



VENTURING INTO NEW TERRITORY

The Bay Area-based Philanthropic Ventures Foundation is pushing the boundaries of traditional philanthropy and engaging in rapid-response, results-oriented, tech-savvy giving that's perfectly suited to its environment.

STORY BY ROBIN HINDERY

It's a familiar Bay Area plotline: After studying the existing marketplace and finding a glaring hole, two San Franciscans decide to offer seed funding to promising local entrepreneurs to fill the gap.

Here's the twist: The investors aren't venture capitalists; they're a married pair of retired healthcare professionals engaging in "venture philanthropy" to address social and economic inequality in San Francisco, San Mateo, and Alameda counties. The couple, Connie Rubiano and Peter Yedidia, are the founders of the Bay Area Inspire Awards, which grants up to \$10,000 to individuals ages 18 – 30 who are working in innovative ways to improve their communities.

To get the awards off the ground in 2014, Rubiano and Yedidia joined forces with Philanthropic Ventures Foundation, a 25-year-old Bay Area nonprofit that tests new approaches to creative grantmaking and works with donors to maximize their philanthropic dollars. "We needed to partner with an intermediary that had the financial structure to be able to accept funds and disperse funds—and one whose philosophy was geared toward our idea," explains Yedidia, former CEO and managing general partner of the healthcare consulting and survey research company Geriatric Health Systems.

Such collaborations have been a hallmark of PVF since long before it became trendy to invest in a promising charitable initiative almost as you would back a tech startup.

"Twenty-five years ago, people just did not naturally combine the words 'venture' and 'philanthropy' together. We actually put it right in our name," notes PVF executive director James Higa, who before joining the foundation in 2012 worked for more than 11 years as senior director in the office of late Apple CEO Steve Jobs—a position he describes on LinkedIn as "Special Ops for Steve."

"The Middle English word 'adventure' meant 'to risk the loss of,'" Higa continues. "PVF's belief was that risk-taking—which also means failure is okay—is what is needed to solve our direst problems, and immediate seed grants are crucial for the best ideas to take off. PVF brought these ideas, which were only beginning to emerge at the time in the form of venture capital and the rise of entrepreneurship, into the field of philanthropy."



PVF Founder
Bill Somerville and
Executive Director
James Higa

During its first year of operations in 1991, PVF gave out a relatively modest \$224,000 in grants. In 2014, that sum had risen dramatically to more than \$8 million. In total, the foundation has given more than \$106 million to projects and grassroots organizations in the Bay Area and worldwide. Many of these projects have been in their earliest stages. “We feel one of the quality factors in philanthropic work is being first funder,” Bill

Somerville, PVF’s founder, wrote in his 2014 Annual Report. “This means finding nascent projects which people are just starting. We believe: start small, think big, act quickly.”

“PVF’s spirit and mission are the same as our high-tech neighbors in the Bay Area,” Higa tells *Gentry*. “We’re all trying to make a dent in the universe. The only difference is that PVF is doing it through people and communities rather than products and technologies.”

In addition to seeking out worthy nonprofits to fund—a long list that includes the St. Francis Center in Redwood City and the San Francisco-based anti-trafficking organization Not For Sale—PVF lends its grassroots giving expertise to foundations, individual donors, and businesses. Through its Donor Venture Funds, PVF makes grants to charitable projects that donors recommend, consults and strategizes with donors on their giving plans, and helps them navigate the world of nonprofit programs.

In the case of Rubiano and Yedidia, they already had a lot of knowledge and contacts through their longtime support of local youth-focused nonprofits, but they relied on PVF to administer the Bay Area Inspire Awards. “When Connie and I came up with the idea of the awards, we thought, well, okay, we probably don’t want to start our own foundation to do this; we’d like to find an existing foundation that could be a home for the program,” Yedidia says. “We learned from a friend of ours about PVF, and it just turned out to be a very, very good fit.”

