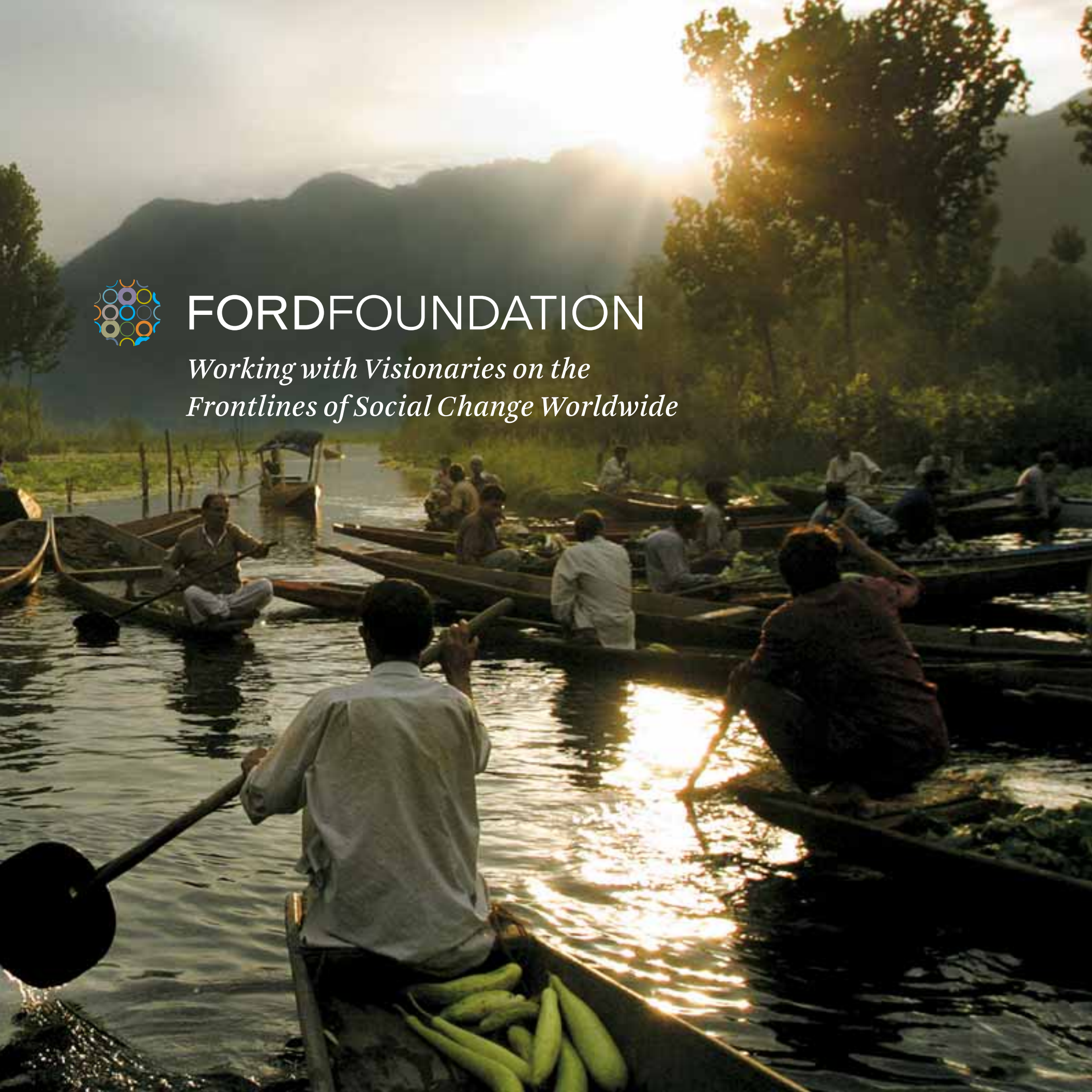




FORD FOUNDATION

*Working with Visionaries on the
Frontlines of Social Change Worldwide*





FORDFOUNDATION

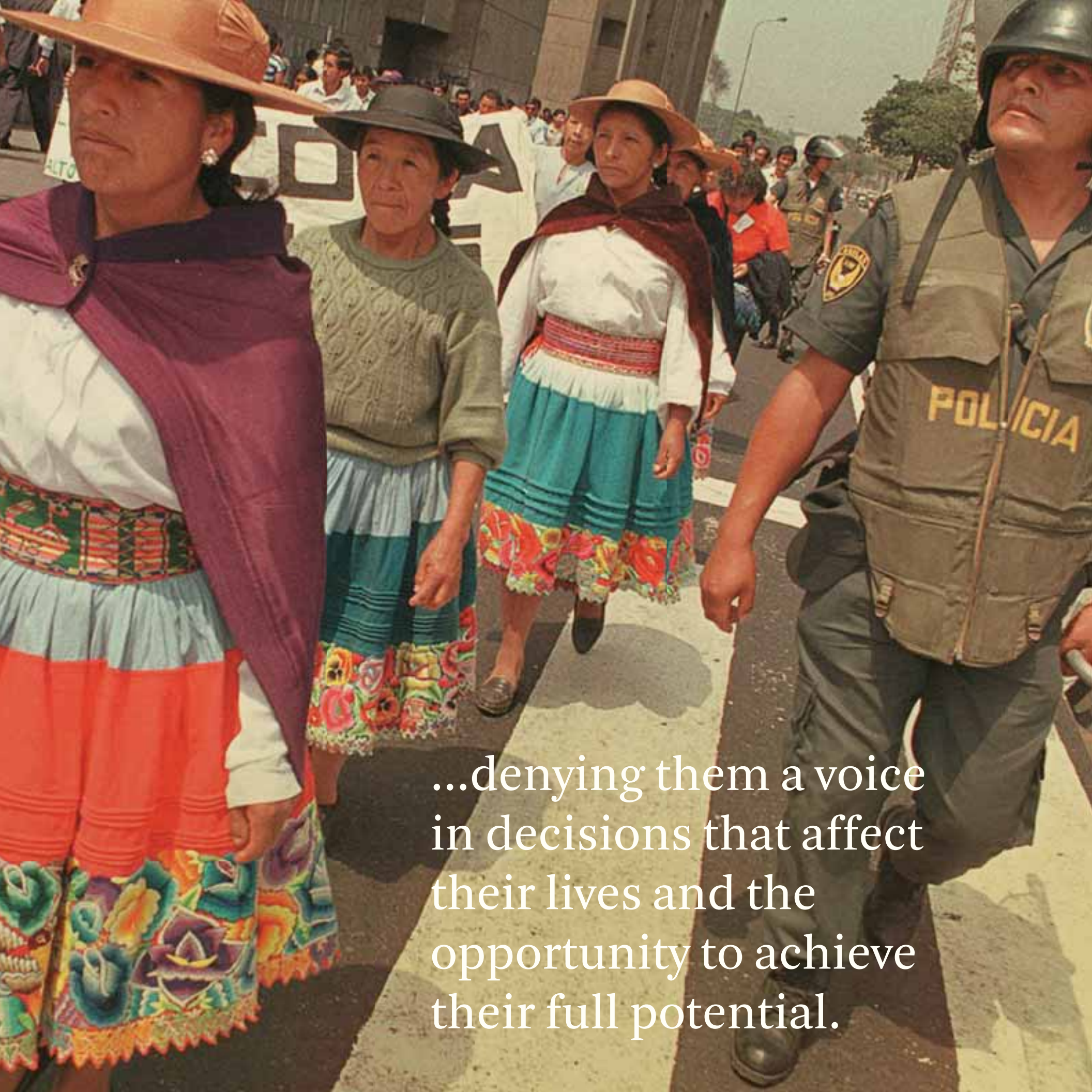
*Working with Visionaries on the
Frontlines of Social Change Worldwide*

We believe in the
inherent dignity
of all people.





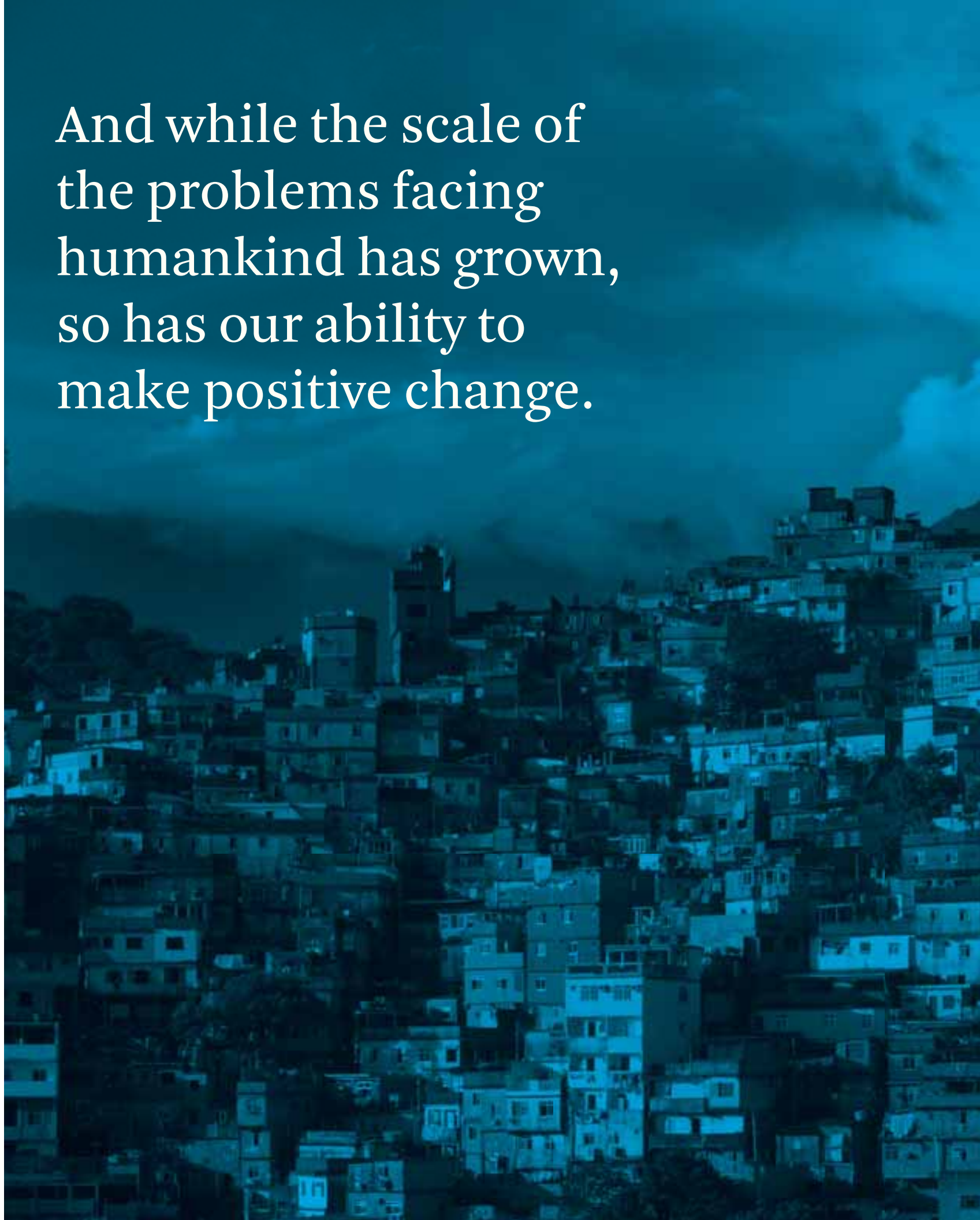
But too many people are excluded from social, political, economic and cultural institutions that affect their well-being...

