



POVERTY AMIDST PLENTY

THE TWO FACES OF
ANNE ARUNDEL COUNTY
A GUIDE TO ACTION



*PREPARED AS A COMMUNITY SERVICE
BY THE
COMMUNITY FOUNDATION OF THE CHESAPEAKE*

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**Poverty Amidst Plenty:
The Two Faces of Anne Arundel County,
A Guide to Action**

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Prepared for the Community Foundation of the Chesapeake by
Dr. Lester M. Salamon with the assistance of Irene Lin

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The Community Foundation of the Chesapeake

2083 West Street, Suite 203

Annapolis, MD 21401

410-266-8836

Fax 410-266-8837

www.chesapeakecommunityfoundation.org

Summary of Principal Findings

General Affluence

Anne Arundel County, Maryland, is a pleasant, rapidly growing, and relatively affluent community with a median income that is 20 percent above the Maryland average.

The Other Anne Arundel County

Beneath this comforting image of general affluence, however, lies another Anne Arundel County characterized by significant poverty and distress.

Poverty

Over 26,000 Anne Arundel County residents – 5 percent of the total – lived in poverty as of the 2000 census, and 8000 of these are children.

African-American Poverty

Among the County's African-American population, one in eight, or 12 percent, lived in poverty as of 2000. The chances of being in poverty in the County were four times greater for African-Americans than whites.

Child Poverty

The poverty rate in Anne Arundel County is particularly high for African-American children, 20 percent of whom lived in poverty as of 2000. The chances of being in poverty in Anne Arundel County are therefore five times higher for African-American children than for white children.

Education

Despite a generally effective public school system, Anne Arundel County has lagged behind the Maryland average in high school completion rates among minority youngsters. In addition, substantial numbers of youngsters have been found to be unprepared for school.

ESOL Training

An increase in the Hispanic population has posed additional challenges for the Anne Arundel County and Annapolis City schools. Budget limitations have kept the County from adding the number of ESOL (English for Speakers of Other Languages) teachers required to meet this expanding Hispanic population.

Public Transportation

Only 2.5 percent of Anne Arundel County residents use public transportation, including taxicabs, making access to an automobile almost a necessity to work in the County. This creates an additional barrier for low-income residents.

Housing

Rapidly escalating housing costs have placed additional demands on the County's lower income population. According to the 2000 Census, a third of the County's residents spent over a third of their income on housing, and among renters this figure was close to 40 percent of income.

Although the County participates in the Section 8 housing voucher program for low income families, fewer than 1,100 vouchers are available but the waiting list numbered over 4,300 as of 2000.

Health

Nearly 10 percent of Anne Arundel residents—about 42,000 people—lack access to health insurance. Lack of access to health insurance is a particular problem among the County's growing Hispanic population.

Youth Crime

Anne Arundel County ranks third in Maryland for juvenile crime intake cases. The rate of juvenile crime arrests has more than doubled since 1990 for youth between 10 and 17.

Community Resources

Anne Arundel County has many resources through which to address the problems identified above. These include the County's governmental institutions and the dedicated public servants who staff them as well as the skills and resources of the County's private philanthropic institutions and generous donors.

Charitable Contributions

Despite its above average median income, however, Anne Arundel County lags behind the nation, and behind the Maryland average, in its level of charitable giving.

Nonprofit Activity

Perhaps reflecting this, the County's charitable nonprofit sector is proportionally the sixth smallest in the state as measured in terms of its share of total County employment.

Community Foundation of the Chesapeake

To help stimulate charitable giving and channel the considerable wealth of this County into efforts to improve the quality of life for all the County's residents, a group of County residents has formed the ***Community Foundation of the Chesapeake***.

What is a Community Foundation?

One of 660 such foundations nationally, and 10 in Maryland, the Community Foundation of the Chesapeake is a grant-making organization controlled by local private citizens that seeks to assist donors to achieve their charitable objectives in a flexible and effective way by building a base of charitable assets that can be used to improve the quality of life of this community over the long term.

Introduction

Anne Arundel County, Maryland, the home of the state's capital, Annapolis, is a generally affluent, well-educated community that is, in many senses, living the American dream. The County's 490,000 residents have a median income that ranks them as the fifth richest in this generally affluent state, behind only Howard, Montgomery, Calvert, and Charles counties.¹ What is more, the economic position of the County's residents has been improving. The popularity of waterfront property has sparked an influx of upper income residents. Reflecting this, median household income increased by 5 percent between 1990 and 2000, reaching \$61,768, or nearly 20 percent above the state average.² Increases among the very rich were even more dramatic—more than 20 percent of Anne Arundel households now earn more than \$100,000.³ In 2000, 30 percent of residents had a college education, an increase of 6 percent over a decade earlier.⁴ The numbers of children in preschool and kindergarten has also rocketed from 8,253 in 1990 to 15,483 in 2000.⁵

Beneath this comforting picture of general affluence, however, lies another Anne Arundel County, this one characterized by significant poverty and distress. Over 26,000 Anne Arundel County residents lived in poverty as of 2000, and over 8,000 of these are children, 2,400 of them under 5 years of age.⁶ The chances of living in poverty are four times higher for Blacks in Anne Arundel County than for whites (12 percent vs. 3 percent), and five times higher for Black children than white children (20 percent vs. 4 percent).⁷

Although the quality of life is generally quite good in the County, lack of public transit and affordable housing coupled with lack of access to health insurance hinder the quality of life for many of Anne Arundel's citizens, particularly senior citizens and low-income groups. Immigration is also changing the landscape of Anne Arundel County in profound ways. Although Hispanics account for only 2.6 percent of the County's population, in the past ten years the Hispanic population has almost doubled, to 12,092 residents in the 2000 Census, placing Anne Arundel behind only Montgomery and Prince George counties in its concentration of

Latinos, and this is probably an undercount.⁸

Fortunately, Anne Arundel County is also blessed with government agencies and private nonprofit groups that are addressing many of the problems County citizens are facing. But these organizations need help from the County's citizens and corporations. Mobilizing that help is the function of a "community foundation."

