in that total number. Private and public foundations make up nearly 1,000 of that total. The nonprofit sector in the state has assets of nearly \$49 billion and generates around \$15 billion in annual revenues. Each year, Oklahoma residents give about \$2.5 billion to charity, which is almost 4.5% of household income.

Tulsa and Oklahoma City are major hubs for many donors' grantmaking, with community foundations often tending to the needs of more rural populations. Fortunately for first-time grantseekers in need of funds, Oklahoma foundations are, on average, more open to receiving unsolicited grant proposals. The top grant recipients in the state receive over \$100 million per year.

Large, well-established organizations receive the most philanthropic dollars in Oklahoma. For example, major health associations and research organizations receive the most health grants, rather than small and emerging health-focused nonprofits. Big grantees include the American Cancer Society and the Laureate Institute for Brain Research. Human services grants go to food banks and local YMCA organizations, especially in the Tulsa area.

The Big Issues & Beyond

While some of IP's sources say that there is a perennial focus in some states on the needs of immigrants because of the region's location along the southern border, most of the big issues of concern to funders named by experts seemed to have relatively little to do with the Southwest's geographic and political situation. Women's issues, mental health, end-of-life care and increasing inequality were named as top funder concerns, but these might be named by funders all across the United States. One big issue frequently cited among these funders is their feeling that more resources and philanthropic attention should be directed toward rural and isolated communities, an attitude somewhat particular to the region.

Beyond the major program areas of education, health and arts, Texas philanthropy focuses on issues central to women and girls. Women's issues are addressed by women's philanthropy groups and giving circles in the state, such as the Dallas Women's Foundation and Impact SA (a San Antonio-based collective giving fund). Within the realm of health giving, mental health has taken center stage in Texas. Mental health funders here include the Meadows Foundation and the Rees-Jones Foundation. Health legacy funders are prominent in Texas and contribute greatly to the state's philanthropic landscape. St. David's Foundation and the Episcopal Health Foundation are two major health-focused funders to watch closely in Texas.

Lauren Haskins, the vice president of membership and partnerships for Philanthropy Southwest, said that education and health are the top issues funded in Texas, but mental health funding is also on the rise. "I have heard philanthropic leaders throughout Texas say that these three issues impact almost

every single funding issue in our communities, so by investing in these building blocks, they are hoping for—and seeing—greater impact across a multitude of issues in our neighborhoods, communities and across the state," Haskins said.

The big issues for Arizona funders—beyond those associated with huge program areas like human services, health, education and economic development—are basic needs for disadvantaged youth, end-of-life care, prenatal care and urban gardening. Alley of Ekstrom Alley Clontz & Associates said that immigration is, and likely always will be, a big issue priority in Arizona.



"Last year, Arizona communities saw significant population growth, with Maricopa County being the fastest-growing county in the nation. With this type of growth comes great opportunities but also brings challenges to which philanthropy must respond by helping to build innovative and community-centered partnerships and solutions."

—Lauren Haskins vice president of membership and partnerships, Philanthropy Southwest

Laurie Liles, the president and CEO of the Arizona Grantmakers Forum, said, "Our community partners at the [Center for the Future of Arizona](#) have developed [progress meters](#) for key issues to measure the priorities that Arizonans identified through a series of surveys of community conversations," Liles said. "Many philanthropic organizations' focus areas are in alignment with these issue areas."

Haskins says that the widening socioeconomic disparities in Arizona, specifically a large generational ethnicity gap (large numbers of young

people of color in relation to the population of older white people possessing economic resources), leads to a multitude of trickle-down priority issues that impact the state's communities. These experts agreed that education (early childhood through secondary education) is a huge priority in Arizona right now, with other burgeoning priorities being homelessness and access to affordable housing for people of all ages, especially older adults.

Collaboration Spotlight:



The \$1.5 million Arizona Together for Impact Fund is a funder collaborative that seeks to change the way statewide nonprofits approach partnerships, mergers, and collaborations. With the backing of at least 14 Arizona nonprofits, this group of donors provides locally-focused funding, resources and research. This is a great example of a current funding trend in the state and embodies the collaborative spirit and trust-based approach the philanthropic community seeks to determine where organizations can work together to have the biggest impact.

“Arizona Together for Impact Fund provides resources to organizations seeking to become more effective through sustained collaborations,” said Lauren Haskins, the vice president of membership and partnerships for Philanthropy Southwest.

“Last year, Arizona communities saw significant population growth, with Maricopa County being the fastest-growing county in the nation,” Haskins said, describing the county that includes Phoenix and Mesa. “With this type of growth comes great opportunities, but it also brings challenges to which philanthropy must respond by helping to build innovative and community-centered partnerships and solutions.”

Nonprofits based in Phoenix and Tucson often find it easiest to attract the attention of Arizona grantmakers. However, there has been a significant local push in recent years to pay closer attention to the rural areas of the state.

New Mexico giving stands out in the Southwest because of its heightened focus on Native American populations, cultural preservation and arts and culture. New Mexico funders are also dedicating substantial resources to early childhood education, economic development and domestic violence prevention. These, leaders say, are perceived as persistent issues in the state.

New Mexico funders tend to describe their program focus as “children and youth and the economically disadvantaged,” but experts say that a more targeted focus on immigrants, women, entrepreneurs, people of color and other population groups is increasingly part of the funder conversation in the state.

In Oklahoma, too, foundations are increasingly looking for ways to “give a voice to underrepresented people,” contribute to the vibrancy of communities and advance solutions for challenging societal problems, but have not yet started directing significant resources beyond established program areas like education, health, arts, human services, economic development, and sports and recreation. Nonetheless, funder experts say Oklahoma donors are interested in HIV/AIDS, rural public schools, mental health and animal welfare. Funders have awarded many grants toward preventative health, direct services and the needs of vulnerable populations. However, mental health is one issue that has been emerging as a bigger priority among funders in Oklahoma.

Funder Trends & Strategies

Across the Southwest, the funder strategies named as primary trends for the sector are strikingly consistent: Funder collaboration, more emphasis on general operating support and other forms of “trust-based philanthropy,” impact investing and gradually shifting to meet the funding interests of the next generation of philanthropists. The prominence of one strategy over another varies from state to state, but across the Southwest, these seem to be the trends many leaders see taking root.

Philanthropic leaders in Texas tell Inside Philanthropy that collaboration is among the most prominent funder strategies under discussion. They say Texas foundations are, more than ever before, rallying around public health crises, natural disaster recovery and other issues that affect local populations. Groups like Arabella Advisors have been fostering donor collaboratives and working with foundations in North Texas to take a collective impact approach.

There are numerous initiatives in Texas cities and regions where funders are cooperating to raise visibility on specific issues and give smaller foundations a greater voice alongside the big foundations. Educate Texas, an initiative of Communities Foundation of Texas, is one example. This funder works collaboratively with community partners to deploy evidenced-based practices, strategies and advocacy efforts that strengthen the public and higher education system to prepare Texas students for educational and workforce success.

Impact investing is another trending funder strategy in Texas. This is especially true in Dallas, where per capita giving is high and there is a large number of donors who want to do more with their

philanthropic capital than just give grants. “We see philanthropies looking beyond traditional grantmaking vehicles and past their required 5% distributions to maximize their impact and tackle big problems, often working in partnership with other grantmakers,” said Haskins of Philanthropy Southwest. “This is becoming even more common with the transfer of wealth to new generations who often think about philanthropy and impact through a different lens than their parents or grandparents may have.”

Funder Spotlight



OKLAHOMA CITY
COMMUNITY FOUNDATION

Simple. Effective. Forever.

The Oklahoma City Community Foundation is actively involved in promoting healthy nutrition. Its “OK 5210” health initiative is a top priority for the foundation and has given a boost to many local health nonprofits with programs that teach children about nutritious foods and exercise. OK 5210 is an initiative of the YMCA of Greater Oklahoma City.

Grants for the initiative typically fall in the \$30,000 to \$50,000 range.

The Communities Foundation of Texas staff members said that holistic strategies that combine multi-year funding, capacity building support and cohort models that bring nonprofits together to share best practices and tackle common challenges have proven to be very effective. One example of this is Communities Foundation of Texas’ Working Families Success Network, which combines all of these factors.

The CFT staff has observed a strong focus on capacity building through combining grant dollars with other support efforts to build nonprofit capacity. This often includes trainings, conferences, consultants, access to networks and evaluations.

“Funders are thinking about more than just dollars for programs and thinking beyond ‘transactional’ philanthropy. Deeper questions are being asked about what it will actually take to achieve positive impact and partnering more closely with nonprofits to achieve outcomes, which oftentimes takes relational capital, capacity building investments and cohort/collaborative building,” said Nicole Paquette, senior manager of marketing and communications at CFT.

Another significant trend in Texas philanthropy is intergenerational change. Second- and third-generation family members are taking control of their well-established family foundations and making decisions about whether to stay the course or adapt with the times on grantmaking priorities.

IP’s Arizona-based experts also identified multi-funder collaborations, impact investing, concepts of “trust-based philanthropy” related to general operating support and reporting flexibility, movements to diversify nonprofits’ funding

sources (including increasing nonprofits’ online fundraising capacity), and paying greater attention to the interests of next-generation donors as being the trends on most grantmakers’ minds.

