

# FORD FOUNDATION



1976



1979



1988



1992



1998

Delivering  
on a promise  
to advance  
human welfare

ANNUAL REPORT 2006



2000



2004



2005



2006

with a diversity of  
approaches and  
continuity of purpose

**FINDING LEADERS  
SUPPORTING SOCIAL MOVEMENTS  
BUILDING INSTITUTIONS  
CREATING OPPORTUNITIES**

## **The Ford Foundation is a resource for innovative people and institutions worldwide.**

Our goals are to:

**STRENGTHEN DEMOCRATIC VALUES**

**REDUCE POVERTY AND INJUSTICE**

**PROMOTE INTERNATIONAL COOPERATION AND**

**ADVANCE HUMAN ACHIEVEMENT**

This has been our purpose for more than half a century.

A fundamental challenge facing every society is to create political, economic and social systems that promote peace, human welfare and the sustainability of the environment on which life depends. We believe that the best way to meet this challenge is to encourage initiatives by those living and working closest to where problems are located; to promote collaboration among the nonprofit, government and business sectors; and to ensure participation by men and women from diverse communities and at all levels of society. In our experience, such activities help build common understanding, enhance excellence, enable people to improve their lives and reinforce their commitment to society.

The Ford Foundation is one source of support for these activities. We work mainly by making grants or loans that build knowledge and strengthen organizations and networks. Since our financial resources are modest in comparison to societal needs, we focus on a limited number of problem areas and program strategies within our broad goals.

Founded in 1936, the foundation operated as a local philanthropy in the state of Michigan until 1950, when it expanded to become a national and international foundation.

Since its inception it has been an independent, nonprofit, nongovernmental organization. It has provided more than \$13 billion for grants, projects and loans. These funds derive from an investment portfolio that began with gifts and bequests of Ford Motor Company stock by Henry and Edsel Ford. The foundation no longer owns Ford Motor Company stock, and its diversified portfolio is managed to provide a perpetual source of support for the foundation's programs and operations.

The trustees of the foundation set policy and delegate authority to the president and senior staff for the foundation's grant making and operations. Program officers in the United States, Africa, the Middle East, Asia, Latin America and Russia explore opportunities to pursue the foundation's goals, formulate strategies and recommend proposals for funding.

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## Delivering on a Promise

**This year marks an important milestone in the history of the Ford Foundation.** We celebrate 70 years of delivering on a promise to improve lives and create opportunity. It is also a year in which we will see a change in our leadership as Susan Berresford prepares to retire after 38 years of service to the foundation including 12 distinguished years as president. Over the course of her career at Ford, Susan has come to embody the foundation's values and mission. As president she has built an organization of dedicated professionals who support pioneering work by innovative grantees around the world. The impact of Susan's leadership extends beyond Ford and our grantees to the many contributions she has made to building the field and practice of philanthropy.

Over decades the Ford Foundation and its grantees have taken on enduring problems that require sustained effort and resolve—challenges such as poverty reduction, protection of human rights, peace building and governance reform, expansion of educational opportunity and artistic creativity. Continuity of purpose in these areas is the hallmark of Ford's work, and we invite you to

trace this journey, vividly illustrated in the enclosed timeline.

I want to express my gratitude to Ratan Tata, chairman of Tata Industries Limited, who this past year completed his term as a member of the Board of Trustees after

12 years of service. Ratan brought to the foundation a deep understanding of international business, invaluable insights on responding to crises around the world and steadfast commitment to the power of philanthropy to improve lives. I am thankful for his wise counsel and tireless devotion to the work of our grantees.

I am pleased to report that the board also elected Thurgood Marshall Jr., a partner at Bingham McCutchen LLP and principal at Bingham Consulting Group, to serve as trustee. Thurgood's deep range of experience in government and the private sector is enhancing our work and will continue to do so in the years ahead.

While particular funding strategies and grant makers may change over time, the values that guide the foundation endure and will continue to guide our work moving forward. The Board of Trustees has consistently reaffirmed that we must manage the foundation with this long-term perspective, to be here to help the courageous people and institutions who strive for lasting and positive change.

Kathryn S. Fuller

**While strategies change over time, the values that guide the foundation endure.**



## Advancing Human Welfare

In my last year as president, and after nearly 40 years of work at the Ford Foundation, I take pride and pleasure in recalling the ways Ford has supported reformers and visionaries advancing human welfare. In these years, some of our best work with our grantees has been in four areas: supporting emerging leaders; working with social justice movements and networks; creating new organizations; and expanding opportunities through innovations that improve lives. In this essay, I want to offer a few examples of our work in 2006 and how they extend this history of Ford grant making.



