

Community Foundation

FOR SOUTHEAST MICHIGAN

REPORT

Volume 28 / Issue 3
November 2014



MAKING A DIFFERENCE FOR 30 YEARS

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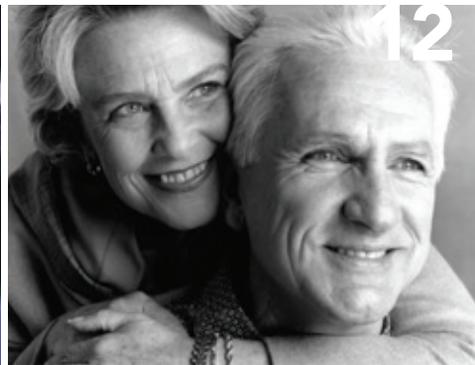
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Cover: Photo by Scott Lange, flight instructor at Eastern Michigan University's Eagle Flight Center, taken from a Cessna 172SP Skyhawk. Story on page 11.

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Community Foundation

FOR SOUTHEAST MICHIGAN

MESSAGE FROM THE PRESIDENT

It's a time-honored tradition to look back and take stock at year end. As we head into the holiday season, many of us are also making our final charitable gifts of the year. This is an inspiring season at the Community Foundation, as we see firsthand the generosity of the people throughout southeast Michigan.

This atmosphere of reflection and giving puts us in a hopeful frame of mind as we wrap up our 30th anniversary year. The economic climate is improving, and that has spurred giving and strengthened the performance of the charitable investments that we manage.

We are pleased to report that our grantmaking is also up — more than \$50 million in grants have been made so far this year. That's good news for the hundreds of programs and nonprofits that benefit from these investments. We highlight some recent grants in this issue of the *Report*. Helping organizations fulfill their missions, test new ideas and meet the needs of our communities with grant dollars is the backbone of what we do, but we'd like to take this opportunity to provide a look at a broader range of our activities.

To that end, we provide a quick update on some of our large, long-term projects. Over the years, the Community Foundation has partnered with many local and national foundations to tackle big challenges facing our region and to foster smart solutions that move us forward. We are honored that partners rely on us to effectively staff and implement big initiatives that take decades of hard work and commitment.

Speaking of collaborations, perhaps the most significant we've ever been a part of is one the world has been watching — the so-called "Grand Bargain" that helped expedite the mediated resolution of Detroit's overall Plan of Adjustment to resolve its bankruptcy. We recognize the importance of all the private investors in the letter that accompanies this publication. We are honored by the trust placed in the Community Foundation and we look forward to continuing to serve the people of Detroit and Michigan in the years ahead.

Education and training is a key part of our mission. Nonprofit leaders tell us that the money we give away is great, but long after it is spent, the learning we sponsored continues to live on in their organization. So we hold workshops and briefings on a variety of topics each year, and we feature a few here.

Every day we help people create a philanthropic legacy that fits their needs and wishes, and we help build endowment — permanent community capital — for our region. In this issue we tell the stories of several individuals whose endowed gifts will be giving back to our region in perpetuity.

Thanks go to the Board of Trustees of the Community Foundation, who work so hard for this organization and support us at every turn. But most of all, we want to thank you and the thousands of others whose interests and generosity make our work possible. Southeast Michigan faces a bright future thanks to you. As always, we welcome your questions, suggestions and feedback about how we are doing.

Sincerely,

Mariam C. Noland
President

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MAKING A DIFFERENCE FOR 30 YEARS

When the Community Foundation for Southeast Michigan was launched 30 years ago, the founders started with a vision, a truly outstanding Board of Trustees and a borrowed office. They wanted our region to have what a community foundation is uniquely positioned to provide — a place-focused public charity to serve as a vehicle for charitable giving, enabling people from every walk of life to give back to their community.

Today, thanks to the hard work and the generosity of thousands of donors, the Community Foundation is one of the largest and most successful in the country. We've made more than 49,000 grants totaling more than \$675 million to nonprofits in southeast Michigan, ranging from arts and culture to education, economic development and parks and recreation. And because so much of our assets are endowed, we will continue this work for generations to come, just as our founders had envisioned.

