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# Investing in Detroit: Philanthropy Report

(1994 – 2001)

*A Report to the Mayor-elect of Detroit*

Prepared by the  
Detroit Report Task Force  
of City Connect Detroit  
December 2001

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## **STOP PRESS!**

Shortly after the November, 2001 elections and as this report was being finalized, the City Connect Detroit board appointed its first president & CEO, Geneva J. Williams, and met with Mayor-elect Kwame Kilpatrick to share an executive summary of the report that follows. The Mayor-elect supported the report's recommendations and the city's participation in collaborative ventures to secure greater national foundation and government resources. The endorsement and leadership by the new mayor significantly enhances the potential for greater human investment in Detroit, and brings us one step closer to this report's hopes for a better Detroit.

## **Letter From the Detroit Report Task Force of City Connect Detroit**

December 2001

Dear Mayor-elect Kwame Kilpatrick,

Detroit faces tremendous opportunities and challenges in the years ahead. And we, representatives of the funding, nonprofit and governmental sectors, are convinced that Detroit has or can obtain the necessary resources – talent, energy and money – to address the major issues facing Detroit.

The issues our city must handle are too big for any one sector. We believe this report demonstrates that working together over the past years has helped Detroit create innovative and effective solutions and attract more dollars from foundations and the federal government. The lessons we've learned through partnership efforts also reinforces our belief that joint efforts, fostered by an improved collaborative environment, can produce results that matter, and that strong nonprofits and neighborhoods are extremely important to the quality of life.

Now more than ever, collaboration is critical because of the changing roles, relationships and interdependence between and among the public and private sectors. It is our belief that even greater human investment opportunities are possible if we build on the collaborative mood created by the current joint ventures among our three sectors.

We need your leadership and active support of our continued partnership efforts. We want to work together with you to secure greater investment in our city. The ultimate beneficiaries will be the people and neighborhoods of Detroit.

Respectfully yours,

C. Patrick Babcock (W. K. Kellogg Foundation)

C. David Campbell (McGregor Fund)

Robert S. Collier (Council of Michigan Foundations)

Tina Dortch (Office of the Mayor, City of Detroit)

David O. Egner (Hudson-Webber Foundation)

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## Introduction

This document, *Investing in Detroit: Philanthropy Report (1994-2001)*, prepared by the Detroit Report Task Force of City Connect Detroit (CCD), summarizes eight years of cross-sector partnership activities. Its chief purpose is to identify established programs and their effects and thus to outline interrelationships between private and political sectors which cooperated in problem-solving ways to enhance Detroit. Moreover, this report makes certain recommendations in the hope that Mayor-elect Kwame Kilpatrick and his office will sustain and advance this partnership in philanthropy through increased teamwork and open communication. As the new city administration takes office, the opportunity to build on a positive record presents itself. In fact, even this report builds on a predecessor whose history presents our starting place.

In January 1994, Detroit-area funders presented *Investing in People: Grantmaking in Detroit, 1989-1992* to then Mayor-elect Dennis Archer. The report highlighted recent achievements of the Detroit-area philanthropic community and hoped to provide a foundation for strengthening the relationship between private funders and the City of Detroit.

The 1994 report helped open the door to a new era in Detroit philanthropy: the Grants Management Division in the Mayor's office was created to facilitate public-private partnerships and to work with the philanthropic community to increase investment in Detroit. Thus, we had an avenue for moving ahead.

With increasing frequency and ease over the past eight years, representatives from private funders, nonprofits, and the City have come to the table to create, finance, and implement projects that address Detroit's needs. Many of the resulting joint ventures and independent private sector projects are now transforming Detroit. The present report

(2001) describes the extent to which public, independent, and private organizations have joined forces and already are effecting improvements.

City Connect Detroit is a new organization that resulted from nearly three years of planning, research, and discussion among a wide range of stakeholders. Its mission is to strategically solve problems through collaboratives of city departments, nonprofit organizations and local grantmakers and to secure increased federal, state and national foundation dollars for Detroit. It is stimulating meaningful dialogue among the three sectors about strategies for bringing more resources to our city. City Connect Detroit's role is defined below.

- Foster mutual understanding, respect, and trust among City of Detroit government departments, nonprofits, and funders
- Build and empower collaborative initiatives, especially cross-sector collaborations, designed to address strategic challenges
- Provide timely and relevant information to City agencies and nonprofits regarding funding opportunities from national grantmakers and significantly increase the amount of discretionary federal funding coming to southeastern Michigan
- Increase and enhance the management skills and operational capacity of Detroit-area nonprofits

City Connect Detroit begins its partnership with the new City leadership by presenting this report. We also want to suggest ways to offer more to Detroit in the coming years. By building on established public-private partnerships we can advance our effectiveness and achieve citywide improvement.

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## Executive Summary

*A city's greatness is measured not by its material resources, but by the use it makes of them.*

—Tracy W. McGregor,  
founder, McGregor Fund, 1927

*Investing in Detroit: Philanthropy in Detroit, 1994-2001*, a report prepared by the Detroit Report Task Force of CCD for the Mayor-elect Kilpatrick, reviews the past eight-year trends in funding. It also introduces the new City Connect Detroit as a facilitator of public-private partnerships in the shared goal of bringing more state, federal and national resources to Detroit. This section begins with a summary of existing grants and initiatives.

In the Detroit metropolitan area there are 681 private foundations with a combined total of approximately \$6.6 billion in assets. From 1996-1999, over \$312 million was invested in Detroit by local and national foundations. This amount is more than twice the investment made in the period 1989-1992. Moreover, the period from 1994 through 2001 was characterized by very large individual donations to nonprofits. Prior to the mid-1990s, nonprofits could expect a few major individual gifts of \$250,000; however, recent campaigns have generated numerous individual donations of \$1 million, with at least five gifts in the \$5 to \$20 million range. These funds and a change in the Mayor's office made it possible for the philanthropic community to address more effectively particular City needs.

During the 1994-2001 period, the City of Detroit, private funding community, and nonprofit sector worked together as never before on issues affecting the City. The establishment of a division in the Mayor's office that coordinated City-funder relations and that also created new opportunities for alliances between nonprofits and funders generated a new collegial atmosphere and many effective new partnerships. Together, nonprofits, the City and Detroit funders were able to devote more efficient attention to pursuing systemic solutions.

Such partnerships tackled longstanding challenges in the areas of Education; Community and Economic Revitalization; Health; Children, Youth, and Families; and Quality of Life, Culture, and

Environment. This report provides descriptions of and contact information for 28 such partnerships. Collaboration has proven a successful tool for mobilizing resources and addressing important issues. Partnership is, however, a challenging process that requires common vision, persistence, patience and trust, along with commitments of energy and funds from many stakeholders, including Detroit citizens.

A new organization with a mission to link public and private partners to potential federal and other national funding opportunities, City Connect Detroit looks forward to helping funders, nonprofits, and the City to establish and sustain effective partnerships.

City Connect Detroit seeks to establish an on-going relationship with Mayor-elect Kilpatrick and the City for strategic problem solving and to bring in new federal and state dollars for the process. In working towards this goal, City Connect Detroit recommends that the Mayor:

- Continue the City's significant role in the implementation of the major collaborative efforts described in this report.
- Focus on developing new cross-sector collaborative efforts, patterned after projects like Schools of the 21st Century and LISC, that involve nonprofits, the public sector and various elements of the private sector.
- Involve the philanthropic sector in identifying strategic problem solving opportunities for which resources are required from public/private partnerships.
- Join the Board of City Connect as a full board member.
- Appoint a senior executive as liaison to the philanthropic community.

An organized, catalytic effort that targets attention to tapping more federal and national resources, such as City Connect will do, offers a tremendous resource capacity for Detroit. City Connect Detroit is confident that our recommendations to work better as collaborators to develop and implement strategies will create numerous human investment opportunities for Detroit.

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## Trends in Philanthropy

*Foundations have grown so rapidly since the mid-1990s that not even a volatile stock market and slowing economy could keep them from posting record growth in grant dollars. . . . Giving by individuals and corporations is typically much more sensitive to economic fluctuations.*

— Sara Engelhardt, president,  
Foundation Center, March 2001

Foundations have a history of changing lives through the organizations and programs they support. Education, public health, scientific research, the arts, social services, and the environment are a few of the many areas of activity for grantmakers.

Since 1969, the United States Tax Code has drawn a clear distinction between public charities and private foundations. Both may use the term “foundation” in their titles, but depending on their IRS classifications, they are treated very differently under the tax laws. Foundations are regulated by Congress and the Internal Revenue Service.

## Important Facts about Detroit Philanthropy

- A total of 681 independent and company-sponsored foundations with approximately \$6.6 billion in combined assets operate in the Detroit metropolitan area.
- Approximately 121 foundations in the Detroit metropolitan area have assets of more than \$3 million each.
- Of the top 50 independent foundations in Michigan, with assets ranging from \$22 million to over \$6 billion each, 19 are located in the Detroit metropolitan area.
- Of the top 50 foundations awarding grants in the Detroit metropolitan area in 1999, as many as 34 were national foundations located outside Michigan and/or whose grantmaking is national in focus.

