



Taking Flight in Turbulent Times

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Taking Flight

Whether in times of crisis or prosperity, Silicon Valley Community Foundation's mission is to help people give and get assistance.

As we embark on our third year, even in the midst of a perfect economic storm, our work continues. The need for the assistance we provide is more crucial than ever, and we pledge to act promptly, make adjustments when necessary and remain steadfast in our mission.

Successes and lessons learned in our first two years, along with expertise from our parent foundations, have enabled us to serve the community decisively and efficiently. Our new strategies, developed with extensive community involvement, have allowed us to be fast and flexible in addressing challenges posed by the worst social services crisis in memory.

All of our efforts contributed to raising \$5 million for local safety-net organizations. From our endowment we contributed

\$2 million, donors contributed \$1.7 million, and our family of fund advisors gave an additional \$1.3 million through our Community Connections online



Exchanging ideas with Emmett D. Carson and Nancy H. Handel.

opportunities. We distributed grants ranging from \$10,272 to \$300,000 to 47 frontline food and shelter providers. Because money alone is not enough, in December we convened nearly 50 leaders of safety-net organizations to examine the crisis and explore public policy solutions.

We believe that a common thread among these diverse displays of generosity was trust that the community foundation would effectively target these gifts to the areas of greatest need.

We have labored to be on point with other crucial needs. We have asked questions and, more important, listened to the community. We have sponsored research to help us all make decisions based on shared facts and not shared fears, and to anticipate new challenges. We have framed issues and developed strategies to address the most challenging problems.

In return, we appreciate the confidence donors have placed in our ability to manage funds, process grants, and provide research and advice. We are grateful to the donors and nonprofit partners who contribute talent and treasure, professional advisors who help clients maximize their philanthropy, and friends across the community who join in our commitment to creating lasting change. Because of them, our work will continue to address short-term needs and strive for long-term success.

Numbers are just one measure of our work, but even in a year filled with dismal economic news, participation and support have been gratifying. We raised \$190 million. Our family of philanthropic funds made \$264 million in grants in 2008, up from \$242 million in our first year. About 660 donors joined us at 34 educational and networking events, and 1,300 participated in our first Regional Meeting. Some 39 companies and 84 nonprofits continued to partner with us to create innovative solutions to pressing needs. The free community conference rooms at our Mountain View headquarters and San Mateo and San José satellite offices have hosted 21,551 visitors and 839 meetings.

The most important number, however, is one. We are one region and one community.

Even if the recovery is anemic and slow, and even if needs grow worse before they get better, we must take flight as one community, both in today's stormy weather and the clearer skies that are surely ahead.

Emmett D. Carson, Ph.D.
CEO and President

Nancy H. Handel
Board Chair



Learning from safety-net leaders at our Food and Shelter Summit.

Making Grants That Matter

Silicon Valley is constantly innovating and evolving, and as the community foundation that serves this region, we must do likewise. We act as a crossroads, a place where donors with varied interests, nonprofits with innovative ideas, and government, religious and financial institutions come together.

In our first two years, grants from the community foundation totaled \$506 million, and the types of grants and funds reflect that diversity. In 2008, that included \$36 million in grants from our corporate funds. International grants increased significantly to \$11.3 million, up from \$2 million in 2007.

From our endowment and discretionary funds, the community foundation is committing more than \$8 million annually in San Mateo and Santa Clara counties focusing on five strategies: economic security, immigrant integration, closing the middle school achievement gap in math, regional planning, and a community opportunity fund that includes grants for safety-net services. The first grants under these strategies, which were

announced in September of 2008 following a thorough review of needs and ideas, were issued in December of the same year. In the interim, we continued funding programs in the region using our parent foundations' guidelines.

These strategies positioned us to make an immediate impact. Take economic security, for example. One in five residents in our region is asset poor, meaning they don't have access to a three-month cash reserve for unexpected emergencies. Our strategy supports counseling to prevent foreclosures, and promotes both financial literacy and asset building, two crucial aspects that often are treated separately.

