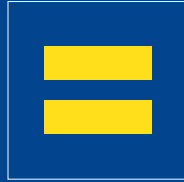
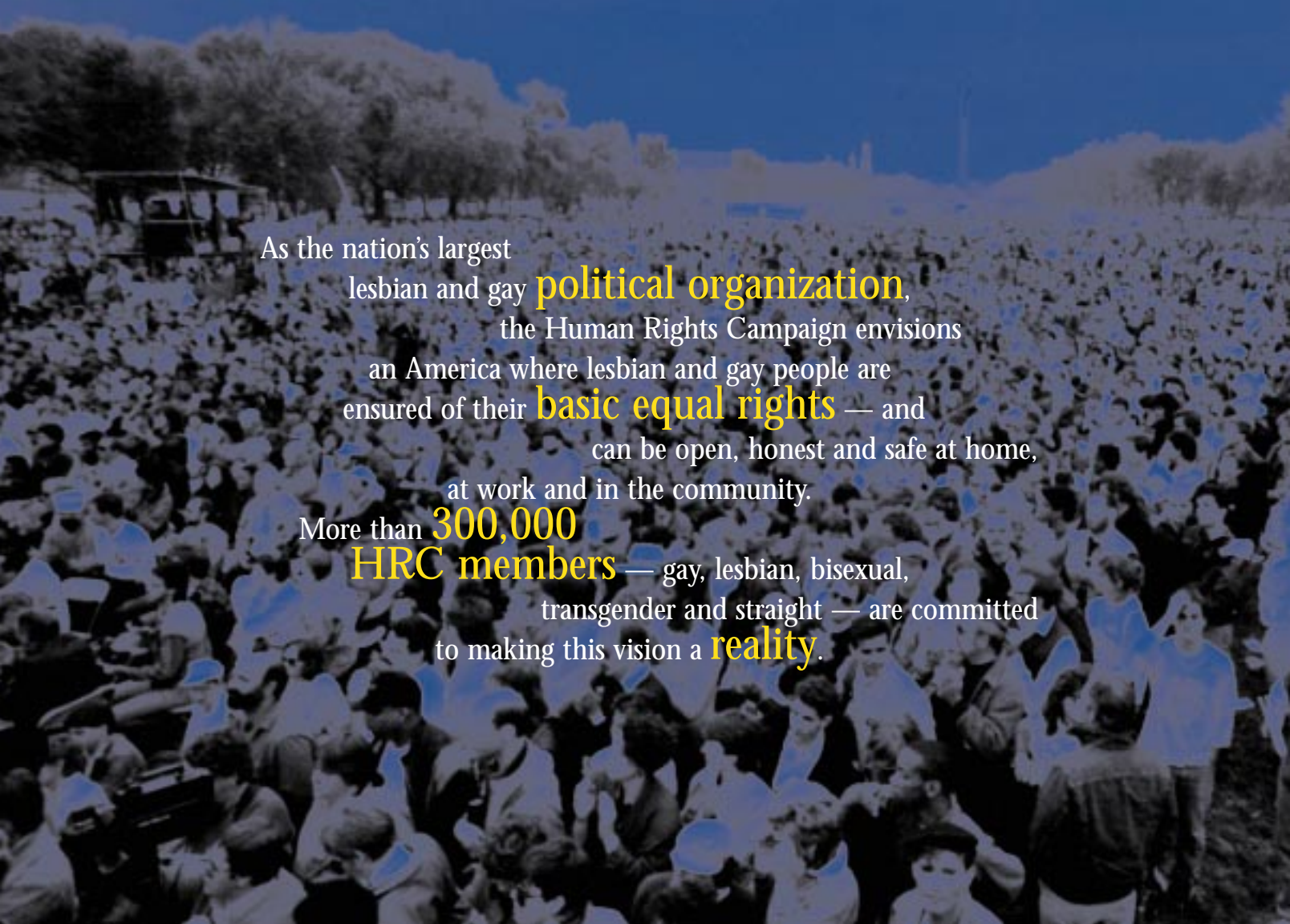


Equations



HUMAN
RIGHTS
CAMPAIGN

An **Annual Report**
for the Human Rights Campaign
and the Human Rights Campaign Foundation
April 1, 1998 – March 31, 1999



As the nation's largest
lesbian and gay **political organization**,
the Human Rights Campaign envisions
an America where lesbian and gay people are
ensured of their **basic equal rights** — and
can be open, honest and safe at home,
at work and in the community.

More than **300,000**
HRC members — gay, lesbian, bisexual,
transgender and straight — are committed
to making this vision a **reality**.

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A Tumultuous Year That Put the Toll of Organized Hate into Full Relief

Anti-gay bigotry, violence and extremism reached new highs in 1998, but lesbian and gay Americans emerged stronger and more resolute than ever.

The events of 1998 were a study in the rise and fall of anti-gay bigotry. Americans were exposed to an unprecedented level of hateful rhetoric, delivered by organized extremists and amplified by senior elected officials, underscoring the reality that gays and lesbians are virtually the only minority group in our society whose worth and equality is still the subject of debate.

But by the end of the year, the campaign could be said to have backfired, as the hateful and mean-spirited motives of anti-gay extremists were exposed, and the toll of their crusade on human lives was brought into full and compelling relief.

