

Donor Analysis of Community Foundation of Lorain County

A Market Opportunity Analysis

The purpose of this report is to map the Community Foundation of Lorain County's "consistency donors" – those who have given 15 or more gifts to funds at the Foundation – by their giveback levels and location, and to identify "high-capacity households" using secondary data at the census tract level. Combining these two datasets will allow us to look for donor gaps and opportunities. This tool can be used in strategic planning and goal setting discussions. For example, the current location of high-capacity donors can establish a baseline from which goals for increasing donor engagement in specific neighborhoods can be set.

The Community Foundation of Lorain County provided the Center with information on its current donors. For each donor, the dataset includes: address, city, zip code, total amount gifted, number of gifts, and years of being a donor. Map 1 shows where these current donors are located by census tract. According to this dataset, the community foundation has received over \$10.5 million from 299 donors, equal to an average gift of \$35,000.

The U.S. Census Bureau provides publicly available data on household economic characteristics by different geographic levels. ESRI (www.esri.com) provides information on household wealth holding by age. Using these two data sources, we have identified three indicators that are associated with what we define as a "high capacity household": number of households with at least \$500,000 in net worth, number of households with a minimum of \$200,000 in disposable income and average net worth of households between 65 and 74 years old. Households with high net worth and high disposable income have more capacity to give back and households between 65 and 74 years old are at the peak of their wealth holding and are more likely to think about bequests. Together these indicators are associated with higher capacity for giving back.

For the purposes of this report, census tracts were chosen as the geographic unit of analysis since they are small, relatively permanent statistical subdivisions of a county. Using census tracts will allow the data to be updated on a regular basis. Also, census tracts (which we shall refer to as "neighborhoods") ideally contain 4,000 people and about 1,600 housing units.

Location of current donors

- Most of the consistency donors in Lorain County are concentrated around the main cities. The number of these donors varies by city. For example, Oberlin has the highest number of consistency donors at 69, followed by Lorain (53), Elyria (40), Amherst (35), Wellington (28) and Avon (17).
- Over time, these donors have gifted a little more than \$10.5 million. The largest gift received was \$3.6 million and came from the Oberlin area. Although the range of giveback varies donor to donor, 50% of the donors have given back between \$550 and \$7,500.
- Another important finding of our analysis is that the total amount gifted tends to increase as individuals are engaged longer by the community foundation. This is a very important insight that might help the foundation to be pro-active in engaging younger generations.

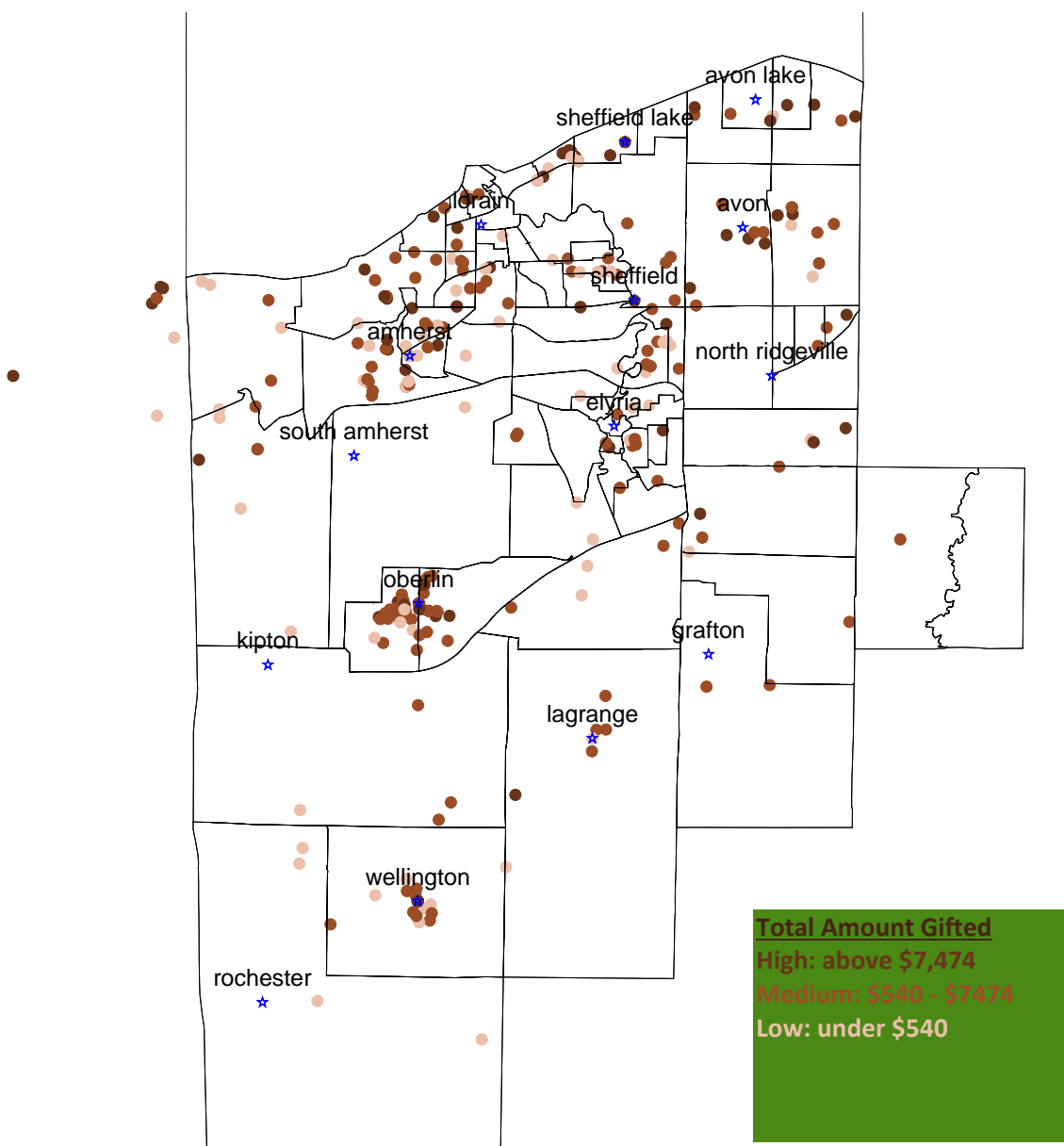
Potential Donors with Capacity

- According to the U.S. Census, there are 73 neighborhoods within Lorain County. The community foundation has consistency donors in three-quarters of these neighborhoods, 55 out of 73. However, the data also suggest that some of the neighborhoods where the community foundation lacks donors have what we describe as “high-capacity households” (Maps 2, 3 and 4).
- Avon Lake, Avon and Columbia Station areas rank high in all three indicators: at least \$500,000 net worth, at least \$200,000 disposable income, high average net worth in prime giving years of 65 to 74. Not surprisingly, one of the highest gifts received by the community foundation comes from this area. The community foundation has several donors from Avon Lake and Avon areas but only a couple of donors from Columbia Station. Given the positive demographic characteristics in these neighborhoods, these might be prime opportunity targets for the foundation.
- The southern part of the county, below I-80, where Eaton, Grafton, LaGrange, Wellington and Rochester are located has fewer donors compared to other parts of the county. This pattern is consistent with the lower population density. Most of the donors in this area are located around Wellington from which the second highest gift was received by the community foundation. Our research suggests that high income households tend to live in Eaton, LaGrange and Wellington areas. In addition, LaGrange includes several wealthy households and Grafton includes several wealthy households headed by 65 to 74 year olds. LaGrange and Grafton areas might be worth further investigation.
- Our research suggests that the Amherst to Vermillion area has wealthy households with high incomes. Since these households have high incomes, they must be active in the workforce with occupations possibly requiring higher skill levels. The majority of the donors between these two areas are concentrated around the city centers of Amherst and Vermillion. Again, these concentrations of high wealth, high income households might present a targeting opportunity for the foundation.

