90 YEARS YOUNG

A MESSAGE FROM MOTT CHAIRMAN & CEO

WILLIAM S. WHITE

Mott's 2016 annual report, "90 Years Young," is a bit different from past books. First and foremost, it is a historical document, giving us the opportunity to share some of the accomplishments the Foundation and its grantees have achieved through the years. We believe they help illustrate why philanthropy continues to play a critical role in maintaining a healthy and vigorous society.

As the world changes, we strive to change, all the while doing our best to maintain the core values that were important to our founder, Charles Stewart Mott.

You may be curious as to why we chose "90 Years Young" as our theme. Nine decades of grantmaking certainly put us in the senior category of current foundations. However, in thinking about which entries we would include on the timeline in the next section of this report — and let me state right now that space limited the inclusion of many excellent initiatives — we began to realize that, through the years, we have adapted, retooled and at times reconsidered our approach to problems. And that, I believe, has helped keep our perspective and grantmaking practices fresh, curious and young. We continue to learn with each passing day, month and year.

As the world changes, we strive to change, all the while doing our best to maintain the core values that were important to our founder, Charles Stewart Mott. I think he would approve of our efforts. If you were to analyze his record as a businessman and philanthropist, you would soon realize Mr. Mott was an informed risk-taker. The automobile business at the turn of the 20th century was like the digital sector today, and he was a key player in it. He took calculated risks and achieved great returns. As a foundation, this is what we try to do today.

It bears mentioning that, when Mr. Mott revised the Foundation's trust instrument in 1971, he knew both that change was going to occur and that he had the ability to limit it. He chose not to do so. Instead, he wanted the Foundation's trustees to have the flexibility to adapt to new challenges. Anticipating and addressing change has been an ongoing focus at the Mott Foundation. I hope you will see that in the pages that follow.

C.S. Mott in front of the General Motors Building in Detroit circa 1920s.



Harvesting our history

Over the years, I've given some thought to how I might frame the Foundation's history. The exercise was prompted by a question raised at a Foundation-wide retreat. Following a presentation about Mott's major grantmaking interests, one of our newer employees raised her hand and innocently asked, "Who was Frank Manley?" At least half the room burst into laughter, but a good many people were just as puzzled about my casual reference to the man who, along with Mr. Mott, created a model of community education that eventually was adopted by thousands of school districts across the country and around the world.

You see, Mr. Manley was a remarkable local educator who was instrumental in giving shape and focus to Mr. Mott's young foundation. Back in the 1930s, they together developed and implemented a comprehensive urban education program that changed the way citizens viewed — and used — their school buildings. Their work remains one of the Mott Foundation's greatest accomplishments.

How had our young program officer missed that important legacy? And how had we managed to let our history recede to the point where new staff were unaware of the creativity, hard work and accomplishments that served as a basis for so much of what they were trying to accomplish in the present?

The idea of preserving our heritage as a grantmaking and learning institution became all the more important to me that day.

Historians and the Foundation's own trustees have long warned of the dangers of forgetting the past — with good reason. Not only does it encourage the repetition of mistakes, it inspires a certain kind of arrogance that exaggerates the accomplishments of the present. At the Mott Foundation, we owe a great debt of gratitude to those who came before us — the trustees, staff and grantees who breathed life into ideas.

If you will indulge someone who has been with the Foundation in one role or another for more than half of its 90 years, I'd like to paint some of our work in the context of the Foundation's evolution and share some lessons we have learned that may be helpful to others. I also want to pay tribute to some of the individuals and organizations that have gotten us this far. Their work is both instructive and worth remembering .



Frank Manley (right) and C.S. Mott partnered to change the way communities used their schools. Photo circa 1940s.

At the Mott Foundation, we owe a great debt of gratitude to those who came before us — the trustees, staff and grantees who breathed life into ideas.

The Mott Foundation: A work in progress

I believe the Mott Foundation's nine decades of work — focusing initially on the children living in our home community of Flint and in 2016 surpassing a cumulative $3 billion in grants benefiting organizations here and around the globe — have helped people in important and sometimes surprising ways. When people tell us that their lives — or the lives of others they know and love — have been transformed by a program we supported, well, that is what I call a great return on investment.

