

FRED A. AND BARBARA M.  
**Erb Family Foundation**

2010 ANNUAL REPORT





#### OUR MISSION

To nurture environmentally healthy  
and culturally vibrant communities in  
metropolitan Detroit and support initiatives  
to restore the Great Lakes Basin

## LETTER FROM THE PRESIDENT

# It gives me great pleasure to present our family foundation's first Annual Report.

Thanks to my parents Fred and Barbara Erb and their philanthropic vision, the Erb Family Foundation has had an immediate impact on metropolitan Detroit.

Over the Foundation's first eighteen months, we approved more than \$10 million in grants, supporting a broad range of organizations, during a time of extreme need and exciting opportunity. The Foundation's launch coincided with the onset of a severe economic recession, to which we responded with a half-million dollars in grants for food and shelter. We then moved on towards our Mission focused grants, which became all the more timely in light of the new federal **Great Lakes Restoration Initiative**, the cuts in State funding for the arts, and the first inklings of **a process to re-imagine the City of Detroit for a stronger future**.

We are attempting to use our resources strategically to strengthen existing efforts and support new ideas within the context of these greater forces. For example:



- We provided unrestricted operating support for the key watershed and river protection groups in metro Detroit and funded broader research and policy efforts in the Great Lakes Basin.
- As Detroit has a vast inventory of currently dormant land and land use has significant implications for water quality, we supported projects and planning efforts promoting green infrastructure and other sustainable uses of the land.

- Our grants are helping environmental justice organizations educate and empower Detroit residents to take control of their future and the future of their City.
- One-third of our grants funded a variety of culture and arts organizations as essential building blocks for a vibrant City and region.
- We are supporting leading research to help better understand and ultimately cure Alzheimer's Disease—an area of particular interest to us because my father has developed the disease, as have 5.3 million other Americans.

As I write this message, we have already approved another \$4.2 million in grants beyond what is covered in this report and I look forward to sharing further results with you next year.

John M. Erb, President

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Please explore the interactive links throughout this report (indicated by bold-face text or colored text boxes) for further information about the issues and organizations we support.

## FRED AND BARBARA ERB

Devoted parents, grandparents and long-time civic leaders, Fred and Barbara Erb's philanthropy is strongly influenced by their desire to create a better world for both current and future generations.

This desire, together with their successful family business experience, their shared love of the outdoors, and their deep sense of fairness and justice, naturally led them to view their philanthropy through the lens of sustainability—development that harmonizes economic, environmental and social interests while meeting the needs of the present without compromising the needs of the future.

Both Fred and Barbara Erb were born and raised in the Detroit area, where they raised their four children, developed the family business, and have decided to focus their philanthropic legacy.

The day after receiving his BBA degree from the University of Michigan in 1947, Fred bought into his uncle's lumber and coal business in Royal Oak, Michigan. At that time, the Erb Lumber Company had one store, seven employees, and revenues approaching \$170,000. Fred developed the company into a multi-state enterprise, covering 45 locations with



1,300 employees and generating \$280 million in sales, before he sold it in 1993. Ever the savvy entrepreneur, Fred didn't stop there, but continued to develop multiple successful real estate and investment partnerships.

Fred and Barbara brought the same energy and acumen to their philanthropy. Their first major gift, in 1951, was to help establish a camp

for troubled children in northern Oakland County, Michigan. Not only did Fred pledge an amount equal to his annual income (at that time \$5,000), he and Barbara challenged their business associates, friends and neighbors to give as well, until they had raised gifts totaling more than four times that amount. Motivating and partnering with others became a hallmark of their philanthropy.

In 1996, they made their first major gift to the University of Michigan, with subsequent gifts eventually totaling \$20 million, to establish the **Erb Institute for Global Sustainable Enterprise**. With their concern for a sustainable future, it is not surprising that in 2007 they established a family foundation to institutionalize and perpetuate their philanthropy.

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We invite you to explore our website to learn more about the Erb Family and the Foundation's interests – [www.erbff.org](http://www.erbff.org).