- The area between Sheffield and Elyria, or between Spring Valley Golf Club and Lorain County Community College, ranks high in all three indicators. This area has wealthy households with high incomes. More importantly, there are several households headed by 65 to 74 year olds who are more likely to be thinking about bequests. While the community foundation has received gifts from this area, none of the gifts have been at the high end.

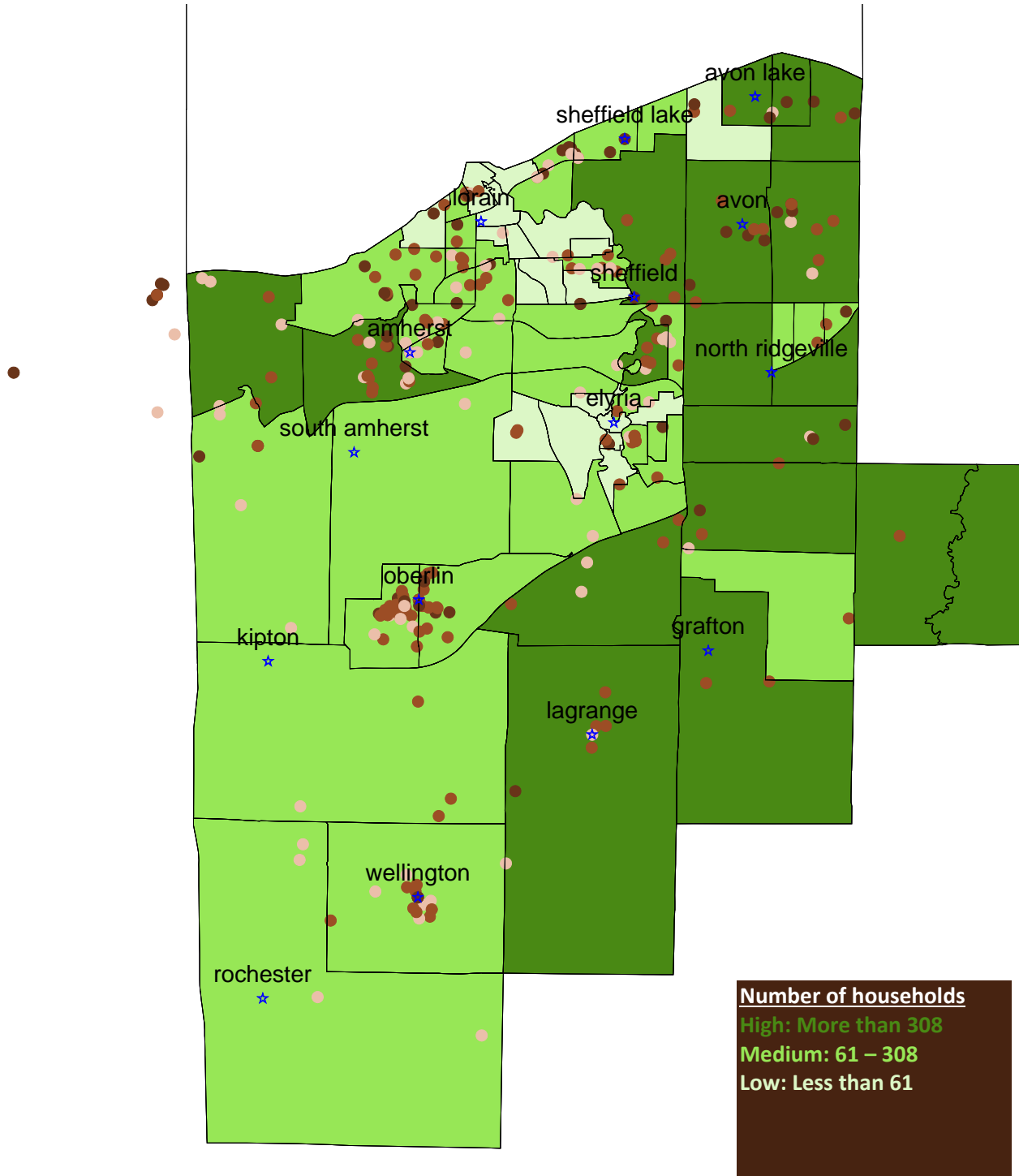
Map 1. Distribution of Community Foundation of Lorain County's Consistency Donors within Lorain County by total amount gifted (as of 2014).

The darker the shade of brown, the higher the total amount gifted.

