

The
Changing
Face of
North
Carolina



Z. Smith Reynolds Foundation
2006 Annual Report

*On the cover, clockwise (from top):
Jessica Siu, Rom Yeoun, Simeon Ilesanmi,
Juvencio Rocha-Peralta.*

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Z. Smith Reynolds
FOUNDATION

2006 Annual Report

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The Z. Smith Reynolds Foundation was established over 70 years ago for the benefit of the people of North Carolina. In its charter, the founders – Dick, Mary, and Nancy Reynolds – set forth the Foundation’s purpose in clear and simple language: “The object for which this corporation is formed is the accomplishment of charitable works in the state of North Carolina.”

Few other general purpose foundations in the country as large as the Z. Smith Reynolds Foundation – its two trusts have over \$440 million in assets – have a legal mandate to make grants within a single state.

While the geographic boundary is firm, the Foundation’s grantmaking strives to be far-reaching. It often seeks to initiate rather than to react, to question rather than to accept, to challenge rather than to affirm.

In working to enhance the quality of life in North Carolina, the Foundation places a high value both on developing new programs and on sustaining those organizations advocating for systemic change. To accomplish its purpose, the Foundation currently gives special attention to certain focus areas – community economic development; democracy and civic engagement;



“The object for which this corporation is formed is the accomplishment of charitable works in the state of North Carolina.”

environment; pre-collegiate education; and social justice and equity.

Headquartered in Winston-Salem, where it was founded in 1936, the Z. Smith Reynolds Foundation makes grants in May and November.

A Message From Our President



This is my second stint as President of the Foundation, and as I started to write this letter, I asked myself what is different now.

The first answer is the most obvious. We have moved our offices from the stucco cottage sited among the ancient oaks and sycamore trees in Reynolda Village to a modern office building in downtown Winston Salem. We sit beside Business 40 where thousands of travelers each day see the Z. Smith Reynolds Foundation logo artfully displayed. We have a young and vital staff, and it is easy for them to get in their cars and be on the road in a matter of a couple of minutes. I like that because I believe it is important that representatives of the Foundation be out in the state, meeting, convening and conversing with the people who are trying to effect positive change at the grassroots level.

Another change strikes a sadder note.

Zach Smith, long-time Trustee, is no longer with us. As time went on, he became more and more our institutional memory, often helping us to keep our bearings and be true to our mission. He spoke his mind, placed things in an historical context, and prodded us to keep the Foundation and its resources easily accessible to the people it is intended to benefit. He reminded us to never be timid or avoid sensitive issues, noting that the first grant made by the Foundation in 1936 was to combat syphilis – a subject that in many circles was taboo. Zach's unexpected illness and death leave the Foundation and his friends and relatives greatly diminished.

I feel good about the Foundation and its work, but I also have some concerns. It worries me that we receive so few grant proposals from areas of the state that in my opinion desperately need the kind of assistance and resources the Foundation can provide. Many of these counties lie in the east and west. We must be more aggressive in reaching out to them.

While we have increased our collaborative efforts with other foundations, non-profits, and entities that share this Foundation's broad concerns, we still can

do more to focus our resources and magnify our collective impact. We have had good experiences in areas such as the environment and women's issues. But dollars are precious, and we must continue to pool money and ideas in areas such as social justice and community development.

I am glad that for this annual report we chose the theme, *The Changing Face of North Carolina*. It is an area that needs more rational discussion and less demagoguery. It is an issue to which people of good faith should seek creative approaches before we have further polarization and those who revel in bigotry and discord have greater opportunities to use it to advance their agendas.

For years this Foundation has made grants to help create a better life for migrant farm workers and protect their rights. I hope we can play a constructive role in the current dialogue.

It has been the tradition of this nation to capitalize on the talents, work ethic, and ambition of people who make their way to our shores. Rather than closing the doors to educational institutions or making it financially impossible for young people to obtain technical training or college and university degrees, we

should be facilitating their education and enabling them to give back. Whom does it benefit to deny basic medical services to people living and laboring among us? No one, in my opinion. Whom does it benefit to create a permanent underclass? No one, in my opinion, except those who desire to exploit them.

We cannot turn back the clock. We cannot rewrite history. We are where we are. But we can make wise decisions about the future, about immigration policies, and social and economic justice for those already living among us – especially children who had no choice about where they would be born or live.

This report, besides providing comprehensive information about the work of the Z. Smith Reynolds Foundation, also serves to remind us that we are a nation of immigrants, which is a great strength. Many of us can trace our lineage to a county in Ireland or a country in West Africa with as much certainty as a recent immigrant from the south can tell you the name of his or her hometown in Mexico or Colombia. Let's not forget this fact.

Lloyd P. (Jock) Tate, Jr.
President

A Message From the Executive Director



Change is hard. No matter what the change may be, many people have difficulty adjusting to it.

North Carolina is changing. It is growing. People are moving to the state from other states and from many different countries. They have brought with them different accents, experiences, cultures, and languages. They are diverse racially and ethnically. As a result, the look and feel of the state with which many native North Carolinians have been familiar is changing. These changes are hard for many and present opportunities and challenges for all of us who love North Carolina.

During 2006 the Z. Smith Reynolds Foundation partnered with the North Carolina Bankers Association and North Carolina Citizens for Business and Industry to host a series of sessions on demographic changes in North Carolina with a particular focus on immigration and the issues it creates. Our purpose

was twofold: to help North Carolinians appreciate the complexities of the issues presented by the changing face of North Carolina and to create a dialogue based on facts, rather than myths and rumors. We learned a great deal.

We learned that many of North Carolina's major business sectors and, consequently, the state's economy, are dependent on the labor of residents who have come to North Carolina from other countries. We learned that many of the people who have come to North Carolina from outside the United States are here legally, though some are not properly documented. We learned that some people are using the issue of immigration as a tool to divide different population groups and create an environment of hatred and fear.

For North Carolina to solve the many challenges we face, including those that relate to the environment, growth, poverty, education, the changing economy, and structural deficits, we all must be able to live and work together. We will need everyone pulling together in the same direction if we are to conquer our problems and create the kind of future our children and grandchildren deserve.

In this Annual Report, we have included the stories of North Carolinians who represent the diverse population in our state and who are contributing to our culture, economy, and communities in a variety of ways. We hope these stories will enable all of us to appreciate the growing diversity of our state and see the changes we are experiencing in North Carolina as positive.

In 2007, there will be changes at the Z. Smith Reynolds Foundation as well. I will end my tenure as Executive Director of the Foundation and will move to new opportunities and challenges as President of Davidson College. Davidson is my alma mater and is an institution that I love and about which I am immensely passionate. The opportunity to lead Davidson is one I did not anticipate, but it is a call I am honored and thrilled to accept.

Nonetheless, it was a difficult decision to leave the Foundation. I am extremely thankful to the Trustees for giving me the opportunity to lead the Foundation for more than six years. The Trustees are deeply committed to North Carolina and to the mission of the Foundation to make life better for all the residents of the state. It has been an honor for me

to work under their direction. The staff of the Foundation is as fine a group of people as you will ever find assembled in one place. Each of them has been a patient, loyal, dedicated and caring colleague for whom I have the deepest respect and love. I will miss seeing them frequently but will always have them in my thoughts and memories.

Everyone involved in the nonprofit and philanthropic sectors with whom I have worked has been gracious and kind to me and has taught me much. I am grateful to have been associated with so many extraordinary people in my role at Z. Smith Reynolds. I will miss organized philanthropy, the opportunities and dreams it promotes, and the change it encourages. I thank the Trustees and staff of the Foundation and all of you for the amazing work you do and the wonderful experience you have given me.

Tom Ross

Executive Director

A Tribute To Zachary T. Smith, II

Listener

1923 to 2007

When Zachary T. Smith, II attended philanthropic conferences in his capacity as a Trustee of the Z. Smith Reynolds Foundation and/or the Mary Reynolds Babcock Foundation, he often took with him a ribbon he had made to attach to his name tag which read "Listener." Zach would joke that everyone had a string of ribbons on their badges showing how important they were, and he did not want to feel left out. But that ribbon said a great deal about the caring, warm-hearted man we lost on January 14, 2007. That ribbon represented the kind of philanthropist and Foundation Trustee Zach Smith was. He always wanted to listen, gather the facts, and learn as much as possible before making a decision. He was understated, quiet and careful. People listened when Zach offered his thoughts because he spoke only if he had something positive to contribute to a discussion. Zach Smith knew how to do philanthropy in ways few others master.

Zachary T. Smith, II was born in Mount Airy, the small North Carolina community that provided the prototype for the television town Mayberry. He served in the Navy in World War II and, after the war, attended the University of North Carolina at Chapel Hill. He was employed for nearly 40 years at the R. J. Reynolds Tobacco Company, beginning as an inventory clerk and retiring as the corporation's Treasurer.

Zach served on the Mary Reynolds Babcock Foundation from 1969 to 2000 and on the Board of Trustees for Wake Forest University from 1985 to 1988 and again from 1990 to 1994. In 1989 he received the Honorary Doctor of Laws degree from Wake Forest and was named a Life Trustee in 1995. He was a man with a generous heart, and he gave of his personal resources to many causes about which he cared, including creating opportunities for an improved higher education through scholarships and professorships at Wake Forest and at the University of North Carolina at Chapel Hill.

Zach served on the Z. Smith Reynolds Foundation Board of Trustees from 1966 until his death. He served as the Foundation's Board President from 1979 to 1983 and again from 1987 to 1991. He was named a Life Trustee of the Foundation in 2003. As a Trustee of Z. Smith Reynolds, Zach was always a voice for improving education and economic opportunities for those who had been disadvantaged. He frequently brought ideas to the Foundation that resulted in successful initiatives and projects. Zach was a voice of reason and compassion and will be missed greatly by his colleagues on the Board, the Foundation staff, and everyone who knew him.

Tom Ross

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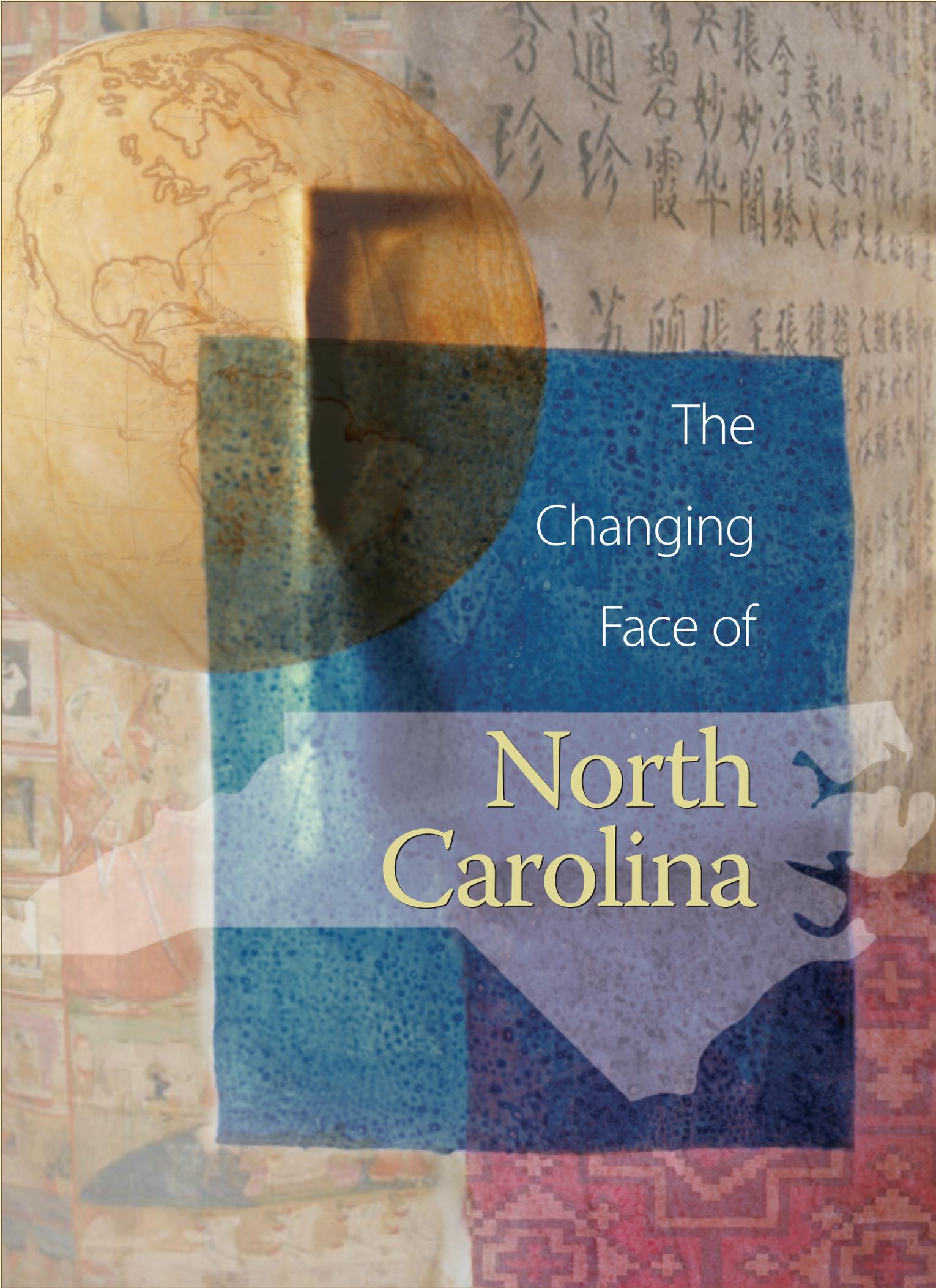
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The
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FOR MOST OF ITS HISTORY, North Carolina has looked like an old photo album – black and white. This state was cast in those two colors most dramatically in the early sixties when the civil rights movement came into its own and over the course of a few short years customs, laws, and systems changed. But the picture of a state in black and white lingered. Native-Americans had become so marginalized that they were beyond the consciousness and conscience of all but a few North Carolinians.

There were a few “foreigners” scattered here and there – most fully assimilated. Wilmington’s Hugh MacRae launched a huge agricultural enterprise at Castle Hayne in New Hanover county at the turn of the 20th century and advertised for workers in east coast cities where there were large immigrant populations. Rural North Carolina sounded like a better choice than urban ghettos, and Greeks, Russians, and others signed on. Many of the Greeks were short timers and turned instead to the restaurant industry, opening businesses in the Wilmington area and fanning out across the state. There is still a Russian Orthodox church in the small community of St. Helena.

