“This country will not be a good place for any of us to live in unless we make it a good place for all of us to live in.”

Theodore Roosevelt
President's Letter

The lives of millions of people are affected, every day, by the policies and practices of government, business, and nonprofit sectors.

At Joyce, our primary interest is sustaining and enhancing the quality of life of everyday people in the Midwest: a quality of life that, we believe, should include a clean environment, a good education, decent jobs, protection from violence, and access to rich cultural experiences.

We focus on improving public policy, because public systems such as education and welfare directly affect the lives of so many people, and because public policies help shape private sector decisions about jobs and the environment. To ensure that public policies truly reflect public rather than private interests, we support campaign finance reform.

The problems we focus on are vast, systemic, and subject to massive economic, social, and political forces. The good news is that there are numerous talented people available and eager to find solutions, and their efforts are bearing fruit. Some recent examples:

- All children deserve a successful start in school. In Illinois, a disciplined, knowledgeable, and aggressive alliance of nonprofit leaders developed and pushed through a plan to improve early childhood education. As a result of their efforts, the state has expanded preschool opportunities for thousands of poor families, giving our children a better chance in life.
- Years of painstaking work to protect the Great Lakes paid off last winter when a landmark agreement was signed by governors and Canadian officials to conserve Great Lakes water. And, the very same week, a major plan for Great Lakes Restoration was announced by government, business, civic, and nonprofit leaders. Millions of people in the Midwest depend on clean water — to drink, for fishing and boating, and for the pure beauty and enjoyment of the lakes. These agreements take us a step closer to ensuring that our children and grandchildren will share this treasure too.
- Gun violence takes 30,000 American lives every year. Strategies to reduce the toll preoccupy law enforcement, health professionals, and municipal leaders. One thing lacking in their efforts? According to the National Academy of Sciences, it’s good data. To address this problem, Joyce helped public health experts at Harvard University and elsewhere establish a system to collect and analyze data about violent incidents, which in turn became the model for a nationwide database now under construction at the Centers for Disease Control. Such information is invaluable. Statistics pinpointing the location of murders in Bethlehem, Pennsylvania, prompted law enforcement to concentrate on neighborhood hot spots. In Oregon, data revealing that many older adult suicides had visited their doctor in the month before they died led state officials to create a suicide prevention plan involving physicians and targeted at older adults. The National Violent Death Reporting System is finding champions among law enforcement leaders, whose members risk their lives every day to combat violence in our communities. NVDRS is now in place in seventeen states and, we hope, will grow to cover all fifty states in the future.

Joyce has developed several new programs in 2005 that we believe will also yield strong results.

Energy from Clean Coal Because fossil fuel emissions create pollution and foster climate changes that threaten the Great Lakes, the Foundation will support projects that encourage development of clean coal technologies and discourage construction of old-style coal-burning plants.

Healthy Rivers, Healthy Lakes This year we will start a focused effort to clean and conserve a few key Great Lakes watersheds, and to document the impact of these efforts.

Jobs for Ex-offenders For more than 600,000 people who reenter society each year from prison or jail, finding a job is key to turning their lives around. But the barriers are major. This year Joyce is launching a $5 million initiative to evaluate a promising new strategy, called “transitional jobs,” to help ease ex-offenders into the workforce. Transitional jobs are temporary jobs, combined with counseling, placement and other supports, that enable people who’ve been out of the job market to build up some work experience. They’ve enabled many longtime welfare recipients make the move toward work; the hope is that ex-offenders will succeed as well.

Good public policy can improve the lives of individual people in our communities. This belief drives the best elected officials and top civic leaders, and is at the core of the Foundation’s grantmaking. We are willing to take risks — since as the proverb says, a turtle never moves forward without sticking its neck out — and we encourage experimentation and the generation of new ideas. We are proud of the accomplishments of our grantees, accepting of the inevitable missteps that come with taking chances, and optimistic about the potential of our new initiatives.

We welcome your feedback and inquiries.

Ellen S. Alberding, President
May 2006
Illinois is home to some 900,000 children in the earliest stages of life. They live in high-rises, bungalows, split levels and doublewides, from Cairo to Gurnee, Rock Island to Little Village.