Mistakes — we've made a few — and they are worth remembering as well. Martha Graham, the great choreographer and dancer, said, "It is so important to know what came before you. It is also important to understand that things will follow you, and they may come along and make your work look pedestrian and silly. This is fine; this is progress."

Our founder, Charles Stewart Mott, understood the creativity, hard work, attention to detail and persistence required to make progress. In 1907, he moved his axle



Summer Tot Lot program at Flint's Garfield Elementary School in 1940. Nearly eight decades later, Tot Lots continue to provide the community's youngest residents with quality summer programming.

business to Flint at the invitation of Billy Durant, founder of General Motors. Mr. Mott also served as mayor of Flint and was actively involved in what today we would call the social service sector. He was witness to times of incredible, chaotic change — and progress — as his adopted hometown of Flint became a center of automobile manufacturing.

In June of 1926, Mr. Mott entered into a declaration of trust in the state of Michigan that marked the creation of the Charles Stewart Mott Foundation. His initial gift to the Foundation was 2,000 shares of General Motors stock, then valued at $160 a share. Early grantmaking reflected the various interests of his family, with an emphasis on education, children's health and the arts.

Mr. Mott's concern for the welfare of local children — particularly those living in impoverished situations — emerged between 1926 and 1934, the years we refer to as the first stage of the Foundation's development. While many grants were made to provide direct services, many more were made to encourage partnership among organizations, agencies and concerned citizens. Early on, Mr. Mott observed, "It seems to me that every person, always, is in a kind of informal partnership with his community." This has been a guiding principle for our grantmaking ever since.

The second stage of the Foundation's development corresponded with a chance meeting between Mr. Mott and Mr. Manley, who, in the spring of 1935, made a presentation to the local Rotary. Mr. Manley, then supervisor of physical education for the Flint Board of Education, also directed the Federal Emergency Relief Administration's operations in the city. Having seen firsthand the toll the Great Depression was taking on local families, and goaded by the recent drowning of a young boy in the Flint River, he gave an impassioned speech that day. He first berated and then challenged Rotarians to take action to enlarge the "Flint Plan of Recreation," which had been started the previous summer to reduce the high number of injuries and fatalities among children and teenagers.

The success of the recreation program, which was credited with helping to reduce child fatalities by 25 percent its first year, coupled with a vision of a planned and comprehensive program of year-round recreation based in Flint's underused school buildings, convinced Mr. Mott to advance some funds. The Flint Board of Education used an initial grant of $6,000 to open several schools for programming during the winter. The Foundation also agreed to finance summer activities.

And so a model for community education was born, utilizing neighborhood schools as hubs for citizen engagement. The program relied on three operating principles that would become central values of the Foundation's grantmaking: the importance of people, partnership with others and the role of institutions in helping to express concern for fellow citizens.

Suffice it to say, the idea caught fire — first in Flint, then in Michigan, then across the United States and ultimately around the world. Through the mid-1960s, the Mott Foundation dedicated a significant portion of our grantmaking to refining the Flint model of community education, funding the Flint Board of Education to serve as a demonstration site for a growing number of visitors eager to learn more about the city's "lighted schoolhouses."

The third stage of the Foundation's development began in 1963, when C.S. "Harding" Mott convinced his father to transfer stocks and securities, then valued at $195 million, to the Mott Foundation's endowment. That gift catapulted the Foundation into the ranks of the country's largest philanthropies and presented an opportunity to expand the scope of our grantmaking, both programmatically and geographically.

During this stage, the Foundation worked on its own infrastructure, reinventing its operating policies and procedures and expanding the board of trustees. Joseph Anderson, a former vice president of General Motors who was elected to the board in 1962 and served for 23 years, wrote the first formal philosophy statement of the Foundation in 1964.

