

WE ARE
WHERE
YOU ARE



THE HUMAN RIGHTS CAMPAIGN AND
HUMAN RIGHTS CAMPAIGN FOUNDATION
2006 ANNUAL REPORT

STATE
WORKPLACE
COMMUNITY
LIFE
COUNTRY

For the first time, same-sex couples are protected under federal pension law without facing the harshest of tax penalties. For the second time, hundreds of thousands of families and the U.S. Constitution were protected from the politics of discrimination. And for the 26th time since the Human Rights Campaign began our work, our political team pressed non-stop to bring fair-minded members to Congress and state legislatures across the country resulting in 211 of the Human Rights Campaign's endorsed candidates winning their races. The Human Rights Campaign spent \$1.3 million supporting pro-equality candidates in this election cycle — plus, we sent more than 60 staff members out into the field to help get HRC members to the polls on Election Day.

The Human Rights Campaign continues to work in large and small ways to ensure gay, lesbian, bisexual and transgender Americans can be safe, open and honest wherever they are. And 2006 was another year marked by success in those efforts.

Whether we're stepping up efforts on-the-ground in states and local communities or engaging fair-minded people across the country about equality, the Human Rights Campaign staff and volunteers are in constant motion. With more than 32 Human Rights Campaign local communities, more and more people are rolling up their sleeves with us.

As we enter a new year, we thank you for what you've already done and we pledge our commitment to work by your side as we continue down the path toward equality.

Sincerely,



Lawrie Demorest and Henry Robin
Human Rights Campaign Board Co-Chairs

By lifting up the voices of gay, lesbian, bisexual, transgender and straight-supportive Americans, the Human Rights Campaign Foundation has spent the last several years making — and winning — the case that a commitment to equality is the fabric that binds this nation together.

By launching a new Religion and Faith Program last year, the Human Rights Campaign Foundation is engaging a whole new group of Americans in a dialogue about equality. For too long, the far right has claimed religion as its own. We're taking that back.

Continuing to lead the way for fairness in employment for GLBT Americans, the Human Rights Campaign Foundation's Workplace Project is responsible for ensuring that millions of workers get equal access on the job. This year, we reached an incredible milestone as a majority of the largest businesses in the United States provide health insurance benefits for the partners of gay employees.

Ensuring that all families have the resources they need to stay strong, the Human Rights Campaign Foundation's Family Project is creating new standards for hospital treatment of GLBT Americans.

Leveraging new research on what it means to live openly and honestly, the Coming Out Project continues to encourage all fair-minded Americans to speak out and speak often about the need for equality.

But without your support, none of this would be possible. It's volunteers and donors like you who have put these resources and tools into the hands of your neighbors, your friends, your employers, your congregations. And it's you who have given voice to the millions who have not yet spoken.

Thank you for your continued support.

Sincerely,



Vic Basile and Edith Dee Cofrin
Human Rights Campaign Foundation Board Co-Chairs



In some ways, it's hard to recall a time when the Human Rights Campaign was not a part of my daily life. Since coming on board last spring, the Human Rights Campaign family has become my family. And the work we do every day for equality has become more rewarding than I could have imagined.

In the past year, we've secured critical pension rights at the federal level for same-sex couples — the culmination of a four-year campaign working behind-the-scenes with members of Congress on both sides of the aisle. These pension benefits will ensure that all Americans, gay or straight, married or unmarried, can protect their loved ones in the most vulnerable of times.

We've defeated another attempt to put discrimination in one of our most cherished documents, the U.S. Constitution, and we've pushed back efforts to put discrimination in state constitutions across the nation. We've expanded and empowered the Human Rights Campaign locally, redoubling our commitment to state partners and altering the political dynamic in key races across the country. As a result, the 110th Congress promises to be the most fair-minded in history.

When it comes to setting the bar for corporate America, we've reached higher — and big business has listened. Now, 138 of the nation's largest employers have scored 100 percent on our Corporate Equality Index. And we've reached out to the public on many issues, including a newly launched Religion and Faith Program that ensures fair-minded people of faith are part of the national dialogue on equality.

And we've done it all with you by our side. It's been my honor to get to know so many of you over the past year, and I look forward to working together to get more done in 2007. Without your consistent and unyielding support, none of this would be possible. Thank you.

Sincerely,

A handwritten signature in dark ink, reading "Joe Solmonese". The signature is fluid and cursive, with a long, sweeping underline.

Joe Solmonese
President, Human Rights Campaign and
Human Rights Campaign Foundation

For more than four years, without fanfare, HRC worked closely with members of Congress to secure two important provisions for GLBT families in the Pension Protection Act. President Bush signed the bill into law in August 2006, and American same-sex couples now have key financial protections.

This year, HRC launched “Equally Speaking,” a first-of-its-kind daily online newscast that keeps viewers up-to-date on the GLBT news of the moment. Watch the show, broadcast every weekday from the HRC Media Center, at www.hrc.org/equallyspeaking.

HRC unveiled the first-ever comprehensive public information campaign on transgender workplace issues. The program featured a groundbreaking new handbook on transgender issues — now one of our most frequently requested publications — as well as a website and a series of newspaper ads.