The Human Rights Campaign played a pivotal role in responding to and counteracting anti-gay extremism throughout 1998. Thanks to the unwavering support of our members and allies, we were able to use the attacks as opportunities to score major gains in legislation, public opinion and political campaigns. We emerged stronger as an organization, with our budget reaching a record high of more than \$15 million. We are more resolute than ever before in our determination to prevail against the forces of hate and bigotry.

The pages that follow describe how HRC mobilized against anti-gay attacks in Congress, the political arena and in the public square throughout 1998 and early 1999, but certain events and victories stand out:

- **The Religious Right's legislative campaign of attack failed.** The attempt to pressure Congress into pursuing divisive social issues produced a flurry of anti-gay legislation, none of which became law. In fact, end result of the legislative attacks was the first vote in congressional history to affirmatively ban discrimination against lesbian and gay Americans.
- **Our message of equality received unprecedented exposure.** The high-profile attacks against lesbian and gay Americans — including a nationwide newspaper and television advertising campaign — generated intense media coverage on lesbian and gay issues, including workplace discrimination, hate crimes, same-sex marriage, and the basis of sexual orientation. The reaction of editorial writers and columnists was overwhelmingly on the side of equality, and public support continued to grow.

- **Americans rejected anti-gay extremism at the ballot box.** Voters had the last word in November, when Congressional candidates who were supportive of gay and lesbian equality won their elections overwhelmingly, while candidates who ventured too far to the right were resoundingly rejected by voters. Ninety percent of HRC-endorsed candidates won their races, compared to only 46 percent of candidates backed by Gary Bauer's ultra-conservative Campaign for Working Families. The trend away from extremism was punctuated by Wisconsin state Rep. Tammy Baldwin's historic victory, becoming the first nonincumbent gay or lesbian candidate elected to Congress.

Our pride at the success of HRC's ability to advance the cause of equality against such relentless opposition will be forever tempered by the memory of 21-year old University of Wyoming student Matthew Shepard. His brutal murder in October 1998 showed us once again that our work, while so often oriented toward education, legislation and politics, is in the end about human life — the right to live and love free from the threat of violence, bigotry and discrimination. More than any other word, act or image of this year of tumult, it was the face of Matthew Shepard that touched the hearts and minds of the American people, and put our victories and defeats into clear perspective.

The Human Rights Campaign salutes our 300,000 members, both gay and straight ... our steadfast allies in Congress and the White House ... our coalition partners in Washington and across the country ... our growing list of visionary supporters throughout corporate America ... and the generous donors whose support and commitment gave us the resources we needed to forge ahead on our path to gay and lesbian equality in 1998. We move forward confident that we are winning the battle against hate and those who foster it. With your continued support and partnership, we'll continue to meet every challenge.

Candy Marcum
Board of Directors
Co-Chair

Jeff Sachse
Board of Directors
Co-Chair

Elizabeth Birch
Executive Director

September 1999

Candy Marcum (far right), Jeff Sachse and Elizabeth Birch (lower left) at a March 1999 board meeting where employment discrimination victims Mike Webb (standing left) and Kris Marsh (standing center with her partner Pam Savage) spoke about their experiences at an informal lunch meeting.



ic Affairs & Legislation

An Historic First on Capitol Hill

The pervasive climate of anti-gay rhetoric in the public arena emboldened anti-gay lawmakers in Congress to unleash an unprecedented flurry of legislative attacks. But through the hard work of the Human Rights Campaign and other organizations, none of the anti-gay legislation would become law:

The Hefley Amendment Of particular outrage to the Right was a May 28th executive order signed by President Clinton to ban discrimination based on sexual orientation throughout the federal workforce. Republican Rep. Joel Hefley, who represents James Dobson's home district in Colorado, introduced an amendment to overturn the ban. But an aggressive lobbying effort by HRC and allied organizations yielded a decisive 252-176 victory, as 63 Republicans and all but 15 Democrats produced the first-ever vote in Congress to ban discrimination against lesbian and gay Americans.

The Riggs Amendment The anti-gay amendments kept coming in a concerted effort by some GOP members to pander to their right-wing base. Perhaps the most egregious power grab was offered by Rep. Frank Riggs of California. His amendment would have prohibited the city of San Francisco from using any federal veterans or housing funds to enforce a clause in its anti-discrimination ordinance requiring city contractors to offer domestic partnership benefits to unmarried employees. This amendment presented an unheard of intrusion of the federal government into local affairs, but HRC lobbying kept its margin of passage to a single vote. It was later dropped in conference.

The Hilleary Amendment Rep. Van Hilleary, a Republican from Tennessee, set his sights on diverting \$21 million from the Housing Opportunities for People With AIDS program to programs serving veterans. His amendment also passed by a narrow margin, creating another conference committee battle. HRC led the successful effort to kill the amendment by pleading the case of the 100,000 to 150,000 veterans living with HIV/AIDS — 17,000 of whom access care through the Veterans Administration health system.

HRC Lobbyists Nancy Buermeyer and Seth Kilbourn and HRC Political Director Winnie Stachelberg compare notes on the Capitol steps as the Hefley, Riggs and Hilleary amendments move through the House.



