

We use our resources to restore the water quality and resilience of the Mississippi River. The program employs three strategies: restore and protect floodplains and wetlands in the 10-state river corridor; reduce agricultural pollution in four states along the northern half of the river (MN, WI, IA, and IL); and achieve cross-boundary and interagency coordination among government agencies to improve water quality and resilience. *Mark Muller, program director*



FINDING COMMON ...TO PROTECT OUR GREATEST RIVER.

In 2014, led by the National Sustainable Agriculture Coalition in conjunction with several McKnight grantees and partners, a diverse group of stakeholders provided evidence for stronger conservation provisions in the Farm Bill. The variety of interests that came together — environmental, hunting and fishing, taxpayer, and sustainable agriculture — reflects the vast array of sectors that benefit from policies supporting a healthy Mississippi.

The effort resulted in conservation compliance provisions for federally subsidized crop insurance, requiring farmers to implement conservation practices to qualify. In Minnesota alone there were 17.5 million acres of insured crops in 2013, and farmers received \$1.2 billion in indemnities. The new provisions are a strong incentive to incorporate and maintain soil and water conservation practices.

Learn more: mcknight.org/river

MISSISSIPPI RIVER

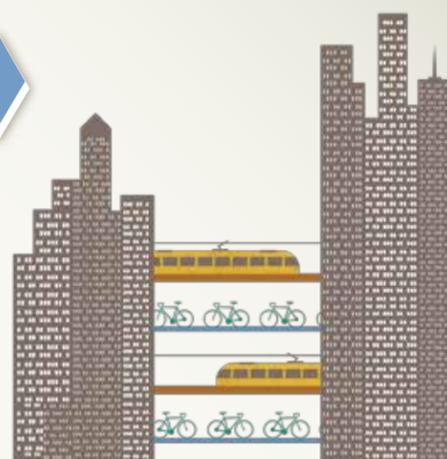
We work to increase efficient and sustainable regional metropolitan development that creates livable communities and expands opportunities for all to thrive. The program pursues this goal on three fronts: sustainable regional development, homes for all, and economically vibrant neighborhoods. *Lee Sheehy, program director*

MAKING CONNECTIONS... ..TO SERVE THE TWIN CITIES METRO.

Since 2011, McKnight has worked with the Metropolitan Council to convene a cross-sector table of more than 25 regional leaders working to increase the region's competitiveness on multiple fronts: creating greater opportunities for low-income people, promoting high quality development, and advancing a 21st-century, multimodal transportation system.

In 2014, state, regional, and local governments began to adopt policies, zoning, and ordinances that foster transit-oriented development and equitable development principles. Results of a Living Cities survey indicate over 80% of partners aligned resources and transcended geographic and sector boundaries because of the work. The Metropolitan Council, Hennepin County, and Minneapolis and St. Paul city governments adjusted staffing to better deploy practices that promote our region's vitality.

Learn more: mcknight.org/region



The McKnight Endowment Fund for Neuroscience works to bring science closer to the day when diseases of the brain and behavior can be accurately diagnosed, prevented, and treated. The fund administers three annual awards, which support both young and established neuroscientists and encourage interdisciplinary collaboration. *Eileen Maler, program manager*

GATHERING THE FIELD'S BEST MINDS TO BRAINSTORM TOGETHER.

McKnight's annual neuroscience conference provides opportunities for neuroscientists to present, observe, and discuss their research in an organic and flexible environment. Based on reporting from awardees, nearly 16% of the 107 attendees at the 2014 conference developed substantive collaborative discussions while in attendance. Moreover, we know from conference attendees that these interactions often precipitate reevaluation and new thinking, leading to concrete changes in research methodology and practice — which, ultimately, lead to better science to treat people suffering from diseases of the brain.

Learn more: mcknight.org/neuroscience

We work to make the regions outside the Twin Cities metropolitan area stronger and more prosperous through our support of the Minnesota Initiative Foundations, six independent, regional, nonprofit philanthropic organizations created by The McKnight Foundation in 1986. *Neal Cuthbert, vice president of program*

AMPLIFYING RURAL VOICES TO STRENGTHEN GREATER MINNESOTA.

