

Giving Back, The Silicon Valley Way

The Culture of Giving and Volunteerism in Silicon Valley

November 1998

Preface

Community Foundation Silicon Valley has been promoting philanthropy and building a stronger sense of community in this region since 1954. Much has changed since then, particularly in the way high technology has changed the face of this formerly agricultural area. It has created enormous new wealth among individuals and corporations. But the mechanisms and patterns of investing this wealth in our quality of life are only just now emerging.

Beginning in 1994 the Foundation initiated a series of research projects designed to illuminate the unique style of philanthropy taking shape in the region. When we began we knew that the philanthropy fostered by the technological revolution at the turn of the 20th century differed significantly from the charitable giving fueled by the industrial revolution at the turn of the 19th century. But what we didn't know--until 1997, and this report--was just how unique are the philanthropic attitudes, motivations, and behaviors in our region.

This Report is a compilation of four separate but connected research surveys. First, it describes individual philanthropy in Silicon Valley overall. Second, it provides a more in-depth look at high net worth individuals. Third, it updates and extends our benchmark 1994 Corporate Community Involvement Survey. Fourth, and most interesting to me, it provides profiles of twenty-five community leaders who exemplify distinctive new style of philanthropy: results-oriented, workplace related, education focussed, and intensely independent.

While we think you will find the Report as fascinating as we do, its analysis is only the beginning. We plan to use the data to provoke change.

Giving Back, The Silicon Valley Way has not been created to sit on a shelf, but instead to spark a decentralized region-wide effort to "close the gaps," to foster greater philanthropic activity among individuals and within corporations.

For example, we now know that over 40% of all charitable giving leaves the region. What are creative strategies to encourage more local philanthropy? We know that 56% of the Silicon Valley population would give more "if they knew non-profit organizations were better managed." How do we better inform these donors as to the quality and strength of our public benefit organizations? One-third of our high net worth individuals receive compensation in corporate stock, yet only 7% take advantage of the often significant tax benefits of donating stock to charity. How do we get the word out?

Corporate giving, while on the rise, does not match increases in corporate profits. How do we better link the two? Corporate employee service on non-profit boards of directors is dwindling. It dropped 13% from 1994 to 1997. What might stimulate more such volunteer involvement?

These are some of the challenges the Community Foundation now takes up on behalf of this region. We view this Report as a call to action. It has been designed to launch a process to creatively and collaboratively move toward a collective vision of a better future.

On behalf of the Board of Directors and the staff of CFSV, we invite you to join us on this exciting endeavor.

Peter deCourcy Hero
President
Community Foundation Silicon Valley
November 1998

Project Description

Silicon Valley is a gifted region—with an enormous wealth of human, financial, and technological resources. Most agree that it is important that people and companies "give back" to their communities to keep them strong and resilient. Like other regions, we can point to individuals and companies who are particularly generous and creative in "giving back" to the community. Some think that the fast-paced, entrepreneurial culture of Silicon Valley makes our approach to "giving back" different--more creative and more effective--than other regions. However, some think that we simply do not give money or time as freely as other regions. Others think that, regardless of how we compare to other regions, we are not doing enough to address important challenges facing our Valley.

What we do know is that there is no systematic documentation of overall patterns of Silicon Valley giving and volunteerism, including innovative approaches unique to the region. Giving Back, The Silicon Valley Way is a multi-faceted initiative that addresses what to do about giving and volunteerism in Silicon Valley.

Five-Part Initiative

The Initiative consists of five steps to document individual and corporate patterns of giving and volunteerism in Silicon Valley, and uses the information to promote giving and volunteerism in the region:

- A general survey of individual giving and volunteerism in Silicon Valley, conducted by the Field Research Corporation (for more information, see Appendix).
- A special survey of individual giving and volunteerism among high net-worth individuals, also conducted by the Field Research Corporation (for more information, see Appendix).
- A survey of corporate community involvement in Silicon Valley, conducted by the Stanford University Graduate School of Business (for more information, see Appendix).
- A set of interviews with Silicon Valley "civic entrepreneurs," individuals who embody a unique "Silicon Valley Way" of giving back to their community, conducted by Collaborative Economics (for a list of those interviewed, see the attached Appendix; excerpts of interviews and sections entitled "What leaders think and do" are found throughout the report, and a summary of shared traits of these leaders is right before the conclusion).
- An integrated series of recommendations and activities to promote increased levels of effective giving and volunteerism in Silicon Valley.

Purpose of the report

The primary purpose of this report is to stimulate a community conversation about giving and volunteerism in Silicon Valley. We want to understand how, why, and to what extent people get involved in making their community a better place to live. We want to know if there is a Silicon Valley "culture" of giving and volunteerism and what that means for the future. And, we want to find out what you think about the findings in this report. While there are many promising trends in this report, we found the Silicon Valley has clearly not reached its potential. In that sense, the report is a starting point. We hope to hear from the Silicon Valley community about what should be done and work with those who are interested in building a stronger commitment to giving and volunteerism in our region.

Report highlights

What is the prevailing culture of giving and volunteerism in Silicon Valley?

The surveys of giving and volunteerism confirm that Silicon Valley is a complex community—a mix of people of diverse backgrounds, motivations, and behaviors. There appears to be, however, an identifiable culture of giving and volunteerism in Silicon Valley. It is a mix of attitudes and behaviors that many of us share--thoughts and actions that sometimes parallel national trends and sometimes differ sharply from the attitudes and behaviors of other Americans. Based on the survey results and interviews with leading givers and volunteers in Silicon Valley, we have identified seven defining characteristics of the Silicon Valley culture of giving and volunteerism, as follows:

We believe it is important to give back to the community

We think and act like investors in the community

We have a strong independent streak when making decisions about giving

We have ties beyond Silicon Valley that affect our giving

We have strong ties to work that affect our giving and volunteerism

We have high aspirations for, but mixed feelings about Silicon Valley

We have clearly not reached our potential

Silicon Valley is a region that believes it is important to contribute to the community. More than 8 of 10 households give to charity, well above the national average. Compared to the rest of the country, a higher proportion of Silicon Valley residents in every age group and at every income and education level give to charity. We give a little over two percent of our income annually, comparable to the national average. Seven of ten donors say that civic duty is at least somewhat important as a reason for giving, and about one-third say it is a very important reason. Nine out of ten residents believe that charitable giving and volunteerism can help make Silicon Valley a better place to live. Almost half of us feel giving and volunteerism can help "a great deal" and believe that it is "very important" for Silicon Valley to be "generous in giving and volunteering."

"If the region is seen as generous, then people will want to be part of it. If it is seen as miserly, then people will use that as an excuse for not giving." Don Lucas

"Silicon Valley is different than other regions. There are a lot of opportunities to get 'new money' involved in the community." Gordon Chan

"I give to the community because I enjoy it, and want to see a change, a result that makes me feel good." Rolando Loera

Silicon Valley is a region with a strong investment culture. Almost twice as many of us give to education--a classic "investment" --than do our national counterparts. Local companies give more to education than their national counterparts. Over half of us would be motivated "a great deal" to give more if we had more confidence in local charities. Over half of our wealthiest donors say it is very important for them to "give to organizations that get the best results per dollar invested."

In fact, there is an emerging philanthropic sector that is being led by people who have participated in business and industries that have had a transforming effect on society (e.g., internet, bioscience). Based on their experience, these individuals have confidence that what they do in philanthropy can have similar transforming effects. When they get involved, they like to think big and expect significant results. They tend to be both independent thinkers and collaborative doers. Partnering to get results is part of their culture and experience that they carry over from their business.

"Focus on just a few things if you really want to get something significant done." Steve Kirsch

"I focus my investments on points of leverage that can influence institutions to change." Catherine Muther

"Many people get discouraged and overwhelmed when they try to give money away or get involved. Some feel that organizations only want them for their money or fundraising ability." Gib Myers

"Our family foundation likes to invest in visionary leaders that have the potential to make a lasting difference. Like a venture capitalist, we tend to sponsor innovative ideas and seed new programs, a strong culture in Silicon Valley." Lisa Sobrato Sonsini

Silicon Valley is also a region with a strong culture of independence. We are more independent than the average American in our giving decisions. Less than half of us take any advice about giving from people we know well, while over 70% of Americans do so. Eighty-eight percent of our wealthiest donors say that staff of charitable organizations have minor or no influence on their giving decisions, while 80% say that professional advisors (e.g., financial, legal) exert no influence whatsoever. Less than half of Silicon Valley's wealthiest donors say their friends had any influence on the amount and type of their charitable giving.

