WILLIAM PENN
FOUNDATION

Annual Report 2010

Mark Garvin

Annual Report 2010

TABLE OF CONTENTS

Design: Laura Hutton / Keith Ragone Studio, Inc. • Proofreader / Copyeditor: Krista Harris • Printing: Michael Prestagord / Old York Road Printing Co. • Printed on Astrolite PC, 100% post-consumer waste

Advancing Greater Philadelphia

2010 was an eventful year for the William Penn Foundation and the Haas family.

In the fall, we announced that Feather Houstoun, who has guided the Foundation successfully through one of its most important periods, would step down in mid-2011 following a search for her successor. On page 2, Feather offers reflections on her work at the helm of the Foundation.

We are very pleased to report that Jeremy Nowak, former president and CEO of The Reinvestment Fund, has been appointed president of the Foundation starting June 27. This appointment culminates the work of our search committee, co-chaired by David and Janet Haas, which assessed the organization's leadership needs over the course of six months. We are thrilled to have a visionary of Jeremy's caliber and accomplishments, and look forward to working with him on the next phase of the Foundation's work.

We also mourn the passing of John C. Haas, son of founders Otto and Phoebe Haas, who died at the age of 92 in April 2011. Fourteen months before his passing, he solidified the charitable legacy he stewarded over the previous five decades with his brother, the late F. Otto Haas when he directed $747 million in new endowment assets to the Foundation, with instructions that these funds be used in perpetuity for the advancement of the Greater Philadelphia region.

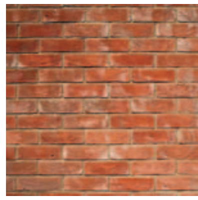
On page 48 is a remembrance of John and the strong philanthropic tradition he and his brother leave to the Foundation and succeeding generations of the Haas family.

As we move into our next era of philanthropy, we expect to build on their legacy to serve as a force for positive social, cultural, and economic growth in our region and beyond.

Sincerely,

Thomas Haas
Chair of the Corporation

David Haas
Board Chair



From the Foundation’s Leaders

Seeing Over the Walls
(Or, What I Learned Working at a Foundation)

Parting thoughts from Feather Houstoun, President

A friend once described Philadelphia to me as a city where civic and political decision-making takes place—not behind closed doors, but in a thousand rooms with no connecting doors.

The metaphor speaks to the region’s many tight-knit communities with strong traditions, its many nonprofit human service organizations, its myriad cultural organizations, and the wide range of advocacy organizations that shape its civic debate. It is a diverse, complex environment that we treasure.

But those disconnected rooms make finding consensus on important issues a challenge. Public officials faced with competing viewpoints from different groups have to discern the middle ground that might please the most people, at best, and at worst they can use the dissonant voices as a reason to simply do whatever they like. Struggling nonprofits may never even consider the synergy that might result from cooperation or stronger alliances with similar organizations.

In civic life, finding what I like to think of as “high common ground” proves the extent to which we are serious about working together in meaningful ways. We prove that our commitment is to the social, economic, and cultural growth of our communities, not narrow interests. These are the moments when connections are made between the rooms—with new connecting doors.

In my six years as president of the William Penn Foundation, I’ve seen our grantees reach that type of high common ground a number of times. Looking back, I realize that those have been the instances when our grant dollars have been most directly involved in fueling meaningful change in our region.

In the brief space I have here, I can only highlight a few examples that represent the power our grantees have unleashed by working together, but these are a few that will stick in my mind long after I leave the Foundation.

The Next Great City Coalition Makes Urban Sustainability Politically Desirable

Early in 2007, with a mayoral campaign under way, a diverse group of advocacy organizations came together to decide on 10 key things the next mayor could do to push Philadelphia toward a strong agenda for sustainability. As the number of groups debating “which 10?” grew, deciding on that list became more challenging. But they argued, compromised, and settled on a list. The convening chair of the group had to give up on his favorite item. But the coalition they created—“The Next Great City”—grew to nearly 130 members, successfully engaged the mayoral candidates, and continued to propel a sustainability agenda for the new administration.

Today, Philadelphia is taking major steps—far beyond the 10 initial ideas—to become one of the greenest cities in the country. The participating organizations continue to pursue their individual interests, but they also provide broad, indefatigable support for the public policies of urban sustainability.

Project U-Turn Rallies Philadelphians to Stem the Dropout Tide

Like many other big cities, Philadelphia has a terrible high school dropout problem. Research we helped to support in 2006 documented that nearly half of Philadelphia’s ninth graders were typically not making it to their graduation ceremony four years later. It was a shameful finding and one that could easily have sent public officials running for cover. Without visionary leadership and a shared approach, our community might have slid into old-fashioned finger-pointing at the most convenient and visible target for blame, the School District, and would probably not have made a dent in the problem.

Thankfully, Philadelphia followed a different path: collective responsibility and shared action. A coalition of caring adults representing all the public agencies that touch the lives of older, at-risk-youth—the School District, city departments, and the courts—sat at the same table with advocacy groups and service providers to find a common agenda under the Project U-Turn banner. Convened by the Philadelphia Youth Network, they set what has become a national standard for preventing and mitigating the dropout crisis in major American cities.

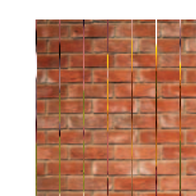
By 2008, Project U-Turn had resulted in a 20 percent improvement in the rate of students graduating in four years. By 2010, their work had leveraged more than $120 million in outside funding for programs that help students stay in school or reconnect those who have already left to alternative programs.

Cultural Data Project Demonstrates the Power of Shared Measurement

Seeking a shared way to gauge the health and progress of our cultural organizations, the Foundation joined with the Greater Philadelphia Cultural Alliance, Greater Pittsburgh Arts Council, the Heinz Endowments, Pennsylvania Council on the Arts, and The Pew Charitable Trusts to found the Cultural Data Project. Arts organizations load their financial data into a common database that aggregates their information, providing powerful reporting tools.

Now, arts advocates are equipped with the data they need to make their case more effectively, and participating organizations have the ability to compare themselves against composite data from peers.

The idea has caught on, and at press time, nine other states had established their own Cultural Data Projects with 22 more expressing interest in doing so.



Coordinated Approaches Achieve Key Milestones on the Path to a More Equitable Future for Pennsylvania's Students

Reforming Pennsylvania's funding for public education has been a priority of the Foundation for many years. In recent years, four of our grantees, Good Schools Pennsylvania, Education Law Center, Education Leadership and Policy Center, and Education Voters Institute of Pennsylvania, have jelled as a highly effective coalition, becoming a force for significant policy change in school funding, largely by virtue of their carefully coordinated and complementary approaches. The groups don't always see eye-to-eye, but they have learned how to work through their differences and present a unified path for reform. Together, they have sustained victory after victory in Harrisburg, fundamentally improving the systems that support our public schools.

Citizens Engage to Create a Vision for the Central Delaware Waterfront

In many cities, redevelopment of prime real estate can become an opportunity for a few unscrupulous public officials to cash in at the public's expense. Philadelphia is a city where this type of behavior certainly has precedent, so many were understandably concerned when the pace of redevelopment began to quicken on our formerly industrial Central Delaware Waterfront in the absence of a rigorous planning regime to protect the public's interests.

With funding from the Foundation and a mandate from the city, Penn Praxis was enlisted to engage Philadelphians in a meaningful civic engagement process designed to set a vision for the future of this prime feature of our city. More than 4,000 people participated in the dialogue, leading to a Civic Vision for the Central Delaware. Their vision was embraced by political leaders and now forms the core of the city's planning processes and regulations.

When I took this job six years ago, I'll admit I was a bit nervous about how exactly we were going to get things done in a metropolitan region known for its fractious nature and entrenched players. Today, I am pleased to say that we got a lot done, and that is largely a testament to our grantees—the Foundation's partners who carry the day-to-day weight of innovation and reform. We are enriched by the variety and strength of many institutions on whom we rely for leadership, initiative, drive, and coalition-building. They truly are the ones who can see "over the walls" in those thousand rooms, and bring the skills to open doors that allow us all to find common interests.

I am proud to have used the Foundation's resources to leverage broad cross-sector coordination for large-scale change. I'm grateful to all the partners who have worked with us to help make our region a better place. I wish my successor, Jeremy Nowak, continued success as he leads the Foundation in pursuit of its mission of advancing Greater Philadelphia.

Feather Houstoun

Foundation Programs

Arts & Culture

Diverse artistic expression is a hallmark of a healthy region. Through our Arts & Culture program, we provide various types of core operating support for arts groups and cultural institutions, enabling them to pursue their creative missions with confidence in their organizations' future. We also fund work that broadly advances the region's cultural sector. Our funding strategies promote artistic achievement and encourage public participation in and support for the arts.

Children, Youth, & Families

When all children and families have access to opportunity, society benefits. Our Children, Youth, & Families program funds work in our region to promote a better early care and education system, more effective and equitable education policies, networks of developmental opportunities for older youth, and improvements to the systems supporting families. Our grantmaking focuses largely on critical transitions in the lives of children as they progress from birth, through early childhood, and into young adulthood.

Environment & Communities

Healthy ecosystems and communities are essential for a livable and economically competitive region. The Environment & Communities program uses an integrated grantmaking approach to enhance the sustainability of Greater Philadelphia's ecosystems and older communities. The program seeks to foster greater cross-sector collaborations that build on the assets of our region through revitalization of its urban core and protection and restoration of the region's natural assets, which we define as key landscapes and waterways. Our Environment & Communities program makes investments intended to catalyze innovation and leadership in the region.

Evaluation & Planning

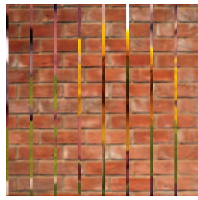
We believe that lessons gained from our grantmaking can be used to help keep our work relevant, effective, and valuable to the fields in which we work. The Foundation evaluates the progress of our funding strategies and seeks to create opportunities to learn and share knowledge acquired over time.

Communications

We view strategic communications as a tool that can maximize the impact of our grants. When needed, the Foundation provides funding and other assistance to our grantees to develop practical communications approaches that advance our common goals.

Why William Penn?

The Foundation is named for the 17th-century Quaker whose pursuit of an exemplary society and understanding of human possibilities led to his founding of Philadelphia, the City of Brotherly Love.



Patrick Kerkstra
for the William Penn Foundation

FROM DESOLATE TO DYNAMIC

PlanPhilly, a local news website specializing in development and urban planning coverage, assigned a team of journalists to cover the transformation of ethnically diverse Eastern North Philadelphia, which sits due east of Temple University.

Neal Santos/PlanPhilly

In September 2010, the University of Pennsylvania's Fels Institute of Government published a report titled "Vacant Property Reclamation Through Strategic Investment," consisting of 55 pages of carefully researched facts and figures documenting a decade of dramatic renewal in a North Philadelphia neighborhood.

It was a university study like so many others: important, even revelatory, but perhaps a little dull for the lay reader and incomplete on its own. The data it contained did not and could not tell the full story of how and why the neighborhood of Eastern North Philadelphia—arguably among the most devastated in Philadelphia just a decade ago—had so thoroughly transformed.