A powerful lever making Greater Minnesota more prosperous is the McKnight- and Blandin-hosted Regional Economic Development (RED) Group, working to promote regional collaboration for economic vitality. In 2014, coordinated RED Group leadership led to the broadening of the governor's "Elements of The State's Dashboard" to include data indicators that shed light on economic, civic, and health professional sectors; rural/urban disparities; quality of place; and the cost of government. This facilitates granulated analysis which contributes to a higher quality of life in Greater Minnesota.

Learn more: mcknight.org/RED

MINNESOTA INITIATIVE FOUNDATIONS

2014 HIGHLIGHTS (CONTINUED)

22%

In 2014, 22% of McKnight's grantmaking payout went to support grantees' general operations.

93%

In 2014, 93% of McKnight's grantmaking was tied to multiyear commitments.

440

In 2014, a total of 440 grants were approved to 364 organizations.

4,200

In 2014, to help advance program objectives, McKnight hosted 4,200 people at 166 meetings, with an estimated value to partners of more than \$265,000.

Board of Directors

Anne Binger
Erika L. Binger
Meghan Binger Brown,
Chair
Robert Bruininks
David Crosby
Phyllis Goff
Bill Gregg
Debby Landesman
Perry Moriearty
Roger Sit
Ted Staryk
Robert J. Struyk

Staff Leadership

Kate Wolford, President
Bernadette Christiansen, Vice
President of Administration
Neal Cuthbert, Vice President
of Program
Rick Scott, Vice President of
Finance and Compliance

Full staff list: mcknight.org

Concept and Design: 5 by 5 Design
Illustration: Brian Danaher
Printing: The John Roberts Company, Inc.

The McKnight Foundation is committed to the protection of our environment. This annual report was printed using wind energy credits on paper containing 100% post-consumer fiber with a Forest Stewardship Council (FSC) certified printer. FSC standards represent the world's strongest social and environmental systems for guiding forest management and the use of paper resources toward sustainable outcomes.

© 2015 The McKnight Foundation

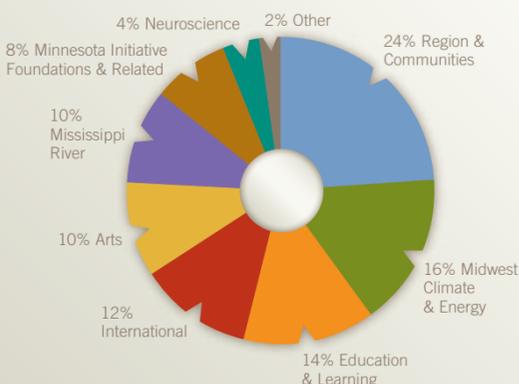
THE MCKNIGHT FOUNDATION

The McKnight Foundation
710 South Second Street, Suite 400
Minneapolis, Minnesota 55401
T 612.333.4220 F 612.332.3833
www.mcknight.org
@mcknightfdn
/mcknightfdn

NON-PROFIT ORG.
U.S. POSTAGE
PAID
PERMIT NO. 3816
TWIN CITIES, MN

THE MCKNIGHT FOUNDATION

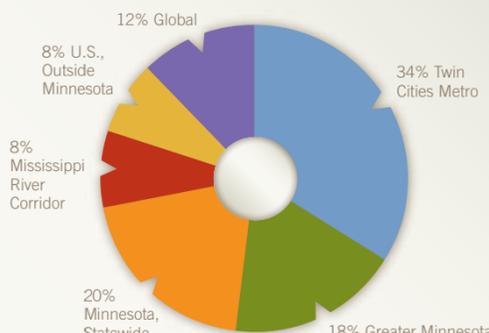
FUNDING BY PROGRAM AREA



Year at a Glance ANNUAL REPORT

2014
ATTEND UNITE EMPOWER

FUNDING BY GEOGRAPHIC AREA



THE MCKNIGHT FOUNDATION,
A MINNESOTA-BASED FAMILY FOUNDATION, SEEKS TO
IMPROVE THE QUALITY OF LIFE FOR PRESENT AND
FUTURE GENERATIONS. WE USE ALL OUR RESOURCES
TO ATTEND, **UNITE,** AND EMPOWER THOSE WE SERVE.

