



Speech by Rip Rapson:

Twenty Years of Leadership: A Journey Toward Expanded Opportunity

April 29, 2016

*Plenary address delivered at Catalyst Miami's 20th Anniversary
Celebration, April 29, 2016, Miami, Fla.*

Thank you Daniella [Levine Cava] for such a lovely introduction. More on you in a moment.

And thank you Gretchen and Catalyst Miami for inviting me to this historic celebration. The Kresge Foundation is honored and humbled to support and partner closely with an organization whose mission is grounded in improving the lives of – and amplifying the voices of – individuals, families, and community organizations who have for too long stood outside the fence-line of justice and opportunity.

Daniella

Let me return for just a moment to Daniella. Kind of like Madonna or Beyoncé or LeBron. No last name necessary.

As you look back on her breathtaking, and still unfolding, career, it's clear that the imperatives of social justice are not a choice she's made. They are instead inextricably imprinted onto every cell of her being. I was witness to them at Columbia when she convinced a pretty-darn stodgy institution to create a joint degree program in Social Work and Law – from which she received the first joint degree. I saw it when she moved to Atlanta to create Georgia's first shelter for women suffering from domestic abuse. And I joined you in watching her build this grow the Miami-Dade Human Services Coalition into this remarkable institution.

And now, we all get to see those imperatives of social justice infuse her service as a Miami-Dade County Commissioner.

Through all these stages she has moved with unbreakable will and transcendent skill to etch an

indelible vein of decency and equity into every community she has touched. And she is nowhere near done.

Following on Daniella's tenure would have deterred most mortals. But not Gretchen, who has stepped forward and led with a boldness and vision distinctly her own. Under Gretchen's leadership this organization will move the Miami-Dade community ever closer to the goal of extending to every resident the respect and dignity and opportunity that is their birthright.

So let me turn to the work that she and you are building together.

I. The Trajectory of Catalyst Miami

In one dimension after another, Catalyst Miami has sought to anchor equitable opportunity and shared prosperity into Miami's social, economic, and political bedrock. Not by serendipity and meander, but through crystalline vision, profound courage, unshakeable perseverance, and unalloyed integrity. Everyone in this audience has played a role in that.

Catalyst Miami has come a long way from Daniella's initial impulse to create an organization capable of addressing the effects of welfare reform on low-income families. Indeed, your strategies for creating lasting change have steadily grown stronger, more comprehensive, and more clearly defined – as is so powerfully clear from the remarkable presentations we've just heard.

Catalyst's focus on health, economic opportunity, and civic engagement has underscored that to move the needle on poverty and opportunity, you have to immerse yourself in multiple systems over an extended horizon – that there is no such thing in this work as a one-and-done effort. Every day, you remind all of us:

- That we have to dismantle the insidious drivers of disparate health outcomes.
- That we have to deconstruct the toll-gates to family economic stability and mobility.
- That we have to build enduring muscle for citizens to engage meaningfully with – and indeed shape – those institutions whose policies, practices, and networks of power set the ground-rules for community life.
- That we have to see climate change for what it is – an existential peril that threatens to multiply and calcify existing social and economic imbalances between haves and have-nots.
- And that we have to shoulder all of this simultaneously, with equal vigor, and for the long-term.

You should feel a profound pride to be among the nation's premier examples of an organization that relentlessly empowers those with the fewest resources to have a voice, take a seat at the table, and begin on the pathway to prosperity.

You know, I should probably stop there. Your story is why we're here, and I'm loath to dilute it.

But there's a wonderful tale of the late, great jazz drummer Art Blakey. It seems Blakey is driving the back roads of Louisiana to a performance and he gets stuck behind a funeral procession. He can't get by until the service is over. So he gets out of his car and saunters over. Eventually the preacher asks if anyone has anything to say about the deceased. Nothing, just awkward silence. So Blakey jumps in and says, "Well, if no one wants to speak about the

departed, I'd like to say a few words about jazz."

So, I'd like to say a few words about philanthropy. Because if we propose to be partners in your work, we probably need to explain ourselves.

I'm chastened, though, by something Robert Kennedy once said to an audience. "My job tonight is to give a speech," he said. "Your job is to listen to it. But if you finish before I do, please let me know." Same rule tonight.