### Foundation Types (Source: Council of Michigan Foundations)

**Independent/Private/Family Foundation:** The primary function of the independent foundation is to make grants. The assets of the independent foundation are derived from the gift of an individual or family. Depending on its range of giving, the foundation may also be characterized as having general purpose or special purpose. An operating foundation primarily runs research, social welfare, or other programs determined by its governing body, and it makes few external grants.

**Community Foundation:** The funds of a community foundation are derived from many donors rather than a single source. Classified by the tax code as a public charity, this organization has the primary role to redistribute funds from the public-at-large. In contrast, private foundation grantmaking is usually calculated from the earnings on assets.

**Company-sponsored Foundation:** This private foundation derives its funds from a profit-making company or corporation but is independently constituted. Its purpose is to make grants, usually on a broad basis but not without regard for the business interests of the corporation. The company-sponsored foundation should be distinguished from corporate giving programs which are administered within the corporation and may make grants for limited purposes closely associated with the interests of the corporation.

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## State and National Trends

### *In Michigan:*

- Foundations currently hold approximately \$22.1 billion in assets and make annual contributions of over \$1 billion. This amount is nearly double the assets held and contributions made in 1993.
- Five of the top 100 foundations in the nation are located in Michigan: The W.K. Kellogg Foundation (Battle Creek), The Kresge Foundation (Troy), The Charles Stewart Mott Foundation (Flint), The Skillman Foundation (Detroit), and The Herbert H. and Grace A. Dow Foundation (Midland).

### *In the United States:*

- In 2000, a year when the nation's economy was already in decline, U.S. foundations raised their contributions to nonprofit organizations a record \$4.3 billion, up 18.4% from 1999 and following five straight years of double-digit increases in the value of foundation assets.
- In 2000, community foundations experienced the fastest growth in giving, followed closely by independent foundations, but corporate foundation giving slowed.
- The American Association of Fundraising Counsel and the Center on Philanthropy report greater growth in charitable giving in years after crises than in the years before, in nine of the 13 events researched. This is important to non-profit organizations as well as community foundations as both raise a substantial part of their revenue from individuals.

## Trends in Detroit

### *Survey of Detroit-Area Grantmakers and Foundation Center Data*

Information on grants to Detroit was gathered by City Connect Detroit (CCD) and by The Foundation Center. More recently, in September

2001, CCD mailed to 226 foundations a survey, similar to a survey sent to Detroit-area grantmakers in 1993. The mailing list included all Detroit-area foundations with assets over \$3 million each, a group of foundations with smaller assets but identified as significant contributors in Detroit, and national foundations that have invested in Detroit.

Foundations were asked: 1) to identify their philanthropic objectives; 2) to list total giving and number of grants made in each of the years 1993-2000; and 3) to describe three successful grants made in the 1993-2000 period. The results of the CCD survey provide the most current snapshot available of philanthropic activities in Detroit, especially as viewed by some major Detroit grantmakers. (Respondents are listed in Appendix A.)

Previously, information regarding grants made to Detroit in the two time periods 1989-1992 and 1996-1999 was gathered from The Foundation Center, a national service organization that maintains a database on grantmaking. The Foundation Center data include grants of \$10,000 or more made by the approximately 1000 largest foundations in the United States.

The Foundation Center has, since 1956, been the nation's leading authority on institutional philanthropy. It has, through the years, built up a massive database on philanthropy in the United States. And the data it collects, collates and disseminates is recognized as reliable information about the business of philanthropy.

The two sets of data provided in this report complement each other. The CCD survey compiled detailed information on collaborative funding – an item often difficult to identify in the annual report returns of most foundations.

The Foundation Center data, on the other hand, provided a broad view of the funding breakdown by philanthropic objectives.

### *Philanthropic Objectives*

In designing this year's survey format distributed by CCD, the breakdown of program funding by philanthropic objectives or programs was similar to the areas identified by The Foundation Center.

Based on the returns of the survey, a compilation of program funding by philanthropic interests was tabled. The following provides the total number of responses for each category of funding.

### Breakdown of Program Funding by Philanthropic Objective

Philanthropic Objective	# of responses
Children and Youth	19
Health	17
Education	16
Arts, Culture and the Humanities	15
Community Improvement/Development	13
Housing and Shelter	12
Philanthropy and Voluntarism	8
Civil Rights and Social Action	6
The Environment	6
Public Affairs	4
Science and Technology	4
Social Science	2
Religion	2

Source: CCD Survey September 2001

In comparison with responses to the survey conducted in 1993, it appears that the objectives have not changed dramatically. The top five objectives in the 2001 list also headed the list in 1993. However, the top item on the list eight years ago was Education and not Children and Youth as it has appeared in the 2001 survey.

A comparison of Foundation Center data for the periods 1989-1992 and 1996-1999 indicates that the most remarkable increase in focus was in the area of Human Services (including Housing), with grant awards increasing over 2000% between the two time periods. Increases of grant numbers and amounts by 300-400% were evident in almost every category so that lower percentage increases and decreases stand out in the areas of Environment/Conservation (increased only 123%), Crime (decreased 55%), and Employment and Economic Development (decreased 25%),

although the comparative data do not indicate that any of these was ever a high priority of foundations.

The CCD data from the 2001 survey confirm that Detroit philanthropy has changed significantly over the past eight years in terms of increasing collaborative efforts. Partnering across sectors to create solutions to long-range systemic issues, Detroit funders have exercised leadership in several target areas. Undoubtedly, much of this progress was due to an atmosphere that fostered collaboration and increased attention and investment. In an environment in which funders were confident that their grantmaking was helping to change entire systems, money flowed to big, bold endeavors.

### Total Grantmaking in Detroit

Data from The Foundation Center provided a complementary overview of the total funding in Detroit over two specific periods of time: 1989 – 1992 and 1996 - 1999. It also provided a comparison with the trend of non-Michigan foundations investing in Detroit.

The following charts illustrate the change in quantity of grants and amount of awards from the period 1989-1992 to 1996-1999. Comparisons show large overall increases of more than 200% in both grant numbers and amounts between the two periods and an average upward trend over the entire ten-year period. Both charts also show the vast majority of grants made to Detroit continues to be from Michigan-based foundations, a number of which are national foundations based in Michigan. One of these, The Kresge Foundation, has made a specific commitment to Detroit through its Detroit Initiative, resulting in almost \$82 million in grants since 1994.

Tapping more funds from national foundations not based in Michigan should be a focus in coming years. City Connect Detroit will help Detroit realize its potential in this area by disseminating federal government and national foundation grant opportunities to Detroit nonprofits, City departments, and local funders and by preparing collaborative grant proposals in response to national funding opportunities.



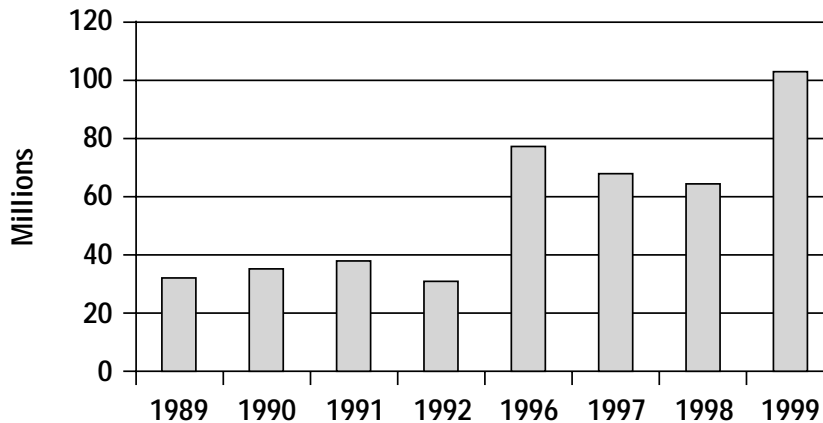
### Grants in the City of Detroit 1989-1992

		# of Grants	Total Award
1989	All Foundations	447	\$31,956,290
	Michigan Foundations	347	\$28,746,873
1990	All Foundations	441	\$34,784,202
	Michigan Foundations	372	\$28,242,192
1991	All Foundations	360	\$38,072,457
	Michigan Foundations	324	\$34,841,847
1992	All Foundations	174	\$31,496,829
	Michigan Foundations	157	\$29,776,006
<b>Total</b>	All Foundations	1440	\$136,309,778
	Michigan Foundations	1200	\$121,606,918

