

WE STAND FOR THE POLITICS OF POSSIBILITY

Believing in the politics of the possible — without ever losing sight of the fundamental goals of the entire lesbian, gay, bisexual and transgender movement — is the cornerstone of our work at the Human Rights Campaign. In 2008, we put that strategy into practice across a broad spectrum of objectives, from the highest levels of national politics and legislation, to the daily lives of millions of LGBT Americans in their homes, workplaces, faith communities, schools and neighborhoods.

In these pages, you will learn what a force of 725,000 members and supporters can accomplish when it pools its resolve and resources to accomplish its goals and push forward the boundaries of what will be achieved in the future. It can't all happen in a single election, Congress, news cycle or year. But the work of the Human Rights Campaign and the Human Rights Campaign Foundation proves every day that it is happening, steadily and irrevocably, to the benefit of every American who believes in the one thing that has always been possible in our country: equality for all.

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FROM THE
PRESIDENT



During this past fiscal year, advocates for the possible in American politics held strong — from coast to coast — against those determined to keep America back. In Florida, right-wing activists gathered enough signatures to put an amendment on the state ballot that would foreclose the possibility of marriage equality for all. In California, hopeful activists on the other side of the issue anticipated a potential state Supreme Court ruling — since realized — to extend full marriage equality to same-sex couples in the nation’s biggest state.

As this annual report goes to press, the monumental victory in California is endangered by Proposition 8, which would nullify the court’s

ruling and potentially invalidate the thousands of joyful marriages it made possible. Newlywed couples from one end of the state to the other have emerged from city halls, marriage licenses in hand, to the catcalls and campaigning of people whose foremost priority — at a time of war, global warming, and rampant housing foreclosures — is the denial of those families’ rights to be recognized and protected under the law.

HRC devoted significant resources to defeating the anti-marriage equality amendments in California and Florida, as well as a third amendment in Arizona. And we continued to fight for a series of incremental victories that would provide rights and protections for LGBT couples and families outside of marriage law, and for LGBT individuals of all circumstances facing discrimination in the workplace, the military, immigration law and beyond.

In Congress, no fewer than 10 pieces of legislation were introduced to advance equality for LGBT Americans. The Matthew Shepard Hate Crimes Prevention Act passed both the House and Senate, while the Employment

Non-Discrimination Act achieved a partial yet historic victory when the House voted for the first time ever to ban workplace discrimination based on sexual orientation. Other bills gained ground as we placed them squarely on Congress’s radar, as further evidence that no matter what happens in the states, these issues — and our advocacy — are not going away.

This past fiscal year, HRC implemented its largest and most comprehensive political education and action initiative ever in the 2008 campaign. We began that work early on, decisively and visibly, in August 2007 with our LGBT Presidential Forum in Los Angeles, co-sponsored with the Logo cable television network. Six leading Democratic contenders participated in the event, the first of its kind in U.S. political history. Grassroots activities in Iowa, New Hampshire, Florida and other early primary and caucus states ensured that candidates encountered LGBT issues, voters and advocates at virtually every turn in the marathon campaign.

These political and legislative efforts were amplified by a wealth of other activities to advance the boundaries

of the possible in virtually every area of LGBT life, as you’ll read in the pages that follow and in the letters below.

Possibilities aren’t handed to us. They are created by us. Not always as quickly as we would like, and rarely in the absence of vigorous opposition. But those possibilities will continue to emerge and multiply, so long as we never lose sight of our fundamental goals. That’s been true of every movement for social change, and it’s especially true of the movement for equality.

HRC is proud to be at its forefront, and we thank you for being right there with us.

Sincerely,

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

FROM THE
HRC BOARD CO-CHAIRS

The rights and interests of LGBT Americans were a prominent feature of the country’s political, legislative and cultural landscape throughout 2008 — bubbling up in their own undeniable way, as well as being brought to the forefront by the work of HRC.

The physical landscape of our nation’s capital was movingly altered with “12,000 Flags for 12,000 Patriots,” an installation on the National Mall co-sponsored by HRC and a coalition of organizations to call attention to the gay and lesbian servicemembers discharged since the discriminatory “Don’t Ask, Don’t Tell” policy that went into effect in 1993. Remarks by Gen. Peter Pace, chairman of the Joint Chiefs of Staff, in which he described homosexual acts as “immoral,” heightened awareness of HRC’s “A Legacy of Service Tour,” which brought openly gay veterans of the Iraq war to communities across

the country to rally further support for the policy’s repeal.

Just weeks after Gen. Pace’s remarks (and subsequent retirement), a recording of statements made by Oklahoma state Rep. Sally Kern ignited a firestorm of criticism and an outpouring of condemnation from members and supporters of HRC. “I honestly think homosexuality is the biggest threat our nation has,” said Kern, “even more so than terrorism or Islam.”

These inflammatory remarks underscored the continuing reality of anti-gay hate crimes and the attitudes that foster them. In February, 15-year-old Lawrence King of Oxnard, Calif., was shot and killed by a schoolmate while attending a class at E.O. Green Junior High School. It was the most shocking and widely publicized anti-LGBT hate crime fatality since the murder of Matthew Shepard in 1998.

In the decade since, Congress has consistently failed to enact legislation to add sexual orientation and gender identity to the list of categories protected by federal hate crimes law. The attainment of that urgent goal came closer than ever in 2007, as both houses of Congress passed the Matthew Shepard Hate Crimes Prevention Act. But the threat of a presidential veto ultimately kept the measure from becoming law.

A more complex matrix of political challenges confronted ENDA, the Employment Non-Discrimination Act. A version of the bill made history on Nov. 7, 2007, when the House voted for the first time to ban workplace discrimination on the basis of sexual orientation. The urgency of passing a fully inclusive ENDA, protecting every member of the LGBT community, deepened our resolve to make maximum gains in the 2008 congressional elections, and to

elect a president who will sign both a fully inclusive ENDA and the Matthew Shepard Act into law.

If the 2008 elections bring the change for which so many Americans are yearning, the work of HRC in the past year has laid essential groundwork for making the attainment of LGBT equality one of its most important manifestations.

Sincerely,

Henry Robin and Mary Snider
Human Rights Campaign Board
Co-Chairs

FROM THE
HRC FOUNDATION BOARD CO-CHAIRS

LGBT equality was a reality in more lives than ever in 2008 as a direct result of the work of the Human Rights Campaign Foundation. Some of the most exciting progress was produced by HRC’s new Healthcare Equality Index, which began applying the same strategies that the HRC Workplace Project employs to produce change in corporate America, to the goal of improving the rights and access of LGBT healthcare consumers.

Similar to the Workplace Project’s Corporate Equality Index, the Healthcare Equality Index inventoried the policies and practices of nearly 100 hospitals in dozens of states. Participating institutions reported on 10 benchmarks, including patient non-discrimination and hospital visitation. The bad news: Just

45 percent of the hospitals answered “yes” to providing equal rights to LGBT patients. The good news: Healthcare institutions are now on notice that HRC is watching and measuring, and will now begin to compete for steadily increasing rankings on the HEI in coming years.

The same strategy has led a record 260 major U.S. employers to gain the top rating of 100 percent on the 2009 Corporate Equality Index — an increase of one-third over last year’s publication, and a vast improvement over the first CEI rankings in 2002. More than 9 million people work for companies scoring 100 percent on the Corporate Equality Index; HRC members and supporters are able to patronize those companies and their products and services by consulting companion rankings in our Buying

for Equality guide, the third edition of which was published in 2008. Together, the two projects represent the best of “bottom-up” pressure for positive progress toward equality in private sector America.

Building on the huge success of the “Clergy Call for Justice” on Capitol Hill in April 2007, HRC’s Religion and Faith Program launched preparations for a second such gathering. The inaugural event drew hundreds of religious leaders from all 50 states to share strategies for moving their congregations closer to a full embrace of LGBT equality. Their simultaneous visits to members of Congress were very often the first time some lawmakers had ever heard religious figures advocating for LGBT equality instead of against it.