# GRANTS OVERVIEW: DESIRED OUTCOMES & PROGRESS TO DATE

The Foundation's Mission is to nurture environmentally healthy and culturally vibrant communities in metropolitan Detroit and support initiatives to restore the Great Lakes Basin. To help us accomplish our Mission, we have developed Desired Outcomes and identified activities that we will support to help achieve these Outcomes

**Environment:** Our overall Desired Outcome is an environmentally healthy City of Detroit, metropolitan Detroit region and Great Lakes Basin. To help achieve this Outcome, we support efforts to improve water quality in the watersheds impacting metropolitan Detroit and Bayfield, Ontario and to promote environmental health and justice.

**Culture and Arts:** Our overall Desired Outcome is a culturally vibrant City of Detroit and metropolitan Detroit region. To help achieve this Outcome, we support select "anchor" arts organizations, community arts, and jazz education.

The Foundation also initiates grants in the areas of **Alzheimer's Research** and other areas that we consider "Special Opportunities."

## Grants Paid

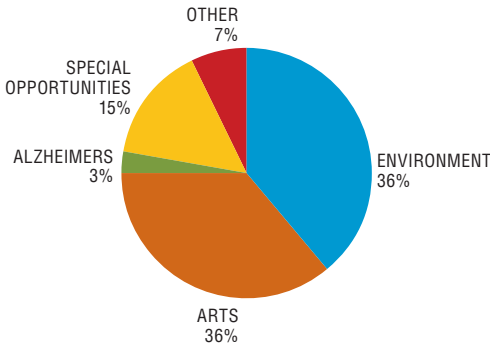
DECEMBER 1, 2008 THROUGH JUNE 30, 2010  
(FYE JUNE 30)

Great Lakes	\$ 1,381,500
Environmental Health & Justice	\$ 1,203,000
Anchor Arts	\$ 1,035,000
Community Arts	\$ 620,500
Arts Education	\$ 762,500
Alzheimer's Research	\$ 200,000
Special Opportunities	\$ 1,000,000
Other (Discretionary Fund, Membership Dues, Employee & Trustee Matching and Trustee Designated Gifts)	\$ 449,260

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**Total Grants Paid** **\$ 6,651,760**

Sustainability works from the bottom-up and is rooted in the actions and decisions by individuals, nonprofit and profit enterprises, and local communities. Our grants support local grass-roots and community-based organizations as well as larger institutions whose research and expertise helps inform and advance those local efforts. In our first 18 months, we approved a total of \$10,015,260



in grants. As of June 30, 2010, \$6,651,760 of those grants had been paid, with the \$3,363,500 balance to be paid out over the next 1–4 years depending on the individual grant terms.

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Please visit our Web site for information on our Application Process – [www.erbff.org](http://www.erbff.org).





# Great Lakes

Nonpoint source pollution is one of the biggest threats to the Great Lakes. NPS occurs when water runs over land or through the ground and picks up pollutants, or when pollutants are emitted into the air, and are deposited in surface or ground water. Sustainable land use, such as low impact development, is one way to prevent NPS.

**Organizational Capacity Clinton River Watershed Council • Rochester, MI** general operating support/\$138,000 payable over 4 years **Friends of the Rouge • Dearborn, MI** general operating support/\$140,000 payable over 4 years **Friends of the Detroit River • Trenton, MI** general operating support/\$60,000 payable over 4 years **Huron River Watershed Council • Ann Arbor, MI** general operating support/\$330,000 payable over 4 years **Michigan League of Conservation Voters • Ann Arbor, MI** to help environmental groups learn how to use voting information to better engage their membership/\$30,000 **Sustainable Land Use Detroit Science Center • Detroit, MI** to construct the Clean Water Through Green Engineering Exhibit/\$125,000 challenge grant **Greening of Detroit • Detroit, MI** to test a new vacant land reclamation model that will create swaths of newly forested land in Detroit to mitigate storm water runoff/\$160,000 **Six Rivers Regional Land Conservancy • Rochester, MI** to create a model wetlands databank and outreach program in Oakland and Macomb

We support efforts to improve water quality in the Great Lakes Basin, especially the watersheds impacting metro Detroit and Bayfield Ontario, emphasizing local strategies to reduce non-point source pollution, promote water conservation and efficiency, and restore critical wetlands. Grants approved in our first year supported organizational capacity, sustainable land use and policy & research.