LOOK BACK MOVE FORWARD



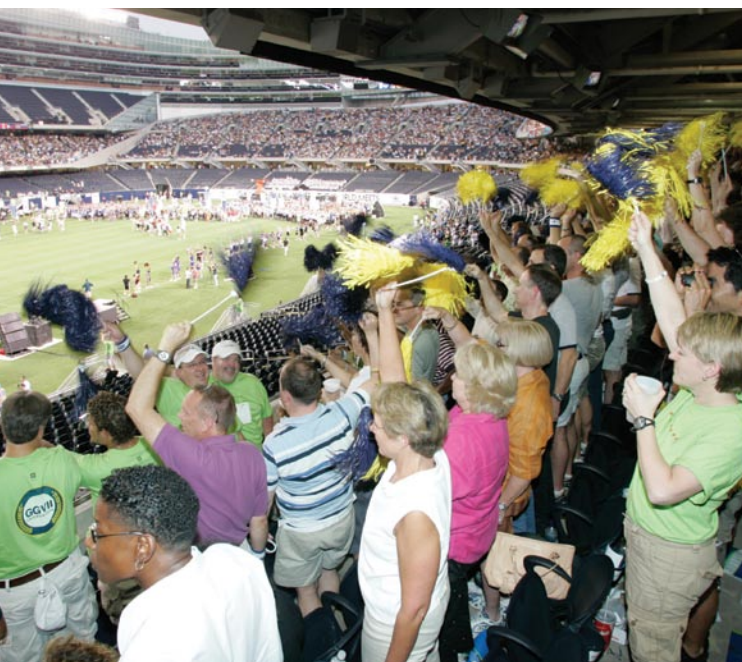
“Together, we will turn the corner on dignity. We’ll march down that road toward fairness and we’ll arrive at a place called equality. Give us your hands, your hearts and your voices, and together, we’ll play a historic role in creating a better America — for everyone.”
**JOE SOLMONESE, PRESIDENT,
HUMAN RIGHTS CAMPAIGN**



Thanks in part to HRC's strong grassroots support, the Oregon state Senate passed a civil unions bill in August 2005 that would have offered legal recognition to same-sex couples in the state. Unfortunately, the bill was later killed by the anti-gay speaker of the state House.

When the Federal Marriage Amendment reared its ugly head again during the 2006 election cycle, HRC fought back — and won two decisive victories. Both the U.S. House and Senate voted against the FMA, ensuring that discrimination won't be enshrined in our Constitution.

In October 2005, the Human Rights Campaign opened the doors of its third Action Center and Store — in the heart of San Francisco's Castro district.



The Human Rights Campaign is America's largest civil rights organization working to achieve gay, lesbian, bisexual and transgender **EQUALITY**. By inspiring and engaging all Americans, HRC strives to end discrimination against GLBT citizens and realize a nation that achieves fundamental fairness and equality for all.

HRC seeks to improve the lives of GLBT Americans by advocating for equal rights and benefits in the workplace, ensuring families are treated equally under the law and increasing public support among all Americans through innovative advocacy, education and outreach programs. HRC works to secure equal rights for GLBT individuals and families at the federal and state levels by lobbying elected officials, mobilizing grassroots supporters, educating Americans, investing strategically to elect fair-minded officials and partnering with other GLBT organizations.

HRC MISSION STATEMENT

WE ARE
IN YOUR
STATE



Whether they allow for a child's adoption, give law enforcement needed tools to fight hate crimes or keep bias out of the workplace, state laws have a key place in the daily lives of gay, lesbian, bisexual and transgender Americans. And the elected officials who stand up for equality in state legislatures often go on to be the strongest advocates in the U.S. Congress. More than ever before, the Human Rights Campaign is partnering with state groups across the country to pass critical state laws and support fair-minded elected officials.

A powerful new Human Rights Campaign field program has brought strategic planning, critical funds and expert on-the-ground campaign assistance to our partners at the state level. Throughout the year, this program has played a vital role in securing victories like these:

- After a statewide non-discrimination measure passed with broad bipartisan support and was signed into law by Maine Gov. John Baldacci, extremists again launched a bid to overturn the measure at the ballot box. Though they had succeeded in two prior attempts to repeal the law, this time they failed. The law protecting GLBT Mainers is now on the books. The Human Rights Campaign provided significant fundraising assistance, media guidance, strategic planning, volunteer recruitment and more than \$150,000 to Maine Won't Discriminate to help with field efforts, polling and staffing. Plus, more than 25 Human Rights Campaign staff members worked on-the-ground in Maine to help with the fight.
- Ending a three-decade-long quest to add sexual orientation to the state's non-discrimination law, the Washington Legislature and Gov. Christine Gregoire succeeded in prohibiting anti-gay and anti-transgender workplace bias. Led by Equal Rights Washington and other longtime advocates, the Human Rights Campaign mobilized grassroots support; provided \$200,000 for advertising, polling and administrative assistance; secured support from major businesses; and sent more than 10 staff members to Washington during the campaign. The Human Rights

Campaign continues to financially support Equal Rights Washington.

- In several states such as Iowa, Minnesota and New Hampshire, attempts to put discrimination into state constitutions were stopped dead in their tracks, and the Human Rights Campaign was there to help. In New Hampshire, 82 Republicans and 125 Democrats voted down a state constitutional amendment that would have denied marriage to same-sex couples. In Pennsylvania, a bid to put a similar amendment on the ballot in '08 — and mobilize anti-gay voters for the presidential elections in a swing state — failed after significant work by GLBT advocates, including the Human Rights Campaign staff and volunteers who organized trainings and rallies; visited with state legislators; generated calls, e-mails and faxes to the statehouse; and participated in lobby days.
- The Human Rights Campaign also focused on bringing fair-minded legislators to statehouses and the U.S. Congress on Election Day 2006. Targeted primary and special election campaigns early in the year in states like Alabama, California, Illinois, Pennsylvania and Texas were successful, with fair-minded candidates securing historic wins following get-out-the-vote efforts and key endorsements by the Human Rights Campaign.
- In November's general election, the Human Rights Campaign played a key role in electing new fair-minded majorities in six state legislative chambers in Indiana, Iowa, Minnesota, New Hampshire, Oregon and Pennsylvania.

10

“The Human Rights Campaign got behind my campaign early and has been a tremendous help. The energy and commitment they put behind our campaign was extraordinary.” **SENATOR-ELECT BOB CASEY OF PENNSYLVANIA**



THE HUMAN RIGHTS CAMPAIGN, WORKING WHERE YOU ARE

Through our Youth College program, we trained 22 participants on how to run a winning campaign, then sent them to key campaigns in 18 states.