The work of the HRC Foundation is an important adjunct to the political efforts of HRC itself — making certain that equality is moving forward on all fronts in American society, enlightening lawmakers to what’s possible by putting it into practice in the daily lives of millions of American citizens.

Sincerely,

Marty Lieberman and Anne Fay
Human Rights Campaign Foundation
Board Co-Chairs

THE HUMAN RIGHTS CAMPAIGN

The Human Rights Campaign represents a grassroots force of more than 725,000 members and supporters nationwide. As the largest national lesbian, gay, bisexual and transgender civil rights organization, HRC envisions an America where LGBT people are ensured of their basic equal rights, and can be open, honest and safe at home, at work and in the community.



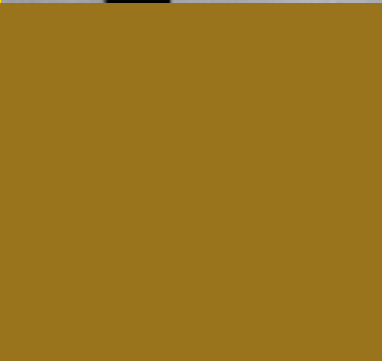
WE ENDORSED
200+
FAIR-MINDED
CANDIDATES
FOR CONGRESS

1050
LOBBY
VISITS
TO OFFICES ON
CAPITOL HILL

20

STATES

WITH LAWS THAT BAN
DISCRIMINATION BASED
ON SEXUAL ORIENTATION



260 MAJOR
COMPANIES SCORE
100% ON CEI





THE ELECTION OF A LIFETIME

“MY JOB AS PRESIDENT IS GOING TO BE TO MAKE SURE THAT THE LEGAL RIGHTS THAT HAVE CONSEQUENCES ON A DAY-TO-DAY BASIS FOR LOVING, SAME-SEX COUPLES ALL ACROSS THE COUNTRY ARE RECOGNIZED AND ENFORCED.” — Sen. Barack Obama, D-Ill., at the HRC Presidential Candidates Forum in Los Angeles on Aug. 9, 2007.

Before it was even halfway over, it was the longest presidential campaign in history. With the first serious female, African-American and Latino contenders, it was also the most diverse. And after seven dispiriting years of the Bush / Cheney administration, it was also the most consequential for the LGBT community and allies of equality hungry for a White House that again believed in the full worth of every American.

HRC set out to have an unprecedented level of visibility and impact in the 2008 campaign, and from its earliest hours began laying groundwork to achieve its full paradigm-shifting potential. Six of the leading Democratic candidates — Sens. Hillary Clinton (N.Y.) and Barack Obama (Ill.), former Sen. John Edwards (N.C.), Gov. Bill Richardson (N.M.), former Sen. Mike Gravel (Alaska)

and U.S. Rep. Dennis Kucinich (Ohio) — participated in the first-ever televised presidential forum devoted to LGBT issues. Co-produced by the HRC Foundation and the Logo cable network, the event took place Aug. 9, 2007, in front of a live audience in Los Angeles. (Invitations were also extended to all major Republican candidates, though none accepted.)

Throughout the fall, HRC organized voters and volunteers in key primary and caucus states, set up a full-time office in New Hampshire and trained volunteers in Iowa, Minnesota and Nevada. Wherever candidates turned, it seemed, they encountered voters eager to challenge them on “Don’t Ask, Don’t Tell,” marriage equality, immigration reform and other issues important to millions of LGBT Americans. In Florida, a dozen HRC field organizers trained hundreds of volunteers to meet with voters in the Jan. 29 primary,

educating them about the legal and personal consequences of a November 2008 ballot measure to ban marriage and civil unions for same-sex couples. The effort was part of an ongoing HRC partnership with Florida Red and Blue to defeat the measure. HRC field organizers were also dispatched to California to work against the anti-marriage measure in that state.

By the end of fiscal 2008 in March, HRC was preparing to launch a \$7 million effort to put the full force of its political strength behind its endorsed candidate for president and increase the ranks of fair-minded lawmakers in the House, Senate and state legislatures across the country. The campaign built on the acclaimed success of our 2006 political effort and was named, simply and categorically, the “Year to Win.”

HRC IN THE
2008
PRIMARIES

HRC WAS A VISIBLE PRESENCE IN MORE THAN A DOZEN PRIMARY AND CAUCUS STATES IN THE FIRST THREE MONTHS OF THE 2008 PRESIDENTIAL ELECTION.

**IN HONOR OF
MATTHEW SHEPARD**

“ THE FBI’S MOST RECENT HATE CRIMES REPORT SHOWS AN INCREASE IN BIAS-MOTIVATED VIOLENCE... HATE CRIMES BASED ON RELIGION AND SEXUAL ORIENTATION ARE THE SECOND AND THIRD MOST PREVALENT, FOLLOWING ONLY RACE IN THEIR FREQUENCY...COMMENTS SUCH AS REPRESENTATIVE KERN’S ONLY SERVE TO FUEL HATE-MOTIVATED VIOLENCE TOWARDS THE LGBT COMMUNITY. WE URGE YOU TO TAKE A STAND AGAINST REPRESENTATIVE KERN’S RHETORIC AND PUBLICLY CONDEMN THESE HATE-FILLED REMARKS.”

— Letter from HRC President Joe Solmonese to Oklahoma Gov. Brad Henry

Legislation to update and expand federal hate crimes law to include bias-motivated violence based on a victim’s sexual orientation and gender identity was passed by the U.S. House on May 3 (with a strong bipartisan margin of 237 to 180), and passed by the U.S. Senate as an amendment to the Defense Authorization Act in September.

Though it was the first time the measure passed both houses of Congress, it never made it to the president’s desk in the face of a veto threat. HRC organized support for the bill from 26 attorneys general, including 23 from states with anti-hate crimes laws, and 230 law enforcement, civil rights, civic and religious organizations.

**TELLING, PERSUADING AND
DEMANDING THE END OF A
BANKRUPT POLICY**

HRC’s “A Legacy of Service Tour” brought openly gay veterans to colleges, community centers, editorial boards and other settings across the country to showcase the futility and failures of the military’s “Don’t Ask, Don’t Tell” policy. The tour was followed by the dramatic “12,000 Flags for 12,000 Patriots” event on the National Mall in Washington, D.C., co-sponsored

by Servicemembers United, Log Cabin Republicans, Servicemembers Legal Defense Network and Liberty Education Forum; each flag represented a servicemember discharged over the 14 years of the policy. HRC also asked Democratic presidential candidates to submit statements highlighting their opposition to the law. All the candidates responded.



History was made on Nov. 7, when the U.S. House of Representatives passed the Employment Non-Discrimination Act by a vote of 235-184. It was the first time that either chamber of Congress voted in favor of employment protections based on sexual orientation. The vote was the culmination of 13 years of effort by HRC to close gaps in the law which currently make it legal in 30 states to fire someone based on their sexual orientation.

TOWARD A MORE PERFECT ENDA

HRC worked in coalition for more than two years helping to draft the first-ever fully inclusive ENDA. In early 2007, HR 2015 was introduced. As members of the House began seriously considering the legislation in summer, congressional leaders determined that a fully inclusive ENDA did not have sufficient votes to pass. Passionate and heartfelt debate about how to move forward followed, including a nationwide effort — HRC included — to change hearts and minds through an outpouring of face-to-face lobbying, phone calls, letters, e-mails, petitions and other direct appeals. Though full inclusion was not achieved in the final vote, HRC did win a commitment to hold a hearing on transgender workplace discrimination in mid-2008.

“THIS VOTE BY CONGRESS IS AN IMPORTANT STEP AT ENSURING THAT MILLIONS OF GAY AND LESBIAN AMERICANS WILL NEVER AGAIN HAVE TO GO TO WORK IN FEAR OF LOSING THEIR JOBS BECAUSE OF WHO THEY ARE. OUR FIGHT FOR EQUALITY WILL NOT BE WON OVERNIGHT; IT WILL BE WON ONE STEP AT A TIME, AND WE WILL NOT GIVE UP UNTIL WE REACH THE FINISH LINE.” — HRC President Joe Solmonese after the House passage of ENDA on Nov. 7, 2007.

