Welcome to paradise. New Mexico, physically the fifth-largest state in the United States, is known for its multiculturalism, museums, opera, sunny skies and gorgeous vistas of high desert, mesas and mountains. Like anyplace else, we also have a host of problems. At last count, there were roughly 6,000 nonprofit organizations registered in New Mexico. These nonprofits are extremely diverse, but most are under capacity and cannot meet the pressing needs. Not even half have budgets over $250,000 a year. A meager 24 classify themselves as civil rights, social action or advocacy groups.

According to Frank Sanchez Sr., program officer at the Needmor Fund and a lifetime resident of Roswell, New Mexico, “Unfortunately, philanthropy in New Mexico has not seen its role as one that supports progressive advocacy. It could play a critical part in influencing progressive social change.”

With only 1.9 million people, much of New Mexico’s land base is public or rural. In the northern part of the state, an ancient acequia irrigation system is still practiced on family farms, although development pressure is intense. About 42 percent of New Mexico’s population is of Hispanic origin (both with ancestry dating back to Spanish colonists and generations of more recent immigrants), 9.5 percent is of American Indian heritage, and 44 percent is “Anglo” (which in New Mexico means “everyone else”).

New Mexico is home to the fourth-largest number of Native Americans in the country. Nineteen pueblos and four Indian reservations are located in the state. This ethnic demographic places New Mexico as one of the leading “majority-minority” states. Thus, New Mexico is both unique in its cultural mix and, with its universities, colleges and national scientific laboratories, a microcosm of the wider world.

For years, New Mexico has been consistently near the bottom of the rankings of the nation’s statistical indicators of well-being. Over 18 percent of New Mexico’s population lives in poverty. Per capita income is less than $25,000 annually. The number of medically uninsured has been climbing and exceeds 25 percent. More than a quarter of New Mexicans are less than 18 years old, and one-third of all families begin while the mother is still a teen. Fully 25 percent of New Mexico’s population age 25 and older lacks a high school diploma or the equivalent, and in four rural counties that statistic is 45 percent.

In the new 2004 Kids Count Data Book, released by the Annie E. Casey Foundation, New Mexico once again has the dubious distinction of ranking in the basement. For example:

- For high school dropouts, New Mexico ranks 43rd.
- For teen birth rates, 48th.
- For percent of families with children headed by a single parent, 49th.
- For percent of children in poverty, 50th.

Clearly, there is something wrong in paradise. Even the pristine landscape that attracts visitors is at risk due to urban sprawl and rampant mining, and oil and gas development. Efforts to address these and other problems, as well as seek to improve the general quality of life, have led to the plethora of charitable efforts in the state.

New Mexico’s Nonprofit Sector
Because of effective public relations, New Mexico is considered an oasis of high art. There are scores of museums, many devoted to American Indian art; a large number to fine and folk art; some to themes, such as museums focused on farms, ranches and nuclear energy; and some to individuals, such as the Georgia O’ Keeffe Museum.

In the summers, Santa Fe’s renowned opera and Chamber Music Festival are among the prestigious nonprofit organizations that attract visitors. In addition to agriculture, tourism is a mainstay of New Mexico’s economy, and the nonprofit contribution is significant, although somewhat unmeasured. The number of nonprofits in the small capital city of Santa Fe (population 65,000), for example, is over 600. Some scrutiny has been applied recently just to the arts and cultural industries in Santa Fe County only, and the numbers are remarkable for such a low population region.
Here are a few findings:

- In 2002, Santa Fe’s cultural industries and cultural tourism generated over $1 billion in receipts.
- These industries employed 12,567 workers, or 17 percent of total employment in Santa Fe County.
- These industries paid $231.5 million in wages and salaries, and $81.6 million in self-employment earnings.
- Of the total revenues attributed to these industries ($814 million), 78 percent are drawn from other geographic areas.
- These industries produce an estimated $22.6 million in taxes and other revenues for the city of Santa Fe, and generate $2 out of every $5 that flows into Santa Fe County.
- There is a 500 percent return on the city’s spending on arts and culture.

Many of the visitors bringing these dollars into the state have increasingly been choosing to move here, and those with means have been remodeling older haciendas and building new homes. In addition to bringing their money, they are bringing their attitudes, such as an inclination to water-guzzling golf courses and a strong idea about “Santa Fe style” that often puts the older traditional citizens at loggerheads with the arriviste style arbiters. As in the rest of the country, the distribution of wealth is skewed, with a small number of people, many of them newcomers, holding the vast proportion of assets. Perhaps because of New Mexico’s small population and traditional land-based economy, this discrepancy is particularly marked.

Not only has New Mexico suffered from the devolution and federal defunding of basic human services, but also the state government is limited by a voluntary legislature that meets only one to two months every year. Like the rest of the country, New Mexico’s nonprofits are stretched to the limit.

After failed efforts in the past, nonprofits are organizing an association called NGO-New Mexico with 350 charter members. Their mission is to build the capacity, power and influence of New Mexico’s nonprofit sector. According to Anne Hays Egan, consultant to NGO-NM, “Our nonprofits are the keepers of the social contract. A strong state association means stronger nonprofits, and better communities.”

NGO-NM committees and task forces have been working to plan a conference, initiate policy positions, and provide benefits packages that have not been available before. One of its first initiatives was to advocate successfully against an attempt to remove the “gross receipts tax exemption” from nonprofits.

