



Commentary by Rip Rapson:

Kresge Acts to Alleviate Pressures of Economic Downturn

In his fourth open letter to the community, Rapson describes new funding opportunities for emergency-service and health organizations.

July 16, 2009

My last post in February about the foundation's response to the economic downturn described our plan to review requests from our capital challenge grantees to help them complete their capital campaigns. We have since extended additional assistance in a number of forms – from providing more time to complete the campaign to pursuing a different mix of revenue sources within the fundraising goal.

But since February, the economic pressures facing families and nonprofit organizations have intensified. The numbers of individuals out of work and families displaced from their homes continue to mount at staggering rates. Nonprofits continue their struggles to balance mounting costs, escalating demand and diminishing revenues.

These pressures have made clear that providing greater flexibility to our existing capital challenge grantees is a necessary, but not sufficient, response. We have accordingly developed a number of new funding opportunities.

First, we have invited those of our capital challenge grantees that provide "lifeline" human services to apply for modest operating-support grants. Almost all who were invited to apply have done so, and applications are now under review. Grant funding will be awarded in early August, with the expectation that the monies will be expended between Aug. 31 and Dec. 31, 2009.

Second, our Human Services team has made support for community-based organizations that offer food, shelter and other forms of lifeline assistance its highest priority. They have accordingly elevated the weight given to emergency-service agencies seeking support for new facilities.

Third, we have established a Community Relief Fund, which we announced in June, to make available to emergency-service agencies program-related investment loans of up to \$500,000, repayable over three years at zero-percent interest.

Fourth, we will announce at the end of July two new grant opportunities for health care organizations. The first, the Health Clinic Opportunity Fund, has been developed in direct response to the ever-increasing number of adults losing their jobs and health insurance. It is a two-year, national effort to build the capacity of voluntary free health clinics, public health clinics and those designated federally qualified health center look-alikes to meet the needs of their communities more effectively.

The second effort, the Safety-Net Enhancement Initiative, is designed to foster cross-sector collaboration and thereby enhance the services, relationships, resources and capacity of community health centers, public hospitals, local health departments and other segments of a community's safety net system. This is a two-part, four-year initiative that consists of a program-planning and design phase and a project demonstration, evaluation and dissemination phase.

Fifth, we have launched in St. Louis and Baltimore, and will soon launch in Detroit, a community arts and engagement project that encourages residents to use art and culture as a way of uniting communities and raising community hope during the economic crisis. A pool of \$200,000 will be made available over two years in each of the three communities for small grants to individuals and groups.

And sixth, we are taking steps in each of our fields of interest – Education, Community Development, and the Environment, as well as Arts & Culture, Health and Human Services – to help alleviate some measure of pain wrought by the economic collapse. You can learn about these efforts by reading the [Letter From the President](#) in the 2008 annual report, which has just been posted on our website.

In her [Letter From the Board Chair](#) in the annual report, Elaine D. Rosen describes the behind-the-scenes behavior of the board and staff as the crisis unfolded. She concludes by observing: "If ever there was a time for us to step up and lead, it is now."

That is what we are trying to do.

We can't singlehandedly right this out-of-kilter economy. But we will, to the best of our ability, use our resources to provide maximum traction for our grantees, who work day to day to improve the life conditions of countless numbers of individuals.

I will keep you posted on our progress.

Sincerely,

Rip Rapson