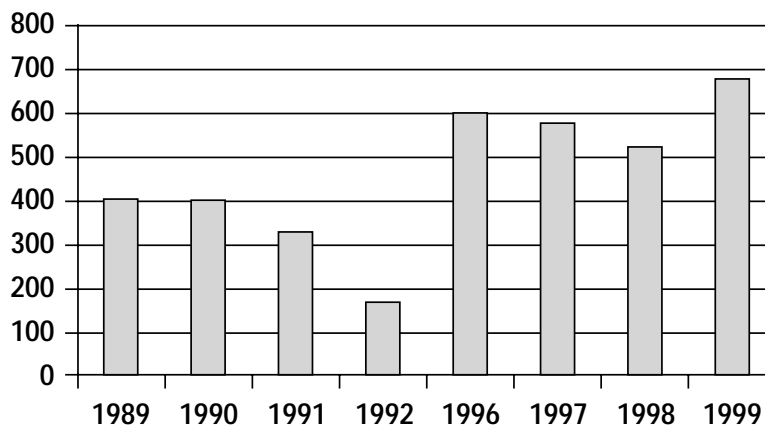
### Grants in the City of Detroit 1996-1999

		# of Grants	Total Award
1996	All Foundations	670	\$77,241,915
	Michigan Foundations	583	\$69,631,180
1997	All Foundations	641	\$68,108,232
	Michigan Foundations	532	\$58,377,012
1998	All Foundations	583	\$64,409,487
	Michigan Foundations	469	\$56,035,781
1999	All Foundations	757	\$102,923,615
	Michigan Foundations	643	\$93,471,572
<b>Total</b>	All Foundations	2651	\$312,683,249
	Michigan Foundations	2227	\$277,515,545

### Total Amount of Grants in the City of Detroit by All Foundations Each Year



### Number of Grants Made in the City of Detroit by All Foundations Each Year



Source: The Foundation Center.

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## New Sources of Philanthropic Support

### *New and Growing Foundations*

- In the Detroit metropolitan area, the growth rate since 1993 for new foundations with assets of more than \$3 million nears 300%.
- In Michigan over the past two years, approximately 200 new foundations, most of them family foundations, have been created.

### **Detroit Youth Foundation**

In 1987, W. K. Kellogg Foundation established the Kellogg Youth Initiatives Program (KYIP), a 20-year commitment to improve the quality of life for youth in three targeted Michigan areas. One of the three was the Northern High School area in Detroit. In August 1999, the Kellogg Foundation endowed the Detroit Youth Foundation (DYF) with a \$20 million grant. DYF continues to provide support to projects originally funded by the KYIP in the Northern High School area and also provides technical assistance and networking opportunities to the organizations it funds. Among other projects, DYF has supported Kids and Youth Development Seminars (KYDS), programs that provide adults and teens with leadership skills and strategies for positive youth development, and Family Place, an early childhood development center providing comprehensive one-stop shop of services for children.

### **Thompson-McCully Foundation**

The Thompson-McCully Foundation was formed in 1999 by Robert and Ellen Thompson with a portion of the proceeds from the sale of the Thompson-McCully Company, Michigan's largest asphalt paving company. The foundation intends to distribute all of its approximate \$100 million in assets over the next ten to fifteen years and then cease operations. Its overall mission is to help low-income people rise out of poverty, and it makes grants in the Detroit metropolitan area to expand educational opportunities, promote economic self-sufficiency, and relieve human suffering. Among the initiatives funded by the Thompson-McCully Foundation are an Education Assistance Program

which provides partial tuition scholarships to help low-income children from Detroit families attend a select group of private elementary and middle schools; the Warren Connor Development Coalition which trains welfare recipients in customer service skills; and Gleaners Community Food Bank of Greater Detroit serving the hungry in Southeast Michigan region.

### **The Carls Foundation**

The Carls Foundation was established in 1961 by William Carls, the founder of the industrial air valve company, Numatics, and his wife Marie. As of 2001 the Carls Foundation is one of the top 20 independent Michigan foundations by asset size. The foundation's annual grantmaking has grown 400 percent over the past five years, from \$1.25 million in 1995 to over \$5 million in 2001. Its principal grantmaking has been in the areas of children's welfare and preservation of natural areas, open space, and historic buildings. It has placed particular emphasis on recreational, educational, and welfare programs for disadvantaged children and on the prevention and treatment of hearing impairment. The foundation has given significantly to the Children's Hospital of Michigan in the Detroit Medical Center (DMC) and was a major participant recently in Detroit 300 and the capital or renovation campaigns of the Detroit Science Center, Detroit Institute for Children, and Alternatives for Girls.

### *Growth in Gifts from Individuals*

- The assets of the Community Foundation for Southeastern Michigan have grown more than fourfold over the past eight years and in 2000 stood at approximately \$309 million.
- Across the country, donations to the top 400 charities rose 13 % from 1999 to 2000, the same rate of increase reported the previous year.

The past eight years were characterized by large individual donations to the Community Foundation for Southeastern Michigan and capital, endowment, and annual giving campaigns of private nonprofit organizations. In many cases, leadership from the current administration played

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a key role in generating the new mood of civic leadership, encouraging nonprofits to conduct ambitious campaigns and influencing donors to commit to Detroit's nonprofits. The results can be seen, literally, in the landscape of Detroit and also in the resources and vibrancy of nonprofits.

An annual increase from 1995 to 1999 in the rate at which individuals made contributions to the Community Foundation for Southeastern Michigan provides evidence of the growing individual philanthropy. For example, in 1995-1996, assets grew \$33 million (from \$116 to \$149 million), and in 1998-1999, assets grew \$68 million (from \$232 to \$300 million). This growth translated into increased grantmaking by the Community Foundation and its support organizations: In 1994, it gave away \$7.5 million, and by 2000, it was giving two and a half times that, close to \$21 million in grants.

Joining forces to address the historic undercapitalization of nonprofit organizations in Southeast Michigan, the Community Foundation for Southeastern Michigan and the Kresge Foundation created strong incentive for individuals and foundations to contribute to nonprofits' endowment funds through the Van Dusen Challenge. Initiated in 1991 and funded by \$18.3 million from the Kresge Foundation, the effort educated the leadership of

these organizations and the community about the importance of building fiscal independence and permanent program support through raising endowment. Grants totaling \$18.3 million from the Kresge Foundation leveraged almost \$50 million in new endowment funds raised by the 38 participating nonprofits that identified endowment goals between \$100,000 and \$3 million.

Individuals also contributed much more generously to the annual and capital campaigns of nonprofits in the latter part of the 1990s. Previously, nonprofits could expect a few major individual gifts of approximately \$250,000 each. Recent campaigns, including those of Karmanos Cancer Institute, Detroit Art Institute, Detroit Zoological Society, Campus Martius, Detroit Symphony Orchestra, and Focus: Hope, have generated numerous individual donations of \$1 million or more and five gifts in the \$5 to \$20 million range.

While the growth of the economy and stock market performance help to explain this trend, the sheer number of individual investors and number of different nonprofits that have benefited from the new generosity likely demonstrates increased donor confidence in nonprofits. Another important upshot of this trend is the precedent that has been set for large individual donations to high-performing Detroit nonprofits.

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# Nonprofit Organizations: A Significant Economic and Social Force

*In addition to providing jobs and income, Michigan's nonprofit sector plays a critical role in the overall health and vitality of the economy. The sector makes a major contribution to the quality of life in Michigan and covers a broad range of activities, including education, health, recreation, social welfare, the environment, arts and culture, housing, crime, and family services.*

— Robert J. Kleine,  
Public Sector Consultants, Inc.,  
Lansing, Michigan, May, 1999

Nonprofit organizations, Detroit's "charities," are the service providers – those organizations that specialize in services the private sector or government cannot or will not provide. As venture capitalists and stock investors are to the private sector, foundations and other donors are to the nonprofit community. Nonprofit organizations enable foundations and other donors, including local governments, to achieve *their* missions through implementation of many programs and projects. The relationship between the philanthropic community, government, business and nonprofits is not only synergistic, it is symbiotic: none would do well without the others. Nonprofits give arms, legs, heart, and soul to philanthropic and governmental dollars, bringing to life the generous and creative spirit behind them.

## Important Facts about Detroit's Nonprofit Organizations

- 38,000 nonprofits exist in Michigan, 43% of which are in Southeast Michigan, and 31% of which are in Wayne County alone.
- More than 2500 charitable nonprofit organizations with annual budgets of more than \$25,000 are located in and/or serve Detroit and the tri-county area of Wayne, Oakland and Macomb.
- Michigan nonprofits have budgets exceeding \$60 billion, expend 95% of those dollars within the State, and provide 380,000 jobs.
- Operating revenues of more than \$1.3 billion were controlled by 25 of metro Detroit's largest nonprofits in the year 2000 according to Crain's Detroit Business *Book of Lists 2000*.