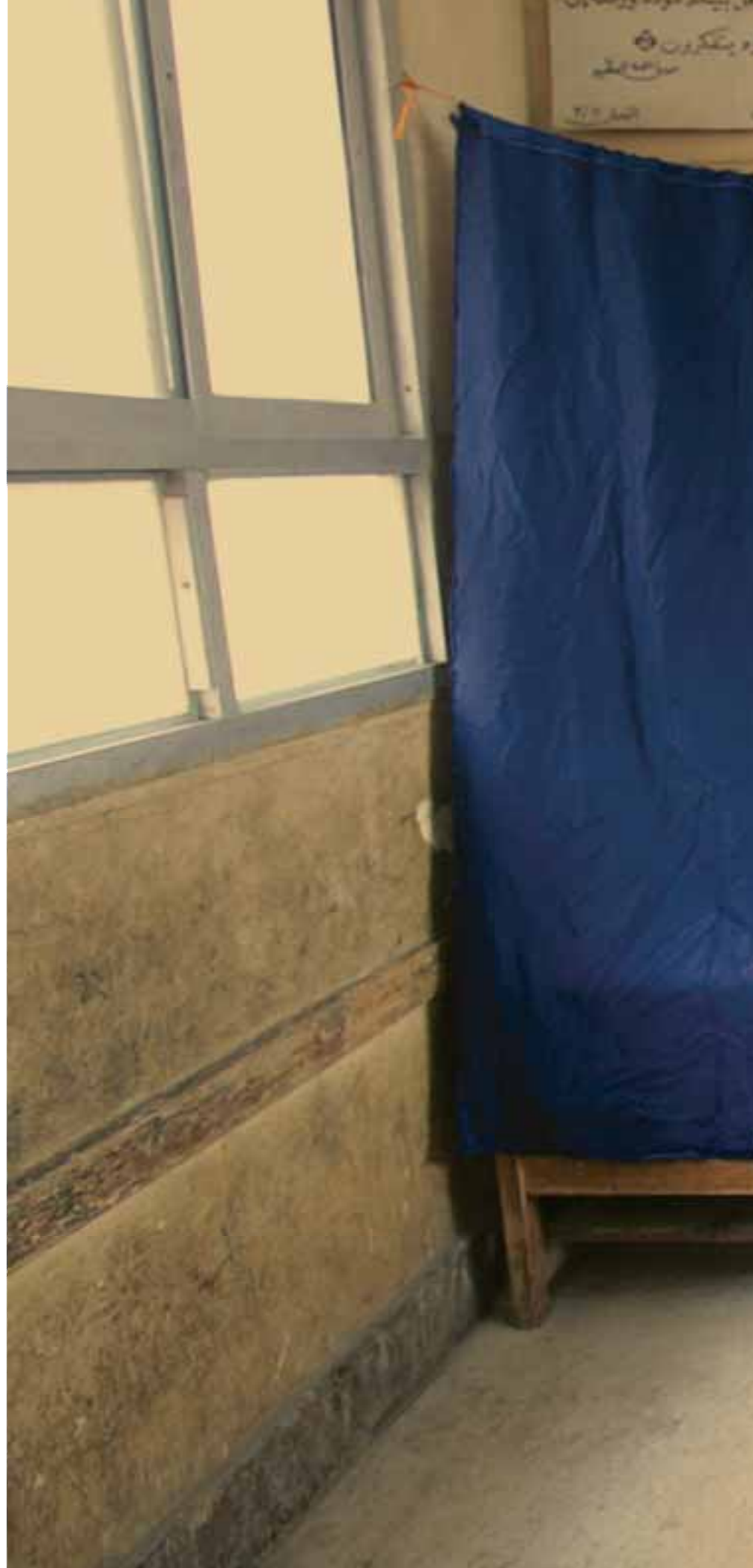


...denying them a voice
in decisions that affect
their lives and the
opportunity to achieve
their full potential.



And while the scale of the problems facing humankind has grown, so has our ability to make positive change.





We work to ensure that social systems and institutions include everyone, so that all people have a voice in decisions that affect their lives.





Our approach to today's problems is informed by decades of experience working with visionaries on the frontlines of social change around the world.



We strive to be strategic and focused in our efforts, so our resources are put to their best use in working with our grantees to create lasting change that transforms people's lives.



MESSAGE FROM THE PRESIDENT

“WORKING WITH VISIONARIES”

One year ago, I wrote about an urgency taking hold in our nation and in the world, an urgency caused in part by the global recession that defined the last year, but which is more fundamentally rooted in the longstanding challenges of governing systems that discourage full participation and oversight by citizens; in education systems that remain vastly unequal and inadequate to people's needs; in economic conditions that block opportunity; and in the ongoing denial of human rights.



A year later, I can report that the Ford Foundation has responded to that “urgency of now” by focusing its work on a set of core issues that we—and the visionary people and organizations we support—believe offer pathways to lasting social change.

These core issues affirm our mission and build on our past. They also reflect optimism about the future and a conviction that visionary people on the frontlines of change around the world have greater opportunities today than ever before to bring about social justice.

We are in the midst of a new cultural moment. The increasing movement of people, and the growing technology-driven connections between people, are bringing the capacity to engage with the world to even the smallest communities in the most remote locations. This new era of interconnectedness has brought a level of transparency never before seen. Every citizen is a witness and can testify via his or her cell phone.

The global economic crisis is also changing the world around us. Long-held assumptions about how economies function have been upended as failures in the financial system have undermined people's ability to meet their basic needs, putting the security of home, food and health at risk. The economic dislocation of the last year has mobilized people to question basic assumptions about the role and efficacy of government.

These economic challenges, combined with the opportunities that technology offers for people to connect in dynamic and original ways, are reshaping how individuals and communities engage with each other and the institutions that affect their lives. In this new era of engagement an enormous opportunity has emerged for those seeking greater social justice.

The Ford Foundation and its grantees are prepared to act on that opportunity. This report focuses on the initiatives that define our path forward and respond to the issues facing our societies. These initiatives are grounded in respect for the universality of human rights and the rule of law. They are animated by people who believe it is the responsibility of citizens to hold governments accountable. And they are designed to help achieve outcomes that respond to people's needs, protect the full spectrum of their rights, and ensure that quality education and other pathways to opportunity are available to everyone.

We take enormous pride in our commitment to the visionary people who are seizing this moment and the promise it represents. With renewed focus and a shared optimism about what is possible, the Ford Foundation will be there to support them as they aspire to the fairness, freedom, opportunity, and human dignity in which we all believe.

These aspirations lie at the heart of the Ford Foundation's new initiatives. We believe that our strategic philanthropic giving can help enable people to take on the entrenched cultural barriers and power structures that hold them back from reaching their full potential.

Sincerely,

Luis A. Ubiñas
President
September 2009

HUMAN RIGHTS

DEMOCRATIC AND
ACCOUNTABLE
GOVERNMENT

EDUCATIONAL
OPPORTUNITY
AND
SCHOLARSHIP

ECONOMIC
FAIRNESS

METROPOLITAN
OPPORTUNITY

On the Fr

SUSTAINABLE
DEVELOPMENT

FREEDOM OF
EXPRESSION

SEXUALITY AND
REPRODUCTIVE
HEALTH
AND RIGHTS

SOCIAL JUSTICE
PHILANTHROPY

The Ford Foundation is partnering with visionaries on the frontlines of social change across the United States and in 10 regions around the world. We support innovative leaders and organizations working to find lasting solutions to a wide range of complex social problems. Our work focuses on changing social structures and institutions so that all people have the opportunity to achieve their full potential and have a voice in the decisions that affect them. We work to fulfill these goals through three strategic programs: Democracy, Rights and Justice; Economic Opportunity and Assets; and Education, Creativity and Free Expression.

Outlines

LADIES ARE NOT ALLOWED TO
SIT AFTER 6-30 P.M.

عورتوں کو شام ساڑھے چھ بجے
کے بعد یہاں بیٹھنے کی اجازت نہیں ہے

گورنمنٹ
پبلک ہیلتھ



HUMAN RIGHTS

On the frontlines of equal rights for all

Fulfilling the rights that belong to all people by virtue of their humanity depends upon an engaged populace and public officials and institutions committed to the inherent dignity and worth of every person. Our work supports efforts to secure equal rights and opportunity for all.

Fundamental human rights are required for people to achieve their full potential and contribute to society. We support efforts to help vulnerable populations gain access to the social, political and cultural institutions that govern their rights. We do this by strengthening the organizations and mechanisms that enforce human rights and by monitoring the policies and practices of institutions that affect the well-being of individual citizens.

Worldwide, we support legal and advocacy efforts to establish and retain basic civil, economic and social rights and to ensure that civil and criminal justice systems are fair, effective, accessible and nondiscriminatory. All of this work focuses on the world's most marginalized populations, notably women, racial and ethnic minorities, indigenous peoples, immigrant communities and people living with HIV/AIDS.

OUR INITIATIVES

Advancing Racial Justice and Minority Rights

Protecting Immigrant and Migrant Rights

Protecting Women's Rights

Reducing HIV/AIDS Discrimination and Exclusion

Reforming Civil and Criminal Justice Systems

Advancing Economic and Social Rights

Strengthening Human Rights Worldwide



DEMOCRATIC AND ACCOUNTABLE GOVERNMENT

On the frontlines of good governance

Effective public institutions are essential for societies to be safe, free and prosperous. Our work explores ways to make the process of governing more transparent, accountable and inclusive—and more effective in achieving fairness and equity.

An active, knowledgeable citizenry is essential to strengthening democratic practice and securing social justice. We support efforts that help people become participants in the decisions that have an impact on their lives. We do this primarily by supporting robust and inclusive civic organizations that bring diverse people together and give them a voice in the democratic process.

Our global work focuses on strengthening the right of people to assemble and advocate, and on promoting greater government transparency and accountability on issues ranging from public spending to the reform of key global institutions that govern the flow of resources. In the United States, we also focus on achieving reform that protects every individual's right to participate in the political process, including ensuring an accurate census count, fair redistricting and full access to voting.

OUR INITIATIVES

Increasing Civic and Political Participation

Strengthening Civil Society

Promoting Electoral Reform and Democratic Participation

Promoting Transparent, Effective and Accountable Government

Reforming Global Financial Governance



EDUCATIONAL OPPORTUNITY AND SCHOLARSHIP

On the frontlines of better education

Addressing economic, social and political inequality requires measures that account for the critical role of education in society. Our work supports education reform that improves the life chances of young people from marginalized groups by expanding access, improving quality and strengthening student outcomes.

Education is increasingly essential for individual well-being and national prosperity. Our work seeks to provide young people with the education necessary to succeed in the workforce and contribute as citizens.

Worldwide, we fund initiatives seeking to transform the quality of secondary schools and to help students from poor or marginalized communities gain access to quality higher education. In the United States, our work in secondary education focuses on fair and adequate distribution of resources, high-quality teaching and expanded learning time. Our work in U.S. higher education supports greater access and affordability, as well as instructional innovations that increase the likelihood that students will earn degrees.

Another facet of our work is building knowledge to inform public policy on issues of social justice, and to support the next generation of researchers and public intellectuals whose scholarship will contribute to this knowledge base.

OUR INITIATIVES

Transforming Secondary Education

Advancing Higher Education Access and Success

Building Knowledge for Social Justice





ECONOMIC FAIRNESS

On the frontlines of economic opportunity

Expanding opportunities and providing fair and equitable ways for all people to earn a decent living and build economic resources is essential to creating prosperous societies. Our work helps low-income people build assets and gain economic security.

Our efforts seek ways to make markets and public systems and policies work better for low-income families and help them access the opportunities and tools they need to overcome intergenerational poverty.

Worldwide, we work in areas of concentrated poverty, including rural communities and urban neighborhoods, to ensure that residents have access to quality financial products, including savings, insurance and credit, and to business development services that strengthen their livelihood options. In the United States, our work also includes efforts to promote savings through contribution matches, stronger social insurance programs and public services, along with workforce development that leads to quality employment.

OUR INITIATIVES

Ensuring Good Jobs and Access to Services

Promoting Next-Generation Workforce Strategies

Building Economic Security Over a Lifetime

Improving Access to Financial Services

Expanding Livelihood Opportunities for Poor Households



METROPOLITAN OPPORTUNITY

On the frontlines of equitable metropolitan development

Good jobs, quality schools, efficient transportation and safe, affordable housing are all fundamental to building prosperous metropolitan areas. Our work advances a new vision of smart, regional development that integrates key elements of metropolitan life to build strong and equitable communities.

For millions of Americans, opportunities to seek better futures are too often limited by the simple fact of where they live. Across entire regions of the country, cities are in decline. Industries have collapsed, houses are in foreclosure, and even before the economic downturn, jobs and services had moved to the suburbs and beyond.

Decades of inadequate public policy and planning have created concentrated pockets of poverty and urban centers devoid of opportunity. Today, the economic downturn and chronic problems associated with joblessness and urban blight make the effort to build strong communities and a promising future for families particularly urgent.

We are working across the United States to support efforts that reach beyond individual neighborhoods and cities to connect residents with opportunities in the broader metropolitan economy. We are supporting organizations that are pursuing integrated approaches to housing, land use and environmental planning, public transportation, and workforce opportunity. Our work promotes smarter public policy and planning, and supports regional efforts to build economic growth and competitiveness over the long term.

OUR INITIATIVES

Expanding Access to Quality Housing

Promoting Metropolitan Land Use Innovation

Connecting People to Opportunity



SUSTAINABLE DEVELOPMENT

On the frontlines of sustainable communities

Many of the world's poorest families rely on natural resources—forests, grasslands and other natural assets—for their basic livelihoods, yet they have limited rights over these resources. We believe that promoting greater access among the poor to natural resources is critical to achieving two interrelated goals: reducing global poverty and sustaining the quality of our environment.