I'd like first to describe how Kresge is approaching urban opportunity and second, to suggest how that may map onto the work that you do.

II. Five Core Beliefs of Kresge's Urban Opportunity Framework

In 1912, Sebastian S. Kresge opened the first 5-and-10-cent store – a revolutionary merchandising idea at the time. In 1924, Kresge established a foundation in Detroit with the mandate of "promoting human progress." For more than 80 years, that mandate was realized through the support of fundraising campaigns to build capital projects. Across the nation, the Kresge name adorns libraries, lecture halls, recreation centers, art museums, churches, and hospitals.

Over the last ten years, however, Kresge has made a pivot away from buildings and toward ensuring that low-income people have full access to economic and social opportunity in America's cities. Each of our six programs – health, community development, environment, arts and culture, human services, higher education – is aligned to that North Star. I don't have to tell this audience why. Look in any direction and one sees immoral, destructive, and indefensible chasms – in wages, wealth, employment, economic mobility, education, health, incarceration, and on and on.

Kresge has accordingly sought to move outside traditional philanthropic bumper-rails and forge a philanthropic method that embraces fully the duality of cities – on one hand, as incubators of great genius, innovation, and possibility and, on the other, as home to some of the nation's most shameful inequities.

That method is grounded in five core beliefs. Let me scroll through them.

1. Embracing Risk

First, we believe that we need to take risks commensurate with the magnitude of the challenges we face.

Philanthropy is society's social venture capital – as the great philanthropoid Paul Ylvisaker noted, it is "society's passing gear." We need to behave that way. Consider the role the foundation community played in the resolution of Detroit's bankruptcy – a challenge that tore at the outer limits of philanthropy's long-standing risk-envelope.

The Detroit bankruptcy filing was not only the largest municipal bankruptcy in American history, but it also appeared the most intractable. The numbers were jaw-dropping – the City's debt was estimated at \$18 billion and within ten years, 2/3 of the city's budget would be dedicated to paying retiree benefits. The creditors forcefully pushed the case that there were only two roads to

solvency – reduce retiree benefits, which were guaranteed by the State of Michigan’s Constitution, or sell city assets, of which there was only one of significance: the city-owned collection of the Detroit Institute of Arts, which was arguably held in inviolable public trust. So had we done either, we would have catapulted Detroit into a ten-year death spiral of endless, no-win litigation. The city would not have survived in any recognizable form.

Who knew Woody Allen had this dilemma in mind when he observed: “More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly.”

Well, we did. The choice we made was called the Grand Bargain, in which the foundation community created a \$370 million fund, supplemented by \$250 million from the State and \$100 million from the Art Institute. The fund essentially purchased the DIA collection from the City, converted the museum into independent nonprofit status, and used the proceeds to safeguard the pensioners against substantial cuts in their retirement benefits. Kresge and Ford took the lead, with Kresge providing \$100 million – the largest gift in our history – and Ford \$125 million.

Philanthropy’s risk capital made it possible to conclude the bankruptcy consensually and at light speed – within a year. In a word, we ratcheted up our risk-tolerance to match the daunting aspiration of returning one of America’s emblematic cities to its rightful position of greatness.

2. Engaging Across Sectors

Our second belief is that we have to swim outside of traditional philanthropic lanes in order to operate in more effective relationship with the public and private sectors.

Philanthropy has traditionally preferred a safe remove from the messy and polarizing scrum of folks who execute the authorities of an election certificate or who are animated by the vicissitudes of profit and loss cycles. Slowly, however, philanthropy is coming to understand that the roles and responsibilities of each sector are not quite so hard and fast as we once thought – and that wading into the unruly and unpredictable public and private realms can be a necessary part of getting things done.

A quick example, again from Detroit.

If there was ever an environment that was toxic to public transportation and mass transit, it’s been the Motor City and its surrounding counties. Forty-one times the Michigan Legislature has tried to pass regional transit legislation, and forty-one times it has failed. So seven years ago, Kresge and key corporate leaders jumped into the deep end of the pool by announcing our intention to finance, construct, and turn over to a public transit authority a light-rail line to run along the city’s major arterial, Woodward Avenue.