Families cherish these little ones, of course. Increasingly, the larger society also is coming to understand how much is going on inside those tiny heads.

Research has documented that children’s earliest experiences profoundly affect the way their brains develop. Children from the very start are not only learning, but learning how to learn. Recognizing this, the Joyce Foundation has committed $1 million a year in grants to promote high-quality early learning experiences especially for children in Illinois and Wisconsin. Encouraging high-quality preschool experiences — along with improving the quality of teaching children encounter once they get to school — are the core strategies of the Foundation’s work to reduce the achievement gap and help all children learn.

In Illinois and elsewhere, early learning has become the buzzword of business leaders, policy makers, and educators. In 2005, the Illinois Early Learning Council created a comprehensive five-year plan, Preschool for All. The state of Illinois responded with legislation that makes it the first state to offer voluntary, high-quality preschool for all three- and four-year-olds, and extend help for at-risk infants and toddlers as well. In addition to continuing its support for existing programs, the legislature recently committed an additional $45 million this year for preschool improvement and expansion.

But even with additional resources, preschool may remain out of reach for many families.

Most children of parents who work outside the home are cared for by families, friends and neighbors, or in small, licensed child care homes. “Two-thirds of the women we serve are working multiple part-time jobs, with schedules that can change literally week to week,” says Maria Whelan, president of Action for Children, an Illinois agency that assists over 50,000 families monthly with child care referrals and financial assistance. Juggling schedules and arranging transportation to get the little ones to grandma’s house or the neighbor down the street is hard enough; adding on arrangements for kids to spend part of their day in a formal preschool program becomes nearly impossible.
If these children can’t get to preschool, Action for Children reasoned, why not bring preschool to them? Using $700,000 in Joyce funding, the group is creating high-quality preschool programs targeted specifically for children in home child care settings.

Minnie Brady, a longtime home child care provider, sends two of the eight children in her care to a preschool program at the Community Mennonite Early Learning Center in Markham, Illinois. The children spend half a day, four days a week, in a big, sunny space at the center, under the instruction of a certified teacher and a teacher’s assistant. The environment is warm and colorful, rich in books, letters and numbers, and materials for drawing, building, manipulating, and engaging in fantasy play. While the older children are at preschool, Brady can give individual attention to the younger children in her care. In addition, the preschool teacher visits Brady’s home weekly, and the Center arranges workshops for home child care providers.

The Mennonite Center preschool program is one of six organized by Action for Children in Chicago and its southern suburbs, all geared to providing quality learning experiences for children in home child care. Although the initiative has just started, some lessons are already apparent.

Funding is important in launching innovative models. Illinois is recognized nationally, with leadership from the governor and strong legislative support for early learning on both sides of the aisle. Flexibility is critical. Whelan laments, for example, that child care funding does not cover transportation to ferry kids to the center, a logistical barrier for home child care providers. Also important, she believes, is the potential for bringing these providers in as partners in the movement for expanding high-quality preschool opportunities to children who especially need them.

“Invest in the very young” is the recommendation of Nobel Economics Laureate James Heckman, an influential advocate of expanding early education. Seeing a small child banging on pots, drawing pictures, watching goldfish swim or wondering at the stars, parents probably wouldn’t use the language of economics. But they would understand what promise lies in the smallest children given the opportunity to learn.
In years past, you could get a decent job in places like Cleveland or Milwaukee even if you didn’t have much education. Midwest manufacturing paid decent wages, enough to buy a car and shoes for the kids, with a little extra to go fishing in July somewhere up north.

But factory jobs have been bleeding away for decades. Those that remain often depend more on brains than brawn. New jobs, especially those that pay reasonably, demand education: 80 percent of some 23 million jobs expected to be created in this country by 2013, according to one estimate, will require some post-secondary education.

There’s a growing mismatch out there in the job market. Midwest employers worry about finding skilled workers for future job needs. Meanwhile Midwest workers without post-secondary education — in Illinois, 40 percent of people in the prime working years — will find themselves increasingly trapped in low-wage, dead-end jobs or out of work altogether.

