

When people think of the Kresge Foundation, they often think of bricks and mortar. This is not surprising — we've supported the nonprofit community for 82 years by helping to build libraries, community centers, schools, hospitals, art museums, food banks, you name it. In places where community comes together to meet a need, Kresge is extremely good at tipping the scale toward success. What may surprise you is that this brick called Kresge is also building in a new direction. We have thought hard about our role and applied our skills in new ways and in new situations. You will find the result of our journey in the pages that follow.

Peel back Kresge and you'll see building blocks for change.

When it comes to transformation, a brick is not usually the first metaphor that comes to mind. Cocoons, perhaps, or seeds. But, as our history shows, a brick is a change agent with the ability to strengthen the professional and voluntary leadership of an organization and kindle support. A building, in turn, impacts the participants in the program. And the combination of strong support and successful nonprofits influences and changes entire communities for decades. Today, we want the brick to do even more.

Bricks can be stacked in new ways to provide a **perspective** for looking at organizational need more broadly. To introduce a **resourcefulness** that uses every tool in the philanthropic tool

chest. To provide the **flexibility** to take greater chances over longer periods of time. And to encourage the **tenacity** to invest in under-represented people and causes.

We envision bricks that can withstand the higher temperatures of risk-taking. Bricks that become the cornerstones that support and connect nonprofits in new ways.

We continue to believe that funding capital challenge grants is an important part of growing and strengthening the support for nonprofits. But if strengthening nonprofits for a more vibrant community is our point, there are additional ways to look at our work. And we have.



KRESGE

- + perspective
- + resourcefulness
- + flexibility
- + tenacity



A photograph of three swans in flight over a lush green valley. The swan in the center is the largest and closest, showing its dark feathers and white head. Two other swans are visible in the background, one to the left and one to the right, both in flight. The landscape below is a rolling green valley with a winding road and distant hills under a blue sky with light clouds.

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perspective.

The bigger Kresge picture is beginning to emerge, and what we see right now is truly exciting. No longer exclusively focusing on challenge grants, we intend to work with individual nonprofits to strengthen entire fields of work, such as the environment and health. We are helping to speed broader social movements, such as environmental sustainability through our Green Building Initiative. We are connecting dots in places like Detroit, bringing together conversations that help nonprofits work with each other more effectively. Simply put, we see phenomenal possibilities to do even more.



GREEN BUILDING INITIATIVE

**Over the course of four years, we have put \$14 million into something we call the Green Building Initiative. This investment changed our view of the world. Today, our Green Building Initiative informs all other parts of our work — we add weight to any challenge grant request that takes sustainability and environmental impact seriously. For many, green construction continues to be new and difficult. We know firsthand; we built our own offices with the highest recognized green standards. We understand the challenges and the opportunities — as well as the rewards. That’s why we’re committed to being an ongoing resource with education and with financial support for organizations planning green projects.**



THE INNER COURTYARD AT THE KRESGE FOUNDATION HEADQUARTERS. PHOTO CREDIT: JUSTIN MACONCHIE



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resourcefulness.



Using a screwdriver is fine, but it's an even more effective tool when used in conjunction with a hammer and a drill. Our own screwdriver — the challenge grant — is a case in point. This year the nature of our grants has changed as we engage in different ways and at different times. Having a stocked toolbox — with the capacity to go beyond facilities grants, to invest in working capital, convene people, engage the public with strategic communications, sponsor research and create networks of those with shared purposes — we are beginning to build in ways we have never built before.

A string of colorful Christmas lights (blue, red, green, pink, white) against a dark background.

**SPECIAL OPPORTUNITIES INITIATIVE**

For nonprofits that rely on government funding and/or earned revenue, there's little room for experimentation, improvement or expansion. Without a dedicated fundraising function, it's hard to get private support.

The Special Opportunities Initiative was created in response, allowing seven high-impact nonprofits to establish a significant private base of support. These seven — Bay Cove Human Services Inc., La Clínica de La Raza, Olney Theatre Center for the Arts, Places for People Inc., Project Renewal, Winston-Salem Industries for the Blind Inc. and Youth Development Inc. — offered high-quality programs and were poised for growth, but needed the infusion that private, flexible dollars provide.

We brought in seasoned national consultants and helped develop four- to five-year strategic advancement plans. Kresge also provided multi-year support for building advancement staff, board development and purchase of database systems to support advancement. Our goal was to develop best practices for creating and supporting effective advancement programs.