The Community Foundation of the Chesapeake, one of ten such foundations in the State of Maryland, is devoted to mobilizing such help by stimulating charitable giving in this community and creating a pool of charitable assets that can be used over the long run to improve the quality of life for all people in the Chesapeake region of Maryland, including particularly those in Anne Arundel County. The present "needs assessment" was undertaken to provide a benchmark and a guide for our work, and, hopefully, to stimulate others to join us in making Anne Arundel County and its surrounding region even more of the model community we know it can be.

More specifically, this report is divided into three sections. Section I outlines some of the strengths of Anne Arundel County as they emerge from available Census and other statistics. Section II then examines some of the social and economic strains that the County also exhibits. Section III then explains what a community foundation is and describes how concerned citizens can use this vehicle to advance their own charitable objectives and address some of the problems that this report identifies.

While we are well aware of this community's enormous strengths, we feel strongly that we must also face up to its limitations and mobilize efforts to overcome them. It is in this spirit that we offer this report to our neighbors and friends and invite you to join us in the task that the Community Foundation of the Chesapeake has taken on.

NOTES

Chapter 1

A Community of Plenty

Anne Arundel County is a rapidly growing suburban County with deep historical traditions and an enviable geographic location along the magnificent Chesapeake Bay. As reflected in Table 1 below, the County has experienced rapid growth in population over the past forty years, more than doubling the number of residents from over 206, 000 in 1960 to almost 490,000 in 2000.

Population Composition – Growing Diversity

Like the rest of America, Anne Arundel County has been growing increasingly diverse. Although slightly over 80 percent of the population classifies itself as white, the growth rate of the nonwhite population has been four times that of the white population. Thus, as shown in Table 2, while the overall population of the country grew by 14.6 percent between 1990 and 2000, the white population grew by 10 percent and the non-white population by 40 percent. Especially striking were the growth of the County's Hispanic population, which more than doubled, and the growth of its black population, which increased by 33 percent; but other population groups, such as Asians, also gained ground.

Anne Arundel now ranks only behind Montgomery and Prince George's counties in its concentration of Hispanics. The number of people who spoke Spanish at home almost doubled between 1990 and 2000, from 6,927 to 12,717.⁹ Although this represents only 2.78 percent of the population, the numbers are destined to increase. Also, the percentage of Spanish speakers who said they spoke English "less than very well" increased from 31 percent in 1990 to 38 percent in 2000 (4,857 people).¹⁰

Education

Anne Arundel's population is unusually well educated overall. As noted in Figure 1 below, 86.4 percent have a high school diploma and 11.5 percent possess a graduate or professional degree. The comparable figures for Maryland as a whole are 83.4 and 13.5 percent, respectively.¹¹

Income

Reflecting its generally high educational level, Anne Arundel County families enjoy generally above average incomes. Overall, the median household income in the County, at \$61,768, is 20 percent above the Maryland average; and the Maryland

Table 1
Anne Arundel County Population, 1960-2000

	1960	1970	1980	1990	2000
Total	206,634	298,042	370,775	427,339	489,656
Change		91,408	72,733	56,464	62,417
Percent Change		44.2%	24.4%	15.2%	14.6%