In years past, a local newspaper might have seized on the report, seeing it as an opportunity to tell a larger story about redevelopment in Philadelphia. Today, in a time when newspaper staffs are lean and in-depth coverage of anything save scandals is vanishingly rare, it seemed a given the Fels report would be all but ignored by the local press. Fortunately, newspapers are no longer the only outlets for local public interest journalism.

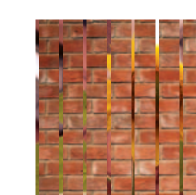
With support from the William Penn Foundation, PlanPhilly, a local news website specializing in development and urban planning coverage, assigned a team of journalists to cover the transformation of ethnically diverse Eastern North Philadelphia, which sits due east of Temple University. Using the Fels study as a foundation for their reporting, a reporter, photographer, and graphic artist from PlanPhilly spent seven months exploring the neighborhood, learning its history, talking to its residents, and examining the record of the local community development corporation that led the area's redevelopment.

Along the way, the journalists consulted with the academics who wrote the report, Christopher Kingsley and John Kromer (Kromer previously worked as Philadelphia's senior housing redevelopment official). While PlanPhilly retained editorial control over its work, the project was a collaboration between the reporters and the researchers.

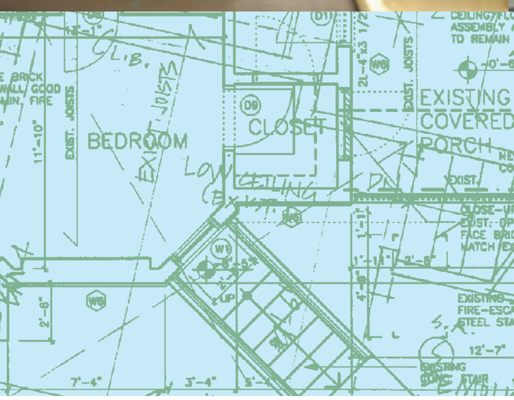
Ultimately, PlanPhilly published nine stories about Eastern North Philadelphia's rebirth, covering subjects ranging from the state of race relations in the area to the surprising emergence of cutting edge architecture in the community. Each major article featured videos and interactive graphics, many of which were created using data collected by the Fels researchers. PlanPhilly titled the series "Desolate to Dynamic."

The project received extensive local attention. The region's Spanish language daily, *Al Dia,* printed some installments in Spanish, the first PlanPhilly stories translated into any language for publication. A diverse array of local news organizations favorably linked to the series, including Newsworks, Philebrity, Technically Philly, and Brownstoner. Redevelopment professionals took note as well.

Patrick Kerkstra is a Philadelphia-based freelance journalist who has covered the city and region for 12 years. He is a writer-at-large for Philadelphia Magazine, *a special projects contributor for PlanPhilly, and a regular guest columnist for* The Philadelphia Inquirer, *where he worked as a staff writer for a decade. Patrick's career has included stints covering subjects ranging from higher education to the war in Iraq to Philadelphia's City Hall. His work has appeared in publications across the country, including the* Los Angeles Times, The Miami Herald *and* Newsday.



Neal Santos/PlanPhilly



The series also demonstrated what is possible when journalists of different backgrounds and experiences collaborate. It was reported and written by a former *Philadelphia Inquirer* reporter, enhanced with photos and videos shot by a *City Paper* staffer, and supplemented by interactive graphics created by one of Technically Philly's founders, who came together under PlanPhilly's flag for this project.

The city-run blog NoVacancyPhilly.org called Desolate to Dynamic an "incredible series" and the Pennsylvania Association of Community Development Corporations directed its members to the project as well.

The series also demonstrated what is possible when journalists of different backgrounds and experiences collaborate. It was reported and written by a former *Philadelphia Inquirer* reporter, enhanced with photos and videos shot by a *City Paper* staffer, and supplemented by interactive graphics created by one of Technically Philly's founders, who came together under PlanPhilly's flag for this project.

Desolate to Dynamic chronicled the decline of Eastern North Philadelphia, once an industrial powerhouse until the 1960s, full of textile plants, tanneries, rug makers, and meatpackers. The neighborhood's single largest company was the John B. Stetson Hat Manufactory, which employed as many as 3,500 workers in a sprawling 20-building complex at its peak. Stetson made its last hat in Philadelphia in the 1950s, and it was not alone. Like so many other rust belt neighborhoods, Eastern North Philadelphia was devastated as factories moved their operations overseas or to sunbelt states where the cost of business was lower.

In some respects, Eastern North was worse off than most neighborhoods that depend on manufacturing jobs. The factories in Eastern North Philadelphia were not just

the employers, they also were a major physical presence in the neighborhood itself, standing cheek to jowl with rowhouses. When they went dark, residents were left living next to empty industrial relics. Those residents who could leave did, increasing the sense of abandonment and decay. Then came the bulldozers, under the banner of urban renewal. They knocked down many, though not all, of the crumbling buildings.

What was left was an eerily empty and desolate district less than two miles north of Philadelphia's bustling city core, a neighborhood of last resort for a mix of low-income residents unable to afford better sections of the city. In time, the area became a destination for low-income Puerto Ricans, many of whom had moved out of the then racially combustible neighborhoods of Spring Garden and Fairmount.

In 1970, a city clerk who doubled as a community activist, Jesus Sierra, got a few friends together and formed an organization called *Asociación de Puertorriqueños en Marcha*, the Association of Puerto Ricans on the March, or APM. Those were difficult days in Philadelphia, and not just because the full scale of the city's industrial collapse was setting in. The city was a racial tinderbox as well, with a notoriously aggressive police force openly hostile to minorities, including Puerto Ricans.

"We were tired of being pushed around. We wanted to be counted. The only way you can be counted is by getting together. We called it Puerto Ricans on the March because that's what we wanted to do," says Oscar Rosario, 70, who helped found the group with Sierra, who died in 2006.

APM set up shop in Eastern North Philadelphia where so many of the city's lowest income Puerto Ricans were then living. At first, the organization was purely a social service provider. It contracted with the city or state to offer mental health programs, drug and alcohol treatment, housing counseling, and other programs to thousands of Latinos and non-Latinos every year.

In time, the organization turned its attentions to the blighted neighborhood so many of its clients called home. APM wanted to build low-income housing for the people it served. It wanted to lure basic services such as a grocery and a bank to the neighborhood.

APM found a willing partner in the city of Philadelphia, which had long seen Eastern North Philadelphia as an area ripe for redevelopment, despite the blight that had taken hold. In 1998, John Kromer was head of the city's Office of Housing and Community Development. To get a handle on the scope of the challenge, Kromer conducted a survey of properties in the small neighborhood on which APM had chosen to focus. The completed survey read like an index of urban despair: The neighborhood contained 2,173 abandoned lots and empty buildings. The vacant properties outnumbered occupied homes and businesses by more than two-to-one.

Last year, Kromer returned to Eastern North Philadelphia for another survey. What he found was remarkable.

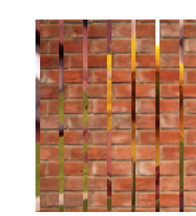
Of the 2,173 abandoned properties he catalogued in 1998, only 687 remained; 475 parcels had been redeveloped, mostly by APM. The vacant parcels had been filled with homes, a grocery store, a credit union, and apartments. More than 900 of the abandoned lots had been cleaned up, including 285 properties that were converted into grassy, publicly accessible lots maintained

FROM DESOLATE:

There were 2,173 abandoned lots and empty buildings in the neighborhood. The vacant properties outnumbered occupied homes and businesses by more than two-to-one.

TO DYNAMIC:

Of the 2,173 abandoned properties, only 687 remained; 475 parcels had been redeveloped. The vacant parcels had been filled with homes, a grocery store, a credit union, and apartments. The other empty parcels were turned into parking lots, side yards for rowhouses, and other private uses.



Neal Santos/PlanPhilly

"PlanPhilly is producing fine-grained stories that allow us to see our city in terms beyond zoning maps and district boundaries: as a vital, breathing living creature, constantly evolving, constantly changing." — Sandra Shea

by the Pennsylvania Horticultural Society in cooperation with APM. The other empty parcels were turned into parking lots, side yards for rowhouses, and other private uses.

Using Kromer's studies to inform its reporting, PlanPhilly delved into the community and into the organization that had done so much to revitalize it. Its stories showed how APM's political savvy helped it navigate Philadelphia's bewildering bureaucracy to obtain and develop huge swaths of vacant land. Having a coherent development plan, and demonstrating an unusual level of commitment to that plan, helped convince city officials that APM was serious and competent, as did the hiring of Rose Gray, a veteran of both city government and the private development world, who brought badly needed expertise and contacts to APM.

Just as critical to the community's redevelopment was APM's deft handling of race, an explosive issue in the multicultural neighborhood the organization serves. Indeed, APM's redevelopment zone sits astride 6th Street, an avenue that for decades has served as an informal boundary dividing African American Philadelphia to the west and Latino Philadelphia to the East. Although it was founded by and largely for Puerto Ricans, APM's leaders recognized early on that it was in the organization's best interest, and in the neighborhood's, to become an equal opportunity service provider. Sierra, APM's founder, forged partnerships with key African American leaders in the city, such as State Senator Shirley Kitchen.

"We actually did a handshake, and agreed that we would work together and would split everything 50-50, that we would serve Latinos and blacks equally," Kitchen told PlanPhilly.

Over time, APM de-emphasized its Puerto Rican identity, adopting a new logo and slogan ("APM ... for everyone"). It was not an easy decision, given the importance ethnic identity played in the creation of the organization, but the board felt it was a necessary one.

"Eastern North Philadelphia is a different community than it was when APM first started, and APM is a different organization. We are not just here to serve Puerto Ricans, and we are being very purposeful in telling people that," Pelayo Coll, chairman of the APM board, said to PlanPhilly.

APM's board made a far more agonizing and pivotal decision in 2004, when it ousted Sierra after a protracted and ugly debate that divided the organization and the community. The story, which had never been reported in the English language press before PlanPhilly's series, was a pivotal moment in APM's history and a turning point in the redevelopment of Eastern North Philadelphia.

A new executive director, Nilda Ruiz, updated APM's information systems and strengthened the financial systems. Funders' confidence in the agency grew, and redevelopment work continued.

In 2008, APM completed the final phase of its Pradera townhome project, a 128-unit home ownership development featuring suburban style homes with pitched roofs, spacious yards, and driveways. The development's visual impact on the neighborhood has been striking, lending the feel of a Montgomery County cul de sac to what used to be badly blighted North Philadelphia blocks.

More recently, APM has embraced cutting-edge energy efficient architecture. Work is finishing on a small LEED-certified 13-unit home ownership project adjacent to the Pradera development. Unlike those townhomes, these new "green homes" would fit right into the pages of *Dwell* magazine, with their boxy, avant garde looks.

Late this year, the nonprofit expects to break ground on its largest and most complicated project yet: a mixed-use apartment building adjacent to the Temple University train station that APM is jointly developing with New York-based Jonathan Rose Companies. APM hopes the complex helps to connect the neighborhood to the Temple University community, and serves as a regional example of the benefits of transit-oriented development.

The final story in PlanPhilly's series on Eastern North Philadelphia profiled three local families whose experiences shed light on both APM's impact on the community and its changing demographics. Catherine Leigh Birdsall and Ben Riesman are relative newcomers who have converted a huge warehouse on a shoestring budget into a mixed-use arts center, featuring cultural performances, a recording studio, and office space. Long-time resident Joseph Wanamaker is nervous about just that kind of thing, because he sees the potential for gentrification that could push out residents like himself. And then there was Norma Morales, a woman who in 1993 was homeless and living with her three children in an APM shelter. Today, thanks in large part to the services offered by APM, Morales owns her own home and works in the office of a City Council member. Her youngest daughter is a student at Temple.

