

2020

SOBRATO
Philanthropies



2020 IMPACT REPORT

Sobrato Philanthropies

sobrato.org

Dear Friends,

Back in 2019, our family made an explicit commitment to being more intentional about growing our philanthropy. After more than a year of deep planning, we created the Sobrato Philanthropies platform to unify all family giving and launched a strategic growth plan grounded in our longstanding commitment to Silicon Valley and expanding to issues of global significance. We were thrilled to welcome Sandy Herz as President of Sobrato Philanthropies in August 2020, a time when our very ambitious growth plan had to quickly shift as the full reality of COVID-19 began to unfold.

Dire and rapidly expanding needs posed by the health and economic crises of the pandemic, as well as the movement for racial justice, pushed us to further increase the size of our investments and decrease the restrictions placed on gifts. As our grantees faced and met demands of up to 10 times their normal service delivery, their staff were reassigned, new programs were designed and implemented, and existing initiatives were adapted to meet emerging needs. We invested millions in direct COVID relief to current grantees in Silicon Valley, prioritized the needs of English Learners across the state, shifted funding to general operating support, and eliminated reporting requirements. Our 2020 contributions across all collective giving increased locally, and we made new investments in oceans as a first step toward expanding family engagement in global issues.

We are beginning to now assess the longer-term impacts of the pandemic and associated crises and imagine what the recovery process may look like. Together with our grantees, we remain deeply concerned about the myriad ways the pandemic has and will continue to exacerbate inequities for Black and Brown communities, low-income communities, and undocumented communities, many of whom continue to face unprecedented levels of violence and hate crimes. Organizations committed to supporting students are sounding the alarm around urgent needs to support learning recovery. Meanwhile, students are stopping out of postsecondary at historic rates, or failing to enroll to begin with. And those working to empower low-income entrepreneurs and small businesses have expressed concern for the disproportionate economic impacts of the pandemic on those they serve.

Recovery will require collaboration and coordination of funders, our nonprofit ecosystem, community intermediaries, and federal, state, and local government. It will require expanding the table to include new partners and voices. It will require that we lift up and center the voices of those most impacted and whose lived experience should drive our efforts. We commit to continuing to listen and learn, and to work in partnership with communities to eliminate systemic barriers to opportunities for all.

While the challenges of this moment are significant, they create an opportunity for outsized influence and the potential for lasting transformative change. Given recent world events and ambitious new programmatic interests, there is an emerging vision for Sobrato Philanthropies as an organization with deep roots in the local community that can simultaneously tackle existential global threats such as climate change, to have each body of work inform the other. There is a profound sense of responsibility that permeates the work ahead, and we are grateful to be working alongside so many committed partners on the front lines of social change to move toward a new and better reality where everyone can thrive.



Lisa Sobrato Sonsini
Board Chair



Sandy Herz
President



Investing in Silicon Valley

Sobrato Philanthropies' Silicon Valley Programs increase stability and economic mobility for low-income individuals in the region and build a resilient and effective nonprofit community serving Silicon Valley. As inequality of opportunity continues to grow in Silicon Valley, we partner with local nonprofits, funders, and the community to capture the full potential of individuals and families and ensure equitable access to a strong safety net and pathways to economic mobility.

The Economic Mobility Program makes grants across three portfolios—Essential Human Services, Pathways for Success, and Postsecondary Success toward a vision of expanded opportunity for low-income Silicon Valley residents. Sobrato Philanthropies also invests directly in the region's nonprofit ecosystem by providing in-kind office and meeting space through our Sobrato Center for Nonprofits program.

Many of our COVID-19 response grantees are part of our **Essential Human Services** program. These are front-line organizations meeting the needs of hardest-hit communities in the midst of the crisis, providing food, financial assistance (for rent, utilities, transportation, medical needs, and childcare), and adapting to serving clients remotely.