\$88.3 MILLION

Total grant funding

\$2.2 BILLION

Endowment as of 12/31/2014

These totals are pre-audit.

2014 HIGHLIGHTS

U·NITE *verb* come or bring together for a
common purpose or action

In 2014, across all of our program areas, we worked to bring people together to help advance our mission and goals and to create real-world, concrete impact. Using measurable data, we look back on the results of our mission-driven efforts to unite those we serve.

The Foundation was created in 1953 by William and Maude McKnight. Today, we use a robust toolkit that includes grantmaking, collaboration, policy reform, research, communications, and investments to discover, spur, and support approaches for tangible benefits and more resilient systems. *Learn more: mcknight.org/about*

In 2014, McKnight's board of directors committed to using 10% of the \$2.2 billion endowment for impact investing. The program identifies market opportunities to align investment dollars with grantmaking efforts to transition to a low-carbon economy and to build a stronger, sustainable metropolitan community. Using our standing as an investor we work with financial services providers, companies we own in our portfolios, and business partners in new ways to leverage change. *Elizabeth McGeveran, program director*

**PUTTING MONEY
IN THE BANK...**

**...TO HELP ACHIEVE
OUR MISSION.**

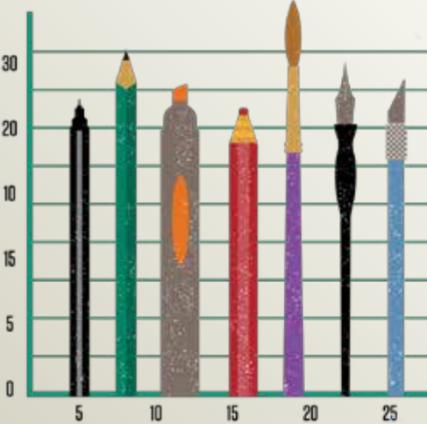
In 2014, we reassessed the greenhouse gas (GHG) performance of a \$100 million portfolio and asked ourselves and our fund manager whether we could do better. Working with Mellon Capital Management and our two investment consultants, Imprint Capital and Mercer, we explored how to weight companies differently based on a relative per-unit-of-sale measurement of GHG production and whether they are strategically positioned to respond to climate change.

McKnight provided the seed funding for the Carbon Efficiency Strategy, a new fund that is now widely available to institutional investors. Benchmarked against the Russell 3000 Index, this broad market stock fund reduces the GHG production over the index by more than 50% and removes coal investments entirely. It also overweights companies that are "climate-ready" and reduces exposure to poor performers. By investing in this new strategy we raised our overall commitment to aligned investments to 15% of our endowment total.

Learn more: mcknight.org/impactinvesting



Minnesota thrives when its artists thrive. McKnight supports working artists to create and contribute to vibrant communities. We fund organizations that are mission-driven to support working artists, with capacity and systems in place to develop and share their work; we support select programs and projects to fuel exceptional and diverse artistic practice; and we leverage local and national collaborations, knowledge, and policies that maximize the value of artists' work in their communities. *Vickie Benson, program director*



**DRAWING ON
DATA...**

**...TO ILLUSTRATE
ARTS IMPACT.**

In 2012, McKnight along with several other funders and arts organizations worked together to bring the Cultural Data Project (CDP) — a robust data system for and about arts and culture organizations — to Minnesota. The scope was unprecedented in its level of detail and aggregate power to strengthen the field's ability to show value and impact in communities. McKnight incorporated the CDP into its grant application process.

Three years later, data from the CDP has led to *Creative Minnesota*, the most comprehensive report ever done about the sector's health and impact. Among a host of indicators, the report includes economic data collected by Americans for the Arts and provides a detailed snapshot of statewide and regional spending by nonprofit arts and culture organizations and their audiences. Perhaps most importantly, it establishes benchmarks for future collaborative comparison, analysis, and decisionmaking.

