

PEW
PROSPECTUS
2011

“AMERICA
IS SEARCHING
for a better life,
NOT AN
EASIER LIFE”

The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life. We partner with a diverse range of donors, public and private organizations and concerned citizens who share our commitment to fact-based solutions and goal-driven investments to improve society.

An independent nonprofit, Pew is the sole beneficiary of seven individual charitable funds established between 1948 and 1979 by two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew.

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MESSAGE FROM THE PRESIDENT



In the midst of the war years one of our founders, Joseph N. Pew Jr., gave a speech on free enterprise that explored the history of our hard-won freedoms in the United States. In his remarks, he made a succinct and profound observation: “America is searching for a better life, not an easier life.”

In these challenging times, it could be easy to lose hope. This nation and many others throughout the world are still struggling with historic economic woes. Most of us can relate personal stories of our own or know of someone who has suffered a setback. Our workforce is contending with too few opportunities and our businesses need the resources to bring about a new entrepreneurial spirit. There are increasing demands for government services and declining revenues to pay for them, and there is no strong consensus among policy makers about how to address our economic problems.

Yet in this difficult period, there are lessons in history for us all. In the first half of the 20th century the issues were strikingly familiar: Our nation was still suffering after the depths of the Great Depression. America was undecided about how to respond to the threats of World War II with many people preferring isolationism over engagement. Workers faced high unemployment and, as the nation entered the war, there was an urgent need to create new industries to support our nation's defense, requiring inspired thinking and imaginative innovations.

In the midst of the war years, one of our founders, Joseph N. Pew Jr., gave a speech on free enterprise that explored the history of our hard-won freedoms in the United States. In his remarks, he made a succinct and profound observation: "America is searching for a better life, not an easier life." Indeed, our country's past is filled with examples of his thoughtful aphorism: government leaders

developing partnerships to work through differences and advance the common good, families and individuals learning the value of hard work and living within their means. The continued search for a better life, not an easier one, is the best evidence we have of our resilience in times of hardship.

Since its creation in 1948 by the two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew, The Pew Charitable Trusts has remained dedicated to the spirit of entrepreneurship and optimism that characterized their lives. Through astute and conscientious work, the family created an enterprise that helped the nation, respected workers and promoted technological innovation. The Pews stewarded their resources wisely, with a vision to serve the public interest. From its earliest days, Pew also had international ideals, from providing financial assistance to Chinese intellectuals seeking freedom of speech to aiding organizations helping refugees from Eastern Europe find new homes after World War II. This vision recognized that the most important issues facing society are not limited by the boundaries on maps.

Indeed, Americans are not alone in the search for a better life. Throughout the world, people share in this desire. For more than two decades, Pew has worked globally to support pragmatic, science-based policies that protect oceans and wild lands and to address energy issues in order to ensure a strong and healthy environment now and for

generations to come. An example of this commitment was Pew's strong advocacy for the United Kingdom's creation of the Chagos Marine Reserve in the Indian Ocean last year. The 55 islands and their surrounding waters cover 210,000 square miles, more than 60 times the size of Yellowstone National Park, making it the largest no-take marine reserve in the world. Despite some opposition, the United Kingdom's government took the harder, not the easier, course to protect this delicate ecosystem.

Equally difficult is cooperation when differences are deep and long-standing. To find common ground among conflicting concerns, Pew seeks to encourage respectful discourse and a search for new solutions, always with the goal of achieving the greatest good as determined by research and rigorous data. Last summer, we facilitated an agreement between nine leading conservation organizations and 21 logging companies to protect 178 million acres of Canada's boreal forest. The region is a treasure for us all: It is the world's greatest avian nursery, producing three to five billion new birds each spring, and is home to caribou and dozens of other mammal species.

It is crucial to the ecological health of the planet, inhaling carbon and exhaling oxygen in such quantities that scientists believe it is the largest vault of carbon on land. Balancing apprehension about lumber industry jobs with the need to protect the environment for the future, environmentalists and loggers overcame their long-



As Joseph N. Pew Jr. once said, “The judgment of the American people can always be trusted when they know the plain unvarnished truth.”

held disagreements to create the world’s largest forest-conservation agreement.

We also work across the nation in the 50 state capitals and in Washington, DC, through the efforts of the Pew Center on the States. The difficult decisions that lead to a better life are frequently fiscal ones. Unfortunately, for decades many states have been spending beyond their means. This year, dozens of newly elected governors and legislators face enormous budget problems as costs continue to rise, often in such areas as public employee retirement benefits and corrections, where expenditures can be better controlled through disciplined investments. Our staff are analyzing the data that can help officials make sound decisions to put their states on the course to both short-term and long-range financial stability. The decisions that are required are frequently painful and politically unpopular, and the center’s research helps policy makers explain to the public how and why states find themselves in this unsustainable fiscal situation.

As Joseph N. Pew Jr. once said, “The judgment of the American people can always be trusted when they know the plain unvarnished truth.”

Working with an alliance of consumer groups, industry organizations and food-borne illness victims and their families, Pew spent two years urging Congress to see the “plain truth” about the shortcomings in the U.S. food safety system. Lawmakers listened and last year passed the most significant overhaul of laws to protect the nation’s food production

since the Great Depression. The success of this initiative shows the strength of employing sound scientific research, creating broad coalitions and emphasizing nonpartisan agreement to effectively achieve notable and lasting results. Indeed, those strategies were employed effectively on food safety as policy makers reached across partisan divides to find agreement on a new law that will benefit the public for generations—providing an example of what is possible for this nation when we face our challenges as problems that we can solve together.

Even closer to home, Pew has long been committed to helping the neediest and most vulnerable members of our Philadelphia community. The Pew Fund for Health and Human Services, which celebrates its 20th anniversary this year, helps organizations serving the homeless with shelter and assistance with mental and physical disabilities. It supports organizations working with disadvantaged youngsters that provide education and literacy programs. Additionally, it funds efforts to offer seniors on limited incomes the help they need to manage their own affairs in order to remain independent.

When Mr. Pew made his observation about America’s quest for a better, not easier, life, he was basing it on his own sharp instincts, intimate knowledge of history and deep love of his country. Today, he could rely on the rigorous data of the Pew Research Center. The Washington-based “fact tank” conducts survey research in the United States and

around the world to inform the public on topics ranging from political attitudes to religious beliefs, from Internet developments to demographic trends. That data show Mr. Pew was right about Americans' desire for a better life.

We value successful careers and a sense of accomplishment, marriage and service to others over material gains. In essence, these values are the core of the American character and serve as a source of optimism as we face the future—as they have throughout our history.

As we look back on the years after World War II, we see that America entered a period of tremendous growth. We had survived adversity to thrive in peace. The world became smaller as innovations in technology developed aircraft that could circumnavigate the globe.

A new willingness for debate and conciliation, rather than fighting and unrest, brought leaders together to form the United Nations. To rebuild devastated Europe, the United States and its allies worked together to implement the Marshall Plan. The GI Bill created a better-educated workforce. The Greatest Generation came home from war, went to work and launched the baby boom. They created businesses and jobs. They built homes and established new communities.

Those postwar years illustrated America's inherent resiliency. That steadfast belief in core values of hope and optimism continues today. The newest generation of 18- to 29-year-olds is called the millennials

because it is the first cohort to come of age in this new century. Last year, the Pew Research Center studied in depth the attitudes, beliefs, attributes and desires of this group and found that while the members of this generation face a tough job market, they remain upbeat and positive about their prospects. These young people place greater emphasis on being good parents and helping others than they do on accumulating personal wealth. This bodes well for the future because these attributes show that the millennials, who will have a profound impact on our nation in the years to come, seek not an easier life but a better one.

At Pew, we are committed to advancing the search for a better life, and we welcome partners and collaborations to maximize our impact and results. We continue to see our role as helping policy makers address the challenges we face with a clear-eyed belief in unbiased research and analysis. In an era of divisiveness, we will emphasize what unites us. In a period of unease, we hope to inspire confidence that solutions can be found to our most challenging problems now and in the future. We remain certain that citizens, entrusted with the power of knowledge, can overcome any obstacle to find a better life for themselves, their families and their nation.

Rebecca W. Rimel

President
Chief Executive Officer





Improving **PUBLIC POLICY**

Pew is a knowledge-based advocate for policy solutions in the areas of the environment, state and federal policy issues and the health and financial security of the American people. From a base of rigorous, nonpartisan research, study and analysis, we support focused, well-considered initiatives when the case for change is compelling and the facts are clear. The goal is to educate decision makers and help them implement policies that will best serve the public good.

The Pew Health Group led a coalition of partners that successfully advocated for a law representing the most significant changes to food safety oversight since the 1930s, which was passed by Congress and signed by President Obama in January.

PEW HEALTH GROUP

As Congress debates funding to implement new food safety regulations, Pew developed a state-by-state look at the annual economic impact of food-borne illnesses.

In 2006, a 2-year-old Idaho boy named Kyle Allgood ate spinach tainted with *E. coli* bacteria. From this simple, everyday act, he quickly became sick and died. In fact, according to the U.S. Centers for Disease Control and Prevention, about 48 million Americans each year contract a food-borne illness that may lead to lifelong medical disabilities and, in about 3,000 cases like Kyle's, death.