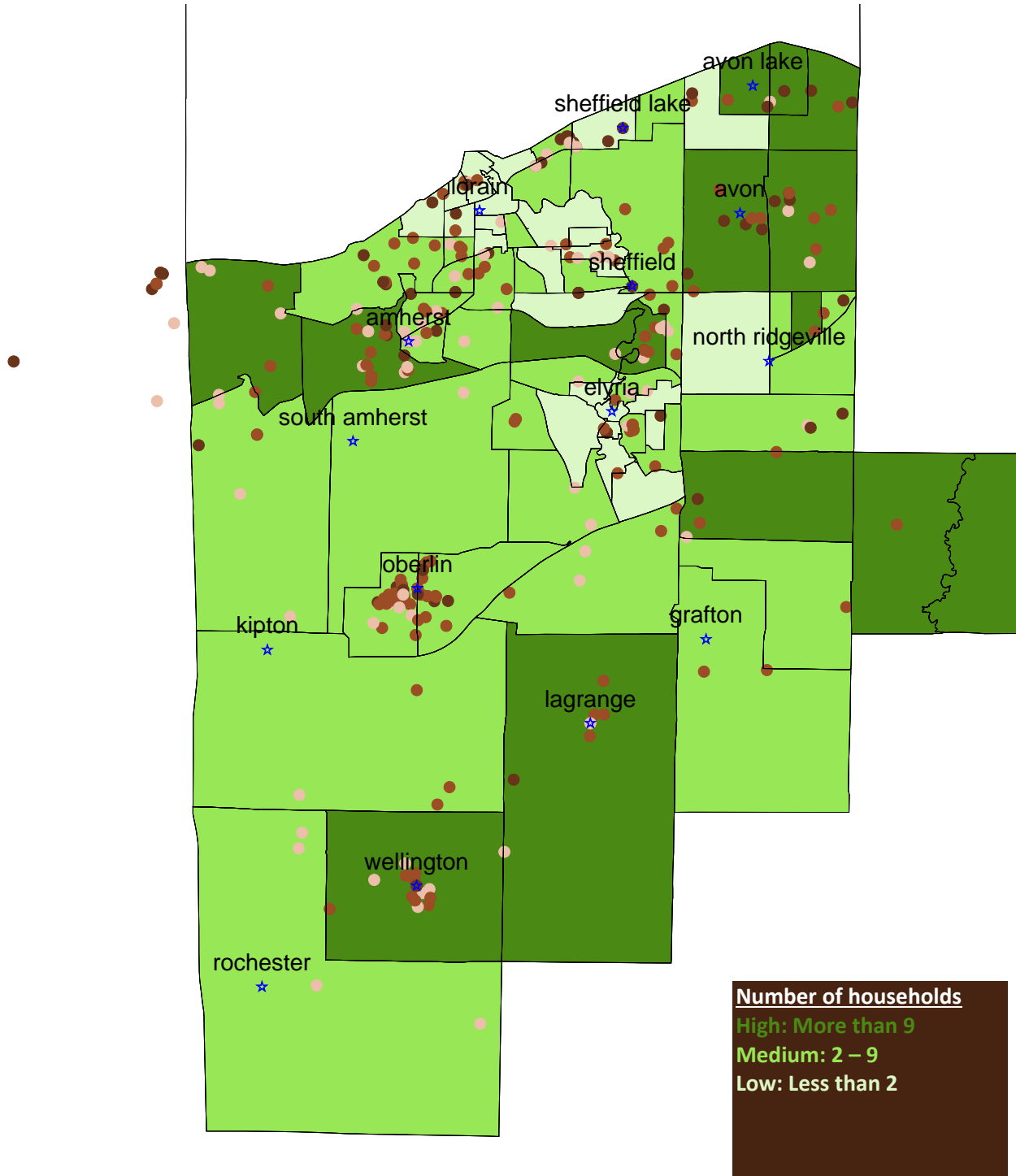


Map 2. Number of households with net worth \$500,000 and above by neighborhood (2012).

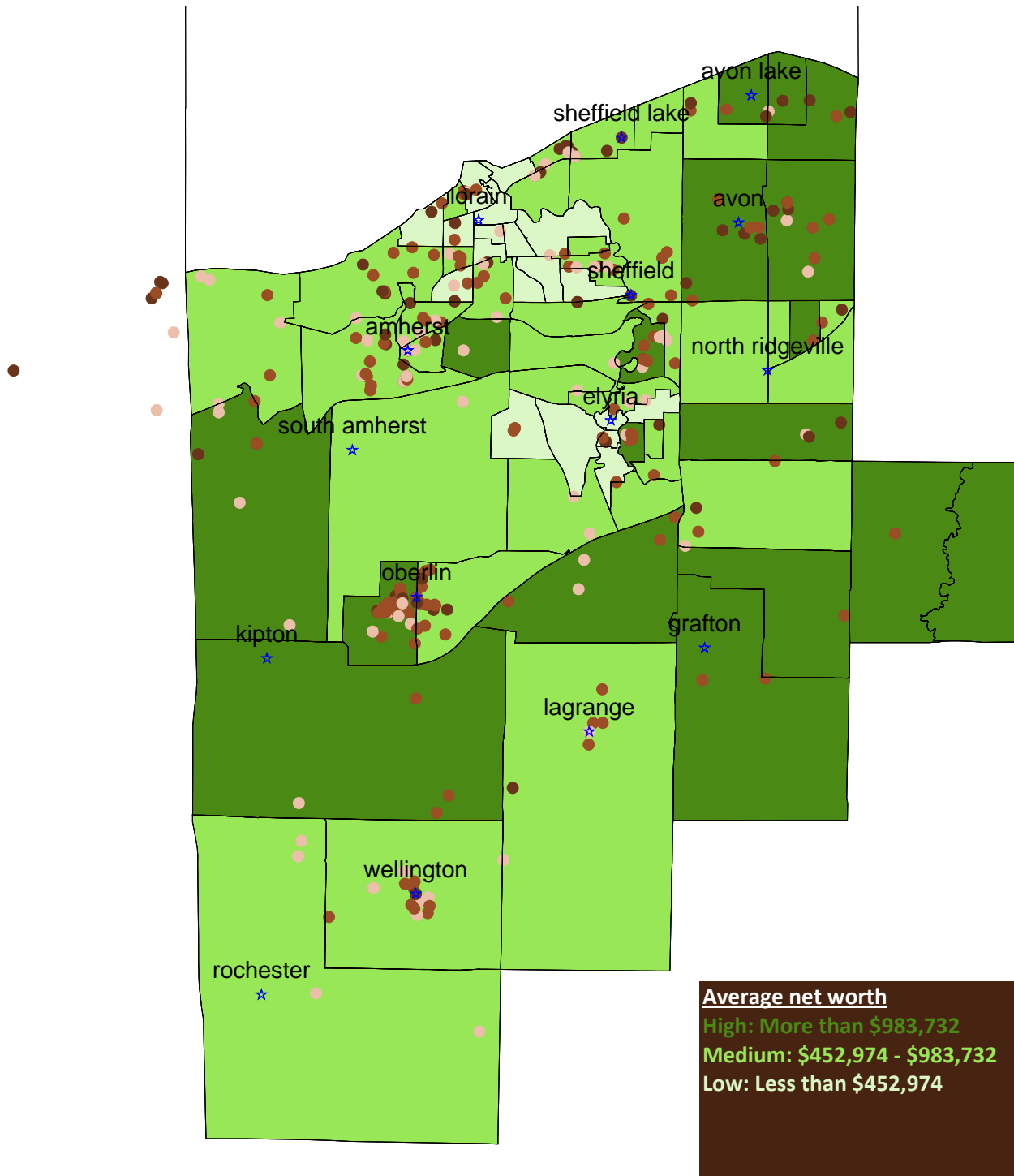
The darker the shade of green, the higher the number of households with net worth \$500,000 and above.



Map 3. Number of households with disposable incomes \$200,000 or more by neighborhood (2012).
The darker the shade of green, the higher the number of households with disposable income \$200,000 or more.