"Start with your passion and choose a focus. We developed a family mission statement because you can't give to every worthy cause and because we wanted to get all of us involved in the decision-making." Becky Morgan

The people of Silicon Valley maintain important ties beyond Silicon Valley. We are a region of immigrants--more than half of us come from somewhere else. About six of ten residents were born outside California. About one-fifth of us have lived in Silicon Valley less than five years. In fact, there are few families that have been here for generations, like more established communities in midwestern and eastern metropolitan areas. Just forty years ago, the region was still primarily farmland and small cities.

Our ties to places and issues outside Silicon Valley are reflected in the survey results. When thinking about community, only six of ten residents think often or very often about their own neighborhood or city. A significant amount (about 40%) of Silicon Valley giving goes to organizations outside the region. Only half of us think first about Silicon Valley (our neighborhood, city, or the region) when making charitable donations. And, about one-quarter of us use technology to expand our giving horizons, during the last year having personally gone "on-line to obtain information about or communicate with any organization in support of a particular cause."

"I like to focus my giving on the cultural infrastructure of the region. It's important to have world-class attractions if we are to sustain the vitality of Silicon Valley, which has given so much to so many of us." John Sobrato, Sr.

We have strong ties to work that affect our giving and volunteerism. In fact, Silicon Valley is a region where the workplace is as important as religion to charitable giving. Forty-three percent of us say that being asked at work is at least somewhat important in our giving decisions, while 42% say that being asked at church is a factor. Nationally, 59% of Americans say being asked at church plays at least somewhat of a role in their giving, while 38% say being asked at work is a factor. In Silicon Valley, we may have more opportunities to give and volunteer through work as well: 43% percent of us say we have an opportunity to contribute to charity through payroll deductions, while only 26% of our fellow Americans do. Twenty-six percent of us first learned about the organizations we volunteered to help through our workplace, compared to 20% of all Americans.

In Silicon Valley, it is our work-related connections that provide many of us with our strongest sense of community. National research has shown that membership in organizations beyond religion have an impact on the incidence and level of giving and volunteerism. In Silicon Valley, more of us belong to a work-related organization than any other single organization. More than half of us (52%) belong to a work-related organization (e.g., a professional society, business organization, labor union), while only 16% of Americans belong to any kind of work-related organization. At the same time, 70% of Americans compared to 26% of respondents in Silicon Valley say that they are members of a religious organization.

"I remember Bill Hewlett saying that 'if I don't make mistakes, I'm not being innovative.' You can't expect to succeed with giving every time out, but you can do turnarounds or startups that really make a difference." Leonard Ely

Many of us work in relatively new industries for companies that are just beginning to get actively involved in the community. About four of ten survey respondents say they work for a business primarily involved with "software, computers, or other high technology manufacturing, sales, or services"--primarily "younger industries"--without the decades-long track record in community involvement of "older industries" based in the midwestern and eastern United States. As the Corporate Community Involvement Survey suggests, companies in these

younger industries are maturing, increasing their giving and volunteer programs for their employees in just the last few years. At the same time, these younger industries are not constrained by tradition: there are growing examples of Silicon Valley companies pursuing innovative approaches to giving and volunteerism.

Silicon Valley is a region of mixed feelings, but high aspirations. While more than eight in ten residents think that Silicon Valley is a good or excellent place to get a job, about one-third of us feel it only a fair or poor place to raise a family, live safely, and provide a good education for children. At the same time, we aspire to do better: 83% of us feel that it is "very important" to improve the quality of public education in Silicon Valley. Almost two-thirds believe that it is very important to reduce poverty in the region.

"If we believe in capitalism and don't believe that government should take care of the problems, then giving and volunteerism has to be part of the program." Elaine Knoernschild

Silicon Valley is a region that has clearly not reached its potential in charitable giving and volunteerism. We have one of the highest per-capita incomes in the United States. However, about one-third of Silicon Valley households earning more than \$100,000 per year give \$1,000 or less to charity. While we have many generous donors, almost half of our wealthiest households are very low givers in relation to their net-worth: 45% of our wealthiest contributors give just \$2,000 or less annually to charity. Only 48% "plan to donate more to charity when they get older." Only 22% even "somewhat agree" with the statement that "it is important to give as much or more than other people like yourself." And, while 74% of these households have engaged in estate planning, only 11% have named a charity in their will.

Many of us experienced upbringings that suggest the potential for future giving and volunteerism—and many of us do not have strong role models. Fifty-six percent of Silicon Valley residents had a good example growing up--their "parents were active in charitable giving." Half of us say "charity and community were stressed" in our upbringing. While 65% of us say we did some kind of volunteer work growing up--compared to 53% of Americans--only half of us volunteer now. While only 28% of us are now active in religion, 60% of us were active in a religious organization growing up--compared to 54% of Americans--a factor important in both rates of giving and volunteerism.

"Look for high-leverage efforts and seek a leadership role in those efforts. Don't spread yourself too thin or engage in "me too" giving. What keeps you going is seeing the results of your efforts, which encourages you to do more and expand your experience." Glen Toney

Many of us realize that our region has not reached its potential. While only 11% rate Silicon Valley as "excellent" in terms of giving and volunteering, 47% feel that it is "very important" for Silicon Valley to be generous in that regard. It is our high aspirations, along with our high incomes, strong ties to work, a willingness to try new approaches, and a strong investment culture that could set the stage for a new era of giving and volunteerism in Silicon Valley. And, it is our independence, lack of tradition, and ties outside Silicon Valley that will continue to create challenges and opportunities for givers, volunteers, recipients, and the community as a whole.

We welcome your thoughts and suggestions for how Silicon Valley can meet its high

community aspirations through increased giving and volunteerism.

We believe it is important to give back to the community

There is a widespread belief in Silicon Valley that giving back to the community is the right thing to do and that it makes a difference in the strength of the community. Through attitudes and behavior, Silicon Valley residents demonstrate their commitment to volunteerism and charitable giving. A strong sense of moral and civic duty acts as a foundation for giving, as does a strong feeling that both giving and volunteerism can have a significant impact on the well-being of Silicon Valley.

The attitudes and behavior of Silicon Valley residents parallel national trends in some cases, and deviate significantly in other instances. The following highlights show how Silicon Valley believes it is important to contribute to the community.

More of us give to charity regardless of age, income, or education

We are a region of givers—83% of Silicon Valley households donate to charity, compared to 69% nationwide. In addition, virtually all of our wealthiest households (94%) made contributions to charity.

We exceed the national average--sometimes substantially—in every age group. A larger percentage of Silicon Valley's young residents give to charity than the national average--70% vs. 57% of those aged 18-24 and 75% vs. 67% of those aged 25-34. The biggest difference is among those aged 35-44: 91% of these respondents give to charity, compared to only 69% of Americans of this age. In Silicon Valley, the percentage of giving levels off in the 87-90% range after age 44. Nationally, the peak for giving is reached during the 45-54 age group (79%), dropping thereafter.

We consistently exceed the national average in every income group. Sixty-nine percent of households making \$40,000 or less per year gave to charity, compared to 59% nationally. Eighty-seven percent of Silicon Valley households making between \$40,000 and \$100,000 donated to charity, compared to the national average of 79% for this income group. A larger percentage of Silicon Valley households (93%) making more than \$100,000 per year gave to charity, compared to 89% nationally.

"We are only one generation away from becoming barbarians. We have to pass on underlying principles and values to the next generation to carry our civilization forward. If I didn't take my time and money to improve our region's situation, it would be the height of arrogance, conceit, and greed." Boyd Smith

We also consistently exceed the national average at every education level. Seventy percent of those with a high school education or less contribute to charity in Silicon Valley, compared to 59% nationally. Eighty-two percent of those with some college-level education or training give to charity, compared to 74% nationally. And, 89% of those with at least a college degree make contributions, compared to 82% nationally.

