

**SMITH RICHARDSON
FOUNDATION, INC.**

ANNUAL REPORT 2008

CONTENTS

- 1 President's Letter
- 5 2008 Grant Awards:
International Security and
Foreign Policy Program
- 30 2008 Grant Awards:
Domestic Public Policy Program
- 45 2008 Grant Awards:
Direct Service Program
- 46 Management's Financial Report
- 47 Financial Statements
- 55 Procedures
- 56 Trustees, Governors, and Officers
- 57 Staff and Office Locations
- 59 History

PRESIDENT'S LETTER

The mission of the Smith Richardson Foundation is to contribute to important public debates and to address serious public policy challenges facing the United States. The Foundation seeks to help ensure the vitality of our social, economic, and governmental institutions. It also seeks to assist with the development of effective policies to compete internationally and to advance U.S. interests and values abroad.

The Foundation advances its mission through its two principal grant making programs: the International Security and Foreign Policy Program and the Domestic Public Policy Program. The Foundation believes that conflict and change in the international environment have created new needs in the U.S. policy community for analysis and guidance on critical foreign and defense policy issues. In the domestic arena, the Foundation believes that policy makers are seeking innovative and pragmatic solutions to the long-term challenges affecting the well being of all Americans.

International Security and Foreign Policy

The objective of the International Security and Foreign Policy Program is to assist the U.S. policy community in developing effective national security strategies and foreign policies. The Foundation is committed to supporting projects that help the policy community face the fundamental challenge of ensuring the security of the United States, protecting and promoting American interests and values abroad, and enhancing international order.

During the first decade of the new century, developments imposed new and enduring challenges to U.S. strategy. The world has seen the emergence of regions of persistent, low-intensity conflict and instability, as well as the emergence of potential great power or regional power rivalries. At the same time, the global economic crisis portends the rise of instability in weak or impoverished countries and has the potential to produce shifts in the global balance of power.

In this context, the Foundation continues to support strategic thinking on great power politics, including not only the management of regional rivalries among key states but also responding to the uncertain future economic, political, and policy changes within key states in Europe, East Asia, Central Asia, South Asia, and the Middle East. In this respect, the Foundation has been developing portfolios of projects on the internal dynamics, strategic cultures, and competitive strategies of great powers such as China, Russia, India, and Japan and key regional powers such as Iran, Pakistan, Saudi Arabia, South Korea, and North Korea. At the same time, the Foundation seeks to support projects on key transnational issues, such as proliferation, terrorism, and global political change. To address all of these challenges, the United States needs to improve its national and foreign

policy capabilities. The Foundation continues to support portfolios of projects on defense transformation to cope with near-peer competitors and irregular warfare challenges. In addition, the Foundation is supporting work on improving intelligence collection and analysis, public diplomacy and strategic communications, post-conflict stabilization and reconstruction, and alliance management.

Within the academic community, the Foundation supports policy-relevant strategic studies to foster the next generation of scholars and analysts and underwrites historical research with implications or lessons for current policy. For more than a decade, the Foundation has provided research grants to junior-level faculty. In 2008, the Foundation began a program to support graduate students. The World Politics and Statecraft Fellowship Program offers grants to graduate students pursuing policy-relevant research projects.

The following grants illustrate the types of projects supported by the International Security and Foreign Policy Program:

- **Asia Foundation:** The foundation will launch a program that will seek to improve the U.S. policy community's understanding of key political developments in South Korea and to develop approaches to strengthen the bilateral relationship with this key U.S. ally.
- **America Abroad Media:** The institution will sponsor a program for foreign journalists that will provide fellowships to enable them to gain a better understanding of the United States and to interact with members of the U.S. policy community.
- **Jamestown Foundation:** An analyst at the foundation will work with scholars of Islam to identify weaknesses in the theological arguments made by Islamist radicals and develop a competing vision based on more accurate readings of religious texts.
- **National Institute for Public Policy:** Two scholars at the institute will explore whether and how the U.S. government's Proliferation Security Initiative — an innovative program to counter the proliferation of weapons of mass destruction — can be strengthened.
- **Yale University Law School:** A center at the school will work to advance the rule of law in China by working with Chinese legal experts and reformers in the areas of administrative law, judicial reform, regulatory reform, and civil liberties.

Domestic Public Policy

The Domestic Public Policy Program supports projects that will help the public and policy makers understand and address critical challenges facing

the United States. To that end, the Foundation supports research on and evaluation of existing public policies and programs, as well as projects that inject new ideas into public debates.

The Foundation has a number of core areas of interest. In recent years, these have included school reform, public finance, government reform, and criminal justice. In the areas of school reform, the Foundation has supported efforts to identify how best to recruit and compensate high-quality teachers. In terms of public finance, the Foundation has supported research projects that explore how to make the tax code more economically efficient. As part of the Foundation's efforts to improve government performance, it has supported a number of projects that explore how governments can best manage a variety of different service providers. Finally, the Foundation has identified several opportunities in the area of criminal justice to support experimental evaluations of programs designed to reintegrate criminal offenders back into the social mainstream after they have been released from prison.

In addition to its core programs, the Foundation has remained open to support new lines of work as opportunities arise to assist the policy community. For example, when the crisis in the financial sector arose and public officials sought to respond to it and ameliorate its impacts, the Foundation supported work to rethink financial markets regulation and assess whether tax rebates were an effective means of stimulating the economy.

The following grants illustrate the types of projects supported by the Domestic Public Policy Program:

- **Committee on Capital Markets Regulation:** The committee will draw on expertise from legal scholars and economists to develop a set of recommendations for how policy makers should regulate the market for securitized debt.
- **Harvard University:** A team of scholars affiliated with the university will develop guidelines for how public officials can best manage government-led networks of public, private, and non-profit organizations to achieve public objectives.
- **National Bureau of Economic Research:** Scholars affiliated with the bureau will implement an experimental evaluation that will assess the impact of health insurance enrollment on health care utilization and health outcomes.
- **Northwestern University:** Two scholars affiliated with the university will measure the impact of tax rebates on the spending patterns of households in order to assess whether they are an effective means of stimulating demand.

- **University of Arkansas:** A scholar affiliated with the university will direct a project that will explore how teacher pension systems affect state public finances as well as efforts to increase the quality of the teacher labor force.

The Trustees of the Smith Richardson Foundation believe that the country's well being depends on vigorous and capable domestic institutions and strong leadership around the world. They hope that through wise and strategic grant making they will enhance the capacity of the public and the policy making community to advance the interests of the nation as a whole.



Peter L. Richardson
President

**INTERNATIONAL SECURITY AND
FOREIGN POLICY PROGRAM
2008 GRANTS**

The Abdorrahman Boroumand Foundation

Washington, DC

The Iran Human Rights Memorial Website \$150,000

Roya Boroumand and Ladan Boroumand will lead an effort to document the human rights record of the Iranian government. They will create a searchable website that documents Iranian human rights abuses, translates key documents on human rights and democracy into Farsi, and disseminates information on Iran's democracy movement by translating indigenous material from Farsi into English.

America Abroad Media

Washington, DC

America and the Muslim World: A Public Diplomacy Initiative \$350,000

Aaron Lobel will co-produce a series of television programs in partnership with local broadcasters in a number of predominantly Muslim countries, including Turkey, Afghanistan, and Pakistan. These programs will address critical foreign affairs issues facing those countries and the United States.

AAM Journalism Fellowship Program

\$262,680

Aaron Lobel will develop a program that will bring leading journalists from Pakistan, Indonesia, Afghanistan, Egypt, Turkey, and Saudi Arabia to Washington, DC. The visiting journalists will produce reports for their home countries on key foreign policy issues and participate in roundtable events with members of the U.S. policy community.

American Academy of Arts and Sciences

Cambridge, MA

The Great American Mission: Development and the Construction of an American World Order, 1914 to the Present \$ 22,000

David Ekbladh will research and write a book on the use of economic development assistance as a policy tool of the U.S. government during the 20th and early 21st centuries.

American Enterprise Institute for Public Policy Research

Washington, DC

Geoengineering: A Revolutionary Approach to Climate Policy \$200,000

Samuel Thernstrom and Lee Lane will lead an effort to explore the political, economic, and practical barriers to addressing the harmful impacts of global climate change through geoengineering. They will commission research and host a series of workshops to examine the feasibility of approaches toward geoengineering such as solar radiation management. They also plan to assess the potential costs of employing geoengineering and the international implications of any efforts to intervene to alter the global climate. The project's findings will appear in a series of papers and in an edited volume.

Talking to the Enemy: The Promise and Peril of Engagement \$ 75,000

Michael Rubin will research and write a book that will examine the strengths and weaknesses of engagement as a strategy to deal with adversarial regimes. He will prepare a series of case studies of engagement with the Soviet Union, Egypt, the Palestinians, Iran, North Korea, Libya, and Pakistan in order to understand the potential limitations of these strategies, analyze the conditions under which engagement is most likely to succeed, and apply these conclusions to contemporary policy challenges.

Development without Aid: Promoting Entrepreneurship and Political Accountability in an Era without Conditionality \$100,000

Mauro De Lorenzo will conduct field work, commission papers, and convene working groups to explore how support for entrepreneurship could foster economic development, increase internal state revenues, and contribute to the development of accountable governmental institutions. The project's findings will appear in a single-author book.

American Islamic Congress

Washington, DC

A Modern Narrative for Muslim Women in the Middle East \$105,267

Zainab Al-Suwaij, Jana El Horr, and Dalia Ziada will lead an effort to examine the historical roles and current aspirations of women in Muslim-majority countries. They will convene working groups and conduct field research in Egypt, Jordan, Saudi Arabia, Iraq, and Morocco in order to identify the debates about the roles of women in the legal, social, political, religious, and economic spheres of life and describe reform strategies that women are employing to counter radical Islamist agendas in their countries. The project's findings will appear in two monographs.

American University

Washington, DC

Rogue Donor? Chinese Aid, African Development, and the Global Aid Regime

\$ 49,750

Deborah Brautigam will research and write a book analyzing the impact of Chinese foreign assistance in Mauritius, Sierra Leone, South Africa, Zambia, and Zimbabwe.

The Asia Foundation

San Francisco, CA

Expanding the Foundations for Effective U.S.-ROK Relations

\$250,000

Scott Snyder will direct the research and publications program of a new initiative devoted to understanding Korean affairs and developing new thinking on U.S.-Korean relations. It will focus on several areas: the U.S.-South Korean alliance relationship; the bilateral relationship in the context of global and regional issues; non-traditional security issues; and South Korean domestic politics. The project's findings will appear in a series of monthly analyses on particular policy issues, occasional policy reports, single- or multi-author commissioned policy products, and a website.

Boston University

Boston, MA

U.S. Civil-Military Relations since 1939

\$ 75,000

Andrew Bacevich will research and write a book that will explore the historical underpinnings of American civil-military relations and examine how complex civil-military bargaining is involved in the making of U.S. national security policies.

Brookings Institution

Washington, DC

U.S. Policy toward a Cuba in Transition

\$100,000

Vicki Huddleston and Carlos Pascual will lead an effort to explore the scenarios and options to deal with potential change in post-Castro Cuba. They will commission research and conduct a series of simulation exercises involving academic and policy experts, opinion leaders, and government officials. The project's findings will appear in a monograph and a series of policy briefs.