For all the light it shed on redevelopment in Eastern North Philadelphia, the Fels report said nothing about the stories of these individual families. For that, you still need journalism: reporters on the ground talking to real people, gathering individual stories, and knitting them together into a narrative tapestry that tells us something about our communities and how to improve them.

As editorial page editor of the *Philadelphia Daily News*, Sandra Shea is a member of the traditional media, but she appreciates the value of non-traditional outlets such as PlanPhilly because of series like Desolate to Dynamic, which she calls "an object lesson in what is lost with the scaling back of traditional journalism outlets."

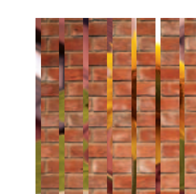
"PlanPhilly is producing fine-grained stories that allow us to see our city in terms beyond zoning maps and district boundaries: as a vital, breathing living creature, constantly evolving, constantly changing," says Shea. "After all, this is how we experience the city as we live in it day to day, and whether or not we succeed in the city depends on the stories we know. By telling the story of APM and Eastern North Philadelphia, PlanPhilly is publishing a road map for community change all over the city."

FROM DESOLATE:

What was left was an eerily empty and desolate district less than two miles north of Philadelphia's bustling city core, a neighborhood of last resort for a mix of low income residents unable to afford better sections of the city.

TO DYNAMIC:

Work is now finishing up on a small LEED-certified 13-unit homeownership project adjacent to the Pradera development. But unlike those townhomes, these new "green homes" would fit right into the pages of *Dwell* magazine, with their boxy avant garde looks.



Susan FitzGerald
for the William Penn Foundation

FROM EVIDENCE TO ACTION

"The question is how can we promote stability and get children more quickly into a permanent, stable placement, whether that be at home with their parents or, if necessary, through a kinship or foster care placement?" — Dr. David Rubin, Director, PolicyLab

Marie had watched enough friends and family members raise children that she knew without a doubt that becoming a foster parent would be a challenge. But nothing truly prepared her for the ups and downs that began to unfold when she took 4-year-old Brianna and 18-month-old Tommy into her home.

"I didn't go into this thinking it would be a walk on the beach," Marie says, "but it can be really stressful."

Brianna, now 5, began to act out—lying about whether she had brushed her teeth or washed her face, refusing to eat breakfast, and laughing when she was corrected instead of taking to heart that she had done something she wasn't supposed to do.

"When Brianna is good and lovable and kind and compassionate, she's all of that," Marie says. "The one time she does not get her way or you challenge her, she does a complete turn."

Marie lives in a Philadelphia suburb and requested that pseudonyms be used to refer to her and her foster children. She is now learning some new parenting techniques that seem to be helping. She is taking part in an intensive parent-child intervention program that grew out of a research initiative funded by the William Penn Foundation, aimed at identifying strategies to increase the chances that foster children achieve stable placements instead of bouncing from home to home.

Studies have shown that children in foster care are at elevated risk for behavior and health problems, and long term they are at risk for homelessness, school drop-out, and incarceration. Brianna and her little brother Tommy are lucky. They have been cared for by Marie and her long-time boyfriend for a year and a half and Marie said she and her partner would be interested in adopting the children if the opportunity presents itself. But many foster children accumulate a string of addresses, with each move meaning new adults with which to forge relationships, a new school, and adjusting to a new set of circumstances and expectations. The disruption is a lot for any kid to handle.

"Things can get complicated very quickly for foster children," says Dr. David Rubin, a pediatrician and director of PolicyLab at The Children's Hospital of Philadelphia, a research center that focuses on children's health and well-being and is dedicated to using research findings to drive changes in real-world practice and policy. "The question is how can we promote stability and get children more quickly into a permanent, stable placement, whether that be at home with their parents or, if necessary, through a kinship or foster care placement?"

Susan FitzGerald is a Philadelphia-area writer who specializes in children's health issues. She is co-author of a new parenting book, Letting Go with Love and Confidence: Raising Responsible, Resilient, Self-Sufficient Teens in the 21st Century, *to be published by Avery in August 2011.*

PolicyLab's Rubin says that despite the public's perception that troubled parents likely have troubled relatives, research shows that foster children are more likely to settle into a stable situation early on when they are placed with relatives, perhaps because they can maintain more family relationships and relatives are often more vested in making the arrangement work.

To get at that question, the Foundation funded researchers at PolicyLab to conduct The Children's Stability and Well-Being (CSAW) Study, under Rubin's leadership. In partnership with the city of Philadelphia, the researchers tracked 410 foster children ages three to eight to see what happened to them during their first 18 months in foster care. The researchers interviewed caregivers and caseworkers each time a child changed placement to understand what issues led to their movement. According to Sarah Zlotnik, Senior Strategist at PolicyLab, researchers looked at factors such as the timing of moves; how quickly children were placed in a permanent living situation; the number of children in the foster home; the relationship of the foster parent to the children (relative or non-relative); the child's behavior; and the stress level of the caregiver. The CSAW study recently expanded to look at how children's experience in foster care affects their educational achievement. With input from teachers and the Philadelphia School District, researchers are analyzing such factors as classroom behavior, absenteeism, and disciplinary problems at school.

While study results on the experience of the 410 children will not be fully analyzed until later this year, researchers used preliminary findings to issue an "Evidence to Action" report in 2009, including recommendations on ways to improve foster care policies and practices to better promote the stable placement of children. They called on state and federal administrators involved in child welfare to require more aggressive identification of relatives who might serve as kinship caregivers right from the start; lower the limit on the number of unrelated children allowed in foster homes; and provide more investment in "therapeutic parenting interventions" to increase caregivers' capacity to support children in their care. PolicyLab researchers have already begun to assist in responding to these recommendations by working with officials at Philadelphia's Department of Human Services (DHS) to strengthen policies to promote the transition of children into kinship care. The researchers are also working with Philadelphia's DHS and Department of Behavioral Health to pilot a therapeutic parenting intervention program at two Philadelphia foster care agencies.

The payoff of such efforts could be huge. In Philadelphia alone, about 3,200 children are placed in the foster care system. Across the United States, about half a million children are in foster care. National statistics show that two-thirds of the children in foster care for more than a year experience three or more placements.

"CSAW gives us an opportunity to use data and research to inform policy and practice," says DHS Commissioner Anne Marie Ambrose. "Philadelphia is proud of its use of kinship care, and (CSAW's) data support the benefits of placing children with family. We are encouraged by our collaboration with the Philadelphia Department of Behavioral Health, which has led to trauma-informed parent-child interventions. I believe the work we are doing could have a long-term impact on the children we serve."

To understand the issue of stability, CSAW uses three measures: early stability, meaning a child achieves stable placement within 45 days; later stability, where a stable placement is achieved between 45 days and nine months; and instability, where a child does not achieve permanent placement. PolicyLab's Rubin says that despite the public's perception that troubled parents likely have troubled relatives, research shows that foster children are more likely to settle into a stable situation early on when they are placed with relatives, perhaps because they can maintain more family relationships and relatives are often more vested in making the arrangement work.

Preliminary findings from the CSAW study showed that only 15 percent of children who entered kinship care became unstable compared to more than 30 percent of children who entered non-relative foster care. Kinship homes were also more likely to have fewer children—a factor that increases the chances a foster child will settle into a stable placement.

Susan Dougherty, a psychologist and research scientist with PolicyLab and the CSAW study, says behavioral issues are often the reason foster parents cite for why they want to end a placement arrangement. It is not that foster

FROM EVIDENCE:

Research shows that foster children are more likely to settle into a stable situation early on when they are placed with relatives, perhaps because they can maintain more family relationships and relatives are often more vested in making the arrangement work.

TO ACTION:

PolicyLab called on state and federal administrators involved in child welfare to require more aggressive identification of relatives who might serve as kinship caregivers right from the start.

The payoff of such efforts could be huge. In Philadelphia alone, about 3,200 children are placed in the foster care system. Across the United States, about half a million children are in foster care. National statistics show that two-thirds of the children in foster care for more than a year experience three or more placements.

kids are bad or foster parents are inadequate, but the children are coming into the foster care system with complicated family histories and emotional or mental health issues that have been unattended or perhaps misdiagnosed. A lack of available mental health services may prompt doctors to more quickly prescribe psychotropic drugs to foster children instead of trying non-pharmaceutical interventions first.

Dougherty says foster children often experience not only the trauma of having to leave a familiar home, but also the stress of whatever circumstances led to their being placed in protective services. She says the traumatized feelings can exhibit in different ways, including tantrums, aggressiveness, mood swings, sleep issues, inattention, distractibility, being hesitant to attach to a new caregiver, or being clingy. Preliminary data from the CSAW study found that nearly a third of children entering their first placement have behavioral health issues, which sometimes went unrecognized and untreated. These behavioral and emotional issues can become worse when a child experiences disruption in care, such as being moved from one foster home to another. Other children entering the foster care system with no emotional or behavioral issues may develop such concerns due to the disturbance of being moved from one foster home to another. Unfortunately, children with behavioral issues can be hard to place and difficult to keep in a stable placement. As a result, an escalating cycle continues between placement instability and increasing behavioral problems.

Christine Nichols, clinical director at Bethanna, a Philadelphia agency that provides foster care services, says some children come into the foster care system with family histories that are almost impossible to piece together. A recent case involved two young brothers who had lived in multiple settings, including a homeless shelter.

"We have little information about what happened to the children during that time. What we do have is how the children are in the moment," Nichols says. The boys needed constant supervision and reassurance. Their behaviors mirrored their anxiety about the chaos in their lives. The foster mother told the caseworker, "I don't know if I can do this. I don't know if I can handle tantrums every night." Nichols and her colleagues helped the foster mother through her feelings of despair by developing interventions to support her in continuing to care for the boys.

Rubin says the CSAW study points to the need for more funding for mental health services for children in foster care as well as additional help for the foster parents. The project has expanded to include a pilot therapeutic parenting intervention program, funded by The Annie E. Casey Foundation, that teaches foster parents how to interact with the child in a way that promotes good behavior and better bonding. That program, offered at Bethanna and Jewish Family and Children's Services, includes two components: a six-hour skills training for foster parents, kinship parents, and agency social workers in adult-child relationship enhancement, and a weekly evidence-based therapy (Parent-Child Interaction Therapy) with the child and caregiver delivered to a subset of children with higher behavioral health needs.

For Marie, the Montgomery County foster parent, these parent-child intervention programs are providing some new ideas and reinforcing some instincts she already had. She is learning to focus on positive behaviors rather than getting caught up in negative ones and to use praise in specific ways to reinforce her foster children's good choices.

"These little guys have been through so much," Marie says. "Sometimes when we say our prayers, I think of how hard it must be for a little kid to go to sleep in a house with people you just met."

Some afternoons Marie will stretch out on the couch and close her eyes for a few minutes, allowing the quick break to reenergize her for the rest of the day. Brianna likes to tip-toe up and plant a kiss on her cheek.