The streetcar line – called M-1 Rail in honor of Woodward being the first paved road in Michigan, and America – would create connective tissue among commercial, medical, educational, cultural, and civic institutions up and down the avenue and be the first leg of a comprehensive and seamless regional transit system.

The line would cost \$150 million. Kresge committed the first 50 – conditioned on the private sector and federal government providing the balance. From the public sector’s perspective, an extraordinarily headache-free solution to a seemingly irresolvable problem. Seemed simple.

Not.

Conjure any conceivable obstacle the public sector could throw up – and then multiple that by seven – and you get the picture. The City of Detroit insisted on controlling the design, even though it was the wrong design and even though it didn’t have any money to pay for it. The Federal Transit Administration couldn’t figure out how to adapt its rules to a private-philanthropic consortium that bore no resemblance to its normal regulatory protocols. The State of Michigan wasn’t comfortable delegating responsibility for solving the endless traffic engineering and infrastructure issues that popped up like a whack-a-mole game.

But the M-1consortium called on every piece of political, financial, and personal capital it possessed to navigate the project to final approval. And it worked. The line will open early next year, and this fall, we are taking to the voters of the surrounding counties a referendum to fund the bus rapid transit and commuter rail armature of the larger regional mass transit system.

3. Braiding Across Disciplines

Our third belief is that solutions to our most intractable problems will emerge from a complex interplay of different disciplines.

None of the problems we confront is precisely rooted in a singular set of causes. Poverty, economic mobility, climate change, educational attainment, or health disparities are not issues to be resolved by lining up hermetically-sealed funding streams and solution sets. Instead, we need strategies that anticipate that these systems ricochet against one another – morphing, re-combining, and inter-braiding. These strategies will accordingly need to be systemic, not atomistic; dynamic, not rigid; nuanced, not ideological; long-term, not episodic.

Let me offer two quick examples from our Health portfolio.

- The first is an effort called the Healthy Futures Fund to integrate community health clinics with housing, transit, and human services. Our Health team worked hand-in-glove with our Social Investments practice, the Local Initiatives Support Corporation, and Morgan Stanley to create a \$100 million fund comprising Kresge’s grant and loan dollars, LISC’s New Markets Tax Credits and Low-Income Housing Tax Credits, and loan capital from Morgan Stanley.
- The second example is called FreshLo – for Fresh, Local, and Equitable – which seeks to blend expanded access to healthy local food in low-income communities with community-based artistic and cultural expression. Our Health and Arts and Culture teams received more than 500 applications for 25 available grants – the largest response that Kresge has ever had to an RFP.

4. Promoting Community Engagement

The fourth belief is that we have to invest in more inclusive and robust processes to internalize resident voice into public decision-making on issues that matter.

Catalyst Miami has given powerful form to the imperative of incorporating the wisdom of neighborhood residents into the issues that define community life. Kresge would do well to learn from your experiences.

But let me offer a couple of illustrations of how Kresge has sought to elevate this way of working within each of our program areas:

- Our Health team has invested in the capacity of residents in Los Angeles, Houston, Chicago, Newark, and other cities to advocate for the reduction of toxic diesel emissions from the trucks that service waterfronts and rail-yards adjacent to low-income communities.
- Our Detroit program worked for three years to help create the Detroit Future City Plan to assist the city in converting its 40 square miles of vacant and blighted land – a landmass the size of the City of San Francisco – into productive uses. It has become a blueprint that has helped guide the pursuit of blue-green infrastructure, re-purposed residential and commercial properties, new public open space, urban farming, and countless other uses. The Plan was rooted in the most expansive, inclusive, and innovative community engagement process in the city’s history and led to the formation of a nonprofit organization that continues to steward both the substance of the plan elements and the commitment to community voice.

5. Calling on a Spectrum of Tools

Kresge’s fifth belief is that we need to be competent with a wide spectrum of problem-solving tools that can be used in varying combinations depending on the nature of the challenge.

Many think of philanthropy as a gilded ATM machine, dispensing grants once the deeply secretive entry code is punched in. And to be sure, we sometimes behave exactly that way.

But we have the privilege of working with a wide variety of tools.

