THE GIVING GUY

After 33 years leading the Jewish Community Foundation of Los Angeles, Marvin Schotland is preparing to step down from what he calls "the best job in the world." In the interview that begins on the following page, Schotland talks about how drastically the philanthropic landscape has changed – mostly for the better.

ALSO IN THIS SECTION:

The List of L.A.'s 50 largest foundations and trusts
Page 18

Foundational: Marvin Schotland at the Jewish Community Foundation office on Wilshire Boulevard.

THOMAS WASPER

A CHARITABLE CAREER

Outgoing chief of community foundation explains how philanthropy has changed.

By TOM HOFFARTH

By the time **Marvin I. Schotland** officially retires at the end of this year from his role as president and chief executive of the **Jewish Community Foundation of Los Angeles**, several significant benchmarks can be used to measure his impact on the nonprofit.

In his 33 years, the foundation's total charitable assets grew from $90 million to about $1.6 billion. Grantmaking to causes locally, nationally and specifically in Israel have amounted to $1 billion in the last 12 years. More than half of the grants were given to L.A.-based programs.

Last year alone, the foundation distributed $123 million to more than 2,000 nonprofits. Its charitable stewards base has surpassed 1,400 donors.

The Foundation last week announced that Rabbi **Aaron B. Lerner**, currently executive director of **Hillel at UCLA**, will succeed Schotland as president and CEO on Jan. 2. Prior to his rabbinic ordination, Lerner – who earned a Bachelor of Business Administration degree from **USC**'s Marshall School of Business – spent 10 years in real estate finance, originating debt and equity funding for commercial transactions. Schotland will become president and CEO emeritus of the organization.

Community foundations, unlike private or corporate foundations, which are funded usually by one source, oversee a collection of individual charitable funds, typically smaller ones, that usually serve a particular geographic community.

(The Jewish Community Foundation ranks No. 8 on the Business Journal's list of Charitable Foundations, which begins on page 18.)

Schotland is a former trusts and estates attorney with a unique perspective on the important intersection of business and philanthropy. The 75-year-old spoke with the Business Journal about his experiences as one of the region's longest-tenured nonprofit executives.

Fundraiser: Marvin I. Schotland in his Beverly Grove office.

THOMAS WASPER

Question: What do you find ultimately compels people to part with their money for charitable causes, and has that changed over the years?

Answer: It's their heart. There's no question that people who are involved philanthropically – whether they're contributing millions, or billions in some cases, or 10 dollars – are moved by the passion they have for the organization or program they are funding. And that really has increased over the years.

One of the things that's striking me as I begin to think about this: When I came into this community and occupied the position that I've had the good fortune to be in for all of these years, there were not the hundreds of organizations that donors now have the opportunity to get involved with, to volunteer, to meet others. When I first got here, much of the giving was to what I'd call umbrella organizations. Those who donated had very little else to do with the organization after they made their gift.

Today's is a landscape populated with individuals who are really seeking to make a difference in society. Some might say there are too many organizations, it's not efficient … all sorts of reasons why one may comment negatively. But I've learned over time, as long as one is motivated to do good work, there can never be too much of it. More organizations continue to push the envelope out to invite more people in, and that's a good thing.

What was a turning point in that change?

When I came to the Foundation in 1989, donor-advised funds or DAFs were sponsored and administered exclusively by 501(c)3 public charities like ours. DAFs are separately managed charitable accounts that can accept tax-deductible contributions of cash, securities and other assets. Their rapid growth and popularity as a charitable-giving vehicle is attributable to their convenience, ease of administration and flexibility to make grants on one's own timetable, as well as the immediate tax benefits. As a result, DAFs are the fastest-growing segment of the planned-giving universe today. In 2021, it was estimated that there are more than 1 million DAFs in the United States for the first time, from which nearly $35 billion was granted last year alone. That's obviously a good thing for society at a time when need is so vast.

That growth has been greatest over the last 20 or so years, as for-profit asset management firms such as Schwab, Fidelity, Vanguard, Templeton and Goldman Sachs have created charitable arms of their own businesses to sponsor and administrate DAFs on behalf of their customers. As a result, it's led to a massive inflow of irrevocable dollars into DAF accounts and that ultimately will translate to philanthropic impact over time. I personally do not consider that competition but, rather, a wonderful thing – a rising tide that can lift all boats.

That said, there are a couple notable distinctions between an institution such as the Foundation and these one-stop-shopping, "financial supermarket" DAF sponsors.

