

# THE HYAMS FOUNDATION, INC.

February 11, 2009

Dear Hyams Foundation Grantees, Applicants and Funding Partners,

We are writing to share with you the status of the Hyams Foundation's endowment and its grantmaking resources for 2009. We know that the current economic environment is creating tremendous challenges for the low-income communities we care deeply about and the nonprofit organizations that serve them. That is why it has been especially difficult for the Hyams trustees and staff to consider the Foundation's own financial constraints as we plan for 2009 and the years ahead.

Like most other endowments, the Foundation's assets dropped significantly in 2008. Based on preliminary end of 2008 values, the endowment had decreased by \$48 million (30%) since the beginning of the year. Our spending policy, which helps smooth the impact of the financial markets' ups and downs, also addresses the type of very steep decline we experienced in 2008.

As a result, the trustees have approved a grants budget for 2009 that is approximately \$380,000 (7%) less than what the Foundation spent in 2008; they also reduced the Foundation's own operating budget. Because 2008 was a year during which the Foundation was phasing down several previous grantmaking priorities, resources will be available in 2009 to support the Foundation's existing grantmaking strategies at approximately the same levels as in 2008. However, the Special Opportunities Fund, which was created as a result of the Foundation's recent strategic planning process, will have fewer resources in 2009. The trustees plan to revisit the grants budget during 2009 and will consider increasing it should endowment performance improve.

- The Foundation will continue to focus available grant dollars on our three major goals: affordable housing, civic engagement and teen development. This will include proceeding with the Foundation's new *Teen Futures* initiative to increase the educational and career success of teens that have dropped out of school.
- We will make as many general operating support grants as possible and continue to look for opportunities to make Program Related Investments (PRIs) that further the Foundation's grantmaking priorities. The Foundation recently made a \$1 million PRI for the state's new Neighborhood Stabilization Loan Fund to purchase and rehabilitate foreclosed properties as affordable housing.
- As we are keenly aware of the financial challenges facing nonprofit organizations, the Foundation has set aside a limited amount of new funding for strategic nonprofit capacity-building activities. Hyams staff has begun conversations with grantees and funding colleagues to determine the most effective way to use these resources. We are committed to reaching out to grantees and applicants to better understand their needs and to identify opportunities for positive change.
- Staff is connecting with public officials to explore areas of potential collaboration and information sharing, and the Foundation will continue to emphasize public policy advocacy and community organizing in its grantmaking.

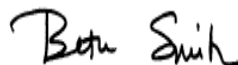
We welcome your questions, comments and feedback. Please do not hesitate to email or call any of the Hyams staff. We also will continue to keep you informed about any changes at the Foundation.

In spite of the current challenges, we are very hopeful and excited about the future. We wish each and every one of you a rewarding and productive year as together we work to further social, economic and racial justice in Boston and in Chelsea.

Best regards,



Barbara E. Casey  
Chair



Elizabeth B. Smith  
Executive Director