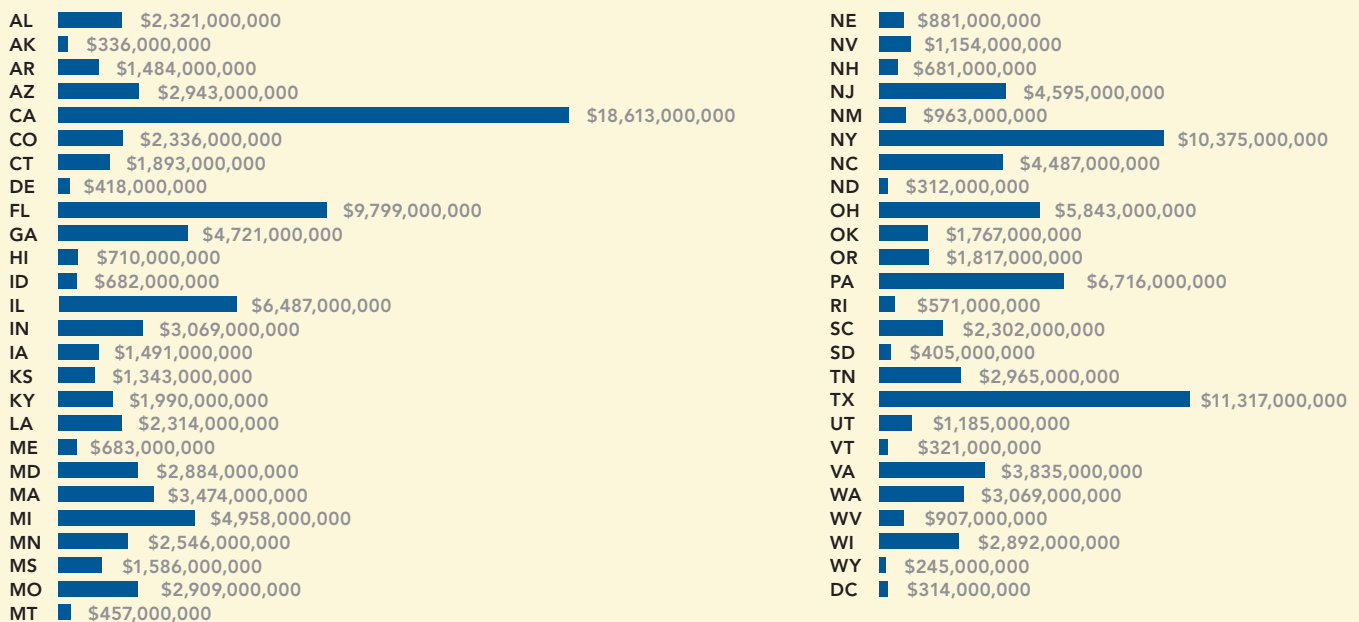
But that should soon change. In January, President Obama signed into law the first overhaul of U.S. food safety regulations since the Great Depression. With partners that ranged from families of victims, including Kyle's, to such industry groups as the Grocery Manufacturers of America, the Pew Health Group led a coalition that advocated for the FDA Food Safety Modernization Act.

Now, for the first time, the U.S. Food and Drug Administration, which is

responsible for safeguarding about 80 percent of the country's food supply, has the authority to recall tainted food. The law also calls for far more frequent and stringent inspections of food processing plants both in the United States and abroad. These and other provisions should help health officials trace a source of contamination fast enough to prevent people like Kyle from getting sick or dying.

Yet even with these brighter prospects for safer food, what our children eat

Food-borne illnesses cost the nation \$152 billion each year.



remains a concern. Every day, millions of kids are served high-calorie, low-nutrition meals at school, which is a significant factor in the childhood obesity epidemic facing this nation. In partnership with the Robert Wood Johnson Foundation, the Pew Health Group is launching an initiative to tackle outdated federal school-meal standards and underfunded, poorly equipped cafeterias.

This collaboration, the Kids' Safe and Healthful Foods Campaign, is urging the U.S. Department of Agriculture to upgrade its school-food standards in accordance with the Institute of Medicine's current recommendations and federal dietary guidelines. To ensure more healthy diets, these recommendations include maintaining specific minimum and maximum calorie levels; increasing the amount and variety of fruits, vegetables and whole grains; and reducing saturated fat and sodium. Food safety also remains an issue in schools. According to data from the U.S. Centers for Disease Control and Prevention, between 1998 and 2007 there were at least 23,000 cases of students becoming sick from school meals. The campaign is advocating for better testing of school food, quicker responses to contamination outbreaks and better enforcement of food safety standards.

Another hidden health risk from our foods is the rising resistance to the healing effects of antibiotics. The eroding efficacy of these life-saving drugs has been caused by their overuse and misuse in humans and food animals. As a result, more and more bacteria are outsmarting antibiotics, thereby making it harder

for doctors to treat pneumonia, tuberculosis, staph and other dangerous infections. This trend creates the potential for a post-antibiotic world in which infections may spread unfettered.

We are committed to saving antibiotics so that they can continue to save lives. The Pew Campaign on Human Health and Industrial Farming, a joint program of Pew's Health and Environment groups, is addressing the connection between antibiotic resistance and industrial farming. Over the past five decades, the method of producing food animals has grown into a system of vast, intensive operations in which livestock are tightly confined in structures that resemble factories more than traditional barns. Antibiotics have become the foundation for this system in that they are used not only to treat sickness, but also to spur animal growth and compensate for the overcrowded and unsanitary conditions inherent in these practices. Indeed, as much as 70 percent of all antibiotics sold in the United States are administered to healthy swine, poultry and cattle. The Campaign on Human Health and Industrial Farming is urging Congress and the U.S. Food and Drug Administration to slow the spread of antibiotic resistance by curbing the injudicious use of these life-saving medicines on industrial farms.

Reducing the medically unnecessary use of antibiotics is only part of the solution. The Pew Health Group recognizes the need for a robust pipeline of new drugs to replace those that have become obsolete. Because fewer pharmaceutical

companies are creating antibiotics, Pew's Antibiotics and Innovation Project is advocating for policies to encourage the development of new drugs. At a time when an increasing number of infections are resistant to existing medications, advances in antibiotics are crucial to preserve this diminishing global resource

A significant part of the Pew Health Group's broader effort to promote high-quality, rigorous science is the Pew Scholars Program in Biomedical Sciences, which celebrated its 25th anniversary this year. Since its inception, the program has assisted more than 500 scientists early in their careers, encouraging innovation and creative research. With three Nobel laureates among them, the community of Pew scholars has produced a compelling portfolio of discoveries and contributions to the biomedical field, demonstrating our commitment to support groundbreaking research in the hope of improving human health.

Sixty years ago, Joseph N. Pew Jr. recognized that an essential element of the American character is to embrace the challenging work of creating a better life. The Pew Health Group continues to follow his lead, relying on science to guide our endeavors in eliminating the unnecessary health risks that people all too often experience in their everyday lives.

Shelley A. Hearne

Managing Director
Pew Health Group

PEW ENVIRONMENT GROUP

Over the years, the Pew Environment Group has frequently chosen to pursue goals that stretch our capacity as an organization. The protections we seek for the world's oceans, forests and climate are difficult to achieve both because of their scope and the pressures generated by short-term interests. But as one of our founders, Joseph N. Pew Jr. observed, we search "for a better life, not an easier life."

Indeed, the science that guides our advocacy demonstrates that the most demanding endeavors often carry the most significant long-term value to nature and society, providing benefits now and to future generations that will inherit the earth. However, these advances do not come easily, and we must be prepared to surmount

challenges in the present to help safeguard the future.

We face one set of hurdles simply in size and distance. To make a real impact on land and sea, we must help preserve what remains of the world's large, relatively intact ecosystems before they are fragmented and destroyed. One example of such a place is the Chagos Archipelago, a chain of 55 islands that shelter approximately half of the Indian Ocean's healthy coral reefs, along with countless imperiled fish, sea turtles, marine mammals and seabirds. Dozens of endangered species call this area home.

Fortunately, this past year, our Global Ocean Legacy program was successful in encouraging the United Kingdom to establish the Chagos Archipelago Marine Park. At 209,000 square miles, it covers an area more than twice the size of Britain itself, and will now be permanently protected from fishing and other extractive activities. Following similar successes in the northwestern Hawaiian Islands and the Northern Marianas, we are now engaged in efforts throughout the world to

The Chagos anemonefish is found only in the Chagos Archipelago.



establish the first generation of the world's great ocean parks.

Another challenge presents itself in terms of competing interests. We cannot escape the reality that we live in a pluralistic society, and if conservation is to be successful it must be pursued in ways that take into account a wide variety of concerns, including those of indigenous peoples, the economy and a range of stakeholders, from small, local participants to large multinational companies.

One example of our success in merging such interests was demonstrated recently in Canada, where our long-running efforts to protect the vast boreal forest achieved a milestone with the signing of the Canadian Boreal Forest Agreement. This unprecedented achievement establishes a voluntary accord between 21 of Canada's largest timber companies and nine conservation groups, including—and led by—Pew, to improve forest practices across a region that spans 170 million acres. The pact places a three-year moratorium on logging over 75 million acres, while the participants work on a permanent plan to protect endangered caribou habitat and arrive at mutually acceptable standards for logging.

And finally, we encounter the obstacle of time. We know full well, for instance, that the challenge of helping America and the world transition to a clean energy economy will take decades. Yet it is one that we, as a society, must pursue if we are to fulfill our responsibility to those who will succeed us. Indeed,

the potential consequences to the global environment and to our own economic and national security interests of not making changes in the way we produce and consume energy are so profound that we cannot walk away from this issue, nor can we afford to fail.

In light of the recent inability of Congress to tackle this problem in a meaningful way, our challenge going forward will be to encourage the enactment and implementation of policies aimed at spurring the growth of the clean-energy sector in ways that create jobs, rejuvenate state and regional economies, increase American competitiveness in the world, reduce our dependence on foreign oil, enhance our national security and protect the environment. To carry out this effort, we will continue to work with a diverse set of stakeholders, including research and scientific institutions, conservation organizations, businesses and the U.S. military, which has long recognized the twin perils of climate change and America's continued dependence on foreign oil. Our aim is to create solutions that benefit Americans in all walks of life.

The urgent nature of the environmental problems besetting the world, the peril of potential failure and the tangible opportunities to reverse the present course are what drive our efforts. These remain constant in the Pew Environment Group, with over 30 campaigns underway and a growing presence on four continents. Our job is to capture the opportunities where they exist and find creative ways to surmount

the obstacles when possible, while continuing the relentless pursuit of meaningful results on the ground, in the air and on the water.

Joshua S. Reichert

Managing Director
Pew Environment Group

PEW CENTER ON THE STATES

The year began with 28 newly elected governors and hundreds of first-time state and federal legislators preparing to take office. The problems they face, however, are anything but new.