One important statewide effort is the Arizona Early Childhood Funders Collaborative, which formed in 2016 to educate politicians and policymakers about the benefits of high-quality early education. The list of participating funders includes the Vitalyst Health Foundation, Bob and Renee Parsons Foundation and Helios Education Foundation.

Laurie Liles of the Arizona Grantmakers Forum says she has seen collaborative philanthropy emerge as a major trend, especially with the establishment of pooled funds and the adoption of aligned funding strategies for shepherding grants to nonprofits that fit common goals. Arizona foundations are collaborating in less formal ways to address urgent needs. For instance, AGF brought funders together in 2019 to contribute to Phoenix’s Welcome Center for asylum-seeking families. Another example is when a group of AGF members came together in 2018 to disperse one-time grants to nonprofits that stepped up during the spring teacher walkout to ensure thousands of children displaced by school closures were safe and fed.

Leadership Spotlight: Dr. Reo Pruiett



The Communities Foundation of Texas' Educate Texas initiative aims to transform the public and higher education system throughout the state. When speaking of the initiative, senior director of programs for Educate Texas, Dr. Reo Pruiett said;

“We don’t do easy work. We go after work that is difficult, seeking innovative solutions to long-term problems to create equity in education.”

Educate Texas’ college and career readiness, effective teaching, higher education and collective impact programs seeks to positively impact 20% of the state's public school and higher education students.

“From our perspective, in addition to collaborative funding, some Arizona Grantmakers members have found that engaging in trust-based philanthropy, providing general operating support and offering multi-year funding have been effective in helping nonprofits achieve their goals,” said Liles of the Arizona Grantmakers Forum. Grantmakers are putting more trust in their grantees and having faith that those organizations know what will work best to serve populations in need. This is good news for local nonprofits that crave more flexibility with the funds they receive, but the strategy also frequently requires nonprofits to deliver measurable results in order to continue receiving that unrestricted funding.

Foundations and donors should be providing more unrestricted funding to organizations they trust to get the work done and to address funding gaps in operations, according to Steve Alley, managing partner, Ekstrom Alley Clontz & Associates. “We don’t need more layers of bureaucracy; we need to enable nonprofits to finance their mission and get help where it’s needed most,” Alley said.

Diversity of funding streams for nonprofits is a key concern of funders in Arizona, says Kristen Merrifield, the chief executive officer for the Alliance of Arizona Nonprofits. “We consistently encourage nonprofits to diversify their fundraising options and outreach,” Merrifield said. “It’s more important now than ever before and will remain a priority after we come out of this pandemic, not to rely on a single option but to look to broader opportunities provided by grants, corporate support, individual donations, events and even creative ideas to generate additional new and consistent revenue streams unrelated to donations.”

Steve Seleznow, president and CEO of the Arizona Community Foundation, says he is paying particularly close attention to the next generation of philanthropists who have a strong desire for deeper connections with the causes they support. “They are also seeking innovative models of social finance that can be used to further their charitable goals,” Seleznow said. “ACF has been able to incorporate those desires into our work as a community foundation that intends to operate in perpetuity to serve the interests of communities across our state.”



ARIZONA
COMMUNITY
FOUNDATION

“[The next generation of philanthropists] are also seeking innovative models of social finance that can be used to further their charitable goals. ACF has been able to incorporate those desires into our work as a community foundation that intends to operate in perpetuity to serve the interests of communities across our state.”

—Steve Seleznow, president & CEO, Arizona Community Foundation

In New Mexico, grantmakers overall provide general operating support, program support and capital infrastructure support in roughly even proportions. This differs from the national standard of far more program support provided and far less capital infrastructure and operating support provided. Since general operating support is what most nonprofits report needing more than anything else, this even split represents a notable funder strategy for charitable groups in New Mexico.

According to Tsiporah Nephesh, executive director of New Mexico Thrives, “Funding general operating expenses is most helpful to nonprofits, as it allows the most flexibility. During these

uncertain times, flexibility is essential to allow nonprofits to respond as needed to changing circumstances.” New Mexico Thrives describes itself as a movement for change in the form of a state nonprofit association.

Grantmakers in New Mexico also say they are collaborating with each other more than in the past to amplify their giving power. However, New Mexico funders have not been as quick to embrace non-traditional giving strategies such as impact investing compared to other parts of the country.

Oklahoma grantmakers are focusing on strategies that are rather more work-a-day, such as endowment programs and providing capital support, as well as engaging collaboration. Some funders, such as the Oklahoma City Community Foundation, gravitate toward new investment strategies to grow large charitable endowment programs. OCCF created the largest charitable organization endowment program in the country with hundreds of participating nonprofits and all funds invested into a general pool so that everyone is impacted by the group’s performance.

Compared to other places, Oklahoma typically sees greater support for capital projects. Foundations that make capital projects a priority include the Samuel Roberts Nobel Foundation and the Inasmuch Foundation. Daniel Billingsley, vice president of external affairs at Oklahoma Center for Nonprofits, said that COVID-19 dramatically shifted how funders approached their grantmaking strategies for nonprofits. Grantmakers in Oklahoma are quite split on funding trends and can’t necessarily be categorized together, he said.

“Many foundations continue to work in a collective impact model to target funding into high-need areas, such as mental health, criminal justice reform

and healthcare, collaborating with select groups of nonprofits and initiatives on these issues,” Billingsley said. “Others are engaging in public-private partnerships through pay-for-success programs. Corporations continue to formalize giving programs, strategies and pillars.”

Perspectives on Equity

As a general topic, discussions of equity are as prevalent among philanthropic leaders of the Southwest as elsewhere in the United States, but the conversation tends to start and end with racial equity, with occasional allusions to issues associated with women and LGBTQ populations. In a region where subjects such as mental health and immigration are discussed among “the big issues,” and considered within the scope of other philanthropic lenses, it is notable that the needs of immigrant populations and people with disabilities did not come up as much in conversations about equity. The Southwest region also has large populations of indigenous people, but are not receiving philanthropic attention in proportion to their size, needs and history of oppression.

Communities Foundation of Texas leaders say that funders focusing on racial equity is a major trend. “Much more data has come to light showing the intersection of race and place and the correlation between zip code and outcomes, and we have seen more funders build in intentionality regarding focusing more resources on people and neighborhoods of color given historic compounding inequities,” said Paquette of CFT.

Texas funders that have a particularly strong focus on equity include the Communities Foundation of Texas, North Texas Community Foundation and Boone Family Foundation.

Philanthropy Southwest leaders told IP that funders are going beyond simple diversity of faces in organizations and looking more deeply to evaluate their own grantmaking through an equity lens. “At PSW, we believe that diversity is one of our strengths as an association of hundreds of grantmakers from Texas—diversity of backgrounds, races, cultures, thoughts, values and geographies,” said Haskins of Philanthropy Southwest. “Whether it’s a large rural funder focused on water issues in the Permian Basin or a small urban one tackling homelessness in Houston, there is power in their connection, and our grantmaking community is bolstered by shared learnings, collaborations and diverse perspectives.”

Arizona Grantmakers Forum is laying the groundwork for a collaborative that will bring together funders and community organizations to advance racial equity and “equity among social classes” to address persistent issues of poverty.

“Many grassroots organizations are doing amazing work in their communities, but many of them have little access to funding from institutional philanthropy,” Liles said. “Social equity collaboratives like the one we’re creating in Arizona aim to disrupt the traditional power dynamic and enable foundations and community organizations to establish common goals and share decision-making power when it comes to grants that advance those shared goals.”

Alley of Ekstrom Alley Clontz & Associates said that going “all in” for diversity, equity and inclusion is a notable local funding trend in Arizona. Examples of Arizona foundations with equity missions include the Flinn Foundation and Women’s Foundation of Southern Arizona.



NATIVE AMERICANS IN PHILANTHROPY

“I think we’re just barely starting to understand the Standing Rock story in the broader view of the history of what’s happening right now. We’re really just starting to see the culmination of that right now, and I hope philanthropy is ready to join us because if there was ever a moment for true systems change, it’s right now.”

— Erik Stegman, executive director of Native Americans in Philanthropy

Funders in Arizona are paying more attention to women and LGBTQ populations in their work. However, there are still substantial opportunities here for funders to turn their attention to the needs of Latinx and indigenous populations because those groups are such prevalent demographics in the state.

As with much of the Southwest, an increasing number of community foundations in New Mexico are pursuing equity as a specific funding strategy. Equity is one of the pillars of the Santa Fe Community Foundation’s new strategic framework, for example. This framework involves partnering with other organizations that have equity goals, building organizational capacity internally and for its partners, making sure its organizational policies address equity and seeking to understand root causes of inequality in the state.

Other New Mexico organizations with an eye toward equity include the New Mexico OutdoorEquity Fund, to promote outdoor access for everyone, and the Con Alma Health Foundation for health equity among all populations. More attention could be devoted to specific population groups that experience inequity, such as Latinos, Native Americans, women and the LGBTQ

community. Equity is often approached in a broad and overarching way here, but the creation of targeted funds for specific populations could result in greater strides toward equity progress.