By a margin of less than 60 votes, Patricia Todd became the first openly gay candidate in Alabama to win a seat in the statehouse. Human Rights Campaign staff and volunteers reached out to every one of the organization's 200 members and supporters in her district, working alongside the Gay and Lesbian Victory Fund.

California has one more pro-marriage legislator with the election of Equality California-endorsed Gloria Negrete McLeod. Local Human Rights Campaign volunteers led phone banks and get-out-the-vote efforts.

In Pennsylvania, the Human Rights Campaign raised a record amount of money to unseat Sen. Rick Santorum, one of the country's leading anti-gay advocates. HRC mobilized across the state to support the victorious Bob Casey campaign.



WE ARE IN YOUR WORKPLACE



Regardless of our political and spiritual beliefs, our sexual orientation and gender, our race and ethnicity, we sit side-by-side in the American workplace — and equality is winning in the boardrooms, on the factory floors and in the cubicles.

The Human Rights Campaign Foundation's Workplace Project is the leading advocacy force for GLBT workers — and 2006 saw major breakthroughs in these efforts. Not only did a majority of Fortune 500 companies begin offering domestic partner benefits for the first time this year, but 138 major companies earned a 100 percent on the Human Rights Campaign Foundation Corporate Equality Index, the standard for measuring a company on how it treats GLBT employees and consumers. Every year the index has come out, the number of companies with perfect scores has risen. The Human Rights Campaign Foundation not only tracked the progress of companies, it was actively involved in improving corporate scores. Millions more employees are now covered under policies added by companies working to meet the bar set by the Human Rights Campaign report. Consider these 2006 advancements:

- In every category that the Human Rights Campaign Foundation's annual *State of the Workplace* report tracks, trends continue to favor GLBT workers. At a news conference in Washington, Hayward Bell, chief diversity officer for the aerospace and defense giant Raytheon Company,

called the Human Rights Campaign a "leader in identifying and encouraging best employment practices for lesbian, gay, bisexual and transgender employees." He went on to credit the Human Rights Campaign Foundation's reports and resources with helping the company "evaluate the bar as it relates to treating employees fairly and equitably."

- This year, that bar was raised in the Corporate Equality Index — and companies met it. With new requirements on benefits for domestic partners and transgender health, companies had a bigger step to take to earn their 100 percents. And more did so this year than in any year before, with 138 companies scoring perfect marks.
- Big businesses like Microsoft backed state legislation that would protect GLBT workers. Plus, more and more businesses are supporting fair-minded legislators working to pass important bills for same-sex couples, as Nike did when it backed a civil unions bill in the Oregon Legislature in 2006. The Human Rights Campaign Foundation Workplace Project encourages major corporations across the country to make these endorsements.

14

“The Human Rights Campaign is an impetus for corporate America. It has been a leader in identifying and encouraging best employment practices for lesbian, gay, bisexual and transgender employees. *The State of the Workplace* and other Human Rights Campaign tools help us evaluate the bar as it relates to treating employees fairly and equitably.” **HAYWARD BELL, CHIEF DIVERSITY OFFICER, RAYTHEON**







EQ TALL

IS GOOD BUSINESS

Admiral Systems Inc. • Aetna Inc. • Agens Systems Inc. • Agilent Technologies Inc. • Allstate Life Insurance Co. of North America • Allianz & Berliff LLP • American Express Co. • AMER. Corp. • American Business Companies Inc. • Apollo Computer Inc. • Arroll & Pitzer LLP • ARST Inc. • Arva Inc. • B&B & Company Inc. • Bank of America Corp. • BancSouth & Lenth Inc. • BancSouth Corp. • Best Buy Co. Inc. • Boeing Co. • BP America's Energy Services Inc. • Bristol Myers Squibb Co. • California State Automobile Association • Capital One Financial Corp. • Capital Inc. • Carlson Companies Inc. • The Charles Schwab Corp. • Chemed Corp. • Chubb-Panor Inc. • Chubb Corp. • CIGNA Corp. • Cisco Systems Inc. • Citigroup Inc. • Clear Channel Communications Inc. • CNA Company • CNAF Media LLC • CNA Insurance • Coca-Cola Company • Consolidated Edison Co. • Corner Brewing Company • Corning Inc. • Credit Suisse Securities (USA) LLC • Cummins Inc. • DaimlerChrysler Corp. • Dell Inc. • Deloitte & Touche USA LLP • Deutsche Bank • Donny & Whitney • DuPont Chemical Co. • DuPont Inc. • Le Port de Nemours • Eastman Kodak Co. • E&S USA & Co. • Envt & Young LLP • Enron Leader Companies • Fagura & Berens • Farmi Mat • Ford Motor Co. • Franklin-Schmidt Corp. • Gap Inc. • General Mills Inc. • General Motors Corp. • GlaxoSmithKline • Global Hyatt Corp. • The Goldman Sachs Group Inc. • Google Inc. • Harvard Pilgrim Health Care Inc. • Heller, Eisenberg LLP • Hewlett Associates • Hewlett-Packard Co. • Honeywell International Inc. • Huggins Inc. • ING North America Insurance Corp. • Intel Corp. • International Business Machines Corp. • Intuit Inc. • JP Morgan Chase & Co. • Jencor & Black LLP • Johnson & Johnson • Kaiser Permanente • KayeRoth Inc. • Kemper National Life Insurance Group Inc. • KPMG LLP • Kraft Foods Inc. • Lehman Brothers Holdings • Lee Shouse & Co. • Lexmark International Inc. • LSA California Inc. • Luvant Technologies Inc. • McDermott Will & Emery LLP • McKinley & Co. Inc. • Mellon Financial Corp. • Merck & Co. Inc. • Merrill Lynch & Co. • MetLife Inc. • Microsoft Corp. • Michael Goff & Belle Williams • Morgan Stanley • Morrison & Foerster LLP • MSCI Inc. • National Instruments Corp. • New York Times Co. • Nike Inc. • Nissan Financial LLP • Nordstrom Inc. • Nordstrom Group Corp. • The Ohio Companies LLC • Cough, Heninger & Sutcliffe • Owens Corning • PepsiCo Inc. • Phase Inc. • P&GE Corp. • Pitkin Working Space Pitkin LLP • Powell Consulting LLP • ProcterAndKellerGroup LLC • Prudential Financial Inc. • Raytheon Co. • RaytheonUSA LLC • S.C. Johnson & Son Inc. • Schering-Plough Corp. • Sears Holdings Corporation • Sereno Energy • Sprint Nextel Corp. • Starcom MediaVest Group • Starwood Hotels & Resorts Worldwide • Stone Street Corp. • Sun Microsystems Inc. • SunTrust Banks Inc. • Sun Data Corp. • USF America Group Inc. • Veeva Inc. • Visa International • Wellpoint of America Inc. • Winchona Corp. • Walgreen Co. • Wiley Page & Co. • Workday Corp. • Xerox Corp.