Advancing a Positive Agenda

Fighting for ENDA

Fighting for the Nomination of James Hormel

Despite the need to focus on the unprecedented wave of public and legislative attacks, HRC continued to advance our pro-active agenda — most notably by increasing and both congressional and public support for the Hate Crimes Prevention Act (see page 13), the compelling need for which was dramatized by what was widely seen as the tragic and inevitable outcome of sustained anti-gay rhetoric, the murder of Matthew Shepard.

HRC continued to advance the Employment Non-Discrimination Act through Congress, and it remains our top priority in protecting the employment rights of gay and lesbian Americans. Our success in defeating the Hefley Amendment provided us with a road map of likely ENDA supporters, and we laid the groundwork for new hearings in the House and a second vote in the Senate.

A more appropriate outcome greeted the nomination of former HRC Co-Chair Fred Hochberg of New York, who on May 22 was confirmed as deputy administrator of the Small Business Administration, making him one of the highest-ranking openly gay officials in the Clinton administration.

Three right-wing senators used arcane procedural tactics to block the Hormel nomination, even though 60 of their colleagues were prepared to support it, and the government of Luxembourg had made known its welcome. The discrimination was highlighted by Sen. James Inhofe, R-Okla., who compared Hormel to former Ku Klux Klan Grand Wizard David Duke. *(By the time this report was written, the impasse was broken when President Clinton used his authority to name Mr. Hormel ambassador during a congressional recess in June 1999.)*

Throughout the year, HRC was part of the broad-based effort to overcome the blatant homophobia that blocked a full Senate vote on the nomination of James Hormel to serve as ambassador to Luxembourg, and become the first openly gay envoy in U.S. history.

The 1998 Elections

At the Ballot Box
Gaining Ground and
Making History

Voters take their dissatisfaction with anti-gay politics to the polls, and deliver a 91percent win rate for fair-minded, HRC-endorsed candidates.

In the November elections, Americans rejected the mean-spirited anti-gay sentiments that were expressed throughout the political season, and delivered a striking rebuke to conservative intolerance at the polls. In every region of the country, candidates supportive of gay and lesbian equality won overwhelmingly, while those who ventured too far to the right were resoundingly defeated.

The results were foreshadowed by an HRC poll, released on July 30, in which 62 percent of Americans said that the recent “discussion” on the equality of gay Americans hurt the country and fostered a climate of intolerance and hostility. Among the most reliably anti-gay incumbents who lost were Sen. Lauch Faircloth, R-N.C., Senate candidate and retiring Rep. Linda Smith, R-Wash., and former Rep. Bob Dornan of California, whose comeback bid ended in defeat.

History was made in Wisconsin, where Tammy Baldwin, a three-term state legislator, became the first openly gay or lesbian non-incumbent ever to win a seat in Congress. Enthusiasm for Baldwin’s campaign was so high that turnout in her district dwarfed that in the rest of the state, and her coattails produced the margin of victory that enabled pro-equality Sen. Russell Feingold to squeeze by two-term Rep. Mark Neumann, whose zero percent rating on HRC issues made Baldwin’s victory especially gratifying.

HRC participated at its highest level ever in a midterm election, and 91 percent of our candidates were victorious — twice the percentage of candidates backed by Gary Bauer's ultra-conservative Campaign for Working Families.

HRC-backed candidates — 173 Democrats, 16 Republicans and one independent — were victorious in every region of the country, showing that equality is a winning message and that the gay vote, and the campaign support that comes with it, cannot be ignored.

- HRC's PAC contributed nearly \$1 million to fair-minded candidates, political parties and allied political organizations — \$754,272 to Democrats, \$95,425 to Republicans, \$2,500 to an independent, \$69,135 to political parties and \$64,600 to other PACs. HRC members also privately raised an estimated \$1.5 million for candidates who support gay and lesbian equality.
- HRC also made major investments beyond the PAC, including the loan of 26 staff members and 20 Youth College graduates to targeted campaigns, and aggressive get out the vote (GOTV) efforts across the nation. HRC sent out 40,000 direct mail pieces to members in key states; placed 20 GOTV newspaper ads in targeted communities; and made 40,000 GOTV phone calls.

The net result of the 1998 midterm elections was renewed momentum for HRC issues in the 106th Congress. That excitement was underscored by President Clinton's 1999 State of the Union address, which made passage of ENDA and the Hate Crimes Prevention Act administration priorities. It was the first time that gay issues were ever included in a State of the Union address — and it sent a strong message to Congress and the nation.

The 1998 Elections

A Setback for Same-Sex Marriage

After the Hawaii Supreme Court issued a preliminary ruling in 1997 declaring the state's prohibition of same-sex marriage to be at odds with its constitution, anti-gay forces in the Legislature passed a bill to put the question before voters through an election day referendum. Local activists reached out to HRC for advice, strategy and political resources. For the next 10 months, we stood behind Protect Our Constitution, comprised of local community leaders, clergy, labor unions and civic groups, and led by former state legislature Dr. Jackie Young.

Special support from our members, combined with a Board-led "Operation Luau" fund-raising campaign, enabled HRC to raise and invest \$1.4 million in paid media, an expansive field program, and "neighbor to neighbor" voter persuasion efforts. Nevertheless, supporters of same-sex marriage and the integrity of Hawaii's remarkably inclusive state constitution were outspent by an estimated ratio of two to one.