Compared to other states in the Southwest and the rest of the nation, fewer foundations in Oklahoma have shifted their focus to equity so far. This could be because of the [large racial wealth gap](#) in Oklahoma and its long history of [asset-stripping](#), such as when members of the Osage Nation lost much of their wealth to the takeover of oil-rich territory in the early 1900s. White families in Oklahoma have accumulated significantly more wealth than families of color, who experience poverty at a rate of at least twice that of white households. But while Oklahoma once had a predominantly white population, the demographics here are gradually becoming more diverse, and so philanthropic conversations on racial equality are becoming more frequent and intense.

There are, however, numerous equity-focused organizations operating in the state that need funding support, such as the Oklahoma Policy Institute and the Oklahoma Center for Community and Justice. In Oklahoma's philanthropic sector, community foundations are the leaders on equity. For example, the [OKC Black Justice Fund](#), located at the Communities Foundation of Oklahoma, has raised almost \$300,000 and advances racial equity and justice in Oklahoma City. The Arnall Family

Foundation is a private funder investing heavily in equity. It launched the OKC Black Justice Fund with a \$50,000 donation and a pledge to provide an additional \$50,000 as a dollar-for-dollar match on new donations. There are opportunities for improvement in the state with regard to equity right now with other private foundations.

Leadership Spotlight: Krysten Aguilar



Krysten Aguilar is the co-director of La Semilla Food Center in Las Cruces, New Mexico, which addresses acute hunger and poverty in Las Cruces and along the U.S.-Mexico border. In an interview with [takepart.com](#), Aguilar said:

“All of our work is grounded in this reality that our community that we live in has an ability to determine its own food destiny. What’s lacking is access to opportunities. Equity underlies a lot of these issues.”

As part of a woman of color leadership team that helps create sustainable local food systems, Aguilar led the push to get the Las Cruces Urban Agriculture and Food Policy Plan passed.

A Closer Look at States of the Southwest

ARIZONA

Arizona has a few unique characteristics that influence the interests of its philanthropic sector.

The state has a mix of large urban areas, especially the quickly growing Phoenix and Tucson metropolitan areas, and vast, remote rural areas scattered widely across the state. The state has pronounced economic inequality, with wealthy donors living in the major cities and low-income populations in the rural regions and Native American reservations.

Alongside Arizona’s impressive economic growth, the nonprofit sector is expanding and channeling philanthropic resources for human services, health, education and other local interests. Funder collaborations in the state are strong and growing in numbers among the leading community foundations, big private funders and corporate giving programs. As more organizations begin working together for the greater good of local communities, the potential impact of Arizona’s philanthropy increases in tandem.

“One of the things that is unique about this state, from a philanthropic standpoint, is that it is rather young,” said Alley of Ekstrom Alley Clontz & Associates, who was formerly CEO of the Community Foundation for Southern Arizona. “When I came to Tucson in 2001 to be CEO at the Community Foundation for Southern Arizona, we were the third-oldest organized philanthropic organization in town (after the United Way and the University of Arizona), and we had only been around since 1980. This has an impact in a variety of ways, but most notably on the maturity level of the nonprofit sector.”

Top 10 Funders: Arizona 2014-2018¹

Grantmaker	Dollar Value of Grants Awarded
Arizona Community Foundation	\$168.17M
Valley of the Sun United Way	\$96.72M
Virginia Piper Charitable Trust	\$72.85M
Bob & Renee Parsons Foundation	\$70.29M
Ben & Catherine Ivy Foundation	\$62.97M
Kemper & Ethel Marley Foundation	\$48.49M
Diane & Bruce Halle Foundation	\$38.60M
Banner Health	\$33.28M
Sun Angel Foundation	\$32.21M
Honor Health Foundation	\$28.84M

Source: Candid

Like philanthropic scenes in other states, Arizona has many professional sports teams that are active in philanthropy and that largely focus their attention on programs for children and youth.

Human services organizations (23.7%), public and societal benefit organizations (20.3%) and religious organizations (19.3%) make up the majority of Arizona’s nonprofit sector. The rest of the sector is (in descending order of number of organizations within the sector) education, arts and culture, health, environment and animal welfare organizations.

Despite the overall proportions of the nonprofit sector, Seleznow of the Arizona Community Foundation said that in general, the most

important issue priorities for philanthropy in Arizona are education, science and innovation, equity and sustainability. “Arizona’s future depends on how well we leverage our assets to improve the quality of life for everyone, and those assets are found within those issue priorities,” he said. “The state is driven by new ideas and bold plans, and with proper investments, it can have an exciting future.”

Top 10 Grant Recipients: Arizona 2014-2018 ²	
Grant Recipient	Dollar Value of Grants Received
Mayo Clinic Arizona	\$270.46M
Alliance Defending Freedom	\$62.02M
Barrow Neurological Institute	\$50.51M
Banner Health System	\$48.23M
Arizona Community Foundation	\$47.18M
Roman Catholic Diocese of Phoenix	\$36.71M
Honor Health Foundation	\$34.69M
Redwood National Park, Grand Canyon Village	\$33.36M
Barrow Neurological Foundation	\$28.01M
Scottsdale Healthcare Hospitals	\$24.96M

Source: Candid

When COVID-19 relief became a priority issue in the state in early 2020, it became apparent that some of the biggest funding gaps in Arizona philanthropy are indirect services to residents in need. During this time, the Alliance of Arizona Nonprofits, among others, put a magnifying glass on the pre-existing deficits in service provision and funding, with a focus on health and human services and direct-response needs.

“Many nonprofit organizations across our state provide direct support services to those in need, and due to increased demand for those services in the wake of the outbreak, those organizations’ resources have been stretched beyond capacity,” Seleznow said. “In order to ensure the future economic health of the nonprofit sector, priority must be given to those organizations that are in need of immediate relief while also considering the long-term effects of this crisis.”

Arizona’s philanthropic sector is especially focused on collaboration now, its leaders say. “Collaboration is more than a trend for Arizona grantmakers; it’s one of our core values,” Liles said. “Collaboration to us means that we foster and align partnerships that leverage and influence information and resources to maximize impact. We’ve drawn our inspiration from the United Philanthropy Forum and several of its regional and national members who have blazed these trails before us.”

Kristen Merrifield, the chief executive officer for the Alliance of Arizona Nonprofits, said that online giving is a current funding trend in Arizona that an increasing number of nonprofits are embracing. “To attract more first-time and repeat donors, nonprofits are searching for and developing

Top 5 Funding Priorities: Arizona 2014-2018 ²	
Subject	Amount Funded
Education	\$1.52B
Health	\$898.65M
Human Services	\$808.99M
Environment	\$244.43M
Philanthropy	\$238.18M

Source: Candid

creative ways to reach wider audiences and achieve higher fundraising numbers,” Merrifield said. “One example in Arizona is a 24-hour online telethon to raise funds for Arizona Citizens for the Arts featuring performances, demonstrations and appearances by artists, business people, elected

officials, chefs and even yoga instructors. At the same time, events like Arizona Gives Day and other fundraising efforts in our community are stimulating broad-based collaborations to leverage the collective opportunities, as opposed to relying on singular-based outreach efforts.”

Year	Dollar Value of Grants	Total Number of Grantmakers	Total Grants Awarded	Total Number of Recipients
2014	\$329.71M	483	13,291	3,072
2015	\$711.30M	651	26,616	4,795
2016	\$845.20M	669	32,088	5,532
2017	\$833.48M	680	14,618	3,700
2018	\$1.03B	683	18,013	3,941

Source: Candid

NEW MEXICO

Philanthropy has changed in New Mexico as the demographics of the state have changed. Compared to the past, the population of New Mexico is getting older, becoming more Hispanic and has fewer people in rural regions.

New Mexico philanthropy ranks toward the bottom of the 50 states for both total assets and charitable giving levels. Grantmaking levels of local foundations in the state have been increasing slowly but significantly in recent years; however, individual donations have been dwindling.

According to recent data from the New Mexico Association of Grantmakers, the program areas receiving the most funding are education, arts and culture, science/engineering and human services.

Although New Mexico’s education nonprofits receive more philanthropic funds than any other portion of the sector, the arts and needs of Native American communities are also big priorities. Arts and culture is one of the top-funded causes in the state, which makes it unique in the Southwest and nationwide.

While the state’s funders hold a wide range of interests and there is a substantial mix of private, corporate and community foundations and individual donors, there is distinct room for growth in funding of equity issues, especially since New Mexico is a majority non-white state.

Although Santa Fe and Albuquerque continue to be the major hubs of philanthropy, certain funders are looking beyond the urban areas and toward the many remote and rural areas of New Mexico to

Top 10 Grant Recipients: New Mexico 2014-2018¹

Grant Recipient	Dollar Value of Grants Received
Santa Fe Opera	\$27.02M
City of Hobbs	\$24.70M
Santa Fe Community Foundation	\$19.42M
Faith Comes by Hearing	\$18.83M
Santa Fe Preparatory School	\$12.81M
Georgia O’Keefe Museum	\$11.68M
Glorieta 2.0	\$10.80M
New Mexico Legal Aid	\$10.57M
Reboth Christian School Association	\$9.38M
SER - Job Progress	\$8.26M

Source: Candid

Top 10 Funders: New Mexico 2014-2018¹

Grantmaker	Dollar Value of Grants Awarded
JF Maddox Foundation	\$39.51M
Santa Fe Community Foundation	\$19.26M
McCune Charitable Foundation	\$13.35M
Albuquerque Community Foundation	\$11.52M
Northeastern Area Workforce Development Board	\$8.29M
New Mexico Technical Research Foundation	\$7.21M
Thornburg Foundation	\$6.46M
Brindle Foundation	\$5.34M
Chase Foundation	\$5.23M
Sandia Foundation	\$4.99M

Source: Candid

support distressed communities struggling with poverty and lack of economic opportunities.

emotional, social, dental, environmental, economic and spiritual.

