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In addition to ongoing work within our strategic areas and in our places, the W.K. Kellogg Foundation spent much of 2011 reflecting on and reaffirming our core convictions and aspirations, and exploring ways to communicate them more effectively and with greater clarity. This annual report is one of the first products of that process. For example, at the heart of our emphasis on working in community is respect for the people who comprise a community, and belief in the value of their insights and collective wisdom. By capturing voices representing the “community” surrounding a vulnerable child – some of them belonging to grantees (who are identified as such), others belonging to engaged community members – this report seeks to share that wisdom, acknowledge that respect, and illustrate the reasons for it. In its news-like layout and application of the foundation’s new logo and vibrant, warm color palette, the report also conveys the foundation’s forward-facing culture, and the premium it places on learning and sharing knowledge.

Joanne Krell, vice president for communications

EDITOR’S NOTE:
By Cornelia Grumman, executive director, First Five Years Fund, Chicago

FOR ALL OF US
- Investing in children yields returns for all of us
- Reading is an Rx for success
- Quality care begins with trust
- Shaping minds, bodies and spirits
- Kindergarten is no longer the “first day of school”
- Businesses can drive social change
- Support children by supporting new moms
- Access to dental care is another gap to close
- Preparing family meals: more than memories
- School meals matter
- Segregated spaces create health risks
- Vulnerability can lead to strength
- Families can save more than money
- Stress impacts good parenting
- Hope creates change in San Cristobal de las Casas
- The greatest love
- Baobá fund for racial equity

GOVERNANCE

WHAT WE SUPPORT

2011 PROGRAMMING AND NEW COMMITMENTS

SAMPLE GRANTS: EDUCATION & LEARNING

SAMPLE GRANTS: FOOD, HEALTH & WELL-BEING

SAMPLE GRANTS: FAMILY ECONOMIC SECURITY

SAMPLE GRANTS: COMMUNITY & CIVIC ENGAGEMENT

SAMPLE GRANTS: RACIAL EQUITY

SAMPLE GRANTS: INTERNATIONAL

FINANCIALS

STAFF

INVESTING IN CHILDREN YIELDS RETURNS FOR ALL OF US

By Cornelia Grumman, executive director, First Five Years Fund, Chicago
Talk to any kindergarten teacher who serves vulnerable children and you will often hear heart-rending stories about how unprepared some of their charges are to learn. One teacher said some of her students enter kindergarten having never held a crayon. Another recounted how some students each year arrive never having been read a book. Other teachers tell of their charges living amid an ongoing soundtrack of admonishments, stress and TV noise.

Too often, children enter kindergarten so far behind that it becomes increasingly difficult and costly later to get them caught up. And yet, that's how our education system works. It is premised around the notion that a child's brain suddenly switches "on" at the age of 5. Even though very young children may look like cooing, adorable little blobs, as we've learned from neuroscientists in recent decades, what goes on in those young brains is extraordinary. The first three years in particular is the time of greatest brain growth, when millions of neural connections are formed, and when the quality and endurance of those connections is physiologically affected by the kinds of interactions that child receives from her primary caregivers. For children, the "on" switch lags long before their first cry.

The problem is, too many vulnerable children don't receive the kind of positive interactions and stimulation they need in those first five years. In some cases, their parents don't have the wherewithal or additional support they need to provide everything their child needs. And while we don't start paying close attention to the educational achievement gap until around third grade – because that happens to be when we really start assessing children – the educational achievement gap can be detected as early as 18 months of age. Recent research suggests the gap becomes evident even earlier, at 9 months.

Here's the upshot: We spend enormous public resources in the short-term on grade repetition, special education referrals, juvenile corrections and high school truancy officers. Then we spend even more in the long-term on lower adult earnings and a lesser-skilled workforce. It's time to stop playing catch-up.

We know what kind of early childhood education programs can deliver results, and their key ingredient is, unsurprisingly, well-trained and well-supported teachers. Teachers, not babysitters – the kind of smart, thoughtful, engaged professionals who know to decorate their classrooms with child-generated art and charts instead of store-bought cartoon characters, who probe their young students with questions that can't be answered with a "yes" or "no," who focus and plan every aspect of a hectic preschool day around a series of learning objectives and instilling a love of learning.

That kind of teaching can transform a lifetime of outcomes for vulnerable children, and too few of them have access to it. Too few parents even know what that kind of teaching looks like, let alone have the resources to seek it out. And in a time of budget cutting, until there's an upsurge from parents and voting citizens demanding what a raft of scientific, educational and economic research tells us our society needs, resources won't keep pace.

Congress and the Obama administration took an important first step toward righting that wrong when they established the Early Learning Challenge as part of the Race to the Top education reform initiative in early 2011. With a $500 million infusion of cash, 35 states plus the District of Columbia and Puerto Rico scrambled to articulate plans for designing more efficient, cohesive and accountable systems that would meaningfully boost the quality of programs and the training of high-caliber teachers. In the grand scheme of what vulnerable children need, it is just one step, but it's an important one – and one that we should all rally to sustain.

The First Five Years Fund is a W.K. Kellogg Foundation grantee that helps America achieve better results in education, health and economic productivity through investments in quality early childhood education for disadvantaged children from birth to age five.
READING IS AN Rx FOR SUCCESS
A Q&A WITH EARL MARTIN PHALEN, CHIEF EXECUTIVE OFFICER, REACH OUT AND READ

WKKF: What have your experiences taught you about vulnerable children?

PHALEN: Well, there’s a few things that are core, all about relationship. Ultimately all children are stronger, more resilient, more capable of making change and achieving better outcomes when they have a strong social network. I don’t mean Facebook. I mean I don’t mean neighbors, community center leaders and, of course, parents. But the way they relate to the detached. The stronger those connections, the more likely those children are going to be successful.

WKKF: How does your work at Reach Out and Read connect you to that understanding?

PHALEN: With Reach Out and Read, we attempt to help parents step into their role. Parents are our children’s most important teachers. The problem is that many parents are uncomfortable in the role. They may feel that they don’t have enough education themselves, that teaching and education is something that happens in a school building. Reach Out and Read gives parents, through our parent partner (pediatric provider), the confidence and then the tools to realize that there is an important role for them.

WKKF: How do nurses instruct the confidence that parents have?

PHALEN: It happens by providing something, “Here’s successful. All of our parents are comfortable with a 3- or 5-minute conversation. Every parent can do that. Talk to your child, listen to your children and emphasize to them that every child is unique and the generation of the children that education and success is important to you. Medical professionals are there to help you, developmentally appropriate book throughout the visit and they model a healthy reading habit in their own homes.

WKKF: How do the program reach vulnerable children and their caregivers?

PHALEN: In 1994, the American Academy of Pediatrics officially endorsed the Reach Out and Read model of early literacy promotion. Since then, 30 percent of pediatric residencies and more than 50 percent of family medicine residencies have incorporated Reach Out and Read into their curriculum, and more and more health care professionals have realized the importance of integrating the messages of literacy into the checkup. Today, Reach Out and Read has a volunteer network of 26,000 pediatrician, family physician and nurse practitioners. These trusted mentors provide unapologetic access to the best nurturing and support in poverty to promote that message of early literacy.

WKKF: What do you know about vulnerable children that gives you hope?

PHALEN: I know that they have incredible strength and resilience. They’re able to get through these tough situations, facing, feeling unable to go to school, and after all, they’re amazing. When we just give them little pockets of opportunities to be successful, it’s amazing what our children can do.

WKKF: What does your work at Reach Out and Read mean to you?

PHALEN: The Reach Out and Read is a national organization providing early literacy intervention to children under 5 years of age, giving free books to children and advice to parents about the importance of early childhood literacy. In addition, this is a home care system in which 75 percent of his African American children, most of which live in poverty, have also shared their pathway for reading and education, graduated before a strict mentor and they didn’t have a chance to learn the power of education and family involvement. He also shared the past 2 years of his life to acquiring educational opportunities for children through learning and academic engagement.

QUALITY CARE BEGINS WITH TRUST
AN INTERVIEW WITH DR. LORRETA AU, CHIEF OF PEDIATRICS, CHARLES B. WANG COMMUNITY HEALTH CENTER

WANG: How does your work at Reach Out and Read connect you to that understanding?

AU: With Reach Out and Read, we attempt to help parents step into their role. Parents are our children’s most important teachers. The problem is that many parents are uncomfortable in the role. They may feel that they don’t have enough education themselves, that teaching and education is something that happens in a school building. Reach Out and Read gives parents, through our parent partner (pediatric provider), the confidence and then the tools to realize that there is an important role for them.

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WANG: What does your work at Reach Out and Read mean to you?

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EDUCATION & LEARNING

LAST SUMMER, BONNIE ST. JOHN, A HEAD START GRADUATE, RHODES SCHOLAR, AND ONE-LEGGED PARALYMPIC MEDALIST SPOKE TO OUR LEADERSHIP STAFF. SHE DESCRIBED THE MOMENT WHEN SHE FIRST FOUND OUT ABOUT A BOARDING SCHOOL FOR HIGH SCHOOL STUDENTS THAT DID EXTENSIVE DOWNHILL SKI TRAINING. AT THE TIME SHE GOT THE APPLICATION, SHE WAS LIVING IN POVERTY IN SAN DIEGO, WITH ALMOST NO RESOURCES TO HELP HER WITH THIS AWESOME TASK. HER RESPONSE: “THIS IS IMPOSSIBLE. AND I’VE GOT TO GET STARTED RIGHT AWAY.”

WE’VE RECENTLY HAD A SIMILAR MOMENT HERE AT ACCELERO LEARNING, WHERE WE SERVE MORE THAN 4,000 LOW-INCOME CHILDREN ENROLLED IN OUR EARLY HEAD START AND HEAD START PROGRAMS IN NEW JERSEY, PENNSYLVANIA AND NEVADA.

TWO YEARS AGO, WE BEGAN TO IDENTIFY CLOSING THE ACHIEVEMENT GAP AS A GOAL FOR OUR COMPANY. WE WORKED TO DEVELOP A MISSION THAT CLEARLY ARTICULATED WHO WE ARE, AND OUR ASPIRATIONS FOR MAKING A DIFFERENCE IN THE LIVES OF CHILDREN. THE RESULT: “OUR MISSION IS TO BRING A RELENTLESS FOCUS ON POSITIVE CHILD AND FAMILY OUTCOMES TO CLOSE THE ACHIEVEMENT GAP FOR THE CHILDREN, FAMILIES AND COMMUNITIES SERVED BY THE HEAD START PROGRAM.”

