



ANNUAL REPORT

April 1, 2016 - March 31, 2017

Needed? More Than Ever

Twenty-seven years ago, I started Family Giving Tree as a bootstrap operation supporting needy families in East Palo Alto. Back when we started, I could never have envisioned a future where FGT would — in one year — support over 130,000 needy Bay Area kids with hand-picked gifts and backpacks with grade-appropriate school supplies.



In FGT's 27th year, that is exactly where we stand. Thanks to our thousands of volunteers, our drive leaders, our sponsors and our loyal staff, both our Holiday Wish Drive and Back-to-School Drive continue to expand. It's little wonder that Charity Navigator, the leading independent auditor of nonprofit organizations, this year again awarded Family Giving Tree its top '4 star' rating. But as our Holiday Wish Drive and Back-to-School Drive achieved record numbers, they came at a cost. Family Giving Tree made the conscious decision to 'lean forward' and make key investments last year, including infrastructure, resulting in a financial loss for FY 2017. (The general target for nonprofits is a modest number 'in the black.')

While FGT is fortunate to have substantial cash reserves, a return from (even modest) red numbers to black in 2017-18 is a key goal of the budget that the FGT Board recently approved.

Looking back to FGT's humble start in 1990, I cannot help but also look back at Bay Area history as well, particularly Silicon Valley. The semiconductor (and in fact



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‘silicon’) was still king, along with its twin, the personal computer. The years that followed blessed the Bay Area with growth from many more industries: the Internet and its related businesses; computer networks; security; social media; biotech; mobile apps; and much more. In a naïve sense, I might have predicted that such an economic ‘rising tide’ would lift all boats – in other words, provide some measure of financial success to all. However, that’s not so.

Like San Jose’s sudden 2017 winter flood, the economic tide swamped many of the less fortunate, while those on financial ‘higher ground’ stayed warm and dry. Skyrocketing rents and other living costs put an extra squeeze on ‘discretionary’ family spending – and sadly, ‘discretionary’ often meant no gifts for the kids, or even basic school supplies.

So, 27 years of unparalleled economic boom later, the Bay Area needs Family Giving Tree. Moreover, YOU are still needed, with your hands-on volunteer efforts, donations, and leadership. Perhaps one day all Bay Area kids will get what they need, and Family Giving Tree can turn to a different mission. But for now, the need grows. Our 2017-18 goals increase yet again. Because when it rains... it pours.

Thanks from the heart for all you do.

Jennifer



Bay Area: The True Cost of Living



Imagine a worker earning \$14 an hour (under \$2,400 per month) struggling to raise children and cope with Bay Area rents and other rising costs. When holiday gifts and school supplies become luxuries – Family Giving Tree lends a hand.

-  **Rental Housing**
\$2,500 for 1,000 sq ft is typical
-  **Hourly Employment Opportunities**
\$14 per hour, limited or no benefits
-  **Representative Bay Area Corporations**
Market caps range from \$5 billion to over \$600 billion
-  **Sample FGT Schools**
Schools average > 80% of students qualified for free/reduced lunch program

Living in the Shadow of Success

By all measures, 2017 should be another banner year for the Bay Area. The phenomenal job market, led by high-tech hiring, pushed the unemployment rate under 4 percent, a 15-year low. Tesla staffing surged past 14,000 employees (14 times the company's 2010 workforce) while again failing to make a profit – but no matter. In just a year, the company's stock soared more than \$100 per share. Uber built a vast new headquarters in Oakland, while Salesforce.com reached for the sky with a 61-story, \$1.1 billion San Francisco skyscraper of its own. Even initial public offerings (IPO's) were again in vogue, minting new millionaires overnight.

All in all – a very good year for the Bay Area. But those high-paying jobs for coders, engineers, and other high-tech professionals came with a price. Expenses rose across the board, with the median home price cracking \$700,000 for the first time. Rents and gas prices were up. Traffic was worse – way worse – with the Bay Area ranked the second most congested metro area in the U.S.