“Unless people have some amount of post-secondary education, they are not going to earn family-supporting wages in the knowledge-based economy,” says Toni Henle of Women Employed, a Chicago-based workforce policy and advocacy group. “You can’t just work yourself out of poverty if you start in a low-wage job.”

But adult education and training are fragmented among a bewildering array of community colleges, proprietary schools, employer programs, and training courses run by community agencies. There’s no easy way for an individual worker or employer to make these programs serve their needs and build skills over time.

Health care, for example is a growing sector with strong demand for workers at a variety of levels and a critical shortage of people to fill high-skilled nursing jobs. It is easy enough to qualify for entry-level jobs. Much harder is to plot out a path combining work and courses to move up to increasing levels of skill, responsibility, and pay.

Reorganizing post-secondary education and training to create such “career pathways” is one key strategy being pursued by the Joyce Foundation, part of its overall commitment to improve the prospects of low-wage workers in the emerging Midwest economy.
"In a career pathways approach," explains Henle, "it’s really clear what people need to do to advance to a better job." That starts with good career information, so that job-seekers get a sense of the overall industry and whether they might fit in. Workers should be able to start on the pathway with basic courses that prepare them for entry-level jobs and also set them up for more advanced courses later on. Timing and locations should be flexible, to enable people with jobs and families to fit in courses when and where they can. Financial aid should be available. People who don’t qualify for basic courses, which generally require at least tenth grade reading and math skills, should get remedial help (and not use up all their financial aid in the process).

Women Employed and the Chicago Jobs Council along with other Joyce grantees have been working out the elements of a "career pathways" system. CJC’s 2005 survey of Chicago’s workforce needs, Big Shoulders, Big Challenges, recommended several steps to improve the links among different education and training systems. Women Employed’s report Investing in Success spotlighted counseling, financial aid, and other supports to help community college students stay on track. The two groups worked with local job trainers, the health care, transportation, and manufacturing industries, the Illinois Community College Board, and the Chicago Workforce Board to develop pilot “bridge programs” to get low-skilled students remedial help to qualify for future training. Those programs are being evaluated by the University of Illinois at Chicago Great Cities Institute. In Wisconsin, the Madison Area Technical College has worked to bring its adult basic education, vocational education, and customized training courses into alignment, and to create a flexible financial aid system.

Out of these small steps, a career pathways approach is slowly emerging. In 2005 the Joyce Foundation board committed to a three-year, $10 million initiative to move it along. Grants will pursue further strategies to align state workforce and education policies with industry demands to produce skilled workers.

If such efforts succeed, workers who might once have been trapped in low-wage jobs will be able to build, over time, their own path to higher skills and better jobs, using a combination of coursework, certificates, financial aid, and work experience. Employers will be able to access a pool of skilled workers to replace retiring baby boomers and fill new jobs. And the Midwest will continue to be a place with good jobs at decent wages for another generation.
The Great Lakes are vast enough to be visible from space. But for the people who live around them, they are an intimate part of everyday life, from the first coffee in the morning to the last tooth-brushing at night. Whether the lakes are polluted or clean – whether their waters are protected or squandered – makes a big difference.

2005 saw two huge steps toward restoring and protecting the Great Lakes. Public officials, business leaders, and citizen organizations from around the region for the first time created a unified plan for Great Lakes Restoration, announced in December. It was followed on the very next day by the signing of a long-awaited compact among states and provinces bordering the lakes committing them to conserve Great Lakes water.

“These are both products of years of hard work and inspiration by thousands of people,” says Andy Buchsbaum of the National Wildlife Federation, who helped lead nonprofits participating in both negotiations. “Either one would have been the accomplishment of the decade, and here they both happen in the same month.”

But what happened in December is just the beginning. Both policy changes and new resources will have to come from federal, state, local, tribal, and private sources to realize the promise of the two initiatives.

The water conservation compact now goes to the state and provincial legislatures for ratification. “The fact that eight states and two provinces all agreed on such a massive document that has to do with a whole ecosystem – that was pretty amazing,” says Michigan State Senate President Pro-Tempore Patty Birkholz (R, Saugatuck Township), whose district borders Lake Michigan. “Now the legislatures have to adopt it with very little deviation from the document. And that’s going to be pretty hard for legislators to do.”

