

*“Alone we can do so little;
together we can do so much.”*

Helen Keller

2016 Annual Report

Accomplishments and Transitions



Dear Friends,

At the end of 2015, the Foundation initiated a process to redesign our grantmaking strategies to focus on larger investments in a smaller set of issues that could produce stronger and more measurable impact in North Minneapolis. This is a community where the Phillips family has roots and where generational disinvestment has led to significant challenges. We knew that doing work the way we had always done it in a community that has a challenging relationship with philanthropy would not produce the bolder and more impactful work we were looking to support.

As we entered 2016, we engaged a consultant to guide us in this process of deeper discovery. For months we spoke with parents, teachers, students, small business owners, community leaders, and others all over the northside. At the same time, we engaged in our own internal conversations about equity, race and privilege, and how to build cultural competence. The results of these internal and external conversations led us in a different direction than we had initially anticipated.

As we concluded 2016, we narrowed our work to two grantmaking focus areas: student-centered learning in middle and high schools, and supporting a locally owned small business and entrepreneurship ecosystem. We made a few initial grants to begin testing the ideas and supporting community-led efforts. Grants such as the ones to Reve Academy to test its Emergent Teaching Model, or Nexus Community Partners to establish the North Start Black Cooperative Fellowship program. This work will only grow over the coming years as we commit more and more of our financial and human resources to supporting and catalyzing work in these focus areas.

Our shift in focus led us say good-bye to a number of organizations and efforts we have consistently supported since 2011. We made 22 exit grants totaling \$595,000, including ending our work in housing advocacy, transit organizing, employment and training, and our Phillips Sectoral Employment Initiative. The story on the following pages recognizes a number of these and other efforts in which the Foundation has had deep involvement since 2011. Some of these efforts continue while others have ended. Regardless of the status of the work, we take great pride in knowing that good work finds a way to continue making a difference even in times of transition.

This year again, we want to recognize the many organizations with whom we have been privileged to work. You have consistently opened your doors and work to us. We hope your involvement with us has been as rewarding as your involvement has been for us. You continue to teach us how to be a better grantmaker and a stronger advocate for your work.

We also recognize the good work of our tremendous staff – Patrick Troska, Joel Luedtke, Tracy Lamparty, Elizabeth Coco, and Jay Klyman. They wholeheartedly embraced the shift towards a more community engaged process of grantmaking, all the while understanding that to do so meant letting go of old habits and old beliefs in order to make the Foundation a better and more trusted partner.

So as we shift our focus to North Minneapolis and engage with the community in new and unfamiliar ways, we are again reminded that this work takes all of us, and that each one of us has a part if we are to continue maximizing opportunity and building on the great assets that already exist in our communities.

With Sincere Gratitude,

The Trustees and Staff of The Jay & Rose Phillips Family Foundation of Minnesota

Our Mission

We honor the legacy of our founders, Jay & Rose Phillips, by supporting efforts that address the unmet human and social needs of individuals, families and communities that have the least access to resources.

“The test of progress and the measure of one’s success is not whether we are able to add more to the abundance we have already acquired, but are we providing enough from this store of good fortune for those around us who have so very little?”

Jay Phillips, 1987

Honoring Our Accomplishments

In 2011, things changed for the Foundation. At the end of 2010, the original Jay & Rose Phillips Family Foundation founded in 1944 was split into three new foundations. The goal with these new foundations was to build a philanthropic presence in the communities of Denver/Boulder CO and Los Angeles/San Francisco CA that have been home to branches of the Phillips family for many years.

The third foundation remained in Minnesota, and while a strong philanthropic presence had been established over the decades, the significant downsizing in assets and local grant-making created an opportunity to reboot and do things differently. We were challenged to be more entrepreneurial and to get out from behind our desks and explore ideas discovered in the community that could effectively address community problems. We shifted our process from reactive to proactive and moved to inviting proposals for funding. We downsized our funding priorities to four areas: education, employment, housing, and transit, with a few discreet strategies within each area of focus. We focused on systems change, policy and community organizing. We explored ideas with game-changing possibilities.

In the end, it was an exciting and often fulfilling five years. Many good things were accomplished with our support – sometimes with our support alone, but often with the support of many. As we transition to an even more granular focus on North Minneapolis, we pause to highlight a few of these accomplishments.