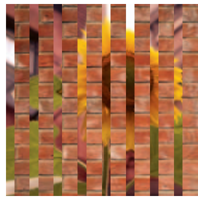
"I love you," the little girl will say. For Marie, that is proof positive that she is making a difference as a foster parent.

FROM EVIDENCE:

PolicyLab researchers looked at factors such as the timing of moves; how quickly children were placed in a permanent living situation; the number of children in the foster home; the relationship of the foster parent to the children (relative or non-relative); the child's behavior; and the stress level of the caregiver.

TO ACTION:

PolicyLab called on state and federal administrators involved in child welfare to lower the limit on the number of unrelated children allowed in foster homes and provide more investment in "therapeutic parenting interventions" to increase caregivers' capacity to support children in their care.



Matt Blanchard
for the William Penn Foundation

FROM **PROMISING** TO **PARAGON**

"I've spent my life in corporate finance, and—I'm not exaggerating—the Arden's was the finest strategic plan I'd ever seen." —Steve Heuman, Arden board member

Left: Mark Garvin. Right: Kristy Giballa

"Great stories by great storytellers," runs the motto of Philadelphia's Arden Theatre, which kicks off its 25th anniversary season in September 2011 with *August: Osage County*, a family drama *The New York Times* called "turbocharged... the most exciting new American play in years."

Away from the footlights, however, another kind of Arden story—less dramatic but no less great—is playing out in the profit-and-loss columns of the company's financial books. Three years into a global financial crisis that has hobbled many arts organizations in the region, the Arden is growing its annual budget past the $4.5 million mark, expanding its funding of new plays, and has plans to develop a neighboring building.

The turbocharged drama here is about positive capitalization—the Arden's financial ability to achieve its mission, survive the unexpected, and fund future innovation. While nonprofits in the arts world have traditionally lived with a goal of breaking even, leaders in the field are increasingly looking to build well-capitalized organizations, able not only to pay the rent but also to invest in new ideas and in the region's future as a cultural hub.

Serious cause for concern arose from a 2009 report by the Technical Development Corporation, commissioned by the William Penn Foundation and The Pew Charitable Trusts, which found that 77 percent of Philadelphia-area arts organizations are dangerously undercapitalized. The report, titled "Getting Beyond Breakeven," examined 158 entities, from dance companies to house museums. Some barely had cash reserves to cover two weeks of operating expenses. Others had none at all.

Thus, many nonprofits ran headlong into the financial crisis without reserves to endure what the tempest had in store: falling earned revenue, sinking investments, and the decline or disappearance of major donors. The situation was further complicated by the fact that many funders' practices effectively discourage or even penalize groups for having reserves. The result was that only 18 percent of nonprofits expected to end 2010 with a surplus, according to a national survey by the Nonprofit Finance Fund (NFF).

Now the search is on for a better way of doing business, a new narrative about financial management that, to a great degree, is exemplified by success stories like the Arden. The company continues to win critical acclaim and expand its mission into education and training, while amassing $5.2 million in net assets. According to Kim Cook, a veteran financial advisor with NFF, a story such as the Arden's can best be understood in three acts.

"There's really only three ways you're going to build more capital in your organization," says Cook, who has advised approximately 50 cultural organizations for NFF's Philadelphia office. "You can start generating an operating surplus, you can have a capital campaign, and you can incur debt."

Freelance writer Matt Blanchard is a former reporter for The Philadelphia Inquirer. *In a previous WPF Annual Report, he wrote about innovative approaches to land conservation in the Delaware Bayshore.*

Left: Mark Garvin. Right: Kristy Giballa

"Other people on boards I know are quick to say the Arden had a lot of good breaks. Actually I say we didn't. We made good breaks happen."

—Steve Donato, Board Treasurer

Debt, surpluses, and capital campaigns: Of those three methods, debt is undoubtedly Act I in the Arden story. The creative use of debt helped hoist the Arden into the top tier of fiscally healthy theater companies.

From its founding in 1988, however, debt had been something to avoid. Working first in rented space and then in a church, the Arden started out "very much in the mom-and-pop financial model," recalls Managing Director Amy Murphy, whose co-founder and husband Terry Nolan is the Arden's producing artistic director. "I had managed my dad's plumbing business, so at first that's how I treated it." To this day, the company's strategic plan rules out borrowing to cover operating expenses.

But a key test in the growth cycle of many theater companies is establishing a permanent home, and this places many performing groups on the horns of a dilemma.

Without a place to call "The Arden," audience loyalty and institutional identity might never coalesce. At the same time, owning real estate brings major expenses—the leaky roof, the failing boiler, and the hefty cost of simply lighting a professional theatre, which could leave the Arden crippled in terms of financial health and program quality.

By 1995 the Arden's pattern of sound fiscal management had given the staff and board the ability to scrape together $60,000 and the confidence to attempt the leap into real estate, securing a $925,000 PNC Bank loan to purchase a boxy red-brick building on Second Street in Old City.

"It was a scary, courageous choice, on the part of the board and the bank," Murphy recalls. "But it was the best decision we ever made."

Arden took the leap, but not without looking. Rather than renovate the entire 50,000-square-foot property, they restricted work to just the front third of the house, rushing a 360-seat main theater into revenue-producing action in just a few short months. Positive cash flow came quickly, renovation costs were kept low, and donors responded more generously to the finished main theater than they would to a vision on a poster board.

"My philosophy is that not all debt is bad debt," says longtime board member and banker David Spingler. "Managed debt that can create revenue is good debt."

Four years later, the Arden refinanced the original loan and drew still more debt, and in 2003 bought the Actors House, an additional property to lodge out-of-town talent working on Arden productions. That debt helped the Arden to reduce operating costs and provide a higher-quality experience for visiting talent, which in turn added to the quality of their artistic product.

Meanwhile, the main theater building has appreciated to six times the purchase price, and the Arden is developing a third property to house its burgeoning theater education programs.

Leveraging debt has worked so well for the Arden because each loan opened opportunities for new revenue, and because each time, they simply took the time to run the numbers.

"It's analysis after analysis," says Spingler who served eight years on the Arden board. "Analysis of your project, of your cash flow, your vision, your current expenses, your projected future expenses...If it's well past the break-even point, then you move forward...Each time we've laid out the numbers, guess what? It's been good debt."

Act II of the Arden's story is more fundamental to its capitalization strategy than debt: operating surpluses. Such surpluses have been a hallmark of the Arden's financial management. Routinely north of $300,000, the surpluses are an annual infusion of liquidity flowing from the box office.

But while a focus on ticket sales may sound obvious for a performance company, it is not always the case. Some arts organizations draw less than 40 percent of their revenue from earned income, relying on charitable contributions for the remaining 60-plus percent. The Arden has committed itself to the inverse of that proportion. An average year sees 60 to 65 percent of revenue through single ticket and subscription sales.

"That's how our model has worked; we're driven by ticket sales," Amy Murphy explains. "If you become too dependent on contributions, you're not paying attention to your audiences. And it's that active audience that not only affects ticket sales, but ultimately affects the level of giving."

Built on the bedrock of single ticket and subscriber sales are the charitable gifts of individual donors, which in turn help swing larger institutional donors such as corporations and foundations.

Contributions to the Arden topped $2.2 million in 2009, generating surpluses that amount to highly liquid cash-on-hand to fund depreciation of theater property and keep the Arden well-capitalized even in the midst of a downturn.

On the expense side, Arden management protects its annual surplus by establishing financial guidelines for each production. It's a tricky undertaking, because seasons are built months in advance and can rarely be changed midcourse.

Yet with a close feel for their audience, much is knowable. A Sondheim musical, for instance, will sell tickets and attract newcomers, yet its high production expense can make it a financial break-even. By contrast, a Shakespeare play will pull smaller audiences but can be executed on a simpler set with a smaller cast and zero royalties. Thus *Romeo and Juliet* might end up adding more to the

FROM PROMISING:

By 1995 the Arden's pattern of sound fiscal management had given the staff and board the ability to scrape together $60,000 and the confidence to attempt the leap into real estate, securing a $925,000 bank loan to purchase a boxy red-brick building on Second Street in Old City.

TO PARAGON:

Rather than renovate the entire property, they restricted work to just the front third of the house, rushing a 360-seat main theater into revenue-producing action in just a few short months. Positive cash flow came quickly, renovation costs were kept low, and donors responded more generously to the finished main theater than they would to a vision on a poster board.

bottom line than a blockbuster musical like *Sweeney Todd*. The goal is an overall financial balance for each season.

The lesson is that while ticket sales cannot be guaranteed, focusing on audiences and meticulous cost control can position a nonprofit to generate the annual surpluses without which cash reserves are impossible.

"Yes, we are a nonprofit," explains Arden board treasurer Steve Donato, "but we never forget that we're living in a for-profit world."

Act III in the saga of capitalization strategies, launching a capital campaign, sounds foolproof and lucrative. By some estimates, each dollar spent in this sort of fundraising can result in nine new dollars coming in the door.

Yet the capital campaign, too, has serious pitfalls.

Without liquid reserves in place at the outset, the effect of a poorly timed campaign can be extremely damaging, because in the short term, capital campaigns burn cash at a rate most nonprofits do not anticipate, and most do not build in the costs of running the campaign.

A striking finding from "Getting Beyond Breakeven" was that capital campaigns are often married to highly visible expansions or remodeling projects to make them attractive to donors. These new facilities ultimately increase operating costs, potentially harming instead of helping the organization's long-term capital structure.

Compounding the problem is a temptation to low-ball the true capital amount needed to cover ongoing and unanticipated expenses of a new facility, for fear that high-dollar campaigns will never get off the ground.

Other capital campaigns seek to build an endowment, a nest egg of investment money that ideally pays enough annual dividends to make annual fundraising less of a struggle. Yet endowments can lose money in a down market, and locking capital into this illiquid investment may leave the organization without the cash to respond to immediate needs.

These dangers are no less real for the Arden, whose recent \$3 million capital campaign, the Fund for the Future, was stalled for a time at about \$1.8 million, largely due to the down economy.

Yet the Fund for the Future was thoughtfully designed. Launched under the motto "Secure the building, grow the art," it is actually two funds with different strategic goals.

Half of the \$3 million is a building fund. This highly liquid account is not tied to the construction of costly new facilities but rather to the renovation of their current home—better bathrooms and public spaces for the audience, better dressing and green rooms for the actors—and to emergency cash for unexpected repairs.

The Fund's other \$1.5 million fund is designed to provide a pot of investment money whose dividends are earmarked for the development of new plays, a purpose central to the Arden's artistic mission. This board-restricted fund to "grow the art" is held in minimum liquidity for maximum return.

Taken together, the two halves of the Fund for the Future reflect the Arden's core business strategy: focus on the artwork and the audience. Unlike an endowment designed to free the board from fundraising, the Fund's goal is to upgrade the audience experience in the lobby and on stage.

In February, the Foundation stepped in with a \$500,000 grant to help complete the Fund for the Future. The move reflects a growing feeling among donors and experts that the nonprofit sector needs not only project-specific funding, but also grants for the express purpose of building capital.

"If the funders want to see organizations that are well capitalized, they may literally have to provide the capital to do that, outside of project-specific funding or what they might give for annual operation," argues NFF's Cook.

The difference here is between what the NFF calls "buyer" donors who essentially fund day-to-day mission activities, in a sense buying a nonprofit's services, and "builder" donors who explicitly provide capital to expand or change missions, essentially retooling the nonprofit factory to stay competitive. Thanks in part to the smart capitalization strategy behind the Fund for the Future, the Foundation has become both builder and buyer in its partnership with the Arden.