As noted in this brief’s section on community foundations of the Southwest, New Mexico has a particularly dynamic set of community foundations. In fact, there was discussion several years ago about consolidating all of the state’s community foundations into one entity, but that did not move forward as proposed.

The state’s funders have provided large sums in recent years to organizations dedicated to public affairs and sports and recreation. “The sports and recreation [grant category] is an anomaly in 2017, since one foundation gave a large grant for a community sports and recreation facility in its community that bumped it into third, but that is not typical if you look at previous years,” said Cathy Frey, the executive director of the New Mexico Association of Grantmakers.

The big health legacy funder in New Mexico is the Con Alma Health Foundation, which addresses all aspects of health, including physical, mental,

Year	Dollar Value of Grants	Total Number of Grantmakers	Total Grants Awarded	Total Number of Recipients
2014	\$1.08B	14,445	52,044	8,009
2015	\$1.74B	17,581	79,296	10,117
2016	\$1.79B	17,644	85,457	10,950
2017	\$1.86B	16,672	54,218	9,921
2018	\$2.18B	17,803	58,515	11,215

Source: Candid

Subject	Amount Funded
Education	\$486.01M
Arts & Culture	\$237.27M
Human Services	\$178.55M
Community and Economic Development	\$137.24M
Health	\$128.78M

Source: Candid

Oklahoma

Philanthropy in Oklahoma is largely influenced by wealthy families who struck it rich in the oil industry several generations ago. The philanthropic sector in the state is concentrated in the large metropolitan areas of Oklahoma City and Tulsa; however, niche funders and community foundations have been paying more attention to the economically distressed and rural areas of the state, as well.

As with the rest of the Southwest, the top-funded cause in Oklahoma is education. Many foundations in Oklahoma have recently begun to work through a collective impact model and embrace the spirit of collaboration. Given the state's mix of individual wealthy donors, influential family foundations, powerful community foundations and health legacy funders that are changing the landscape of

the charitable sector, it is important for fundraisers in Oklahoma to keep that potential embrace of philanthropic collaboration in mind, philanthropic leaders told Inside Philanthropy. If all of these entities connect with each other instead of forging their own paths, great change can happen in Oklahoma communities of all sizes and types.

Top 5 Funding Priorities: Oklahoma 2014-2018²

Subject	Amount Funded
Education	\$1.53B
Human Services	\$683.86M
Health	\$594.37M
Philanthropy	\$266.98M
Community and Economic Development	\$258.68M

Source: Candid

To 10 Funders: Oklahoma 2014-2018¹

Grantmaker	Dollar Value of Grants Awarded
Tulsa Community Foundation	\$256.63M
Anne & Henry Zarrow Foundation	\$134.79M
Oklahoma City Community Foundation	\$99.32M
Tulsa Area United Way	\$74.51M
George Kaiser Family Foundation	\$67.17M
Inasmuch Foundation	\$64.76M
William K. Warren Foundation	\$63.94M
J.E. & L.E. Mabee Foundation	\$54.40M
Presbyterian Health Foundation	\$52.28M
Charles & Lynn Schusterman Foundation	\$51.44M

Source: Candid

Top 10 Grant Recipients: Oklahoma 2014-2018²

Grant Recipient	Dollar Value of Grants Received
Tulsa Community Foundation	\$121.65M
A Gathering Place for Tulsa	\$100.73M
Mental Health Association	\$39.66M
American Cancer Society National Office	\$35.04M
Laureate Institute for Brain Research	\$30.37M
Center for Leadership Initiatives	\$25.06M
Community Action Project of Tulsa	\$23.16M
YMCA of Greater Tulsa	\$22.89M
Foundation for Tulsa Schools	\$21.14M
United Way, Tulsa Area	\$20.34M

Source: Candid

TEXAS

Texas is the largest state in the Southwest in terms of geography, population and philanthropy.

Charitable giving in Texas has increased significantly in recent years, not only in the big cities but also in rural areas that were overlooked by most donors in the past. Many Texas foundations have a local focus and a “Texas first” mentality that keeps grants close to home.

Education is the top interest among local funders in Texas; however, health is also a big issue in the state for many types of foundations. To pursue these interests, foundations are trying a mix of strategies, including collaboration, impact investing and awarding more funds for general operating support. Texas also has a strong organizational infrastructure in place to support its philanthropic community and keep the many foundations and nonprofits here connected to each other.

Some of the biggest Texas charitable money is coming from individual donors, such as J. Mike Walker and Lester and Sue Smith, and family-backed foundations that have struck it rich in Texas and are looking to give back to the communities they call home. Generational wealth transfer is making a big impact in Texas philanthropy as younger generations take over well-established foundations after growing up in households where philanthropy was a priority. To instill ambition in their children and prevent a sense of entitlement, Texas power couples like John and Laura Arnold [won't be handing down their multi-billion-dollar fortunes](#) to the next generation. However, the Arnolds have cultivated a philosophy of giving in their household that they hope will stick with their children as they become more involved in the family's philanthropy.

Top 10 Funders: Texas 2014-2018¹

Grantmaker	Dollar Value of Grants Awarded
Robert Driscoll & Julia Driscoll & Robert Driscoll, Jr. Foundation	\$658.17M
Greater Houston Community Foundation	\$532.82M
Communities Foundation Texas	\$363.77M
Houston Endowment	\$331.98M
Moody Foundation	\$326.18M
Baylor Health Care System Barnett Tower	\$291.30M
Brown Foundation	\$284.42M
Baylor University Medical Center	\$211.81M
United Way of Greater Houston	\$195.56M
Dallas Foundation	\$188.23M

Source: Candid

Just like everything else, giving is big in Texas. Led by Communities Foundation of Texas, the North Texas Giving Day is the largest giving day in the nation, raising \$50 million through 169,000 gifts (102,000 donors) for 2,988 nonprofits in 2019 (the North Texas region includes the Dallas/Fort Worth Metroplex). Approximately 95% of the gifts made in 2019 were under \$1,000 and 58% were under \$100, bolstering the notion that everyone can be a philanthropist. While the initiative supports multiple issues, animals and education are the two most popular causes for North Texas Giving Day.

In recent years, Texas foundations have been spreading their grants around to organizations working in the arts, education, human services,

health and the environment. Overall, there is a strong focus on education in Texas to benefit children in urban and rural areas. Even more than in other regions of the country, religious-based education organizations are popular in Texas, especially with funders like the John G. and Marie Stella Kenedy Memorial Foundation and the Thirteen Foundation.

After education, human services and health organizations receive the most funding in Texas. To a lesser degree, local foundations here also give regularly for public affairs, organizations promoting philanthropy, arts and culture, community and economic development, public societal benefit and religious causes.

Top 5 Funding Priorities: Texas 2014-2018 ²	
Subject	Amount Funded
Education	\$7.10B
Health	\$5.93B
Human Services	\$3.90B
Arts & Culture	\$1.86B
Philanthropy	\$1.54B

Source: Candid

As in other states of the region, collaboration is taking hold in Texas. In Houston, industry leaders have met to discuss the best ways to create a strong, diverse arts ecosystem. Major hospital systems and health-focused foundations have also been coming together to support mental health in the state. It is true that Texas has a loudly professed culture of individualism, ruggedness and entrepreneurialism, but that doesn't mean turning away from societal needs. In fact, Texas has a higher overall rate of charitable contributions than the national average, **nearly \$1,500 more** per capita, according to recent data.

Top 10 Grant Recipients: Texas 2014-2018¹

Grant Recipient	Dollar Value of Grants Received
Driscoll Children's Hospital	\$667.52M
Health Texas Provider Network	\$283.20M
University of Texas MD Anderson Cancer Center	\$178.02M
Museum of the Arts Houston	\$159.31M
Dallas Community Indigent Care Coproration	\$136.37M
Baylor Resarch Institute	\$135.80M
Methodist Hospital Foundation	\$115.20M
Texas Bay Area Clinical Services	\$110.78M
Jasper Ridge Charitable Fund	\$105.00M
Greater Houston Community F oundation	\$100.47M

Source: Candid

A Closer Look at Funder Types

Private & Family Foundations

There are certain regions of the United States that come to mind when discussions of influential private foundations arise – especially related to the financial titans of New York and the high-tech moguls associated with the Pacific Northwest and California, which have spawned many national and internationally recognized private foundations. The Southwest has some increasingly high-profile national foundations like Arnold Ventures (formerly known as the Laura and John Arnold Foundation), but funders in this region focus even more of their philanthropic resources on their home states than those of other regions.