AS IS ALWAYS THE CASE, WRITING THE MISSION WAS THE EASY PART – ACCOMPLISHING IT HAS PROVEN MUCH MORE DIFFICULT. AS WE DUG INTO THE DATA, WE WERE STRUCK BY HOW FEW ORGANIZATIONS SERVING YOUNG CHILDREN CLEARLY KNOW WHERE THEY STAND IN TERMS OF CLOSING THE ACHIEVEMENT GAP. AS REFERENCE TO A FEW OF THE BEST PROGRAMS: THE PERRY PRESCHOOL CLOSED 80 PERCENT, THE ABBOTT PRE-K PROGRAM IN NEW JERSEY CLOSED 40 PERCENT, AND THE HEAD START IMPACT STUDY SHOWED AN AVERAGE GAIN OF 13 PERCENT. BY COMPARISON, OUR GOAL IS FOR EVERY CHILD TO GAIN 15 POINTS, THEREBY CLOSING 100 PERCENT OF THE GAP.

THROUGHOUT THE LAST YEAR, AS WE RECOGNIZED HOW LARGE THIS GAP IS, WE BEGAN TO ASK THE FOLLOWING QUESTIONS: HOW WILL ACTIVITY HERE HELP US CLOSE THE ACHIEVEMENT GAP? IN EDUCATION, WE QUICKLY REALIZED WE WOULD NEED A MORE STRUCTURED CURRICULUM, WITH MORE INSTRUCTORS, COACHING AND CLEARER EXPECTATIONS FOR TEACHERS. FOR FAMILY SERVICES, WE REALIZED WE WANTED TO FOCUS MORE ON COMMUNICATING TO OUR FAMILIES WHAT CAUSES THE ACHIEVEMENT GAP (INSUFFICIENT EXPOSURE TO BOOKS, PRINT AND LANGUAGE), AND TO ENGAGE THEM IN SPECIFIC ACTIVITIES (CONSISTENT FAMILY ROUTINES, POSITIVE GUIDANCE AND DISCIPLINE, EXPRESSIONAL LANGUAGE AND EXPOSURE TO BOOKS) THAT RESEARCH SHOWS WILL MAKE A DIFFERENCE. OVERALL, WE WANTED TO RECOGNIZE THAT CLOSING THE ACHIEVEMENT GAP WILL NOT HAPPEN BECAUSE OF ONE CHOICE THAT WE MAKE, BUT BECAUSE OF THOUSANDS OF CHOICES, LARGE AND SMALL, THAT WE MAKE EACH DAY.

A FEW WEEKS AGO, WE RECEIVED OUR PPVT RESULTS FROM THE FIRST YEAR OF OUR FRAMEWORK. WHILE WE NEARLY DOUBLED THE EFFECT SIZE OF THE HEAD START IMPACT STUDY WITH A 20 PERCENT GAIN, CHILDREN LEAVING OUR PROGRAM SCORING AVERAGE JUST THREE POINTS BETTER THAN WHEN THEY STARTED. TWELVE MORE TO GO.

IT SEEMS LIKE AN IMPOSSIBLE TASK. AND WE’RE GETTING STARTED RIGHT AWAY.

ACCELERO LEARNING RECEIVES INVESTMENTS FROM THE W.K. KELLOGG FOUNDATION’S MISSION-DRIVEN INVESTING EFFORTS.

BUSINESSES CAN DRIVE SOCIAL CHANGE

By Aaron Lieberman, chief executive officer, Accelerio Learning, Harlem, N.Y.

Laws of physics, and in the beginning, God created the heavens and the earth. And God saw that it was good. And the evening and the morning were the first day. And God said, “Let there be light...” But the Bible doesn’t tell us what happened next.

WHAT DOES THE ACHIEVEMENT GAP LOOK LIKE?

*Source: Acelero Learning

WHAT DOES THE ACHIEVEMENT GAP LOOK LIKE?

*Source: Acelero Learning
SisterFriends," who provide direction, emotional support and effort to encourage better birth outcomes by providing practical of their children. The Birthing Project relies on volunteer Michigan Bridge Card to stretch my food budget. This a single mother, it would be so easy to stop and grab raised me, that's the way I'm raising my daughters. As by my mother. She was a stay-at-home mom and underground railroad for new life.” USA, which began in California in 1988 and has served as a model for more than 90 similar programs across the country. When its founder, Kathryn Hall-Trujillo started a Birthing Project in New Orleans shortly after her mother is ill but helps to care for Don Christopher, “You think so?” she asked. I said, “Absolutel “Ridlestraße is not alone when it comes to dental access prob- of the dental clinics. Unemployment hovers around 80 percent, and the distances are too great to ensure these kids can regularly get basic dental services. Ten dentists working in three locations serve 30,000 people, an average of 1,000 patients each, half again as many as could be seen in a single year of back-to-back-one hour visits. In the...safety of their own communities. The idea has worked in other countries for decades, and it can work in the United States. low, and the physical beauty is fractured by small villages that it can work in the United States. The idea has worked in other countries for decades, and it can work in the United States. the Double Up Food Bucks program is funded in part by the W.K. A dentists on the reservation, it can work in the United States. It is my hope that someday, children and adults on the Pine Ridge Indian Reservation, in downtown Detroit or in any other location that has a hard time attracting and retaining dentists, can get the preventive care that they need to avoid big problems and the basic dental care that they need to keep routine dental care from becoming an emergency. By Terry Batten, D.D.S., Ann Arbor, Colo. CONTACT S RHODES ANGELA ARMSTRONG ON THE PINE RIDGE RESERVATION, HOME TO THE OGLALA LAKOTA NATION: 3% OF CHILDREN (FROM AGES 5-17) AND 18% HAVE ACTIVE TOOTH DECAY, THREE TIMES THE INCIDENCE TYPICALLY FOUND IN THE UNITED STATES. PHOTO: R.I. PALMER On the Pine Ridge Reservation in the past, went there to assess oral health conditions. The shocking details of what we encountered are reported in the Oct. 2011 issue of Health Affairs: 90 percent of adults had dental problems, and about half of those lost teeth. Among adults, 31 dentists per 100,000 people as of Connecticut. That’s a ratio of threedentists per 100,000 people as in other countries for decades, and it can work in the United States. The idea has worked in other countries for decades, and it can work in the United States. 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SCHOOL MEALS MATTER

I don’t see school meals as a problem. I see them as an opportunity.

When I took a position five years ago at the helm of the Chicago Public Schools Nutrition Support Services, I didn’t dream anything previous leaders had accomplished and I didn’t attempt to go it alone. Early in my tenure, I partnered with the Chicago-based Healthy Schools Campaign (HSC). HSC was already advocating for revitalized school meals; increased opportunities for physical activity and healthy school environment interventions.

With HSC, we worked to leverage existing relationships with parents and school administrators as we began, quietly, to make small changes to the 140,000 breakfasts and 240,000 lunches we serve each day. We switched to whole milk. We began offering fresh fruit every day as an option. We removed deep-fat fryers from our kitchen. Beyond those quick fixes, it became a challenge to stay within our means, but we kept going. We placed limits on juice at breakfast; we stopped using canned vegetables, we increased servings of whole grains and fiber; we eliminated trans fats and we introduced solid foods.

Yet I’ve come to realize that food is only one part of the equation. If we’re not educating students about healthy eating, we’ve lost an opportunity to build on what we started in the cafeteria. So I brought on a district-wide manager of health and wellness; we’ve begun identifying a wellness champion at each school; and we require schools requesting a salad bar to offer nutrition education in the classroom.

To that end, we introduced the Breakfast in the Classroom program, which offers all elementary students, regardless of their families’ income, a free breakfast when they arrive at school. A parent wrote recently to say, “My son feels healthier during the day and has a lot more energy because of this program.” But my favorite comment came from one little boy who told me he liked breakfast in the classroom because he enjoyed the quiet time of everyone eating together. I thought that was a remarkable insight coming from a child.

One of the most successful and gratifying programs we’ve participated in with HSC is Cooking Up Change, a national contest in which teams of high school students compete to create a healthy school meal. The meals have to meet our nutritional standards, use ingredients from their list, have no more than six preparation steps and cost a dollar or less per serving for ingredients. The winning team serves its meal to the mayor, city hall and the school board, and the meal is served in cafeterias throughout our school district. This year’s winning team prepared bone-in chicken, rolled in flour and crushed Ritz crackers and baked, along with a sweet potato salad and a side dish of cabbage and kale they called Croutin. The winner from two years ago – chicken, jalapeños, with jalapeño cornbread and cucumber salad – is still on the menu. Students talk about the winner, word gets around. This is how change happens.

The Chicago Public Schools Nutrition Support Services (CPNSS) seeks to provide all students in the nation’s third largest school district with nutritious, appealing meals that contribute to their success in the learning environment. It “goes for the gold” through its partnership with the Healthy Schools Campaign (a W.K. Kellogg Foundation grantee) and keeps it moving by the latest standards of the USDA’s HealthierUS School Challenge.

This menu meets the “HealthierUS” School Challenge Gold Standard!

SEGREGATED SPACES CREATE HEALTH RISKS

The spaces and places where families live, work and play powerfully shape the opportunities that children have to achieve good health. Community conditions can overwhelm even the most persistent and determined efforts of children and families to take steps to improve their health.

Neighborhoods characterized by high rates of poverty are disproportionately burdened by health risks, such as environmental degradation, often brought about by a high density of polluting industries. It’s harder to eat right in these communities because there are fewer grocery stores offering fresh foods and vegetables.

These same communities typically have poorer housing and transportation options. Many of these neighborhoods also experience high rates of crime and violence, which affect even those who are not directly victimized, as a result of stress and an inability to feel safe in their environment.

Children of color disproportionately live, go to school and grow in unhealthy communities, and these differences in neighborhood characteristics are a major factor that exacerbates the health of many minority children relative to national averages.

New research released by the Joint Center for Political and Economic Studies, working in collaboration with the Poverty and Race Research Action Council, finds that concentrated poverty has risen substantially since 2000. About one in 11 residents of American metropolitan areas, or 22.3 million people, now live in a neighborhood where 50 percent or more of their neighbors live in poverty – the very community best with multiple problems of the kind described above.

The report finds that African-Americans, Hispanics and American Indians are substantially more likely to live in high-poverty neighborhoods than white non-Hispanics. One in four African-Americans, one in six Hispanics and one in eight American Indians in metropolitan America lives in a census tract in which 50 percent or more of the population is in poverty. These rates starkly contrast with the estimated one in 25 non-Hispanic whites who live in these tracts.