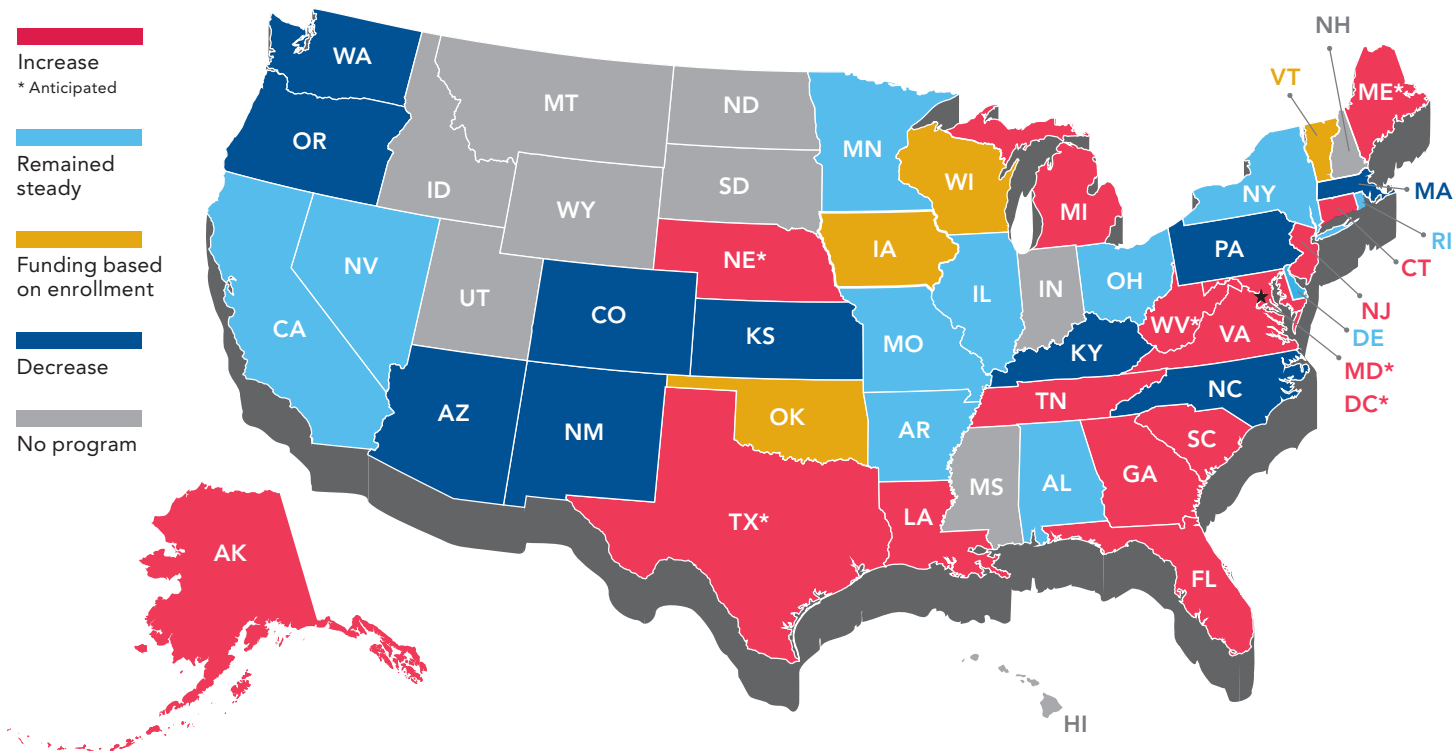
Through the efforts of the Pew Center on the State's Pre-K Now Campaign, more than half the states and the District of Columbia have increased or held steady funding on pre-k education.

With 14 million Americans still out of work, national economic growth will be too meager to generate widespread relief anytime soon. States will confront a combined budget shortfall of at least \$82 billion for fiscal year 2012, following four years of budget gaps totaling \$415 billion. Closing those holes will be especially challenging. Revenue collections have begun to tick upward in some states, but nationwide they are not expected to return to pre-recession levels until at least 2014. States have already made significant

cuts, the largest decline in spending in the past three decades. Federal stimulus funding provided some relief, but those funds are ending and are unlikely to be renewed.

Policy makers understand that choices once deemed politically unthinkable have become fiscally unavoidable. They now face the crucial task of reconciling daunting fiscal realities with the sometimes conflicting demands of their constituents, many of whom have little trust in government.

State pre-k funding for fiscal year 2011



Americans, for example, overwhelmingly prefer that budgets be balanced with spending cuts, rather than tax increases or borrowing, according to polls conducted last year in five fiscally stressed states by Pew and the Public Policy Institute of California. Yet most respondents also were concerned about the effects of these cuts. They want to preserve funding for K-12 education and health and human services, to the point that they express a willingness to pay higher taxes to do so. In reality, the size of many budget shortfalls makes fully protecting these areas—the biggest recipients of state dollars—extremely difficult.

As the nation braced for similarly hard choices in the 1940s, Joseph N. Pew Jr. noted that “America is searching for a better life, not an easier life.” Painless solutions to our challenges were not found then and are not at hand today. To regain our economic footing, state and federal leaders must get beyond the one-time budget fixes of recent years and make tough, data-driven decisions about taxes, spending and borrowing.

The Pew Center on the States is a source of facts and tools to help state and federal officials assess policy options and their effects on the governments’ ledger books. Our analysis and advocacy—carried out by more than 150 researchers, journalists and campaign strategists—focus attention on proven policies in a time of limited resources. These solutions help government work more efficiently and effectively, achieve long-term fiscal health through budget discipline and make smart

investments in programs that provide the strongest returns.

The progress we made in 2010 underscores how Pew’s independence and nonpartisan outlook allow us to find and advance bipartisan solutions, even in the midst of a heated election season.

With its report *The Trillion Dollar Gap*, Pew called attention to the mounting costs of states’ public-employee retirement obligations, which increasingly crowd out other important spending priorities. The 50-state analysis detailed the huge gulf between the \$3.35 trillion in benefits states have promised their workers and the \$2.35 trillion set aside to pay these bills. Over a dozen states made substantial changes to rein in retirement plan costs in the wake of these findings.

In *The Cost of Delay*, Pew documented how states’ failure to enact effective dental policies means 17 million low-income children go without dental care each year, creating health, education and employment problems with large price tags. Six states adopted a key policy recommendation in the report, revising their Medicaid rules to expand access to preventive dental treatments for young patients.

Pew’s Pre-K Now campaign collaborated with lawmakers and advocates to advance high-quality, voluntary prekindergarten, helping secure a slight increase in overall funding for the sixth straight year. Even in these austere times, total pre-k investments for all states came in at \$5.4 billion.

In Congress, Pew helped forge the consensus on financial reform that delivered a sweeping bill to President Obama’s desk. Our work shaped the legislation by arguing that any real reform had to create an early warning system to detect signs of trouble; end the notion that some financial institutions are too big to fail and stop bailouts that put taxpayers at risk; increase transparency in markets; and protect consumers from harmful business practices.

These accomplishments show that policy makers can find opportunities in the current fiscal crisis to make the long-term decisions necessary to improve the federal budget process. Last November, the Peterson-Pew Commission on Budget Reform gave federal officials recommendations that would help stabilize the federal debt. The commission’s bipartisan plan proposes creating debt targets, establishing automatic triggers for deficit reduction and increasing transparency of budgetary information and procedures.

Solving national and state deficit and debt problems is going to require tough budgetary choices. But by bringing sound research, in-depth reporting and strong advocacy to the task, the Pew Center on the States illuminates the choices and helps our nation’s leaders chart a course that allows the country to thrive and prosper.

Susan K. Urahn

Managing Director
Pew Center on the States

WHAT DO PEOPLE VALUE IN THEIR LIVES?