- Contributions from individuals, corporations, and foundations account for 29% of the revenue of Michigan nonprofits; government grants/contracts account for another 13%.
- In Detroit in 1999, more than 62% of the citizens contributed to a charity, 43.5% volunteered, and in a 2000 poll, 95.8% were satisfied that their donations are being used appropriately.
- In 2001, of those polled, 91% of Detroit residents said that nonprofits play an important role in the Metro community.

## What are Nonprofits?

Tax-exempt nonprofits include those designated under IRS Code 501(c). A 501(c)3 organization is either a public charity or a private foundation. The term, nonprofits, typically refers to 501(c)3 charitable, religious, or educational publicly-supported organizations, to which donations are tax deductible. The 501(c) tax code also includes 501(c)4 social welfare groups; 501(c)5 unions; 501(c)6 business leagues (e.g. chambers of commerce); 501(c)7 athletic and hobby clubs/groups; and 26 additional subsections.

About 80 to 90 percent of tax-exempt organizations are 501(c)3 public charities and must receive more than one-third of total support from gifts, grants, and contributions from the general public. Individuals cannot "own" a nonprofit.

Charitable nonprofits provide services that could only otherwise be provided by government through significantly increased taxes.

Nonprofits strengthen neighborhoods and provide support networks for the people who live and work in Detroit, and include educational institutions, faith-based organizations, food banks, job training programs, health and human services organizations (including hospitals, Red Cross, Salvation Army, etc., etc), neighborhood revitalization organizations, cultural institutions, and many more.

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## Some Detroit Nonprofit Organizations

Detroit's nonprofits range from the giants – the hospitals and universities, the Boy Scouts, Karmanos Cancer Institute, Focus:HOPE, Lutheran Social Services, American Red Cross, Salvation Army, YMCA, Detroit Institute of Arts – to the small and struggling grass roots organizations that endeavor to make their neighborhoods better. Detroit's spirited citizens do not hesitate to look for new ways to tackle issues. Some of our biggest problems have been met head-on by nonprofits created by our citizens. Here's a small sample of the work of Detroit's nonprofit organizations:

**Detroit Urban League, Inc.** assists African-Americans and other people of color in reaching their fullest potential on par with all other Americans. It has a budget of \$5.4 million dollars, more than 60 full-time employees, and has eight office locations in Detroit.

**Think Detroit** is committed to helping children develop the character necessary for a positive future. Children and parents in underserved neighborhoods of Detroit are connected through activities involving youth athletic leagues and computer training.

**Covenant House of Michigan** annually helps 7500 homeless and at-risk youth, by providing food, clothing, shelter, job placement and educational services, life skills training, parenting skills, and the Street Outreach Program.

**Bethany Presbyterian Manor** is a Detroit site of Presbyterian Villages of Michigan (PVM), a faith-based nonprofit that has served seniors of all faiths since 1945. PVM operates continuing care retirement communities, subsidized senior housing, and market rate senior housing, and it sponsors community outreach and health ministry programs, including parish nursing.

**The Greening of Detroit** was established in 1989 to guide and inspire Detroit's reforestation through tree planting projects and environmental education. Its goals are to make the City a clean, green model of urban renewal through environmental action and to inspire residents to embrace environmentally sound decisions, beginning in their own homes and neighborhoods.

**Neighborhood Reconciliation Center** resolves disputes through facilitated mediation. Areas in which it serves include disputes regarding property damage and neighborhood issues, business and contract disputes, landlord/tenant disputes, problems with purchases or repairs, and ADA claims; it also offers conflict resolution workshops and litigation prevention training for businesses and government.

**Latin-Americans for Social and Economic Development (LASED)** assists the Hispanic community of Southwest Detroit by providing educational programs, job training, translation and legal services, information and referrals, assistance with immigration, nutrition information, employment, and more.

**Accounting Aid Society** helps stimulate Detroit's economy by returning millions of federal and state dollars (an average of \$850 per household to thousands of families) annually through its Tax Assistance Program (TAP), one of the four largest low-income TAPs in the nation. More than 500 TAP volunteers representing 100 companies and organizations provide over 6,000 hours of service, an estimated value of \$500,000. Accounting Aid's Nonprofit Services program provides direct business coaching and advice to over 2,000 people in nonprofits, with its *AnswerLine* (also online at [www.MichiganNonprofit.com](http://www.MichiganNonprofit.com)) and provides classroom training to 150 nonprofits, which in turn serve more than 750,000 people throughout the community.

There are 10-12 additional Detroit nonprofits (and more in surrounding communities and regions) that provide some form of management support and/or educational service to other nonprofits, including **Community Legal Resources, New Detroit, United Way Community Services, Neighborhood Service Organization, Youth Sports and Recreation Commission**. Various partnerships between some of these providers are emerging.

These and many more nonprofits contribute to improve Detroit. In Chapter VI, "Mobilizing Resources" (page 14) a number of additional nonprofits are described as partners in some large, recently created collaborative initiatives.

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## Trends

- According to a recent survey of 206 nonprofits by the Michigan Nonprofit Association, 11% have already cut staff and curtailed programs because of decreasing donations, and another 20% may cut staff if declining trends continue. Nearly half of those surveyed expect funding to decrease in the next 6 months, and 62% have already seen decreases from individuals, corporate donations, and government grants/contracts.
- The declining economy, worsened by the tragedies of September 11th, and anxiety about the future are already affecting our nonprofits locally. According to recent polls by Independent Sector, half of those U.S. citizens polled said they will reduce charitable giving in the next 6 months if the economic slow-down continues or worsens.
- More mergers and other types of collaborative relationships among nonprofits are expected. For the non-profit sector, this trend poses challenges to nonprofits used to functioning on its own.
- Demand for services provided by nonprofits already exceeds supply, and demand will increase in a worsening economy.

## Challenges

Michigan Nonprofit Association identifies these challenges as currently confronting Detroit nonprofits.

- inadequate funding to sustain programs and organizations and to recruit and compensate *qualified staff*
- continue to develop strong and effective *boards of directors and volunteer leadership*
- increased demands from the funders, media and public to spend resources to *demonstrate outcomes and document accountability*
- need to upgrade organizational technology and employees trained to use it effectively

Detroiters and Metro-area businesses and foundations have generously given time and money to support of local nonprofit organizations. Now, more than ever, government, nonprofits and funders, all serving the same constituencies, need to deepen and broaden partnerships with each other.

*Nonprofit organizations have long had a special role to play in keeping American democracy vibrant and responsive. Most of the major social movements of the past century have taken shape within this sector, and this set of institutions has been a seedbed as well for major policy changes. It is therefore essential that we keep this vital function of nonprofit organizations at the forefront of our concern and take steps to ensure its survival and growth.*

— Nonprofit Sector Strategy Group,  
The Aspen Institute, Fall 2001

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# The Relationship Between the City of Detroit, Nonprofit Organizations, and Funders

*The foundation world continues to change, and recently in Detroit collaborations between foundations and the City have evolved. These collaborations have proven effective in advancing the grantmaking goals of foundations and the civic goals of the city.*

— Leonard Smith,  
former president and CEO,  
The Skillman Foundation,  
September 2001

During the past eight years, the Grant Management Division (GMD) of the Mayor's office played a critical role in the cultivation of the City-funder relationship. Foundations and the City established many strategic partnerships during the 1990s, a result of direct support of and also the cooperative tone set by the GMD.

Persuaded by the success of the GMD, City Connect Detroit believes that Detroit will benefit greatly from continuing open communication between the private funding community and the City's executive and legislative branches and from continuing to strengthen official mechanisms within the Mayor's office that coordinate and enhance the relationship between the City and private funders.

## Background on the Relationship Between Sectors

Prior to 1994, contact between the private funding community and City Administration or departments was limited, and collaboration on projects was rare. The Detroit funding community, taking precedent from strong public-private sector relationships that were developing in other major U.S. cities, increasingly wanted to play a greater role in the development of civic infrastructure. At the same time, the Mayor recognized the potential of working with the private funding community to achieve mutual goals and to advance important projects that were beyond the City's immediate abilities to finance or implement. Early collaborative efforts (including the PARK Program spearheaded by the Mayor and local businessman and owner of

the Detroit Pistons, Bill Davidson; establishment of the Youth, Sports and Recreation Commission by The Skillman Foundation; and the Detroit Community Development Funders' Collaborative) set new standards for partnering that convinced the Mayor and the funding community that such activities should directly involve the Mayor's office.

## Grants Management Division Aims, Outcomes, and Keys to Success

The GMD was established in 1994 in order to help build a stronger relationship between City government, specifically the Mayor's office, and local philanthropy and also to create new partnership opportunities for funders and nonprofits. Initial funding for the office was provided by the City of Detroit, the Hudson-Webber Foundation, The Skillman Foundation, The Kresge Foundation, the McGregor Fund and the Community Foundation for Southeastern Michigan. By 1997, the GMD was a three-person office funded entirely by the City.