We support the development of natural resource policies and programs that give poor communities more control over these resources and a stronger voice in decision making on land use and development. We focus these efforts on the most vulnerable communities—notably indigenous peoples, ethnic minorities and women—whose access to natural resources is most threatened.

We work to ensure that the international response to climate change respects the unique circumstances of the rural poor. We promote smart environmental policies that increase poor people's access to natural resources and livelihood opportunities while simultaneously addressing climate change.

OUR INITIATIVES

Expanding Community Rights Over Natural Resources

Climate Change Responses That Strengthen Rural Communities





FREEDOM OF EXPRESSION

On the frontlines of free expression and media

The free flow of information and ideas is essential to healthy societies. Our work provides space for creativity, helps all people access opportunities for expression, and supports efforts to ensure that media systems and policies are open and equitable.

Free expression is central to all other freedoms. As change in our communities becomes more constant and as ideas, technologies and people are moving more rapidly within and among countries, our work promotes the right of all people to connect more deeply with others and find meaningful ways to participate. We do this by investing in creative and intellectual capital.

Worldwide, our work focuses on promoting public policies that ensure equal access to all media platforms and strengthening public service media. We also invest in the creative capital of underserved communities by supporting arts spaces that embrace marginalized voices and diverse audiences.

In the United States, we support religious leaders and institutions that engage in public efforts to advance justice and equity as well as efforts through the media to promote informed, diverse and necessary dialogue on the public role of religion.

OUR INITIATIVES

Supporting Diverse Arts Spaces

Advancing Public Service Media

Advancing Media Rights and Access

Religion in the Public Sphere



SEXUALITY AND REPRODUCTIVE HEALTH AND RIGHTS

On the frontlines of sexual well-being and reproductive health

Sexuality and the right to reproductive health are fundamental to the human experience. We support those working to ensure that all women and men are able to exercise these rights free from coercion and violence, and that young people have access to the information and services they need.

In some societies around the world, discussion of human sexuality and reproductive health and rights has often been considered too sensitive or too personal for serious exploration. At the same time, governments implement laws and programs that have direct impact on these basic human freedoms with little or no input from those most affected. As a result, healthy development and the exercise of personal decision making in these areas have often been compromised.

Our work is directed toward strengthening sexual and reproductive health rights and encouraging comprehensive sexuality education and evidence-based public discourse on sexuality.

Our efforts focus, in particular, on young women from poor and excluded communities because they bear the greatest burden of violence and disease. We support sexual and reproductive health policies, innovative programs and research that address the social, cultural and economic factors that undermine improved outcomes for girls and women.

OUR INITIATIVES

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



SOCIAL JUSTICE PHILANTHROPY

On the frontlines of mobilizing resources for social change

By virtue of its independence, philanthropy is uniquely positioned to advance social change by seeding and supporting the work of civil society organizations that address complex and enduring problems. Our work focuses on strengthening the role and effectiveness of philanthropy around the world on issues of fairness, equity and justice.

Despite philanthropy's potential to address barriers to opportunity and fairness, only 11 percent of funders in the United States support work on social justice and globally the figure is considerably lower. Lasting social change requires mobilizing significant resources worldwide to address economic, political and social disparities that prevent people from realizing their full potential. We are committed to increasing the amount and effectiveness of philanthropic resources devoted to supporting work aimed at changing unjust structures and unfair practices.

OUR INITIATIVE

Mobilizing Philanthropic Resources for Social Justice

A COMMITMENT TO SOCIAL JUSTICE IN THE UNITED STATES

Founded in 1936, the Ford Foundation has been working to improve people's lives for nearly 75 years. Our programs address urgent challenges across the United States and in 10 regions around the world, seeking to support visionary people working toward lasting social change. We work to fulfill this mission through three strategic programs: Democracy, Rights and Justice; Economic Opportunity and Assets; and Education, Creativity and Free Expression.

In the United States, our grantees have long been on the frontlines of forward-looking social movements, working to ensure that all people have the opportunity to achieve their full potential, have a voice in decisions that affect them, and contribute to society. Our grantees today follow in the footsteps of those who blazed trails on civil rights, women's rights, urban renewal, education reform, public interest media, diversity in the arts, voter engagement and accountable governance, and other transformative social movements.

Today we continue to support innovators in the fast-changing media world, working to maintain its public mission in a digital age. We are investing in voting rights and in efforts to ensure the 2010 Census is as accurate and complete as possible. We are supporting accountability and transparency work at every level of government. And we are investing in innovative solutions to the housing crisis as part of a larger program aimed at creating greater economic opportunity for all Americans. Other areas of our work address restoring America's metropolitan areas with smart regional development, transforming education, advancing reproductive rights, creating new spaces for diverse arts and cultural expression, supporting media access and reform, and attracting more resources to social justice philanthropy.

We see all nine of the issues that we address as fundamental to creating lasting social change in the United States.

With nearly 60 percent of our grant budget focused on the United States, we are helping our grantees grow the scale of their important efforts and make lasting improvements in the lives of hard-working Americans. In a time of economic struggle and increasing poverty and disparity, we believe our support for equal opportunity and a fuller expression of core American values is as needed and relevant as ever.

Working in multiple places around the world has been central to our mission since 1952. In addition to the United States, we work in regions across Asia, Africa, and Latin America. Each of our regional offices is committed to advancing equality and opportunity through initiatives that focus on the unique needs and local challenges of its region.



Andean Region and Southern Cone

As democratic reforms take root across the Andean Region and Southern Cone, the countries we serve stand at a critical crossroads. Despite evidence of progress—including more resilient economies and the stabilization of electoral regimes—millions of citizens, particularly indigenous peoples, Afro-descendants and women, are still shut out of opportunities to earn a decent living or participate in the governments that are meant to represent them. The result: Widespread poverty and inequality persist, undermining the potential for recent progress to bring long-term security and prosperity to the region.

We believe that tackling discrimination and social exclusion can serve as the linchpin for unleashing broader and more equitable development across the region. Our grants help build the leadership that is necessary to confront social and political exclusion; promote smart and effective public policies that combat discrimination and help more people overcome poverty; develop innovative ways to engage the business community in new solutions; and ensure that universities, government agencies, civil society groups and other key institutions are better represented by the voices of women and minorities.

By breaking down the stubborn barriers that prevent people from participating more fully in their societies, we believe that the region can build a just and more sustainable future for all of its citizens.

OUR FOCUS IN THE ANDEAN REGION AND SOUTHERN CONE

Promoting Transparent, Effective and Accountable Government

Advancing Racial Justice and Minority Rights

Strengthening Human Rights Worldwide

Building Economic Security Over a Lifetime

Expanding Livelihood Opportunities for Poor Households

Advancing Higher Education Access and Success



Brazil

The end of military dictatorship in 1985 and the adoption of a new constitution in 1988 provided Brazil with a solid foundation for the growth of a vibrant democracy that has led to sweeping social progress. Infant mortality has dropped almost in half since 1990, and enrollment in basic education reached 97 percent in 2005.

Brazil now has the 10th-largest economy in the world. But despite this economic and social progress, much of Brazil's wealth is highly concentrated. Today, 57 million citizens still live below the poverty line, and more than 25 million live in extreme poverty. People of color in particular are at risk, often living in an environment of persistent violence and discrimination.

By tackling policies and institutions that perpetuate inequalities we will help create a process for broader social justice change, where vulnerable groups across the country will have the opportunity to explore their own potential and capacity for accessing public services and protecting their fundamental rights.

Our grants focus on building the leadership necessary to promote social and political change; enacting strategic and effective public policies that combat discrimination and inequality; ensuring enforcement of laws that secure peoples' rights; and working with universities, government agencies, civil society groups and other key institutions to ensure they better represent the interests of the underrepresented, including Afro-Brazilians, indigenous peoples and women.

OUR FOCUS IN BRAZIL

Promoting Transparent, Effective and Accountable Government

Advancing Racial Justice and Minority Rights

Strengthening Human Rights Worldwide

Expanding Community Rights Over Natural Resources

Advancing Higher Education Access and Success

Advancing Media Rights and Access



China

China's extraordinary transformation of its economy, society and standing in the world during recent years has also brought new challenges. Its focus on economic growth has led to stark disparities in wealth, status and the ability to access resources and opportunity. To meet these challenges, the country is shifting to a model of balanced and sustainable growth.

The existing disparities heighten the vulnerability of marginalized groups. Women face intensified discrimination in the modern marketplace. Migrant workers, people in rural communities and minority groups have fewer opportunities than others to share in the benefits of China's transformation. We believe that helping marginalized segments of society gain access to community resources and government services will allow them to participate more fully and contribute to China's balanced growth.

Our integrated work seeks systemwide improvements for all marginalized groups. Specifically, our grants help poor communities utilize the developing justice system; poor farmers and herders gain access to sustainable natural resources; women make informed choices about their families and careers; minority groups and girls complete their school and college studies; migrant workers engage with government agencies; and civil society organizations provide legal and infrastructure support to address poverty, inequality and discrimination.

By supporting groups that share these goals—research institutions, civil society organizations and government—we help disadvantaged people and communities participate as partners in China's development and help them gain essential resources to combat poverty, inequality and discrimination.

OUR FOCUS IN CHINA

[Civil Society](#)

[Transparent, Effective and Accountable Government](#)

[Civil and Criminal Justice Systems](#)

[Community Rights Over Natural Resources](#)

[Secondary Education](#)

[Higher Education Access and Success](#)

[Reproductive Rights and the Right to Sexual Health](#)



Eastern Africa

For more than two decades, East Africans have engaged in a process of progressive change on multiple fronts, including the transition of East African nations to constitutional democracies, the initiation of legal reforms and the strengthening of state institutions and nongovernmental organizations. But many challenges persist. Bringing about more democratic, equitable and peaceful societies in East Africa will require an informed citizenry, increased civic and political participation, and secured rights for marginalized and vulnerable groups.

In sub-Saharan Africa, inequitable land distribution and land tenure contribute greatly to poverty in the region. Evidence shows that access to land and other natural resources (water and trees) determines the ability of households to participate in markets, secure livelihoods and compete as entrepreneurs in the rural non-farm economy. This is particularly true for women, who dominate most agricultural work yet are deeply discriminated against in a land acquisition process that historically is gained only through males.

We believe that addressing the disparities in the control over land, in decision-making processes and in the representation of historically diverse communities will be a critical factor in securing rights and opportunities for East Africans, particularly women and youth.

Our grants focus on promoting rights and access to land, sustainable livelihoods and economic opportunities for the poor, the marginalized and the vulnerable; strengthening democracy by increasing civic and political participation and securing individual rights; promoting tolerance and building an informed citizenry and the space for East Africans to tell their own stories by advancing public service media; and fostering initiatives between mainstream financial service organizations and people living with HIV/AIDS. We are partnering with civil society organizations, academic institutions and government agencies to pursue these efforts.

OUR FOCUS IN EASTERN AFRICA

[Strengthening Civil Society](#)

[Protecting Women's Rights](#)

[Expanding Livelihood Opportunities for Poor Households](#)

[Expanding Community Rights Over Natural Resources](#)

[Advancing Public Service Media](#)

[Policies and Programs for Adolescent Sexual and Reproductive Health](#)



India, Nepal and Sri Lanka

India is the world's largest democracy and in recent years has been its second-fastest-growing economy. According to some measures, it also contains a third of the world's poor. Poverty in India is geographically and demographically clustered, and it is stubbornly resistant to local and national policy measures.

We believe that the root causes of persistent poverty in India lie at the complex intersection of structural factors and patterns of socioeconomic exclusion. We believe that India's vibrant democratic traditions and vigorous civil society hold the keys to solving these enormous challenges and that only a multifaceted approach can be effective.

While our work supports innovative models and strengthens networks across the country, we pay particular attention to the country's clusters of poverty—its central dry lands and tribal belt, as well as urban slums—where families live off assets that are particularly precarious or degraded. We also support struggles against the socioeconomic marginalization of tribal communities, women and adolescent girls, and religious minority communities.

In India, our grants support organizations that promote livelihood opportunities among the poorest populations; advocate for economic and social rights; make the government's development efforts transparent and accountable; work to create more sustainable agricultural policies; enable women and girls to address their sexual and reproductive health and rights; and broaden the participation of marginalized groups through public service media.

In Nepal and Sri Lanka, we focus more narrowly on supporting groups advocating for economic and social rights and free expression as these countries go through complex post-conflict transitions.

We support work that can be taken to significant scale, have a tangible and lasting impact, and can improve the government's capacity to partner with civil society organizations.