In Texas, which has the region’s highest concentration of private foundations, many donations to nonprofits come from individuals rather than institutional philanthropy. But the vast majority of grant money awarded in Texas comes from private foundations rather than corporations and community foundations. This is more the case than in other parts of the Southwest. A lot of philanthropic power comes from the wealthiest individuals and families in Texas, and the nonprofit sector is influenced greatly by these people. Most private foundations in Texas maintain consistent, long-term program areas based on founders’ specific directives, as opposed to general “societal benefit” missions that evolve or are interpreted over time by board and staff. But, local philanthropic leaders say, generational wealth transfer may bring significant change in the grantmaking priorities of quite a few Texas foundations, possibly toward less “elite” concerns like higher education and the arts.

Some of the top foundations in Texas are Arnold Ventures, Susan G. Komen Breast Cancer Foundation and Michael and Susan Dell Foundation. These foundations are among the most recognizable, in part because they work on so many national issues. For example, the Arnolds have broad philanthropic goals to address the opioid crisis, gun violence and criminal justice reform – all issues have received much attention nationwide. The Dells have been tackling urban poverty through education, health and jobs – issues that can be addressed in local Texas communities and then replicated in other cities across the country.

Private funders topping the list of givers that concentrate on supporting Texas nonprofits include the Moody Foundation and the Brown Foundation. Similar to the breadth of a community foundation, the Moody Foundation, based in Galveston, spreads its grantmaking across the arts, education, environment, health and social services. The Brown Foundation of Houston similarly has a broad mission ranging across education, the arts, human services and enriching civic life.

Many of the largest givers in Arizona are private foundations, including the Bob and Renee Parsons Foundation, Virginia Piper Charitable Trust, and the Ben and Catherine Ivy Foundation. During a recent four-year period, the top private funders in the state gave between \$38 million and \$168 million. Well over half of the foundations in the state are in Maricopa County, followed by Pima County. Most of the biggest private foundations in the state are based in Phoenix and Scottsdale.

In general, private foundations in Arizona fund health, youth and education causes. But there are others, such as the Flinn Foundation, that fund niche causes like bioscience research. The [\\$126 million Vitalyst Foundation](#) is Arizona’s most

prominent health-conversion foundation, established in 1996 after St. Luke's Hospital System sold to a for-profit corporation to create it. It is interested in policy, nonprofit capacity building and other ways to shift the health paradigm as part of its mission to address the root causes of poor health in Arizona. Vitalyst has been increasingly involved with collaboration, civic participation and community innovation with other funders.

In New Mexico, there are several private foundations that stand out, among them, the McCune Charitable Foundation and J.F. Maddox Foundation. However, there are also many well-established smaller and niche foundations in New Mexico, including the Frederick H. Leonhardt Foundation, Thornburg Foundation and Albert I. Pierce Foundation. The state's largest private foundations are Maddox, Lannan and McCune.

Donor
Spotlight:



In 2019, Arnold Ventures announced a \$1.3 million grant to Shatterproof to support its addiction treatment rating system, a pilot program aimed to help people with opioid use disorder receive “tested forms of medical treatment.”

According to the U.S. Department of Health and Human Services, the opioid epidemic exceeded crisis levels in 2016, however, there is still no standard of care for opioid abuse treatment.

Arnold Ventures has awarded \$29.8 million in grants supporting efforts such as preventing opioid overdose deaths, intervention research and treatment and recovery programs.

New Mexico's private funders are shaping the philanthropic space due to the large amounts of money they have available to give. These funders tend to stick to their established program areas rather than adjusting to current philanthropic trends in the way that local community foundations do. However, their ability to award large grants in partnership with community foundations has great potential for serving New Mexico's greatest needs.

In Oklahoma, private foundations are shaping the local philanthropic space by awarding multi-million-dollar grants to well-established groups that work toward shared goals. The top three private funders in Oklahoma are the Anne and Henry Zarrow Foundation, George Kaiser Family Foundation, William K. Warren Foundation, Mabee Foundation and the Charles and Lynn Schusterman Foundation. These are all high-profile Oklahoma families that have a lot of power and influence on how nonprofits are funded in the state. While many of these organizations have funded well-established program areas for many years, others have recently shifted focus based on current community needs and emerging interests.

The George Kaiser Family Foundation is a major Oklahoma grantmaker that gives primarily to early childhood education causes. It often gives to human services programs and community health efforts. Its annual grantmaking has reached around \$7 million in recent years. But through its recent Tulsa Remote initiative, the foundation offered \$10,000 grants and other benefits to people who were willing to move to Tulsa and work remotely here for at least a year. The foundation shifted some of its grantmaking from education to basic needs and local parks in recent years. This Tulsa-specific funder maintains its mission of making the city a

great place for children to live and grow up, but tangential interests include alternatives to incarceration for women and parent-child engagement.

In recent years, Oklahoma's Kirkpatrick Family Fund has shifted some of its focus from local arts and humanities to land and wildlife preservation. The Kirkpatricks have a family farm that is one of the oldest continually owned pieces of real estate in Oklahoma. Foundation interests involve tree planting and the beautification of outdoor spaces.

Corporate Funders

Most corporate funders of the Southwest are based in Texas, although there are a considerable number of prominent Arizona companies that have also been giving back to their local communities. Fewer charitable companies are located in New Mexico and Oklahoma, but the companies that do give in those states tend to be well-connected to the local philanthropic sector and mostly focus on needs in larger cities. Overall, STEM education, workforce development and at-risk youth are top priorities for corporate givers in the Southwest.

Texas corporations with charitable giving programs are largely based in Houston, Dallas and Fort Worth. The corporate philanthropy sector is especially strong in these cities, and there is potential for corporate funders to work together with other types of foundations in Texas.

The ExxonMobil Foundation is a corporate grantmaker that makes the top 10 givers list. ExxonMobile's priorities include STEM education for youth and promoting women as catalysts for economic development. BBVA Compass Bancshares, 7-Eleven, Shell Oil Company, SYSCO Corporation and many other corporations are headquartered in the state and maintain sizable corporate giving programs. The top issues of corporate funders in Texas are education, hunger, civic engagement and public health. The largest companies in Texas often have footprints outside Texas. Therefore, their charitable giving is split between local organizations close to home and high-profile nationwide and global causes. Overall, corporate giving in Texas tends to follow the business interests of the company rather than the personal interests of the leaders in charge.

Companies in Arizona are also giving back to local communities; top philanthropic businesses in the state include Abrazo Community Health Network, Delta Dental of Arizona, Desert Financial Credit Union and Gila River Hotels & Casinos. Corporate philanthropy in the state from these funders and others often revolves around workforce development, youth education and financial literacy and "self-sufficiency."

The APS Foundation, the grantmaking arm of the Arizona Public Service Company, the largest electric utility in the state, gives to STEM



"Many foundations continue to work in a collective impact model to target funding into high-need areas, such as mental health, criminal justice reform and healthcare, collaborating with select groups of nonprofits and initiatives on these issues. Others are engaging in public-private partnerships through pay-for-success programs. Corporations continue to formalize giving programs, strategies and pillars."

—Dan Billingsley, vice president, external affairs, Oklahoma Center for Nonprofits

educational opportunities for teachers so they can effectively convey STEM concepts to their students. APS Foundation also gave a \$1 million gift to the Arizona Science Center's Rural Communities Expansion Project. There are also several sports team funders here that mostly give to programs that serve children and youth, including the Arizona Coyotes Foundation and the Arizona Diamondbacks Foundation. Overall, corporate giving in Arizona is mostly tied to the interests of the company rather than the CEOs. Corporate foundations often act independently but have been increasingly willing to consider collaborations with private and community foundations.

Corporate funders are a smaller part of the grantmaking scene in New Mexico. Giving is largely concentrated among the largest corporate foundations in the state, especially the Chase Foundation in Artesia, which focuses on

Southeastern New Mexico. This grantmaker has broad interests that include education, substance abuse, domestic violence, community enhancement, youth and human services.

Other corporations with giving programs in the state are Summit Electric Supply, Santa Fe Natural Tobacco and the People's Bank of Taos, New Mexico. Almost all corporate funders in the state are based in Albuquerque, Santa Fe or Taos. Corporate foundation grants in the state are often tied to the interests of the company and address common issues like workforce development, at-risk youth and STEM education.

Large companies headquartered in Oklahoma City and Tulsa that have charitable giving programs include American Fidelity Assurance Company, Bank of Oklahoma Financial Corporation, ONEOK, Inc., OGE Energy Corporation and Devon Energy Corporation. There is also substantial grantmaking activity in the cities of Lawton and Enid. Corporate funders in the state tend to support a variety of causes rather than strictly sticking to issues that relate to the companies' business offerings. For example, the Williams Companies Foundation supports arts and culture, education, health, human services, community development and civic affairs in Oklahoma and other places where the company does business. Yet business interests are still important in corporate giving programs, such as with BOK Financial's Learning for Life program, which is typical of the financial services industry's interest in fostering financial literacy.

Community Foundations

In the Southwest, community foundations are major drivers of philanthropic activity and hold significant power in guiding grant dollars to local

Funder Spotlight



In recent years, the film industry has been booming in New Mexico and especially in the Albuquerque and Santa Fe regions. As a result, new foundations are emerging to meet the needs of filmmakers as they propel this industry forward to share the creative spirit and boost the local economy.