As a full-service philanthropic organization, we do much more than make grants. We raise awareness about the importance of charitable giving and we provide education and training on a wide range of topics. Over the years we have helped create programs that improve lives in significant ways. We also assist people with all aspects of their giving, including finding nonprofits that match their interests and goals. We manage money very well. And we are a place to turn to when you want to know more about southeast Michigan. If we don't have the answer, we're sure to know someone who will.

What follows are a few stories that show some of what was accomplished in the past year, and a few others that check in on the progress of long-term, ongoing efforts. For more stories about some of the organizations we support and information about the Community Foundation, please visit cfsem.org and consult our annual report and online publications.

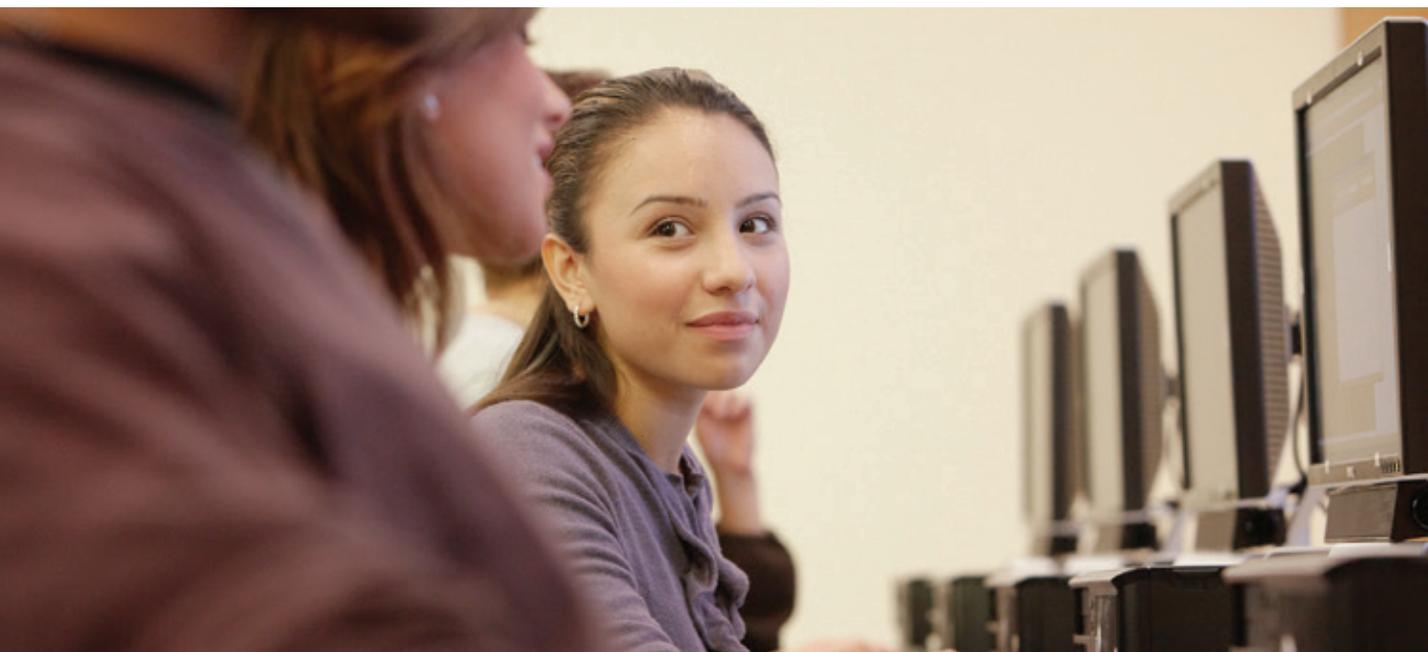
COMMUNITY FOUNDATION BY THE NUMBERS

Nearly **\$1.1** billion raised in our **30-year** history. More than **\$785** million assets, **70%** endowed. **190** agency endowments. **23rd** largest community foundation in the country.

GRANTS

The Community Foundation makes thousands of grants each year to nonprofit organizations across the spectrum of civic and cultural life and to support a wide variety of human needs. It is an important way we help improve the quality of life in southeast Michigan.

Thirty years of engagement with the charitable sector has given us an in-depth perspective on the issues affecting our region and solutions that show the most promise. Our grants touch residents throughout the region and strengthen the ability of individual organizations to carry out their work and do the most good.