In the closing weeks of the campaign, the primary group supporting the amendment, Save Traditional Marriage, received a \$600,000 contribution from the Mormon Church, which supplemented the \$850,000 the group had already spent. Other outside help came from James Dobson's Focus on the Family, which spent an estimated \$500,000 on TV and radio advertisements.

By election day, the public sentiment in Hawaii was sufficiently swayed by the right-wing campaign, and the amendment passed, as did a similar ballot measure in Alaska. But in a gesture of progress and reconciliation, the governor of Hawaii followed the lead of his Colorado counterpart in announcing his intention to pursue a comprehensive benefits package for same-gender families in the islands.

Youth College '98 HRC's Youth College teaches young people campaign skills and places them in key campaigns across the country. It also helps them build careers: 1998 graduates are at work in offices ranging from the League of Conservation Voters, National Abortion Rights Action League and American Civil Liberties Union to Senator Barbara Boxer, D-Calif.



OutVote '98 HRC's political convention in September offered a top-notch lineup of speakers including Jesse Jackson, White House AIDS Policy Director Sandra Thurman, AFL-CIO President John Sweeney, Reps. Barney Frank, Cynthia McKinney, John Lewis and Connie Morella, and HRC-backed candidates Joe Hoeffel, Brian Baird and Tammy Baldwin, all of whom won on Election Day.



Tammy Baldwin made history as the first open lesbian non-incumbent to win election to Congress. She broke down a barrier and opened the door for lesbian and gay candidates throughout America. Baldwin's race was an HRC priority; we sent staff, hired a volunteer coordinator, and helped raise money beyond our \$10,000 PAC contribution.



HRC at the Grassroots

In the Field

Bringing a Message of Equality and Empowerment to Lesbian and Gay America

HRC reaches outside the beltway into the lives and communities of members and allies.

In 1998, HRC redoubled our efforts to reach into the lives and communities of lesbian and gay Americans, and to build the strength of the grassroots movement for equality. HRC membership reached a new milestone, climbing to more than 300,000 people — both gay and straight — many of whom joined in face-to-face encounters with HRC staff and volunteers at Pride events and house parties in hundreds of communities.

At the same time, HRC worked to energize local partners, and to forge relationships that can bolster the fight for equality on both the national and local level. Among the highlights of these efforts was a 3,500-mile Pacific Northwest Equality Tour, and the 10th anniversary celebration of National Coming Out Day, both sponsored by the HRC Foundation (see page 21)

In Florida, 21 Years after Anita Bryant Representatives from HRC toured south Florida in late November to discuss our mission and to talk about the legislative outlook in the upcoming Congress. Elizabeth Birch and several staff members visited community leaders in Dade, Broward and Palm Beach counties to explore ways to work together to make a difference on the national and local levels.

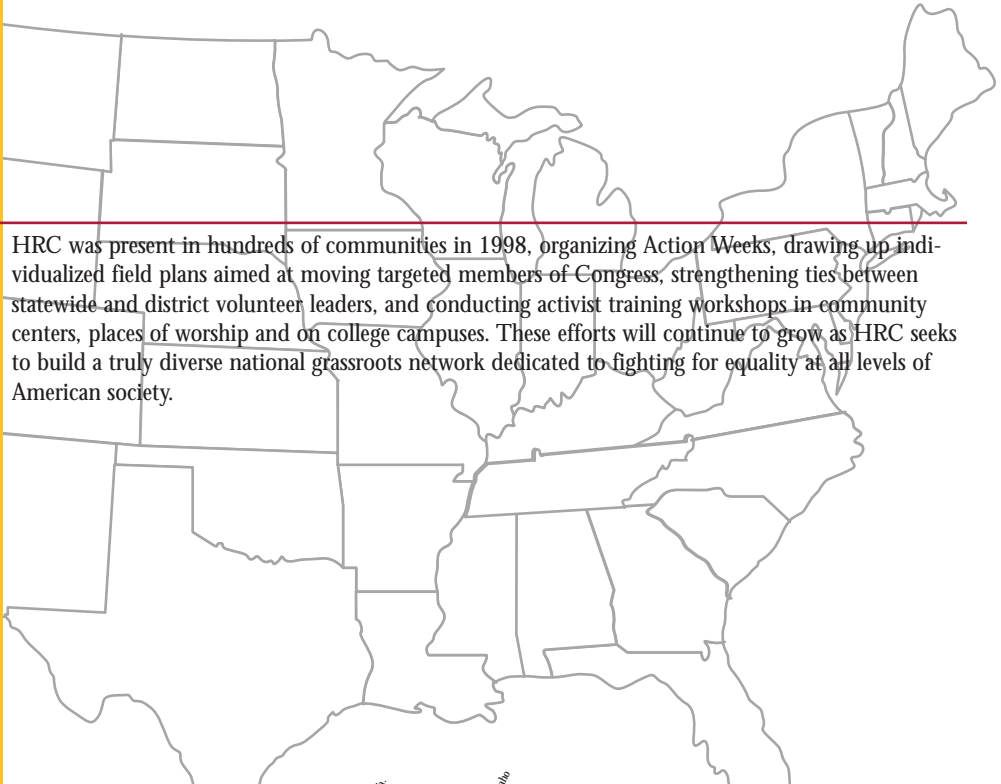
The Florida trip received heavy media coverage, and helped to fuel the momentum of a historic December vote by the Dade County Board of Supervisors to overturn the Anita Bryant-era repeal of the county's gay rights law. That victory was made possible, in part, by the local HRC-supported Save Dade coalition.

