

from the Board Chair

Sebastian Kresge was a businessman. He sought measurable, tangible results from his chain of five-and-ten-cent stores. Eighty-eight years later, at the foundation that bears his name, we are practicing strategic philanthropy; we're taking the long view and developing specific objectives that, over time, are intended to yield measurable, tangible, life-enhancing results.

This book details our work on the ground in 2010 and 2011. It shows the evolution of our investments and the objectives they advance in each of our programs: Arts and Culture, Community Development, Detroit, Education, Environment, Health, and Human Services.

My job is to provide the big picture, to ascend 30,000 feet and tell you about what we are doing and why we are doing it. So, here it goes.

Our transition to strategic philanthropy, rather than exclusively request-driven grantmaking, began in 2007 and was fully in operation by early 2010. Since then, we have been making investments that are

targeted to contribute to the whole of an objective, one that we think is important, powerful and worthy of Kresge support. To help create new models for community health clinics, for example, or advance national efforts to increase the number of college graduates, particularly among low-income students. Or to strengthen the human infrastructure in the delivery of human services.

Overall, we aim to improve the bedrock economic, social, cultural and environmental conditions of low-income and underserved communities. Our course is steady; our approach is purposefully flexible. This enables us to be responsive to the inevitable twists and turns of life as assessed through our painstaking and fulsome regular review. This is how we are executing Mr. Kresge's charge to "promote human progress."

I am comfortable with a horizon line for change — for results — that is long, when the aim is worth it. It takes conviction, which we have. It also takes courage. Our board of trustees has demonstrated

that clarity and courage to put long-term aspirations at the forefront. The economic crisis of 2008 put what was then a developing conviction to a real and pressing test.

We did not change our emerging strategies; nor did we ignore what was going on around us. Instead, we got out in front of the crisis with dedicated initiatives focused on emergency services. At the same time, we unequivocally stuck to our programmatic goals. We blended short-term support, recognizing the urgency that many nonprofit organizations faced, with dedicated efforts to chip away at what we identified as our long-term aims and aspirations — those objectives that will make a dent in some of our society's most intractable problems.

Two years hence, if only I could say we are in an economic rebound. But, for the constituencies and communities we serve, this is clearly not the case. Nowhere does this unfortunate declaration resonate so accurately and painfully as in Detroit, Michigan.

Why Detroit? This is where Sebastian Kresge lived and established his first store. This is our hometown. We are located in the suburban community of Troy and many Kresge descendents live nearby. Some foundations are very involved in the place where they are physically located; others are not. We choose to be deeply committed to Detroit.

Detroit, and the issues and challenges it faces, represents more than a single city. If we can contribute to the re-imagining and revitalization of this once-great industrial town, we can then offer tested approaches that may be useful in other struggling urban communities.

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Our Detroit Program began practicing strategic philanthropy long before the foundation as a whole adopted it as our universal way of working. As a result, the Detroit Program has a rich story to tell. And although the horizon line is long and not always straight and clear, there are already some measurable, tangible, positive results to share.

Please keep reading. You will see we are becoming ever stronger in our identity to reduce disparities and advance pathways for opportunity. We are executing Mr. Kresge's timeless charge.

Sincerely,

Elaine D. Rosen

Chair, The Kresge Foundation Board of Trustees

