Making systems work for *every child, every family, every community.*

Learn how the W.K. Kellogg Foundation is supporting a more equitable future.

**We are so honored to work alongside our grantees, partners, investees, colleagues and communities to change systems every single day – so all children thrive.**

Inequitable systems stand in the way of children reaching their full potential, especially across communities of color. Whether it’s the persistent gaps in access to quality health care and good food, the disparate educational outcomes or the lack of employment opportunities that pay living wages, and so much more – how can we work together to reimagine a world that works for every child, every family and every community?

It starts with racial healing, telling the truth, building relationships and prioritizing racial equity. Together, we can change policies, practices, resources, power dynamics and mindsets. We can support bold, innovative solutions, change the narratives and join hands to build trust and build power within communities to lead the charge for change.
Racial healing is at the center of racial equity

For more than a decade, racial healing has been an integral part of the W.K. Kellogg Foundation’s commitment to promoting racial equity.

In this Q&A, La June Montgomery Tabron, WKKF president and CEO, speaks to the increasingly important role of racial healing in the foundation’s mission.

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Racial equity and the need for systems transformation
Realizing racial equity will require major transformations of the many systems, institutions and structures that impact our lives every single day.

In this Q&A, Cathann Kress, WKFF board chair, explains the connection between racial equity and the changes in systems and structures that are critical to the success of children, families and communities.

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We highlight what it looks like when communities are changing systems – how they are promoting racial equity and healing, developing leaders and engaging with one another to drive hope and understanding, while dismantling and transforming systems to ensure all children, families and communities thrive.

View annual snapshot stories

Ending the Black maternal health crisis is about advancing equity
Louisiana makes early learning a top priority

Investing in diverse founders to change the ecosystem and create generational wealth for women and people of color

Expanding Equity – Advancing Racial Equity in Business
Re-grounding in ancestral traditions with La Semilla Food Center

Celebrating Black Philanthropy Month in August
Tennessee is a proof point for states seeking more equitable school funding

Beyond the headlines: Towards a new narrative for health philanthropy in Haiti
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Working moms are critical to a thriving economy. It’s past time to support them.
Sustaining solidarity: Two years after a moment of racial reckoning

How a marriage of traditional and modern midwifery is transforming lives in rural Mexico
Ending the Black maternal health crisis is about advancing equity

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Transparency by the Numbers

Q&A with Don Williamson, vice president for finance and treasurer

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Continuous learning

We learn from our grantees, our partnerships and our communities – and offer these lessons to the field in a collection of resources on IssueLab. Using every tool in our toolbox, here’s a sampling of case studies, policy briefs, toolkits, guides and other resources created this past year.
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Importance of language access, New Mexico Voices for Children
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Doing evaluation in service of racial equity
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Mobility Matters Employment and Advancement for Working Parents
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E-BOOK

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. Learn more at wkkf.org.
What is racial healing and why is it so important to achieving racial equity?

Racial healing is a process for connecting, building relationships and bridging divides so that communities can work together toward a more equitable future.

It provides space to speak and hear hard truths about past and present wrongs and discuss their impact on individuals, families and communities. By fostering this dialogue, racial healing helps build trust among people and restores communities to wholeness, so they can work together to change the systems and structures to affirm the inherent value of all people.

Racial healing isn’t just important, it plays an essential role at the very heart of building racial equity. We live in an increasingly polarized society, where we often fail to recognize each other’s shared humanity and the diversity of our collective history and experiences. The honest, authentic conversations that racial healing enables are critical for building trust and helping communities discover where they can work together to develop systems and structures – from education, housing and health care to transportation, justice and the economy – that affirm the inherent value of all people and create opportunities for all people to thrive.

We recognize the National Day of Racial Healing every January to start the conversation. But, importantly, it’s not a one-day action; it’s an annual kick-off for year-round commitments of coming together and building relationships to address the root causes of inequities and create the communities to which we all aspire, that work equitably for everyone.
What’s the role of solidarity in racial healing and racial equity?