The Political Economy of the Islamic Republic of Iran

\$ 69,605

Suzanne Maloney will research and write a book that will explore the nature of Iran's political economy and assess the strengths and weaknesses of its economic system. She will conduct field work and analyze data from international financial institutions, publications and information provided by the Iranian government, and materials from the Iranian media.

U.S. Policy Options toward Iran \$100,000
 Kenneth Pollack will explore U.S. policy options vis-à-vis Iran. He will commission five policy papers, each setting forth one of the major options for policy toward Iran ranging from military action to engagement. The project's findings will appear in an edited volume.

Pakistan and Counterinsurgency \$150,000
 Stephen Cohen, Peter Singer, and Michael O'Hanlon will lead an effort to help address the security challenges along Pakistan's northwestern borders by applying lessons from classic counterinsurgency doctrine. They will commission papers on these lessons and discuss them in a workshop involving U.S. and Pakistani military officers and security experts. The project's finding will appear in a series of papers.

Carnegie Endowment for International Peace

Washington, DC

China Goes Global: China's Diplomacy in the Developing World and Implications for the United States \$ 50,000

Joshua Kurlantzick will research and write a book that will examine China's emerging strategy in the developing world through field work and analysis of case studies of Chinese diplomacy in Brazil, Kyrgyzstan, South Africa, and Thailand.

Dubai: A Microcosm of the U.S.-Iran Cold War \$ 75,000
 Karim Sadjadpour will examine the role that Dubai plays in the relationship between Iran and the outside world, particularly how Iran seeks to use Dubai to evade sanctions and engage the world diplomatically and economically. The project's findings will appear in a monograph.

The Hong Kong Journal \$129,195
 Robert Keatley will edit *The Hong Kong Journal*, a quarterly publication that analyzes key political, economic, and social developments affecting Hong Kong's evolution within China.

The Caux Round Table, Inc.

Saint Paul, MN

Revitalizing the Muslim World through Good Governance \$ 55,000
 Stephen Young and Abdullah al-Ahsan will conduct outreach efforts toward opinion leaders in key Muslim countries to discuss a new, progressive interpretation of the guidance given by the Koran on the topic of governance.

Center for a New American Security

Washington, DC

The Indian Ocean: Pivot of 21st Century Conflict and Competition \$ 50,000

Robert Kaplan will write a book that analyzes geopolitical developments in the Indian Ocean region and the impact of those developments on U.S. foreign and national security policy interests.

The Contested Commons: The Future of American Hard Power \$150,000

Abraham Denmark will lead an effort to develop strategies for the emerging competition in the contested commons: air, sea, space, and cyberspace. He will conduct interviews and research and undertake several table-top exercises to examine the security implications of challenges in the global commons. The project's findings will appear in a monograph and an edited volume.

Winning Tomorrow's Wars: Remaking America's Military Officer Corps \$200,000

John Nagl will lead an effort to examine how the U.S. military's officer corps should adapt to a strategic environment that includes both conventional combat operations and irregular warfare missions. The findings of this project will be presented in a monograph.

Center for American Progress

Washington, DC

Working Group on Pakistan \$ 48,307

Caroline Wadhams, Brian Katulis, and Lawrence Korb will organize a working group of experts on Pakistan and U.S. security policy to rethink the current U.S. approach toward Pakistan and to develop an alternative policy framework. The project's findings will appear in a white paper and a series of briefings.

Center for Media and Security, Ltd.

Millwood, NY

Media Coverage and National Security and Defense Issues \$200,000

Harry Disch will organize a series of meetings that bring defense officials together with reporters from print and electronic media to discuss key national security and defense policy issues.

Center for Strategic and International Studies, Inc.

Washington, DC

Russia Checkmates Europe's Attempts at Energy Security: A Strategy of Divide and Dominate \$ 50,000

Keith Smith will analyze policy options and convene policy roundtables to develop ideas for a coordinated U.S. and European Union approach to counter Russia's energy strategy toward Europe. The project's findings will appear in a report.

- Out of the Shadows: U.S. Alliances and Emerging Partnerships in Southeast Asia* \$185,000
 Derek Mitchell and Cathrin Dalpino will lead an effort to develop recommendations for how the United States could reinvigorate its relations with countries in Southeast Asia. The project's findings will appear in a series of papers and a report.
- U.S.-E.U. Partnership Committee for Ukraine* \$ 80,570
 Janusz Bugajski and Steven Pifer will lead an effort to develop approaches to strengthen Ukraine's political and economic development in four areas: political and economic transformation; energy security policy; relations with Russia; and prospects for Euro-Atlantic integration. The project's findings will appear in a series of reports.
- Democracy Promotion in Future U.S. Grand Strategy* \$100,000
 Alexander Lennon will lead an effort to assess the U.S. approach to democracy promotion and to explore alternative paradigms for promoting positive political change. He will analyze existing public opinion data on foreign policy issues, review the secondary literature on democracy promotion, conduct interviews, commission three case studies, and create a high-level bipartisan advisory committee that will help to promulgate the findings of the project to the next administration. The project's findings will appear in a report and three monographs.
- Pakistan: Addressing a Transnational Threat* \$ 50,000
 Arnaud de Borchgrave will assemble a working group composed of experts on Pakistan, South Asia, and international security to focus on how best to deal with the threats emanating from the northwestern region of Pakistan. The project's findings will appear in a report and a series of briefings.
- Russian Soft Power and Young Russians in Estonia and Latvia: Looking East or West?* \$300,000
 Sarah Mendelsohn will lead an effort to examine Russia's efforts to exert soft power to influence the political orientation of ethnic Russians in non-Russian states of the former Soviet region. She will commission a survey, convene focus groups, and conduct interviews in Estonia, Latvia, and Russia to analyze the extent to which the Russian government is able to influence ethnic Russian populations as an instrument of its policies toward the Baltic states. The project's findings will appear in a monograph.

Redesigning America's Officer Corps \$200,000
Maren Leed will lead an effort to examine how the United States could better develop its officer corps. She will convene study teams to identify the knowledge, skills, and abilities that will be needed for future officers and identify the type of officer development and management system that is needed to produce those qualities and capabilities. The project's findings will appear in a monograph.

Countering Threats to Security and Stability in a Failing State: Lessons from Colombia \$ 75,000
Peter DeShazo will research and write a monograph that will identify strategies and policy instruments that may be effective in establishing or restoring order in fragile and failing states. He will conduct interviews and analyze policies and initiatives undertaken by the governments of Colombia and the United States that contributed to enhancing stability and development in Colombia during the past decade.

The Center for the Study of the Presidency

Washington, DC

When, Not If: Instituting American Resilience Now \$ 25,000
John Morton will write a book that explores how to reorganize the government to manage the consequences of terrorist attacks or natural disasters.

Cornell University

Ithaca, NY

Islamic Radicalism: A Threat to Indonesian Democracy? \$ 49,573
R. William Liddle and Thomas Pepinsky will research and write a book that will examine the level of radicalization within Indonesia's Islamic community. They will field a national survey, conduct elite interviews, and analyze primary source materials in order to assess political and religious trends in Indonesia.

Council on Foreign Relations, Inc.

New York, NY

The Changing Face of Warfare: Guerrillas, Warlords, Militias, and Mercenaries in Future Battle \$ 37,500
Steven Biddle will research and write a book that will examine the evolving strategies and tactics of irregular combatants. He will conduct a series of case studies and analyze the actions of irregular combatants in dozens of other conflicts in order to assess how non-state actors are combining conventional and irregular operations and tactics.

The Dui Hua Foundation

San Francisco, CA

Human Rights Dialogues with China

\$200,000

John Kamm will conduct an informal human rights dialogue with the Chinese government in order to elicit information about individuals detained because of their political and religious views. He will also engage in policy outreach to the United States and other governments, international organizations, and non-governmental organizations engaged in human rights advocacy vis-à-vis China. The project’s findings will appear in a series of papers, reports, policy memoranda, and other publications.

Foreign Policy Research Institute

Philadelphia, PA

Reforming the Afghan Police Service

\$150,000

Andrew Garfield and Michael Clark will lead an effort to develop recommendations on how to improve U.S. and NATO programs to reform the Afghan national police service. They will conduct field work and analysis to review different models for local and national police forces in developing countries, examine competing strategies and implementation plans for reforming indigenous police forces, and analyze the current situation in Afghanistan to determine the shortcomings of its police service and develop reform initiatives to address them. The findings will appear in a monograph.

Freedom House

Washington, DC

Freedom in the World: The Annual Survey of Political Rights and Civil Liberties

\$150,000

Arch Puddington will research and edit *Freedom in the World*, Freedom House’s annual survey of political freedom and democracy around the globe.

Research Project on Democratic Transitions

\$107,790

Adrian Karatnycky will lead an effort to develop strategies to foster democratic change in authoritarian countries. Analyzing data from the cases of authoritarian governments that fell from power during the last three decades, they will identify the internal and external factors that were most closely associated with the rise of successful democracies. The project’s findings will appear in two monographs and a series of policy briefings.

The American Committee for Peace in the Caucasus \$131,742
Eleonora Asoyan will collect information about political developments in the North Caucasus, analyze their implications for regional stability and Russia's political trajectory, and disseminate the project's findings through a website, public meetings, and engagement with policy officials. This project's findings will appear on a website.

Georgetown University

Washington, DC

Thinking about Foreign Aid \$ 50,000

Andrew Natsios will research and write a book that will analyze the weaknesses of existing approaches toward national and international foreign aid and identify alternative approaches to improve the delivery of aid.

Harvard University

Cambridge, MA

Cold War Studies Project \$ 20,051

Mark Kramer will edit and publish the *Journal of Cold War Studies* and support the publication of books on cold war history through the Harvard Cold War Studies series.

Hoover Institution

Stanford, CA

China Leadership Monitor \$146,732

Alice Lyman Miller will edit and publish *The China Leadership Monitor*, a quarterly electronic journal on China's leadership politics.

Prospects and Strategies for Democratic Transition in Iran \$117,230

Abbas Milani, Larry Diamond, and Michael McFaul will lead an effort to develop new thinking on U.S policy to foster democratic development in Iran. They will commission papers, convene workshops to analyze the range of factors related to Iran's internal evolution, and develop strategies that the United States and the West can employ to create an international environment conducive to political change in Iran. The project's findings will appear in an edited volume and a co-authored monograph.

Hudson Institute

Indianapolis, IN

Current Trends in Islamist Ideology \$135,000

Hillel Fradkin will edit and publish *Current Trends in Islamist Ideology*, a semi-annual journal on the evolving ideological and political debates within and among transnational Islamist movements.

Implementing a Ground Game in the War of Ideas \$450,000
 S. Enders Wimbush will lead an effort to develop a better approach for U.S. policy makers to work with moderate and democratic elements in the Muslim world in order to combat extremism and terrorism. He will collaborate with and among indigenous moderate and democratic leaders and groups and engage in cooperative efforts to develop country strategies, as well as cross-national approaches, to strengthen moderate forces in the competition of ideas. The project's findings will appear in a series of reports.

Rebuilding America's Public Diplomacy \$175,000
 S. Enders Wimbush will lead an effort to develop an improved agenda for U.S. public diplomacy. The project's findings will appear in a series of memoranda, policy papers, and historical case studies.