Counties identifying the highest priority wetlands and connect landowners with wetlands with those in need of performing mitigation/\$100,000 payable over 2 years **Warren-Conner Development Corporation • Detroit, MI** for a multi-organizational collaborative that will engage residents on the lower eastside of Detroit in a data-driven planning process to determine environmentally sustainable re-uses of vacant land in that part of the City/\$120,000 **Policy and Research National Wildlife Federation • Arbor, MI** to support the Healing Our Waters Coalition: a collaborative effort to promote funding and policy reform for the Great Lakes and assistance for organizations conducting Great Lakes restoration projects/\$450,000 payable over 3 years **Nature Conservancy • Lansing, MI** to hire a policy associate/\$170,000 payable over 2 years and to complete the Lake Huron Conservation Planning Process/\$100,000 payable over 2 years **University of Michigan (School of Natural Resources and Environment) • Ann Arbor, MI** to create cumulative impact maps of the Great Lakes ecosystem to guide conservation and restoration decisions/\$500,000 payable over 2 years



The background image shows a large industrial facility, likely a steel mill, with several tall smokestacks. One stack in the center-left is emitting a bright orange flame or smoke. In the foreground, there is a residential neighborhood with houses, some of which have snow on their roofs. Bare trees are scattered throughout the scene, and the overall atmosphere is hazy and overcast.

# Environmental Health & Justice

Minority and low-income people often live in areas where they are disproportionately exposed to polluted air, water, and land. Environmental issues are not just about wilderness in isolated areas, but also about the conditions of inner cities and poor neighborhoods. Environmental Justice is about social transformation directed towards changing these conditions.

Delray neighborhood of southwest Detroit



**Policy & Systems Change Ecology Center · Ann Arbor, MI** general operating support/\$200,000 payable over 2 years **Fair Food Network · Ann Arbor, MI** to develop federal policies and funding for a system of healthy and sustainably-grown food in Detroit and Southeast Michigan/\$100,000 **Michigan Environmental Council · Lansing, MI** to strengthen the connections between the Detroit program and state policy work on environmental health, justice, and water issues/\$200,000 payable over 2 years **Science & Environmental Health Network · Ames, IO/Ann Arbor, MI** to use research on complex environmental influences on Alzheimer's Disease as a case study to leverage policy changes addressing interrelated public health and environmental problems/\$75,000 **Wayne State University · Detroit, MI** to expand healthy, sustainable food choices for households on Detroit's east-side in partnership with Earthworks Urban Farm/\$90,000 payable over 2 years **Organizational Capacity Arab Community Center for Economic & Social Services (ACCESS) · Dearborn, MI** to develop awareness and advocacy of environmental issues in the Arab American community in Detroit in partnership with other communities of color in the City/\$65,000 **Detroit Hispanic Development Corporation · Detroit, MI** to create a policy advocacy initiative to address

Our goals are to promote social equity in developing environmentally sustainable communities and to reduce negative environmental impacts on human health. Grants in our first year supported policy & systems change and organizational capacity.