A year later, Harding succeeded his father as president, while Mr. Mott retained the title of treasurer and became honorary chairman of the board of trustees. A quiet, self-effacing man, Harding shouldered the responsibilities of modernizing the Foundation's operations and, through the mid-1970s, helped position the institution for long-term growth. A charter trustee who successively held every key Foundation post, Harding's foresight and leadership helped guide the institution through a remarkable 63 years of social change.

For the record, I arrived on the scene in 1968. Harding was my father-in-law, and he brought me in from Bruce Payne & Associates as a management consultant to assist with these issues. A consensus builder and enabler, Harding was a great mentor to me. His interests in the national expansion of community education and the redevelopment of downtown Flint remain central in our grantmaking today.

Ramping up the Foundation's grantmaking demanded the development of a larger professional staff. In compliance with the 1969 Tax Act, Mr. Mott revised and refreshed the Articles of Incorporation, clarifying the future governance of the institution.

If there was a theme to the Foundation's work between 1963 and 1975, it was change. Change in leadership — Mr. Mott passed away in 1973 and Mr. Manley a year earlier. Change at the board level — Roy Brownell, an original board member, Mr. Mott's lawyer and his close friend, died in 1971. Ruth Rawlings Mott, who became a board member in 1943, transitioned to trustee emeritus in 1975, serving in that capacity until her death in 1999. Change at the staff level — Financial Vice President Robert McCullough, who for 19 years handled the Foundation's investments, retired in 1974. Finally, changes in program



The son of C.S. Mott, Harding Mott (left) served the Foundation for more than 60 years, and held every leadership role — trustee, vice president, president and chairman. Photo circa 1940s.

Harding's foresight and leadership helped guide the institution through a remarkable 63 years of social change.

and management structures and business procedures prompted a focus on planning for the future.

By 1970, the Foundation had broadened its interests beyond funding community education to include what we then termed "urban" projects. We recognized that the best educational system in the world could not be the solution to all community problems. Through our work with community schools, we understood that the root causes of poverty, inequality, crime and a host of social issues were connected, complicated and not easily cured.

Throughout 1975, trustees and staff together identified the elements or principles they believed contributed to an effective community. That effort resulted in a more comprehensive and detailed program philosophy, which was written as a plan of action for the Foundation. It contained elements dealing with governance, grantmaking, evaluation, management and finance.

With this document as a guide, the Foundation entered our fourth stage of development in 1976, which is also when I became president of the organization, and Harding became chairman of the board. He was the first person to hold the official title and position.

During the decade or so that followed, the Foundation took many of the lessons we learned in Flint and began developing programs on a national basis. In 1979, we made our first grants to strengthen community foundations. We have long been impressed by the simplicity and power that underlies the community foundation concept, which empowers people to support causes close to their homes and their hearts. Those grants marked the beginning of a multi-year effort to strengthen the community foundation movement nationwide.

By 1982, we joined forces with the Council on Foundations to launch a technical assistance program to assist 75 community foundations with developing staff, boards, donors, endowments, grantmaking programs and marketing strategies. I'm getting ahead of myself here, but eventually we would take the lessons we learned in the U.S. to the United Kingdom, South Africa and Eastern Europe.

It was during this period that we also partnered with other Michigan philanthropies to establish the Council of Michigan Foundations (CMF), a vanguard of the effort to create regional associations of grantmakers that could represent our sector. Forty years on, CMF — now one of 36 such associations across the country — continues to be at the forefront of helping organized philanthropy achieve impact while serving effectively, transparently and responsibly.

In Flint, we ended our traditional grant relationship with the Flint Community Schools, announcing a 10-year phaseout of funding for long-standing programs and encouraging the district to reexamine the practice of community education and bring new initiatives forward. Collaborating with Michigan State University, we funded a model of community policing in Flint and helped the university establish a National Neighborhood Foot Patrol Center.

We also began working on economic development projects in earnest, focusing on the revitalization of downtown Flint. As in other former industrial cities struggling to reinvent themselves in this era, we supported several ambitious projects in the 1980s. Though some of them did not succeed because of macroeconomic issues, they set the table for subsequent efforts we would embark on two decades later.