We give about the same amount of our annual income to charity

Those who contribute to charity in Silicon Valley give an average of 2.1% of their incomes compared to 2.2% nationally, a statistically insignificant difference. There is also no significant difference from the national averages at any income level.

"A more relevant target for people of high net worth should be giving away a percentage of total personal assets, rather than a percentage of income." Susan Packard Orr

More of us are increasing rather than decreasing our giving: 27% of households are giving more than last year, 60% are giving about the same, and 11% are giving less than last year. Thirty percent of our wealthiest households increased their giving over the last year, while only 8% gave a smaller amount. Consistent with the national pattern, our most generous givers are households making under \$40,000 annually--21% of these households give twice the regional average or more (i.e., more than 5% of their income), compared to only 8% of households making over \$40,000 per year.

"My family were farmworkers, and we didn't have much, but we always helped others where we could. I was fortunate to have been helped by others. I've been lucky, worked hard, and experienced success, and now it's my turn to give back. It is also important that I provide a role model for my kids and youth in the community." Rolando Loera

We may be busy, but volunteer the same amount of time as other Americans

We mirror the national average almost exactly when it comes to volunteerism--about half of Silicon Valley adults volunteer (49% vs. 49% for the nation); we also volunteer the about the same amount of time (an average of 3.7 hours per week vs. 4.2 hours per week for the nation).

Consistent with the national trend, respondents from households with incomes of more than \$100,000 per year volunteer at the highest rate of any income group: 70%. About four of ten volunteers from our wealthiest households do fundraising, while about one-quarter are board members or officers.

More volunteers are increasing rather than decreasing their volunteer time--28% have increased their volunteer commitments over the last year, while 17% have decreased their level of volunteerism, and 54% spent about the same time volunteering as the previous year. Nationally, 35% increased their volunteer commitments, while 29% decreased their level of volunteerism.

We give to similar causes as other Americans, but much more to education and less to religion

Like the rest of the country, the cause to which the highest percentage of contributing Silicon Valley households donate is religion (37%). However, a much larger percentage of contributing U.S. households give to religion (48%) than their counterparts in Silicon Valley.

About the same percentage of contributing Silicon Valley households give to education (36%)

as religion. The percentage of Silicon Valley contributing households that give to education is almost twice the national average (20%).

In other areas, Silicon Valley's giving patterns mirror that of the nation. Similar percentages of households give to health organizations (28% vs. 27% nationally) and youth development organizations (24% vs. 21% nationally). A slightly smaller percentage of Silicon Valley households give to human service organizations (18% vs. 25% nationally), while a slightly higher percentage of local households give to environmental organizations (17% vs. 12% nationally). No statistically significant difference exists between Silicon Valley and national figures in giving to arts and cultural organizations, private or community foundations, or international or foreign charitable organizations.

We tend to give because we volunteer with the organization

There is a strong connection between giving and volunteerism in Silicon Valley and nationally. On average, volunteers give much more to charity than non-volunteers—about four times as much nationally and in Silicon Valley.

Like the rest of the country, Silicon Valley residents say that an important reason for giving to a particular organization is that they volunteer with the same organization (61% of Silicon Valley and national survey respondents say this is at least a somewhat important reason). And, 31% of Silicon Valley respondents say it is a "very important" reason, compared to 26% nationally.

For Silicon Valley's wealthiest residents, it may be even more important--67% say that volunteering with the organization is at least somewhat important reason for giving, with 35% saying it is a very important reason.

Civic duty is a motivation for most of us

Thirty-one percent feel that civic duty is "very important" as a reason for giving, with 73% believing that it is at least somewhat important as a factor to explain their giving. Moreover, 74% of those who give or volunteer in Silicon Valley do it "even though you or nobody else you know will benefit from this."

Silicon Valley's wealthiest donors share these motivations, with 75% believing civic duty is a factor (and 34% feeling that it is a very important reason) for their giving.

"We are fortunate to live in the best area in the best country in the world. Everybody should give something back and make Silicon Valley a better place for those who come after us." Gordon Chan

Moral duty is also a strong motivation, more so than religious beliefs

One of the strongest reasons Silicon Valley's wealthiest donors give is "because it is morally right" (54% say it is a very important reason, 88% say it is at least somewhat important). At the

same time, only 34% of these donors say that a very important reason for giving is "because of religious beliefs." Among all households, only 13% say that being asked by clergy to give was an important reason, with 29% saying that it is at least a somewhat important factor in their giving. And, less than one-third of Silicon Valley residents (26%) are members of a religious organization or attend religious services regularly (28%).

We believe that charitable giving and volunteerism make a difference

Most respondents (89%) believe that charitable giving and volunteerism can help make Silicon Valley a better place to live. Forty-four percent feel that giving and volunteerism can help "a great deal" in making our region a better place to live.

Most respondents (88%) believe that it is at least somewhat important that Silicon Valley is generous in giving and volunteering. Forty-seven percent feel that it is "very important" for Silicon Valley to be generous in giving and volunteering.

What leaders think and do

Silicon Valley leaders in giving and volunteerism share a strong belief in the value of community. Their horizons stretch from past to future generations. They believe it is important to give back because they realize others have played that role in Silicon Valley to help make the region what it is today. They also realize that it is their civic duty to leave the legacy of a strong region for those who follow. They generously give both their money and their time when they get involved.

"I consider my gifts as investments in community." John Sobrato, Sr.

We think and act like investors in the community

There appears to be a strong investment culture in Silicon Valley. It pervades not only the region's economy--an economy of world-class companies financed by some of the world's most innovative, demanding, and successful venture capitalists. It also appears to have a strong influence in our attitudes and patterns of charitable giving. For the most part, the attitudes and behavior of Silicon Valley residents differ significantly from the national average--in areas in which comparable national survey data are available. The following highlights show how Silicon Valley donors think and act like investors in the community.

"There is a growing emphasis on strategic or venture philanthropy. This is especially true with the younger generation, which has a very strong outcomes-driven philosophy." Lisa Sobrato Sonsini

"Money alone is not the answer. Too many organizations receive money that do not apply it properly. There are sincere, honest people operating in a very heartfelt manner, but the principles on which they are operating are not well-conceived." Boyd Smith

We are strong believers in the educational investment

There is a strong ethic to support education. Many Silicon Valley residents are beneficiaries of a good education; for many it has allowed them to relocate to the region and secure a well-paying career. This ethic produces one of the strongest differences in giving patterns compared to the nation as a whole: almost twice as many Silicon Valley households (36%) give to education than the national average (20%).

"Education is a priority. I've been a scholarship student myself and worked my way through college as a waitress, so I know what kind of difference scholarship money can make." Becky Morgan

Education is a critical issue for most of us. When asked about a number of issues in Silicon Valley, far more respondents say that improving the quality of public education is very important (83%) than reducing poverty (64%), improving the quality of life for people with disabilities (63%), or ensuring that there are high-quality arts and cultural programs in Silicon Valley (44%).

In fact, this ethic is so strong that education as an investment in future success seems to be a higher priority than charitable giving to address immediate needs. Twice as many households give to education (36%) than human service organizations (18%), compared to the nation in which the giving is more evenly balanced (i.e., 20% of households giving to education and 25% giving to human service organizations). Religious organizations, which are typically a major source of philanthropy to meet immediate human needs, also receive contributions from fewer households in Silicon Valley (37%) compared to the rest of the nation (48% of American households).

"Education is a top priority--it makes you a success and a better human being. I believe in giving to other programs, but education is number one." Rolando Loera

When it comes to giving and volunteering, education is at or near the top of our list of priorities. Educational and religious organizations are the most frequent recipients of contributions from Silicon Valley households (36% and 37%, respectively). After religion, our biggest contributions go to education. More than half (53%) of our wealthiest households agree that it is important to give "to the colleges and universities you attended."

"I give to the fundamentals--things that have a lasting impact like education and training. An ounce of prevention is worth a pound of cure." Steve Kirsch

Silicon Valley corporate philanthropy also emphasizes education--at least partially a reflection of employee interests. In fact, one of the biggest differences between Silicon Valley companies and their national counterparts is the stronger emphasis on educational giving. Over half of company giving (55%) was directed to education, compared to only 33% of comparable companies nationally. The proportion of contributions specifically targeted to K-12 education (24%) was also much higher than that for comparable companies nationally (4%).