Specific aims of the GMD were to 1) provide a formal link between funders and the Mayor; 2) address systemic issues through public-private partnerships; 3) help correct the prevailing notion that foundations could contribute money but nothing else; and 4) address duplication of efforts, a need for bridge funding, grant compliance problems, and underinvestment in non-profits.

The GMD has played a significant role in securing approximately \$393 million in joint philanthropic public investment to support the activities of City agencies and local nonprofits. The Greater Downtown Partnership, Re-Capitalization of Recreation Centers Project, the Funders' Collaborative, Schools of the 21st Century, and Family Place are all projects in which the GMD had a hand.

The accomplishments of the GMD were also linked closely to the strong bond between the Mayor and key mayoral aides in the GMD and to the familiarity the GMD staff had with the funding world and with foundations and individual philanthropists.

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# Mobilizing Resources: Public-Private Partnerships

*While we are very encouraged by the strong coalition, energy and determination of many Detroiters to provide more opportunities for our children, there is still a lot of work to do. The issues and problems facing today's youth need the attention of every single responsible adult in our community.*

— William J. Beckham,  
former president,  
The Skillman Foundation and  
former president, New Detroit, Inc.,  
Spring 2000

The theme that runs through philanthropy of the middle and late 1990s is a new attention to pursuing systemic solutions to Detroit's needs. Detroit grantmakers, the City, and nonprofits have leveraged dollars and energies, mobilizing resources to make substantial changes in key areas. Collaborating to address the needs of Detroit has evolved from the exception to the rule.

This section provides brief descriptions of some of the public-private partnerships launched over the past eight years and lists a few of the lessons learned from the experience of collaboration.

Viewed together with the longer list in Appendix B, the number of collaborations, breadth of issues covered, and magnitude of the investments attest to the effectiveness of cross-sector relationships. Appendix C provides a list of the foundations which awarded grants in Detroit totaling \$300,000 or more in 1999, illustrating the extent of investment in Detroit by major local and national foundations, much of which has leveraged funding from the City, State, and federal government as well as from individual donors.

The efforts described here are mostly work in progress with some reporting early accomplishments. Continuing to reflect together on and take appropriate action in response to lessons learned will enable these projects and others like them to achieve the far-reaching effects envisioned by all those who have invested in them.

## Education

### *Schools of the 21st Century Comer Schools and Families Initiative*

Schools of the 21st Century is a \$60 million, ten-year collaborative effort initiated in 1997 to bring about bold change in the Detroit public school system. One of the largest funding initiatives in Detroit, it is financed by a \$20 million challenge grant from the Annenberg Foundation, by \$20 million in public matching funds, and an additional \$20 million in private sector matching funds. On October 31, 2001, the project met the Annenberg matching challenge by securing funds from eleven Michigan-based foundations, with the largest gifts from The Skillman Foundation, The Kresge Foundation and W. K. Kellogg Foundation, and fifteen private corporate sponsors as well as Detroit Renaissance. An independent nonprofit organization, Schools of the 21st Century is an example of a close working partnership between government, local and national philanthropy, and business.

Comer Schools and Families Initiative began in 1994 when The Skillman Foundation brought the national whole-school reform model of the School Development Program created by Dr. James Comer, to Detroit by partnering with the Detroit Public Schools, Eastern Michigan University, and Yale University. Through additional infusions of federal funds and funds from the Schools of the 21st Century program, 38 schools in Detroit are now using the Comer model. Approximately \$18 million from The Skillman Foundation over the past eight years has leveraged significant direct and in kind contributions from Detroit Public Schools.

### *Art-Centered Education (ACE)*

In 1996 Marshall Fields introduced ACE to the Detroit Public Schools. Funded in part by Wayne State University and a group of private corporate and independent foundations, ACE is a \$3 million, six-year school-enhancement initiative which uses the arts to create innovative approaches to teaching the core subjects of English, math, history, and science. Its first phase concludes in June 2002, and the initiative is now planning its next phase.



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## Community and Economic Revitalization

### *Detroit Local Initiatives Support Corporation (Detroit LISC)*

#### *Detroit Community Development Funders' Collaborative*

A local affiliate of a highly successful national program, Detroit LISC has since 1990 provided grants, loans, and equity investments to community organizations for neighborhood redevelopment. The partnership consists of 10 foundations and 15 corporations as well as the City of Detroit and the State of Michigan. In coordination with the Detroit Community Development Funders' Collaboration, Detroit LISC will launch a new, three-year initiative in November 2001, investing more than \$26 million — \$14.25 million from the private sector, \$8 million from National LISC and approximately \$4.5 million from the City of Detroit — to finance the development of 1200 housing units; augment the capacity of high-performing community organizations; help the City's real estate department accelerate development of City-held property and reduce City inventory by at least 80%; and revitalize five neighborhood commercial strips.

The Funders' Collaborative, a program under Detroit LISC, was established in 1994 as a five-year \$11.5 million effort to improve the stability and effectiveness of community development organizations. The Collaborative, developed and supported by more than a dozen local funders, has provided funding to 16 nonprofits for operating support, technical assistance, pre-development expenses, and community organizing. Technical assistance has also been offered. The Collaborative is currently raising funds for its part of the new Detroit LISC-Funders' Collaborative effort which will grant \$7.1 million over three years to 13 high-performing community organizations.

#### *Focus: HOPE*

Detroit's Focus: HOPE is a nationally recognized civil and human rights organization. It began in 1968 after the city's devastating 1967 riots. With an interracial band of volunteers, Executive Director Eleanor Josaitis and the late Father William Cunningham worked to bring the black and white communities together in order to prevent another

riot. Through the years, Focus: HOPE developed numerous programs in its fight to end injustice, racism, and poverty. Its programs provide food monthly to 43,000 seniors, mothers, and children; career training programs in machining, engineering and information technology; Montessori-based childcare; business conference facilities; community arts projects; and other outreach initiatives. In 2001, 25% of revenue came from public sources, including federal grants; and 22% from private sector contributors, including individuals, foundations and corporations. Focus:HOPE projects similar ratios for 2002.

#### *Partnership for Economic Independence (PEI)*

A project of the Warren/Connor Development Coalition, PEI was first piloted in 1993 as a response to the chronic joblessness plaguing Detroit residents. Since 1993, PEI has received grants totaling \$3.8 million from the public sector and \$2.9 million from nine local and national foundations. An initial \$1 million, provided by the Ford Foundation, the Hudson-Webber Foundation, and The Skillman Foundation, led, in 1996, to a \$2.6 million, four-and-a-half year Federal Government award that turned PEI into Detroit's Community Self-Sufficiency Center for the City's eastern Empowerment Zone with the responsibility for providing case management and employment services to 200 unemployed or underemployed residents per year.

In 2000, PEI gained funding from the Hudson-Webber Foundation, McGregor Fund, and Thompson-McCully Foundation to support the BRIDGE Initiative, a collaboration between PEI, Eastside Industrial Council, Wayne County Community College, and Wayne State University to prepare residents for careers in the manufacturing industry. SBC/Ameritech has also been a significant supporter of PEI's programs.

As of December 2001, PEI has worked with 1,300 families and maintains a 65% placement rate. PEI offers comprehensive case management, skills training programs, career planning and development, peer support activities, and recruitment and outreach services for employers. In addition to the BRIDGE Initiative, PEI has forged relationships with local schools, higher education, government, labor unions and employers.

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## Health

### *Healthy Detroit*

Healthy Detroit is an initiative of the Greater Detroit Area Health Council, a private nonprofit coalition that has served as a catalyst for health initiatives in Detroit for over 50 years. The Mayor of Detroit serves as the Honorary Chair of Healthy Detroit and commits City resources to help implement its programs. Initiated seven years ago, Healthy Detroit, through its 55 local stakeholders, assists Detroit organizations and residents in the effort to improve residents' health. Healthy Detroit convenes coalitions charged with responding to identified health indicators; serves as a resource for the community on health data and information; and supports awards for significant contributions to improving the health of Detroit residents. Healthy Detroit has spawned the development of a number of independent initiatives, including Detroit Safe Streets Network (see below), Green Zone, and Health Transportation Collaborative. Healthy Detroit projects receive City, County, State and Federal funding and also partner with local and national private funders, including Metro Health Foundation and The Jewish Fund among others.

### *Voices of Detroit Initiative (VODI)*

VODI was initiated in 1998 by W. K. Kellogg Foundation as one of its thirteen Community Voices programs working across the United States to improve access to healthcare for the uninsured. It represents a broad partnership involving the City of Detroit's Health Department, Henry Ford Health System, St. John Health System, The Detroit Medical Center, Detroit Community Health Connections, Community Health and Social Services (CHASS), and Detroit Healthcare for the Homeless, Inc. W. K. Kellogg Foundation's contribution of approximately \$1 million per year is divided between VODI and its partners. An additional grant of \$325,000 from Ascension Health, St. John Health System's parent corporation, leveraged a \$608,000 grant from federal government's Healthy Community Access Program in 2001. The City of Detroit has provided in-kind support primarily through lab and pharmaceutical services.