Lifting the Theocratic Iron Curtain \$ 50,000
 Paul Marshall and Nina Shea will research and write a book exploring how apostasy and blasphemy laws are used by radical Islamists for the purpose of political repression.

The Institute for Foreign Policy Analysis, Inc.

Cambridge, MA

Who Speaks for Western Muslims? The Problem of Representation of Muslim Communities in the West and its Political and Security Repercussions

\$ 65,000

Lorenzo Vidino will research and write a book that will develop approaches to engaging Muslim communities in the West in order to promote social and economic integration and to oppose radicalization within these communities.

The Institute for State Effectiveness

Washington, DC

The State Effectiveness Program

\$325,000

Ashraf Ghani and Clare Lockhart will lead an effort to improve the international community's capability to help countries build effective state institutions. They will commission research on effective state-building practices, develop an index of state effectiveness, conduct outreach to key government agencies and international organizations, and work directly with governments in developing countries to strengthen key institutions in those states.

Institute for the Analysis of Global Security

Potomac, MD

Stripping Oil of its Strategic Value

\$200,000

Gal Luft and Anne Korin will lead an effort to develop strategies to reduce the strategic importance of oil. They will identify the obstacles to reducing oil's monopoly as the fuel for the global transportation sector, develop an educational program for policy makers and opinion leaders on what steps are needed to reduce oil's status as a strategic commodity, and initiate a strategic dialogue with officials and experts of other major oil-consuming countries, such as China and India, on approaches to achieve diversity in transportation fuels. The project's findings will appear in a co-authored monograph.

International Republican Institute

Washington, DC

The Window of Favor in Democratic Transitions: The 13-15 rule

\$ 25,000

Georges Fauriol will conduct research exploring the importance of taking advantage of the initial period following the transition to a democracy, when public opinion is most supportive of a new government to consolidate new institutions. The project's findings will appear in a report.

Jamestown Foundation

Washington, DC

Defeating an Ideological Movement: Analyzing the Source of Islamist Radical Resilience and Targeting the Vulnerabilities

\$275,683

Stephen Ulph will lead an effort to develop a political strategy to compete more effectively on the ideological plane with Islamist extremists. He will work with a team of experts on Islam to analyze Islamist literature and to identify the doctrinal errors, the ideological vulnerabilities, and the appropriate methods for deconstructing the extremist vision of Islam on which al Qaeda and other Islamist terrorists are grounded. The project's findings will appear in a book and a report.

Eurasia Daily Monitor

\$246,599

Vladimir Socor will edit and publish *Eurasia Daily Monitor*, a daily report that will analyze key political, economic, military, and geopolitical events and trends in Eurasia.

China Brief

\$ 85,691

Russell Hsiao and Glen Howard will edit and publish *China Brief*, a bi-weekly report on key political, military, economic, and geopolitical developments in China.

<i>North Caucasus Weekly</i>	\$ 89,285
Jonas Bernstein will edit and publish <i>North Caucasus Weekly</i> , a report that will track and analyze developments in the North Caucasus.	
Johns Hopkins University	
Washington, DC	
<i>Central Asia-Caucasus Institute 2008-2010</i>	\$400,000
S. Frederick Starr will direct the research and publications program of the Central Asia-Caucasus Institute. The institute will sponsor research and analysis on key developments in the Central Asia and Caucasus region, organize conferences, produce a bi-weekly report, publish a monograph series, and host visiting fellows and young scholars from the region.	
The Marine Corps University Foundation	
Quantico, VA	
<i>Counterinsurgency Leadership</i>	\$ 43,340
Dr. Mark Moyar will research and write a book on effective military leadership in counterinsurgency campaigns.	
The Middle East Institute	
Washington, DC	
<i>Reforms in Saudi Arabia</i>	\$139,730
Joseph Kéchichian will research and write a book assessing the prospects for internal political reform in Saudi Arabia. He will conduct interviews with an array of Saudi leaders and analyze primary and secondary Saudi literature in order to assess the implications of King Abdullah's steps toward judicial reform, the "National Dialogue" initiative, and potential movement toward establishment of political parties.	
The National Bureau of Asian Research	
Seattle, WA	
<i>Managing Unmet Expectations: Mutual Concerns in the U.S.-Japan Security Alliance</i>	\$250,000
Michael Finnegan and Richard Lawless will lead an effort to assess the status of the U.S.-Japan security alliance and develop a shared understanding of its fundamental strategic rationale and the steps necessary to reshape the relationship to address current security realities. The project's findings will appear in a monograph, a series of shorter publications, and briefings for the policy community.	

National Committee on American Foreign Policy, Inc.

New York, NY

Laying the Foundation for a Modus Vivendi Between China and Taiwan \$125,000

Donald Zagoria and George Schwab will undertake a trilateral policy dialogue on cross-strait issues involving participants from the United States, China, and Taiwan. They will explore the possibility of an interim agreement between authorities in China and Taiwan to accept the cross-strait status quo for an extended period of time. The project's findings will appear in a series of reports and policy papers.

National Institute for Public Policy

Fairfax, VA

Stable Deterrence in the Post-9/11 World: An Evolutionary Theory of Deterrence

\$ 49,561

Eli Lieberman will research and write a book that will explore the nature of enduring rivalries between Israel and Egypt, Israel and Hezbollah, and India and Pakistan in order to analyze how actors learn and revise their thinking about deterrence as they interact and assess each other's demonstrated will and capabilities.

Assessing, Improving, and Adapting the Proliferation Security Initiative \$250,000

Robert Joseph and Mark Esper will lead an effort to further develop the capabilities and effectiveness of the Proliferation Security Initiative. They will conduct research and analysis and convene working groups to examine the performance of the initiative, draw out its successful characteristics, and make recommendations on how to improve this instrument of counter-proliferation policy. The project's findings will appear in a series of monographs.

Examination of U.S. Strategic Forces Policy and Capabilities \$300,000

Keith Payne will lead an effort to examine the strategic rationale and force structure requirements for U.S. nuclear forces. He will convene experts, commission papers, critique the implementation of the 2001 Nuclear Posture Review, and develop recommendations for the future of U.S. nuclear weapons. The project's findings will appear in a monograph and a series of briefings.

National Strategy Information Center, Inc.

Washington, DC

War Among the People: Adapting America's Security Paradigm to a New Era

\$300,000

Roy Godson and Richard Shultz will lead an effort to develop a strategic approach and policy instruments for the United States to use when intervening in internal or irregular conflicts. They will undertake research and convene a working group of senior policy practitioners with on-the-ground experience in recent conflicts in the Balkans, the Middle East, southwest Asia, and other regions in order to identify the key characteristics of the new paradigm of conflict and develop proposals for needed new U.S. political, intelligence, economic, and military capabilities. The project's findings will appear in a monograph and a series of articles and briefings.

New America Foundation

Washington, DC

Jinnah's War: Pakistan's Struggle for Culture, History, and Islam

\$ 71,500

Nicholas Schmidle will research and write a book that will explore the roots and contemporary dynamics of Pakistan's ethnic unrest, sectarian conflict, and jihadist extremism and insurgency.

The Nixon Center

Washington, DC

The Radicalization Process and Homegrown Terrorism

\$100,000

Robert Leiken will write a book that will examine how segments of Muslim communities in Europe are converted and recruited to extremist views and develop approaches to prevent such radicalization of these groups.

The Nonproliferation Policy Education Center

Washington, DC

Commercial Nuclear Energy in an Unstable, Carbon-Constrained World

\$204,838

Henry Sokolski will lead an effort to examine the proliferation risks associated with the growth of civilian nuclear power around the world. He will commission research studies that will assess the range of environmental, proliferation, and terrorism-related risks and costs inherent in civilian nuclear power and that will explore how the nuclear power industry could be made to internalize those costs. The project's findings will appear in a series of reports and briefings.

Understanding the Next Phase of U.S.-Russian Nuclear Relations: Opportunities, Risks and Choices \$ 49,950

Robert Zarate will lead an effort to catalyze more in-depth discussion and debate regarding the new phase of nuclear cooperation with Russia. The project's findings will appear in working papers and a monograph.

Pacific Forum CSIS

Honolulu, HI

Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations \$136,422

Ralph Cossa and Brad Glosserman will edit and publish *Comparative Connections*, a quarterly journal that traces more than a dozen key bilateral relationships in East Asia.

Asia Strategy and Policy Report \$ 48,411

Ralph Cossa and Brad Glosserman will research and write a white paper to provide the policy community with a policy road map for managing U.S. relations with Asia.

Peterson Institute for International Economics

Washington, DC

Exploiting Refugee Insights into North Korea \$155,000

Marcus Noland and Stephan Haggard will analyze the political, social, and economic situation in North Korea by examining data from a survey of 1,300 North Korean refugees in China. The project's findings will appear in a monograph and a series of articles.

Princeton University

Princeton, NJ

Ripe for Rivalry: China and America in the 21st Century \$100,000

Aaron Friedberg will research and write a book that will explore the potential for a future rivalry between the United States and China. He will assess the likely dynamics of U.S.-China relations through the lens of great power competitions in Asia and international relations theories regarding the implications of shifting global balance of power.

Secrecy in Our Open Society \$100,000
 Gabriel Schoenfeld will research and write a book that will explore how best to maintain government secrecy, particularly at times of war or international conflict, while also ensuring an adequate level of transparency to ensure government accountability. He will examine how the United States has coped with these competing requirements throughout history and assess the implications of the on-going debate on the obligations of government officials and the media with respect to the leaking and publication of classified information.

Escaping Development Traps: Generating Turnarounds in Fragile States \$200,000
 Jennifer Widner will lead an effort to develop strategies to help leaders of fragile and developing states implement successful reform breakthroughs. She will commission case studies of major reform attempts in fragile states, distill lessons learned from successful and unsuccessful cases, and create an institutional design to help reformers develop effective strategies for change. The findings of the project will appear in a single-author book, a series of case studies, and a resource center for officials and political leaders of developing states.

The Potomac Foundation

Vienna, VA

China Vitae \$147,840
 David Gries will maintain and enhance an on-line searchable biographical database of the top 2,000 officials in the Chinese government.

Project 2049 Institute

Bristow, VA

Taiwan's Alternative Futures: Driving Forces, Scenarios, and Implications for U.S. Security Interests in the Taiwan Strait \$111,380
 Randall Schriver and Mark Stokes will lead an effort to explore the future of U.S. policy toward China-Taiwan relations. They will commission research and conduct interviews with Taiwanese and U.S. officials and opinion makers in order to extrapolate a set of potential future trajectories for Taiwan, assess the impact of each of those pathways for cross-strait relations, and to produce appropriate policy options for the United States. The project's findings will appear in a report and a series of articles.

The RAND Corporation

Santa Monica, CA

Reshaping Muslim World Narratives

\$308,261

Cheryl Benard will work with social leaders and thinkers in several Muslim-majority countries to develop modern and cohesive national narratives as alternatives to the visions advanced by sectarian or radical Islamist activists. The project's findings will appear in a series of monographs.

Deradicalization of Islamist Extremists

\$200,000

Angel Rabassa and Darcy Noricks will examine the effectiveness of efforts to counter Islamic extremism by deradicalizing adherents of such movements. They will analyze available data as well as conduct field work on the approaches and effectiveness of deradicalization programs that have been and are being carried out in the United Kingdom, Singapore, Malaysia, Indonesia, Saudi Arabia, and Yemen. The project's findings will appear in a monograph.