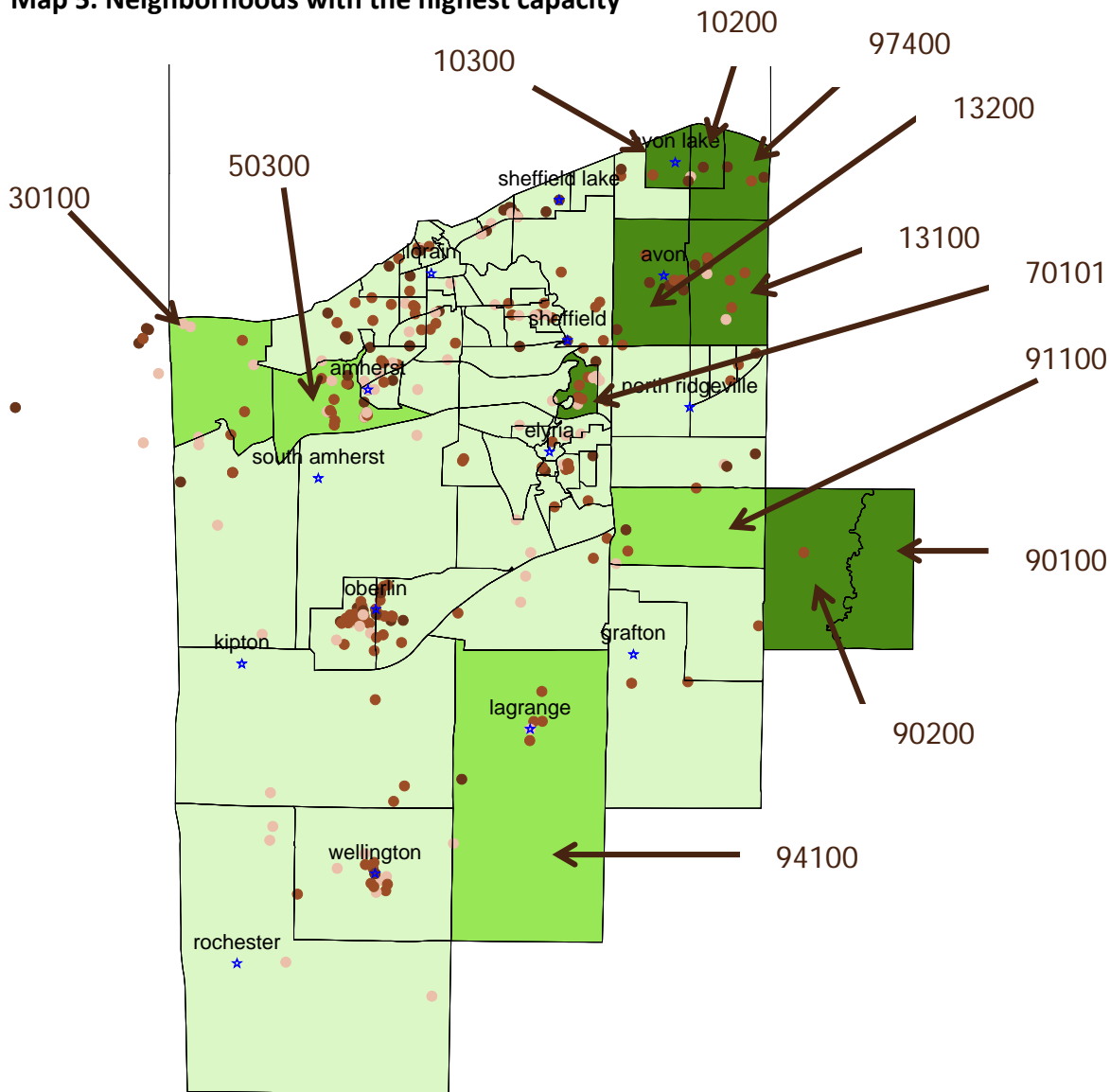
Map 4. Average net worth of households between 65 and 74 years old by neighborhood (2012).
The darker the shade of green, the higher the average net worth of households between 65 and 74 years old.



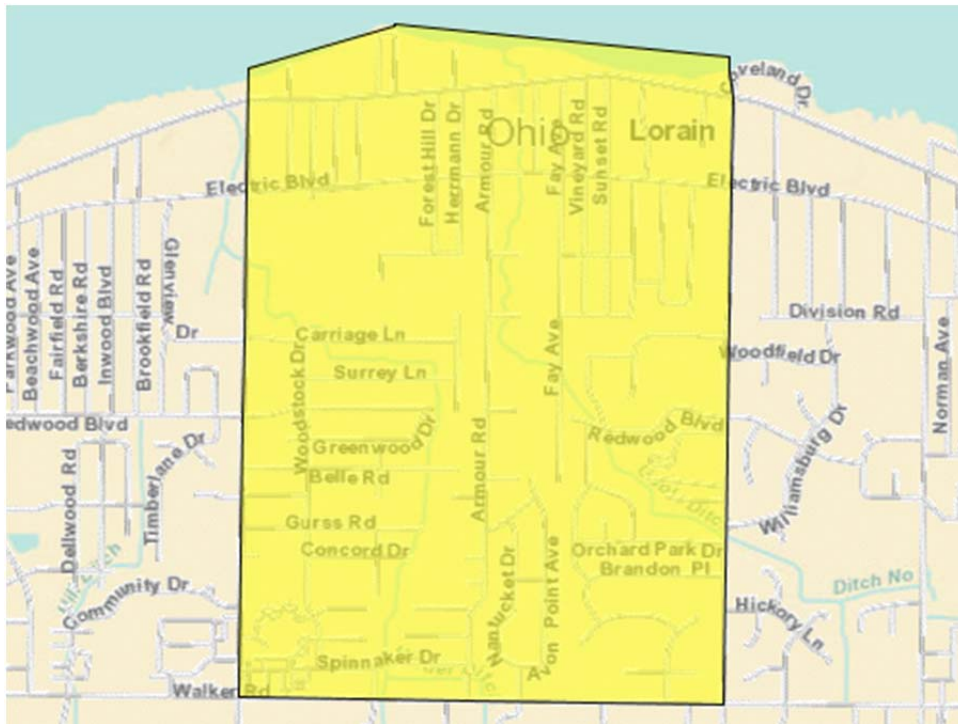
Neighborhood Level Information

As part of this project, we identified two types of neighborhoods where there might be immediate opportunities. **Type One** (represented by dark green in Map 5) ranks high in all three high capacity indicators: number of households with at least \$500,000 in net worth, number of households with a minimum of \$200,000 in disposable income and average net worth of households between 65 and 74 years old. **Type Two** (represented by medium green in Map 5) ranks high in two high capacity indicators: number of households with at least \$500,000 in net worth and number of households with a minimum of \$200,000 in disposable income. Maps 6-16 provide more detailed for these neighborhoods relative to their high capacity indicator values.