Children and families of color are more likely to live in high-poverty neighborhoods because of a host of historic and contemporary factors that facilitate segregation, such as the tugs of white flight, police action, school funding and housing policies. The Joint Center’s report also makes clear that people are more likely to be victimized in their communities by physical and sexual violence.

Federal laws that prohibit housing discrimination effectively helped to promote integration in many American cities. But segregation continues to be a predictor of significant child health disparities. “Segregated Spaces, Risky Places,” a report released by the Joint Center in Sept. 2011 powerfully illustrates this point: the report’s simulation of how varying levels of segregation affect racial gaps in infant mortality accurately estimated that complete black-white residential integration would have caused more than 2,400 black infant deaths in 2004. With full integration, Hispanic  would have a lower rate of infant mortality than whites.

Note: 2000, the Joint Center for POLICY STUDIES report, supported by the W.K. Kellogg Foundation, was written to address these and other community conditions that shape the health of vulnerable children. RAC-MATTER; race, composed of local community, public health and academic leaders, are working to improve vulnerable children’s access to health-enhancing resources, like healthy food and access to safe parks, while working to reduce the barriers of environmental disparities.
I will do everything I can to get my child ready for school.

At the W.K. Kellogg Foundation, we understand that parents are their children’s first teachers.

We also know that children who receive high-quality care and early education are more likely to be ready for kindergarten, perform better academically and graduate from high school. Armed with what we know, the Kellogg Foundation supports early childhood programs like Reach Out and Read, Avance, First Five Years Fund, Thrive by Five Washington and Raising a Reader that help parents prepare their children for school.
Mom was still fighting with substance abuse, and dad was just not in the picture. At age 11 I was introduced to the drug trade. I became a runner for the older drug dealers, making as much as $500 a week depending on how many I was paid. I used the money to support myself and help out my mom. I caught my first serious drug charge at 16, when I was caught with 40 bags of dope. I attended school on a suspended basis and ended up dropping out, a high school dropout. My son was born when I was 15. Much more important, we were growing up, so I needed to save up more. I got locked up again at 16 and was placed into the class of juvenile delinquents and then transferred to the Claussener Foundation’s Fresh Start program.

While I was at Fresh Start I was able to get my high school diploma (GED); I got an ID and learner’s permit, attend driving school and obtain a job. While at drug court I learned how drugs are destroying my community, including my mother, and how in essence I was participating in the destruction of my mother’s life. If it was not for the encouragement of Fresh Start and their staff, they showing me that I am more than an eight-ball, I would be dead or locked up.

The key to income for struggling youth like me is a good support network of people they can talk to, who can steer them in the right direction. Even though I have graduated from Fresh Start, I still keep in contact with them, at least every few weeks. I need that level of inspiration they give me to keep moving forward.

I am now 17 and I work every single day. I complete everything that my supervisor asks of me, and I have been able to grow as an individual in my free time.

I think any youth who has been through the same situations as I have can now see the Fresh Start “Plan” account becomes a moral commitment, compassion, tenacity and reliability. You need those when your family is relying on you to find something eat every night. But if my supervisor had met me three years ago, he might have had a different opinion of my skills. My goals include working to provide for my son, attending a trade school and providing a positive and healthy support structure for my son. If it was not for the support system that Fresh Start is still providing for me, I would not be thinking about a future right now.

By Tyrone Williams, Fresh Start graduate, Baltimore

FAMILIES CAN SAVE MORE THAN MONEY
AN INTERVIEW WITH HANK HUBBARD, PRESIDENT, COMMUNICATING ARTS CREDIT UNION, DETROIT

Economic insecurity is the most intractable challenge facing violence-free families.

“The people we serve rely on check cashers, payday lenders and other loan that charge exorbitant interest rates and fees,” according to Hank Hubbard, president of the Communicating Arts Credit Union in Highland Park, Mich.

“What we’re trying to do is show our members that a savings habit is not as painful as they think.”

Over 42,000 credit unions offer nationally recognized expertise in working with people with low incomes and credit scores. For example, Fresh Start, the original eight credit union, and the only one focused on low-income people— to point the Dowkey to Denise Pauleau’s “You’re the Man to the Man’s” is based on a proven-saving concept championed by Harvard Business School Professor Peter Tufano, which seeks to motivate new savers.

“We had an extraordinary takeup in the first year,” said Hubbard. “About 14 percent of our members started an account.”

Yet two years later, enrollment is down to about seven percent, reflecting the difficulty of getting credit unions closer to the credit union service “It’s expensive to be poor,” said Hubbard.

“Save to Win” is just one of the techniques the credit union employs. There are hundreds of examples, including customer counseling, community and student education efforts.

“I’m haunted by the fact that I can’t get people to put something away,” Hubbard said. “So we created a certificate program they can keep and sell with a 10 percent rate. The board thought I was crazy, and wanted to put all kinds of limits on eligibility.

As it turned out, over-enrollment was not a problem. “We had an extraordinary takeup in the first year,” said Hubbard. “About 14 percent of our members started an account.”

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Now 17, that feeling is less strong when that deadline was looming; becoming a constant mental state. The stress has worn me out. I have lost hope for the future.

Their psychical resources are reserved for “difficult,” “important” situations that have a high value, focus and being in the long run. But those with low incomes are not as fortunate. They have the same (limited) capacity for self-control and attention – but are forced to expand a large fraction of it on dealing with the ups and downs of everyday life.

Simply managing the basics of life uses psychical resources.

This leaves less psychical resources for the important tasks of life. If the mind is constantly fretting, putting money, food and losing its value. They are homegrown, and include customer counseling, community and student education efforts.

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I am a 40-year-old Tzotzil woman, born in Bajánono, Chiapas, who speaks from experience. Growing up in Chiapas means feeling fortunate to grow among great cultures and traditions. Nonetheless, it is not easy to be a Tzotzil girl. Our parents tell us that we can’t or we don’t know or we’re poor or we’ll never amount to anything. We doubt ourselves whenever we want to do something different from what is expected of us. When we ask why we must love like this, they tell us, “That’s the way it should be.”

I found another answer: one can indeed get ahead, even as a girl. One must struggle, find allies. Those allies help us understand that beauty and honor are not always what we were taught. Sometimes, all we need is someone to accompany us or in our professional and emotional growth. We don’t want to be like others. But it is possible to raise my culture, and also to learn about other worlds. We must respect our parents and our community members so that they help their children fulfill their dreams and have a better quality of life.

It is a priority to work with the indigenous children in Chiapas. There is a lot that must be done in the community, especially regarding education. Our parents teach us to speak Tzotzil and our teachers teach us, “That’s the way it should be.”

As these perspectives and stories illustrate, the greatest act of love a parent can give a child.

Edward P. Silliman, director of Latin America and Caribbean programs, W.K. Kellogg Foundation, México City
The W.K. Kellogg Foundation recognizes that strong, stable families and communities can raise happy, healthy, successful children.

This is the face of financial independence.

That’s why we support the Family Independence Initiative, a national anti-poverty center that supports families working collectively to overcome challenges, build financial stability, strengthen their communities and prepare the next generation to grow, contribute and lead. Additional resources we support include the Doorways to Dreams (D2D) Fund, the National Community Tax Coalition and the Consortium for Community Development.
**GOVERNANCE**

As fiduciaries, the board provides oversight to all aspects of the foundation’s activities. To provide program oversight, trustees engage in on-going reviews of grantmaking and on-going evaluation of the impact made by the foundation’s work and grants. The board provides fiscal and legal oversight via the work of its five standing committees: the audit committee, the board development committee, the budget committee, the CEO compensation committee and the finance committee. The board chair appoints committee members annually in consultation with the president.

**COMMITTEES AND MEMBERS**

**BOARD OVERSIGHT**

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**President and CEO**

Our board of trustees elects the president and CEO to execute a mutually articulated and agreed upon strategy for the foundation. The president and CEO, in turn, works closely with an executive council composed of staff leaders to implement policy, support oversight and evaluation, and execute strategic direction through grantmaking, communications and related activities. In addition, the president and CEO actively shares and applies the foundation’s institutional skill and knowledge externally. Through continual conversation with business, government, community and philanthropic leaders, policymakers, granting and grant recipients, the president and CEO identifies opportunities to further the foundation’s goals and direction of the foundation personnel in pursuit of those opportunities.

**BOARD OF TRUSTEES**

The W.K. Kellogg Foundation is governed by an 11-member board of trustees that includes the foundation president and CEO. We elect our trustees from a variety of backgrounds and professional disciplines. Each trustee brings wisdom, insight, diverse perspectives and a wealth of experience to the boardroom. The board’s shared dedication to our mission and strong commitment to honoring our donors’ intent is essential to the success of the governance foundation’s governance. Trustees meet monthly with one meeting each year reserved for strengthening governance practice and another reserved for site visits in the field. During site visits, trustees meet with community members, grantee government and business leaders and other partners. The visits familiarize trustees with the challenges and opportunities facing the community that are the focus of our grantmaking. The board governs in accordance with the foundation bylaws, committee charters, policies and a written code of ethics. Each document guides the foundation strategically, facilitating the successful pursuit of our mission to propel vulnerable children to lifelong success.

**ENGAGING IN COMMUNITY**

A Message from Fred Keller, board chair

In last year’s annual report, I wrote of my excitement about a transformative period for the foundation. Among other things, I noted the expanded role of the program officer; and a new set of guidelines that essentially challenges program officers: not only to invest, but to be involved in the community’s processes of change making: In our evolving conception, it is the community that needs to drive its own change in ways that fit priorities and carry out. The key is in how a community describes itself, who are the community, what changes are needed and who is best able to describe and carry out the solutions to those needs.

There is an underlying urgency to this work, stemming from what Sterling Speirn, in his current president’s letter, calls “an era of fiscal constraint,” and the likely impact on efforts to propel vulnerable children to success.

There are at least three ways to view our focus on vulnerable children. One view is through “social responsibility.” While noble in nature, I often see that played out as a kind of nagging guilt trip, an obligation that the more fortunate should feel for the less. Another is more psychological – even biological – that suggests, based on considerable research, that to some extent we are wired for compassion and empathy as a species to nurture the most vulnerable among us. The oft-cited story of W.K. Kellogg’s frustration with his severely injured grandson may be one apt example.

But for the Kellogg Foundation there is a third view: the belief that a community’s commitment to nurture its vulnerable children is an important harbinger of the strength, health and capacity for improvement. A pragmatic corollary follows: the extent to which governments can more readily accept the responsibility of impact-provider being played by philanthropies like the Kellogg Foundation.