health disparities and environmental justice in southwest Detroit/\$135,000 payable over 2 years **Detroiters Working for Environmental Justice · Detroit, MI** to expand DWEJ's capacity for community organizing and education/\$135,000 payable over 2 years **East Michigan Environmental Action Council · Detroit, MI** to build organizational capacity to expand the Environmental Justice Re-Media program /\$90,000 payable over 2 years **Self-Help Addiction Rehabilitation (SHAR) · Detroit, MI** to support a participatory planning process to develop a large scale urban agriculture project on Detroit's near east side that will promote productive and sustainable land use and jobs/\$25,000 **Vanguard Community Development · Detroit, MI** to engage Our Kitchen Table and other experts to help residents in the Northend neighborhood of Detroit proactively address environmental problems/\$100,000 payable over 2 years **WARM Training Center · Detroit, MI** to expand the Detroit Youth Energy Squad, building future environmental leaders through a youth employment and training program on climate change and home weatherization/\$50,000 and to expand the operations of Great Lakes Bioneers/\$10,000 **Wayne State University · Detroit, MI** to hire a full time coordinator for the Environmental Law Clinic \$25,000

A photograph of a museum gallery. On the left, there are three large, arched stained glass windows with intricate designs. A group of people, including children and adults, are gathered in front of the windows, looking at them. On the right, a large classical painting is displayed on the wall. The painting depicts a group of figures, including a central figure in a red robe. The floor is made of polished wood. The title 'Anchor Cultural & Arts Organizations' is overlaid in large white text across the center of the image.

# Anchor Cultural & Arts Organizations

Culture and arts organizations not only contribute to the character of a community, they also are an economic stimulus. Nationwide, arts organizations generate \$166.2 billion in economic activity and support 5.7 million jobs. (AMERICANS FOR THE ARTS)

**Family History Cranbrook Educational Community (Institute of Music & Science) • Bloomfield Hills, MI/\$100,000 Detroit Educational Television • Detroit, MI/\$100,000 Detroit Institute of Arts • Detroit, MI/\$100,000 Detroit Symphony Orchestra • Detroit, MI/\$100,000 Detroit Zoological Society • Royal Oak, MI/\$100,000 The Henry Ford • Dearborn, MI/\$100,000 Meadow Brook Theatre • Rochester, MI/\$25,000 Other Detroit Arts Organizations Arts League of Michigan • Detroit, MI/\$25,000 Artserve Michigan (Cultural Data Project) • Wixom, MI/\$25,000 Arts & Scraps • Detroit, MI/\$10,000 College for Creative Studies (Community Arts Programs) • Detroit, MI/\$25,000 Cultural Alliance of Southeastern Michigan • Detroit, MI/\$25,000 Detroit Artist Market •**

We provide general operating support for cultural and arts organizations, including larger organizations that have had historical significance to the family as well as to other organizations that are essential elements of a strong core central city and vibrant neighborhoods.

**Detroit, MI/\$10,000 Detroit Historical Society • Detroit, MI/\$25,000 Detroit Repertory Theater • Detroit, MI/\$15,000 Friends of Detroit Public Library • Detroit, MI/\$25,000 Heritage Works • Detroit, MI/\$10,000 Living Arts • Detroit, MI/\$10,000 Marygrove College (Community Arts Programs) • Detroit, MI/\$10,000 Michigan Opera Theatre • Detroit, MI/\$25,000 Motown Historical Museum • Detroit, MI/\$15,000 Museum of African American History • Detroit, MI/\$25,000 Museum of Contemporary Art Detroit • Detroit, MI/\$25,000 Pewabic Society • Detroit, MI/\$25,000 PuppetArt • Detroit, MI/\$10,000 Rackham Symphony Choir • Detroit, MI/\$10,000 Scarab Club • Detroit, MI/\$10,000 VSA Arts of Michigan • Detroit, MI/\$10,000 Wayne State University • Detroit, MI/Hilberry Theater/\$15,000 WDET/\$15,000 WSU Art Galleries/\$10,000**





# Community Arts

Arts can be a valuable engine of civic renewal and represent perhaps the most significant under utilized forum for rebuilding communities in America. (*BETTER TOGETHER: THE ARTS AND SOCIAL CAPITAL*, JOHN F. KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY)