In Maryland, Going for 11 HRC worked hard to make Maryland the 11th state to ban discrimination against its lesbian and gay residents. We sent a staff member to testify before the House Judiciary Committee, and conducted a poll showing that two-thirds of Maryland voters believe discrimination based on sexual orientation should be illegal, and that voters are twice as likely to vote for a state senator who supports the bill. Despite an extraordinarily visible and heartfelt campaign of support by Gov. Parris Glendening, the bill failed to win a majority. But our efforts to support other states in gaining ground for equality will continue.



Across the Country
A Visible
Presence

HRC was present in hundreds of communities in 1998, organizing Action Weeks, drawing up individualized field plans aimed at moving targeted members of Congress, strengthening ties between statewide and district volunteer leaders, and conducting activist training workshops in community centers, places of worship and on college campuses. These efforts will continue to grow as HRC seeks to build a truly diverse national grassroots network dedicated to fighting for equality at all levels of American society.



- Portland, Ore.
- Vancouver, Wash.
- Lincoln City, Ore.
- Corvallis, Ore.
- Albany, Ore.
- Eugene, Ore.
- Adrian, Ore.
- Bend, Ore.
- Boise, Idaho
- LaGrange, Ore.
- Pendleton, Ore.
- Tir, Cities, Wash.
- Walla Walla, Wash.
- Leviston, Idaho
- Moscow, Idaho
- Coeur d'Alene, Idaho
- Sandpoint, Idaho
- Spokane, Wash.
- Wenatchee, Wash.
- Bellingham, Wash.
- Everett, Wash.
- Shore Line, Wash.
- Auburn, Wash.
- Kent, Wash.
- Seattle, Wash.
- Tacoma, Wash.
- Olympia, Wash.
- Salmon, Ore.
- Portland, Ore.

Stops on the Pacific Northwest Equality Tour

Hate Crimes



Matthew Shepard
1976 - 1998

The brutal taking of an innocent life creates a storm of outrage, and a national awakening to the realities of anti-gay violence.

In his suffering and in his death, Matthew Shepard became an emblem of the wasted promise and senseless suffering that is all-too-often the end result of anti-gay hate.

Just days before the 21-year-old University of Wyoming student was attacked, burned and left tied to a wooden fence, the Family Research Council held a press conference in Washington to unveil a new television ad campaign that picked up where its "Truth in Love" newspaper ads left off.

Shepard's death was the catalyst for a national conversation on anti-gay hate crimes, and a renewed push to win strong federal legislation to combat them.

Media interest peaked at the Oct. 14th Washington, D.C. candlelight vigil, which the HRC Foundation played an instrumental role in organizing (see page 20).

In the weeks following Shepard's death, HRC lobbyists gained 42 new House cosponsors (for a total of 169), and 8 new Senate cosponsors (for a total of 33) for the Hate Crimes Prevention Act. We worked with Sens. Kennedy and Orrin Hatch, R-Utah, to persuade Congress to act on the bill before it adjourned for the 1998 elections, but anti-gay forces campaigned furiously against the bill as an infringement of free speech and yet another "special right" for gay and lesbian Americans.

In truth, the Hate Crimes Prevention Act simply extends current federal law, which covers hate crimes committed on the basis of race, religion, national origin or color, to include sexual orientation, gender and physical handicap. According to the FBI, hate crimes committed against gays and lesbians were among the top three categories reported in 1998. In February 1999, another brutal murder of a gay man — 39-year-old Billy Jack Gaither of Sylacauga, Alabama — intensified the pressure on the 106th Congress to act.

HRC is leading the effort to pass the Hate Crimes Prevention Act, and in 1998, we were named to lead the Leadership Conference on Civil Rights' hate crimes task force, joining the Anti-Defamation League, and National Organization for Women Legal Defense Fund. We will continue to fight for this critical legislation, and to combat the violent effects of anti-gay rhetoric, in the memory of Matthew Shepard and the thousands of other victims of hate crimes in our country.

Converting Public Outrage
to Congressional Action

"Matthew was not very large, at 5-feet-3-inches and 110 pounds, but he had a **big heart** and was extremely brave. He had the **courage** to live honestly and openly in less than ideal circumstances. Unfortunately, like many gay men and lesbians, there is often a **high price** to pay for living a life of **dignity** and **respect**."

—HRC Political Director
Winnie Stachelberg



Education & Publications

Delivering Our Message
To Educate and Empower
the Supporters of Equality

A new education department bolsters HRC's ability to put the truth about equality, and the tools to fight for it, directly in members' hands.

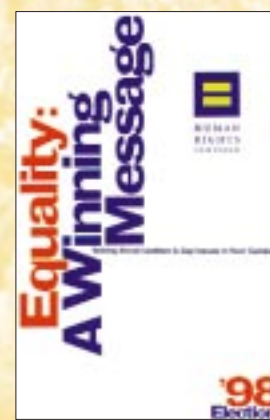
HRC established a new Education Department on April 1, 1998, to consolidate a variety of publication and outreach functions, including our website and the *HRC Quarterly*, and to give new emphasis to the powerful role that education will play in inspiring and empower our members and supporters to work for equality.