To begin with, a grant is not a grant is not a grant. A primary purpose of our grants is, certainly, to buttress the efforts of organizations working in pursuit of their singular mission. Grants can, however, also strengthen networks of organizations allied in common purpose. They can build a knowledge base of applied research. They can enable grantees to construct information-sharing platforms – through convenings, leadership exchanges, or joint databases. They can support public policy advocacy.

Kresge is committed to working beyond grants as well, venturing into the arena of what has come to be referred to as “social investments” – low-interest loans, loan guarantees, direct equity investments, pay-for-performance instruments, socially-responsible bank deposits, and market-rate investments. Why? A couple of reasons:

- These tools can make larger amounts of capital available to nonprofits and extend that capital out over a longer term.
- They can peel away the top layer of risk in a transaction, creating a pathway for private sector investors to participate in socially-driven projects.
- They can encourage organizations to think more creatively and ambitiously about how capital could help them expand or transform.
- And they enable Kresge to recapture some of our funds and recycle them into future efforts.

In the aggregate, the availability of all of these instruments permits us to first define the problem and then assemble the combination of tools that will most effectively line up against its component parts. A grant might still be in the mix – for example, by helping an organization stabilize a part of its operations essential to taking on debt. But it wouldn't be the only option available.

Our Board is so convinced that these kinds of tools enhance our effectiveness that last fall it approved a \$350 million commitment – or about 10 percent of our investment corpus – to the Social Investments practice.

III. Implications for Catalyst Miami

I hope this fly-over of the principles that guide our work suggests that private national philanthropy has a unique ability – and responsibility – to partner with organizations like Catalyst to confront the underpinnings of social and economic injustice. In many ways, it is our core philanthropic responsibility.

Let me conclude, then, with a few reflections on how this might bear on Catalyst as you move into your third decade.

The qualities I've just described have powerful parallels to the work you do.

- Your history reflects a willingness to take risk at the highest levels, including engaging full-on public policy shortcomings.
- You've tailored your work to recognition that whereas government delivers its services in vertical silos, people live their lives in intricate horizontal webs of interlacing systems.
- You've celebrated and buttressed the power of people well-organized where they live to change the basic calculus of community life.
- And you've embraced using every tool at your disposal to level the playing field for vulnerable people.

This is an orientation toward community work that will serve you well in your next chapter. But I wanted to suggest two punctuation points – two things you're already doing that I hope you might elevate even further.

A New Civil Discourse

The first is promoting respectful and actionable discourse about how the emergence of the nation's next-generation economy can be more just, inclusive, and equitable.

As I think about what passes for our nation's public policy environment, I can't shake the image of anesthetic wearing off following a serious operation – that we're awakening to the realization that something is profoundly different, and risks being irretrievably lost. I'm struck by how our deepest communal values of public responsibility for the common good and the embrace of mutual caring and support have been irrevocably corroded, leaving us with a dominant social and political ethic that enshrines individualism as the ultimate public virtue that substitutes fear of difference for respect of individuality, that protects the prerogatives of received privilege against the dynamism of equitable opportunity.

The words of one observer make clear that these impulses are not a reflection simply of this particular election cycle, political party, or set of elected officials. She said:

“We are a people in a quandary about the present. We are a people in search of our future. We are a people in search of a national community.

Many fear the future, Many are distrustful of their leaders, and believe that their voices are never heard. Many seek only to satisfy their private [wants and] interests.

But this is the great danger America faces. That we will cease to be one nation and become instead a collection of interest groups: city against suburb, region against region, individual against individual.

If that happens, who then will speak for America?

Who then will speak for the common good?”

That was the late, great congresswoman from Texas, Barbara Jordan, speaking to the Democratic Convention in 1976 – 40 years ago.

Her warning suggests that this hardening of our civic arteries has been going on for some time. We witness daily the vastly disproportionate impact this has on those who stand on the far margins of political power, who feel the consequences of structural inequality, and who are denied full participation in the economic mainstream. They start with fewer resources, operate with fewer resources, accumulate fewer resources, and must swim against the tide of public understanding and appreciation.