Rocky Mountain Institute

Snowmass, CO

Winning the Oil End Game: Improving Military Energy Efficiency

\$ 50,000

Amory Lovins and Daniel Nolan will work with defense officials to develop an approach to implement new technological advances that would improve the efficiency of military vehicles, decrease the energy use of defense installations, and promote a transition to sustainable sources of energy. The project's findings will appear in a series of publications and briefings.

Salam Institute for Peace and Justice

Falls Church, VA

Evaluation of the Madrasa Reform Project by the International Center for Religion and Diplomacy in Pakistan

\$ 50,000

Mohammed Abu-Nimer and S. Ayse Kadayifeci-Orellana will lead an evaluation of a project conducted by the International Center for Religion and Diplomacy (ICRD) to reform the curriculum of madrasas in Pakistan. The evaluation will include interviews with madrasa administrators, teachers, and students who have participated in the ICRD's programs, as well as a survey and observations of how the ICRD curricular materials are being used in the madrasas run by a variety of sects.

Stanford University

Stanford, CA

External Sources of Internal Change: Evaluating International Efforts at Promoting Democracy

\$150,000

Kathryn Stoner-Weiss will lead an effort to evaluate the effectiveness of U.S. policies and programs to promote democratic transitions and support the consolidation of new democratic governments. The project's findings will appear in a series of working papers and four edited volumes.

Texas A&M University

College Station, TX

Transformation in the Cold War Army, 1946-1976

\$ 23,496

Brian Linn will research and write a book that will examine how the U.S. Army transformed itself during the three decades following the end of World War II and consider what lessons might be applicable to debates regarding the army's current force structure and doctrine.

Tufts University

Medford, MA

The Great American Mission: Development and the Construction of an American World Order, 1914 to the Present

\$ 16,922

David Ekbladh will research and write a book that will examine the use of development aid as a policy tool by the U.S. government in the 20th and early 21st centuries.

Cultural Change Institute

\$250,000

Lawrence Harrison will lead an effort to improve policies to promote economic and political development by increasing understanding of the role that cultural change should play in such efforts. He will commission case studies to illuminate the effect of cultural factors on development, analyze the instruments and institutions of cultural transmission and evolution, and engage policy makers and officials in the development community on the importance of cultural change. The project's findings will be published in a series of books.

Why Not Mongolia? Chinese Irredentism, Geostrategic Rivalries, and Asian Stability

\$152,350

Alan Wachman will research and write a book that will trace the evolution of Chinese strategic thinking vis-à-vis its weaker neighbors through an analysis of Sino-Mongolian relations. He will analyze government documents and secondary publications from China and Mongolia and conduct field work in those countries, including interviews with government officials and experts.

U.S. Committee for Human Rights in North Korea

Washington, DC

North Korea: Crafting a Comprehensive Understanding and Approach \$165,834

Peter Beck will lead an effort to catalyze new thinking in the U.S. policy community on how to integrate concerns about human rights into policy toward North Korea. The project's findings will appear in six monographs.

The United States-Indonesia Society

Washington, DC

U.S.-Indonesian Military Cooperation: The Next Steps \$ 97,350

John Haseman and Eduardo Lachica will lead an effort to develop a road map for practical cooperation between the militaries of the United States and Indonesia. They will analyze primary sources and secondary analyses, interview U.S. and Indonesian military and political leaders and officials, and consult policy experts in Washington and Jakarta. The project's findings will appear in a monograph and a series of articles.

University of California, San Diego

La Jolla, CA

The Economic Relationship Between China and North Korea:

Contours and Strategic Implications

\$131,382

Stephan Haggard will explore the feasibility of using sanctions as an economic instrument of power vis-à-vis North Korea. He will analyze the scope and nature of the Sino-North Korean economic relationship. The project's findings will appear in a series of papers, briefings, and a single-author book.

University of Vermont

Burlington, VT

Understanding the Saudi State: Regime Survival and Foreign Policy \$ 65,502

Gregory Gause will research and write a book that will examine how Saudi Arabian policies are shaped by the Saudi regime's efforts to preserve its rule. He will conduct field work in Saudi Arabia and analyze available Saudi and other source materials.

The Washington Institute for Near East Policy

Washington, DC

Assessing Behavior, Not Just Attitudes: A Better Way to Understand Arab Relations with America

\$150,000

Robert Satloff, Scott Carpenter, and David Pollack will lead an effort to examine Arab attitudes toward the United States. They will explore the weaknesses associated with the use of public opinion polling as a window into Arab attitudes and develop alternative behavioral, political, economic, and social indicators to understand views in the region. The project's findings will appear in a co-authored monograph.

The Wisconsin Project on Nuclear Arms Control

Washington, DC

IranWatch.org

\$165,000

Gary Millhollin and Valerie Lincy will track and analyze Iran's efforts to acquire weapons of mass destruction and develop its ballistic missile delivery systems.

Yale Law School

New Haven, CT

The China Law Center at Yale Law School

\$200,000

Paul Gewirtz will direct a project that will explore the possibilities for positive political change in China through the promotion of legal reform. He will conduct collaborative research activities and legal workshops designed to advance judicial reform, administrative law and regulatory reform, and constitutional law and civil rights. In addition to legal exchanges with China, the project will produce a series of research publications on issues related to the development of the Chinese legal system.

SECURITY STUDIES INITIATIVE

Columbia University

New York, NY

Summer Workshop on Analysis of Military Operations and Strategy \$232,100

Richard Betts will organize an annual summer study to train young scholars to analyze military strategy, combat operations, and defense budgets and programs.

Johns Hopkins University

Washington, DC

The Merrill Center for Strategic Studies Outreach \$108,760

Thomas Keaney will convene an annual one-week workshop for university-based scholars on teaching strategic studies.

Princeton University

Princeton, NJ

Research Program in International Security \$ 97,126

Aaron Friedberg will direct a program to sustain and enhance policy-relevant security studies at Princeton University. The program will include a lecture series, seminar series, conferences, and grants to doctoral graduate students working on topics relevant to international security policy.

University of Virginia

Charlottesville, VA

National Security Law Institute \$ 86,600

John Norton Moore and Robert Turner will organize an annual two-week summer study to teach national security law to participants from academia and the policy community.

United States Military Academy

West Point, NY

West Point Summer Seminar in Military History \$221,804

Lance Betros will organize an annual summer study to enhance the analytical and pedagogical skills of university-based scholars who teach military history.

Yale University

New Haven, CT

International Security Studies \$285,334

Paul Kennedy will direct a series of lectures and seminars on topics related to security studies and organize a program to provide support for graduate student research and field work.

JUNIOR FACULTY RESEARCH GRANT PROGRAM

Arizona State University

Tempe, AZ

Indispensable Allies: Indigenous Forces in Counterinsurgency Operations \$ 60,000

Yoav Gortzak will research and write a book that will explore how best to train and equip indigenous forces to engage in counterinsurgency operations. He will prepare case studies of operations undertaken in Indonesia, Vietnam, Algeria, and Lebanon to draw lessons for policy makers.

Duke University

Durham, NC

Foreign-Imposed Regime Change in International Politics: Causes and Consequences \$ 60,000

Alexander Downes will research and write a book that will assess whether foreign-imposed regime change is an effective instrument of foreign policy. He will identify the conditions under which regime change has been effective and assess its impact on intervening states, target states, and regional stability.

Seton Hall University

South Orange, NJ

Democratization and Indonesian Foreign Policy: Implications for the United States \$ 60,000

Ann Marie Murphy will research and write a book that will assess how democratization has shaped Indonesian foreign policy. She will engage in field research to assess how competing political ideologies, coalitions, and institutions have shaped Indonesian foreign policy since the country made its transition to democracy.

University of Maryland

College Park, MD

Ethics of Conduct for Peace and Stability Operations \$ 60,000

Daniel Levine will research and write a book that will explore the ethics of conduct in peace and stability operations. He will collect data from ground forces engaged in such operations and assess how they have developed rules to address critical ethical concerns such as the use of force and provision of humanitarian assistance.

WORLD POLITICS AND STATECRAFT FELLOWSHIP PROGRAM

American University

Washington, DC

Benjamin Jensen

Forging the Sword: U.S. Military Transformation in Comparative Perspective \$ 7,500

Carl Anders Hardig

Negotiating a Nation: Popular Mobilization, Civil Society, and the Imagined Community of Lebanon

\$ 7,500

Arizona State University

Tempe, AZ

Michael Jensen

The Gap between Words and Deeds in Counterinsurgency Operations \$ 7,500

Brown University

Providence, RI

Eduardo Moncada

Building the Rule of Law in Latin America \$ 7,500

Columbia University

New York, NY

Dafna Hochman

The Dictator's Dilemma: Autocratic Reform Strategies in the Middle East and North Africa, 1970-2005 \$ 7,500

Cornell University

Ithaca, NY

Elton Skendaj

Weak State Institutions in Kosovo: Perverse Consequences of the International Administration \$ 7,500

Georgetown University

Washington, DC

Matthew Schmidt

Creating Counterinsurgency: Skilled-Incompetence and the Development of U.S. Doctrine, 1898-2008 \$ 7,500

The George Washington University

Washington, DC

Gonzalo Paz

The Impact of Rising China on Latin America and U.S. Reactions: Power, Economy, and Identity \$ 7,500

Harvard University Cambridge, MA Siddharth Mohandas <i>After War: Intervention, State-Building, and Democratization in Post-Conflict Environments</i>	\$ 7,500
Jennifer Bulkeley <i>Power and Influence in China's Emerging Grand Strategy</i>	\$ 7,500
Indiana University Bloomington, IN Kevin Coleman <i>The Making of Coercive Democracy in Cold War Honduras</i>	\$ 7,500
Massachusetts Institute of Technology Cambridge, MA Paul Staniland <i>Explaining Cohesion, Fragmentation, and Control in Armed Political Groups</i>	\$ 7,500
Llewelyn Hughes <i>Market Structure and Strategic Government Intervention in Petroleum Markets in Japan, the United States, and France</i>	\$ 7,500
Stanford University Stanford, CA Oliver Kaplan <i>The Role of Local Institutions in Counterinsurgency Stalemates</i>	\$ 7,500
Texas A&M University College Station, TX Sudina Paungpetch <i>Domino by Design: Thai-U.S. Relations during the Vietnam War</i>	\$ 7,500
University of California, San Diego La Jolla, CA Jennifer Keister <i>Causes and Consequences of Rebels' Resource Recruitment</i>	\$ 7,500
University of Chicago Chicago, IL Bonnie Weir <i>From Bullets to Ballots: The Political Transformation of Violent Opposition Movements</i>	\$ 7,500
Jenna Jordan <i>When Heads Roll: Assessing the Effectiveness of Leadership Decapitation</i>	\$ 7,500

University of Maryland

College Park, MD

Shana Marshall

Warriors of Neoliberalism? Economic Reform and the Military and Security Services in Syria and Egypt

\$ 7,500

Loreene O'Neill

Staying the Course: Examining Insurgent Commitment to Peace in Northern Ireland and El Salvador

\$ 7,500

University of New South Wales

Canberra, Australia

Matthew Wheeler

Accommodation and Control: Administration and Political Violence in Southernmost Thailand, 1978-2004

\$ 7,500

University of Oxford

Oxford, UK

Walter Ladwig

Supporting Counterinsurgency: U.S. Security Assistance and Internal War, 1946-1991

\$ 7,500

University of Pennsylvania

Philadelphia, PA

Keren Yarhi-Milo

In the Eye of the Beholder: How Decision-makers and Intelligence Communities Assess the Intentions of the Adversary?

