

COMMUNITY LEADERSHIP IN CHANGING TIMES

Remarks by Emmett D. Carson

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Regional Meeting

The Flint Center

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Remarks as prepared for delivery

Introduction

Good afternoon and welcome to the first regional meeting of Silicon Valley Community Foundation. It is wonderful to see so many people, over 1,150 at last count, representing donor advisors, corporate partners, nonprofit organizations, professional advisors and public officials from throughout San Mateo and Santa Clara counties. There are at least two problems with being the last speaker. First those that have preceded you have shared all of the most interesting things, leaving you little to talk about. And second, you are keenly aware that you are the last person that people have to listen to before they can enjoy the reception and catch up with old friends as well as meet new ones.

Believe it or not, it was two years ago this month, almost to the day, that I was first publicly introduced to many of you. As some of you will recall, I had been previously confirmed as the annual meeting speaker for our southern parent and the week prior to the event I was named as the first CEO of the merged foundation.

In preparation for these remarks, I went back to read – with some trepidation I might add – what I had promised and how close to the mark we have come. As I re-read those remarks and reflected on the last 22 months, I am more convinced than ever about the inherent wisdom of the merger of Peninsula Community Foundation and Community Foundation Silicon Valley.

To my mind, the merger has always had two distinct parts. The first part was whether we could take two of the largest, most successful, community foundations in the country—former competitors—and build a shared culture, establish a central headquarters, create a new organizational structure, combine incompatible information technology systems, integrate different investment portfolios and realize economies of scale to create a new organization. I am pleased to say that because of the hard work of a phenomenal

volunteer Board of Directors and an immensely talented and dedicated staff, we have substantially completed all of these operational aspects of the merger.

No, it wasn't easy, and, yes, we made our share of mistakes along the way. I want to sincerely thank all of you who offered advice and shared concerns and ask that you continue to do so as we travel on this journey. The merger process has been as challenging, as unpredictable and as exciting as we expected.

The Work Ahead

While we celebrate achieving the first part of the merger, we are fully aware that this is simply the means to accomplishing the second, more important, part which is to demonstrate that the new community foundation can help to make our region, and all of the communities within it, a better place. We took an important step toward achieving this goal with the release of our new grantmaking strategies on immigrant integration, economic security, closing the middle school achievement gap in math, land use planning and our Opportunity Fund which focuses on safety-net issues and new ideas.

As people have read the issue briefs and research papers relating to the grant strategies, many have asked me: How is it that the community foundation was so prescient in the areas that were selected, especially with regard to immigrant integration, economic security and safety-net issues? The short answer is that we asked and, more importantly, listened to the community. For example, we learned that one-third of the residents in our region are immigrants, nearly half of our work force is foreign-born and close to two-thirds of those under the age of 18 are the children of immigrants. Out of a total population of 2.7 million people in San Mateo and Santa Clara Counties, 800,000 are immigrants.

Our focus on strengthening the legal services infrastructure for immigrants, supporting effective adult English language acquisition and bridging the cultural gap will

improve the lives of immigrants, strengthen the economic vitality of our communities and promote mutual understanding.

In the area of economic security, we were stunned to learn that while more than 60 percent of San Mateo and Santa Clara County households had incomes of \$100,000 or more, 20 percent earned less than \$35,000. We also learned that one in five of our region's residents is asset poor meaning that they do not have access to a three month cash reserve for unexpected emergencies such as lay-off, a health care issue or an automotive repair.

These statistics led us to recognize that families on the financial edge have few opportunities and little understanding of how to build wealth, limited access to legitimate financial services and little recourse but to rely on predatory lenders. Our efforts in this area will focus on increasing and scaling the availability of financial education and legal services, promoting policy advocacy that supports asset-building and combating the predatory lending practices of payday lending institutions.

Let me give you just a quick example of what financially strapped families without access to banking services must endure. At the pay day loan office, literally next door to the community foundation's Mountain View offices, they are charging an interest rate of 460 percent, that's right 460 percent, on a 14 day loan and 214 percent on a 30 day loan. Imagine if you had to pay 460 percent interest for a 14 day loan. Such rates are unacceptable and immoral and the community foundation is committed to using our cash and cache to stop it.

It is important for me to stress that our grantmaking strategies represent only one element of our efforts to make both our region and our world a better place. We continue our work on childhood literacy, are actively involved in efforts to establish a 211 call center

in San Mateo County and have taken our first baby steps into advocacy by supporting Measure J in San Jose to maintain 911 emergency call centers that are essential for all us.

Community Leadership in Challenging Times

The mission of Silicon Valley Community foundation is to strengthen the common good, improve quality of life and address the most challenging problems. Today, I doubt that there would be much debate that our most immediate challenge is navigating the most serious economic crisis since the Great Depression. Notwithstanding that we have appeared to have moved slightly away from the financial abyss, we are a long way from restoring investor confidence and stability in the capital markets.