Phillips Sectoral Employment Initiative

Since 2011, the Phillips Sectoral Employment Initiative has provided funding, technical assistance and AmeriCorps*VISTA volunteers to a cohort of community-based workforce development organizations: Summit Academy OIC, International Institute of Minnesota, Project for Pride in Living, Resource Inc, and HIRED. Our PSEI partners have used these resources to expand and improve their industry-focused job training programs. We've seen great progress in all of these organizations: new training programs were launched, existing ones were improved, and many new partnerships with employers and community colleges were forged. In the end, hundreds found good paying jobs. Formal funding for the program ended in 2016, but the work continues in each organization. A final report on program findings will be published in 2017.



The Foundation established an AmeriCorps VISTA program in 2011 as part of our PSEI program. In that first year, seven VISTA members were placed at the five PSEI sites and a VISTA Leader served at the Foundation. The program has grown to 15 VISTA members today, serving at 15 different sites through partnerships with Twin Cities LISC and the Pohlad Family Foundation covering three focus areas: Bridges to Careers, Opportunity Youth and Education. In 2016, the program was rebranded to C3 Twin Cities, for Career, Cause and Community. C3 Twin Cities' comprehensive professional development program and focus on equity sets it apart from other VISTA programs. In 2017, Nexus Community Partners joins as a partner focused on community wealth building, and the Twin Cities LISC relationship focused on Bridges to Careers ends.

Blue Line Coalition



In 2012, we approached Nexus Community Partners to mine the landscape and assess the readiness for North Minneapolis to engage in the proposed Blue Line Extension LRT Corridor between downtown Minneapolis and Brooklyn Park. That initial assessment showed promise but a lack of capacity existed throughout the community to make an informed and cohesive contribution to the project planning work. The result was the development of The Blue Line Coalition (BLC) a membership organization with constituencies along the corridor including neighborhood groups, faith-based organizations, social services, advocacy groups, and workforce providers. The 17-member group has grown in its knowledge and influence and now boasts two voting seats on the Met Council's Corridor Management Committee and two voting seats on Hennepin County's Steering Committee for the Bottineau Community Works Program. At the end of 2016, the BLC moved to its new home at Northside Funders Group with plans to add permanent fulltime staff and seek additional funders. Learn more at <https://blctransitway.org/>.

Honoring Our Accomplishments Continued

Metro Access To Supportive Housing (MATSH)

Identified as a need by supportive housing providers in 2010, the Foundation staff spent nearly 3 years working with Hennepin County, Ramsey County, Dakota County, the State of Minnesota, Family Housing Fund, Heading Home Minnesota, and HousingLink to design and build a centralized coordinated database of all supportive housing opportunities in the metro area. This database, we believed, would be a more efficient way for housing locators and case managers to find supportive housing opportunities for their clients. On March 13, 2014, [MATSH](#) was officially launched by HousingLink, and is now statewide.

Eddie Phillips Scholarship for African American Men



The Foundation has had a relationship with the Minnesota Private College Fund (MPCF) for decades going back to Jay and Rose themselves. In 1995, the Phillips Scholars Program was established to perpetuate the legacy of community service reflected in the lives of Jay and Rose. In 2014, in response to the lack of black men being served by the program, Foundation staff began working with MPCF staff to explore the development of a new scholarship program that would serve the unique needs of black men on the member campuses. The Eddie Phillips Scholarship for African American Men was established in 2015 as a pilot on three campuses with three black male students. The program provides financial support,

comprehensive advising and mentoring, leadership development and experiential learning. The unique support gained through the cohort approach proved to be the defining element of the program as participants talked about the important bond built with the other students in what they called “the Brotherhood.” In 2017, the program will expand to 15 students on 5 campuses.

MSP Win

In 2013, the Foundation joined with seven other funders to establish the MSP Workforce Innovation Network (MSPWin) to strengthen the workforce in the seven-county Minneapolis St. Paul region. MSPWin brings a number of key stakeholder groups – employers, public agencies, nonprofits, advocates and funders – around a common table to strategize, prioritize and eventually fund the innovations that will enable low-income adults to contribute to the economic vitality of the Twin Cities region. Its goals are to expand successful career pathways programs, create standardized outcome reporting and evaluation, and engage employers in workforce development opportunities. Today, 13 funders are engaged with MSPWin along with state, county and local officials.

Marriage Equality

Finally. Although we can only take a little of the credit, the Foundation did play a role in supporting Project 515 and its efforts to fight a statewide marriage ban and eventually pass full marriage equality in 2013. The Foundation was an early supporter of Equality Minnesota and Outfront Minnesota, and has supported equal rights for LGBTQ individuals for many, many years.

We want to thank these and the many other partners who journeyed with us over this past five or six years. Nothing is accomplished without you. We are pleased to have supplied a little fuel to propel your efforts to realize the accomplishments achieved. We wish you continued success and the momentum to keep accomplishing even more.