\$ 7,500

University of Wisconsin-Madison

Madison, WI

Andrew Reiter

The Politics of Spoilers after Civil War

\$ 7,500

Washington University in St. Louis

St. Louis, MO

Daniel O'Neill

China's Outward Foreign Direct Investment as a Tool of Statecraft

\$ 7,500

DOMESTIC PUBLIC POLICY PROGRAM
2008 GRANTS

American Enterprise Institute for Public Policy Research

Washington, DC

Continuity of Government Project

\$150,000

Norman Ornstein, John Fortier, and Thomas Mann will develop policy recommendations to ensure that the executive branch, the Congress, the Supreme Court, and the election system are able to function and provide for continuity of democratic governance in the aftermath of a major terrorist attack against senior leadership. The project's findings will appear in a series of reports.

The AEI Center for Regulatory and Market Studies

\$350,000

Robert Hahn will direct the research and publications program of the AEI Center for Regulatory and Market Studies. The center will publish assessments of proposed regulations, analyze the impacts of existing regulations, examine the effectiveness of regulatory policy-making procedures and instruments, and explore new issues in regulation.

American Institutes for Research

Washington, DC

Paid Parental Leave: Children, Families, and the Economy

\$149,530

Susan Muenchow will research and write a book that will explore the arguments for and against adopting a program of paid parental leave in the United States. She will review the literature on child development and parent-child attachment, assess how existing paid parental leave policies are working in practice, weigh the costs and benefits of paid leave, and consider the strengths and weaknesses of competing policy proposals.

Brigham Young University

Provo, UT

Justices and the Press

\$ 41,058

Richard Davis will research and write a book that will explore how perceptions of the U.S. Supreme Court have changed as its members have begun to assume more public roles and have interacted more freely with the press. He will analyze press coverage of Supreme Court justices, review the papers and biographies of current and past justices, and examine survey research data on public attitudes toward the Supreme Court.

The Brookings Institution

Washington, DC

Public Spending on Children from a Life-Cycle Perspective \$ 48,876

Julia Isaacs will examine patterns of public spending on different demographic groups in light of lessons from research on the efficacy of human capital investments. She will collect data on public spending by the federal, state, and local governments; categorize that spending based on what social and demographic groups it benefits; and examine how the United States compares to other countries in terms of its public spending priorities. The project's findings will appear in a report and policy brief.

Will Technology Make the Constitution Obsolete? Preserving Constitutional Values in a World of Twenty-First Century Technologies \$100,000

Jeffrey Rosen will lead an effort to explore how new technologies are challenging key constitutional principles and identify ways that such principles may be preserved. He will commission papers from legal scholars on issues such as the use of DNA databases in the criminal justice system and the implications for freedom of speech when internet-based content providers are subjected to actions by foreign governments seeking to regulate speech. The project's findings will appear in a series of papers and an edited volume.

Building a Long-Term Legal Architecture for the War on Terror \$ 75,000

Benjamin Wittes will lead an effort to develop a new legal architecture to combat terrorism. He will examine how the executive and judicial branches of the federal government have shaped the U.S. legal approach toward key issues pertaining to terrorism, including laws governing detainees, prosecutions, and intelligence gathering. He will also commission papers from leading experts to develop recommendations for how those approaches could be improved. The project's findings will appear in a single-author book and a series of papers.

Declining Savings: A Threat to America's Prosperity? \$ 47,330

Barry Bosworth will research and write a book that will explore whether the decline in the U.S. savings rate is a threat to the prosperity of the U.S. economy. He will examine changes in U.S. national accounts to understand how lower rates of domestic savings are affecting the U.S. current accounts deficit, analyze household data to understand better patterns of savings among households with different levels of income, and compare savings behavior in the United States to those in other countries.

Brown University

Providence, RI

The Effects of Class Size on Cognitive and Non-Cognitive Student Outcomes

\$ 59,505

Martin West and Thomas Dee will examine whether changes in the size of classes can lead to improvements in cognitive and non-cognitive student outcomes. They will analyze data from the National Education Longitudinal Study of 1988 and the experimental study of Tennessee’s Project STAR class-size reduction initiative to measure whether differences in class size can explain student academic achievement and the development of non-cognitive skills. The project’s findings will appear in a report and a series of papers.

Center on Education Policy

Washington, DC

Has Student Achievement Increased Since No Child Left Behind Act Was Enacted?

\$135,000

Jack Jennings will direct an effort to assess the impact of the No Child Left Behind Act (NCLB) on student achievement. The project will use state-level data on student achievement to examine whether NCLB has contributed to increases in academic performance and a narrowing of the achievement gap between racial and ethnic groups. The project’s findings will appear in a report.

Columbia University

New York, NY

The Limits of For-Profit Schooling

\$ 25,000

Samuel Abrams will research and write a book that will explore why for-profit school ventures have not been commercially successful in the market for primary and secondary school services. He will document the growth in various for-profit and non-profit schooling ventures and assess the factors that have inhibited the growth in private-sector schooling.

Committee on Capital Markets Regulation, Inc.

Cambridge, MA

Fundamental Issues in the Securitized Debt Markets

\$200,000

Hal Scott will lead an effort to develop a proposal for how the U.S. government should regulate the market for securitized debt. He will convene an advisory group of experts in law, economics, and finance; commission research on critical issues, such as how to make the market for securitized debt more transparent and how to restructure regulatory authority over these markets; and develop a set of reform proposals. The project’s findings will appear in a report.

Council on Foreign Relations, Inc.

New York, NY

After Icarus: Hubris, Despair, and Renewal in Three American Generations \$ 40,000

Peter Beinart will research and write a book that will examine the evolution of U.S. domestic politics in the aftermath of ambitious foreign policy interventions. He will assess how conflicts that ended without clearly positive resolutions — World War I, the Vietnam War, and the Iraq War — have shaped U.S. popular opinion toward government, public policy, and the U.S. role in the world.

Duke University

Durham, NC

The Immigration Policy Roundtable: Crafting a Durable Consensus \$ 50,000

Noah Pickus, William Galston, and Peter Skerry will lead an effort to develop a policy approach toward immigration reform that reconciles differences concerning the economic and social impacts of immigration. They will convene a roundtable composed of scholars, journalists, and policy experts to identify areas of agreement among all sides in the immigration policy debate, describe areas of disagreement, and weigh the relative strengths and weaknesses of competing approaches toward immigration reform. The project's findings will appear in a report.

Schooling in the Netherlands: What the United States Can Learn about School Choice, School Finance, and Educating Immigrants \$ 50,000

Helen Ladd and Edward Fiske will examine whether reforms in the financing and delivery of education undertaken in the Netherlands hold any lessons for the U.S. policy community. They will explore, both quantitatively and qualitatively, the Dutch experience with three education policy issues: the provision of education through school choice, the financing of education through a weighted-student formula, and the challenge of educating a large group of immigrants. The project's findings will appear in a series of papers.

An Experimental Evaluation of the Milwaukee Prisoner Re-entry Program \$124,101

Philip Cook will direct an experimental evaluation of a prisoner reentry program in Milwaukee, Wisconsin. The evaluation will test the effectiveness of a program that matches offenders to employers while they are still in prison in an effort to smooth the transition from incarceration to employment. The project's findings will appear in a report and a series of articles.

Education Sector

Washington, DC

Can Charter Management Organizations Increase the Supply of High-Quality Public School Options for Disadvantaged Students? \$ 50,000

Tom Toch will research and write a report that will explore whether successful charter schools are capable of replicating their model without sacrificing quality. He will study the business and staffing plans of charter school networks in order to assess whether their models, which rely on a highly dedicated staff and low levels of administrative support, can be preserved as these schools seek to build larger networks of schools.

Fund for Public Schools

New York, NY

Value-Added Data for Teachers: Informing Personnel Decisions in Schools \$174,357

Thomas Kane, Jonah Rockoff, and Douglas Staiger will examine whether the quality of the teacher workforce can be improved by providing principals with information on linking teachers to student performance on standardized tests. The project's findings will appear in a report and a series of articles.

George Mason University

Fairfax, VA

The Impact of Immigrant High-Technology Entrepreneurship in the United States \$ 98,483

David Hart and Zoltan Acs will explore the role that immigrant entrepreneurs play in high-technology industries. They will examine how firms led by immigrants differ from those led by native-born Americans and explore the backgrounds and motivations of immigrant entrepreneurs. The project's findings will appear in a series of papers, articles, and policy briefs.

The Governance Institute

Washington, DC

A Government Ill Executed \$ 17,500

Paul Light will produce a series of articles and prepare a series of briefings for policy makers to draw attention to the challenges facing the U.S. government's workforce. He will analyze issues such as the federal government's growing reliance on contractors, the aging of the federal work force, and the inefficiency of the political appointee-vetting process.

Harvard University

Cambridge, MA

Can Partnerships among Organizations Promote Policy Success?

Lessons from Crime Reduction Partnerships in the United Kingdom \$175,000

Steven Kelman will lead an effort to examine whether collaborations among government agencies and private and non-profit sector organizations can improve the performance of the public sector. He will assess the effectiveness of a program in the United Kingdom that required local government agencies to create partnerships to reduce incidents of crime and disorder. The project's findings will appear in a co-authored book and a series of articles.

Hispanic Integration in the United States \$100,000

George Borjas and Stephen Trejo will research and write a book that will measure how well Hispanics are integrating into the mainstream of American life. They will analyze Census data to determine the skill composition of Hispanic immigrants, assess how immigration is affecting the socio-economic outcomes of Hispanics already in the United States, and explore how the children of Hispanic immigrants are faring as adults.

Kennedy School of Government Forum on Achieving Results and Protecting Public Values in a System of Networked Governance \$207,200

Mark Moore and Jack Donohue will lead an effort to examine how the growing use of government-led networks — collaborations among public, private, and non-profit institutions — is affecting the ability of the federal, state, and local governments to achieve public objectives. They will draw lessons from examples of networks in order to develop a common framework on how they can best be structured and implemented. The project's findings will appear in a report, a series of case studies, and curricular materials that can be used to teach public officials about networked governance.

The Cultural Dimension of the African-American Youth Crisis: A Collaborative Study \$150,000

Orlando Patterson will lead an effort to examine the cultural forces that are hampering the social and economic progress of young African-American men and develop strategies to harness cultural forces to encourage positive development among this demographic group. He will commission research to explore why African-American men are faring less well in terms of education and employment than African-American women, how changes in family structures are affecting African-American youth, how mass media influences the perceptions and aspirations of African-American young people, and other questions. The project's findings will appear in a series of papers.

Hudson Institute

Indianapolis, IN

Social Security: The Unfinished Work

\$125,000

Charles Blahous will research and write a book that will examine the recent history of efforts to reform Social Security. He will analyze the policy debate over Social Security from 1983 to the present; identify issues upon which most policy experts can agree, such as the financial status of the trust fund and extent of the program's expected budgetary shortfall; and clarify the trade-offs inherent in competing approaches toward reform.