Through this initiative, which has helped these seven organizations grow (the program has now concluded), Kresge has found new ways to help hundreds of nonprofits remain long-term forces for positive change.



A SCENE FROM "DEMOCRACY" BY MICHAEL FRAYN. PHOTO CREDIT: STAN BAROUH, OLNEY THEATRE CENTER



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flexibility.

There have been valuable nonprofits that needed our support but didn't neatly fit into our approach, an approach that focused on a critical window during a capital campaign. There also have been times when we needed to take a leap — when the certainty of success was not there, but the need to try definitely was. So now we're operating with a new freedom to take risks. Our goal is to foster growth in a wider range of nonprofits. To work with good ideas that simply need more incubation. To embrace untried ideas. To be a new kind of energy source for creating a more humane world.



LA CLÍNICA DE LA RAZA

PHOTO CREDIT: NINA HERLINA



**We intend to help grow what is good. When La Clínica de La Raza came to us three years ago, they did not meet our rigid requirements of the time. But they had a profound impact on low-income communities in the East Bay of the San Francisco area. In one of their clinics, 89% of patients are not native speakers of English; La Clínica responds with services delivered in 10 languages. By breaking down barriers like language and the cost of health care — 64% of their clients live below the poverty line — La Clínica is able to develop relationships, treat diseases earlier, focus on prevention and change the lives of nearly 50,000 people every year.**

**They became part of our Special Opportunities Initiative, an experiment in new ways to apply what we know at Kresge. We helped La Clínica build a development team and have provided insight and financial support to help get their efforts off the ground. And while our Special Opportunities Initiative no longer accepts applicants, these projects taught us that facilities capital is not always what nonprofit organizations such as La Clínica need most. The spirit of the initiative continues in the new ways in which we approach our work.**



PHOTO CREDIT: NINA HERLINA



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tenacity.

We have prided ourselves on being neutral in our grantmaking. The thinking was this: if an organization can muster enough support to fit the strict criteria of a Kresge grant, the logic followed that the nonprofit met a deeper need. But the environment of giving and building has changed and we are changing as well. We're looking more closely at the impact, strategy and mission of those we support in order to affect an even greater level of change in the world. Kresge wants to level the field for under-represented people and causes — a desire that requires a good measure of grit and tenacity to find and serve those in need. We have shifted out of neutral.



NEW YORK'S COALITION FOR THE HOMELESS

PHOTO CREDIT: COALITION FOR THE HOMELESS



**It's hard to raise money and excitement for an existing building. What, after all, do people give toward? In the case of New York's Coalition for the Homeless, the answer is vision.**

**An innovative leader facing — and changing — the realities of modern homelessness, the Coalition serves 3,500 each day with a continuum of care: from mobile soup kitchens to a summer camp for homeless children to permanent housing and job training. So when the Coalition found the perfect building that fit not only their organization but also other like-minded groups, they jumped. And then they gave us a call. We enabled them to create a different kind of strategy that expanded the campaign goal beyond the facility to create a stabilization fund. As a result, the fight against homelessness is becoming more effective. For the first time, counselors meet their homeless clients in offices rather than cubicles to discuss private matters such as health and money. It's all part of a vision to give those who are homeless the support and resources necessary to eventually sleep in their own beds.**



PHOTO CREDIT: NURA OURESHI





We've added the ability to have an even deeper impact.

At the end of the day, we are not a new organization. We are simply bringing forward what works exceptionally well. We are adding elements of what we have learned through our specific experiments in funding — a combination of the foresight of our retiring president John E. Marshall III, and the insight of our new leader, Rip Rapson. And we are creating a Kresge culture that keeps learning, discovering, leading and building.

Our priorities:

**Increase the capacity of nonprofits.** Through grants, yes, but also using what we have learned through our experiments with such things as early-stage planning, strategic communications, convening and networking, technical assistance, research, post-campaign support, leadership development and endowment-building — our list is long and growing.

**Influence entire fields of work.** Our Green Building Initiative is a prime example. Our work here connects individuals, shares learning and invests in hubs and intermediaries that make good ideas thrive.

**Revitalize places that struggle with under-investment and the resulting social ills.** Our ongoing work in Detroit is a comprehensive approach that brings together many groups and ideas, creating a powerful momentum for progress.