Anti-gay rhetoric and vitriol poured forth in the media, across the Internet and in the private remarks of elected officials throughout 2008, and HRC was there to hold its purveyors accountable. HRC’s response goes beyond denouncing them by discrediting them as well, and putting them into a context in which public attitudes are enlightened.

“THE BIGGEST THREAT OUR NATION HAS.”

A secret recording of remarks by Oklahoma state Rep. Sally Kern (R-Oklahoma City) ignited a national firestorm in March 2008. Kern told a gathering of supporters that homosexuality “is the death knell of this country. I honestly think it’s the biggest threat our nation has, even more so than terrorism or Islam.” HRC wrote and released letters to the state’s governor, speaker of the house and senate president pro tempore demanding that they publicly condemn the statements in light of rising hate violence against gays and lesbians. Online mobilization of HRC members generated more than 60,000 messages of protest to Kern’s office.

Kern’s invective was book-ended by Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who told the *Chicago Tribune* that he supported the Pentagon’s “Don’t Ask, Don’t Tell” policy because homosexual acts “are immoral.” A swift response by HRC military spokesperson Eric Alva — the first soldier to be wounded in the Iraq war — was reported in countless television, radio, print and online media coverage.



“I AM A MAN WHO SURVIVED WAR, A MAN WHO SURVIVED A BATTLE, ONLY TO COME HOME TO ANOTHER BATTLE, AND THAT BATTLE IS FOR EQUALITY.” — Retired Staff Sgt. Eric Alva, HRC spokesperson, at the Iowa Historical Society in Des Moines during HRC’s “A Legacy of Service Tour.”

HRC IN CONGRESS

HRC WAS THE PRINCIPAL ADVOCATE FOR 10 BILLS TO ADVANCE LGBT EQUALITY UNDER FEDERAL LAW, INCLUDING:

1 EMPLOYMENT
NON-DISCRIMI-
NATION ACT

2 RESPONSIBLE
EDUCATION
ABOUT LIFE ACT

3 THE MATTHEW
SHEPARD ACT

4 MILITARY
READINESS
ENHANCEMENT ACT

5 TAX EQUITY FOR
HEALTH PLAN
BENEFICIARIES

6 EARLY
TREATMENT
FOR HIV ACT

7 APPROPRIATIONS
FOR HIV/AIDS
PROGRAMS

8 FAMILY AND
MEDICAL
LEAVE ACT

9 DOMESTIC
PARTNERSHIP
BENEFITS AND
OBLIGATIONS ACT

10 UNITING
AMERICAN
FAMILIES ACT

“OUR FATES ARE GOING TO BE DETERMINED BY WHAT HAPPENS AT THIS CRITICAL JUNCTURE IN OUR MOVEMENT. WE HAVE THE ABILITY TO TAKE THE FIGHT FOR EQUALITY TO A PLACE WE NEVER DREAMED OF JUST A FEW SHORT DECADES AGO.”



ON AVERAGE, THE HUMAN RIGHTS CAMPAIGN APPEARS IN ONE MAJOR NEWS OUTLET A DAY. BELOW IS A SAMPLE LIST OF SOME OF THE OUTLETS.

Atlanta Journal-Constitution
Boston Globe
CBS Evening News
Charleston Gazette
Chicago Sun-Times
Chicago Tribune
Contra Costa Times
CNN
Daily Press
The Dallas Morning News
Denver Post
Herald News
Houston Chronicle
The Journal Gazette
Las Vegas Review-Journal
Los Angeles Times
MSNBC
Modesto Bee
Miami Herald
National Public Radio
NBC Nightly News
New York Times
The Oregonian
Philadelphia Inquirer
The Post-Bulletin
Press Democrat
The Record
Rocky Mountain News
Salt Lake Tribune
San Francisco Chronicle
San Antonio Express-News
San Jose Mercury News
Santa Fe New Mexican
The Seattle Times
Star Tribune
USA Today
Times-Herald
The Virginian-Pilot
The Washington Post
World News Tonight

FAMILY MATTERS

With federal tax laws wholly unfavorable to same-sex couples and their families, millions of LGBT Americans are at risk of severe financial penalties and legal jeopardy. Even with proper planning, gay couples are ineligible for Social Security survivor benefits and are often unable to have a surviving partner declared next of kin.

HRC took the occasion of federal tax filing day to raise awareness of these inequities and to provide LGBT singles and couples with information and resources to take

charge of their financial futures. A weeklong “7 Days to a Better Financial You” campaign began on Monday, April 7, with a national action alert highlighting the financial burdens and legal hurdles facing same-sex couples, and a media conference call with HRC President Joe Solmonese, Legal Director Lara Schwartz and financial planner and columnist Joe Kapp.

During the call, HRC unveiled a new “Family Matters” legislative agenda to pass a series of laws to close many of the gaps that result from

LGBT Americans being denied the more than 1,100 federal benefits and protections of marriage. A “virtual town hall” for employers and employees followed on Tuesday, during which participants learned how to implement, advocate for and take advantage of workplace benefits. One of its most innovative topics was a template proposal to “gross-up” wages to offset the tax burden of registering for domestic partner health benefits.

Thursday brought a national web chat with Kapp, Schwartz, tax and

estate attorney Brenda Jackson-Cooper and HRC State Legislative Director Chris Edelson answering questions from hundreds of registrants. A myriad of other e-mails, outreach, print media and other activities delivered the message of the “7 Days” campaign to tens of thousands of people nationwide in what proved to be one of the most eagerly received HRC initiatives ever. The campaign culminated with an April 15 gathering of faith and religious leaders calling attention to the moral imperative of enacting tax laws that are fair to their LGBT parishioners.

ADVOCATING FOR LAWS THAT TREAT OUR FAMILIES EQUALLY

HRC’s New “Family Matters” Legislative Agenda

- ▶ ELIMINATE TAXATION OF EMPLOYER-PROVIDED HEALTH INSURANCE
- ▶ SOCIAL SECURITY SURVIVOR BENEFITS
- ▶ FAMILY AND MEDICAL LEAVE
- ▶ PROTECTIONS FOR CHILDREN
- ▶ FAIR TREATMENT OF HEALTH AND RETIREMENT SAVINGS
- ▶ CONTINUED HEALTH INSURANCE UNDER COBRA
- ▶ EQUAL COMPENSATION FOR FEDERAL CIVILIAN EMPLOYEES
- ▶ EQUAL VETERANS’ FAMILY BENEFITS



TRUE COLORS

The True Colors Tour 2008, co-produced by HRC and Cyndi Lauper, brought five hours of music and political awareness to 24 cities. It built on the success of True Colors 2007, which visited 15 cities. The 2008 tour featured Lauper, The B-52s and Carson Kressley as

well as other guests in select cities — like Tegan and Sara, Joan Jett and the Blackhearts, The Cliks, Wanda Sykes, Rosie O'Donnell and Joan Armatrading, among others. Performers told concertgoers about the importance of going to the polls in November.

Concertgoers benefitted from HRC’s valuable partnership with iTunes — each attendee received free iTunes cards and could redeem 15 free songs from artists on the tour. More than 70,000 people attended the concerts. HRC received \$1 from each ticket sold.

“PEOPLE DON’T KNOW THE FACTS. THEY DON’T KNOW THAT YOU CAN BE FIRED FROM YOUR JOB IN 30 STATES IF YOU’RE GAY, LESBIAN OR BISEXUAL, AND IN 38 STATES IF YOU ARE TRANSGENDER. THEY DON’T KNOW THAT THE HATE CRIME LAW DOESN’T EXTEND TO EVERYONE. EDUCATION IS SO KEY. SO THAT’S WHAT WE’RE TRYING TO DO, IN A FUN, LOVING WAY.”

– Cyndi Lauper on the True Colors Tour



THEY DO — FINALLY

Star Trek legend and HRC Coming Out Project spokesman George Takei and his partner of 21 years, Brad Altman, were the first couple to receive a marriage license in West Hollywood after a May 2008 California Supreme Court ruling that gay and lesbian couples had a constitutional right to full marriage equality. The ruling went into effect on June 17.