Institute for Global Maritime Studies

Gloucester, MA

*Analysis of the Environmental and Economic Benefits of U.S.**Coastal Shipping*

\$110,000

John Curtis Perry, Scott Borgerson, and Rockford Weitz will examine the potential of coastal U.S. shipping to lessen congestion on roadways, increase economic efficiency, revitalize urban areas, and improve the environment. They will analyze data on freight flows along the east coast, estimate how much of that freight could travel by sea, and conduct interviews with shippers, carriers, and port managers to identify barriers to the adoption of coastal shipping. The project's findings will appear in a report.

Iowa State University

Ames, IA

Improving Government Procurement: Lessons from the Coast Guard's Deepwater Program

\$ 49,500

Matthew Potoski will research and write a case study of the U.S. Coast Guard's Project Deepwater, a high-profile effort to reform government procurement practices. He will review existing documents and reports and conduct a series of interviews with government and private-sector officials in order to develop a better understanding of how the program failed to deliver the kinds of ships that met the Coast Guard's needs.

Manhattan Institute for Policy Research, Inc.

New York, NY

Assessing Immigrant Assimilation in the United States

\$165,000

Jacob Vigdor will research and write a book that will explore rates of immigrant assimilation at different periods in American history. Using Census data he will examine how well contemporary immigrants are assimilating across economic, social, and civic indicators and compare the rates to those of earlier generations of immigrants.

Taxing Energy in the United States: Which Fuels Does the Tax Code Favor? \$ 69,014
Gilbert Metcalf will examine how energy production in the United States is taxed and explore whether tax policy can be used to achieve U.S. energy policy objectives more effectively. He will analyze the federal and state tax treatment of energy sources, determine their effective tax rate, and assess what is known about the behavioral impacts of energy taxes. The project's findings will appear in a report and an article.

National Bureau of Economic Research, Inc.

Cambridge, MA

Does Health Insurance Make People Healthier: The Oregon Health Insurance Experiment \$258,750

Katherine Baicker and Amy Finkelstein will assess the impact of health insurance on the utilization of health care services and on measurable health outcomes. They will evaluate experimentally the impact of an Oregon program to provide health insurance to low-income families by comparing health care utilization and health status among families who were given health insurance by lottery to those of families in a control group. The project will result in a report and a series of papers.

Regulation and Litigation \$163,450

Andrei Shleifer and Daniel Kessler will lead an effort to understand whether public objectives can be achieved more effectively through regulation or litigation. They will commission research from scholars who will be asked to assess what the appropriate mix of regulation and litigation should be in areas such as medical care, workplace safety, and public health. The project's findings will appear in a series of papers and an edited volume.

New Leaders for New Schools

New York, NY

Evaluation of New Leaders for New Schools \$150,000

Laura Hamilton and Susan Gates will examine whether the quality of school leadership can be improved through a program that recruits, trains, and enrolls individuals in a year-long apprenticeship to become principals. They will examine whether and how such principals can affect the learning environment in schools and the extent to which these changes correlate with higher levels of student achievement. The project's findings will appear in a report and a monograph.

New River Education Fund

Washington, DC

Think Tank with Ben Wattenberg

\$200,000

Ben Wattenberg will produce and moderate *Think Tank*, a weekly public affairs program airing on the Public Broadcasting System.

New York University

New York, NY

Implementing Work Programs for Poor Men

\$ 45,342

Lawrence Mead will examine whether policy approaches designed to promote work among low-income men can serve as an effective means of alleviating poverty. He will review existing literature on anti-poverty programs, analyze state-level data to assess the ability of state agencies to play a more active role in promoting work among men, and conduct field work with agency directors and front-line employees to understand the barriers facing public officials working to implement work-based programs for men. The project's findings will appear in a report.

Breaking the Logjam: An Environmental Law for the 21st Century

\$200,000

David Schoenbrod, Richard Stewart, and Katrina Wyman will lead an effort to develop actionable policy proposals to create a new generation of U.S. environmental laws. They will analyze findings from a series of commissioned papers, weigh the relative strengths and weaknesses of competing approaches to environmental regulation, and craft a series of reform proposals. The project will result in a report and a co-authored book.

Northwestern University

Evanston, IL

Can Youth Outcomes Be Improved by Integrating Schools and Neighborhoods by Economic Background?

\$110,355

Gregory Duncan will lead an effort to assess whether the social and economic integration of schools can improve longer-term life outcomes for disadvantaged young people. He will examine whether students from low-income families who attended schools that included students from a diverse set of social and economic backgrounds scored higher on achievement tests and were more successful in the labor market than students who attended schools that were predominantly composed of students from low-income backgrounds. The project's findings will appear in a series of reports and articles.

The Efficacy of Anti-Recessionary Fiscal Policy: A Study of the Economic Stimulus Payments of 2008 \$239,580

Jonathan Parker and Christian Broda will measure whether tax rebates can be used to provide short-term stimulus for the U.S. economy by inducing individuals to spend money and thereby add to aggregate demand. They will track the spending patterns of U.S. households after the U.S. Treasury sent out tax rebates in May 2008 in order to measure how households used those rebates and assess whether the rebates contributed to economic growth. The project's findings will appear in a series of papers.

The RAND Corporation

Santa Monica, CA

Shaping More Effective Performance-Based Accountability \$495,388

Brian Stecher will lead an effort to develop guidelines for using performance-based accountability programs to improve government effectiveness. He will commission research that will explore how accountability measures have been used in various policy areas and develop a set of principles for how best to use such measures. The project's findings will appear in a report and a series of policy briefs.

Resources for the Future

Washington, DC

Adapting to Climate Change: The Public Policy Response \$473,223

Raymond Kopp, Molly Macauley, and Richard Morgenstern will lead an effort to explore whether the most harmful effects of climate change can be addressed through adaptation strategies. They will assess how climate change might affect public health, agriculture, and public infrastructure and consider a number of public- and private-sector approaches to ameliorating its negative effects. The project's findings will appear in a book and a series of briefings.

Rocky Mountain Institute

Snowmass, CO

Oil Solutions Initiative \$ 50,000

Amory Lovins and Lionel Bony will lead an effort to develop a strategy to reduce America's dependence on oil. They will convene a conference and commission papers discussing strategies to reduce U.S. dependence on oil and identify legislative and regulatory actions needed to implement these strategies. The project's findings will appear in a report.

Thirteen/WNET New York

New York, NY

The Ascent of Money

\$200,000

Niall Ferguson and Stephen Segaller will produce a four-hour documentary film that will trace the development of modern financial instruments, explore the risks created by the globalization of financial markets, and discuss the role that governments have played in trying to manage those risks.

University of Arkansas

Fayetteville, AR

The Fiscal and Educational Impacts of Teacher Retirement Benefit Systems

\$150,000

Michael Podgursky and Robert Costrell will lead an effort to examine how retirement benefit systems for teachers are affecting the fiscal stability of state governments and how they shape efforts to improve the quality of the teacher work force. They will analyze teacher pension systems in three states in order to assess how benefit systems affect the entry and exit of teachers into the work force and commission papers to explore the larger issues associated with teacher benefit systems. The project's findings will appear in a series of reports, papers, and policy briefs.

University of California, Los Angeles

Los Angeles, CA

A Randomized Controlled Trial of the Second Chance Program for Ex-Inmates

\$102,694

David Farabee will direct an experimental evaluation of a prisoner reentry program in San Diego, California. The evaluation will test the effectiveness of an intervention that combines a job readiness program with a residential component. The project's findings will appear in a report and a series of articles.

University of Chicago

Chicago, IL

Economic Well-Being, Inequality, and the Middle Class

\$134,208

Bruce Meyer and James Sullivan will examine the evolution of living standards of American families over the past three decades in order to assess the social mobility of American families. They will examine both what families earn and what they consume in order to develop a more complete picture of the economic well being of American families. The project's findings will appear in a series of articles and policy briefs.

In Times of War: Presidential Power and Public Policymaking \$ 49,999
William Howell will research and write a book that will examine how war and international conflict affect the balance of power among the three branches of the U.S. government. He will examine whether during times of war U.S. presidents gain power over the legislative and judicial branches by seeing more of their budget priorities enacted and fewer of their actions overturned by the courts.

University of Maryland Foundation, Inc.

Baltimore, MD

Learning from Abroad: A Center for the International Exchange of Policy Information \$ 96,644

Douglas Besharov will develop a series of international information exchanges that will help members of the U.S. policy community learn from policy experiments, research, and analysis conducted in foreign countries. He will commission analyses of policy research conducted abroad and interpret those findings for members of the U.S. policy community on issues such as poverty measurement, immigration, job-training, and public pension reform. The project's findings will appear in a series of papers and reports.

University of Wisconsin-Madison

Madison, WI

The Impact of Need-Based Aid on College Graduation: A Randomized Trial of the Wisconsin Scholars Grant \$150,000

Sara Goldrick-Rab and Douglas Harris will evaluate the impact of student financial aid on college graduation among students from low-income families. They will direct an experimental evaluation of a privately funded student aid program that will award students from low-income families as much as \$3,500 to attend a public university in Wisconsin. The project's findings will appear in a series of reports and papers.

Urban Institute

Washington, DC

\$750 Billion Misspent? Getting More from Tax Incentives \$ 50,000

Eric Toder, Austin Nichols, and Lily Batchelder will research and write a book that will explore whether the U.S. tax system could be made more efficient by eliminating or redesigning tax incentives. They will review the evidence assessing how well tax incentives, such as those designed to increase homeownership, stimulate retirement saving, and encourage college matriculation, accomplish their objectives. They will also estimate the budgetary and distributional effects of these policies.

Vanderbilt University

Nashville, TN

Achievement Trade-Offs and No Child Left Behind \$ 98,688

Dale Ballou and Matthew Springer will examine whether the No Child Left Behind Act of 2002 (NCLB) leads to unintended consequences that could diminish student educational achievement. They will use school- and student-level data to examine whether schools have become more efficient since the passage of NCLB, allowing them to raise achievement among low-performing students while not neglecting high-achieving students. The project's findings will appear in a report and a series of papers.

Virginia Polytechnical Institute and State University

Alexandria, VA

A Public Administration Moment: Forging an Agenda for Financial Regulatory Reform \$ 6,985

Anne Khademian will commission papers and convene a conference that will explore the strengths and weaknesses of different approaches toward reforming the regulation of the financial services industry.

Yale University

New Haven, CT

The Edward Zigler Center in Child Development and Social Policy \$150,000

Edward Zigler will lead a research program that will address a wide range of issues concerning children and families, including Head Start, after-school programs for children, child care, and universal pre-kindergarten education. The project's findings will appear in a series of books and papers.

DOMESTIC PUBLIC POLICY FELLOWSHIP PROGRAM

Resources for the Future

Washington, DC

The Competitiveness Effects of U.S. Climate Change Policy \$ 60,000

Joseph Aldy will analyze how policies to curb the emissions of greenhouse gases could affect the competitiveness of U.S. industries. He will examine the level and type of energy used in different industries and then assess how increases in energy costs in the past affected the competitiveness of those industries. The project's findings will appear in a report.

University of Chicago

Chicago, IL

Assessing the Impacts on Students of Closing Persistently Failing Schools \$ 60,000

Diane Schanzenbach will examine how well students attending low-performing schools fare after their schools are closed. Using data from the Chicago Public Schools during a period in which many low-quality public schools were closed, she will compare student performance in the years before and after their schools were closed. The project's findings will appear in a series of articles.