### *School-Based Health Initiatives*

Established in 1995, the School-Based Health Initiative was launched by the Henry Ford Health System to develop 13 new school-based health centers in Detroit Public Schools. As a result of that effort and those of other health systems in the area, there are currently 22 health clinics and 24 mental health programs providing nearly \$4.5 million in health and mental health services in Detroit Public Schools. All major health providers in Detroit, including Henry Ford Health System, The Detroit Medical Center, St. John Health System, William Beaumont Hospital, the Detroit Health Department, Detroit-Wayne County Community Mental Health Agency, and Communities in Schools, joined together to provide services for specific sites. The School-Based Health Initiative was first funded by W. K. Kellogg Foundation, The Kresge Foundation, the McGregor Fund, The Skillman Foundation, the Community Foundation for Southeastern Michigan, Blue Cross Blue Shield of Michigan Foundation, and HUD. The initial foundation funding has been expended, and participating health systems are now supporting their centers, contributing a total of approximately \$5.4 million to this initiative. On November 6, 2001, Governor John Engler eliminated State Health Department funding for four participating clinics; as a result, the future of these clinics is uncertain.

## Families, Youth, and Children

### *Youth Sports and Recreation Commission*

#### *Partnership to Adopt and Revitalize Parks for Kids (PARK Program)*

#### *Re-Capitalization of Recreation Centers Project (Re-Cap)*

As a direct link between the philanthropic community and the City Parks Department, the Youth Sports and Recreation Commission provides a mechanism for private sector involvement in improvement and maintenance of the City recreation system and programs. The Commission manages the PARK Program and the Re-Cap project. It also coordinates a variety of activities and services to support youth programs and organized sports, including conducting citywide tournaments

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for soccer and baseball; funding and coordinating Work Alternatives for Youth, a summer youth employment program; and developing and distributing a directory of spring/summer youth programs.

Re-Cap is a partnership between the philanthropic community, the Detroit Recreation Department, and the Youth Sports and Recreation Commission whose purpose is to renovate four recreation centers and address needs and issues that impact the delivery of services, including the role of community stakeholders. Initiated in 1996, a total of \$9.8 million in funding from foundations and corporations has leveraged \$6.5 million from the City of Detroit. Re-Cap has finished construction on Considine, Lipke, and Northwest Activities centers, and work on Hawthorne Park will be completed in Spring 2002.

The PARK Program began in 1994 as a partnership between the City and the Pistons Palace Foundation and is now a much broader public-private endeavor run by the Youth Sports and Recreation Commission. Private sector contributions totaling \$12.7 million have in many cases enabled the City to begin slated renovations and to enhance existing barebones project plans. The program targeted 33 Detroit parks through new construction and programming, creation of a maintenance endowment fund, and formation of community advisory committees. It is currently working with additional parks through a partnership with the Recreation Department's Adopt-A-Park Program.

### ***The Youth Connection***

Established in 1996, The Youth Connection is a campaign to improve the health and safety of youth in Detroit, Pontiac, and Mt. Clemens. The health and safety indicators are the reductions in youth violence, substance abuse, and early sexual activity among youth 10 to 17 years of age. With a \$10 million, eight-year grant from The Robert Wood Johnson Foundation, based in Princeton, New Jersey, the organization has been responsible for or influential in bringing to Detroit after-school programs, \$1.3 million from the City, County, and State and over \$5 million in grants from private and corporate foundations. The Greater Detroit Health Council (See Healthy Detroit, above) serves as the lead agency.

The Youth Connection, under the auspices of the Greater Detroit Health Council is working to impact environmental changes so that there are unprecedented levels of participation in programs during non-school hours. Three primary strategies, all public-private partnerships, are being implemented to achieve this goal: 1) the establishment of an infrastructure in Detroit (The After School Network) that will be capable of coordinating resource development, training, evaluation, and technical assistance for after-school program providers; 2) a project to strategically secure the fiscal and policy support necessary to expand opportunities from private, city, county, state, and federal sources; and 3) a comprehensive communications and marketing campaign to garner public support.

The Youth Connection has partnered Communities in Schools and the Youth Sports and Recreation Commission to expand after-school programming. It has also partnered to develop and implement Detroit Safe Streets Network (see below).

## **Quality of Life, Culture, and Environment**

### ***Detroit Safe Streets Network***

The Detroit Safe Streets Network is an effort to ensure the physical safety of children and youth as they travel to and from school, including after school programs. Through a partnership between The Youth Connection, Detroit Public Schools, the City of Detroit, Detroit Police Department, and the National Conference for Community and Justice, volunteers, utility companies, businesses, and schools have been mobilized to watch and support children and youth through education and patrols and by providing safe havens during critical school hours. Safe Streets is funded in part by The Skillman Foundation.

### ***Community Partnership for Cultural Participation***

The Community Partnership for Cultural Participation is a five-year, \$5.3 million initiative launched in 1998 by the Community Foundation for Southeastern Michigan and part of a national program funded by the New York-based Wallace-Reader's Digest Fund with matching funds from 16 local independent and corporate foundations.

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The Partnership has made over \$3 million in grants to increase participation in cultural programs and help strengthen the organizations that provide these programs. Among other efforts, it has supported creation of a cooperative marketing program that will help cultural organizations enhance their marketing efforts; published the first-ever regional directory of cultural organizations; convened regional forums for cultural leaders; and expanded opportunities for youth to participate in cultural activities.

### ***Detroit 300***

The celebration of Detroit's 300th anniversary in 2001, Detroit 300 attracted government, nonprofit, and philanthropic sector support in Detroit as well as significant private sector support from across the region. From 1999-2001, Detroit 300, Inc., chaired by Edsel B. Ford II, raised over \$28 million, approximately 65% from corporations, 25% from private foundations, 5% from individuals, and 5% from the public sector. This money is in addition to a \$1 million initial contribution from the City of Detroit. Funds raised underwrote a number of discrete projects, all demonstrating public-private collaboration and coordination.

To the public, the Detroit 300 Birthday Festival, including three full days of concerts and Sail Detroit, the Ford Parade of Ships, is the greatest memory of the anniversary year. It attracted 5.7 million attendees over ten days and generated \$158 million in income.

Over half of the funds raised by Detroit 300, Inc., support Detroit 300's four legacy projects: 1) Legacy of Trees, a partnership with Greening of Detroit to plant trees in city neighborhoods, parks, and schools; 2) Riverfront Promenade, a partnership with Detroit Development Authority to enhance this unique part of Detroit that included building the Gateway to Freedom Monument to the Underground Railroad; 3) Campus Martius Park and District, an alliance with the Mayor's Campus Martius Task Force to renovate a 13-block area in the heart of downtown and build the Campus Martius Park; and 4) Detroit 300 Conservancy Endowment, a \$3.4 million fund to support the repair and maintenance of the other three Legacy projects. The Mayor may appoint two people to the Conservancy board.

### ***The GreenWays Initiative***

The GreenWays Initiative is a five-year, \$75 million partnership — \$25 million in private funds leveraging \$50 million in public funds — that is administered by The Community Foundation for Southeastern Michigan. It is designed to engage people, nonprofit organizations, the public sector, and private resources to initiate and expand “greenways” projects, defined as open spaces that link parks, nature reserves, cultural features, or historic sites for recreation and conservation purposes. Project components include public education and outreach, building capacity of existing nonprofits dedicated to greenways, and grantmaking to increase collaboration and to create greenways.

### **Lessons Learned**

Though proven successful, collaboration is without doubt a challenging process that requires shared vision, persistence, patience, and trust by all partners. City Connect Detroit looks forward to playing a role in helping funders, nonprofits, and the public sector establish new partnerships and maintain existing ones. As an important step in this process, the Detroit Report Task Force identified the following as lessons learned over the past eight years of collaboration.

- Where there is private-public coordination as well as structures to support the collaborative spirit, the quality of life in Detroit is likely to improve.
- Private funders can complement and expand on the job of the public sector by bringing new perspectives to the table and by helping to convey the importance of systemic approaches to the community at large.
- Foundations can play a neutral convening role for the public and independent sectors.
- Through their grantmaking, local and national foundations are able to leverage significant funding from the City, State, and Federal government as well as from individual donors.
- Each of the three sectors has limited abilities and resources. Synergy is vital if Detroit is to go beyond providing basic services to addressing quality of life issues.