Takei, famous for his portrayal of Mr. Sulu on the long-running television series, came out publicly in 2005 and agreed to be the HRC Coming Out Project spokesman six months later. He undertook a nationwide speaking tour through six cities that spring, speaking about his life as a gay Japanese American and encouraging others to share their stories.

In the months preceding the historic California ruling, HRC contributed \$100,000 and six full-time staff members to organize opposition to an expected measure banning marriage equality. HRC has since contributed more than \$2 million in additional support to Equality for All — the coalition formed to defeat what has since become known as Proposition 8.

TRANSGENDER: A MULTI-PRONGED FIGHT

“WHEN MY HEAD HITS THE PILLOW EVERY NIGHT, I CLOSE MY EYES AND THINK ABOUT MY FRIENDS WHO ARE TRANSGENDER,” SAID DIEGO SANCHEZ. “I MISS MY FRIEND, ALEXANDER JOHN GOODRUM, WHO TOOK HIS OWN LIFE. I FEEL GUILTY ABOUT MY FRIEND ETHAN ST. PIERRE, WHO LOST HIS JOB WHEN HE BEGAN HIS TRANSITION FROM FEMALE TO MALE.” HE RECALLS, AS WELL, “HAVING TO WAIT, FOR FEAR OF BEING FIRED, TO BE WHO I WAS ALWAYS DESTINED TO BE.”

Sanchez’s story is, sadly, not uncommon for transgender Americans.

What’s remarkable about it, however, is that Sanchez — who is himself transgender — was able to tell it to the United States Congress, in the first-ever hearing on workplace discrimination against transgender Americans. The groundbreaking event was a critical part of efforts by HRC and the entire LGBT community to educate members of Congress about the issues facing transgender Americans and the need for federal workplace protections based on gender identity. Sanchez is a member of the HRC Business Council and HRC Boston Steering Committee.

HRC’s commitment to protecting the rights of transgender Americans has

never been stronger. In the last year, we’ve continued to weave transgender issues into programs such as the HRC Coming Out Project, which published its first guide to “Coming Out as Transgender.”

HRC’s Workplace Project released “Transgender Inclusion in the Workplace,” a comprehensive manual for human resource and other employment professionals with best practices for transgender workplace inclusion. The publication covers discrimination and benefits policies, internal practices that reflect how gender is expressed and integrated in the workplace, and the state of legal issues encompassing gender identity in employment situations. The project’s ongoing advocacy within corporate America has played a major role in guiding a majority of

companies rated in our Corporate Equality Index — 66 percent — to provide employment protections on the basis of gender identity.

Visitors to HRC’s website can access a wealth of resources related to transgender rights and other issues, including reports, videos, data on city and county non-discrimination ordinances that include gender identity, links and more. Corporate leaders can watch or order a 45-minute video presentation to acquaint them with the legal and human dimensions of gender identity and transition. And HRC’s Back Story blog regularly posts news, discussions and insight about transgender people and related issues.



HEALTH. CARE. EQUALITY.

HRC teamed up with the Gay and Lesbian Medical Association to launch the groundbreaking Healthcare Equality Index, a long-term initiative to develop and promote “gold standard” policies for treating LGBT people and their families fairly. The project brings to the healthcare industry the same strategies that the HRC Workplace Project has employed with resounding success to achieve progress in the employment arena.

Spearheading the effort is the HRC Family Project, which invited hundreds of hospitals across the country to participate in a first-of-its-kind online survey. A detailed report on its findings was released in May covering nearly 100 hospitals in dozens of states with more than one million annual patient admissions. Just 45 percent of the healthcare facilities answered “yes” to 10 key indicators, including patient non-discrimination, hospital visitation

and decision-making, and LGBT-inclusive cultural competency and diversity policies. Going forward, a Healthcare Equality Index Advisory Council is providing input and strategies for reaching out to all sectors of the industry to bring attention and accountability to their policies and practices. A second report is scheduled for release in spring 2009.

HUMAN RIGHTS CAMPAIGN FOUNDATION

Through research, educational efforts and outreach, the Human Rights Campaign Foundation encourages lesbian, gay, bisexual and transgender Americans to live their lives openly and seeks to change the hearts and minds of Americans to the side of equality.



THE CENTER
FOR THE
STUDY OF
EQUALITY



FAMILY
PROJECT

**COMING
OUT**
PROJECT

DIVERSITY
PROGRAM



**RELIGION
AND FAITH
PROGRAM**

WORKPLACE
PROJECT

**YOUTH
AND
CAMPUS
OUTREACH
PROGRAM**



AT THE INTERSECTION: RACE, SEXUALITY AND GENDER

Behind the rainbow flags, the nation-wide LGBT community and its allies are made up of an astonishingly broad array of people from every nationality, race and ethnicity. Too often, of course, mainstream society is quick to equate “LGBT” with “white.” HRC has long sought to incorporate the diversity of the LGBT communities and their members in its multiple communications, and to structure its policy, organizing, workplace and other programs in ways that achieve maximum relevance to all.

As part of this ongoing initiative, HRC launched “Equality Forward,” an extensive outreach and research-effort designed to explore and quantify the attitudes and priorities of LGBT people of color. A primary goal of the project is to explore the differences and commonalities

of discrimination based on racial, cultural, and sexual identity.

More than 5,000 people completed the 24-question Equality Forward survey, doing so online, at church, in break rooms, at pride festivals, and at social gatherings. Their responses paint a picture of the myriad ways that discrimination shapes the lives of some of America’s most overlooked minority groups. Among the survey’s findings:

- ▶ Eighty-nine percent believe young people are becoming more accepting of LGBT people, and 80 percent believe America is becoming more accepting.
- ▶ Nearly 70 percent of respondents believe that their families and ethnic or racial communities are

becoming more accepting of LGBT people, while less than half (47 percent) report that their religious communities are moving in that direction.

- ▶ Seven in 10 agree that sexism (74 percent) and racism (68 percent) are as prevalent among LGBT people as they are among non-LGBT people.

Focus groups further explored the experiences of survey participants, leading to a substantive report published by HRC in the fall of 2008. The Equality Forward project is ongoing, and will continue to pursue new insight into the challenges and priorities facing LGBT people of color today. More information is available at www.hrc.org/equalityforward

FAITH IN TRANSITION

An August 2008 conference sponsored by the HRC Religion and Faith Program, “Out In Season: Looking at the Church with Transgender Eyes,” brought together 11 transgender theologians, pastors and therapists (including HRC’s own Allyson Robinson) to draft three seasonal units for *Out in Scripture*, the program’s online preaching and devotional resource. These units will introduce users to transgender perspectives on the Christian seasons of Advent/Christmas, Lent/Easter and what is known in church circles as Ordinary Time. Participants brought with them a new and bold perspective to Scripture, to the understanding of the experiences of transgender people, and to the politics of gender identity and expression.

WORKPLACE AT THE VANGUARD

Lesbian, gay, bisexual and transgender employees and their families are valued in the U.S. workplace more than ever before. Non-discrimination policies, benefits and other practices that include LGBT employees, consumers and investors are increasingly essential for U.S. businesses seeking to compete for talent and customers. HRC’s Workplace Project continues to be a driving force behind these trends.

The seventh annual Corporate Equality Index, a benchmark report on the treatment of LGBT employees, consumers and investors by America’s leading corporations, cited 260 businesses with a perfect score, a one-third increase from the year before. Together, those businesses employ more than nine million workers, who have protection from employment discrimination based on sexual orientation and gender identity or expression and access to equal benefits.

With the failure of federal law to protect LGBT Americans from workplace discrimination, the practices of leading U.S. companies are setting a new standard that is resonating from the Fortune 500 to smaller employers. HRC Workplace Project staff work directly with corporate and business managers to assess, develop and implement policies in ways that will bring them closer to a 100 percent ranking on the CEI. The Project also

works with LGBT employee groups to support and inform their efforts to advocate from within.

