



Commentary by Rip Rapson:

Grantees Can Count on Kresge to Stand With Them During This Time of Economic Crisis

In an open letter to the community, Rapson affirms foundation's commitment to grantees and their service to low-income, disadvantaged populations.

October 31, 2008

Even though the full impact of the worldwide financial crisis has yet to be determined, we do not want to wait to communicate two important messages to our grantees:

- We understand how very, very difficult your work has suddenly become – and will continue to be – during this time of unprecedented economic contraction.
- You can count on us to stand with your organization as you continue to work to alleviate need in your communities.

From the Kresge perspective, providing help in a time of crisis is exactly what philanthropy is designed to do. With our values criteria firmly in place, we are focused precisely on what is needed most at this time – helping our nonprofit partner organizations on the front lines improve the bedrock conditions of those in greatest need and link them more firmly to the economic mainstream. All of us understand too well that those who have historically been pushed to the social and economic margins of our society are now, tragically, feeling the effects of the crisis most acutely.

Like investment portfolios across the country, Kresge's endowment has been significantly reduced in the last few months. We cannot, however, permit this circumstance to obscure the responsibilities to community that such considerable resources impart. We will not permit our grantmaking to follow the same yo-yo patterns of the broader markets. In these precarious times, as always, we have our sights set on the long term and are proceeding systematically and wholeheartedly to build out our strategic priorities in health, the environment, community development, arts and culture, education and human services.

The times also compel us to build out our new grantmaking tools beyond the facilities challenge grant. Over the last year, we have been exploring other funding methods, such as business planning, growth capital, operating support and program-related investments. We will continue to assess how this spectrum of support can most usefully be enlisted to help organizations weather the current economic climate.

Earlier this week, I sent a letter to our grantee organizations involved in campaigns to build or renovate facilities. I affirmed our belief in the valuable work they are doing, but acknowledged that conditions have changed profoundly since they secured their grants from us. I asked them to respond to a simple survey. We hope to hear directly from them how recent events have affected their fundraising. We are also asking them to suggest one or two meaningful ways – not necessarily financial – in which we might provide additional help with their campaigns or their operations.

We want to assure you that we believe Kresge's new directions position us well to be responsive to the extraordinary needs and opportunities occasioned by the economic maelstrom. We will continue to apply our values with an eye toward promoting low-income opportunity and enhancing community stability. We will seek to make strategic choices in how best to advance our fields of work. We are committed to mutually respectful communications with grantees and potential grantees.

Please don't hesitate to let us know if you have any questions, concerns or suggestions.

Sincerely,
Rip Rapson