First, we offer value-added consulting services in the form of our Center for Designed Philanthropy. It helps donors focus on their charitable passions by identifying causes that resonate with them; vetting those causes and determining which make the greatest impact in their respective fields; and bringing different generations of a family together to plan their philanthropy more effectively.

The second difference – and this is significant – is a portion of the modest fees paid to the Foundation DAF administration are returned to the community in the form of grant dollars. We call that sustainable philanthropy. By contrast, for-profit asset management firm's fees translate to profit for their shareholders.

People have become smarter and more active in where they want their dollars sent. How has that happened?

One of the things we have done, and others have done on this theme, is establish a Center for Designed Philanthropy, as I mentioned. It is attempting to do your philanthropy in a thoughtful, strategic manner. You not only want to do that for yourself, but also involve the next generation of givers.

Anecdotally, one of the most dramatic examples of teaching came during the dot-com revolution in the late '90s. Enormous wealth was being generated very quickly – and by the way, it went away very quickly. But as the money was made, they wanted to know: How could they distribute it responsibly? Who can help me in that process? Community foundations had this great opportunity to engage a generation of donors who, by the way, have continued to be great donors.

Foundations have become smarter as well in how they distribute money, right?

Absolutely. One other thing that's very different today versus 30 years ago, a really positive thing, is there are a number of organizations where the focus is on the dynamics of philanthropy. Places like **USC**'s Center on Philanthropy and Public Policy, the **Southern California Grant Makers**, the MBA program at Anderson Law School at **UCLA**. I have been involved with all of them. The beauty is new ideas can be shared and implemented. That's been an enormous byproduct of the accumulation of wealth over time. Philanthropy has come to a moment where people are talking about what it really is and what it means. They may not have exactly the same definition but it's in large part all about helping people do things better, more effectively, to make a difference.

The Jewish Community Foundation has a philosophy that pins on Yiddish phrases such as tikkun olam – repairing the world – and chesed – acts of loving kindness. If you are in a room with people, like at the USC Center on Philanthropy and Public Policy, or the Southern California Grant Makers, and you talk about those values, that must resonate for everyone no matter what the language.

Absolutely. We are the Jewish Community Foundation and proud to be that, but it is frequently misunderstood that the only thing we do is support the Jewish community. That's not the case at all. First and foremost, our donors are contributors to primarily Southern California organizations, many that are not Jewish. We encourage, as part of the annual grantmaking, we invite organizations from the community serving the general public, not just the Jewish public. We invite them to come to us to present their ideas so we can support them. We are proud to do that. Over time, there's a greater understanding that we have a broad vision. Tikkun olam is not a narrow concept. It can be embraced by anyone. We embrace it wholeheartedly and invite others to join us.

When a crisis hits in the local or global economy, is there a philanthropic game plan that works better that you've experienced?

What we've found is individuals through the community foundation will step up to the plate when there's a crisis by increasing their giving. During the pandemic, instead of using dollars to foster innovation and creativity, we realized that in a big-picture societal macro crisis it's more important to shift the focus to assist in the process of healing quickly. We did that, and our donors took our lead, and we could deliver some $14 million into the system immediately.

In terms of advice during a crisis – focus on your mission, demonstrate how important it is, and give donors an opportunity to participate with dollars necessary to ease the pain. There is a premium on organizations that are equipped to do that. At the end of the day, the focus of participating in a thoughtful way will assist organizations in getting through the rough road.

Foundations may not be recession-proof, but can they establish guides

Continued on page 16

THE FOUNDATION

JEWISH COMMUNITY FOUNDATION OF LOS ANGELES

HEADQUARTERS: Beverly Grove
YEAR FOUNDED: 1954
BUSINESS: Nonprofit
CEO: Marvin I. Schotland
CHARITABLE ASSETS: $1.6 billion
2021 DISTRIBUTIONS: $123 million to more than 2,000 nonprofits

Continued from page 14

that keep themselves solvent during those times?

When we were established, in 1954, the leadership wanted a mechanism to where dollars would be set aside and invested to be available in a time of crisis. Those who have done that will survive with established reserves. But at the end of the day, when there are things going on in a society economically you have no control over – do your best, keep your eye on the ball and hold your breath.

Another point: The work we do at the foundation requires great patience. On the development side, there's no quick fix. A successful interaction involves relationships whose values align with yours. It may take anywhere from a year to five years to finalize a gift. One has to keep the big picture in mind with regard to that issue. I've had the good fortune to see so many relationships nurtured from the beginning to successful conclusions

Were there lessons learned during the Covid pandemic that stay viable going forward for how foundations do business?