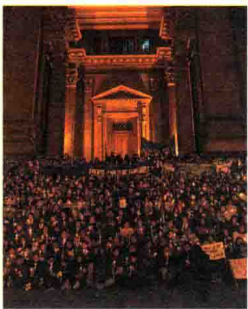
**Individuals drive innovation.  
But too often, talented  
individuals from marginalized  
groups are prevented from  
contributing to progress.**

Individuals drive innovation. But too often, talented individuals from marginalized groups are prevented from contributing to progress. For decades, Ford has responded to this problem by funding advanced training and other support for men and women from marginalized communities who want to be leaders and decision makers. In the 1960's, under the leadership of McGeorge Bundy, the foundation created a fellowship program to help diversify the racial and ethnic composition of the professoriate in American colleges and universities. We have sustained and expanded this program over 40 years, while also funding many other fellowship programs for new thought leaders inside and outside the United States in fields as varied as journalism, the arts, human sexuality research, economics and foreign affairs.

In 2001, we made the largest grant in Ford's history, \$280 million, to establish a graduate fellowship program for emerging leaders from marginalized communities outside the United States.



In 2006, we committed an additional \$75 million to extend the program to 2014 and support a total of approximately 4,300 talented men and women. The fellows represent many historically disadvantaged groups, including racial, ethnic and religious minorities and people living with disabilities. Roughly half of the fellows are women; more than two-thirds come from outside major cities; and over 90 percent are the first from their communities to have advanced degrees. The program—based at the Institute of International Education—has disproved skeptics who felt that students from disadvantaged groups would be ill-prepared for highly competitive universities around the world and that brain drain and flawed selection processes would be a problem. As of this date, over 2,500 fellows have been selected. More than 1,000 have completed their study and less than 1 percent have left the program for academic reasons. Of those who have completed their degrees and are not pursuing further study, most are now back in their home countries making a difference.



**Most achieve truly significant change when they inspire and mobilize like-minded people.**

While the originality and personal commitment of individual leaders is what drives innovation, most achieve truly significant change when they inspire and mobilize like-minded people. For this reason, Ford also works with social movements and social justice networks. This second signature of Ford grant making has included support for the U.S. civil rights movement, the anti-apartheid struggle, the women's and international human rights movements and others. We provide funds for research to identify patterns of injustice, legal advocacy and scholarship and cultural and artistic expression that helps people communicate their shared vision and values. Very often, at the start of social justice movements, issues raised by their leaders

are controversial, but ultimately they are accepted and seen as consistent with evolving standards of decency and respect for the value of each individual human being. This past year, we continued our long history of support for such efforts and also continued funding for organizations focused on migrants, gay and lesbian rights, people living with AIDS, and citizens seeking governmental accountability around the globe.

When Ford takes a major role in establishing a new organization, we often help sustain it for 10 or more years through planning and launch, refinement of governance and operational systems and later, the creation of a diverse funding base. Sometimes, after a considerable period of support, the foundation helps with an endowment. This long-term partnership is evident in the history of such organizations as Manpower Demonstration Research Corporation, the Police Foundation and Local Initiatives Support Corporation in the United States. The worldwide Innovations Awards programs and the International Center for Transitional Justice exemplify such long-term partnerships between Ford and new institutions working largely beyond U.S. borders.

In 2006, following these principles, Ford helped set up and capitalize a number of new foundations around the globe such as TrustAfrica and the Brazil Human Rights Fund. Ford also made

grants to two new organizations we recently helped create to address the problems of individual American artists: United States Artists, which awards \$50,000 to 50 artists each

year, and LINC, which addresses the working-poor concerns of individual artists such as health insurance and affordable space in which to live and work.



**People with innovative ideas  
often need new organizational  
forms to realize their goals.**





**We support new ideas and programs that advance knowledge and improve lives.**

Finally, we support innovators and their colleagues who generate new ideas and programs that advance knowledge and improve lives and opportunities. Ford funds the refinement and testing of new ideas, and if they produce positive results, these ideas and practices can move into the mainstream. In the past, fields as diverse as demography and minority and women's studies exemplified this partnership between innovative thought leaders and Ford. In each case, innovators offered academic and policy researchers new tools to understand complex human behavior and formulate appropriate policies and teaching. Last year, continuing this focus on fresh intellectual inquiry, the foundation

made grants to prompt 27 colleges and universities to develop academic programs that encourage new scholarship and engage students and faculty in constructive dialogue

on subjects that have been a source of conflict and hostility on campus. These "difficult dialogues" can also serve as models of respectful discussion of sensitive public issues.