Free Press High School Journalism Program – Detroit

The Community Foundation teamed up with the John S. and James L. Knight Foundation to support a program that provides summer employment and journalism training for Detroit youth (top). A \$50,000 grant supports a partnership with the Journalism Program at Michigan State University and the *Detroit Free Press* to add capacity to the program. Student participants gain hands-on experience and receive mentoring from professional journalists. Alumni of this 30 year-old program hold important positions in media outlets nationwide

Autism Alliance of Michigan – Southfield

Families of very young children receiving a diagnosis of autism or autism spectrum disorder face challenges identifying and accessing services, but research tells us that the sooner young children receive services, the better their long-term outcomes. A \$50,000 grant is

helping this organization create the Michigan Autism Navigator Program, a centralized clearinghouse for resources and information needed for early intervention (above left). The statewide clearinghouse will offer two portals, a website and a call-in line, so access to technology will not be a barrier.

826michigan – Ypsilanti

A \$15,000 grant is making it possible for this nationally acclaimed after-school writing and tutoring program to serve youth in Ypsilanti as well as at the organization's Ann Arbor location (above right). In its first year, the Ypsilanti program served four times as many students as projected. Building on this successful start, they will work to recruit and train more volunteers and expand program capacity. This grant was supported by funds from our Detroit Auto Dealers Association Charitable Foundation Fund.



Legal Services of South Central Michigan – Ann Arbor
An important piece of the state of Michigan's economic development strategy is a commitment to the potential of immigrants to help reinvent the economy. Many organizations — from foundations to universities, nonprofits to businesses — have come together to support the Welcoming Michigan Initiative. A \$40,000 grant to Legal Services of South Central Michigan will allow them to bring to bear extensive experience working with immigrants through their Michigan Immigration Rights Center.



Student Conservation Association – Detroit
The Student Conservation Association (SCA) is a national organization that is training the next generation of environmental stewards. The Detroit chapter received grants totaling \$18,000 to provide young people in Detroit with a pathway to sustainable and environmentally responsible careers. SCA's green jobs curriculum includes financial literacy, job readiness, conservation, and the care and management of parks, urban greenspaces and walking trails. The program pays the students, ages 19-21, and prepares them to supervise and lead younger crew members participating in school-year and summer youth employment programs.



SOS Community Services – Ypsilanti
Homelessness is a deeply destabilizing experience for families. A \$30,000 grant over two years is enabling SOS Community Services in Ypsilanti to help strengthen the parenting skills of people going through the trauma of losing their homes. They offer group family dinners, classes with social workers and supervised play sessions for the children. The goal is to help parents manage stress, strengthen bonds with their children and improve their self confidence.

In 2013, the Community Foundation granted \$49 million. In 2014, we are on track to make nearly \$60 million in grants.

Troy Nature Society – Troy

A grant of \$7,000 is helping this 100-acre preserve, trail and nature center offer school-based, hands-on environmental education. They have developed 22 classes that align with state science curriculum standards and expect to reach 600 children their first year.



INITIATIVES

In addition to supporting important projects, we create multi-year initiatives that move our region forward. Grants from these initiatives often represent about 30% of the total dollars we disburse.

Over thirty years, more than 53 special projects of the Community Foundation have leveraged more than \$302 million dollars to tackle issues ranging from economic development to caring for our aging population, combating childhood obesity, creating greenways, strengthening our arts and cultural organization, creating universally accessible playgrounds, encouraging nonprofit endowment building and much more.

Community Foundation initiatives engage the public sector, other local and national foundations and the community in making deep, systemic change.

A new initiative is the **Detroit Head Start Early Education Innovation Fund**. This eight-foundation collaborative is pooling resources and expertise to move the needle on improvements to birth-to-age-five Head Start education in Detroit. The \$5.9 million Innovation Fund, housed and administered by the Community Foundation, is providing financial support for promising new programs and initiatives at Head Start agencies as well as access to shared resources in early childhood education, including data collection and training opportunities.