And how about the underpaid -- the house cleaners, caregivers, janitors, security guards, fast food workers and gardeners, living in the shadows of this booming economy? To borrow from author John Steinbeck, you rented apartments somewhere 'East of Eden': East San Jose. East Palo Alto. East Oakland. After months of unemployment, you landed a job as groundskeeper for the San Jose Giants. Great organization and you quickly



feel like part of the family. But the job pays \$12.50 an hour – it's life in the minor leagues, they quickly remind you, where even the players live below the poverty line.

You work eight hours a day until the season starts, and then 10 or 12-hour days during the season. But you do not complain – every cent of overtime helps. Your wife also lands a part-time job, something she can tackle while the kids are in school. It pays better — \$19 an hour as an in-home caregiver — but at three hours per day, does the commute to Campbell even make sense?

Those extra costs just keep coming. Healthcare costs soar; same with car insurance and gas. You talk of moving, some place where \$2,500 covers two months' rent, not just one. But the kids are doing well in school, with lots of friends, and the cost to relocate is out of reach.

Luckily, a few local organizations help bridge the gap, especially those involving the kids. Children being children, they have their hearts set on specific gifts for the holidays, and need basic back-to-school supplies. In total, it's close to \$300 – a sum the family budget just can't afford. However, Family Giving Tree took those requests and matched them through generous Bay Area donors. Those smiles! The kids had a great holiday, and continued to thrive in school.

Maybe they will one day have a chance to step out of the shadows...

Luckily, a few local organizations help bridge some of your financial challenges, especially those involving the kids. Children being children, they have their hearts set on specific gifts for the holidays.



Back-To-School Drive

The importance of a good educational foundation is a hot topic worldwide. Recently TIME magazine interviewed former Secretary of State Colin Powell on the topic. Asked ‘What’s the most important thing we can do for our kids?’ Powell replied, “Research shows that the presence of stable, trusting adult relationships in the lives of young people is a key factor — perhaps the key factor — in keeping them in school. Children need to get a high-quality education, avoid violence and the criminal-justice system and gain jobs. But they deserve more. We want them to learn not only reading and math but fairness, caring, self-respect, family commitment and civic duty.”

For over 20 years, Family Giving Tree has been helping this very mission through its annual Back-to-School drive. FGT’s goal is to make the school experience a great one, regardless of a family’s economic means. Our focus on STEAM (science, technology, engineering, arts and math) continues to resonate with the Bay Area community. With the support of Family Giving Tree’s sponsors, drive leaders, volunteers and staff, 2016 established a new record, with more than 39,000 backpacks filled with school supplies donated to needy Bay Area students. With most of these supplies distributed directly through schools – and those schools qualifying for high percentages of Federal free and reduced lunches – Family Giving Tree ensured that the right supplies reached the right students.





It's late October 2016. Operations Director Al Galan just wrapped up a landmark Back-to-School drive for Family Giving Tree – but in spite of that achievement, he is a bit nervous. (Turns out Al is the person responsible for finding donated warehouse space for all Family Giving Tree drives.) The logistics of the Holiday Wish Drive, with 7,000 volunteers coming together in three short weeks, require some 125,000 square feet of space. Or, in dollar terms, 'free rent' worth more than \$125,000.

Never underestimate the generosity of Bay Area companies and individuals. Just when Al was ready to cry for help, an anonymous sponsor donated a perfect location on Caribbean Drive in Sunnyvale. Easy freeway access. Bigger than three professional soccer fields. Even access to heat – a rarity for FGT warehouses. The gift allowed Al and FGT to set a new record with over 76,000 gifts donated, smoothly managed by those 7,000 volunteers, staff and invaluable 'Angel Elves.'

Holiday Wish Drive



BOARD OF DIRECTORS

The Family Giving Tree is extremely grateful to have an outstanding and active Board of Directors. 2017 saw an influx of talent, adding four new members.

Joyce Allegro - Chair

Joyce is a retired judge from the Santa Clara County Superior Court, where she served for 14 years. Prior experience included serving as a prosecutor for 20 years. Joyce also has served on the Board of Directors for organizations including the Ming Quong Children's Center and the Support Network for Battered Women.



