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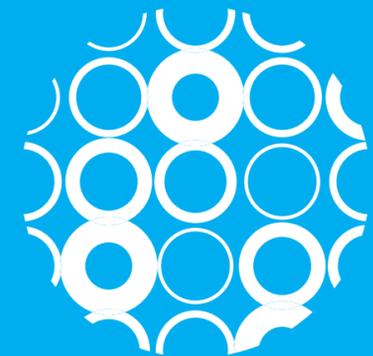
SEVENTY-FIVE
YEARS OF
SOCIAL CHANGE



FORD FOUNDATION

The Ford Foundation works with visionary leaders and organizations worldwide to change social structures and institutions so that all people have the opportunity to reach their full potential, contribute to society, have a voice in the decisions that affect them, and live and work in dignity.

This commitment to social justice is carried out through programs that strengthen democratic values, reduce poverty and injustice, promote international cooperation, and advance human knowledge, creativity and achievement.



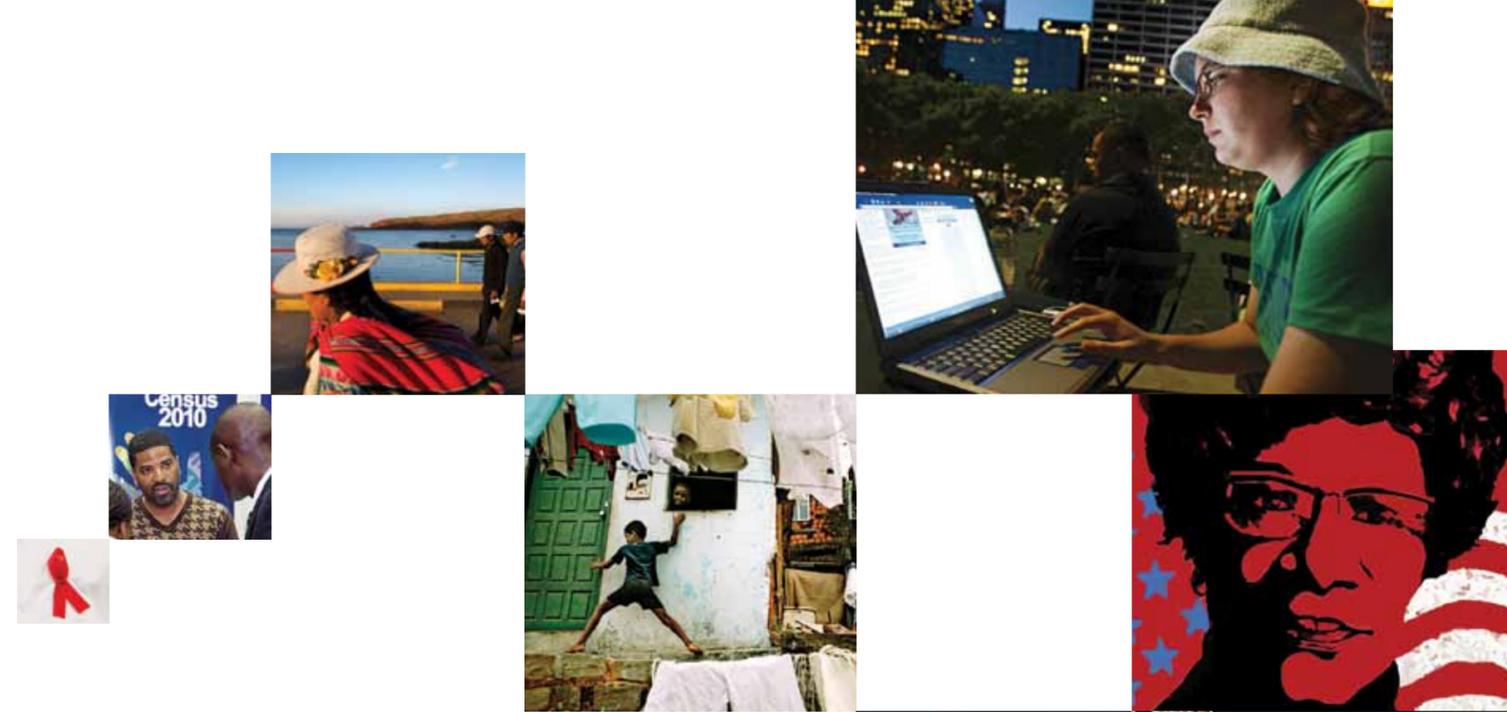
FORDFOUNDATION



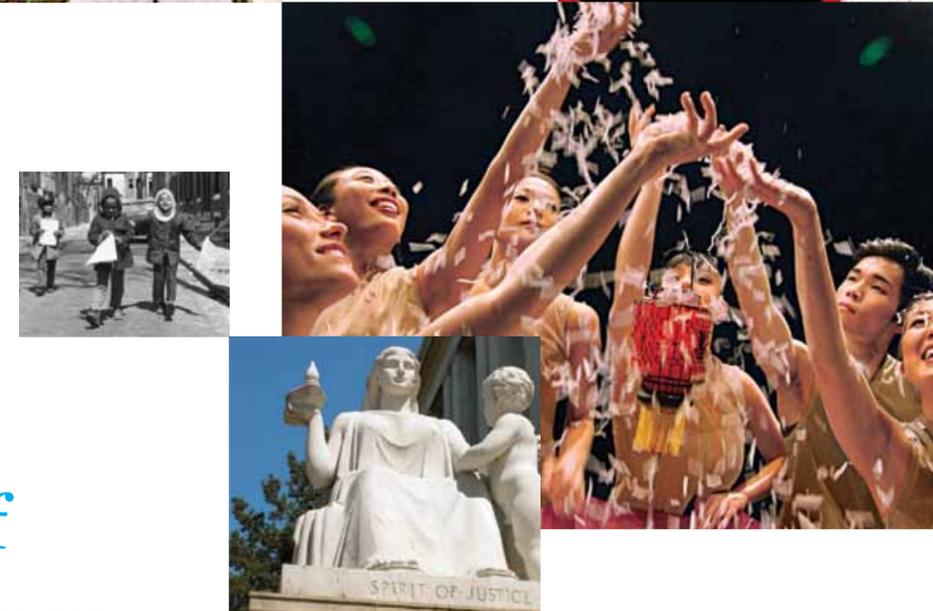


For 75 years, we've partnered with visionaries who have transformed the human experience.

But the fight for a world defined by opportunity, fairness and dignity is far from over.



Today, in a time of extraordinary change, we believe there is a rare opportunity to transform the world anew.



Upholding our ambitions

Message from the President

For three-quarters of a century, the Ford Foundation has partnered with visionary organizations and individuals who have helped to transform the world.

Together we have worked to seed the green revolution, build the human rights movement and empower social entrepreneurs around the globe. In the United States, we worked to create Head Start, launch public broadcasting and build many of the civil rights organizations that today continue to fight for equality. Any accounting of the foundation's illustrious history is inadequate, the accomplishments too numerous. Many of the ideas we advanced and the institutions we launched or supported were profoundly unconventional at the time; now, they are the very foundation of our public life.

What unites these efforts are the values of fairness and self-determination that have defined the Ford Foundation since our founding in 1936 by Edsel Ford. We were established at a time of great economic and social upheaval. Our nation was suffering through a profound and traumatic economic crisis; hints of war abounded; questions about citizenship, its meaning and who did and did not qualify were openly debated. But out of that tumult came an era of unprecedented individual and national growth, prosperity and freedom.

Our work today must aspire to no less. As we prepare the foundation for its next generation of impact, we know that there is much work yet to be done. We continue to face enormous obstacles to the cause of social justice. Our societies are contending with a trio of modern challenges not dissimilar from those of 75 years ago—globalization and its economic, political and cultural dislocations; a scarcity of natural resources that threatens to become even more acute; and technological change that brings people together but can also create division and inequality.

Far too often our hardest-working and most vulnerable citizens are being asked to shoulder these burdens alone. The commitment to Ford's bedrock values demands that we reverse this trend. It demands that we provide support to those who work hard but are still living in poverty. It demands that we give voice to those who are not heard, counted or represented. And it demands that we throw open the doors of opportunity so that all individuals can make the most of their human potential. These are issues not merely of social justice but of basic fairness.

Moving forward on these fronts is more vital than ever, particularly as the financial gap—and the opportunity gap—between the rich and the poor is growing wider. Too many voices today are silenced or ignored by their leaders; too many economic, technological and social opportunities are closed off and restricted to the wealthy few; and too many public institutions are impenetrable and closed to scrutiny. In the United States, the sense of union and shared purpose that has been at the core of our national progress is being lost.

We believe that meeting the challenges of these times requires that we take the kinds of risks that are the distinguished legacy of this foundation. It also requires that we advance programs and initiatives that have the potential to be transformative, even when the approach is new and unproven. After all, risk and challenge are more than just the privilege of philanthropy—they are its responsibility.

We pursue these aspirations, as we always have, in deep engagement with a range of partners, led by our grantees. In this report you will meet some of our most visionary social innovators. In honor of our 75th year, we are recognizing 12 remarkable leaders with a special Ford Foundation Visionaries Award. These change makers have brought breakthrough insights to some of our most challenging social problems. They are thinkers who make change happen and who pursue their vision with determination and an unstinting focus on impact.

Here in the United States and around the world, they are making markets work for the poor; expanding community ownership over natural resources; unleashing the opportunities for free expression; democratizing the global financial system; increasing citizen engagement in democratic processes; and fulfilling the promise of technological possibility. These innovations address some of the greatest social challenges of the 21st century, and they reflect the full scale of our ambitions.

The challenges before us are clear. But if the past 75 years have taught us anything, it is that we, together with our grantees and partners, have the ability to make the enduring vision of transformative social change a reality. Making progress is not the work of days, months or years—it is the work of generations.

Luis A. Ubiñas
President



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Ford Foundation Visionaries Awards

To mark our 75th anniversary, we are honoring 12 extraordinary social change leaders whose work is improving the lives of millions of people around the world. This report introduces eight of these visionaries—please visit our website to meet them all. fordfoundation.org/visionaries-awards

Explore our work

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For more information about the Ford Foundation and our grant making, visit fordfoundation.org



Scan this code with your smartphone for an online version of this annual report.

Making markets work for the poor

Bold ideas are transforming financial services for the poor, providing new tools to reduce poverty in the United States.

Decades of experience in the fight against poverty show that simply supplementing family income is not enough. Low-income families need opportunities to build assets that help them handle crises, take advantage of opportunities and, above all, create a secure future through homeownership and other investments in long-term financial independence. Good financial services targeted to the daily realities of low-income people—such as flexible savings products, fair credit, and affordable loans—must be part of any real solution.

Conventional thinking says that low-income Americans don't use financial services—their immediate needs are so great that they never acquire the habits of saving, borrowing and investing. In fact, they use financial services every day. Unfortunately, the outlets most readily available to them—check cashing services, subprime mortgages, payday lenders—are overpriced and often exploitive, depleting their resources and plunging many into unmanageable debt. A typical response is to offer low-income consumers financial education that informs them of the dangers of predatory loans or the advantages of saving. We see it differently.

To create smarter financial tools for low-income customers, we are helping to change the financial services market to make it more responsive, more accountable and more fair. The stakes couldn't be higher, in both human and economic terms. Alternative financial services alone are a \$29 billion industry—a substantial pool of resources that could help improve the lives of low-income people if more of it remained in their hands.

Lasting change requires three key elements. First, low-income consumers who are “unbanked” or “underbanked” need financial products that are attractive and build their personal assets; products also need to make financial sense for the companies offering them. (See a few of these products on page 13.) Second, distribution systems are needed to make good products truly accessible to their intended customers. Third, consumer-friendly public policies that encourage and even motivate banking and lending institutions to provide good service for low-income customers are essential.

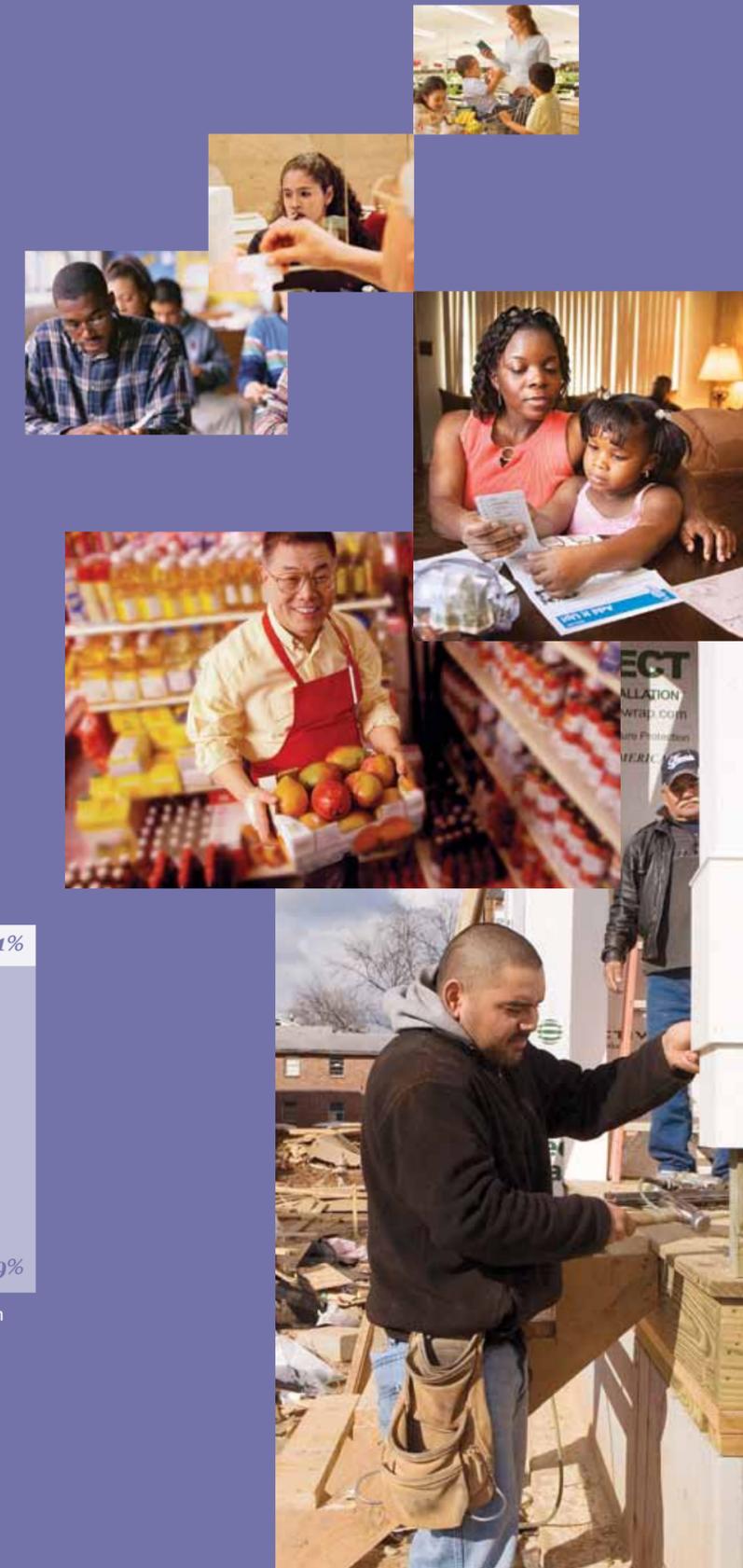
We are partnering with organizations working on all three fronts. As new approaches gain visibility and acceptance over the next few years, we expect to see significant gains in access for low-income families to financial services and in the ability of the market to serve those families well.