Lebanese merchants found their way to North Carolina and settled in small communities, such as Goldsboro and Wilson, and in time became prosperous business people. Their descendents include prominent professional people, civic and cultural leaders and politicians. The same was true of those of the Jewish religion. Families joined families and synagogues sprang up in unlikely places like Weldon and Asheville. By mid-20th century, Durham elected a Jew its mayor.

More recently, after Viet Nam, refugees from Southeast Asia, including the substantial Hmong community from Cambodia that settled around Hickory, chose North Carolina as their new home. Likewise, after the vicious 1990s conflict in the Balkans, Bosnian and Croation refugees settled in North Carolina. All along, the state has received persons fleeing violence, civil war, and genocide on the African continent.

Still, until recently, it was only around universities and research centers like the Research Triangle that you got a hint of a larger palette and anything approximating a global village. “Foreigners” just sort of blended in and presented no reason for concern.

As the 20th century wore on, though, it became increasingly difficult to get North Carolinians, black or white, to do the punishing work of farm labor and truck farming in particular. The labor force dried up. It was seasonal work and seasonal labor – migrants – was the answer. Nameless, homeless, Latino, they

moved in, usually under the cruel eye of crew leaders, slept in labor camps far from public view, and when the cucumbers or beans were picked, moved on. Children were in the fields, boosting their parents' meager earnings, not in the schools. They demanded no services and ruffled few feathers. They were simply cheap labor – 20th century peonage that local officials not only tolerated but defended with their badges. Fresh salads. String beans for Sunday dinner. That's what they were. And each day, as North Carolinians went about their business, it was still a picture in black and white.

But then things changed, and changed quickly. The poultry and pork industry



**Kirkman Park
Elementary School**
High Point

boomed and the processing plants required labor year round – labor that was hard to find. Migrant workers saw a chance to settle down and send their children to school. They jumped ship or returned at the end of the migratory picking season. The word went back to Mexico, Central America, Ecuador, Columbia, and Peru. You could make more money in one day than you could make in a month in an impoverished vil-
lage south of the border. You could send dollars

home for your mother, your wife, and children and still eat and have a place to sleep – simple necessities in the U.S. but luxuries at home.

People came – anyway they could get here – and once they arrived, they weren't invisible any more. They rented houses, and sometimes they were roadside. They stood in line at fast food restaurants, shopped in grocery stores, bought used trucks and even opened their own tiendas. When children got sick, they took them to the emergency room that was required by law to treat them. Pregnant mothers availed themselves of free services offered to ensure healthy babies – black, white and now Latino. Men were building highways, working on landscaping crews, doing construction work, laying bricks, and working in the poultry and pork processing plants. Women worked beside them in the plants, on cleaning crews, as domestics, and in restaurant kitchens and sometimes as clerks, if they knew a bit of English. Then the people weren't invisible anymore, and North Carolina was not a state in black and white; it was a state in black and white and Latino. And no one really can say when folks first noticed or when the hue and cry went up about their legal status.

No one has ever accused government of being foresightful, of anticipating and planning, or stopping problems before they begin. Government generally reacts – and usually only when problems are too huge to ignore. What could have been a thoughtful, orderly and legal process to provide badly needed labor for the American economic engine and jobs and opportunities for people seeking both,



has turned into a national – even international – brawl. With forethought, “undocumented workers” – at least a goodly portion of them – could have been “documented” workers. Instead, far too many live tenuous existences in this state, fearful of losing jobs and livelihood and having families torn apart. A few wrong steps – barring people from essential services and educational opportunities, for example – and we could create a permanent underclass in North Carolina that could haunt us for generations.

Legislators at the state and federal level are in a real pickle, taking political hits from first one side and then the other. “Solutions” sound like retribution. Sometimes they are. Compassion is read as lack of resolve to deal with the problem. Sometimes it is.

But during all of this, we missed something. Something subtle. While this storm was brewing and preparing to sweep over us, countless millions of immigrants were coming to the United States through “regular channels.” They have started lives here, adding to the diversity that accounts for our strength and bringing to North Carolina their immeasurable determination to have a better life in a country routinely referred to in one African nation as “God’s own land.” And we are better off because of their presence.

They have come from Africa; Asia; the Middle East; Mexico and Central and South America; and other far flung places. No two came by the same route. No two will make the identical contribution to this society. But most share a common resolve to work, to achieve, to be good citizens, to educate their children, to give back, and to leave this state a better place as a result of their choosing it as their home.

In this Annual Report, the Foundation features North Carolinians who are here as a result of immigration and are making their own unique contributions to the life of this state. No two of them came by the same route, either. Each has a different story. There is tragedy, and there are dreams fulfilled. There are families forever divided, and there are families drawn closer because they are separated from their homelands. At least one said she feels divided herself, a foot in two countries. In each case, however, they are people focused on the future.

In an article that follows, **James H. Johnson, Jr.**, distinguished professor at the University of North Carolina in Chapel Hill, tells us some about his in-depth analysis of recent immigration in North Carolina. He helps us see the large picture, to see beyond black and white and even Latino. In his words, “Immigrants or foreign-born migrants are transforming the state into a more diverse community.” North Carolina, in fact, increasingly is becoming a global village. The picture he paints is one of many colors and ethnic backgrounds. His extensive research and the stories of North Carolinians that follow will help us understand the changing face of North Carolina.

Carroll H. Leggett



Immigrants in North Carolina

By JAMES H. JOHNSON, JR.

Given their current contributions to our communities and economy, it is in North Carolina's best interest to invest in immigrant education and poverty alleviation. We will need their skills, talents, and entrepreneurial drive to remain globally competitive in the years ahead.

North Carolina is no longer a black-white state. Immigrants or foreign born migrants are transforming the state into a more diverse community.

North Carolina has become an attractive international migration destination and led the nation in immigration-driven population change during the 1990s (Figure 1). During the past five years, the state's foreign-born population has continued to grow, and immigrants now account for 6.7 percent of the state's population, up from less than one percent in 1960 (Figure 2).

While we had this rapid growth, the geographic origins of the state's immigrant population have changed dramatically. As Figure 3 shows, the share of immigrants

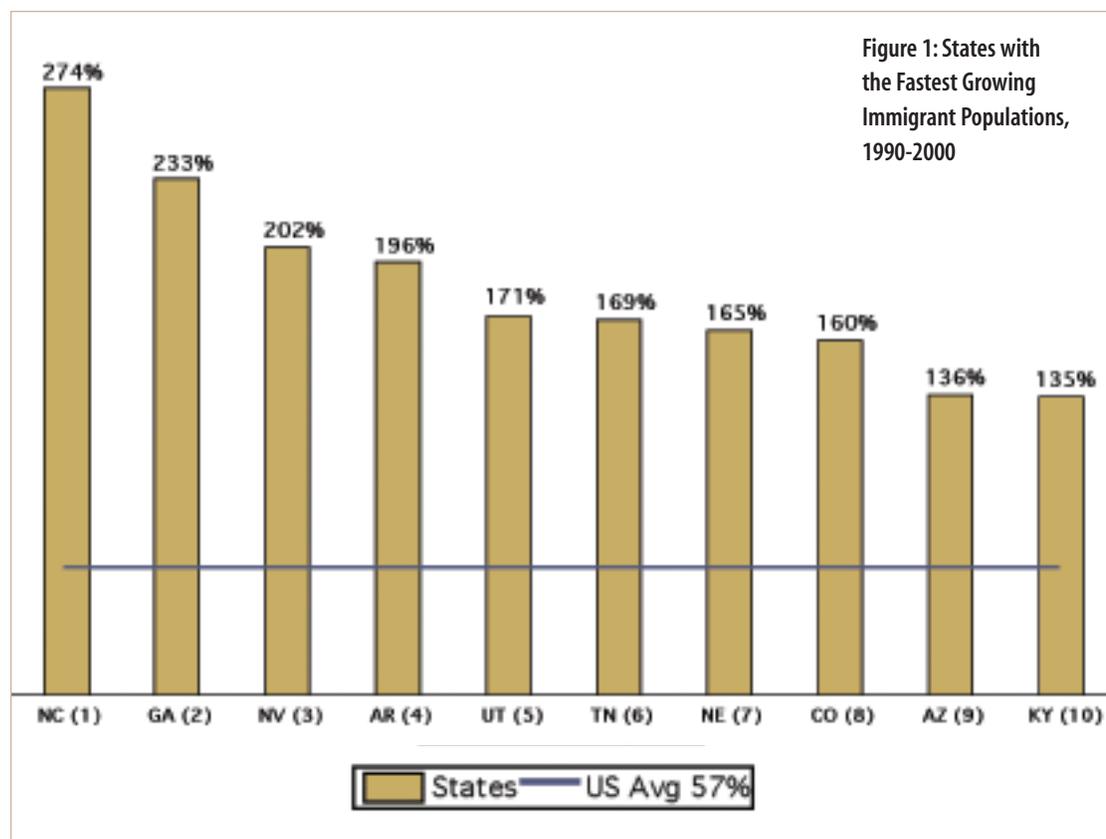
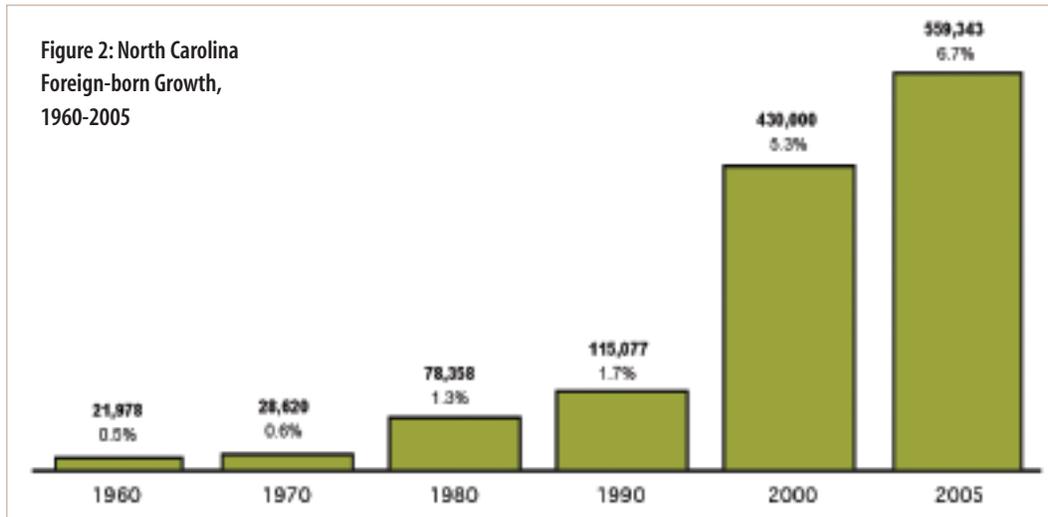


Figure 2: North Carolina
Foreign-born Growth,
1960-2005



from Europe has declined while the shares from Asia and especially Latin America have increased sharply. Due to this shift in geographic origins, close to 60 percent of North Carolina's immigrants are from Mexico (40 percent) or other parts of Latin America (18 percent) today. Roughly one-fifth (19 percent) of the state's immigrants are from Asia, 16 percent are from Europe, Canada, or Oceania, and 6 percent are from Africa.

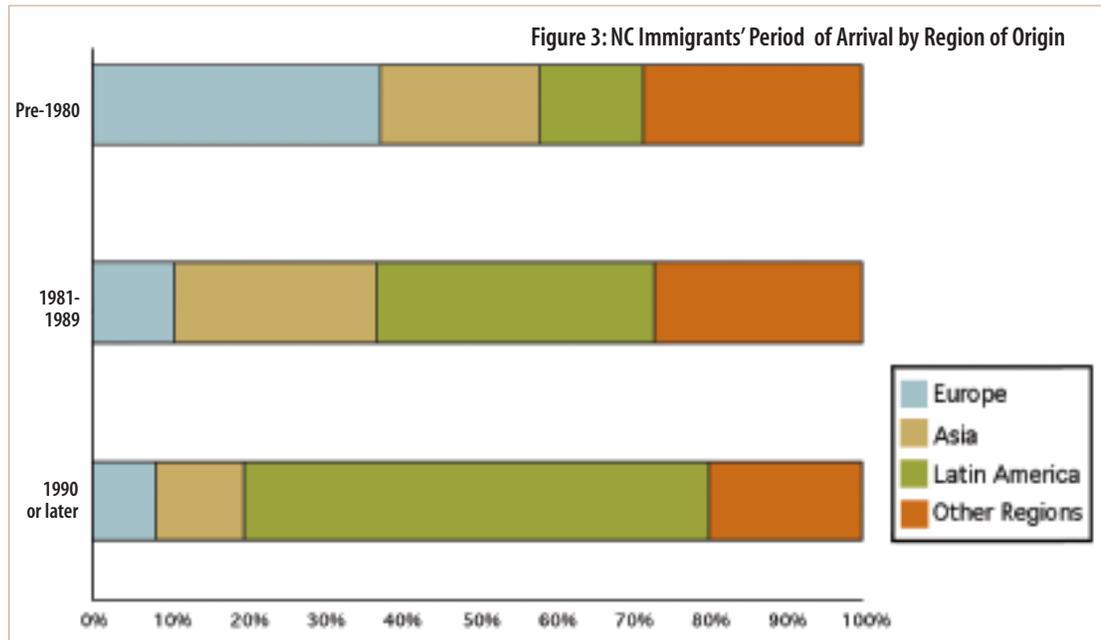
North Carolina's immigrant population is highly concentrated in the state's largest metropolitan areas (80 percent).¹ The majority have settled in the I-85/I-40 urban corridor communities of Raleigh-Cary (69,530), Durham (39,721), Greensboro-High Point (37,205), Winston-Salem (23,296), and Charlotte-Gastonia-Concord (88,010). A significant number have also settled in the Fayetteville (17,865), Hickory-Lenoir-Morganton (14,968), and Asheville (14,434) metropolitan areas. Smaller numbers have taken up residence in Wilmington (8,763), Burlington (8,281), Jacksonville (6,129), Greenville (5,816), Goldsboro (4,792), and Rocky Mount (3,758).

Immigrants – 15 percent of the total – have also settled in some of the state's smaller cities and towns – defined by the Census Bureau as micropolitan areas.² Thomasville-Lexington (5,248), Lumberton (5,202), Salisbury (4,872), Sanford (4,673), Statesville— Mooresville (4,472), Dunn (4,177), Mount Airy (3,755), Wilson (3,636), New Bern (3,539), Southern Pines-Pinehurst (3,116), and Lincolnton (3,077) have experienced the greatest influx. Wilkes County (1,964), Shelby (1,657), Kinston (1,640), Albemarle (1,505), Henderson (1,459), and Roanoke Rapids (1,037) also have sizable immigrant populations.