In a region where one-third of the residents are immigrants and nearly half the work force is foreign-born, we are working to strengthen the legal services infrastructure that helps people deal with citizenship issues and anticipated changes in immigration laws. We support programs that promote English competency and bridge the broad cultural gap between immigrants and receiving communities. With many jobs dependent on a tech-savvy work force, we must also boost math education through in-school and out-of-school programs. And through our regional planning strategy, we will ask big-picture questions about how we want to grow as a region.

"Philanthropy is about innovation and taking risks," says Steve Gunderson, president of the Council on Foundations, which represents 2,200 grantmaking organizations. "Silicon Valley Community Foundation was born out of an innovative merger, and I'm not surprised that they have built innovation into their grantmaking strategies. These are not easy issues, but as a community foundation they are uniquely positioned to bring people together to work on the social issues that affect their region."

No one institution can bring about change of the magnitude that is needed. We hope that our new strategies bring key issues to light for other funding partners. Together, we can share lessons, replicate successful solutions throughout our region, and expand our efforts far beyond what our endowment dollars, or any dollars alone, can do.

➔ **Find more about our grantmaking strategies at www.siliconvalleycf.org/grantmaking**

"By supporting programs that help families as they work toward financial stability, Silicon Valley Community Foundation will have a real impact on breaking the cycle of poverty in Silicon Valley."

—ERIC WEAVER, CEO, OPPORTUNITY FUND



Donors volunteering at Second Harvest Food Bank.

“One goal is to set up a thoughtful giving approach as compared to our reactionary donations in the past ... We want to be proactive in finding and supporting causes that matter to us.”

—KEN CALHOON, FUND ADVISOR

Reaching Far and Wide

The generosity of our donors spans the globe. Thanks to them, families can put food on their tables, both in our region and in the neediest regions of the world. Low-income students experience excursions that spark discovery outside the classroom. Residents benefit from green building programs, and children and elders in a rain forest half a world away learn about protecting their own fragile ecosystem.

Because each person's giving goals are unique, we offer a variety of giving vehicles: donor advised funds that maximize tax benefits and allow great flexibility in distributing grants, field of interest funds that support specific causes, scholarship funds to support students, gifts of real estate, funds based on estate planning and much more.

Donors turn to us for expertise in supporting the causes that mean the most to them. From personal philanthropy managers to updates on investments to grants-processing support, we provide world-class donor services. Every day donors and philanthropy managers catch up on the phone or online. We help donors and professional advisors navigate international regulations and the Pension Protection Act so they can maximize gifts and limit red tape. In an average week, our grants and gifts administration department processes 210 grants and \$3.5 million in gifts.

→ **Read about ways to give at**
www.siliconvalleycf.org/giving

Large and small companies, whether they have a long history of giving or are just getting started, rely on us to take their corporate philanthropy to the next level. Last year, we created a business services department offering even more ways to tap into the powerful potential of corporate philanthropy. We currently work with 39 corporations, including Adobe, Cisco, eBay, Electronic Arts, McAfee, Microsoft, NVIDIA and Shutterfly. We're here to help them meet their social responsibility goals and create their own brands of philanthropy, whether they want financial transaction services or help digging deep for information and strategic thinking.

Through one partnership, NVIDIA's employee-led foundation raised money that will feed 300 children every weekend for the next three years. After we helped Shutterfly develop a vision and mission in 2007, the company awarded \$120,000 in grants to 12 organizations focused on children's education and family issues. "Applied Materials' grantmaking has become even more impactful and informed as a result of tapping into the expertise of Silicon Valley Community Foundation's staff and their broad knowledge of issues, organizations and compelling investment opportunities in the region," says Siobhan Kenney, of the company's Global Affairs team.

Because need exists in communities far beyond Silicon Valley and because our donors want to help, we have streamlined international grantmaking through partnerships with organizations such as Give2Asia. Our donors provided \$11.3 million in international grants in 2008, among the highest of any community foundation.

Just as we've branched out in new directions with corporate philanthropy and international giving, we continue to seek new ways to extend the effect of our expertise, our money, our influence and our partnerships.

Joining Together to Create Change

Change can come through public policy, new funding proposals, or research and exchange of information. So as a comprehensive center for philanthropy, we bring people together and encourage discussions that drive successful, new approaches.