How many American households lack the financial services they need?



UNBANKED: Households without checking or savings accounts

UNDERBANKED: Households with bank accounts that still rely on more costly alternative financial services

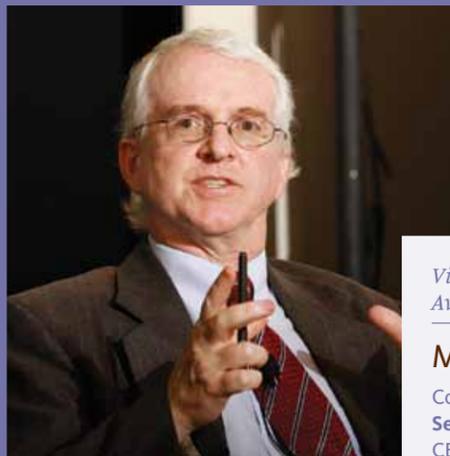


Total U.S. Households



U.S. Households, by race/ethnicity

Source: FDIC, 2009



*Visionaries
Award Recipient*

Martin Eakes

Co-Founder and CEO
Self-Help
CEO, Center for
Responsible Lending
Durham, North Carolina

“The most caustic, corrosive force in human history is having extreme wealth and extreme poverty in close proximity. Back in 1980, we felt that the civil rights and women’s movements had made great gains in the legal arena, but that those would mean little if they didn’t translate to the economic arena.

“We work to give people a chance to support their families with a good job and decent housing, so that their children can see a better life. We’ve helped 60,000 families become homeowners so far, and we’re vigilant about stopping the kind of financial misconduct that punishes people just because they’re poor.”

“We created Self-Help to try to build a more equitable financial system, so that people can own homes and start businesses even though their parents could not. We provide lending to homeowners and to entrepreneurs who would otherwise be left out of the mainstream.

Innovative financial products for low-income customers



ALTERNATIVE CHECK-CASHING

Self-Help Credit Union’s Micro Branch is a fair and affordable check-cashing outlet, providing convenient check cashing, remittances, money orders and bill-pay services. It also offers products such as savings and checking accounts, home loans, IRAs and CDs.



AFFORDABLE “SMALL-DOLLAR” LOANS

Progreso Financiero provides “small-dollar” loans at fair rates, mainly to Latino customers who lack credit histories and traditional banking relationships. The company has proven that a borrower with a thin credit file is not necessarily a high risk.



ALTERNATIVE CREDIT DATA

RentBureau collects and reports apartment rent payment data, offering consumers with little access to traditional loans a way to build or rebuild their credit scores.



RELOADABLE PRE-PAID DEBIT CARDS

AccountNow offers customers a safe alternative to cash and a convenient way to pay bills and make purchases. It’s a new model of banking for the “unbanked.”



SAVINGS PRODUCTS THAT ARE EASY AND FUN

Save to Win gives credit union customers a chance to win cash prizes every time they make a \$25 deposit. The accounts have motivated thousands of families to save for the first time.

Lifting up families for greater economic independence

Two innovative partnerships—one in Latin America, the other in the United States—are addressing poverty at a structural level.

Despite overall patterns of economic growth in the Western Hemisphere over the past decade, millions of people are being left behind. Across Latin America and the Caribbean one person in three—180 million people—lives in poverty, and the continent has the highest levels of income inequality in the world. In the United States, changing workforce patterns mean that a quarter of American workers, some 29.4 million, hold jobs that don't pay enough to keep a family out of poverty, no matter how hard they work. The result is chronic economic insecurity, with working families caught in an unending struggle to support themselves, hold onto low-paying jobs and care for their children.

To lessen the effects of poverty on the next generation, many governments establish programs to help poor and working families buy food, keep their children healthy and pay their bills. The difficulty is that these efforts, vast in scale and aimed at reaching millions of households, are notoriously difficult to administer.

We recognize the value of these programs and want to see them do a better job. Governments have a responsibility to spend money wisely, especially in times of economic uncertainty. These responsibilities are self-reinforcing.

In the United States, we are partnering with a group of states and the federal government to improve a trio of long-established family benefit programs. In Latin America, we are working with national governments to help strengthen existing cash transfer programs, most of them quite new, by linking them with savings and access to financial services. The collaborations differ, but they share two common goals: more effective government programs and greater economic security for millions of people.

For our public-sector partners, the collaborations are opportunities to experiment and learn from other governments that are facing challenges similar to their own, while benefiting from outside research and policy expertise. For us, they are opportunities to effectively leverage the resources of government—our best hope for reducing family poverty at a scale that reaches across states and nations, and spreads worldwide.



These collaborations share two goals: more effective government programs and greater economic security for millions of people.



How CCTs have changed lives throughout Latin America

THE CONTEXT

Governments across Latin America and the Caribbean have led the world in developing conditional cash transfer (CCT) programs, which currently provide assistance to 25 million families. With CCTs, parents typically receive monthly payments that help them meet immediate needs. In return, they must meet certain conditions, such as ensuring that their children attend school and get preventive healthcare. Extensive research has shown that CCTs are effective at promoting actions that increase children's long-term chances for health and success.

THE CHALLENGE

Although CCTs help with immediate needs and improve the long-term health and education of children, they are less successful at helping families build assets in the medium term. Families remain dependent on each payment and are unable to invest in opportunities for the future—livestock, supplies for a small business, training or education. Also, despite recent improvements in some countries, CCT distribution systems remain cumbersome and inefficient. Families get their cash by picking up the entire amount on a particular day from a government office or financial institution, where they usually wait in long lines.

THE INNOVATION

As part of the Proyecto Capital initiative, governments are linking CCT programs with personal savings accounts. Governments gain the ability to make payments directly into a family's private account and encourage savings. Parents can withdraw cash gradually as they need it—and even leave some behind each month to accumulate, so it can be used to invest in a business, home or other productive asset. As an added incentive to save, some countries are experimenting with benefits like matching gifts and lotteries. Savings-linked CCTs open up the possibility of further innovation, such as mobile phone applications that could lower program costs, improve communications with beneficiaries, and add a measure of safety compared with cash or card-based systems.

PROYECTO CAPITAL PARTICIPATING COUNTRIES:

-  **Implementation:** Peru, Colombia and Chile
-  **Design and policy dialogue:** Ecuador, Bolivia, Dominican Republic, Brazil and Mexico
-  **Exploration:** Paraguay, Guatemala and El Salvador



State governments are helping to put working families on the pathway to a better life

THE CONTEXT

In the United States, the federal government offers three programs to help low-income parents work and provide for their children: Medicaid/SCHIP (State Children's Health Insurance Program), childcare assistance, and SNAP (formerly known as food stamps). Administered through the states, all three have been shown to help families remain in the workforce, meet immediate needs and reduce daily hardships. Overall, as many as 16 million working households—roughly one in five American working families—receive assistance through one or more of these programs.

THE CHALLENGE

Despite efforts by states to simplify enrollment, a lack of coordination across programs and ineffective data systems result in duplication and long bureaucratic delays, leaving millions of eligible families on the sidelines. States waste money, and working parents miss out on benefits designed to help them manage family obligations and hold jobs—child health insurance, for example, is crucial in getting care for a sick child without an emergency room visit. Benefits are often lost through procedural errors, and families are forced to reapply, burdening agencies and recipients alike.

THE INNOVATION

Through the Work Support Strategies partnership, states are modernizing and coordinating their family work support programs, thus reducing bureaucracy and doing a better job of ensuring that benefits achieve their intended purpose—helping low-income working families become economically stable and move toward economic independence. Each participating state is designing a program of reforms to include changes in state policy and better cross-agency coordination, enrollment procedures and data systems. Enhancing data systems is an especially important goal, since most states currently lack the information they need to monitor program performance, reduce costs and improve outcomes. This partnership will also enable states to compare models and share the most effective and efficient practices.



WORK SUPPORT STRATEGIES PARTICIPATING STATES:

-  Colorado, Idaho, Illinois, Kentucky, New Mexico, North Carolina, Oregon, Rhode Island and South Carolina



Visionaries Award Recipient

Ellen Bravo

Executive Director
Family Values @ Work
Milwaukee, Wisconsin

"My vision of a just world is one where taking care of yourself and your loved ones, and doing work you are engaged by, is the norm. The hard work that we do should be valued. We shouldn't be punished for being good parents, sons or daughters.

"Soon after my former organization, 9 to 5, helped pass the Wisconsin Family and Medical Leave Act in 1988, the parents of a member had a heart attack and a hip replacement between them. They couldn't care for each other. Because of this law, she and her siblings were each able to take time off and take turns caring for their parents without

jeopardizing their jobs. It was really important to the recovery of her parents, and also to the family's emotional health and financial security. I know hundreds of stories like that—many of them from people who became engaged in the movement as a result of their experiences.

"Any time there's been a social reform, we hear the same arguments: the sky will fall, it will kill jobs. And over and over, we've shown that in fact the economy grows and communities grow when we allow families to be strong."



Expanding community ownership for a sustainable future

Traditional communities throughout the world are claiming their territorial rights and gaining control over land and resources.

In many regions of the world—from the forestlands of Indonesia, Mexico, Central America and the Amazon Basin to the grasslands of China, India and East Africa—the poorest rural residents live in communities where commonly held resources are essential sources of both food and income. Without official recognition of their traditional rights, communities have little recourse when government or corporate interests attempt to seize their land and resources. Families can lose their livelihoods, their access to places of cultural or religious importance, even their homes and independence. In other cases, communities whose existence is not recognized by government have no access to public services.

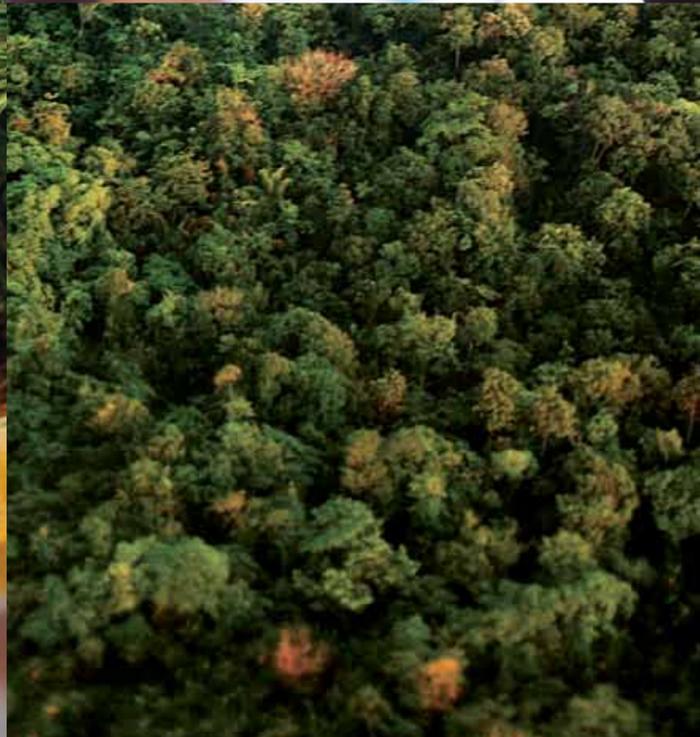
We support partners worldwide whose pioneering efforts are helping to secure the rights of communities to land and natural resources, reduce global poverty and protect the quality of the environment. In Brazil, for example, the New Social Cartography Project of the Amazon (PNCSA) works with

communities throughout the Amazon region—indigenous, quilombolas, rubber-tappers, and other groups—to map their territorial claims and document their uses of the land and its resources. By showing a community's history, the project can help raise awareness among groups that qualify for land rights under Brazilian law. Merging the knowledge of traditional communities with both detailed GPS data and the legal and scientific expertise of PNCSA staff, the mapping process offers residents an unprecedented resource for defending their rights to the land, being involved in decisions regarding its use and maintaining their role as careful, long-term stewards.

Internationally, this work is contributing to an emerging understanding of traditional land rights, and how local communities can be part of a more balanced and sustainable approach to development in the world's remaining natural regions.

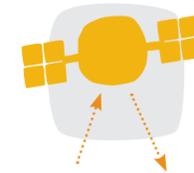



Explore our online interactive map for a detailed look at how Amazon communities are protecting their rights and resources. fordfoundation.org/amazon



Social cartography

How communities shape their future, with help from the New Social Cartography Project of the Amazon (PNCSA)

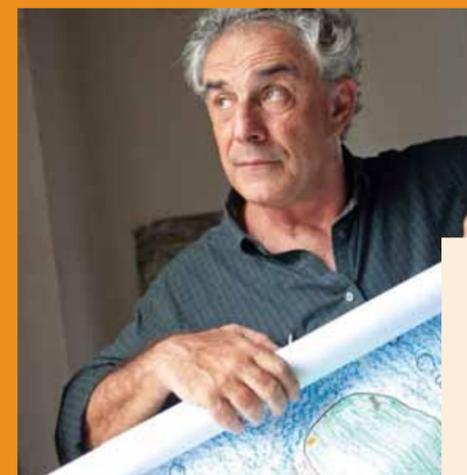


1 An Amazon community contacts PNCSA, explaining that it believes its land or resources are threatened. A team of anthropologists, attorneys, geographers and cartographers visits the community to offer workshops on mapping and GPS techniques.

2 Community members create a map of the land itself—its features, boundaries, areas of special significance—and how they use it. Using GPS technology, they pinpoint exact locations and feed the information back to PNCSA for geo-referencing.

3 PNCSA produces a map, using icons and drawings to show important features. The community reviews the map and makes revisions. PNCSA publishes a final map, with a booklet describing local challenges and first-person testimonials by residents.

4 The community owns the final map, which helps them represent their interests in settling a conflict—for example, when a new government highway imperils an area of forest—or advocate for services or rights they are entitled to under Brazilian law.