Birkholz hopes to work through the Great Lakes Legislative Caucus, which she organized, as well as with a Joyce-funded effort by the Council of Great Lakes Governors to educate lawmakers about the importance of the conservation compact and get them to take it up for consideration in the months ahead.

For the Restoration initiative, the big question is resources. The December plan included a price tag of $20 billion but no new commitment of federal dollars. In April 2006, Great Lakes members of Congress introduced bipartisan legislation that
would allocate $10.5 billion for cleanup efforts, plus another $13 billion to finance wastewater treatment to keep sewage from fouling the lakes. In the meantime, state leaders like Birkholz and local officials, led by Chicago’s Mayor Richard M. Daley, urged Congress to start by passing invasive species legislation, which would benefit the lakes, and funding some of the priorities at the top of the Restoration agenda.

Lakeshore cities already commit “hundreds of millions” to projects that protect the lakes, notes Dave Ullrich, executive director of the Great Lakes-St. Lawrence Cities Initiative. He cites programs to control stormwater, protect beaches and shorelines, and reduce mercury and other toxins entering the lakes. States are also heavily invested.

Whatever Congress does, state, local, and private sector efforts will still be critical, says John Andersen, director of the Great Lakes Program for the Nature Conservancy. In early 2006 the Conservancy identified more than 500 sites in the United States and Canada as vital areas that need to be protected, both for their own sake and for their contribution to Great Lakes Restoration.

The Conservancy hopes that its “blueprint” will help direct local, state, and federal resources where they can do the most good. It is also working with the Wildlife Federation and other citizen groups in the Healing Our Waters coalition as they make the case that the Great Lakes deserve adequate funding and protection from the nation as a whole.

People who live around them already understand the urgency, says the Wildlife Federation’s Buchsbaum. Noting just one issue — defending against the Asian carp, a major predator which is moving up the Illinois River heading toward the Great Lakes — Buchsbaum says: “Without the barrier, we would lose lake trout, salmon, whitefish, perch. Lake Michigan would become a giant carp pond. So if you like to fish, or eat fish, or swim, or go to the beach — then Great Lakes Restoration is important to you.”
Fourteen-year-old Starkesia Reed was gunned down inside her own home, in Chicago’s Englewood neighborhood, in a revenge shooting that had absolutely nothing to do with her. A few days and a few blocks away, bullets from a gangland battle killed Siretha White as she was celebrating her eleventh birthday at a party given by her aunt.

Both girls were victims of shooters wielding assault weapons. These are military weapons designed to spray an area rapidly with bullets. They are not something a sportsman would choose for hunting deer or pheasant; they were created for combat. Used on a city street, they can kill not only the intended target but anyone who happens by. And sometimes people who aren’t even bystanders – children inside their family’s homes, for example – can end up with a bullet in the brain.

Chicago police have cracked down hard on gun crime over the past few years, through initiatives like Project Safe Neighborhoods and others. As a result, the number of homicides in Chicago declined from 666 in 2001 to 448 in 2004 (75 percent of Chicago’s murders are shootings).

But – as the young girls’ deaths dramatize – local police can only do so much. Too often, they find their hands tied by gun policies crafted by legislators who ignore the wishes of law enforcement (and consistent majorities of ordinary citizens, including gun owners) to stand with the gun lobby. Policies that enable unscrupulous gun dealers and gun traffickers to arm criminals, or allow military-style weapons back on our streets, make neighborhoods unsafe for children like Starkesia and Siretha and imperil the lives of law enforcement trying to protect us.

In summer 2005, as murder rates nationally and in the Midwest were beginning to creep back up, a group of Midwest law enforcement leaders met in Chicago to seek solutions. Out of the meeting came the idea of organizing a Midwest law enforcement summit on gun violence. With funding from Joyce, a steering committee under the auspices of the International Association of Chiefs of Police is planning the summit for spring of 2007. The goal is to share best practices and create a common agenda on gun policies.

Law enforcement leaders are also partnering with community groups and citizens to improve gun policies. Many Wisconsin law enforcement leaders have joined advocates like the Wisconsin Anti-Violence Initiative in educating lawmakers and the public about the dangers of concealed weapons. In Illinois,
they joined the Illinois Council against Handgun Violence in making the case for a law to mandate background checks for purchasers at gun shows.