Source: U.S. Census Bureau, U.S. Census of Population, 2000

Table 2
Ethnic/Racial Composition of Anne Arundel County

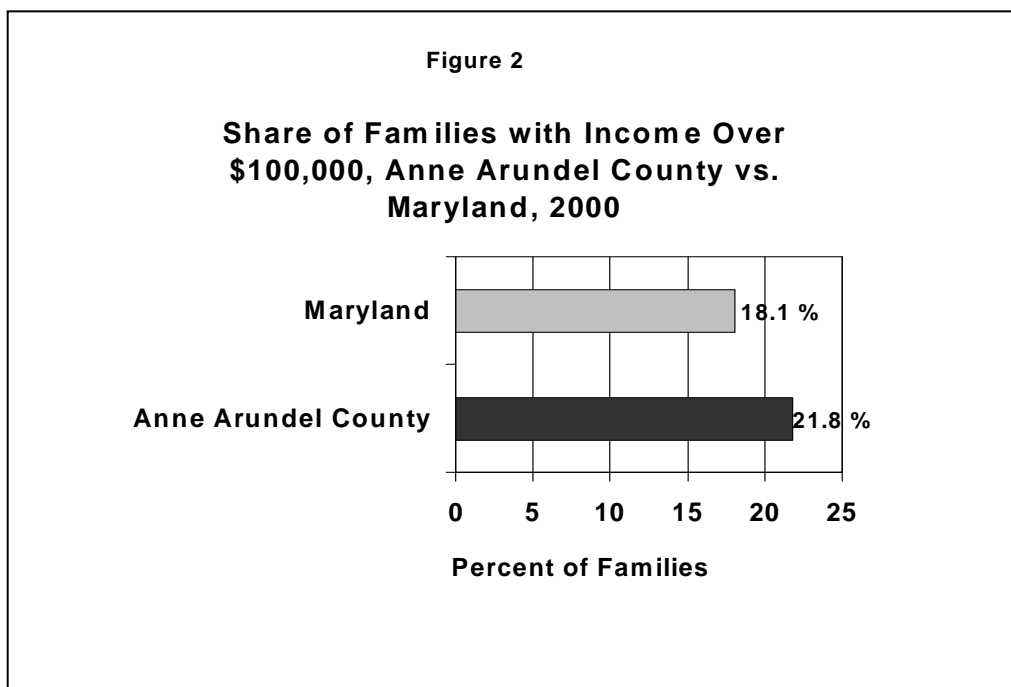
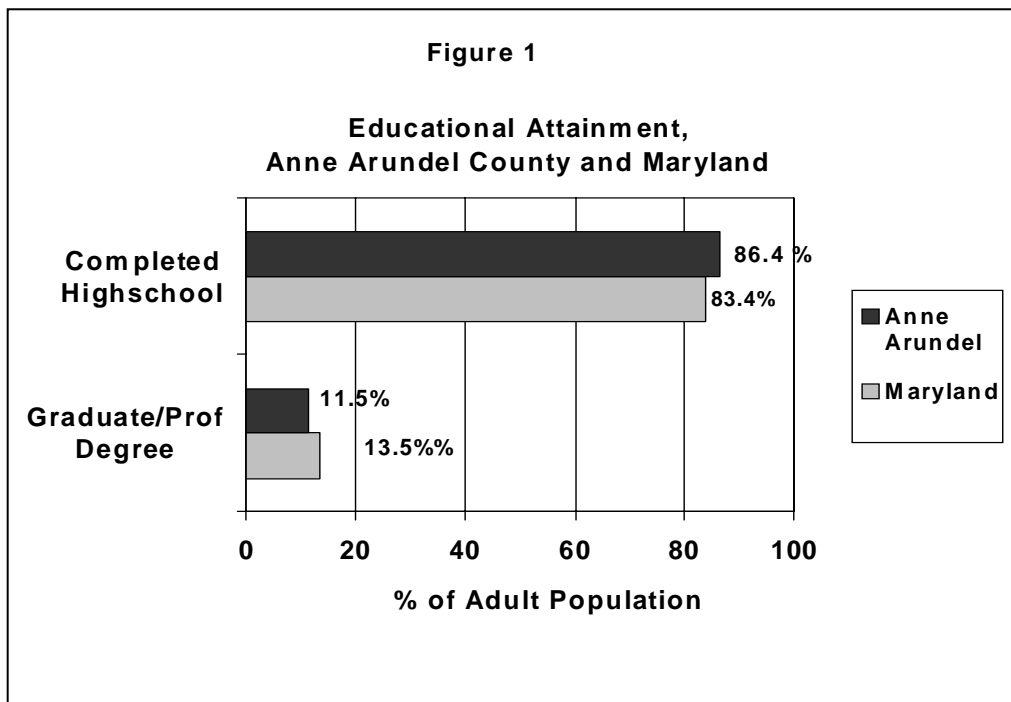
	1990		2000		% Change 1990-2000
	Amount	%	Amount	%	
Total population	427,239	100.0%	489,656	100.0%	14.6%
Whites	365,953	85.7%	397,789	81.2%	8.7%
Nonwhites	61,286	14.3%	83,582	17.1%	36.4%
Blacks	50,525	11.7%	66,428	13.6%	31.5%
Hispanics	6,705	1.6%	12,902	2.6%	92.4%

Source: U.S. Census Bureau, U.S. Census of Population, 2000

average is the highest in the nation.¹² Nearly 39,000 Anne Arundel families, or more than one in five, boasted family incomes in excess of \$100,000 as of 2000. This was more than triple the number who recorded family incomes in excess of \$100,000 a decade earlier and well above the 18 percent of

families with such high incomes in Maryland as a whole (see Figure 2).¹³

In short, Anne Arundel County has much to be proud about. It is a generally affluent County, with highly educated citizens widely experiencing the American dream.



Chapter 2

The Other Anne Arundel County

Comforting though the image portrayed in the previous chapter may be, however, it is only one facet of life in this generally affluent County. Beneath the image of general affluence, Anne Arundel County has another face as well, one characterized by poverty and distress. Indeed, it is the presence of poverty amidst plenty that makes the poverty so painful. Worse than that, the affluence may accentuate and help perpetuate the poverty, by bidding up housing costs, reducing usage of public transit, and fostering racial and economic isolation.

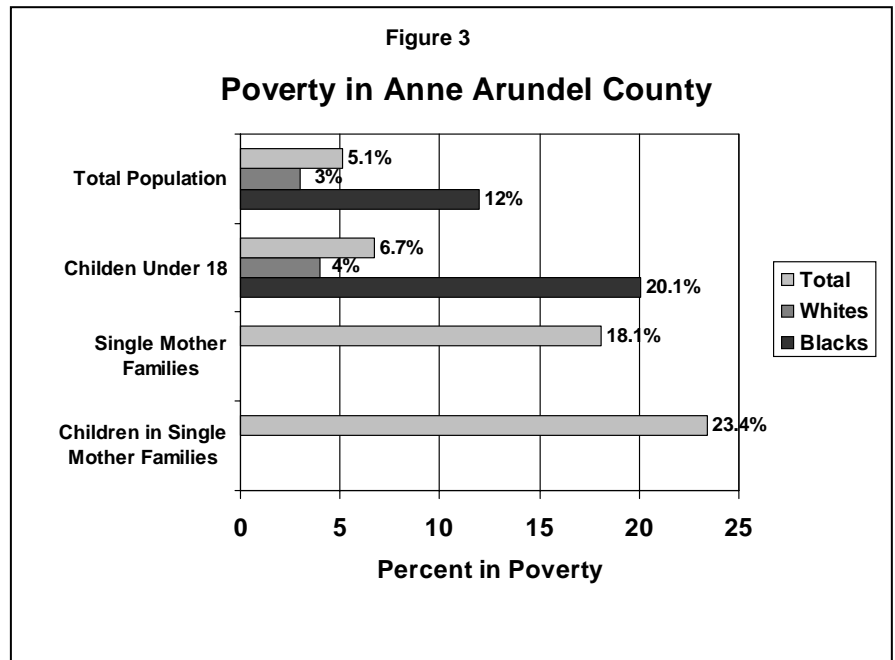
All of this makes it essential to go beyond the comforting averages, to delve into the details, and then to see what can be done about them.