A relatively small share of the state's immigrants – 6 percent of the total – reside in

¹ Metropolitan areas consist of one or more counties where the core urban community has a population of at least 50,000.

² Micropolitan areas consist of one or more counties where the core urban community has a population of at least 10,000 but less than 50,000.



rural or non-metro areas. But those living in rural areas are highly concentrated in five counties – Duplin (5,521), Sampson (4,275), Montgomery (2,153), Granville (1,927), and McDowell (1,147) – where there are industries that rely primarily on an immigrant workforce.

Immigrants are having a profound impact on the state and these specific communities, especially in five areas.

Transforming North Carolina's racial and ethnic composition

First, they are dramatically transforming the racial/ethnic composition of the state's population. During the 1990s, as Figure 4 shows, the state's Hispanic (394 percent), Asian (128 percent), and Pacific Islander (81 percent) populations grew much more rapidly than the white (16 percent) and black (19 percent) populations. But even these statistics mask the rich immigration-driven population diversity that actually exists in North Carolina today.

Looking at the immigrants through the prism of ethnic ancestry is an excellent way to capture that diversity. Mexican immigrants – movers directly from Mexico and transplants from immigrant gateway communities in the U.S. – are by far the largest foreign-born population in the state. But there are also a significant number of immigrants from other Latin America ancestries, including El Salvadorians, Guatemalans, and Hondurans, as well as Colombians, Jamaicans, Costa Ricans, and Peruvians, living in the state.

Similar diversity exists among the state's Asian population. Indian (23,221), Chinese

(13,155), Vietnamese (11,724), and Filipino (10,802) immigrants make up the largest groups. But North Carolina is also home to significant numbers of Korean (8,068), Laotian (6,361), and Pakistani (4,326) immigrants.

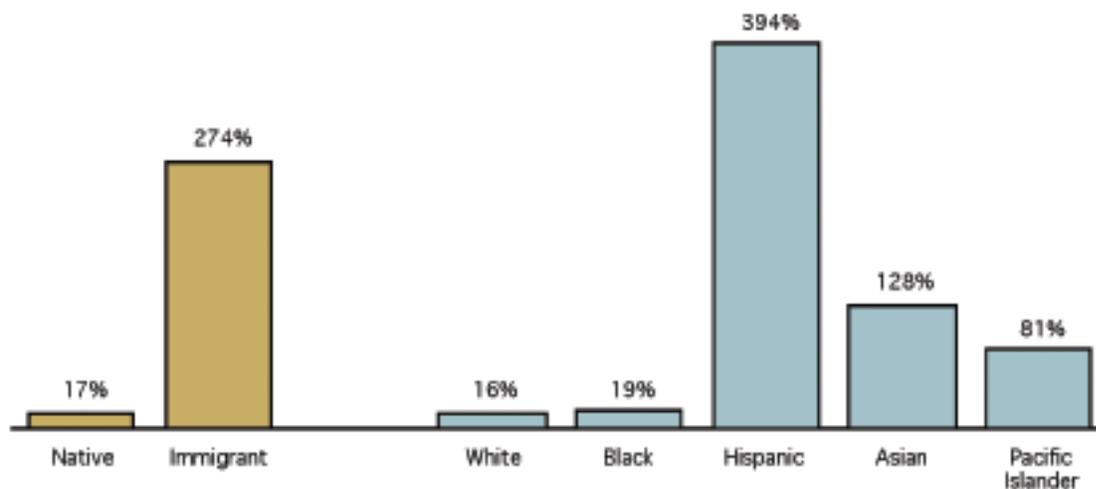
Although Europeans make up a smaller share of the immigrant pool today than in the past, there is nevertheless a significant presence of Germans (14,878), British (6,353), and Russians (5,142) among recent newcomers to the state. There are also significant numbers of Canadians (19,310) and Africans (8,686) in the population.

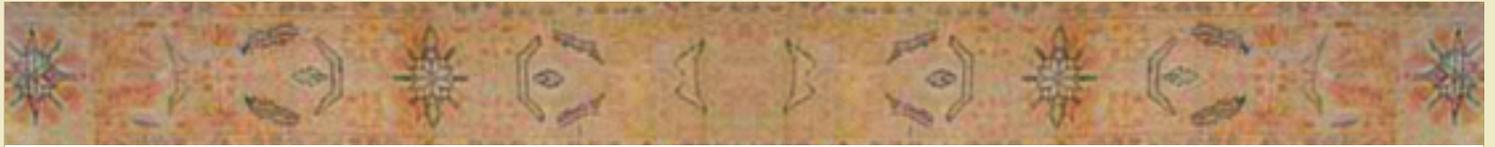
At the community level, this rich diversity is most apparent in the state's metropolitan areas where immigrants from Latin America, Europe, Asia, and other foreign countries account for 54.3 percent, 14.5 percent, 23.4 percent, and 9.4 percent, of the foreign-born population, respectively. In the state's micropolitan and rural areas, the immigrant population is more homogenous—mainly from Mexico and other parts of Latin America.

Reshaping the work force

Second, immigrants are profoundly reshaping the North Carolina workforce. They comprise 7 percent of the overall workforce and considerably more in key economic sectors, including construction (28.3 percent), agriculture (26.5 percent), leisure and hospitality (16.8 percent), and manufacturing (14.7 percent). Moreover, other sectors of the North Carolina economy are becoming increasingly dependent on immigrant workers. Between 2003 and 2006, for example, there was a 59 percent increase in the number of immigrant workers in professional and business services (13,911) while the number of native born workers in this sector declined by 4.7 percent (-16,753).

Figure 4: North Carolina Population Growth by Nativity, Race, and Ethnicity, 1990-2000





But nowhere is the state's dependence on immigrant labor more apparent than in construction. If Hispanics – who make up 28 percent of the workforce – were withdrawn from the industry, the impact in 2004 would have been the loss of up to \$10 billion in the value of construction done in the state, including a revenue loss of up to \$2.7 billion for companies supplying construction materials and supplies; a loss of up to \$149 million in revenue for companies renting buildings, machinery, and equipment; and up to 27,000 houses not being built.

A withdrawal of Hispanic construction workers would equate to a 29 percent reduction in non-building construction, including the installation of guardrails and signs, bridge construction, paving, and water and sewer construction. In other words, the impact on North Carolina construction sector (and other sectors through ripple effects) would have been dramatic if Hispanics had substantially withdrawn from the state's workforce.

New spirit of entrepreneurship

Third, immigrants have brought a new spirit of entrepreneurship to the state. Growth in self employment was much greater among immigrants (58 percent) than natives (22.4 percent) between 2003 and 2006. Most of this immigrant entrepreneurship is concentrated in construction, professional and business services, and leisure and hospitality services. Especially noteworthy is the growth of self employment among immigrant women (68 percent) which was much higher than among native-born women (8.7 percent) between 2003 and 2006. Immigrant women are pursuing entrepreneurial ventures in leisure and hospitality services as well as retail and wholesale trade.

As a consequence of this rapid growth in self employment and small business development, the landscape of urban and rural communities alike is peppered with immigrant businesses ranging from Mexican tiendas and Arab-owned convenience markets to Korean-owned nail salons and night clubs, doctors' offices, and law firms catering to specific immigrant groups.

Immigrants contribute mightily to the state's economic vitality

Fourth, as workers, small business owners, and consumers, immigrants contribute mightily to the state's economic vitality. In 2004, for example, local Hispanic consumer spending generated \$9.2 billion in business revenue for the state. This



spending in turn generated 89,000 spin-off jobs and \$2.4 billion in spin-off labor income. In addition, there were 9,047 Hispanic-owned businesses in North Carolina in 2002, which earned \$1.8 billion in sales and receipts.

Much of this economic impact was concentrated in major metropolitan areas along the I-85/I-40 corridor but also supported businesses in small towns and cities and rural communities in the state. In fact, immigrant and especially Hispanic entrepreneurial acumen and consumer spending are breathing new life into some of the state's most economically-distressed communities.

For example, in Duplin, Lee, McDowell, and Sampson counties, where employers in the hog, poultry and pickle industries rely primarily on a Hispanic workforce, Hispanic consumer spending generated \$338 million in business revenue in 2004. Hispanic immigrants had a similar economic impact in some of the coastal counties where they dominate the workforce in the crab industry, in Ashe County where they are concentrated in the Christmas tree industry, and in the Thomasville-Lexington area of Davidson County where they work in the furniture industry.

Immigrants make significant contributions to the tax base

Fifth, immigrants also contribute to the state's tax base. In addition to the business revenue, spin-off jobs, and spin-off labor income, Hispanic earnings generated \$294 million in personal income and property taxes in 2004. Hispanic consumer spending also generated \$455 million in additional state tax receipts and \$661 million in federal taxes, of which some of the latter eventually flowed back into the state. Altogether, Hispanics paid \$755 million in state and local taxes in 2004. Obviously, the economic impact would be even greater if data were available on the consumer spending power of the state's other immigrant groups and how it rippled through the North Carolina economy.

As the native-born population continues to age (30 percent are baby boomers), North Carolina will become increasingly reliant on immigrants to fuel future economic growth and development in the state.

James H. Johnson, Jr. is the William Rand Kenan, Jr. Distinguished Professor of Management at the University of North Carolina at Chapel Hill.

Charlotte Policeman

Carlos Pozo

CUBA



CARLOS POZO'S mother knew there was a better life in the United States, but there would be a price to pay for leaving Havana. Castro opened the door for immigration to the United States briefly in the 1960s, and she asked for permission to leave. It was granted, but only after she and her daughter were sent to the countryside to work in the potato fields for a year.

In 1970, Carlos, his mother and sister boarded a flight sponsored by the Rockefeller Foundation to Miami. His father stayed behind, and Carlos saw him only once again before his death.

Soon they made their way to Charlotte, where Cuban friends lived, and Carlos enrolled in Catholic school. He attended middle school at Piedmont Junior High, where he played football and tried his hand at baseball. He was accepted by his peers and says that he never experienced harassment. Things continued to be tight financially, and Carlos helped out once he entered high school by driving a school

bus and enrolling in ROTC. There was little time for other activities.

Already thinking about a career as a policeman, he joined the Army after graduation and asked for military police training, which was denied because he was not then a citizen. But before his three-year tour of duty ended, he applied for a job with the Charlotte Police Department and was accepted. Twenty-six

years later, he is still there, now in the International Relations Unit with the rank of Detective, working with members of the Latino community on education projects through churches,

Latino organizations, and a weekly radio show.

When he joined the Charlotte police force there was only one other Spanish-speaking officer. Today there are 44. Over the years, Carlos, in addition to patrol, years of K-9 duty, and other responsibilities, has served as a translator – always trying to build trust in the Latino community. Exemplifying the classic immigrant ethic, he has continued to strive, earning an associate degree in criminal justice from Central Piedmont Community College and in 2005 the B.S. degree from Western Carolina University via distance learning.

Master Seamstress in Asheville

Rom Yoeun

CAMBODIA

ROM YOEUN is unclear about some of the actual time periods of her early life, but she vividly remembers what happened during those times in Cambodia. Snatched from her parents when she was 8 or 9, she was taken by the Khmer Rouge to a concentration camp where she was forced to work in the fields as well as behind a sewing machine for long hours every day.

She remembers being beaten, not occasionally but every day. And she remembers escaping with some other children and walking for many weeks – it could have been several months, she thinks – to Thailand. Along the way, they encountered extreme hunger, went weeks without food, and at other times ate frogs they skinned raw. They saw death all along the way, escaped gunfire and land mines, and hid from tigers.

In Thailand, Rom connected with Church World Service, and just a few days short of her 16th birthday in 1980 she arrived in Asheville to be provided for by a local church, Trinity Episcopal. She remembers that during her stay in Thailand, she often told others about her hope of coming to the United States. “U.S. is heaven,” she said time after time.

Her life here has been both good and bad. In Asheville, she immediately went to work as a seamstress, a career she has practiced for 27 years. The hours have been long and the pay low, but she learned to be as resourceful here in North Carolina as she had in the Cambodian jungles.

Rom married shortly after arriving in Asheville, had two children, Sara and Adam, but later divorced. She worked two jobs, sometimes three, and bought and paid for a three-bedroom, two-bath ranch house that backs up to the Blue Ridge Parkway. Her flower gardens are the envy of her neighborhood.

All of her energy and resources have been focused



on raising her children, and they are her pride and joy. Adam is a 2007 graduate of Western Carolina University, where he was a member of a fraternity and majored in business. Sara finished sixth in her high school class in 2007 and will attend the University of North Carolina at Chapel Hill. Rom credits the circle of friends who embraced her upon her arrival in 1980 as making a big difference in her life and the lives of Adam and Sara.

The horrid nightmare of her childhood in the concentration camps notwithstanding, she misses the country of her birth and wonders if, someday, she will move back. “North Carolina is wonderful. It is beautiful, and I have had so many opportunities,” she says. Then she adds, “But it is hard. I have one foot in one country and one in another.”

Biology Teacher, Apex High School

Claude Smith

SIERRA LEONE



the Harnett County School system and settled his family in Buies Creek. Smith, who is also a minister, sought out a church, and found a welcoming, supportive congregation at Memorial Baptist Church. “Even as a child, I liked to spend time around older people. I always felt they had things they could teach me – that I could learn from them. It is important to associate with the right people,” he said, “and to let them lead you.” He found those people in Buies Creek and a sense of belonging far from the country of his birth, Sierra Leone, and his tribe, the Mendes.

IT’S A ROUGH ROAD that brings most immigrants to America. When the civil war in Sierra Leone resulted in the death of his wife and made life there intolerable, Claude Smith decided to come to the United States in late 2001.

He got visas for himself and his two children to go to England, where an American consular office was located, but U.S. officials denied a visa for his daughter. Still determined to relocate to the United States, Smith left her there with friends, and four years later arranged for her to join him.

Smith’s father held a responsible government position, and Smith and his siblings received college educations. He was certified as a teacher of biology and chemistry in Sierra Leone. Fortunately, when he arrived in America, he was certified to teach. He found a job in

Recently, Smith met and married his wife Anita, and they moved to Apex. Energetic and polished, Smith presents himself well, and at a job fair applied for and obtained a position teaching advanced biology at Apex High School. Being located close to the Research Triangle, the student body is diverse and has an international flavor. He likes it there. Smith has been taking courses in clinical research at the Campbell University School of Pharmacy and intends to continue doing so until he earns a master’s degree.

Real Estate Developer in Winston-Salem

Jessica Siu

PERU



AT AGE 24, JESSICA SIU has a degree from a prestigious private college and is marketing director for a family-owned condominium development firm in downtown Winston-Salem. She is on the board of the local Humane Society and, as time permits, intends to increase involvement with the arts community and perhaps audition for the Little Theatre, fulfilling her life-long passion for acting.