52%

DOING
VOLUNTEER
WORK AND
DONATING
TO CHARITY

61%

HAVING
CHILDREN

52%

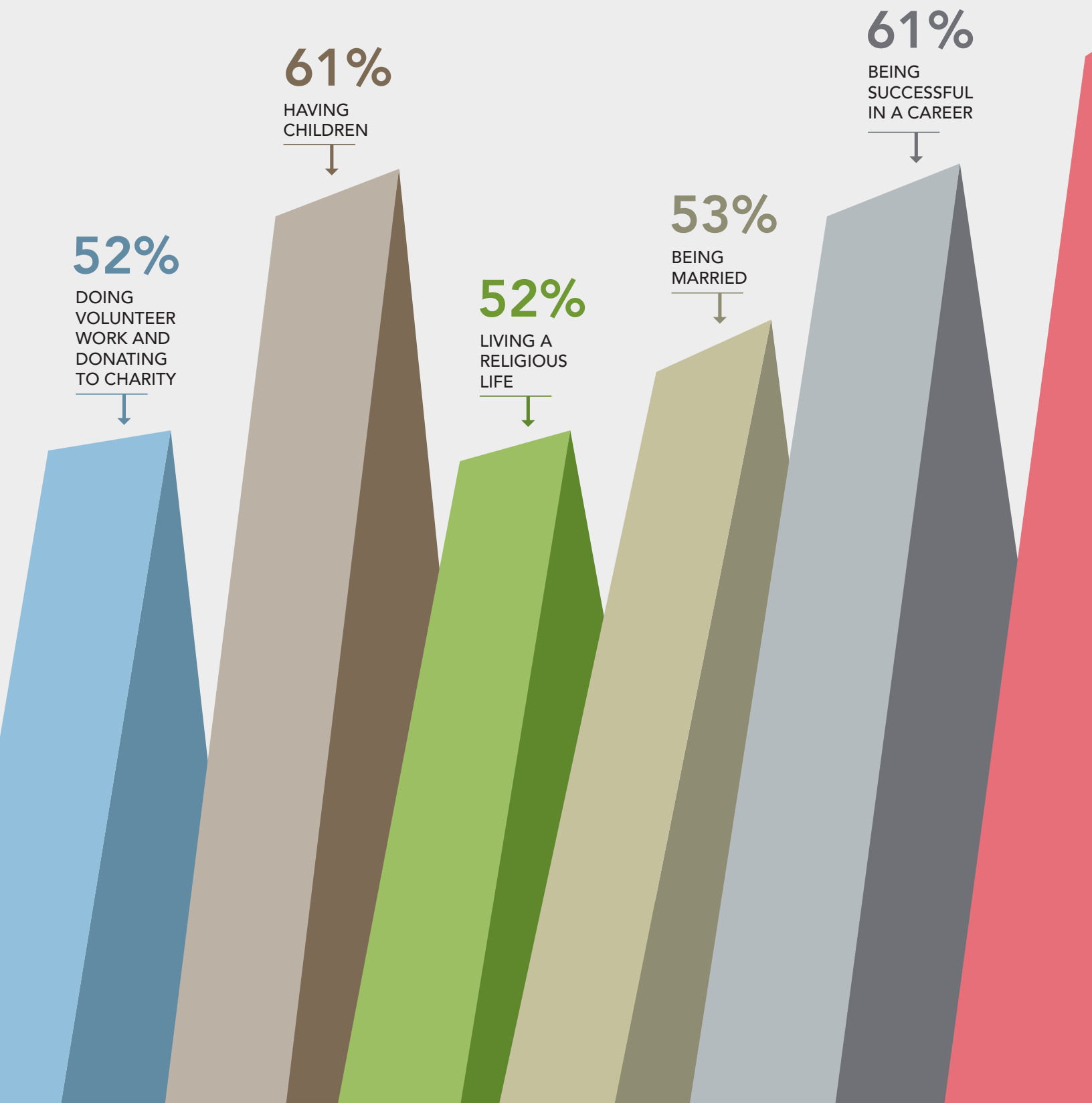
LIVING A
RELIGIOUS
LIFE

53%

BEING
MARRIED

61%

BEING
SUCCESSFUL
IN A CAREER





67%

HAVING ENOUGH
FREE TIME



Informing THE PUBLIC

Pew's information initiatives are primarily carried out by the Pew Research Center, a Washington-based subsidiary. Its seven projects use public opinion polling and other research tools to produce nonpartisan reports and timely commentary on current issues and trends in the United States and throughout the world. A separate effort, the Philadelphia Research Initiative, applies the same objective approach to studies of the city and other major urban areas. In an era defined by virtually limitless access to information, these ventures provide credible and reliable data on the topics that shape our world.

13%

BEING
WEALTHY



Whether the question is about what Americans value in life or an issue that shapes the world, the Pew Research Center supplies the facts and analysis fairly and objectively.

INFORMATION INITIATIVES

In conjunction with a study on religious literacy, Pew funded the nationwide broadcast of the documentary *God in America* on PBS.

Joseph N. Pew Jr.'s assertion that "America is searching for a better life, not an easier life" is a fine notion, but is it true? With some trepidation I posed that question to Scott Keeter, director of survey research at the Pew Research Center.

The center, a subsidiary of The Pew Charitable Trusts, is a world-renowned "fact tank" that regularly polls the American public on a wide range of concerns. Its only agenda is to report its findings without fear or favor, which means that Keeter would not shrink from concluding that one of our founders had it wrong. "What do Americans want?" he responded. "Riches, fame, power, unlimited leisure? Many undoubtedly do want these things. But that's not all they want—or what's most important to them."

A 2008 survey by the Pew Research Center's Social and Demographic Trends Project found that the things people value most in their lives lean strongly in the "better life" direction—having enough free time, a good career, marriage, children,

religion, charitable activities. Being wealthy—that is, living the easy life—finishes dead last.

And lest the desire for free time suggest laziness, Keeter noted that a 2006 report from the University of Chicago's General Social Survey reveals that "work that gives a feeling of accomplishment" topped the list of things Americans said was most important on a job, while "short work hours" was way at the bottom. It appears that Mr. Pew's observation more than six decades ago holds true today.

It is not surprising that the Pew Research Center had data relevant to the easier life–better life dichotomy. The center casts a very wide net in researching important issues and trends that are relevant



to our times. Highlights from 2010 give a sense of that diversity.

In February, the Pew Research Center produced a series of reports and hosted a well-attended conference on the political, cultural and religious views of the millennial generation. In a nutshell it found that the tech-savvy millennials—those born after 1980—are socially tolerant, pro-government and less likely to be members of an organized religion than those who came before them.

In April, the center reported that only 22 percent of Americans said they could trust the government in Washington always or most of the time. A similar number expressed anger toward the federal government, more than double the figure from 2000. Dan Balz, the *Washington Post's* chief political reporter, wrote that "the Pew Research Center has produced a report about the mood in America that states the obvious in such a powerful and unambiguous way that no one should ignore its implications."

The center's Global Attitudes Project reported in June that U.S. favorability ratings remained high in Western Europe during President Obama's second year in office and had increased markedly in both China and Russia. But opinions remained highly negative in most Muslim nations, including Pakistan, an important ally in the Afghan conflict.

Later in June, the center reported that after 30 months, the Great Recession had lowered Americans' expectations about their retirements and their children's futures and prompted a

new frugality in their spending and buying habits. More than half of all adults in the labor force reported experiencing a work-related hardship such as a spell of unemployment, a cut in pay or a reduction in hours.

Two reports from the Pew Hispanic Center, a Pew Research Center project, contributed significantly to our understanding of the population of illegal immigrants in the United States. An August report, released in the midst of a heated debate about whether the country should continue to guarantee citizenship to everyone born within its borders, found that 340,000 babies born in America in 2008—8 percent of the total—were the offspring of at least one unauthorized immigrant. A few weeks later, the center reported that the inflow of unauthorized immigrants had sharply declined since 2007, leading to an overall reduction of 8 percent in the number currently living in the United States—the first significant reversal in the growth of this population over the past two decades.

In August, the center's Forum on Religion in Public Life seized headlines around the world with its finding that nearly one in five Americans (18 percent) believe President Obama is a Muslim, a number that has grown significantly during the president's time in office. Also surprising was the finding that just one-third of adults (34 percent) believe President Obama is a Christian, down from 48 percent in early 2009.

In October, the Forum was back in the news with a fascinating study on Americans' religious literacy—or lack thereof. It found that atheists and

agnostics significantly outperformed Christians on questions about the core teaching, history and leading figures of major faith traditions. Interest in the study and an accompanying quiz generated 1.2 million visitors to the Forum's Web site in the first two days, more than 100 times its usual audience.

In all, the center published about 400 reports and analyses in the past year, on topics ranging from religious beliefs and practices in sub-Saharan Africa to broadband Internet adoption to media coverage of the Gulf oil spill. Many of those reports, including those featured above, received major coverage in print, broadcast, cable and online media, ensuring attention from opinion leaders, policy makers and the broader public.

The center has been particularly pleased of late with its online success. It averaged 1.4 million visitors a month to its family of Web sites in the third quarter of 2010, more than double that same period a year earlier.

In an increasingly partisan political environment the Pew Research Center stands out as a purveyor of facts and analysis that is broadly accepted by the general public—no matter what kind of life people are seeking.

Donald Kimelman

Managing Director
Information Initiatives





Stimulating CIVIC LIFE

Pew fosters a vibrant public life by supporting institutions that create a thriving arts and culture community in Philadelphia and the surrounding region. We also work to enhance the well-being of the region's disadvantaged citizens by aiding organizations that provide assistance to those most in need.

Philadelphia's rich artistic history is evident throughout the city, from museums to murals.

CULTURE

Art isn't easy—
 Even when you're hot.
 Advancing art is easy.
 Financing it is not!
 A vision's just a vision if it's only in your head.
 If no one gets to see it, it's as good as dead.
 It has to come to life!

—Stephen Sondheim, *Sunday in the Park with George*

Philadelphia's Arden Theatre Company's production of *Sunday in the Park with George* was supported by the Pew Center for Arts and Heritage.

With support from the Pew Center for Arts and Heritage, Philadelphia's Arden Theatre brought Stephen Sondheim's *Sunday in the Park with George* vividly to life. The lyrics from one of that show's signature songs, "Putting it Together," pungently summarize the difficulty of being an artist. The play's protagonist describes the often challenging and always time-consuming process of raising money to make art, the scorching criticism from various quarters that must be endured and the ever-present self-doubt summed

up in the question, "Will anyone like it?" The production was one of 97 projects supported in the past year by the Pew Center for Arts and Heritage's six artistic initiatives, which each use a rigorous review process involving professionals in all disciplines to make funding decisions.

Art is not always easy for audiences either. For the 1937 Paris Exposition, Pablo Picasso was commissioned to produce a mural for the pavilion of his native country, Spain. The



exposition's theme was a celebration of modern technology, but Spain was in the midst of a bloody civil war that included the terror bombing that spring of the small Spanish town of Guernica. With encouragement from Spain's embattled elected government, Picasso painted *Guernica*, which graphically depicts the horror that modern technology can wreak. While critics generally were baffled by and dismissive of this disturbing piece of art, it is now viewed as one of Picasso's most important works, with people lining up to see it every day at Madrid's Reina Sofia Museum.

Many years earlier, a Philadelphia artist, Thomas Eakins, in his painting *The Gross Clinic*, also challenged audiences with his graphic portrayal of an operating room scene at Jefferson Medical College. Much of the public was scandalized by Eakins' work, and it was not accepted for exhibition at Philadelphia's Centennial Exposition of 1876. Today, Eakins' painting is considered a masterpiece—an icon of Philadelphia's progressive artistic and scientific history—and Pew joined with other local civic leaders and funders several years ago to avert a sale and thus ensure it will continue to be prominently displayed in Eakins' hometown.

The best art, even when the topics are far less grim, comes through rigor and hard work on the part of artists and those who support their efforts. Philadelphia's Mural Arts Program negotiated for months with building owners, city agencies and transit officials while a team of artists logged long, intensive hours

to create a smile-evoking series of 50 murals along an elevated train line through the row house neighborhoods of West Philadelphia. Collectively titled *Love Letter*, the murals, designed by former graffiti artist Stephen Powers, offer clever and cryptic love notes to 150,000 riders a day. Clay artist William Daley, whose works are included in such collections as those of the Metropolitan Museum of Art, the Philadelphia Museum of Art and the National Museum of Art of the Smithsonian Institution, has been a leading figure in the field of ceramics for nearly 60 years. At age 85, he is creating some of the strongest work of his career, including large-scale stoneware vessels called "Vesicas," for which he was awarded a 2010 Pew Fellowship in the Arts. This recent body of work exemplifies the richness that can come from an artist's labor and steadfast devotion to his or her creative vision.