Important work has been accomplished through our **GreenWays Initiative**. It encourages healthier lifestyles and a more united region through the creation of a network of interconnected hiking and biking pathways spanning more than 100 miles and seven counties. GreenWays has leveraged \$125 million in federal, state and private dollars into

projects throughout the region. In 2014, work was nearly completed on an extension to the Dequindre Cut that will complete the non-motorized pathway from the Detroit River to Eastern Market. The Dequindre Cut and RiverWalk draw more than 2-3 million visitors a year and have generated more than \$1 billion in economic investment to the area.

Greenways are powerful economic drivers, but it's the places and experiences they create that truly enrich communities.



The **New Economy Initiative** (NEI) is a 11-foundation, \$140 million project dedicated to restoring southeast Michigan to its position as a global economic leader. Last year, \$34.63 million was raised toward the goal of building a regional network for entrepreneurs. NEIdeas is a new program that awarded 30 small neighborhood businesses \$10,000 grants to improve their operations, and two \$100,000 challenge winners an opportunity to grow their businesses. Win or lose, the nearly 600 business applicants will receive support and services. The proprietors of G + C Style Barber Shop, pictured here, plan to use their \$10,000 grant to add a repair service for barber clippers and sharpening tools and a shoe grooming service to their business.



The storefront barber shop has more than 40 years of history at its Grand River Avenue location in Detroit.

NEW ECONOMY INITIATIVE FUNDERS

- Community Foundation for Southeast Michigan (Detroit)
- Max M. and Marjorie S. Fisher Foundation (Southfield)
- Ford Foundation (New York)
- Hudson-Webber Foundation (Detroit)
- W.K. Kellogg Foundation (Detroit)
- John S. and James L. Knight Foundation (Miami)
- The Kresge Foundation (Troy)
- McGregor Fund (Detroit)
- Charles Stewart Mott Foundation (Flint)
- Skillman Foundation (Detroit)
- The William Davidson Foundation (Troy)

EDUCATION AND TRAINING

Providing training and education is an important part of the Community Foundation’s activities — and it may have the greatest lasting impact. Equipping organizations and the public with knowledge and information that will lead to positive change is very much part of our mission and vision.

Over the years, we have sponsored training series about fundraising, endowment building, communications and social media and improving access of the disabled to parks and public spaces, among other topics. Here are just a few of the training sessions we convened in 2014.

The Community Foundation doesn’t simply give away money. We also work to provide education and training to the nonprofit sector and raise awareness about important issues facing our region.



The Community Foundation held a two-day training on fundraising for grassroots organizations in St. Clair and Lapeer Counties. The fundraising training was designed to prepare the organizations for a matching grant opportunity supported by the Stebbins Family Fund of the Community Foundation. One beneficiary is Literacy and Beyond, which will use its grant to expand its donor base and awareness of the need for literary-based educational programs.

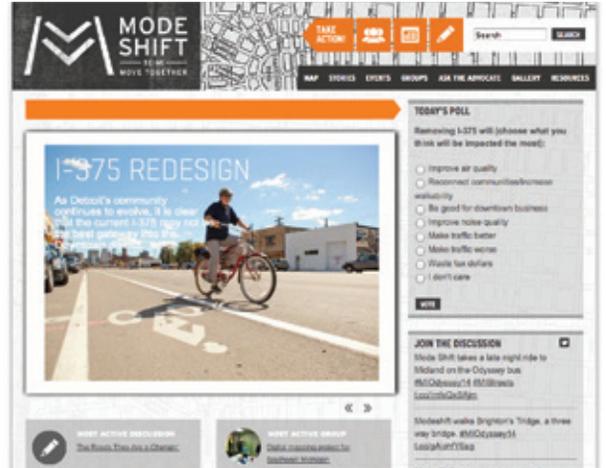
Training in program development and grantmaking is an important way to cultivate the next generation of civic leaders and philanthropists. CFSEM staff led more than 110 young people representing 22 youth-serving nonprofits in southeast Michigan through the process of turning their great ideas about improving their communities into fundable projects.



Many of our donors come to us through professional advisors who are familiar with the tax benefits and other advantages of working with the Community Foundation. To keep these relationships strong — and help the next generation of advisors learn more about charitable giving — we created the Professional Advisor Philanthropic Institute. This year-long program brought advisors together for networking, conversations with nonprofit leaders and economic experts, and a seminar about understanding and supporting the “giving styles” of clients. Here, advisors gather at Gleaners Community Food Bank to learn about solutions to food insecurity in southeast Michigan.

