

Thursday, March 26, 1987 O&E

Kresge Foundation:

Challenge basis provides a helping hand, not a handout

By Carolyn Smith
staff writer

A new educational development center for Madonna College in Livonia and spruced-up buildings at Tamarack Camps in West Bloomfield are spun from big dreams and the hefty price of bricks and mortar.

But they can become realities with financial support from the Kresge Foundation, a private, independent organization on Big Beaver near Coolidge in Troy.

Created in 1924 by Sebastian S. Kresge on the 25th anniversary of the S.S. Kresge Co. he also founded, the foundation has provided grants for thousands of projects in this country and abroad. Last year alone, the organization offered 150 grants totaling \$45 million. Its assets stand at \$1.1 billion.

Foundation president Alfred H. Taylor Jr. points out some of the features that distinguish Kresge from others: "The grant categories come in the fullest range imaginable, and grants are made on a challenge basis that requires each recipient to come up with the remainder of a project's cost," he said.

Grant beneficiaries include those in higher education, social services, health care, arts and humanities, public affairs, science, conservation and religion. Some recipients say the challenge of raising money for a project is boosted by the prestige of the foundation's backing. As Taylor explained, "We support only very good projects, and we say no to seven out of 10 applicants."

Sister Mary Lauriana, vice president for development at Madonna College, said the foundation has approved a \$150,000 grant for addition to a campus building to house a children's learning center and facilities for science and mathematics teacher

education, tutoring the deaf and hearing impaired and other personalized instruction.

THE COLLEGE was able to get the grant largely because of its fiscal integrity.

"We've always had a balanced budget and strong programs, and we had raised more than half of the (\$1.3 million) cost of the project," Sister Lauriana said. "You must assure the Kresge Foundation that you will use their funds as leverage for raising the additional money."

Madonna College has until December to come up with the extra \$673,460 it needs to complete the project.

Stephen Makoff, executive director of Tamarack Camps and the Fresh Air Society, was able to renovate some buildings at Camp Maas, which helps learning-impaired children from the metropolitan area.

Located in Silverman Village, the buildings received some cosmetic changes Makoff said "make a big difference in the attitude of the kids." With a \$50,000 grant from the foundation, plus another \$150,000 donated by Esther and Nathan Silverman, the Jewish Welfare Federation and some private parties, workers moved cabins apart and sided them. They also fixed up the dining and bathroom areas and improved the landscaping.

"We truly appreciate the help we got from the Kresge Foundation," Makoff said of the 1986 grants. "They (the foundation's board of trustees) have very high standards, so they have to know what you're doing to assure their money is being used properly. We really had to have our act together."

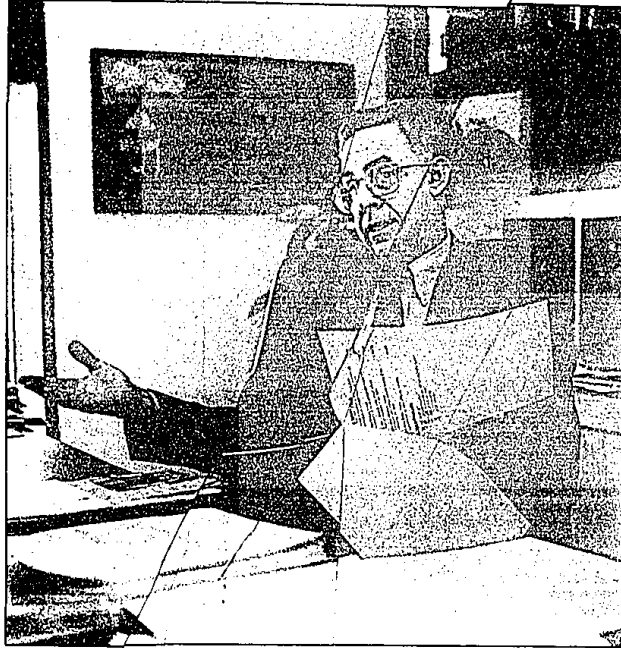
OTHER AREA grant recipients of

the past few years include Oakland University in Rochester (\$1 million for expansion of its library); FocusHope in Detroit (\$350,000 for renovation of a children's day care center); Lawrence Institute of Technology in Southfield (\$275,000 for addition of a student athletic facility); Wayne State University (\$1.5 million for a new clinical research building at the Detroit Medical Center); the North American Indian Association of Detroit (\$130,000 for purchase of a new facility); and the Community Foundation for Southeastern Michigan in Detroit (\$5 million to help establish it for support of higher education, the arts and other new organizations not funded by the United Foundation).