Visionaries Award Recipient
Alfredo Wagner Berno de Almeida
Coordinator
New Social Cartography Project of the Amazon
Manaus, Brazil

“In the Amazon, you cannot separate identity from territory. Indigenous people cannot imagine themselves without the river that crosses their land, or without the forest. But their land is under threat from those who want to use it to produce commodities.

“We’re trying to develop the unique perspectives of those communities by helping them map their own territories. They are the ones who decide what is relevant to include on the maps. We teach them how to use the technical instruments of mapping, like GPS, but we also encourage a perspective of self-definition that helps people understand themselves as agents

when it comes to their own territory. And we try to expand the meaning of citizenship to include territorial rights.

“When a community is able to preserve its own land and natural resources, it is preparing for the future. Self-cartography enables these communities to determine the shape of that future, putting them in a better position to safeguard their interests and demand that their rights be recognized.”



Scan this code with your smartphone to view a video about map making in the Amazon.

Space for Change

Arts institutions are opening new connections between creativity and community.

For an arts organization on the rise, there's often a moment of truth that comes right before a major leap. The organization has an exemplary record of creative success, deep connections with its community and a vision for the future that includes dedicated space that will serve as a resource for artists and audiences alike. What's lacking is financial support for rigorous planning—the sort of planning that ensures that a new facility is financially viable and truly reflects an organization's core identity and mission.

Working closely with our partner organization, Leveraging Investments in Creativity (LINC), we are helping to meet that need by providing crucial predevelopment funds and technical assistance to forward-looking organizations.

Over the next year, each of these institutions will have a chance to do the deep thinking and careful planning that precede a major building project.



CASITA MARIA CENTER FOR ARTS AND EDUCATION
Bronx, New York
casita.us



CITY OF ASYLUM/ PITTSBURGH
Pittsburgh, Pennsylvania
cityofasylumpittsburgh.org



LOS CENZONTLES MEXICAN ARTS CENTER
San Pablo, California
loscenzontles.com



THE COLUMBIA FILM SOCIETY/ NICKELODEON THEATER
Columbia, South Carolina
nickelodeon.org



MUSEUM OF CONTEMPORARY ART DETROIT
Detroit, Michigan
moca-detroit.org



DANCE PLACE
Washington, D.C.
danceplace.org



THE HEIDELBERG PROJECT
Detroit, Michigan
heidelberg.org



THE HERITAGE CENTER
Pine Ridge, South Dakota
redcloudschool.org/museum



651 ARTS
Brooklyn, New York
651arts.org



INTERSECTION FOR THE ARTS
San Francisco, California
theintersection.org



MOVIMIENTO DE ARTE Y CULTURA LATINO AMERICANA
San Jose, California
maclaarte.org/site



NORTHWOODS NIJII ENTERPRISE COMMUNITY INC.
Lac du Flambeau, Wisconsin
nijii.org



Visionaries Award Recipient
Elsie McCabe Thompson
President
Museum for African Art
New York, New York

"Being able to tell stories through art is what moves me—stories that open your eyes, not just about Africa, but about humanity. At the Museum for African Art, our exhibitions tell the stories of the dreams, the fears, the prayers and the aspirations of communities of people for generations."

"We see ourselves as a bridge between diverse socioeconomic and religious communities. We're making connections between cultures and using African art as the touchstone. And with our new building on Museum Mile, we are lengthening and diversifying the cultural backbone of New York City's cultural tourist economy."

"When you come to the museum, what you're seeing is literally the embodiment of our history: justice and real pride, installation by installation, exhibit by exhibit. We want people to look at African art and say, 'Now I know something more, not just about them, but about me.'"



Scan this code with your smartphone to watch a video of Elsie McCabe Thompson discussing her work.

"When I arrived in the border neighborhood of San Ysidro, I began to work with a nonprofit, community-based agency to design affordable housing projects. Through our conversations with people in the neighborhood, I began to rethink my own practice, and to investigate the impact of immigration in the transformation of the American city, and particularly the American neighborhood."

"There is a very alive and very dynamic Mexican American culture in many American cities, with a huge cultural intelligence that has allowed them to produce a more inclusive idea of housing. Seeing that, we began

to conceptualize a very different idea of development, one that would recognize a community's patterns of living and make a housing project sustainable in the long term."

"I want to reconnect the reality of environments like that with the way we actually produce urban policy."



Scan this code with your smartphone to watch a video of Teddy Cruz explaining his vision for urban design.



Visionaries Award Recipient
Teddy Cruz
Architect and Co-Founder
CUE/Center for Urban Ecologies
San Diego, California

Creating a more just global financial system

Organizations worldwide are striving to make the global financial system more transparent and democratic.

The global financial system influences the well-being of all of us—no matter where we live or what our financial circumstances—but its fluctuations have an especially profound effect on poor nations and poor people worldwide. As the recent global financial crisis made clear, flawed regulation and reckless decisions by institutions in one part of the world can set off a chain of events that reverberates around the globe, causing hardship for countless families, businesses and entire countries. Financial products that generate immense profits one day can become liabilities the next, revealing the shaky foundations on which they were built and the deficient regulatory mechanisms that scrutinize them.

The global financial system is immensely complex, deeply interconnected and largely opaque. Only a few years ago, many people were unaware of its workings, and even of its existence—but that situation is changing rapidly. Today, individuals and organizations are asking hard questions about the system, among them why the global financial crisis happened and how it could have been avoided. Through research and debate, they are advancing a global consensus about how financial institutions and governance mechanisms can be changed so that they consistently place a higher value on financial stability, growth, employment and poverty alleviation.

Our grantee partners are tackling these challenges from many angles. Some are shedding light on the workings of the banking system and documenting the global implications of its existing dynamics. Some are showing how regulatory bodies and agreements operate, and how they might be redesigned to protect the interests of working people. Others are emphasizing what needs to be done to democratize decision making and bring the voices of citizens into the conversation about global finance.

This work differs in scale and focus from other poverty alleviation efforts we support—efforts designed to help people build assets, hold jobs or start small businesses—but to us they are crucially aligned. A wiser, more democratically governed global financial system would make a real difference, now and in the future, in creating the economic conditions under which other efforts to reduce poverty and advance social justice could succeed.

The global financial system is immensely complex, deeply interconnected, largely opaque—and often unresponsive to the needs of the poor. We are working to change that.

Demystifying global finance

Our grantees are uncovering how the financial system works and envisioning what can be done to make it more fair and effective. Here's a sample of their efforts.

KEY COMPONENTS OF THE GLOBAL FINANCIAL SYSTEM, AND WHERE OUR GRANTEES ARE WORKING

- Coordinators (G20, IMF, etc.)
- Unofficial regulators (Credit-rating agencies, etc.)
- Public regulators (Federal Reserve, SEC, European Central Bank, etc.)
- Treaties and agreements (WTO/GATS, etc.)
- Private financial institutions (Banks, credit card companies, etc.)
- Public financial institutions (National banks, regional development banks, etc.)



Engaging citizens to strengthen democracy

In countries around the globe, citizens are staking their claim to self-determination and driving social change—often with help from new technology.

As recent democratic movements in the Middle East and North Africa have shown with startling clarity, people around the globe share a desire for government that is transparent, responsive and capable of improving the lives of citizens. We have long supported efforts to make government more effective and accountable by partnering with visionary organizations and leaders, and by building networks that channel popular desires for reform. Now, with the demand for good government ascendant worldwide, we see a pivotal moment for realizing the promise of that work through a sustained commitment to building a robust civil society.

In many regions, people are not only demanding change from government but forging new roles for themselves in making change a reality. We have been especially encouraged by the innovative use of new tools and technologies that increase opportunities for people to be active world citizens—and engage more people in building lasting democracy.

During the recent national elections in Nigeria, for example, individual voters used their mobile phones to send thousands of messages to ReclaimNaija, a national network of grassroots organizations dedicated to fair elections and democratic government. Having trained volunteers over many months to observe and report on the electoral process, ReclaimNaija was able to share information with the media and with

(continued)



Scan this code with your smartphone to view photos from the 2011 elections in Nigeria.

During Nigeria's 2011 elections, voters used text messages to report what was happening at polling places around the country.

✉️) **serious problem** at unit 106 kosofo lga lagos. out of 700 registered voters only 300 were in the list brought. 400 of us have been disenfranchised. pls do something urgently

✉️) Even at this time **mobile police are shooting at the air** scaring people not to come out for election at sir kashim ibrahim way maiduguri borno state.

✉️) **Nothing has start** at Unit O Yansiminti Jos North Plateau State up to now. Pls make effort. **Electoralates are waiting.** Thanks.

✉️) **So far, so good.** From morning to now, there is not a single incident that points to any form of violence or mago mago **Polling station, Getso, Gwarzo L.G.A, Kano State.**

✉️) **Police in 7 vehicles stormed a collation center_ Hasan Primary Sch Jalingo, Taraba State, around 7pm. and carted away about 15 ballot boxes after teargassing and beating people.**

Powerful social movements and strong democracies depend on communication and connection. Across the globe, our visionary grantees are using a powerful mix of traditional and new media to inspire creative dialogue.

Nigeria's Independent National Election Commission, allowing problems to be investigated and addressed while voting was still underway.

Social change activists are also using the Web to build sustained transnational movements. Purpose, for example, a New York-based organization that mobilizes social movements through the Internet is putting global momentum behind achieving full equality for LGBT people everywhere with its All Out project.

Moreover, new tools are sharpening the impact and expanding the reach of time-tested media: Thanks to communication media unheard of a generation ago, many more people can experience the biting humor of a political cartoon, learn a devastating truth from a documentary film or participate in a well-organized national campaign.

Through our continuing investments in innovative organizations and vibrant networks, we hope to accelerate efforts like these—and ensure that many more people can join in revitalizing the future of democracy.



Visionaries Award Recipient

Jeremy Heimans

Co-Founder and CEO
Purpose
New York, New York

"At Purpose, our vision is a deeply internationalist one—we believe in the idea of global citizenship. We want people to feel like the huge decisions that affect the lives of hundreds of millions (or in some cases billions) are actually decisions that ordinary people, if they combine their powers, can impact.

"We focus on mass mobilization. In the first campaign by our LGBT rights organization, All Out, we were able to actually stop the deportation of a woman from the U.K. to Uganda, where she would have faced persecution because she was a lesbian. There's huge transnational solidarity on this

issue: A gay person—or a straight person who's an ally of LGBT people—immediately identifies with the persecution and oppression that someone on the other side of the world is experiencing.

"People fundamentally haven't changed; what it takes to inspire them is the same. But technology has reshaped our ability to rapidly mobilize people. We're using new tools to create 21st-century movements that channel individual people's power into collective power."

"You can always use humor to talk to people about very serious issues. That's an entry point. But we want to see that humor has an impact tangibly. When it comes to corruption, we want to see people locked up for their crimes. We want to see public officials resigning when they are exposed.

"With some of the drawings I do, I know there are going to be fireworks. If you are in the business of satire, that should be expected. On a personal level, it hasn't been easy—I've received legal threats; my paper has been threatened with lawsuits because of my drawings.

"But I'd like to see the press have the kind of impact where the public takes notice, and then takes action. I want to contribute to that in some small way. And then, success is about sustainability: finding others to carry on that work and do it even better."

Visionaries Award Recipient

Godfrey (Gado) Mwampembwa

Syndicated
Editorial Cartoonist
Nairobi, Kenya





Opening the digital future to all Americans

Visit our online map to learn about community efforts to make high-speed Internet more readily available to local residents and businesses.
fordfoundation.org/broadband

With partners around the country, we are seeking solutions that ensure the fastest Internet possible for everyone.

New technologies can be powerful tools for addressing persistent inequalities. For those who have access, the Internet offers opportunities to learn and work in the global economy, expand civic participation and bring new voices into conversations about the future. Yet millions of Americans still lack broadband that is both fast and affordable—the two components of the basic service every American requires.

We believe that affordable, high-speed Internet is an essential part of our national infrastructure—as important to the health of communities as clean water, highways or the electrical grid. We work with partners around the country to help ensure that reasonably priced, high-speed Web access develops as a right and a resource for all Americans and all communities, affluent or low-income, urban or rural.

We pursue this in several ways. First, recognizing that media access is still a new area of policy interest, we support research that documents connections between Internet policy and economic growth, healthcare, 21st-century schools and human rights. Second, we support work that brings all constituencies—including minority communities, arts organizations, grassroots groups, small business owners, technical experts

and economists—into important discussions about the future of America's Internet system. Third, we support public interest media organizations that advance privacy and the rights of consumers and citizens.

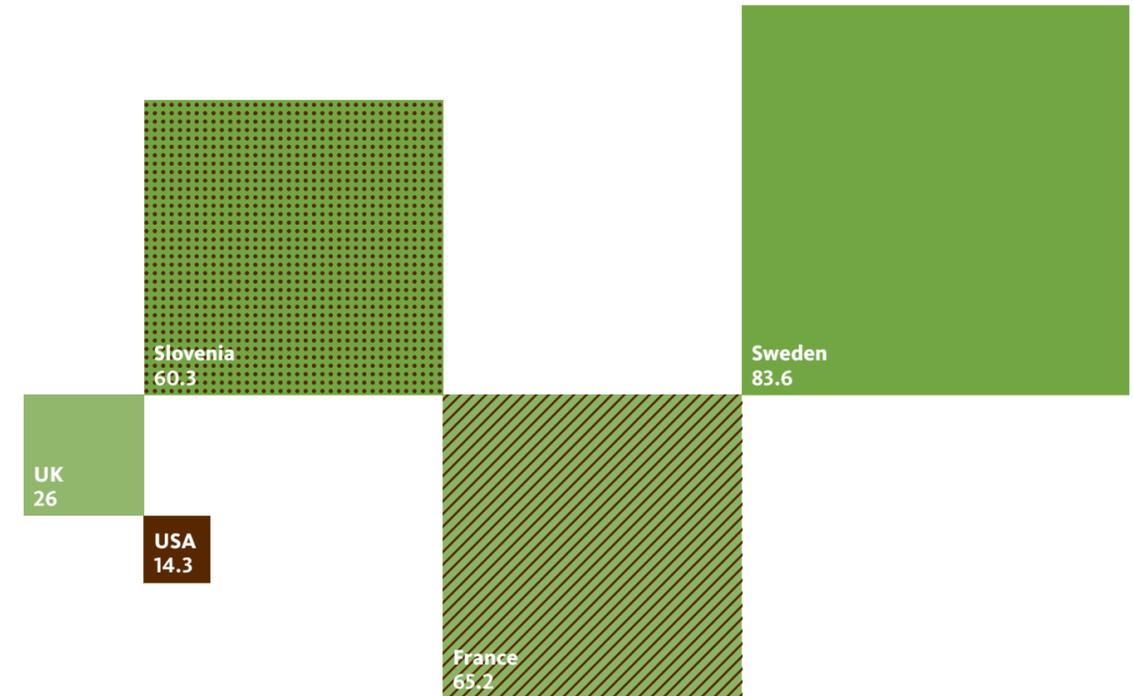
The stakes on this issue are high, and the questions are complex—making the involvement of philanthropy especially important. Questions are emerging, for example, about the lack of market competition, and what appears to be the resulting failure of companies to provide affordable, high-speed service in rural and working communities. Some localities are responding by establishing municipal broadband networks that meet the infrastructure needs of their citizens and ensure that local businesses and families are not left behind. Indeed, some regional projects, such as recently completed fiber networks in Louisiana and Tennessee, now offer the highest-speed Internet access in the country.

