

LETTER FROM THE BOARD CHAIR

ELAINE D. ROSEN



IN 2007 WE DID SOMETHING QUITE COURAGEOUS. We took a bedrock philanthropic approach to grantmaking, one that was serving an important role in the United States' nonprofit sector—the facilities capital challenge grant—and expanded it, radically. We didn't want to change what had worked so well at The Kresge Foundation, but we wanted to do more, to do it better, and to have a more significant impact within the fields we have traditionally supported: health, the environment, arts and culture, education, human services and community development.

As a board, we had decided in 2006 that the time was right to take Kresge's nearly four billion dollars in assets out for a ride. We opted for a road we had never traveled, knowing as we steered the wheel of our grantmaking enterprise in this new direction that we were embarking upon a difficult and infinitely subjective journey. In 2006, we focused internally on carefully charting this course. In 2007, we took to the road and began to execute our plan.

Rigorous analysis, thoughtful discussion and an abiding commitment to operationalize our mandate to “improve human progress” fueled our actions. With Rip Rapson, our president, in the driver's seat, we knew we had both the will and the leadership to travel quickly—but never capriciously. And thus we began what I consider to be a singular year in the history of this 84-year-old, national, private foundation. Guiding our work is our values criteria—nine values that had quietly informed Kresge's grantmaking for

many, many years. This was the transformational decision of 2007. Now creating opportunity for low-income populations, fostering community improvement in ways most needed by residents, encouraging collaboration, innovation and risk-taking, promoting interdisciplinary solutions, advancing environmental sustainability, and advocating diversity in board governance are front and center in our decision-making process.

The values criteria also have made us more accessible—and that is just what we intended. Fundraising prowess, long the arbiter for a Kresge grant, has become a secondary (albeit an important) consideration. With each application we ask, is this grantseeker advancing Kresge's priorities? As a result, small, medium and large organizations are now on equal footing as they apply for funding. And, in a historic move, we voted to change our long-standing eligibility standards and invite community colleges to seek support. This decision recognizes the essential role community colleges play in creating access and opportunity for high school graduates to earn two- and four-year college degrees. All along we have wanted to be more engaged partners with our grantees and to see actual results on the ground for individuals and families in need. That continues. We are putting our money into direct action by carefully choosing our partner organizations, trusting them, and leaving them to do what they do best. We began 2007 with the collective agreement that if we have the great opportunity to use our assets to address society's pressing issues,

then, with map in hand, we must move quickly to implement and put those assets to work most effectively.

Our sights are set on the long view, for the journey and the relationships we forge along the way. We want to meet our partners at their area of greatest need.

As chair of the Kresge Foundation Board of Trustees, I am proud to recognize our staff and publicly acknowledge their willingness and ability to rise to the challenges of our expansion agenda. Change is not easy. We asked a group of competent professionals to think about everything in a new way. Given the considerable number of not-for-profit organizations that count on Kresge, competent execution is a fundamental responsibility. With grace and creativity, the Kresge staff is executing exceptionally well.

And one more thought: If you ask our wonderful group of trustees to summarize the year, I suspect each would say they have never had more fun. I certainly would. Let's be clear, boards don't exist to give their members a good time. But if you have the right trustees, the right values guiding the organization, the right executive and an energized staff, then I think having trustees say that they are enjoying their work is a fundamental index for the state of the foundation.

Oh, what a ride!

A handwritten signature in black ink, appearing to read 'E. Rosen', with a stylized, cursive script.

ELAINE D. ROSEN, CHAIR