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- Partnerships between the City and private sector must be nurtured, and they require sustained involvement of all parties as well as constant communication and free flow of information.
  - Establishing new cross-sector collaborative agencies and nonprofits to meet specific goals has helped attract private funding as well as public sector trust and commitments. Examples include the Youth, Sports and Recreation Commission, GreenWays, PARK Program, and City Connect Detroit.
  - The most complex type of partnership, among existing nonprofits, private funders, and the City, provides a solid foundation for real change on issues that have long challenged Detroit. Detroit LISC, the Funders Collaborative, Family Place, Communities in Schools, and Healthy Detroit are all examples of such multi-sector partnerships.
  - To work, public-private partnerships require commitments of energy and money from many different stakeholders, including foundations and their staff, City departments, and individuals at a variety of levels, nonprofits and their staff, and residents of Detroit.
  - Funders and the City need to work together to effectively coordinate partnerships, including defining roles of all point people and clarifying lines of authority.
  - From the outset, all projects need to be concerned with sustainability, long-term results, and immediate outcomes. Community support, City investment, and, in many cases, endowments all contribute to sustainability. Healthy Detroit, Re-Cap, and the PARK Program have paid close attention to engaging community stakeholders on an ongoing basis in advisory or operational roles.
  - The community must be willing to establish partnerships that address issues identified as priorities by the federal government or national foundations in order to bring significant national funding to Detroit. This result has occurred for Youth Connections, Youth Opportunities Program, Healthy Detroit, Detroit LISC, City Year, Voices of Detroit, and Schools of the 21st Century.

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## Future Directions

The next four years will be crucial to determining the future of cross-sector partnership in Detroit. In the 1990s, nonprofits, funders, and the City have transformed from mostly standalone operations to active and energetic partners working together toward solutions to long-range systemic issues. Current collaborative ventures are tackling issues as diverse as Education, Community and Economic Revitalization, Health, Families Youth and Children, and Quality of Life, Culture and Environment.

With collaborations and new organizations developing at a rapid pace, we have yet to have the important, big-picture conversation about what we have learned, what and who have been overlooked, which styles and modes of communication with each other work best, which strategies should be recycled for use in fresh partnerships, and what new approaches need to be tested in our community. City Connect Detroit is honored to be a resource to the Mayor, the nonprofit organizations, and funders as we search together for the keys to bringing a higher quality of life to Detroit residents.

Beginning formal activities in December 2001, City Connect Detroit's primary mission will be to offer strategic solutions to problems for the betterment of the people of southeast Michigan through focused collaborations and joint grant applications among government, grantmakers, and nonprofit organizations that share similar goals. More specifically, City Connect will foster partnerships around identified issues; develop a Grants Information Network (GIN) to disseminate federal government and national foundation grant opportunities to Detroit nonprofits, City departments and local funders; prepare collaborative grant proposals in response to national funding opportunities; and serve as a clearinghouse for local and national technical assistance providers.

City Connect Detroit seeks to establish an on-going relationship with Mayor-elect Kilpatrick and the City for strategic problem solving and to bring in new federal and state dollars for the process. In working towards this goal, City Connect Detroit recommends that the Mayor:

- Continue the City's significant role in the implementation of the major collaborative efforts described in this report.
- Focus on developing new cross-sector collaborative efforts, patterned after projects like Schools of the 21st Century and LISC, that involve nonprofits, the public sector and various elements of the private sector.
- Include the philanthropic sector in identifying strategic problem solving opportunities for which resources are required from public/private partnerships.
- Join the Board of City Connect Detroit as a full board member.
- Appoint a senior executive staff as liaison to the philanthropic community.
- Continue the City's significant role in the implementation of major collaborative efforts initiated during the past eight years, particularly support of cross-sector collaborative efforts that involve nonprofits, the public sector and various elements of the private sector.

An organized, catalytic effort that targets attention to tapping more federal and national resources, such as City Connect will do, offers a tremendous resource capacity for Detroit. City Connect Detroit is confident that our recommendations to work better as collaborators to develop and implement strategies will create numerous human investment opportunities for Detroit.

## Appendix A: Survey Respondents

Anderson Foundation	Jewish Federation of Metropolitan Detroit
Annenberg Foundation	The Jewish Fund
Art Serve Michigan	The Kresge Foundation
The Carls Foundation	McGregor Fund
Julius V. and Alice G. Combs Foundation	Metro Health Foundation
Community Foundation for Southeastern Michigan	Michigan Women's Foundation
DTE Energy Foundation	Charles Stewart Mott Foundation
Detroit Neurological Foundation	National Healthcare Scholars Foundation
Detroit Youth Foundation	Elsa U. Pardee Foundation
Fannie Mae Foundation	Pulte Homes, Inc.
Rollin M. Gerstacker Foundation	SBC Ameritech
Hannan Foundation	Sigma Gamma Foundation
F. B. Heron Foundation	The Skillman Foundation
The Holley Foundation	Thompson-McCully Foundation
Hudson-Webber Foundation	Whitney Fund, a supporting organization of the Community Foundation for Southeastern Michigan

## Appendix B: Foundations Awarding Grants Totaling \$300,000 or more in Detroit in 1999

Foundation Name	Foundation City	State	Dollar Amount
W. K. Kellogg Foundation	Battle Creek	MI	\$22,297,758
The Skillman Foundation	Detroit	MI	17,987,006
Community Foundation for Southeastern Michigan	Detroit	MI	8,500,000
Ford Motor Company Fund	Dearborn	MI	8,210,243
DaimlerChrysler Corporation Fund	Auburn Hills	MI	6,757,880
Hudson-Webber Foundation	Detroit	MI	6,707,718
General Motors Foundation, Inc.	Detroit	MI	5,090,404
Bank One Michigan Charitable Trust	Detroit	MI	4,567,182
McGregor Fund	Detroit	MI	4,368,000
DTE Energy Foundation	Detroit	MI	3,600,000
The Jewish Fund	Bloomfield Hills	MI	2,304,648 *
The Kresge Foundation	Troy	MI	6,825,000
The Annenberg Foundation	St. Davids	PA	1,850,000
SBC Ameritech Foundation	San Antonio	TX	1,798,140
Charles Stewart Mott Foundation	Flint	MI	1,490,000
The Carls Foundation	Detroit	MI	1,479,500
John S. and James L. Knight Foundation	Miami	FL	1,450,178
Hannan Foundation	Detroit	MI	1,400,000
Benson and Edith Ford Fund	Detroit	MI	1,376,434
Matilda R. Wilson Fund	Detroit	MI	827,975
The Anderson Fund	Detroit	MI	701,000
The Annie E. Casey Foundation	Baltimore	MD	525,000
Carnegie Corporation of New York	New York	NY	500,000
Herrick Foundation	Troy	MI	423,000
Jewish Federation of Metropolitan Detroit	Bloomfield Hills	MI	381,500

Sources: The Foundation Center and 2001 Survey by the Detroit Report Task Force of City Connect Detroit

\* Includes a one-time special grant in the amount of \$1.6 million to the Detroit Medical Center.

## Appendix C: A Sampling of Partnerships and Philanthropic Initiatives, 1994-2001

Area	Grant or Partnership	Description	Contact Person
Education	Art-Centered Education (ACE)	See Section VI	Gary Anderson, 313-577-2567
	Comer Schools and Families Initiative	See Section VI	Jessye Franklin, 313-849-3490/1171
	Communities in Schools	Established in 1995 (but functioning for two years prior to 1995 as a committee authorized by the Superintendent of Detroit Public Schools), connects community resources to schools in order to meet the needs of children and families. Works in 72 schools on 93 programs, including the facilitation of after-school and mentoring programs. Funded by contributions, contracts, and grants from private funders, corporations, and the City of Detroit.	Charlie Anderson, 313-538-8952
	Schools of the 21st Century	See Section VI	Pamela James, 313-871-3515
Community and Economic Revitalization	City Connect Detroit	See Section VII	Geneva Williams, 313-393-1153
	City Year	Established in Detroit in 1999, based on a national youth service model initiated 14 years ago in Boston and now being implemented in 13 U.S. cities nationwide, for young adults aged 17-24 who commit to 10 months of full-time service in Detroit Public Schools, doing tutoring during the school day and after-school programs, in addition to leading community service projects and participating in leadership development and civic engagement programs. Working in eight schools in 2001-2002. Funded by Americorps through the Michigan Commission on Community Service, in partnership with local foundations, corporations, and individuals.	Penny Bailer, 313-874-6858
	Detroit Community Development Funders' Collaborative	See Section VI	Karen Brown, 313-596-8222
	Detroit Local Initiatives Support Corporation (Detroit LIISC)	See Section VI	Vincent Tilford, 313-596-8222
	Focus: Hope	See Section VI	Joe Petroskey, 313-494-4274 Laura Stanley, 313-494-4423
	Greater Downtown Partnership	A private-public sector collaboration formed in 1996, designed to address the development needs of Detroit's central business district and adjacent neighborhoods. Continues to operate effectively and serves an instrumental function.	Kate Beebe, 313-237-6095