“Don’t judge each day by the harvest you reap, but by the seeds that you plant.”

Robert Louis Stevenson

The Mandate: Bolder! More Focused! Greater Impact!

In 2016, the foundation made a strategic decision to refocus its efforts on a specific geographic area: North Minneapolis. The “North Side” is an area rich with opportunity and assets but has experienced years of disinvestment. It is also the neighborhood where Jay and Rose Phillips met and the family lived for many years. This historical sentiment coupled with community opportunities make our decision to focus on North Minneapolis a perfect evolution of the Foundation’s focus and interests, and creates a strong direction for the Foundation for years to come.

We also wanted to explore how larger investments in a smaller set of issues could produce stronger and more measureable impact. We wanted our overall work, including our grantmaking, to be more entrepreneurial and less transactional.

Using a Human Centered Design process, the Foundation devoted time throughout 2016 to listen to the diverse concerns, hopes and ideas of North Minneapolis residents. This process helped the Foundation identify its two primary North Minneapolis funding priorities:

- Create and expand relevant and engaging learning opportunities for K-12 students. The Foundation is particularly interested in ways to amplify the role of student voice and agency in educational design and decision-making.
- Help to grow a thriving economy in North Minneapolis by supporting an ecosystem of entrepreneurs, small businesses and expanding local ownership opportunities.



For now and into the foreseeable future, the bulk of our grantmaking will be focused on these two priorities. Our intent is to make fewer, larger grants, while moving solutions to scale, and employing more human capital through greater engagement in the community.

The result of this shift is the need to say “Good-bye” to a number of efforts we had been funding since 2011. These “Exit Grants” are listed here, and are a small way of easing the loss of funding for these important efforts.

2017 Exit Grants Made

Organization	Grant
Alliance for Metro Stability	\$25,000
Beacon Interfaith Housing	\$15,000
Educators for Excellence	\$30,000
Family Housing Fund -	
Heading Home MN Funders	\$45,000
Genesys Works	\$40,000
Greater Metropolitan -	
Housing Corporation	\$35,000
Growth & Justice	\$25,000
Hope Community	\$25,000
Housing Justice Center	\$25,000
HousingLink	\$50,000
Legal Rights Center -	
(formerly Council on Crime and Justice)	\$30,000
Metropolitan Consortium	
of Community Developers	\$15,000
Midtown Greenway Coalition	\$10,000
Minnesota Coalition for the Homeless	\$35,000
Minnesota Council of Churches	\$15,000
Minnesota Council of Nonprofits	\$25,000
Minnesota Home Ownership Center	\$15,000
Minnesota Housing Partnership	\$30,000
Outfront Minnesota	\$25,000
Transit for Livable Communities	\$35,000
Twin Cities LISC	\$25,000
YWCA of Minneapolis	\$20,000
TOTAL	\$595,000

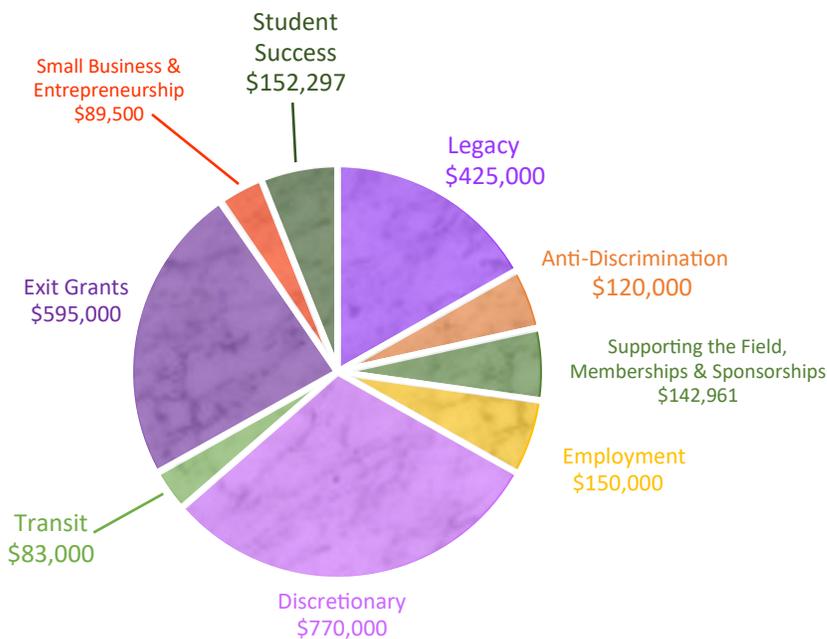
“The secret of change is to focus all of your energy not on fighting the old, but on building the new.”