Our grantee partners are increasingly informing public debates on issues like these, where the real future of Internet rights is being determined—and where the public interest can easily get lost.

High-speed Internet is essential for remaining competitive, strengthening democracy and giving people a voice

AVERAGE ADVERTISED BROADBAND DOWNLOAD SPEED BY COUNTRY (in MB/second)

Sweden	83.6
Portugal	82.1
Japan	78.7
France	65.2
Slovenia	60.3
Korea	54.2
Slovak Republic	46.8
Norway	45
Netherlands	38.6
Australia	31.6
Finland	29.9
Italy	29.2
Austria	28.4
Iceland	26.4
United Kingdom	26
Czech Republic	25.7
Denmark	25.1
Belgium	24.3
Poland	23.2
Estonia	22.2
New Zealand	21.5
Canada	20.3
Switzerland	20.2
Hungary	19.6
Germany	16.8
Turkey	16.8
Greece	15.7
Israel	15.5
United States	14.3
Spain	14.1
Luxembourg	12.8
Ireland	9.4
Chile	8.6
Mexico	2.9



Source: Organization for Economic Co-operation and Development (OECD), September 2010



Visionaries Award Recipient

Yochai Benkler

Co-Director
Berkman Center for Internet and Society at Harvard University
 Cambridge, Massachusetts

“In the future, we will come to look at this period as one in which we shifted from being a society of relatively passive consumers to one in which a much larger portion of the population has the capacity to participate in making its own information. We’re shifting from being people who see ourselves as choosing from a menu of options to people who are creators and social and economic entrepreneurs.”

“Particularly in the United States, we have built technological and organizational systems that are optimized for yesterday’s major economic players. My work is about designing interventions

that will nudge these systems away from being optimal to yesterday’s incumbents and toward tomorrow’s innovators and those in society who are weaker politically and economically.

“I hope my work will improve the degree of freedom that people can exercise in their day-to-day lives and help make sure we keep going in the direction of a more open, creative, engaged and participatory society.”



A culture of impact

The Ford Foundation provides support to courageous leaders and organizations working on the frontlines of social change. Our grantees have extraordinary vision and take on enduring problems that require sustained effort and resolve. Their work offers clear pathways to improved economic opportunities and expanded political and social participation for millions of people worldwide.

Through our initiatives, we generally make long-term investments in grantees, understanding that patient capital and well-reasoned risk are required to chart solutions to complex social problems.

To maximize the impact of our grant-making resources, we are working to create a culture of impact at the foundation—a culture that internalizes the risks and demands faced by our grantees, scrutinizes our own operations and performance, and places accountability at the center of our work.

In building and continuously fostering an impact culture, we have been guided by five core principles:

- *Clear, focused strategic vision*
- *Dynamic resource allocation*
- *Accountability based on clearly delineated roles and responsibilities*
- *Listening to grantees and, importantly, to non-grantees*
- *Attention to impact across the organization, not just the grant-making program*

Adhering to these principles has sometimes required that we listen to criticism as well as praise, make hard choices and assume more responsibility for performance. We believe that our commitment to an impact culture has strengthened our work and will continue to do so in the future. Further, we believe that it provides a strong basis for the candid dialogue—among trustees, staff, grantees and other partners—that is essential to inform the wise use of the foundation's resources.

Governance, leadership, grant spending and financials

36 *Message from the chair*

38 *Governance and leadership*

40 *On the frontlines worldwide: Global grant spending*

44 *Financial overview and 2010 Audit*

Looking forward in a time of global change

Message from the Chair

This year is my first as chair of the board, and it comes at an exciting moment for the Ford Foundation—our 75th anniversary as a philanthropic institution. Motivated by a desire to better the human experience, we strive to be bold in the work we support while also ensuring that our choices are prudent ones. As trustees, we aim for the highest standards of integrity in our governance and fiscal management, understanding that the work of social change is the work of generations: Continuity and a commitment to excellence are crucial to Ford's ability to fulfill its mission.

Over the past year, my fellow trustees and I have had the opportunity to meet with many of our grantees and learn about their inspiring work. We have studied the efforts of the many institutions—both fledgling and established—that receive our support, and have considered the roles they play in driving social change. Traveling with the foundation's executive leaders, my colleagues and I surveyed the landscape of human rights in Chile and Peru, discussed how best to support the American workforce with state and national policymakers, and witnessed the excitement with which our JustFilms initiative was greeted at the Sundance Film Festival.

Each of those experiences underscored the extraordinary depth of Ford's mission, as well as the values that connect our efforts worldwide. They were reminders to me and my board colleagues that, in every area we work, a better world is within reach—and that our partners working on the ground are making that goal a reality.

As we celebrate our 75th year, we are also reminded that change is constant. In 2010, four board members concluded their service to the foundation.

Kathryn S. Fuller, chair of the National Museum of Natural History, preceded me as chair of the foundation's board, which she led with wisdom and dexterity. In her 17 years as a trustee, she served the foundation in many capacities, including troubleshooter and goodwill ambassador. While engaging the foundation's global community across many disciplines and geographies, she dispatched her responsibilities with thoughtfulness and sensitivity.

Anke A. Ehrhardt, vice chair for academic affairs, professor of medical psychology in the Department of Psychiatry at Columbia University and a noted researcher on sexuality and human development, enriched our deliberations with her deep understanding of how academic research, skillful advocacy and direct service can combine to benefit individuals and society.

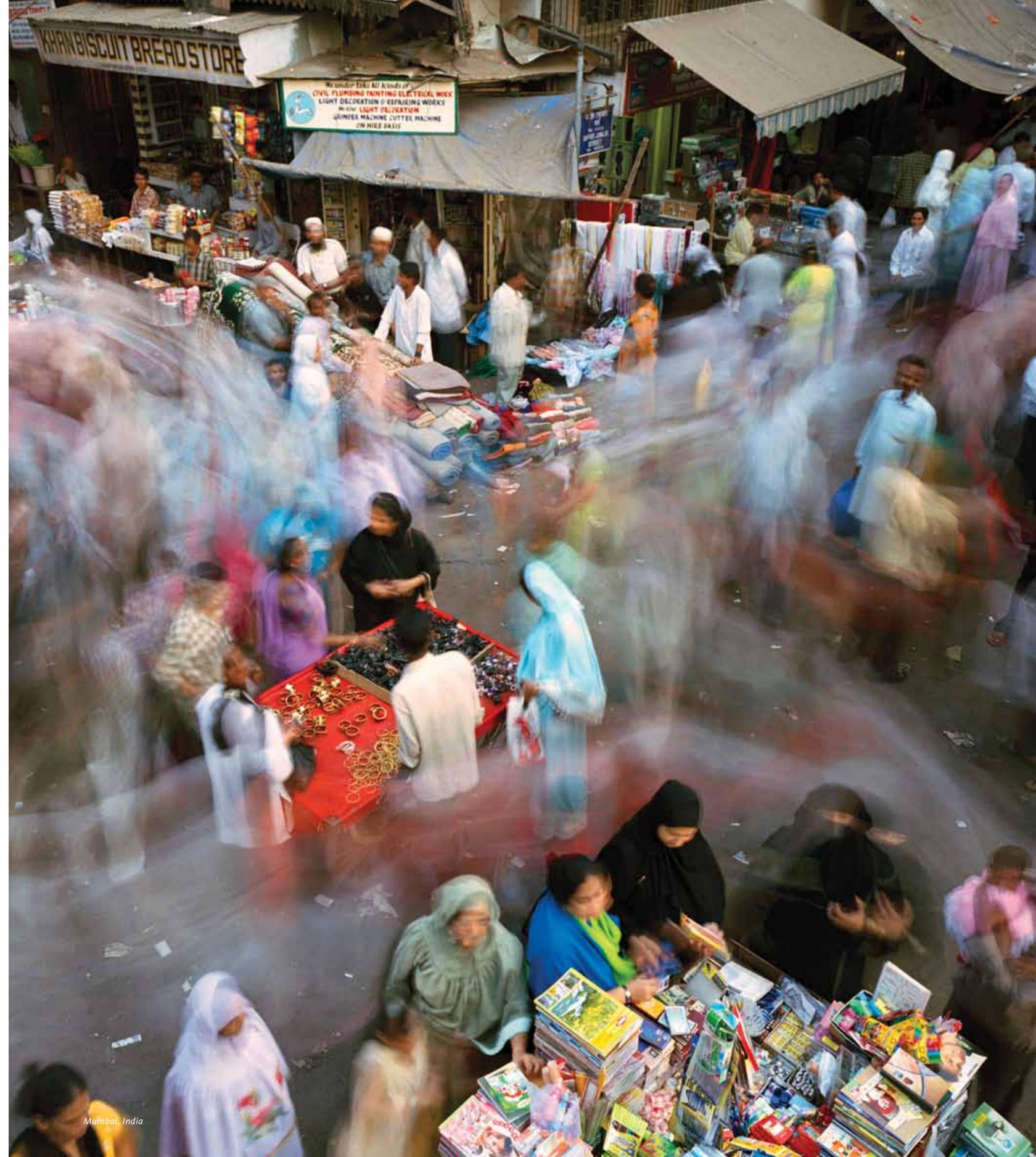
Richard Moe, president emeritus of the National Trust for Historic Preservation, brought his keen eye for the workings of government to the table, often helping us to navigate relationships with the public, business and nonprofit sectors, while also informing our thinking about preservation and community development.

W. Richard West Jr., founding director emeritus of the National Museum of the American Indian and an attorney, consistently urged us to find the synergies across our programs, and to see the centrality of culture in all we do. He brought a special combination of idealism and pragmatism to the board, as well as a lifelong devotion to social justice.

Each of these accomplished people contributed tirelessly to the collective knowledge of the foundation. They enhanced our work immeasurably and helped to put us in a strong position to recognize and take on the challenges ahead.

I am pleased to report that the Ford Foundation is in excellent condition—strong in the work we support, our financial position, and the talent and commitment of our leadership and staff. As we rise to meet new challenges and embrace new opportunities, it is my great honor to be leading the board of trustees into this next era.

Irene Hirano Inouye
Chair



Mumbai, India

Governance and leadership

From our founder Edsel Ford to our current trustees and officers, the Ford Foundation has been served by extraordinary leadership in every era of its 75-year history.

Over the years, the foundation's board of trustees has consistently provided sound guidance, while the president has ensured that the foundation's programs and operations are managed responsibly and meet the highest standards of effectiveness.

Today, high-impact grant making remains our chief priority. Our governance and budget policies are designed to help fulfill our mission and broaden the impact of our grant support. We are committed, as well, to ensuring that our grant spending and financial information are transparent and accessible.

BOARD OF TRUSTEES

A 12-member board of trustees, which includes Ford Foundation President Luis A. Ubiñas, governs the foundation. Our governance practices adhere to a set of policies—including bylaws, committee charters, standards of independence and a code of ethics—adopted by the board of trustees. The board sets policies related to grant making, geographic focus, spending, investment, management, governance and professional standards. The board also oversees internal and independent audits.

The board's Audit Committee sets compensation and reviews the performance of the president and all foundation officers. Trustees are nominated by a committee of the board, appointed by the full board, and generally serve two six-year terms. The board, board committees and individual trustees are evaluated on an annual basis. Ford trustees bring a wide range of knowledge and experience to the task of governing the foundation. They come from four continents and have extensive experience in the worlds of scholarship, business and finance, law, government and nonprofit management.

FOUNDATION PRESIDENT

Luis A. Ubiñas, president of the foundation, implements board policies and oversees foundation programs and operations on a day-to-day basis. The president and other officers of the foundation share responsibility for representing Ford in the public sphere. The president continuously re-examines the foundation's work, looking for opportunities to hone strategies and improve effectiveness.

The president meets with people around the world to discuss the issues the foundation works on and to strengthen our grasp of different perspectives on how to solve problems. In addition to overseeing the foundation's operations, the president works to communicate what we have learned to a broad array of audiences and to strengthen the philanthropic sector's performance, legal compliance and transparency.

GRANT-MAKING OVERSIGHT

The board of trustees determines the substantive areas and geographic focus of the foundation's grant making. Within the budget approved by the board, the foundation makes about 1,600 grants throughout the year. The board has delegated authority for approving these grants to the president and senior staff. In addition, all trustees serve on one of three program committees that help design strategy for each of the foundation's major program areas. Membership on the committees rotates, so that trustees serving 12 years become steeped in the work of each area and contribute to its development and assessment.

The trustees review approved grants at regular board meetings, which take place three times a year in February, May and September. At those meetings, and during annual board visits to grantees worldwide, trustees meet grant recipients and learn about their work.

TRUSTEE INDEPENDENCE

The foundation places a high value on the independence of our board members. We require that a majority of our trustees be independent, that all trustees serving on the audit and nominating committees be independent, and that trustees on the Audit Committee satisfy additional standards of independence.

When the staff proposes that the foundation fund an organization with which a trustee is affiliated as an employee, officer or trustee, that grant must be reviewed and approved by the Audit Committee. The grant action document, which is reviewed and approved by management before submission to the Audit Committee, discloses the nature of the trustee affiliation and confirms that the trustee played no role in the initiation or negotiation of the grant.

BOARD COMMITTEES

A seven-person Executive Committee, composed of Board Chair Irene Hirano Inouye, Foundation President Luis A. Ubiñas and five other trustees, works with the foundation's officers and acts on behalf of the board between board meetings. Trustee committees dedicated to management and governance, audit, finance, investment, trustee nominations, proxy votes, and the foundation's three program areas, meet regularly and guide foundation activities throughout the year.