Another strategy that would help reduce gun deaths is better data about violent death generally. Illinois has applied to join the National Violent Death Reporting System, a national database that, when completed, will collect facts and circumstances surrounding each violent death. Currently seventeen states are part of the system, and nine others, including Illinois and New York, are ready to go but lack funding. Like the Fatal Accident Reporting System for automobile deaths, the NVDRS database would enable researchers and law enforcement to understand patterns of violence and evaluate crime-fighting tactics, public policies, public education campaigns, and other prevention strategies.

While awaiting federal funding, Illinois is building its own system, with $150,000 from the state government and $60,000 from Joyce. “The data will give us a more complete picture of the circumstances surrounding these tragic incidents, both homicide and suicide,” says Kathleen Monahan of Children’s Memorial Hospital, who is organizing the Illinois system. “Out of that will come better prevention.”

Better information, better policies, better prevention strategies: the hope is that, together, these can keep the pressure on and prevent more gun tragedies. It’s too late for Starkesia and Siretha. But maybe not for their brothers and sisters, and for the rest of our children.
Most families, most of the time, live their lives without giving much thought to the inner workings of the political realm. Then, one day, they get involved in trying, say, to expand coverage for breast cancer or mental health in state insurance plans, or get better textbooks for their children’s schools. All of a sudden, the workings of politics and government matter very much. And too often at that point, they find that their concerns can’t be heard above the din of organized, well-financed special interest groups, which exert significant influence over decisions that are supposed to be made in the public interest.

Exacerbating that perception has been the spectacle, in several Midwest states over the last year, of political leaders being charged with, or convicted of, violating the law. The charges may have seemed complicated and abstract, but their effects were real enough to affect every citizen and taxpayer. In Wisconsin, former legislative leaders were convicted of using state employees, paid with tax dollars, to do political work. The governor of Ohio acknowledged accepting (but not reporting) favors from lobbyists and business leaders. A former Illinois governor, in his previous job as secretary of state, was the beneficiary of a scheme that allowed unqualified applicants to bypass the drivers license test in exchange for political contributions. Those drivers, allowed on the road in a breathtaking violation of the public trust, were later shown to be involved in several accidents, including one in which six children burned to death.

Such scandals eat away at the public’s confidence in honest, competent government “of the people, by the people, for the people.” A 2005 poll by the Wisconsin Policy Research Institute found that a mere 6 percent of state residents believe elected officials act in the public interest; most believe their representatives act to further their own careers, or to do the bidding of wealthy special interests.

Especially troubling are similar surveys suggesting an erosion of confidence in the judiciary; in one, a few years ago, three-fourths of citizens said they believe campaign contributions affect judicial decisions. Nearly half the judges surveyed felt the same way. With deep-pocket groups in some states spending millions of dollars to elect judges thought to be favorable to their interests, it’s no wonder citizens are skeptical of impartial justice.

Money and Politics
Dismayed at these and other developments, a group of Midwest civic organizations met in summer 2005 and drew up a statement of “shared democratic values.” The groups, including Wisconsin Democracy Campaign, Illinois Campaign for Political Reform, Ohio Citizen Action, and others, observed that, for citizens to trust their government, they must believe that it is accessible and accountable to its citizens (and not necessarily to citizens with the most money). “All citizens must have reason to feel their government belongs to them,” the reformers’ statement said, “and they must feel there is a place for them in the democratic process. Creating that sense of belonging depends on the careful nurturing of democratic values.”

In the months since then, with Joyce support, the reform groups have been crafting their own political reform agendas that both build off these shared values and reflect the conditions in each state. Reform priorities in Ohio, for example, include campaign finance, election reform (after the controversies surrounding the 2004 election), public financing for judicial elections (in response to some extremely partisan and expensive races for the state supreme court), nonpartisan redistricting of legislative seats, lobbying and ethics reform.

Wisconsin and Minnesota groups will both be looking for ways to strengthen their public financing for state races; Wisconsin’s agenda also includes lobbying and ethics reform, while Minnesota reformers will be working on voting rights issues. Michigan and Illinois priorities include campaign finance and judicial election reform.