Our **Pathways for Success** program supports the economic mobility of low-income Silicon Valley residents through training pathways, small business and entrepreneurship programs, and financial resilience resources. Across the portfolio, grantees adapted to COVID-19 by pivoting to address emergency needs and provide stabilizing supports; responding to increased intensity of demand and client touchpoints, including reaching back out to program alumni; focusing on mental health and building personal and financial resilience; innovating to focus on essential skills, workplace safety, entry, and mobility in the post-COVID-19 recovery; and adapting strategy to balance tradeoffs between long-term recovery and near-term stabilization.

Although college completion is a key driver of economic mobility, first-generation and students of color face significant barriers to postsecondary success, which the pandemic has exacerbated. Our

Postsecondary Success portfolio deploys levers across college access, persistence, and career supports to increase the number of low-income, first-generation Silicon Valley college students obtaining a degree and strong first job.

Total Grantees and Total Funds Granted for **Economic Mobility** in 2020



TOTAL GRANTEES

88



TOTAL FUNDS

\$20,100,000

Quality, affordable office space is difficult for nonprofits to find and retain in Silicon Valley, where costs are among the highest in the nation. To support the nonprofit organizations doing critical work in our communities, Sobrato Philanthropies converted commercial office properties into multi-tenant nonprofit centers. The **Sobrato Centers for Nonprofits** provide in-kind, high-quality office space, enabling our tenant grantees to reinvest their rent savings in their organizations and deepen their mission impact. The donation of a fourth Sobrato Center for Nonprofits is scheduled to open in 2021 to help meet the need of affordable office space for nonprofits.

The impact of COVID-19 on our Nonprofit Centers has been significant. We closed all three centers, our conference rooms stayed empty, and we had only a few key team members on-site for essential services. For the duration of our closure, we waived all Common Area Maintenance charges (CAM) to relieve any additional financial pressure on our tenants as they pivoted programs to address an exponential need in a remote environment.

- Tenants report reinvesting rent savings to: support or maintain existing programs (82%), support indirect costs (58%), and expand or add programs (42%).
- When surveyed in October, 84% said they plan to return to their space post-COVID, 14% are unsure, and 3% said they do not plan to return.

Sobrato Centers for Nonprofits



69

Office Space
Grantees



\$8.6M

in-kind rent



45K

meetings held in
free meeting space



Advancing English Learners (ELs) in California

California is home to the largest population of English Learners (ELs) in the United States, including 60% of children under age five and 19% of students in kindergarten to 12th grade. Nearly 42% of students in California's public schools speak a language other than English at home. These children and youth represent the future of California.

We believe that by putting ELs at the center of education policies and practices, our systems can serve all students well. This was especially important during COVID-19 when vulnerable students were experiencing significant learning loss. In response to this, we supported our grantees to expand their advocacy on behalf of ELs in a number of ways. In particular we supported our grantees to come together, create a common agenda, and showcase tools to help districts and the State respond to the needs of ELs. Overall, our systems must recognize and build on the assets that ELs bring to the classroom and we will continue to support a robust ecosystem of grantees, engage funder partners, and leaders to push for the change that is needed.

The English Learner Initiative grantmaking invests in four key areas:

Statewide Impact

We aim to build collective capacity to advance EL-centered policy that helps all ELs in California thrive. Toward that end, we engage advocates, state and local policymakers, families, and students to work individually and collectively to champion ELs.

Regional Opportunities

We believe that the successes and challenges in communities should inform state education policy. We target two regions: the Central Valley, with a particular focus on Fresno County, and Los Angeles County, where we seek to strengthen implementation of state policies, such as the EL Roadmap, highlight innovative approaches to bilingual education, and uplift family and community voices.

EL Ecosystem

We seek to increase public and private investment for ELs in California. We cultivate partnerships at the intersection of policy, practice, and research. And we invest in a narrative change approach to help all Californians recognize the value of these students as assets to California who will help our state thrive.