Map 5. Neighborhoods with the highest capacity



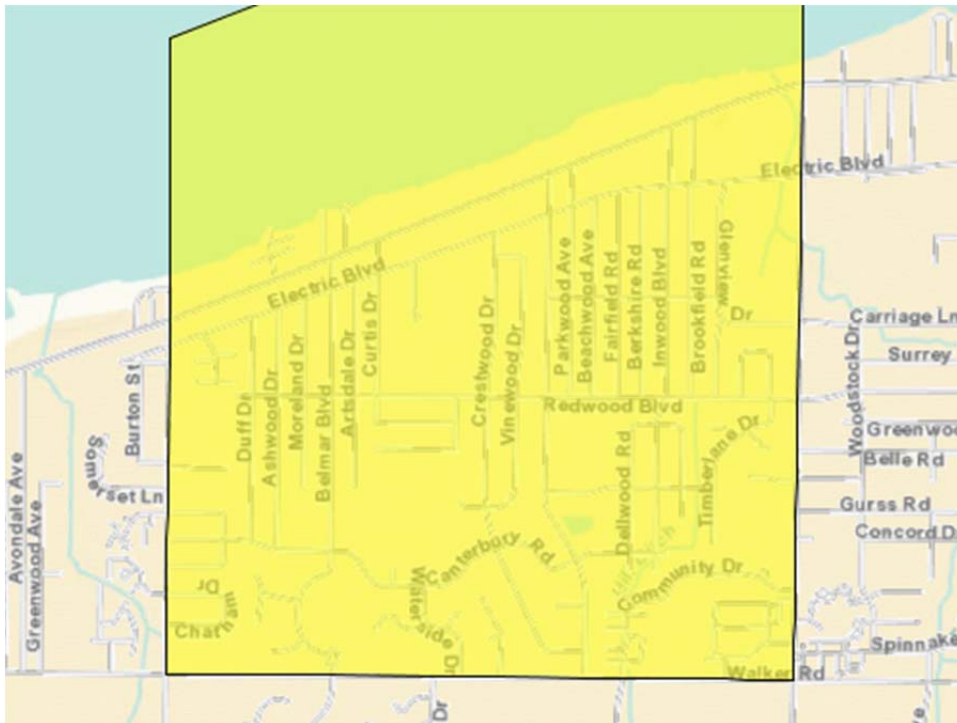
Map 6. Neighborhood 10200 (Avon Lake)



Characteristics

- There are 613 households with net worth \$500,000 and above.
- There are 40 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,400,000.

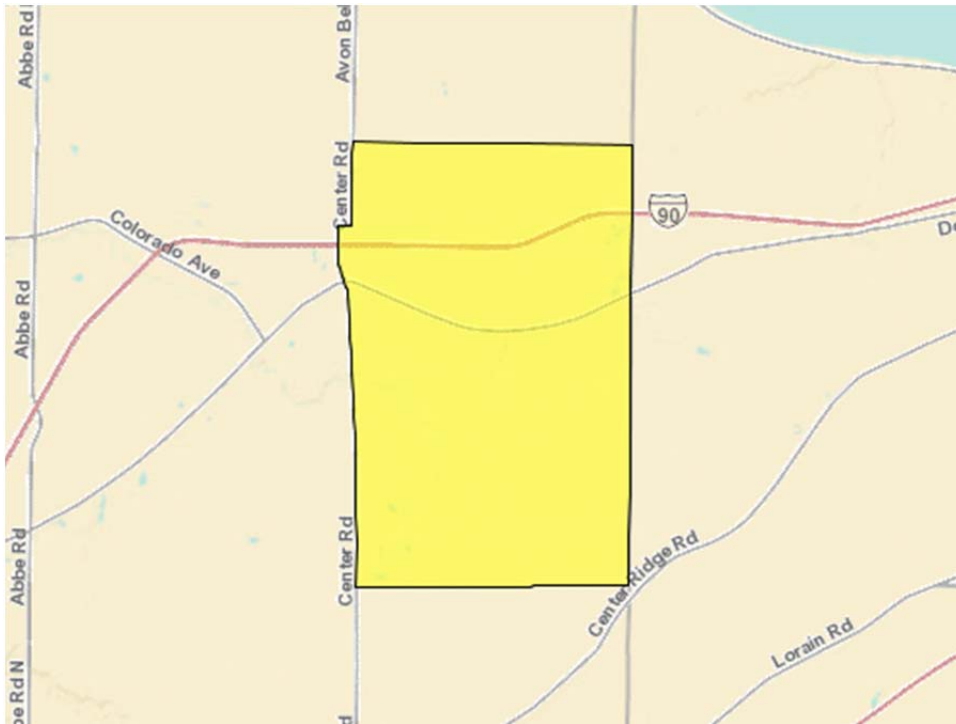
Map 7. Neighborhood 10300 (Avon Lake)



Characteristics

- There are 547 households with net worth \$500,000 and above.
- There are 22 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,100,000.

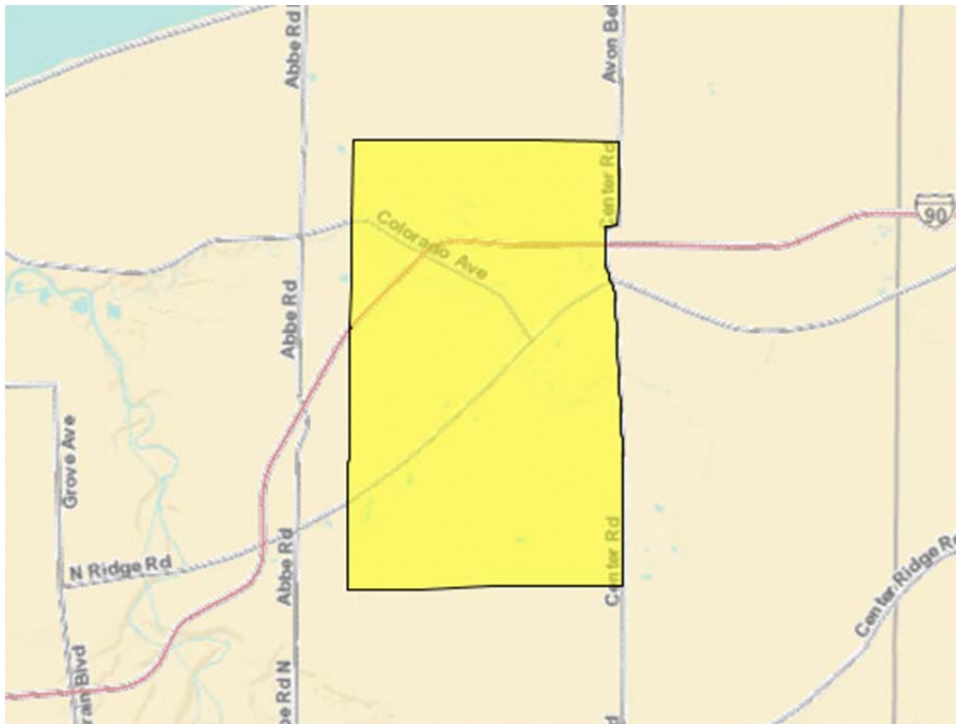
Map 8. Neighborhood 13100 (Avon)



Characteristics

- There are 1,136 households with net worth \$500,000 and above.
- There are 47 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,200,000.