**Finance**

Much needs to be done to understand: how to effectively engage a community as we do not disrupt power distribution inappropriately; how to effectively protect the wisdom from those who have lived a life of effective change; how to most appropriately and effectively assist in racial healing in all of our work.

Of course, measuring the benefit of specific social impact strategies remains a challenge. But, our commitment to doing so is greater than ever. If we can continue to measure and evaluate the outcomes that governments can more readily accept the improvement; especially when they are in dire need of remedies. The fact of our country’s economic stress makes the case for increased effectiveness of philanthropic investments. It also underscores the importance of the role of impact providers being played by philanthropies like the Kellogg Foundation. As incoming board chair, Bob Gillum assumes his new role in an environment where creative, insightful, and transformational efforts are needed by some of those being attempted at the foundation today become even more important. I’m pleased to extend my best wishes for his leadership in this exciting period.

**COMMITTEES AND MEMBERS**

**Audit**

Ramón Murguía*, Dorothy Johnson

Wenda Wekes Moore

**Sterling Spearin**, Fred Keller**

**Board Development**

Cynthia Milligan**, Dorothy Johnson

Hamlin Liu

Joseph Stewart

**Sterling Spearin**, Fred Keller**

**Budget**

Bobby Moser* **Roderick Gillum**

Hamlin Liu

Richard Tsoumas

**Sterling Spearin**, Fred Keller**

**CEO Compensation**

Roderick Gillum

**Fred Keller**

**Finance**

Roderick Gillum*

Cynthia Milligan

Wenda Wekes Moore

Bobby Moser

Joseph Stewart

**Sterling Spearin**, Fred Keller**

*Chair

**Ex-Officio
2011 PROGRAMMING AND NEW COMMITMENTS

During the past fiscal year, Sept. 1, 2010, through Aug. 31, 2011, the foundation made $306,877,193 in new commitments to 631 new projects and paid grant and program expenditures of $316,755,984 to its 1,080 active projects. Our grantmaking is divided into five primary program areas: Education & Learning (E&L); Food, Health & Well-Being (FHWB); Family Economic Security (FES); Community & Civic Engagement (C&CE); and Racial Equity (RE). Over time, we envision 60 percent of grantmaking dollars going to our priority places.

**GOAL: EDUCATED KIDS**
Success By Third Grade
Increase the number of children who are reading-and-math proficient by third grade.

**GOAL: HEALTHY KIDS**
Healthy Birth Weight and Optimal Development
Increase the number of children born at a healthy birth weight and who receive the care and healthy food they need for optimal development.

**GOAL: SECURE FAMILIES**
Children and Families at 200% Above Poverty
Increase the number of children and families living at least 200% above the poverty level.

**WHAT WE SUPPORT**

**WHOLE CHILD DEVELOPMENT**
The W.K. Kellogg Foundation supports children, families and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society. Our integrated approach centers on whole child development – ensuring the emotional, social, cognitive, physical, cultural and civic development of young children, with a special emphasis on prenatal to age 8, within the context of families and communities.

**WHERE WE WORK**

**NATIONALLY (UNITED STATES)**

- **MICHIGAN**
- **MISSISSIPPI**
- **NEW MEXICO**
- **NEW ORLEANS**

**INTERNATIONALLY (LATIN AMERICA, THE CARIBBEAN, NORTHEASTERN BRAZIL, SOUTHERN AFRICA)**

- **MEXICO (CHIAPAS HIGHLANDS, INNER LANDS OF THE YUCATÁN PENINSULA)**
- **HAITI (CENTRAL AREA, SOUTHWEST CORRIDOR)**

**OUR GOALS**
Our work is carried out by partners and programs that help us achieve our three organizational goals and embody our commitments to community and civic engagement, and to racial equity.

**WHERE WE WORK**

**COMMUNITY & CIVIC ENGAGEMENT**

- Whole Child Development
- Increase the number of children who are reading-and-math proficient by third grade.

**RACIAL EQUITY**

- Whole Child Development
- Increase the number of children born at a healthy birth weight and who receive the care and healthy food they need for optimal development.

**OUR GRANTMAKING**

**WHERE WE WORK**

**NATIONALLY (UNITED STATES)**

- **MICHIGAN**
- **MISSISSIPPI**
- **NEW MEXICO**
- **NEW ORLEANS**

**INTERNATIONALLY (LATIN AMERICA, THE CARIBBEAN, NORTHEASTERN BRAZIL, SOUTHERN AFRICA)**

- **MEXICO (CHIAPAS HIGHLANDS, INNER LANDS OF THE YUCATÁN PENINSULA)**
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**2011 PROGRAMMING AND NEW COMMITMENTS**

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<th>Location</th>
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<td>NEW ORLEANS</td>
<td>$12 Million</td>
</tr>
<tr>
<td>NATIONAL</td>
<td>$160 Million</td>
</tr>
<tr>
<td>INTERNATIONAL</td>
<td>$14 Million</td>
</tr>
</tbody>
</table>

**WHOLE CHILD DEVELOPMENT**

**OUR GOALS**

- Whole Child Development
- Increase the number of children who are reading-and-math proficient by third grade.

**WHERE WE WORK**

**NATIONALLY (UNITED STATES)**

- **MICHIGAN**
- **MISSISSIPPI**
- **NEW MEXICO**
- **NEW ORLEANS**

**INTERNATIONALLY (LATIN AMERICA, THE CARIBBEAN, NORTHEASTERN BRAZIL, SOUTHERN AFRICA)**

- **MEXICO (CHIAPAS HIGHLANDS, INNER LANDS OF THE YUCATÁN PENINSULA)**
- **HAITI (CENTRAL AREA, SOUTHWEST CORRIDOR)**

**OUR GRANTMAKING**

- Whole Child Development
- Increase the number of children who are reading-and-math proficient by third grade.

**WHERE WE WORK**

**COMMUNITY & CIVIC ENGAGEMENT**

- Whole Child Development
- Increase the number of children who are reading-and-math proficient by third grade.

**RACIAL EQUITY**

- Whole Child Development
- Increase the number of children born at a healthy birth weight and who receive the care and healthy food they need for optimal development.

**OUR GRANTMAKING**

<table>
<thead>
<tr>
<th>Location</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICHIGAN</td>
<td>$83 Million</td>
</tr>
<tr>
<td>NEW MEXICO</td>
<td>$17 Million</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>$20 Million</td>
</tr>
<tr>
<td>NEW ORLEANS</td>
<td>$12 Million</td>
</tr>
<tr>
<td>NATIONAL</td>
<td>$160 Million</td>
</tr>
<tr>
<td>INTERNATIONAL</td>
<td>$14 Million</td>
</tr>
</tbody>
</table>
All children need the support of parents, caretakers and the community to ensure their healthy development, with commitments to parental engagement, teacher quality, aligning formal and informal systems, educational advocacy, lifelong learning and efforts to address racial equity in education and learning.

**AMERICAN UNIVERSITY FUND OF MICHIGAN**

**Bankers**

Promote equal access to education by working to reduce the suspension and expulsion rate of children to low enforcement agencies.

**AMERICAN INDIAN COLLEGE FUND**

**Dineo Cooru**, $40,000

Substantially improve learning outcomes for vulnerable children living in Native communities by working with select Tribal Colleges to develop program in school readiness and success by third grade.

**ASHCROFT COLLEGE**

**Minneapolis, Minn.**, $350,000

Reform education and learning for children and families through the creation of a shared vision and community of practice among ories and community agencies in accurately tracking PreK-6 chronic absence and limit the number of referrals of children to law enforcement agencies.

**BLACK FAMILY DEVELOPMENT, INC.**

**Detroit, Mich.**, $400,000

Improve academic, health, economic and other outcomes for children and families by supporting the planning activities for a Preschool Neighborhood in two Detroit communities.

**CHILD AND FAMILY POLICY CENTER**

**Des Moines, Iowa**, $400,000

Provide activities and services to support successful early educational advancement for young children attending eight charter elementary schools in New Orleans.

**COLLEGE FOR CREATIVE STUDIES**

**Detroit, Mich.**, $4,000,000

Support the development of healthy, educated Detroiters children and families by creating a local center, which addresses needs while fostering community engagement and self-determination.

**CRI FOR EDUCATION**

**Washington, D.C.**, $600,000

Engage middle school youth in identifying areas for improvement within individual schools and the school system as a whole, developing innovative solutions and acting on those solutions on a city-wide scale.

**CUNA MUTUAL FUND**

**Carbunde, Colo.**, $410,000

Address the teacher preparation and retention crisis in our country, as well as the underrepresentation of Latino and Latina teachers.

**NATIVE AMERICAN COMMUNITY ACADEMY**

**Albuquerque, N.M.**, $450,000

Increase the number of Native American K-12 educators who are trained in the Community Led Schools Model and Indigenous Education in New Mexico.

**NEW MEXICO PUBLIC EDUCATION DEPARTMENT**

Rita Pl. N.M.**, $350,000

Implement the Common Core Standards in New Mexico for instructional changes that will ensure all students are prepared for success in postsecondary education and the workforce.

**OPERATION BEACH**, **Grand Rapids, Mich.**, $100,000

Build a vision of public education which aims to increase educational achievement of the city’s predominantly poor and minority students who attend public schools in New Orleans.

**PARTNERSHIP FOR COMMUNITY ACTION**

**Albuquerque, N.M.**, $350,000

Increase quality early learning and childhood development for New Mexico children by supporting a comprehensive parent engagement and leadership program with a focus on Hispanic families that build upon existing cultural strengths.

**SOUTHWESTERN MICHIGAN URBAN LEAGUE**

**Battle Creek, Mich.**, $350,000

Improve academic performance, increase access to higher education and create a culture of positive advocacy for vulnerable and disadvantaged youth in Battle Creek by supporting the Family Focus Project.

**TEACH FOR AMERICA, INC.**

**New York, N.Y.**, $2,300,000

Improve educational outcomes for Detroit students by providing high-quality teachers to supplement the existing teacher corps in Detroit charter and district schools.

**UNITED METHODIST COMMUNITY HOUSE**

**Grand Rapids, Mich.**, $500,000

Help sustain the Early Learning Neighborhood Collaborative’s agenda to prepare young children in targeted neighborhoods in Grand Rapids, by strengthening the organizational capacity of United Methodist Community House and Partner Community Center.