Such reforms may not touch people’s lives as directly as health care, jobs, and education do. But at least some citizens are realizing that reducing the influence of big money and special interests on government may be the key to making progress on the issues they care most about. Said one Wisconsin woman in a recent interview: “Jobs, education, taxes — people promise to do something about those things when they run for office. But once they’re elected they can’t get anything done because the special interests get in the way.” Political reform, she remarked, “might be the change that could turn the other things around.”
Chicago is justly famous for its architecture, its music, its world-class theaters and museums. That is partly due to its great downtown institutions, like the Chicago Symphony Orchestra and the Field Museum. But much of what makes the city culturally vibrant is right at home in the neighborhoods. Over 500 arts and cultural organizations dot the metropolitan Chicago landscape, most of them small and mid-size organizations within easy reach of families just about anywhere.

Take the Mexican Fine Arts Center Museum, for example. Located just off bustling 18th Street, in the old Mexican American neighborhood of Pilsen, this is much more than a hushed-and-hallowed museum. It has a radio station run by local teens, art classes all year, and a summer arts camp for children. It sponsors performances by local and touring music and dance groups. It organizes celebrations for Cinco de Mayo and the Day of the Dead.

The Museum is a space where people bring small children, where teenagers have been known to go on first dates, where old people come to remember. It also houses one of the largest collections of Mexican art in the United States.

Or take Congo Square, an African American theater ensemble that captured three of the top 2005 Jefferson Awards (Chicago's equivalent of the Tony) for its production of August Wilson's "Seven Guitars." Although Congo Square has performed in such prestigious venues as the Goodman Theater and Steppenwolf, it makes its home at the Duncan YMCA on the city's Near West Side. Here it serves as theater-in-residence at an arts center that offers classes in everything from ballet to hip-hop, as well as a youth theater workshop. At a recent preview performance of Congo Square's production of Linda Diamond's family drama "Stickfly," youth theater participants made up a lively audience.

An entirely different tone is set by the beautifully carved image of the Brahma that graces the outside of the Cambodian American Heritage Museum on the city's North Side. Inside this peaceful space, an exhibit documents the terrifying journey of Cambodians who fled the genocide of the 1970s and made their way to Illinois. At the back, shielded by a curved partition, is a Wall of Remembrance memorializing the two million victims of the Khmer Rouge. This museum too is a community center, where people come together to celebrate Cambodian art, music, and dance, and where teachers and students can learn about the still-real potential of genocide.

Culture

The Joyce Foundation has been a longtime supporter of community arts in Chicago. Joyce made nearly $700,000 in grants in 2005, and more than $2 million over the last three years, to arts groups located in and giving expression to the experiences of Chicago's diverse ethnic communities.

One of the newest, Silk Road Theatre Project, got started to give voice to a community that felt itself culturally ignored and politically under assault. In the wake of anti-Arab and anti-Muslim events that followed the terrorist attacks of September 11, 2001, two young Chicagoans, Malik Gillani and Jamil Khoury, determined to respond with theater that would portray the real experiences of Middle Eastern and Muslim peoples. Its 2005 production, "Ten Acrobats in an Amazing Leap of Faith," dramatized the struggles of an Egyptian American family going through the familiar but ever new struggles of immigrants to hold onto the old culture and the old faith in a new and challenging land. Silk Road is committed to bringing such stories, not only to Chicago's substantial Arab and Muslim populations, but also to mainstream audiences that, now more than ever, need to understand the experiences and perspectives of the Middle Eastern peoples.

Community-based arts groups preserve, celebrate, and enrich the culture of Chicago's diverse communities. They also give families from other ethnic backgrounds and experiences the opportunity to step, for awhile, inside another culture: to understand the struggles of African American families, through an August Wilson play; to appreciate the coming-of-age of a young Latina, by watching the dance group Luna Nueva's performance "Quinceneara"; or to be reminded about the dark possibility of genocide by seeing the names of family members of Chicagoans inscribed on the Cambodian Wall of Remembrance. Bringing people together to share common cultural experiences can expand our understanding of ourselves and one another, and enrich our lives together.
Grants Approved 2005
### Education

**Cross City Campaign for Urban School Reform**
Chicago, IL $125,000
To develop a program to improve principal quality through intensive coaching in a subset of Milwaukee’s lowest-performing schools (2 yrs.)