Schools/educational institutions are the biggest recipients of the volunteer time of Silicon Valley residents (24%), more than religious organizations (19%) and more than twice as much

as any other organization such as youth development (12%), health organizations (12%), human services (6%), and environmental organizations (5%).

We are strongly concerned with how our donations will be used

Over half of us (56%) would be motivated "a great deal" to give more if we knew "charities would use the money effectively." Similarly, 52% would be motivated "a great deal" if they "had more confidence that charities can make a difference in making your community a better place to live." About 8 of every 10 respondents say they would be at least "somewhat" motivated to increase their giving under these circumstances.

"There are many excellent non-profits. Unfortunately, some people don't have confidence in their ability to execute well. The non-profit world is highly fragmented and often not user friendly. It can be very confusing to figure out where to put your money."
Gib Myers

About six in ten of our wealthiest donors are very selective investors. Sixty-two percent "strongly agree" that they prefer to give to just a few organizations. Fifty-eight percent say it is very important for them to "give to organizations that get the best results per dollar invested." Among many reasons, only the reason of "giving because it is morally right" (54%) was of comparable importance. Much smaller percentages of respondents rank the following reasons as very important: religious beliefs (34%), civic duty (34%), family tradition (15%), or personal/estate tax benefits (8%).

"There should be more opportunities to combine the efforts of individual non-profits. But, too often politics get in the way. At the same time, frequently people are confused by the large number of non-profits, so do nothing."
Elaine Knoernschild

We want to see first-hand how our donations are used

In evaluating the effectiveness of organizations to which they give, Silicon Valley donors want a first-hand look. Sixty-one percent of all respondents (and 67% of our wealthiest donors) say that at least a somewhat important reason in their giving is the fact that they had a hands-on experience with the organization (i.e., volunteered at the organization). More than half of the wealthiest donors (51%) say they evaluate the organization's effectiveness by obtaining "information through personal contact, such as by volunteering, participating on a committee or serving on a board"--the most widely used method.

"If I know the organization and the cause is clear, then I give, because I know how well run, how efficient the organization is. Personal contact is critical to see the impact of your involvement. Getting personally involved also helps me understand the problem better."
Gordon Chan

In contrast, only 39% of the wealthiest donors say they "ask for advice from other people you trust." Only about one-third evaluate the effectiveness of the organizations to which they give by using "second-hand" information--such as financial information (36%), information provided by management of the organization (36%), or information about people served by the organization (32%).

"Strategic philanthropy is an entrepreneurial endeavor. It requires thinking analytically, creatively, and with a problem-solving orientation. One expects results." Catherine Muther

What leaders think and do

The community investment philosophy is one of the strongest shared traits of Silicon Valley leaders in giving and volunteerism. They share a strong belief in the lasting value of education. They get personally involved, so they can understand the issues and be in a position to influence the direction of community organizations. They set high standards for the effectiveness of nonprofits, but are willing to share responsibility for making improvements.

A growing number of leaders have participated in business and industries that have had a transforming effect on society (e.g., internet, bioscience). Based on their experience, these individuals have confidence that what they do in philanthropy can have similar transforming effects. When they get involved, they like to think big and expect significant results. They tend to be both independent thinkers and collaborative doers. Partnering to get results is part of their culture and experience that they carry over from their business.

"We look for organizations and individuals who are energized, aggressive, and willing to try new approaches to solving problems. It is important that they are really focused on the problem and leveraging as much as they can, including working with other organizations." Glen Toney

We have a strong independent streak when making decisions about giving

One of the most striking findings from the survey research is how private the giving decision is among Silicon Valley donors. More than half of us do not take advice from people we know well--family, friends, clergy. This Silicon Valley trait is another area in which we differ significantly from the national average. Typically, the giving of Americans is much more the product of social interaction: 7 in 10 Americans rely on advice of people they know well.

"We're too fragmented as a region. Everyone wants to do their own thing in Silicon Valley--cities, donors and non-profits." Don Lucas

The Silicon Valley difference is probably attributable to a number of factors--such as weaker connections to religion, less developed "roots" in the community, or a higher education level. It may be that our region has yet to develop the strong community giving traditions of more established regions in the midwestern and eastern United States. The following highlights show how Silicon Valley donors possess a strong independent streak when it comes to giving.

Silicon Valley donors act much more independently than the average American.

Less than half of us (48%) take advice about giving from people we know well, while over 70% of Americans do so. Only 15% of Silicon Valley donors say that "being asked to give by someone you know well" is a very important reason for giving, compared to 25% of American

donors. And, only 11% of donors say that it would motivate them "a great deal" to give more if they had "friends who encourage giving."

"We can be so parochial in our giving, only giving to Santa Clara County if we live there, or San Mateo County if we live there. We need to get over that. Problems cross city lines." Leonard Ely

Nor do we rely strongly on the advice of those we do not know well: only about one of ten Silicon Valley donors say that receiving solicitation from a stranger was a very important reason for giving. In fact, only about one-third of us (35%) say that receiving a letter, getting a phone call, or having someone come to the door was even a "somewhat important" reason for giving.

A somewhat larger group of donors respond to news reports. Like other Americans (43%), close to half of us (45%) say that reading or hearing a news story is at least somewhat important in our giving.

Our wealthiest donors are not easily influenced

While half of them cite their spouse as a major influence, no other individual or group is a major influence on more than one in ten of Silicon Valley's wealthiest donors--including children, parents, friends, co-workers, staff of charitable organizations, or professional advisors (financial, legal, etc.).

Only 5% of Silicon Valley's wealthiest donors say that friends had a major influence on their giving decisions. Less than half (44%) say their friends had any influence on the amount and type of their charitable giving. And, very few say they would be motivated to give more by "knowing what other people like you give." Only 9% say that having this information would even "somewhat" motivate them. Among all Silicon Valley donors, the percentage of people who would be at least somewhat more motivated amounts to a bigger, but by no means large 24%.

"What is changing in Silicon Valley is the desire to see non-profits working together and even merging to better address community needs" Lisa Sobrato Sonsini

Nine of ten (88%) of our wealthiest donors say that staff of charitable organizations have minor or no influence on their giving decisions, while 80% say that professional advisors (e.g., financial, legal) exert no influence whatsoever.

What leaders think and do

Silicon Valley leaders in giving and volunteerism have developed numerous connections to their region. They talk to their peers about giving, and regularly ask and get asked to give to particular causes. In many cases, they provide a bridge between a creative, effective, and relatively unknown nonprofit organization and wealthy givers who would not otherwise know about the opportunity to donate and make a difference. By crossing boundaries--geographic, income, ethnic, and others--they provide the catalyst that turns individual donations of time and money into cohesive strategies to effect community change.

"Collaboration, cooperating with other foundations and funders, is how I work. At Cisco, partnering was a key strategic tool to get more done. I do not collaborate because it is a nice thing to do, but because it is often essential for success." Catherine Muther

"I like to be in a situation where I personally can make a difference. I do better on smaller, rather than larger, boards where I can have a big impact. A strong motivation is to get new people involved, and hopefully this will inspire them to get even more people involved in the cause. I allow people to leverage off me, and later I leverage off them." Rolando Loera

We have ties beyond Silicon Valley that affect our giving

There are a number of indications that Silicon Valley donors think about places and organizations based outside the region when they give. In some cases, they think of communities where they grew up or once lived--both inside and outside the United States. In other cases, they think of colleges and universities they attended outside of Silicon Valley. In still other cases, they give to national or international causes, reflecting the broad interests, experiences, and educational backgrounds of one of the world's most advanced economic regions. For the most part, there is little comparable national data available to determine if Silicon Valley attitudes and behavior differ significantly. The following highlights show how Silicon Valley donors have ties outside the region that affect their giving patterns.