Poverty

While Anne Arundel County is a generally affluent County, distressing pockets of poverty also exist. Over one in twenty Anne Arundel County residents – over 26,000 people – lived in poverty at the time of the 2000 census (see Figure 3), and this seems likely to have increased during the economic downturn that began soon after.¹⁴ Among the County's African-American population, the poverty rate is considerably higher: almost one in eight of the County's African-American residents (12.1 percent) lived in poverty as of 2000.¹⁵ In fact, as Figure 3 shows, the chances of being poor were four times higher for African-Americans than for whites in the County.¹⁶

Most distressing of all, nearly a third of the people in poverty in the County were children. The poverty rate for children, in fact, was considerably higher than that for the population as a whole (6.7 percent vs. 5.1 percent). And among African-American children, the poverty rate reaches 20 percent, or one child out of five. The chances of being in poverty in Anne Arundel County are therefore five times higher for African-

American children than for white children (20 percent vs. 4 percent), though in terms of absolute numbers there are more white children in poverty than African-American children.¹⁷



Source: U.S. Census of Population, 2000; Kids Count Census Data on Line

Poverty and Family Structure

One factor contributing to poverty in Anne Arundel County is the phenomenon of female-headed families. Slightly over one-fifth of all children in Anne Arundel County live in single-parent households, and the proportion of such families is higher in Anne Arundel County than in the state as a whole.¹⁸

Most of the children in single-parent families in Anne Arundel County are white children but the proportion of children in single-parent families is higher for African-Americans than it is for whites (49.2 percent vs. 17.1 percent).¹⁹ The poverty rate

among children in single-parent families, and particularly in single-mother families, is extraordinarily high. As shown in Figure 3, nearly one-fourth of all children in single-mother families in Anne Arundel County lived in poverty as of 2000, and this despite the economic boom that was under way at that time.²⁰ Indeed, this was the case even though the vast majority of the mothers in these families (85 percent) were in the labor force.²¹ Evidently, the employment opportunities open to single mothers, and particularly African-American single mothers, are not sufficient to lift them and their families out of poverty. Given the recession that ensued subsequent to the 2000 census, and that persists in only partially alleviated form as of this writing, it is likely that this situation has worsened.

While female-headed families pose a particular problem because of their high rates of poverty, Anne Arundel County has also experienced a sizable increase in the number of single-father households. Single parent homes are now 25 percent father-headed.²² County officials say the shift towards single-parent male households has presented new challenges. Programs in household budgeting and cooking would be beneficial, along with programs to help fathers with children who have serious medical problems.

Education

One factor likely contributing to the poverty problem in the County is the distressingly low high school graduation rate among minority youngsters. According to the Manhattan Institute for Policy Research and the Black Alliance for Education Options in a study tracking students from 1993 to 1998, Maryland was 13th in the nation in graduation rates at 79 percent, but Anne Arundel County lagged behind the state average by 8 percentage points.²³ This put Anne Arundel County behind Baltimore County and Prince Georges County on this crucial measure of student achievement.

While Anne Arundel County schools generally have test scores above the state average, a closer look reveals divergence along racial and socioeconomic lines. The schools on the coastal edge have some of the highest test scores, but that is not uniformly true across the County, and particularly in

the City of Annapolis. In 2000, six of the nine elementary schools in Annapolis scored below the County average on the third-grade Maryland School Performance Assessment Program.²⁴

The County school system has convened a task force to look at the minority achievement gap and recommend changes. Despite this, and despite the fact that the County's school system ranks in the top 15 among the nation's largest school systems for graduating African-Americans from high school, still only 56 percent of African-American students graduated in 1998 compared to 75 percent of white students.²⁵ How to motivate and enable African-American students to complete high school thus remains a serious challenge for the County.

Lack of adequate pre-school training is one factor thought to affect subsequent graduation rates. According to a 2002 study by the Maryland State Department of Education, only two out of five boys are fully prepared to enter kindergarten. For girls, the rate was three out of five.²⁶ School readiness has been found to be higher among children enrolled in private preschools. Increasing the opportunities for enrollment in pre-kindergarten programs has thus become a special priority in the County.