THE HUMAN RIGHTS CAMPAIGN, WORKING WHERE YOU ARE

In addition to other publications on the workplace and transgender issues, the Human Rights Campaign released *Workplace Gender Transition Guidelines* this year to help an employer when an employee transitions on the job.

After an extremist group dropped a boycott of Ford Motor Co. and a company spokesperson appeared to confirm an agreement with the group when he said all Ford advertising would be pulled from GLBT-themed magazines, the Human Rights Campaign and a broad coalition of GLBT groups and individuals sprang to action. Mounting a strategic campaign, the GLBT coalition was successful in ensuring advertising would not only be continued but additional brands would be featured in GLBT-themed publications, and Ford, a longtime supporter of GLBT causes, reaffirmed its support for equality.

The Human Rights Campaign Foundation's Workplace Project staff speaks to small and large companies every day about ways to improve the climate for GLBT workers. From working with corporate executives to arming employees with tools to create change at the staff level, the Human Rights Campaign Foundation has had a hand in almost every major advancement for GLBT workers.

The Human Rights Campaign's new *Buying for Equality* guide gives fair-minded shoppers what they need to put their values behind their purchasing power. When the pocket-sized guide was initially released, more than 250,000 were downloaded during its first two weeks.

WE ARE
IN YOUR
COMMUNITY



From religious outreach to political trainings to community events, Human Rights Campaign staff travel to cities and towns across the country to talk about the issues that matter most to fair-minded Americans.

Whether it's hosting Oscar parties to celebrate gay and transgender-themed movies that raise awareness or teaching local volunteers how to go door-to-door for a candidate, the Human Rights Campaign's staff and trained volunteers are present in your community, wherever that may be. Here are some ways we were involved this year:

- There's a new generation leading the way for gay, lesbian, bisexual and transgender Americans and the Human Rights Campaign is calling it Generation EQ(uality). Longtime advocate and HRC staffer Candace Gingrich is leading efforts in colleges across the country by motivating young voters to not only get to the booth but also to get out the vote for fairness.
- HRC's growing Historically Black Colleges and Universities Program equips and empowers students with ways to make positive change in their lives, on their campuses and in the greater African-American community. Each year, HRC brings more than 100 students from HBCUs across the country to an innovative, multi-day training and gives them the opportunity to meet with lawmakers, staff and community leaders.
- Faith plays an important role in many communities but too often it is seen as a negative force in the lives of GLBT Americans. The Human Rights Campaign Foundation's Religion and Faith Program is working to alter that. With dozens of Faith and Fairness town hall forums across the nation, HRC staff is on the road every week meeting with communities in large cities and small towns. Working with religious leaders and laypeople, the program works to change the dialogue about faith and GLBT issues.
- Sometimes you've got to entertain to educate, and the Human Rights Campaign's community events around smash hits like Showtime's "The L Word," blockbuster film *Brokeback Mountain*, award-winner *Transamerica* and new film *Dirty Laundry* are doing just that. With events across the nation, these gatherings provide local leaders with ways to bring people together to learn about the lives of GLBT Americans — often for the first time.

“It’s time now to recognize that gay and lesbian Americans are like all Americans, with this unique difference, as Japanese Americans are like all Americans with the unique difference of ancestry. And the Human Rights Campaign is important, because we are now in the process of educating the largely decent American public to that fact that gays and lesbians are corporate CEOs, are legislators, are schoolteachers, as well as plumbers and lumberjacks and truck drivers.” **GEORGE TAKEI, ACTOR**



THE HUMAN RIGHTS CAMPAIGN, WORKING WHERE YOU ARE

Human Rights Campaign President Joe Solmonese embarked on a whirlwind national tour to more than 30 cities and towns, enlisting the support of Americans in the struggle for equality.

The Human Rights Campaign Foundation's Religion Council is a cadre of faith leaders who have been media-trained by the organization to serve as leaders in the national press. Since the media outreach program started in February, council members have reached more than 60 million Americans with positive faith-based messages about support for GLBT equality.

Human Rights Campaign volunteers in communities across the nation mobilized this spring against the Federal Marriage Amendment. Working with these communities, the Human Rights Campaign organized the collection and distribution of more than 310,000 constituent postcards to the Senate and House in opposition to the amendment.

The Human Rights Campaign partnered with the director and producers of *Dirty Laundry* to bring this story of an African-American family and their gay son to audiences across the country.



WE ARE
IN YOUR
LIFE



Outside of the workplace, politics or even community issues, the challenges are also constant — providing both opportunities and obstacles for many GLBT Americans. The Human Rights Campaign is here to help.

