

Letter to our East Bay Community Partners - January 2009

As the current economic crisis continues into its second year, all East Bay residents are experiencing increasing challenges and needs, none more so than our low-income and underserved children, youth, families, and elders. As a foundation committed to supporting these vulnerable populations and helping them to achieve self-sufficiency, the Y & H Soda Foundation recognizes its responsibility to respond proactively and thoughtfully to the economic crisis.

Over the past year most foundations have experienced a precipitous decline in the market value of their assets as global financial markets have declined in response to changing economic conditions. We have not been immune from these deteriorating conditions and our portfolio of invested assets has suffered a substantial decline in market value from the prior year. While we expect a full recovery in the market value, we do not know when this will occur. Because our grantmaking budget is always based upon the December 31 value of our endowment, the current lower market value will necessitate a smaller grantmaking budget for 2009. However, due to our longstanding commitment to our nonprofit partners, we have taken a number of steps to ensure that we are maximizing our grantmaking resources for the benefit of the Community.

First, to respond to the increasing community needs generated by the economic crisis, our Board has decided to increase the payout percentage of our endowment from 5% to 6% in 2009. Second, we are suspending our capital grants program in 2009 and reallocating the funds to our competitive grants program. Third, we have trimmed a number of administrative expenses, including not filling a vacant staff position. Fourth, the Foundation will continue to honor all of our previous grant commitments, including multiyear awards, under their original terms and conditions.

We believe that by taking the actions outlined above, we will best fulfill our mission, remain true to Chet and Helen Soda's donor intent, and have the greatest impact with our grantmaking over the next year. While the Foundation will be a little leaner and have fewer resources to distribute, we remain steadfast in our commitment to our mission and we look forward to our continued partnership with you in supporting and strengthening underserved residents and communities in the East Bay.

Bob Uyeki
Executive Director