EVERY CHILD THRIVES

everychildthrives.com/2021-annual-snapshot

ANNUAL SNAPSHOT 2021

URGENT BOLD ACTION

for Children, Families & Communities

This is our moment to get it right. How can we come together as communities around the world, with love and with action, to make sure that every child thrives? Join the W.K. Kellogg Foundation to create an equitable future.



Watch Video At: https://youtu.be/xGilanKqenA

LEADERSHIP EDITORIAL

THE TIME IS NOW

The events of the last two years have illuminated the deep inequities embedded in our systems and infrastructure. The world has struggled with a racial reckoning and witnessed the impacts of social and economic divides and how they threaten communities, even democracy.

MORE FROM LA JUNE

LEADERSHIP EDITORIAL

BE BOLD

As painful and deeply challenging as the past two years have been for so many, we are presented with an opportunity and responsibility. At this moment, we have before us the conditions ripe for creating real and lasting change. Nothing less than the boldest of actions are required to ensure every child thrives.

MORE FROM CELESTE



Watch Video At: https://youtu.be/za7UyHeF-d8

INSPIRING STORIES

Our goal with Every Child Thrives is just that – we want every child to thrive. Join us in telling your stories of action, hope and impact.

From multi-language short stories to in-depth coverage and more, Every Child Thrives shows us what's possible, and what's working for communities – in the voices of the people leading the change.

VIEW ANNUAL SNAPSHOT STORIES

OUR VIDEO STORIES

VIDEO STORYTELLING

Immerse yourself in the incredible work happening on the ground through videos that highlight issues, opportunities and lessons from communities all around the world. Here's a glimpse of some of this year's new videos.

KNOWLEDGE HIGHLIGHTS

BEYOND THE GRANTMAKING

We're constantly learning through our work and through our partnerships. Check out new resources that share stories, data and information offered by WKKF and our grantees from the past year.

VIEW ALL STORIES

TRANSPARENCY

FISCAL YEAR 20-21

The foundation offered our largest amount of new grant commitments ever, approving \$483 million new grant commitments – including an increase in payout announced in Oct. 2020, in response to urgent requests from communities.

MORE FROM DON OUR BOARD



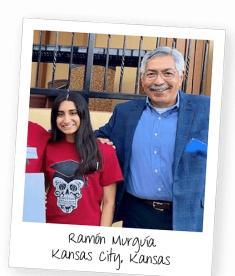


Celeste A. Clark Battle Creek, Michigan











Khan Nedd Grand Rapids, Michigan





MEET OUR TRUSTEES

Nine extraordinary leaders serve on WKKF's board of trustees, bringing a breadth of expertise and passion for our legacy, our mission and our future. Begin your Every Child Thrives journey by meeting our trustees as they welcome you into stories of incredible work over the past year.

La June Montgomery Tabron - 2021 Annual Snapshot

everychildthrives.com/la-june-montgomery-tabron



The events of the last two years have illuminated the deep inequities embedded in our systems and infrastructure. The world has struggled with a racial reckoning and witnessed the impacts of social and economic divides and how they threaten communities, even democracy.

There also seems to be a great awakening. We have seen many statements from various sectors and industries – nonprofits, foundations, corporations and government agencies – calling for addressing these longstanding racial inequities laid bare that plague our systems, structures and our communities.

Now is the time to move beyond statements. These systems *impact all of us*, our children, our families and communities. *The solutions will require all of us.*

Now is the time for us to rewire our systems to truly manifest racial equity. For every child to thrive, their families must be able to provide for them. The communities where they live and the schools they attend must be safe places with plentiful opportunities to grow and achieve their dreams. Our children and our families demand that we get this right.



Watch Video At: https://youtu.be/gE2hP_n8d3l

Now is the time to act and think differently. In philanthropy, we must make the shift from being "donors" to becoming "doers." Post-pandemic, our grantees, communities and partner organizations will need to be strengthened to reimagine and rebuild systems centered on racial equity. They have the leadership, knowledge and resolve to advance their communities; philanthropy needs to be a catalytic partner in that process.