In December 1985, our board of trustees spurred new international work when they voted to adopt the Sullivan Principles. The decision meant the Foundation's investment office would divest from companies that tolerated apartheid and invest in companies doing business in South Africa only if they treated black workers fairly and supported efforts to end apartheid. Trustee Maryanne Mott also urged the Foundation to express its concern for blacks in South Africa — not only through our investment policies — but through our grantmaking. That work would begin to take shape after Trustee Marjorie Allen and Will Hertz, who was our vice president for program planning and dissemination, traveled to South Africa and proposed a new grantmaking initiative.

From my perspective, the Foundation's fourth stage was one in which we took calculated risks and learned a great deal, especially about managing the balance between legacy and innovation.

Our fifth stage began in 1988. I became chairman of our board of trustees, and — more important — the board engaged Rushworth Kidder, a journalist, author and founder of the Institute for Global Ethics, to lead us through a discussion of the big issues facing the world as we neared the beginning of the 21st century. We called upon every member of our board and staff to participate in the exercise, which we dubbed Agenda for the 21st Century. As serious and sobering as the conversations were, the process was exhilarating and fun. Ultimately, we came up with core issues that still drive our grantmaking today: persistent poverty; education; environment; leadership; ethics and values; pursuit of peace; and,



Lake Superior, photographed from the north shore in 2017. Protecting the Great Lakes has been a major focus of Mott's Environment Program.

yes, Flint. I also should note that we thought Rush, as he liked to be called, did such a good job that we elected him to our board of trustees.

We also went international on a formal basis. Initially, this was a logical extension of our national work, particularly in community education and community schools. With the emergence of our work in South Africa, the idea that we might be able to do more to promote peace and social progress internationally began to take hold.

We formally established the Foundation's Environment program in 1987 with a focus on two overarching issues: protecting the Great Lakes and other freshwater resources, and promoting global sustainability by supporting efforts to reform international development finance.

In 1989, Harding Mott passed away, and profound political changes began to transform the world. Between 1989 and 1991, the Berlin Wall, apartheid and the Soviet Union all crumbled, creating new opportunities to promote democracy. I must confess I never anticipated these events would occur in my lifetime. For our board and management, the chance to pursue peace on a global scale — through relatively modest grants — became an imperative.

We became early funders of the European Foundation Centre, CIVICUS: World Alliance for Citizen Participation and Worldwide Initiatives for Grantmaker Support (WINGS), as well as the Environmental Partnership, the Trust for Central and Eastern Europe, and — later — the Balkan Trust for Democracy and the Black Sea Trust. These projects were aimed at building the legal and social framework for civil society in the Central and Eastern European region and allowed us the opportunity to work with many wonderful philanthropic partners, including the Ford Foundation, Open Societies Foundation, Atlantic Philanthropies, Rockefeller Brothers Fund and The German Marshall Fund.

Indeed, the fifth stage of the Foundation's development laid the groundwork for much of what we do today under all four of our current program teams: Civil Society, Education, Environment and Flint Area.

New strategies also can arise through serendipity, and so it was that my chance meeting in 1998 with U.S. Secretary of Education Richard Riley and Terry Peterson, who was then Riley's chief education adviser, led to the Mott Foundation's involvement with afterschool programming at the national level. A few years earlier, Riley and Peterson helped launch the 21st Century Community Learning Centers (21st CCLC) initiative, which mirrored the earliest community education work done by the Foundation. They were looking for help to expand the program.

Working closely with the Department of Education, the Foundation provided support for training, leadership development, technical assistance and program

evaluation — activities that would ensure the quality of the program and free up federal dollars to provide direct services in schools and communities across the country. Today, 21st CCLC provides afterschool programming for 1.6 million children across the country.