Through several programmatic efforts, the Human Rights Campaign is working to ensure that GLBT Americans can live openly and honestly every day and can stay informed about the progress being made on the road to equality. Check out some of the ways we're working for you:

- The Human Rights Campaign and XM Satellite Radio launched a two-hour weekly talk show this summer, "The Agenda with Joe Solmonese." The show is a mix of politics, entertainment and cultural news that features interviews with newsmakers as well as listener call-ins to engage members in discussions on key topics. XM, which reaches 6.5 million listeners, allows American families from all over the country to tune in to HRC's message.
- George Takei, also known as Mr. Sulu from "Star Trek," traveled across the country this spring on a Human Rights Campaign-sponsored tour where he talked about the importance of not only coming out, but living openly. The Human Rights Campaign's Coming Out Project has also produced new tools to help, including resources on living openly in places of worship, talking to doctors about being GLBT, coming out as transgender and coming out in communities of color.
- The Human Rights Campaign Foundation's Family Project is launching a new effort around hospital policies on GLBT patients. Much like the organization's workplace efforts, the hospital project will encourage medical caregivers to adopt policies and procedures that level the playing field for same-sex couples and GLBT individuals.
- In honor of National Coming Out Day, the Human Rights Campaign released the first online public art project encouraging Americans to "Talk About It." The Snapshot Project allows visitors to download a sign, take a picture, upload it to the site and share it with family and friends. Thousands of people have participated, including a wide variety of celebrities such as the Rev. Gene Robinson, Pink and Billie Jean King.



“HRC’s efforts to ensure equality for GLBT families like ours mean our children Emma and Neil will grow up in a world that is safer and friendlier for all families. We really appreciate the work HRC does.” **MICHAEL HEFFNER AND JEFFREY TRAVERS, HRC MEMBERS SINCE '04 AND HRC PARTNERS SINCE '06**



THE HUMAN RIGHTS CAMPAIGN, WORKING WHERE YOU ARE

The Human Rights Campaign's partnership with the Gay Games VII brought HRC staffers face-to-face with tens of thousands of athletes and families from across the globe to talk about the work we're doing every day for GLBT equality.

Efforts by anti-gay extremists to make adoption by gay families the next wedge issue in major elections failed in large part because of the Human Rights Campaign's quick work to educate lawmakers and gauge public opinion.

The Human Rights Campaign Foundation's Family Project offers a myriad of online tools and resources, including an "Ask the Experts" feature, databases of adoption agencies, domestic partner registries and GLBT-friendly attorneys, and a library featuring helpful books and Human Rights Campaign reports.

WE ARE IN YOUR COUNTRY



Change can come slowly in Washington. But when it comes to fairness, change is on our side. For 26 years, the Human Rights Campaign has been the leading voice for GLBT Americans in the halls of Congress. By beating back anti-gay legislation and pushing forward critical protections, the Human Rights Campaign has been the force in lobbying for fairness in the nation's capital.

Whether it was building momentum for hate crimes protections for all GLBT Americans by securing a first-time House vote (and victory), orchestrating the resounding defeat of the Federal Marriage Amendment or leading efforts for the historic passage of pension provisions benefiting same-sex couples, the Human Rights Campaign is working in a variety of ways to advance equality for GLBT Americans under federal law. Take a look at how these efforts are paying off:

- President Bush signed into law the Pension Protection Act, a measure that includes provisions safeguarding GLBT families. The Human Rights Campaign worked with allies on Capitol Hill for four years to ensure these provisions were included and will continue efforts to educate same-sex couples on ways to take advantage of the new law. One provision allows for the tax-exempt transfer of a deceased person's retirement plan benefits to his or her domestic partner. Another provision allows gay couples to draw on retirement funds in the case of medical or financial emergencies.
- The Human Rights Campaign's political action committee spent more than \$1.3 million before Election Day 2006 to put fair-minded candidates in office. With key races like Pennsylvania's Senate race, pitting fair-minded Bob Casey against extremist Sen. Rick Santorum, the Human Rights Campaign sent more than 60 staff members and its freshly trained Youth College graduates to campaigns this fall resulting in an unprecedented success across the country — with 211 of the 232 HRC-endorsed candidates winning their races.
- A second attempt to put discrimination in the nation's Constitution failed in 2006 — with a loud and resounding defeat. Two Republican senators, Judd Gregg of New Hampshire and Arlen Specter of Pennsylvania, switched their votes this year when they voted against moving the discriminatory measure forward. The House also rejected the amendment shortly thereafter, leading many to speculate that a third attempt would be beyond political foolishness. The Human Rights Campaign lobbied in Washington, mobilized grassroots advocates across the country and exposed the anti-gay politics behind the campaign in media coverage, making headlines across the nation.

26

“For me, as the first openly gay non-incumbent serving in the U.S. Congress, this is more than business — it is personal. Like the Human Rights Campaign, I stand up against intolerance whenever I see or experience it. Along with the Human Rights Campaign, I’m taking a stand against the Federal Marriage Amendment when it comes to the floor. I’m hoping I can count on you to stand with us.” **U.S. REP. TAMMY BALDWIN, D-WIS.**



THE HUMAN RIGHTS CAMPAIGN, WORKING WHERE YOU ARE

The Human Rights Campaign's *Congressional Scorecard* is made available to hundreds of thousands of members and supporters before every Election Day, giving voters critical information on where incumbents stand on GLBT issues.

The U.S. House's passage of the Local Law Enforcement Enhancement Act in fall 2005 marked the first time the chamber voted on the hate crimes bill and the first time the bill explicitly included protections for transgender as well as gay, lesbian and bisexual Americans. The bipartisan 223-199 vote was the result of years of advocacy by the Human Rights Campaign and its members and supporters.

Efforts continue to secure a federal law that would prohibit discrimination against gay, lesbian, bisexual and transgender employees. And a Human Rights Campaign-sponsored ad campaign spotlighted challenges faced by transgender employees without such a law in place.