Two decades ago she was living in Lima, Peru. Her mother thought there was greater opportunity in the states, so she and Jessica moved to Burbank, California to join family there. Her father, the son of a Chinese immigrant to Peru, never joined them, and Jessica has never been back to Peru or met her half brother and sister living there.

Seven years later her mother remarried, and Jessica found herself in Davidson County, North Carolina. She had struggled in school, but in North Carolina, she became a good student, making A's and B's.

First, she felt "foreign." But she has a strong spirit, and in middle and high school, she found friends, played community soccer, was active in drama, and played the flute. She praises teachers, counselors, and principals for their encouragement and support.

"I always knew I would go to college," she said. "I have always been independent."

After two years at Forsyth Technical Community College, she transferred to Salem College, which she described as "wonderful and uplifting for women." She borrowed money and worked as a translator to meet expenses. Her aunt Cecilia Aldana, an astute interna-



tional businesswoman, also helped her. When Ms. Aldana came to Winston-Salem for Jessica's graduation in 2006, she fell in love with the city and wanted to be a part of its downtown revitalization efforts. In a matter of days she had bought property and convinced Jessica to put her marketing degree to work developing a condominium complex.

Jessica agreed. "I could have taken a job in New York, but we are making history here in Winston-Salem, and I wanted to be a part of it," she said.

Small-Town Entrepreneurs in Roanoke Rapids

Bobby and Shereen Alzer

EGYPT AND JORDAN



on the Board of the Arts Council. If it's a worthy cause, neither can say "no."

Remarkable, yes. But even more remarkable when you consider the fact that Bobby Alzer was born in Jordan, moved to Palestine in the 1960s, came to the United States in 1980, lived in New York and Washington, and moved to the small town of Roanoke Rapids on the North Carolina-Virginia border in 1987. While in Washington, he met his wife, Shereen, who was an engineering student at the University of Cairo participating in an exchange program with George Washington University. They married in 1988 and feel right at home in Roanoke Rapids.

BOBBY AND SHEREEN ALZER are as American as apple pie. They love small-town USA and have a legion of devoted friends in Roanoke Rapids.

Bobby is a businessman, owns real estate, has a convenience store, and is building a seafood restaurant, appropriately named "Bobby's." Shereen has a degree from East Carolina University, is a math teacher and teaches gifted students. She is a partner in a real estate business with two other local women.

Bobby has served on the board of the Chamber of Commerce, sits on the city's planning board, and is on the board of directors of the Lion's Club. Shereen's schedule is just as busy. Despite working long hours, she volunteers, belongs to the Rotary Club and the Roanoke Rapids Women's Club, and is

"The people here are very warm. The support from everyone has been exquisite," Shereen said. Bobby and Shereen have two children, Ziad, a son, who is the goalie on the high school soccer team, and a daughter, Marwah. Both are excellent students. Ziad has a 5.0 average and has applied to the North Carolina School of Science and Mathematics.

Shereen has a way with children and has been asked to set up a special program for at-risk students. "We have made amazing progress," she said. "They now have a future. My friends tell me I should quit teaching and devote all my time to real estate. I could make more money. But I just can't. Teaching is my love."

Farm Labor Organizer in Dudley

Letitia Zavala

MEXICO



LETITIA ZAVALA is barely five feet tall and weighs perhaps 110 pounds. But her diminutive figure belies the size of her heart and the strength of her spirit.

Born in Michoacan, Mexico, she and her mother joined her father in the United States when she was two years old. They stayed for a few years, carrying Zavala from migrant camp to camp as they followed the seasonal harvests. In 1986, desperate for work, they returned to the U.S. for good, and from Texas hitched rides to Ohio where they harvested vegetables for Campbell Soup. Then it was on to Florida to pick oranges and strawberries. Eventually, her parents, four siblings and she began to call Plant City, Florida, home in the off season.

Despite the fact that Zavala missed the first and last months of school each year because the family was on the road, she managed to do well in school and was placed in gifted classes. Her attempt to get a scholarship at age 12 that would have allowed her to go to school full time was blocked by growers who told her that her “future” was in the fields.

Regardless, she graduated from Plant City High School, attended Stetson University and then received the B.S. degree in sociology and international business from Florida Southern.

At 26, the memories of working in the fields and conditions in the migrant labor camps are still fresh. But those memories did not prevent her from going back – this time as an advocate and organizer for the Farm Labor Organizing Committee (FLOC).



Going into the fields and labor camps during harvests to talk with migrants and sign them up with FLOC is risky business. Since coming to North Carolina in 2001, she has been threatened, intimidated, assaulted, and arrested.

When she is not in the fields, she travels across the state, speaking in churches and to community groups, building pressure among consumers for fairness and equity for those who put food on their tables. She is on the boards of Centro Derecho Migrantes, headquartered in Mexico, and Southeastern Regional Economic Network in Durham, and works closely with a network of organizations devoted to social change.

Banker in Longview

Se Moua Kue

LAOS



THE LONGVIEW BRANCH of Wachovia Bank in Catawba County is a busy place and counts among its customers many Hmongs, Laotians who fled to the United States after North Vietnam took over their country in 1975.

What draws them to the bank, in part, is Se Moua Kue, herself a Hmong, who has worked there since 1999. Banking often is a new experience for them, so Kue fields questions, interprets, and makes them feel comfortable.

Kue's route to Longview was circuitous. At age 14, she arrived in the U.S. through Philadelphia, along with her grandmother, sister, and cousins. Knowing no English, she began school, and found learning the language difficult, although Hmongs have used the English alphabet for many years to spell words in their language.

There were also cultural barriers. In Laos people did not shake hands or touch each other, except for family. She remembers her grandmother telling her that

they had to immerse themselves in American culture, and going to church was essential for that.

At 15, Kue married a Hmong who was called to the ministry, so she spent the next 18 years moving with him while he received his B.A. from a college in Minnesota, pastored a church in Denver, then went to graduate school in South Carolina. Along the way, they had five children. Wherever they went, Kue usually

worked during the day, went to school at night, raised their children, and served as a pastor's wife.

Finally in 1995 they came to Longview,

where her husband pastors an Alliance Missionary Church. Today, 700 people attend, all of them Hmongs.

Kue feels at home in Longview, primarily because the climate in the North Carolina foothills is so similar to the climate in her native Laos.

What gives her great pride, in addition to providing a valuable service for both the bank and its customers, is seeing so many Hmongs work hard, save money, and buy land for their homes and gardens. Children are being encouraged to study hard, be good citizens, and pursue professional careers. "We have many young people who are going to college, including one who became a pharmacist and one a dentist at Chapel Hill," she said, with pride.

Attorney and Mayor of Statesville

Costi Kutteh

PALESTINE



COSTI KUTTEH'S parents were Palestinian refugees who came to the United States in 1950 through Ellis Island. Newlyweds, they spent that first night in America in separate quarters and then left the next day and headed straight to Statesville. Dr. Hanna Kutteh joined a medical practice there and became Statesville's first ob-gyn.



One of Dr. Kutteh's first patients was a Jewish woman whose husband owned real estate in Statesville. Within a year or two, Dr. Kutteh, the Palestinian, turned to his Jewish friend to find suitable space for his new, solo medical practice. Thus began a friendship that has lasted more than half a century and has been passed down to second and third generations.

Dr. Kutteh was reared in the Greek Orthodox Church but decided to join a Baptist church in Statesville. However, the minister told him he had to be baptized again, despite the fact that Dr. Kutteh had been baptized in the Jordan River years earlier. Dr. Kutteh declined and was accepted by the Methodists.

The Kutteh family has been completely assimilated into North Carolina during the past half century and has made its mark on the community, education, and the legal and medical professions.

Their son Costi, is a Phi Beta Kappa graduate of Wake Forest and received his law degree from Duke University. He returned to his hometown to practice law, and in 1989 was elected to the first of four terms on the Statesville City Council. In 2005, he was elected mayor, receiving 79 percent of the vote.

His ties to Wake Forest – his wife Teresa also graduated from the university in 1973 – have remained strong through the years, as he has served on the Alumni Council and as national chair of the College Fund.

In 1994, Costi asked his father what he thought about setting up a scholarship at Wake Forest. Dr. Kutteh was enthusiastic, so the two of them and their wives established the Kutteh Scholarships that are primarily need-based.

Costi Kutteh describes himself as a peacemaker, a “partnership kind of guy” who finds building consensus on local issues more to his liking than the divisive nature of national politics. Even so, he is a keen observer of politics and has definite opinions.

His demeanor also suits him well in the work he does as a certified mediator, as well as in his other legal work.

Wake Forest University Professor Simeon Ilesanmi

NIGERIA



NIGERIA, THE HOMELAND OF SIMEON ILESANMI, is a former British colony where English is spoken, so language was one barrier Ilesanmi did not have to overcome when he came to the United States to study in 1987.

He was working toward the B.A. degree in religion and philosophy at the University of Ife when he started thinking about further studies. “My professors had studied abroad and suggested I do so also. I was most impressed by my teachers who studied in America, so I decided to contact universities in that land we called ‘God’s own country.’ My greatest shock later was discovering there is poverty in America, too.”

He applied to 10 prestigious schools, including Harvard, Princeton, Emory, Boston College, and Duke, and was accepted at all of them except Duke, he says with amusement. Ilesanmi received an international merit scholarship that paid full expenses, and he chose Princeton. At the eleventh hour, he discovered his visa for studies there required that he

return immediately to Nigeria, precluding additional study or employment. He then opted for Southern Methodist University after a State Department official assured him the climate in Texas would be more like home. He had never been outside Nigeria, so, regardless, it would be an adventure. He earned the Ph.D. degree from SMU in 1993 and

began teaching comparative religious ethics at Wake Forest University. His office is that of a scholar – a wall of hundreds, probably thousands, of books, and projects in

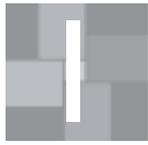
progress on every working space. Amazingly, while teaching and serving as director of graduate studies in the department of religion, Ilesanmi has found time to earn a degree from the Wake Forest University School of Law.

His wife, Bola, who is assistant director of health services at Winston-Salem State University, had some misgivings about living in a smaller city, but Winston-Salem quickly won her heart. Their children have thrived in its public schools, and the family is active in Green Street Church, Winston-Salem’s most diverse congregation. Ilesanmi has turned down attractive offers from other universities because he enjoys the academic environment at Wake Forest, feels at home in Winston-Salem, and appreciates the city’s quality of life.

University Administrator at NCCU

Dr. Li-An Yeh

TAIWAN



I N TAIWAN where scholastic competition is intense, Li-An Yeh ranked in the top five percent of high school graduates, gaining admission to National Taiwan University. There she earned the B.S. degree in agricultural chemistry and then looked to the United States to continue her education.

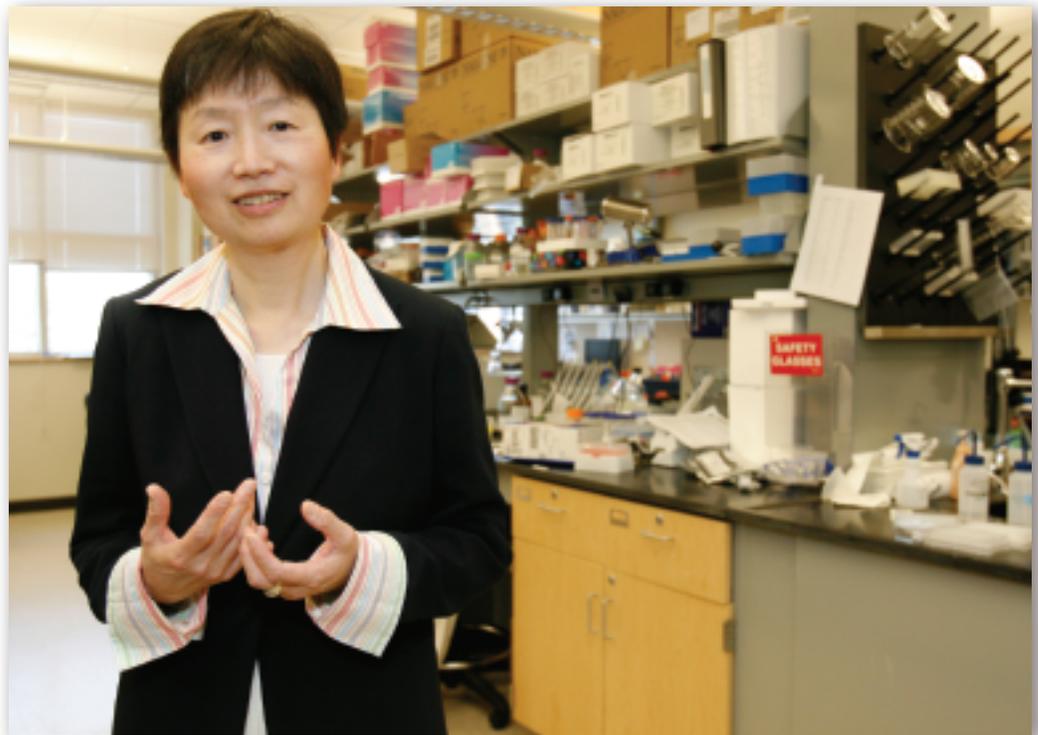
Her biggest challenge was language. “English text books were used in undergraduate school in Taiwan, so I could read and write English. But I could not speak it or understand it very well.”

Yeh started her postgraduate work at Ohio State, then continued at Kent State, where she received the M.S. degree. She then received the Ph.D. degree in biochemistry from Purdue. Harvard offered her an opportunity for postdoctoral study – “cheap labor,” she said with a smile. The 40-

hour week has no place in her work ethic. “I think you would call me a workaholic,” she said.

Twenty-one years of biomedical research positions followed, including a stint at the Harvard Center for Neuroregeneration and Repair. Still, Yeh wanted more – a chance to serve as an administrator and shape programs and policies.

When a head hunter called her at Eli Lilly & Company two years ago to talk about the fledgling biotech program at North Carolina Central University, she was intrigued. As director of Biomanufacturing Research Institute and Technology Enterprise (BRITE), she



would report directly to the chancellor and have broad administrative responsibilities. She would create and direct two degree programs in biotech research and manufacturing that would prepare students at this historically black university for high-salaried professional positions. She took the job.

Yeh had never lived in the South and wasn't sure quite what to expect. She needed temporary housing and called a Durham motel to make arrangements. “When I arrived and told the lady who I was, she came around from behind her desk and hugged and kissed me. I was so surprised, and it made me feel so happy and welcome,” Yeh said.