Transgender workers have made especially notable gains since the Corporate Equality Index was first published in 2002. That year, just 5 percent of rated businesses provided employment protections based on gender identity or expression. In the 2009 CEI, that figure increased 12-fold: 66 percent of rated businesses now prohibit discrimination based on gender identity or expression, a 28 percent increase over last year.

The CEI and its findings are widely reported in national and trade media, creating visibility for companies scoring high rankings, and pressure on companies lagging behind. This year’s report has drawn increasing attention to the issue of healthcare discrimination, particularly the extent to which company health plans do

or do not cover medically necessary treatments for gender transition. In a new section, “Ending Benefits Discrimination Against Transgender Employees,” the HRC Foundation found that 49 businesses have taken significant and substantial steps to remove discrimination from at least one of their health insurance plans, a trend that the Workplace Project will be working to accelerate in years to come. Two new transgender appointees to the HRC Business Council will join 20 other council members in pursuing that goal.

2008 also saw the publication of the second edition of HRC’s “Transgender Inclusion in the Workplace” a resource manual for employment professionals that includes best practices for transgender workplace inclusion as well as a comprehensive overview of legal issues encompassing gender identity in employment situations.

OUR NEW PROGRAM “WELCOMING SCHOOLS”

In a pilot group of three school districts, the project is providing teachers and administrators with concrete tools and effective interventions to help them create safer learning environments for students who are on a unique gender path.

- ▶ ALL STUDENTS SHOULD FEEL THAT THEY AND THEIR FAMILIES ARE INCLUDED AND VALUED IN THEIR SCHOOL COMMUNITY.
- ▶ STUDENTS ARE BETTER ABLE TO LEARN WHEN THEY SEE THEMSELVES AND THEIR FAMILIES REFLECTED IN THE CURRICULUM.
- ▶ RESEARCH SHOWS THAT STUDENTS DO BETTER ACADEMICALLY WHEN THEY FEEL SUPPORTED BY THEIR TEACHERS AND THEIR SCHOOL.
- ▶ PRESSURE TO CONFORM TO TRADITIONAL GENDER ROLES CAN LIMIT STUDENTS’ SOCIAL AND ACADEMIC DEVELOPMENT.
- ▶ NAME-CALLING AND BULLYING IS HARMFUL TO THE SOCIAL AND ACADEMIC DEVELOPMENT OF TARGETS, BYSTANDERS AND PERPETRATORS.

WHERE WE ARE NOW

CALIFORNIA: In the spring, the California Supreme Court ruled that banning committed gay and lesbian couples from marrying violates the state's constitution. But foes of equality were already working to put a constitutional ban on marriage equality on the November ballot. HRC was there to support Equality for All's "decline to sign" campaign with a donation of \$100,000 and six full-time field staff. While ultimately unsuccessful at blocking the amendment from moving to the ballot, the campaign raised public awareness about the issue and identified a core group of volunteers numbering in the thousands. HRC continued as a key member of the

Equality for All coalition, providing additional field organizing staff and more than \$2 million in direct financial contributions, \$1 million of which was generously donated by HRC board of directors member Bruce Bastian.

FLORIDA: A proposed constitutional amendment in Florida could ban marriage and civil unions for committed gay and lesbian couples and also eliminate existing domestic partnership registries in the state that provide key protections for unmarried couples, both gay and straight. HRC provided \$100,000 in early seed money to Say No 2/ Florida Red & Blue, the leading

campaign working to defeat this amendment, encouraging other donors to join the fight. HRC also deployed staff members across the state, where they recruited and trained 200-plus volunteers to work at the polls during the January presidential primary. As a result of their efforts, volunteers fanned out to polling places from Jacksonville to Miami, educating nearly 10,000 voters about the amendment and identifying 330 future volunteers and 2,300 anti-amendment voters.

MARYLAND: Local officials in Montgomery County, Md., unanimously passed a law banning discrimination on the basis of

gender identity, but opponents of equality blocked implementation of the law by seeking to place the issue on the November ballot. At press time, Maryland's high court ruled that the referendum does not qualify for the ballot and the new law prohibiting discrimination based on gender identity or expression should go into effect. HRC staff and volunteers worked side-by-side with friends from allied groups to review petition signatures. And HRC donated \$20,000 to Basic Rights Montgomery to hire a full-time campaign manager.

KANSAS: When Kansas Gov. Kathleen Sebelius signed an executive

NEWLY ELECTED LEGISLATIVE LEADERSHIP HELPED
PASS A DOMESTIC PARTNERSHIP LAW AND A LAW BANNING DISCRIMINATION
ON THE BASIS OF SEXUAL ORIENTATION AND GENDER IDENTITY.

HRC FIELD STAFF CONDUCTED TRAINING SESSIONS FOR PRESIDENTIAL CAUCUSES IN JANUARY 2008.

HRC WAS THERE TO SUPPORT EQUALITY FOR ALL'S CAMPAIGN WITH DONATIONS OF
MORE THAN \$2 MILLION
AND SIX FULL-TIME FIELD STAFF.

HRC FIELD STAFF WORKED WITH EQUALITY NEW MEXICO AND OTHER GROUPS IN AN EFFORT TO PASS BROAD DOMESTIC PARTNER LEGISLATION. THE BILL PASSED THE STATE HOUSE BUT DIED IN THE SENATE.

HRC FIELD STAFF WORKED TO ACTIVATE HRC MEMBERS IN THE DALLAS-FORT WORTH AREA FOR A STATE HOUSE CAMPAIGN. DAN BARRETT, A FAIR-MINDED STATE REPRESENTATIVE, WON THE ELECTION IN DECEMBER 2007 BY JUST OVER 500 VOTES. THIS TIPPING POINT SURPRISE
VICTORY
PUT THAT CHAMBER IN PLAY FOR NOVEMBER.

order in August 2007 protecting more than 37,000 state employees from discrimination on the basis of sexual orientation or gender identity, HRC volunteer leaders were in the room. That's because HRC staff and volunteer leaders had provided the governor and her staff with key guidance about how other governors had navigated these same waters.

NEW HAMPSHIRE: Home to the first presidential primary, New Hampshire has always played a crucial role in the presidential selection process. Voters in the Granite State are used to having personal conversations with candidates in diners and living rooms, and HRC

wanted to make sure that candidates of both parties got to know proudly out LGBT voters and tackle tough questions about equality at every campaign stop. That's why HRC opened a field organizing office in Concord and recruited hundreds of volunteers to attend campaign events. After dozens of campaign stops, every candidate came to immediately recognize the yellow "Vote Equality" T-shirts worn by HRC volunteers and expect questions about the Defense of Marriage Act, "Don't Ask, Don't Tell," and equal benefits for LGBT federal employees.