Area	Grant or Partnership	Description	Contact Person
Community and Economic Revitalization Continued	One Detroit	An innovative business concept executed in July 2001 by the Archer administration that encourages private sector corporations to work with contractors, contract associations, and building trade unions to foster long-term economic growth through increased diversity in the construction industry. Calls for the adoption of good faith efforts to use 50% Detroit residents, 25% minorities, and 5% women on privately funded construction projects and to purchase at least 30% of aggregate expenditures for construction goods and services with Detroit-based, small, minority, and women-owned businesses.	Regenia Simmons, 313-224-4955
	One Stop Capital Shop (OSCS)	A nonprofit in partnership with the Small Business Administration and funded primarily by federal funds in partnership with local banks. One of 26 similar projects across the United States provides services to small businesses in a single location. Includes a Small Business Development Center which counsels start-up businesses through a partnership with Eastern Michigan University. One seat on the Board of Directors is reserved for a City appointment.	Harold Hill, 313-965-1100
	Partnership for Economic Independence	See Section VI	Tomiko Fisher, 313-267-1119
	Samaritan Center	A nonprofit partnership between SER Metro Detroit and Boyssville of Michigan that in early 2001 transformed the former Detroit-Mercy hospital on Detroit's eastside into a community resource center housing more than 40 organizations that address the needs of families and children who reside in the surrounding neighborhoods and communities.	Brother Francis Boylan, 517-423-7451
	Woodward Corridor Development Fund (WCDF) of the Detroit Renaissance Foundation	Originally funded in 1994 with a \$500,000 grant from the Hudson-Webber Foundation, WCDF is a revolving loan fund that provides pre-development assistance to for-profit developers and for-profit/nonprofit partnerships working to develop housing in the Woodward Corridor. Through October 2001, the Fund has made 21 loans totaling \$1.55 million. These loans have led to the construction of or planning for 559 units of housing with total construction costs in excess of \$65.3 million. WCDF is one of three charitable pre-development loan funds offered by Detroit Renaissance.	Glenn Lapin, 313-259-5400
	Youth Opportunity Program (YO)	A 6-year project initiated in 1999, funded by nearly \$50 million in grants from the Department of Labor and based on a DOL model being implemented in 33 U.S. cities. Provides youth development programs for all Detroit youth ages 14-21, with a focus on out-of-school youth, in the areas of social responsibility, community service, sports and recreation, and education and training.	Willie Walker or Jim Petty, 313-876-0584

Area	Grant or Partnership	Description	Contact Person
Health	Healthy Detroit	See Section VI	Ed Larkins, 313-963-4990
	Partnership to Adopt and Revitalize Parks for Kids (PARK Program)	See Section VI	Randy McNeil, 313-963-8916
	Re-Capitalization of Recreation Centers Project (Re-Cap)	See Section VI	Randy McNeil, 313-963-8916
	Schools-Based Health Initiatives	See Section VI	Kathleen Conway, 313-874-5483
	Voices of Detroit Initiative (VODI)	See Section VI	Lucille Smith, 313-832-4246
	Youth Connection	See Section VI	Grenae Dudley, 313-963-4990
	Youth, Sports and Recreation Commission	See Section VI	Randy McNeil, 313-963-8916
Families, Youth and Children	Detroit Safe Streets Network	See Section VI	Grenae Dudley, 313-963-4990 Daniel Krichbaum, 313-567-6225
	Family Place	Initiated in 1997 through a \$8 million, 10-year grant from the W. K. Kellogg Foundation Youth Initiative (now the Detroit Youth Foundation) to turn an abandoned building in the Northern High School area of Detroit into an early childhood development center. Partner agencies located at the center are both private nonprof-its and branches of City Departments. Among other services, provides Head Start, childcare, care for pregnant teens, parenting classes and support, programs for spe-cial needs children, and referrals to community resources.	Denise Wellons-Glover, 313-664-0700
	Making Connections and Family to Family	Two initiatives on Detroit's eastside initiated in 2000 and funded by the Annie E. Casey Foundation as part of a national program to strengthen families and neighborhoods. Making Connections is a family-strengthening initiative based on the premise that chil-dren do well when families do well and families do well in neighborhoods that are sup-portive. It is working with Southeastern Village in the southeastern school constellation to reform education through community development, engaging residents and other local stakeholders to transform neighborhoods. Family to Family, initiated in 2000 with a 3-year grant of over \$1 million, is a child welfare system reform initiative intended to reduce the number of children placed in institutional care by placing those who must be removed from birth families with a permanent family in the child's own community	Susan Kelly, 734-547-9164 Rosa Sims, 313-824-9108

Area	Grant or Partnership	Description	Contact Person
Families, Youth and Children Continued	Metropolitan Organizing Strategy Enabling Strength (MOSES)	Formed in 1997 and funded by membership dues and a group of private Detroit-area funders, an advocacy umbrella group that unites over 70 congregations plus other civic/corporate institutions in tri-county Southeast Michigan. Has been an active voice on local neighborhood crime and housing issues, regional transportation and regional anti-drug strategies, urban revitalization, and growth management issues. Has fostered urban/suburban and multi-racial participation in land-use decision making in Michigan.	Bill O'Brien, 313-838-3190
Quality of Life, Culture, and Environment	Community Partnership for Cultural Participation	See Section VI	Bridgett Lomax, 313-961-6675
	Detroit 300	See Section VI	Maud Lyon, 313-871-0865
	The GreenWays Initiative	See Section VI	Tom Woiwode, 313-961-6675

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Subsequent to the publishing of *Investing in Detroit: Philanthropy Report (1994-2001)*, additional data and information was gathered about the philanthropic efforts in the Detroit area. This page updates page 21 in the published report.

## Appendix A: Survey Respondents

Anderson Foundation	The Jewish Fund
Annenberg Foundation	The Kresge Foundation
Art Serve Michigan	MASCO Corporation Foundation
The Carls Foundation	McGregor Fun
Julius V. and Alice G. Combs Foundation	Metro Health Foundation
Community Foundation for Southeastern Michigan	Michigan Women's Foundation
DTE Energy Foundation	Charles Stewart Mott Foundation
Detroit Neurological Foundation	National Healthcare Scholars Foundation
Detroit Youth Foundation	Elsa U. Pardee Foundation
Fannie Mae Foundation	Pulte Homes, Inc.
Rollin M. Gerstacker Foundation	SBC Ameritech
Hannan Foundation	Sigma Gamma Foundation
F. B. Heron Foundation	The Skillman Foundation
The Holley Foundation	Thompson-McCully Foundation
Hudson-Webber Foundation	Whitney Fund, a supporting organization of the Community Foundation for Southeastern Michigan
Jewish Federation of Metropolitan Detroit	

## Appendix B: Foundations Awarding Grants Totaling \$300,000 or more in Detroit in 1999

Foundation Name	Foundation City	State	Dollar Amount
W. K. Kellogg Foundation	Battle Creek	MI	\$22,297,758
The Skillman Foundation	Detroit	MI	17,987,006
Community Foundation for Southeastern Michigan	Detroit	MI	8,500,000
Ford Motor Company Fund	Dearborn	MI	8,210,243
DaimlerChrysler Corporation Fund	Auburn Hills	MI	6,757,880
Hudson-Webber Foundation	Detroit	MI	6,707,718
General Motors Foundation, Inc.	Detroit	MI	5,090,404
Bank One Michigan Charitable Trust	Detroit	MI	4,567,182
McGregor Fund	Detroit	MI	4,368,000
DTE Energy Foundation	Detroit	MI	3,600,000
The Jewish Fund	Bloomfield Hills	MI	* 2,304,648
The Kresge Foundation	Troy	MI	6,825,000
The Annenberg Foundation	St. Davids	PA	1,850,000
SBC Ameritech Foundation	San Antonio	TX	1,798,140
Charles Stewart Mott Foundation	Flint	MI	1,490,000
The Carls Foundation	Detroit	MI	1,479,500
John S. and James L. Knight Foundation	Miami	FL	1,450,178
Hannan Foundation	Detroit	MI	1,400,000
Benson and Edith Ford Fund	Detroit	MI	1,376,434
MASCO Corporation Foundation	Taylor	MI	1,072,100
Matilda R. Wilson Fund	Detroit	MI	827,975
The Anderson Fund	Detroit	MI	701,000
The Annie E. Casey Foundation	Baltimore	MD	525,000
Carnegie Corporation of New York	New York	NY	500,000
Herrick Foundation	Troy	MI	423,000
Jewish Federation of Metropolitan Detroit	Bloomfield Hills	MI	381,500

Sources: The Foundation Center and 2001 Survey by the Detroit Report Task Force of City Connect Detroit

\* Includes a one-time special grant in the amount of \$1.6 million to the Detroit Medical Center

City Connect Detroit thanks the MASCO Corporation Foundation for additional information provided for the purposes of this addendum, particularly with respect to the Foundation's significant efforts in support of Habitat for Humanity's revitalization efforts and the Tricentennial Village campaign, which will result in the construction of sixty homes in a sixteen block neighborhood within a mile of Tiger Stadium.