Solidarity is a means for recognizing our profound interconnectedness as human beings and a key pathway to racial healing and racial equity.

A few years ago, we launched the **Solidarity Council on Racial Equity** (SCoRE) to respond to the reality that there was no voice or organized collection of voices to draw people together around the concept of equity and promote solidarity on a daily basis. It’s been amazing to see what our SCoRE members worked on together to begin realizing this vision, from leading public conversations on solidarity, like this one between the Othering and Belonging Institute’s john a. powell and singer-activist John Legend (both SCoRE members), to the launch of the group’s 100,000 Acts of Solidarity platform.
Even closer to home, I've been excited to see how our own leadership team at the foundation has harnessed solidarity to not only weather the darkest moments of the pandemic but to emerge with a greater sense of unity, purpose and alignment around our mission throughout the organization.

**While leadership skills were critical to strengthening the team during the worst of the COVID crisis, solidarity – owning and feeling the journeys that others are on while working through your own —played an essential role in our ability to step up our work and grow when our grantees and the communities we serve needed us the most.**

Tell us about this formidable and influential image at the center of this year’s annual snapshot, of the young boy dreaming? How does it reflect the Kellogg Foundation’s work this year?

> I love this image because it shows me hope, that children can dream of a better future – because of all of us that surround the children.

The past year has led many of us to be hopeful that we’re moving beyond the most dire impacts of the pandemic – yet despite this, grantees and communities continue to reel with the consequences of increasing inequities.
While the work ahead feels daunting with the pandemic not fully in the rearview mirror, this image was created in our efforts to build greater understanding of the power of racial healing. In June, we announced a **year-long partnership with NBCUniversal** to share more stories about the ongoing impact of racial healing across the country. We kicked this off at the Aspen Ideas Festival, where we commissioned artist David Eldred – who is originally from Battle Creek – to hear from festival attendees about their visions for an equitable future. From these conversations, Eldred created this powerful image of the young boy dreaming of all the opportunities for his future.

View this artwork

For me, this piece of art also reflects how children are at the core of our bold and transformative initiative aimed at creating equitable outcomes for children and families around the globe: **Racial Equity 2030**. In Sept. 2021, we announced ten finalists that each received a $1 million planning grant, with nine months of capacity-building support to further build out and explore their projects to build racial equity locally. In October 2022, we were excited to announce the **five awardees who were named** to receive a combined $80 million over the next eight years, concluding in 2030, the W.K. Kellogg Foundation’s 100th anniversary.

One of the most powerful aspects of Eldred’s picture is the dream that’s visualized at its very center: People of all different backgrounds, coming together to tackle a towering mountain. Changing the systems that define our lives — education, housing, health care, transportation, justice and the economy – so that they work for all children, all families and all communities, will require precisely that kind of bold, hand-in-hand, collective action.

That’s the world we’re working for at the W.K. Kellogg Foundation, so I suppose you could say it’s our dream, too.
Racial equity and the need for systems transformation

*Cathann Kress – Board Chair*

What is systems change? Why is racial equity essential to systems change and transforming communities?

Racial equity means people of all races and ethnicities live in a society where a person’s racial identity does not determine how they are treated or predict life outcomes. It is a core value and long-standing priority for the Kellogg Foundation because, for children to thrive, their families must be able to provide for them, and their communities must be places of genuine opportunity.

Our work on systems change is based on the understanding that major systems, institutions and structures that impact our lives – including education, housing, health care, transportation, justice and the economy – were all created by people. Systems develop over time and are often layered with practices. These practices can make sense and lead to opportunities, or sometimes they can be counterproductive to equity, either intentionally to keep others from fully accessing opportunities or unintentionally from lack of understanding or awareness of bias. The results are deeply ingrained inequities in policies, practices, resources, power dynamics and mindsets, but the impacts are clear — these inequities form the basis for many of our country’s most intractable problems and result in devastating outcomes for children, families and communities.
Systems change is a vital component in realizing racial equity because it aims not just to address symptoms of inequity but to fundamentally transform how we structure our communities, relate to one another, and even think about the challenges that are holding all our children back from reaching their full potential.