Occupational Extension Coordinator in Kinston

Juvencio Rocha-Peralta

MEXICO



shops – in churches, community centers, and schools. Developing leadership in the Latino community is a primary concern of his. He has served on numerous boards, including Habitat for Humanity and Democracy North Carolina, and received many awards.

The intense debates over immigration reform have made it even more important that people understand what is at stake, Peralta believes. “The United States economy needs labor, and there is an abundant supply in the countries south of us. We have to work out a mutually beneficial policy.” Recently, when Latinos staged mass rallies across this nation, Peralta was invited to address the Mexican congress and to speak in Salvador and Guatemala.

A S A BOY OF 16, JUVENCIO PERALTA came to the United States from Vera Cruz, Mexico, hoping to make contact with an uncle in Duplin County. He had a primary school education and spoke no English. Those were lonely times. He worked as a farm laborer and eventually located his relative who helped him find a construction job in Pitt County.

Knowing education was the key to advancement, Peralta obtained his high school equivalency at Pitt Technical and Community College and earned the B.A. degree in business administration from East Carolina University, which directed him toward a career in human resources. He has a passion for serving others and early on helped with Special Olympics, coached soccer, and served as an advocate and spokesperson for the Latino community. He has built a broad network of individuals and organizations in North Carolina, the United States, and Mexico. Almost every weekend, Peralta helps conduct work-

Peralta’s mother, five sisters, and a brother are here now. Like most Latino families, they are close knit. On weekends, they visit, share meals, and attend church together.

“The hardest thing to get people to understand is who we are and what we contribute to communities, the workplace, and the economy. We work hard and earn money, and we spend money in the communities where we live. We pay taxes. And we have strong family values.”

Grantmaking

THE Z. SMITH REYNOLDS FOUNDATION is a general purpose foundation created to serve the people of North Carolina. The Foundation is particularly interested in projects that accomplish systemic reform and have statewide impact. In addition, the Foundation gives special attention to low-resource regions in the state and innovative, community-based projects within the Foundation's focus areas.

The Foundation's grantmaking policies reflect the belief that organizational performance is greatly enhanced when people with different backgrounds and perspectives are engaged in an organization's activities and decision-making process. Thus, the Foundation actively seeks to promote access, equity, and inclusiveness,

and to discourage discrimination based on race, creed, ethnicity, gender, age, sexual orientation, socioeconomic status, and other factors that deny the essential humanity of all people.

To accomplish its purpose, the Foundation gives special attention to certain focus areas:

- Community Economic Development
- Democracy and Civic Engagement
- Environment
- Pre-Collegiate Education
- Social Justice and Equity

While the listed areas are of highest priority, it is also the desire of the Foundation to serve as a catalyst for new practices and ideas and to respond to other challenges or opportunities that are unique to North Carolina. For these reasons, the Foundation reserves the right to remain flexible in its grantmaking policies. Further, the Foundation continues to be interested in organizational development and capacity building and open to providing general operating support grants.

The Foundation does not give priority to:

- The arts
- Capital campaigns
- Computer hardware or software purchases
- Conferences, seminars, or symposiums
- Crisis intervention programs
- Fundraising events
- Historic preservation
- Local food banks
- Substance abuse treatment programs

The Foundation does not fund the following:

- Brick-and-mortar building projects or renovations, including construction materials and labor costs
- Endowment funds
- Equipment or furniture purchases
- Fraternal groups or civic clubs
- Healthcare initiatives (physical and mental) or medical research
- Individuals
- National or regional organizations, unless their programs specifically benefit North Carolina and all funds are spent to benefit the state
- Organizations that are not tax-exempt
- Payment of debts
- Volunteer fire departments or emergency medical services



Community Economic Development

<p>GOALS:</p>	<p>The Foundation seeks to foster economic well-being for all families and to build economic vitality and sustainability for all communities.</p>
<p>RESULTS SOUGHT:</p>	<p>The Foundation invests in organizations and projects that achieve the following:</p>
<p>1</p>	<p>Protect and increase the incomes and assets of low-income families and individuals</p> <ul style="list-style-type: none"> • Measurably increase levels of home-ownership, particularly among minorities • Increase the supply and utilization of high-quality affordable housing so that rates of monthly rents or mortgages for low-income residents do not exceed 30 percent of monthly income • Increase income from self-employment or small businesses, especially in rural and minority communities • Increase availability of and access to non-traditional capital to support home-ownership, asset-building, and economic development • Ensure equitable distribution of capital • Eliminate financial practices that negatively and disproportionately target and affect lower-income families and households <p>2</p> <p>Increase community control of economic assets and economic independence for the benefit of rural or low-income residents</p> <ul style="list-style-type: none"> • Build economically viable, environmentally sound, and socially sustainable local agricultural and business enterprise systems • Increase economic development activities by capitalizing on existing local community strengths and cultural or environmental assets



AdvantageWest, Fletcher

\$50,000 for general operating support for Blue Ridge Food Ventures, L.L.C. during its operational development phase.

Affordable Housing Group of NC, Charlotte

\$50,000 to create, develop and implement a comprehensive training/resource center and to support its ongoing efforts to educate homebuyers and produce affordable housing.

American Indian Mothers, Shannon

\$30,000 for administrative and technical support to assist underserved, underemployed and socially disadvantaged agricultural populations with economic development through AIMI's Three Sister Agricultural Co-op and Morning Star Restaurant.

Appalachian Sustainable Agriculture Project, Asheville

\$45,000 for general operating support.

Ashe County Partnership for Children, Jefferson

\$24,000 to continue implementation of the Success Highway IDA Program.

Bayboro Development Center, Bayboro

\$30,000 for general operating support.

Blue Springs-Hoke County Community Development Corporation, Raeford

\$25,000 for general operating support to engage in community revitalization, housing counseling and new housing development.

Columbus County DREAM Center, Whiteville

\$35,000 to develop its homeownership program.

Community Developers of Beaufort-Hyde, Belhaven

\$20,000 for general operating support to improve organizational operations.

Community Housing Development Corporation of Mooresville/South Iredell, Mooresville

\$30,000 for general operating support to subsidize operating expenses related to continued growth, production of affordable housing, and homebuyer education.

Community Reinvestment Association of NC, Durham

\$150,000 for general operating support for efforts to fight predatory lending, improve policies and financing structures in the field of manufactured housing, and to educate consumers about sound financial practices.

Concerned Citizens of Tillery, Tillery

\$50,000 to support sustainable economic development in northeastern North Carolina.

Dan River Basin Association, Mayodan

\$50,000 for general operating support for North Carolina staff and operating expenses of the North Carolina office.

Executive Center for Economic & Educational Development, Greenville

\$25,000 for general operating support to build organizational capacity to expand services and training curriculum.

Foundation for a Sustainable Community, Chapel Hill

\$20,000 to support, promote and advance the triple bottom line of community sustainability.

Hinton Rural Life Center, Hayesville

\$25,000 to start a comprehensive financial literacy program for Cherokee, Clay and Graham counties.

IDA and Asset Building Collaborative of NC, Raleigh

\$90,000 for ongoing efforts to build the capacity of local IDA programs and to promote state policies that support a wider range of asset building opportunities for North Carolinians.

Kannapolis, City of Kannapolis

\$35,000 for a strategic planning process to increase access to education, job training and small business support for low-income individuals and families.

Legal Aid of NC-Raleigh, Raleigh

\$300,000 to support fair lending and home defense.

Madison County, Marshall

\$45,000 for Madison Farms: Developing a Sustainable Model Beyond Tobacco program.

MDC, Chapel Hill

\$75,000 to help poor working families access tax credits and free tax preparation, and link to asset-building programs.

Mitchell County Development Foundation, Spruce Pine

\$115,000 for its community-based economic development project, "Home of the Perfect Christmas Tree."

NC Housing Coalition, Raleigh

\$190,000 for general operating support for its work to develop decent, safe and affordable housing.



Community Economic Development

NC Indian Economic Development Initiative, Fayetteville
\$80,000 for general operating support.

NC Minority Support Center, Durham
\$125,000 for general operating support needed during this time of reshaping the entire North Carolina CDCU industry.

NC Rural Communities Assistance Project, Pittsboro
\$35,000 for capacity building to provide technical assistance for the development of decentralized wastewater systems for low-income rural residents.

New River Community Partners, Sparta
\$35,000 to support NRCP staff assigned to the Sparta Teapot Museum project.

New Ventures Business Development, Wadesboro
\$50,000 for staff support and general operations.

Northeastern Community Development Corporation, Camden
\$30,000 for Steps to Success, an economic advancement program for disadvantaged women.

Olive Hill Community Economic Development Corporation, Morganton
\$20,000 for general operating support to continue providing economic development services and for the Enterprise Development Project.

One Dozen Who Care, Andrews
\$40,000 to support its Small Business Center and Entrepreneurial Incubator.

Outer Banks Community Development, Kill Devil Hills
\$35,000 to develop a master plan for affordable housing and work with planners from local governments.

Partners for Homeownership, Winston-Salem
\$15,000 for general operating support to develop affordable housing for moderate and low-income families.

Pisgah Legal Services, Asheville
\$10,000 to develop a plan and initiate advocacy efforts for inclusionary zoning in the city of Asheville and Buncombe County.

REACH of Jackson County, Sylva
\$35,000 for the Employment Life Skills Training Program.

Roanoke Canal Commission, Roanoke Rapids
\$30,000 to allocate resources to enhance programming and marketing.

Rural Advancement Foundation International-USA, Pittsboro
\$40,000 to strengthen NC family farms by supporting stewardship, fair contracts, and market diversification.

Rural Initiative Project, Winston-Salem
\$20,000 for general operating support.

Sampson County Community Development Corporation, Clinton
\$35,000 for general operating support to assist low-income families in their quest for affordable housing.

Snow Hill Methodist Church, Danbury
\$10,000 for the StokesCORE Community Kitchen Project.

Triad Economic Development Corporation, High Point
\$20,000 for general operating support to continue its multiple programming efforts of construction of affordable housing and business development.

University of NC-Chapel Hill, Chapel Hill
\$45,000 for Urban and Regional Studies, Chapel Hill, for the completion of a study that addresses the impact of buyout programs in the state and determines how to better structure this government-sponsored service.

Warren Family Institute, Warrenton
\$45,000 for general operating support to enable increased organizational development, refining of a business plan, and strengthening community economic development work.

Washington Housing Nonprofit, Washington
\$50,000 for the IDA and asset-building program.

Windows on the World CDC, Roper
\$25,000 to develop a business plan for the electronic health records social enterprise and to test software and procedures necessary for developing the plan.

Yadkin-Pee Dee Lakes Project, Star
\$60,000 for general operating support for the development of North Carolina's Central Park.

TOTAL COMMUNITY ECONOMIC DEVELOPMENT \$2,399,000



Democracy and Civic Engagement

GOALS:

The Foundation seeks to foster a government that is accountable to the needs of the people; a media that provides fair and substantial information on issues facing the state and its people; a citizenry that is engaged, well-informed and participates in the life of the state; and sound public policy that is built upon comprehensive and balanced research.

RESULTS SOUGHT:

The Foundation invests in organizations and projects that achieve the following:

1

Responsive, accountable governance

- Reduce the influence of money on politics
- Increase educational opportunities for local and state policymakers
- Increase the degree of fairness and equity with which government policies and practices affect each resident of the state
- Create credible, timely, policy-relevant research on pressing issues (particularly those within the areas of focus of the Foundation)

2

A populace that is educated about and participates in civic affairs

- Increase knowledge of, participation in and discourse about state and local government policies and politics
- Increase the number of individuals from marginalized or under-represented populations who gain and use leadership skills to address community issues
- Increase public understanding and analysis of media content and operations
- Protect and strengthen voters' rights
- Increase voter participation in elections and government affairs

3

Fair, accurate and substantial media coverage of state and local government policy issues and politics

- Increase the level of reporting about state and local government institutions and issues
- Protect media and public access to government records and meetings
- Increase investigative reporting (particularly on issues within the areas of focus of the Foundation)



Democracy and Civic Engagement

Action for Children North Carolina, Raleigh

\$5,000 to the School of Government's NC Civic Education Consortium Small Grants Program - Youth Advocacy Toolkit.

Administrative Office of the Courts-NC, Raleigh

\$2,500 to the School of Government's NC Civic Education Consortium Small Grants Program - Constitutional Law/Civics Program for Elementary/Middle School Students.

American Institute for Social Justice, Raleigh

\$150,000 for general operating support to support and expand its North Carolina ACORN chapters.

Beaufort County Schools, Washington

\$6,000 to the School of Government's NC Civic Education Consortium Small Grants Program - Tiger Tales.

Columbus County Government, Whiteville

\$5,000 to the School of Government's NC Civic Education Consortium Small Grants Program - Columbus County Student Internship Program.

Common Cause Education Fund, Washington, DC

\$125,000 to support its work in North Carolina.

Common Sense Foundation, Raleigh

\$40,000 for general operating support.

Corporation for Enterprise Development, Durham

\$90,000 to increase public awareness of alternative methods of economic development and ways in which public funds can be used to support economic growth.

Democracy Matters Institute, Hamilton, NY

\$10,000 for Phase II of Making Democracy Work.

Democracy NC, Carrboro

\$350,000 for general operating support to fight the influence of money in politics and advocate for good government reforms.

El Pueblo, Raleigh

\$8,500 to the School of Government's NC Civic Education Consortium Small Grants Program - Latino Youth Fellowship Project.

FairVote, Takoma Park, MD

\$35,000 to build a grassroots coalition to effect how North Carolina casts its Electoral College votes.

Generation Engage, Washington, DC

\$75,000 for general operating support to engage young North Carolinians in rural and inner-city communities in sustained civic participation.

Helping Empower Local People, Charlotte

\$20,000 for general operating support to advance its One Charlotte campaign.

Kids Voting NC-Mecklenburg County, Charlotte

\$5,100 to the School of Government's NC Civic Education Consortium Small Grants Program - Civics 101.

Mountain Area Information Network, Asheville

\$75,000 for general operating support.

NAACP-National, Durham

\$50,000 for the Civil Rights Institute in North Carolina.

NC Academy of Trial Lawyers Foundation, Raleigh

\$20,000 to support the Wade Edwards High School Mock Trial Program.

NC Agricultural Foundation, Raleigh

\$10,000 to the School of Government's NC Civic Education Consortium Small Grants Program - Empowering NC Youth to Address Community Issues.

NC Center for Voter Education, Raleigh

\$275,000 for general operating support to continue its work on campaign finance reform and other good government reforms.

NC Fair Share Education Fund, Raleigh

\$25,000 to support the Fannie Lou Hamer Voting Rights Project.

NC Justice and Community Development Center, Raleigh

\$250,000 to support a coalition of state-level advocacy organizations working to create a better, fairer, healthier North Carolina.

