

GARY L. YATES PROFILE

Empathy, Service and Guts — Gary Yates’ Style

**President and CEO Recalls
20 Years Promoting Strategic
Responsive Grantmaking,
Transparency and Diversity**

By Magdalena Beltrán-del Olmo



A Leader Remembers

“A great mystery” is how The California Wellness Foundation President and CEO Gary L. Yates describes his perception of philanthropy more than 30 years ago when he was associate director of the division of adolescent medicine at Children’s Hospital Los Angeles (CHLA).

“That was the early ‘80s; there were no websites. There wasn’t a lot of what people take for granted today,” a prevalence of technologies like the Internet, computers and even fax machines, Yates said, especially at the offices of a nonprofit organization. “And so the information that you could glean — if you could get ahold of it — was in annual reports. But not all foundations — in fact, most — didn’t do annual reports at the time.”

Little did he know that a mere decade later, Yates would not only help establish a major California health foundation that became nationally recognized for its ground-breaking grants and communications programs, but he would become known in the philanthropic field as a principled, gutsy leader unafraid to plow new ground.

Now, on the eve of his retirement, Yates remembers his nearly 20 years at the Foundation, of which almost 18 were spent as trustee, president and CEO promoting greater transparency about the field's practices, increasing core operating funding for nonprofits, and advocating for a service orientation toward grantmaking.

A Grantmaking Style Forged by Experience and Empathy

A tall man possessing keen analytic skills, a sharp wit and engaging public-speaking delivery, Yates' demeanor defines "gravitas." Beyond the aura of a serious foundation executive, he is also husband to Ann, a schoolteacher, and father to their five sons. Yates remembers the early struggles of raising their children during tough economic times, including relying on public assistance to care for chronically ill family members.

At CHLA, his professional work with troubled youth left a deep

impression on him, seeing firsthand the gaps in health and human services and the way in which families and youth would suffer or could benefit from the systems. Together with his health background, these experiences fostered his empathy for underserved communities and helped to shape his approach to philanthropy.

As a licensed family therapist, Yates also taught at the University of Southern California's medical school, helping to train doctors, psychologists and social workers in caring for adolescents. During his time at CHLA, he first became acquainted with philanthropy when he worked on a project funded by the Robert Wood Johnson Foundation (RWJ), which was then and is still today the country's largest health funder. His role included writing grant proposals, which helped him learn about myriad differences in foundations' approaches to grantmaking.

His Reputation Attracts the Attention of a New Health Funder

So how did Yates end up at the Foundation?

"The first president was looking for someone to come in and be the first senior program officer whose job would be to develop the Foundation's initiatives," Yates said. That president, Howard Kahn, had

heard about Yates' work at Children's Hospital and called him for an interview. Within a day, Yates was offered the job.

The year was 1992 and the Foundation had just been created, thanks to the conversion of Health Net from a nonprofit health plan to a for-profit corporation. As part of the authorization, the state required Health Net to establish a private independent foundation with an endowment devoted to health funding. At that point, TCWF was one of the earliest and largest health-focused foundations in California.

And boy did it hit the ground running. The Foundation immediately needed to pay out grants, per the requirements of the conversion — and fast!

"We had to get \$15 million out the door" within the first 18 months, Yates said. He and his colleagues began to do this without a grants program in place, an experience that left Yates feeling "discombobulated" and stretched thin.

But they pulled it off. And an annual report was published too, starting the path of transparency that continues today. Yates still remembers the first two grants he made: to the Sacramento-based Center for Community Health and Well-Being and the South Central Family Health Center.

"In both these cases, these incredible individuals who ran the programs had a profound effect on

“ It has been an honor and a privilege to have been able to support so many outstanding individuals and organizations for almost two decades. Thank you for the opportunity and for the great work you do on behalf of the people of California.

—Gary L. Yates

“serving the underserved,” Yates recalled. “The folks in the nonprofit centers that work in health and human services do an amazing job of forwarding their missions under usually very difficult circumstances.”

Committed to Long-term Funding and Diversity

Yates said the founding Board was very clear about the grantmaking it wanted: proactive, long-term initiatives like those pioneered by RWJ. Because a critical number of its trustees also had public health backgrounds, they consciously took advantage of the attention heaped on TCWF to make an impact in an area not viewed through the public health prism: violence prevention.