**UNITED WAY OF SANTA FE COUNTY**

**Santa Fe, New Mexico**, $250,000

Support community and parent engagement to raise awareness about access and opportunities for students and their families within the Santa Fe Public School system.

**UNIVERSITY OF FLORIDA FOUNDATION, INC.**

**Gainesville, Fla.**, $2,000,000

Advance existing Ready Schools work and create national models on four fronts: racial equity, teacher leadership, early childhood and children’s health.

**WASHINGTON EARLY LEARNING FUND**

**Seattle, Wash.**, $2,300,000

Advance racial equity, reduce system barriers, cultivate a diverse set of leaders and advocate for services beginning at birth to improve the lives of vulnerable children and their families.

**WAY TO GROW**

**Minneapolis, Minn.**, $150,000

Balance school readiness and poor children remain on track from kindergarten through third grade by extending home-visitation services to additional children and developing and implementing expanded and age-appropriate curriculum.

**WOODROW WILSON NATIONAL FELLOWSHIP FOUNDATION**

**Princeton, N.J.**, $1,330,000

Improve educational outcomes for Detroit students by providing high-quality teachers to supplement the existing teacher corps in Detroit charter and district schools.
SAMPLE GRANTS

FOOD, HEALTH & WELL-BEING (FHW)

Children deserve good food, stimulation, healthy living conditions and access to quality health care. We help children get a healthy start by supporting organizations working to improve birth outcomes and first food experiences, create access to healthy foods and educate mothers, families and communities about the importance of healthy foods for children. We especially focus on children who are disadvantaged by multiple societal factors, a disproportionate percentage of whom are children of color. We also support efforts to improve access to quality health care and public health systems.

ACADEMY OF BREASTFEEDING MEDICINE
New Rochelle, N.Y. | $200,000
Improve breastfeeding rates and reduce breastfeeding disparities and identify persistent racial and geographical gaps in policies and practices.

ABLER SCHOOL OF PROFESSIONAL PSYCHOLOGY
Chicago, Ill. | $150,000
Develop, implement and evaluate a Mental Health Impact Assessment tool that assesses the impacts of public decisions and actions on the social determinants of mental health in low-income communities.

AMERICA’S PROMISE THE ALLIANCE FOR YOUTH
Washington, D.C. | $600,000
Create a wellness resource for state policies related to the wellness of military families and implement a home visitation program for new mothers in military families.

BADA HOUGHTON KENNEKAN CHILD DEVELOPMENT BOARD
Houghton, Mich. | $119,491
Provide comprehensives intervention for preschoolers and their families by increasing parent-child knowledge about healthy eating, physical activity and preventive care in the Copper Country region of Michigan.

BATTLE CREEK COMMUNITY FOUNDATION
Battle Creek, Mich. | $1,000,000
Address health disparities among vulnerable populations in Calhoun County by enabling the Regional Health Alliance to develop and implement strategies that will lead to improved health outcomes.

BOSTON MEDICAL CENTER CORPORATION
Boston, Mass. | $175,000
Reward program capacity to sustain public and policy focus on food insecurity and its relationship to health, well-being and optimum growth and development of vulnerable children.

CHERRY STREET SERVICES, INC.
Grand Rapids, Mich. | $500,000
Strengthen child health services and outcomes in Grand Rapids through the establishment of the Children’s Health Improvement Project.

CHILDREN’S ALLIANCE
Seattle, Wash. | $450,000
Increase the real wealth of vulnerable children and families in the state of Washington by transforming the dental health workforce through the establishment of midlevel dental providers.

COALITION OF IMMOBILE WORKERS, INC.
Immokalee, Fla. | $200,000
Develop a pilot program for the implementation and monitoring of human rights agreements with corporate tomatoes growers which include a price-protective auditing system, complaint investigation and resolution mechanism and worker education strategy.

COASTAL FAMILY HEALTH CENTER
Biloxi, Miss. | $200,000
Increase community access to affordable primary prenatal, integrated pediatric mental health and medical services for children and families in Kent, Biloxi and the Gulf Coast region.

COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
Hernando, Miss. | $350,000
Improve the nutrition, health and well-being of children and their families in the Mississippi Delta by addressing the gaps, service gaps and lack of cultural competency.

CON ALMA HEALTH FOUNDATION, INC.
Santa Fe, N.M. | $200,000
Support the planning of a community engagement and capacity-building strategy in Bernalillo, Dona Ana, San Juan and McKinley counties to influence health care reform implementation in New Mexico on behalf of vulnerable children and families.

DETROIT BLACK COMMUNITY FOOD SECURITY NETWORK
Detroit, Mich. | $350,000
Transform the community food system in Detroit so vulnerable children and families will benefit.

EASTERN MARKET CORPORATION
Detroit, Mich. | $1,000,000
Enhance children’s environmental health at school by harnessing public-interest expertise to support the Environmental Protection Agency’s leadership role in implementing federal guidelines.

JACKSON MEDICAL MALL FOUNDATION
Jackson, Miss. | $400,000
Reduce childhood obesity and build self-esteem and character in youth and their families through support of physical activity and life skills training programs.

LA SALLEMILA FOOD CENTER
Mexico, N.M. | $400,000
Foster a socially equitable and economically viable regional food system in the San dell’oro region of southwestern New Mexico and El Paso County, Texas, by strengthening organizational capacity of the La Sal Lemon Food Center.

MARK ALLEN MILLER

MIDTOWN NEIGHBORHOOD ASSOCIATION
Philadelphia, Pa. | $75,000
Develop a comprehensive intervention in the North Central Philadelphia area.

MISSISSIPPI SOIL AND WATER CONSERVATION DISTRICTS
Carthiad, N.M. | $200,000
Improve breastfeeding rates of low-income, Latina mothers, to ensure most women delivering at Bernalillo Medical Center, receive assistance through the United States Department of Agriculture Farm Bill programs by providing technical assistance.

NEAR COMMUNITY FOOD BANK
Jamaica Plain, Mass. | $190,000
Improve healthy food access and increase nutritional knowledge of underserved children and families.

NEW MEXICO ASSOCIATION OF CHILDREN’S ALLIANCES
Santa Fe, N.M. | $74,000
Increase food and economic opportunities for disadvantaged, underserved Latino immigrant families by building upon the success of an urban agriculture production pilot program.

NATIONAL CENTER ON FAMILY HOMELESSNESS, INC.
Washington, D.C. | $50,000
Increase the rate of breastfeeding among homeless women in Montana by collecting, reviewing and analyzing data and information that can inform policy and practice.

NATIVIDAD MEDICAL FOUNDATION, INC.
Salinas, Calif. | $45,000
Improve breastfeeding rates and reduce breastfeeding disparities and identify persistent racial and geographical gaps in policies and practices.

ORANGE COUNTY VISIONS FOR HEALTHY CHILDREN

PARTNERSHIP FOR A HEALTHIER AMERICA

PHILADELPHIA MEDICAL CENTER CORPORATION
Philadelphia, Pa. | $75,000
Implement a comprehensive breastfeeding program providing direct health services and community-based programming along with the development of best practices and “Baby Friendly” designation.

PRB FAMILY SERVICES, INC.

PROVINCE OF ST. JOSEPH OF THE CAPUCHIN ORDER

PUBLIC HEALING NETWORK

RESTON, VA. | $400,000
Implement a comprehensive breastfeeding program providing direct health services and community-based programming along with the development of best practices and “Baby Friendly” designation.

SOUTHERN CHAMPIONS FOR A HEALTHIER AMERICA

ST. JOSEPH HOSPITAL AND MEDICAL CENTER

TAKE A STEP LA CASA, INC.

TANOMICHE TANOMICHE HEALTHY FAMILIES CAMPAIGN

TENNESSEE RNAUDIO FOUNDATION, INC.

TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THE GROWTH FUND

UCSF GERIATRIC MEDICINE RESEARCH CENTER

UNIVERSITY OF MISSOURI COLLEGE OF MEDICINE

UNIVERSITY OF VIRGINIA

WASHINGTON, D.C. | $200,000
Implement a comprehensive intervention in the North Central Philadelphia area.

A laptop distributed bylocavore.

This report was produced by the W.K. Kellogg Foundation and the Kellogg School of Management at Northwestern University.

This report identifies the 100 largest U.S. foundations for 2011. For more information visit www.kelloggf.org.
In an era when the United States is moving toward a new economy, we want to ensure that all families achieve the economic security they need to provide a strong foundation for their children. We recognize that the primary needs of the family must be addressed to create pathways out of poverty for children. We support programs that foster and support the economic empowerment of parents: teach marketable skills, and promote postsecondary achievement and financial independence. We also support efforts that increase assets, income and aspirations of vulnerable children and their families and reduce disparity based on class, gender and race.

**SAMPLE GRANTS**

**FAMILY ECONOMIC SECURITY (FES)**

**ACCION NEW MEXICO**
Denver, CO | $400,000
Support delivery of vital business credit and financial literacy training to underserved entrepreneurs and their families in New Mexico.

**BARELAS COMMUNITY COALITION, INC.**
Albuquerque, NM | $100,000
Organize local decision-makers and residents to implement a community-based planning strategy in Barelas that supports sustainable stability among low-income families.

**CENTER ON BUDGET AND POLICY PRIORITIES**
Washington, D.C. | $500,000
Expand access to needed benefits and tax credits that build assets for low-income families through national and state policy interventions and practice.

**CENTRAL CITY RENAISSANCE ALLIANCE**
New Orleans, LA | $500,000
Build the community as a learning campus and develop a community cultural asset through which resident value and activity participate in formal lifelong learning opportunities.

**CENTRAL NEW MEXICO COMMUNITY COLLEGE FOUNDATION, INC.**
Albuquerque, NM | $1,200,000
Increase the number of female and career leader opportunities for low-income students to help them move toward financial security by enrolling in the expansion of focused student-support efforts in all six Central New Mexico Community Colleges.

**COMMUNITY ACTION AGENCY OF SOUTHERN NEW MEXICO INC.**
Las Cruces, NM | $200,000
Reduce asset development work in southern New Mexico among low-income children and families and develop a working model around scaling asset development.

**COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION OF MICHIGAN**
Lansing, MI | $150,000
Enable the organization to achieve its mission of helping vulnerable families obtain financial security by providing general operating support.

**CORPORATION FOR ENTERPRISE DEVELOPMENT**
Battle Creek, MI | $760,000
Develop a comprehensive plan for redesign of the state community college system's delivery of occupational and technical career pathways serving lower-skilled community college system's delivery of occupational and technical career pathways serving lower-skilled adult students by supporting the planning and design efforts of the “AHR to Credential” adult basic education initiative in New Mexico.