"I was giving to the United Negro College Fund, but it didn't occur to me until recently that I could target my national giving to benefit Silicon Valley specifically. With one phone call, my contributions now go to scholarships for African American students from Silicon Valley." Glen Toney

We are a region of many immigrants

More than half of us come from somewhere else. About six of ten residents were born outside California. Eighteen percent of residents were born outside the United States, double the U.S. average (9%). About one-fifth of us have lived in Silicon Valley less than five years. In fact, there are few families that have been here for generations, like more established communities in midwestern and eastern U.S. metropolitan areas. Just forty years ago, the region was still primarily farmland and small cities.

"People focus on contributions that are easy and organizations that they have confidence in--like university alma maters and children's schools. People are more inclined to give \$1 million to an out-of-state university than \$25,000 to a local cause because they know how to do this." Gib Myers

We think and act beyond Silicon Valley

When thinking about community, only six of ten residents think often or very often about their own neighborhood or city. When making charitable contributions, only half of us think first about Silicon Valley (our neighborhood, city, or the region). Forty-four percent think about their

neighborhood or city first when they give, while only 5% think of the broader Silicon Valley region first.

A significant number of us feel that it is important to donate to the community where we spent our childhood--37% think it is at least somewhat important to donate to these communities, which are often outside Silicon Valley. Fifty-six percent of those born outside the United States feel that it is at least somewhat important to donate to communities where they spent their childhood.

"We prefer to keep our giving local. We feel that we've had the opportunity to live in this area and be successful, so we're grateful and want to make it possible for others to enjoy and prosper in this valley." Don and Sally Lucas

A significant amount (about 40%) of Silicon Valley giving goes to organizations outside the region. While 83% of Silicon Valley households give to charity, only 61% of us say that we volunteer or donate to any charities that benefit Silicon Valley. Fifty-eight percent of the giving of our wealthiest donors is directed outside Silicon Valley. At both ends of the spectrum, 31% of these donors say they give 90-100% of their total annual contributions to organizations within Silicon Valley, while 15% say they all their giving is to organizations outside the region.

"For me, the strategic model of philanthropy is not geographically dependent. It is not surprising that people who are more entrepreneurial are looking nationally and globally for solutions to complex problems." Catherine Muther

Some of us are using technology to expand our giving horizons. Twenty-three percent of respondents have, during the last year, personally gone "on-line to obtain information about or communicate with any organization in support of a particular cause." And, among certain groups these numbers are much higher: 39% of respondents in households making \$100,000 or more and 36% of those employed in a high-technology business (i.e., those "primarily involved in software, computers, or other high-technology manufacturing, sales, and service") go on-line for this purpose.

"I maintain a web site that describes my charitable activities." Steve Kirsch

What leaders think and do

Silicon Valley leaders in giving and volunteerism have a strong attachment to the region. While giving to national, and sometimes international causes, their local donations amount to about 80% of their total giving. They have found that over the years their local giving has increased as they have become more familiar with local organizations. They have also realized how to structure their giving to national causes so as to impact local problems.

"I am conscious about targeting my own region first. Even if it's the Red Cross, I give to the Santa Clara County Red Cross. I start with family and church, and my immediate region, then move out from there to areas where the need is the greatest." Gordon Chan

"People have many communities in their lives. I do not see it as "leakage" if the first significant gift people make is to their college. It means they are getting started with giving." Catherine Muther

We have strong ties to work that affect our giving and volunteerism

Work provides one of the strongest sources of community connection for many Silicon Valley residents. We respond about as well to being asked at work, as being asked at church and by people we know well, including friends and family. This finding is in stark contrast to the experience of Americans overall. They are much more likely to shape their giving with input from clergy, friends, and family. The following highlights show how the ties of Silicon Valley donors to their work shapes their giving and volunteerism.

Work and religion have equal influence on our giving

Silicon Valley is a region where the workplace is as important as religion to charitable giving. Forty-three percent of us say that being asked at work is at least somewhat important in our giving decisions, while 42% say that being asked at church is a factor. Also, respondents say that being asked at work is almost as important as being asked "by someone you know well," which includes friends and family (48%). Nationally, 59% of Americans say being asked at church plays at least somewhat of a role in their giving, while 38% say being asked at work is a factor. And, 72% of Americans say that being asked by someone they know well is at least somewhat important in their giving decision.

We are more connected to work-related groups than any other organizations

In Silicon Valley, it is our work-related connections that provide many of us with our strongest sense of community. National research has shown that membership in organizations beyond religion have an impact on the incidence and level of giving and volunteerism. In Silicon Valley, more of us belong to a work-related organization than any other single organization. More than half of us (52%) belong to a work-related organization (e.g., a professional society, business organization, labor union), while only 16% of Americans belong to any kind of work-related organization.

"Many people get their greatest opportunities to give and volunteer through work. Employers are trying to motivate through matching grants, volunteer days, even web pages that list volunteer opportunities. There are definitely growing opportunities to go online to find out how to give and volunteer. Considering how busy people are, companies need to make it as easy as possible to get involved." Lisa Sobrato Sonsini

At the same time, 70% of Americans compared to 26% of respondents in Silicon Valley say that they are members of a religious organization. And, 28% of us are active in religion (i.e., attend religious services weekly or nearly every week) compared to 38% of our fellow Americans.

The workplace helps facilitate our giving and volunteerism

In Silicon Valley, the workplace gives us clear paths for giving and volunteerism. Forty-three percent of us say we have an opportunity to contribute to charity through payroll deductions (as well as 48% of those who work for high-technology companies and 50% of those with incomes of more than \$100,000 per year). In contrast, only 26% of our fellow Americans have a payroll deduction option through their work. Also, 26% of us first learned about the organizations we volunteered to help through our workplace, compared to 20% of all Americans.

Many of us work in relatively new industries for companies that are just beginning to get actively involved in the community. About four of ten survey respondents say they work for a business primarily involved with "software, computers, or other high-technology manufacturing, sales, or services"--primarily "younger industries" without the decades-long track record in community involvement of "older industries" based in the midwestern and eastern United States.

"Typically, I find that companies don't contribute proportionately until they have become financially secure for at least five years." Don Lucas

"We need to get our entrepreneurial sector to re-invest in the community. With only a few exceptions, the below-\$1 billion companies do not give back much." Gib Myers

"Corporate philanthropy by Silicon Valley companies is an emerging area, is characteristically embryonic. Companies are not yet applying the same amount of entrepreneurship and creativity to this area that they do to running their core businesses." Catherine Muther

As the 1997 Silicon Valley Corporate Community Involvement Study suggests, companies in these younger industries are maturing, increasing their giving and volunteer programs for their employees in just the last few years. About two-thirds (67%) have payroll deduction programs, and over half (56%) match employee contributions. In 1997, 71% reported having volunteer programs, up from 55% in 1994. In addition, significant percentages of companies had incentives for volunteering (48%), matched volunteering with grants (38%), and gave employees unpaid time off for volunteering (38%).

"A sound company that extracts a great deal from the community has a responsibility to the community. If Applied Materials helps the community be strong and sustainable, we benefit from a better local workforce. We also become an attractive place to work for people who want to make a difference through charitable giving and volunteerism, and want to work for an employer that strongly believes in giving back to the community. People want to come to work for an organization they believe is making a difference, through their products, services, and impact on the community. Our thinking is to be a catalyst for change--and that includes some risk-taking, supporting new ideas for addressing needs in Silicon Valley." Glen Toney

What leaders think and do

Silicon Valley leaders in giving and volunteerism often have strong connections through their workplace. They think not only about their personal giving, but how to leverage their influence as employers. There are leaders from long-established Silicon Valley firms and those who are

running companies that did not exist five or even two years ago. At the same time, leaders recognize that Silicon Valley is only beginning to use the work connection to help people increase their giving and volunteerism.

"I enjoy transferring my dollars and skills I accumulated in business over to the nonprofit sector." Leonard Ely

We have high aspirations for, but mixed feelings about Silicon Valley

Generally, most Silicon Valley residents feel good about the local economy, while a significant percentage feel that the community is doing a fair or poor job addressing issues from education to poverty. And, we are neither indifferent nor feel hopeless about these challenges; we want to see change. This combination of high aspirations and mixed feelings about the current state of the community could set the stage for a bigger role for giving and volunteerism in Silicon Valley in the years ahead. The following highlights describe this duality of high aspirations and mixed feelings among Silicon Valley residents.

