

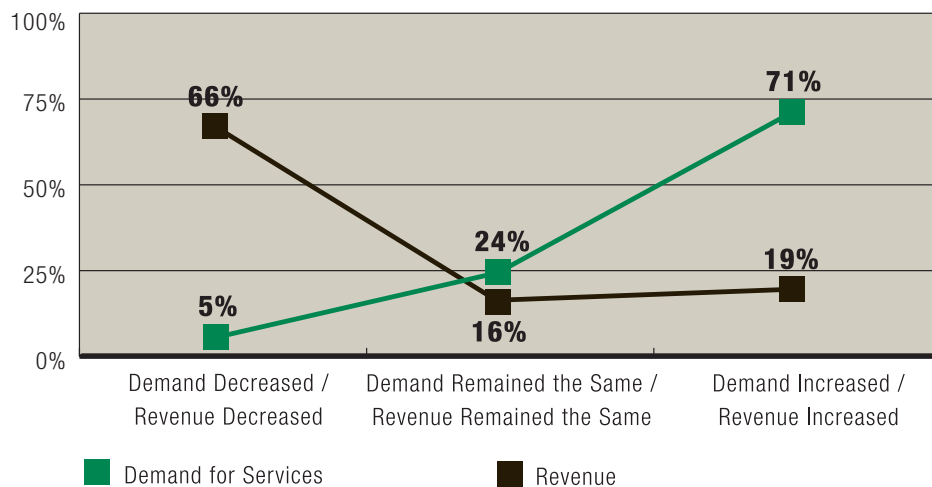
The New Face of Need

Fact Sheet

With the slowing economy, a rising unemployment rate, spikes in food and fuel costs and the decline in the housing market exacerbated by rising foreclosures, some are arguing this is the worst social services crisis the country has seen in decades. Providers are worried about their ability to raise enough money to meet the record numbers of people in need. Nationally, employers have slashed jobs at the fastest rate in five years and Silicon Valley's tech sector is not immune. Sun Microsystems, for example, announced plans to lay off 15 percent of its global workforce before year end, making it one of the largest tech layoffs announced this year. As jobs disappear and employers begin trimming expenses, we can foresee people losing health insurance, swelling the ranks of the medically uninsured. California's chronic budget problems continue to take a toll on county-operated programs, particularly health and human services programs, which provide critical support to the state's vulnerable children, families and seniors (1, 2).

In August, Silicon Valley Community Foundation convened close to 30 safety net providers and learned first-hand about the new face of need in our region. Among those with jobs, many have insufficient wages, sick leave and health benefits. There are more seniors, veterans and immigrants, who need year-round assistance because they cannot return home during

Figure 1 – Percentage of Organizations Reporting Changes in Demand for Services Versus Changes in Revenue, 2008



Source: United Way of the Bay Area. Fall 2008 Nonprofit Pulse Survey.

seasonal unemployment, all seeking help. Families are increasingly making difficult choices between competing urgent needs, such as housing, medical care and food.

The providers attending the community foundation convening uniformly reported serving double and even triple the number of clients this year as compared to last year and with far fewer resources at their disposal. This theme was echoed in the United Way of the Bay Area's Fifth Annual Nonprofit Pulse Survey. Among the San Mateo and Santa Clara county organizations responding to this survey, over 70 percent reported an increase in the demand for their services while less than 20 percent reported an increase in their revenues to meet this demand (3). See Figure 1

"This is the perfect storm. Nobody is immune from this one—from the farmworker devastated by immigration policy, to a middle-class worker, to a donor. I've seen a lot of economic downturns over the last 30 years...[and] I've never seen everybody hit. It's all encompassing and I feel like people don't have any confidence that there's anything to do about it. I see older people afraid for their future and younger people unable to get jobs."

**—Kerry Lobel, Executive Director,
Puente de la Costa Sur**

The Issues

The community foundation believes food and shelter are among the most significant needs arising from the economic crisis. The purpose of this brief is to shine a light on these issues by describing what they are and why they are a challenge in our region.

FOOD

What: Leaders of the region's food charities are seeing troubling signs that people are having difficulty obtaining enough food. Many people are forced to choose between spending their money on rent, gas, prescription medications or food during times of economic hardship.

Why: In Silicon Valley, an estimated 126,000 low-income adults live in food insecure households. Food insecurity occurs whenever the availability of nutritionally adequate and safe food, or the ability to acquire acceptable foods in socially acceptable ways, is limited or uncertain. Second Harvest Food Bank of Santa Clara and San Mateo Counties is the second-largest source of food for low-income individuals and families in the region (see Figure 2). During fiscal year 2007-08, the agency distributed a record 24,070,076 million pounds of food, an 11 percent increase over the previous year. It estimates there are 141 million pounds of unmet food needs in the region (4, 5, 6).

Unfortunately, federally-funded programs designed to mitigate these needs are severely underused. For example, more than one in two of the residents that are eligible for the Food Stamps program are not participating, resulting in a loss of close to \$12 million and \$83 million federal dollars in San Mateo and Santa Clara counties, respectively (4).