**DELTA HEALTH ALLIANCE, INC.**
Natchez, MS | $200,000
Support low-income children and families in Indianola, Miss., by planning and developing the federal Promise Neighborhood model.

**DIAGNOSTIC & TREATMENT CENTER**
Albuquerque, NM | $200,000
Enable the organization to achieve its mission of stabilizing low-income families in communities along the Gulf Coast, with a specific focus on East Biloxi by providing general operating support.

**FIRST NATIONS DEVELOPMENT INSTITUTE, OFFICE OF**
Battle Creek, MI | $190,000
Provide job skills to marginalized individuals by providing general operating support.

**GOODWILL INDUSTRIES OF CENTRAL MICHIGAN’S HEARTLAND, INC.**
Battle Creek, MI | $140,000
Create and maintain new jobs and career leaders that lead to higher paying employment opportunities for individuals in Battle Creek living 200% below poverty.

**GOODWILL INDUSTRIES OF GREATER GRAND RAPIDS, INC.**
Grandville, MI | $120,000
Build organizational capacity around racial equity by the implementation of a professional development pipeline that attracts and retains professionals of color.

**GRAND RAPIDS, INC.**
Biloxi, MS | $795,000
Enable the organization to achieve its mission to improve the health, nutrition, economic security and well-being of low-income New Mexico statewide by providing general operating support.

**HOPES COMMUNITY DEVELOPMENT AGENCY**
Biloxi, MS | $500,000
Enable the organization to achieve its mission of helping vulnerable families obtain financial security in communities along the Mississippi Coast.

**JACKSON STATE UNIVERSITY**
Jackson, MS | $120,000
Expand the Mississippi Learning Institute to work with families with children, ages 6-18, in the Washington Addition neighborhood to establish “parents as first teachers” program and provide technical assistance to the neighborhoods children providers and parents in preparing children for kindergartens.

**KELLOGG COMMUNITY COLLEGE**
Battle Creek, MI | $975,000
Support additional capacity and access to quality early education in Central City New Orleans by expanding the programs and training programs and develop and implement an Early Childhood Learning Center.

**KOREATOWN YOUTH AND COMMUNITY CENTER**
Los Angeles, CA | $560,000
Increase family stability by engaging low-income Latino immigrants in Koreatown at a multi-service organization promoting parent engagement, education and economic stability.

**LIBERTY’S KITCHEN, INC.**
New Orleans, LA | $100,000
Teach youth how to succeed in the world of work by expanding both employment and training opportunities through the new Healthy School Lunch Program.

**LINO MINT JUICE**
New Orleans, LA | $87,500
Provide pre- and post-teacher and credit counseling to bilox residents referred by housing partners in Harrison County and provide General Eligibility and Volunteer Income Tax Assistance services to residents of Biloxi.

**LOCAL INITIATIVES SUPPORT CORPORATION**
New York, N.Y. | $100,000
Assist families in becoming economically self-sufficient by supporting the organization and development of Centers for Working Families in Detroit.

**MQVN COMMUNITY DEVELOPMENT CORPORATION**
Battle Creek, MI | $275,000
Provide financial literacy, homeownership, foreclosure mitigation education and counseling and other social service programs and create new and sustained jobs for low-income Vietnamese, African-American and Latino families by supporting the organization’s capacity.

**NEW MEXICO CENTER ON LAW AND POVERTY, INC.**
Albuquerque, NM | $150,000
Enable the organization to achieve its mission to improve low-income New Mexicans statewide by providing general operating support.

**NEW ORLEANS FOUNDATION**
New Orleans, LA | $253,559
Support low-income children and families in New Orleans by improving mothers’ literacy training to underserved entrepreneurs and their families.

**NATIONAL CENTER ON BUDGET AND POLICY PRIORITIES**
Washington, D.C. | $1,200,000
Increase the number of female and career leader opportunities for low-income students to help them move toward financial security by enrolling in the expansion of focused student-support efforts in all six Central New Mexico Community Colleges.

**OPPORTUNITY FUND NORTHERN CALIFORNIA**
San Jose, Calif. | $500,000
Use behavioral economics to design, implement and track interactions among income and asset development for low-income families that yield robust data and learning for the field.

**QII COMMUNITY DEVELOPMENT CORPORATION**
Albuquerque, NM | $100,000
Enable the organization to achieve its mission of helping vulnerable families obtain financial security in communities along the Gulf Coast.

**RIVERA FAMILY FOUNDATION**
Los Angeles, Calif. | $450,000
Support the planning and development of a community-based center for low-income immigrant families that yield robust data and learning for the field.

**SAMPLE GRANTS**

**UrbAAN STRATEGIES, INC.**
St. Louis, MO | $350,000
Provide additional capacity and access to quality early education in Central City New Orleans by expanding the programs and training programs and develop and implement an Early Childhood Learning Center.

**VISTAS OF HOPE, INC.**
Biloxi, MS | $123,323
Provide pre- and post-teacher and credit counseling to bilox residents referred by housing partners in Harrison County and provide General Eligibility and Volunteer Income Tax Assistance services to residents of Biloxi.

**MISSISSIPPI CENTER FOR JUSTICE**
Jackson, MS | $200,000
Provide job skills to marginalized individuals by providing general operating support.

**MISSOURI COMMUNITY DEVELOPMENT CORPORATION**
New Orleans, LA | $238,992
Expand educational opportunity for low-income Mississippi children, especially children of color, by selling legal and policy advocacy strategies, with an emphasis on Jackson, the South Delta and the Mississippi Coast.
### SAMPLE GRANTS

**COMMUNITY & CIVIC ENGAGEMENT (C&CE)**

We believe that people have the inherent capacity to solve their own problems and that social transformation is within the reach of all communities. We partner with those committed to inclusion, impact and innovation in solving challenges. We seek engagement through dialogue, leadership development, collaboration and new models of organizing. We amplify voices and support the civic and philanthropic infrastructure that help propel vulnerable children and communities forward. By partnering with diverse communities, we support new solutions tailored to meet the needs of children and families who are most vulnerable.

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago, Ill.</td>
<td>$550,000</td>
<td>MIKVA CHALLENGE GRANT FOUNDATION INC. Provide funds to support charitable events, 2011 Fellows' Forum and Racial Unity and Community Healing.</td>
</tr>
<tr>
<td>Denver, Colo.</td>
<td>$20,000</td>
<td>KELLOGG FELLOWS LEADERSHIP ALLIANCE, INC. Charitable giving.</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>$400,000</td>
<td>Support policy analysis, awareness and advocacy efforts to help the nonprofit and philanthropic sectors improve the effectiveness of tax exemptions and incentives for charitable giving.</td>
</tr>
<tr>
<td>San Francisco, Calif.</td>
<td>$1,400,000</td>
<td>HISPANICS IN PHILANTHROPY Enable the organization to achieve its mission of increasing the effectiveness of place-based philanthropy.</td>
</tr>
<tr>
<td>Hallettsville, Texas</td>
<td>$300,000</td>
<td>GRASSROOTS GRANTMAKERS Supporting the national expansion of the Parent Powering program to help the nonprofit and philanthropic sectors improve the effectiveness of tax exemptions and incentives for charitable giving.</td>
</tr>
<tr>
<td>Hartford, Conn.</td>
<td>$1,200,000</td>
<td>CONNECTICUT COMMISSION ON CHILDREN Increase organizational capacity by expanding the strategic communications plan and outreach strategies; engagement and promotion of regional connections and strengthening programming to improve reciprocal relationships with members through the development of the E-Knotwork for Native Americans in philanthropy.</td>
</tr>
<tr>
<td>San Francisco, Calif.</td>
<td>$215,000</td>
<td>TIDES CENTER Promote social justice philanthropy practices, curriculum and training among next generation leaders by providing core operating support.</td>
</tr>
<tr>
<td>Murray, Ky.</td>
<td>$210,000</td>
<td>MURRAY - CALLOWAY ENDOWMENT FOR HEALTHCARE Enhance diversity, inclusion and equity across the philanthropic sector and strengthen the collective capacity to benefit all populations by supporting a coordinated plan of action to address cultural and structural barriers that inhibit the field of philanthropy.</td>
</tr>
<tr>
<td>New York, N.Y.</td>
<td>$1,000,000</td>
<td>NEW C&amp;CE COMMITMENT AMOUNT</td>
</tr>
<tr>
<td>Los Angeles, Calif.</td>
<td>$11,835,686</td>
<td>Percentage of grant dollars distributed by location</td>
</tr>
</tbody>
</table>

**ROCKETFELLER PHILANTHROPY ADVISORS, INC.**

New York, N.Y. | $1,000,000

Balance diversity, inclusion and equity across the philanthropic sector and strengthen the collective capacity to benefit all populations by supporting a coordinated plan of action to address cultural and structural barriers that inhibit the field of philanthropy.

**THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY**

Stanford, Calif. | $100,000


**TIDES CENTER**

San Francisco, Calif. | $615,000

Tides center.