University of Missouri, St. Louis

St. Louis, MO

Small Hydropower's Potential in the Fight Against Global Warming \$ 60,000

Lea-Rachel Kosnik will assess whether the United States could make better use of hydropower as a source of energy that does not emit greenhouse gases into the atmosphere. She will identify sites where hydropower facilities could be built, explore the regulatory barriers to utilizing those sites, and assess the costs and benefits of using small hydropower facilities to generate electricity. The project's findings will appear in a series of articles.

University of North Carolina at Chapel Hill

Chapel Hill, NC

Testing Long-Term Impact of Individual Development Accounts and Asset Building on Social and Economic Well-Being \$ 60,000

Michal Grunstein-Weiss will use data from an experimental evaluation to examine whether opening and maintaining an individual development account affects the economic and social well being of families. The project's findings will appear in a series of articles.

University of Southern California

Los Angeles, CA

Tolls: Past Experience, Present Policy, and Future Prospects

\$ 60,000

Louise Nelson Dyble will research and write a book on the history of toll roads in the United States. She will explore key decisions made by policy makers in the 1920s when they embraced private toll roads as a means to develop infrastructure and compare them to those of the 1950s when toll roads fell out of favor.

University of Washington

Seattle, WA

Why Are Men Falling Behind? Explanations for the Gender Gap in College Enrollment and BA Completion

\$ 60,000

Mark Long will analyze why men are falling behind women in terms of enrolling and graduating from college. Using student-level data sets that link performance in primary and secondary school to matriculation in and graduation from college, he will assess how academic performance, neighborhood environments, and college courses of study correlate with academic success. The project's findings will appear in a series of papers.

DIRECT SERVICE PROGRAM

2008 GRANTS (\$25,000 and above)

Alliance for Children & Families

Milwaukee, WI

Replicating the Workshop in Business Opportunities \$ 100,000

Bridgeport Hospital Foundation, Inc.

Bridgeport, CT

Neonatal Follow-Up Program for High-Risk Infants \$ 25,000

Community Foundation of Greater Greensboro

Greensboro, NC

Support of the Greensboro Bicentennial Fund \$ 25,000

Foundation Center

New York, NY

General support \$ 15,000

FSW, Inc. CT

Bridgeport, CT

Workshop in Business Opportunities and Community Small Business Individual Development Accounts \$ 100,000

North Carolina Coastal Federation, Inc.

Newport, NC

Turning the Tide: Citizens Campaign for the Coast \$ 100,000

North Carolina Coastal Land Trust

Wilmington, NC

Town Creek and Lower Cape Fear River Initiative: Orton Plantation \$ 25,000

Southwestern Connecticut Agency on Aging, Inc.

Bridgeport, CT

Senior Assistance Fund \$ 25,000

St. Vincent's Medical Center Foundation

Bridgeport, CT

Emergency Department Component of St. Vincent's Master Facility Plan \$ 25,000

Wakeman Boys & Girls Club

Southport, CT

Club's Outreach \$ 10,000

GRANTS \$21,805,303

GRANTS (Not Listed Individually) \$ 758,932

TOTAL GRANTS PAID 2008 \$22,564,235

MANAGEMENT'S FINANCIAL REPORT

During 2008, the Foundation's unrestricted net assets decreased by \$181,198,486. As of December 31, 2008, the Foundation had total assets of \$553,473,991.

The Foundation awarded grants totaling \$21,431,070 during 2008 and made cash payments on grants awarded during 2008 and unpaid grants from previous years of \$22,564,235.

The Foundation's consolidated financial statements have been audited by McGladrey & Pullen, LLP, independent certified public accountants. The consolidated financial statements, which follow on pages 47 through 54, have been derived from the Foundation's audited Consolidated Financial Report as of and for the year ended December 31, 2008, which included an unqualified opinion dated May 27, 2009.


Ross Hemphill
Vice President, CFO

Consolidated Statement of Financial Position

December 31, 2008

Assets

Cash and cash equivalents	\$ 6,214,273
Securities and investments, at fair value:	
Global equities:	
Domestic large cap equities	142,783,519
Domestic small/mid cap equities	23,606,023
International equities	102,366,782
Nonmarketable alternative equities	29,476,459
Global equities total	<u>298,232,783</u>
Diversifying equities:	
Long/short strategy equities	65,075,324
Absolute return strategy equities	48,798,946
Real estate equities	15,921,427
Natural resources equities	43,588,227
Diversifying equities total	<u>173,383,924</u>
Fixed income funds	<u>66,784,498</u>
Total investments	<u>538,401,205</u>
Property and equipment, net of accumulated depreciation	7,833,703
Interest and dividends receivable	195,526
Other assets	<u>829,284</u>
Total assets	<u>\$ 553,473,991</u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	\$ 4,414,762
Line of credit	4,100,808
Unpaid monetary grants-in-aid	10,289,289
Unpaid nonmonetary grants-in-aid for use and occupancy of real estate	6,847,466
Total liabilities	<u>25,652,325</u>
Commitments	
Noncontrolling interests in consolidated affiliates	155,315,986
Unrestricted net assets	<u>372,505,680</u>
Total liabilities and net assets	<u>\$ 553,473,991</u>

See Note to Consolidated Financial Statements.

Consolidated Condensed Schedules of Investments

December 31, 2008

	Percentage of Net Assets	Value
Common stocks	39.69%	
Domestic	39.55%	
Aerospace	0.59%	\$ 2,212,765
Automobiles	0.20%	739,537
Auto parts	0.01%	47,059
Banking and financial	2.94%	10,963,281
Biotech companies	0.87%	3,223,009
Broadcast media	0.86%	3,194,598
Business services	0.89%	3,330,044
Chemicals	1.43%	5,325,145
Commercial services	0.08%	289,341
Communications and technology	4.04%	15,035,487
Computer software and services	0.70%	2,597,291
Consumer goods	1.50%	5,593,751
Drugs	0.73%	2,702,107
Electrical equipment	0.23%	840,267
Electronics	0.50%	1,854,706
Energy	1.96%	7,307,257
Engineering and construction	0.61%	2,268,726
Entertainment	0.36%	1,353,458
Financial services	0.96%	3,584,324
Foods	0.61%	2,288,319
Hardware and tools	0.14%	533,078
Healthcare	2.73%	10,177,250
Hotel/Motel	0.14%	505,700
Household furnishings and appliances	0.09%	345,273
Industrials	0.34%	1,276,855
Insurance	1.55%	5,783,528
Machinery and materials	2.07%	7,710,483
Medical products and supplies	2.16%	8,056,280
Office equipment and supplies	0.52%	1,951,240
Oil and gas companies	1.57%	5,842,290
Railroads	0.77%	2,863,738
Real estate	0.28%	1,028,300
Restaurants	0.92%	3,416,890
Retail stores	2.36%	8,781,189
Services	0.12%	437,450
Shoes	0.49%	1,841,610

(Continued)

	Percentage of Net Assets	Value
Tobacco	0.51%	\$ 1,897,036
Toys	0.60%	2,230,641
Telecommunications	1.07%	3,987,588
Transportation and trucking	0.82%	3,059,554
Utilities	0.23%	<u>866,372</u>
Total domestic common stocks		<u>\$147,342,817</u>
Foreign	0.14%	
Mexico	0.14%	
Telecommunications	0.14%	<u>492,741</u>
Total foreign common stocks		<u>492,741</u>
Total common stocks		<u>147,835,558</u>
Mutual Funds	58.33%	
Domestic	40.95%	
PIMCO Total Return Fund	14.85%	55,295,434
Other	26.10%	<u>97,230,975</u>
Total domestic mutual funds		<u>152,526,409</u>
Foreign	17.38%	
Delaware Pooled Trusts Emerging Markets	7.53%	28,032,470
Other	9.86%	<u>36,710,518</u>
Total foreign mutual funds		<u>64,742,988</u>
Total mutual funds		<u>217,269,397</u>
Investments in Partnerships and Trusts	46.52%	
Domestic partnerships and trusts	30.83%	
Wellington Diversified Inflation Hedge Fund	6.44%	23,987,486
Other	24.39%	<u>90,871,079</u>
Total domestic partnerships and trusts		<u>114,858,565</u>

(Continued)

	Percentage of Net Assets	Value
Foreign partnerships and trusts	15.69%	
Capital Guardian International Equity Fund	11.55%	\$ 43,015,219
Other	4.14%	<u>15,422,466</u>
Total foreign partnerships and trusts		<u>58,437,685</u>
 Total investments in partnerships and trusts		 <u>173,296,250</u>
Total investments		<u><u>\$538,401,205</u></u>

See Note to Consolidated Financial Statements.

Consolidated Statements of Activities

Year Ended December 31, 2008

Revenues:	
Dividends	\$ 8,395,912
Interest	186,382
Donated use and occupancy of real estate	1,318,940
Grants-in-aid canceled	424,906
Other	4
	<u>10,326,144</u>
Expenses:	
Monetary grants-in-aid	21,431,070
Nonmonetary grants-in aid for use and occupancy of real estate	852,564
Investment advisory fees	3,468,493
Custodian fees	81,277
Interest	6,022
Management and general	6,625,707
	<u>32,465,133</u>
Federal excise taxes (credits):	
Current	117,500
Deferred	(2,375,113)
	<u>(2,257,613)</u>
Decrease in unrestricted net assets before net decrease on investments and noncontrolling interest	<u>(19,881,376)</u>
Net realized gains on investments	937,607
Net decrease in unrealized appreciation on investments	(239,531,034)
	<u>(238,593,427)</u>
Noncontrolling interest in net loss of consolidated affiliates	77,276,317
Decrease in unrestricted net assets	<u>(181,198,486)</u>
Unrestricted net assets:	
Beginning	553,704,166
Ending	<u>\$ 372,505,680</u>

See Note to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Year Ended December 31, 2008

Cash Flows From Operating Activities

Decrease in unrestricted net assets	(\$181,198,486)
Adjustments to reconcile decrease in unrestricted net assets to net cash used in operating activities:	
Revenue recognized for donated use and occupancy of real estate	(1,318,940)
Grants-in-aid recognized for use and occupancy of real estate	852,564
Depreciation	412,928
Loss on disposal of property and equipment	34
Purchase of securities and investments	(250,488,581)
Proceeds from disposition of securities and investments	250,849,106
Contributions to partnerships	(40,282,508)
Distributions from partnerships	55,937,474
Net decrease in unrealized appreciation on investments	239,531,034
Net realized gains on investments	(937,607)
Noncontrolling interest in net loss of consolidated affiliates	(77,276,317)
Noncash increase in cost of investments	(39,532)
Deferred federal excise taxes	(2,375,113)
Changes in assets and liabilities:	
Decrease in:	
Interest and dividends receivable	63,694
Other assets	775,811
Increase (decrease) in:	
Accounts payable and accrued expenses	(371,154)
Deferred compensation and postretirement liabilities	490,213
Unpaid grants-in-aid	<u>283,647</u>
Net cash used in operating activities	<u>(5,091,733)</u>

(Continued)

Cash Flows From Investing Activities

Proceeds from sales and maturities of securities and investments	\$ 206,041
Purchase of securities and investments	(499,599)
Purchase of property and equipment	<u>(21,211)</u>
Net cash used in investing activities	<u>(314,769)</u>

Cash Flows From Financing Activities

Noncontrolling members' contributions to Moorings Capital LLC	18,309,052
Withdrawals of noncontrolling members of Moorings Capital LLC	(5,070,000)
Distributions to noncontrolling members of Moorings Capital LLC	(23,052,214)
Net borrowings on line of credit	<u>(3,099,192)</u>
Net cash used in financing activities	<u>(12,912,354)</u>
Net decrease in cash and cash equivalents	(18,318,856)

Cash and cash equivalents:

Beginning	<u>24,533,129</u>
Ending	<u>\$ 6,214,273</u>

Supplemental Disclosures of Cash Flow Information

Cash payments for:	
Grants-in-aid	<u>\$ 20,722,517</u>
Federal excise taxes	<u>\$ 192,500</u>

See Note to Consolidated Financial Statements.