“It was not staff’s recommendation, but it was the first one the Board decided on,” Yates said about the Violence Prevention Initiative, which was unique in its structure with four key components: public policy, community action, leadership development and research. Funded at \$60 million for 10 years, it went on to become a signature area for the Foundation and Yates became known as its tireless champion. Four other initiatives followed, including teen pregnancy prevention.

Diversity was also on Yates’ radar.

“When I was hired as president, we had to staff up,” doubling employees from 20 to 40, which he did, achieving a broader racial and ethnic diversity when he finished hiring, he said. For the Board, the increase was even greater — with the original four board positions ultimately

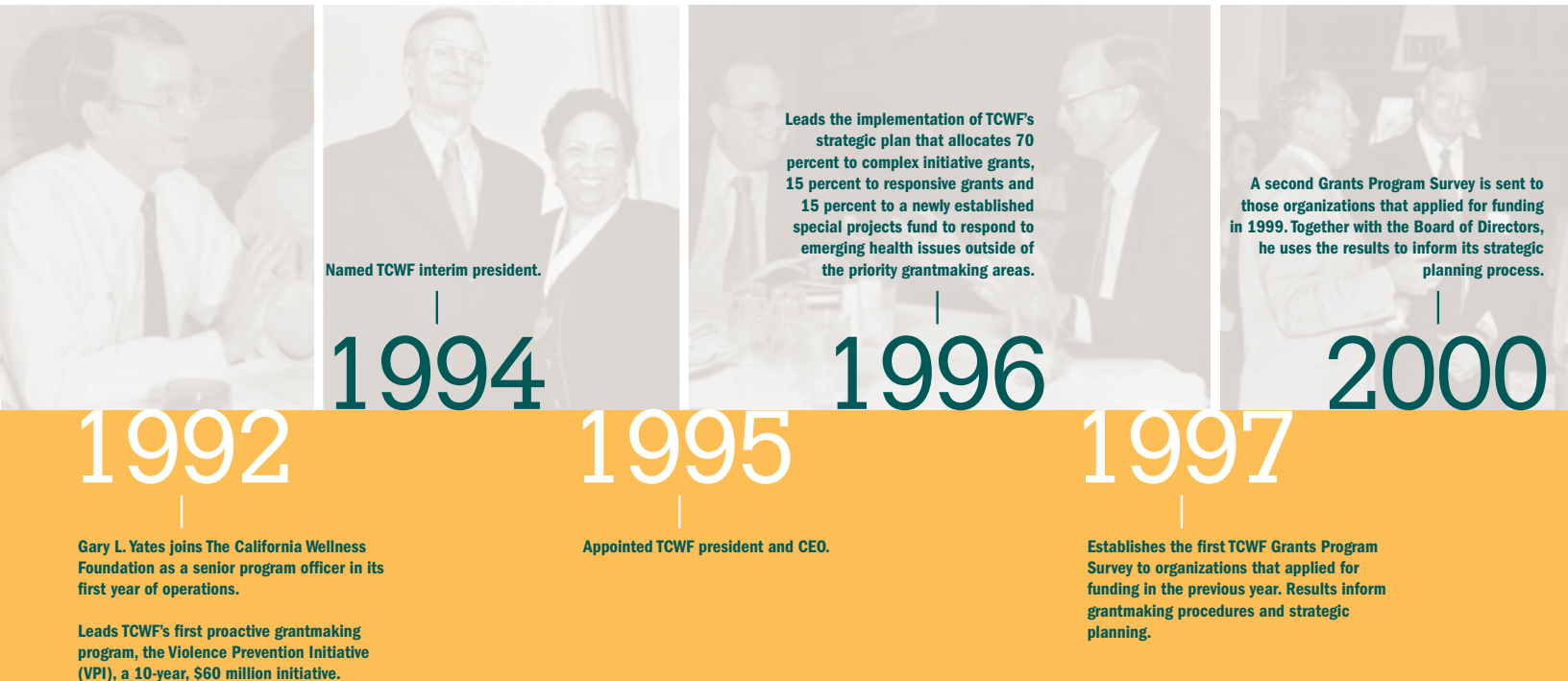
increasing to 11. By 2009, the Board’s ethnic composition reached 70 percent and half were female.

“My thinking was that a foundation whose mission is to improve the health of the people of California, especially with a focus on the underserved, needed to at least have some consciousness about the diversity of the state,” he said.

“The folks in the nonprofit centers that work in health and human services do an amazing job of forwarding their missions under usually very difficult circumstances.”