We also appreciate the value of support for fresh ideas in the world of practice. In the 1980's, under the leadership of Franklin Thomas, the emergence of the new field of community development resulted in part from a partnership between Ford and neighborhood leaders engaged in restoration of blighted, low-income communities. From the 1970's onward, the foundation supported reform designed to re-establish rule of law and participatory decision making in countries emerging from dictatorial or totalitarian regimes. Another example from that period is seen in Ford's early support of microfinance pioneers—people like Nobel Laureate Muhammad Yunus or India's Ella Bhatt or Vijay Mahajan. Ford funding helped these and other microfinance leaders try new poverty-reduction



and social-mobilization strategies that affect policy and link with mainstream civic and financial institutions. In 2006, Ford continued to seek ways to make markets work for the poor through innovative experiments that expand homeownership, promote savings by seeding accounts established at a child's birth and reform of predatory lending and credit practices that harm low-income families.

These four areas of signature work—finding emerging leaders, supporting social justice movements, building new organizations and expanding opportunities through innovations that improve lives—reflect the diversity of approaches Ford brings to enduring challenges. But they also suggest one role for philanthropy that Ford has pursued for more than 50 years: To be a long-term and flexible partner with innovative leaders of thought and action.

Lasting change in difficult areas, such as poverty alleviation, protection of human rights or re-establishment of democratic governance after a dictatorship, requires decades of effort. It involves sustained work with successive generations of innovators as they pursue idealistic and ambitious goals. This is a choice our board has made, decade after decade. Other foundations have the

**Our nation's philanthropic traditions and laws encourage philanthropic generosity in multiple forms.**

freedom to make other choices that are equally valid when they pursue a short-term perspective. Our nation's philanthropic traditions and laws encourage philanthropic generosity in multiple forms that reflect the

diversity and varied ambitions of our population. I see this as a great strength of our nation's philanthropic heritage and one of our soundest public policies.

As I leave Ford, I see philanthropy growing significantly. The numbers of foundations and donor organizations are expanding

rapidly, including the presence of new “mega-donors” whose resources hold great promise. It is, therefore, a time for us all to engage in dialogue about our field’s evolution, what we can accomplish and how each of us can do the very best work with

**Lasting change requires  
decades of trial and effort.**

our resources. I feel sure that creative men and women will continue to bring fresh ideas to the Ford Foundation as they strive for peace,

freedom, fairness, well-being and democratic governance. I am proud of what Ford’s grantees have accomplished during my turn leading the foundation, and I look forward to learning and inspiration from the next generation’s achievements.

**Susan V. Berresford**

# Finding Emerging Leaders

**New generations of talented leaders often emerge from places we least expect.** Finding these gifted individuals and opening doors for them as they pursue their passions is a central Ford Foundation purpose. We hope to broaden the search and deepen the pool from which leaders emerge.

In 2006, we recommitted to an ambitious and highly successful program that seeks out new leaders around the globe. The **International Fellowships Program** (IFP)—launched in 2001 with the largest grant in the foundation’s history—searches for talent in some of the most marginalized communities in the world. IFP is a program of the New York City-based International Fellowships Fund, which is an independently incorporated supporting organization of the Institute of International Education. Now more than 2,500 strong, IFP fellows are passionate advocates, scientists, scholars and activists whose potential to lead is limited only by their lack of access to advanced education. This success in finding emerging leaders from outside the mainstream is why a grant of \$75 million this past year will extend the program to nearly 1,000 additional fellows by the year 2014.

We also collaborated with three other foundations in 2006 to launch, with a \$20 million start-up fund, **United States Artists**, dedicated to supporting the extraordinary talent and creativity of individual artists across the United States. United States Artists has already announced its first 50 fellowships for gifted artistic leaders, each of whom receive \$50,000.

## 2006

### A LEADER FOR WOMEN

Ning Huanxia, a 2002 IFP fellow, is now deputy director of the Shaanxi Women’s Federation in China and has become a leader in keeping girls in schools and helping abused women from poor rural areas. The organization has built a network of professionals and volunteers who advise survivors of domestic and sexual violence and broaden women’s awareness of their rights.



# Original thinkers whose ideas create positive change

## 1953 THE FIRST SCHOLARSHIPS

Ford helps establish the Center for Advanced Study in the Behavioral Sciences and later makes a series of grants to scholars in the **behavioral sciences**. By 1956, 63 research grants are awarded, including grants to anthropologists Margaret Mead and Claude Lévi-Strauss.

## 1959–62 HUMAN IMAGINATION

A major program of fellowships in the **creative arts** includes painters Jacob Lawrence and Josef Albers; poets Robert Lowell and E. E. Cummings; writers James Baldwin, Saul Bellow and Flannery O'Connor; theater directors Alvin Epstein and Gene Frankel; and a young composer named Philip Glass.

## 1969 SCHOLARSHIPS FOR MINORITIES

Ford establishes a program of doctoral fellowships for **African-American** students and faculty, the start of a long commitment to scholarships for minorities. In the early 1970's, the foundation initiates a six-year, \$100 million program to strengthen private, historically black colleges and universities and to provide graduate fellowships for minorities. Today, this work continues as the Ford Foundation Diversity Fellowships.