An important new challenge to the County's educational system has been the significant influx of Hispanic residents noted earlier. The growth of the Hispanic population has resulted in a quadrupling of the number of students enrolled in the County's ESOL (English for Speakers of Other Languages) program, from 284 participants in 1993 to 1340 in 2004, 60 percent of whom are Hispanic.²⁷ ESOL teachers have also tripled, but the County still finds itself unable to deal adequately with the ESOL population. The County Department of Education requested six additional ESOL teachers in 2004, but the request was fifteenth on the list of budget priorities, behind gifted-and-talented programs and alternative education. While Howard and Baltimore counties try to employ one ESOL teacher for every 15 or 20 ESOL students in middle and high school, Anne Arundel County officials admit they can afford to assign only one teacher for every 30 ESOL students.²⁸

Transportation

Another factor contributing to poverty in Anne Arundel County is the public transportation infrastructure. Access to employment opportunities via public transportation is limited for Anne Arundel residents. Although the proportion of workers in the County who reported relying on public transportation rose slightly between 1990 and 2000, this figure stood at only 2.5 percent of all workers as of this latter date, and this includes those who traveled to work via taxicab.²⁹ Clearly, access to work in Anne Arundel County depends heavily on access to an automobile, which is an obstacle for those in poverty. Although progress has been made, transit planners believe more must be done to fight congestion, pollution and give lower-income workers the means to access jobs.

Even those with automobiles have encountered increased challenges. The 2000 Census confirmed that average commuting times had increased to nearly 30 minutes for Anne Arundel County residents.³⁰ The Census also detected a shift in commuting patterns towards the Washington DC corridor instead of the Baltimore metropolitan area, a shift that could cause major changes in thinking for County planners who have usually concentrated on linking Anne Arundel County to Baltimore.³¹

It is not just the poor who suffer from inadequate transportation infrastructure. Similar problems confront the County's elderly population, which has grown substantially in recent years. Between 1990 and 2000, the number of people aged 75-84 increased by 57 percent in the County while those over 85 rose by 62 percent.³² In the past 3 years, senior centers have opened in Pasadena and Brooklyn Park, but officials note that lack of public transportation has isolated seniors in places such as West Pioneer City and Meade Village. Officials also note that more programs need to be geared toward increasing numbers of Hispanic and Asian elderly.³³

Housing

Further complicating the lives of poor people in Anne Arundel County has been the escalation in housing costs that has

accompanied the growing affluence and population of the County. With increased numbers of families earning over \$100,000, real estate prices have been spiraling upward at a rapid rate, putting the goal of home ownership out of reach for many residents and creating a potentially serious affordable housing problem. According to figures from the Meyers Group, which tracks new home sales in the Washington-Baltimore area, for the first nine months of 2002, the average base sales price of a house in Anne Arundel County, including single-family detached, townhomes, and condominiums, exceeded \$280,000, compared to less than \$230,000 for the same period of 2001. At the end of 1997, the average price of a new home in Anne Arundel County was \$165,696.³⁴

Similar changes have taken place in the rental market. The median rent for a two-bedroom, one-bathroom apartment in Anne Arundel County was \$798 per month as of the time of the 2000 Census and has doubtless increased considerably since then.³⁵

Reflecting this trend, one third of Anne Arundel County households spent a third or more of their income on housing as of the time of the 2000 census, and among renters this figure was close to 40 percent.³⁶ All of this has put further strains on already pressed family budgets. As one official in the Maryland Association of Realtors noted recently, "A working parent would have to earn the equivalent of three minimum wage jobs to pay the rent on an average two-bedroom apartment."³⁷ This has created challenges even for those in public service jobs, such as teachers, police officers, and firefighters. Keith Wright, head of the Anne Arundel County Professional Firefighters, estimates that almost half of the firefighters employed in Anne Arundel County live outside the County as a consequence, with average commutes of 45 minutes to an hour.³⁸

Although Anne Arundel County participates in the federal Section 8 housing program, which provides housing "vouchers" to needy families, the supply of vouchers is insufficient to meet the need. According to the County Consolidated Plan, Anne Arundel County has about 1,094 vouchers

available, but there is a waiting list of eligible families that numbered 4,313 in 2000, an increase of 53 percent over 1995.³⁹

As a result of this mismatch between resources and need, homelessness has become a growing problem in Anne Arundel County. According to a study conducted by the Maryland Department of Human Resources, 4477 single individuals and 907 persons who were parts of families utilized shelters in Anne Arundel in 2001.⁴⁰ Broken down by race, 31 percent were white and 64 percent African-American.⁴¹

However, Anne Arundel County suffers from a lack of resources for homeless families and individuals. The County lists eight shelters that provide emergency and transitional beds. Many of the shelters have experienced rising usage and higher recidivism rates in recent years, as the downturn in the economy coupled with the spiraling cost of housing have made life difficult for many families and individuals. Shelter workers thus report seeing more families requesting shelter and more individuals with complex problems, such as substance abuse and mental illness. Light House Shelter, one of the few serving single men and women, was completely full in 2001 and had to turn away 1,395 individuals seeking emergency shelter, a 132 percent increase from 2000.⁴² In the wake of the 2001-2002 recession, these numbers have likely increased.

Fortunately, several state, County and city initiatives have been launched since the beginning of 2003 to address the County's affordable housing crisis, including a new Workforce Housing Initiative Task Force organized by the County Executive in late January. But it is clear that significant work remains.

Health

In addition to difficulties accessing housing, nearly one in ten residents of Anne Arundel County – about 42,000 people – also lack access to health insurance.⁴³ This leaves them highly vulnerable to medical and other emergencies.

The County's relatively new Hispanic residents seem especially vulnerable to

medical emergencies. In a survey conducted by the County Department of Health, just 54 percent of Hispanic and Latino residents said they had health insurance.⁴⁴ Forty-eight percent said that within the past year they had needed to see a doctor but could not afford it.⁴⁵ Reflecting this lack of access to regular medical treatment, a disproportionate 37 percent of patients at Anne Arundel Medical Center's Annapolis Outreach Center are Hispanic.⁴⁶ Since emergency services are more costly than regular preventive care, this situation poses a special challenge to the County.

