

## from the President

The Kresge Foundation seeks to contribute to healthy, vital cities, with an emphasis on reducing disparities facing low-income people, advancing their pathways of opportunity, and promoting cultural vibrancy, systems of mutual support, and environmental resilience.

This aspiration rests on seven programs, which seek to:

- Contribute to the re-imagination of Detroit, our hometown, and translate that work into our interest in national community development.
- Help vulnerable communities achieve environmental resilience in the face of climate change.
- Promote the ability of low-income, disadvantaged, or marginalized people to enter, and succeed in, post-secondary education.
- Elevate the role of artists and arts-and-culture organizations in community revitalization and civic engagement.
- Reduce health disparities by expanding access to quality care and combating entrenched social and environmental determinants of poor health.

- Reinforce the social safety net so that it consistently offers struggling individuals and families dependable pathways to the economic mainstream.

We support organizations working on the front lines of human need and social challenge, as well as those involved in changing public policy, local economies, and civic relationships.

Although we are 88 years old, we are new to the arena of strategic philanthropy. But the imperative is clear: we need to meld investments on the ground with investments that have the potential, over time, to affect the social and political dynamics that shape citizens' quality of life and their long-term trajectories of opportunity.

### Problems and promise

This imperative is most pronounced in Detroit. As noted earlier in this report, it is in Detroit that we most clearly stitch together distinct threads, employ multiple tools, embrace risk to move intractable challenges, and orient our efforts toward improving the plight of the poor and underserved.



The severity of Detroit's challenges requires little elaboration. But as the economic crisis came crashing onto our community, it became clear that new possibilities were emerging, that a community with a steely backbone and deep resolve was slowly laying the foundation for rebirth.

The elements of that foundation were not always clear to others. Given mayoral transitions and community economic dislocation, there was need for a coherent civic agenda, an agenda that conveyed discernible direction and the real possibility of long-term investment opportunities. Its absence was immobilizing investors, undercutting the ability of public officials to articulate a road map for improved community life, and sapping a sense of optimism from community residents.

I strongly believed it was possible to see significant on-the-ground energies with the potential to serve as ballast for the city. With an eye toward identifying the outlines of a collective civic agenda, I tried depicting those activities in a drawing. Activities that involved people doing real work, not just thinking about it. Activities supported by real dollar investments. Activities holding the promise of taking root over the long term. Activities

presenting — in their aggregate impact — a potential to re-imagine Detroit in all dimensions.

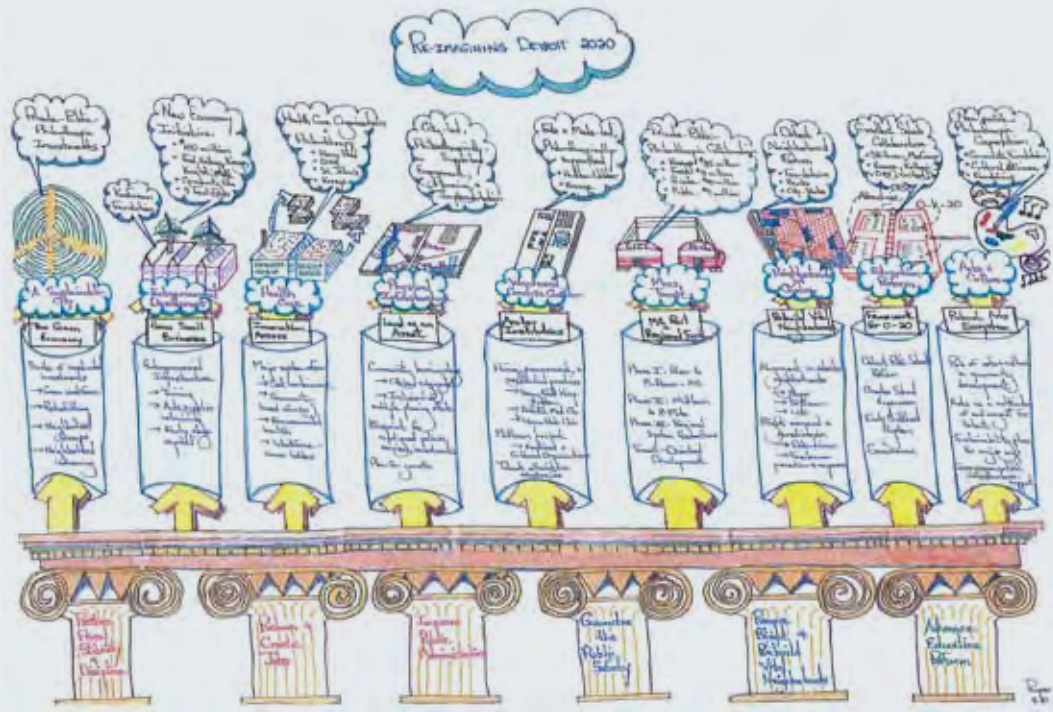
I called it Re-Imagining Detroit (next page). It stands on the scaffolding of sound public administration, represented by Mayor Dave Bing's six administrative priorities: fiscal stability, job creation, administrative integrity, public safety, vital neighborhoods, and education reform. It proposes that civic progress can proceed in parallel with, and even somewhat independently of, those priorities. Each of the nine elements or "modules" is, moreover, led by a different set of community actors, representing a collective commitment of talent and investment that no single institution could carry forward on its own.