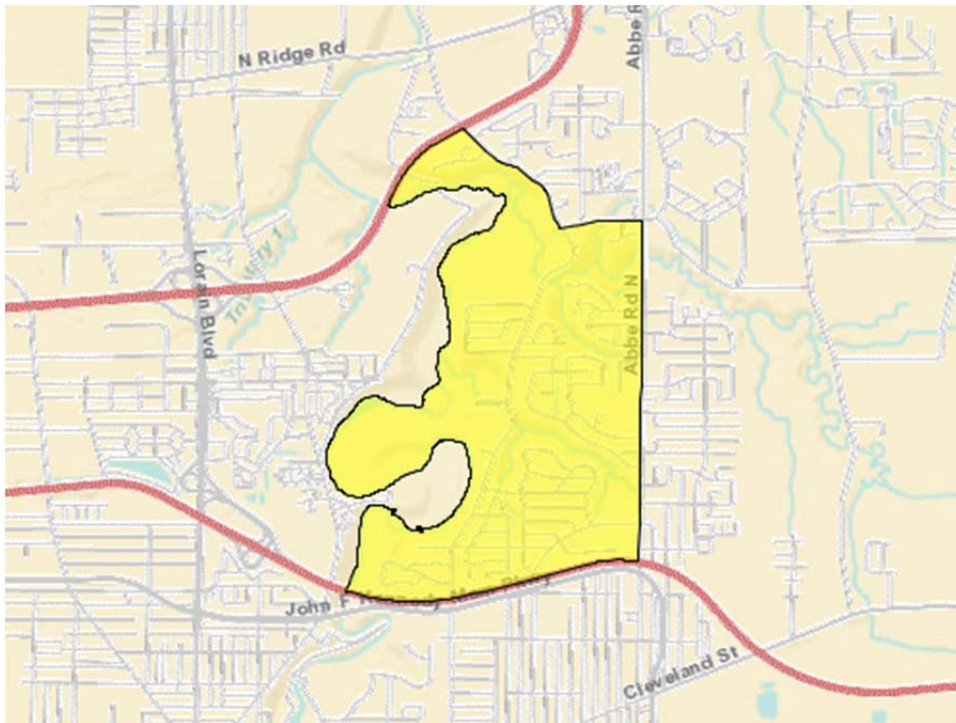
Map 8. Neighborhood 13200 (Avon)



Characteristics

- There are 966 households with net worth \$500,000 and above.
- There are 40 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,050,000.

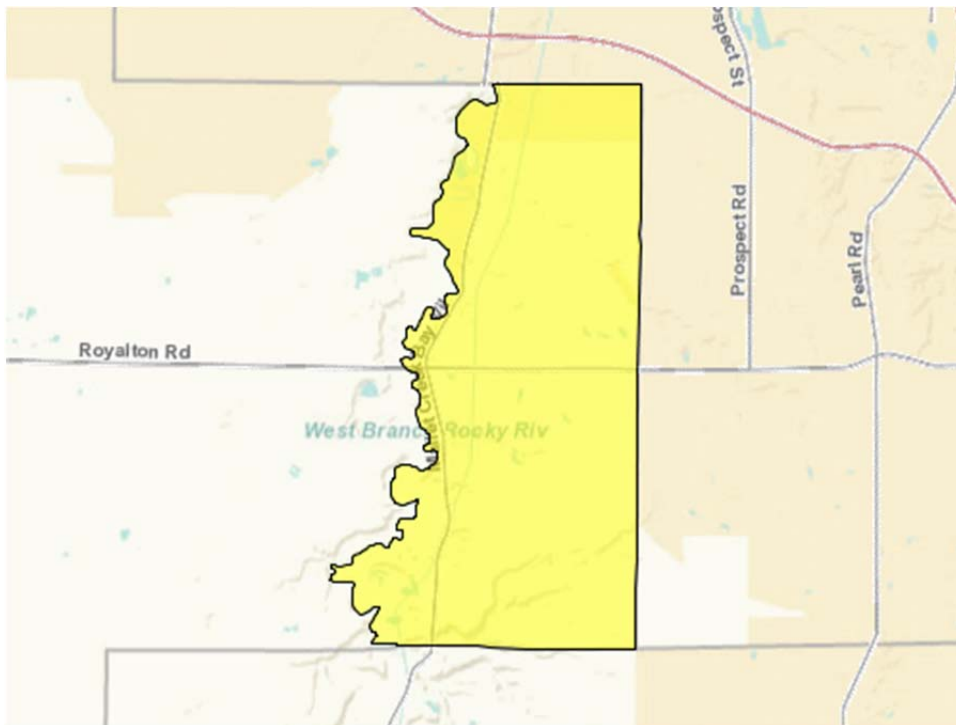
Map9. Neighborhood 70101 (Elyria)



Characteristics

- There are 408 households with net worth \$500,000 and above.
- There are 13 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,100,000.

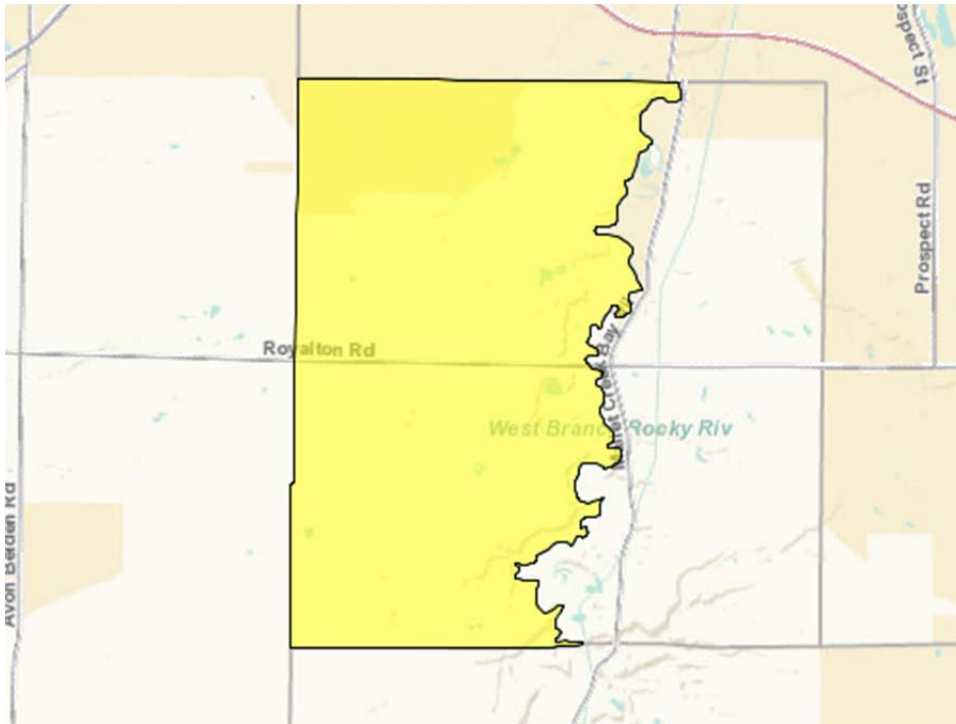
Map10. Neighborhood 90100 (Columbia Station)



Characteristics

- There are 330 households with net worth \$500,000 and above.
- There are 12 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,200,000.