More broadly, the Pew Center for Arts and Heritage provides support for exemplary work in art, music, dance, theater and historic interpretation, with a strong emphasis on the potential impact on audiences. The Philadelphia Cultural Leadership Program, a companion initiative, provides flexible operating support to the best-managed and most effective arts organizations in the region. On the national level Pew's Cultural Data Project, which is currently operating in eight states, provides thousands of arts institutions a unique online tool to measure their financial and operational successes and challenges. That growing data base is also painting the most

accurate picture to date of arts institutions in America, from their collective economic impact to, in many cases, their financial fragility.

We live in an age when the public has an ever-growing proliferation of choices for how to spend leisure time—much of it accessible through electronic means that can be employed at any hour in the comfort of one's home. Cultural organizations need to compete in that environment, to entice people to make what is often a harder, but often more rewarding, choice about how to spend a Sunday afternoon or a weekday evening.

That challenge will only increase in the years ahead. But because cultural experiences can be so rewarding, we believe that the arts will always be a part of the better life that Americans seek.

Marian A. Godfrey

Senior Director
Culture Initiatives

Gregory T. Rowe

Director
Culture Initiatives

Deputy Director
Philadelphia Program

PEW FUND FOR HEALTH AND HUMAN SERVICES IN PHILADELPHIA

The Children's Literacy Initiative is one of 19 organizations receiving Pew Fund support to help children develop the skills needed to succeed in school.



In 1988, a fledgling organization called Project H.O.M.E. saw the need to address the problem of Philadelphia's growing street population and opened a temporary shelter in an old, donated recreation center. Over the next two decades, its work expanded and attracted national attention, with Project H.O.M.E. becoming one of the country's most respected leaders not only in the provision of services to the homeless but the renewal of depressed city neighborhoods.

Since the early 1990s, the Pew Fund for Health and Human Services in Philadelphia and other donors have supported Project H.O.M.E., which has grown to provide comprehensive services at 13 residences serving over 400 formerly homeless men, women and families each year. These residences include safe havens

for individuals with mental illness as well as permanent supportive housing.

In 2004, the organization—one of 13 nonprofits supported by the Pew Fund to address the needs of the homeless—established the Honickman Learning Center and Comcast Technology Labs, the centerpiece of its revitalization efforts in North Philadelphia. The center offers a range of technology and literacy classes for community residents, including a Pew Fund-supported academic enrichment program that serves 190 young people annually in grades K through 12 with after-school and summer programs.

The Pew Fund, which celebrates its 20th anniversary this year, is proud to partner with a diverse group of organizations like Project H.O.M.E. that are improving the life circumstances of the region's most vulnerable citizens, helping them not merely survive, but to live better, more productive and fulfilling lives. These organizations assist the homeless and those with chronic mental and physical disabilities live independently and participate more fully in their

communities. They help poor children to develop critical social, emotional and learning skills that are the foundation of later success, and they provide services to enable frail elderly to live safely and securely in their own homes. The Pew Fund's support for these organizations builds on the long-standing commitment of the original donors of The Pew Charitable Trusts to help the least advantaged members of the Philadelphia community.

In some of the region's poorest neighborhoods, only one in three children learns to read by the third grade. The Children's Literacy Initiative is one of 19 organizations receiving Pew Fund support to help children develop the skills needed to succeed in school. In its early years, the Children's Literacy Initiative was devoted to getting good books into the hands of parents and caregivers. To have greater impact, the organization began working with teachers of children from prekindergarten through third grade to improve the reading skills of their young charges. This training model includes the Blueprint for Early Literacy program, a research-based preschool curriculum designed to meet state and national standards for reading, writing and language development. Since 2007, the Pew Fund has supported the Children's Literacy Initiative to instruct Head Start teachers in the use of the Blueprint for Early Literacy.

A 2010 Pew Fund grant will enable the Children's Literacy Initiative to train teachers in 47 classrooms working with 845 children in 10

Delaware County Head Start centers. With programs now in 10 states and the District of Columbia, the Children's Literacy Initiative was one of 49 winners of the U.S. Department of Education's highly competitive 2010 Investing in Innovation grant program.

One of every seven residents in the five-county Philadelphia area is 65 years of age or older, and a large segment is poor and living on limited incomes. They often struggle to keep up with rising costs for their basic needs and can be easy targets of unscrupulous vendors. Faced with a dramatic rise in requests for assistance from the region's elderly, Consumer Credit Counseling Service of Delaware Valley is one of 13 agencies receiving Pew Fund support to assist elderly individuals in obtaining benefits and services that strengthen their financial circumstances. The Consumer Credit Counseling Service has increased its counseling capacity to address a growing volume of requests for assistance and has expanded its reach through workshops at senior centers and other elderly venues. It also has developed a special curriculum that focuses on the common financial issues the elderly face, including money management, the use of credit, identity theft, predatory lending and reverse mortgages. Last year, the organization provided help to approximately 3,000 seniors through its individual counseling and education sessions.

Pew Fund staff identify the agencies that can most effectively assist those in need. With deep knowledge

of the local nonprofit landscape, our experts find potential grantees through a rigorous, competitive process that focuses on strong management, familiarity with best practice and a proven ability to produce results. In these difficult times, it is even more important that philanthropic dollars go to the organizations that have meaningful impact.

Vulnerable individuals and families in the region do not have an easy life, but by building on its work of the past two decades, the Pew Fund will continue to promote their independence and self-sufficiency to enable them to have a better life.

Frazierita D. Klasen

Director
Pew Fund for Health and
Human Services

Deputy Director
Philadelphia Program





Philanthropic **PARTNERSHIP GROUP**

Pew forms partnerships with individuals, groups, foundations and corporations that seek a significant and measurable return on their charitable investments. Over more than six decades, we have developed experience in identifying critical issues and honing effective policy approaches. We offer this expertise to donors who share our commitment to fact-based solutions and results-oriented philanthropy.

Pew's Washington conference center has become a gathering place for our partners and other nonprofit groups to exchange ideas to better serve the public.

PHILANTHROPIC PARTNERSHIP GROUP

Dr. Kathryn W. Davis first became acquainted with Pew from her efforts to preserve areas of the Hudson River Valley through the Northeast Land Trust Consortium.



Throughout our long history, Pew has forged relationships with partners who share our goal of contributing to the better life our founders envisioned.

When we became a public charity in 2004, these partnerships took on new meaning as we invited other philanthropic organizations and individuals to join us in what Andrew Carnegie once described as the “serious and difficult task of wise distribution.”

Collaborations inform and enrich every aspect of our work. One example is the Northeast Land Trust Consortium, a Pew-led coalition uniting nearly 350 philanthropists and numerous conservation groups to preserve the historic forests, farms and wilderness that have long defined New England and the mid-Atlantic states.

By pooling their resources, and with Pew’s support, members of the Northeast Land Trust Consortium have protected more than 425,000 acres in Maine, New Hampshire, Vermont, Massachusetts, Connecticut and New York since the project’s inception in 2006. And we anticipate that number to rise to well over one million acres by 2012.

Land-trust partners determine the acreage their contributions will preserve, while benefiting from significant economies of scale provided by their collaboration with Pew. Many, like Elsie Viles, choose to safeguard properties that they or their family members have cherished for generations. With Pew and the Maine chapter of the Nature Conservancy, Mrs. Viles was able to secure permanent protections for land that once

belonged to her late husband’s family. In doing so, she helped to create an area of conservation land nearly as large as Yosemite National Park.

It is a privilege to help Northeast Land Trust Consortium funders like Mrs. Viles conserve some of America’s most beloved and iconic landscapes. We are equally honored that over time, relationships developed through this initiative have deepened and expanded to include additional joint endeavors.

Dr. Kathryn W. Davis became acquainted with Pew through a collaborative effort to conserve New York’s spectacular Hudson River Valley. Following that highly successful project, she discovered that we also share a commitment to supporting research that has the potential to uncover the causes of diseases and reveal the genesis of cures.

Having had the opportunity to learn about the human genome directly from Nobel laureate Dr. James Watson, Dr. Davis had long understood the nearly limitless possibilities offered by scientific

research at its purest, most exploratory form. To encourage early-career investigators to take calculated risks much as Dr. Watson did, Dr. Davis chose to make a generous gift to expand the Pew Scholars Program in Biomedical Sciences in 2010—just a few years after celebrating her 100th birthday. “It makes me wish I were 10 years younger!” she says. “We are just now reaping the rewards of major scientific breakthroughs.”

Focused on encouraging emerging scientists to explore new directions as their research dictates, the program has nurtured groundbreaking advancements by researchers who have gone on to receive three Nobel Prizes, one Shaw Prize, two Lasker Prizes, four MacArthur Fellowships, and 17 inductions into the National Academy of Sciences.

In addition to partnering with individuals, Pew is fortunate to collaborate with organizations that are, like us, the creation of extraordinary philanthropists. A century ago, W.K. Kellogg wrote, “If I am successful in getting out of debt, and become prosperous ... I expect to make good use of any wealth that may come to me.” Today the W.K. Kellogg Foundation has partnered with Pew in an effort to “make good use” of our collective resources to address the single greatest unmet need for health services among youth: the lack of dental care.

Approximately 17 million children in America—one out of every five between the ages of 1 and 18—go without dental care every

year. Simple cavities can escalate into serious health problems in adulthood. Too few disadvantaged children have access to proven preventive measures, and in some communities there are simply not enough dentists to provide care.