For our part, Mott supports afterschool networks in all 50 states, as well as national organizations working to increase access to and enhance the quality of afterschool programs for all children. For many years, we also have supported afterschool programs in our hometown of Flint. In all, we have committed nearly $250 million to advancing afterschool in the U.S. We have done so because research and data from hundreds of studies support the positive impact of afterschool programs on children's success. Children and youth who regularly participate in quality afterschool programs perform better in school, have better attendance and are less likely to get in trouble. Afterschool programs also help to close the achievement gap between children from lower-income families and their more affluent peers.

The Foundation's sixth stage of development was ushered in with the new millennium, and it was marked by disruption of many types. On the positive side were disruptive innovations of the Information Age, including the growth and maturation of the World Wide Web and the introduction of the iPhone.

But we also saw disruption in other forms — the rise of terrorism, geopolitical upheaval, the global financial crisis, and natural disasters in the U.S. and abroad. Like many philanthropies, we stepped beyond the boundaries of our formal grantmaking programs to assist with recovery efforts related to 9/11 and Hurricane Katrina.

We also began focusing again on revitalization efforts in Flint. Lon Crim, a former superintendent of Atlanta schools who joined our board of trustees in 1988, was fond of the saying, "Yard by yard, life is hard. Inch by inch, it's a cinch." This time around, we found that inch by inch was, indeed, the way to go. We learned that more "organic" revitalization efforts built around smaller, locally driven, strategically placed projects could add up to greater impact for the area as a whole. We supported master planning efforts for the University of Michigan-Flint, the Flint Cultural Center and the downtown district. We also provided support for a team of local representatives from the public and private sectors to work with several national organizations to research and design a landbanking model that was first tested by Genesee County and ultimately utilized by municipalities across the U.S.

In 2012, the city of Flint embarked on its own master planning process, which sought input from residents in shaping the future of their community. One of the

Research and data from hundreds of studies support the positive impact of afterschool programs on children's success.



Elementary students take part in the Safe Harbor afterschool program in Michigan City, Indiana, in 2012. Safe Harbor is a 21st CCLC site.



Ridgway White became president of the Foundation in 2015, just as the Flint water crisis was beginning to unfold.

William S. White (right) congratulates Ridgway H. White on being elected president of the Foundation, effective January 1, 2015 – photo December 2014.

top priorities residents called for was a new model of community education, reimagined for the 21st century.

And so it was with a great deal of enthusiasm that the Foundation helped to launch a new take on our longest-standing priority: helping full-service schools build healthier families, stronger neighborhoods and high-achieving students. We provided support in 2014 for the Crim Fitness Foundation to serve as the lead partner in coordinating a pilot program for the initiative at Flint's Brownell-Holmes STEM Academy. The following year, the program expanded to five schools, with an eye toward reaching all schools in the district in the coming years. That would wind up happening even faster than we thought.

A change in Foundation leadership and a local tragedy marked the start of our seventh and current stage of development, altering our work in our hometown and elsewhere. My son, Ridgway White, became president of the Foundation in 2015, just as the Flint water crisis was beginning to unfold. When Dr. Mona Hanna-Attisha, a local pediatrician and researcher, released data showing that levels of lead in children's blood had increased sharply after changes in the source and treatment of Flint's drinking water, Ridgway and our board of trustees acted swiftly to prevent further harm. The board immediately approved a $4 million grant to help reconnect Flint to the Great Lakes Water Authority — a critical first step toward bringing safe drinking water back to the city.

In May 2016, the Foundation committed up to $100 million over five years to help our hometown recover and rise from the water crisis. Our related grantmaking focuses on six goals: ensuring that all Flint residents have safe drinking water; meeting the health needs of Flint families; supporting educational opportunity; building a more robust nonprofit sector; promoting community engagement; and revitalizing Flint's economy.

The crisis underscored for us the importance of building the capacity of nonprofit organizations and continually reinventing our work. The local nonprofits we had been supporting for a long time were poised to step in as first responders, helping the community meet its diverse needs in the wake of the crisis. These included the United Way of Genesee County, Greater Flint Health Coalition, Community Foundation of Greater Flint, Food Bank of Eastern Michigan, Crim Fitness Foundation and many more.