Over the last several weeks, I have had many individual and group meetings with nonprofit leaders whose organizations provide safety-net services. They have spoken with great passion and great heartache about the growing hardships they are facing in providing services in this deteriorating economic environment.

At one such meeting at the community foundation's offices, 30 or so of these leaders asked me to be their public advocate and to help tell their stories. I promised them that I would do so. So, let me share with you what they shared with me.

- They want us to know how senior citizens on fixed incomes have become cash strapped as interest rates have fallen and food prices have risen.
- They want us to know how the foreclosure crisis has destroyed neighborhoods and financially wiped out families who are finding that rental housing is scarce and that higher demand, as well as unscrupulous landlords, have led to an exorbitant increase rental rates.
- They want us to know that long-commutes that were once tolerable to obtain affordable housing are now unsustainable with the higher price of gas.

- They want us to know how returning veterans who have sacrificed for their country only have limited access to mental health services and housing.
- They want us to know that working people who once donated food are now relying on food shelves in unprecedented numbers and that the cost of transporting food to outlying food banks is becoming so expensive due to gas prices that they may have to curtail these shipments.
- They want us to know that as families undergo unbelievable financial stress, they see a direct connection to escalating crime rates, spousal abuse and juvenile delinquency.
- They need us to act on the knowledge that if the economy is bad for Wall Street and it is hurting the well-off and middle-class of Main Street, then it is absolutely intolerable for those on the side streets for whom an inoperable car, a lost job, or a medical emergency pushes them over the edge from barely making it to seeing their world spiral out of control.
- These front-line, battle-tested, social safety-net veterans want us to understand that we are at the beginning of a crisis that is only going to get worse over the next year. They are seeing an exponential increase in the demand for their services, dramatic decreases in charitable contributions and believe that the lay-offs we are beginning to see coupled with continuing state budget cuts will cause them even more difficulty.

As I thought about the immense magnitude of all of this, I began to think about one of my all time favorite movies: *It's a Wonderful Life*. In the movie, coincidentally set during the Great Depression, there is a run on the local bank by panicked people demanding their money. The bank owner, George Bailey, played by Jimmy Stewart, explains to the assembled crowd how their money is not physically in the bank but rather the money is

being loaned to their neighbors to buy homes, start and expand businesses and to pay for college tuitions. In short, he explains that they are a mutually interdependent community.

It is this lesson of a mutually interdependent community that we are called upon to remember during this economic crisis. We are a single region. Jobs lost in San Jose have an impact on communities in San Mateo and Half Moon Bay as those residents now have less to spend where they live. We are one community where each county is inextricably and forever tied to the other that will stand or fall together.

The Community Foundation's Response

So, what is the community foundation going to do? We are going to start with three things and add to this list as we become aware of other opportunities to partner with others to make a difference.

First, we are going to educate and inform as many people as we can about the new face of need. This regional meeting, information on our website and the article in *ONE* magazine on "The New Face of Need" that you will receive as you leave the reception are all efforts aimed at helping us understand that the nature of this crisis will be much longer and much deeper than what occurred during the dot-com bust. Information is power and will help us all make better decisions based on shared facts and not shared fears.

Second, we are committed to holding a regional summit of nonprofit leaders before the end of the year to discuss and share information about how to respond to the financial crisis. Specifically, we want to work with the nonprofit associations and foundations to co-sponsor this summit so that nonprofit leaders can begin to discuss how to frame this issue for the broader public, create a more comprehensive referral network, share strategies on fundraising, consider merger opportunities and, most importantly, get in front of discussions about how the upcoming state budget is likely to further negatively impact the provision of

safety-net services. We need collective, coordinated, targeted and sustained public policy advocacy at the state, county and city levels to tell our story.

Third, we believe that our grantmaking strategies related to economic security, social safety-net and immigrant integration ideally position the community foundation to move forward very quickly in partnering with others to be of assistance. As many of you know, the community foundation has committed to award \$1 million in grants before the end of the year to food and shelter safety-net organizations. Due to the mounting severity of this crisis, I am pleased to announce that the board of the community foundation has approved an additional \$1 million as one-to-one challenge matching grant in the hopes of establishing a \$3 million fund for safety-net organizations. In addition, the community foundation's Board of Directors has each committed to make an individual contribution to this fund.

We hope that those of you who are here, as well as the donor advisors, corporate partners and community members who are absent will join us in contributing to this fund. We also ask that you go a step further by taking this challenge out to your networks: churches, associations, clubs and workplaces. We hope that the match becomes the minimum of what we are able to raise for this fund and not the maximum.

Conclusion

I know that we have a lot of hard work ahead of us. However, I want you to once again look around this room. Together, we have the intellectual talent. Together, we have the networks and connections. Together, we have the cultural and ethnic legitimacy. And, together, we have or know people of means with generous hearts. All we need is the will and the motivation and the recognition that we are one region and one community. Thank you.

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