Relationships that foster connections across communities, life experiences and disciplines are especially critical to changing these systems because they help leaders share new ideas, learn from each other and break through longstanding barriers to progress. In November 2022, the foundation launched the **Global Fellows Network**, an initiative to foster connection, collaboration and action among 1,100 leaders from more than 40 countries who are associated with signature past and present WKKF fellowship programs.

These leaders work every single day to achieve the kinds of systems change we seek for the children and families we serve. We believe their combined strengths and connections will allow them to be more effective leaders locally.

Given your extensive background in agricultural education, how do you think food systems and agriculture impact racial equity?
The data is clear: Families of color living in low-income communities across the country face profound difficulties securing access to quality, healthy food. Data can simply be statistics quickly forgotten, but I ask all of us to consider if we intend to allow children to be less healthy and less ready to learn in school. It’s that simple.

It’s been encouraging for me to see the foundation encourage others in our sector to join us in investing in bold, visionary food system transformations like the Farm to Early Care and Education movement. By working across systems and linking health, education and agriculture, Farm to Early Care and Education initiatives connect young children with local food production and healthy eating to nurture their development, improve community nutrition and build strong, sustainable local food systems. In New Orleans, Grow Dat Youth Farm is taking a similar cross-systems approach to connect older kids and young adults to sustainable agriculture, healthy food and opportunities for youth leadership development on a working farm located on seven acres in the heart of City Park.

In addition to being a source of nutrition and learning for families and children, a strong local food system as also a source for the kind of community resilience and capacity building that’s key to racial equity. For example, a new force in the push for Haitian food sovereignty and rural economic development is the recently launched Haiti Food Systems Alliance, a 14-member coalition of Haitian businesses and organizations that promotes and fosters locally-led agriculture, health, childhood and higher education, research and economic development
efforts. This trailblazing network will not only support local food security and sustainability but also illustrates how locally driven and directed solutions to community challenges are essential to fostering racial equity.

Fueled by a national conversation on care, maternal-child health has been a major issue over the last several years. How has the foundation’s grantmaking to promote racial equity shown up in the range of systems that support the health and well-being of children and birthing parents?

This past spring, a national infant formula shortage highlighted how solutions to the immediate infant food security crisis were critical, while a broader systems change-focused approach continues to be necessary to disrupt the long-standing racial and economic inequities that drove the shortage’s disproportionate impact on communities of color and families living in poverty.

It’s deeply concerning to recognize the persistence of disparate health outcomes for babies and birthing people based on race. To ensure that both before and at birth there is support and opportunity, the foundation has sought comprehensive, systems-change-oriented reform in its maternal-child health work over the past year.

For example, the WKKF-funded documentary, Birthing Justice, brings attention to the broad systemic response needed to address the layered racial inequities that fuel the ongoing Black maternal mortality crisis in the United States. Similarly, a WKKF-funded report released
this year, Advancing Racial Equity in Maternal-Child Health and Addressing Disparities through a Reproductive and Birth Justice Lens, examined the effectiveness of a suite of investments in community-based maternal-child health initiatives in New Mexico.

We ask our Truth, Racial Healing & Transformation communities to envision a world beyond racism – to imagine what children, families and communities would experience if racial identity no longer determined how they are treated or who they can become. This is the vision we seek in whatever sphere we’re working. What would it look like to feed one’s family or safely bring new life into the world absent racism?

This vision not only transforms who we are as individuals, but also guides us to transform the systems and structures that make up the world in which we live for all children, families and communities.

Meet our Board of Trustees

From left to right: Khan Nedd, Grand Rapids, MI; Ramón Murguía, Kansas City, KS; Celeste A. Clark, Battle Creek, MI; La June Montgomery Tabron, Battle Creek, MI; Cathann Kress, Columbus, OH; Christina K. Hanger, Plano, TX; Richard M. Tsoumas, Battle Creek, MI; and Rod Gillum, Detroit, MI. Not pictured: Milton Chen, San Francisco, CA.
As an important and strategic focus for our grantmaking, explore how WKKF trustees explain systems change.