Debt, surpluses, and capital campaigns: Even with these three capitalization strategies in place, it is possible for an organization to wander off course to the extent that smart strategies turn dumb.

Capitalization must be constantly aligned with an organization's mission, capacity, and market conditions, lest well-intentioned projects drift into what nonprofit finance guru Clara Miller has called "managerial sleepwalk... a kind of groupthink about capitalization that fails to examine alternatives."

The antidote to managerial sleepwalk is strategic planning, and to add an epilogue to the Arden's story, it is a practice the theater has taken up with an intensity even its board members find astonishing.

"I've spent my life in corporate finance, and—I'm not exaggerating—the Arden's was the finest strategic plan I'd ever seen," remarks board member Steve Heuman.

"And they actually look at it," adds board treasurer Donato. "They talk about it at meetings!"

Strategic planning, in the form of three-year plans, orchestrates the Arden's capitalization efforts toward mission-relevant goals. A case in point is the Arden's growing educational program, a major expansion of mission including Arden For All, an outreach to underprivileged schools, and the Arden Drama School.

Education started as a major money-loser, but guided by the steady hand of an agreed-upon plan, the Arden has pushed it over the hump. The program is now self-sustaining, building new audiences for theater and drawing in charitable donors that will respond to an educational mission.

Now that mission, in turn, is driving the Arden's search for a nearby building to expand its class space. It's a page right out of the Arden's 2009 to 2012 strategic plan—an investment in real estate tied to the Arden's core mission, made possible by careful financial planning. Because the Arden is well-capitalized, it was in a position to move when the ideal property for its education center appeared on the market.

"Other people on boards I know are quick to say the Arden had a lot of good breaks," says Donato. "Actually I say we didn't. We made good breaks happen."

FROM PROMISING:

The Arden is driven by ticket sales. It's the active audience that not only affects ticket sales, but ultimately affects the level of giving. Built on the bedrock of single ticket and subscriber sales are the charitable gifts of individual donors, which in turn help swing larger institutional donors such as corporations and foundations.

TO PARAGON:

Contributions to the Arden topped \$2.2 million in 2009, generating surpluses that amount to highly liquid cash-on-hand to fund depreciation of theater property and keep the Arden well-capitalized even in the midst of a downturn.

History of the Foundation

In 1945 Otto and Phoebe Haas created the Phoebe Waterman Foundation to provide for their philanthropic concerns, specifically relief in post-War Europe, scholarships for fatherless children, and support for medical and educational institutions. The Foundation's development was made possible by the increasing success of the Rohm and Haas Company.

Over the next decade, the Foundation was supported by gifts from the family and continued to reflect the personal philanthropic interests of Otto and Phoebe Haas. In 1955, as annual grants exceeded $100,000, the Foundation hired its first director.

Upon Mr. Haas' death in 1960, the Foundation received the bulk of his estate; Mrs. Haas continued a program of regular gifts to the Foundation until her death in 1967. During this period, Otto and Phoebe's sons, John C. and F. Otto, headed the Foundation's board.

When the Foundation's name was changed to the Haas Community Fund in 1970, annual grants were $3.5 million. Within another four years, grants had doubled to $7 million per year and the Haas family renamed the Fund the William Penn Foundation, commemorating the 17th-century Quaker whose pursuit of an exemplary society led to the founding of Philadelphia, the City of Brotherly Love.

Throughout its history, the Foundation's grantmaking has focused on a range of topics, including arts and culture, human development, conservation and restoration, community fabric, education, and the environment.

In 2001, the Foundation undertook a planning process in consultation with various stakeholders in the communities that it serves. The results reaffirmed the Foundation's commitment to improving the quality of life in the Greater Philadelphia region and led to the establishment of new goals and priorities for its current grantmaking programs: Arts & Culture; Children, Youth, & Families; and Environment & Communities.

Over the years, presidents have included Richard Bennett, Harry Cerino, Kathy Engebretson, Janet Haas, and Bernard Watson. Two of Otto and Phoebe's grandsons now serve as chair of the corporation (Thomas Haas) and chair of the board of directors (David Haas). The Foundation's current president, Feather O. Houstoun, has served in that position since 2005. In June 2011, she will be succeeded by Jeremy Nowak.

Our Founders

At the age of 15, German-born Otto Haas learned English while working as a bank clerk to support his widowed mother and younger siblings. He didn't know it then, but his newfound language skills would eventually help him create one of the world's largest manufacturers of unique specialty chemicals.

Clerking at the bank and working with a German dye and chemical manufacturer provided Mr. Haas with the savings he needed to emigrate to the United States, and he did so in 1901, before the age of 30. Within a few years, Dr. Otto Rohm, a friend from Germany who was developing a new product for the tanning industry, asked Mr. Haas if he could help him with his business. Mr. Haas agreed, and helped investigate the needs of leather tanners in the United States before returning to Germany to help Dr. Rohm develop the new business.

Mr. Haas returned to the United States in 1909 to establish the first American branch of the fledgling Rohm and Haas partnership in Philadelphia, a center of the tanning industry. The venture was a success, and by 1912 there was a branch in Chicago. In 1913, markets in South America were ready for the new approach to tanning, and Mr. Haas set out on a trip to establish offices there.

On the ship to South America, Otto Haas met Dr. Phoebe Waterman, an astronomer on her way to an assignment at an observatory in Argentina. Born on the North Dakota frontier, she was the daughter of an army lieutenant colonel posted to Fort Totten to rebuild the troops replacing Custer's regiment after Little Big Horn. Educated at Vassar and Berkeley, she had earned an M.A. in mathematics and astronomy and was among the first women to earn a Ph.D. in astronomy at the Berkeley/Lick Observatory. Phoebe Waterman and Otto Haas were married in 1914.

Rohm and Haas continued to prosper in subsequent decades, thanks to the firm's concentration on chemicals that had unique industrial properties and the hard work of its employees. Mr. Haas' personal concern for his employees and his financial policies enabled the company to survive the Depression without reducing its workforce. World War II coincided with the company's development of Plexiglas, a product well-suited for airplane cockpit enclosures.

For a century, Rohm and Haas Company created innovative technologies used in science, and industry, and developed products to enhance performance of electronics, paint and coatings, detergents, personal care products, adhesives, and plastics. The company's expertise in specialty chemicals was widely recognized. In 2008, Rohm and Haas Company agreed to merge with The Dow Chemical Company and the transaction closed in the second quarter of 2009.

Founding Philosophies

Our Vision Advancing a dynamic, diverse region with meaningful opportunity.

Our Values ***Stewardship:*** The Foundation's funds belong to the community at large. Members, directors, and staff act as trustworthy and responsible stewards of these funds, seeking to direct resources with wisdom and compassion. They strive to ensure that our grantmaking is not only relevant, effective, and efficient, but also mindful of the opportunity gap between low-income residents and their more advantaged peers.

Respect for Others: Members, directors, and staff value and respect all persons, recognizing that persons of disparate gender, race, age, religion, economic level, sexual orientation, and capacity contribute meaningfully to our world. All persons are treated with honesty, integrity, and fairness.

Commitment to Collaboration: Participation of the public, as well as that of other grantmakers and Foundation directors and staff, is sought to clarify issues of community concern and is facilitated through our role as a convener. Collegial relationships, collaboration, discussion, debate, and exchange of information are encouraged.

Learning: Grantees' accomplishments and the Foundation's activities, including evaluation and education efforts, provide means to promote learning and convey information to interested others. Foundation members, directors, and staff value learning opportunities that enhance the well-being of the region and its citizens.

Communication: Communications advance the Foundation's mission by enhancing the impact of our grantmaking and the effective use of our resources. Members, directors, and staff value clarity, coherence, and simplicity in communications. They listen and seek to learn from others in order to function with maximum efficacy.

Our Mission To improve quality of life in the Greater Philadelphia region through efforts that foster rich cultural expression, strengthen children's futures, and deepen connections to nature and community. In partnership with others, we work to advance a vital, just, and caring community.

Our Principles ***Long-Term Focus:*** We focus on work that will strengthen the region's viability and sustainability for the long term, rather than confining our efforts to short-term goals.

Integration: Whenever possible, we integrate grantmaking throughout rural, suburban, and urban areas of the Philadelphia region and across Foundation grantmaking categories.

Achievability: We support work that is based on sound objectives and measurement practices, is ambitious but achievable, and is relevant to our grantmaking capacity to contribute. We understand that success is predicated on the presence of social capital and viable partners and on sharing and applying insights learned from previous work in the field.

Leverage: We focus on work that has a multiplier effect; we seek points of leverage, including alignment of interests across the private and public sectors.

Relevance: We regularly and consistently ask our community for information regarding significant challenges faced by our region and for feedback about the value and effectiveness of our work and the relevance of our planned future directions.

Financial Highlights

Facts & Figures 2010

Statements of Financial Position*

Years ended December 31, 2010 and 2009

Assets	2010	2009
Cash	$ 250,565	$ 38,429
Investments	2,031,019,995	1,899,005,063
Securities lending collateral	69,887,762	92,986,575
Program-related investments	3,500,000	3,500,000
Other assets	126,441	1,121,280
Property and equipment, net	444,002	390,888
Pension plan, net	653,620	550,829
Total assets	2,105,882,385	$1,997,593,064
Liabilities and Net Assets		
Federal excise tax payable	461,757	0
Deferred excise tax	2,155,849	0
Grants payable, net	42,009,644	30,491,019
Securities lending collateral obligations	69,887,762	92,986,575
Post-retirement health care benefits	2,118,099	2,100,045
Accrued expenses and other liabilities	247,133	215,315
Total liabilities	116,880,244	125,792,954
Net assets	1,989,002,141	1,871,800,110
Total liabilities and net assets	$ 2,105,882,385	$1,997,593,064

**Because the Foundation's annual audit was not complete at press time, this statement is unaudited as presented. The statement of financial position excludes beneficial interest in trusts.*

Statements of Activities*

Years ended December 31, 2010 and 2009

Revenues	2010	2009
Interest	$ 4,504,494	$ 1,005,384
Dividends	32,923,876	23,547,176
Grants from Otto Haas Charitable Trusts	2,026,472	767,084,353
Net realized and unrealized gains (losses)	187,770,545	198,697,723
Total revenue	227,225,387	990,334,636
Grants and Operating Expenses		
Grants expense	92,680,139	49,325,439
Program administration and general expenses	6,054,394	6,094,263
Investment expenses	7,899,028	4,955,171
Deferred federal excise tax expense	2,155,849	0
Federal excise tax and income taxes	1,233,946	381,130
Total grants and operating expenses	110,023,356	60,756,003
Change in net assets	117,202,031	929,578,633
Unrestricted net assets, beginning of year	1,871,800,110	942,221,477
Unrestricted net assets, end of year	$ 1,989,002,141	$1,871,800,110

**Because the Foundation's annual audit was not complete at press time, this statement is unaudited as presented.*

Grantmaking Details

Facts & Figures 2010

Grant Facts, 2009–2010

	2010	2009
Letters of Inquiry Received	316	286
Eligible Proposals Received	301	264
New Grants Approved[1]	278	246
Dollars Awarded for New Grants	$93,813,712	$47,389,727
Active Grants from Prior Years	186	215
Total Active Grants	465	461
Total Payments on Grants[2]	$80,516,426	$63,545,092
Dollars Awarded, WPF Principal Funder[3]	$20,114,154 (68 grants)	$12,627,378 (70 grants)

[1]WPF approved six grants in 2009 and six grants in 2010 that were shared with a primary program area but not included in this total.
[2]Does not include small and matching gifts totaling $1,206,464 in 2009 and $1,202,832 in 2010.
[3]Principal funder means that WPF is providing the majority of support for the project.