Teaching and learning can also be digital.

MODEShift, a program started by the Community Foundation with a grant from the Knight Foundation Community Information Challenge, was instrumental in harnessing social media to help foster more engaged and informed communities around the topics of safe walking and biking. MODEShift was recently spun off to the Michigan Fitness Foundation, which is taking this valuable online platform statewide. It will continue as a forum for news, information and advocacy for healthy communities, outdoor recreation and transportation policy.



ENDOWMENT BUILDING

One of our most important tasks as a community foundation is to build a permanent source of community capital that will benefit the residents of southeast Michigan in perpetuity. We manage and invest endowments in a way that fulfills the charitable goals of our supporters and does the most good for our region.

Over the years, many generous individuals have made permanently endowed gifts to the Community Foundation. As these funds grow, they generate capital that allows us to make grants and investments throughout the community. Here are a few stories of individuals whose gifts help us make significant investments in our community each year.

Thanks to the power of endowment, our resources continue to grow. Thousands of nonprofits have benefited from more than 47,000 grants totaling more than \$670 million since our inception.



The Community Foundation's first bequest came from **Elizabeth M. Wight**. Her generosity has touched the lives of thousands of residents of southeast Michigan who deal with hearing loss and visual impairment. Mrs. Wight herself experienced these problems during her final years, and this inspired her to provide for others in similar circumstances. Mrs. Wight's gift has grown over the years, allowing us to make grants totaling more than \$900,000.

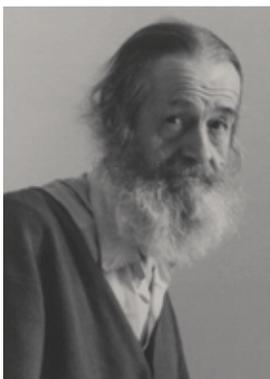
Raymond C. Smith was a friend and donor with deep roots in the region. His father's family established the Peter Smith & Sons Grocery company in 1856 in the historic Central Market Shed. Smith attended the University of Michigan and served in both world wars, then spent his career at the Detroit Trust Company



and later as president of Conrad Smith Realty Company. Mr. Smith established a private foundation in 1954 as a way to share his good fortune. He worked closely with the Community Foundation in the years before his death in 1994 and entrusted his

foundation to us to administer as the Raymond C. Smith Foundation Endowment Fund. The Smith Fund has a broad charitable mandate to benefit activities in the region and the city of Detroit. The fund has provided more than \$4.6 million through nearly 150 grants.

Eugene A. Howe was a regular visitor to the offices of the Community Foundation, stopping by for a cup of coffee and something to eat. He was a familiar sight along the Cass Corridor, living on the street and riding



his bicycle to and from soup kitchens, churches and shelters.

We were surprised when Mr. Howe asked us to call his lawyer to set up a fund at the Community Foundation. When he passed away in 1992, a gift came to us from his estate with the request that we

use the funds to help homeless people in his memory. Thanks to careful investment and the growth of the Community Foundation's assets, Eugene A. Howe's bequest has helped countless homeless individuals.

Otis M. Smith was the first African American to serve on the Michigan Supreme Court and the first to be named a corporate officer of the General Motors Corporation. During World War II he served as a journalist attached to the celebrated all-African American Tuskegee Airmen. But he never forgot his roots in Jim Crow-era Memphis or the single mother who sacrificed opportunities herself in order to help him achieve great things.

In establishing his charitable legacy, Judge Smith honored his mother Eva Smith Grant by establishing a scholarship fund for single mothers seeking to obtain college degrees at Wayne State University, the Judge's alma mater the Columbus College of Law at Catholic University of America and the University of Michigan. His endowment gift has supported 77 scholarship awards to single mothers who have attained bachelors, masters, PhD, law and medical degrees.



From Left: Michigan Supreme Court Justice Otis M. Smith, Damon J. Keith, Dr. Martin Luther King Jr. and Michigan Secretary of State Richard Austin, 1965 (from the collection of Damon J. Keith, courtesy of Wayne State University Press). Judge Damon J. Keith is a trustee emeritus of the Community Foundation.



