

THE KRESGE FOUNDATION



“Creating opportunity for low-income people is a hallmark of our work at The Kresge Foundation. Our programs reflect the inflection points where we think we can actually make a difference in the life trajectories of people who are poor, disadvantaged or underserved in fundamental ways.”

– Rip Rapson, President and CEO

The Kresge Foundation is a \$3.5 billion private, national foundation that works to expand opportunities in America’s cities through grantmaking and investing in arts and culture, education, environment, health, human services and community development in Detroit.

In collaboration with our grantees and partners, we seek to use these grantmaking and investing tools to create pathways for vulnerable people to improve their life circumstances and join the economic mainstream.

In all of our efforts, we:

- Work to create opportunity, have community impact, foster institutional transformation and promote environmental conservation.
- Practice calculated risk taking, a commitment to innovation and collaboration and a belief in the intrinsic benefits of diversity.
- Fulfill our mission to promote human progress by helping improve the lives of low-income, underrepresented and disadvantaged children and adults.

In 2014, the Board of Trustees approved 408 awards totaling \$242.5 million. That included a \$100 million award to the Foundation for Detroit’s Future, a fund created to soften the impact of the city’s bankruptcy on pensioners and safeguard cultural assets at the Detroit Institute of Arts. A total of \$138.1 million was paid out to grantees over the course of the year. In addition, our Social Investment Practice made commitments totaling \$20.4 million in 2014.

We are headquartered in a suburb of Detroit, our founder’s hometown.

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The way we work

Kresge is a strategic philanthropy. We employ an array of funding methods to address and advance a set of well-defined programmatic objectives.

We focus our efforts in and around the nation's cities. Home to 80-plus percent of the U.S. population, metropolitan areas give us the greatest potential to open the door of opportunity, particularly for those experiencing poverty and hardship. Cities also tend to foster creativity and be more amenable to new approaches for chipping away at persistent problems.

Funding methods

We award single- and multiyear grants and – through our Social Investment Practice – make program-related investments.

Our funding toolbox consists of:

- Operating-support grants
- Project-support grants
- Program-related investments such as direct loans, loan guarantees, linked deposits and equity investments

Our goal is to help organizations that share our programmatic priorities fulfill their missions and become stronger over time.

Some of our programs accept applications on an ongoing basis. Others proactively invite or solicit applications. Visit the “Apply for Funding” page of kresge.org to learn about open grant opportunities.

How it all began

In 1924, with an initial gift of \$1.6 million, Sebastian Spering Kresge established The Kresge Foundation in Detroit. Twelve years earlier, he and a partner opened their first five-and-ten-cent store – a revolutionary merchandising idea at the time – and parlayed the concept and operations into a chain of stores that were incorporated as the S.S. Kresge Co. Many years later, the enterprise became known as Kmart. There is no affiliation between the foundation and the stores.

Sebastian chaired the first foundation board meeting and then served as treasurer until his death in 1966, at age 99. By then, he had contributed \$60.5 million to the foundation. All along, he maintained a steadfast commitment to charitable giving.

Family ties to the foundation remain constant. Sebastian's descendants continue to serve on our Board of Trustees, providing ongoing guidance and inspiration.

Our programs

Arts & Culture: We seek to build strong, healthy cities by promoting the integration of arts and culture in community revitalization. We work across sectors with organizations committed to creating opportunity for low-income and underrepresented people and tapping the power of arts and culture play to re-energize communities.

Detroit: Our Detroit Program is our primary community development effort. The program uses a comprehensive framework to promote long-term economic opportunity and re-establish the city as the center of a vibrant region. Its two primary strategies – promoting a thriving Woodward Corridor and green, healthy, active neighborhoods – are supported by initiatives to nurture arts and culture, entrepreneurship, mass transit, early childhood education and human services excellence and innovation.

Education: We promote student-centered postsecondary access and success in cities, supporting efforts to help low-income, first-generation and underrepresented students earn credentials that open doors to opportunity and the economic mainstream. We partner with networks of institutions and organizations that strengthen local higher education ecosystems and help students in and out of the classroom.

Environment: We help communities build resilience in the face of climate change. We support activities that simultaneously reduce greenhouse gas emissions, prepare for climate-change impacts already underway and foster social cohesion. We place a priority on the inclusion of and benefits for low-income community members.

Health: Our goal is to help communities overcome the economic and social inequities that contribute to poor health so that all Americans have the chance to enjoy productive, self-determined lives. We support place-based efforts to create healthy housing, neighborhoods and food systems and equitable transportation and land use, as well as work that speeds the adoption of programs, practices and policies in health and supportive sectors that promote community health.

Human Services: We seek to strengthen multiservice human services organizations that improve the quality of life and economic security of low-income people. We invest in high-performing, multiservice organizations and in membership organizations and similar networks that build the capacity of direct-service providers.

Social Investment Practice: In addition to our grantmaking, our Social Investment Practice provides access to capital, using loans, loan guarantees and deposits to provide funding in support of programmatic goals.



Stay connected

You can learn more at our website, kresge.org. We invite you to stay connected to The Kresge Foundation – via email, RSS feed and social media.



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Front cover, from left:

Anthony Giancattarino, who directs energy democracy programs at the Center of Social Inclusion, pauses on a street in lower Manhattan. The organization's work includes elevating the efforts of communities of color to become owners and decision-makers in the renewable-energy economy. A grant supports this and related efforts. *Photo: Lon Horwedel*

Thousands of volunteers take part in Neighborhoods Day, an annual event organized by ARISE Detroit!, a nonprofit organization. The event features community-service programs benefiting young people, families and neighborhoods. Ongoing support funds the event and community engagement work. *Photo: Lon Horwedel*

A Kresge loan helped the Colorado Coalition for the Homeless finance a new health care facility in Denver. The pay-for-performance loan agreement rewards success in improving the lives of patients with a variable interest rate as low as 1 percent. *Photo: Colorado Coalition for the Homeless*

A 1852 farmhouse welcomes visitors to The Kresge Foundation, in Troy, Mich. The historic structure and an original barn are joined by a modern, LEED-certified building completed in 2006. *Photo: Eugen Safta*

Back cover, from left:

An affordable-housing complex in southeast Michigan provides safe, permanent housing plus a program that supports residents' efforts to become self-sufficient. A grant helped create the program that includes child care supports and health, career and other services. Jessica Thomas is one of 200 adults and children who live in the U.S. Department of Housing and Urban Development-honored community. *Photo: Lon Horwedel*

The Kresge-supported Advancing Safe and Healthy Homes Initiative helps nonprofit organizations in California, Michigan, Nebraska, New Jersey and North Carolina address environmental and housing challenges such as asthma-triggering allergens, fire hazards, structural problems and neighborhood nuisances such as abandoned buildings. Ximena Ruiz-Camacho's family home in Oakland, Calif., is safer and healthier as a result. *Photo: Lon Horwedel*

The Lincoln Park Coast Cultural District, in Newark, N.J., works to create a sustainable community known for rich cultural life, environmentally friendly housing, urban agriculture and training residents for green jobs. A grant supports the creative placemaking effort. *Photo: Lincoln Park Coast Cultural District*

Cassie Singleton took advantage of tutoring offered through the national initiative Achieving the Dream to become a dean's list student at Macomb Community College near Detroit. Kresge has provided more than \$7 million since 2007 to Achieving the Dream's efforts to foster student success at community colleges. *Photo: Lon Horwedel*