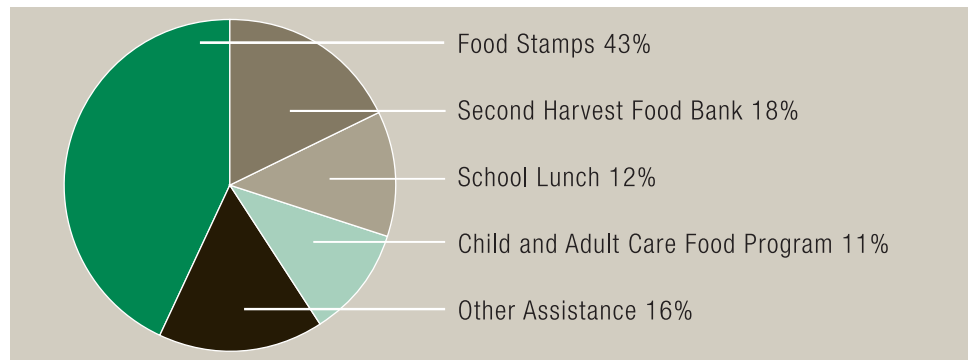
SHELTER

What: The lack of affordable housing is among the biggest economic challenges facing middle- and low-income families in the Bay Area and has only worsened with the sub-prime mortgage crisis.

Why: Since July 2007, foreclosure rates increased by 831 percent in Santa Clara County and by 190 percent in San Mateo County. The increase in foreclosure activity has put even more pressure on the region's rental market and rental prices continue to climb. As of September 2008, the average monthly rent for a two-bedroom apartment in San Mateo County increased 4.6 percent to \$1,849 and in Santa Clara County, the average monthly rent increased 5.2 percent to \$1,708. More individuals are turning to government-funded rental assistance programs, such as the Choice Voucher Program or Section 8. When the Housing Authority of San Mateo County opened the waiting list for its Section 8 program on July 7, 2008, the agency received 23,000 applications for the 3,600 slots available within a five-day period (7, 8, 9, 10).

With the rise in foreclosures and increasing rental costs, more individuals and families are in need of emergency and transitional housing assistance. In Santa Clara County, for example, there were an estimated 7,202 homeless individuals in 2007,

Figure 2 – Percentage of Food Distributed by Various Programs in San Mateo and Santa Clara Counties, 2007



Santa Clara University and Second Harvest Food Bank of Santa Clara and San Mateo Counties. *The Hunger Index 2007* (PowerPoint Presentation).

“There are more people who might have been getting some support services, but with state cuts that is difficult...Charities are having enormous pressures put on them. One of our big food pantries in East San Jose is closing in December because they can’t sustain...We need to form partnerships between private (e.g., food bank and other non-profits) and public (food stamps) resources...We could organize a community tour [of the hardest hit areas] for foundations and we need to educate legislative folks on what it looks like out there—what are the barriers that are really impacting people?”

—Cindy McCown, Senior Director of Programs and Services,
Second Harvest Food Bank of Santa Clara and San Mateo Counties

71 percent of whom did not have shelter (e.g., emergency shelters and transitional housing). Annualized projections derived from this estimate indicate that there were 18,056 homeless people at some point in 2007 (11).

FUNDING

What: Many have feared a collapse of the region’s safety net. Providers have characterized the current crisis as the perfect economic storm with growing need, shrinking resources, funding cuts at various levels of government, a state budget crisis and slowing donations.

Why: Over half of the organizations responding to the 2008 Nonprofit Pulse Survey reported a decrease in individual donations, 49 percent reported a decrease in corporate and foundation giving and 22 percent reported decreases in state and local government funding. Many counties depend on nonprofit organizations to provide services that address clients’ multiple needs and extend the reach of state programs that assist vulnerable children, families and adults. A recent California Budget Project report, *Stretched Thin*, analyzed the impact of the state’s current budget cuts on health and human services programs in 11 counties, including Santa Clara. These counties reported that they reduced spending on contracts with nonprofit organizations by more than \$37 million between 2004-05 and 2007-08 (2, 3).

Solutions

Silicon Valley Community Foundation, along with many other organizations, is helping to focus attention on the critical state of food and housing in our communities. Through our own Strengthen the Safety Net campaign, the community foundation, along with other donors, will contribute up to \$3 million to food and shelter organizations in the region. We are also partners in county-specific efforts, such as the Silicon Valley Open Arms Campaign, a coalition of funders and nonprofit service providers led by United Way Silicon Valley, to encourage community members to come together and give to those in need. However, we know money is not enough and that public policy and advocacy solutions are sorely needed.

Today, there are a number of public policy opportunities to avert housing and shelter-related budget cuts, to eliminate the burdensome and expensive process of fingerprinting to enroll in the Food Stamps program and to change eligibility thresholds to local measures of income adequacy rather than federal poverty levels, which are not relevant in a high cost of living area like Silicon Valley.

DATA SOURCES

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ABOUT SILICON VALLEY COMMUNITY FOUNDATION

Silicon Valley Community Foundation is a leading voice and catalyst for innovative solutions to the region's most challenging problems. Our mission, vision and values reflect our commitment to serving the vibrant communities in San Mateo and Santa Clara counties. We bring together diverse groups of people—nonprofits, donors, government leaders, business people, faith-based organizations—all of whom care deeply about improving the quality of life in our region. Our goal is impact and we employ a variety of strategies to achieve it, including grantmaking, community initiatives, donor engagement, convening and research.

For more information about Silicon Valley Community Foundation's work on food and shelter issues, please see our website at www.siliconvalleycf.org, where you can find the current issue of ONE Magazine, our issue brief on Housing and Basic Needs, our Community Opportunity Fund request for proposals and information about our Strengthen the Safety Net campaign.

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