OUR FOCUS IN INDIA, NEPAL AND SRI LANKA

[Promoting Transparent, Effective and Accountable Government](#)

[Advancing Economic and Social Rights](#)

[Expanding Livelihood Opportunities for Poor Households](#)

[Expanding Community Rights Over Natural Resources](#)

[Advancing Public Service Media](#)

[Policies and Programs for Adolescent Sexual and Reproductive Health](#)



Indonesia

Indonesia has made remarkable progress in its transition from military rule to a thriving democracy. Indonesia's reform process has given rise to a decentralized system of governance, direct elections, laws that address the needs of the poor and underrepresented, strong civil society groups and new platforms for public debate.

Despite these successes, state policy and program reforms have yet to address the country's deepening poverty, persistent discrimination toward marginalized social groups and its increasing environmental degradation. (Today, Indonesia is the world's third-largest contributor to greenhouse gas emissions.)

We believe that enabling marginalized groups to have a stronger voice and greater say in local decision making is essential to breaking old patterns of social exclusion and new patterns of economic disparity.

Specifically, our grants seek to institutionalize the participation of the poor and underrepresented in local planning and budgeting decision-making bodies; improve recognition of reproductive and sexual rights and participation of women in advancing their status in society; strengthen social protection programs for the extreme poor; advance public service media; contribute to the government's proposed land reform agenda to make it more responsive to the needs of the rural landless and indigenous groups with insecure tenure over their historical lands; and promote participatory land use planning and management that seeks equity and sustainable natural resource management.

By supporting new models of public participation and recognition of the country's diverse constituencies, we believe that Indonesia can emerge as an exemplar of how to promote tolerance, environmental sustainability and social equity in a highly diverse and stratified country.

OUR FOCUS IN INDONESIA

Promoting Transparent, Effective and Accountable Government

Building Economic Security Over a Lifetime

Expanding Community Rights Over Natural Resources

Advancing Public Service Media

Promoting Reproductive Rights and the Right to Sexual Health



Mexico and Central America

Every year at least one million people migrate across national borders in Mexico and Central America, deeply affecting the region across every level of economic, social, political and cultural life. While migration can offer individuals opportunities for social mobility and confer benefits to communities, it also brings major challenges such as migrants' vulnerability to human rights abuses (particularly among women), family separation, and increased exposure to HIV/AIDS and other diseases. In addition, rapid out-migration poses significant challenges to local institutions, land tenure and land use.

This mass mobilization is a direct manifestation of the deep-rooted exclusion and poverty of the countries in which we work. Existing institutions and policies have failed to create conditions that allow all members of society to access opportunities, services and resources. Among those most affected are indigenous and Afro-descendant people, women, migrants and persons living with HIV/AIDS.

We believe that by addressing the structural problems that expel people from their places of origin, we can make migration an option rather than necessity.

Our grant making seeks to promote inclusion and diversity by enhancing the ability of excluded groups to take control of their destinies and become actors for social change. We believe that strengthened leadership, increased organizational capacity and the ability to effectively control their ancestral territories are important pathways to reduce exclusion and consolidate democracy in the region. We also pursue efforts to make migration safer, develop alternative approaches to restrictive policies and maximize the positive impacts of migration.

By engaging a wide range of civil society actors, academia, as well as government and other funders, we can address the complexities of regional migration.

OUR FOCUS IN MEXICO AND CENTRAL AMERICA

Promoting Transparent, Effective and Accountable Government

Protecting Immigrant and Migrant Rights

Reducing HIV/AIDS Discrimination and Exclusion

Expanding Livelihood Opportunities for Poor Households

Expanding Community Rights Over Natural Resources

Supporting Diverse Arts Spaces

Promoting Reproductive Rights and the Right to Sexual Health



Middle East and North Africa

Over the past decade, economies across the Arab region have experienced their strongest expansion in generations, with new global ties and the rise of new wealth. Along with this growth has come a broad awareness of human rights concepts. Yet a closer look shows that the economic expansion has not improved the daily lives of most people in the region. Government services remain inadequate, and deep-seated discrimination based on gender, age, ethnicity or belief persists.

Indeed, a lack of respect for human rights lies at the heart of the region's issues. While small, disparate social movements have emerged to challenge the status quo, the politics of exclusion threaten hard-won advances achieved by women and other marginalized groups. In response to this threat, we focus on helping to translate the idea of rights into the practice of rights.

Our work primarily focuses on Egypt but will also promote some regional advancement. Our grant making supports efforts to help the poor and other underrepresented groups—particularly women and youth—to overcome exclusion through a rights-based approach to development. With an emphasis on building institutional capacity, supporting knowledge production and promoting the growth of networks for social change, our grants seek to expand access to safe and affordable housing, quality higher education, free expression and quality healthcare.

By supporting citizen groups and promoting increased government accountability and transparency, we believe the people of the region can overcome social, economic and cultural marginalization.

OUR FOCUS IN THE MIDDLE EAST AND NORTH AFRICA

Promoting Transparent, Effective and Accountable Government

Reducing HIV/AIDS Discrimination and Exclusion

Advancing Economic and Social Rights

Advancing Higher Education Access and Success

Supporting Diverse Arts Spaces

Sexuality and Reproductive Health Education



Southern Africa

The Southern African region has experienced significant progress over the past two decades, with almost all of its countries experiencing economic growth and committing to democratic governance. Yet the chief countries in which we work face serious challenges. South Africa, Mozambique and Zimbabwe remain characterized by widespread poverty and deep-seated inequality, which intermittently give rise to conflict and violence. Majorities in these countries have limited access to basic rights, resources, education and the institutions of government. The region also has the highest percentage of the world's new HIV/AIDS infections and AIDS-related deaths. While many of these problems stem from the legacies of apartheid and colonialism, others have more recent origins, holding back development and undermining the growth of democracy.

We believe that the core issues to be addressed in the region are poverty, race- and gender-based inequality and discrimination, and the spread of HIV/AIDS, all of which contribute to social and economic problems as well as sexual and reproductive health vulnerabilities.

Our work with civil society and the public sector addresses these issues from a variety of angles integrating good governance, educational opportunities and asset mobilization. Grants focus on strengthening transparency and accountability in governance; building sustainable livelihoods and economic opportunities for the rural and urban poor; advancing social and economic rights; addressing HIV-related stigma and discrimination; tackling factors that undermine sexual and reproductive health; and promoting postsecondary education for those typically excluded.

This set of approaches aims to foster not only more equitable development but also a more secure future for the region as a whole.

OUR FOCUS IN SOUTHERN AFRICA

Promoting Transparent, Effective and Accountable Government

Reducing HIV/AIDS Discrimination and Exclusion

Advancing Economic and Social Rights

Building Economic Security Over a Lifetime

Expanding Livelihood Opportunities for Poor Households

Advancing Higher Education Access and Success

Policies and Programs for Adolescent Sexual and Reproductive Health



West Africa

West Africa has experienced some of the most inspiring political developments on the African continent. Since the mid-1990s, the region has seen the historic shift from military regimes to constitutional rule, cessation of civil wars in Sierra Leone and Liberia, and renewed regional economic integration. West Africa's people have taken important steps to secure this democratic transition by promoting peace and security, strengthening fiscal management, deepening the rule of law, tackling corruption, and instilling accountability and transparency in government practice and the delivery of basic services. These governance measures and reforms appear to have reversed the economic stagnation of the previous decade.

But progress has been tenuous. Economic and social advancements remain out of reach for most West Africans. The region is home to half of the 300 million poor people reported by the United Nations to be living on less than \$1 a day in Africa. Malaria remains endemic, and HIV/AIDS prevalence is increasing. Institutions are weak and corruption is widespread. Poverty is a major source of ethnic, religious and resource-control tensions, and conflicts that lead to personal and public insecurity pose a threat to West Africa's fledgling democracies.

This is a critical time in West Africa. If the region's socioeconomic shortfalls are not addressed, the advancements made in democratic governance may lose traction. We believe the best way to help those most in need is to engage government on behalf of the marginalized and underrepresented and to support civil society efforts to empower these communities.

Our grant making promotes transparent and accountable government; supports organizations that advance economic and social rights; addresses deep-seated social and cultural barriers to wholesome sexual and reproductive health, particularly for young women and adolescents; and broadens access to economic opportunities for rural and urban poor.

We focus primarily on Nigeria, the largest economy in the subregion and Africa's most populous country, and also fund regional initiatives.

OUR FOCUS IN WEST AFRICA

Promoting Transparent, Effective and Accountable Government

Advancing Economic and Social Rights

Expanding Livelihood Opportunities for Poor Households

Policies and Programs for Adolescent Sexual and Reproductive Health

WHAT'S NEW AT THE FORD FOUNDATION?

We hope the responses provided here address questions about our priorities, organizational structure and approach to grant making.

Q: *What was the aim of recent program changes?*

A: Our goal was to build on the mission and values of the foundation while ensuring that our programs today are geared to a changing world.

We looked closely at the issues that have been at the core of Ford's work—the rights of marginalized people, economic opportunity for all and access to quality education, among others—and examined how best to focus our efforts to help our grantees achieve greater impact over time. We concluded this process with renewed clarity and vision. What has emerged is a focused set of issues and strategies that will guide our grant making going forward.

Q: *This process forced Ford to make choices and identify institutional priorities. What criteria guided decisions?*

A: The challenges of discrimination, economic inequity and lack of access to opportunity are real and growing. In many areas where our past support contributed to significant gains, ground is being lost. We considered these factors as we sought to identify areas of pressing need where additional leadership is needed and where our resources could contribute to sustainable, systemic progress.

Q: *How has the change in program affected organizational structure?*

A: The most notable change in our organization is the shift to program teams. In the past, each of our program officers managed a specific program initiative and budget. Today, members of our program staff work in teams around a set of interrelated initiatives, and they report to a director or representative who is accountable for overall strategy and grant budgeting. We hope that the approach will introduce greater collaboration across our work, and that budget accountability among our directors will help us maintain a big-picture outlook as we evaluate the impact of our grants.

We have added a number of directors—enabling each to focus more thoroughly in an area of expertise—and we anticipate the addition of more. All of the directors are veterans in their field and collaborate with

the representatives leading our regional offices to ensure that our work is effectively pursued worldwide.

Our outstanding cadre of program officers enables us to continue to work closely with grantees on the ground. Finally, our program officers and directors remain clustered in three broad program areas, each led by a vice president: Alison Bernstein guides our Education, Creativity and Free Expression work; Pablo Fariás leads our Economic Opportunity and Assets program; and Maya Harris heads Democracy, Rights and Justice. The three programs have been renamed to reflect more accurately the focus of our work and the issues we address.

Q: *Ford is based in 10 regions around the world. How will work in such diverse places be unified and guided?*

A: Working around the world is central to the mission and purpose of the Ford Foundation. We seek to improve the lives of those who do not have access to the power and resources necessary to have their voices heard and their lives improved. To ensure that our offices concentrate on issues most relevant to their unique settings, each has adopted a regional strategy that takes into account local challenges and opportunities. Based on these regional strategies, each office will implement four to seven initiatives. In most cases, this work will continue to reflect longstanding areas of investment by the foundation. In some cases, it will mean exploring new issues and approaches. But all will be united by our social justice mission and a common commitment to working with those closest to the problems to find new solutions.

Q: *How will program strategies influence interaction with grantees?*

A: We have always strived for grant-making strategies that reflect the dynamism and evolution of the fields in which we work, and this approach will continue. We will also continue to listen and learn from our grantees as experts who live closest to the problems and who are most familiar with the communities we seek jointly to serve. Our grantees are visionaries on the frontlines of social change,

and we rely on them as sources of innovation.

The initiatives developed by our program teams are driven by strategic thinking, with overarching goals, time frames and projected resource requirements. These team-oriented collaborations cut across the foundation's work in the United States and around the world. Many of the strategies call explicitly for cross-program approaches. Often, progress is not possible without an interdisciplinary approach, and our program officers regularly collaborate and share knowledge. This way of thinking and working will remain central to our grant making, and we believe it will also make our interactions with grantees more successful.

Q: *The foundation's focus on helping grantees reach scale and have impact suggests a renewed emphasis on measuring progress and outcomes. How will Ford assess its work?*

A: Social change, which often takes years to realize, is challenging to measure. But we feel it is essential to our accountability as an organization that strives to learn and to share that learning with a larger community of social change makers. Finding ways to assess and evaluate our grant making makes our own strategies and practices more self-critical, transparent and successful, and it also helps our grantees become more effective by adding to knowledge in their fields.

To drive our commitment in this area, we have created a leadership position focused on helping us assess our work.

Q: *Why does the Ford Foundation have a new logo and tagline?*

A: In this annual report we are excited to introduce the core issues on which our work is focused, as well as fresh approaches to how Ford expresses its longstanding mission and values.