It's hard to know. Because of our business model, we've managed to have the good fortune to work our way through each one of these different crises. Foundations aren't always fundraising mechanisms in the same way that perhaps the United Way or a hospital would be. We don't fundraise in that way. We provide opportunities through income and tax planning. If you're fighting for operational budgets every year, that's checkbook philanthropy. Many organizations have to constantly think about creative ways to fundraise.

Technology today compared to what it was a decade ago is a substantial contributor to that process. I don't see that changing. For the longest time, I hated Zoom meetings because it felt artificial. It didn't fit my style. I think I'm a little better at it. But thinking through how technologically one can do one's business in a more effective and efficient way helps through difficult moments. Those methodologies allow you to keep a flow of information back and forth between the organization and donor and the flow of dollars the donors are involved with.

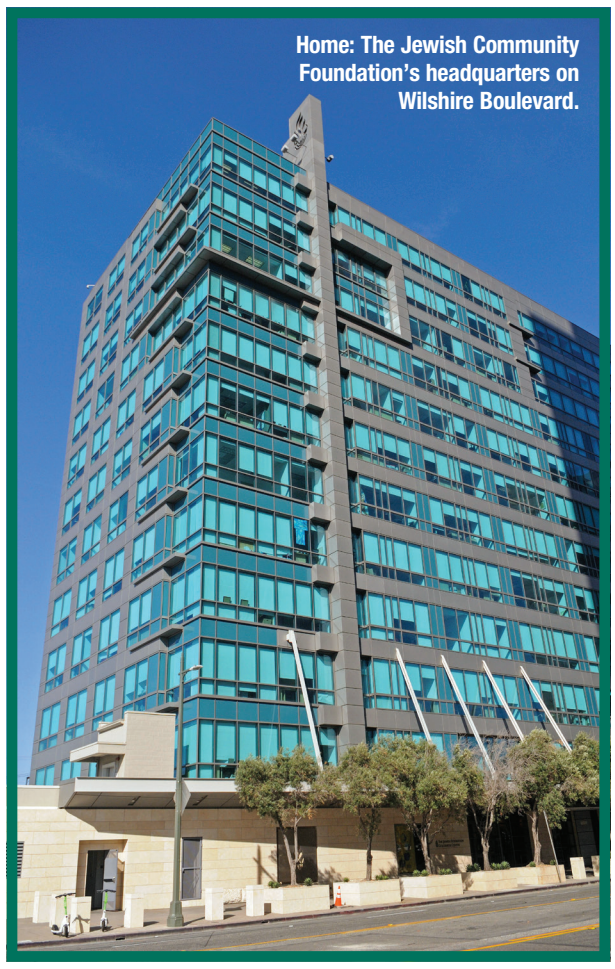
That goes for social media as well. I think one of the challenges all organizations face now, including ours, is how best to use this new communication. Everyone has to learn to swim or sink with social media. We have been cautious in how we use it, but it's a powerful tool.

What does the word "philanthropy" mean to you?

What it means to me is individuals who have acquired wealth and utilized their resources for the betterment of society. That includes individuals with large resources as well as those with modest resources whose dollars are leveraged with others who have similar interests.

Is there a certain focus of interest that makes one CEO better than another in today's nonprofits?

I think someone who has business experience, given the world we live in today, is one criterion. Individuals who have investment background is another. By the way, none of these are the answer. The right person can fit in each of these categories and grow their relationship to the totality of the organization. I came from finance and my background was law. It was a tool I had, and because of my interest, I built that as a block to my career. Today the legal part of what I'm involved in is less than it used to be. I can do other things I've learned on the job. Someone with a marketing background is good. The challenge is to connect the background with the value of the proposition of running the foundation.



Home: The Jewish Community Foundation's headquarters on Wilshire Boulevard.

THOMAS WASPER

What advice might you want to give to new foundation chiefs – including your own – about what qualities work best in this kind of organization?

The first I think of: What are your values, and how can you make sure they permeate the entire organization?

If anyone has a touchpoint with your organization, it starts from the top. You can't fake it. If you try, you'll get caught. The leader needs to be an honest broker, not manipulative. Someone who is personable and understands the world that we live in today. You also need someone to help create a business model that's responsible. It provides the dollars to sustain the operations of the organization but at the same time understands the finances of the organization and is able to lead in different periods of time.

I think being the CEO of a foundation – a community foundation in particular – is the best job in the world. I've been sitting in this chair for so many years because I've never lost my passion for doing this work. Most people pick up on that. Even today they do. One has the opportunity to really help others make an enormous difference. There's a joy that comes from it that I don't think can be matched.