Now is the time to hold each other accountable. I'm heartened by how in the U.S., the federal government and the private sector – including corporations and investors – are rising to the occasion with their commitments to racial equity. However, this can't be episodic. It must be a sustained effort. There are trillions of dollars – public and private – flowing in the markets right now. We can't allow these resources to be recycled to support some but not all. The decisions we make, the policies we institute and the resources we invest in people will impact the fate of our country for decades to come. Our children's future depends on our actions today.



Watch Video At: https://youtu.be/jL0bxvYGKol

Now is the time to listen to our communities. Our new storytelling platform, <u>Every Child</u> <u>Thrives</u>, offers many grantee stories of inspiring community-led efforts that are rooted in solidarity. What do these efforts have in common? They represent bold commitments on behalf of children and families. For example:

- In <u>New Mexico</u>, learn how the Partnership for Community Action's public-private partnership is bringing hundreds of jobs to the heart of Albuquerque's South Valley – in a bold effort to grow the economic and human capital of the region.
- Learn about one example of how smart, long-term investment in Haiti pays off in lives saved and a foundation laid for systemic change.
- Read how <u>RISE-Colorado</u> turned to parents, teachers and students to design the reentry program for students coming back into schools and organized for survival amidst the ongoing pandemic.
- We're supporting hyper-local innovative organizations stretched beyond capacity, democratizing information to disrupt systems and racial inequities to ensure that all children and families have <u>equitable access to vaccines</u>.

Now is not the time to give up. By no means will this work be easy. If we are to confront these issues, if we want to be the generation to overcome them, we must be agile and adapt to the moment and make it a movement where every child thrives.

Being bold means not waiting; it's sharing what we're learning, as we learn it. We've made a commitment with this new storytelling platform to share what we're learning from our grantees in real-time so others can be inspired from what's working to scale these ideas across communities. You will see how our grantees are advancing racial equity every day in their efforts to ensure thriving children, working families and equitable communities.

Our founder Will Keith Kellogg once pondered what difficulties existed in the paths of parents who seek help for their children when catastrophe strikes. He resolved to lend what aid he could to such children.

We have reached that moment of extreme adversity. The need for our families and children has never been greater. When we stand together in solidarity and support each other and our common issues, we are closer to creating the world to which we all aspire, where every child thrives. I challenge you to join us.

BACK TO HOME

Celeste Clark - 2021 Annual Snapshot

everychildthrives.com/celeste-clark



At this moment, we have before us the conditions ripe for creating real and lasting change. Nothing less than the boldest of actions are required to ensure every child thrives. The global pandemic laid bare massive and persistent gaps within our social, health and economic structures. With unprecedented access to on-demand information and racial tensions unresolved for generations, the divisiveness and civil unrest we have experienced seem insurmountable.



Watch Video At: https://youtu.be/3WOpbjR2H34

Yet, we must remain steadfast in the belief that communities know what's best for their children to be successful in every facet and season of life.

It is more important than ever to stay true to the vision and values of our founder, Will Keith Kellogg, and to our purpose as a foundation. To my colleagues in the philanthropic community, we can truly execute the kind of change so many of us have yearned for *if we work together.* This will only take shape when we seriously examine the way we fulfill our fiduciary responsibilities as trustees by bringing our "whole" selves to fully engage in the work of our organizations. It begins with an understanding of establishing what we call an "authorizing environment," which empowers leadership throughout organizations while at the same time encourages the critical voice of local leaders to solve their community's problems.

As part of our annual snapshot of impact from the past year, you'll hear from my fellow trustees as they highlight just a few innovative examples of our grantees who boldly rose to the occasion and met critical needs. What I hope you will notice is how each of these stories is so different and those differences are intentional.

We take seriously the importance of listening, as it is only in hearing a community's priorities that we can truly support community-led solutions.

While their needs and solutions will look different, the thread that connects these narratives is our unwavering support for bold movements that are grounded in racial equity and racial healing, community engagement and leadership (<u>our DNA</u>).