Learn more: creativemn.org

ARTS

Our work fosters and supports Midwest climate and energy leadership in addressing climate change by achieving energy-related greenhouse emission reductions in all sectors of the economy. Through grants, convenings, and community engagement, we're working to galvanize and maximize Midwest impact. *Aimee Witteman, program director*

**SHARING
INSIGHT TODAY...**

**...TO FOSTER A CLEAN
ENERGY FUTURE.**

In late 2014, the Department of Employment and Economic Development released the Minnesota Clean Energy Economy Profile, the most comprehensive effort to date to quantify the businesses, employment, wages, and investments engaged in the state's clean energy economy. Our Midwest Climate & Energy program supported the report together with the Energy Foundation and our Region & Communities program. Among other data, the study showed clean energy jobs growing faster (by 11%) and paying better (by 42%) than other sectors.

McKnight and our partners recognized the importance of making clean energy jobs data more widely accessible, given the tremendous growth in the industry. This recognition sparked the Clean Energy Economy Minnesota project — a website taking the report data as a starting point, to be updated on a regular basis and serve as a resource for clean energy businesses, government, academia, and nonprofits to build on today's successes now and into the future.

Learn more: cleanenergyeconomymn.org



Within the cradle-to-career continuum, we seek to dramatically increase the percentage of successful third-grade readers, especially among populations traditionally underserved in our schools, and to champion policies and practices that ensure their continued achievement; and through our support of Youthprise, to increase access to high-quality learning beyond the classroom so that all Minnesota's youth thrive. *Erin Gavin, program & policy officer*

**GIVING TEACHERS
NEW TOOLS...**

**...TO BUILD PATHWAYS
FOR YOUNG READERS.**

A key component of McKnight's early literacy work is the Pathway Schools Initiative, a partnership between the Foundation, the Urban Education Institute, and seven Twin Cities schools serving high-needs students. The initiative employs two benchmarking tools: STEP (Strategic Teaching and Evaluation of Progress) and 5Essentials (5E). These tools help measure outcomes and provide a common language and data source to share successes and troubleshoot challenges.

As part of the Pathway Schools Initiative, UEI has established Literacy and Leadership Collaboratives, practical forums for shared learning among pathway school leaders and staff. Among many promising results in 2014, a perfect 100% of pathway schools show strength in either "collective responsibility" or "teacher-to-teacher trust," two key 5E measures which research has shown to be indicators of school success.

Learn more: mcknight.org/literacy



EDUCATION
& LEARNING

We use our resources to promote strong rural livelihoods and food security for people with limited opportunities. The program is divided into two focus areas: strengthening local institutions and initiatives in Southeast Asia that improve livelihoods; and helping resource-poor rural people in developing countries achieve food and nutritional security. *Jane Maland Cady, program director*

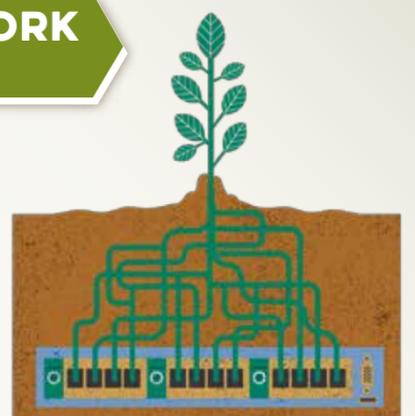
**USING THE POWER
OF THE WEB...**

**...TO GROW A NETWORK
OF RESEARCHERS.**

Agroecological Intensification (AEI) is defined as improving the performance of agricultural systems through integration of ecological principles into farm management. AEI is a guiding principle behind our crop research work. In late 2014, the CCRP launched the AEI Exchange (AEIx) — a web-based information-sharing tool for researchers, a platform for generating and sharing evidence for AEI, and a forum and knowledge base for those interested in the field.

Although still quite new, the AElx is already showing promise as a bridge between crop research and real-world farming. As of February 2015, the website includes 425 pages of substantive content, and the discussion forums include 242 topics, 337 users, and 955 posts. Perhaps even more important, site content is designed to be flexible and responsive to the needs of users; as a result of user input, dormant sections have been discontinued and new sections on burgeoning areas have been added.

Learn more: ccrp.org/aeix



INTERNATIONAL