

A Lasting Commitment to Silicon Valley's Nonprofit Sector: **Grantee Spotlight**



Promoting access to essential and safety net services for Silicon Valley residents is core to the Sobrato Family Foundation's mission. Through its GOS program, the Foundation funds several organizations that provide high-demand basic services including nutritious meals; legal assistance; children, youth, and family development; and refugee services. This spotlight synthesizes perspectives on Silicon Valley communities in need, navigating the funding landscape, and use of GOS grants from the following safety net organizations:

Organization	Years of GOS Grants	Beneficiaries in Silicon Valley*	Region Served	Key Services/Programs
Catholic Charities of Santa Clara County	2006,'08,'10,'12,'14,'16	54,000	Santa Clara County	Behavioral Health; Children, Youth & Family Development; Economic Development; Disaster Relief & Recovery; Refugee Foster Care; Advocacy & Community Engagement
Puente De La Costa Sur	2010, '12,'14,'16	1,500	San Mateo County South Coast	Community Health and Wellness; Economic Security; Youth Leadership; Behavioral Health; Education, Advocacy and Community; Services for Children Ages 0-5
Sacred Heart Community Service	2006,'08,'10,'12,'14,'16	65,000	Santa Clara County	Food & Clothing; Family & Children; Housing; Financial Strength; Social Justice
Second Harvest Food Bank of Santa Clara and San Mateo Counties	2006,'08,'10,'12,'14,'16	257,000	Santa Clara and San Mateo Counties	Food Bank; Food Connection; Nutrition Education; CalFresh Outreach

**Based on most recent information provided in GOS grant report*

THE GREAT RECESSION AND ESSENTIAL SERVICES. The 2008 Recession was a pivotal time for safety net organizations, as for many nonprofits, both because it affected their funding sources and highlighted the importance of essential services in times of crisis. During the Great Recession, safety net organizations saw a significant increase in demand for their goods and services. "When the Great Recession started, we were serving around 165,000 people a month. That number jumped to just about 200,000 by 2009," said Kathryn Jackson, former CEO of Second Harvest. During this time, people with higher levels of income and education started to need basic services.

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“[During the Recession] we served middle-income Americans, people who had college degrees. We were surprised to see those types of clients,” said Catholic Charities board member Khanh Russo. Although demand for some types of services decreased as the economy recovered, the Great Recession had a lasting impact on essential services organizations and the communities they serve.



Serving those who have been left behind. All four organizations noted that although Silicon Valley’s employment rate and wages now exceed pre-Recession levels, recovery and growth have been disproportionate; low income individuals’ and families’ earnings have not kept pace with the Valley’s overall economic growth. As a result, these grantees still see a significant need for child care, meal assistance and other basic services in the communities they serve.

“Everyone expected that the need would rise because of the recession and then the need, just like the tide, would recede as people got back up on their feet,” said Second Harvest’s Jackson. That, however, has not been the case for Second Harvest, whose food bank now serves around 50,000 more clients a month than it did in 2009. Organizations also noted that since the Great Recession their beneficiaries have increasingly requested housing assistance. “Housing has been a problem for a long time,” said Rita Mancera, Puente’s Executive Director. “Rents are going up and [only] people with more resources are buying [properties that have gone on the market]. It’s almost impossible [for most residents] to buy.”

Safety net grantees also noted that in recent years the demand for immigration and refugee services has dramatically increased.

Recent changes related to Deferred Action for Childhood Arrivals (DACA) and national conversations around immigration have prompted safety net organizations to provide more immigration education and legal services. “Currently, [we are] responding to the need for immigration information, [and] to be an advocate and really work alongside the community,” said Lina Mira,

Program Director at Puente. Gregory Kepferle, Catholic Charities’ CEO, echoed this sentiment, and shared, **“The fear within the immigrant community right now has made our work much more needed, especially legal services for immigrants.”**



NAVIGATING A CHANGING FUNDING LANDSCAPE. Since the end of the recession, safety net organizations, like many Bay Area nonprofits, have shifted their funding strategies, relying less on government grants in favor of private philanthropy. “During the Recession, there was an infusion of federal funds that allowed us to step up our efforts to help the increasing number of families living in poverty, especially as local government funding dried up. Subsequently, we have diversified our funding portfolio,” said Lydia Guel, Community Development Director at Sacred Heart. Second Harvest described a similar shift. Around 2009, the organization made a strategic pivot away from local and state federal funding to focus on foundation and corporate funding. “It seemed like a somewhat risky thing to do at the time,” said Second Harvest’s Jackson, “but now it seems like a smart thing to have done because government funding has become more rigid and difficult to receive.” While diversifying funding sources across foundation, corporate, and individual donors has been beneficial in many ways, for some **there is still a need for GOS funding—a need that has been amplified by increasing inequality and economic challenges.** “We’ve seen a shift from unrestricted general operating support to more specific project-based or issue-based or population-based support. And, with a desire to show more outcomes or impact,” said Kepferle of Catholic Charities. He went on to share that Sobrato is one of the last foundations that provides Catholic Charities with much-needed unrestricted support.

GOS FUNDING. Like many other Sobrato GOS grantees, safety net organizations use GOS funds to cover administrative costs and gaps in the full cost of program delivery, especially delivery of basic services. **“We are challenged every year to secure adequate funding for our essential services work—food, clothing, and emergency financial assistance.** These basic needs are not often the priorities of local corporations or foundations. We usually have to raise money from individuals for these programs,” said Poncho Guevera, Executive Director of Sacred Heart, adding, “knowing that we have been able to count on general operating support has been key to give us the flexibility we need to weather the ups and downs.” Safety net organizations also use GOS funds to build their infrastructure and staff capacity, creating data management systems and funding new staff positions. When possible, safety net organizations use GOS grants to help fund new and innovative programs. “We use [GOS funds] to try new things,” said Russo from Catholic Charities, explaining that GOS funds allow Catholic Charities to take risks that other grants do not allow. Second Harvest shared that GOS funds have allowed them to think creatively about expanding school breakfast and summer feeding programs at schools and Sacred Heart used funds to build an urban garden.



SAFETY NET ORGANIZATIONS IN SILICON VALLEY. Although the Valley has largely recovered from the Recession, income inequality is on the rise. As such, safety net organizations are more important than ever, serving more individuals each year and expanding the breadth of their services to address emergent needs related to housing and immigration. Despite demand, the Valley's focus on innovation and disruption makes it difficult to make the case, and secure funding, for basic services.