FINANCIALS & DONOR LISTING

| | |
|-----------|------------------------------------|
| 30 | FINANCIALS |
| 38 | FEDERAL CLUB COUNCIL |
| 41 | FEDERAL CLUB |
| 55 | CAPITAL CAMPAIGN |
| 59 | FOUNDATION SUPPORTERS |
| 59 | NATIONAL CORPORATE SPONSORS |
| 60 | EQUALITY CIRCLE |
| 62 | BOARDS |
| 63 | BUSINESS COUNCIL |
| 63 | RELIGION COUNCIL |
| 63 | SENIOR STAFF |

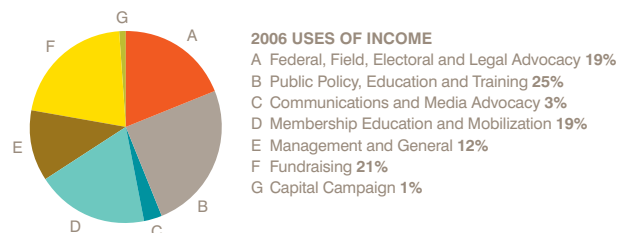
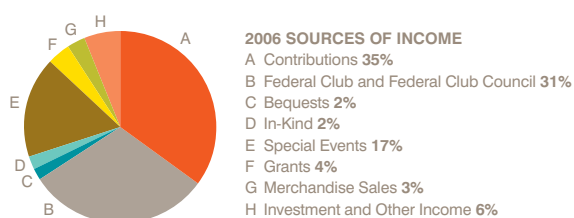
Fiscal year 2006 was dedicated to strengthening our public policy programs in preparation for the elections and diversifying our programmatic work by dramatically expanding our education efforts. We experienced incredible success in corporate America and faith communities as well as measurable change in public opinion on our issues. Our efforts spanned the country, reaching Americans in their homes, workplaces, places of worship and local communities, and resulted in increased financial support at all levels for the organization.

In preparation for a vitally important election year, during fiscal year 2006, we focused an unprecedented level of resources — both human and financial — to strengthening our work on Capitol Hill, expanding relationships in the states, supporting local groups and educating our community about our issues. During this time, we also saw tremendous growth and reach from our Foundation programs, creating even more opportunities to educate all Americans about equality in corporate America, places of worship, college campuses and homes across the country.

We thank you, our members and donors — especially our Federal Club, Federal Club Council and Partners members — for your unwavering support of this important work. Through your generous financial support and continued dedication to equality, you're ensuring our continued growth and the strength of the GLBT civil rights movement for today, tomorrow and future generations.

The financial information for HRC, the HRC Foundation and the Foundation's Capital Campaign (which funded the HRC headquarters building in Washington, D.C.) follows, reflecting both comprehensive and comparative data.

HRC AND HRC FOUNDATION



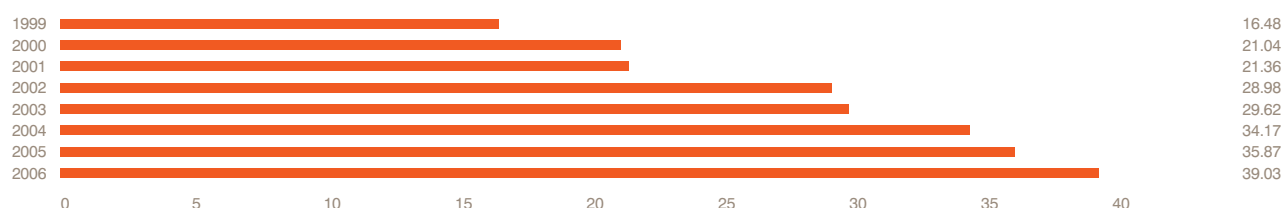
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HUMAN RIGHTS CAMPAIGN AND
HUMAN RIGHTS CAMPAIGN FOUNDATION

| | 2006 | 2005 |
|--|----------------|--------------------|
| Beginning Net Assets | \$27,940,927 | \$31,424,064 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Contributions | 13,790,249 | 10,739,337 |
| Federal Club and Federal Club Council | 12,215,455 | 12,474,622 |
| Bequests | 593,890 | 442,810 |
| In-Kind | 688,754 | 2,079,999 |
| Special Events | 6,913,517 | 5,693,365 |
| Grants | 1,608,307 | 1,816,573 |
| Merchandise Sales | 1,046,664 | 626,432 |
| Investment and Other Income | 2,169,909 | 1,998,262 |
| Total Revenue and Support | 39,026,745 | 35,871,400 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field, Electoral and Legal Advocacy | 7,370,663 | 11,700,355 |
| Public Policy, Education and Training | 9,475,553 | 6,649,185 |
| Communications and Media Advocacy | 1,046,808 | 3,467,937 |
| Membership Education and Mobilization | 7,329,096 | 4,518,293 |
| Total Program Services | 25,222,120 | 26,335,770 |
| Supporting Services: | | |
| Management and General | 4,692,153 | 4,829,943 |
| Fundraising | 8,282,142 | 7,524,506 |
| Capital Campaign | 484,893 | 664,318 |
| Total Supporting Services | 13,459,188 | 13,018,767 |
| Total Expenses | 38,681,308 | 39,354,537 |
| CHANGES IN NET ASSETS | 345,437 | (3,483,137) |
| Ending Net Assets | \$28,286,364 | \$27,940,927 |