Public documents that describe the foundation's governance practices are available on our website. The foundation's bylaws and articles of incorporation and the board's committee charters and code of ethics are among the documents posted at fordfoundation.org/about-us/governance

AUDIT

Thurgood Marshall Jr. (Chair)
Juliet V. García
Yolanda Kakabadse
N.R. Narayana Murthy

EXECUTIVE

Irene Hirano Inouye (Chair)
Kofi Appenteng
Yolanda Kakabadse
Thurgood Marshall Jr.
Peter A. Nadosy
Cecile Richards
Luis A. Ubiñas

FINANCE

Cecile Richards (Chair)
Kofi Appenteng
Juliet V. García
J. Clifford Hudson
Robert S. Kaplan

INVESTMENT

Peter A. Nadosy (Chair)
Afsaneh M. Beschloss
J. Clifford Hudson
Irene Hirano Inouye
Robert S. Kaplan
Luis A. Ubiñas

TRANSACTIONS

(Subcommittee of the Investment Committee)

Afsaneh M. Beschloss
J. Clifford Hudson
Peter A. Nadosy

MANAGEMENT AND GOVERNANCE

Kofi Appenteng (Chair)
Afsaneh M. Beschloss
Irene Hirano Inouye
Yolanda Kakabadse
Thurgood Marshall Jr.
Luis A. Ubiñas

NOMINATING

Irene Hirano Inouye (Chair)
Kofi Appenteng
Thurgood Marshall Jr.
Peter A. Nadosy

PROXY

Juliet V. García (Chair)
Irene Hirano Inouye
N.R. Narayana Murthy
Peter A. Nadosy
Cecile Richards

DEMOCRACY, RIGHTS AND JUSTICE

Yolanda Kakabadse (Chair)
Kofi Appenteng
Afsaneh M. Beschloss
Juliet V. García

ECONOMIC OPPORTUNITY AND ASSETS

N.R. Narayana Murthy (Chair)
Robert S. Kaplan
Thurgood Marshall Jr.
Cecile Richards

EDUCATION, CREATIVITY AND FREE EXPRESSION

J. Clifford Hudson (Chair)
Irene Hirano Inouye
Peter A. Nadosy

On the frontlines worldwide

We support visionary leaders and organizations across the United States and in 10 regions around the world.

This map charts FY 2010 grant spending by region. For a full list of our 2010 grantees, visit fordfoundation.org/2010-grants

UNITED STATES & WORLDWIDE PROGRAMS

\$ 400,010,972	TOTAL
92,499,340	Economic Opportunity & Assets
126,674,400	Democracy, Rights & Justice
105,006,153	Education, Creativity & Free Expression
75,831,079	Other Grant Actions

MEXICO & CENTRAL AMERICA

\$ 12,696,319	TOTAL
3,270,000	Economic Opportunity & Assets
4,298,300	Democracy, Rights & Justice
2,035,000	Education, Creativity & Free Expression
3,093,019	Other Grant Actions

ANDEAN REGION & SOUTHERN CONE

\$ 11,677,500	TOTAL
3,855,000	Economic Opportunity & Assets
4,793,500	Democracy, Rights & Justice
1,815,000	Education, Creativity & Free Expression
1,214,000	Other Grant Actions

WEST AFRICA

\$ 9,664,650	TOTAL
2,440,650	Economic Opportunity & Assets
3,774,000	Democracy, Rights & Justice
1,150,000	Education, Creativity & Free Expression
2,300,000	Other Grant Actions

BRAZIL

\$ 12,757,500	TOTAL
3,980,000	Economic Opportunity & Assets
4,910,000	Democracy, Rights & Justice
2,667,500	Education, Creativity & Free Expression
1,200,000	Other Grant Actions

MIDDLE EAST & NORTH AFRICA

\$ 15,243,000	TOTAL
4,863,000	Democracy, Rights & Justice
8,825,000	Education, Creativity & Free Expression
1,555,000	Other Grant Actions

EASTERN AFRICA

\$ 9,786,000	TOTAL
3,856,000	Economic Opportunity & Assets
2,875,000	Democracy, Rights & Justice
2,725,000	Education, Creativity & Free Expression
330,000	Other Grant Actions

SOUTHERN AFRICA

\$ 16,517,936	TOTAL
2,237,600	Economic Opportunity & Assets
5,914,800	Democracy, Rights & Justice
4,842,386	Education, Creativity & Free Expression
3,523,150	Other Grant Actions

CHINA

\$ 13,659,472	TOTAL
1,870,000	Economic Opportunity & Assets
4,739,013	Democracy, Rights & Justice
3,800,000	Education, Creativity & Free Expression
3,250,459	Other Grant Actions

INDIA, SRI LANKA & NEPAL

\$ 14,296,662	TOTAL
4,539,717	Economic Opportunity & Assets
4,951,103	Democracy, Rights & Justice
2,320,000	Education, Creativity & Free Expression
2,485,842	Other Grant Actions

INDONESIA

\$ 9,626,666	TOTAL
2,387,331	Economic Opportunity & Assets
2,766,226	Democracy, Rights & Justice
4,243,109	Education, Creativity & Free Expression
230,000	Other Grant Actions

TOTAL PROGRAM SPENDING

\$ 525,936,677	GRAND TOTAL
120,935,638	Economic Opportunity & Assets
170,559,342	Democracy, Rights & Justice
139,429,148	Education, Creativity & Free Expression
95,012,549	Other Grant Actions

Total program approvals

As of September 30, 2010

APPROVALS BY REGION

	TOTAL	ANDEAN REGION & SOUTHERN CONE	BRAZIL	CHINA	EASTERN AFRICA
Economic Opportunity & Assets	\$120,935,638	3,855,000	3,980,000	1,870,000	3,856,000
Democracy, Rights & Justice	\$170,559,342	4,793,500	4,910,000	4,739,013	2,875,000
Education, Creativity & Free Expression	\$139,429,148	1,815,000	2,667,500	3,800,000	2,725,000
Foundationwide Actions	\$31,892,549	1,214,000	1,200,000	3,250,459	330,000
Global Initiative on HIV/AIDS	\$9,620,000	—	—	—	—
Program-Related Investments	\$53,500,000	—	—	—	—
GRAND TOTAL	\$525,936,677	11,677,500	12,757,500	13,659,472	9,786,000

	INDIA, NEPAL & SRI LANKA	INDONESIA	MEXICO & CENTRAL AMERICA	MIDDLE EAST & NORTH AFRICA	SOUTHERN AFRICA	UNITED STATES & WORLDWIDE PROGRAMS	WEST AFRICA
	4,539,717	2,387,331	3,270,000	—	2,237,600	92,499,340	2,440,650
	4,951,103	2,766,226	4,298,300	4,863,000	5,914,800	126,674,400	3,774,000
	2,320,000	4,243,109	2,035,000	8,825,000	4,842,386	105,006,153	1,150,000
	2,485,842	230,000	3,093,019	1,555,000	3,523,150	12,711,079	2,300,000
	—	—	—	—	—	9,620,000	—
	—	—	—	—	—	53,500,000	—
	14,296,662	9,626,666	12,696,319	15,243,000	16,517,936	400,010,972	9,664,650

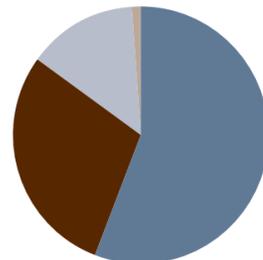
APPROVALS BY PROGRAM

GRAND TOTAL: \$525,936,677

ECONOMIC OPPORTUNITY & ASSETS

TOTAL \$ 120,935,638

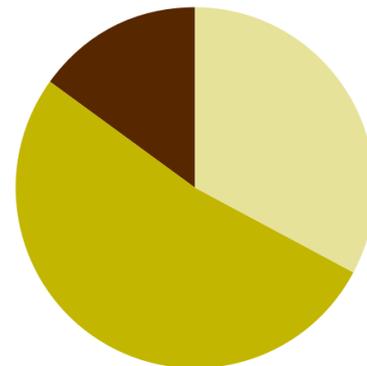
- Financial Assets 67,833,450
- Metropolitan Opportunity 34,931,841
- Sustainable Development 17,185,528
- Other 984,819



DEMOCRACY, RIGHTS & JUSTICE

TOTAL \$ 170,559,342

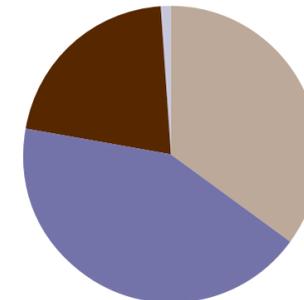
- Democratic & Accountable Government 56,018,142
- Human Rights 88,366,573
- Social Justice Philanthropy 26,174,627



EDUCATION, CREATIVITY & FREE EXPRESSION

TOTAL \$ 139,429,148

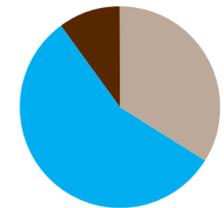
- Educational Opportunity 49,299,146
- Freedom of Expression 59,428,242
- Sexuality, Reproductive Health & Rights 29,076,760
- Other 1,625,000



OTHER GRANT ACTIONS

TOTAL \$ 95,012,549

- Foundationwide Actions 31,892,549
- Program-Related Investments 53,500,000
- Global Initiative on HIV/AIDS 9,620,000



Financial overview

Our mission demands the highest level of financial management. To meet our programmatic ambitions—and ensure that we maximize every possible resource for our grant making—we rigorously manage our endowment and bring exceptional prudence to our internal budgets.

Our grants address some of society's toughest issues—social challenges that require strategic and sustained engagement. In order to pursue consistent, multiyear programming, the foundation strives to invest and budget in ways that yield financial and operating stability while enhancing the value of the investment portfolio. During fiscal year 2010, we saw the foundation's financial position become stronger as we:

- Increased the endowment by \$500 million
- Continued to diversify the endowment's investment holdings
- Exceeded our internal investment benchmark returns
- Approved more than \$457 million in grants
- Decreased program and general management expenditures by nearly \$18 million
- Increased direct program expenditures to 83 percent of total expenditures

Our board of trustees approves program and operational budgets on a two-year basis, appropriating one year's funding at a time. The size of the two-year budget takes into account three considerations: the need to satisfy the U.S. federal payout requirement (the obligation to disburse annually about 5 percent of the average value of the investment portfolio); the objective of preserving the value of the endowment for long-term charitable funding; and program needs and opportunities.

Program spending, shown in Chart 2, reflects the grants and program-related investments made in all of the foundation's offices during the fiscal year. Funds are drawn on allocations made at the outset of the budget period, as well as from the general reserve, an annual set-aside of a portion of the budget. We made the strategic decision to raise our payout rate in 2009 and 2010 to meet all pre-existing commitments and provide grantees with added support in a time of severe economic crisis.

The foundation does not receive outside contributions to its endowment. Our policy has been to try to preserve the real (inflation-adjusted) value of the foundation's endowment so as to maintain the real value of its program spending. As shown on Chart 3, notwithstanding the decline in investment portfolio values in fiscal year 2009, the foundation has been able to accomplish this goal since 1980. The foundation has disbursed \$13.3 billion, more than four times its 1980 endowment value.

INVESTMENTS

The foundation's investment portfolio was valued at \$10.5 billion at the end of fiscal 2010, versus \$10.0 billion at the close of fiscal 2009. The rate of return on the total portfolio was 11.5 percent for the fiscal year, -1.9 percent annualized for the three-year period, 4.6 percent annualized for the five-year period, and 3.1 percent annualized for the 10-year period. For fiscal year 2010, the foundation's portfolio return exceeded both its mandated minimum 5 percent payout requirement, as well as its internal performance benchmarks.

The foundation's portfolio was positioned to benefit from the ongoing recovery in global equity and fixed-income markets during the year. Primary drivers of performance included domestic and emerging markets equity, private equity, corporate and high-yield bonds, distressed securities and inflation-linked bonds.

The portfolio's asset allocation changed substantially over the course of the year, as we took advantage of improved market valuations to reduce exposure to public equity, corporate and high-yield debt, and U.S. Treasury securities, and to increase exposure to hedged investments in global equity and credit, as well as opportunistic investments in real assets. This enabled the foundation's portfolio to achieve strong performance with a moderate level of market risk. The foundation continued to maintain a highly liquid portfolio, providing it with the ability to meet ongoing spending needs and to pursue additional investment opportunities arising from the current economic and market environment.

CHART 1 – PAYOUT RATE (1970-2010)

Distribution as a percentage (%) of average investment portfolio values

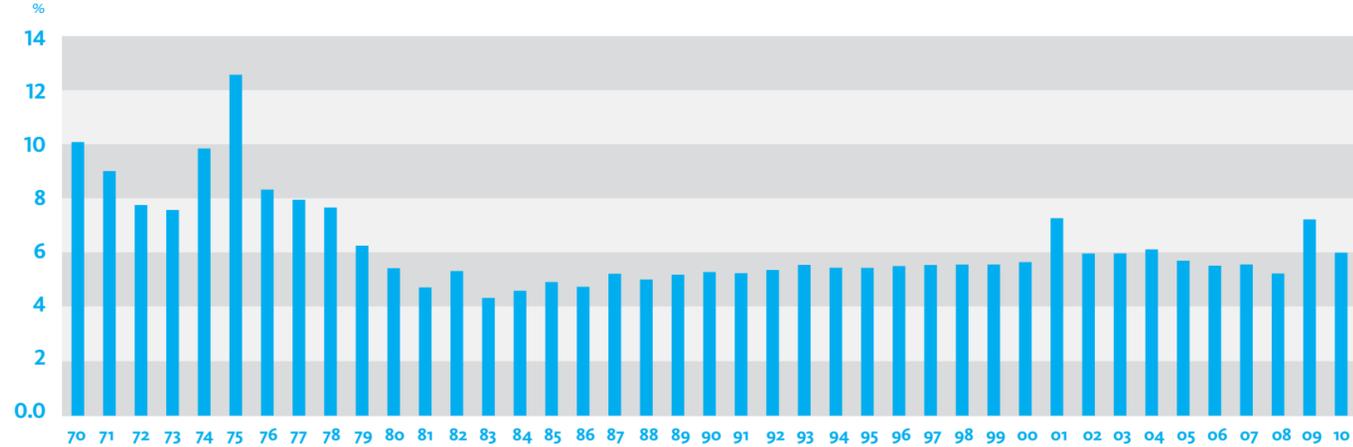


CHART 2 – AVERAGE PORTFOLIO VALUES / PROGRAM SPENDING (1970-2010)