The New Mexico Film Foundation supports independent filmmakers in the state and serves as an independent voice for actors, producers, directors and screenwriters. It raises funds to support the advancement of New Mexico filmmakers and performers who work behind and in front of the camera.

nonprofits, both new and well-established. Many donors in the Southwestern states choose to give through community foundations rather than manage foundation operations on their own. Although community foundations in the Southwest are based in the largest cities in the region, some of them, such as the Arizona Community Foundation, have strong affiliate programs to reach the smaller towns and rural regions of the state.

Some of the biggest funders in Texas are community foundations, such as the Communities Foundation of Texas and the Greater Houston Community Foundation. There are over two-dozen community foundations in Texas that serve regions across the state, including the Dallas Foundation, Rio Grande Valley Community Foundation, Wichita Falls Area Community Foundation and Foundation for Southeast Texas. Community funders in Texas are also home to many specialized funds. For example, the W.W. Caruth, Jr. Fund, which is affiliated with the Communities Foundation of Texas, uses its grantmaking to spark social innovation. This fund has awarded grants that advance innovative and evidence-based solutions to community challenges related to education, public safety, health and medical issues and scientific research.

The Arizona Community Foundation is the largest grantmaker in its state and has been on the grantmaking scene since 1987. It holds over \$961 million in assets, manages more than 1,700 funds and has six offices across Arizona. The foundation has shifted its attention toward more support for construction projects, education efforts and empowering its regional affiliates. This community foundation has also been leading the way in the field of locally focused impact investing,

perhaps serving as a model for other Arizona grantmakers to follow in the future. The other big community foundation in the state is the Community Foundation for Southern Arizona, based in Tucson. There is also the Women's Foundation of Southern Arizona and Young Jewish Funders of Arizona.

There are less than a dozen community foundations in New Mexico, and a couple of community funders in the area serve parts of both New Mexico and Texas. These community funders are based in New Mexico's largest cities and have been responsive to changing needs in their local areas. One of the most prominent, the Santa Fe Community Foundation, embarked on a year-long process of understanding and redefining its approach to philanthropy, service and leadership as a community foundation in 2017. SFCF engaged in 11 community conversations to hear the thoughts of local nonprofits, philanthropic partners and community members about the foundation's role in addressing inequities in New Mexico communities.

Collaboration Spotlight



The Center for Cooperative Media launched the Peer Learning + Collaboration Fund to inspire meaningful journalism. It partnered with the Inasmuch Foundation and the Ethics & Excellence in Journalism Foundation to award collaborative project grants to news organizations. These Oklahoma-based projects explored issues like domestic violence in the Hispanic community, OKC's restaurant industry and how evictions are creating unstable housing conditions.

According to Christa Coggins, SFCF's vice president of community philanthropy, three pillars of a strategic framework emerged from this work: equity, results and alignment. "Our strategic framework is intended to help us focus our grantmaking and all aspects of our work on the changes we want to see, the equity; make measurable progress toward outcomes with continuous improvement, the results; and... aligning all our work internally and externally for a shared purpose, the alignment," said Coggins.

The Albuquerque Community Foundation has been on the local grantmaking scene since 1981 and supports a wide variety of nonprofits. However, it has been venturing into new philanthropy territory with unusual fundraising events, such as the "Great Grant Giveaway." A recent giveaway theme was "common ground," and some grant money went toward the local commercial space travel industry.

Oklahoma has two major community foundations: the Oklahoma City Community Foundation and the Tulsa Community Foundation; the bulk of their grantmaking is toward causes in the state. There are also smaller community funders, such as the Norman Community Foundation, which gives toward virtually any need in Norman, Oklahoma. The Bartlesville Community Foundation mostly supports art and culture, youth, and economic development in the Bartlesville area of Oklahoma.

Major Donors

While many philanthropists in the Southwest have created private foundations or funds administered by community foundations, others prefer to give as individuals, without an institutional structure. These Southwest donors tend to fly under the radar, and for grantseekers, can be harder to access. Yet major donors in the region are often sources of the

largest gifts that are well into the millions of dollars and follow personal interests, such as an alma mater or a hospital that has treated a family member.

Texans who are among the most charitable philanthropists in the U.S. are J. Mike Walker, who gives to Texas A&M and the University of Texas, as well as Sue Smith and her late husband Lester who gave to Texas Children's Hospital. Robert and Nancy Carney of Houston give for neuroscience, and Edward Bass, who is affiliated with Marathon Oil, Wrangler and other companies, gives for museum renovations. Major donors in Texas tend to give to large and well-established nonprofit organizations.

Major Donor Spotlight: Sue & Lester Smith

Sue and Lester Smith donated \$15 million to Holocaust Museum Houston in 2017. The donation contributed to the museum's \$34 million expansion. Now the fourth-largest Holocaust museum in the United States, the donation from the Smiths was the largest the museum has received. Lester Smith passed in 2019.

In Arizona, Horace and Ethel Steel's fortune came from the petroleum and trucking industry, and Robert and Irene Flinn's wealth came from Robert's career as a cardiologist in Phoenix. These are among the biggest individual donors in the state. Ira Fulton, the chief executive of Fulton Homes is another huge donor. In recent years, he has given multi-million-dollar gifts to Arizona State University, Brigham Young University and the Huntsman Cancer Foundation. Next-generation philanthropists include Jay Chernikoff and David Schuman, who are entrepreneurs who learned about giving circles and created the Young Jewish Funders of Arizona.

A prominent local donor in New Mexico is Donna Rust, the widow of Jack Rust, who founded Rust Tractor. She is a major health funder who has provided multi-million-dollar gifts to Presbyterian Healthcare Services and nursing programs.

In Oklahoma, aside from major donors who have established foundations, the Green family is a major local philanthropic force with a fortune derived from the private craft store chain Hobby Lobby. This family gives for higher education and health, including significant support for a medical complex and Oral Roberts University. Judy Love is known in Oklahoma for her philanthropic work for improving the quality of life for Oklahoma families, and was named Oklahoma’s Mother of the Year. She has received dozens of community honors, including the Oklahoma Hall of Fame, Oklahoma Women’s Hall of Fame and Most Powerful Woman in the City. Peggy Helmerich of Tulsa was named Women for OSU Philanthropist of the Year in 2019 because of her local commitments to healthcare, education, arts and libraries.

Associations & Intermediaries

Leaders of the region tell IP that Southwest philanthropy is all about making connections and learning from other organizations doing similar work. In each state of the region, there are grantmaker and nonprofit organizations that provide networking opportunities, resources for learning and a starting point for collaboration. The most widespread and influential organization here is Philanthropy Southwest, which has a strong presence in all four states.

Unlike many other states, Texas does not have a separate, state-specific grantmakers’ association. However, a relevant organization to know is the Texas Association of Nonprofit Organizations. This statewide membership association is dedicated to promoting the state’s nonprofit community for the public good. There’s also TexasNonprofits, which provides data and resources to support nonprofits in the state and facilitate connections between charities and potential donors.

Collaboration Spotlight



The Better Together Fund is a pilot program launched by several philanthropies, including LH Capital, Inc., United Way of Metropolitan Dallas, and the Dallas, Meadows, and Hoblitzelle foundations. This group encourages nonprofits to explore formal, long-term collaborations as a way to maximize impact. Better Together is a Sustained Collaboration Network initiative. It released “Building Capacity for Sustained Collaboration,” which highlights groundbreaking efforts of a national network of pooled funding initiatives for long-term collaboration.

“What is really cool to see is that philanthropies are connecting to share models, learnings and best practices with one another and transparently with their communities—which creates a ripple effect that not only strengthens our communities here in Texas but also enriches communities throughout the country,” said Lauren Haskins of Philanthropy Southwest.

The Arizona Grantmakers Forum is at the center of philanthropic life in Arizona and connects over 70 member organizations and more than 300 philanthropy professionals across the state. Since 2004, the Alliance of Arizona Nonprofits has been serving over 20,000 nonprofits across Arizona through educational resources, advocacy and networking opportunities. Since 2013, these two organizations have run the Arizona Gives Program, which is an annual day of giving that has raised over \$17 million for Arizona nonprofits.

The New Mexico Association of Grantmakers is the state's regional membership association, bringing donors together to encourage more charitable giving. The Center for Nonprofit Excellence is an Albuquerque-based organization made up of full-time employees and work-study students that provides technical assistance, training opportunities and nonprofit news relevant to New Mexico nonprofits. New Mexico Thrives is a nonprofit association that advocates for the New Mexico nonprofit sector and promotes, strengthens and connects individual organizations.

The Oklahoma Center for Nonprofits is a membership organization that provides training, consulting, networking, advocacy and other types of support for nonprofits across the state. Another resource for local groups is the Oklahoma Visual Arts Coalition, which supports visual artists in the state through education, funding and exposure. The Nonprofit Legal Center is a resource for nonprofits founded in 1997 that provides cost-effective legal services. The attorneys at McAfee & Taft provide pro bono legal services to nonprofits in Oklahoma, including the Regional Food Bank of Oklahoma, Oklahoma Youth Symphonies and Oklahomans for Jobs and Justice. There are also many United Way organizations in Oklahoma that

support the needs of local neighborhoods in the areas of education, health, disaster recovery and financial stability.