Juvenile Crime

Although the crime rate in Anne Arundel County is moderate by national standards, the rate of juvenile crime arrests has more than doubled since 1990 for youth between 10 and 17.⁴⁷ In fact, Anne Arundel County ranks third (after Baltimore City and Baltimore County) for juvenile intake cases, accounting for 10 percent of the state's total, or 5487 cases in 2001.⁴⁸

To help reduce the incidence of crime, Anne Arundel County is participating in the state's HotSpot Communities Initiative, which is designed to reclaim neighborhoods hardest hit by crime and drugs. Anne Arundel County has four "hotspots":⁴⁹

1. The Monroe and President Street area of Annapolis
2. Pioneer City in West County;
3. Brooklyn Heights in northern Anne Arundel County; and
4. The Parole section of Annapolis

These are not the only problem areas of the County, however. For example, Clay St. was once the thriving center of Black Annapolis. A working class neighborhood with small businesses and nightclubs, it is where Billie Holliday performed regularly. However, by the end of the 1960s, Clay Street was showing signs of urban decay and abandonment and became notorious for its crime, drug dealing, and poverty. Census statistics show that 33 percent of residents here live below the poverty line, a third of the adults never went beyond 9th grade, and the area contains the highest concentration of subsidized housing in Annapolis.⁵⁰

However, the City of Annapolis and the community have made great strides in reversing these trends through the implementation of the Clay Street Revitalization Plan and residents are guardedly optimistic about the area's prospects for returning to its former glory days.

Racial and Ethnic Segregation

Clay Street itself is an example of a broader phenomenon of minority or immigrant enclaves in the County. The County's Hispanic population, for example, is concentrated in Shadyside, Severn, Linthicum and Londontowne. Anne Arundel's sizable African-American population is concentrated largely in portions of Annapolis, Crofton, Glen Burnie, and Severn.

According to an analysis performed by the Social Science Data Analysis Network, Annapolis ranks second only behind Baltimore among seven Maryland cities for segregation among blacks and whites.⁵¹ The segregation index is calculated according to the racial composition of neighborhoods. In Annapolis, whites live in neighborhoods that are 73.9 percent white, 17.7 percent black and 5 percent Hispanic.⁵² Blacks live in neighborhoods that are 33.5 percent white, 57.0 percent black, and 6.4 percent

Hispanic. Hispanics on average live in neighborhoods that are 46.1 percent white, 31.1 percent Black and 18.9 percent Hispanic.⁵³ The following table shows Annapolis' segregation index as compared to other Maryland cities.

Summary

Anne Arundel County is thus a generally affluent suburban County. But it is also a County with another side as well, one characterized by significant poverty, racial disparities, and limited access to decent housing, transportation, and health care. Especially distressing are the limited life-chances for many of the County's children.

As members of the same community, all residents of this County deserve the same opportunities for productive and fulfilling lives. Ensuring that those opportunities are available must therefore be a goal for all of us.

Table 3

Segregation: Dissimilarity Indices

Maryland Cities Ranked by White/Black Dissimilarity Index

Rank	City	Minority Population	White Population	Total Population	Dissimilarity Index
1.	Baltimore	417,009	201,566	651,154	75.2
2.	Annapolis	11,205	21,137	35,838	56.2
3.	Bowie	15,339	30,709	50,269	49.2
4.	Rockville	4,200	29,342	47,388	43.6
5.	Gaithersburg	7,457	25,818	52,613	39.6
6.	Hagerstown	3,661	31,244	36,687	34.9
7.	Frederick	7,641	39,568	52,767	32.3

Source: Maryland Segregation Dissimilarity Indices, U.S. Census of Population, 2000

NOTES

Chapter 3

The Community Foundation of the Chesapeake: How It Can Help You Help

While Anne Arundel County has a significant number of problems, it also has enormous resources with which to address these problems. The most important of these are the skills and commitments of the County's residents and the financial and material wherewithal they can muster. Also important, however, are the institutions that this community has created to help it mobilize those resources and bring them to bear on pressing problems.

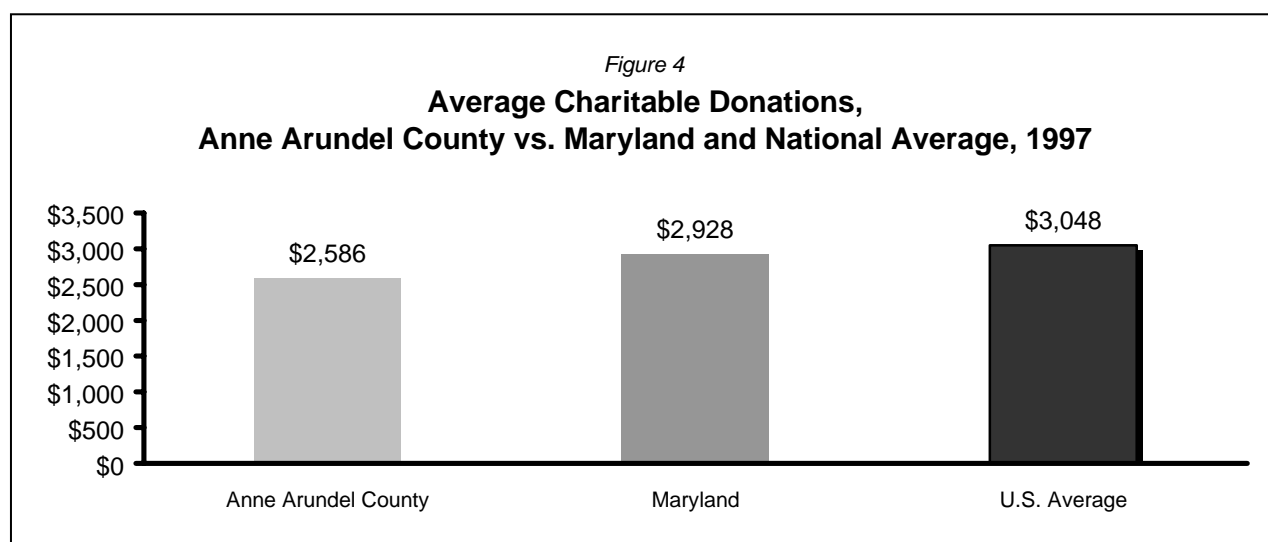
The most obvious of these institutions are our governmental agencies at the state, County, and city levels. Many public programs are already in place to help Anne Arundel residents improve their quality of life, and the County is blessed with dedicated public servants committed to making this a better place to live.