Because work already had been well underway to reimagine the community education model for the 21st century, Flint Community Schools quickly became hubs for providing services and resources for students, their families and other residents. The Mott Foundation provided support to expand the model to all 11 schools in the district in time for the start of the 2016-17 school year.

At the same time, we began to expand access to early childhood education. Working with community partners and other funders, we helped to renovate a shuttered elementary school and open a new early childhood education center with the capacity to serve 175 students from 2 months to 5 years in age. We also approved funds to begin construction of a brand new early childhood

education center that should open in the fall of 2017. With more capacity to serve Flint's youngest children, we aim to ensure that all Flint kids will have high-quality educational experiences from cradle through college and career.

The water crisis changed more than just our hometown grantmaking. It also led us to realize that, although we had long supported many non-governmental organizations working to restore, preserve and protect the Great Lakes as the world's largest source of surface freshwater, few in that constellation of grantees had expertise in drinking water infrastructure. The Flint experience demonstrated that this is a looming threat for aging industrial cities across the country. And so the Flint water crisis gave birth to a new area of grantmaking for our Environment team that is aimed at promoting the coordinated management of drinking water, storm water and wastewater systems.

Even as the Flint water crisis hit us at home, events around the world forced us to grapple with the closing space for civil society. In the most dramatic example, the upper house of the Russian parliament recommended Mott for inclusion on its list of "foreign agents," which led us to halt grantmaking in that country for the sake and safety of our grantees. However, we continue to look for ways to help citizens in Central and Eastern Europe engage in the decision-making processes that have a profound effect on their lives.

These are but a few of the many events that have changed our culture, our connectedness and our communities. They have changed us, as well.

Yet even as the Mott Foundation adapts to changing times and new ways of doing work, our nine decades of grantmaking have reinforced some lessons about approaches we believe work well for the people and communities we seek to serve. While we would not presume to tell other philanthropies how to do their work, we believe it's the duty of those working in the social sector to share their insights and experiences with others in the hopes of strengthening the field. It is in this spirit that we share the following lessons, which have become guideposts for our grantmaking.

Lessons learned

Stay in it for the long haul. Change can happen quickly, but progress takes a lot longer. As I see it, progress is the work of foundations. We have the motivation and resources to identify, test and evaluate new ways of doing things for the greater good. We also have staying power. We can stick with the issues we care about, and so we should.

Exercise patience. Develop a tolerance for the delays, difficulties and disagreements that can bedevil even the most promising of undertakings. Much of the work foundations do is by trial and error. What looks to be a good idea can have disappointing results, and, yet, because we strive to take the long view, some of our "failures" end up being incredibly instructive to eventual success.

Connect individuals with their communities. Mr. Mott's directive — and the premise upon which much of our work is based — is to help individuals partner with their communities in meaningful ways. We have seen this happen in neighborhoods, in countries and in communities that are not geographic in nature. But it can be a complicated task. Communities are not cookie-cutter in nature, and there is no universal prescription for this work. This is where we tap every best practice we have learned as a foundation, including "shoe leather" philanthropy, which demands that we walk down Main Street to speak — and, more important, listen — to people in the communities where we work. Mott Trustee Harold "Dusty" Rodes believed so strongly in the importance of getting out of the boardroom to talk with grantees that he felt compelled to retire when he no longer had the physical strength to make site visits.

Helping individuals partner with their communities requires patience. It also requires building the capacity of organizations large and small, strengthening them to do their work. All of this pays off because change occurs only when it comes from the people who are most invested in its success.

Never underestimate the importance of a good back office. While listening to a recording of the Metropolitan Opera, I was struck by a thought. As the music played, all I heard was the orchestra and singers, but I knew the recording represented so much more. Behind the musicians and singers, a great company of people worked in the back of the house to make the performance a success.

And so it is with the Mott Foundation. Behind the visible program staff is a team of grants compliance experts, accountants, investment managers, IT professionals and support staff who are essential to getting the work done. Maintaining our capacity to make sure that our grants meet legal and financial requirements, that they are implemented with integrity and transparency, and

that our response to every grantseeker is timely and respectful, is of utmost importance to Mott. We could not do this without staff and trustees who are dedicated to facilitating the grantmaking process.