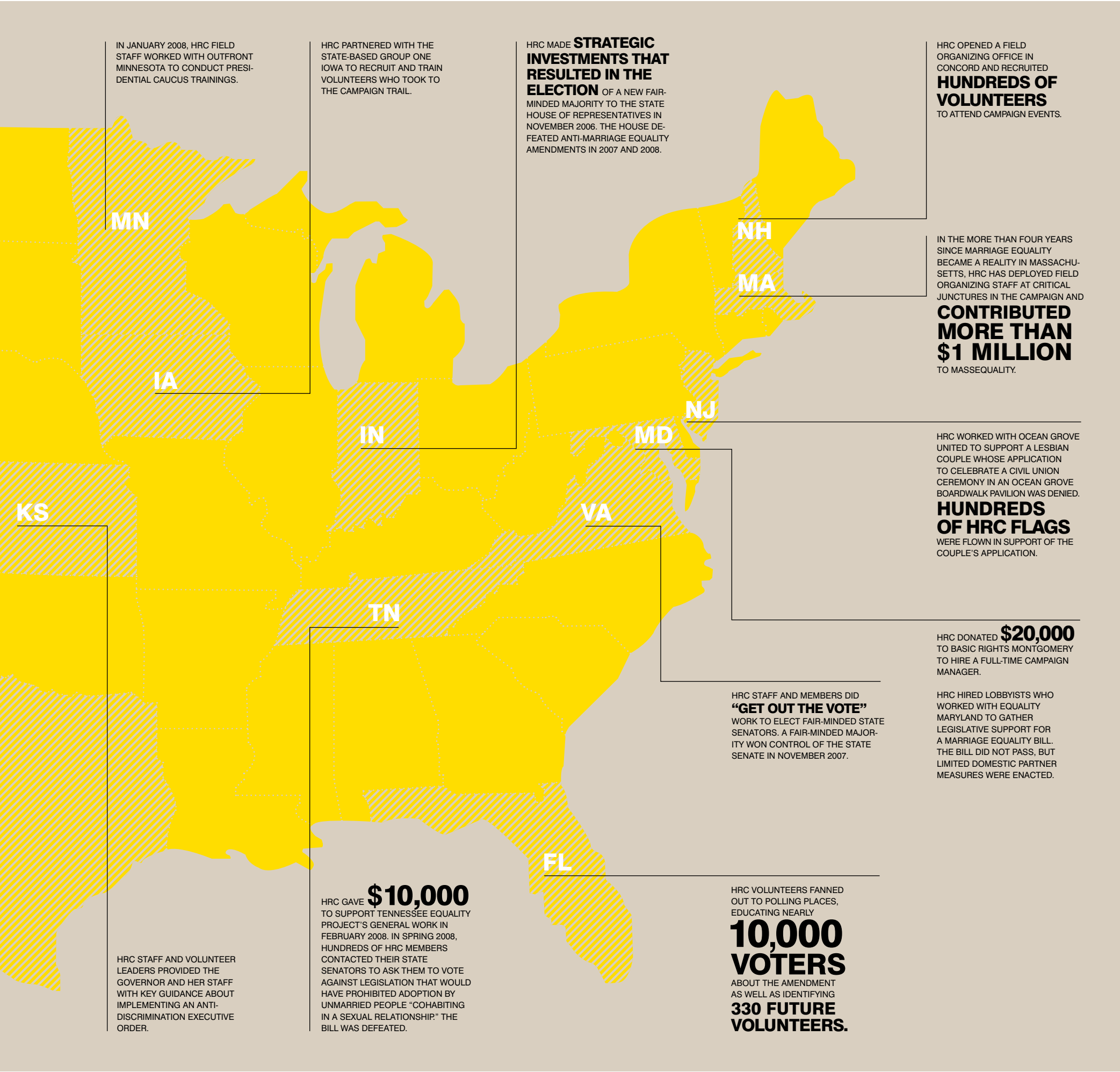
IOWA: Every four years, voters turn out in the cold Iowa winter to caucus

for their presidential candidate. As home to the first caucus and a key determinant of early support, every presidential candidate campaigns intensely in the Hawkeye State. This year, HRC campaigned there, too. HRC partnered with the state-based group One Iowa to recruit and train volunteers who took to the campaign trail, making sure candidates from both parties met with supporters of equality and answered questions about LGBT issues at every stop. HRC also worked to boost caucus turnout by supporters of equality with training designed to familiarize new voters with the often confusing caucus process.

OREGON: After a devastating anti-marriage amendment vote in 2004, HRC partnered with Basic Rights Oregon and invested heavily in local efforts to elect a fair-minded majority to the Oregon state legislature. That investment paid off in 2007 when newly elected legislative leadership helped pass a domestic partnership law and a law banning discrimination on the basis of sexual orientation and gender identity. Committed gay and lesbian couples in Oregon began registering as domestic partners, with all the state-level benefits of marriage, in February of this year.

MASSACHUSETTS: When Massachusetts became the first state

to end marriage discrimination against gay and lesbian couples, extreme right-wing forces scrambled to work trying first to block the marriages and then to undo them. In June 2007, supporters of equality in the Bay State could finally rest a little easier after the state legislature voted 151 – 45 to defeat a proposed anti-marriage constitutional amendment. In the more than four years since marriage equality became the law of the land in Massachusetts, HRC has deployed field organizing staff at critical junctures during the campaign and proudly contributed more than \$1 million to MassEquality.



VISION.
STRENGTH.
PROGRESS.

THROUGHOUT THIS REPORT, YOU HAVE SEEN HOW THE HUMAN RIGHTS CAMPAIGN AND THE HUMAN RIGHTS CAMPAIGN FOUNDATION — THROUGH THE COLLECTIVE EFFORTS OF OUR 725,000 MEMBERS AND SUPPORTERS — HAVE PUSHED BOUNDARIES, ACHIEVED GOALS, AND BROUGHT THE GOAL OF EQUALITY FOR ALL EVER CLOSER TO A REALITY DURING THE 2008 FISCAL YEAR.

None of this was possible without the generous support of hundreds of thousands of individuals, as well as corporations and foundations whose contributions to HRC and HRCF meant that total revenue increased 5 percent to \$43.9 million in fiscal year 2008.

Progress comes with strategic investment and \$28.7 million was invested in program spending this year, representing 68 percent of every dollar spent with \$8.5 million to move our political objectives in states and Congress; \$9.8 million in education and outreach efforts in response to the lived experience of lesbian, gay, bisexual and transgender individuals in their

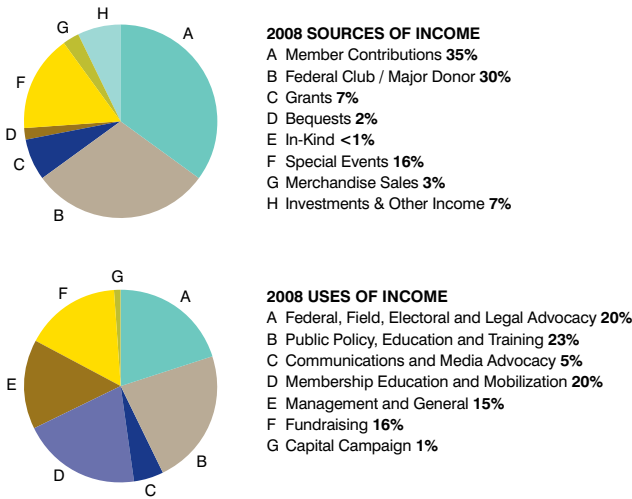
families, the workplace, the market-place and in faith communities; \$8.6 million to educate, motivate and mobilize our members and supporters; and \$1.9 million to communicate our message through various media.

At the same time, total spending on management and general and fundraising expenses were flat from 2007 levels. On a combined basis, the joint cost of fundraising for HRC and HRCF (calculated as total fundraising expenses divided by total revenue as reported on the IRS Form 990 tax return) was 13 percent in fiscal year 2008 (excluding the capital campaign).

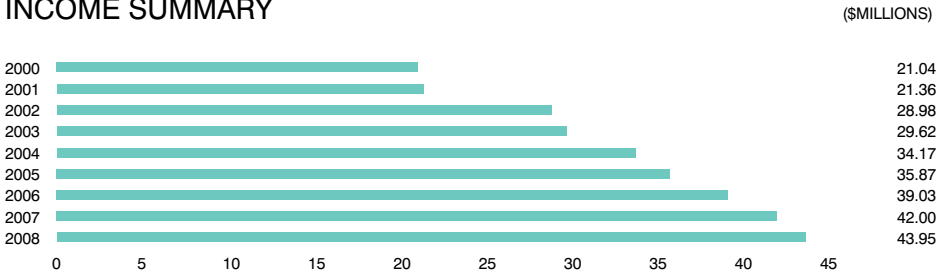
We thank you, our members and donors — especially our Federal Club, Federal Club Council and Partners members — for your unwavering support of our important work. Through your generous financial support and continued dedication to equality, you’re ensuring our continued growth and the strength of the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

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2008 AND 2007

HRC AND HRC FOUNDATION COMBINED



HRC AND HRC FOUNDATION COMBINED
INCOME SUMMARY



On a combined basis, the Human Rights Campaign and the Human Rights Campaign Foundation (including the HRC Foundation’s “Building Equality” Capital Campaign, which raised money to finance the purchase and renovation of the HRC / HRC Foundation’s national headquarters building in Washington, D.C.) had a joint cost of fundraising of 14 percent in 2008. The joint cost of fundraising, excluding the Capital Campaign revenue and expense, was 13 percent in 2008. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS
CAMPAIGN FOUNDATION COMBINED

