

THE MCKNIGHT FOUNDATION

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August 2009

Dear colleague:

This is no year for “business as usual.” We are facing the most challenging global economy since the Great Depression. Running the gamut from health to energy and infrastructure, pivotal policy discussions are under way on a host of critical national and global issues. And with every passing day, shifting to a low-carbon future to mitigate catastrophic climate change becomes more urgent.

Such exceptional circumstances must be matched by exceptional vision and problem-solving.

With a diminished endowment and growing needs in communities we support in Minnesota and around the world, not one corner of McKnight’s work is untouched by this changing context. We are scrutinizing every potential dollar spent — programmatically and administratively — to maximize its impact. The streamlined 2008 annual report enclosed with this letter is just one small result of that scrutiny. (Beyond our concise summary of the year, you will always find the most up-to-date program information and funding details online at www.mcknight.org.)

For us, as for the hundreds of grantees with whom we partner, one key challenge these days is to balance a commitment to longstanding mission and goals with the necessary adoption of new, context-driven approaches to achieving them.

At a time when so much seems off-kilter, such notions of balance strike me as especially powerful. At McKnight, we are thinking a lot about the merits of unwavering *constancy* juxtaposed with timely needs for *innovation*. Neither extreme meets all needs; both approaches are required. In fact, the best ideas are rarely found at the end of just one path, but more often at the connecting points of many.

One brilliant example of Minnesotan innovation is the **MACC Commonwealth**, a joint venture of several McKnight grantees that belong to the MACC Alliance of Connected Communities. A partnership of neighborhood-based human service organizations, the MACC Commonwealth raises more than 95 percent of its funding from a growing number of member agencies. The Commonwealth provides members with centralized management and oversight for financial, human resources, purchasing, and IT functions, freeing each organization to focus on its programs and services. McKnight has supported the MACC Alliance since shortly after its inception in 1999.

Another model of ingenuity is the global **ClimateWorks Foundation**, a network of organizations working in the nations and economic sectors with the highest greenhouse gas emissions. Our planet is threatened with a shrinking timeline to mitigate the catastrophic damages of carbon pollution. Such an undertaking requires massive resources, much more than any government or foundation could handle alone. Supported by investments from McKnight and other philanthropists worldwide, ClimateWorks is pursuing aggressive and targeted efforts toward quick-acting policies for the largest possible emissions reductions.

As one example of constancy in our work, over the past 25 years McKnight has collaborated with some of the country's most productive partners to help provide housing for more than 36,000 families. Strengthened over time by individual organizations and a robust network, Minnesota's housing field is now well positioned to leverage funding and forge real solutions. We are pleased to support the **Minnesota Foreclosure Partners Council**, which was convened to facilitate a rapid, coordinated response to the mortgage foreclosure crisis affecting the Twin Cities and Greater Minnesota. To further help stabilize communities impacted by the crisis, McKnight's board in 2008 committed program-related investments totaling \$10 million to loan funds administered by the Family Housing Fund and the Greater Minnesota Housing Fund.

McKnight's commitment since 1986 to the **Minnesota Initiative Foundations** exhibits a similar long-term view. When rapidly declining demand led to the near disappearance of crucial Greater Minnesota markets for farming, mining, and lumber in the mid-1980s, nothing was left to fill the economic void. The resulting economic crisis threatened to destroy entire communities. In its wake, however, McKnight joined forces with local leaders to establish the six Minnesota Initiative Foundations, a nationally unique network of regional foundations and business catalysts. Although the next few years will once again test Minnesotans, it is heartening to know that Greater Minnesota is now positioned better than ever to face these challenges.

Each of these examples illustrates a needed duality: The Minnesota Foreclosure Partners Council is decidedly focused on long-term implications, while also seeking creative, timely solutions in this moment of crisis. And each of the six venerable Minnesota Initiative Foundations has established distinctive, locally led programs that honor William L. McKnight's own legacy of resourcefulness. Likewise, the MACC CommonWealth's most immediate services strengthen the long-term impact of all its member organizations, while the time-pressured ClimateWorks network has set its sights on improving our planet's viability for generations to come.

Throughout McKnight's grantmaking are similar examples of excellence, reflecting a diversity of efforts to build and maintain vibrant communities in this time of extreme need. Each successful model presents an example of innovation balanced by constancy — strategies shaped both by short-term context and long-term vision.

Going forward, we at The McKnight Foundation will continue to look beyond the "usual" for strategies and solutions that are as grounded as they are extraordinary. In our pursuit of a better quality of life for all, we remain deeply grateful for the partnership and perseverance of all our outstanding grantees and community partners.

Sincerely

A handwritten signature in cursive script that reads "Kate Wolford". The signature is written in black ink and is positioned to the left of the typed name and title.

Kate Wolford
The McKnight Foundation