Sobrato Early Academic Language (SEAL)

Driven by a strong belief that school should create opportunities for all children to grow and succeed, the Sobrato family began a journey that led to SEAL's genesis. In 2008, with the Sobrato family specifically focused on improving outcomes for ELs in San Jose and Redwood City, the Sobrato Family Foundation partnered with Dr. Laurie Olsen to design and pilot a new, comprehensive approach to learning in preschool and early elementary grades. The result of this pilot was the creation of SEAL. Although SEAL spun off in 2019 as an independent organization, we continue to invest significantly in and partner with SEAL to expand its impact. Since 2008, SEAL has reached approximately 50,000 students, and is represented in 132 preschool classrooms, and 113 elementary schools.

In 2020, the Initiative focused on surfacing English Learner needs in light of COVID-19 while holding a long-term vision for systems change conducive to EL success.

Total Grantees and Total Funds Granted for **English Learners (ELs)** in 2020



TOTAL GRANTEES

25



TOTAL FUNDS

\$12,600,000



Oceans Initiative

We are living through an environmental crisis of profound scope and consequence. Recognizing the urgency of this challenge, and with a desire to ensure a healthy planet for future generations, Sobrato Philanthropies committed to supporting environmental sustainability in 2020 starting with a portfolio designed to support healthy oceans.

Through this initiative, we seek to restore and protect a healthy ocean—able to nurture and sustain life for future generations. Despite being critically important to many forms of life, our oceans have been—and continue to be—degraded and devalued, creating significant risks to the future of our planet. They are also a key lever in the fight against climate change.

We are thrilled to be joining existing efforts to preserve our planet’s resources for generations to come. While we know it won’t be an easy fight ahead, we are committed to supporting key partners working on one of our three main areas of focus on the oceans: marine protected areas, overfishing, and plastic pollution.

Total Grantees and Total Funds Granted for **Oceans Initiative** in 2020



TOTAL GRANTEES

5



TOTAL FUNDS

\$13,700,000



Family Initiatives & New Opportunities

In addition to our program areas, we made \$106M of grants and donations in areas of family interests and new opportunities. Some of these investments included:

Silicon Valley Grants and Donations - \$46M

- Launching and anchoring the San Mateo Immigrant Relief Fund and participating in funder collectives to support immigrant communities who were most affected by COVID-19.
- Investing in organizations and collaboratives working to achieve a fair and accurate Census count to ensure a stronger and healthier region with adequate public resources
- Supporting emergency relief for victims of wildfires through the SVCF Fire Relief Fund.
- Investments in other local organizations of broader interest to the family, particularly focused on education.