Many donors come to us through the suggestion of their professional advisors, seeking to maximize the benefits and impact of their charitable giving. **Wanda Tkachik** is a wonderful example. She came to the Community Foundation for advice about how to establish a fund that would honor the memory of her family. Like many donors, she had some ideas about the charities she wished to support, but she also looked to us for recommendations of nonprofits doing excellent work.

Mrs. Tkachik and her family had an interest in aviation, so she designated a portion of her fund to support the aviation training program at Eastern Michigan University. Based at the historic Willow Run airport in Ypsilanti, the Eagle Flight Center trains pilots, aviation managers and dispatchers for high-demand careers at airports and airlines across the country.

Like individuals, nonprofits can establish endowment funds as a way to help donors support their mission for the long run. These funds provide a constant and dependable source of funding in good times and challenging times. The Community Foundation has devoted great effort to educating the community

about the value of endowment and planned giving over the years, and we are pleased to note that 190 nonprofits hold endowment funds with us.

Equality Michigan, the only statewide anti-violence advocacy organization serving Michigan's LGBT communities, received a large estate gift this year. In February, **Dr. Henry Messer**, the founder of the Triangle Foundation, which merged with Michigan Equality in 2010 to form Equality Michigan, passed away at the age of 86. His estate plan included a \$2 million gift to the Equality Michigan Endowment Fund at the Community Foundation. A lifelong LGBT activist and community leader, Dr. Messer wanted to ensure that the important work of ending discrimination and meeting the needs of the rapidly changing LGBT movement would continue.

Faith in Action, a faith-based community assistance program in Chelsea and Dexter, established an endowment fund at the Community Foundation this year. Faith in Action volunteers, pictured below, provide a host of services to neighbors in need, including an emergency food pantry, financial assistance with utilities and advocacy.



The Community Foundation initiates, creates and nurtures philanthropic efforts in southeast Michigan. We work with donors to honor their intentions and have the expertise to put their desire to make a positive impact into action.

CHARITABLE GIFT ANNUITIES

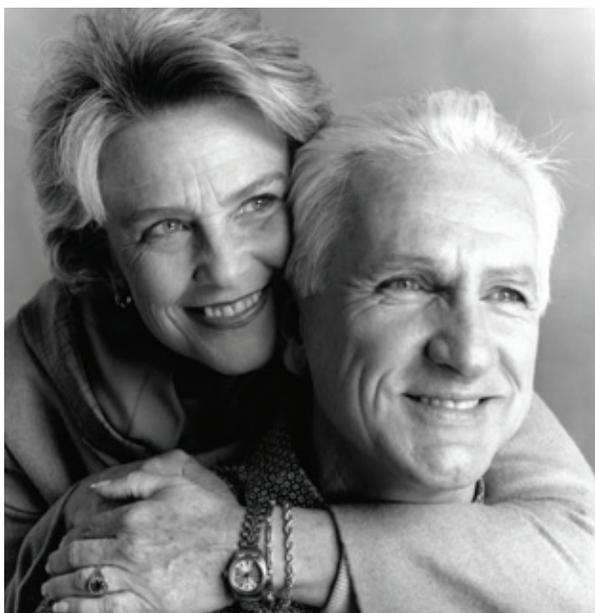
One of most popular planned giving tools available today is a charitable gift annuity. The Community Foundation happens to have the largest charitable gift annuity (CGA) program among community foundations nationally.

There are several reasons for the popularity of CGAs. They are remarkably secure, since they are backed by the Community Foundation's assets. This is important to individuals for whom preserving assets is the priority. In the current economic climate, CGAs are also paying higher returns than CDs and savings accounts, two other comparably secure investment options.

In addition to offering attractive tax benefits, CGAs pay a fixed income stream during the donor's lifetime, which is especially beneficial to older donors since the amount of the payouts are based on age.

HOW DOES IT WORK?

In exchange for a gift of cash or marketable securities, the Community Foundation agrees by contract to pay a fixed amount each year to one or two beneficiaries (the annuitants) for life. The amount of the annuity payment depends on the ages of the annuitants and the value of the assets donated.



The Community Foundation offers the rates that are suggested by the American Council on Gift Annuities, a national organization. Payments may begin during the year that the gift annuity is established or may be deferred until a later date. The donor is also entitled to an immediate charitable income tax deduction the year the gift is made.