But Americans have never relied solely on government to solve their public problems. Rather we have supplemented public action with a vibrant tradition of private initiative, of voluntary citizen action, charitable giving, and private nonprofit organizations.

The Challenge

This tradition is certainly evident in Anne Arundel County. The County has an impressive new health complex financed in important part by private philanthropy. It boasts a private arts center, a respected private college, and an impressive array of private human service agencies. Indeed, more than 11,000 people are employed in the County's private, nonprofit charitable institutions — nearly as many as the construction industry and 75 percent as many as all branches of manufacturing.⁵⁴

Yet, the record of private charitable activity in Anne Arundel County, while substantial, is still far from what it could be. Indeed, despite its above-average median income, Anne Arundel lags behind the nation, and behind the Maryland average, in its level of charitable giving. In fact, as of 1997, the latest year for which such data are available, the average charitable contribution claimed by Anne Arundel residents on their tax returns was 15 percent below the national average, and 12 percent below the



Source: See Endnote 55.

average for the State of Maryland (See Figure 4).⁵⁵ Perhaps because of this, the County's nonprofit employment, at 6.8 percent of total private employment, is the sixth lowest in the state, and well below the state average of 11.3 percent.⁵⁶

All of this suggests a need to boost the levels of private charitable activity in Anne Arundel County to tap the considerable wealth that exists in this County and enable donors to channel it into activities that can improve the quality of life for all the County's residents.

It was to meet this need that a group of citizens came together to form the Community Foundation of the Chesapeake (CFC) in 1998.

What is a Community Foundation?

Community foundations are essentially:

- ❑ grant-making organizations;
- ❑ controlled by local private citizens;
- ❑ that seek to enable donors to achieve their charitable objectives in the most flexible and efficient way;
- ❑ and thereby build a base of charitable assets;
- ❑ for use to improve the quality of life in a community;
- ❑ over the long term.

How does the Community Foundation of the Chesapeake Embody these Features?

Each of these features is crucial to the concept of a community foundation, and each finds reflection in the structure and operation of CFC. Thus:

A grant-making organization. CFC is not an operating nonprofit organization and therefore does not compete with existing organizations or duplicate their functions. Rather, it tries to strengthen these organizations and generate additional support for them. Examples of these efforts include our creation and sponsorship of what has be-

come an annual Philanthropy Day to celebrate prominent philanthropists in our community, the grants we have distributed to numerous local charities, and the role we have played in helping to create a Volunteer Center and to offer fundraising training to local nonprofit agencies;

Locally controlled. CFC is governed by an independent board of local private citizens. It is not controlled by any unit of government and is totally non-political and nonpartisan. The members of the Board of CFC are prominent leaders of our community who are dedicated to improving the quality of life for all our citizens. A full list of the foundation's Board of Directors can be found at the beginning of this report;

Donor-driven. Like other community foundations, CFC offers donors exceptional advantages for managing their charitable activities. It thus provides donors a cost-effective alternative to setting up their own foundations, with all the costs and complication that can entail. In particular:

Named funds: Donors can establish funds that carry their name in perpetuity. The community foundation manages these funds and all grants made from them are identified by the name of the original donor;

Numerous types of funds: CFC offers donors enormous flexibility in setting up their named funds. Among the options that are available are these:

Donor Advised Funds, in which the donor, or his or her heirs, gives instructions to the CFC Board about the specific use to be made of the proceeds of the fund;

Field of interest funds, in which the donor specifies the general field he or she wishes to support, but leaves it to the foundation staff to decide which organizations to support at a particular time. Virtually any valid field of charitable activity can be supported through the foundation, including health, education, employment and training, the arts, children's services, family services, emergency aid, elderly services, housing, environmental protection, equal rights, and many more;

General funds, in which the donor leaves to the foundation board the decision about which community needs are most pressing at a point in time;

Charitable lead trusts, in which the fund is used to support a set of charities during the donor's lifetime, after which the assets are conveyed to the donor's beneficiaries;

Charitable remainder trusts, in which the fund is used to provide income to a beneficiary (e.g. a spouse) during that beneficiary's life, after which the remaining assets are devoted to a charitable purpose.

Exceptional tax advantages. Like other community foundations, CFC also offers donors more generous tax advantages than any other type of charity. For example, contributions to community foundations are not subject to the same limitations as apply to independent foundations.

A civic endowment. CFC's primary objective is to build a secure endowment for community problem-solving, a pool of assets available to address community problems over the long run. CFC therefore does not compete with United Way or other charities seeking annual support. Its goal is to create an asset base that can earn enough interest and dividends to supplement these other sources of annual support and be a permanent resource that this community can count on into the future.