**NEW C&CE COMMITMENT AMOUNT**

**2011 W.K. KELLOGG FOUNDATION ANNUAL REPORT**

Percentage of grant dollars distributed by location.
<table>
<thead>
<tr>
<th>RACIAL EQUITY</th>
<th>SAMPLE GRANTS</th>
</tr>
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<tbody>
<tr>
<td><strong>ASPER INSTITUTE, INC.</strong>&lt;br&gt;Washington, D.C.</td>
<td>$400,000&lt;br&gt;Develop and implement best practice strategies to minimize the impact of racial inequity and increase opportunities to thrive. Support community-based and national organizations whose innovative and effective programs foster racial healing; and through action-oriented research and policy-public work, translate insights into new strategies and sustainable solutions.</td>
</tr>
<tr>
<td><strong>BARNARD COLLEGE</strong>&lt;br&gt;New York, N.Y.</td>
<td>$54,565&lt;br&gt;Prepares facilitators for intercultural community work throughout Minnesota by developing and filming a training workshop on successful intercultural dialogue for use by the William Winter Institute for Racial Reconciliation in Minnesota.</td>
</tr>
<tr>
<td><strong>BLACK ADMINISTRATORS IN CHILD WELFARE, INC.</strong>&lt;br&gt;Washington, D.C.</td>
<td>$400,000&lt;br&gt;Develop and integrate best practice strategies to minimize the impact of racial inequity and increase opportunities to thrive. Support community-based and national organizations whose innovative and effective programs foster racial healing; and through action-oriented research and policy-public work, translate insights into new strategies and sustainable solutions.</td>
</tr>
<tr>
<td><strong>BUILDING BRIDGES OF ASHEVILLE, INC.</strong>&lt;br&gt;Asheville, N.C.</td>
<td>$150,000&lt;br&gt;Train facilitators and encourage dialogue about the effects of racism in the schools and develop strategies to address negative effects of race-related issues in the school system.</td>
</tr>
<tr>
<td><strong>CENTER FOR ASSESSMENT AND POLICY DEVELOPMENT</strong>&lt;br&gt;Brooklyn, N.Y.</td>
<td>$400,000&lt;br&gt;Develop, pilot and test new implementation of the Training of White Whiteness compensatory curriculum and resource framework designed for leadership development of race-related issues in post-9/11 era work. Support non-profit and community leaders.</td>
</tr>
<tr>
<td><strong>CENTER FOR NEW COMMUNITIES</strong>&lt;br&gt;Washington, D.C.</td>
<td>$150,000&lt;br&gt;Improve and impact the lives of low-income Hispanic/Latino children and families by addressing systemic barriers that prevent Hispanic/Latino led organizations from accessing or competing for public funds and other resources.</td>
</tr>
<tr>
<td><strong>CITYWIDE ALLIANCE</strong>&lt;br&gt;Cambridge, Mass.</td>
<td>$250,000&lt;br&gt;Advance, educate and promote an innovative strategy to address structural challenges to quality food access by developing a mutual, interoperational understanding of the past impacts current circumstances among black in southwest Georgia while building a cadre of leadership equipped to lead communities in building dialogue and social and economic empowerment activities.</td>
</tr>
<tr>
<td><strong>THE BROTHERHOOD/SISTERS SOL, INC.</strong>&lt;br&gt;New York, N.Y.</td>
<td>$250,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>FLORIA CENTER FOR CHILDREN AND YOUTH, INC.</strong>&lt;br&gt;Ann Arbor, Mich.</td>
<td>$2,135,229&lt;br&gt;Improve and impact the lives of low-income Hispanic/Latino children and families by addressing systemic barriers that prevent Hispanic/Latino led organizations from accessing or competing for public funds and other resources.</td>
</tr>
<tr>
<td><strong>FLORIDA CENTER FOR CHILDREN AND YOUTH, INC.</strong>&lt;br&gt;Arlington, Va.</td>
<td>$150,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>FOOD ACCESS IN THE STATE</strong>&lt;br&gt;Washington, D.C.</td>
<td>$400,000&lt;br&gt;Develop comprehensive and community-based strategies to improve conditions for black men and boys by strengthening relationships between communities and local organizations and businesses.</td>
</tr>
<tr>
<td><strong>GROWTH FUND FOR JUSTICE, INC.</strong>&lt;br&gt;New York, N.Y.</td>
<td>$150,000&lt;br&gt;Address and address systemic racism by supporting leaders and their organizations as they advance social and economic justice programs for vulnerable children and their families.</td>
</tr>
<tr>
<td><strong>LATINO DIGNITY COALITION</strong>&lt;br&gt;Washington, D.C.</td>
<td>$100,000&lt;br&gt;Build capacity of Latino farmers (“agripreneurs”) by creating a community garden program deepening community connections and building new relationships and resources within the community; and develop the skills of Latino youth to lead efforts for food justice.</td>
</tr>
<tr>
<td><strong>NEW HAMPSHIRE SOCIAL SERVICES NETWORK</strong>&lt;br&gt;Ann Arbor, Mich.</td>
<td>$50,000&lt;br&gt;Build capacity of Latino farmers (“agripreneurs”) by creating a community garden program deepening community connections and building new relationships and resources within the community; and develop the skills of Latino youth to lead efforts for food justice.</td>
</tr>
<tr>
<td><strong>NEW YORK, FOR JUSTICE</strong>&lt;br&gt;New York, N.Y.</td>
<td>$250,000&lt;br&gt;Strengthen awareness of the social and structural inequities affecting the health of Latino boys and men of color by publishing and disseminating a practitioner’s manual and facilitating dialogue.</td>
</tr>
<tr>
<td><strong>RESOLUTION, INC. DBA CALIFORNIA NEWSREEL</strong>&lt;br&gt;New York, N.Y.</td>
<td>$100,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>SANTA CRUZ BARRIOS UNIDOS, INC.</strong>&lt;br&gt;San Jose, Calif.</td>
<td>$50,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>SOUTHWEST GEORGIA PROJECT FOR COMMUNITY EDUCATION, INC.</strong>&lt;br&gt;Waycross, Ga.</td>
<td>$250,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>THE SMILBY COLLEGE</strong>&lt;br&gt;New Orleans, La.</td>
<td>$300,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>TIDES CENTER</strong>&lt;br&gt;San Francisco, Calif.</td>
<td>$600,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>RESIDENTS OF THE UNIVERSITY OF MICHIGAN</strong>&lt;br&gt;San Antonio, Tex.</td>
<td>$18,132,890&lt;br&gt;Build capacity of Latino farmers (“agripreneurs”) by creating a community garden program deepening community connections and building new relationships and resources within the community; and develop the skills of Latino youth to lead efforts for food justice.</td>
</tr>
<tr>
<td><strong>WEST VIRGINIA NETWORK</strong>&lt;br&gt;West Haven, Conn.</td>
<td>$75,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>WINESBERG CENTER FOR CHILDREN AND YOUTH</strong>&lt;br&gt;New York, N.Y.</td>
<td>$250,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
</tr>
<tr>
<td><strong>WINESBERG CENTER FOR CHILDREN AND YOUTH</strong>&lt;br&gt;New York, N.Y.</td>
<td>$250,000&lt;br&gt;Support the efforts of Native American tribes to strengthen their governance.</td>
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<td><strong>WINESBERG CENTER FOR CHILDREN AND YOUTH</strong>&lt;br&gt;New York, N.Y.</td>
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</table>
We remain focused on supporting organizations and programs in Latin America, the Caribbean, northeastern Brazil and southern Africa that work to foster education and nutrition, reduce domestic violence and child abuse; increase community engagement and action; and build meaningful partnerships to propel vulnerable children and their families to success.

AFRICA CRAFT TRUST
Johannesburg, South Africa | $100,000
Promote civic and social engagement among youth, ages 16-18, in six indigenous primary schools in Yucatán, Mexico, through a variety of educational and physical engagement activities.

AMANECER
Havana, Cuba | $50,000
Promote cognitive development, life skills, and good health in rural children, ages 0-10, in Tenejapa, Chiapas, by establishing a community-run child development center.

FUNDAÇÃO CRÍTICO A.B.P.
Rio de Janeiro, Brazil | $22,500
Promote black leadership for racial equity and social justice through implementation of a leadership program in northeast Brazil.

FUNDAÇÃO MEXICANO DE INVESTIGACIÓN DE FAMILIA Y POBLACIÓN, A.C.
México City, Mexico | $30,172
Promote cognitive development, life skills, and good health in rural children, ages 0-10, in Tenejapa, Chiapas, by establishing a community-run child development center.

INSTITUTO CULTURAL BENEFICENTE STEVE BIKO
Salvador, Brazil | $50,000
Promote black leadership for racial equity and social justice through implementation of a leadership program in northeast Brazil.

INTERNATIONAL INSTITUTE FOR DEVELOPMENT INNOVATION AND EDUCATION (IIDE)
Johannesburg, South Africa | $150,000
Promote cognitive development, life skills, and good health in rural children, ages 0-10, in Tenejapa, Chiapas, by establishing a community-run child development center.

FUNDAÇÃO CRIANÇAS CRÍTICAS A.B.P.
Rio de Janeiro, Brazil | $150,000
Promote black leadership for racial equity and social justice through implementation of a leadership program in northeast Brazil.

GOLDIE BALA DORA DE RECORDS PARA MULHERES
Rio de Janeiro, Brazil | $150,000
Promote visibility and the institutional development of black women's organizations and projects in northeast Brazil.

PERCENTAGE OF GRANT DOLLARS DISTRIBUTED, BY LOCATION

LATIN AMERICA & CARIBBEAN
56%

SOUTHERN AFRICA
99%

NEW INTL COMMITMENT AMOUNT

$14,404,516

TOTAL NUMBER OF 2011 INTL GRANTS

57

Percentage of grant dollars distributed, by location

2011 W.K. KELLOGG FOUNDATION ANNUAL REPORT | 13
The W.K. Kellogg Foundation continues to execute its disciplined investment strategy which has guided us through this volatile period. Anchored in sound fundamentals and risk management, we are financially well-positioned to meet the needs of our partner grantees. Program payments during the year totaled $137 million. Current and future year grant commitments totaled $136 million, and the board appropriated $75 million for new grants and direct charitable activities. Cash distributions for the fiscal year totaled $306 million for programs and operations.

Combined assets of the foundation and the trust totaled $7.9 billion at Aug. 31, 2011, an increase of 6 percent from the previous year. Kellogg Company stock posted returns of approximately 12.5 percent during the year, largely attributable to price increases and higher share volume. Like many consumer products companies, Kellogg raised its prices to offset higher commodity costs. Kellogg has also committed to increase investments in new product development by 25 percent. The diversified portfolios of the trust returned 13.4 percent, excluding Kellogg stock.

The diversified investment portfolio delivered returns of 5.3 percent, net of fees. This impressive performance resulted from the diversification of the portfolio from primarily cash equivalents to include allocations to fixed income and private equity. During the fiscal year, the foundation received its first capital distribution from one of our education investments, clearly validating the foundation’s MDI premise that certain investments can deliver both social and financial return. We are committed to partnering with our program staff to continue identifying opportunities that allow us to increase our ability to favorably affect the well-being of vulnerable children, their families and their communities.

Detailed financial statements are presented to the foundation’s board of trustees biannually. Fiscal operating plans prepared by management are reviewed by the budget committee and then forwarded to the full board for approval. An audit committee of the board reviews the results of the independent accountant’s and the foundation’s internal audit office’s examinations. Mitchell & Titus, LLP serves as the independent accountants for the foundation and the trust.

The foundation’s mission-driven investment (MDI) portfolio is 45 percent invested and has a positive return of 5.3 percent, net of fees. This impressive performance resulted from the diversification of the portfolio from primarily cash equivalents to include allocations to fixed income and private equity. During the fiscal year, the foundation received its first capital distribution from one of our education investments, clearly validating the foundation’s MDI premise that certain investments can deliver both social and financial return. We are committed to partnering with our program staff to continue identifying opportunities that allow us to increase our ability to favorably affect the well-being of vulnerable children, their families and their communities.