HRC Quarterly America's leading gay political magazine continued to grow in FY 1998, reaching a new milestone with the printing of 155,000 copies of the Spring 1999 issue.

www.hrc.org The HRC website continues to be one of our most effective vehicles for delivering our message to the public at large, and is an essential resource for HRC members, activists, and anyone interested in studying lesbian and gay issues and politics.

The site played an important role in our 1998 election activities. A Campaign '98 forum featured the HRC voter scorecard, and a members-only section allowed members to find out about endorsements. A massive on-line GOTV campaign urged thousands of netizens to turn out voters and volunteer for the elections. An e-mail appeal for assistance in the defeating the anti-gay referendum in Hawaii, through which we placed digitized versions of our TV ads with a request for donations. Results were impressive, raising more than \$47,000 in small amounts. We expect to dramatically expand the site's political utilities in the 2000 campaign.

Other Publications The Education Department also redesigned, printed and distributed the HRC Voter Guide to the 105th Congress, the HRC Candidate Manual, and other publications for the HRC Foundation (see page 18).



Institutional Strength

A Steadily Growing
Base of Support Gives HRC
the Strength to Move Ahead

Fund-raising and membership are at record highs, fueled by a dynamic series of events, and a growing individual commitment to equality.

The dynamic core of the Human Rights Campaign is our membership. Their energy, enthusiasm, determination and generosity give HRC the resources to move ever-forward against the daunting financial and grassroots power of the organized anti-gay movement.

In 1998, HRC membership surpassed 300,000 and our budget reached a record \$15 million for the first time, substantially strengthening our organizational foundation. Aggressive outreach at Pride events nationwide, door-to-door membership efforts in key cities, an aggressive house party program, and a thriving direct marketing campaign all contributed to the increase.

HRC Events Across the Country In 1998, HRC redoubled our efforts to create new ways to connect with our members, to involve them in our work, and to bring them together in a variety of informative and empowering settings. Toward that end, our volunteer leadership across the country held countless community events, including the HRC Comedy Tour, which reached 6 cities in 1998; HRC women's golf tournaments, which took place in 3 cities; and HRC WNBA events, which were held in 5 cities. The success of all of these events demonstrates that HRC members are eager to come together and celebrate their commitment to equality.

HRC's signature events continue to be our black-tie dinners, which grew significantly in both popularity and financial success in 1998. Our second National Dinner in Washington, D.C., held in conjunction with our OutVote '98 political convention for activists, drew more than 2000 attendees. Honored guests included Vice President Gore, Tipper Gore, Maya Angelou, Melissa Etheridge and Julie Cypher, and Rep. Christopher Shays, R-Conn.

Local dinners were held in 23 cities. Black tie dinners are the bedrock of HRC's fund-raising program, and an essential component of our visibility and presence at the local level. All dinners are organized by local volunteers, whose tireless efforts and enthusiasm are directly responsible for the continuing success of these important events.

The HRC Federal Club, the leadership group of HRC supporters who contribute \$1,200 or more annually, including the Federal Club Council Program, those donors who contribute \$5,000 or more, continues to grow, with more than 3,000 members at the conclusion of FY 98. Local Federal Clubs sponsored events where members could network and hear from a variety of political, cultural and business leaders.

HRC Merchandise The HRC logo is becoming a universal symbol of gay and lesbian equality, and a large part of that visibility is the result of HRC's merchandise program. HRC's inaugural catalog and a new online marketplace, featuring apparel and other products, produced a record number of orders in the last three months of 1998 alone, and seasonal revenue, membership, and activism at our Provincetown store and action center reached a new high.



HRC Foundation

In the Arena Defeating Anti-Gay Attacks with Reason and Resolve

As religious political extremists brought their message of hate to the public at large, HRC Foundation kept one step ahead with powerful messages of truth.

It began with a threat, and ended with a lie. In late winter 1998, James Dobson of the influential right-wing media and publishing empire, Focus on the Family, organized a face-to-face meeting with Republican leaders on Capitol Hill. His message was blunt: Either put conservative social issues high on Congress' agenda, or Dobson would bolt the party and take his allies and followers with him.

The leaders were quick to comply. In the spring, Senate Majority Leader Trent Lott went on television to declare homosexuality a sin, and likened it to "addictions" such as alcoholism and kleptomania. In the House, Rep. Dick Armey, backed him up: "*The Bible is very clear on this, and both myself and Senator Lott believe very strongly in the Bible.*"

HRC responded immediately to the outbreak, and media throughout the country were eager to cover it. The rhetoric was roundly condemned as mean-spirited and intolerant by a majority of editorial writers and pundits, but the Right didn't stay on the defensive for long.

At a meeting inside Dobson's headquarters in Colorado Springs, Janet Folger of the Florida-based Center for Reclaiming America proposed an ad campaign defending Lott, Armey and other members of the anti-gay chorus — including football star Reggie White of the Green Bay Packers. The ads would frame their hate in the guise of "hope" that gays and lesbians could "change" through prayer and so-called "conversion therapy."