HRC AND HRC FOUNDATION EIGHT-YEAR INCOME SUMMARY

\$MILLIONS



31

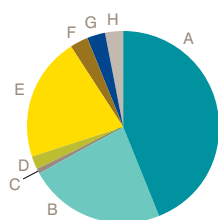
HUMAN RIGHTS CAMPAIGN AND
HUMAN RIGHTS CAMPAIGN FOUNDATION

2006

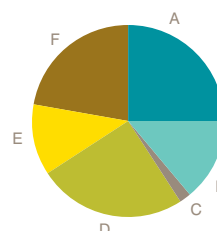
| | Unrestricted | Temporarily Restricted | Total |
|--|--------------------|------------------------|------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$25,745,089 | \$1,543,259 | \$27,288,348 |
| Special Events | 6,801,017 | 112,500 | 6,913,517 |
| Grants | 324,807 | 1,283,500 | 1,608,307 |
| Merchandise Sales | 1,046,664 | - | 1,046,664 |
| Investment and Other Income | 2,167,882 | 2,027 | 2,169,909 |
| Net Assets Released from Restrictions | 5,982,369 | (5,982,369) | - |
| Total Revenue and Support | 42,067,828 | (3,041,083) | 39,026,745 |
| EXPENSES | | | |
| Program Services: | | | |
| Federal, Field, Electoral and Legal Advocacy | 7,370,663 | - | 7,370,663 |
| Public Policy, Education and Training | 9,475,553 | - | 9,475,553 |
| Communications and Media Advocacy | 1,046,808 | - | 1,046,808 |
| Membership Education and Mobilization | 7,329,096 | - | 7,329,096 |
| Total Program Services | 25,222,120 | - | 25,222,120 |
| Supporting Services: | | | |
| Management and General | 4,692,153 | - | 4,692,153 |
| Fundraising | 8,282,142 | - | 8,282,142 |
| Capital Campaign | 484,893 | - | 484,893 |
| Total Supporting Services | 13,459,188 | - | 13,459,188 |
| Total Expenses | 38,681,308 | - | 38,681,308 |
| CHANGES IN NET ASSETS | \$3,386,520 | \$(3,041,083) | \$345,437 |

*No permanently restricted revenues were received in the year ended March 31, 2006.

HUMAN RIGHTS CAMPAIGN 501(C)(4)



2006 SOURCES OF INCOME
 A Member Contributions 44%
 B Federal Club and Federal Club Council 23%
 C Bequests 1%
 D In-Kind 2%
 E Special Events 21%
 F Corporate Support 3%
 G Merchandise Sales 3%
 H Investment and Other Income 3%



2006 USES OF INCOME
 A Federal, Field, Electoral and Legal Advocacy 25%
 B Public Policy, Education and Training 14%
 C Communications and Media Advocacy 2%
 D Membership Education and Mobilization 25%
 E Management and General 12%
 F Fundraising 22%

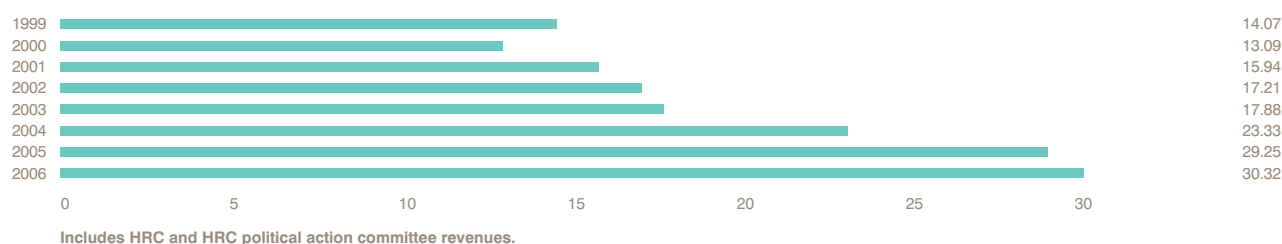
32

HUMAN RIGHTS CAMPAIGN

| | 2006 | 2005 |
|--|-------------|-------------|
| Beginning Net Assets | \$3,364,072 | \$6,945,470 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Member Contributions | 13,346,467 | 10,727,513 |
| Federal Club and Federal Club Council | 7,004,464 | 8,371,554 |
| Bequests | 322,570 | 260,346 |
| In-Kind | 608,917 | 2,064,817 |
| Special Events | 6,217,817 | 5,152,020 |
| Corporate Support | 985,902 | 1,091,123 |
| Merchandise Sales | 1,046,664 | 626,432 |
| Investment and Other Income | 791,153 | 958,338 |
| HRC Foundation Contribution in Support of HRC Activities | 400,000 | 300,000 |
| Total Revenue and Support | 30,723,954 | 29,552,143 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field, Electoral and Legal Advocacy | 7,325,675 | 11,591,185 |
| Public Policy, Education and Training | 4,313,671 | 3,996,733 |
| Communications and Media Advocacy | 742,364 | 2,945,031 |
| Membership Education and Mobilization | 7,329,096 | 4,455,557 |
| Total Program Services | 19,710,806 | 22,988,506 |
| Supporting Services: | | |
| Management and General | 3,599,100 | 3,675,609 |
| Fundraising | 6,563,678 | 6,469,426 |
| Total Supporting Services | 10,162,778 | 10,145,035 |
| Total Expenses | 29,873,584 | 33,133,541 |
| CHANGES IN NET ASSETS | 850,370 | (3,581,398) |
| Ending Net Assets | \$4,214,442 | \$3,364,072 |

HRC EIGHT-YEAR INCOME SUMMARY

\$MILLIONS



The Human Rights Campaign improved its cost of fundraising to 13 percent in 2006 from 16 percent in 2005. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

33

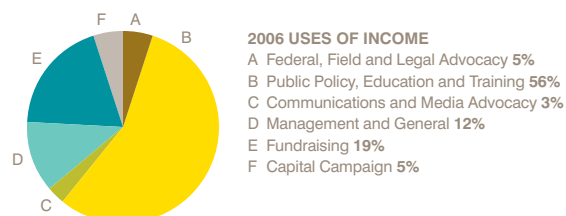
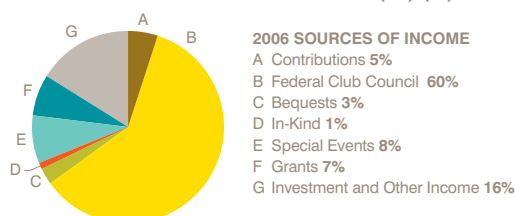
HUMAN RIGHTS CAMPAIGN