### Common language; shared playbook

The Re-Imagining Detroit framework is not a vision. Instead, it describes the building blocks for a more comprehensive view of our future. It compels the recognition of the connections among those discrete building blocks. It invites discussion of what's missing. It furnishes a kind of common vocabulary. It crystallizes a sense of urgency. And it recognizes that philanthropy has taken a seat at the table of civic leadership, no longer content to stand at the back of the room and hope that our good intentions



With many independent parties working in Detroit, it can be hard to see a coherent whole. This drawing attempts to identify the building blocks for a comprehensive view and a framework for discussion.



and charitable impulses will help the community eke by.

Here is a brief description of each of the nine modules. Kresge is involved in varying degrees in each:

- 1. Green economy** – Next Energy, a Detroit non-profit organization, is spearheading efforts to green the city’s administrative operations, improve small-scale neighborhood public spaces, and pursue neighborhood projects that both promote energy efficiency and foster new jobs through reuse, recycling and retrofits.
- 2. Entrepreneurial development** –The New Economy Initiative, formed through a \$100 million investment from 10 national and local foundations, has focused on building an infrastructure conducive to entrepreneurship in and around Detroit, in large part by creating an “Innovation Cluster” centered on the TechTown small-business incubator.
- 3. Health care** –The Henry Ford Health System, the Detroit Medical Center, and the St. John Providence Health System are expanding community-based affordable primary care, creating job ladders in the health care industry, and investing in the expansion and improvements of their inner-city campuses.
- 4. Land use** –The city’s greatest challenge and opportunity is to see in its large stretches of abandoned land an underutilized asset rather than

- a liability. Detroit’s 139-square-mile area is more space — far more space — than conventional planning and development constructs can handle. All sectors are working to create a process by which citizens, civic constituencies, and elected officials can weigh a wide spectrum of scenarios and advance concrete, actionable ideas for productively re-purposing some of this land while reinforcing areas of current strength.
- 5. Creative corridor** – Pivoting on the leadership of Midtown Detroit Inc., a nonprofit working to revitalize neighborhoods around key institutions, national and local foundations and banks have invested tens of millions of dollars over the last three years to elevate the district as a walkable magnet for people to live, work, shop, and visit.
- 6. Regional transit** – As described earlier in this report, Kresge’s initial \$35 million investment spurred a plan to build light rail along Detroit’s primary commercial, medical, educational and cultural corridor — Woodward Avenue — as the first part of a larger public transportation system. The line will signal to residents, suburban neighbors, the federal government, and investors that Detroit is committed to 21st century transportation and to integrating transit into broader community conversations about land-use, economic development, and the stability and growth of anchor institutions

- up and down the Woodward spine.
  - 7. Stable, vital neighborhoods** –The Detroit Neighborhood Forum has provided a setting in which representatives from the philanthropic, nonprofit, banking, and government sectors can find ways to help residents ride through the successive tsunamis of foreclosure, real estate abandonment, and population decline — and to identify strategies for stabilizing and strengthening neighborhoods.
  - 8. Education** –The challenges of improving educational attainment among Detroit’s children have given rise to a host of responses intended to improve accountability, create new high-quality schools, increase investment in small learning environments, and prioritize early-childhood development, among others. Philanthropy has played a part in each and is helping to pull them together into something that is more than the sum of its parts.
  - 9. Arts and culture** – Philanthropy has stepped in to support individual artists, arts institutions, community-based arts organizations, and arts-and-culture projects. Artists help create an environment of dynamism, entrepreneurialism, and creativity in Detroit that is a magnet for young people. Artists give voice to hope and draw attention to the unjust. They are pioneers in moving into places others have left behind. They embody the creative thinking that built this region, and they will play a significant role in its re-imagination.
- One might argue that all of this positive energy is ultimately too diffuse to catalyze enduring action. I disagree. The Re-Imagining Detroit framework has sunk its roots deeply, creating a new shape and staying power for Detroit’s long-term civic agenda.
- The framework describes an unprecedented marshaling of human and financial resources from those with long-standing commitments to the city, and from new actors. Although the latter lack that same history, they possess a genuine belief in the importance of infusing Detroit with the kind of ingenuity, skill, and persistence that will be necessary if the city, together with the region, is to get where it wants to go.

**A new civic alliance**

This dynamic gives rise to a new civic alliance. On one hand it reconnects the work that thousands of Detroiters every day are doing inside government, the private sector, in nonprofit organizations — indeed, in all areas of community life — with a refreshed vision of how the city can advance.

On the other hand, it embraces important external resources — attracting a new cohort of energetic and well-trained people galvanized by the possibility of daring innovation and enduring change.

Both are necessary: The problems we collectively face are adaptive, not technical. They defy known solutions. They lie beyond the compass of a single entity or small cohort of entities to solve. Indeed, the only way to unlock these kinds of impenetrable social problems is to coalesce all those capable of marshaling shared resources around a common agenda.

That’s a good description of what philanthropy is doing in Detroit — committing to a place over a long period of time, helping identify an aspirational horizon line, and assisting in drawing together cross-disciplinary, cross-sector energies to engage and invest selectively in activities that will drive progress toward that horizon.

It’s also a good description of strategic philanthropy. We believe The Kresge Foundation can, in fact, chip away at some of our society’s most insidious problems and, over time, make tangible progress. In our areas of programmatic interest. In our hometown.

Rip Rapson  
President  
The Kresge Foundation