La June Montgomery-Tabor,
Chief Operating Officer and Treasurer

W.K. KELLOGG FOUNDATION AND W.K. KELLOGG FOUNDATION TRUST

CONDENSED AND COMBINED FINANCIAL INFORMATION

FOR THE YEARS ENDED AUG. 31, 2011 AND 2010

<table>
<thead>
<tr>
<th>STATEMENT OF FINANCIAL POSITION</th>
<th>2011</th>
<th>2010</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>W.K. Kellogg Foundation</td>
<td>$7,696,627,040</td>
<td>$7,331,506,995</td>
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<tr>
<td>W.K. Kellogg Foundation Trust</td>
<td>$450,120,045</td>
<td>$204,913,520</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>W.K. Kellogg Foundation</td>
<td>$7,331,160,845</td>
<td>$442,172,466</td>
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<tr>
<td>W.K. Kellogg Foundation Trust</td>
<td>$7,231,506,995</td>
<td>$6,795,986,379</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$7,696,627,040</td>
<td>$7,231,506,995</td>
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<tr>
<th>STATEMENT OF ACTIVITIES</th>
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<th>2010</th>
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<tbody>
<tr>
<td><strong>INVESTMENT REVENUES</strong></td>
<td></td>
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<tr>
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<tr>
<td><strong>GENERAL OPERATIONS</strong></td>
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<td><strong>DEPRECIATION</strong></td>
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<tr>
<td><strong>FEDERAL EXCISE TAX PROVISIONS</strong></td>
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</table>

**Contributions from the W.K. Kellogg Foundation Trust**

**Investment Revenues—Net of Cost of Earning Income**

**Contributions to the W.K. Kellogg Foundation**

**Total Revenues**

**Contributions to the W.K. Kellogg Foundation Trust**

**Total Contributions**

**Total Expenses**

**Change in Net Assets**

**Net Assets at Beginning of Year**

**Net Assets at End of Year**

*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 audited version of these financial statements is available on the foundation website at www.wkkf.org.

Intercompany contributions and distribution of $338,000,000 and $313,000,000 for the years ended Aug. 31, 2011 and 2010, respectively, have been eliminated in the combined totals.

La June Montgomery-Tabor, Chief Operating Officer and Treasurer
El cálculo es muy sencillo: para criar niños saludables, hay que cultivar en ellos las buenas costumbres alimentarias, lo cual incluye el conocimiento del origen de nuestros alimentos. Por esta razón, la Fundación W.K. Kellogg apoya a hortalizas quienes se esfuerzan por establecer una relación perdurable con el alimento saludable y fresco, como lo son El Centro de Alimentos La Semilla y la Campaña pro Hortalizas (Hortalizas). Juntos, obtendremos para asegurar que todo niño y niña prospere en la escuela, en sus quehaceres, y en sus vidas.

Aprenda mas tocante a nuestra obra en el campo de Alimento, Salud y Bienestar ingresando a: annualreport.wkkf.org/food

¿Cómo se da su hortaliza?

How does your garden grow?

It’s a simple equation. If you want to grow healthy kids, you also need to grow healthy eaters that know where their food comes from. To demonstrate our commitment to these priorities, the W.K. Kellogg Foundation supports organizations like FoodCorps, National Farm to School Network, School Food FOCUS, La Semilla Food Center and Healthy Schools Campaign to give kids an enduring relationship with fresh, healthy food. Together, we’re working to ensure that all kids thrive in school, work and life.

Learn more about our work in Food, Health & Well-Being by visiting annualreport.wkkf.org/food
W.K. KELLOGG FOUNDATION EXECUTIVE COUNCIL:

James McHale, chief of staff; Joanne Krell, vice president for communications; Gail Christopher, vice president - program strategy; Joel Wittenberg, vice president and chief investment officer; Sterling Speirn, president and CIO; Susan Katz Froening, corporate secretary and general counsel; Ted Chan, director of learning and innovation. La June Montgomery Tabron, chief operating officer and treasurer.

JOEY GLOVER program manager
HEAL DRAZIANO director of investments
DEBORAH GREEN human resources analyst
DEBORAH GREEN investment assistant
PATTI GRIMES program specialist
JAMES HARLOW accounting analyst - financial services
CLAIR HATMAKER maintenance technician/project lead
ANITA HESS assistant to the chief of staff
PAMELA HURLEY assistant to the deputy director
KIMBERLY JAMES evaluation officer
LOURDES JIMENEZ BANUELOS program manager
VALDRIC JOHNSON program officer
SUSAN KATZ FRONING program secretary and general counsel
LISA KINSALE program specialist
JOANNE KNEEL vice president for communications
HUILAN KREHN program officer
CINDY KUESTER accounting and payroll specialist
CHRISTINE KWAK program officer
KARIM LAWLEY assistant to the director of learning and innovation
REGINALD LAGARDO director of greater Battle Creek programming
DIANNA LANGENBURGH deputy director – human resources
BANA LINHANE policy communications manager
CARLA LITTLE program specialist
FRANCES LORENZ knowledge officer
FREDA LÓPEZ VILLELA assistant to Latin America and the Caribbean programs
KARLA LOUTZS meeting planner
JAHM MACKALUS program specialist
JAMES McHALE chief of staff
IRIS McKEINLEY meeting assistant
BUI MESQUITA CORDERO program officer - northeast Brazil
WENDY MILLER program specialist
ANNA MILLER meeting assistant
SAROJ MOHANTY senior business analyst (RAP)
CINDY MONACHE program specialist
LA JUNE MONTGOMERY TARRON chief operating officer and treasurer
JAY MOORE II administrative assistant
MAUREEN MYERS manager of technology administration
VIRLEAN NEWTON-SHELBY employee during chief
ESTHER NIEVES program officer
DAVID NOBLE maintenance technician
SIMRAN NOOR program manager
REBECCA NORICKS communications manager
JENNIFER O’DELL associate program officer
TERESA O’DONN program manager

JANET PFLAUM program specialist
DEBORAH PEARSSL budget specialist
LORI PEREZ program specialist
ROCHELE PIRO assistant to the corporate secretary and general counsel
DENISE POYER facilities and telecommunications technician
CARLOS RANGEL portfolio manager
KATHLEEN RENCKE communications manager
DEBORAH REY manager of international operations
KIMBERLY ROBERTS accounting analyst
SCOTT ROBINSON II new media manager
RICHARD SALVADOR program officer
PARLA SAMMONS program manager
REGINALD SANDERS director of investments
ALICIA SANTIAGO CANE program specialist
JOE CELYN SANCHEZ program officer
PHILIP SCAMBOOT senior database architect
LYNN SCHERER program specialist
BRIAN SCHNEIDER associate director of internal audit
LETTITIA SEND organizational services manager
ALICIA SHAYER archives specialist
ANN SHUSTER program manager
PATRICK SIMPSON program officer
CINDY SMITH director of program services
DIANE SMITH program manager
SARAH SMITH human resources specialist
STERLING SPEIRN president and CEO
SHANNON SPENCER-YOUNG accounting specialist
THOMAS SPRINGER internal project manager
ALVIN STARKS program officer
JACQUELYN TUCKER director of financial services
ALEJANDRO VILLANUEVA regional director of Latin America and the Caribbean programs
TIMOTHY WARD senior business analyst
ALICE WARNER-MEHLKORN program officer
ALANDRA WASHINGTON deputy director
AILEN WEEB deputy director
EBOBY WHITE program specialist
APUILL WILLIARD assistant to Michigan programming
TERESA WILLIAMS program specialist
JEFFREY WILLIAMS contracts analyst
PATRICIA WILSON assistant to the deputy director
DARK WINTONZ assistant to the vice president for communications
JOEL WITZENBERG vice president and chief investment officer
WENDY WOODS director of program operations

SALLY BITES program operations training and support analyst
AARON ARREOLA program officer - Chicago & Yuatan
PHOEBE ASFA program specialist
MICHELLE BARCROCK senior accountant
DENISE BATES assistant to the director of program operations
LEA ANN BEACHAM budget and central proposal processing specialist
CRYSTAL BEARD program specialist
ANNETTE BECHAM assistant to the vice president - program strategy
LUZ BENTZI DELAZO deputy director
ANTHONY BERKLEY director of mission-driven investments
KAREN BERNARD program services specialist
JO-Paul BIANCHI associate program officer
JORDI BOLHUIS administrative assistant
VALERIA BRABATA program officer - Chicago & Yuatan
DONNA BREASHOW budget specialist - international programs
EMMA BRENCHIEN program specialist - international programs
HADIA BRIGHAM program officer
ANDREW BROWER associate program officer
JACQUELINE BURKETT program specialist - international programs
LAURA BURR administrative assistant
MAUREEN BURR program officer
KARA CARLILE program officer
dEASIE CAULK program specialist
TED CHEN director of learning and innovation
GAIL CHRISTOPHER vice president - program strategy
RENEE CHURCH special dining chef
CHERIE CLEMENTS program services specialist
MICHELLE COLEMAN assistant to the CEO and treasurer
JESSICA COLOMA associate program officer
JAMES CRAFT research technician
KEVIN CRAWL information systems specialist
SANDRA CURTIS administrative and budget specialist
LARA DAS human resource specialist
NICOLE de BEAUFORT director of communications
TIMOTHY DECHANT director of technology
BRAD DECHANT organizational services manager
DIANA DERGIE program officer
ARELIS DIAZ information processing specialist
SHANELLE ENGLISH meeting assistant
XIOMARA ENRIQUEZ senior project manager
M. ANNESIA GLASS budget specialist
DEBORAH GREEN organizational services manager
RUSSELL GRIMES investment assistant
JULIE GROESCHNER meeting assistant
JOEL WITTENBERG vice president and chief investment officer
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TERESA O’DONN program manager

2011 W.K. KELLOGG FOUNDATION ANNUAL REPORT | 713

As of Nov. 30, 2011
Where you live determines if doctors and dentists are available to provide care. It can mean more pollution in the air and water. It can dictate whether healthy, fresh and affordable food is available. And because a zip code can have a lasting impact on the health and opportunities of a child and his or her family, the Joint Center for Political and Economic Studies’ PLACE MATTERS initiative, a grantee of the W.K. Kellogg Foundation, is working in 24 communities across America to create neighborhood-based conditions that propel children into a healthy future.

For more information regarding our work, go to annualreport.wkkf.org/health