Creating a new tradition, 1,300 people gathered at the Flint Center for our first Regional Meeting and a celebration of the first part of our merger. We also used the occasion to outline immediate steps to help our mutually interdependent community feed the hungry and shelter the homeless.

During an extraordinary economic crisis, traditional approaches fall short. Our Food and Shelter Summit brought together leaders of 50 basic-services providers. Together, we explored long-term solutions such as coordinated, targeted and sustained advocacy and other ways to reach decision-makers who control funds and make laws that can help or impede food and shelter services.

Along with Stanford University's Office of Planned Giving, we co-hosted the Conference on Charitable Giving featuring renowned presenters and a variety of significant topics in the gift and estate planning field. More than 40 percent of all new donor advised funds at the community foundation resulted from a professional advisor referral, and the conference offered educational and networking opportunities for these unsung heroes in philanthropy. About 300 advisors and planned giving professionals attended, exceeding the previous year's attendance by 48 percent.

At a time when public policy decisions are crucial to the

causes important to donors, we developed workshops on advocacy and lobbying. Donors and other experts who have worked to inform policymakers shared their experiences and insights. In tandem with this donor education, we took our first steps into advocacy by supporting Measure J in San José to maintain 911 emergency call centers, which voters approved in November. Through our Peninsula Partnership Leadership Council initiative, we work with influential leaders from multiple disciplines across San Mateo County to formulate policies that support children, youth and families. The council created the Bill of Rights for Children and Youth, one of the first in the nation, and we became the first group to endorse this landmark document, which serves as an important resource for local and state leaders as they consider policies affecting our children.

From panel discussions to published reports, we continue to shine a light on pressing problems and innovative solutions, and we provide learning opportunities for others who seek to make a difference. With needs so great, we should provide nothing less.



Hands-on Resources

Information is power. At www.siliconvalleycf.org and in print, we offer a variety of informative, hands-on resources to help donors, nonprofits and other partners stay informed on important issues affecting our community.

- *ONE: Innovation Through Philanthropy* magazine, which features novel ideas, best practices, charitable challenges and inventive solutions.
- Regular e-newsletters designed specifically for donors, professional advisors and community members featuring relevant articles, insights from the CEO and the latest updates on our giving, grants and events.
- Downloadable resources such as the research papers that informed our new strategies; the *Index of Silicon Valley*, the comprehensive snapshot of our region produced with Joint Venture: Silicon Valley Network; and fact sheets on timely issues, such as the *New Face of Need*.

➔ Sign up for events throughout 2009 at www.siliconvalleycf.org/events



Starting a new tradition at our first Regional Meeting.

Focusing on Financial Responsibility

Even with record market declines and dark economic clouds, we are not prone to panic. We remain focused on a coherent investment philosophy geared toward achieving investment goals. Taking the short view and adopting a defensive posture

until conditions improve is likely to do more harm than good. Long-term perspective guides both our investment philosophy and many of our fund advisors' charitable goals.

In 2008, we successfully completed the merger of our investment pools and our institutional databases, making fund management and access to fund information even easier for fund advisors. Each of the five pools is carefully constructed and diversified across global investment opportunities to maximize return and minimize volatility. Also, in 2008 we reviewed each fund's activity and worked with advisors to align investments with their philanthropic goals and time horizons.

As an information resource and in the spirit of transparency, we released *Investing in the Common Good* in fall 2008. This report offers detailed financial information, an overview of our investment portfolio and a report on our first independent audit. Moss Adams LLP, a leading national accounting firm with extensive nonprofit experience, performed the audit, and the results speak to the successful, unprecedented transition of two complex community foundations into one of the nation's largest.

We will continue providing detailed, timely financial information for our family of donors, nonprofits and professional advisors. Reports and other financial information are available in print and online, and throughout the year, we will provide financial and investment updates. This type of reporting is essential for an institution of our size and complexity, and is consistent with our values of public accountability, integrity, responsiveness and innovation.