For the past five years, we have actively engaged our grantees, our colleagues in philanthropy, our staff, and our board on how we can more effectively communicate the essence and impact of the foundation's grant making. We learned a great deal from these interactions. Most importantly, we learned that we must convey in a clearer, more consistent

and compelling voice, what we do, why we do it, and what we're achieving.

Our new program strategies seek to compound their impact on a large scale by attracting other resources and partners to the work of our grantees. We recognize that to achieve this, we must communicate a clear understanding of our objectives and how our mission and values inform those goals. We hope that by communicating our belief in the inherent dignity of all people and our aspirations for society, others may be inspired to work alongside us to promote positive social change.

Q: *What is the significance of the new logo and tagline?*

A: The new logo and tagline are one way of expressing the important work in which our grantees are engaged. We work with visionaries on the frontlines of social change—people unafraid to take risks in order to find lasting solutions to the world's most urgent problems. The tagline pays tribute to their courage and commitment to transforming lives.

In an age where visual expression has taken on new meaning, our logo represents an attempt to communicate to a universal audience that we are an organization that partners with social change makers worldwide. These diverse visionaries work in multiple locations on varying issues and are linked by our regional network. The edges of the globe are intentionally open, reflecting the need to be exposed to new ideas and solutions that address the world's most intractable problems.

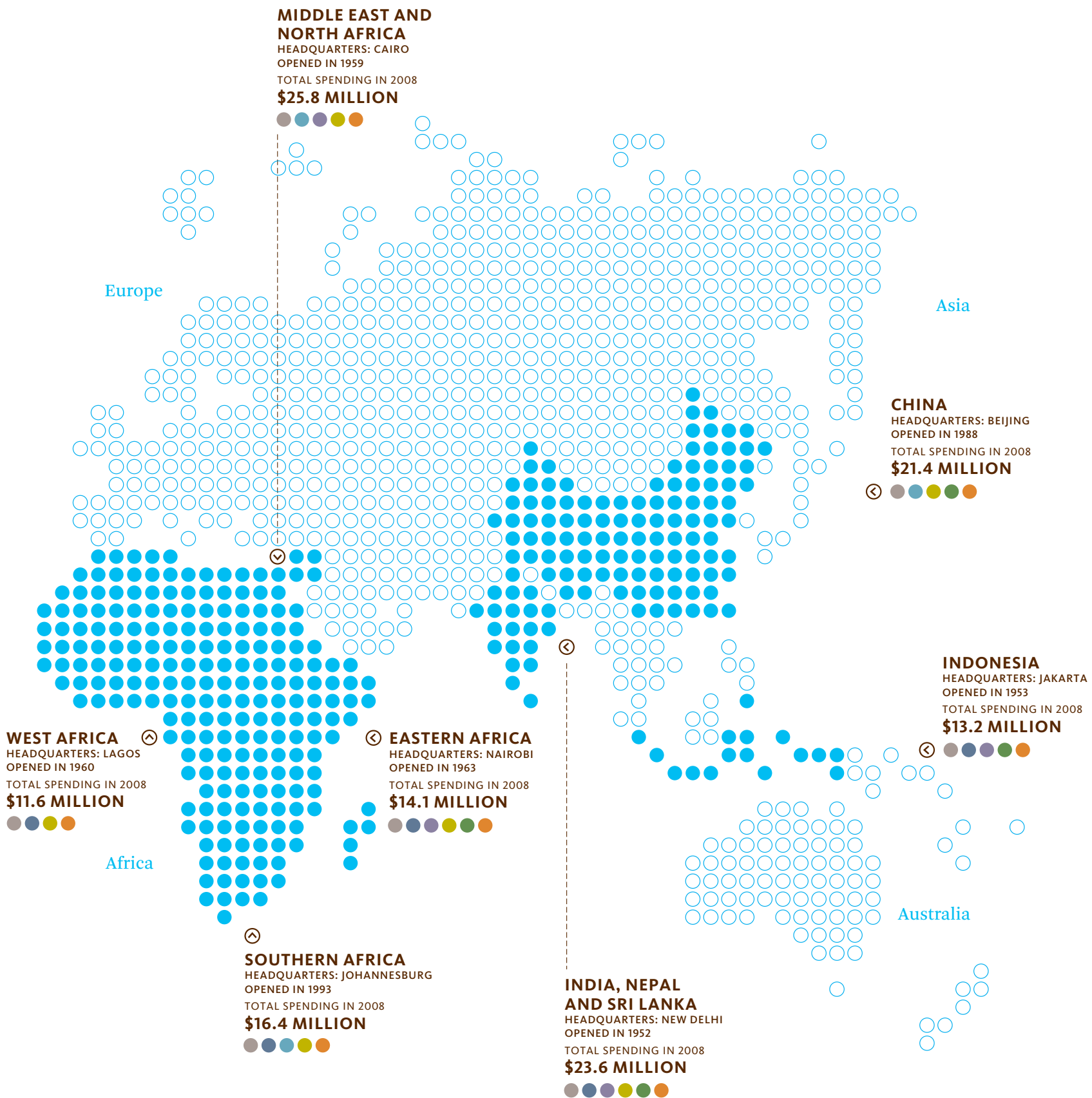
SOCIAL CHANGE WORLDWIDE

We believe lasting change is driven by those living closest to the problems. Across the United States and in 10 regions around the world, the interrelated issues on which we work are critical to national and regional advancement.

THIS MAP CHARTS OUR REGIONS, THE ISSUES ON WHICH WE WORK, AND GRANT SPENDING.

ISSUE AREAS	
	DEMOCRATIC AND ACCOUNTABLE GOVERNMENT
	ECONOMIC FAIRNESS
	EDUCATIONAL OPPORTUNITY AND SCHOLARSHIP
	FREEDOM OF EXPRESSION
	HUMAN RIGHTS
	METROPOLITAN OPPORTUNITY
	SUSTAINABLE DEVELOPMENT
	SEXUALITY AND REPRODUCTIVE HEALTH AND RIGHTS
	SOCIAL JUSTICE PHILANTHROPY





We closed our regional offices in Vietnam and Russia in September 2009. Our 2008 grant making in Russia totaled more than \$10.7 million, and in Vietnam it was nearly \$11.4 million.

MESSAGE FROM THE CHAIR

“EXTENDING A STEADY HAND”

For the better part of a century, the Ford Foundation has served as a reliable resource for those seeking positive social change. Today, when needs are great and challenges complex, we take pride in that unwavering commitment.



Over the years, in good times and bad, the Ford Foundation has supported creative leaders and organizations around the world. That remains true today, as the economic downturn takes a severe toll on the nonprofit sector and the people it serves.

Our endowment, like those of many other foundations, was significantly affected by declines and volatility in world markets. In response, we took a number of measures designed to maximize funding to our grantees. We found new ways of doing business, reduced our spending, closed offices and adjusted our staffing. These hard choices reflected a deep sense of responsibility to our grantees shared by the foundation's board of trustees and its staff. Our actions have contributed to the long-term health of the foundation at the same time they have protected our ability to support our grantees.

We have emerged with a focused agenda for the next generation of work at the foundation. This report introduces a set of initiatives that powerfully reaffirms our social justice mission. The coming year will bring opportunities to expand our work and to pursue new partnerships across our programs.

Throughout the year, the foundation's board, management and staff navigated through these tough decisions together.

Our deliberations this year benefited from the arrival of Peter A. Nadosy, managing partner of East End Advisors, who joined the board in February 2009. Until his retirement last year, Peter served as senior adviser at Morgan Stanley and prior to that as president and then vice chairman of Morgan Stanley Asset Management. Peter has also served on the boards of numerous nonprofit organizations, including Amherst College, World Wildlife Fund, Brooks School, the Summit Foundation and the Brearley School. He currently serves on the boards of the Harvard Management Company, Doris Duke Charitable Foundation, John Simon Guggenheim Memorial Foundation and Central European University.

Robert S. Kaplan, a professor of management practice at Harvard Business School and a senior director of the Goldman Sachs Group, joined the board in September 2008. He served as interim CEO of the Harvard Management Company, the group responsible for managing Harvard's endowment, from November 2007 until June 2008. Rob currently serves as co-chairman of the board of Project A.L.S., co-chairman of the board of the TEAK Fellowship, and is a member of the boards of Harvard Medical School, Harvard Management Company and the Jewish Theological Seminary.

The addition of these two new board members has provided valuable insight during these extraordinary times.

Led by our president, Luis Ubiñas, our talented and committed staff contributed greatly to the foundation's ability to extend a steady hand to our grantees. We look forward with renewed optimism to working with our grantees to create opportunities for people to live freer, better and more prosperous lives.

Kathryn S. Fuller

Kathryn S. Fuller
Chair

GOVERNANCE AND FINANCIALS

Our governance and budget policies are designed to help fulfill our mission. We strive to make our grant making and financial information transparent and accessible.

The governance policies adopted by the board of trustees are developed to adhere to this standard.

The Ford Foundation is governed by a 15-member board of trustees that includes the foundation president. The governance practices of the foundation 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 OF TRUSTEES

Ford's board of trustees sets policies relating to grant making, geographic focus, spending, investment, management, governance and professional standards, and also oversees internal and independent audits. It sets the compensation and reviews the performance of the president and all foundation officers. The board of trustees is currently composed of 15 members, including the president. Nominated by a trustee committee and appointed by the full board, trustees generally serve two six-year terms. The board, board committees and individual trustees are evaluated on an annual basis. Ford trustees bring a vast 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.

THE PRESIDENT

The trustees select the president, who implements board policies and oversees Ford's programs and operations on a day-to-day basis. The trustees and the president share the responsibility of representing the foundation in the public sphere along with other senior staff. The president continually re-examines Ford's work, looking for opportunities to hone our strategies and improve our effectiveness. The president meets with people around the world to discuss the issues the foundation works on to deepen the foundation's grasp of different perspectives on how to solve problems. In addition to overseeing the foundation's operations, the president works to communicate what Ford has learned to a broad array of audiences and also strives to strengthen the philanthropic sector's performance, legal compliance and transparency.

THE BOARD'S OVERSIGHT OF GRANT MAKING

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 2,000 grants throughout the year. The board has delegated authority for approving these grants to the president and senior staff. However, all trustees serve on one of the board's three program committees that help design program strategy. Membership on those committees rotates so that trustees serving 12 years become steeped in the work of Ford's three program areas and contribute to their development and assessment. The trustees review approved grants at their regular board meetings, which take place three times a year. At those meetings, and during annual board visits to grantees worldwide, trustees meet grant recipients and learn about their work.

BOARD COMMITTEES

A five-person Executive Committee, comprising the board chair, the president and three trustees, works with the foundation's executive officers and acts for the board between board meetings. Trustee committees dedicated to management and governance, audits and compensation, investment, trustee nominations, transactions and proxy votes meet regularly and guide foundation activities throughout the year.

The foundation's Web site makes available to the public documents that describe Ford's governance practices. The foundation's bylaws and articles of incorporation and the board's committee charters and code of ethics are among the documents posted at www.fordfoundation.org/about/governance.

TRUSTEE INDEPENDENCE

The Ford Foundation places high value on the independence of its board members; it requires that a majority of its trustees be independent, that all trustees serving on the audit and membership (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.

Ford trustees bring a vast 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.

EVALUATION AND IMPACT

For nearly 75 years the Ford Foundation and its grantees have taken on enduring problems that require sustained effort and resolve. Our work to improve lives and create opportunity has generated a broad range of knowledge and given us new insights into how we can do our work more effectively. We are eager to share what we have learned with other grant makers, experts in the field, the media and the general public. Toward this end, the foundation regularly reviews program initiatives to understand what has worked, what hasn't and how we can broaden the impact of our grant making. Evaluations summarizing some of these reviews are available on our Web site at www.fordfoundation.org/impact/learning.

The foundation will continue to strengthen the rigorous grant-making evaluation that is integral to the success of our work. We recently created a new leadership position, director of Impact Assessment, to help drive our commitment in this area.

EXECUTIVE COMMITTEE

Kathryn S. Fuller (*chair*)
Anke A. Ehrhardt
Richard Moe
Luis A. Ubiñas
W. Richard West Jr.

AUDIT COMMITTEE

Irene Y. Hirano (*chair*)
Juliet V. García
Thurgood Marshall Jr.
Narayana N.R. Murthy

INVESTMENT COMMITTEE

Afsaneh M. Beschloss (*chair*)
Kathryn S. Fuller
J. Clifford Hudson
Yolanda Kakabadse
Robert S. Kaplan
Peter A. Nadosy
Luis A. Ubiñas
W. Richard West Jr.