We feel better about the economy than the community

While more than eight in ten residents think that Silicon Valley is a good or excellent place to get a job, about one-third of us feel it only a fair or poor place to raise a family, live safely, and provide a good education for children. Eighty-six percent think the region is an "excellent" or "good" place to get a job, while 61% think it is a good or excellent place to raise a family (i.e., 36% think it is a "fair" or "poor" place to raise a family). Almost half of Hispanic households (47%) believe that Silicon Valley is a fair or poor place to raise a family.

"It is important to empower people to participate in Silicon Valley society. From strictly a business standpoint, if we do better educating and training people, our tenants will have more employees to hire." John Sobrato, Sr.

About two-thirds of us feel it is very important to improve our community

We aspire to do better as a region: 83% of us feel that it is "very important" to improve the quality of public education in Silicon Valley. Almost two-thirds (64%) believe that it is very important to reduce poverty in the region. And, 63% think it is very important to make Silicon Valley a better place to live. Nine out ten Silicon Valley residents feel that it is at least somewhat important to improve education, reduce poverty, ensure high-quality arts and culture, and make the region a better place to live.

"It is important to become educated about regional needs. Getting involved is a great way to become informed, learn about the issues, and find out how to best address those issues." Elaine Knoernschild

Most of us (88%) believe that it is at least somewhat important for Silicon Valley to be

generous in terms of giving and volunteerism. Half of us (47%) think it is "very important" that Silicon Valley be a generous region. The percentages are comparable among our wealthiest households, with 84% believing that it is at least somewhat important and 44% feeling that it is "very important" for Silicon Valley to be a generous region.

What leaders think and do

Silicon Valley leaders in giving and volunteerism are incurable optimists. They believe anything is possible, and refuse to take no for an answer. But, perhaps most importantly, they move beyond talk about high aspirations and what should be done, to getting personally involved and involving others. While optimistic, they also exhibit a strong streak of pragmatism. They focus on specific projects that can deliver concrete results, that can in turn be used to achieve even greater results and build more momentum for change.

"It will be a problem if people only want to support their own group—their own neighborhood, cultural group, ethnic group, etc. We support both East San Jose and the broader region. You have to be concerned at both levels." Don Lucas

We have clearly not reached our potential

While Silicon Valley's giving and volunteerism matches or exceeds the national average, there are strong indications that the region is not reaching its potential. A large group of wealthy households give very little to charity. We have only begun to tap the possibilities of how to give to charity--through stock, wills, and other means. Few of us see ourselves as leaders in giving or volunteerism--either as people whose gifts help leverage the giving of others or as board members of community organizations. However, we do view giving and volunteerism as making a difference in improving Silicon Valley--and believe we should do more. The following highlights show how Silicon Valley has yet to reach its potential in giving and volunteerism.

"There is a lack of understanding about what is going on with charities and non-profits in Silicon Valley. Most people are removed from the needs and the programs that address those needs." Lisa Sobrato Sonsini

Half of wealthy households are low-givers

While we have many generous donors, 45% of our wealthiest contributors give \$2,000 or less annually to charity. Another 6% gave nothing to charity. At least four of ten respondents in the high-net worth survey have assets of more than \$500,000, in addition to the value of the house where they reside in Silicon Valley. In addition, the survey of all households in Silicon Valley show that 43% of those with annual incomes of \$100,000 or more gave \$2,000 or less. Another 7% gave nothing to charity. Whether measured by net worth or annual income, about half of Silicon Valley's wealthiest households are low-givers. And, about one quarter of wealthy households are extremely low givers. These households make \$100,000 or more and give \$0-500 to charity annually.

"In Silicon Valley, many people are so focused on accumulation of money that they haven't shifted to distribution. Many measure their success by the size of their bank account. Not enough people talk about the alternatives. There is not enough media coverage of the alternatives." Steve Kirsch

We could be doing more with our giving

When we give, about nine out of ten give by cash or check. About four in ten households (and six in ten wealthy households) give property, including clothing and household articles. Very few of us do anything else--like give stock, donate computers, or name a charity in our wills.

"People have the money. What they don't have is the time or knowledge to invest it wisely. The result is that people give away much less than they could. It is a ten-year cycle from when someone makes it (their money) and starts giving it back (to the community). We need to start this process sooner." Gib Myers

Stock is an important and growing part of compensation in Silicon Valley--more so than the rest of the country. Yet, very few of us use stock as part of our charitable giving. While about one quarter of residents (and one-third of our wealthiest residents) receive compensation through company stock ownership, only 3% (and 7% of our wealthiest residents) include stock in charitable giving.

Personal computers are also an important and growing part of work and life in Silicon Valley. Yet, very few of us donate computers or technical equipment to charity. Only about 11% of Silicon Valley households (and 15% of our wealthiest households) make these kind of donations.

Very few of our wealthiest households pursue other modes of giving or make plans for future giving. While 74% of the wealthiest Silicon Valley households have engaged in estate planning, only 11% have named a charity in their wills. And, only 16% say they plan to leave a major portion of their estate to charity. Very few wealthy Silicon Valley households give through a personal or family foundation (12%) or have established a charitable remainder trust (8%). A somewhat larger percentage (29%) do give to a community foundation.

"More people need to explore estate planning tools that key off of stock appreciation. Charitable lead trusts and charitable remainder trusts are excellent ways to both contribute to the community and pass down money to kids." Susan Packard Orr

Growing up, half of us had no strong role models for giving and volunteerism

One of the barriers to reaching our potential as a region may be that about half of us may have little in our backgrounds that encourages giving and volunteerism. Fifty-six percent say that their parents were active in charitable giving: 51% say "charity and community were stressed" in their upbringing. Four of ten respondents (38%) had parents that "actively volunteered in the community," compared to 49% of all Americans. Among Silicon Valley's wealthiest residents, 40% say that family tradition is at least a somewhat important as a reason for giving, with only 15% saying that family tradition is a "very important" reason.

A slightly larger percentage of respondents actively participated in volunteer and religious activities. Two-thirds (65%) of us say we did some kind of volunteer work growing up, compared to 53% of all Americans. Sixty percent of us "were active in religious organizations" growing up, compared to 54% of all Americans.

We believe we are qualified to do more, but lack the time

The main reason we don't volunteer more is that we are too busy, not that more volunteerism would not make a difference or other reasons. Fifty-two percent "strongly agree" that they have too many personal responsibilities to volunteer more. At the same time, 87% disagree or strongly disagree that they "don't have the necessary skills to volunteer more;" 86% disagree or strongly disagree with the statement that "you don't believe your efforts will make a difference." Also, 70% of us disagree or strongly disagree that our employers are not supportive of volunteerism.

A strong core of people believe giving and volunteerism can make a big difference in Silicon Valley, but few are willing to be leaders

Many of us believe that giving and volunteerism can have a significant impact on issues facing Silicon Valley. A significant, consistent core of 40-55% believe that giving and volunteerism can help "a great deal" to ensure high-quality arts and culture, improve education, reduce poverty, improve quality of life of people with disabilities, and make Silicon Valley a better place to live. Beyond this core of strong believers, nine out of ten residents believe that charitable giving and volunteerism can help make Silicon Valley a better place to live.

Another similarly-large core of believers (47%) feel that it is "very important" that Silicon Valley be generous in giving and volunteerism. Only 11% think we are "excellent" now.

Our wealthiest households produce a similar core of believers. Forty-four percent believe that it is "very important" that Silicon Valley be generous in terms of charitable donations and volunteerism—with only 18% feeling we are "excellent" now. About half (53%) feel that volunteering and charitable giving can help "a great deal" in making Silicon Valley a better place to live.

"It used to be that the same people gave to everything, but recently that is changing. High tech didn't give much for awhile, but in the last few years that has really changed."
Sally Lucas

"We must find more leaders. The current pool is not big enough, so many of the same people have to be leaders over and over again." Elaine Knoernschild

Few wealthy givers or volunteers think or act like leaders. While 71% of wealthy households volunteer, 39% of those volunteers say they assist in fundraising, in effect helping to leverage their financial or volunteer contribution. Only one-quarter (26%) participate in a leadership role, as a member or officer of a board for a charitable organization. And, only 14% of Silicon Valley's wealthiest households say that it is even somewhat important "to be a lead investor, helping attract other givers."