2006

| | Unrestricted | Temporarily Restricted | Total |
|--|-------------------|------------------------|-------------------|
| REVENUE AND SUPPORT | | | |
| Member Contributions | \$20,578,099 | \$704,319 | \$21,282,418 |
| Special Events | 6,105,317 | 112,500 | 6,217,817 |
| Corporate Support | 203,402 | 782,500 | 985,902 |
| Merchandise Sales | 1,046,664 | - | 1,046,664 |
| Investment and Other Income | 781,410 | 9,743 | 791,153 |
| HRC Foundation Contribution in Support of HRC Activities | 400,000 | - | 400,000 |
| Net Assets Released from Restrictions | 1,118,538 | (1,118,538) | - |
| Total Revenue and Support | 30,233,430 | 490,524 | 30,723,954 |
| EXPENSES | | | |
| Program Services: | | | |
| Federal, Field, Electoral and Legal Advocacy | 7,325,675 | - | 7,325,675 |
| Public Policy, Education and Training | 4,313,671 | - | 4,313,671 |
| Communications and Media Advocacy | 742,364 | - | 742,364 |
| Membership Education and Mobilization | 7,329,096 | - | 7,329,096 |
| Total Program Services | 19,710,806 | - | 19,710,806 |
| Supporting Services: | | | |
| Management and General | 3,599,100 | - | 3,599,100 |
| Fundraising | 6,563,678 | - | 6,563,678 |
| Total Supporting Services | 10,162,778 | - | 10,162,778 |
| Total Expenses | 29,873,584 | - | 29,873,584 |
| CHANGES IN NET ASSETS | \$359,846 | \$490,524 | \$850,370 |

*No permanently restricted revenues were received in the year ended March 31, 2006.

HRC FOUNDATION 501(C)(3)



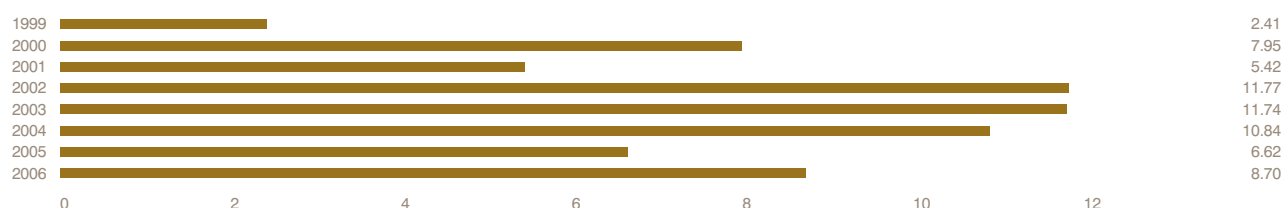
34

HUMAN RIGHTS CAMPAIGN FOUNDATION

| | 2006 | 2005 |
|--|---------------------|---------------------|
| BEGINNING NET ASSETS | \$24,576,855 | \$24,478,594 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Contributions | 443,782 | 11,824 |
| Federal Club Council | 5,210,991 | 4,103,068 |
| Bequests | 271,320 | 183,100 |
| In-Kind | 79,837 | 15,182 |
| Special Events | 695,700 | 541,345 |
| Grants | 622,405 | 725,450 |
| Investment and Other Income | 1,378,756 | 1,039,288 |
| Total Revenue and Support | 8,702,791 | 6,619,257 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field and Legal Advocacy | 44,988 | 109,170 |
| HRC Foundation Contribution in Support of HRC Activities | 400,000 | 300,000 |
| Public Policy, Education and Training | 5,161,882 | 2,652,452 |
| Communications and Media Advocacy | 304,444 | 522,906 |
| Membership Education and Mobilization | - | 62,736 |
| Total Program Services | 5,911,314 | 3,647,264 |
| Supporting Services: | | |
| Management and General | 1,093,053 | 1,154,334 |
| Fundraising | 1,718,464 | 1,055,080 |
| Capital Campaign | 484,893 | 664,318 |
| Total Supporting Services | 3,296,410 | 2,873,732 |
| Total Expenses | 9,207,724 | 6,520,996 |
| CHANGES IN NET ASSETS | (504,933) | 98,261 |
| Ending Net Assets | \$24,071,922 | \$24,576,855 |

HRC FOUNDATION EIGHT-YEAR INCOME SUMMARY

\$MILLIONS



Includes HRC Foundation and Capital Campaign revenues. Commencing with its first large gifts in 2000, the HRC Foundation Capital Campaign added significant revenue to the Foundation through 2004.

The Human Rights Campaign Foundation, including the Capital Campaign, maintained the cost of fundraising of 25 percent in 2006. The Human Rights Campaign Foundation's cost of fundraising, excluding the Capital Campaign's revenue and expenses, was 22 percent in 2006. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

35

HUMAN RIGHTS CAMPAIGN FOUNDATION

2006

| | Unrestricted | Temporarily Restricted | Total |
|---------------------------------------|--------------------|------------------------|--------------------|
| REVENUE AND SUPPORT | | | |
| Contributions | \$5,166,990 | \$838,940 | \$6,005,930 |
| Special Events | 695,700 | - | 695,700 |
| Grants | 121,405 | 501,000 | 622,405 |
| Investment and Other Income | 1,386,472 | (7,716) | 1,378,756 |
| Net Assets Released from Restrictions | 4,863,831 | (4,863,831) | - |
| Total Revenue and Support | 12,234,398 | (3,531,607) | 8,702,791 |
| EXPENSES | | | |
| Program Services: | | | |
| Federal, Field and Legal Advocacy | 44,988 | - | 44,988 |
| HRC Program Support | 400,000 | - | 400,000 |
| Public Policy, Education and Training | 5,161,882 | - | 5,161,882 |
| Communications and Media Advocacy | 304,444 | - | 304,444 |
| Total Program Services | 5,911,314 | - | 5,911,314 |
| Supporting Services: | | | |
| Management and General | 1,093,053 | - | 1,093,053 |
| Fundraising | 1,718,464 | - | 1,718,464 |
| Capital Campaign | 484,893 | - | 484,893 |
| Total Supporting Services | 3,296,410 | - | 3,296,410 |
| Total Expenses | 9,207,724 | - | 9,207,724 |
| CHANGES IN NET ASSETS | \$3,026,674 | \$(3,531,607) | \$(504,933) |

*No permanently restricted revenues were received in the year ended March 31, 2006.

Human Rights Campaign
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