The Kellogg Foundation’s partnership on the Pew Children’s Dental Campaign provides not only critical funding, but also the benefit of decades of the Kellogg Foundation’s experience in oral health and helping children from vulnerable families achieve their potential. With additional help from the DentaQuest Foundation, we assessed the policies that address this issue in all 50 states, then compiled that information into a report that continues to garner significant attention nationwide. We are now cooperating to help hundreds of thousands more children access the dental care they vitally need.

Over the last five years, Pew has forged similarly productive partnerships with more than 500 individuals and organizations. With our donors, we have brokered the largest forest conservation agreement in history, helped more than 500,000 children access prekindergarten education, reformed the federal elections process to better serve millions of military and overseas voters, developed national standards to end unfair and deceptive practices in the credit card industry, and helped to draft legislation to significantly reduce food-borne illness.

Pew recognizes the challenges inherent in the “serious and difficult task of wise distribution.” Our

commitment to our donors is that we will always be guided in our work by nonpartisan, reliable evidence. Further, we invest our own resources alongside those contributed by our funders. With their help we look forward with confidence to building a better life for Americans, and for others around the world.

Sally O’Brien

**Managing Director
Philanthropic Partnership Group**





Government **RELATIONS**

Pew engages in effective advocacy to advance fact-based solutions to policy problems. In Washington and throughout the nation and elsewhere in the world, we work in a nonpartisan manner to find common ground, build coalitions, seek consensus and achieve legislative and administrative successes on the issues that can protect the environment and improve people's lives.

From the halls of the United States Capitol to statehouses throughout the 50 states, Pew's Government Relations team assists the organization's program staff to help policy makers develop solutions to problems that will lead to a healthier, safer and more fiscally sound nation.

GOVERNMENT RELATIONS

The Government Relations team secured consultative status with the United Nations for the Pew Environment Group for its work to preserve oceans and fish stocks.

There has been nothing easy about the state of affairs in America and around the world during the past year. Governments at all levels—local, state, federal and international—have been struggling to find a path to economic stability, both for themselves and for their citizens. In addition, there have been concerns about our nation’s food safety and a continuing need to protect the environment.

It is the American quest for a better life that leads us to persevere in difficult times, and Pew’s Government Relations team works closely with our program staff to help policy makers develop solutions to problems such as these that will contribute to a safer, healthier and more fiscally sound nation.

We do this first and foremost by creating coalitions of experts,

interest groups and people with experience on issues to build support for positive policy change.

A successful example of this was the support the Government Relations team provided to the Pew Health Group to help assemble an alliance of diverse interests that worked together to form a bipartisan consensus for upgrading the nation’s food safety laws. According to the



U.S. Centers for Disease Control and Prevention, each year, 48 million Americans fall victim to food-borne diseases and 3,000 of them die. A new study by a former U.S. Food and Drug Administration economist estimated the total economic impact of food-borne illness across the nation to be \$152 billion annually. Yet laws governing the safety of food production had not been updated since before World War II.

The effort by Pew and its partners, which included consumer advocates, public health experts and business leaders, resulted in the passage of one of the most significant consumer safety reforms in the last century, the FDA Food Safety Modernization Act, signed into law by President Obama on January 4, 2011.

The United States' growing national budget deficit poses a significant threat to a better life for Americans by encumbering future generations with increased debt. That is why Pew joined with the Pete G. Peterson Foundation and the Committee for a Responsible Federal Budget to urge policy makers to develop a responsible federal budget process that would be more transparent. The effort brought together former members of Congress from both sides of the aisle to launch a partnership to build bipartisan consensus for a core set of reforms to put American on a fiscally sustainable course. The task force issued its second report in 2010, laying out a set of recommendations it will put before the administration and the new Congress this year, including a call for a new budgeting procedure

that requires policy makers to set medium- and long-term debt targets, with a process to reach them, and strong enforcement mechanisms.

We continue to support initiatives aimed at advancing and improving the legislative system. The 2010 election brought significant change to Washington, and Pew is sponsoring efforts to ensure that lawmakers have the facts, knowledge and tools to effectively represent the citizens who elected them. The large freshman class of the 112th Congress spent a weekend in Williamsburg, Virginia, prior to convening for its first session, funded in part by a grant to the Library of Congress. The sessions provided government leaders with information and analysis on issues that will dominate the nation's agenda, including deficit reduction, tax reform, health care and education policy. We also manage a nonpartisan effort with the U.S. Senate chiefs of staff to offer a forum for senior staff in all 100 Senate offices to participate in monthly conversations on many shared interests and to call on respected scholars for historical lessons on leadership. In addition to helping them become better and more effective administrators, the sessions also afford the Senate chiefs the opportunity to develop and nurture relationships with colleagues from across the political spectrum.

This past year, our Government Relations team's work went global when we secured consultative status with the United Nations for the Pew Environment Group. Pew will now have the standing to

contribute to the important work of the United Nations, particularly in preserving oceans and fish stocks, topics which have moved higher on the United Nations agenda after the General Assembly passed two wide-ranging resolutions meant to guide countries toward cooperative policies in these areas. We look forward to bringing Pew's scientific research and rigorous analytical approach to improving public policy to future gatherings of the United Nations around these and other environmental issues that are so important to the United States and the global community.

With the goal of helping Pew's program staff accomplish a range of specific policy goals based on research and facts, we seek to facilitate the partnerships and find the common ground that are crucial to successful legislative, regulatory, and international efforts. Often referred to as the "great experiment," America's democracy has served as an example and inspiration to the world. In concert with our Pew colleagues, the Government Relations department is focused on assisting state, national, and world decision makers in pursuing the universal dream of handing the next generation a better life than was granted to them.

Tamera Luzzatto

**Managing Director
Government Relations**



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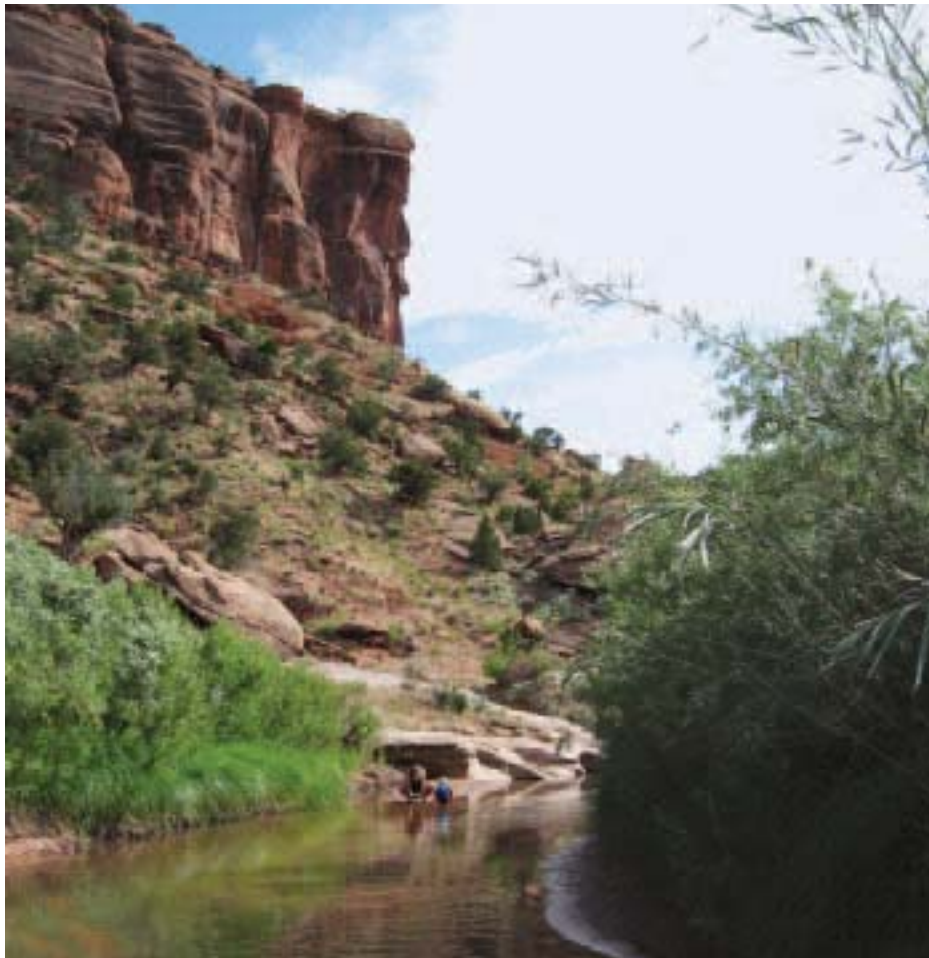
Planning **AND EVALUATION**

Pew's programmatic work begins with developing an understanding of a problem, continues with finding a focused strategy to reach a solution and concludes with a rigorous analysis of the results. The Planning and Evaluation unit is a partner in these efforts, providing objective guidance and critiques of program designs, measuring progress toward program goals and identifying lessons that can apply to Pew's portfolio of work to improve the ultimate return on investment.

Pew's Planning and Evaluation team helps the organization stay on course, informing the direction of policy efforts to maximize their effectiveness and results.

PLANNING AND EVALUATION

Planning and Evaluation assisted Pew's work to protect public lands, including preservation of important areas such as Colorado's Dominguez Canyon.



The Pew Charitable Trusts is guided by principles informed by our founders and our board: be entrepreneurial, rely on the best available information to make decisions, take calculated risks when circumstances warrant, and focus on results that serve the public good.

In 1988, Pew first established an internal evaluation unit, which was the precursor to today's Planning and Evaluation department. Our charge in Planning and Evaluation—to inform decisions, strengthen Pew's initiatives, and generate knowledge that helps Pew's programs achieve their objectives—

derives from and is informed by these core institutional values.

Joseph N. Pew Jr., one of our organization's founders, once observed that "America is searching for a better life, not an easier life." As our program colleagues can attest, the easiest and most immediate remedy to a problem is rarely the one that leads to lasting improvements in people's lives. Rather, effective solutions are the result of painstaking research and analysis, informed by the lessons of the past and guided by pragmatic assessments of what can and cannot be achieved. Part of Planning and Evaluation's responsibility is to ensure that the organization is well aware of the outcomes of previous attempts—including Pew's—to address a public problem and that this knowledge is reflected in future efforts. We also serve as a critical resource for program staff, providing an objective review of new program designs. An example will help illustrate how we apply planning and evaluation to improve program effectiveness and promote learning.