New and Active Grants, 2010

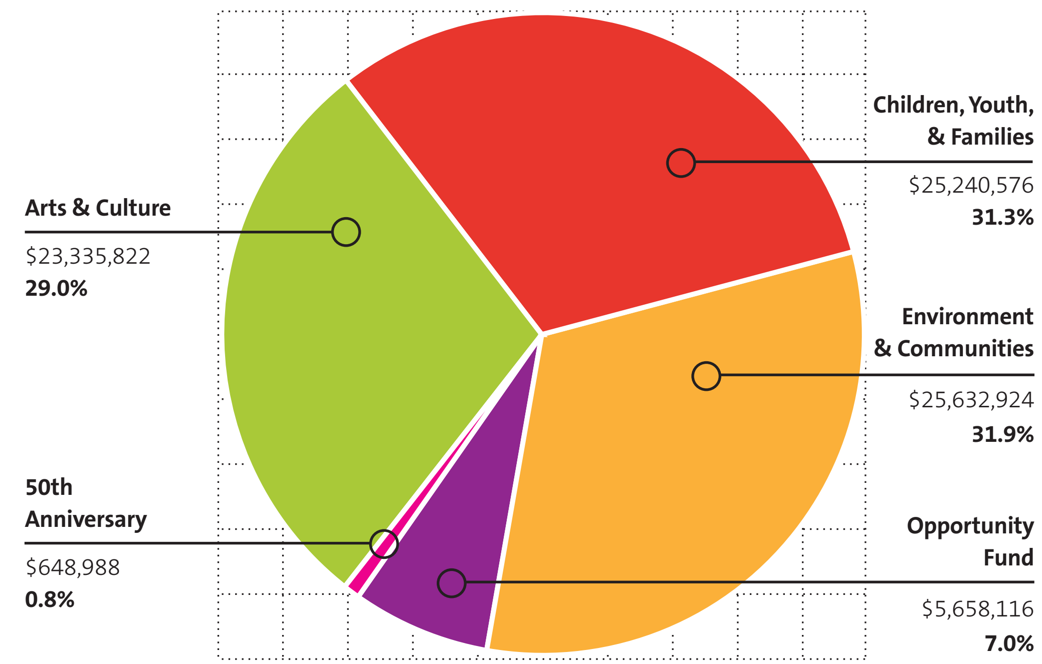
	Number of New Grants[1]	Number of Active Grants-Prior Years	Total Active Grants	2010 New Appropriations	2010 Total Payments on Active Grants
Arts & Culture	67	57	124	$23,837,872	$23,335,822
Children, Youth, & Families	70	49	119	$20,476,233	$25,240,576
Environment & Communities	86	61	147	$42,707,425	$25,632,924
Opportunity Fund	55	16	71	$6,792,182	$5,658,116
50th Anniversary	0	3	3	$0	$648,988
2010 Totals	278	186	464	$93,813,712	$80,516,426

[1]Totals do not include information on six grants shared between more than one program area or small and matching gifts totaling $1,202,832.

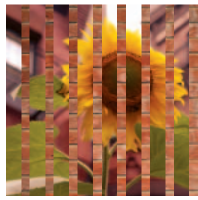
Awards & Payments

Facts & Figures 2010

Grant Payments by Category*



**Does not include small and matching gifts totaling $1,202,832.*



Grant Awards 2010

Arts & Culture

11th Hour Theatre Company	*Philadelphia, PA*	$55,000 over 6 months
Act II Playhouse, Ltd.	*Ambler, PA*	$261,800 over 30 months
Art Partners Studio	*Coatesville, PA*	$49,500 over 12 months
Art Sanctuary	*Philadelphia, PA*	$396,000 over 36 months
Arts in School Collaborative	*Bala Cynwyd, PA*	$44,440 over 12 months
Asian Arts Initiative	*Philadelphia, PA*	$198,550 over 24 months
Association for the Colonial Theater	*Phoenixville, PA*	$33,000 over 5 months
Azuka Theatre Collective	*Philadelphia, PA*	$38,390 over 6 months
Bryn Mawr Rehabilitation Foundation	*Malvern, PA*	$117,000 over 40 months
Nichole Canuso Dance Company, Inc.	*Philadelphia, PA*	$27,500 over 12 months
Center for Emerging Visual Artists, Ltd.	*Philadelphia, PA*	$313,500 over 36 months
Christ Church Preservation Trust	*Philadelphia, PA*	$329,500 over 28 months
Clay Studio	*Philadelphia, PA*	$396,000 over 35 months
Concerto Soloists of Philadelphia	*Philadelphia, PA*	$50,000 over 16 months $600,000 over 24 months
Conservation Center for Art and Historic Artifacts	*Philadelphia, PA*	$342,980 over 68 months $280,500 over 26 months
Curtis Institute of Music	*Philadelphia, PA*	$300,000 over 25 months
Dance Affiliates	*Philadelphia, PA*	$390,000 over 40 months $50,000 over 6 months
Fund for Philadelphia, Inc.	*Philadelphia, PA*	$305,000 over 24 months
Greater Philadelphia Cultural Alliance	*Philadelphia, PA*	$451,000 over 12 months
Headlong Dance Theater	*Philadelphia, PA*	$163,350 over 28 months

Interact, Inc.	*Philadelphia, PA*	$67,955 over 4 months
Kimmel Center, Inc.	*Philadelphia, PA*	$3,000,000 over 13 months
Koresh Dance Company	*Philadelphia, PA*	$396,550 over 36 months
Mann Center for the Performing Arts	*Philadelphia, PA*	$550,000 over 12 months
Mid Atlantic Arts Foundation, Inc.	*Baltimore, MD*	$63,400 over 6 months
Montgomery County Community College Foundation	*Blue Bell, PA*	$51,376 over 16 months
Montgomery Theater, Inc.	*Souderton, PA*	$82,500 over 16 months
Musicopia, Inc.	*Philadelphia, PA*	$75,889 over 12 months
National Guild Community Schools of the Arts, Inc.	*New York, NY*	$16,500 over 7 months
National Museum of American Jewish History	*Philadelphia, PA*	$583,000 over 36 months
Nonprofit Finance Fund	*New York, NY*	$629,746 over 24 months
OMG Center for Collaborative Learning	*Philadelphia, PA*	$321,800 over 12 months[1]
OPERA America, Inc.	*New York, NY*	$33,530 over 6 months $287,294 over 22 months
Opera Company of Philadelphia	*Philadelphia, PA*	$400,000 over 11 months $1,500,000 over 23 months
Painted Bride Art Center	*Philadelphia, PA*	$158,235 over 12 months
Pennsylvania Ballet Association	*Philadelphia, PA*	$235,000 over 17 months $105,570 over 3 months $1,900,000 over 25 months
People's Light and Theatre Company	*Malvern, PA*	$660,000 over 30 months

[1] *Shared with Children, Youth, & Families*

Arts & Culture, continued

Philadelphia Chamber Music Society	*Philadelphia, PA*	$409,200 over 39 months
Philadelphia Classical Symphony, Inc.	*Philadelphia, PA*	$24,090 over 6 months
Philadelphia Education Fund	*Philadelphia, PA*	$82,500 over 12 months $572,449 over 24 months[2]
Philadelphia Folklore Project	*Philadelphia, PA*	$247,500 over 37 months
Philadelphia Fringe Festival	*Philadelphia, PA*	$352,000 over 22 months
Philadelphia Orchestra Association	*Philadelphia, PA*	$82,500 over 2 months $445,610 over 7 months $4,000,000 over 26 months
Philadelphia Shakespeare Theatre	*Philadelphia, PA*	$82,500 over 6 months $110,367 over 36 months
Philadelphia Young Playwrights, Inc.	*Philadelphia, PA*	$368,500 over 30 months
Print Center	*Philadelphia, PA*	$162,580 over 22 months
Relache, Inc.	*Philadelphia, PA*	$82,500 over 12 months
Jeanne Ruddy and Dancers, Inc.	*Philadelphia, PA*	$70,290 over 6 months
Scribe Video Center, Inc.	*Philadelphia, PA*	$146,520 over 16 months
Taller Puertorriqueno, Inc.	*Philadelphia, PA*	$82,500 over 7 months
Theatre Alliance of Greater Philadelphia	*Philadelphia, PA*	$210,000 over 24 months
Theatre Exile Company	*Philadelphia, PA*	$82,500 over 6 months $82,500 over 7 months
Vox Populi	*Philadelphia, PA*	$79,035 over 36 months
VSA Arts of Pennsylvania	*Philadelphia, PA*	$82,500 over 6 months
Walnut Street Theatre Corporation	*Philadelphia, PA*	$115,500 over 28 months

[2] *Shared with Children, Youth, & Families*

Children, Youth, & Families

Advocates for Children of New Jersey	*Newark, NJ*	$27,500 over 6 months
Asian Americans United	*Philadelphia, PA*	$82,500 over 12 months
Bryn Mawr College	*Bryn Mawr, PA*	$97,900 over 12 months
Center for Literacy, Inc.	*Philadelphia, PA*	$190,125 over 9 months
Central Susquehanna Intermediate Unit	*Lewisburg, PA*	$345,000 over 36 months
Children's Literacy Initiative	*Philadelphia, PA*	$82,500 over 12 months
Childspace Cooperative Development, Inc.	*Philadelphia, PA*	$82,500 over 12 months
Communities in Schools of Philadelphia, Inc.	*Philadelphia, PA*	$661,100 over 36 months
Council for a Strong America – Mission Readiness	*Washington, DC*	$82,500 over 12 months
Delaware Valley Association for the Education of Young Children	*Philadelphia, PA*	$821,974 over 24 months $455,000 over 24 months
Delaware Valley Grantmakers	*Philadelphia, PA*	$3,545 over 12 months
Education Law Center	*Newark, NJ*	$98,464 over 12 months
Education Law Center – PA	*Philadelphia, PA*	$82,000 over 6 months $890,000 over 24 months
Education Policy and Leadership Center	*Harrisburg, PA*	$874,995 over 24 months
Education Voters Institute	*Washington, DC*	$28,794 over 24 months
Food Bank of South Jersey	*Pennsauken, NJ*	$75,000 over 12 months