**Ann Arbor Hands On Museum • Ann Arbor, MI** to develop local environmental concern and activism in five communities in metro Detroit through a library-based arts program/\$85,500 **Cranbrook Educational Community • Bloomfield Hills, MI** to support Artology: The Fusion of Art and Science, a collaborative exhibition and education effort between Cranbrook's Institute of Science and Art Museum /\$100,000 **Cultural Alliance of Southeastern Michigan • Detroit, MI** for a planning process for a new initiative to increase attendance and participation of arts and culture programs of more than 100 organizations in southeast Michigan/\$25,000 **The Heidelberg Project • Detroit, MI** to help build organizational capacity to develop a cultural village – a sustainably designed, arts-infused, economically vibrant community/\$125,000 payable over 2 years (dollar for dollar match required for \$50,000 of \$75,000 year two payment) **InsideOut Literary Arts • Detroit, MI** for a multi-arts, community-based, year-long celebration of women poets in partnership with Detroit Public Television,

Our goal is to help revitalize individual neighborhoods and ultimately the City of Detroit and metropolitan Detroit region through cultural activities and public art. We support neighborhood-based culture and arts projects that engage the community in planning, creating and maintaining the project, especially projects that explore the intersection of arts and the environment.

Arts League of Michigan, Matrix Theatre Company, Wayne State University Press and others/\$100,000 **Luella Hannan Memorial Foundation • Detroit, MI** to create a community designed public art sculpture and rain garden at Hannan House, engaging senior artists, local artists and volunteers, as part of Detroit's Midtown Loop Public Art Plan/\$15,000 **Matrix Theatre Company • Detroit, MI** to develop Ghostwaters, an interactive arts project examining Detroit's water history, its current water problems and their impact on the future/\$150,000 payable over 3 years **Museum of Contemporary Art Detroit • Detroit, MI** to hire a development director and create a strategic development plan/\$120,000 **Southwest Housing Solutions Corporation • Detroit, MI** to engage the community and demonstrate artistically and ecologically creative storm water mitigation/low impact development techniques in renovating a former police station in southwest Detroit into a creative arts center housing **555 Nonprofit Gallery & Studios** and **Classic Landscape, Ltd**/\$75,000 payable over 2 years



# Arts Education

Jazz speaks profoundly of the American experience because of its democratic nature—in its practice, through the collaborative nature and improvisational qualities of its performance, and its important social role as an early meeting place for people of different races. (NATIONAL ENDOWMENT FOR THE ARTS)

**Birmingham Bloomfield Art Center • Birmingham, MI** to educate and connect talented, low-income high school art students in metro Detroit to higher education in the visual arts and ultimately to viable art careers/\$70,000 payable over 2 years **InsideOut Literary Arts • Detroit, MI** for general operating support/\$50,000 **Mosaic Youth Theatre • Detroit, MI** for general operating support/\$100,000 challenge grant **Sphinx Organization • Detroit, MI** for the Sphinx Prep Music Institute and Overture programs/\$100,000 challenge grant

Our original goal was to prepare young people for productive careers and community leadership by providing them with quality arts experiences. Within our first year, we refined that goal to focus solely on jazz education—a reflection of Fred Erb's love of jazz and Detroit's strong jazz history.

**YMCA of Metropolitan Detroit • Detroit, MI** to develop a Y-Arts program to teach urban teens digital arts skills through a focus on environmental issues/\$100,000 **Jazz Education—to provide advanced jazz instruction to musically talented youth Arts League of Michigan • Detroit, MI** \$35,000 **Detroit International Jazz Festival Foundation • Detroit, MI** \$77,500 payable over 2 years **Detroit Symphony Orchestra • Detroit, MI** \$100,000 payable over 2 years **Michigan State University-CMS Detroit • Detroit, MI** \$100,000 payable over 2 years **Music Hall • Detroit, MI** \$40,000





# Alzheimer's Research

An estimated 5.3 million Americans have Alzheimer's Disease and that number will likely increase to 13.5 million by 2050. The annual total cost of care will likewise increase from \$170 billion today to more than \$1 trillion in 2050. Yet there is a chronic under investment in federal funding for Alzheimer's research, with current government spending at less than \$500 million. (ALZHEIMER'S ASSOCIATION)