Bill Cilker

Bill is a property manager and orchardist who lives in Milpitas with his wife Liz and daughter Cindy. Bill graduated from Los Gatos High School and Cal Poly San Luis Obispo. Bill also sits on the Agricultural Advisory Board of the Santa Clara Water District, and formerly served as president of the Milpitas Rotary Club and the Santa Clara County Farm Bureau.



Larry Sacks

Larry has been a member of FGT Board of Directors since 1996. He has worked for a variety of firms in Silicon Valley, most recently with Netscape/AOL. He is currently employed by the City of Cupertino as an IT Assistant, and



holds a staff photographer position at The Santa Clara Weekly.

Kamini Sandhu

Kamini has over 15 years experience in the Semiconductor industry with expertise in revenue analysis and customer care, among other specialties. She is currently a Sales Operations Manager at SanDisk. She joined the Board of Directors in January 2016 and serves on the Finance and Audit Committees.



Barbara Petit

Barbara is a systems manager at Google and currently runs a team which supports Google's global efforts for cost effective scaling of operations. Prior to Google, she worked for Oracle, print & CD manufacturing companies. Barbara leads Diversity and Inclusion initiatives at Google and is a seasoned mentor (both in and out of Google).



Niall Fagan

Niall Fagan moved from Dublin, Ireland to San Francisco in October 2011 for a temporary assignment with Grant Thornton accounting. Niall enjoyed his time in the



Bay Area so much that he decided to stay. He is now a senior manager at Grant Thornton with over 10 years of experience, where he coordinates and manages the execution of audits of public and private companies.

Paul Feng

Paul's parents were immigrants and small business owners in Pittsburgh, Pennsylvania who struggled to make ends meet. They taught him the value of helping the less fortunate. He is a Director of Product Management at Google, with a BS in Mechanical Engineering from UC Berkeley and an MBA from the Kellogg School of Management.



Mona Taylor

Mona Taylor joined Inphi in November 2012 as Vice President of Human Resources. She is responsible for the development and execution of enterprise-wide human resources strategies for the Company and has more than 25 years of experience with mid-sized companies and Fortune 500 industry leaders. Mona holds a B.S. in Organizational Behavior from the University of San Francisco.



Financial Snapshot

2017 ACTIVITIES

	2013	2014	2015	2016	2017
Total Income	4,542,988.15	4,841,961.06	6,367,560.82	5,985,531.24	5,655,439.56
Total Expense	4,522,722.01	4,803,649.66	6,227,559.30	5,782,492.46	5,880,550.11
Grants Expense	2,485,446.04	2,803,046.87	4,056,821.26	3,337,962.89	3,532,358.46
Grants Exp % to Total Exp	55%	58%	65%	58%	60%
Purchases	246,374.38	408,841.87	569,361.07	659,163.22	667,350.41
Purchased percentage	10%	15%	14%	20%	19%
Granted Units	84,800	95,084	104,866	109,461	115,536
Growth Rate - Granted Units		12.1%	10.3%	4.4%	5.5%

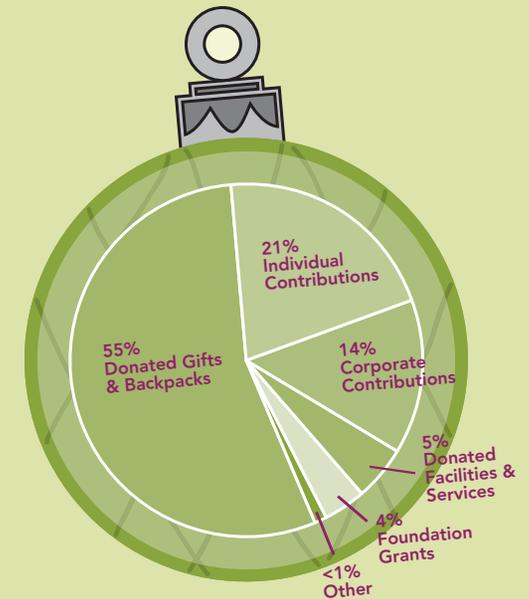
INCOME

Cash Contributions	
Individual	\$1,356,240
Corporate	\$919,961
Foundation Grants	\$251,250
Other	\$6,756
Subtotal Cash	\$2,534,207
Donated Gifts & Backpacks	\$3,487,460
Donated Facilities & Services	\$345,893
Total Income	\$6,367,560