The nonprofit “sector,” and certainly the progressive component, has not been mapped in New Mexico. Nonprofits are concentrated in urban areas—especially Bernalillo County, which encompasses Albuquerque, the state’s largest city, with a quarter of the population. NGO-NM’s 2003 fact sheet, “The New Mexico Nonprofit Sector,” indicates that the highest number of nonprofit organizations are in the field of education (583), the arts (554), human services (515) and community development (416). Religious nonprofits (385) is next, followed by active grantmaking groups (237).

**Philanthropy in New Mexico**

Founded in 1991, the New Mexico Association of Grantmakers (NMAG) seeks to increase the effectiveness and impact of organized philanthropy in the state. NMAG has emerged as one of the more progressive forces in the state. Its conference in November 2003 was widely touted for bringing together funders, nonprofit leaders and policymakers from New Mexico and around the nation. Secondly, it scheduled sessions to discuss such issues as the funding of social justice (with the speaker from the Open Society Institute of the Soros Foundation) and the funding of advocacy (a talk delivered by Nan Aron of The Alliance for Justice).

This year, NMAG completed the state’s first Giving Survey. Consistent with its ranking on Responsive Philanthropy Fall 2004.
many other issues, New Mexico was 43rd in actual grantmaking, but its foundations still managed to exceed $52 million in grants in 2001. Following a national trend, since 1997, more than 60 new private foundations have been formed, and assets reported on Form 990PF have more than doubled to $940 million in 2003. New Mexico’s Lannan Foundation, the J.F. Maddox Foundation and the McCune Charitable Foundation each have assets over $100 million and more than half the total assets of all other private foundations in the state. Most private foundations in New Mexico hold endowments between $1 million and $5 million.

As mentioned above, a lot of money has moved into the state, and this is true for most private foundations that relocated here from other parts of the country. More than anything else, they have changed for the better the philanthropic landscape of the state. The seven largest New Mexico funders are private foundations. Our community foundations are still young and few, with only seven in the whole state, but four of them are among the top 25 grantmakers. Donor-advised philanthropy has been growing, both in numbers of funds and amounts dispersed.

Substantially more funding comes to New Mexico nonprofits from out-of-state philanthropies ($61.5 million) than from in-state grantmakers ($24.7 million). Out-of-state funders tended to favor arts and cultural organizations (27 percent), compared with in-state foundations (17 percent). In-state funders delivered more grants to education and children and youth (36 percent and 6 percent) than outside funders (30 percent and 1 percent). Similarly, in-state funders aimed more grants at social and human services (14 percent) than out-of-state funders (6 percent).

This disparity is fairly easy to explain if one simply peruses the donor lists at the end of the Santa Fe Opera and other performing arts program books. We see major national corporate funders subsidizing Rossini and Mozart, ballet performances and concerts of baroque music. Those funders, however, never show up on the donor lists for substance abuse treatment centers or food distribution depots. An admirable exception to out-of-state funder avoidance of social services is the Kellogg Foundation, which has pumped a lot of money into the state for youth initiatives, using the New Mexico Community Foundation as its funnel.

So far, there has been only one nonprofit for-for-profit health care conversion, and this occurred three years ago when Blue Cross Blue Shield of New Mexico was sold, yielding about $20 million for the new Con Alma Foundation. More of these conversions are expected, however, as nonprofit hospitals go on the block.

According to Linda Lane Rigsby, a member of Con Alma’s Advisory and Planning Committee and the first chair of its Community Advisory Committee (CAC), “One of the biggest strengths of the Board of Directors and CAC is our diversity, ethnically and geographically.” In addition to ensuring community input, “The CAC has a watchdog function, to make sure that Con Alma does not stray from its mission and values.”

Capacity Building

If we had to pinpoint a particular need of our nonprofit community, it would be technical assistance. Our funding community is becoming more and more reluctant to fund nonprofits that—while earnest, essential, and respected—are not perceived as “tight ships.” Loose financial stewardship, weak boards and unsophisticated fundraising techniques plague most of the small to medium-sized nonprofits in New Mexico.

The local funding community has tried to respond by providing technical assistance (TA) grants for the hiring of consultants. A new nonprofit consulting firm, the Institute for Collaborative Change, which we directed and chaired, is another response. ICChange is a bit different from most TA efforts in the state, in that its focus will be on those nonprofits engaged in public policy issues. The mission of ICChange is to serve funders, nonprofit and public entities by providing them with analysis, capacity development, technical assistance and comprehensive training that lead to more effective organizations, advocacy and public policy activism.

We probably won’t be doing too many contracts for arts groups unless they have a progressive social change agenda. So far, the contracts have been coming in steadily, and the firm has received a healthy start-up operations grant of $40,000 from the McCune Charitable Foundation to: (1) develop the new organization with the usual start-up activity; (2) map the New Mexico nonprofit sector (economic development, employment, grantmaking, organizational capacity factors, and need); and (3) provide technical assistance to selected progressive nonprofits in New Mexico.

In the first year, ICChange board and staff will also continue to develop strategic relationships with NGO-New Mexico, with TA providers throughout the state and national trainers, as well as with funders and other potential partners. ICChange is also working to bridge the digital (Continued on page 23.)
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