Yates said philanthropy has made great strides in promoting diversity and is “a great leader” in promoting women — outperforming Fortune 500 companies at the executive and program staff level. “So philanthropy should get credit for that,” he said.

Yates has also advocated for the funding of public



education campaigns that embraced social marketing strategies, bipartisan polling — unheard of at the time — and paid print and broadcast advertising targeting specific audiences, rather than relying on unpaid public service announcements (PSAs).

One of those early efforts in 1994 was the \$4 million public education campaign on the potential consequences of Proposition 188, a state ballot measure that, if passed, would have weakened tobacco control laws in the state and have resulted in increased health costs. The Foundation-funded campaign took no position and simply laid out the facts from the state’s voter information guide in paid advertisements.

“It was seen by the Board as high risk and controversial,” Yates said of the paid ad buys. But he became a believer when he saw the results. Despite a \$35 million advertising blitz from the tobacco industry to pass it, Prop. 188 was roundly defeated at the polls.

That first decade of initiative-focused funding also taught Yates about listening to feedback and the importance of making long-term funding commitments to give grantees ample time to attempt to make an impact.

“On many issues, the Foundation has stayed in it for the long term,” Yates said. “There were a lot of high points with outcomes from some of the initiatives,” like violence rates going down and teen pregnancy rates dropping by 50 percent. “So, these were terrific outcomes...and that felt really good.”

But Yates knew there were downsides to initiatives

too, including limiting a grantmaker’s ability to respond to nonprofit organizations’ own program needs.

Decade Two: A Strategy for General Operating Support

In the second decade of Yates’ tenure, he guided the Foundation’s shift to the Responsive Grantmaking Program (RGP), which was the polar opposite of the more directive, restricted, initiative-style programs of its first decade.

“We had a lot of feedback and evidence that in many cases we had done some harm, that we had stretched organizations beyond their capacity,” Yates said. “We could easily see that, as the initiatives were winding down, the idea that somehow [grantees] were going to magically find money somewhere to continue all the work just wasn’t true.”

The RGP called for the Foundation to be open to funding requests from California nonprofits in eight health areas. An invitation to apply was not required, unlike initiatives that issued requests for proposals to select organizations. The application process was truly an open one, not a common scenario in the world of foundations.

The decision left many in the philanthropic field confused, with some believing the Foundation was losing its strategic focus. But it didn’t faze Yates — or the Board.

As the Foundation’s five, 10-year complex proactive grantmaking programs (the Violence Prevention Initiative, the Health Improvement Initiative, Work & Health Initiative, Children and Youth Community Health Initiative and Teen Pregnancy Prevention Initiative) sunset, Gary leads the Foundation to increasingly emphasize a more responsive grantmaking approach, characterized by the provision of core operating support.

2002

Continues to lead the staff in implementing the Responsive Grantmaking Program that emphasizes the provision of core operating support with an emphasis on the following health issues: diversity in the health professions, environmental health, healthy aging, mental health, teenage pregnancy prevention, violence prevention, women’s health, and work and health. The Foundation continues to maintain funding of special projects.

2007

Together with the Board of Directors, reauthorizes the Responsive Grantmaking Program through 2014 with a continued emphasis on core operating support — now comprising 79 percent of grants made — in response to the Great Recession and continued California fiscal crisis. Announces his plans to retire at the end of the following year.

2010

2001

Leads the implementation of the strategic plan funding in eight health issues with an emphasis on the provision of core operating support.

2003

Leads the Foundation as it launches the TCWF Champions of Health Professions Diversity Award, which acknowledges the commitment of champions to increase California’s health care workforce and its diversity.

2009

Awarded the Grantmakers In Health Terrance Keenan Award, which honors outstanding individuals in the field of health philanthropy whose work is distinguished by leadership, innovation and achievement.



Fifty years is how long Yates has been working, so he looks forward to fun time, including traveling for pleasure with his wife and spending more time with his family, which now includes three grandchildren and one more on the way.

The Yates family in 2010.

For the first time, there was “100 percent consensus” among the Board to go with the RGP, Yates said, and it “just thought emphasizing funding for core operating support was the greatest thing ever.”

“Providing core operating support may not seem strategic to some,” he said. “However, under the economic and social conditions that prevail today, sustaining the already frayed safety net is one of the most strategic things a foundation can do for those who lack other access to health care. For those of us in health philanthropy, the safety net also implies the saving of lives.”