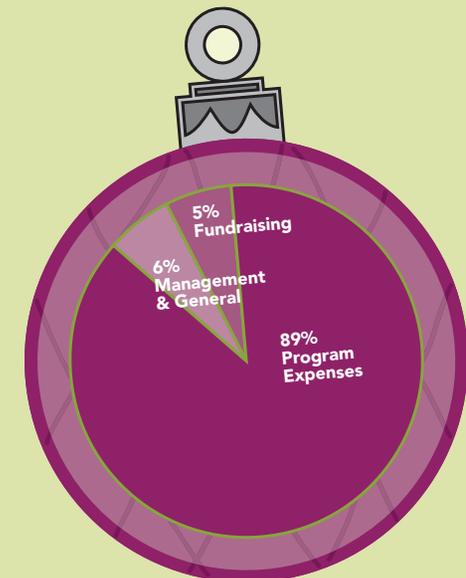
EXPENSES

Program Expenses	\$5,502,931
Management & General	\$389,564
Fundraising	\$335,065
Total Expenses	\$6,227,560

INCOME



EXPENSES





Clockwise from top left: Drive Leaders were enthusiastic about colorful, branded new 'collection points,' making it easier to gather and return gifts and backpacks. Celebrity spokesperson Polina Edmunds (left), two-time U.S. silver medalist and Olympian, supports FGT through TV spots, social media and hands-on volunteering. Here she appears with long-time TechCU sponsor Janiika Klem. The FGT offices got a modest 'facelift' in 2017 featuring some of the happy faces of Bay Area children we help. After years of borrowing and renting trucks, FGT used a generous grant to buy its first truck.



89%

OF FGT DOLLARS
GO TO
PROGRAM EXPENSES



AVERAGE PERCENTAGE
OF FREE/REDUCED
LUNCHES IN SCHOOLS
FGT SERVES

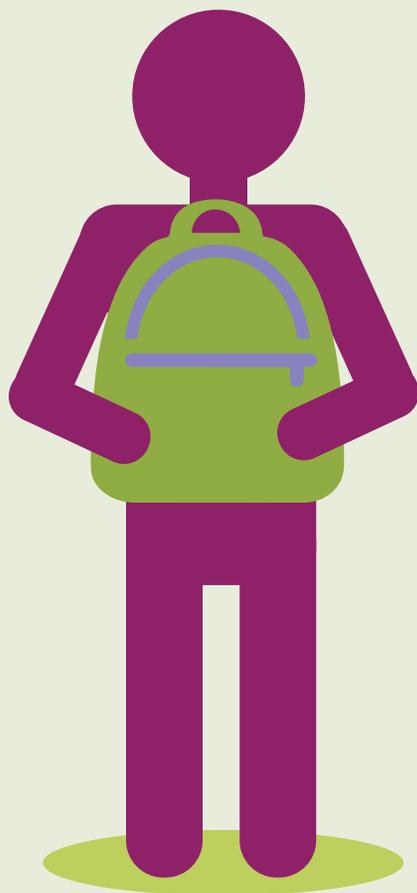
>80%



ESTIMATED VALUE OF ALL
DONATED BACKPACKS AND
GIFTS IN FY 2017

\$4,500,00

FAMILY GIVING TREE BY THE NUMBERS



LIFETIME
BACKPACKS

281,546



LIFETIME
HOLIDAY GIFTS

1,191,092

SINCE 1990

100,000+

HOLIDAY
VOLUNTEERS



TOTAL
WAREHOUSE
SPACE

FY2017 DRIVES

160,000+

SQUARE FEET





OUR MISSION

The Family Giving Tree fulfills the exact holiday wish and provides backpacks filled with school supplies to those children in the most need in our communities while inspiring the values of kindness, philanthropy and volunteerism.

LEADERSHIP TEAM

Jennifer Cullenbine
CEO and Founder

Jess Gutierrez
Chief Financial Officer

Jeanne Clabaugh
Relationship Director

Larry Loper
Marketing Communications
Director

Al Galan
Operations Director

Jake Manaloor
Director of Development