Socrates

2016 GRANTS



In 2016, the Foundation made grants totaling \$2,527,758. This includes more than 40% of all grant funds awarded for general operating support. If an organizational name or grant amount appears incorrectly, or if your organization received funds from the Foundation in 2016 and was mistakenly left off of this list, please contact our office. On behalf of our staff and trustees, we thank you for all of your contributions to our communities.



Grantee Organization

Amount

African Medical & Research Foundation	\$10,000
Against Malaria Foundation	\$10,000
Alliance for Metropolitan Stability	\$25,000
Alzheimer's Disease & Related Disorders Association	\$10,000
American Jewish World Service	\$10,000
Amherst H. Wilder Foundation - Minnesota Compass	\$10,000
Anti-Defamation League	\$10,000
Appetite for Change	\$13,600
Athletes Committed to Educating Students	\$5,000
Baby's Space A Place To Grow	\$3,000
Beacon Interfaith Housing Collaborative	\$15,000
Better Futures	\$25,000
Can Do Canines	\$2,500
CARE	\$10,000
Charter School Partners	\$25,000
Children of the Night	\$10,000
Citizens League	\$80,000
City of Lakes Community Land Trust	\$37,500
Compassion & Choices	\$2,000
Cookie Cart	\$2,500
Council on American-Islamic Relations, Minnesota	\$2,500
Didi Hirsch Community Mental Health Center	\$20,000
Doctors Without Borders	\$10,000
Downtown Women's Center	\$15,000
Educators 4 Excellence	\$30,000
Emergency USA	\$5,000
Exponent Philanthropy	\$750
Family Housing Fund- HHMFC	\$45,000
Foundation for a National AIDS Monument	\$5,000
Franklin Middle School	\$26,596
Friends of the Earth	\$4,000
Funders Together to End Homelessness	\$1,500
Gay Men's Chorus of Los Angeles	\$5,000
Genesys Works - Twin Cities	\$40,000
Grantmakers for Effective Organizations	\$1,920
Grants Managers Network	\$2,000
Greater Metropolitan Housing Corporation	\$35,000
Group for the Advancement of Psychiatry	\$7,500
Groves Academy	\$5,000
Growth & Justice	\$25,000
Headwaters Foundation for Justice	\$3,000
Hendrickson Foundation	\$5,000

Since 1969, the Foundation has contributed \$205,747,752 in grants to our communities.

Grantee Organization	Amount	Grantee Organization	Amount
Hope Community Inc.	\$25,000	OneVillage Partners	\$10,000
Housing Justice Center	\$25,000	ORT America	\$35,000
HousingLink	\$50,000	OutFront Minnesota Community Services	\$25,000
Humphrey School of Public Affairs	\$16,000	PABS PACKS	\$27,500
International Institute of Minnesota	\$7,000	Parents Families and Friends of Lesbians and Gays Inc.	\$5,000
Jewfolk Media, Inc.	\$10,000	Perspectives Family Center	\$25,000
Jewish Community Action	\$30,700	Planned Parenthood Los Angeles	\$10,000
Jewish Family Service of Los Angeles	\$50,000	Planned Parenthood of MN, North & South Dakota	\$25,000
Kill Kancer	\$5,000	Plymouth Christian Youth Center	\$11,221
Legal Rights Center, Inc.	\$30,000	Pro-Choice Resources	\$25,000
Leukemia & Lymphoma Society	\$500	Rêve Academy	\$45,000
Leukemia & Lymphoma Society, Minnesota Chapter	\$10,000	Saint John's University - Jay Phillips Center	\$25,000
Little Brothers-Friends of the Elderly	\$10,000	Saint Paul Foundation- MSPWIN	\$150,000
Los Angeles Gay and Lesbian Center	\$15,000	Second Harvest Heartland	\$4,000
Los Angeles Regional Food Bank	\$1,000	Sha'arim	\$5,000
MAZON	\$5,000	South Bay Center for Counseling	\$54,000
Metropolitan Consortium of Community Developers	\$15,000	Summit Academy OIC	\$10,000
Midtown Greenway Coalition	\$10,000	The Food Group	\$4,000
Minneapolis Community Kollel	\$5,000	The Good Acre	\$5,000
Minneapolis Foundation- Northside Funders Group	\$79,000	The Trevor Project	\$1,000
Minneapolis Jewish Day School	\$2,500	Think Small	\$3,000
Minneapolis Jewish Federation	\$200,000	Torah Academy	\$1,800
Minnesota Center for Environmental Advocacy	\$25,000	Transit for Livable Communities	\$35,000
Minnesota Coalition for the Homeless	\$35,000	Twin Cities Local Initiatives Support Corporation	\$26,500
Minnesota Council of Churches	\$15,000	Twin Cities Media Alliance	\$30,041
Minnesota Council of Nonprofits Inc.	\$30,550	UCLA Foundation	\$10,000
Minnesota Council on Foundations	\$7,600	United Jewish Fund and Council	\$2,000
Minnesota Hillel	\$3,000	United Nations Foundation	\$10,000
Minnesota Home Ownership Center	\$15,000	University of Minnesota Foundation	\$2,500
Minnesota Housing Partnership	\$30,000	Village Health Works	\$10,000
Minnesota Private College Council	\$158,000	Vision Loss Resources Inc.	\$10,000
Minnesota Spay Neuter Assistance Program	\$2,000	Voices for Racial Justice	\$2,000
Naral Pro-Choice Minnesota Foundation	\$20,000	Walker Art Center	\$15,000
National Center for Family Philanthropy	\$2,000	WATCH	\$5,000
National Society of News Paper Columnists	\$4,000	We Are All Criminals	\$2,500
Natural Resources Defense Council Inc	\$3,000	West Broadway Business & Area Coalition	\$2,000
New Salem Baptist Church	\$5,000	Women in Non Traditional Employment Roles	\$40,000
Nexus Community Partners	\$108,000	YMCA of the Greater Twin Cities	\$2,500
Nonprofits Assistance Fund	\$26,000	Youth Frontiers Inc.	\$25,000
North Academy- NSTEM	\$44,480	YWCA of Minneapolis	\$20,000
Northside Achievement Zone	\$25,000		