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

Distribution of Income

The minimum amount required to be distributed by the foundation during the year ending December 31, 2009, computed in accordance with the minimum distribution requirements of the Internal Revenue Code, is approximately \$22,000,000.

The Foundation expects to make distributions in 2009 in amounts authorized and approved by the Trustees.

PROCEDURES

Initial grant inquiries to the Foundation should be made in the form of a concept paper. Such papers should not exceed five pages. The paper should include a description of the issue that the project will address; an explanation of how the project is relevant to public policy; and an assessment of how the project would add to the existing knowledge base. The paper should also include a discussion of the credentials of the project's principal investigator; an outline of the research strategy; and a description of the products that the project will produce. An estimate of the project's costs should be included. A template for concept papers is available on the Foundation's web site.

If the staff determines that a proposed project merits further consideration under the Foundation's guidelines, an applicant will be asked to submit a full proposal that conforms to a proposal template that is available on the Foundation's web site. Decisions on requests for grants greater than \$50,000 and for multi-year grant support are made at one of the three board meetings that the Foundation holds each year. Proposals for grants of \$50,000 or less are reviewed on an ongoing basis and are handled as promptly as possible.

Although the mission of the Foundation is to support public policy research, it makes a handful of grants to direct service organizations in North Carolina and Connecticut. Direct service organizations located outside of these two states, as well as national direct service charities, will not be considered for support. It is a regrettable but inescapable fact that the vast majority of unsolicited requests for funding must be rejected. The Foundation does not provide support for the following:

- Deficit funding of previously established operations
- Building or construction projects
- Arts and humanities projects
- Historic restoration projects
- Research projects in the physical sciences
- Evaluations of direct service organizations conducted internally
- Educational or other support to individuals

All grant proposals should be addressed to:

Smith Richardson Foundation
60 Jesup Road
Westport, CT 06880
(203) 222-6222
www.srf.org

TRUSTEES

Peter L. Richardson
Chairman of the Board

W. Winburne King III	Lunsford Richardson Jr.
Dr. Arvid R. Nelson	Stuart S. Richardson
Adele Richardson Ray	E. William Stetson III

GOVERNORS

Honorable Zbigniew Brzezinski	Adele Richardson Ray
Christopher DeMuth	Lunsford Richardson Jr.
Dr. Martin Feldstein	Peter L. Richardson
Stephen Goldsmith	Dr. Lawrence W. Sherman
Dr. Fred C. Iklé	E. William Stetson III
General Edward C. Meyer (Ret.)	R. James Woolsey
Dr. Arvid R. Nelson	Dr. Edward F. Zigler

OFFICERS

Chairman of the Board, President	Peter L. Richardson
Senior Vice President, Director of Programs	Dr. Marin Strmecki
General Counsel	W. Winburne King III
Vice President, CFO	Ross F. Hemphill
Secretary	Dr. Arvid R. Nelson
Assistant Secretary	Karla W. Frank

Trustees, Governors and Officers are reported as of July 1, 2009

STAFF

Dr. Marin Strmecki
*Senior Vice President,
Director of Programs*

Dr. Nadia Schadlow
*Senior Program Officer
International Security and Foreign Policy*

Mark Steinmeyer
*Senior Program Officer
Domestic Public Policy*

Allan Song
*Senior Program Officer
International Security and Foreign Policy*

Scott Boston
*Program Associate
International Security and Foreign Policy*

Lori Rainville
*Executive Assistant
International Security and Foreign Policy*

Fran Boulds
*Administrative Associate
Domestic Public Policy
Systems Coordinator*

Paula Landesberg
*Administrative Associate
International Security and Foreign Policy*

Jennifer Hollings
Administrative Assistant

Olga Ramous
Grants Coordinator

Dale Stewart
Records Coordinator

Donna Walsh
Executive Assistant and Administrative Services Manager

Staff members are reported as of July 1, 2009

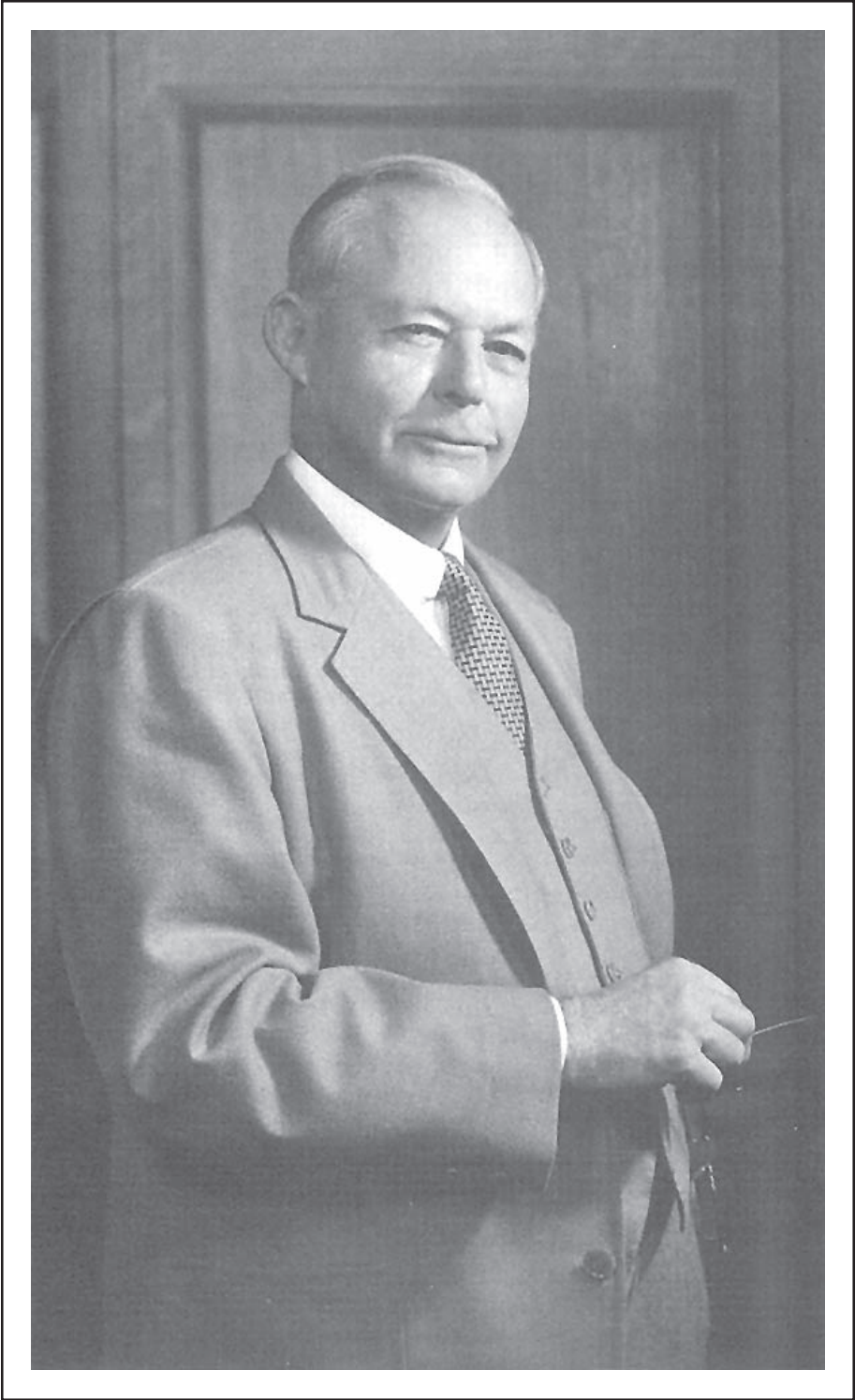
OFFICES

Program Office

(Mailing Address For All Grant Proposals)
Smith Richardson Foundation, Inc.
60 Jesup Road
Westport, CT 06880
(203) 222-6222
www.srf.org

Administrative Office

Smith Richardson Foundation, Inc.
701 Green Valley Road, Suite 300
P.O. Box 29467
Greensboro, NC 27429
(336) 379-8600



HISTORY

The Smith Richardson Foundation was established in 1935 by H. Smith Richardson and his wife Grace Jones Richardson. Mr. Richardson was a remarkable man with a business career successful beyond what anyone could have predicted from the simple beginnings of his firm in a North Carolina town. This firm, the Vick Chemical Company, which had been founded by his father, Lunsford Richardson, grew under his leadership to become one of the leading over-the-counter drug companies in the world. Richardson-Vicks, Inc., as it became known, was sold in 1985 to Procter & Gamble, Inc.

Mr. Richardson lived by principles that are often termed old-fashioned, and he gave generously of this wealth. Few people have combined Mr. Richardson's respect for traditional values with his willingness to innovate. He believed in giving bright young people responsibility commensurate with their abilities. Throughout his life, he maintained a direct interest in people and in the institutions conceived to improve the lives of others.

In setting forth his reasons for creating the Foundation in 1935, Mr. Richardson wrote:

From the beginning, America, the new world . . . has offered to humble families, native born or immigrant, the Opportunity to gain a fortune . . . if they were diligent and lucky. With this fortune went the Right to remain secure in its possession and enjoyment for themselves and their heirs after them . . .

Unquestionably, for two hundred years this Opportunity has played a large part in the building of the nation.

Mr. Richardson pointed out the incentive that this "Right" and "Opportunity" had given to those who pushed the American frontier westward, as well as the impetus to "invention, discovery, trade and manufacture and all the varied development of our natural resources." It was characteristic of him to capitalize the words "Opportunity" and "Right": these were key words in his personal creed. He believed that "Opportunity" was something to be seized with zeal and pursued with the utmost diligence. His belief in a personal bill of rights was equally strong: a person rightfully owned what his industry brought him, and the free enterprise system permitted the maximum scope for that industry. It was these beliefs that enabled him to transform his father's small mortar-and-pestle drug manufacturing business into an industrial concern of international stature.

By 1935, a strong social consciousness had begun to flourish in this soil of stout individualism. To this end Mr. Richardson wrote of the responsibilities required of a mature and reflective citizenship:

I believe the need for the time and thought of able men is that they be applied to the increasingly weighty problems of government and the serious social questions which now confront us and will continue to press for solution in the future . . . the greater the material wealth of the citizen the greater are his obligations to the State and Nation . . . the obligations to give his time and thought to these public and social problems.

The Foundation continues to support programs that are consistent with the vision of its Founder.