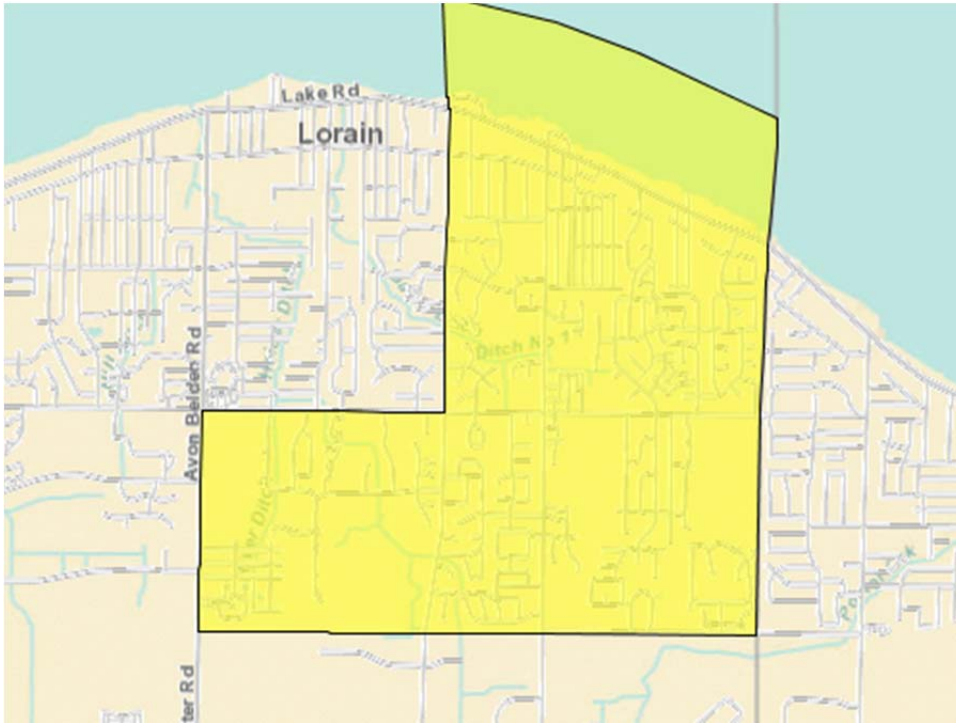
Map 11. Neighborhood 90200 (Columbia Station)



Characteristics

- There are 356 households with net worth \$500,000 and above.
- There are 15 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,100,000.

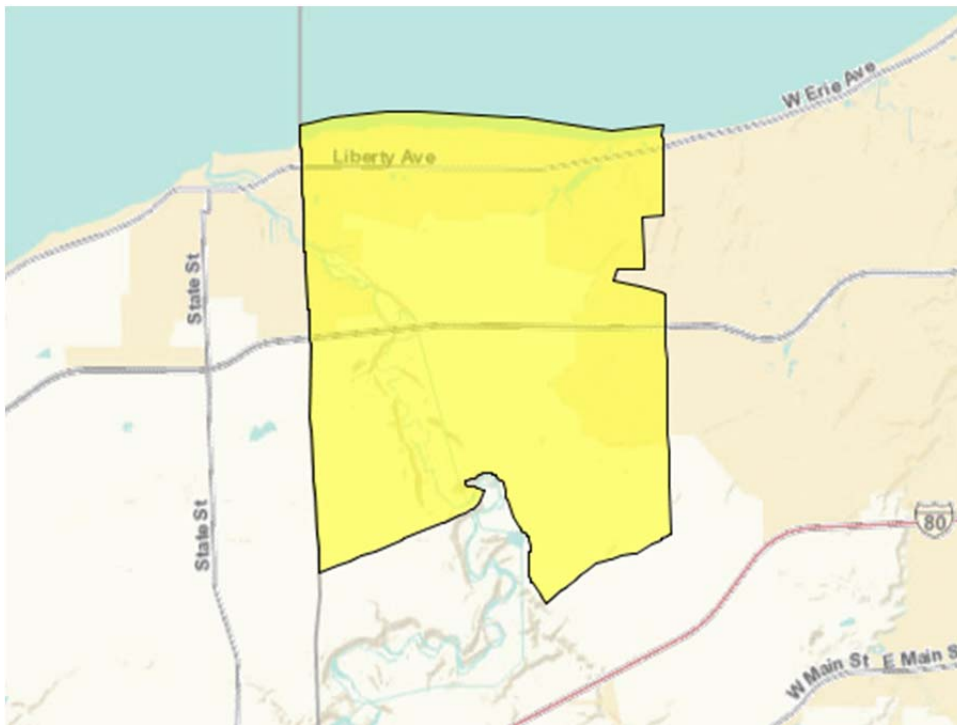
Map 12. Neighborhood 97400 (Avon Lake)



Characteristics

- There are 1,749 households with net worth \$500,000 and above.
- There are 129 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$1,300,000.

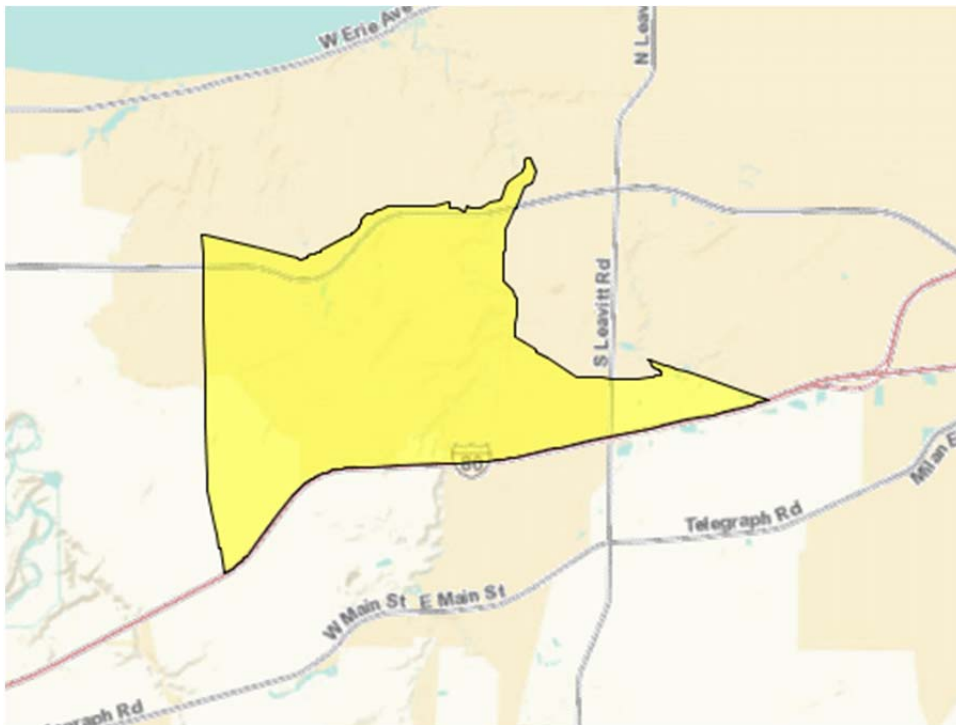
Map 13. Neighborhood 30100 (Vermillion)



Characteristics

- There are 462 households with net worth \$500,000 and above.
- There are 15 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$870,000.