Upon the death of the last annuity recipient, the Community Foundation adds the remaining assets to one of the Community Foundation's endowment funds as designated by the donor.

WHAT ARE THE BENEFITS?

- A fixed income stream for life
- Payments are secure, backed by the Community Foundation's assets
- A portion of the initial gift may be tax-deductible
- A portion of the payments may be tax-free
- Reduced estate tax liability
- May help to diversify a portfolio
- Reduced capital gains spread out over the annuitant's life expectancy, if the gift is made with appreciated securities
- The remainder will be used for the long-term benefit of our community

HOW TO GET STARTED?

The Community Foundation offers charitable gift annuities for a minimum gift of \$10,000. For more information about charitable gift annuities including a detailed illustration of the potential payout and tax treatment, contact Randy Ross or Lindsey Rossow-Rood at 313.961.6675.

COMMUNITY FOUNDATION INFORMATION SESSIONS

Have you ever wondered whether a project you are planning might be a good candidate for one of our grants? Are you curious about how we work in your community? Would you like to know more about how we work with the nonprofit community to build endowment.

If so, please attend one of our upcoming “Community Foundation 101” sessions. We will give an overview of what we do, the services we offer to nonprofits and how to apply for a grant. We’re holding it in three locations so that wherever you live and work in our seven-county region, one of these locations should prove convenient.

Please note: the same program will be presented at three different locations:

- Crystal Gardens, Howell, March 10, 2015
- Macomb Center for the Performing Arts, Clinton Township, March 17, 2015
- Arab American National Museum, Dearborn, March 25, 2015

Registration is at 8:30 a.m., and the event runs from 9-10:30 a.m. Please RSVP to Dianne Johnson at djohnson@cfsem.org.

STAFF UPDATES



KATE FRENCH has been named Vice President, Marketing and Communications, at the Community Foundation. In this role, French will be responsible for developing, implementing and managing marketing, integrated communications and brand strategies to increase the visibility of the Community Foundation, and to position the Foundation as the choice for current and prospective donors who want to support programs and nonprofits through the most effective philanthropy possible.

Previously, she was Senior Partner at Team Detroit, where, over the course of nearly twenty years, she has marketed a wide range of Ford, Lincoln and Mercury products and services. Most recently she served as Account Director, Ford Division, Commercial Vehicles & Fleet, where she was responsible for the development of global and regional marketing launch strategies, product positioning, and marketing and communications plans. While there, she also managed a number of pro-bono accounts, including the Community Foundation, the Detroit Economic Growth Council, Greening of Detroit and Nextek Power Systems.



ASHLY JUREK has been named accountant at the Community Foundation. Ashly served as a para-professional at UHY Advisors in Farmington Hills, where she developed tax returns and drafted financial statements. She also served as an accounting intern at Big Brothers Big Sisters in Chicago. Jurek holds a B.A. in accounting from Michigan State University and is currently studying for an MBA at Oakland University. She is treasurer of South Oakland County Soccer.

Community Foundation

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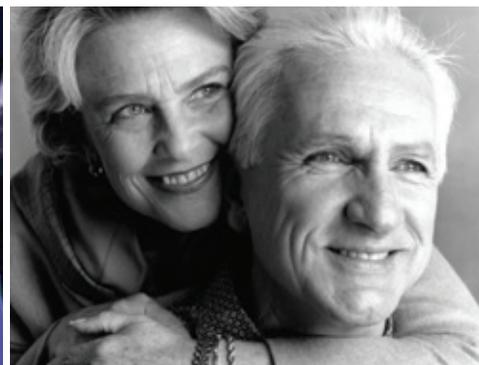
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The Community Foundation for Southeast Michigan is here to permanently support our region.

We promote and facilitate community philanthropy in the seven counties of Wayne, Oakland, Macomb, Monroe, Washtenaw, Livingston and St. Clair, and we also help donors invest in organizations they care about nationwide.

We do this by:

- Making strategic investments in programs and organizations that benefit the region
- Equipping organizations and the public with knowledge and information that will lead to positive change
- Building endowment — community capital — to meet our region's needs today and tomorrow, and
- Providing expert assistance to donors and their advisers in their charitable planning



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