

Applied Materials: A focus on struggling San Jose students

BY ERIC YOUNG

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The numbers paint a stark picture.

Schools in San Jose's downtown have 17 percent of the school district's 32,000 students, but 65 percent are still learning English. The downtown schools have the highest concentration of Latino students, almost half of whom drop out of school. As a group, the downtown schools score lowest on the district's performance index administered by the state.

It's into this mix that Applied Materials Inc. has funneled most of its corporate giving. Applied, a maker of semiconductor equipment, said education is the company's top priority because of its importance to the long-term prosperity of the Silicon Valley community where it has its corporate headquarters.

Profile: Bay Area Corporate Giving

"Kids are far more at risk than two decades ago," said Michael O'Farrell, who oversees community affairs for Applied. "When you look at sustainability of the community, (education) is

a big issue. In each situation we look at how does education provide greater opportunity."

Applied said its contributions to education are having an impact. Consider its support of Downtown College Prep, the first charter high school in Silicon Valley. A charter school is a publicly funded facility exempt from certain state rules. In exchange for money and autonomy, the charter school must meet accountability standards.

Downtown College Prep is primarily geared to minority students with poor grades to help them prepare for college. The students' hurdles to educational advancement are many. Some students enter reading below high-school level. Many students enter the program with a C average. Most students would be the first in their family to attend college. In 2004, at the program's first graduation, 54 kids earned diplomas and entered college.

Applied's money is helping educational efforts elsewhere in the San Jose area:

■ Through several grants, for example, Applied has increased the space available in publicly financed preschool programs by 30 percent. This was accomplished by buying classroom equipment for schools or helping get training for unlicensed preschool providers.

■ Working with elementary schools like Horace Mann, Applied helps fund efforts to ensure students are reading at grade level by the end of the third grade.

■ Applied invests in the Breakthrough Collaboration, a national program that prepares students for college. The program in San Jose serves a limited number — 100 kids in two schools — but almost 90 percent of these stu-

dents get into college versus their peer group, in which 20 percent receive higher education.

As a general rule, Applied directs 65 percent of its philanthropy to education, 10 percent to the arts and 25 percent to civic development. Civic development includes efforts like spending \$150,000 on advanced water purification systems for villages in India ravaged by the tsunami last December. The systems use ultraviolet light

SNAPSHOT: APPLIED MATERIALS INC.

Headquarters:
Santa Clara.

Chief executive:
Michael Splinter.

Bay Area employees:
6,500.

2004 revenue:
\$8 billion.

2004 Bay Area giving:
\$5 million.

to kill bacteria in drinking water. The apparatus can be used for two decades, giving not only immediate relief from the disaster, but also helping many years in the future.

But Applied's focus never strays far from education. "The end game strategy," said O'Farrell, "is to give those kids a college opportunity."

Eric Young is a staff writer for the San Francisco Business Times. □



END GAME: O'Farrell is giving kids "opportunity."