The Kresge Foundation's growth of assets has been remarkably strong, owing to what Taylor describes as "sound management of a diversified portfolio." The organization's founder "wanted to return his independent wealth to the community," Taylor said. By the time Kresge died in 1966, he had contributed about \$63 million. Assets grew with help from investment specialists and a \$20 million endowment from the estate of Kresge's third wife, Clara, who died about six years ago, Taylor said. The foundation's assets no longer include contributed shares of stock in the K mart Corp. (Formerly the S.S. Kresge Co.), Taylor added.

Since August 1982, the foundation's offices have been in a renovated farmhouse of Greek revival architecture that was built in 1852 by Washington Stanley, a dairy farmer who moved to Michigan from Vermont in 1826. The stone homestead is on 200 acres of land. The state has named the structure an official historic site and it is also on the National Register of Historic Places.

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Backgrounds hinder women getting started in business

By Marilyn Fitchett
staff writer

Although women are starting new businesses at the rate of five times that of men, women often are on the outside looking in when it comes to business financing, education, resources and visibility.

Barbara Gentry, director of women business services, Office of Women Business Owners, described how women's backgrounds hindered the businesses they choose to open sometimes work against their success.

OWBO operates with the Michigan Department of Commerce to provide assistance to women entrepreneurs. She addressed last week's meeting of the West Suburban Area Council of Chambers in Westland.

Despite the fact that women's failure rate in business is lower and that women tend to be less of a credit risk than men, Gentry said women face problems getting business loans.

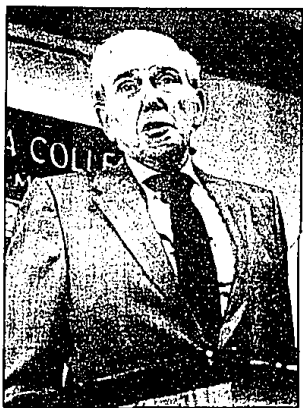
"We're a manufacturing economy, and banks are more comfortable lending to those businesses with hard

assets such as machinery," Gentry said. More than 85 percent of businesses owned by women are "soft-asset" businesses — service-related, retail or wholesale businesses.

"This is not true in Washington, D.C., where there is little manufacturing. In Washington, service businesses support the federal government. As a result, a bank's clientele tend to be service-related, and they don't see it as a problem lending money to service businesses."

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'Democratize the workplace' — Doug Fraser



Doug Fraser. "A debt doesn't build a road, a debt doesn't build a school house."

By Maria Gold
staff writer

Businesses must learn to take risks and develop the courage to change with the times, said former AWA president Douglas Fraser who spoke recently on the future of organized labor and its changing role in meeting the needs of workers.

"Businesses that can change will survive and prosper," he told a packed audience last week at Madonna College in Livonia.

The speech was the last in a series of business forums at the college.

Fraser cautioned that America is on the brink of economic disaster, but that no one is acknowledging the danger. Citing the \$170 billion national debt, he reminded the audience that "a debt doesn't build a road, a debt doesn't build a school house."

He partially blamed the debt on the administration's lax policy toward trade imports, specifically with Japan. That country has strict regulations concerning American imports, including high tariffs on products, limits on imports, and "outrageous" requirements for certain products, such as pharmaceuticals, which the U.S. government does not mimic. This unfair trade policy hurts the economy, he said.

THROUGHOUT his speech, Fraser criticized the Reagan administration for allowing the national debt to spiral out of control. He attributes much of the present economic situation on the administration's policy of "no risk-taking."

"You have to take risks," he said. "This administration won't."

Fraser, who was UAW president from 1977 to 1983, was also on the board of directors at Chrysler Corpo-

ration in the early 1980s, when that company was near bankruptcy. He said that the only way Chrysler had a chance to survive its economic woes was by convincing the government to take a risk on the company and loan millions of dollars to pay off Chrysler's creditors.

"At the time, we had an administration that was sympathetic to the problems and understood the magnitude of Chrysler going bankrupt," he said.

In light of the Reagan administration's policy against government intervention, Fraser said that the future of American's economy depends on businesses' ability to "democratize the workplace."

"The old way was the authoritarian environment," where workers had no input into the way the company ran. "Workers are intelligent, workers are innovative," he said, and if given the chance, they could help a company run more efficiently.

In the past few years, all three auto companies have begun to stress employee involvement in running various aspects of the industry.

This is especially important for the auto industry, Fraser said, because the American economy reflects the success of the three U.S. automakers, and if they're not running profitably, neither will the U.S. economy.

During the short speech, Fraser also took a few jabs at General Motors Corp. president Roger Smith, who recently bought out board member H. Ross Perot for \$750 million, but did not give bonuses to any blue-collar employees this year.

"I know what motivates Roger Smith. Two things: insensitivity and greed."

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