Inside Philanthropy August 2020 Survey

"[Funders should] Pursue policies that result in real economic development to provide employment opportunities and equip those in poverty with job skills to take advantage of those opportunities, so as to give them a chance to work themselves out of poverty."

—Program services manager, Fort Worth, Texas

Fundraising Now

The coronavirus pandemic of 2020 and declines in the oil and gas industries are wreaking havoc for charities in the Southwest, as nonprofit organizations in Arizona, New Mexico, Oklahoma and Texas struggle to raise money. Many organizations postponed or indefinitely canceled spring and summer fundraising events. Attempts to move events online have yielded mixed results. Layoffs and furloughs of fundraising staff are not uncommon. For fundraisers who still have jobs, Zoom meetings with donors are getting old.

“We have to rely on the phone or Zoom, or some other tech-based meeting. You cannot hand the donor a proposal or go with a colleague and meet donors,” says Monica Champ, chief development officer at the Tulsa Community College Foundation. “It is not that same face-to-face conversation. It’s harder to read facial expression and body language. They’re at home, so dogs are barking or the kids take center stage, and you’ve lost your meeting.”

Online conferencing “is so one-dimensional, it is so flat,” agrees Chris Miller, an Oklahoma planned-giving consultant. “Working with donors on Zoom, it is a hard hill to climb. People crave personal interaction but can’t have it, so it becomes frustrating.”

In Texas, Junior Achievement of Dallas, which recruits volunteers from area businesses to train schoolchildren in finances and entrepreneurship, is bracing for a decrease in corporate giving this year, a decline of up to 30%. Companies, which provide three-quarters of Junior Achievement’s budget, are struggling in the diminished economy with no end in sight.

“A lot of companies cannot afford to give what they did,” says Jan Murfield, the Dallas charity’s president, who spends most of her time raising money. She doesn’t see much chance of getting individual donors or foundations to make up for the loss in corporate support: Unlike food banks, hospitals and other frontline charities working in the health crisis, Junior Achievement “is not on the radar” for those donors now, Murfield says.

In Oklahoma City, United Way of Central Oklahoma is another charity facing a drop in corporate giving. With many of the region’s [largest companies hard-pressed financially](#), United Way fundraisers fear losing the corporate matches that accompany employee donations in workplace giving drives. Companies often provide a dollar-for-dollar match for employee contributions, which average \$456 annually among individuals who agree to have money withheld from each paycheck, says Lexi Skaggs, director of major gifts. Of course, employee donations will also decline, or disappear altogether, among United Way supporters who are furloughed or laid off.

A common adage in fundraising circles: “Charitable organizations need fundraisers in good times, but they need them even more in a bad economy.” But with contributions plummeting, many Southwest charities have been forced to let development staff go. “I know at least two organizations that have cut fundraising staff,” says Beth Wilson, a senior fundraiser at the University of Texas Health Science Center, who also leads the Association of Fundraising Professionals’ Houston chapter. Arts groups, added Wilson, are especially likely to lay off or furlough fundraisers.

In Texas, unemployment topped 11% in July 2020, up from a previous high of 9.2% in 1986, the Texas Ballet Theater in Fort Worth is in crisis.

Frustrated dancers stuck at home are unable to practice normally, and the annual budget has been slashed by \$2 million. Compensation for employees, including fundraising staff, has been reduced by at least 5% and up to 20%, with senior staff seeing the largest reductions. After spending decades working in the arts, the pandemic and bad economy are “the worst thing I’ve ever experienced,” said Ben Stevenson, the ballet’s artistic director, in an interview with [Texas Monthly](#). “It’s been very catastrophic.”

In Arizona, a coronavirus hotspot where cases surged to nearly 190,000 in August, fundraisers at the University of Arizona Foundation resisted the university’s request that they return to the office. Even a plan to open only 30% of the foundation’s office space failed to reassure some development staff. With the virus rapidly spreading, “why now?” asked one fundraiser who requested anonymity to speak candidly.

Even before this year’s health and economic crises, Southwest nonprofits faced fundraising challenges, says Jim Anderson, a global fundraising consultant based in Arizona. “People come here because they have an idealized vision of the Southwest. The home they have here may not be their only one, and they are often more loyal to charities in the area they came from.”

Hard times are forcing some fundraisers like Champ at the Tulsa Community College Foundation to try new ways of generating funds. “Like so many organizations, we depend on events,” Champ says. “We are moving to an annual fund campaign instead. Going through hard times forces you to take a risk.”

Despite the stress from the deadly virus and its economic fallout, this year’s gloomy fundraising

Leadership Spotlight: Gabriela Corrales



Gabriela Corrales is the director of philanthropy at the Florence Immigrant & Refugee Rights Project. With three locations in Arizona, the project is the only organization in the state offering free legal and social services to detained immigrants and refugees threatened with deportation. While Corrales continues to advocate on behalf of all detained immigrants in Arizona, the COVID-19 pandemic has presented her organization with a new set of challenges:

“Arizona detention centers had the worst outbreaks in the country. And so we sued multiple times for people to be released, especially the medically vulnerable. We are always pivoting because of COVID-19.”

climate does have a few sunny spots in the Southwest. “My primary focus is major donors. It has never been easier to get in contact with folks—that is a nice part about these times,” says Emily Reed, an executive director of advancement at the University of Oklahoma. “Some donors have even decided this is a time they want to increase or make gifts sooner to have impact now.”

The university has also found new ways to stay in touch with donors, says Reed. For example, when an April fundraising dinner was canceled, the university decided to hold an online “thank a teacher” campaign instead. For a gift of \$25 or more, the university emailed each teacher named by donors to tell the instructors they’d been honored. Then it emailed all the donors a “care package,” a digital recognition tool that included a certificate of appreciation for being “inspirational,” instructions

for creating videos that were subsequently posted publicly, and graphics such as a trophy that donors can display on social media and other online venues. Because of the lower cost of the teacher campaign, Reed says, “we raised about as much as we net with the live event.”

An Arizona public radio station also had good results with an online event. Before the coronavirus, KAWC had planned to celebrate its 50th anniversary with a music festival featuring four or five live acts. But when the virus shut down bars, restaurants and other venues, the station decided to celebrate with a nine-hour virtual music festival featuring 31 performances. Broadcast on five radio stations and streaming live on Facebook and YouTube, the festival generated record levels of distribution and engagement from the 15,000 to 20,000 people who tuned in, says Anderson, the Arizona-based

consultant who works with the station. That’s more than 10 times the number of people KAWC has drawn in the past.

KAWC also found record fundraising success by practicing transparency when staff members were stricken by COVID-19, Anderson says. After four of its five onsite employees tested positive for the virus, KAWC decided to be honest with donors. “We told everyone that COVID hit home,” he says. “We told them not to give if they were impacted. But we encouraged those who could to give more.” And they did.

“Donors came out of the woodwork” to make major gifts of \$500 or more, breaking revenue records, Anderson says. In other good news, he adds, all four staff members with the virus recovered, and none were hospitalized. “For organizations with boards or staff who wail about this being a terrible time, and you cannot ask, we have said that nature abhors a vacuum, and those organizations will suffer,” Anderson says. “You do have people deeply impacted by these crises because they live paycheck to paycheck, but many others can give—even now. If you are not inviting their participation and support, you are doing your organization a disservice.”

Funder Spotlight



Envision Fund, an initiative of the Santa Fe Community Foundation, is the largest LGBTQ+ funder in New Mexico. Envision fund aims to create an HIV-free generation in New Mexico, combat LGBTQ+ discrimination, and support school-based programs that create a safe environment for everyone, including LGBTQ+ students.

In the 20-plus years since its inception, the fund has awarded over \$900,000 in grants to support the state's LGBTQ+ community.

An Analysis of Opportunities & Challenges

Although the Southwest's philanthropic sector is addressing a wide range of topics, significant funding gaps exist, and some key issues are being neglected. Despite the region's geographic location along the U.S.-Mexico border, immigration is an often-overlooked issue among philanthropists, especially in Texas. Social issues like this are often underfunded in this part of the country as major institutions in education (universities) and health (hospitals) receive some of the biggest grants. The bulk of philanthropic funds come from private family foundations, which often do not have personal connections to immigration-related issues, but do have those personal ties to universities and hospitals.

Generational ethnicity gaps in the Southwest—with large numbers of young people of color and older generations who control resources dominated by white people who are generally socially and politically conservative—affect the region's giving. For example, although education is one of Arizona's largest program areas, a gap exists because of widening socioeconomic disparities and differences in access to quality education at all levels, which leads to a multitude of trickle-down equity issues that impact the state's communities. This means that much more philanthropic work is required to move more education resources toward the priorities of those who need those resources most.

As with much of the country, ethnic and racial groups are persistently underrepresented in the Southwest's philanthropic and political leadership, despite the fact that many areas have majority non-white populations, notably New Mexico as a whole. Amidst significant unmet

community needs across the region, there are also substantial opportunities for funding LGBTQ-focused and mental health nonprofits in the Southwest. There are major urban/rural disparities in philanthropy; however, community foundations and health legacy funders are paying attention to rural needs and channeling more resources to areas outside of the major cities.