Answering the
“Truth in Love”
Campaign

By mid-summer, a \$500,000 “Truth in Love” campaign, sponsored by a coalition of 18 far-right organizations, spread its calculated message seven leading U.S. newspapers — and millions of American readers — through full-page ads. Perhaps the most controversial pictured a little boy blowing out candles on a birthday cake under the headline, *“From Innocence to AIDS, One Mother’s Plea to the Parents of Homosexuals.”*

Once again, HRC was quick to respond. Leading a coalition of national organizations, the HRC Foundation produced the first counter-ad within a 24-hour period. Every major network and media outlet covered the debate, with HRC taking the lead in rebutting the campaign’s message, putting its backers’ motives in context, and calling attention to renewed statements by the American Psychological Association and other authorities condemning the practice of conversion therapy and, by extension, the argument that sexual orientation can be changed. In August, we released a poll showing that a clear majority of Americans of all political persuasions agreed that homosexuality is inherent, and that gay Americans should be treated equally.

By the time the furor died down, mainstream Americans had reached a clear consensus: “Truth in Love” was a hateful lie, whose premise not only backfired in the public arena, but produced a decisive round of setbacks for the merchants of hate on Capitol Hill.



HRC Foundation

Making
Sense of a
Pointless Death

Shedding a Hopeful
“Ray of Light”

Beyond reaching out to the public at large, HRC Foundation took action to reach gays and lesbians whose sense of self-identity was at risk from the right’s insistence that they could change through conversion therapy. To coordinate this effort, the Foundation created a new “Ray of Light” project, which highlights testimonies of the vast majority of people who have been through the ex-gay ministries and call it “psychological terrorism.”

Ray of Light also features an online forum that sheds light on the failure of reparative therapy programs. The centerpiece of the project is the first research report issued by HRC’s new Education Department: *Mission Impossible: Why Reparative Therapy and Ex-Gay Ministries Fail*, which analyzed the efficacy of reparative therapy, and delved into the funding sources and political ties of the largest ex-gay ministries.

HRC was a focal point of the nation’s struggle to understand what led two men to beat a 5-foot-2-inch, 100-pound young man to the brink of death. HRC provided information and interviews to hundreds of reporters throughout the world, and appeared on dozens of network broadcasts focusing on the issue of hate crimes.

In the 4 days that Shepard lay dying in a Colorado hospital room, HRC worked tirelessly update our members and the public on his condition, and to facilitate their e-mails and other messages of support and condolence to his family.



In the days after the death of Matthew Shepard in October, more than 10,000 mourners gathered on the west steps of the Capitol for a candlelight vigil co-sponsored by the HRC Foundation. Sen. Edward M. Kennedy and former Sen. Allen Simpson joined House Minority Leader Richard Gephardt, Reps. Barney Frank, D-Mass. and Mark Foley, D-Fla., actress Ellen DeGeneres and others to renew calls for Congress to pass the Hate Crimes Prevention Act. Similar vigils were held in hundreds of communities across the nation.



Into the Right's Backyard
with the HRC
Equality Tour

A Milestone for
National Coming Out Day

For 17 days in July and August, HRC took to the road in our 3,500 mile Pacific Northwest Equality Tour, visiting 33 communities in Oregon, Idaho and Washington to register voters, educate citizens, and show support for HRC-endorsed candidates.

The tour, sponsored by the HRC Foundation, brought HRC into one of the religious right's key testing grounds. But more importantly, it brought us face-to-face with people and communities who rarely have a chance to meet with representatives of national organizations. A variety of forums, from town hall meetings and training institutes to picnics and rallies, gave strong evidence that people throughout the country are eager to be energized by the message of equality.

This new national tradition celebrated its 10th anniversary on Oct. 11, 1998, with hundreds of special events and activities throughout the country, and countless individual gestures of affirmation. HRC distributed more than 50,000 English and Spanish versions of the NCOP materials across the country. Planning kits were sent to hundreds of community centers and campuses. All combined to send a powerful nationwide message of honesty and openness.

The focal point of the 10th anniversary was a celebration in Dolores Park in the Castro section of San Francisco, where HRC brought together past and present NCOP spokespeople and supportive celebrities. Dan Butler of "Frasier," Patrick Bristo of "Ellen," HRC Board member and San Francisco Supervisor Mark Leno, current NCOP Spokesperson Betty DeGeneres, NCOP Manager Candace Gingrich and HRC Field Director Donna Red Wing all participated.

Workplace Advocacy

HRC Foundation in the Workplace
Winning Gains for Equality
in a Promising Arena

Some of the biggest strides in making equality a fact of American life are being made in corporate and business America, and HRC is leading the way.

For most of this decade, the workplace has been the environment in which most Americans believe that gays and lesbians deserve full equality. As President Clinton said in his speech at HRC's first national dinner in 1997: *"Being gay, the last time I thought about it, seemed to have nothing to do with the ability to read a balance book, fix a broken bone, or change a spark plug."* Most Americans, and an increasing number of leading American employers, agree.

HRC Foundation's workplace advocacy is aimed at building on this solid foundation of support, and converting it into concrete policies and practices to protect the jobs and benefits of millions of gay and lesbian workers and their domestic partners. An additional goal is to use the example of corporate policy to encourage other sectors of American society to follow its lead. In the end, the standards of IBM, Microsoft and Disney may have more influence on public opinion than the views of Trent Lott, Pat Robertson, and Gary Bauer.

