

Letter from

THE CHAIRWOMAN



Leadership is everything. This has been one of my most strongly held beliefs as I have navigated the corporate world. I believe it is also true in philanthropy.

Leadership in philanthropy can most obviously be defined as dollars on the ground. And while that certainly holds true in large measure, it alone has become insufficient.

I prefer an expanded definition. For me, there are two aspects to philanthropic leadership. The first is the ability to create a bold, actionable vision to cure a social ill – one that is so compelling that others are mobilized to follow. The second, perhaps less frequently practiced, is the humility and conviction to contribute to the worthy efforts of other like-minded and committed partners. Both are done for the express purpose of driving important and needed social change. At Kresge, we are comfortable being the catalyst for such change as well as the trusted, supporting partner.

Strategic philanthropy gives us a gift we do not always enjoy in the corporate sector. We have the opportunity, dare I say the mandate, to think really long term. We summon our dollars, energy, commitment, our partners and our convening power – all our resources – to address big problems over a long time horizon.

Kresge focuses on problems that plague the lives and welfare of low-income and vulnerable people living in America's cities.

Barriers to healthy living, to education and upward mobility, to cultural expression, as well as the absence of a safety net: These are the circumstances we are dedicated to reversing.

Place, time and the vicissitudes of contemporary life contour society's problems. One that is currently top of mind is the strain on the public sector. Plainly, we all know philanthropy cannot become the new public sector. But we can ask ourselves: How can philanthropy make a measurable, lasting difference beyond charitable action, beyond dollars on the ground? This is our charge: to harness the full power and privilege of philanthropy

and apply it in seemingly new and sometimes untested ways. It is out of these efforts that I believe our best contributions emerge. Yes, some approaches will yield solutions; others will teach us what just doesn't work.

So I suggest that philanthropic leadership today demands more dynamic, more market-oriented, more partnership-oriented approaches to our most complicated, relentless problems. These problems deserve our attention – this is what we owe society by dint of our resources – as well as a good, hard run at finding solutions. Let me go on to suggest that these solutions are indeed our “return on investment.”

At Kresge, we seek new approaches and commensurate outcomes through our six program disciplines and eight grantmaking and social investing tools.

We believe this full complement is required as the optimal means to sustainable, long-term effect on some of society's most intractable issues.

The significance of the challenges we have taken on comes with high demands. Leadership, as is practiced at Kresge, rests with very capable individuals: dedicated staff and trustees who grapple with complexity and act with both their hearts and minds. And none of this would be possible without the inspired vision, skill and guidance of our president and CEO, Rip Rapson.

A timely, singular example of my definition of philanthropic leadership is our work in the city of Detroit. I write this weeks before we go to press, knowing the state of the municipal bankruptcy will have changed by the time this report reaches you. What will not have changed are the extraordinary circumstances in which the city finds itself. Past, present and future, this is a city of national

importance. It also is our hometown; we are proud of where we come from and realistically optimistic about where the city is going.

The proposed \$816 million fund (see page 15), created together with nine other foundations, the state of Michigan, the Detroit Institute of Arts and other donors, helps the city better honor its pension obligations and protects its precious art collection. It is a shining example of philanthropic leadership.

Paramount to our work in Detroit and nationwide is that we remain true to our mission. Sebastian Kresge, the businessman who established this foundation 90 years ago, directs us “to promote human progress.” We never, ever forget this. ***We believe – he believed – all people should have the opportunity to lead self-determined lives and join the economic mainstream.***

Since most people in the United States live in cities, working within them simply gives us the widest possible reach to help people. It is through evolving and effective leadership that

we execute our mission. Abraham Lincoln said, “Whatever you are, be a good one.” The Kresge Foundation is a private, national philanthropy dedicated to helping the most vulnerable. We know who we are. And through our work, I believe we are a very good one.

ELAINE D. ROSEN
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THE KRESGE FOUNDATION