TRANSACTIONS

SUBCOMMITTEE
Afsaneh M. Beschloss
J. Clifford Hudson
Yolanda Kakabadse

MANAGEMENT AND GOVERNANCE COMMITTEE

Richard Moe (*chair*)
Kofi Appenteng
Anke A. Ehrhardt
Kathryn S. Fuller
Irene Y. Hirano
Yolanda Kakabadse
Thurgood Marshall Jr.
Luis A. Ubiñas

MEMBERSHIP COMMITTEE

Kathryn S. Fuller (*chair*)
Anke A. Ehrhardt
Richard Moe

PROXY COMMITTEE

Juliet V. García (*chair*)
Kofi Appenteng
Kathryn S. Fuller
Robert S. Kaplan
Richard Moe

PROGRAM COMMITTEES

DEMOCRACY, RIGHTS AND JUSTICE

W. Richard West Jr. (*chair*)
Kofi Appenteng
Irene Y. Hirano
Richard Moe

ECONOMIC OPPORTUNITY AND ASSETS

Juliet V. García (*chair*)
Afsaneh M. Beschloss
Robert S. Kaplan
Thurgood Marshall Jr.
Narayana N.R. Murthy

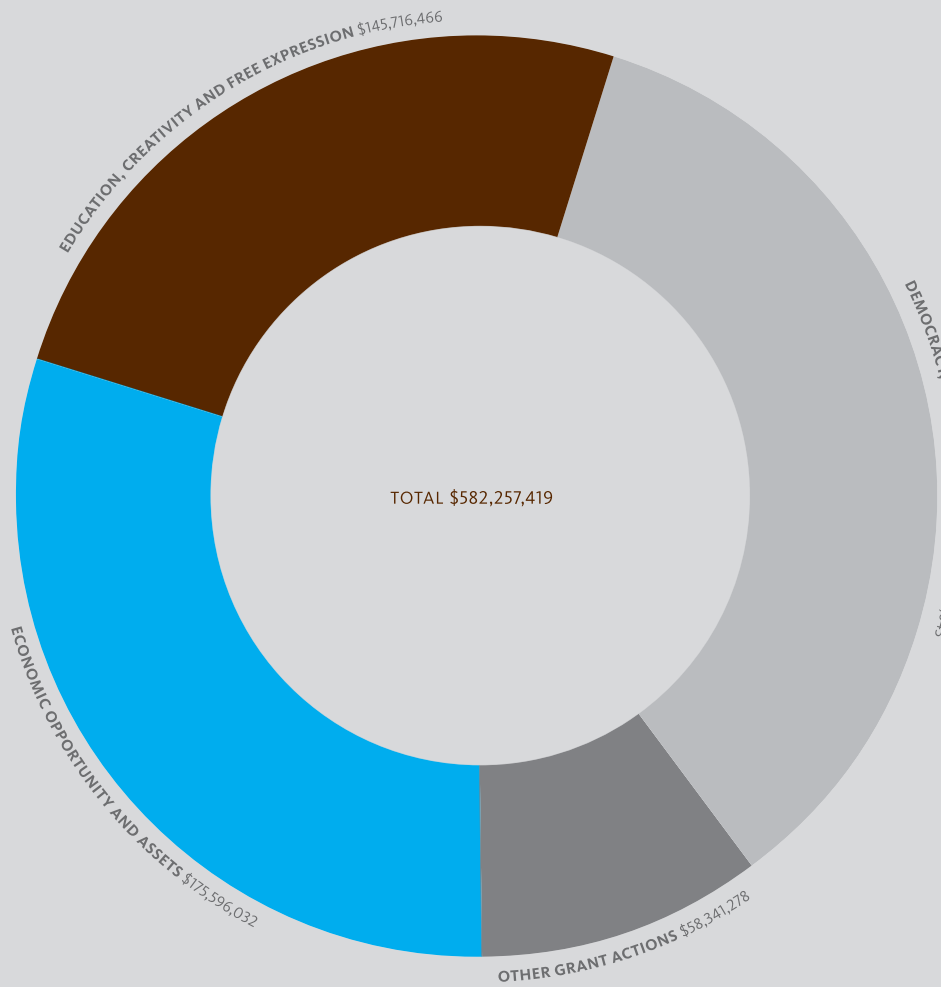
EDUCATION, CREATIVITY AND FREE EXPRESSION

Anke A. Ehrhardt (*chair*)
Kathryn S. Fuller
J. Clifford Hudson
Yolanda Kakabadse
Peter A. Nadosy

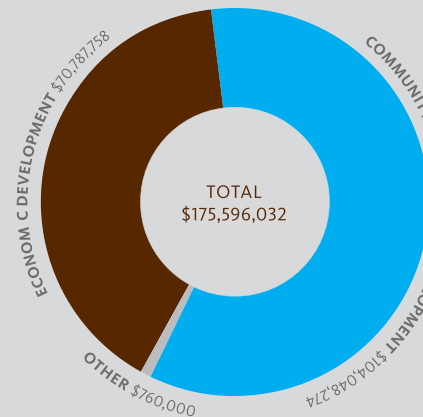
GLOBAL REACH AND IMPACT

Ford Foundation grant making for 2008 by program and region. For a full list of our grantees, visit www.fordfoundation.org

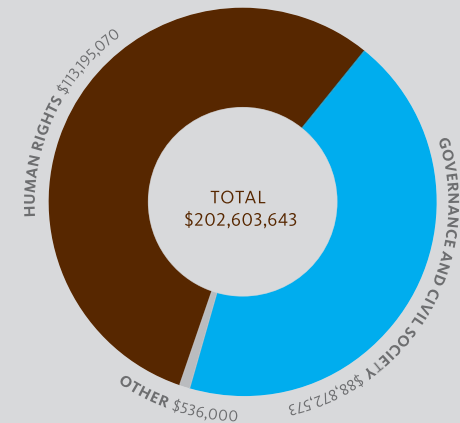
TOTAL PROGRAM APPROVALS, 2008



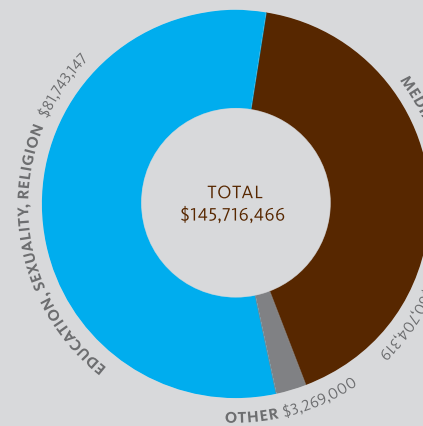
ECONOMIC OPPORTUNITY AND ASSETS



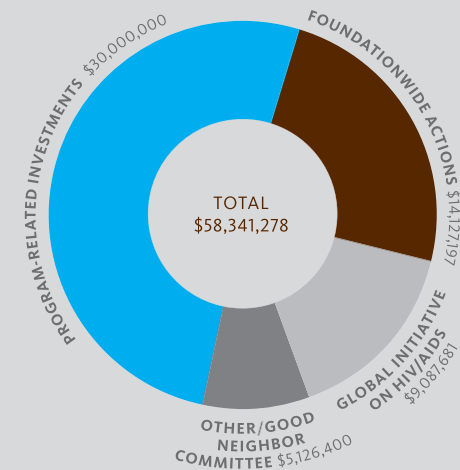
DEMOCRACY, RIGHTS AND JUSTICE



EDUCATION, CREATIVITY AND FREE EXPRESSION



OTHER GRANT ACTIONS



TOTAL PROGRAM APPROVALS BY REGION (AS OF SEPTEMBER 30, 2008)

	TOTAL PROGRAM APPROVALS	ECONOMIC OPPORTUNITY AND ASSETS	DEMOCRACY, RIGHTS AND JUSTICE	EDUCATION, CREATIVITY AND FREE EXPRESSION	FOUNDATION-WIDE ACTIONS	PROGRAM-RELATED INVESTMENTS	GLOBAL INITIATIVE ON HIV/AIDS	OTHER/GOOD NEIGHBOR COMMITTEE
Andean Region and Southern Cone	11,155,000	2,963,000	6,137,000	2,030,000				25,000
Brazil	19,286,651	4,474,151	8,212,036	6,400,464				200,000
China	21,445,877	3,263,570	9,728,307	5,992,000				2,462,000
Eastern Africa	14,126,802	2,425,202	4,518,000	7,023,800				159,800
India, Nepal and Sri Lanka	23,583,303	9,599,603	9,678,600	3,755,100				550,000
Indonesia	13,191,907	7,537,100	1,862,144	3,792,663				0
Mexico and Central America	18,317,871	7,496,000	9,191,871	1,270,000				360,000
Middle East and North Africa	25,757,000	10,905,000	6,734,000	8,118,000				0
United States and Worldwide Programs	385,265,218	113,688,518	125,383,602	92,418,220	14,127,197	30,000,000	9,087,681	560,000
Russia*	10,728,000	1,760,000	3,565,000	5,326,500				76,500
Southern Africa	16,386,800	5,497,700	5,756,800	4,882,300				250,000
Vietnam and Thailand*	11,385,673	2,908,161	5,301,983	2,946,429				229,100
West Africa	11,627,317	3,078,027	6,534,300	1,760,990				254,000
TOTAL	\$582,257,419	\$175,596,032	\$202,603,643	\$145,716,466	\$14,127,197	\$30,000,000	\$9,087,681	\$5,126,400

*We closed our Russia and Vietnam offices in September 2009

Prudent financial management is a prerequisite to the foundation's ability to meet its programmatic objectives. To maximize the resources available to grant making, the foundation must bring the highest level of capability to its endowment management practices and exceptional prudence to its internal budgets.

Ford Foundation grants are designed to address societal issues worldwide, requiring sustained engagement to effect change and periodic adjustments to ensure goals are met. In order to pursue consistent, multiyear programming and strategies, the foundation tries to invest and budget in ways that yield financial and operating stability while preserving the value of the investment portfolio.

Ford's board of trustees approves program and operational budgets on a two-year basis, appropriating one year's funding at a time. This enables program, administrative and investment staff to plan ahead with a reasonable degree of certainty. 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. Because the budget is based on several considerations, the foundation does not restrict its spending to the amount needed to meet the payout requirement. In fact, as Chart 1 shows, the foundation generally exceeds this requirement. In the past six years, the foundation's payout has averaged 5.7 percent, well above requirements.

Program spending, shown in Chart 2, reflects the grants and program-related investments made in all Ford 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. This reserve is controlled by the trustees. It is used for grants when markets are steady or rising but held (in whole or part) and not used in declining markets. The general reserve serves as a hedge in case of a downturn in foundation portfolio values—as was the case during fiscal year 2008—in order to protect foundation grantees from market fluctuations.

The foundation does not receive outside contributions to its endowment. Its policy has been to try to preserve the real (inflation-adjusted) value of its 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 2008, the foundation since 1980 has been able to accomplish this goal. Importantly, over the 28-year period covered by the chart, the foundation has disbursed \$12 billion, more than four times the value of the endowment at the beginning of the period.

Since fiscal year end, foundation investment portfolio values have declined along with the investment markets generally. In fiscal year 2009 the foundation intends to increase its payout rate and, accordingly, the percentage of the endowment that is paid out in grants.