What is systems change?

Back to Home
What is the foundation's fiscal operating year?

The foundation operates on a fiscal year from September to August. This year’s snapshot reflects financial and grantmaking data starting Sept. 1, 2021, and ending Aug. 31, 2022.

In October 2020, the Kellogg Foundation was one of a small handful of foundations to increase its payout to address the overwhelming challenges experienced by communities during the pandemic. How did this affect the foundation’s payout this fiscal year?

To respond to critical and urgent needs within our communities, the W.K. Kellogg Foundation Trust executed a historic transaction to successfully issue a $300 million social bond to increase our annual payout by 50%, or $150 million, in both the 2020/2021 and 2021/2022 fiscal years. This increased payout is in addition to our traditional distribution, with the goal of paying the social bond proceeds out fully by Dec. 31, 2022.

**Investments and Charitable Expenditures**

I am very pleased to report we met our goal and the full $300 million of the social bond was committed and paid out to grantees by the end of 2022 to support the foundation’s mission for thriving children, working families and equitable communities.
Can you explain the distinct two investment portfolios of the foundation and the Trust? At the end of the fiscal year, how were the portfolios doing overall?

The sole purpose of the Trust investment portfolio is to raise funds through a successful investment strategy to fund the grantmaking and operations of the foundation. The foundation has an investment portfolio with both a mission driven element and a future growth focus. Our continued fiscal responsibility and focused management of market risk for both portfolios, including adjustments for the Trust’s core holding of Kellogg Company stock, remain central to our investment and financial planning strategy. As of Aug. 31, 2022, the investment portfolios for the foundation and Trust combined were valued at $8.67 billion, providing increased coverage for spending on grants, program-related activities, administration costs and inflation. Both the foundation and Trust portfolios continue to achieve benchmarks selected to track performance over market cycles to ensure meeting payout requirements and long-term growth.

You mentioned the foundation’s investment portfolio to support long-term grantmaking and further serve the foundation’s mission. Can you describe these investments?

Our Mission Driven Investments portfolio, valued at $109.5 million of cash equivalents, fixed income and private equity, seeks to provide social impact in support of our mission, as well as achieve market-rate returns. Another tool the foundation uses to support grantmaking is program-related investments (PRIs), which are strategic investments that align with our mission and are typically below market-rate loans to organizations or charitable equity investments. As of Aug. 31, 2022, the foundation had $48.8 million in PRIs on its balance sheet, representing an approximately 30% increase over the prior year.

How were the foundation’s new grant commitments allocated this year?

For the fiscal year, the foundation made new grant commitments totaling more than $298 million, which included distribution of the remaining social bond proceeds.
Of the foundation’s new commitments, nearly 59% benefited our priority places of Michigan, Mississippi, New Mexico and New Orleans in the United States, and internationally in central and southwest Haiti and in the highlands of Chiapas and the Yucatan Peninsula in Mexico. Additionally, new commitments were made across the U.S. nationally, as well as support for the five recipients of the Racial Equity 2030 global challenge.

Grants by Priority Location
Can you share the foundation’s annual fiscal governance process for recording and reporting accurate and transparent financial information?

The foundation’s trustees are provided bi-monthly treasurer’s reports which contain comparable financial statements, actual-to-budget information and progress toward achieving financial key performance indicators. Annually, the foundation leadership team prepares a programmatic and operational plan that realistically allocates our human capital and financial resources. The foundation’s comprehensive budget plan is presented to and accepted by our board.

Our annual independent accountants audit report is shared with and accepted by the full board. Mitchell Titus, LLP, serves as the independent accountant for the foundation and Trust. For tax technical expertise, advisory services and return filings, the foundation and Trust utilize Crowe, LLP.

A full set of the foundation and Trust’s audited financial statements are available for download, and the 990-PFs or anticipated filing dates are also available at wkkf.org.