"CEOs (and corporate officer teams) have enormous influence. Just as the CEO defines and embodies the corporate culture, employees will adopt the values the CEO expresses in "giving back" to the community. The CEO sets the standard." Catherine Muther

What leaders think and do

The number of Silicon Valley leaders in giving and volunteerism appears to be comparatively small. Most are overwhelmed with requests to sit on boards and assume other leadership roles. They feel strongly about the need to build a bigger, more broad-based leadership pool. Many are focused on helping peers, the newly wealthy, and new residents become leaders. But, they recognize that Silicon Valley has only begun to focus on how to find and nurture leaders in giving and volunteerism.

"I always give stock. Many of Silicon Valley's wealthy are stock rich, but cash poor. This is a big advantage of giving through a community foundation. I give the stock and the non-profits get the cash." Susan Packard Orr

"The way you encourage people is to focus on the joy of giving rather than the guilt of not giving." Leonard Ely

What we can learn from the leaders: shared traits

While they come from many backgrounds, hold diverse beliefs, and act in different ways, Silicon Valley leaders in giving and volunteerism have much in common-and have much to teach us about how to become engaged in the community.

They embody the most positive aspects of the unique Silicon Valley culture of community involvement. They are strong believers in the value of community, and are guided by a strong investment philosophy because making a difference is their most important goal. They have a strong regional perspective, crossing the boundaries of political jurisdictions, organizations, ethnic groups, etc., to get people to focus on shared issues. They use their connections to leverage the involvement of others, the workplace acting as an important and growing wellspring of funding and volunteer talent.

They have respect for the contributions of past community-builders in Silicon Valley, high aspirations for the present, and a strong desire to leave this region even better for future generations. For Silicon Valley itself to emerge as a leading region in giving and volunteerism in the 21st century, new leaders will have to step forward to join with those who are setting today's standard for community involvement.

A set of individuals were selected by the advisory group for the Initiative as a cross-section of leaders in giving and volunteerism in Silicon Valley. Interviews with these individuals revealed a set of broadly shared traits. These shared traits are as follows:

- Community Stewards

- Civic Venture Capitalists
- Regional Boundary-crossers
- Civic Collaborators
- Practical Risk-takers

Community Stewards

A strong trait among these leaders is the sense of responsibility they feel for the long-term success of Silicon Valley. While some are long-term residents and others are relative newcomers, they value and wish to sustain what is attractive about Silicon Valley. They speak of their role in carrying on the community-building tradition of David Packard and other early Silicon Valley pioneers. They feel a responsibility to leave Silicon Valley better for the next generation. Their commitment to community stewardship is shaped by a strong sense civic and moral duty-and a recognition of the special character and culture of their region.

Leaders as Community Stewards

"We are fortunate to live in the best area in the best country in the world. Everybody should give something back and make Silicon Valley a better place for those who come after us."
Gordon Chan

"We are only one generation away from becoming barbarians. We have to pass on underlying principles and values to the next generation to carry our civilization forward. If I didn't take my time and money to improve our region's situation, it would be the height of arrogance, conceit, and greed." Boyd Smith

"My family were farmworkers, and we didn't have much, but we always helped others where we could. I was fortunate to have been helped by others. I've been lucky, worked hard, and experienced success, and now it's my turn to give back. It is also important that I provide a role model for my kids and youth in the community." Rolando Loera

Civic venture capitalists

These leaders embody the investment philosophy of the region's venture capital community. They are demanding investors, insisting on measurable results and helping recipients succeed through a variety of means. They seek out and invest in innovative approaches to community problems-looking for opportunities to make a significant impact. They act like civic venture capitalists in that they provide funding, but also help recipients find the expertise and other resources they may need to succeed. They get personally involved, so they can understand the issues and be in a position to influence the direction of community organizations. They set high standards for the effectiveness of non-profits, but are willing to share responsibility for making improvements.

A growing number of leaders have participated in business and industries that have had a transforming effect on society (e.g., Internet, bioscience). Based on their experience, these individuals have confidence that what they do in philanthropy can have similar transforming effects. When they get involved, they like to think big and expect significant results. They tend

to be both independent thinkers and collaborative doers. Partnering to get results is part of their culture and experience that they carry over from their business.

Leaders as Civic Venture Capitalists

"Strategic philanthropy is an entrepreneurial endeavor. It requires thinking analytically, creatively, and with a problem-solving orientation. One expects results. I focus my investments on points of leverage that can influence institutions to change." Catherine Muther

"Our family foundation likes to invest in visionary leaders that have the potential to make a lasting difference. Like a venture capitalist, we tend to sponsor innovative ideas and seed new programs, a strong culture in Silicon Valley. There is a growing emphasis on strategic or venture philanthropy. This is especially true with the younger generation, which has a very strong outcomes-driven philosophy." Lisa Sobrato Sonsini

"Focus on just a few things if you really want to get something significant done. I give to the fundamentals-things that have a lasting impact like education and training. An ounce of prevention is worth a pound of cure." Steve Kirsch

Regional boundary-crossers

These leaders are "boundary crossers"-a term coined by nationally-syndicated columnist Neal Peirce. They reach across jurisdictional, organizational, ethnic, and other boundaries to seek solutions to community problems. They are not locked into a set course of action, but are expansive in seeking information and educating themselves about new approaches. They are willing to challenge prevailing assumptions about what is possible, and willing to reach out to individuals and sectors of the community that they do not know well. They are not deterred by political, social, and other barriers to change. They set a standard for regional thinking and action.

Leaders as Regional Boundary-Crossers

"We're too fragmented as a region. Everyone wants to do their own thing in Silicon Valley-cities, donors and non-profits. It will be a problem if people only want to support their own group-their own neighborhood, cultural group, ethnic group, etc. We support both East San Jose and the broader region. You have to be concerned at both levels." Don Lucas

"We look for organizations and individuals who are energized, aggressive, and willing to try new approaches to solving problems. It is important that they are really focused on the problem and leveraging as much as they can, including working with other organizations. Glen Toney

"It is important to empower people to participate in Silicon Valley society." John Sobrato, Sr.

Civic Collaborators

These leaders are collaborators, not lone eagles. They look to work with others to solve problems, and tap readily into their social networks to rally support for specific causes. In contrast to the average giver in Silicon Valley—who consults few people in making the giving decision—these leaders are constantly interacting with their peers and with others in the community. They are participating on boards, seeing first-hand the benefits of their donations and volunteerism, and working with others to get them involved. In many cases, they provide a bridge between a creative, effective, and relatively unknown nonprofit organization and wealthy givers who would not otherwise know about the opportunity to donate and make a difference. They provide the catalyst that turns individual donations of time and money into cohesive strategies to effect community change.

Leaders as Civic Collaborators

"I like to be in a situation where I personally can make a difference. I do better on smaller, rather than larger boards where I can have a big impact. A strong motivation is to get new people involved, and hopefully this will inspire them to get even more people involved in the cause. I allow people to leverage off me, and later I leverage off them."

Rolando Loera

"People have the money. What they don't have is the time or knowledge to invest it wisely. The result is that people give away much less than they could. It is a ten-year cycle from when someone makes it (their money) and starts giving it back (to the community). We need to start this process sooner." Gib Myers

"Collaboration, cooperating with other foundations and funders, is how I work. At Cisco, partnering was a key strategic tool to get more done. I do not collaborate because it is a nice thing to do, but because it is often essential for success." Catherine Muther

Practical risk-takers

These leaders are neither "pie in the sky" idealists nor incrementalists without vision. They possess an effective mix of passion for their community and practical ideas about what can be done to make significant improvements. They are proven "doers," willing to take a risk, and not afraid of making mistakes. They are typically in the forefront of new initiatives to solve community problems or build new regional assets. They are willing "to hear out people with new ideas," and support those ideas on their merits—even if they do not have the immediate backing of other community leaders. At the same time, they pay attention to the fundamentals—ideas that are likely to leverage additional support, connect related efforts, efficiently use staff, and produce lasting results. They have a personal track record of innovation and effectiveness—in their careers, business, giving, and volunteerism.