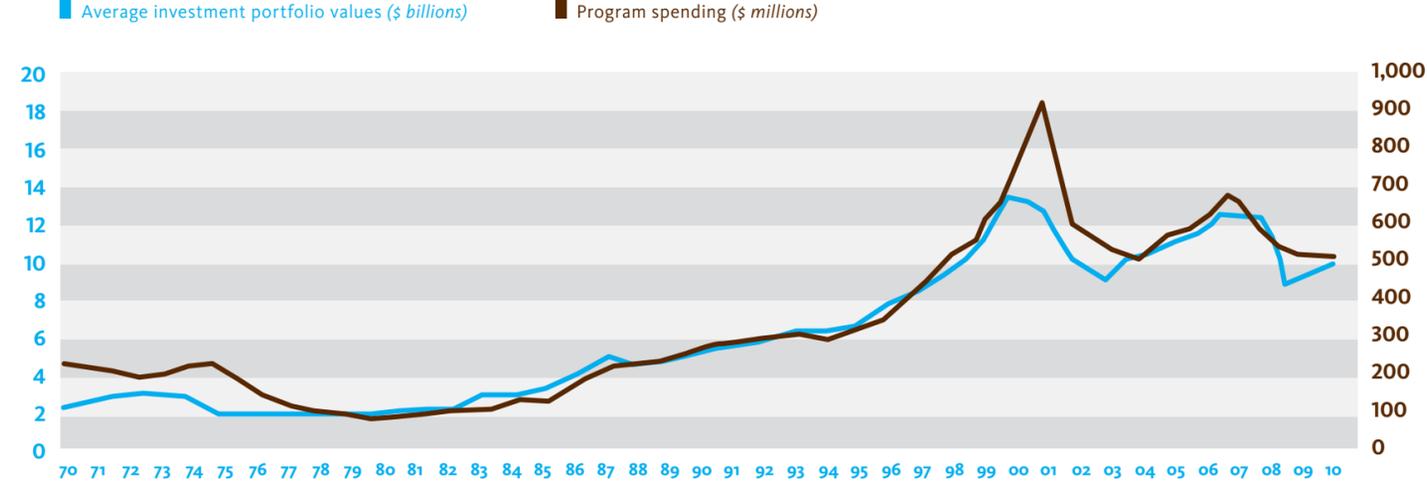
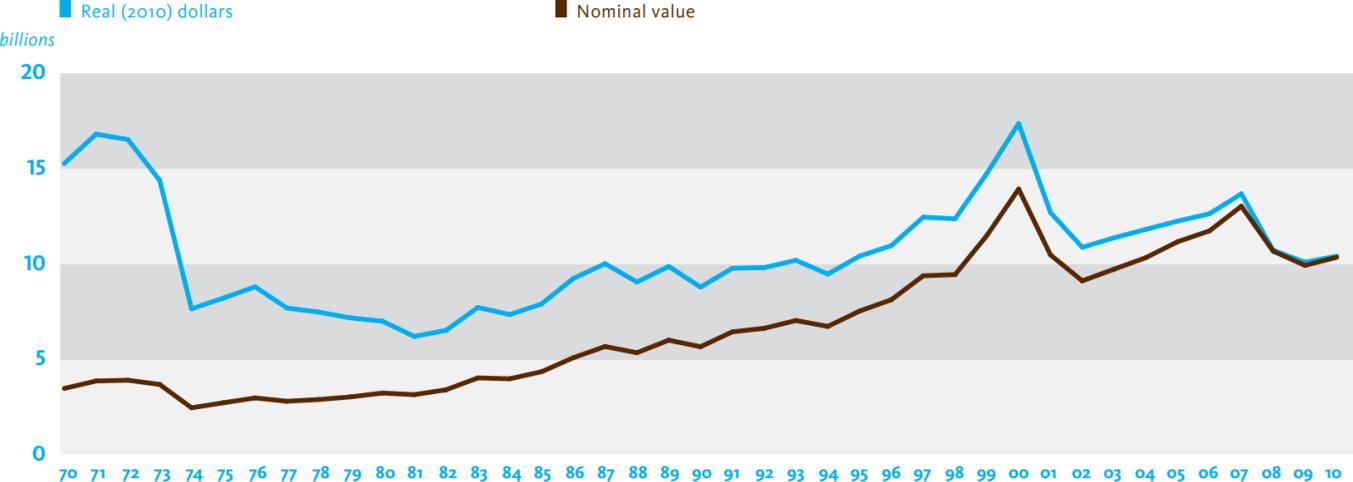


CHART 3 – YEAR-END PORTFOLIO VALUES (1970-2010)



PORTFOLIO COMPONENTS

As of September 30 (in millions):

	2010		2009	
	Market Value	Percent of Total	Market Value	Percent of Total
Public Equities				
Equities	\$1,312.8	12.5	\$3,362.9	33.5
Commingled funds	2,075.8	19.7	398.0	4.0
Total Public Equities	3,388.6	32.2	3,760.9	37.5
Limited marketability				
Alternatives	2,042.9	19.5	1,835.6	18.3
Private equity & venture capital	1,672.8	15.9	1,424.0	14.2
Total Limited Marketability	3,715.7	35.4	3,259.6	32.5
Fixed Income				
Fixed income investments	2,511.2	23.9	2,502.0	24.9
Short-term	897.8	8.5	516.5	5.1
Total Fixed Income	3,409.0	32.4	3,018.5	30.0
Total Portfolio	\$10,513.3	100.0	\$10,039.0	100.0

INCOME AND EXPENDITURES

In fiscal year 2010, the foundation pursued several strategies to strengthen our financial position. We restructured our investment portfolio, which helped us realize significant investment gains. We reorganized operations, achieving significant cost reductions across all areas of the foundation. And throughout the year, we maintained our grant making at prior year levels.

Total income amounted to \$1.1 billion in fiscal year 2010, compared with a loss of \$180 million in fiscal year 2009. Total program activities (primarily grants to organizations and individuals, direct charitable activities and program management) were \$521 million. Program management expenditures decreased by 16 percent to \$49.6 million. Additionally, general management expenditures decreased 21 percent, to \$29.4 million.

PROGRAM-RELATED INVESTMENTS (PRIs)

Each year the foundation invests a portion of its endowment in projects that advance philanthropic purposes in various areas of the foundation's interest. The trustees have earmarked up to \$280 million of the corpus for these investments. The investments are in the form of debt, equity financing or loan guarantees.

As of September 30, 2010, the foundation had \$198.7 million in investments and \$24.9 million in funding commitments. During the fiscal year, new PRI loan commitments of \$53.5 million were made and \$49.5 million was disbursed. Principal repayments of \$12.4 million were received. The following table summarizes the PRI program for fiscal years 2010 and 2009.

PROGRAM-RELATED INVESTMENTS SUMMARY

As of September 30 (in thousands):

	2010	2009
Investments outstanding, beginning of fiscal year	\$168,762	\$149,638
Activity during year:		
— Investments disbursed	49,547	31,921
— Principal repaid	(12,369)	(7,490)
— Investments written off	(7,189)	(5,307)
Investments outstanding, end of fiscal year	198,751	168,762
Commitments for investment	24,944	21,747
Total investments and commitments outstanding	\$223,695	\$190,509
Allowance for possible losses	\$26,239	\$23,700
Program development and support*	\$1,917	\$2,508
Investment income received	\$2,209	\$1,288

* Includes the cost of providing technical assistance to develop new PRIs and evaluate ongoing investments.

FEDERAL REQUIREMENTS

The Internal Revenue Code imposes an excise tax on private foundations equal to 2 percent of net investment income, which is defined as interest, dividends and net realized gains less expenses incurred in the production of income. The tax is reduced to 1 percent for foundations that meet certain distribution requirements, as the foundation did in fiscal years 2010 and 2009. For fiscal year 2010, the tax is estimated to be \$11 million, excluding the deferred portion of excise taxes resulting from unrealized appreciation/depreciation on investments. Since fiscal year 1971, the foundation has incurred federal excise taxes of \$335 million.

The Internal Revenue Code also requires private foundations annually to disburse approximately 5 percent of the market value of investment assets, less the federal excise tax. The payout requirement may be satisfied by payments for grants, program-related investments, direct conduct of charitable activities and certain administrative expenses. In fiscal year 2010, the foundation had qualifying distributions of \$602 million, exceeding the federally mandated payout requirement by \$82 million. During the past five years, the foundation has made \$3.3 billion in qualifying distributions, exceeding the federally mandated payout requirement by \$421 million.

Report of Independent Auditors

To The Board of Trustees of the Ford Foundation:

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of the Ford Foundation at September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Ford Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York
December 14, 2010

STATEMENTS OF FINANCIAL POSITION

As of September 30 (in thousands):

	2010	2009
ASSETS		
Investments, at fair value	\$10,611,679	\$10,017,732
Accrued interest and dividends receivable	28,797	27,864
Pending securities, net	(127,222)	(6,555)
	<u>10,513,254</u>	<u>10,039,041</u>
Cash	466	2,815
Federal excise tax receivable	2,800	100
Other receivables and assets	18,328	15,223
Program-related investments, net of allowances for possible losses of \$26,239 (\$23,700 at September 30, 2009)	172,512	145,062
Fixed assets, net of accumulated depreciation of \$98,548 (\$93,811 at September 30, 2009)	35,251	32,619
Total Assets	<u>\$10,742,611</u>	<u>\$10,234,860</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Unpaid grants	\$241,636	\$243,968
Payables and other liabilities	67,206	60,500
Deferred federal excise tax liability		1,194
Total liabilities	<u>308,842</u>	<u>305,662</u>
Contingencies, commitments and guarantees		
Unrestricted net assets		
Appropriated	39,832	31,533
Unappropriated	10,393,937	9,897,665
Total unrestricted net assets	<u>10,433,769</u>	<u>9,929,198</u>
Total Liabilities and Unrestricted Net Assets	<u>\$10,742,611</u>	<u>\$10,234,860</u>

(See notes to financial statements)

STATEMENTS OF ACTIVITIES

For the year ended September 30 (in thousands):

	2010	2009
OPERATING ACTIVITIES		
INCOME		
Dividends	\$100,713	\$110,436
Interest	207,626	175,659
Realized appreciation (depreciation) on investments, net	908,765	(553,092)
Unrealized (depreciation) appreciation on investments, net	(108,578)	116,569
Expenses incurred in the production of income	(34,071)	(29,979)
Total income	<u>1,074,455</u>	<u>(180,407)</u>
EXPENDITURES		
Program activities:		
Grants approved	457,172	457,050
Provision for possible losses on program-related investments	9,728	5,337
Direct conduct of charitable activities	4,204	3,827
Program management	49,620	59,366
	<u>520,724</u>	<u>525,580</u>
General management	29,392	37,431
Provision for federal excise tax		
Current	11,000	2,200
Deferred	(1,194)	1,194
Depreciation	5,933	5,817
Total expenditures	<u>565,855</u>	<u>572,222</u>
Change in unrestricted net assets from operating activities	508,600	(752,629)
NON OPERATING ACTIVITIES		
Pension-related and post-retirement changes other than net periodic pension cost	(4,029)	(22,476)
Change in unrestricted net assets	504,571	(775,105)
Unrestricted net assets at beginning of year	9,929,198	10,704,303
Unrestricted net assets at end of year	<u>\$10,433,769</u>	<u>\$9,929,198</u>

(See notes to financial statements)

STATEMENTS OF CASH FLOWS

For the year ended September 30 (in thousands):

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$504,571	\$(775,105)
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Realized (appreciation) depreciation on investments, net	(908,765)	553,092
Unrealized depreciation (appreciation) on investments, net	108,578	(116,569)
Depreciation	5,933	5,817
Pension-related and post-retirement changes other than net periodic pension costs	4,029	22,476
Provision for possible losses on program-related investments	9,728	5,337
(Decrease) increase in deferred federal excise tax liability	(1,194)	1,194
(Increase) decrease in federal excise tax receivable	(2,700)	3,800
Increase in other receivables and assets	(835)	(6,145)
Loans disbursed for program-related investments	(49,547)	(31,922)
Repayments of program-related investments	12,369	7,490
Grant approvals	457,172	457,050
Grant payments	(459,504)	(474,095)
Increase (decrease) in payables and other liabilities	407	(37,376)
Net cash used by operations	<u>(319,758)</u>	<u>(384,956)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	10,958,400	7,838,588
Purchase of investments	(10,632,426)	(7,443,898)
Purchase of fixed assets	(8,565)	(8,565)
Net cash provided by investing activities	<u>317,409</u>	<u>386,125</u>
Net (decrease) increase in cash	(2,349)	1,169
Cash at beginning of year	2,815	1,646
Cash at end of year	<u>\$466</u>	<u>\$2,815</u>

(See notes to financial statements)

Notes to financial statements

As of September 30, 2010

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ford Foundation (the Foundation) are prepared on the accrual basis, which is in conformity with accounting principles generally accepted in the United States of America (GAAP).

The significant accounting policies followed are set forth below:

INVESTMENTS, AT FAIR VALUE

The Foundation makes investments by either directly purchasing various financial positions, or purchasing a portion of an investment fund's partnership capital or shares representing a net assets value (NAV) investment. Directly owned positions are classified for financial reporting purposes as equities, fixed income or short-term investments. NAV investments in funds are classified for financial reporting as either commingled or limited marketability.

Equity investments are generally valued based upon the final sales price as quoted on major exchanges. Fixed income investments are generally valued based upon quoted market prices from brokers and dealers, which represent fair value. Short-term investments generally include credit or debt securities with maturities of less than one year. The Foundation invests in US government and agency obligations, repurchase agreements, commercial paper, and similar short-term securities. Short-term investments are valued at amortized cost, which approximates fair value.

For commingled funds the NAV is determined by either an exchange or the respective general partners. The Foundation has complete transparency to the underlying positions in the commingled funds. The underlying positions, owned by the commingled funds, include such investments as exchange traded securities and over the counter fixed income investments.

Limited marketability funds are NAV investments in private equity, venture capital, alternatives, and other private investment entities. The Foundation has transparency into the significant underlying positions of the private equity and venture capital funds. The Foundation cannot independently assess the value of these underlying positions through a public exchange or over the counter market. The Foundation believes that the carrying amount of its limited marketability investments is a reasonable estimate of fair value as of September 30, 2010. Because these investments are not readily marketable, the estimated value is subject to uncertainty, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material.

Effective October 1, 2009, the Foundation adopted the concept of the "practical expedient" under GAAP. The practical expedient is an acceptable method under GAAP to determine the fair value of certain NAV investments (a) that do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under GAAP.

For directly owned positions, transactions are recorded on a trade date basis. Realized and unrealized appreciation (depreciation) on investments is determined by comparison of specific costs of acquisition (identified lot basis) to proceeds at the time of disposal, or market values at the last day of the fiscal year, respectively, and includes the effects of currency translation with respect to transactions and holdings of foreign securities. Dividends and interest are recognized when earned.

For NAV investments in which the Foundation owns shares of an investment fund, realized and unrealized appreciation (depreciation) on investments is determined by comparison of specific costs of acquisition (identified lot basis) to proceeds at the time of disposal, or market values at the last day of the fiscal year, respectively, and includes the effects of currency translation with respect to transactions and holdings of foreign currency denominated holdings. Dividends and interest are recognized when earned. The amount of realized and unrealized appreciation (depreciation) associated with these investments is reflected in the accompanying financial statements.