CHART 1 — PAYOUT RATE

DISTRIBUTION AS A PERCENTAGE OF AVERAGE INVESTMENT PORTFOLIO VALUES
%

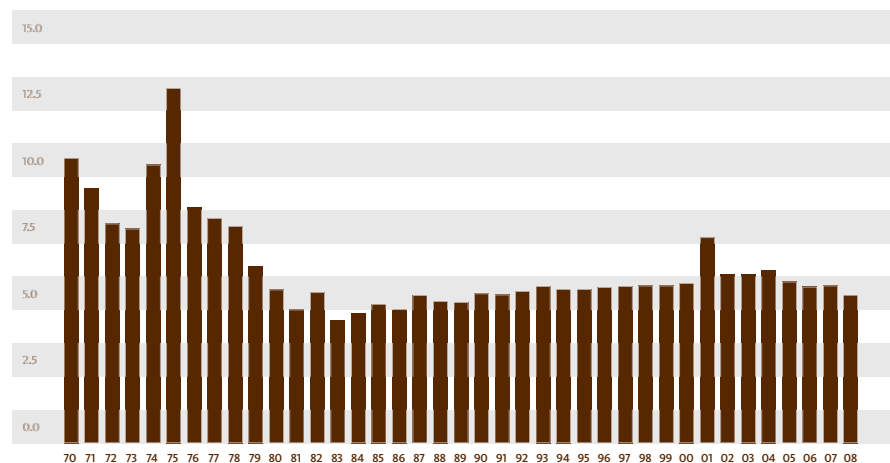


CHART 2

AVERAGE INVESTMENT PORTFOLIO VALUES
\$ BILLIONS

PROGRAM SPENDING
\$ MILLIONS

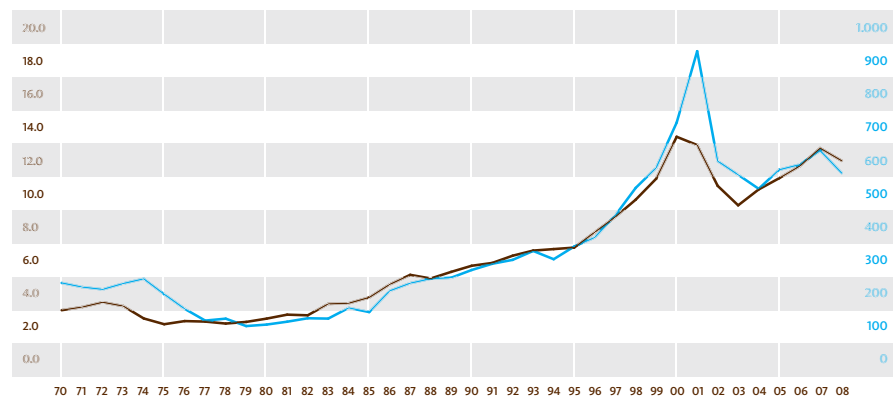
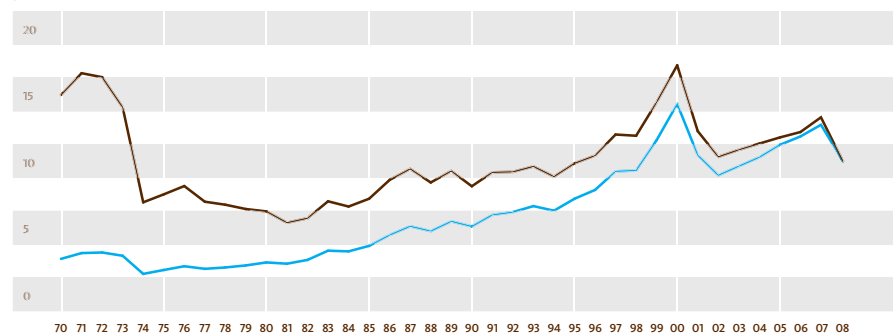


CHART 3 — INVESTMENT PORTFOLIO VALUES

REAL (2008) DOLLARS / NOMINAL VALUE
\$ BILLIONS



INVESTMENTS

The foundation's investment portfolio was valued at \$10.9 billion at the end of fiscal 2008, versus \$13.5 billion at the close of 2007. The portfolio rate of return was -14.9 percent for the fiscal year, +4.1 percent annualized for the three-year period, and +7.7 percent annualized for the 10-year period. The foundation's primary investment objective is to generate an inflation-adjusted return in excess of our mandated minimum 5 percent payout requirement over the long term. While we have achieved this objective over the long term, the severe market decline in the last months of fiscal 2008 meant that the foundation did not achieve this objective for the shorter time periods.

After several years of strong equity market performance, global financial markets were negatively impacted by the credit crisis that started in the sub-prime mortgage markets in the United States. This crisis spread not only to financial institutions around the world, but to the real economy as well. The S&P 500 Index of U.S. equities was down 22.0 percent for the fiscal year and the foundation's U.S. equity portfolios in aggregate were down 20.4 percent. Non-U.S. equities, as measured by the MSCI EAFE Index declined by 30.5 percent; the portfolios of our international managers in aggregate were down 26.9 percent. Our fixed-income portfolio was +2.2 percent, in a volatile year where bonds, other than U.S. Treasuries, did very poorly reflecting credit spread widening. The Barclays Intermediate Aggregate was +4.2% for the fiscal year.

Comparing the asset allocation from the end of fiscal 2007 to fiscal 2008 shows that fixed-income exposure increased with equity exposure declining. Some of this was due to relative market performance and some due to the fact that we moved assets out of equities during the fiscal year given an expectation that equity markets would decline. It should also be pointed out that the foundation's portfolio has remained highly liquid, which gives us the flexibility to take advantage of investment opportunities that arise in negative markets.

PORTFOLIO COMPONENTS

As of September 30

	2008		2007	
	MARKET VALUE IN MILLIONS	PERCENT OF TOTAL	MARKET VALUE IN MILLIONS	PERCENT OF TOTAL
MARKETABLE SECURITIES				
U.S. equities	\$3,192.0	29.4	\$5,065.4	37.5
International equities	2,754.5	25.3	3,562.2	26.5
Total public equities	5,946.5	54.7	8,627.6	64.0
Private equities	1,666.6	15.3	1,568.3	11.6
Total equities	7,613.1	70.0	10,195.9	75.6
U.S. fixed income	2,789.1	25.7	2,694.0	20.0
International fixed income	124.5	1.1	124.3	0.9
Short-term investments	343.5	3.2	479.9	3.5
Total fixed income	3,257.1	30.0	3,298.2	24.4
	\$10,870.2	100.0	\$13,494.1	100.0

INCOME AND EXPENDITURES

Total realized income, including capital gains, amounted to \$817 million in fiscal year 2008, compared with \$1.438 billion in fiscal 2007. Dividends and interest income totaled \$337 million, or \$27 million less than fiscal 2007. Total program activities (primarily grants to organizations and individuals, direct charitable activities and program support) were \$611 million, representing a decrease of \$72 million from the previous year. General management expenditures were \$35 million, \$2.5 million more than the previous year. Expenses incurred in the production of income were \$37 million, a \$2 million decrease from fiscal year 2007.

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 or equity financing or loan guarantees.

As of September 30, 2008, the foundation had \$149.6 million in investments and \$30.7 million in funding commitments.

During the fiscal year, new PRI loan commitments of \$30 million were made and \$23.3 million were disbursed. Principal repayments of \$14.1 million were received. The following table summarizes the PRI program for fiscal years 2008 and 2007.

PROGRAM-RELATED INVESTMENTS SUMMARY

As of September 30

	2008 <i>IN THOUSANDS</i>	2007 <i>IN THOUSANDS</i>
Investments outstanding, beginning of fiscal year	\$142,311	\$132,163
Activity during year:		
— Investments disbursed	23,348	26,184
— Principal repaid	(14,078)	(14,671)
— Investments written off	(1,943)	(1,365)
Investments outstanding, end of fiscal year	149,638	142,311
Commitments for investments	30,668	23,717
Total investments and commitments outstanding	\$180,306	\$166,028
Allowance for possible losses	\$23,671	\$23,826
Program development and support*	\$3,417	\$3,039
Investment income received	\$1,360	\$1,274

*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. For fiscal year 2008, the tax is estimated to be \$18 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 \$322 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 2008, the foundation had qualifying distributions of \$657 million, exceeding the federally mandated payout requirement by \$21 million. During the past five years, the foundation has made \$3.3 billion in qualifying distributions, exceeding the federally mandated payout requirement by \$338 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, 2008 and 2007, 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 audit 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.

PricewaterhouseCooper LLP

December 10, 2008
New York, New York

STATEMENTS OF FINANCIAL POSITION

(AS OF SEPTEMBER 30)

	2008 <i>IN THOUSANDS</i>	2007 <i>IN THOUSANDS</i>
ASSETS		
Investments, at fair value	\$10,756,535	\$13,293,577
Accrued interest and dividends receivable	31,962	35,200
Pending securities, net	81,757	165,296
	<hr/> 10,870,254	<hr/> 13,494,073
Cash	1,646	1,047
Federal excise tax receivable	3,900	2,605
Other receivables and assets	13,490	14,813
Program-related investments, net of allowances for possible losses of \$23,671 (\$23,826 at September 30, 2007)	125,967	118,485
Fixed assets, net of accumulated depreciation of \$91,338 (\$87,531 at September 30, 2007)	29,871	28,708
	<hr/>	<hr/>
Total assets	\$11,045,128	\$13,659,731
LIABILITIES AND UNRESTRICTED NET ASSETS		
Unpaid grants	\$261,013	\$ 247,845
Payables and other liabilities	79,812	82,308
Deferred federal excise tax liability		53,663
	<hr/>	<hr/>
Total liabilities	340,825	383,816
Contingencies, commitments and guarantees		
Unrestricted net assets		
Appropriated	44,746	43,421
Unappropriated	10,659,557	13,232,494
	<hr/>	<hr/>
Total unrestricted net assets	10,704,303	13,275,915
	<hr/>	<hr/>
Total liabilities and unrestricted net assets	\$11,045,128	\$13,659,731

(See notes to financial statements)

STATEMENTS OF ACTIVITIES

(FOR THE YEAR ENDED SEPTEMBER 30)

	2008 <i>IN THOUSANDS</i>	2007 <i>IN THOUSANDS</i>
OPERATING ACTIVITIES		
INCOME		
Dividends	\$182,300	\$194,492
Interest	154,367	169,168
Realized appreciation on investments, net	480,529	1,074,777
Unrealized (depreciation) appreciation on investments, net	(2,740,016)	759,677
Expenses incurred in the production of income	(37,489)	(39,391)
	<hr/>	<hr/>
Total income	(1,960,309)	2,158,723
EXPENDITURES		
Program activities:		
Grants approved	539,632	617,072
Provision for possible losses on program-related investments	1,788	2,048
Direct conduct of charitable activities	5,631	5,309
Program management	63,785	58,257
	<hr/>	<hr/>
	610,836	682,686
General management	34,571	32,059
Provision (benefit) for federal excise tax		
Current	17,700	26,700
Deferred	(53,663)	15,193
Depreciation	5,749	6,234
	<hr/>	<hr/>
Total expenditures	615,193	762,872
Change in unrestricted net assets from operating activities	(2,575,502)	1,395,851
NON-OPERATING ACTIVITIES		
Pension-related and post-retirement changes other than net periodic pension costs	3,890	
	<hr/>	<hr/>
Change in unrestricted net assets before change in accounting principle	(2,571,612)	1,395,851
Adoption of FAS 158		(3,207)
	<hr/>	<hr/>
Change in unrestricted net assets	(2,571,612)	1,392,644
Unrestricted net assets at beginning of year	13,275,915	11,883,271
	<hr/>	<hr/>
Unrestricted net assets at end of year	\$10,704,303	\$13,275,915

(See notes to financial statements)

STATEMENTS OF CASH FLOWS

(FOR THE YEAR ENDED SEPTEMBER 30)

	2008 <i>IN THOUSANDS</i>	2007 <i>IN THOUSANDS</i>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$(2,571,612)	\$1,392,644
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Realized appreciation on investments	(480,529)	(1,074,777)
Unrealized depreciation (appreciation) on investments, net	2,740,016	(759,677)
Depreciation	5,749	6,234
Pension-related and post-retirement changes other than net periodic pension costs	(3,890)	
Adoption of FAS 158		3,207
Provision for possible losses on program-related investments	1,788	2,048
Deferred (benefit) provision for federal excise taxes	(53,663)	15,193
Increase in current federal excise tax receivable	(1,295)	(305)
Increase in other receivables and assets	(2,210)	(4,662)
Loans disbursed for program-related investments	(23,348)	(26,185)
Repayments of program-related investments	14,078	14,671
Grant approvals	539,632	617,072
Grant payments	(526,464)	(580,680)
Increase in payables and other liabilities	4,927	4,546
Net cash used by operations	(356,821)	(390,671)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	9,269,028	6,928,906
Purchase of investments	(8,904,696)	(6,533,142)
Purchase of fixed assets	(6,912)	(4,583)
Net cash provided by investing activities	357,420	391,181
Net increase in cash	599	510
Cash at beginning of year	1,047	537
Cash at end of year	\$1,646	\$1,047

(See notes to financial statements)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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. The significant accounting policies followed are set forth below:

INVESTMENTS

Equity and fixed income investments are generally valued based upon the final sales price as quoted on major exchanges. However, certain fixed income securities are valued based upon yields or prices of securities of comparable quality, coupon, maturity and type as well as indications as to values from brokers and dealers. Short-term investments generally represent securities with maturity of 1 year or less and are valued at amortized cost. Limited marketability investments, representing amounts in venture capital and equity partnerships, are valued at the quoted market price for securities for which market quotations are readily available or an estimate of value (fair value) as determined in good faith by the general partner. Significant changes affecting the values of these limited marketability investments that occur between the time net asset values are last communicated by the general partner and the close of the Foundation's fiscal year are reflected in the fair value recorded in the financial statements.

Transactions are recorded on a trade date basis. Realized and unrealized gains or losses on investments are 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 include the effects of currency translation with respect to transactions and holdings of foreign securities. Dividends and interest are recognized when earned.

The Foundation believes that the carrying amount of its alternative investments is a reasonable estimate of fair value as of September 30, 2008. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements based on the Foundation's proportionate share in the net assets for these investments.

