

### **From The Chair and President**

In early 2009, the Foundation posted a letter from its Chair and President outlining steps being taken to address the impact of the global financial crisis on its grantmaking programs (Click [here](#) to read the 2009 letter). We are writing now to update you on Foundation plans for grantmaking in 2010 and over the next several years.

Our endowment experienced significant volatility in 2009 as financial markets continued their decline early in 2009 and then made a remarkable rebound. As of December 31, 2009, the endowment totaled \$111.6 million as compared to \$187.3 million just two years ago. (As of March 15, 2010 the endowment's unaudited value is estimated at approximately \$126 million.) We know that our grantees have experienced similar challenges; and, we are concerned about the implications for support for all nonprofits dependent on fundraising from government, foundations and individuals in 2010 and thereafter.

We seek to respond prudently to this very serious financial situation and change in our endowment, while at the same time remaining focused on the work of our grantees around critical concerns and the likely enormous opportunities in human rights and the environment in 2010 and over the next several years.

We will continue to play an activist leadership role in the philanthropic community. Our program officers are heavily involved in organizing and managing funder collaborative partnerships such as the U.S. Human Rights Fund and the Civil Marriage Collaborative; creating vital new non-profit organizations to advance change; e.g., Catalog Choice, [www.catalogchoice.org](http://www.catalogchoice.org), and assuming leadership roles in a variety of foundation associations such as the Sustainability Funders Work Group. Through these various efforts, the Foundation believes it is able to influence the direction of significant philanthropic resources to those issues most central to its human rights and environment mission. We will use all of these mechanisms moving forward to protect and strengthen the fields in which our grantees are active.

We believe that the impact of the financial crisis will be felt for some years to come and that as a consequence the Foundation's grantmaking ability will also be reduced. This is despite a commitment by Directors to fund grantmaking in excess of the mandated 5% payout requirement. To effectively manage this reduced grantmaking ability, directors are committing the Foundation to a strategic review of its environment and human rights programs during 2010 with the objective of redefining its priorities for grantmaking over the next three to five years. We expect to announce the outcomes of that review by the end of the year.

Our expectation and our goal is that we will preserve the viability of the Foundation and continue to advance its mission as we work through these very difficult times. Despite these challenges, we look forward to working with you in the coming year to move forward a progressive agenda for change.

Sincerely,

Kathryn G. Graham, Chair

Stephen A. Foster, President and CEO