

# Inside Philanthropy

Who's Funding What, and Why

## "The Need is Clear." In the Bay Area, a New Push to Support Foster Care Youth

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The data is bleak. The thousands of young adults who age out of the foster care system each year around the U.S. face major obstacles and struggles. Many never graduate from high school, and few ever receive a college degree. There's also a good chance that they'll have a run-in with the law after leaving care, end up unemployed, or—if they're female—become pregnant. These troubled young adults cost society [billions of dollars a year](#) in welfare, Medicaid, lost wages and incarceration costs.

The problems seem overwhelming. But let's say that you're a data-driven anti-poverty organization, and that the numbers show a more manageable number of youth aging out of the system in your community: around 4,000 between 14 and 24. And let's also say that you know who these young people are, how the systems designed to support them have failed—and most importantly, you have the will and resources to do something to support them.

That organization is [Tipping Point Community](#), which recently announced a \$30 million Better Futures for Foster Youth initiative, a five-year commitment to changing outcomes for transitioning youth in the Bay Area.

## **Tipping Point**

Tipping Point was founded in 2005 by Daniel Lurie, who was inspired by his work with the Robin Hood Foundation in New York City, and adopted the model to fit the San Francisco community when he returned home. Like Robin Hood, Tipping Point's mission is to break the cycle of poverty—in this case, for the many San Franciscans who struggle to meet basic needs. It takes a businesslike approach to investing, is guided by data, and is “laser-focused” on results.

The mindset can seem overly rigorous to nonprofits focused on providing services, but makes great sense to donors from business who understand performance and metrics. These donors also understand another tenet of Tipping Point's approach, which is that grantees need unrestricted, flexible capital that allows them to take risks and think big.

As with Robin Hood, Tipping Point's board members cover 100 percent of fundraising and operating costs, so donations go straight to programming. Tipping Point started with four board members and 100 donors. Fast-forward 15 years, and it boasts an enviable 22-member board representing the worlds of finance, philanthropy, sports and entertainment. Add to that a 22-member leadership council drawn from all corners of the business world, which raises both awareness and philanthropic capital, and backs up programming with pro bono support in their areas of expertise. In 2018 alone, Tipping Point raised \$95 million from 4,692 donors to fight poverty in four focus areas: housing, early childhood, education and employment—all of which intersect with transitioning foster care youth.

## **Better Futures**

Leadership on the \$30 million boost for Better Futures came from quiet Bay Area philanthropists Grace and Steve Voorhis, who say that investing in foster youth makes great sense to them: “The need is clear, the inequities are heart-breaking, and the payoff could be enormous.” They seeded the first \$10 million; Sam Cobbs, who recently took the reins as Tipping Point’s CEO, says the organization is committed to raising another \$10 million, with the balance coming from other institutional foundations “in the Bay Area and beyond.”

The initiative’s guiding principle is the role support plays at critical junctures in the transition to adulthood, from graduating high school to landing a first job and living independently. And those milestones come just as government interventions end. Foster youth lose all support if they leave care at 18. For those who stay, Social Security income ends at 21, along with educational, work and food assistance. At 24, housing assistance dries up. And at 26, healthcare coverage ends.

Better Futures for Foster Youth aims to provide a “robust safety net” and a “path out of poverty.” Its three-prong strategy supports access to existing supports and services, promotes collaboration and coordinated resource allocation, and advocates on a policy and systems level. Funding will also establish California’s first statewide data program to identify and scale effective interventions.

## **Good Company**

Cobbs pointed to the good work of other Bay Area funders in the same space, citing Northern California’s role as a hub of innovation and incubator of social movements. They include the [Walter S. Johnson Foundation](#), which works with transition-aged foster youth in Northern California and Nevada, the San Francisco Foundation, the [James Irvine Foundation](#) and the [Y&H Soda Foundation](#)—as well as other leading foster care funders like Kresge and the [Harry and Jeanette Weinberg Foundation](#) in Baltimore.

Farther up the coast, Gates recently committed a half-million dollars to raise graduation rates for foster youth through [Treehouse](#)’s statewide program, Graduation Success, which provides transitioning foster care students with personalized plans tailored to their developmental needs.

In Southern California, supporting foster care youth is one of the [Anthony & Jeanne Pritzker Family Foundation](#)'s five focus areas. And three years ago, the [Conrad H. Hilton Foundation](#) adopted a five-year foster youth transition strategy that straddles L.A. and New York.