National and International - \$60M

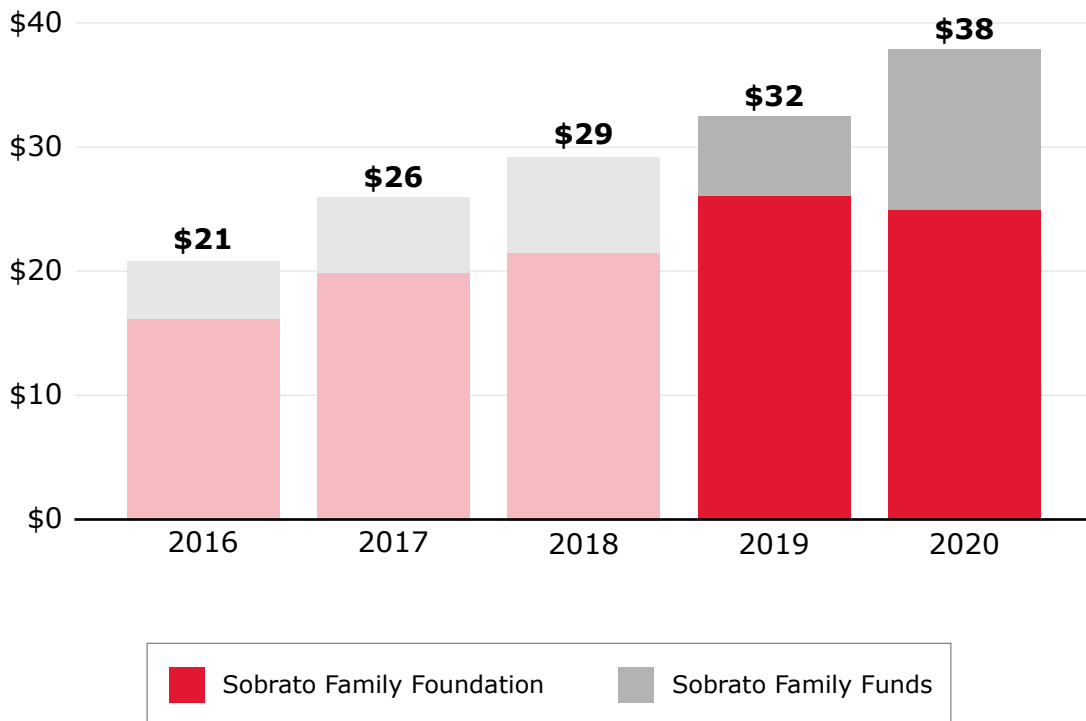
- The majority of the funds were to national and international organizations of broader interest to the family.
- 2020 was a critical year for our democracy at the national and also state and local levels. In order to ensure election integrity and bolster turnout for the high-profile 2020 election, we supported the Lawyers' Committee for Civil Rights Under Law and the Trusted Election Fund.
- 2020 also represented a significant year of conversations and community action around race and equity. In response we partnered with the Democracy Frontlines Fund to learn from and invest in 10 Black-led organizations fighting for free and fair elections and criminal justice reform.

Impact Investing

In pursuit of sustainable, scalable impact, Sobrato Philanthropies uses the full range of financial tools available to partner with a diverse set of organizations. Building on the historic work in grantmaking, Sobrato Philanthropies has now established a significant portfolio of impact investments, participating with both program- and mission-related investments in direct debt and equity positions, as well as in funds.

Impact investments have complemented the work in the traditional areas of focus, and have also been used by individual family members to explore new areas for impact including in sustainable food systems, alternative protein, and regenerative agriculture; cleantech innovation to address climate change; ocean health; promoting pediatric health and addressing rare disease; and supporting entrepreneurship as a path to economic mobility. Deploying capital along the full continuum to maximize impact is a continued strategic priority, and with a new hire in 2021 to continue building out the Foundation's and Family's impact investment capabilities, impact investing is an area of significant anticipated growth over the coming years.

TOTAL ACTIVE IMPACT INVESTMENTS
U.S. Dollars (in Millions)