You know better than I that this is why your work is so important. In your organizing and advocacy, in your community supports, you seek to reassert the values of a compassionate, reflective, equitable, and forward-looking society. I hope, though, that you will find even more expansive ways to do this – perhaps:

- Drawing an ever-broader and less traditional spectrum of allies to your coalition-building work.
- Creating a political imperative for tools that enlightened public officials can use to ensure that the benefits of growing prosperity are equitably shared.
- Structuring organizing campaigns call upon non-traditional channels of engagement such as arts and culture projects or environmental protection as a way of creating social capital that bridges across difference.
- And continually honing your narrative to remind local and state decision-makers that policy-making has to be rooted in tolerance, an openness to balanced and differing perspectives, and a view to long-term shared interest.

Climate Change as a Social Justice Issue

The second dimension of your work that holds such profound importance is the imperative of unequivocally framing climate change as a social justice issue. Every community in America, but particularly here in Miami-Dade, has to understand the invidious power of changes in our climate patterns to disproportionately undermine the future life conditions of low-income communities across America.

We are well on our way to a scenario in which global temperatures will bust through the 2 degree Celsius ceiling that commits Greenland to irreversible melting, eventually creating a science-fiction version of our planet in which the oceans rise more than 15 feet. You've already begun experiencing the conditions building to that scenario as increased sea level, surging tides, and more intense storms chew away beaches, taint fresh water sources, overwhelm sewers and swamp homes and commercial structures.

One would have thought that Florida would be at the forefront of advocacy to mitigate and adapt to these horrific trendlines. Forgive me if I'm wrong, but I don't exactly get that feeling reading the press clippings of your state office-holders. I must admit that their deny-the-science-even-when-it's-landing-full-force-in-Miami-logic eludes me.

Or at least it did until Steven Colbert offered the following explanation:

[I get their approach, he said. Think about it this way.] I don't want to die. The actuaries at my insurance company are convinced that it will happen sometime in the next 50 years. However, if we consider only historical data, I've been alive my entire life, therefore I always will be.

And anyway, we have no idea how much devastation [a two-degree Celsius increase] could cause, because it's metric."

OK. That helps.

But the challenges you're leaning into aren't limited to the politicians. Even our friends need your help.

Historically, neither the environmental community nor urban and regional planning processes have been particularly effective in including the perspectives of low-income residents in the design of climate resilience measures. Or in

ensuring that those residents benefit from the implementation of those measures. As a result, the unique knowledge and needs of low-income populations have too often been overlooked in both community development and disaster preparedness.

You're well-positioned to help change this calculus:

- Your participation in Kresge's Climate Resilience and Urban Opportunity initiative links you to a remarkable national climate resilience network whose members are breaking new ground in both the policy and political arenas and in the formation of non-traditional alliances.
 - You can continue to support the vitally important work of the Southeast Florida Regional Climate Change Compact, through which Palm Beach, Broward, Miami-Dade, and Monroe Counties are collaborating across jurisdictions to implement climate mitigation and adaptation measures to protect water supplies, transportation networks, buildings, and other infrastructure from severe climate-related stresses.
- You can remind people that the kind of healthy, vital, economically stable communities you seek to foster are the same kinds of communities that are most resilient in the face of climate change.
- You can equip community residents to evolve ways to anticipate and prepare for the heightened social disruption that will fall disproportionately on those who are already most disadvantaged – low-income people, the elderly, and the house-bound.
- And you can help train a new cadre of professionals with fresh skill sets who understand the multiple dimensions of climate change and who are capable of teaching the broader community habits of adaptive management.

IV. Conclusion

Winston Churchill once said, "For myself, I am an optimist – it does not seem to be much use being anything else."

But optimism is actually more than simply abhorring the alternative. Because below the surface of these daunting challenges lies a unique and wondrous mosaic of aspirations, ideas, skills, and assets that create the conditions for re-setting the trajectory of opportunity. It is that mosaic on which you draw so powerfully. It is that mosaic that you contribute to and raise up every day. It is that mosaic that will guide your next chapter.

I can't wait to see what you will accomplish. Not in twenty years, but in two or three or five. So keep at it. Continue to lead, to inspire, to challenge, to uplift. We're counting on you.

Thank you and very best of luck.