**Center for American Progress**
Washington, DC $196,646
to develop and promote strategies to redesign teacher compensation systems so that in time all students will be taught by high-quality teachers. (2 yrs.)

**Center for Teacher Leadership, Inc.**
Washington, DC $150,000
For its Institute for Progressive Teacher Union Leadership, a project to nurture progressive local teacher union leaders in becoming effective forces for public education reform. (2 yrs.)

**Education Writers Association**
Washington, DC $74,972
For research and advocacy designed to advance new ideas for reforming key teacher resources. (2 yrs.)

**New Leaders for New Schools**
New York, NY $200,000
To support advocacy for policies aimed at better statewide induction policies in Illinois, Wisconsin, and Ohio. (2 yrs.)

**University of Wisconsin-Madison Wisconsin Center for Education Research**
Madison, WI $175,000
For a comprehensive evaluation of the Milwaukee Parental Choice Program to assess the program’s impact on choice students, non-choice students, public and private schools, and educators, families, and local communities. (2 yrs.)

**SRI International**
Menlo Park, CA $83,173
To evaluate the quality and extent of induction programs in Illinois, Wisconsin, and Ohio, and determine the impact of induction programs on teacher retention, teacher practice, and student learning. (2 yrs.)

**Teachers College, Columbia University**
New York, NY $250,000
For a project of the Hechinger Institute on Education and the Media to strengthen media coverage of teacher unions and their impact on educational quality and equity. (2 yrs.)

**University of California-Santa Cruz New Teacher Center**
Santa Cruz, CA $405,628
To help coordinate advocacy efforts aimed at better statewide induction policies in Illinois, Wisconsin, and Ohio. (2 yrs.)

**University of Chicago Consortium on Chicago School Research**
Chicago, IL $798,975
To study Chicago teacher turnover patterns, new teacher support programs, and teacher and school effectiveness. (2 yrs.)

**University of Wisconsin-Madison**
Madison, WI $300,000
To extend its partnership with LeaderShip for Quality Education in the Chicago Schools-Alliance, a membership organization comprising diverse and innovative charter, contract, and industrial Chicago schools. (18 mos.)

**Chicago Public Schools**
Chicago, IL $75,000
For a project that would use an online learning curriculum to help support costs to recruit and train outstanding school leaders. (2 yrs.)

**Citizens’ Commission on Civil Rights**
Washington, DC $94,000
For a project to improve work-related benefits and workforce development programs in Minnesota. (18 mos.)

**Illinois Network of Charter Schools**
Chicago, IL $175,000
For a data-driven public awareness campaign to provide information about Illinois’ charter schools to key public and policy-maker audiences. (1 yr.)

**Total Education:** $2,127,022

### Employment

**Many industries nationwide are currently facing skill shortages, and these shortages may worsen by the end of the decade as baby boomers retire. Contributing to the shortages is the serious skills deficit that plagues the existing workforce, especially low-wage workers.**

**The Joyce Foundation supports policy analysis and development, research, and advocacy to help low-wage, less-skilled individuals connect to the labor market, stay employed, and advance to higher-paying jobs.**

**Chicago Workforce Board**
Chicago, IL $710,368
For strategic planning on career advancement in retail, restaurant, and hotel and to examine how New York City integrated its workforce development functions with its small business services department. (1 yr.)

**Jobs New Coalition**
St. Paul, MN $715,000
To support advocacy for policies to improve work-related benefits and workforce development programs in Minnesota. (18 mos.)

**Northern Illinois University Institute for Work and the Economy**
DeKalb, IL $355,000
To coalesce and analyze information about how new low-income immigrants are integrated into the workplace. (1 yr.)

**Northern Illinois University Office for Social Policy Research**
DeKalb, IL $49,500
To plan a demonstration of and design an evaluation for a project that would use an online learning curriculum to help low-wage, less-skilled workers advance in the health-care industry. (18 mos.)