## Special Opportunities

Beta-Amyloid plaques build up between brain nerve cells in Alzheimer's patients



**Alzheimer's Research Alzheimer's Association • Chicago, IL** to support peer-reviewed, donor-directed leading research aimed to understand, prevent, treat and ultimately cure Alzheimer's disease/\$1,000,000 payable over 5 years **Special Opportunities Detroit Educational Television Foundation • Detroit, MI** for the Because Minds Matter capital campaign/\$500,000 payable over 5 years **Detroit Riverfront Conservancy, Inc. • Detroit, MI** for general operating support with an emphasis on environmental education and public art/\$1,000,000 payable over 5 years **University of Michigan** for scholarships for the **Erb Institute for Global Sustainable**

Alzheimer's Research: The Foundation supports leading research regarding the prevention, management & treatment of Alzheimer's disease.

Special Opportunities: From time to time, the Foundation initiates support for exceptional opportunities that fall outside of its mission.

**Enterprise**/\$200,000 challenge grant **In December 2008, the Foundation approved three, one-time special grants totaling \$500,000 to help meet the immediate, short term needs of individuals affected by the economic downturn. The grants were matched dollar for dollar by Fred and Barbara Erb personally. Forgotten Harvest • Oak Park, MI** to distribute fresh food to vulnerable families in metro Detroit using rescued perishable food/\$125,000 **Salvation Army • Southfield, MI** for emergency holiday and year round assistance to families/\$250,000 **THAW • Detroit, MI** to provide energy assistance to low income families and individuals in metro Detroit/\$125,000

## FINANCIAL STATEMENTS

	AS OF JUNE 30, 2010	AS OF JUNE 30, 2009	AS OF JUNE 30, 2008
<b>Assets</b>			
Cash	\$ 234,561	\$ 4,769,777	\$ 8,343,013
Notes receivable	921,617	2,014,689	2,081,068
Investments			
Stocks held	415,500	1,389,023	2,886,067
Managed accounts	95,507,407	82,067,525	103,380,406
<b>Total Investments</b>	<b>\$95,922,907</b>	<b>\$83,456,548</b>	<b>\$106,266,473</b>
<b>Total Assets</b>	<b>\$97,079,085</b>	<b>\$90,241,014</b>	<b>\$116,690,554</b>
<b>Liabilities</b>			
Accrued Liabilities	\$ 10,798	\$ 8,830	\$ 152,537
Grants Payable	3,037,142	1,636,521	—
Deferred federal excise taxes	36,319	41,600	57,602
<b>Total Liabilities</b>	<b>\$ 3,084,259</b>	<b>\$ 1,686,951</b>	<b>\$ 210,139</b>
<b>Net Assets</b>			
Beginning of year Balance	\$ 88,554,063	\$ 116,480,415	\$ —
Additions/(reductions)	5,440,763	(27,926,352)	116,480,415
<b>Total Net Assets</b>	<b>\$93,994,826</b>	<b>\$88,554,063</b>	<b>\$116,480,415</b>
<b>Total Liabilities and Net Assets</b>	<b>\$97,079,085</b>	<b>\$90,241,014</b>	<b>\$116,690,554</b>

Note: 2008 and 2009 audited; 2010 audit pending

## BOARD OF TRUSTEES & STAFF



TOP: Debbie, Wendy, John, Ira, Leslie, Susan  
SEATED FRONT: Barbara and Fred NOT PICTURED: Chacona



Daryl, Jodee, Trish, John

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Barbara M. Erb

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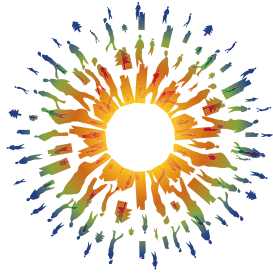
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Please visit our Web site for staff  
contact information – [www.erbff.org](http://www.erbff.org)

A hard copy of this report, printed on 100% post-consumer fiber processed without chlorine, using soy and vegetable oil-based inks, is available as well. Please [click here](#) to have a copy mailed to you.



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