Grant Awards 2010

Children, Youth, & Families, continued

Fund for Philadelphia, Inc.	*Philadelphia, PA*	$69,319 over 18 months $582,400 over 18 months[3]
Good Schools Pennsylvania	*Philadelphia, PA*	$500,000 over 24 months
Hispanics in Philanthropy	*San Francisco, CA*	$165,000 over 24 months[4]
Institute for Safe Families	*Philadelphia, PA*	$220,000 over 24 months
Juvenile Law Center	*Philadelphia, PA*	$55,770 over 12 months $45,900 over 12 months $1,000,000 over 24 months
Keystone Research Center, Inc.	*Harrisburg, PA*	$33,000 over 6 months
Mastery Charter Schools Foundation	*Philadelphia, PA*	$1,000,000 over 24 months
Maternal Child Health Consortium of Chester County	*West Chester, PA*	$469,040 over 24 months
Maternity Care Coalition	*Philadelphia, PA*	$500,000 over 24 months
National Women's Law Center	*Washington, DC*	$500,000 over 24 months
Neighborhood Interfaith Movement, Inc.	*Philadelphia, PA*	$650,100 over 12 months
New Venture Fund	*Washington, DC*	$10,841 over 3 months
Nonprofit Finance Fund	*New York, NY*	$1,241,661 over 12 months $460,000 over 24 months
OMG Center for Collaborative Learning	*Philadelphia, PA*	$74,800 over 6 months $107,575 over 12 months $66,000 over 6 months $65,120 over 12 months $321,800 over 12 months[5]

[3] *Shared with Environment & Communities*
[4] *Shared with Environment & Communities and Opportunity Fund*
[5] *Shared with Arts & Culture*

PathWaysPA	*Holmes, PA*	$297,935 over 24 months
Pennsylvania Coalition of Public Charter Schools	*West Chester, PA*	$82,500 over 12 months
Pennsylvania Partnerships for Children	*Harrisburg, PA*	$55,000 over 7 months
Philabundance	*Philadelphia, PA*	$225,000 over 12 months
Philadelphia Education Fund	*Philadelphia, PA*	$572,449 over 24 months[6]
Philadelphia Student Union	*Philadelphia, PA*	$82,500 over 12 months
Philadelphia VIP, Inc.	*Philadelphia, PA*	$590,739 over 27 months[7]
Philadelphia Youth Network	*Philadelphia, PA*	$275,000 over 6 months
Public Health Management Corporation	*Philadelphia, PA*	$660,000 over 24 months $82,500 over 24 months $699,432 over 36 months $82,500 over 6 months
Public Interest Law Center of Philadelphia	*Philadelphia, PA*	$22,000 over 12 months
Public Interest Projects, Inc.	*New York, NY*	$360,000 over 36 months
Research for Action, Inc.	*Philadelphia, PA*	$100,000 over 12 months
Save the Children Federation	*Westport, CT*	$135,000 over 12 months
School District of Philadelphia	*Philadelphia, PA*	$1,000,000 over 24 months
Southeast Asian MAA Coalition, Inc.	*Philadelphia, PA*	$82,500 over 12 months
Support Center for Child Advocates	*Philadelphia, PA*	$10,000 over 12 months

[6] *Shared with Arts & Culture*
[7] *Shared with Environment & Communities*

Children, Youth, & Families, continued

Temple University – University Community Collaborative of Philadelphia	*Philadelphia, PA*	$561,000 over 36 months
Third Sector New England	*Boston, MA*	$55,000 over 6 months $82,500 over 12 months $183,790 over 12 months $340,000 over 24 months
Tides Center	*San Francisco, CA*	$82,500 over 12 months
United Way of Southeastern Pennsylvania	*Philadelphia, PA*	$605,000 over 12 months
University of Pennsylvania – Center for Research on Youth and Social Policy	*Philadelphia, PA*	$577,500 over 36 months
University of Pennsylvania – Field Center for Children's Policy, Practice, and Research	*Philadelphia, PA*	$35,000 over 3 months
Urban League of Philadelphia	*Philadelphia, PA*	$82,500 over 12 months
Welcoming Center for New Pennsylvanians	*Philadelphia, PA*	$165,000 over 12 months
WM Corporation	*Washington, DC*	$50,000 over 6 months
Youth Empowerment Services	*Philadelphia, PA*	$200,000 over 12 months
Youth United for Change	*Philadelphia, PA*	$82,500 over 11 months

Environment & Communities

American Littoral Society	*Highlands, NJ*	$445,000 over 24 months
Awbury Arboretum Association, Inc.	*Philadelphia, PA*	$330,000 over 36 months
John Bartram Association	*Philadelphia, PA*	$220,000 over 24 months
Benefits Data Trust	*Philadelphia, PA*	$82,500 over 9 months
Berks County Conservancy	*Reading, PA*	$302,500 over 12 months
Bicycle Coalition of Greater Philadelphia	*Philadelphia, PA*	$396,000 over 18 months $82,500 over 18 months
Brandywine Conservancy, Inc.	*Chadds Ford, PA*	$220,000 over 24 months
Brookings Institution	*Washington, DC*	$66,000 over 6 months
Camden Churches Organized for People	*Camden, NJ*	$85,000 over 12 months
Camden City Garden Club, Inc.	*Camden, NJ*	$165,000 over 18 months
Center City District	*Philadelphia, PA*	$440,000 over 24 months
Center for Architecture	*Philadelphia, PA*	$82,500 over 36 months
Citizens for Pennsylvania's Future	*Harrisburg, PA*	$1,500,000 over 24 months
City Parks Alliance, Inc.	*Washington, DC*	$30,245 over 12 months
Clean Ocean Action, Inc.	*Highlands, NJ*	$82,500 over 12 months
Clean Water American Alliance	*Washington, DC*	$20,000 over 3 months
Clean Water Fund – Pennsylvania	*Philadelphia, PA*	$132,000 over 12 months

Grant Awards 2010

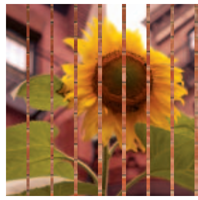
Environment & Communities, continued

Community Design Collaborative of AIA Philadelphia	*Philadelphia, PA*	$165,000 over 12 months
Conservation Resources, Inc.	*Chester, NJ*	$192,500 over 24 months
Cooper's Ferry Development Association, Inc.	*Camden, NJ*	$440,000 over 12 months
D&R Greenway Land Trust, Inc.	*Princeton, NJ*	$264,000 over 24 months
Delaware River Waterfront Corporation	*Philadelphia, PA*	$5,000,000 over 24 months
Delaware Riverkeeper Network	*Bristol, PA*	$269,500 over 12 months
Delaware Valley Green Building Council	*Philadelphia, PA*	$82,500 over 10 months
Delaware Valley Regional Planning Commission	*Philadelphia, PA*	$48,000 over 4 months $10,000,000 over 36 months
EARTHWORKS	*Washington, DC*	$75,000 over 12 months
East Falls Development Corporation	*Philadelphia, PA*	$82,500 over 5 months
Energy Programs Consortium	*Washington, DC*	$80,000 over 12 months
Food Trust	*Philadelphia, PA*	$370,000 over 24 months $58,000 over 12 months
Foundation for Pennsylvania Watersheds	*Alexandria, PA*	$165,000 over 12 months
Friends of the Wissahickon, Inc.	*Philadelphia, PA*	$440,000 over 24 months
Fund for Philadelphia, Inc.	*Philadelphia, PA*	$582,400 over 18 months[8] $82,500 over 9 months $82,500 over 12 months
Greater Camden Partnership, Inc.	*Camden, NJ*	$77,500 over 12 months

[8]Shared with Children, Youth, & Families

Greater Philadelphia Tourism Marketing Corporation	*Philadelphia, PA*	$330,000 over 24 months
GreenTreks Network, Inc.	*Philadelphia, PA*	$154,000 over 12 months
Heritage Conservancy	*Doylestown, PA*	$440,000 over 24 months
Hispanics in Philanthropy	*San Francisco, CA*	$165,000 over 24 months[9]
Historic Philadelphia, Inc.	*Philadelphia, PA*	$165,000 over 12 months
League of Conservation Voters Education Fund	*Washington, DC*	$55,000 over 12 months
National Audubon Society – Audubon Pennsylvania	*Audubon, PA*	$286,000 over 24 months $198,000 over 14 months
National Urban Fellows, Inc.	*New York, NY*	$35,000 over 14 months
Natural Lands Trust, Incorporated	*Media, PA*	$962,500 over 24 months $82,500 over 12 months
Natural Resources Defense Council	*New York, NY*	$363,000 over 24 months
Nature Conservancy, Inc. (New Jersey Field Office)	*Chester, NJ*	$330,000 over 24 months
Nature Conservancy, Inc. (Pennsylvania Field Office)	*Conshohocken, PA*	$82,500 over 6 months
New Jersey Future, Inc.	*Trenton, NJ*	$517,000 over 24 months
New Jersey Regional Coalition	*Collingswood, NJ*	$82,500 over 12 months
New Manayunk Corporation	*Philadelphia, PA*	$429,000 over 12 months

[9]Shared with Children, Youth, & Families and Opportunity Fund



Environment & Communities, continued

NPower Pennsylvania	*Philadelphia, PA*	$55,000 over 9 months
Open Space Conservancy	*New York, NY*	$5,495,000 over 36 months
Partners for Sacred Places, Inc.	*Philadelphia, PA*	$82,500 over 12 months
PENJERDEL Council	*Philadelphia, PA*	$60,500 over 12 months
Penn Praxis, Inc.	*Philadelphia, PA*	$1,160,000 over 24 months $32,670 over 6 months $82,500 over 9 months
Pennsylvania Association for Sustainable Agriculture	*Millheim, PA*	$220,000 over 24 months
Pennsylvania Environmental Council, Inc.	*Philadelphia, PA*	$1,622,500 over 24 months
Pennsylvania Horticultural Society	*Philadelphia, PA*	$1,071,700 over 12 months
Pennsylvania Parks and Forests Foundation	*Harrisburg, PA*	$6,500 over 12 months
Philadelphia Parks Alliance	*Philadelphia, PA*	$82,500 over 9 months
Philadelphia VIP, Inc.	*Philadelphia, PA*	$590,739 over 12 months[10]
Philadelphia Workforce Development Corporation	*Philadelphia, PA*	$10,000 over 12 months
Pinelands Preservation Alliance, Inc.	*Southampton, NJ*	$335,000 over 24 months
Preservation Alliance for Greater Philadelphia	*Philadelphia, PA*	$643,500 over 24 months
Public Health Management Corporation	*Philadelphia, PA*	$66,000 over 12 months

[10]*Shared with Children, Youth, & Families*

Rails to Trails Conservancy – Northeast Regional Office	*Camp Hill, PA*	$82,500 over 3 months
Regional Housing Legal Services	*Glenside, PA*	$82,500 over 12 months
Reinvestment Fund, Inc.	*Philadelphia, PA*	$1,000,000 over 24 months
Rutgers University Foundation – Senator Walter Rand Institute for Public Affairs	*Camden, NJ*	$82,500 over 12 months
Saint Christopher's Foundation for Children	*Philadelphia, PA*	$82,500 over 12 months
Schuylkill River Development Council	*Philadelphia, PA*	$54,000 over 14 months
Schuylkill River Greenway Association	*Pottstown, PA*	$719,100 over 24 months
Smart Growth America	*Washington, DC*	$413,000 over 24 months
Stroud Water Research Center	*Avondale, PA*	$60,500 over 12 months
Tredyffrin Township	*Berwyn, PA*	$15,000 over 10 months
Tri-State Transportation Campaign, Inc.	*New York, NY*	$335,000 over 11 months
Unemployment Information Center	*Philadelphia, PA*	$82,500 over 18 months
United Way of Southeastern Pennsylvania	*Philadelphia, PA*	$82,500 over 12 months
University of Pennsylvania – Fels Institute of Government	*Philadelphia, PA*	$77,000 over 12 months
White Dog Community Enterprises	*Philadelphia, PA*	$330,000 over 24 months
Wildlands Conservancy, Inc.	*Emmaus, PA*	$330,000 over 24 months