## 1993 INTERNATIONAL REACH

Building on the foundation's Foreign-Area Fellowships program from 1952 to 1974, funding goes to 20 colleges and universities around the world for interdisciplinary seminars for faculty and students from the **social sciences and foreign area studies**. The effort focuses on emerging talent in Asia, the Middle East, Africa, Russia and Eastern Europe and seeks to promote global exchange and cooperation by encouraging doctoral students in the social sciences to develop competence in international studies.

## 2000 COMMUNITY LEADERSHIP

The foundation, in partnership with the Advocacy Institute and the Robert F. Wagner Graduate School of Public Service at New York University, launches the **Leadership for a Changing World** program. This effort identifies and supports community leaders across the country committed to working on some of the most challenging social issues facing communities—youth development, affordable housing, human rights, environmental justice and living wages.

# Supporting Social Movements and Networks

Throughout history, people have come together voluntarily to build networks and social movements that advance their common interests. Such citizen associations build social cohesion and strengthen the ability of societies to address enduring challenges—poverty, discrimination and conflict among them. Our work seeks to help people across the world connect to movements, build networks and mobilize around common goals.

In 2006, our support enabled **LogoLink**, an international network of groups, to promote citizen participation in local government and to refocus its network as it relocates in the global south. We also built upon decades of work supporting groups that have helped inform the debate on **immigration** reform and fostered the integration of immigrants into American life. And around the world in 2006, we continued to support a **Global Dialogue on Sexual Health and Well-Being**, an initiative that draws together researchers and practitioners and promotes informed public dialogue and positive policy change. Our conviction that understanding of others is essential in our diversifying and interconnected world also led to our **Difficult Dialogues** initiative in 2006, which is helping more than 40 campuses to initiate civil and constructive debate about divisive issues.

## 2006 INTEGRATING NEWCOMERS

Nashville, Tenn., reflects the growing diversity of communities across America. Ford grantees, such as the Tennessee Immigrant and Refugee Rights Coalition, are part of a national movement dedicated to supporting the successful integration of immigrants into social, political and economic life.

# Bringing people together to build common vision, networks of action and movements for change

## 1954

### JUSTICE IN SOUTH AFRICA

In an effort to promote understanding between the United States and South Africa, grants support exchange programs in education, business and journalism. In the 1980's, under the leadership of former President Franklin Thomas, foundation grants help create a network of international and South African legal experts who **challenge the legal basis for apartheid** and are central participants in helping shape the new constitution. Dedicated to supporting education, the arts and community development, the foundation opens an office in Johannesburg in 1993 to help the people of the country build a peaceful and prosperous nonracial democracy.

## 1968

### FIGHTING DISCRIMINATION

To create a broad **civil rights** network, the foundation supports the founding of new civil rights groups over the next two years, including the Mexican American Legal Defense and Educational Fund, the National Council of La Raza, the Native American Rights Fund, the Puerto Rican Legal Defense and Education Fund, the National Committee Against Discrimination in Housing and the Legal Action Center. Ford also funds the Voter Education Project to support minority voters' rights and increase voter registration in the South. In 1992, Ford helps create the Asian American Justice Center.

## 1976

### A MOVEMENT FOR WOMEN

Reflecting some 20 years of foundation support for **global women's empowerment and health**, Ford provides assistance to the National Organization for Women's Legal Defense and Education Fund to promote gender equality and prohibit gender-based discrimination. In addition, Ford supports the International Women's Health Coalition's efforts to ensure that women gain access to reproductive health care services worldwide.

## 1985

### A MOVEMENT IN LATIN AMERICA

Building on a long history of support in the region, the foundation forms partnerships with local grantees to support **human rights in Chile, Argentina and Peru**. This includes expanding funds for research centers, universities and bar associations; addressing human rights violations and building sound judicial procedures; and promoting positive relationships between government and civil society.

## 1998

### STRENGTHENING CULTURES

Ford helps launch the Honoring Nations program to help build a network of individuals and organizations committed to excellence in **Native American self-governance**. Administered by the Kennedy School of Government at Harvard, the national program demonstrates how good governance is built upon the unique culture of each tribe. More than 78 tribal government initiatives have received awards for improved approaches to education, health care, economic development and environmental protection.

## 1999

### SUPPORTING RIGHTS

The foundation begins its support of the National Gay and Lesbian Task Force through a grant for groundbreaking research on issues of social and economic discrimination affecting the gay and lesbian community. Dedicated to **eliminating prejudice**, violence and injustice against gay and lesbian people at the local and national levels, the foundation also supports the work of the Lambda Legal Defense and Education Foundation and the ACLU.

## 2000

### NURTURING CIVIL SOCIETIES

Ford establishes a program on **global civil society**, focused on strengthening civic engagement to make global institutions more accountable and solve problems that transcend national borders.