



The Kresge Foundation
2010 & 2011 Annual Report

Today &

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& Tomorrow

Linking the here and now with the possibilities of tomorrow... Fostering relationships between philanthropy and front-line nonprofit organizations, researchers, government and the business sector... Fueling the push to turn intention into action.



This is our aspiration: to serve as a connector — the **and that brings together agents of change with new and often unexpected partners and disparate groups, all seeking to build strong, vital communities for low-income and underserved residents throughout the United States.**

Since 2007, we have increasingly sought to be strategic, in the sense of being clear about our goals, intentional and targeted in our pursuit of them and disciplined in assessing whether we’re making progress.

Settling on a path and relentlessly pursuing results has required that we do four things:

- 1** View issues whole and understand the context of action.
- 2** Use a variety of tools appropriate to the circumstance.
- 3** Take measured risk.
- 4** Ground our efforts in expanding opportunities for low-income people.

As a foundation with a national scope, we employ this way of working across the country in each of our

program areas: Arts and Culture, Community Development, Detroit, Education, Environment, Health, and Human Services.

This approach is most visible in Detroit, our hometown, where we made our first large grant to the Detroit YMCA (pictured above) in 1926. It’s an institution we’ve continued to invest in over these last eight decades.

It is in Detroit that the full breadth of our efforts unfolds within a discrete place.



Viewing Issues Whole

Strategic philanthropy insists that we stand back, look at the whole and see how the parts of a given problem fit together. In a world fixated on the short term, we take the long view, examine the big picture, and assess what it would take to stitch together seemingly distinct and unrelated threads.

We ask ourselves, what aspects of an issue can we influence? How will our efforts relate to, and help, the

activities of others? Are there unintended consequences? With whom can we partner for better outcomes?

In Detroit this translates into support for a wide spectrum of community efforts to re-imagine and revitalize the city. It leads, for example, to our investment in Eastern Market (above), one of the nation's largest and oldest public markets (1891) and hub of commercial activity, public education, community gardening and entertainment.

It also gives rise to investments in Campus Martius Park (pictured on the cover), a gem of a central square in the heart of the city's downtown. Deceptively simple and small, it attracts more than 2 million people annually to its varied events, in the process reanimating street life in the city's core and catalyzing millions of dollars in economic development.

And it means that we look for opportunities to join with partners whose imagination and financial support have helped recast the outlines of Detroit's future — whether

through investments by area medical and educational systems, large new-economy industries, small merchants with dreams and drive, or others.

Viewing things whole means looking for the points of leverage, the possibilities for collaboration, the potential that one action will yield a series of desirable reactions.

It requires respect for the people striving for better lives, and for the community's vision. It requires a readiness to serve as the **and** joining desirable and doable.



Using a Spectrum of Tools

For most of our history, we concentrated our grants on helping nonprofit organizations complete facilities projects. Today, our grants array across a broader spectrum — operating support, project support, working capital and below-market loans (program-related investments) — in an attempt to strengthen the building blocks of vital and healthy urban communities.

And we seek to work beyond the money. We convene people as a way of forging relationships, promoting

joint inquiry and fostering concerted action among the public, private and nonprofit worlds. We underwrite networks that amplify impact through the unified efforts of nonprofit organizations working in common purpose. We sponsor research to create an empirical basis for strategy.

Our efforts to contribute to the revitalization of the Midtown district of Detroit cast these tools in bright relief. We invested in LiveMidtown, an initiative that encourages workers employed in the city to also make

it their home. We helped create the Detroit Revitalization Fellows, a network of 29 mid-career planners, lawyers, entrepreneurs and economic development professionals, chosen from a field of 647 candidates — who are now with organizations working to redevelop Detroit.

We commissioned Social Compact, a nonprofit organization that measures demographic and income data not captured by the U.S. Census, to conduct an assessment that demonstrated latent retail and commercial market demand in Detroit, leading directly

to the city's subsequent success in attracting major grocery chains to the city, creating jobs and expanding access to fresh food.

In conjunction with others, we extended a variety of supports to Wayne State University's TechTown (above), a research and technology park that has become a hub for new knowledge creation and commercialization, and that is currently incubating 250 promising companies.



Taking Measured Risks

There is nothing more fundamental to strategic philanthropy than taking risks — providing a community’s social venture capital. Each of our programs — Arts and Culture, Community Development, Detroit, Education, Environment, Health, and Human Services — has sought to identify acupuncture points capable of propelling a field beyond familiar and comfortable stasis toward enduring social change. This embraces not just the modest risk entailed in individual grants, but the larger bets

that promise true innovation and transformation. Translated to Detroit, that means we identify circumstances in which investments are unlikely to flow. The hope is that the uncertainties of success will be counterbalanced by the arc of a new aspiration.

Nowhere is that impulse more clear than in our \$35 million commitment to the creation of a light-rail line along Woodward Avenue from the Detroit River to the city’s New Center area.

With other private, nonprofit and public investors, we are working to create a 21st-century transportation system that will extend in subsequent phases to job centers in the surrounding region and connect to a proposed high-speed rail line linking Chicago and Ann Arbor.

We are working hard to make a rail line and public transportation system a reality. Transit translates into economic benefits: for example, the rail stops along

Woodward Avenue (above) have already become magnets for new business development. Ideally, transit will be a catalyst for re-imagining of the city’s land use, connecting health, cultural, academic and other institutions.

We hope one day a seamless public-transportation system will join people to housing and jobs **and** the center city to its suburbs.



Opportunities for Low-Income People

We are not agnostic about who benefits from our investments and activities. We strive to improve the lives of individuals who historically have been denied full access to the economic mainstream, and strengthen communities that have consistently been underserved. We ground our work in organizations that serve as ballast against the corrosive effects of persistently intractable impediments to a full opportunity society. Nor does our commitment to strategic philanthropy

preclude us from making investments that have immediate or near-immediate benefit. Sometimes quick action is what's needed — to touch lives and situations that need quick assistance while also contributing to a course of longer-term correction.

Every investment we make in Detroit derives from these impulses.

We've strongly supported the Detroit Vacant Property Campaign, a community-based foreclosure-prevention program that provides mini-grants to block clubs and

neighborhood associations to secure, maintain and monitor foreclosed and unoccupied homes. That work has helped stabilize neighborhoods and buttress real estate values. We've helped create a pediatric medical-home effort to improve children's health and lower Medicaid costs. We've invested in the "Double Up Food Bucks" program, which provides stipends for city residents to purchase produce at farmers markets. And we've funded academic and athletic after-school opportunities for young people, ranging from Midnight

Golf to a pre-college engineering program.

We've invested in natural respites and recreation because quality of life is no less an immediate need than the provision of social supports. We're proud of our commitment to the city's RiverWalk, launched with a \$50 million Kresge grant. We've provided money for the reclamation of neighborhood parks and community gardens. And we've supported greenways such as the Dequindre Cut (above) that connect neighborhoods and the RiverWalk, Eastern Market, **and** other amenities.