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 mainly 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 follows the policy of providing for federal excise taxes on net appreciation (both realized and unrealized) from investments. The deferred provision for federal excise tax represents taxes provided on cumulative net unrealized appreciation on investments. The deferred benefit represents a cumulative reduction in net unrealized appreciation.

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 marketable securities, 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. Nonoperating 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 pursuant to SFAS 158 "Employers Accounting for Defined Benefit Pension and Other Post Retirement Plans" ("SFAS 158").

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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 gain or loss in the Statements of Activities.

ACCOUNTING FOR CONDITIONAL ASSET RETIREMENT OBLIGATION

The Foundation accrues the estimated asset retirement costs with respect to the timing of liability recognition for legal obligations to perform asset retirement activity when the timing and/or method of settlement of the obligation are conditional on a future event. The Foundation recognized a non-cash cumulative effect charge of \$4.987 million associated with the estimated cost of removal and disposal of known asbestos in the Foundation's headquarters building.

ACCOUNTING FOR FAIR VALUE MEASUREMENTS

In September 2006, Financial Accounting Standards Board issued FASB Statement No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure about the value measurements. SFAS 157 is applicable to the Foundation on October 1, 2008. The Foundation is currently evaluating the effect of SFAS 157 from an asset valuation and disclosure perspective.

RECLASSIFICATIONS

Certain amounts from the Foundation's fiscal year 2007 financial statements have been reclassified to conform to the fiscal year 2008 presentation.

NOTE 2 - INVESTMENTS

Investments held consisted of the following at September 30:

	2008		2007	
	FAIR VALUE IN THOUSANDS	COST IN THOUSANDS	FAIR VALUE IN THOUSANDS	COST IN THOUSANDS
Equities	\$6,119,972	\$5,372,264	\$8,680,997	\$5,341,958
Fixed Income	2,693,914	2,800,889	2,736,256	2,738,654
Short-Term Investments	184,328	184,289	293,194	293,147
Limited Marketability	1,758,321	2,455,949	1,583,130	2,236,649
Investments, at fair value	10,756,535	10,813,391	13,293,577	10,610,408
Accrued Interest and Dividends Receivable	31,962	31,962	35,200	35,200
Investment related:				
Receivables	209,654	209,654	231,756	231,756
Payables	(127,897)	(127,897)	(66,460)	(66,460)
	\$10,870,254	\$10,927,110	\$13,494,073	\$10,810,904

The Foundation purchases and sells forward currency contracts whereby the Foundation 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. As of September 30, 2008 and 2007, the Foundation had foreign currency contracts with notional amounts totaling \$187.8 million and \$114.6 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 gains or losses until such contracts are closed.

NOTE 3 - FIXED ASSETS

At September 30, fixed assets are comprised of:

	2008 IN THOUSANDS	2007 IN THOUSANDS
Land	\$4,435	\$4,435
Buildings, net of accumulated depreciation of \$27,244 in 2008 and \$26,140 in 2007	12,928	10,498
Furniture, Equipment and Leasehold Improvements, net of accumulated depreciation of \$64,094 in 2008 and \$61,391 in 2007	12,508	13,775
	\$29,871	\$28,708

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 provision for federal excise tax based on a 2 percent rate in fiscal years 2008 and 2007 consists of a current provision on net investment income and a deferred provision on cumulative net unrealized gains. In fiscal year 2008 the Foundation incurred cumulative net unrealized losses which depleted the cumulative net unrealized gains and resulted in a deferred tax benefit of \$53.7 million.

The amount of excise taxes paid were \$21.6 million and \$29.3 million in fiscal years 2008 and 2007, 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. The defined benefit pension plans are annually funded in accordance with the minimum funding requirements of the Employee Retirement Income Security Act. The other postretirement benefits are not currently funded in advance by the Foundation.

SFAS 158 requires unrecognized amounts (e.g., net actuarial gains or losses and prior service cost or credits) to be recognized as changes to unrestricted net assets and that those amounts be adjusted as they are subsequently recognized as components of net periodic pension cost. FAS 158 resulted in the recognition of a \$3.2 million loss reported on the Statement of Activities as a change in accounting principle in 2007. The loss reflected amounts not previously recognized in periodic benefit costs as follows (in thousands):

Prior service credit	\$ (511)
Net actuarial (gain)/loss	\$3,718
	<u>\$3,207</u>

The incremental effect of applying the provisions of FAS 158 on individual line items on the Statement of Financial Position as of September 30, 2007 was:

	BEFORE APPLICATION OF FAS 158 <i>IN THOUSANDS</i>	INCREMENTAL EFFECT OF FAS 158 <i>IN THOUSANDS</i>	AFTER APPLICATION OF FAS 158 <i>IN THOUSANDS</i>
Other receivables and assets	\$14,564	\$249	\$14,813
Payables and other liabilities	\$(78,852)	\$(3,456)	\$(82,308)
Unrestricted net assets		\$3,207	

	PENSION BENEFITS <i>IN THOUSANDS AT SEPTEMBER 30</i>		OTHER POSTRETIREMENT BENEFITS	
	2008	2007	2008	2007
Benefit obligation	\$20,515	\$22,725	\$42,347	\$47,623
Fair value of plan assets	27,007	29,971	-	-
Funded status and amounts recognized in the statements of financial position	<u>\$6,492</u>	<u>\$7,246</u>	<u>\$(42,347)</u>	<u>\$(47,623)</u>
Accumulated benefit obligation	\$20,260	\$22,348	N/A	N/A
Amounts recognized in unrestricted net assets consist of:				
Prior service cost (credit)	\$(385)	\$(511)	\$ -	\$ -
Net loss/(gain)	3,669	262	(3,966)	3,457
Total amount recognized	<u>\$3,284</u>	<u>\$(249)</u>	<u>\$(3,966)</u>	<u>\$3,457</u>
Net periodic benefit cost recognized	\$22	\$264	\$4,595	\$4,622
Employer contribution	2,800	4,000	-	-
Benefits paid	2,593	1,402	2,449	2,189
Other changes in plan assets and benefit obligations recognized in net unrestricted assets:				
Net loss (gain)	\$3,416		\$(7,423)	
Amortization of (loss)/gain	(9)		-	
Amortization of prior service cost	126		-	
Total recognized in unrestricted net assets	<u>\$3,533</u>		<u>\$(7,423)</u>	
Total recognized in net periodic benefit cost and unrestricted net assets	<u>\$3,555</u>		<u>\$(2,828)</u>	
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2009				
Actuarial loss / (gain)	\$133		\$ -	
Prior service (credit)/cost	(126)		-	
	<u>\$7</u>		<u>\$ -</u>	
Weighted average assumptions (used to determine benefit obligations and net periodic costs):				
Discount rate (benefit obligation)	7.45%	6.30%	7.45%	6.30%
Discount rate (net periodic costs)	6.30%	6.00%	6.30%	6.00%
Expected return on plan assets	7.00%	7.00%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	N/A	N/A

For measurement purposes, a healthcare cost trend rate of 7% and 6% was used to measure the other postretirement benefit obligation at September 30, 2008 and 2007, respectively. The healthcare cost trend rate is assumed to be 6% in fiscal year 2009 and 5% thereafter. 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	\$ 387,000	\$ 411,000
Effect on other postretirement benefit obligation	2,622,000	2,954,000

The expense recorded by the Foundation related to contributions to the defined contribution plan aggregated \$5.9 million and \$5.6 million for the years ended September 30, 2008 and 2007, respectively.

The combined weighted-average asset allocation for the Foundation's defined benefit pension plans at September 30 is as follows:

	PENSION BENEFITS	
	2008	2007
TIAA-CREF Group Annuity Contract	31.2%	29.8%
CREF Stock Variable Annuity	50.1	50.6
CREF Inflation-Linked Bond Variable Annuity	10.3	8.7
CREF Money Market	-	3.4
TIAA Real Estate Variable Annuity	8.4	7.5
	100.0%	100.0%

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 target allocations as noted above in fiscal year 2009. 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 does not expect to have a contribution requirement to the pension plans in fiscal year 2009.

Estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	PENSION BENEFITS IN THOUSANDS AT SEPTEMBER 30	OTHER POSTRETIREMENT BENEFITS IN THOUSANDS AT SEPTEMBER 30
2009	\$ 2,210	\$ 2,458
2010	1,968	2,542
2011	1,694	2,615
2012	1,654	2,784
2013	1,944	2,936
2014 - 2018	6,882	16,599

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 \$30.7 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 \$1.4 billion in private equity and other investment commitments.

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Jianguomenwai Dajie No. 21
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THIS COMMITMENT TO SOCIAL JUSTICE is carried out through programs that strengthen democratic values, reduce poverty and injustice, and advance human knowledge, creativity and achievement.

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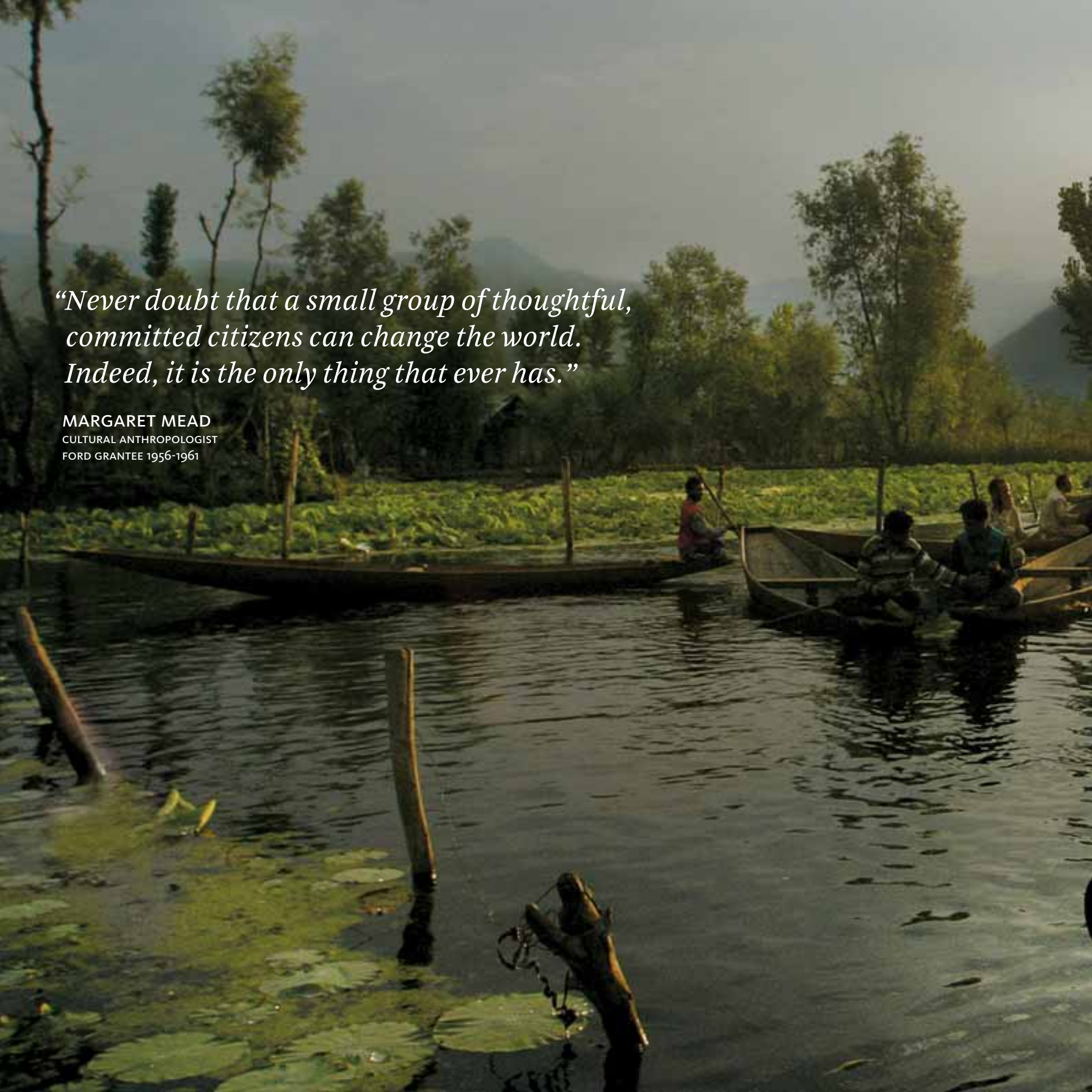
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*“Never doubt that a small group of thoughtful,
committed citizens can change the world.
Indeed, it is the only thing that ever has.”*

MARGARET MEAD
CULTURAL ANTHROPOLOGIST
FORD GRANTEE 1956-1961