And, with the passage of the Affordable Care Act, Yates believes grantees have the flexibility to use core support dollars to expand capacity to serve the increasing number that will seek health services and to increase the health workforce and its diversity, which is also a current funding priority for the Foundation.

In this era of a Great Recession that has contributed to cutbacks in government funding and eroded foundation endowments, Yates believes unrestricted core support is helping nonprofits address the greatest challenges they face today.

“But also, there’s the heart of philanthropy,” he said. “And when you see such struggles with working-class people in the country who can’t find work anymore, and the strains on health and human services nonprofits, I think to the extent possible, being helpful there, that’s

where our focus comes from. It’s just really important to remember that foundations play at the margins, so obviously we have to be strategic.”

It’s a message he shares with many in the philanthropic and nonprofit world, thanks to more than a million miles he has logged in his travels throughout the state and nation. Yates has served as chair, officer or trustee with many of the key affinity groups in the field, among them the Council on Foundations, Grantmakers In Health, Independent Sector and Hispanics in Philanthropy.

Fifty years is how long Yates has been working, so he looks forward to fun time, including traveling for pleasure with his wife and spending more time with his family, which now includes three grandchildren and one more on the way. But in his retirement, he will also find satisfaction remembering his time at the Foundation.

“I really believe the work that we have done here as a whole has actually contributed to the good side of things as opposed to causing harm,” he said. “The way in which the staff of the Foundation has embraced the concept of being a service organization has been very important to me.

“I think all of us who have worked here ought to take notice of it and feel very good about that as an accomplishment, that we actually did something that contributed to the well-being of the people of California. Not everybody gets to do that.” 🙏

Inside CalWellness.org More Than Meets the Eye



Click on the “For the Media” box on the homepage of CalWellness.org or navigate to CalWellness.org/news to access our Gary L. Yates Legacy Newsroom.

A Legacy of Service

Background on how Yates’ history as a health provider, advocate and fundraiser greatly informed his approach to grantmaking.

Timeline

An easy-to-print version of a timeline of milestones in Yates’ tenure at the Foundation.

News Alert

Foundation announcements related to Yates’ retirement. Please check back regularly, as news items will be added in the coming months.

Biography

Yates’ professional biography, which includes his involvement in the leadership of numerous philanthropic, civic and community organizations.

Gary L. Yates’ Messages and Opinion Pieces

This section includes his reflections about his tenure as TCWF’s president and CEO and commentary from past years on a range of topics, from the need for core operating support to the importance of maintaining a long-term focus on one’s grantmaking.

Profile

Direct link to the article “Empathy, Service and Guts — Gary Yates’ Style” from this issue of *Grantee* magazine.

Photos

Downloadable photographs of Yates.

CalWellness.org Newsroom

SEARCH SITE [] GRANTS DATABASE CREDITS

HOW TO APPLY LEADERSHIP RECOGNITION GRANTEE MAGAZINE HEALTH JOBS

ABOUT US PUBLICATIONS RESOURCES CONTACT US

GARY L. YATES LEGACY

Grantmaking for a Healthier California

20 YEARS Celebrating a Legacy of Service GARY L. YATES

[A Legacy of Service](#) | [Timeline](#) | [News Alert](#) | [Biography](#)
[Gary L. Yates' Messages and Opinion Pieces](#) | [Profile](#) | [Photos](#)

The California Wellness Foundation celebrates Gary L. Yates' legacy of service to the nonprofit sector. He has left an indelible mark on philanthropy by spearheading the pioneering initiatives, public education campaigns and core operating support grants that build and sustain the institutional capacity of health and human service nonprofit organizations. His time as a health provider, advocate and fundraiser greatly informed his approach to grantmaking.

He has applied a visionary lens to the issues he champions — responding to the needs of the underserved and developing a responsive grants program that respects the mission and resources of nonprofits. The California Wellness Foundation Board and staff thank Gary for his strong commitment to the Foundation's mission and for the high quality of its programs and operations.

QUICK LINKS

- [Home](#)
- [Responsive Grantmaking Program](#)
- [Frequently Asked Questions](#)
- [News Releases and Op-Eds](#)
- [Contact Us](#)

This special section celebrates and recognizes Yates’ legacy of service to philanthropy and the nonprofit sector. It will be updated periodically throughout the rest of the year. Please visit it regularly.