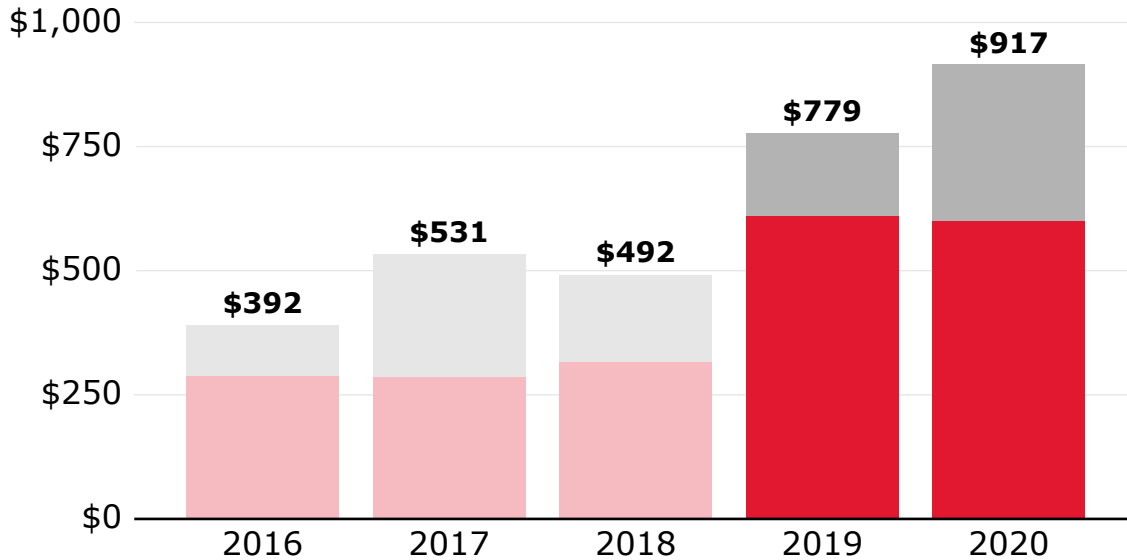


Financial Highlights

Sobrato Philanthropies comprises the family’s collective, collaborative, and individual giving through its business, foundation, and other philanthropic vehicles. Sobrato Philanthropies is not an endowed philanthropy but part of The Sobrato Organization, an enterprise that creates value and contributes to our charitable asset base and grant funds on an ongoing basis. These charts visualize the organization’s annual assets and grant totals from 2016-2020.

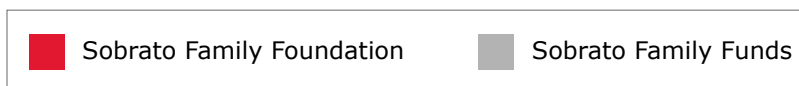
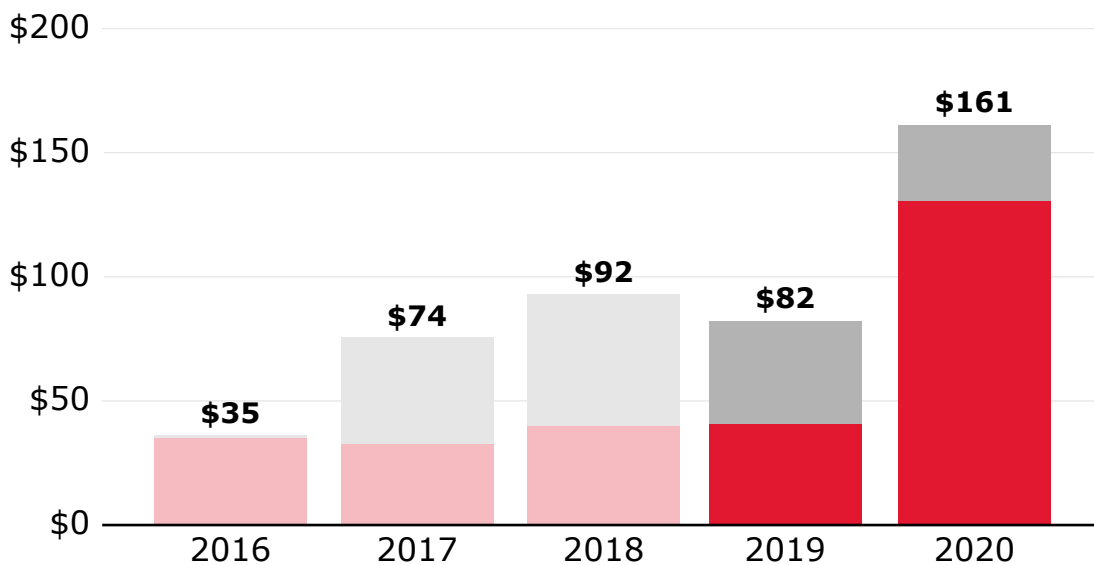
ANNUAL PHILANTHROPIC ASSETS

U.S. Dollars (in Millions)



TOTAL GRANTS AND DONATIONS

U.S. Dollars (in Millions)



SOBRATO
Philanthropies

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