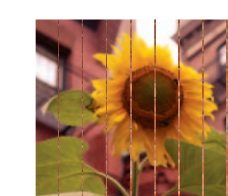
Grant Awards 2010

Opportunity Fund

Alliance for Justice	*Washington, DC*	$7,442 over 12 months
American University – J-Lab: The Institute for Interactive Journalism	*Washington, DC*	$82,500 over 12 months
Center for Investigative Reporting	*Berkeley, CA*	$7,000 over 12 months
Committee of Seventy	*Philadelphia, PA*	$576,028 over 24 months $5,000 over 12 months
Community Foundation of New Jersey	*Morristown, NJ*	$55,000 over 12 months $1,000 over 12 months $82,500 over 11 months $5,000 over 12 months
Council of New Jersey Grantmakers	*Trenton, NJ*	$82,500 over 8 months
Fund for Philadelphia	*Philadelphia, PA*	$55,000 over 6 months
Greater Philadelphia Chamber of Commerce Regional Foundation	*Philadelphia, PA*	$550,000 over 24 months $380,000 over 24 months
Hispanics in Philanthropy	*San Francisco, CA*	$165,000 over 24 months[11]
Historic Philadelphia, Inc.	*Philadelphia, PA*	$550,000 over 24 months
Independence Visitor Center Corporation	*Philadelphia, PA*	$220,000 over 12 months
OMG Center for Collaborative Learning	*Philadelphia, PA*	$82,500 over 3 months $85,039 over 6 months $49,665 over 12 months

[11]Shared with Children, Youth, & Families and Environment & Communities

Online Journalism Project	*New Haven, CT*	$6,000 over 12 months
Pennsylvania Economy League	*Philadelphia, PA*	$5,000 over 12 months
Pennsylvania Hospital	*Philadelphia, PA*	$275,000 over 24 months
Philadelphia Health and Education Corporation	*Philadelphia, PA*	$82,500 over 9 month
Public Private Ventures	*Philadelphia, PA*	$82,500 over 12 months
Reading Terminal Market Corporation	*Philadelphia, PA*	$7,500 over 12 months
Resources for Human Development, Inc.	*Philadelphia, PA*	$5,000 over 12 months
Rutgers University Foundation – Senator Walter Rand Institute for Public Affairs	*Camden, NJ*	$78,000 over 12 months
Temple University – Institute for Public Affairs	*Philadelphia, PA*	$82,500 over 6 months $82,500 over 6 months
Temple University – School of Communications and Theater	*Philadelphia, PA*	$2,400,000 over 36 months
Texas Tribune	*Austin, TX*	$6,000 over 12 months
University City Science Center	*Philadelphia, PA*	$300,000 over 24 months
University of Pennsylvania – Institute for Urban Research	*Philadelphia, PA*	$82,500 over 12 months
WHYY, Inc.	*Philadelphia, PA*	$82,500 over 9 months



Members of the Corporation and Board of Directors

The William Penn Foundation is directed by a corporation composed of Haas family members and a board with family and public directors.

Members of the Corporation

Thomas Haas, *Chair*

Janet Haas, *Vice Chair*

David Haas

Duncan Haas*

Frederick Haas

Leonard Haas**

William Haas

**Term ended January 2011*

***Term began January 2011*

Board of Directors

David Haas, *Chair*

Frederick Haas, *Vice Chair and Secretary*

Michael Bailin

James Gately

Janet Haas

William Haas

Christine James-Brown

Daniel Meyer

Howard Meyers

Jo-Anna Moore

Foundation Staff

Feather Houstoun, *President*
Jeremy Nowak, *Incoming President, June 2011*
Monica Gallagher, *Executive Assistant to the President*

Arts & Culture
Olive Mosier, *Director*
W. Courtenay Wilson, *Program Officer*
Leslie Gaines, *Research Associate*
Hillary Murray, *Program Assistant*

Children, Youth, & Families
Ronnie Bloom, *Director*
Candace Bell, *Program Officer*
Kelly Woodland, *Program Officer*
Matthew Joyce, *Program Associate*
Kerri Richardson, *Program Assistant*

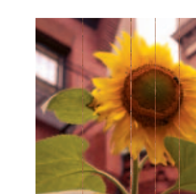
Environment & Communities
Geraldine Wang, *Director*
Andrew Johnson, *Program Officer*
Shawn McCaney, *Program Officer*
Diane Schrauth, *Program Officer*
Patrick Sherlock, *Program Associate*
Hillary Murray, *Program Assistant*

Evaluation & Planning
Helen Davis Picher, *Director*
Sandra Adams, *Program Associate*
Kerri Richardson, *Program Assistant*

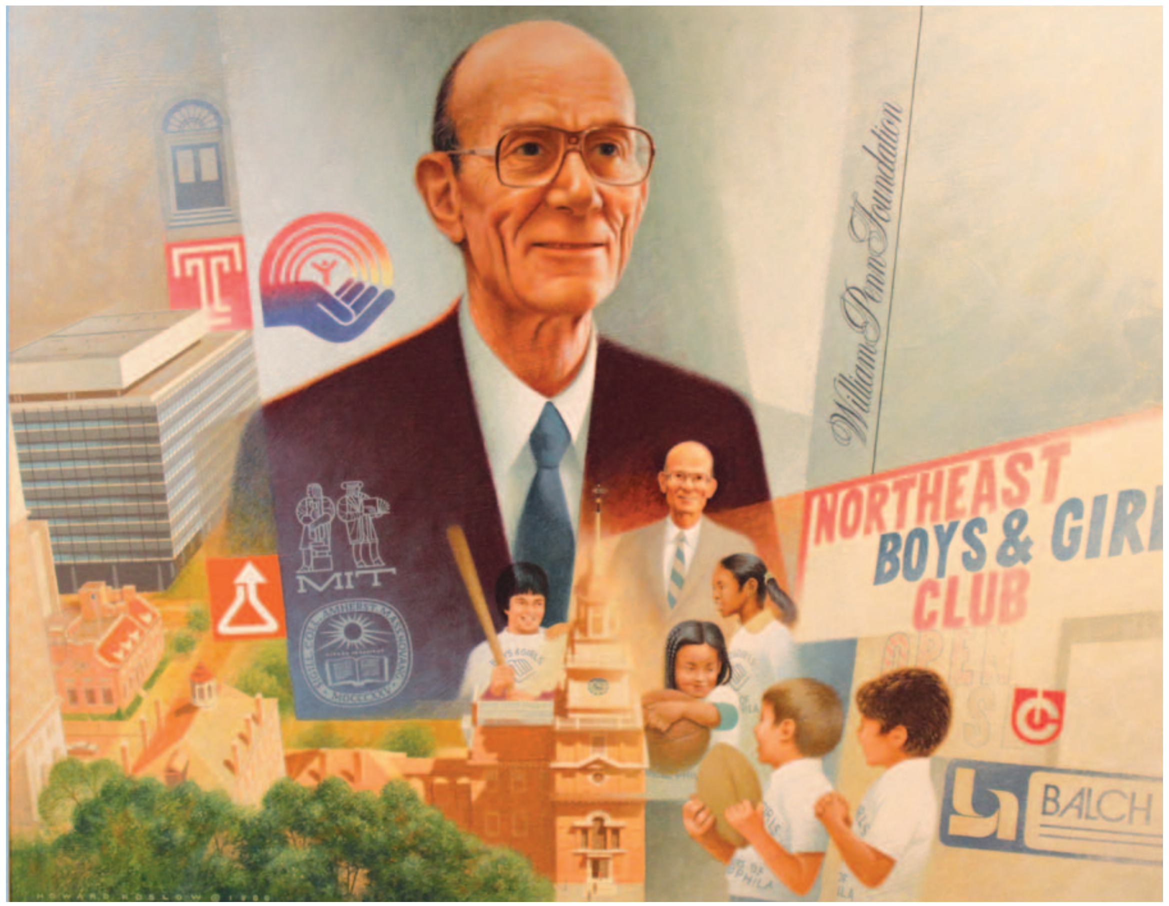
Communications
Brent Thompson, *Director*
Karen Ott, *Communications Associate*
Paola Blank, *Administrative Assistant*

Administration
Bruce Bergen, *Director, Finance and Administration*
Barbara Scace, *Director, Grants Management*
Edward Wagner, *IT Manager*
Suzanne Frederick, *Human Resources Manager*
Mark Froehlich, *Accounting Manager*
Paola Blank, *Administrative Assistant*
Donna Herberth, *Administrative Assistant*

Investments
MaDoe Htun, *Chief Investment Officer*
Jeffrey Jackman, *Director of Investments*
Nyzinga Patterson, *Manager, Investment Operations*



John C. Haas, 1918–2011



Katherine Hanrahan

This painting by Howard Koslow was presented to John C. Haas by the people of the Rohm and Haas Company in 1988.

"Mr. Haas was the epitome of humility and kindness, setting an example for everyone associated with the Foundation. His special brand of quiet leadership has been deeply ingrained in our organization's mission, values, and work, and remains the standard to which we hold ourselves."—Feather Houstoun, President, William Penn Foundation

In Memoriam

It is with sadness that the William Penn Foundation marks the passing of John C. Haas, the last surviving son of its founders, Otto and Phoebe Haas. He was 92.

Mr. Haas chaired the Foundation board for 32 years, stepping down from that post in 1992. In addition to his extraordinary career in philanthropy, Mr. Haas helped to lead the Rohm and Haas Company in a variety of managerial, executive, and board positions after his discharge from the United States Navy in 1946 until his retirement from daily operations in 1978 (he served on the board of directors until 1988).

Mr. Haas was passionate about improving the quality of life in Philadelphia and its surrounding areas. Together with his brother F. Otto (1915–1994), he helped the Foundation grow into a $2 billion dollar grantmaking institution, one of the nation's largest. During his final years, Mr. Haas ensured that the Foundation would continue his family's legacy. In 2009, he directed $747 million in charitable assets to the Foundation with instructions that it be used in perpetuity for the advancement of the Greater Philadelphia region.

"Knowing Mr. Haas for the past seven years has been an extraordinary privilege for me," said Feather Houstoun, president of the William Penn Foundation. "I know that the staff who have worked at the Foundation during the past half-century feel the same. Mr. Haas was the epitome of humility and kindness, setting an example for everyone associated with the Foundation. His special brand of quiet leadership has been deeply ingrained in our organization's mission, values, and work, and remains the standard to which we hold ourselves. He will be greatly missed."

Mr. Haas' parents, Otto and Phoebe Haas, established the William Penn Foundation in 1945 with shares of the Rohm and Haas Company. In subsequent decades, the Foundation diversified its holdings, eventually selling all of its company stock by the late 1990s. It has evolved into the largest grantmaker focused exclusively on the Greater Philadelphia region, with three established grantmaking programs: Arts & Culture; Children, Youth, & Families; and Environment & Communities.

Today, the Foundation is governed by John C. and F. Otto's children.

Two Logan Square, 11th Floor
100 North 18th Street
Philadelphia, PA 19103
Phone: 215.988.1830
Fax: 215.988.1823
moreinfo@williampennfoundation.org
www.williampennfoundation.org