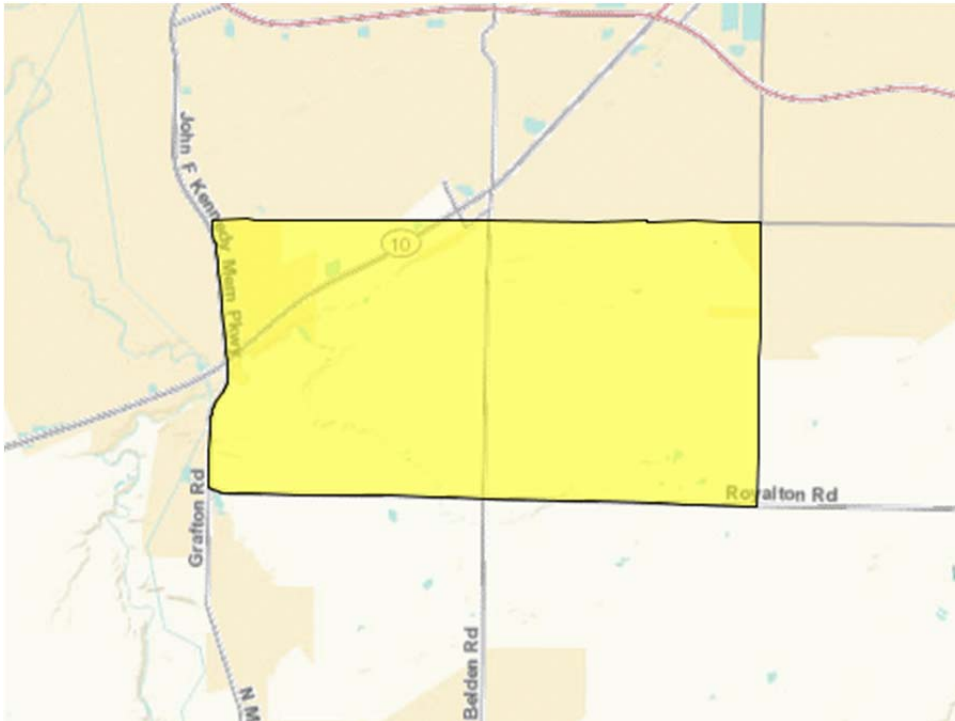
Map 14. Neighborhood 50300 (Amherst)



Characteristics

- There are 724 households with net worth \$500,000 and above.
- There are 34 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$850,000.

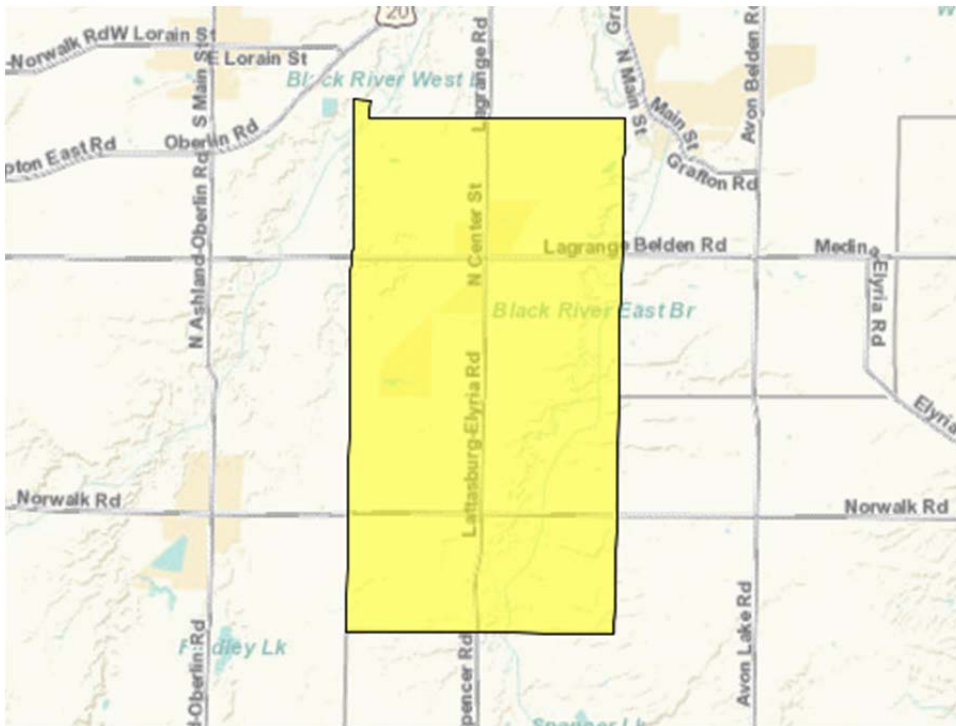
Map 15. Neighborhood 91100 (Grafton)



Characteristics

- There are 321 households with net worth \$500,000 and above.
- There are 22 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$950,000.

Map16. Neighborhood 94100 (LaGrange)



Characteristics

- There are 499 households with net worth \$500,000 and above.
- There are 16 households with disposable incomes \$200,000 and above.
- Average net worth of household between 65 and 74 years old is \$930,000.

Concluding Thoughts

As described above, the data presented in this report are most useful as input to strategic or planning conversations within the foundation. The detailed neighborhood information might, for example, identify high priority areas for identifying potential new board members or engaging local non-profit partners. It might be used with the current board to stimulate discussion about how the foundation can get deeper engagement in particular neighborhoods and what barriers might stand in the way. This report is most powerful when it is used in combination with the local intelligence that the foundation staff and board have gathered over years of being directly involved in community philanthropy in Lorain County.

References

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Questions & More Information

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The Center for Rural Entrepreneurship's mission is to help communities build a prosperous future by supporting and empowering business, social and civic entrepreneurs.

Development requires financial resources. Most traditional sources of funding are challenged as governments, businesses and foundations struggle to meet rising community needs. A core program area for the Center is Community Development Philanthropy, where our team helps your community, region or state build a community wealth road map. Our Transfer of Wealth (TOW) research offers insight into possibly the greatest opportunity to tap new, significant and sustainable funding streams in support of growing better and stronger communities. For many communities and regions, TOW research can help jump start important conversations leading to greater community giveback.

The Center has conducted TOW studies for clients around the nation for more than 10 years, and has published a book titled, *Transfer of Wealth in Rural America: Understanding the Potential, Realizing the Opportunity, Creating Wealth for the Future*. More product offerings are planned under our Community Development Philanthropy area.

To learn more about the Center's history and program areas, go to www.energizingentrepreneurs.org.