CFC is also available to help other donors manage their charitable activities more efficiently. This can include corporations, small private foundations, or individuals. CFC can also aid operating nonprofit organizations with the task of asset management. CFC has organized a Finance Committee chaired by Robert K. Elling, a local financial leader, and composed of some of the ablest financial managers in this region to ensure that the assets in its safekeeping are managed prudently but effectively.

Community focus. CFC creates important efficiencies by pooling charitable resources and bringing them to bear effectively to address community problems. It thus offers donors advantages and impact that individual gifts cannot achieve. CFC staff constantly analyze community problems and evaluate the work of local organizations. They are thus able to make informed charitable investments, relieving individual donors of the need to investigate each charity themselves. In addition to making grants,

CFC engages in a broad range of community leadership and partnership activities, serving as a catalyst, convener, collaborator, and facilitator to identify community problems and formulate solutions to them. This is an added plus that comes from pooling assets and focusing on a particular region.

The geographic focus of the foundation's work is the Chesapeake region of Maryland, embracing Anne Arundel, Calvert, Charles, and St. Mary's counties. Initially, however, the foundation is focusing particularly on Anne Arundel County. Grants to organizations outside this region are permissible at the discretion of donors, but the foundation's principal objective is to make sure that charitable assets are available to solve the problems of this region;

A long-term commitment. CFC conceives of its role as a long-term one. It seeks to create a permanent pool of assets that can be drawn on by subsequent generations to make sure that this remains a vibrant and healthy community committed to providing opportunity for all in a safe and supportive environment. This is reflected in CFC's slogan: "For Good, For Ever."

A National Movement

CFC is one of ten community foundations in the State of Maryland and over 660 in operation nationally. As of 2002, these foundations held \$30 billion in assets, nearly double the amount they held a decade earlier. Indeed, community foundations have been the fastest growing type of foundation, tripling in number over the past two decades and doubling their assets in the past decade alone.⁵⁷

The major reasons for this are very likely the extraordinary **flexibility** and **efficiency** that community foundations offer. As noted, community foundations give donors an extraordinary array of alternative ways to put their charitable impulses to work. And they are dedicated to responding to each individual donor. Community foundations also allow donors to achieve real economies of scale with their contributions, ensuring that administrative costs are minimized and that resources go to organizations that have demonstrated their effectiveness. Reflecting this, the work of community foundations has been promoted by a number of national

organizations, including the Charles Stewart Mott Foundation and the Council on Foundations.

The Community Foundation of the Chesapeake is a member of the Maryland Community Foundation Initiative, sponsored by the Association of Baltimore Area Grant makers in collaboration with the Council on Foundations. CCF subscribes to the Council on Foundation's Code of Conduct for Community Foundations and is a 501 (c)(3) public charity incorporated in the State of Maryland and registered with the U.S. Internal Revenue Service.

On Our Way

Now in its fifth year of operation, the Community Foundation of the Chesapeake is well on its way to joining the growing family of such foundations across the country.

It operates a number of donor-advised funds on behalf of local philanthropists;

It has established two Unrestricted Funds to serve priority needs identified by its Board:

The Special Needs Fund—to cope with emergency and other related needs of the region's residents.

The Project Independence Fund—to provide support for organizations working to equip individuals to achieve economic independence through skills training, work readiness training, rehabilitation, transportation assistance, day care, or other supportive services.

It has a Finance Committee, chaired by Robert K. Elling, that formulates investment guidelines and oversees the management of the foundation's assets;

It manages a set of investment accounts at RBC Dain Rauscher, BB&T, and Bank Annapolis.

It recently received a three-year matching grant from the Harry and Jeanette Weinberg Foundation of Baltimore to help underwrite the administrative costs of the foundation, an important vote of confidence in what we are doing.

It has organized briefings for the community's legal and financial advisors to make them aware of the Community Foundation and the unique tax and other advantages it offers to donors;

It has distributed grants for college scholarships, emergency assistance to County residents, job training, and home ownership assistance;

It recently sponsored scholarships that allowed thirty-two area fundraising professionals to attend a special course on fundraising.

It has played a key role in establishing the tradition of an annual Philanthropy Day Luncheon to honor a prominent Anne Arundel County Philanthropist.

Join Us

Community Foundation of the Chesapeake is eager to expand its capacity to improve the lives of Anne Arundel County residents and serve the needs of Anne Arundel philanthropists. We welcome your support and interest.

The Needs Assessment offered here should be a call to action to every Anne Arundel County resident. Despite a life of plenty for many, Anne Arundel County still offers a life of want for many of our citizens. We can do better than this, and we can do it on our own initiative, without waiting for government to require it.

We have built the Community Foundation of the Chesapeake as a place where donors of all sizes and interests can find a home for their charitable passions, and where citizens can join together to improve the communities in which we all live. We invite our friends and neighbors to occupy the structure we have started for them and help us extend its reach. Contact us today by phone, fax, mail, or e-mail at the numbers listed on the back cover to learn how the Community Foundation of the Chesapeake can help you achieve your charitable objectives and improve the quality of life for all people in this region. We look forward to hearing from you.

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The Chesapeake Community Foundation is one of 10 such foundations in Maryland and one of over 600 across the United States. Its goal is to build a permanent source of charitable funds dedicated to addressing the needs of the local community today and into the future.

We provide a flexible way for individuals and corporations to pursue their charitable goals without unnecessary hassle. The Community Foundation manages these funds on behalf of the donors and makes sure they are used to serve the donors' purposes in the most effective fashion.

2083 West Street, Suite 203
Annapolis, MD 21401

Phone: 410.266.8836
Fax: 410.266.6678

www.chesapeakecommunityfoundation.org