For NAV investments in which the Foundation owns a portion of an investment fund's partnership capital, unrealized appreciation (depreciation) is determined by comparison of cost of acquisition to the partnership interests to market values at the last day of the fiscal year, and includes the effects of currency translation with respect to transactions and holdings of foreign currency denominated holdings. Realized appreciation (depreciation) on redemption of partnership interests is determined as allocated by the general partners. Dividends and interest are recognized as allocated by the general partners. The amount of realized and unrealized appreciation (depreciation) associated with these investments is reflected in the accompanying financial statements.

FAIR VALUE HIERARCHY

Under GAAP the Foundation discloses assets and liabilities, recorded at fair value into the "fair value hierarchy". The fair value hierarchy defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices which are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable

Inputs are used in applying the various valuation techniques and refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the fair value hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and include active listed equities, and certain short-term fixed income investments. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale of all of its holdings could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active under the accounting definition, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources are classified as Level 2. These investments include certain US government and sovereign obligations, government agency obligations, investment grade corporate bonds, derivatives and certain limited marketability investments priced using net asset value or equivalent as a determinant of fair value. With respect to NAV investments the Foundation considers near-term liquidity as well as any restrictions or limitations on redemptions to determine the level classification of these investments. Investments valued using NAV are classified as Level 2 if the investment is redeemable at NAV (as adjusted for subsequent gains or losses through the effective date of redemption) in the near-term (generally within a 3-month period) without significant restrictions on redemption.

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Investments classified as Level 3 are publicly traded securities for which no active market or dealer quote exists and NAV investments in private equity, venture capital, real estate and those hedge funds that are not redeemable in the near term or have significant restrictions.

DERIVATIVES INSTRUMENTS

The Foundation records all derivative instruments and hedging activities at fair value. The fair value adjustment is recorded directly to the invested asset and recognized as an unrealized appreciation (depreciation) in the Statements of Activities.

The Foundation transacts in a variety of derivative instruments and contracts including futures, forwards, swaps, and options for trading and hedging purposes with each instrument's primary risk exposure being interest rate, credit, foreign exchange, or equity risk. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts.

The Foundation enters into forward currency contracts whereby it agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its investments to adverse fluctuations in currency markets.

The Foundation enters into futures contracts whereby it is obligated to deliver or receive (although the contracts are generally settled in cash) various US government debt instruments at a specified future date. The Foundation engages in futures to increase or decrease its exposure to interest rate movements and spreads.

The Foundation enters into interest rate contracts whereby it is obligated to either pay or receive a fixed interest rate on a specified notional amount and receive or pay a floating interest rate on the same notional amount. The floating rate is generally calculated as a spread amount added to or subtracted from a specified London Inter Bank Offering Rate (LIBOR) indexed interest rate. The Foundation enters into such contracts to manage its interest rate exposure and to profit from potential movements in interest rate spreads. The market value and unrealized gains or losses on interest rate swaps are affected by actual movements of and market expectations of changes in current market interest rates.

The Foundation enters into credit default swaps to simulate long and short credit positions that are either unavailable or considered to be less attractively priced in the bond market. The Foundation uses these swaps to reduce risk where it has exposure to the issuer, or to take an active long or short position with respect to the likelihood of an event of default. The reference obligation of the swap can be a single issuer, a "basket" of issuers, or an index. The underlying referenced assets can include corporate debt, sovereign debt and asset backed securities.

The buyer of a credit default swap is generally considered to be "receiving protection" in the event of an adverse credit event affecting the underlying reference obligation, and the seller of a credit default swap is generally considered to be "providing protection" in the event of such credit event. The buyer is generally obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event for corporate or sovereign reference obligations means bankruptcy, failure to pay, obligation acceleration, repudiation/moratorium or restructuring. For credit default swaps on asset-backed securities, a credit event may be triggered by events such as failure to pay principal, maturity extension, rating downgrade or write-down. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the par value (full notional value) of the reference obligation, though the actual payment may be mitigated by terms of the International Swaps and Derivative Agreement (ISDA), allowing for netting arrangements and collateral. The contingent payment may be a cash settlement or a physical delivery of the reference obligation in return for payment of the face amount of the obligation. If the Foundation is a buyer and no credit event occurs, the Foundation may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, the Foundation receives a fixed rate of income throughout the term of the contract, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation.

Credit default swaps are carried at their estimated fair value, as determined in good faith by the Foundation. In determining fair value, the Foundation considers the value provided by the counterparty as well as the use of a proprietary model. In addition to credit quality, the Foundation monitors a variety of factors including cash flow assumptions, market activity, market sentiment and valuation as part of its ongoing process of assessing payment and performance risk. As payment and performance risk increases, the value of a credit default swap increases. Conversely, as payment and

performance risk decreases, unrealized appreciation is recognized for short positions and unrealized depreciation is recognized for long positions. Any current or future declines in the fair value of the swap may be partially offset by upfront payments received by the Foundation as a seller of protection if applicable.

Credit default swaps involve greater risks than if the Foundation had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and counterparty credit risk. The Foundation enters into credit default swaps with counterparties meeting defined criteria for financial strength.

CASH

Consists of cash on hand and operating bank deposits.

PROGRAM-RELATED INVESTMENTS

The Foundation invests in projects that advance philanthropic purposes. These program-related investments are generally loans outstanding for up to 10 years bearing interest at 1%. These loans are treated as qualifying distributions for tax reporting purposes. Loans are monitored to determine net realizable value based on an evaluation of recoverability that utilizes experience and may reflect periodic adjustments to terms as deemed appropriate.

FIXED ASSETS

Land, buildings, furniture, equipment and leasehold improvements owned by the Foundation are recorded at cost. Depreciation is charged using the straight-line method based on estimated useful lives of the particular assets generally estimated as follows: buildings, principally 50 years, furniture and equipment 3 to 15 years, and leasehold improvements over the lesser of the term of the lease or the life of the asset.

EXPENDITURES AND APPROPRIATIONS

Grant expenditures are considered incurred at the time of approval. Uncommitted appropriations that have been approved by the Board of Trustees are included in appropriated unrestricted net assets.

TAXES

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to a federal excise tax because it is a private foundation in accordance with IRS regulations. The Foundation accrues an expense for federal excise taxes payable.

The Foundation accounts for uncertain tax positions when it is more likely than not that such an asset or a liability will be realized. As of September 30, 2010 and September 30, 2009 there were no uncertain tax positions.

RISKS AND UNCERTAINTIES

The Foundation uses estimates in preparing the financial statements which require management to make estimates and assumptions. These affect the reported amounts of assets and liabilities at the date of the Statements of Financial Position and the reported amounts of income and expenditures during the reporting period. Actual results may differ from these estimates. The most significant estimates and assumptions relate to valuation of limited marketability investments, allowances for possible losses on program-related investments and employee benefit plans.

MEASURE OF OPERATIONS

The Foundation includes in its measure of operations (operating income over expenditures) all income that is an integral part of its programs and supporting activities. Non-operating activities include the cumulative gains and prior service costs and credits which arose during the period, but are not recognized as separate components of net periodic pension cost.

RECLASSIFICATIONS

Certain amounts from the Foundation's fiscal year 2009 financial statements have been reclassified to confirm the fiscal year 2010 presentation.

NOTE 2

INVESTMENTS

Investments held consisted of the following as of September 30 (in thousands):

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 1,312,750	\$911,012	\$3,362,852	\$2,391,910
Fixed Income	2,511,187	2,424,555	2,501,972	2,452,450
Short-Term	996,149	995,978	495,244	495,196
Commingled Funds	2,075,840	1,934,345	398,093	480,411
Limited Marketability:				
Alternatives	2,042,925	1,899,760	1,835,554	1,738,069
Private Equity & Venture Capital	1,672,828	2,494,892	1,424,017	2,399,981
Investments, at fair value	10,611,679	10,660,542	10,017,732	9,958,017
Accrued Interest and Dividends Receivable	28,797	28,797	27,864	27,864
Investment Related:				
Receivables	32,569	32,569	139,756	139,756
Payables	(159,791)	(159,791)	(146,311)	(146,311)
	\$10,513,254	\$10,562,117	\$10,039,041	\$9,979,326

THE CLASSIFICATION OF INVESTMENTS BY LEVEL WITHIN THE VALUATION HIERARCHY

As of September 30, 2010 is as follows (in thousands):

	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total as of 9/30/2010
Equities	\$1,292,268	\$14,256	\$6,226	\$1,312,750
Fixed Income		2,511,187		2,511,187
Short-Term		996,149		996,149
Commingled Funds		2,075,840		2,075,840
Limited Marketability:				
Alternatives		750,896	1,292,029	2,042,925
Private Equity & Venture Capital			1,672,828	1,672,828
Investments, at fair value	\$1,292,268	\$6,348,328	\$2,971,083	10,611,679
Accrued Income and Net Payables and Receivables				(98,425)
Total investments				\$10,513,254

THE CLASSIFICATION OF INVESTMENTS BY LEVEL WITHIN THE VALUATION HIERARCHY

As of September 30, 2009 is as follows (in thousands):

	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total as of 9/30/2009
Equities	\$3,337,883	\$13,877	\$11,092	\$3,362,852
Fixed Income	32,212	2,469,760		2,501,972
Short-Term	495,244			495,244
Commingled Funds		398,093		398,093
Limited Marketability:				
Alternatives			1,835,554	1,835,554
Private Equity & Venture Capital			1,424,017	1,424,017
Investments, at fair value	\$3,865,339	\$2,881,730	\$3,270,663	10,017,732
Accrued Income and Net Payables and Receivables				21,309
Total investments				\$10,039,041

¹ Certain amounts from the Foundation's fiscal year 2009 financial statements have been reclassified to conform to the fiscal year 2010 leveling guidelines incorporating Accounting Standards update 2009-12: Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent).

THE FOLLOWING TABLE SUMMARIZES LEVEL 3 RECONCILIATION PER ASC 820 AS OF SEPTEMBER 30, 2010.

Fair Value Measurements Using Level 3 Inputs (in thousands):

	Equities	Alternatives	Private Equity & Venture Capital	Total
Balance as of October 1, 2009	\$11,092	\$1,835,535	\$1,424,036	\$3,270,663
Purchases and Other Acquisitions		572,271	268,215	840,486
Transfers in/(out) of Level 3		(305,650)		(305,650)
Sales and Other Dispositions	(5,442)	(923,569)	(201,389)	(1,130,400)
Net Realized Appreciation (Depreciation)	(1,720)	124,705	28,028	151,013
Net Unrealized Appreciation (Depreciation)	2,296	(11,263)	153,938	144,971
Balance as of September 30, 2010	\$6,226	\$1,292,029	\$1,672,828	\$ 2,971,083

All net realized and unrealized appreciation (depreciation) in the table above is reflected in the accompanying financial statements. Net unrealized depreciation is related to those financial instruments held by the Foundation as of September 30, 2010.

As of September 30, 2010, the Foundation has investments with a total market value of \$5,792 million that have been valued using the NAV as a practical expedient.

THE FOLLOWING TABLE LISTS INVESTMENTS IN INVESTMENT COMPANIES (OR SIMILAR ENTITIES) BY MAJOR INVESTMENT CATEGORY, AS OF SEPTEMBER 30, 2010:

Category of Investment ¹	Investment Structure ¹	Number of Investments ²		Fair Value ³ (in thousands)	Redemption Restrictions and Terms ¹	Redemption Terms ¹	Redemption Restrictions and Terms ¹ in Place at Year End
		Unfunded Commitments (in thousands)	Remaining Life ¹				
Private Equity & Venture Capital ⁴	Investments in the equity and credit of primarily private companies primarily through private partnerships and holding companies.	200 \$1,672,828 \$801,734	Generally up to 12 years but dependent upon investment circumstances.		Redemption not permitted during the life of the fund. Distributions may be made at the discretion of the general partners.	Not applicable – no redemption ability.	Not applicable – no redemption ability.
Alternative ⁵	Investments in global equity, fixed income, and other assets through private investment vehicles and private partnerships.	35 \$2,042,925 \$672,304	Open Ended		Ranges between monthly redemption with 5 days notice, to rolling 3-years redemption with 90 days notice. Certain funds have no redemption rights until dissolution of the funds.	Approximately 65% by value have initial lockups of 1 year or less. Approximately 20% have initial lockups of 1 – 2 years. The remaining 15% has initial lockups of over 2 years including approximately 2% with no redemption ability until dissolution. Funds generally have redemption gates in the range of 10% - 25% of net assets. Fees for early redemption may be up to 3% of redeemed amount.	Approximately 60% by value have available redemptions within 6 months. 15% have redemptions within 1 year. The remaining funds are redeemable within three years. Total side pockets or restricted assets across the funds are less than 5% of the total investment amount.
Commingled Funds ⁶	Investment in global equity, fixed income, and other assets through commingled fund structures.	6 \$2,075,840 \$100,000	Open Ended		Daily to monthly redemption with 1 to 30 days notice period.	Subject to the ability to withdraw capital from the underlying funds.	Subject to the ability to withdraw capital from the underlying funds.

¹ Information reflects a range of various terms from multiple investments.

² The approximate number of outstanding investments including investments with unfunded commitments but no current balance.

³ The total fair value of these investments valued using the NAV as a practical expedient.

⁴ Generally refers to investments in private partnerships or investment companies with no redemption rights, the ability for the general partners to issue capital calls and distributions, that generally provide the NAV or its equivalent balances and changes more infrequently than monthly. Performance fees are generally charged only upon a distribution of profits to investors.

⁵ Generally refers to investments in which the Foundation holds shares or partnership interests in investment companies with periodic limited redemption rights, asset and performance based fee structures, and the provision of the NAV or its equivalent balances and changes monthly or more frequently.

⁶ Generally refers to investments in which the Foundation holds shares or partnership interests in investment funds with short-term redemption and investment ability and provision of NAV balances that changes monthly or more frequently. Commingled Funds generally do not have performance based fee structures.

REPURCHASE AGREEMENTS

As of September 30, 2010 and 2009, the Foundation had loans outstanding under overnight repurchase agreements in the amounts of \$225 million and \$220 million, respectively. The Foundation was provided \$229.5 million in collateral consisting of short-term US government obligations to guarantee the currently outstanding loans.

DERIVATIVE INSTRUMENTS

As of September 30, 2010 and 2009, the Foundation had foreign currency contracts with notional amounts totaling \$1.4 million and \$8.8 million, respectively. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts. Changes in the value of forward currency contracts are recognized as unrealized appreciation (depreciation) until such contracts are closed.

As of September 30, 2010 and 2009, the Foundation had futures contracts with notional amounts totaling \$37.4 million and \$0 million, respectively. Changes in the value of futures contracts are recognized as unrealized appreciation (depreciation) until such contracts are closed.

As of September 30, 2010 and 2009, the Foundation had interest rate swaps in which the Foundation was paying a fixed interest rate with notional amounts totaling \$218 million and \$0 million, respectively. As of September 30, 2010, the maximum fixed rate payments to be made under these interest rate swaps were \$4.5 million.