The HRC Business Council Guiding HRC's workplace advocacy is the HRC Business Council, comprised of 25 members with a background in shaping corporate policy. The council serves as a sounding board and brain trust for HRC staff as we pursue strategies around ENDA and other workplace issues. In FY 1998, the council helped obtain key business endorsements for ENDA in targeted states, and laid the groundwork to pursue direct intervention in at least 10 companies in calendar year 1999. Business Council members also helped train other HRC volunteers to conduct on-site corporate advocacy, and participated in an OutVote '98 workshop to on strategies for achieving domestic partner benefits.

HRC's WorkNet raises our profile and expertise in the realm of workplace advocacy by collecting and disseminating authoritative information about the state of the workplace with regard to gay, lesbian, bisexual and transgendered workers. Through WorkNet, HRC rebuilt our workplace database, which is now recognized as the most comprehensive listing available of employers with non-discrimination policies, domestic partner benefits and GLBT employee resource groups. WorkNet also created a new package of background articles, policies and reports to send in response to general information requests from employers seeking to establish better policies, including a new publication, "Transitioning and Transgenderism in the Workplace."

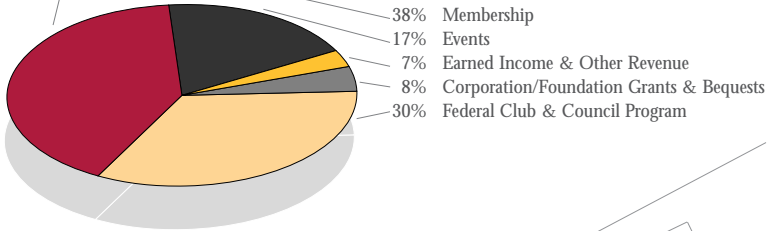
A New On-Line Workplace Advocacy Update In September, HRC debuted WorkAlert, a monthly compilation of news stories and developments concerning the struggle for workplace equality for gay Americans. WorkAlert, which is distributed online, reports on the status of legislative and court battles affecting employment rights, trends in domestic partner health coverage, and incidents of corporate discrimination. It is a powerful tool for organizing around this issue, and for educating opinion leaders, policy makers, activists and corporate America

Financial Statements

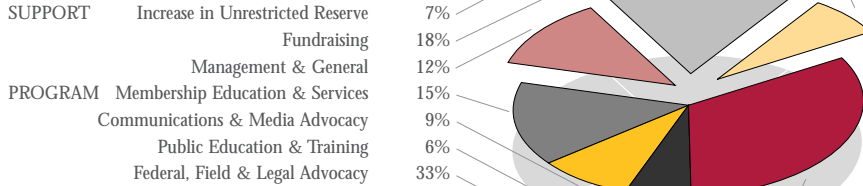
Combined Financial Summary for HRC and the HRC Foundation

Fiscal Year 1999

Sources of Income

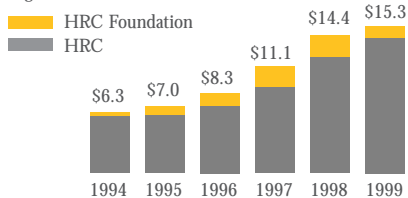


Uses of Income



Six-Year Combined Income Summary

Figures shown in millions.



Source: Audited financial statements for the year beginning April 1, 1998 and ending March 31, 1999.

SOURCES OF INCOME	HRC		
	HRC	Foundation	Combined*
Membership	\$ 5,762,812	\$ -	\$ 5,762,812
Federal Club & Council Program	3,220,852	1,376,935	4,597,787
Events	2,667,762	-	2,667,762
HRC Foundation Reimbursement and Grant	1,455,310	-	-
Corporate/Foundation Grants & Bequests	586,104	585,996	1,172,100
Earned Income and Other Revenue	614,617	449,878	1,064,495
Total Income	14,307,457	2,412,809	15,264,956
USES OF INCOME			
<u>Programs</u>			
Federal, Field and Legal Advocacy	4,658,269	329,595	4,941,848
Membership Education and Services	2,245,560	-	2,245,560
Communications and Media Advocacy	1,339,193	377,847	1,356,220
HRC Foundation Grant to Support HRC Programs	-	371,000	-
Public Education and Training	981,147	151,705	990,514
Total Programs	9,224,169	1,230,147	9,534,142
<u>Supporting Services</u>			
Management and General	1,860,031	269,318	1,899,508
Fundraising	2,611,389	385,959	2,692,053
Total Supporting Services	4,471,420	655,277	4,591,561
Total Expenses	13,695,589	1,885,424	14,125,703
Change in Net Assets	611,868	527,385	1,139,253
Net Assets at Beginning of Year	1,533,294	3,320,170	4,853,464
Net Assets at End of Year	2,145,162	3,847,555	5,992,717

*Combined statements exclude intercompany transfers.

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lesbian and gay people are ensured
of their **basic equal rights** — and
can be **open, honest and safe** at home,
at work and in the community.

Human Rights Campaign, 919 18th Street, N.W., Washington, D.C. 20006 *phone* 202/628 4160 *fax* 202/347-5323 *website* www.hrc.org

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