The Pew Environment Group's efforts to protect public lands started in 1992. Through regular conversations with staff, we learned that the wilderness protection team was preparing a new strategy.

We met several times with our colleagues to discuss how we could inform their efforts. In response, we undertook two distinct but complementary efforts. We first began an evaluation of Pew's wilderness protection activities in the United States. At the same time, a separate team in our unit provided an independent planning perspective to the environment staff developing a new strategy.

Why does Pew evaluate its programs? The answer to this question is a natural outgrowth of the organization's overall approach to its mission: set specific and measurable objectives for initiatives and then regularly gauge the progress in meeting them. Evaluation encourages us to apply the same thoroughness and objectivity in reviewing programs in the field as Pew's leadership does when deciding how to most effectively deploy the organization's resources. It provides a reality check on claims of achievements and grounds program objectives with an understanding that they will one day be independently evaluated.

But at Pew, evaluation goes beyond accountability. It is a powerful tool that enables us to learn, adapt and improve. We use evaluation not only to measure our progress, but also to inform decisions about how to respond to changes in the field and to seize emerging opportunities. Evaluation is about asking the right questions, doing the hard work of getting informed and unbiased answers to these questions and putting the lessons learned to good use.

That was the approach we took in evaluating Pew's wilderness protection efforts. We began by meeting with the environment staff to ensure that we understood the full history of their work and what they most wanted to learn from an evaluation. We then recruited an external team of experts to conduct the assessment. The objective perspective provided by independent evaluators helps ensure that we receive the critical findings that are vital to assessing the effectiveness of Pew's initiatives and bettering our efforts.

The evaluation complemented a planning effort by Planning and Evaluation with Pew's environment group. While developing and running effective programs is the primary responsibility of the program staff, Planning and Evaluation provides specialized skills that contribute to disciplined and iterative problem solving on planning issues: asking the tough questions, but also working as a partner to find the answers. We help program staff explore and test their ideas, and then turn the best ideas into effective action.

Our work with Pew's wilderness protection campaign resulted in a stronger strategy for the future that perfectly illustrated our department's mission: provide thoughtful guidance and critique on initial program design, objective measurement of progress against milestones, lessons that can improve Pew's work, and assessment of the organization's ultimate return on investment

Pursuing this mission is not easy for us or our program colleagues. It requires the drive to hold ourselves accountable and the discipline to embrace our strengths and acknowledge our shortcomings. But in keeping with Joseph N. Pew Jr.'s noteworthy observation, we believe that our work in planning and evaluation is essential if we are, in fact, to better our efforts to improve public policy, inform the public and stimulate civic life.

Lester W. Baxter

Director
Planning and Evaluation

2010 MILESTONES

The Pew Charitable Trusts, in concert with its partners, works to harness the power of knowledge in pursuit of the public interest. Driven by research and guided by an entrepreneurial spirit, our goal is to improve policy, inform the public and stimulate civic life. These milestones highlight Pew's key accomplishments during the last year.

PEW CENTER ON THE STATES

The Trillion Dollar Gap revealed that there was a \$1 trillion shortfall between the \$2.3 trillion states had set aside to pay for employees' retirement benefits and the \$3.3 trillion price tag of those promises as of the end of fiscal year 2008. In the wake of the findings, more than a dozen states made substantial changes to rein in retirement plan costs.

The Public Safety Performance Project and its partners helped several states advance **research-driven policies designed to produce a greater public safety return on corrections spending**. They included South Carolina, where reforms were projected to save the state \$241 million over the next five years while attempting to reduce repeat offending, and New Hampshire, which expects to save up to \$161 million over the same period.

The Pre-K Now Campaign **helped states grow their investments in prekindergarten** to \$5.4 billion for fiscal year 2011, an increase of just over 1 percent compared to FY 2010 levels. Twenty-six

states and the District of Columbia increased or kept constant their pre-k budgets, 15 doing so with control of government split between the parties, underscoring the policy's bipartisan appeal.

The Financial Reform Project played a critical advocacy role in the passage of sweeping **financial reform legislation**, which President Obama signed in July. With research, convenings, radio and print advertising, Pew encouraged bipartisan congressional efforts to adopt reform.

Pew's Election Initiatives advanced legislation in nine states to **improve the voting process for military personnel and civilians overseas**. Arizona, Florida, Georgia, Illinois, Louisiana, Michigan, Mississippi, Ohio and Virginia implemented the federal Military and Overseas Voter Empowerment Act and extended its provisions to state and local elections. These new laws provide citizens abroad with ample time and multiple avenues for ballots to be sent, returned and counted.

The Election Initiatives team also worked with 19 states and the District of Columbia to give voters **easier access to official election**

information, such as polling-place locations and directions, through innovative online tools. The information was viewed more than 10 million times in the months before the November elections.

Six states adopted the key recommendations of the Pew Children's Dental Campaign report, *The Cost of Delay*, a 50-state analysis of dental policies that garnered wide attention from lawmakers, advocates and the media. The six states revised their Medicaid rules to reimburse physicians for preventive dental treatments for their youngest patients.



Pew helped the Maldives create a shark sanctuary.

PEW ENVIRONMENT GROUP

The Pew Environment Group helped the **Maldives create a shark sanctuary**. Concurrent with a meeting of the general assembly of the United Nations, Pew brought together the presidents of Palau, which has also established a shark sanctuary, and Honduras to call on other nations to develop similar preservation areas.

In Canada, Pew brokered an agreement between leading conservation groups and logging companies to **protect 170 million acres of the boreal forest**. In addition, the province of Ontario passed legislation protecting 110 million acres of the boreal and wetlands in the northern half of the province, a goal that was actively encouraged by the Pew Environment Group.

Pew's Wild Australia program helped to enable the establishment of **four new conservation areas** in the Great Western Woodlands, totaling over 1.3 million acres.

Pew successfully encouraged the United Kingdom to establish the **Chagos Archipelago Marine Park**, prohibiting fishing in an area of the Indian Ocean that is twice the size of Britain and home to imperiled sea life.

After 20 months of Pew-led campaigning, the premier of Western Australia announced the **establishment of the Great Kimberley Marine Park**, which will be the second largest inshore marine park in Australia after the Great Barrier Reef, stretching over a coastline equaling that of Washington and Oregon.

Pew's program to **protect fragile Arctic ecosystems** achieved considerable success, as the Obama administration withdrew Alaska's Bristol Bay from the national offshore energy plan. The move protects the world's largest wild sockeye salmon run and more than 52,000 square miles of ocean from proposed offshore oil drilling until 2017.

Congress approved and President Obama signed into law the Shark Conservation Act, a longtime priority of Pew. It is **the world's most comprehensive shark finning policy** for a major fishing nation and gives the United States credibility to persuade other countries and international fishery managers to follow suit.

In Canada, Pew successfully influenced a decision by the

government to designate a new national marine park in Lancaster Sound. The region, one of three areas of focus for Pew's Oceans North Canada team since 2009, contains what Canada's environment minister, John Baird, has called an "amazing and inspiring" ecology.

In the southeastern United States, Pew won a major victory as U.S. Commerce Secretary Gary Locke gave final approval to a recovery plan to rebuild the severely depleted population of red snapper. The plan includes a moratorium on red-snapper fishing in federal waters from North Carolina to Florida and closes 4,800 square miles of ocean where red snapper are most often caught accidentally when fishermen target other species.

PEW HEALTH GROUP

The Food Safety Project led a coalition of consumer, public health and victims' groups, as well as industry partners, that successfully urged Congress to pass historic legislation designed to protect Americans from food-borne illnesses. The FDA Food Safety Modernization Act was the first major update to federal oversight of the food supply since the Great Depression.

The Pew Prescription Project built support for the Physician Payments Sunshine Act, whose conflict-of-interest provisions were included in major health-reform legislation. By requiring pharmaceutical or medical device companies to publicly report gifts and payments they make to physicians, the Sunshine

requirements create unprecedented levels of transparency about financial relationships between the industry and doctors.

The Pew Scholars Program in the Biomedical Sciences marked its 25th anniversary and topped the 500 mark in the total number of early career scholars it has supported. In the past eight years, Pew scholars have garnered three Nobel Prizes and many other prestigious awards. Through the generosity of Kathryn W. Davis, Pew is expanding the program to include an additional 20 assistant-professor-level researchers over the next four years.

Citing research and commentary from the Pew Safe Credit Cards Project, the Federal Reserve Board established guidelines to protect credit-card holders from excessive penalty charges and to ensure that fees set by issuers are reasonable. After reaching out to project staff to discuss its research, America's second largest credit-card issuer discontinued all forms of penalty rate increases.

Citing research and commentary from the Pew Safe Credit Cards Project, the Federal Reserve Board established new protections for credit card holders. These safeguards include guidelines for promotional deferred interest rates, which allow cardholders to delay payments for a specific time period but which can result in extra charges.

Thanks to work by Pew's Human Health and Industrial Farming campaign, the U. S. Food and Drug



Pew successfully worked for historic food safety legislation.

Administration released the **first government estimate of antibiotics sold for use in food animal production**. The report showed that approximately 28.7 million pounds of these drugs are given annually to food animals, highlighting their extensive use in producing meat.

Pew and the Robert Wood Johnson Foundation raised the national profile of **health impact assessments** as decision-making tools that identify the health consequences of new federal, state and local policies. The Health Impact Project funded 13 demonstration efforts across the country, including initiatives to determine the potential health effects of a subway planned in Los Angeles and to evaluate proposed state budget cuts in New Hampshire for their effect on public health.

INFORMATION INITIATIVES

The Pew Research Center's Social and Demographic Trends Project released a report **chronicling the changing shape of the American family over the past 50 years**, finding that people in the United States today are less likely to be married than at any time in the nation's history. Despite this decline, the survey found, Americans continue to place an exceedingly high value on marriage and their families.