While leaders in every state of the Southwest are advancing conversations on equity and justice, as a whole, the region's philanthropic sector, especially in Oklahoma, trails the rest of the nation's philanthropic community in applying a substantial diversity, equity and inclusion lens to grantmaking and decision-making power. DEI efforts often benefit from committed leadership of the top community foundations in a state. However, private foundations and corporate funders can also embrace the equity movement and collaborate with the local community foundations to make states more inclusive.

Compared to other parts of the country, the Southwest has fewer nonprofits that identify as civil rights and social justice groups, especially in New Mexico. There are also opportunities for more funding for environmental preservation in the Southwest, especially for large private foundations that have personal connections to the state and its beautiful landscapes, which are at risk.

Southwest funders are now pursuing some promising funding strategies, which demonstrates the dynamism and potential of philanthropy across the region. Collaboration is the most promising of these because of the varying sizes of foundations here and their unique approaches. If large and small

grantmakers come together and are willing to listen to each others' ways of supporting the community, they can make a much larger impact than any one foundation could have alone.

For example, Arizona foundations are not afraid to collaborate on niche issues that many other grantmakers choose to approach individually, such as end-of-life care and promoting entrepreneurialism. Unlike other places, collaborative efforts here are not solely focused on big, overarching issues like education. With health being such a prominently funded cause in Arizona, there are definitely more opportunities for collaborating around access to care and improving the quality of healthcare. Issue areas receiving less funding in Arizona, such as the arts and immigration, could also benefit from funder collaborations to raise the profile of these issues and highlight unmet local needs.

“The funding strategies that are the most effective are those that require collaboration among nonprofits and philanthropies,” said Haskins of Philanthropy Southwest. “When you get more than one organization working on a project, you big accelerate it. But it’s not just about collaboration—it’s about helping to build connections—and in some ways, this can be even more important than

the actual project. There is also a strong commitment to building capacity in nonprofits and really focusing on how philanthropies can contribute to the financial stability of grantees.”

Funders in Texas have been collaborating on education efforts recently, but other issue areas have not seen many examples of funders combining efforts. There are opportunities to learn from the successes of education-related collaboration and apply these practices to health, human services and the arts. “Generational poverty” is an emerging priority issue in the state, and one that stands to benefit from funder collaboration and a deeper conversation about the systems and policies that reinforce it.

Thus far, funder collaboration in New Mexico has largely focused on education and disaster relief. However, there are opportunities here for more collaborative efforts in other issue areas, such as health, basic needs and the arts. Corporate funders in the state are quite willing to collaborate. New Mexico could benefit from their commitment to collaboration even more when paired with the money of private funders and the local knowledge of community foundations that are in touch with what residents really need.

Inside Philanthropy

August 2020 Survey

What do you think are the programmatic issues that the philanthropic sector is neglecting that should receive more funding?

“Equipping of people currently in poverty to better provide for their families and work themselves out of poverty.”
—Program services manager, Tarrant County, Texas

“Grassroots organizations, pressing socioeconomic needs (housing, food, foster care system), K-12 education disparity (especially in light of COVID).”
—Foundation Professional, Arizona

Oklahoma foundations have been coming together on a variety of issues in the state including health, education, journalism and disaster relief. However, there is still more potential for collaboration to build upon the work done previously and expand to new issue areas. For example, there are still substantial basic needs to be met in Oklahoma, which is an issue area that could benefit greatly from targeted public-private partnerships that involve government and the philanthropic sector. Corporate funders could benefit from deeper involvement with collaborations in Oklahoma, as well.

Aside from collaboration, impact investing is another promising funder strategy in the Southwest. The more large, prominent funders try it, the more exposure impact investing gets; it then becomes more likely that smaller and niche funders will be willing to give it a try. Impact investing has been gaining a lot of steam among Arizona funders in particular.

Emergency needs associated with the COVID-19 pandemic, as well as earlier climate-related disasters, have been pushing more funders toward providing general operating support and greater flexibility with funds they award. The movement toward greater general operating support is promising because it can increase a nonprofit's flexibility and sustainability, along with engendering greater trust and better long-term relationships between grantmakers and grantees. Oklahoma foundations are already ahead of the game with regard to providing local nonprofits with the capital support they need to make major infrastructure and equipment upgrades. This is good news for organizations seeking large sums of money from private funders to boost their capacity and advance their missions. But funders might also consider whether the recipients of capital grants

have the ongoing support necessary to maintain these new assets.

Another promising funder strategy is simply a different way of thinking: Rather than focusing on narrow issues, thinking in broader terms. For example, many health-focused foundations in Texas have been making efforts to fund mental health programs in addition to those for physical health. Health grantmaking has also been shifting toward the underlying root causes of health disparities, rather than funding only ongoing basic needs efforts.

Despite this progress, many foundations, including a great many funders in New Mexico, remain locked into rigid, long-established program concerns. This stunted progress persists despite the growing needs in the rural and Native American communities that are going unmet. But since grantmakers here are increasingly embracing collaboration and becoming interested in civic engagement in more substantial ways, there are many opportunities in the Southwest to build upon the traditions of giving and apply new thinking.

Funder Spotlight: OKC Awesome



OKC Awesome is the newest chapter of the Awesome Foundation, a micro-granting organization with a worldwide network. This local grantmaker makes \$1,000 grants to “awesome projects” every other month. It offers a streamlined application process, no reporting requirements and opportunities for groups that don't necessarily meet the criteria for more traditional grants.

Resources on Southwest Funding

Reports & Data Sets:

[“Annual Report 2019”](#) by Arizona Community Foundation

[“Arizona Nonprofits: Economic Power, Positive Impact”](#) by Arizona Community Foundation

[“Elements of Successful Philanthropy”](#) by Texas Historical Commission

[“Giving Study: An Overview of Grantmaking by Private and Community Foundations in the Southwest”](#) by Philanthropy Southwest

[“New Mexico Foundation Stats”](#) by New Mexico Association of Grantmakers

[“The Nonprofit Sector in Oklahoma”](#) by Independent Sector

[“The Nonprofit Sector Economic Impact Report 2017”](#) by the Oklahoma Center for Nonprofits

[“Outlook for Foundation Giving in New Mexico 2018”](#) by New Mexico Association of Grantmakers

[“Philanthropy in New Mexico 2012”](#) by New Mexico Association of Grantmakers

[“Philanthropy in New Mexico: 2018 Edition”](#) by New Mexico Association of Grantmakers

[“Southwest 2014-2018 Data”](#) by Inside Philanthropy

[“Value Added by the Arizona Arts and Cultural Production Industry to the Gross Domestic Product \(GDP\) of the United States from 2001 to 2017”](#) by Statista

Websites & Individual Pages with Key Information:

Albuquerque Business First, [How NM Companies Are Giving Back in Response to Coronavirus](#)

The Awesome Foundation, [Oklahoma City, OK](#)

Arizona Community Foundation, [ACF Announces New Executive Leadership Structure](#)

Arizona Gives, [About Arizona Gives](#)

Arizona Grantmakers Forum, [Arizona Early Childhood Funders Collaborative](#)

Arizona Grantmakers Forum, [News](#)

Arizona State University, [2020 Forum on Nonprofit Effectiveness](#)

Arizona State University, [Nonprofit Research Abridged](#)

Arizona Together for Impact, [About](#)

AZ Big Media, [40 of the Most Philanthropic Companies in America](#)

Biz Journals, [Phoenix Philanthropy and Nonprofit News](#)

Bloomberg, [Two Texas Billionaires Think They Can Fix Philanthropy](#)

Cause IQ, [Oklahoma Foundations](#)

The Chronicle of Philanthropy, [From Alaska to Florida: The Biggest Living Donors in Every State](#)

Communities Foundation of Texas, [\\$6.3 Million in Grants Awarded by CFT’s W.W. Caruth, Jr. Fund to Drive Social Innovation](#)

Communities Foundation of Texas, [Announcing Dave Scullin as CEO](#)

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Thank You

Thank you to these individuals who were interviewed:

Steve Alley, managing partner, Ekstrom Alley Clontz & Associates

Daniel Billingsley, vice president of external affairs, Oklahoma Center for Nonprofits

Christa Coggins, vice president of community philanthropy, Santa Fe Community Foundation

Cathy Frey, executive director, New Mexico Association of Grantmakers

Lauren Haskins, vice president of membership & partnerships, Philanthropy Southwest

Laurie Liles, president and CEO, Arizona Grantmakers Forum

Kristen Merrifield, CEO, Alliance of Arizona Nonprofits

Tsiporah Nephesh, executive director, New Mexico Thrives

Nicole Paquette, senior manager, marketing and communications, Communities Foundation of Texas

Steve Seleznow, president and CEO, Arizona Community Foundation

¹Based on available grantmaker data from Candid. Excludes federal funding, funding by higher education institutions and major donor advised funds (DAFs.)

²Based on available grant recipient data from Candid. Excludes government organizations.

Feedback?

The State of American Philanthropy is an ongoing project, each SAP brief will be updated periodically to integrate new information, additional data and evolving perspectives. This brief was originally posted to Inside Philanthropy in November 2020. It has not yet been updated. If you have comments or information you'd like to share with us, please email us at managingeditor@insidephilanthropy.org.