

# Letter from the President

Rip Rapson



In the world of public service, our institutional values and principles grow directly out of a fundamental intention to improve the bedrock conditions and long-term trajectory of opportunity for those who are less fortunate. The last year at The Kresge Foundation, as Elaine Rosen notes in her letter, has afforded an opportunity for us to reflect on how our grantmaking can more directly support that intention while preserving and strengthening our signature support for nonprofit capital campaigns.

The changes we are exploring are at once profound and incremental. Facilities capital remains the indispensable fulcrum of our work, as it has since Sebastian Kresge established the foundation in 1924. But it will be supplemented with approaches that will open our doors to potential grantees new to the foundation. We hope that as you read this report—and for many of you it will be the first Kresge annual

report to cross your desk—you will ask whether your work and our emerging interests might productively converge.

The world is a very different place from what it was in those years when the capital challenge program was created and took root. Globalism, technological innovation, economic restructuring, terrorism, climate change and countless other forces combine at dizzying speed in complex permutations. The resulting threats, challenges and opportunities are unprecedented in their scale and consequence. The decisions our generation makes, or fails to make, in addressing them will reverberate with uncompromising force in our grandchildren's quality of life.

The Trustees and staff at Kresge have concluded that our foundation, like other large, privately endowed foundations, has no moral alternative but to ask how to reposition ourselves to best contribute to approaches that promise a return commensurate with the magnitude of these challenges.

The form of that response is not entirely clear. What is clear, however, is that we at Kresge will need to cut loose from our relatively safe and comfortable moorings and move into more turbulent waters. Our grant-

making will accordingly need to become broader, more multifaceted, less risk-adverse, and more nuanced. We have identified a number of ways in which that will be manifest.

First, we intend to complement our capital challenge grants with a fuller spectrum of capitalization assistance for nonprofit organizations. Business and strategic planning. Working capital for organizations seeking to realign their operations. Innovative methods for connecting nonprofits to traditionally inaccessible sources of capital.

Second, we will apply to our facilities capital grantmaking a set of values that will elevate the importance of an organization's mission, strategies and community impact. The structure of a capital campaign remains important, but it will be evaluated in the context of what the campaign seeks to accomplish.

We will focus on the extent to which an organization's project advances opportunities for low-income people and possesses the potential for institutional transformation. We will inquire whether a project will positively affect the broader community. We will ask if a proposal attempts a reasoned risk in addressing the tensions of communities in flux. We will want to know whether a project utilizes sustainable building and design

practices and contributes to a regime of sensible land use—and if not, why. We will seek to promote the practice of having the staff and board members of an organization reflect the populations they serve.

No one of these values will trump any other. We will instead evaluate the collective weight of multiple values presented by a project.

Third, we will spend the next year understanding whether and how we can add value to broader fields of work—in particular, arts and culture, education, the environment, health, human services, community development and higher education in South Africa. And we will seek to use the full range of tools at our disposal: convening as a way of forging relationships, promoting joint inquiry and fostering concerted action; investing in research to create a solid empirical base for change; supporting communications that deepen public understanding of, and engagement in, the work of grantees; and strengthening grantee networks to harness and amplify the collective intelligence of organizations working in common purpose.

And fourth, we will work more purposefully in Detroit. Kresge has significant roots in Detroit. We need to put our financial resources, our institutional credibility and our national connections on the line to help our

community regain its economic health and civic self-confidence.

We cannot pursue our new vision for grantmaking without partnering with those nonprofit organizations that are working on the front lines, often against impossible odds, to pursue new and better forms of service. You enable our work as much as we try to enable yours.

So we invite you to let us know what you are doing and how we can help. That is how we have accomplished so much in the past. Even more, it will define what we are able to accomplish in the future.

We look forward to hearing from you.

A handwritten signature in dark ink, appearing to read "Rip Rapson". The signature is stylized with large, overlapping loops and a prominent "R".

Rip Rapson, President