We also are very much aware that grantees need a strong back office to be able to do what we fund them to do. This doesn't mean we turn away organizations that are lacking this capacity. In many cases, we work with them to develop it. In this way, we can help to ensure that an organization can go on doing good work even after our grant relationship may have come to an end.

Look for leaders and opportunities to partner with them. Always be on the lookout for transformative leaders — people like Dr. Arthur Tuuri, a Flint pediatrician who provided essential care to thousands of children through the Mott Children's Health Center; Dorothy Stoneman, founder and president of YouthBuild USA and chairman of the YouthBuild Coalition, which has more than 1,000 member organizations in the U.S. and the Virgin Islands; Michael Brophy, chief executive of Charities Aid Foundation, who worked with Mott and communities across the United Kingdom to expand the concept of community trusts; Raymond Georis, former secretary general of the European Cultural Foundation and founding chair of the European Foundation Centre (EFC); John Richardson, founding chief executive of EFC; and his successor, Gerry Salole.

Partnering with such leaders and supporting their vision over time can spur progress and lead to significant change. While there may occasionally be some difference of opinion about practice, approach or objectives, it is essential that both funder and grant recipient listen and respond truthfully and respectfully when that occurs. In the end, a bit of controversy can often lead to trust and better outcomes.

And never forget that you might find some of your strongest partners among the leaders of other foundations.

Evaluate your work. John Porter, a former president of Eastern Michigan University who was elected to our board of trustees in 1981 and served for nearly 32 years, was a hard-liner when it came to defining the purpose of a grant, and he constantly advocated for benchmarking the progress of our major grantmaking initiatives. This is a core grantmaking issue. Without evaluation, how can we know if we are making a difference or understand how to make a good project even better?

Residents of Stara Zagora, Bulgaria, gather at an event designed to unite people through the simple act of baking. Photo circa 2014.





Trevor Maizland received a life-saving bone marrow transplant at the C.S. Mott Children's Hospital in 2003. Pictured here in 2006 and 2017, Trevor is now a two-sport athlete and member of the Class of 2018 at Luke M. Powers Catholic High School in Flint.

Evaluation takes time — another reason for staying with projects over the long haul — and it can be expensive. But if we are looking to sustain or replicate good work, then we know we must test projects and programs over the long term. So we assess our work — not to produce reports that gather dust on a shelf, but to help ourselves and our grantees know how to make positive change.

Measure impact, but make grants with the head and the heart. As important as it is to measure impact, it is not the only consideration in determining the value of work. Sometimes you make a grant just because it is the right thing to do.

Flint's water crisis provides a good example. Was it philanthropy's role to provide $4 million to switch Flint back to Detroit water once it was discovered that the levels of lead in the city's drinking water were harming our children? Probably not. Yet our president and board of trustees did not hesitate to step out of their comfort zone to make the grant because it was the right thing to do to prevent further harm.

And we have made multiple grants to the C.S. Mott Children's Hospital in Ann Arbor, Michigan — including the Foundation's largest single grant of $25 million — without requiring a formal evaluation of the work done there. But through the years, we've received unsolicited feedback from parents who have told us that, without the hospital, their children would not be alive today.

Tell your stories. There will be many audiences you will want to reach, educate and move. Chief among them should always be public officials at the local, state and national levels. Make sure they understand what you fund and why. Let me share one experience to illustrate why this is so important.

At the first meeting of the Council of Michigan Foundations — I believe it was in 1973 — former Congresswoman Martha Griffiths was asked if it had been the intent of Congress to put private foundations out of business with the Tax Reform Act of 1969. She answered, "Yes, it was, but it's no longer the case." That is due, at least in part, to the fact that the entire philanthropic field came together to create various infrastructure organizations. By banding together and telling our stories, we regained the trust of our elected officials and the good will of the American public. And that leads nicely to the next lesson.