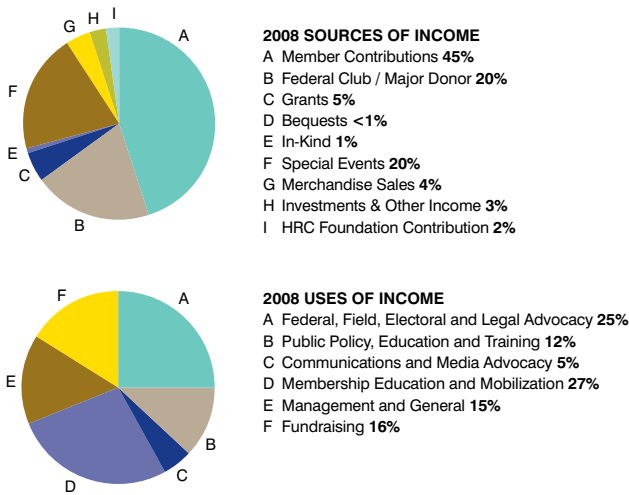
| | 2008 | 2007 |
|--|----------------------------|-------------------------|
| Beginning Net Assets | \$28,322,106 | \$28,286,364 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Member Contributions | 15,466,469 | 14,542,781 |
| Federal Club / Major Donor contributions | 13,068,096 | 12,429,363 |
| Corporate / Foundation grants | 3,105,097 | 3,426,048 |
| Bequests | 844,750 | 725,294 |
| In-kind | 468,314 | 587,509 |
| Special Events | 6,842,863 | 6,729,288 |
| Merchandise sales | 1,265,056 | 1,269,512 |
| Investment and other income | 2,886,546 | 2,289,506 |
| Total Revenue and Support | 43,947,191 | 41,999,301 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field, Electoral and Legal Advocacy | 8,550,006 | 8,902,005 |
| Public Policy, Education and Training | 9,775,471 | 9,850,184 |
| Communications and Media Advocacy | 1,933,893 | 1,600,145 |
| Membership Education and Mobilization | 8,470,465 | 8,213,094 |
| Total Program Services | 28,729,835 | 28,565,428 |
| Supporting Services: | | |
| Management and General | 6,242,351 | 6,170,545 |
| Fundraising | 6,693,590 | 6,795,439 |
| Capital Campaign | 596,674 | 432,147 |
| Total Supporting Services | 13,532,615 | 13,398,131 |
| Total Expenses | 42,262,450 | 41,963,559 |
| CHANGES IN NET ASSETS | 1,684,741 | 35,742 |
| Ending Net Assets | \$30,006,847 | \$28,322,106 |

HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS
CAMPAIGN FOUNDATION COMBINED

| | Unrestricted | Temporarily Restricted | Total |
|--|------------------------------|--------------------------------|------------------------------|
| REVENUE AND SUPPORT | | | |
| Contributions: | | | |
| Member Contributions | \$14,681,864 | \$784,605 | \$15,466,469 |
| Federal Club / Major Donor contributions | 12,641,893 | 426,203 | 13,068,096 |
| Corporate / Foundation grants | 1,657,772 | 1,447,325 | 3,105,097 |
| Bequests | 844,750 | - | 844,750 |
| In-kind | 468,314 | - | 468,314 |
| Special Events | 6,842,863 | - | 6,842,863 |
| Merchandise sales | 1,265,056 | - | 1,265,056 |
| Investment and other income | 2,881,006 | 5,540 | 2,886,546 |
| Net assets released from restrictions | 4,687,136 | (4,687,136) | - |
| Total Revenue and Support | 45,970,654 | (2,023,463) | 43,947,191 |
| EXPENSES | | | |
| Program services: | | | |
| Federal, Field, Electoral and Legal Advocacy | 8,550,006 | - | 8,550,006 |
| Public Policy, Education and Training | 9,775,471 | - | 9,775,471 |
| Communications and Media Advocacy | 1,933,893 | - | 1,933,893 |
| Membership Education and Mobilization | 8,470,465 | - | 8,470,465 |
| Total Program Services | 28,729,835 | - | 28,729,835 |
| Supporting Services: | | | |
| Management and General | 6,242,351 | - | 6,242,351 |
| Fundraising | 6,693,590 | - | 6,693,590 |
| Capital Campaign | 596,674 | - | 596,674 |
| Total Supporting Services | 13,532,615 | - | 13,532,615 |
| Total Expenses | 42,262,450 | - | 42,262,450 |
| CHANGES IN NET ASSETS | \$3,708,204 | \$(2,023,463) | \$1,684,741 |

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2008 AND 2007

HUMAN RIGHTS CAMPAIGN



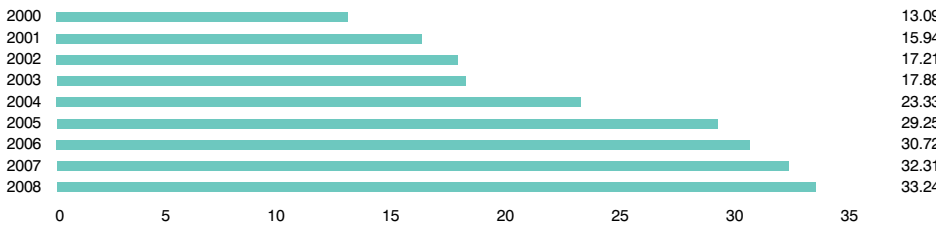
HUMAN RIGHTS CAMPAIGN

| | 2008 | 2007 |
|--|-------------|-------------|
| Beginning Net Assets | \$4,215,770 | \$4,214,442 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Member Contributions | 15,122,556 | 14,204,602 |
| Federal Club / Major Donor contributions | 6,783,845 | 6,595,280 |
| Corporate / Foundation grants | 1,602,458 | 1,569,190 |
| Bequests | 50,707 | 349,155 |
| In-kind | 328,920 | 475,762 |
| Special Events | 6,676,463 | 6,573,726 |
| Merchandise Sales | 1,265,056 | 1,269,512 |
| Investment and other income | 908,458 | 868,817 |
| HRC Foundation contribution in support of HRC activities | 500,000 | 400,000 |
| Total Revenue and Support | 33,238,463 | 32,306,044 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field, Electoral and Legal Advocacy | 7,893,820 | 8,461,414 |
| Public Policy, Education and Training | 3,684,428 | 3,885,469 |
| Communications and Media Advocacy | 1,879,842 | 1,575,477 |
| Membership Education and Mobilization | 8,469,424 | 8,213,094 |
| Total Program Services | 21,927,514 | 22,135,454 |
| Supporting Services: | | |
| Management and General | 4,696,063 | 4,769,103 |
| Fundraising | 5,257,079 | 5,400,159 |
| Total Supporting Services | 9,953,142 | 10,169,262 |
| Total Expenses | 31,880,656 | 32,304,716 |
| CHANGES IN NET ASSETS | | |
| Ending Net Assets | \$5,573,577 | \$4,215,770 |

HUMAN RIGHTS CAMPAIGN
INCOME SUMMARY

Includes HRC and HRC Political Action Committee

(\$MILLIONS)