NC Justice and Community Development Center, Raleigh

\$300,000 to support the Blueprint NC communications, civic engagement and operational activities.

NC Justice and Community Development Center, Raleigh

\$1,600,000 for general operating support.

NC Open Government Coalition, Raleigh

\$20,000 for general operating support for a full-time executive director.

Democracy and Civic Engagement



NC Policy Watch, Raleigh

\$50,000 to hire a senior policy analyst.

NC Public Interest Research Group Education Fund, Raleigh

\$25,000 to support its ethics reform efforts and its work to hold public officials accountable.

NC State University Foundation, Raleigh

\$65,000 for the Institute of Emerging Issues' Business Committee on Fiscal Modernization Project.

NC State University Foundation, Raleigh

\$75,000 for general operating support of the Institute for Emerging Issues.

NCLM Local Leadership Foundation, Raleigh

\$45,000 for the Citizen Performance Engagement Tool Project.

Neighborhood Housing Services of Asheville, Asheville

\$25,000 to support the salary of a community organizer.

NetCorps, Durham

\$25,000 to support list enhancement activities for NC non-profits in order to build collective power.

North Carolinians Against Gun Violence Education Fund, Chapel Hill

\$25,000 for general operating support to add an outreach coordinator.

Northeastern Randolph Middle School, Liberty

\$1,700 to the School of Government's NC Civic Education Consortium Small Grants Program - Middle School Visions Civic Mission Project.

Peace College of Raleigh, Raleigh

\$25,000 to increase the number of elected and appointed women in NC.

City of Sanford, Sanford

\$6,200 to the School of Government's NC Civic Education Consortium Small Grants Program - Developing Youth Leaders...Empowering Our Community.

School of Government Foundation, Chapel Hill

\$12,000 for the Small Grants program to foster civic engagement in communities across the state.

Scotland County Schools, Laurinburg

\$10,000 to the School of Government's NC Civic Education Consortium Small Grants Program - SCHOLARS Serve.

SURGE, Students United for a Responsible Global Environment, Chapel Hill

\$25,000 for general operating support to engage high school and college-aged youth in environmental and social justice issues.

University of NC-Chapel Hill, Chapel Hill

\$225,000 for general operating support of the Institute of Government's NC Civic Education Consortium for teacher, school, and community-based civic engagement activities.

Wellstone Action Fund, St. Paul, MN

\$15,000 to conduct two Voter Engagement Schools for organizations and coalitions running voter engagement efforts in North Carolina in 2006.

YWCA-High Point, High Point

\$15,000 for the Study Circles Program.

TOTAL DEMOCRACY AND CIVIC ENGAGEMENT \$4,222,000



Environment

GOALS:

The Foundation seeks to conserve, protect, improve and restore the state’s natural areas; to ensure clean air and water for all North Carolinians; and to minimize the burden of the state’s environmental hazards, particularly on marginalized communities.

RESULTS SOUGHT:

The Foundation invests in organizations and projects that achieve the following:

- 1 **Prevent poor communities and communities of color from bearing a disproportionately high or adverse burden of environmental hazards**
 - Ensure a fair and effective system to monitor placement and enforce reduction of environmental hazards
 - Increase involvement of communities in the development, implementation, and enforcement of policies and regulations
- 2 **Guarantee clean water for all**
 - Improve and/or restore the water quality of rivers, wetlands and lakes
 - Prevent damage to water quality and quantity
 - Ensure access for all to rivers and lakes
- 3 **Guarantee clean air for all**
 - Reduce toxic, mobile source and greenhouse gas emissions
 - Prevent damage to climate and air quality
 - Increase energy conservation and the amount of renewable energy used
- 4 **Conserve green space**
 - Increase the amount of permanently protected land
 - Protect and restore critical forest habitats
 - Ensure access for all to open space and forests
 - Improve community planning and development patterns to meet the growth demands of the state in environmentally sound ways
- 5 **Guarantee a healthy coastal ecosystem**
 - Prevent damage to wetlands, coastline and coastal waters
 - Improve and/or restore wetlands and coastal waters
 - Ensure access for all to coastal waters and ocean

Within this focus area, priority is given to regional (multi-county) and statewide efforts.



American Rivers, Washington, DC
\$30,000 to protect and restore the Yadkin and Pee Dee rivers through hydropower dam licensing.

Appalachian Voices, Boone
\$25,000 to improve North Carolina's air quality by reducing pollution from upwind states and monitoring CSA implementation and other pollution sources.

Blue Ridge Environmental Defense League, Glendale Springs
\$60,000 for general operating support to launch its Healthy Communities project and expand its zero waste work.

Carolinas Clean Air Coalition, Charlotte
\$20,000 for general operating support to continue building administrative capacity and outreach support.

Catawba College, Salisbury
\$25,000 for general operating support to continue building administrative capacity and outreach support.

Clean Water for NC, Asheville
\$25,000 for general operating support to promote clean, safe water and just communities.

Community Services of Swain, Bryson City
\$40,000 for coordinated economic development planning and community engagement.

Concerned Citizens of Tillery, Tillery
\$25,000 to support the organization's environmental justice initiatives.

Conservation Council of North Carolina Foundation, Raleigh
\$20,000 for general operating support to build the collective power of the environmental community to assure sound environmental policy-making.

Conservation Trust for NC, Raleigh
\$150,000 for the implementation of the NC land trusts' strategic plan to expand resources; to support and improve the quality, pace and scope of land conservation; and ensure the sustainability of conservation organizations, programs and commitments.

Dogwood Alliance, Asheville
\$15,000 to encourage responsible forestry practices in NC.

Elon University, Elon
\$20,000 to protect and conserve land along the Haw River.

Environment North Carolina Research and Policy Center, Raleigh
\$30,000 for general operating support for public education, research, and organizing on clean air, clean water, and open spaces.

Environmental Federation of NC (Earth Share), Durham
\$35,000 to support workplace giving program and efforts to begin sustainable fundraising.

Haw River Assembly, Bynum
\$20,000 to support organizational capacity building and its program work for impaired waters.

Land Trust for Central NC, Salisbury
\$25,000 to reorganize its staff to maximize its fundraising potential.

Land-of-Sky Regional Council, Asheville
\$40,000 to develop a framework for a comprehensive Mountain Ridge and Slope Protection Program in western North Carolina.

National Audubon Society, Chapel Hill
\$45,000 for its Coastal Conservation Initiative in North Carolina.

NC Agricultural Foundation, Raleigh
\$20,000 for the Fecal Coliform Impacts, North River Community Study.

NC Coastal Federation, Newport
\$300,000 for general operating support to protect and restore North Carolina's coast.

NC Coastal Federation, Newport
\$150,000 for membership development.

NC Coastal Land Trust, Wilmington
\$40,000 for the Host of the Coast and Gift of the Coast projects, and other operational support.

NC Conservation Network, Raleigh
\$65,000 for general operating support to strengthen the environmental community and win protections for NC's air, water, and quality of life.

NC Council of Churches, Raleigh
\$20,000 for the Climate Connection project.

NC Environmental Defense, Raleigh
\$585,000 for general operating support to reduce global warming pollution and create sustainable energy policies; to protect and restore key ecosystems; and to rebuild the state's fisheries and marine resources.

NC Smart Growth Alliance, Pittsboro
\$35,000 for general operating support to focus on technical assistance, collaboration and community organizing for smart growth initiatives in local communities.



Environment

NC Sustainable Energy Association, Raleigh
\$95,000 for general operating support to help impact North Carolina's energy future.

NC Waste Awareness & Reduction Network, Durham
\$50,000 to build support for grassroots organizing for alternative energy, energy efficiency and sustainable energy sources.

NC Waste Awareness & Reduction Network, Durham
\$50,000 for general operating support.

NC Wildlife Federation, Raleigh
\$30,000 for general operating support.

Neuse River Foundation, New Bern
\$80,000 for the Muddy Water Watch Project.

Neuse River Foundation, New Bern
\$35,000 for general operating support to protect the Neuse River.

New River Foundation, Jacksonville
\$20,000 for general operating support to protect the New River.

Pamlico-Tar River Foundation, Washington
\$20,000 for general operating support to protect the Pamlico-Tar River.

Sierra Club Foundation, San Francisco, CA
\$40,000 for operating support for the NC chapter's general public education and outreach activities, particularly focusing on energy issues.

Southeast Watershed Forum, Nashville, TN
\$20,000 for the Western North Carolina Quality Growth Initiative.

Southern Alliance for Clean Energy, Asheville
\$40,000 to support its North Carolina work to reduce global warming.

Southern Appalachian Biodiversity Project, Asheville
\$30,000 for general operating support for the defense, protection and restoration of North Carolina's national forests and critical habitats.

Southern Appalachian Forest Coalition, Asheville
\$30,000 for general operating support for its forest protection and preservation work in North Carolina.

Southern Environmental Law Center of NC, Chapel Hill
\$825,000 for general operating support to enable SELC to continue to provide leadership, legal advocacy, and policy expertise to protect the environment of North Carolina.

SouthWings, Asheville
\$20,000 to support aerial monitoring and education for conservation partner organizations in North Carolina.

University of NC-Chapel Hill, Chapel Hill
\$35,000 to support the Carolina Environmental Program's project to engage youth in energy conservation and local sustainability.

Warren Wilson College, Asheville
\$25,000 for the Environmental Leadership Center's applied services program to help communities and organizations.

Waterkeeper Alliance, Irvington, NY
\$25,000 for the pure farms/pure water campaign.

Western NC Alliance, Asheville
\$30,000 to support its Invasive Exotics Project to engage local residents in the removal of harmful plant species from critical NC habitats.

WildLaw, Asheville
\$25,000 for operating support to support and represent North Carolina non-profit environmental groups that protect special places in North Carolina.

WildLaw, Asheville
\$25,000 to support the Forest Certification Pilot Project.

TOTAL ENVIRONMENT **\$3,415,000**



Pre-Collegiate Education

<p>GOALS:</p>	<p>The Foundation seeks to foster an educational system that provides each student in North Carolina the constitutionally guaranteed right of a “sound, basic education” regardless of race, socio-economic status, gender, geography or other discriminating factors.</p>
<p>RESULTS SOUGHT:</p>	<p>The Foundation invests in organizations and projects that achieve the following:</p>
<p>1</p>	<p>Train, place and retain highly-qualified teachers for every child and skilled administrators for every school, with particular emphasis on increasing the number of people of color in those positions</p> <ul style="list-style-type: none"> • Increase the number of highly-qualified teachers and administrators • Measurably increase the rates of retention of highly qualified teachers • Improve the delivery and quality of professional development opportunities • Increase the use of technology, training and innovative models to increase access to high-quality teaching in hard-to-staff subject areas <p>2</p> <p>Improve educational achievement through equity in education</p> <ul style="list-style-type: none"> • Close the academic achievement gap between white students and students of color • Promote fair and effective accountability and testing models • Increase access to and improve the system of early childhood education for disadvantaged students • Increase the diversity of and enrollment in academically advanced course offerings for currently underrepresented students • Ensure adequate distribution of resources within or among school districts <p>Within this focus area, priority is given to regional (multi-county) and statewide efforts.</p>



Pre-Collegiate Education

Appalachian State University Foundation, Boone
\$130,000 for the ASU Beginning Teacher Support Network as a component of its Teacher Retention Program.

Carolina Legal Assistance, Raleigh
\$75,000 to help at-risk youth and juveniles with disabilities stay in school by preventing and reducing long-term suspension.

Child Care Services Association, Chapel Hill
\$50,000 for Leading Early Educator Development Project.

Connectinc, Battleboro
\$60,000 for the TEACH Central Project to increase first and second-year teacher retention in eastern NC.

DonorsChoose, Rocky Mount
\$40,000 for general operational support to match donors with education projects in North Carolina's low-resource communities.

Foundation for the University of NC-Charlotte, Charlotte
\$25,000 for its Smart Choice: The No Child Left Behind Education Network project.

Guilford Child Development, Greensboro
\$140,000 to improve significantly the school readiness of disadvantaged children at the local level.

Guilford Education Alliance, Jamestown
\$35,000 to create a collaborative of local education funds/organizations to address education issues on the state level with local school impact.

Kidsenses, Rutherfordton
\$50,000 for science education professional development focused on a seven-county rural region.

NC New Schools Project, Raleigh
\$50,000 to improve the state's high schools through a comprehensive and focused campaign.

NC Society of Hispanic Professionals, Apex
\$30,000 for building staff capacity and other operating needs.

Rensselaerville Institute - NY, Rensselaerville, NY
\$75,000 to conduct an intensive small rural county intervention process to measurably improve a selected county's academic achievement.

Teach for America - Eastern NC, Raleigh
\$50,000 to recruit, train, and support new teachers in rural counties of eastern North Carolina.

University of NC-Chapel Hill, Chapel Hill
\$40,000 for the Institute of African-American Research—the Matrix Project which is aimed at reducing the achievement gap in eastern NC.

Western Carolina University, Cullowhee
\$95,000 to support the retention of beginning teachers and their transition to the classroom.

TOTAL PRE-COLLEGIATE EDUCATION **\$945,000**



Social Justice and Equity

GOALS:

The Foundation seeks to eliminate the unjust and unequal treatment of people of color, immigrants and those who are economically disadvantaged; eradicate the physical and sexual violence that threatens the lives and well-being of women; protect the rights of women to make choices about their reproductive health; and provide adolescents with information and choices that encourage them to avoid pregnancy.

RESULTS SOUGHT:

The Foundation invests in organizations and projects that achieve the following:

1

Non-discriminatory, just communities

- Enforce civil rights laws and defend human rights
- Ensure equal access to government and community services
- Increase economic equity
- Measurably reduce structural and institutional racism and gender bias
- Measurably reduce unwarranted racial and economic disparities within the criminal justice system

2

Protect reproductive choice and reduce domestic violence and sexual assault

- Measurably reduce sexual assault
- Measurably reduce domestic violence and its impact on families
- Measurably reduce adolescent pregnancy
- Ensure that all reproductive options remain available to all women



Social Justice and Equity

Adolescent Pregnancy Prevention Coalition-NC, Chapel Hill
\$100,000 for general operating support for its statewide work educating service providers to implement successful adolescent pregnancy prevention interventions.

American Civil Liberties Union Foundation of NC, Raleigh
\$65,000 to provide Muslim/Middle Eastern communities with civil liberties education and train a network of attorneys to provide legal representation to this community.

Ashe County Partnership for Children, Jefferson
\$25,000 to provide general support for the domestic violence program, A Safe Home for Everyone.

Bertie County, Windsor
\$60,000 for general operating support for the Domestic Violence Offender Program.