The Foundation does not accept unsolicited applications for grant funds. Please contact the Foundation for more information.

Financial Statements

Basis of Presentation

The Foundation's financial statements are prepared on the basis of accounting used for excise tax purposes. Under these principles, certain revenues and related assets are recognized when received rather than when earned, and certain grants, awards and expenses are recognized when paid rather than when the obligation is incurred. The unrestricted net assets with investments at fair value are shown, as supplementary information. Complete financial statements are available upon request from the Foundation office.



ASSETS	2016	2015
CASH	\$84,494	\$118,169
SHORT-TERM INVESTMENTS	\$4,687,407	\$1,870,226
MUTUAL FUND- FIXED INCOME	\$10,391,273	\$9,739,904
ALTERNATIVE INVESTMENTS	\$19,199,136	\$10,639,319
CORPORATE STOCKS AND EQUITY FUNDS	\$10,671,316	\$19,387,150
INTERNATIONAL EQUITY TRUSTS	\$8,683,583	\$13,004,655
TOTAL CURRENT ASSETS	\$53,717,209	\$54,759,423
PROPERTY & EQUIPMENTS AT COST	\$15,172	\$19,829
OTHER ASSETS	\$3,182	\$3,268
TOTAL NONCURRENT ASSETS	\$18,354	\$23,097
TOTAL ASSETS	\$53,735,563	\$54,782,520

LIABILITIES	2016	2015
ACCRUED EXPENSES	\$1,259	\$409
UNRESTRICTED NET ASSETS	\$53,734,304	\$54,782,111
TOTAL LIABILITIES & NET ASSETS	\$53,735,563	\$54,782,520
Unrestricted net assets with investments at fair market value	\$65,704,588	\$68,804,608

STATEMENTS OF SUPPORT, REVENUES, AND EXPENSES

SUPPORT AND REVENUES	2015	2014
DIVIDEND AND INTEREST INCOME	\$1,551,075	\$1,653,798
REALIZED NET GAINS (LOSSES) ON SALE OF INVESTMENTS	\$1,031,537	\$1,881,247
INVESTMENT & CUSTODIAN FEES	(\$341,105)	(\$357,372)
TOTAL SUPPORT & REVENUES	\$2,241,507	\$3,177,673

EXPENSES	2015	2014
GRANTS & AWARDS	\$2,528,270	\$3,130,406
MANAGEMENT & GENERAL	\$621,999	\$602,213
PROGRAM EXPENSES	\$74,045	\$73,719
	\$3,224,314	\$3,806,338

FEDERAL EXCISE TAX (REFUND)	\$65,000	\$65,000
TOTAL EXPENSES	\$3,289,314	\$3,871,338

INCREASE (DECREASE) IN NET ASSETS	(\$1,047,807)	(\$693,665)
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UNRESTRICTED NET ASSETS	2015	2014
BEGINNING	\$54,782,111	\$55,475,776
ENDING	\$53,734,304	\$54,782,111

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