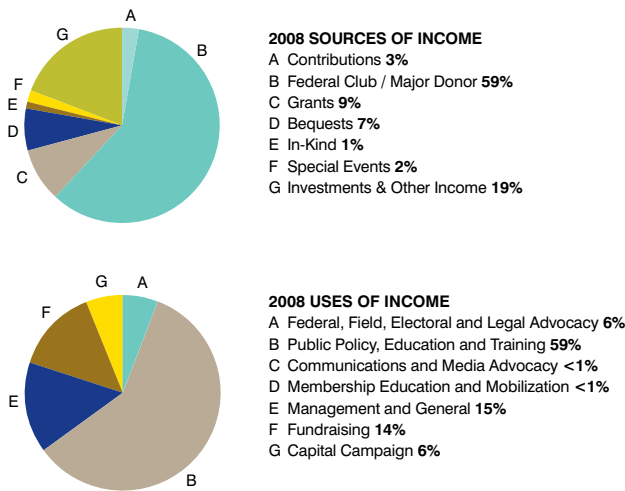
The Human Rights Campaign's cost of fundraising was 13 percent in 2008. Cost of fundraising is calculated as total fundraising expense divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN

| | Unrestricted | Temporarily Restricted | Total |
|--|--------------|------------------------|--------------|
| REVENUE AND SUPPORT | | | |
| Contributions: | | | |
| Member Contributions | \$14,337,951 | \$784,605 | \$15,122,556 |
| Federal Club / Major Donor contributions | 6,703,185 | 80,660 | 6,783,845 |
| Corporate / Foundation grants | 430,133 | 1,172,325 | 1,602,458 |
| Bequests | 50,707 | - | 50,707 |
| In-kind | 328,920 | - | 328,920 |
| Special Events | 6,676,463 | - | 6,676,463 |
| Merchandise Sales | 1,265,056 | - | 1,265,056 |
| Investment and other income | 902,401 | 6,057 | 908,458 |
| HRC Foundation contribution in support of HRC activities | 500,000 | - | 500,000 |
| Net assets released from restrictions | 2,030,994 | (2,030,994) | - |
| Total Revenue and Support | 33,225,810 | 12,653 | 33,238,463 |
| EXPENSES | | | |
| Program services: | | | |
| Federal, Field, Electoral and Legal Advocacy | 7,893,820 | - | 7,893,820 |
| Public Policy, Education and Training | 3,684,428 | - | 3,684,428 |
| Communications and Media Advocacy | 1,879,842 | - | 1,879,842 |
| Membership Education and Mobilization | 8,469,424 | - | 8,469,424 |
| Total Program Services | 21,927,514 | - | 21,927,514 |
| Supporting Services: | | | |
| Management and General | 4,696,063 | - | 4,696,063 |
| Fundraising | 5,257,079 | - | 5,257,079 |
| Total Supporting Services | 9,953,142 | - | 9,953,142 |
| Total Expenses | 31,880,656 | - | 31,880,656 |
| CHANGES IN NET ASSETS | | | |
| | \$1,345,154 | \$12,653 | \$1,357,807 |

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2008 AND 2007

HUMAN RIGHTS CAMPAIGN FOUNDATION

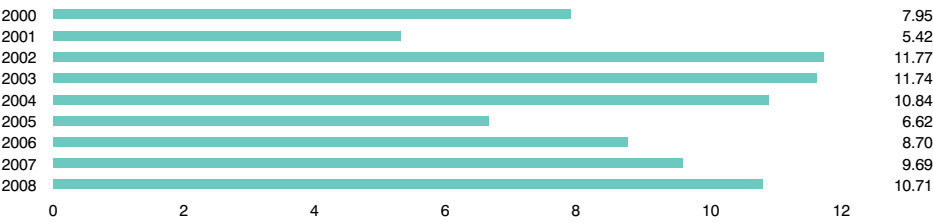


HUMAN RIGHTS CAMPAIGN FOUNDATION

| | 2008 | 2007 |
|--|----------------|---------------|
| Beginning Net Assets | \$24,106,336 | \$24,071,922 |
| REVENUE AND SUPPORT | | |
| Contributions: | | |
| Contributions | 343,913 | 338,179 |
| Federal Club / Major Donor contributions | 6,284,251 | 5,834,083 |
| Corporate / Foundation grants | 1,002,639 | 1,456,858 |
| Bequests | 794,043 | 376,139 |
| In-kind | 139,394 | 111,747 |
| Special Events | 166,400 | 155,562 |
| Merchandise sales | - | - |
| Investment and other income | 1,978,088 | 1,420,689 |
| Total Revenue and Support | 10,708,728 | 9,693,257 |
| EXPENSES | | |
| Program Services: | | |
| Federal, Field, Electoral and Legal Advocacy | 656,186 | 440,591 |
| Public Policy, Education and Training | 6,091,043 | 5,964,715 |
| Communications and Media Advocacy | 54,051 | 24,668 |
| Membership Education and Mobilization | 1,041 | - |
| Total Program Services | 6,802,321 | 6,429,974 |
| Supporting Services: | | |
| Management and General | 1,546,288 | 1,401,442 |
| Fundraising | 1,436,511 | 1,395,280 |
| Capital Campaign | 596,674 | 432,147 |
| Total Supporting Services | 3,579,473 | 3,228,869 |
| Total Expenses | 10,381,794 | 9,658,843 |
| CHANGES IN NET ASSETS | 326,934 | 34,414 |
| Ending Net Assets | \$24,433,270 | \$24,106,336 |

HUMAN RIGHTS CAMPAIGN FOUNDATION
INCOME SUMMARY

(\$MILLIONS)



The Human Rights Campaign Foundation, including the Capital Campaign, had a cost of fundraising of 19% in 2008. The HRC Foundation's cost of fundraising excluding Capital Campaign revenue and expenses was 14% in 2008. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

Includes HRC Foundation and "Building Equality" Capital Campaign revenue. The "Building Equality" Capital Campaign raised money to finance the purchase and renovation of the HRC / HRC Foundation's national headquarters building in Washington, D.C. The first large gifts to the Capital Campaign began in 2000 with the majority of gifts and pledges made in the 2002-2004 fiscal years. The Capital Campaign represented significant revenue to the HRC Foundation during those years.

HUMAN RIGHTS CAMPAIGN FOUNDATION

| | Unrestricted | Temporarily Restricted | Total |
|--|--------------------|------------------------|------------------|
| REVENUE AND SUPPORT | | | |
| Contributions: | | | |
| Contributions | \$343,913 | - | \$343,913 |
| Federal Club / Major Donor contributions | 5,938,708 | 345,543 | 6,284,251 |
| Corporate / Foundation grants | 727,639 | 275,000 | 1,002,639 |
| Bequests | 794,043 | - | 794,043 |
| In-kind | 139,394 | - | 139,394 |
| Special Events | 166,400 | - | 166,400 |
| Merchandise sales | - | - | - |
| Investment and other income | 1,978,605 | (517) | 1,978,088 |
| Net assets released from restrictions | 2,656,142 | (2,656,142) | - |
| Total Revenue and Support | 12,744,844 | (2,036,116) | 10,708,728 |
| EXPENSES | | | |
| Program Services: | | | |
| Federal, Field, Electoral and Legal Advocacy | 656,186 | - | 656,186 |
| Public Policy, Education and Training | 6,091,043 | - | 6,091,043 |
| Communications and Media Advocacy | 54,051 | - | 54,051 |
| Membership Education and Mobilization | 1,041 | - | 1,041 |
| Total Program Services | 6,802,321 | - | 6,802,321 |
| Supporting Services: | | | |
| Management and General | 1,546,288 | - | 1,546,288 |
| Fundraising | 1,436,511 | - | 1,436,511 |
| Capital Campaign | 596,674 | - | 596,674 |
| Total Supporting Services | 3,579,473 | - | 3,579,473 |
| Total Expenses | 10,381,794 | - | 10,381,794 |
| CHANGES IN NET ASSETS | \$2,363,050 | \$(2,036,116) | \$326,934 |



20 ANNUAL
08 REPORT

POLITICS OF THE POSSIBLE

HUMAN RIGHTS CAMPAIGN
1640 RHODE ISLAND AVE NW
WASHINGTON, DC 20036

THE HUMAN RIGHTS CAMPAIGN IS PROUD TO PRESENT OUR 2008 ANNUAL REPORT. THIS REPORT WAS DESIGNED WITH THE ENVIRONMENT AND COST-EFFECTIVENESS IN MIND. AS A SELF-MAILER, IT IS PRINTED ON RECYCLED PAPER WITH VEGETABLE INKS AT A PRINTER POWERED EXCLUSIVELY BY WIND.