The Pew Research Center released an **in-depth report on the political, cultural and religious views of the millennial generation** and,

in conjunction, hosted a national conference in Washington, DC. The media covered the study heavily, and a clever online quiz titled "How Millennial Are You?" was taken more than 324,000 times in 2010.

Polling in 22 nations by the Pew Research Center's Global Attitudes Project found that President Obama remains popular in most parts of the world, particularly for his handling of the world economic crisis. **International opinion about the United States has become markedly more positive** in the past two years, with strong majorities in Western Europe, Russia, China, India and Japan expressing a favorable view of America. The Muslim world, however, continues to harbor negative opinions about the United States, with only 17 percent each of Turks, Pakistanis and Egyptians saying they view America positively.

The Pew Research Center's Project for Excellence in Journalism issued its annual "State of the News Media" report, which continues to **chronicle the economic turmoil in journalism**. The report notes a 26 percent drop in newspaper advertising in the past year—losses so severe that they overwhelmed the efforts by traditional media to innovate and nonprofit alternatives to help fill the void.

In its annual survey of the state of high-speed (broadband) Internet adoption in the United States, the Pew Research Center's Internet & American Life Project discovered that, **after years of double-digit growth, broadband adoption slowed dramatically in 2010**. The



Pew's poll on families and marriage was part of a *Time* cover story.

project also found that a majority of Americans say they do not believe that the spread of affordable broadband should be a major government priority.

The Pew Research Center's Forum on Religion and Public Life released a **first-ever report on Americans' religious literacy**, which found that atheists and agnostics significantly outperform Christians on questions about the core teaching, history and leading figures of major faith traditions. In the first 48 hours following the release of the report and a companion online quiz, www.pewforum.org received more than 1.2 million visits—the number the site usually sees over the course of a full year.

Africa appears to be the most religious continent in the world, according to a 19-country survey by the Pew Research Center's Forum on Religion and Public Life that was

co-funded by the John Templeton Foundation. The vast majority of people in most sub-Saharan African nations are deeply committed to Christianity or Islam, yet many hold onto traditional African religious practices.

A Philadelphia Research Initiative report on the city's "crowded, costly jails" found that Philadelphia has one of the largest jail populations in the country on a per capita basis and that its spending on jails has doubled in the past 10 years. The study looked at steps taken in Philadelphia and elsewhere to control the size of the jail population without jeopardizing public safety.



Pew's Philadelphia Research Initiative analyzed the city's crowded jails.

CULTURE

The Pew Center for Arts and Heritage supported a total of 97 exhibitions, performances and events in the Philadelphia area this year. Many traveled to prestigious venues across the world. The Philadelphia Museum of Art's Arshile Gorky: A Retrospective, moved to the Tate Modern, London and to the Museum of Contemporary Art, Los Angeles. Michelangelo Pistoletto: From One to Many, 1956–1974, is on its way to the Museo Nazionale delle Arti del XXI Secolo, Rome.

The Cultural Data Project continued to grow and strengthen the cultural sector throughout the country. Michigan became the eighth state to adopt the program, which brought the total number of project partners and funders to 145, with close to 10,000 cultural

organizations participating. Arizona, Rhode Island and Vermont have committed to launching the program in 2011.

PEW FUND FOR HEALTH AND HUMAN SERVICES IN PHILADELPHIA

The Pew Fund provided service-delivery funding to 120 nonprofit organizations in the Philadelphia area, allowing them to assist more than 75,000 individuals and families throughout the region. In addition, the program helped 26 agencies strengthen their core capabilities in a number of areas. These include having the right data to show how programs are performing, reliable financial reporting systems, and training

to ensure that services align with best practices.

Under the leadership of the Pennsylvania Health Law Project, the Pennsylvania Assisted Living Consumer Alliance concluded its campaign to ensure that the commonwealth's new licensure standards for assisted-living residences incorporate consumer-health and safety protections. The rules delineate a clear set of resident rights and define the core services that facilities must offer, enabling consumers to understand what they are purchasing and to compare among facilities.

PHILANTHROPIC PARTNERSHIP GROUP

Pew received support from 220 organizations and individuals

to achieve common goals, ranging from strengthening the arts and cultural sector to international conservation. They include:

- the William and Flora Hewlett Foundation, which joined with Pew to protect Canada's boreal forest;
- the John Templeton Foundation, which launched the Pew-Templeton Global Religious Futures Project to increase understanding of religions around the world;
- the Robert Wood Johnson Foundation, which collaborated with Pew to combat childhood obesity and evaluate how policies governing the way Americans live and work can also affect public health; and
- the Doris Duke Charitable Foundation, Kresge Foundation, and League of American Orchestras, which supported the Cultural Data Project operated by Pew.

GOVERNMENT RELATIONS

The Pew Charitable Trusts and the Pew Research Center were referenced on the floors of the U.S. House and Senate more than 50 times in the second session of the 111th Congress and Government Relations staff disseminated our programmatic work to lawmakers and government officials in more than 400 personal meetings,

Pew joined the Joyce Foundation, Henry Luce Foundation and John D. and Catherine T. MacArthur Foundation in providing financial support to the Library of Congress to conduct a **three-day orientation seminar for 62 newly elected members of the U.S. House of Representatives**. The incoming class was provided an overview of domestic and foreign policy issues likely to face the 112th Congress and a detailed seminar on legislative procedure.

In the U.S. Senate, Pew funded and managed an **initiative for the chiefs of staff that provided programs on effective management and leadership**. These key staffers met monthly to discuss their interest in reaching across the aisle while sharing and talking about best practices in their offices.

PLANNING AND EVALUATION

Planning and Evaluation participated in **more than 70 planning engagements**, that included supporting development of program strategies in U.S. wilderness protection and clean energy, overseeing an analysis of key trends in cultural organizations, working with the Children's Dental Campaign team to articulate the direction for the next phase of its initiative and leading Pew's annual planning process for 2010–2011.

The department completed an evaluation of the Philadelphia Research Initiative, which **confirmed the initiative's progress** in producing timely and authoritative reports on important issues facing Philadelphia that benefit decision makers, the news media and the public.



Pew supported creation of 50 murals collectively called *Love Letter* in Philadelphia.

STATEMENT OF FINANCIAL POSITION *June 30, 2010*

ASSETS

TOTAL ASSETS \$ 4,893,313,330

LIABILITIES AND NET ASSETS

TOTAL LIABILITIES 336,944,469

TOTAL NET ASSETS 4,556,368,861

TOTAL LIABILITIES AND NET ASSETS \$ 4,893,313,330

STATEMENT OF ACTIVITIES *Year ended June 30, 2010*

| | UNRESTRICTED | TEMPORARILY RESTRICTED | PERMANENTLY RESTRICTED | TOTAL |
|---|-----------------------|---------------------------|---------------------------|-------------------------|
| REVENUES | | | | |
| Contributions | \$ 12,271,811 | \$ 23,393,994 | — | \$ 35,665,805 |
| Contract revenue | 276,315 | — | — | 276,315 |
| Rental income | 4,877,550 | — | — | 4,877,550 |
| Returned grants | 2,251,237 | — | — | 2,251,237 |
| Other income | 38,371 | — | — | 38,371 |
| Investment gains, net | 17,518,540 | — | — | 17,518,540 |
| Foreign exchange loss | (919,259) | — | — | (919,259) |
| Distributions from supporting trusts | 206,004,660 | 44,322,389 | — | 250,327,049 |
| Changes in the fair value of the beneficial interest in trusts | — | — | 257,285,097 | 257,285,097 |
| Net assets released from restrictions | 55,610,651 | (55,610,651) | — | — |
| TOTAL REVENUES | 297,929,876 | 12,105,732 | 257,285,097 | 567,320,705 |
| OPERATING EXPENSES | | | | |
| Grants | 82,849,393 | — | — | 82,849,393 |
| Program | 149,384,285 | — | — | 149,384,285 |
| General and administration | 15,869,543 | — | — | 15,869,543 |
| Fundraising | 2,778,685 | — | — | 2,778,685 |
| TOTAL OPERATING EXPENSES | 250,881,906 | — | — | 250,881,906 |
| NON-OPERATING (INCOME) / EXPENSES | | | | |
| Bond interest income | (1,034) | — | — | (1,034) |
| Bond interest expense | 462,607 | — | — | 462,607 |
| Change in fair value of interest rate swap | 9,111,971 | — | — | 9,111,971 |
| Swap interest expense | 6,181,375 | — | — | 6,181,375 |
| TOTAL NON-OPERATING EXPENSES | 15,754,919 | — | — | 15,754,919 |
| CHANGE IN NET ASSETS | 31,293,051 | 12,105,732 | 257,285,097 | 300,683,880 |
| NET ASSETS - BEGINNING OF YEAR | 270,115,155 | 108,878,398 | 3,876,691,428 | 4,255,684,981 |
| NET ASSETS - END OF YEAR | \$ 301,408,206 | \$ 120,984,130 | \$ 4,133,976,525 | \$ 4,556,368,861 |

The financial information presents the consolidated information of The Pew Charitable Trusts and the Pew Research Center, a wholly owned subsidiary. Audited financials are available upon request.

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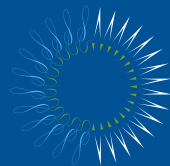
- 4 Jerry Cooke/ Time & Life Pictures/Getty Images
- 6 Krosnick Studio
- 10 Alasdair Harris, Blue Ventures Conservation
- 16 Joseph Christofori 2009
- 18 Cummins/Robert Harding World Imagery/Corbis
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- 22 Children's Literacy Initiative
- 24 David Gilliland
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Photo research by Lauren Lucchese and Anahi Baca

The official registration and financial information of The Pew Charitable Trusts may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1.800.732.0999. Registration does not imply endorsement.

Copies of these documents are also available by contacting Pew at 2005 Market Street, Suite 1700, Philadelphia, PA 19103-7077, or by calling 215.575.9050.

The Pew Charitable Trusts is registered in additional states as required by law. For a list of other states with charitable solicitation disclosure requirements, go to www.PewTrusts.org, click on About Us and then click on Accountability.



THE
PEW
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