Leaders as Practical Risk-takers

"I remember Bill Hewlett saying that 'if I don't make mistakes, I'm not being innovative.' You can't expect to succeed with giving every time out, but you can do turnarounds or startups that really make a difference." Leonard Ely

"If we believe in capitalism and don't believe that government should take care of the problems, then giving and volunteerism has to be part of the program." Elaine Knoernschild

"A more relevant target for people of high net worth should be giving away a percentage of total personal assets, rather than a percentage of income." Susan Packard Orr

"Start with your passion and choose a focus . . . because you can't give to every worthy cause." Becky Morgan

What leaders suggest: How to grow giving and volunteerism in Silicon Valley

In the course of interviews and discussions about the results of this project, leaders have offered suggestions for how Silicon Valley could increase the level of giving and volunteerism, and create a bigger pool of leaders in regional philanthropy. A summary of their suggestions is described below:

- *Give people better information* - Help people better understand their giving options, learn more about local nonprofit organizations, and see the impact of innovative and effective efforts to address community issues.
- *Match experienced givers/volunteers with new givers/volunteers* - Work one-on-one to mentor people in giving and volunteerism, help them make connections to organizations and individuals, provide opportunities for newcomers to be leaders.
- *Capitalize on the strong ties people have to the workplace* - Reach people through their work, make it easy for them to get involved, grow the number of companies that actively encourage community giving and volunteerism.
- *Encourage donors to think about Silicon Valley first in their giving* - Increase the percentage of local giving to local causes, show people how to create local benefits when they give to national causes, publicize local efforts focused on issues of strong interest to Silicon Valley residents.
- *Expand new sources and methods of giving* - Encourage use of stock by individuals and companies for charitable contributions, promote the naming of charities in wills, expand online giving opportunities.
- *Start giving and volunteerism at an early age* - Put an emphasis on community service in schools, involve children in family giving decisions, create opportunities for younger givers and volunteers to share experiences.

Conclusion: The prospects for giving and volunteerism in Silicon Valley

Silicon Valley rates about average in giving and volunteerism, neither a national leader nor a national laggard. We have clearly not reached our potential. Our aspirations for the quality of our community are high. Our population and economy together constitute one of the world's greatest concentrations of talent and financial resources--and regularly sets the standard for innovation. We have yet to set a similar standard of leadership and innovation in giving and volunteerism.

While Silicon Valley will not become a leader overnight, the prospects for improvement are promising. The survey results, if anything, showed optimism and a strong feeling that Silicon Valley residents feel they can make a difference in their community. Few signs of indifference or community divisiveness surfaced. People also recognize that the region has definite areas in which improvement is needed--from education to poverty.

We also have groups of givers that may require a different approach, but that have the capacity to give more. Some might respond to stronger calls to get involved through their workplace. Others might benefit from more interaction with experienced givers and effective nonprofit organizations. And, still others might be able to increase their giving on the basis of better information about stock donation, estate planning, and other giving strategies.

Assets and obstacles to growing giving and volunteerism in Silicon Valley

The survey research and interviews suggest that Silicon Valley will have to capitalize on certain assets and overcome certain obstacles to grow its level of giving and volunteerism. The major assets that can be leveraged include:

- A strong belief in the value of community, most households in the "giving habit"
- A strong investment orientation, desire to make a difference
- A strong connection to the workplace and work-related organizations
- High aspirations for the community, desire to make things better, not accept the status quo
- A strong wealth-generating economy, creating expanding opportunities to give (e.g., stock)

The major obstacles that will need to be overcome include:

- A strong independent streak, unwillingness to take advice even from those closest to us
- A sizable population with weak giving traditions, such as religious activity and family background
- A sizable flow of giving outside Silicon Valley
- A sizable group of wealthy households that are very low-givers
- A shortage of leaders in giving and volunteerism

Giving back, the Silicon Valley way: Moving from understanding to action

This report is a starting point. It comprehensively describes--for the first time--the current situation regarding giving and volunteerism in Silicon Valley. It suggests that there is a particular culture of giving and volunteerism that pervades the region. And, it asserts that Silicon Valley does have leaders--civic entrepreneurs--who demonstrate effective and innovative ways of making a difference. Taking these findings into account, it is time to move to action. The intent of this report is to spark informed debate and stimulate collaborative action to expand giving and volunteerism for the purpose of building a better future for Silicon Valley. In that sense, it is an invitation to all to find new ways to give back, the Silicon Valley Way.

Appendix: Methodological Notes

The following sections briefly describe the survey methodology used for this initiative, including the definition of the survey area—Silicon Valley. It also includes a list of leaders in giving and volunteerism interviewed for this initiative.

Definition of Silicon Valley

For the purposes of the survey, Silicon Valley is defined as Santa Clara County, plus adjacent parts of San Mateo County (from Menlo Park to San Mateo), Alameda County (including Fremont and Newark), and Santa Cruz County (including Scotts Valley and Santa Cruz). The area covers 1,500 square miles, and has a population of 2.3 million. This definition reflects the geographic concentration of the Valley's driving industries and its workforce.

Survey Methodology

Two surveys were conducted for this Initiative by the Field Research Corporation—a general population survey and a survey of high net-worth households in Silicon Valley. In September and October of 1997, Field Research Corporation completed telephone interviews in English and Spanish with 734 randomly selected adults in Silicon Valley. The overall sample results are weighted to be representative of Silicon Valley adults (according to the regional definition of Silicon Valley described above). The maximum sampling error for a percentage based on a sample of 734 adults is 3.4 percent at the 95 percent confidence level.

Field Research Corporation conducted the high net-worth household survey in January 1998. The survey was based on a completion of 160 interviews with a random sample of high net-worth adults in Silicon Valley. These adults reported household assets ranging from \$100,000 to more than \$1 million (not including the value of the house where they reside). The maximum sampling error for a percentage based on a sample of 160 adults is 8.2 percent at the 95 percent confidence level.

All national comparisons to the Field survey results cited in this report are based on data collected by the Gallup Organization for the 1996 Independent Sector Survey of national trends in giving and volunteerism.

The Corporate Community Involvement in Silicon Valley survey was conducted by Dr. Kirk Hanson of the Stanford University Graduate School of Business. The survey was conducted between June and October 1997 among one hundred of the largest Silicon Valley public and private businesses, measured by number of employees in Silicon Valley, and inquired about their community involvement practices. Fifty-seven companies responded. The 1997 survey represents an expanded version of a similar survey conducted by Dr. Hanson in 1994. National comparisons for this survey are from The Conference Board. Results of the survey are available on the project web site in an interactive form. The web site is <http://ccsurvey.com/survey/comsur/>.

Appendix: Acknowledgements

Leaders Interviewed

The following individuals were selected by the advisory group for this Initiative as a cross-section of leaders in giving and volunteerism in Silicon Valley.

Gordon Chan, President, T.S. Chan Nursery

Leonard Ely, commercial real estate developer and community volunteer

Steve Kirsch, Chairman and founder, InfoSeek

Elaine Knoernschild, retired hospital executive and community volunteer

Rolando Loera, President and CEO, TMCI

Don and Sally Lucas, Lucas Dealership Group

Becky Morgan, President/CEO, Joint Venture: Silicon Valley Network

Catherine Muther, Founder, Three Guineas Fund and former corporate officer, Cisco Systems

Gib Myers, Partner, The Mayfield Group

Susan Packard Orr, Chair, The David and Lucile Packard Foundation and President, TRAC

Boyd Smith, Partner, WSJ Properties

John Sobrato, Sr., General Partner, Sobrato Development Companies

Lisa Sobrato Sonsini, President, Sobrato Family Foundation

Glen Toney, Group Vice President, Corporate Affairs, Applied Materials Corporation

Nonprofit participation

We also conducted a series of meetings with a select number of nonprofits who provided additional input on the preparation of the report.

American Musical Theatre of San Jose

Adult Child and Guidance Center

Bill Wilson Center

Cupertino Community Services

Friends for Youth

Hidden Villa

Hope Rehabilitation Services

Kids In Common

League of Women Voters

Palo Alto Medical Foundation

Planned Parenthood Mar Monte

Project Hired
San Jose Jazz Society
Silicon Valley Council of Nonprofit Organizations
Silicon Valley Forum of the Common Wealth Club of California