This approach has roots in 2007 when the Kellogg Foundation board made the commitment to become an anti-racist organization. At that time, it was considered bold and courageous. With this support, our staff and our partners had the confidence to be very intentional in our work by addressing the primary obstacle to equitable progress – racism. Today, we continue to uphold our call for bold solutions in many ways and across many sectors:

- In response to the COVID-19 pandemic, we committed to <u>increasing our payout</u> by approximately 50% or an additional \$300 million over two fiscal years. To generate these funds, we took an innovative approach and issued a social impact bond. This signaled to our grantees and communities that we understood the immense challenges they faced, and we were agile in responding to the pace required in unprecedented times.
- Recently, we announced 10 finalists from across the globe for our <u>Racial Equity 2030</u> challenge, which is designed to build and scale ideas for transformative change. The response was overwhelming, showing the global community's desire to achieve racial equity now. We will make five awards later this year.
- We are bringing our expertise in racial equity to more than 50 companies participating in our <u>Expanding Equity</u> program, and the list of future cohorts continues to grow. These companies understand that the business and social imperatives to become more racially equitable, diverse and inclusive are clear. Participants are removing barriers and accelerating actions to increase representation and opportunity, and to create deeper connections and a culture of belonging for employees of color that includes hiring, promoting and retaining diverse talent.



Watch Video At: https://youtu.be/TGWAXgC0Qn8

With a full heart and great optimism, it is time for me to transition from service as board chair, but I will remain on the board as we work together to embrace all that is yet to come. I welcome fellow trustee Cathann Kress as our new board chair. I know Dr. Kress feels the great urgency of our mission and will partner with our trustees and our excellent staff to take our foundation to new heights.

This moment to step up and act boldly is only possible because of the original vision of Mr. Kellogg. *Now is the time for transformation, not incrementalism.* It's not for the faint of heart. It will require big bold leaps, not baby steps. Leaders must foster an environment that allows for innovation, creativity and informed risks. Let bold action become your norm. At the W.K. Kellogg Foundation, bold is in our DNA and we strive to embed it as part of our everyday actions — we hope you will join us.

BACK TO HOME

Don Williamson - 2021 Annual Snapshot

everychildthrives.com/don-williamson



Meeting the needs of our communities.

Aligned with our priorities – thriving children, working families, equitable communities – and our DNA (community engagement, leadership and racial equity), expanded payout funds were provided for:

- Innovations in quality early childhood education, employment or economic equity and health equity
- Philanthropic partnerships for community rebuilding and reimagining post COVID-19
- Supporting people of color-serving institutions or leadership
- Racial equity and racial healing, including narrative change
- Policy advocacy and systems change

I am very pleased to report that as of Aug. 31, 2021, \$232 million of the \$300 million has been committed to support our mission for thriving children, working families and equitable communities. Our continued fiscal responsibility and focused management of market risk, including adjustments for our core holding of Kellogg Company stock, remain central to our investment and financial planning strategy. The investment portfolios for the foundation and Trust combined were valued at \$8.6 billion, providing increased coverage for spending on grants, program-related activities, administration costs and inflation.

<u>Our Mission Driven Investments portfolio</u>, valued at \$107.2 million of cash equivalents, fixed income and private equity, seeks to provide social impact in support of our mission, as well as achieve market-rate returns. Another tool the foundation uses to support grantmaking is

program-related investments (PRIs), which are strategic investments that align with our mission and are typically below market-rate loans to organizations or charitable equity investments. As of Aug. 31, 2021, the foundation had \$37.7 million in PRIs on its balance sheet.

For the fiscal year, the foundation made new grant commitments totaling more than \$483 million, which is a significant 91% increase over our prior fiscal year.

Of this total, nearly 55% benefited WKKF's priority places of Michigan, Mississippi, New Mexico and New Orleans in the United States, and internationally in central and southwest Haiti and in the highlands of Chiapas and the Yucatan Peninsula in Mexico.

The foundation's trustees are provided bimonthly financial statements and reports on achieving key performance indicators. Annual fiscal operating plans prepared by management are reviewed and accepted by our board. Results of the examinations by independent accountants and the foundation's internal audit office are reviewed and accepted by the full board. Mitchell Titus, LLP serves as the independent accountant for the foundation and the Trust. For tax technical expertise, advisory services and return filings, the foundation and Trust utilize Crowe LLP.

The W.K. Kellogg Foundation's and W.K. Kellogg Foundation Trust's financial statements are audited by Mitchell Titus, LLP. A full set of the 2021 audited financial statements is available for download, and the 990-PFs are also available at wkkf.org.

DOWNLOAD THE FINANCIAL STATEMENT