Carolina Justice Policy Center, Durham
\$25,000 for general operating support for its ongoing advocacy to remedy flaws in the death penalty system and for community corrections.

Catawba County Hispanic Ministry, Hickory
\$25,000 for general operating support to provide information and assistance to Latino immigrants.

Center for Death Penalty Litigation, Durham
\$55,000 to raise public awareness about problems with the administration of the death penalty.

Centro Latino of Caldwell County, Lenoir
\$10,000 for general operating support.

Chatham County Partnership for Children, Pittsboro
\$40,000 for the Safe Start Services Coordinator.

Christians for a United Community, Asheville
\$30,000 to help churches and the community unite to dismantle the root causes of racism and disparity.

Council for Children, Charlotte
\$30,000 to fund the Student Defense Project to ensure due process at Charlotte/Mecklenburg School suspension/expulsion hearings.

Darryl Hunt Project for Freedom and Justice, Winston-Salem
\$40,000 for general operating support to hire a full time Re-Entry Coordinator and to assist with funding for the Executive Director's salary.

Down East Council on Hispanic Latino Affairs, New Bern
\$30,000 for general operating support.

El Pueblo, Raleigh
\$200,000 for general operating support, including its organizational development efforts.

Equality NC Foundation, Raleigh
\$25,000 for general operating funds to support its ongoing educational and grassroots organizing programs for lesbian, gay, bisexual and transgender North Carolinians.

Fair Trial Initiative, Durham
\$60,000 for general operating support to recruit and train young lawyers and professionals in capital defense at the trial level.

Faith in Action, Greensboro
\$40,000 to establish a Legal Resources Center.

Families Against Mandatory Minimums, Washington, DC
\$50,000 to educate North Carolina residents, community leaders and policymakers about the impact of harsh sentencing laws on vulnerable communities, and galvanize them for policy reform.

Family Violence and Rape Crisis Services, Pittsboro
\$20,000 for community outreach to reduce violence against women.

Farm Labor Research Project, Toledo, OH
\$25,000 to continue the work of training and educating H2A farm workers about their rights and benefits under the agreement with the North Carolina Growers' Association.

Gastonia District of the United Methodist Church, Gastonia
\$25,000 for the Multicultural Center of Hope, a Latino center that provides information and assistance to the Latino community.

High Point Racial Healing, High Point
\$15,000 to support the creation of the Anti-racist Organizers' Network of North Carolina (ARON).

Hope for Families Graham Domestic Violence and Sexual Assault Center, Robbinsville
\$25,000 for general operating support for the joint domestic violence and sexual assault program.

Institute for Southern Studies, Durham
\$40,000 to develop the NC Workers' Right Report Card, and to write and publish the Public Subsidies Report.

Interfaith Partnership for Advocacy and Reconciliation, Winston-Salem
\$30,000 for general operating support for the Institute for Dismantling Racism.

Latino Advocacy Coalition of Henderson County, Hendersonville
\$20,000 for general operating support to partially finance the salaries of the executive director, development and outreach coordinator and an administrative assistant.

Legal Aid of NC-Raleigh, Raleigh
\$60,000 for the Battered Immigrant Project.

Legal Aid Society of Northwest NC, Winston-Salem
\$30,000 for the Immigrant Outreach Project.

Legal Services of Southern Piedmont, Charlotte
\$35,000 to provide immigration and other legal assistance for immigrants in western NC through the Justice for All Project.



Life After Life, Raeford
\$25,000 for general operating support for a start-up domestic violence program for Hoke County residents.

NARAL Pro-Choice North Carolina Foundation, Raleigh
\$100,000 for general operating support to reduce the need for abortion by increasing access to family planning services, affordable birth control and comprehensive age-appropriate sex education.

National Farm Worker Ministry, St. Louis, MO
\$25,000 to support the North Carolina Outreach Coordinator's efforts to engage community members in issues affecting farm workers.

NC Association of Black Lawyers' Land Loss Prevention Project, Durham
\$55,000 for the NC Rural Environmental Equity Project.

NC Center for International Understanding, Raleigh
\$40,000 for the Latino Initiative project for public policy leaders.

NC Center on Actual Innocence, Durham
\$40,000 to support the work evaluating and investigating NC inmates' claims of actual innocence.

NC Coalition Against Domestic Violence, Durham
\$150,000 for general operating support.

NC Coalition Against Sexual Assault, Raleigh
\$120,000 for general operating support for its public policy initiatives.

NC Community Shares, Durham
\$20,000 to support the hiring of a community organizer and to develop a program to access new employers/organizations.

NC Fair Housing Center, Durham
\$45,000 for general operating support in its efforts to create fair housing opportunities for all.

NC Latino Coalition, Durham
\$30,000 for general operating support to increase grassroots Latino organizations' collective voice and capacity on issues of importance.

Neighbors in Ministry, Brevard
\$65,000 for anti-racism training for teachers, parents and children to address institutional racism and reduce the achievement gap for middle school-aged children of color in Brevard.

Orange County Rape Crisis Center, Chapel Hill
\$5,000 to purchase software to improve the agency's capacity to raise funds from local sources.

People of Faith Against the Death Penalty, Carrboro
\$50,000 for support of its grassroots education and mobilization efforts.

Pisgah Legal Services, Asheville
\$35,000 to provide civil legal services to immigrants through the Justice For All Project.

Planned Parenthood Health Systems, Raleigh
\$100,000 for the Access to Contraception Project.

Planned Parenthood of Central NC, Chapel Hill
\$225,000 for the Strategic Advocacy Today, a Pro-Choice Tomorrow Program.

Southern Sudan Fellowship, Raleigh
\$25,000 for support of the Women's Microenterprise Program and for general operating support.

Southerners for Economic Justice, Raleigh
\$25,000 to continue its youth organizing program focusing on young minority women and to continue its efforts of the Women of Color Network.

Student Action with Farmworkers, Durham
\$80,000 to support farmworker advocacy.

Thirtieth Judicial District Domestic Violence-Sexual Assault Alliance, Waynesville
\$25,000 for general operating support.

United Family Services-Charlotte, Charlotte
\$25,000 to support the Domestic Violence Shelter.

Wellstone Action Fund, St. Paul, MN
\$40,000 for the Sheila Wellstone Institute in North Carolina.

Wesley Shelter, Wilson
\$25,000 to implement a community-based domestic violence prevention program.

West End Revitalization Association, Mebane
\$60,000 for general operating support.

Western NC Workers' Center, Morganton
\$25,000 for general operating support to partially finance the salaries of three staff members, as this organization attempts to improve wages, benefits, and working conditions of low-wage workers.

TOTAL SOCIAL JUSTICE AND EQUITY \$2,695,000



Miscellaneous

The majority of the Foundation’s grantmaking is accomplished within its five stated focus areas. However, it is also the desire of the Foundation to serve as a catalyst for new practices and ideas and to respond to other challenges or opportunities that are unique to North Carolina. For these reasons, the Foundation reserves the right to remain flexible in its grantmaking and, therefore, makes occasional grants that are classified as “miscellaneous.”

Action for Children North Carolina, Raleigh
\$85,000 for general operating support to inform the policy debate with research and data and recommend policy changes to improve child well-being.

Beloved Community Center of Greensboro, Greensboro
\$20,000 for the 2006 Nancy Susan Reynolds Award designated by Margaret Clinard.

Black Heritage Society, Kinston
\$40,000 to support the Heritage Impacts Tourism Initiative and advocacy and education efforts related to increasing heritage tourism and economic development.

Bruce Irons Camp Fund, Charlotte
\$2,500 for the 2006 Nancy Susan Reynolds Award designated by Willie Ratchford.

Center for Community Action, Lumberton
\$50,000 to improve social, economic, political, environmental and educational conditions in Robeson County.

Center for Participatory Change, Asheville
\$120,000 for general operating support to strengthen grassroots leaders, groups, and networks working on justice issues in Western NC.

Children’s Home, Winston-Salem
\$10,000 for the 2006 Nancy Susan Reynolds Award designated by Faith Lockwood.

Community Foundation of Southeastern NC, Wilmington
\$50,000 to support the long-term recovery efforts of the members of the Riegelwood community affected by the November 16, 2006, tornado disaster.

Crisis Assistance Ministry, Charlotte
\$5,000 for the 2006 Nancy Susan Reynolds Award designated by Willie Ratchford.

Employee Matching Gifts, NC
Staff charitable contributions. \$1,790

Executive Service Corps of the Charlotte Region, Charlotte
\$40,000 for cycles two and three of its Building Better Boards program.

Grassroots Leadership, Charlotte
\$25,000 to support the building of grassroots philanthropic networks through the Ujamaa: African-American Philanthropy project.

Greenville Memorial AME Zion Church, Charlotte
\$10,000 for the 2006 Nancy Susan Reynolds Award designated by Willie Ratchford.

Levine Museum of the New South, Charlotte
\$15,000 to fund dialogue sessions associated with the Families of Abraham: Programs Around Faith and Community exhibition.

National Organizers Alliance, Washington, DC
\$40,000 to conduct enrollment outreach to non-profit groups in North Carolina and provide education on retirement savings of the NOA Retirement Pension Plan.

NC Association of County Directors of Social Services, Raleigh
\$60,000 to strengthen the capacity of local county departments of social services to deliver effective services to families and children.



NC Center for Nonprofit Organizations, Raleigh
\$300,000 for general operating support.

NC Coalition to End Homelessness, Raleigh
\$35,000 to support the efforts to secure resources, encourage dialogue, and advocate for public policy change to end homelessness and other operating expenses.

NC State University Foundation, Raleigh
\$30,000 for the Innovations Design Center.

Neighbors for Better Neighborhoods, Winston-Salem
\$30,000 for general operating support in the effort to support neighborhood groups interested in community development, and to strengthen grassroots organizing networks.

Project Healthshare, Charlotte
\$2,500 for the 2006 Nancy Susan Reynolds Award designated by Willie Ratchford.

Southeast Regional Economic Justice Network, Durham
\$20,000 to support the African-American Women's Sustainability Training program.

Southern Documentary Fund, Durham
\$50,000 to complete production on the North Carolina Fund documentary.

United Way of NC, Raleigh
\$50,000 to expand NC 211 system to 15 low-wealth counties in eastern NC to increase access to community services.

Wake Forest University, Winston-Salem
\$583,990 for the Campaign for Wake Forest. Initially for scholarships: Joseph G. Gordon, NSR, NC middle income residents, annual awards to faculty members, Reynolds Professors supplements, and special undergraduate programs and needs.

Wake Forest University, Winston-Salem
\$1,200,000 for the annual grant, under 1990 contract, for general support, faculty development, and scholarships.

Winston-Salem Foundation, Winston-Salem
\$10,000 for the 2006 Nancy Susan Reynolds Award designated by Faith Lockwood.

Win-Win Resolutions, Greensboro
\$34,000 for the Tri-County High School Conflict Resolution Workshops.

TOTAL MISCELLANEOUS **\$2,919,780**

GRANT APPLICATION GUIDELINES

THE Z. SMITH REYNOLDS FOUNDATION is legally restricted to making grants for the accomplishment of charitable works in the State of North Carolina. Grants are made only to nonprofit, charitable organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code or to governmental units. No grants are made to individuals for any purpose. Organizations that operate both within and outside the State of North Carolina may be eligible for consideration for programs operating within North Carolina. The Foundation does not pay indirect or overhead expenses for projects at colleges, universities, public schools, or governmental units.

To accomplish its purpose, the Foundation currently gives special attention to certain focus areas:

- Community Economic Development
- Democracy and Civic Engagement
- Environment
- Pre-Collegiate Education
- Social Justice and Equity

While the listed areas are of highest priority, it is also the desire of the Foundation to serve as a catalyst for new practices and ideas and to respond to other challenges or opportunities that are unique to North Carolina. In addition to funding projects that achieve the goals of each focus area, the Foundation has an interest in building the capacity of organizations and in promoting organizational development. Also, the Foundation reserves the right to remain flexible in its grantmaking policies.

SUBMITTING APPLICATIONS:

Effective with the August 1, 2005 deadline, the Foundation began accepting ONLY applications submitted via its on-line submission process. To access the application, please visit: www.zsr.org and click on "How to Apply" and then "Grant Application Form." The Foundation will not accept proposals by mail, facsimile, or e-mail. If your organization does not have access to the Internet and needs to discuss an alternate submission process, please contact the Foundation at 800.443.8319.

DEADLINES:

The Foundation's Board of Trustees meets in May (deadline February 1) and in November (deadline August 1) to consider grant applications. Proposals must be received via the Foundation's on-line submission process by 11:59 p.m. EST on the deadline date. When deadlines fall on a weekend, the following Monday will be the deadline. The Foundation will not accept proposals by mail, facsimile or e-mail. Late proposals will be considered in the next funding cycle.

REPORTING REQUIREMENTS:

If your organization received a grant(s) in the past, all reporting requirements must be met in order for your current application to be considered. The Foundation has written reporting requirements for each grant made. If you have questions about these requirements, please contact the Foundation at 800.443.8319.

Statement of Inclusiveness

THE MISSION OF the Z. Smith Reynolds Foundation is to improve the quality of life of the people of North Carolina. Toward this end, the Foundation actively seeks to promote access, equity and inclusiveness; and to discourage discrimination based on race, ethnicity, gender, age, socioeconomic status and other factors that deny the essential humanity of all people.

The Foundation has the conviction that inclusiveness benefits everyone and is not only compatible with, but also promotes, excellence. The Z. Smith Reynolds Foundation's grant-making policies reflect the belief that

organizational performance is greatly enhanced when people with different backgrounds and perspectives are engaged in an organization's activities and decision-making process.

We recognize that this policy must be practiced with flexibility and with sensitivity. In this spirit, applicants to the Z. Smith Reynolds Foundation are asked to provide general information about the race and gender of their board and staff. With the aid of this information, the Foundation is better equipped to do its modest part to foster inclusiveness and equal opportunity throughout the State of North Carolina.

Nancy Susan Reynolds Awards



Left to right: Margaret Clinard, Willie Ratchford, and Faith Lockwood

The Nancy Susan Reynolds Awards recognize the uncommon leadership of North Carolinians whose vision, determination, resourcefulness and strength of character have caused them to succeed when other individuals might have failed. What is remarkable is how each recipient – usually with limited resources and in spite of the odds – has accomplished extraordinary good in his or her community.

The Z. Smith Reynolds Foundation believes there are many leaders among us but that one often has to look in unlikely places to find those examples of leadership that are truly inspiring.

Since 1986, the Nancy Susan Reynolds Awards have sought out, honored, and in a small way, rewarded unrecognized individuals who have worked to make a positive difference in the state of North Carolina. In doing so, the Z. Smith Reynolds Foundation focuses the public spotlight on their activities and urges North Carolinians to draw vision from their vision, strength from their demonstrated strength, and renewed moral purpose from their purposefulness.