Support the sector. Our ability to do the work we do is not a given. I believe it is up to all of us — foundations and nonprofits — to advocate for a policy environment that supports and encourages charitable giving. It is equally important that we support and participate in the national and regional organizations that do this work.

Preserve the seed corn. I'm going to spend a little more time on this lesson because it has been one of the most important for the Mott Foundation.

Harding Mott had a mantra: Always preserve the seed corn. Long before it came to pass, Harding foresaw there might be a time when Flint's tax base would erode and the Foundation would be called up to provide more support to the community. Just as farmers must preserve their seed corn so they can plant and harvest again the following year, Harding wanted to be sure the Foundation always protected enough of our asset

base to be able to serve our mission year after year, and decade after decade. This is not as easy as it sounds.

If you look at the Mott Foundation's assets since our founding in 1926, you'll see that there have been six times when they have dropped by 25 percent or more from one year to the next. I also have looked at the stocks held by the Foundation in our earliest days to compare their value in 1929 and 1930. Such exercises are sobering. They make it abundantly clear that foundations that wish to exist in perpetuity must continuously manage their investments and grantmaking in service of that goal.

What does "manage their investments" mean? At Mott, it means having trustees and an investment committee that understand their fiduciary responsibilities, establish sound policies and provide appropriate guidance. Preserving the seed corn requires a team effort.

Other key members of the Mott team include our talented and dedicated staff in investments, programs and grants administration. Thanks to them, we have always been able to meet the Foundation's commitments while protecting our asset base. For instance, in the wake of the Great Recession that began in December 2007, we honored all grants already awarded and didn't lay off a single employee. However, we had to reduce our grantmaking budget and enact a temporary hiring freeze as we waited for the financial markets and our assets to recover.

It is precisely because we strive to preserve the seed corn that we are still here nine decades after our founding. And that is why we recently were able to commit up to $100 million to help our hometown of Flint recover and rise from its water crisis. Just as Harding predicted, our community needed us at a time when it had few resources to fall back on. Thankfully, we have never forgotten his advice.

That is the strength and value of philanthropic dollars reserved in perpetuity — a civic nest egg held in reserve to pay for something in the future, something we couldn't possibly predict, but for which we are prepared. Those funds — coupled with smart ideas, good leadership and community partners — are a buttress in bad times and a boon in good times.

Remember that it is all about the people. I have written this message based on a perspective formed over 49 years at Mott. During that time, the Foundation has been blessed to work with wonderful trustees, staff, grantees and advisers. Without their vigor, intellect, integrity and passion, the Foundation could not have accomplished what is highlighted in this report. As Harding once said, "All the philosophy about our Mott Foundation can be boiled down to just one word — people." To all of those people, past and present, I extend profound gratitude on behalf of the Foundation.

Looking ahead

I realize I am writing this message in a pugilistic time. Partisan divides threaten to rend the fabric of the United States, and the entire world faces both environmental and political peril.

At a recent unveiling of a statue of C.S. Mott in downtown Flint, Ridgway shared something his great-grandfather said about the city in 1972 that reflects our hope for our hometown, our nation and the world today:

> *Let our community never lose its farsighted vision, its bright hopes for the future, its faith in our growth as a fine place in which to live — a place where everyone has a chance to improve his own life.*

The Mott Foundation remains committed to helping people partner with their communities to realize this hope, and that is why I am as excited and energized by our work as I have ever been. History has shown that the social sector can bring down walls, build bridges, and broker solutions. We can do this again if we rise to the challenges of our time and face them head on.

No matter what the tools and trends might be in philanthropy over the coming decades, we must never forget that its essential function is to satisfy the charitable impulse — to help good people make good things happen in their communities. Philanthropy in its many forms — from giving while living to grantmaking in perpetuity — is valuable. It is something our society should nurture.



The Charles Stewart Mott Foundation will continue to do that over our next 90 years, and I can hardly wait to see the work now under development as it unfolds.



William S. White, *Chairman and CEO*