

It Takes Change to Create Change

By Elaine D. Rosen, Chair, Board of Trustees

“Progress is impossible without change, and those who cannot change their minds cannot change anything.”

—George Bernard Shaw



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Chair, Board of Trustees

At The Kresge Foundation, being open to new ideas and new ways of doing things is essential to our underlying philosophy to expand opportunities for low-income people in America's cities. When Sebastian S. Kresge established the foundation in 1924, it was with a basic mission: To promote human progress. More than 90 years later, interpreting this maxim remains the responsibility of my fellow trustees and the Kresge staff as we attempt to address the systemic urban issues that affect people living in the United States.

That means embracing change — and being more strategic than ever in how we studiously manage the resources that have flourished out of our founder's initial gift to the foundation.

“Money alone cannot build character or transform evil into good; it cannot restore the influence and vitality of the home; neither can it maintain the valleys and plains of peace,” Sebastian Kresge said all those years ago. “Spent alone, it might as well stay in the vaults ... it cries for full partnership with leaders of character and goodwill.”

These words are still so true. The problems we confront today are not neatly rooted in a single set of causes. Our interventions accordingly must be multifaceted and interbraided. And we just cannot go it alone.

There is no other person who would so skillfully lead the foundation's approach to address this reality better than Rip Rapson, who, at press time, is marking his 10th year as Kresge's president and CEO. Day by day, month to month, year after year, Rip has consistently impelled trustees and motivated staff to embrace a broader responsibility to lead.

And 2015 was especially prolific, as the foundation charted a course to truly chip away at society's most intractable problems by further aligning grants with our mission to expand opportunity; formalizing a social investing fund; institutionalizing a research, learning and evaluation practice; and doubling down on communication strategies.

Program by program, staff assessed and embraced how they might expand pathways of opportunity for people living in our nation's urban centers. They also committed themselves to work across disciplines in a unified, comprehensive approach rather than as a collection of programs pursuing separate goals.

The foundation's latest commitment to social investments is a prime example of Rip's determination to further explore the chemistry of philanthropic resources with those of financial, government and community partners. At his urging, the Board of Trustees enthusiastically approved an ambitious plan to invest \$350 million through Kresge's Social Investment Practice by 2020. That commitment comes with a goal to attract an additional \$1 billion from other investors, and we have no doubt it will be achieved.

Such monumental outward shifts demanded internal muscle building as well. The staff has become deeply conversant in the lexicon and practices of finance. And through testing the edges of risk and the complexities of working across sectors, every program has now taken part in a social investment project, many of which are highlighted in this annual report.

Over the past year, a new director of strategic learning, research and evaluation was appointed to help our program and social investment teams draw lessons and share learnings within and beyond the foundation to continually assess effectiveness. And through a unified and expanded voice, the foundation is attempting to influence legislative policy, convene and work with a wide range of partners to solve problems that limit — and scale solutions that expand — opportunity.

A report from the National Center for Responsive Philanthropy in October 2015 commended The Kresge Foundation for being “bold, ambitious and outspoken in ways that disrupt and provoke the philanthropic sector. Few foundations have embraced risk as profoundly and publicly as The Kresge Foundation during the past decade; indeed, the foundation has moved 180 degrees from risk avoidance to risk pursuit.”

You don't achieve that without changing your mindset. The Kresge Foundation has — and, I assure you, it's just the beginning.

Another significant milestone in 2015 was the dedication of a 16,000-square-foot addition to The Kresge Foundation headquarters in Troy, Mich. In September, several members of the Kresge family joined Trustees and staff for a ribbon-cutting celebration. The expansion accommodates the growth of Kresge's mission, programs and staff through a modern, healthy workplace that promotes efficiency and teamwork.