Out of a group of 75 applicants in 2014, the Bay Area Inspire Awards made six grants totaling nearly \$50,000. One of those awardees was then-30-year-old Oakland resident Kori Chen, who was focused on expanding employment opportunities for formerly incarcerated individuals in Alameda County. Chen, who manages Red Bay Coffee Roasters in Oakland, was able to use the award money to fund a small training program for former inmates to learn about the specialty coffee roasting business.

Red Bay Coffee is expanding rapidly, and Chen hopes eventually to hire at least half of his employees from historically challenged communities. “The Bay Area Inspire Awards were focused on youth, and it was really

no-strings-attached,” he recalls. “It was an empowering experience.”

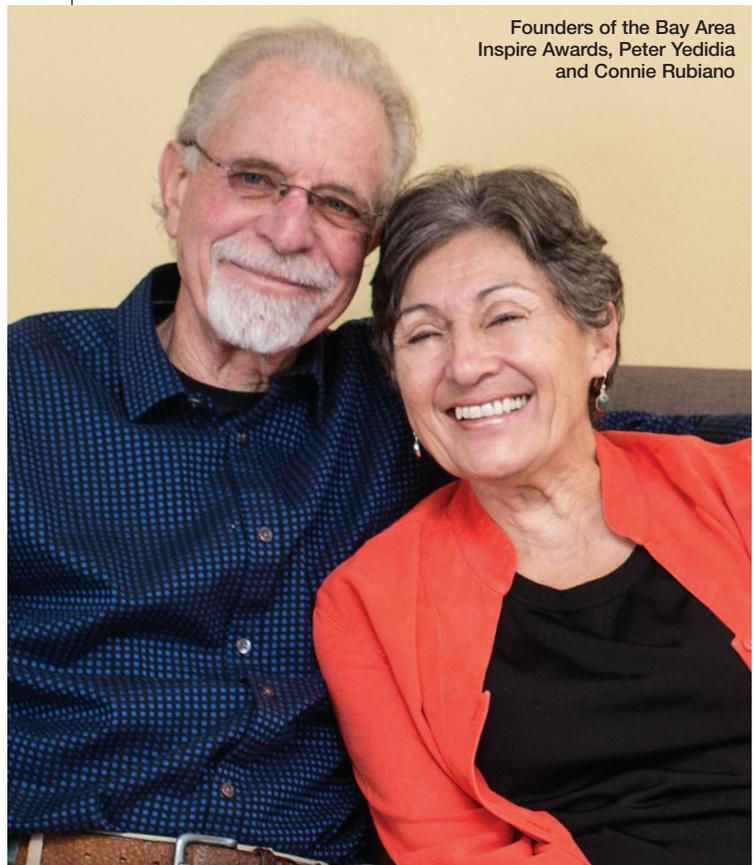
In December, the Bay Area Inspire Awards announced eight new awardees whose projects will unfold over the course of 2016. Its founders also hope others will join them in growing the fund and extending its reach.

Meanwhile, PVF is working to expand its guided philanthropy services and pioneering a new model of corporate giving. “It’s a foundation-within-a-foundation model,” Higa explains. “PVF essentially hosts a company’s foundation within our own. This enables startups to bootstrap their philanthropic work without all of the administrative heavy lifting. We are challenging the pre-conceptions that companies are too busy or too small to make a difference.”

PVF and its partners and donors—like Rubiano and Yedidia—are committed to combatting social inequality in the Bay Area at a time when pockets of staggering wealth are surrounded by neighborhoods where many residents must decide between paying their rent and putting food on the table. Explaining the impetus for the Bay Area Inspire Awards, Yedidia notes, “We live in this environment of plenty, but many aren’t benefiting from the tech boom.”

Solving this problem comes down to what PVF terms “radical collaboration”—a coming-together of high-tech companies, grassroots organizations, venture funds, nonprofits, and foundations to reinvent philanthropy.

“Why could there not be radical collaboration between tech companies and our communities to close the inequality gap?” wonders Higa. “The tale of two cities is a defining issue for our generation, and PVF is excited to continue in our pathfinding tradition.” ♦



Founders of the Bay Area
Inspire Awards, Peter Yedidia
and Connie Rubiano

PHOTO: JACK HUTCHESON