When Nancy Susan Reynolds, daughter of R.J. Reynolds and Katharine Smith Reynolds, died in 1985, the Foundation's trustees established the Nancy Susan

Reynolds Awards for exemplary and often unsung leadership in communities throughout North Carolina. A founding member, president, and lifetime trustee of the Z. Smith Reynolds Foundation, Nancy Susan Reynolds believed people should take risks and that all of us should have the patience to allow others to make mistakes, start over, and thus strengthen their skills and resolve.

Margaret Clinard, GREENSBORO *Personal Service*

Margaret Clinard of Greensboro has been a lifelong advocate for children with a special talent for mobilizing others to meet their needs. Over the past 25 years or so, 100 children for whom she has provided foster care through the Children's Home Society of North Carolina have affectionately called her "Momma."

You would think a houseful of children in limited public housing quarters would be enough to satisfy her motherly instincts. But that has never been the case. Where she has seen children in need, she has responded – organizing a baseball team in her Hampton Homes neighborhood and gathering up at-risk kids from around Greensboro to expand their experiences and motivate them through Future Ladies and Men of Tomorrow.

Margaret Clinard is resourceful. She knows where potential help lies, and she is willing to ask for it. Children come into her home with special needs. She becomes their advocate, finding tutorial services or creating them herself. She works with teachers, counselors and others whose lives or professions touch those of her children. She urges young people to

be the best they can be, and she constantly looks for ways to help them take another step forward.

This woman with limited education herself, has taught trained, social service professionals many a lesson. They speak of her compassion, her unconditional love, her advocacy for children while also noting that she is consistent, that she has rules, and that she has expectations. One of those expectations is that a child will remain in school and achieve to the best of his or her ability.

Faith Lockwood, WINSTON-SALEM

Advocacy

Faith Lockwood is an incredible individual committed to the most vulnerable in society – children. Lockwood has devoted her life to often-forgotten, challenged children. These children don't have easy-to-understand, easy-to-treat conditions. They have multiple challenges and usually suffer severe setbacks that require years of treatment and support.

Lockwood's advocacy and service to disadvantaged children include five distinct areas of work: pregnant teens, abused children, juveniles who have committed a crime, physically and emotionally challenged children, and teenage parents. As a social worker for more than 20 years, she has been at the side of thousands of children, including children having children.

For the past seven years, Lockwood has served the mental and physical health needs of an average of 350 pregnant girls a year in middle and high schools in Winston-Salem and Forsyth County. Even though the need is so apparent, her position is not a funded one, so every year she has to raise funds for her program.

Lockwood is a great advocate because

she has the physical, intellectual, and spiritual strength to work tirelessly for individuals and the persistence, creativity, and boldness to bring about broader change. She has created a summer work program for 15-to-17 year-old mothers, recruiting the employees, the employers and sponsors, and then running the program. She was instrumental in founding the Forsyth Adolescent Health Care Coalition. She also trains pediatric residents at Wake Forest University Baptist Medical Center, helping them understand the needs of adolescent mothers and their children.

Willie Ratchford, CHARLOTTE

Race Relations

Willie Ratchford grew up in public housing almost within sight of Charlotte's imposing City Hall. Now, he holds a pivotal position in local government, influencing the lives of people throughout Mecklenburg County as Executive Director of the Charlotte-Mecklenburg Community Relations Committee (CRC).

After college, he took a job with the City and has spent the last 31 years working in City Hall, including 27 years in various positions in the CRC. Since 1994, he has been Executive Director.

Charlotte has changed dramatically, and while there are still race relations issues, the CRC has been credited with enhancing opportunities for all citizens; promoting understanding, respect, and goodwill; and providing channels of communication among various racial, religious, and ethnic groups.

He is known for his tact and diplomacy, as well as his toughness. Ratchford is rarely, if ever, intimidated, even when dealing with emotional citizens arguing over whether a Confederate flag should be

flown in a public cemetery or confronting an elected official who, in a public forum, made a sweeping racial generalization.

Ratchford addresses both obvious and subtle racism. Without the use of testers in situations such as housing discrimination, for example, many people would not be aware of racism because the external treatment is pleasant. In reality, however, behind closed doors, racist behavior may occur. As Ratchford says, "Unfortunately, sometimes you cannot change the racist attitude, but you can use the law to change the racist behavior so it does not manifest into action."

AWARD CATEGORIES

Advocacy - on behalf of people, issues, or concerns that otherwise may be without effective voices. This category is for persons whose persistence, patience, and intelligence have earned them the ear of those who make and shape policies in the state and its communities.

This category seeks to recognize people who have

- served as advocates for persons, positions or groups at some personal risk
- earned the respect of those to whom they speak
- earned the trust of those for whom they speak

Personal Service - for people helping other people. This category recognizes inspired service, continuing devotion to service under difficult circumstances and often at substantial personal sacrifice, and willingness to assist persons or groups who have few alternatives and little ability to repay except through

thanks and profound devotion. This category seeks to recognize people who have

- helped alleviate the condition of some less-favored group in the community
- performed work that serves as a catalyst for self-respect and self-sufficiency
- provided special examples of service that cause others to take more seriously their responsibilities to people in their communities and state

Race Relations - for persons who have acted in ways to bring about improvements in multiculturalism in a community and served as role models of racial understanding and cooperation.

This category seeks to recognize people who have

- made significant efforts to encourage communications and motivate improved relationships between persons of different racial and ethnic backgrounds
- increased understanding or resolved conflicts between persons of different racial or ethnic backgrounds, or helped resolve conflicts created by racial and ethnic discord
- stimulated action to eliminate racism in his or her community.

How to Nominate Someone

Nominations may be submitted by anyone except the nominee. They are to be submitted to the Z. Smith Reynolds Foundation on forms supplied by the Foundation. Anonymous nominations will not be accepted.

Nominees for the award must be living residents of North Carolina. They should be persons not typically in the limelight who perform valuable public service, predominantly at the community level. They may be volunteers or paid, full-time employees of the organizations through which their service is rendered.

In seeking nominations, the Foundation is looking beyond traditional business or civic leaders or those persons who already have received significant recognition and public visibility. Although the awards are intended for individuals, in the case of joint or collaborative efforts, an award may be shared by two recipients. Committees and organizations are not eligible.

Nominations are due by June 1, 2007.

Hubert B. Humphrey, Jr. School Improvement Award

Presented to Page High School in Greensboro and High Point Central High School

The award was established in 2005 in honor and memory of the life and contributions of Hugh Humphrey, a long-time member of the Z. Smith Reynolds Foundation Board of Trustees and one of Guilford County's most outstanding citizens, who died in March 2003.



High Point Central High School and Page High School received the Hugh Humphrey Award for being the most improved high schools in Guilford County during the 2005-2006 academic year. Each school received \$5,000 to be used to strengthen and develop the entire staff of the school.

Each school also had its name inscribed on the Hugh Humphrey Cup and it will be rotated between campuses until this year's winner is announced, in December 2007.

The selection process was designed with input of high school principals, other school administrators, teachers, and staff and is based on ten objective performance criteria that measure the progress each school makes from the beginning of the year to the end. Thomas W. Ross, Executive Director of the Foundation, said of the award, "It is the goal of the Hugh Humphrey Award to recognize the most-improved school and, thus, to encourage the constant drive to excellence that Hugh Humphrey so long encouraged in all of us."

The award was presented at the Community Foundation of Greater

Greensboro's 2006 Community Luncheon. That foundation manages the endowment, given in 2004 in honor of Hugh Humphrey, and oversees the award selection and recognition process. Hugh Humphrey's widow, Jackie, joined Joe Crocker, Director

of Operations for the Z. Smith Reynolds Foundation, in presenting the award.

Hugh Humphrey was an exceptional lawyer, civic leader, and public servant. He served in both the North Carolina State House and Senate and was a member and chair of the board of trustees of Wake Forest University and UNC-Greensboro. For more than 20 years, he was a trustee of the Z. Smith Reynolds Foundation and also served as the Foundation's legal counsel. Ross said of Hugh Humphrey.

"Those of us who worked with him can attest to his unusual compassion for those less fortunate, his sincere commitment to making life better for others, and his vivid passion for and dedication to improving educational opportunities for everyone. In fact, it was his deep personal interest in and love for public education that was the hallmark of his service as a trustee of the Foundation. He constantly prodded the Foundation to do all it could to hold the state accountable for what he strongly believed was its primary responsibility – to make the highest quality education possible freely available to all children."

Z. Smith Reynolds Sabbatical Program



Left to right:

Catherine Ann Ahrendsen, Dorothy Hunt, Leah Wise, Mary Tay Bynum, and Alan McGregor.

Catherine Ann Ahrendsen has been Executive Director of A Helping Hand for 10 years. In 1995, Ahrendsen founded A Helping Hand in Chapel Hill to help foster independence and dignity for senior citizens and the disabled by providing companion care, transportation, assistance with errands, meal preparation, light housekeeping, and assistance with correspondence.

“The sabbatical set a new course for my personal life and expanded my vision for our growing organization to meet the needs of older adults. There were cherished moments with my family, an opportunity to physically rejuvenate, and time to reflect on and cherish what is truly important in my life,” said Ahrendsen. “I am most grateful for the opportunity to gain a fresh perspective.”

Mary Tay Bynum has served as Executive Director for Homekeeping Mortgage Default Counseling for eight years and has worked in the non-profit sector for 27 years. From her home office, Bynum provides pre-homeownership and post-homeownership counseling to homebuyers and homeowners with housing retention being the main objective. Housing retention

is achieved through intense budgeting, advice, and lender intervention, when required, to prevent foreclosure.

Bynum described her sabbatical as “a wonderful time to reflect, adjust, and transform my thinking about where I have been and where I want to go in life.”

“The six-month period was inspiring, motivational, and self-examining. I spent time with my family, my grandchildren, and some home improvement projects,” said Bynum.

Dorothy Hunt has spent 22 years as Executive Director for Life Line Outreach, a shelter for women and children in crisis. Life Line Outreach began in Henderson in 1984 and currently offers shelter, food, clothing, education, and counseling to women suffering from domestic violence and substance abuse.

Hunt stated that the sabbatical was “time to reflect on my life and the work God called me to do.” She also believes that this sabbatical added years to her life.

“I rented a cabin in the Tennessee mountains and took time to rest, read, and start writing a book about Life Line. To take long walks and enjoy the beauty around me. Time to slow down, go fishing. Time to take lots of photos to

remember this special time,” she said.

Alan McGregor has been working in the non-profit sector for 32 years, and the last 11 have been with the Southern Rural Development Initiative (SRDI). Eight years ago, he became the Director of Philanthropic Services. SRDI supports rural communities in their efforts to discover and use local assets for community-based development and homegrown philanthropy.

“As a staff member of a regional organization, I spend many nights in motels. Unhappily, my home had become another place where I check in and out,” he wrote. My four-month sabbatical changed that. I nested. There’s a new kitchen, woodshed, and deck and enough left over wood for a deluxe chicken house. I got hammered fingers, lots of splinters and a stronger back.”

Leah Wise has been Executive Director of the Southeast Regional Economic Justice Network (REJN) for 16 years. REJN’s mission is to build an inclusive grassroots movement, to create an economy with broad opportunities, and to enable Southern communities to understand and respond to economic restructuring and negative impacts of globalization.

Wise said, “I am enormously grateful to the Z. Smith Reynolds Foundation for the sabbatical opportunity and helping us plan to make the most of the experience. I aimed for balance in

my life – to nurture my mind, body and spirit daily. Reading, journaling, pilates, massages, resting, cooking, visiting with friends and family, and major house repairs/renovations were my main activities. Boating down the Santee River was a highlight. I’m now committed to using personal time for personal endeavors.”

Who May Apply?

Individuals in paid, full-time leadership positions with North Carolina non-profits may apply for a sabbatical grant. They must have worked at their non-profit for at least three years, two of which must have been as leader. Career public school, college, university, or government employees are not eligible. Applications for sabbaticals in 2008 must be submitted by December 1, 2007. Persons interested in applying may contact the Foundation directly or visit its web page: www.zsr.org.

Catherine Ann Ahrendsen, Chapel Hill
Executive Director of a Helping Hand

Mary Tay Bynum, Greensboro
Executive Director of Homekeeping Mortgage Default Counseling

Dorothy Hunt, Henderson
Executive Director of Life Line Outreach

Alan McGregor, Asheville
Director of Philanthropic Programs at the Southern Rural Development Initiative

Leah Wise, Durham
Executive Director of Southeast Regional Economic Justice Network

**STATEMENT OF INCOME, GRANTS, EXPENSES
& UNDISTRIBUTED INCOME**

	2005	2006	1936-2006
Undistributed Income Beginning of Period	\$15,844,319	\$18,844,795	
Income Received:			
Zachary Smith Reynolds Trust	8,568,369	8,783,445	185,336,429
W. N. Reynolds Trust	10,897,959	10,940,404	237,859,433
Interest on investments*	256,916	591,207	14,706,934
Refunds of grants	41,346	41,695	707,301
Other Income	3,604	1,070	18,595
TOTAL INCOME	\$19,768,194	\$20,357,821	\$438,628,692
Disbursements:			
Grants Paid	\$14,079,262	\$16,605,740	\$383,091,859
Direct Charitable Activities			
NSR Awards	168,899	155,195	2,580,466
Sabbatical Program	116,588	169,907	1,678,436
Special Projects/Meetings/Seminars	448,107	599,918	5,275,709
Total Grants and Direct Charitable Activities	\$14,812,856	\$17,530,760	\$392,626,470
Administrative Expenses:			
Personnel	784,350	859,261	11,246,553
Operating Expenses	1,165,779	1,242,767	14,826,864
Federal Excise Tax	4,733	11,782	278,407
Total Administrative Expenses and Taxes	\$1,954,862	\$2,113,810	\$26,351,824
TOTAL DISBURSEMENTS	\$16,767,718	\$19,644,570	\$418,978,294
Undistributed Income End of Period	\$18,844,795	\$19,558,046	\$19,558,046
Unpaid Grants End of Period	\$12,031,249	\$11,879,015	\$11,879,015
Excess of Undistributed Income Over Unpaid Grants	\$6,813,546	\$7,679,031	\$7,679,031

NOTES TO FINANCIAL STATEMENTS

The Foundation's income is derived from two trusts that are separately controlled and each of which meets the reporting requirements of the federal government and of those states in which they are located. No list of investments appears in this report because the Foundation itself has no assets.

*Interest earned on short-term investments of income received from the two trusts but not yet distributed.

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Z. Smith Reynolds

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