Our organization, like virtually every company and nonprofit across the country, has felt the impact of the economic downturn, leading to difficult budgetary decisions. We are watching every dollar and cutting back wherever possible. But we remain vigilant and committed to our mission. Too many people depend on us, and we will continue to make strategic decisions and take necessary actions to serve our community today and position ourselves to emerge even stronger when the economy improves.

Recognition

Prestigious local and national organizations have honored us with distinguished awards and recognition. Many are on display in our headquarters, including:

- Education for the World Ahead: Commitment to Excellence award from the Mountain View Whisman School District.
- Beacon of Light Award for community service from the Santa Clara County Office of Human Relations.
- Mayor's Award from the City of Mountain View for the community foundation's new headquarters.
- Certificate of Special Congressional Recognition for contribution and service to the community from U.S. Rep. Mike Honda.
- Four Wilmer Shields Rich Awards for excellence in communications from the national Council on Foundations: *ONE: Innovation Through Philanthropy* magazine (gold), Community Input Project issue briefs and www.siliconvalleycf.org (silver), and public information campaign (bronze).
- Ozzie design award from *Folio*: magazine for *ONE: Innovation Through Philanthropy*.
- "Best website" finalist from the PR News Nonprofit PR Awards.
- VFW National Home for Children bronze star donor.

➔ **Financial information in this document is current as of Dec. 31, 2008. Read updated information, learn more about our investment philosophy and download *Investing in the Common Good* at www.siliconvalleycf.org/finance**



Moving Forward in 2009

In 2008, we proved that our new ways of thinking and, more important, new ways of *doing* are on point with the issues our community faces today. But we're not through the storm yet. As our region, our nation and our world undergo jarring changes unlike any that most of us have experienced, we have an enormous opportunity to provide real leadership in challenging times. We want to grow and flourish as a region, not as a chain of individual communities divided by city and county borders and connected only by freeways and El Camino Real. However 2009 unfolds, we will weather the turbulent times ahead as one. Whatever your affiliation with our community and community foundation, we say thank you. We hope you look to us as a partner in making our region, and all of the communities within it, a better place.

By the Numbers

\$264 million: Total grants awarded in 2008.

\$36 million: Grants from our corporate funds.

\$11.3 million: International grants.

\$5 million: Raised for safety-net organizations from our endowment, donors and our family of fund advisors.

\$1.5 billion: Total assets under management.

21,551: Visitors that have used the free community conference rooms in our Mountain View headquarters and San Mateo and San José satellite offices at 839 meetings.

120,000: Children served nationally by Raising a Reader, one of our supporting organizations and an award-winning literacy program serving low-income families.

10,963: Number of grants distributed through our endowment and philanthropic funds to nonprofits in our region and beyond.

8,182: Total subscribers to our three e-newsletters specifically designed for donors, professional advisors and community members.

6,000: Children who prepared for school through Kickoff to Kindergarten, part of our school readiness program, since 2001.

1,500-plus: Philanthropic funds at the community foundation.

1,300: People who helped us start a new tradition at the 2008 Regional Meeting.

291: Scholarship grants awarded to hard-working students in our region through 46 scholarship funds.

50: Local nonprofits represented at our Food and Shelter Summit.

39: Corporations that manage their philanthropy through the community foundation.

9: Information sessions held throughout the region to discuss our new strategies.

6: Weeks in which donors matched our \$1 million Safety Net Fund challenge goal, which they went on to exceed by 70 percent.

1: Community foundation serving San Mateo and Santa Clara counties.



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We would like to thank the following individuals for their dedication and service on the board through 2008: Board Chair Patricia Bresee; Debra Engel; Bernadine Chuck Fong, Ph.D.; and Anne Yamamoto.

VISION, MISSION AND VALUES

The vision of Silicon Valley Community Foundation is to be a comprehensive center for philanthropy that inspires greater civic participation throughout San Mateo and Santa Clara counties.

The mission of Silicon Valley Community Foundation is to strengthen the common good, improve quality of life and address the most challenging problems. We do this through visionary community leadership, world-class donor services and effective grantmaking.

We value:

Collaboration	Integrity
Diversity	Public Accountability
Inclusiveness	Respect
Innovation	Responsiveness

SILICON VALLEY | **community foundation**SM
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