As of September 30, 2010 and 2009, the Foundation is the buyer (receiving protection) on a total notional amount of \$7.3 million and \$0 million, respectively and is the seller (providing protection) on a total notional amount of \$41.5 million and \$0 million, respectively. The notional amounts of the swaps are not recorded in the financial statements; however, the notional amount does approximate the maximum potential amount of future payments that the Foundation could be required to make (receive) if the Foundation were the seller (buyer) of protection and a credit event were to occur.

THE FOLLOWING TABLE LISTS FAIR VALUE OF DERIVATIVES BY CONTRACT TYPE AS INCLUDED IN THE STATEMENTS OF FINANCIAL POSITION

As of September 30, 2010 (in thousands):

Derivative Type	Notional / Contractual Amount	Gross Derivative Assets	Gross Derivative Liabilities
Interest Rate Contracts ¹	\$218,000	\$ —	\$3,399
Fixed Income Futures Contracts	37,383	11	2
Rights & Warrants	4,612	142	
Foreign Currency Contracts	1,440	2	1
Credit Default Swaps	48,805	172	20
Total		\$327	\$3,422
Carring value of derivatives on the Statements of Financial Position		\$327	\$3,422

¹ The maximum potential liability to the Foundation under this contract is \$4.5 million. The Foundation has provided \$3.4 million in cash collateral to the counterparty of this contract. The information in the above table is included within investments on the Statements of Financial Position.

THE FOLLOWING TABLE INDICATES THE APPRECIATION (DEPRECIATION) ON DERIVATIVES, BY CONTRACT TYPE, AS INCLUDED IN THE STATEMENTS OF ACTIVITIES

For the year ended September 30, 2010 (in thousands):

Derivative Type	Appreciation/ (Depreciation)
Interest Rate Contracts	\$(3,115)
Fixed Income Futures Contracts	(1,173)
Rights & Warrants	278
Foreign Currency Contracts	74
Credit Default Swaps	798
Total	\$(3,138)

The above appreciation (depreciation) on derivatives has been recognized as realized or unrealized appreciation (depreciation) of investments on the Statements of Activities.

CREDIT-RISK CONTINGENT FEATURES

Our derivative contracts generally contain provisions whereby if the Foundation were to default on its obligations under the contract, or if the Foundation were to terminate the management agreement of the investment manager who entered into the contract on our behalf, or if the NAV of the Foundation were to fall below certain levels, the counterparty could require full or partial termination, or replacement of the derivative instruments.

COUNTERPARTY CREDIT RISK

By using derivative instruments, the Foundation is exposed to the counterparty's credit risk—the risk that derivative counterparties may not perform in accordance with the contractual provisions offset by the value of any collateral received. The Foundation's exposure to credit risk associated with counterparty non-performance is limited to the unrealized appreciation inherent in such transactions that are recognized in the Statements of Financial Position as well as the value of the Foundation's collateral assets held by the counterparty. The Foundation minimizes counterparty credit risk through rigorous review of potential counterparties, appropriate credit limits and approvals, credit monitoring procedures, executing master netting arrangements and managing margin and collateral requirements, as appropriate. The Foundation records counterparty credit risk valuation adjustments, if material, on certain derivative assets in order to appropriately reflect the credit quality of the counterparty. These adjustments are also recorded on the market quotes received from counterparties or other market participants since these quotes may not fully reflect the credit risk of the counterparties to the derivative instruments.

CREDIT DEFAULT SWAPS

THOSE CREDIT DEFAULT SWAPS FOR WHICH THE FOUNDATION IS PROVIDING PROTECTION

As of September 30, 2010 are summarized as follows (in thousands):

Written Credit Derivative Contracts	Credit Default Swap Index	
	Asset Backed Securities	Corporate Debt
Fair value of written credit derivatives	\$ (11)	—
Maximum potential amount of future payments (notional amount)	41,505	—
Recourse provisions with third parties to recover any amounts paid under the credit derivatives (including any purchased credit protection)	—	—
Collateral held by the Foundation or other third parties which the Foundation can obtain upon occurrence of a triggering event	—	—
Periodic payments made or received on the swaps are included in net realized appreciation and totaled \$0.8 million for the year ended September 30, 2010.		

NOTE 3

FIXED ASSETS

As of September 30, fixed assets are comprised of (in thousands):

	2010	2009
Land	\$4,435	\$4,435
Buildings, net of accumulated depreciation of \$29,997 in 2010 and \$28,510 in 2009	16,129	14,481
Furniture, Equipment and Leasehold Improvements, net of accumulated depreciation of \$68,551 in 2010 and \$65,301 in 2009	14,687	13,703
	\$35,251	\$32,619

NOTE 4

PROVISION FOR FEDERAL EXCISE TAX

The Internal Revenue Code imposes an excise tax on private foundations equal to 2 percent of net investment income, which is defined as interest, dividends and net realized gains less expenses incurred in the production of income. The tax is reduced to 1 percent for foundations that meet certain distribution requirements.

The current provision for federal excise tax is based on a 1 percent rate in fiscal year 2010 and 2009 on net investment income. The deferred provision on cumulative net unrealized gains in both fiscal years 2010 and 2009 is based on a 2 percent rate. In fiscal year 2009, the Foundation had cumulative net unrealized gains that resulted in a deferred tax liability of \$1.2 million. In fiscal year 2010, the Foundation had cumulative net unrealized losses, which depleted the cumulative net unrealized gains and resulted in a reduction of deferred tax of \$1.2 million. The amounts of excise taxes paid were \$13.8 million and \$2.3 million in fiscal years 2010 and 2009, respectively.

NOTE 5

RETIREMENT PLANS

The Foundation's defined benefit pension plans and the defined contribution plans cover substantially all New York appointed employees. Staff who are locally appointed by overseas offices are covered by other retirement arrangements. Pension benefits generally depend upon age, length of service and salary level. The Foundation also provides retirees with at least five years of service and who are at least age 55 with other postretirement benefits which include medical, dental and life insurance. New employees hired on or after June 1, 2009 will be eligible for postretirement medical and dental benefits when they retire with at least 10 years of service and who are at least age 65. The defined benefit pension plans are funded annually in accordance with the minimum funding requirements of the Employee Retirement Income Security Act. The other postretirement benefits are partially funded in advance through a Voluntary Employees' Beneficiary Association (VEBA).

GAAP requires unrecognized amounts (e.g., net actuarial gains or losses and prior service cost or credits) to be recognized as non-operating activities and that those amounts be adjusted as they are subsequently recognized as components of net periodic pension cost.

	Pension Benefits		Other Postretirement Benefits	
	(in thousands as of September 30)			
	2010	2009	2010	2009
Benefit Obligation	\$22,303	\$24,327	\$73,741	\$64,193
Fair value of plan assets	33,357	32,772	39,403	40,000
Funded (unfunded) status and amounts recognized in the statements of financial position	\$11,054	\$8,445	(34,338)	(24,193)
Accumulated benefit obligation	\$22,269	\$24,282	N/A	N/A
Amounts recognized in non-operating activities consist of:				
Prior service cost (credit)	\$(111)	\$(216)	\$ —	\$ —
Net loss	5,537	7,912	20,396	14,097
Total amount recognized	\$5,426	\$7,696	\$20,396	\$14,097
Net periodic benefit cost recognized	460	1,134	3,846	6,449
Employer contribution	799	7,500	—	40,000
Benefits paid	2,692	1,061	3,785	2,667
Other changes in plan assets and benefit obligations recognized in non-operating activities:				
Net (gain) loss	\$(1,607)	\$4,727	\$6,988	\$17,091
Amortization of loss	(523)	(484)	(689)	—
Amortization of prior service cost	105	117	—	—
Recognition of actuarial gain due to special event	—	—	—	973
Recognition of loss due to settlements	(245)	—	—	—
Recognition of PSC due to FAS 88 event	—	52	—	—
Total recognized in non-operating activities	(2,270)	4,412	6,299	18,064
Total recognized in net periodic benefit cost and non-operating activities	\$(1,810)	\$5,546	\$10,145	\$24,513
Amounts in non-operating activities expected to be recognized in net periodic pension cost in next fiscal year				
Actual loss	\$280	\$623	\$ —	\$ —
Prior service credit	(104)	(105)	—	—
	\$176	\$518	\$ —	\$ —
Weighted average assumptions (used to determine benefit obligations and net periodic costs):				
Discount rate (benefit obligation)	4.80%	5.50%	5.08%	5.50%
Discount rate (net periodic costs)	5.50%	7.45%	5.75%	7.45%
Expected rate of return on plan assets	7.00%	7.00%	7.00%	N/A
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

For measurement purposes, a healthcare cost trend rate of 0% and 6% was used to measure the other postretirement benefit obligation at September 30, 2010 and 2009, respectively. As of September 30, 2010, the obligations reflect an initial trend for fiscal year 2011 of 5%. This trend is assumed to increase for the next several years to 7% and then begin a gradual decline to 5% in the year 2020 and beyond. A 1% point change in assumed healthcare cost trend rates would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	\$762,801	\$604,400
Effect on other postretirement benefit obligation	7,112,891	5,802,756

The expense recorded by the Foundation related to contributions to the defined contribution plan aggregated \$5.3 million and \$5.9 million in each of the years ended September 30, 2010 and 2009, respectively.

THE FOLLOWING TABLE PRESENTS INVESTMENTS IN THE DEFINED BENEFIT PENSION PLANS AND POST-RETIREMENT PLAN AT FAIR VALUE BY CAPTION AND BY LEVEL WITHIN THE VALUATION HIERARCHY AS OF SEPTEMBER 30, 2010.

The table also includes the combined weighted-average asset allocation for the Foundation's defined benefit pension plans and post-retirement plan at September 30, 2010 as follows:

DEFINED BENEFIT PLAN	Assets at Fair Value (in thousands)				Percent
	Level 1	Level 2	Level 3	Totals	
Annuities:					
Guaranteed Insurance Contracts			\$5,927	\$5,927	18%
Stocks		\$16,071		16,071	48
Fixed Income		9,864		9,864	30
Real Estate	\$ —	1,495	—	1,495	4
Total investments in defined benefit plans	\$ —	\$27,430	\$5,927	\$33,357	100%
POST-RETIREMENT PLAN					
Equities:					
Vanguard Total Stock Market Index	\$11,092			\$11,092	28%
Vanguard FTSE All-World Ex-US Index	11,282			11,282	29
Fixed Income:					
Vanguard Total Bond Market Index	17,029	—	—	17,029	43
Total investments in post-retirement plan	\$39,403	\$—	\$—	\$39,403	100%

LEVEL 3 INVESTMENT ASSETS

The Level 3 investment assets include TIAA Group Annuity Contract (Guaranteed Insurance Contracts). The classification of an investment within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

Guaranteed Insurance Contracts (in thousands)	
Balance at September 30, 2009	\$7,361
Transfers	(152)
Interest	225
Distributions/Redemptions	(1,507)
Balance at September 30, 2010	\$5,927

The investment strategy is to manage investment risk through prudent asset allocation that will produce a rate of return commensurate with the plans' obligations. The Foundation expects to continue the investment allocations as noted above. The Foundation's overall expected long-term rate of return on plan assets is based upon historical long-term returns of the investment performance adjusted to reflect expectations of future long-term returns by asset class. The Foundation is expected to make pension contributions of \$889,500 in fiscal year 2011.

ESTIMATED FUTURE BENEFIT PAYMENTS, WHICH REFLECT EXPECTED FUTURE SERVICE, AS APPROPRIATE, ARE EXPECTED TO BE PAID AS FOLLOWS:

As of September 30 (in thousands)

	Pension Benefits	Other Postretirement Benefits
2011	\$2,079	\$2,934
2012	1,757	3,103
2013	2,177	3,251
2014	2,044	3,474
2015	2,456	3,609
2016 — 2020	11,965	20,490

NOTE 6

CONTINGENCIES, COMMITMENTS AND GUARANTEES

The Foundation is involved in several legal actions. The Foundation believes it has defenses for all such claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final disposition of these matters will not have a material effect on the Foundation's financial position.

As part of its program-related investment activities, the Foundation is committed to provide \$24.9 million of loans to not-for-profit organizations once certain conditions are met. Further, as part of its investment management activity, the Foundation is committed to additional funding of \$1.6 billion in private equity and other investment commitments.

NOTE 7

SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through December 14, 2010, the date the financial statements were issued, and believes no additional disclosures are required in the financial statements.

Our programs

We work in three program areas that reflect our mission and values and encompass the nine issues and corresponding initiatives through which we make our grants to organizations working on the frontlines of social change around the world.

<p>DEMOCRACY, RIGHTS AND JUSTICE Maya L. Harris, <i>Vice President</i></p>	<p>ECONOMIC OPPORTUNITY AND ASSETS Pablo J. Farías, <i>Vice President</i></p>	<p>EDUCATION, CREATIVITY AND FREE EXPRESSION Darren Walker, <i>Vice President</i></p>
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<p>HUMAN RIGHTS</p> <ul style="list-style-type: none"> Strengthening Human Rights Worldwide Advancing Economic and Social Rights Protecting Women's Rights Reducing HIV/AIDS Discrimination and Exclusion Protecting Immigrant and Migrant Rights Advancing Racial Justice and Minority Rights Reforming Civil and Criminal Justice Systems 	<p>METROPOLITAN OPPORTUNITY</p> <ul style="list-style-type: none"> Expanding Access to Quality Housing Promoting Metropolitan Land-Use Innovation Connecting People to Opportunity 	<p>FREEDOM OF EXPRESSION</p> <ul style="list-style-type: none"> Supporting Diverse Arts Spaces Advancing Public Service Media Advancing Media Rights and Access Religion in the Public Sphere JustFilms
<p>SOCIAL JUSTICE PHILANTHROPY</p> <ul style="list-style-type: none"> Mobilizing Philanthropic Resources for Social Justice 	<p>SUSTAINABLE DEVELOPMENT</p> <ul style="list-style-type: none"> Expanding Community Rights Over Natural Resources Climate Change Responses That Strengthen Rural Communities 	<p>SEXUALITY AND REPRODUCTIVE HEALTH AND RIGHTS</p> <ul style="list-style-type: none"> Supporting Sexuality Research Promoting Reproductive Rights and the Right to Sexual Health Sexuality and Reproductive Health Education Policies and Programs for Adolescent Sexual and Reproductive Health

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Since our founding in 1936, nine presidents have guided the foundation. Learn more about these dynamic leaders at fordfoundation.org/about-us/history/presidents

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For 75 years, extraordinary individuals have worked for the foundation, helping to fulfill our mission so that all people can reach their potential and live in dignity. Our staff today carries that tradition forward.

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