**Total Employment:** $2,215,368

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**Total Education & Employment:** $4,342,390
Environment

State of Michigan Department of Labor and Economic Growth
Lansing, MI $175,000
To support policy analysis, design, and development for its newly reconstituted state workforce board. (18 mos.)

University of Illinois at Chicago
Great Cities Institute
Chicago, IL $49,535
To design an evaluation of three pilot "bridge" programs which provide basic skills education and job placement assistance for low-wage workers. (1 yr.)

Women Employed Institute
Chicago, IL $500,000
For advocacy to improve access to training and educational opportunities for low-wage workers in Illinois. (2 yrs.)

Workforce Strategy Center, Inc.
Brooklyn, NY $492,000
For continued technical assistance to state advocates to improve connections between workforce development and community college systems for programs that target low-skilled, low-wage workers. (2 yrs.)

Job Retention & Stability
Expanding access to policies that improve job retention and stability, including work-related benefits such as the Earned Income Tax Credit, food stamps, health insurance, unemployment insurance, and child care.

Brookings Institution
Washington, DC $936,000
For its project Beyond Welfare Reform: Making Ends Meet for Low-Wage Workers. (2 yrs.)

Heartland Alliance for Human Needs and Human Rights
Chicago, IL $195,000
To support its Poverty Summit and related advocacy on policies for low-income working families. (1 yr.)

National Employment Law Project, Inc.
New York, NY $285,000
To continue technical assistance, policy analysis, and advocacy on state-level unemployment insurance reform in the Midwest that benefits low-income workers. (2 yrs.)

National Governors’ Association
Washington, DC $250,000
To complete a Governor’s Guide for Advancing Low-Income Working families and to coordinate a strategy for governors’ workplace policy advisors. (1 yr.)

University of Wisconsin-Madison Institute for Research on Poverty
Madison, WI $371,000
For technical assistance and policy development work on integrating wellness and work functions in state agencies. (2 yrs.)

Work, Welfare and Family
Chicago, IL $110,000
For continued support for the Working Opportunities program, which promotes policies for reforming unemployment insurance and improving access to food stamps and Medicaid. (1 yr.)

Moving to Work
Strengthening policy initiatives that help the hard-to-employ gain skills to enter the labor market.

Cleveland Development Foundation
Cleveland, OH $260,000
For its Northeast Ohio Workforce Initiatives and Transitional Employment Initiative for Hard-To-Serve Populations. (8 mos.)

Heartland Alliance for Human Needs and Human Rights
Chicago, IL $200,000
To support the National Transitional Jobs Network. (2 yrs.)

Total Employment: 13,625,443

Protecting the natural environment of the Great Lakes region has been a longtime commitment of the Joyce Foundation. The Foundation supports the development, testing, and implementation of policy-based, preventive-oriented, scientifically sound solutions to the environmental challenges facing the region.

Great Lakes
Supporting collaborative efforts to build a policy case for significant public investment in, and to shape implementation of, Great Lakes restoration.

Alliance for the Great Lakes
Chicago, IL $170,000
For a collaboration with the Biodiversity Project, Canadian Environmental Law Association, and Great Lakes United to develop an agenda for Great Lakes management, and to ensure that this agenda is considered in the review of the Great Lakes Water Quality Agreement. (2 yrs.)

American Farmhand Trust
Washington, DC $800,000
To analyze federal agriculture policies and develop alternatives that reward farmers for improving environmental performance. (2 yrs.)

Biodiversity Project, Inc.
Madison, WI $552,000
To support the national Great Lakes Restoration Campaign by conducting public opinion research and training regional groups. (2 yrs.)

Center for Resource Economics/Inland Press
Washington, DC $372,000
To help publish Peter Annin’s book, The Great Lakes Water Wars. (1 yr.)

Center for Rural Affairs
Lynn, NE $952,000
To enable the Midwest Sustainable Agriculture Working Group to increase participation in and achieve improvements to conservation programs, and to inform the debate about changes to farm policy. (2 yrs.)

Chicago Zoological Society
Brookfield, IL $200,000
To organize a network of Midwest zoo and aquarium leaders to mobilize regional support for Great Lakes restoration. (2 yrs.)

Delta Institute
Chicago, IL $176,330
To organize workshops on three Great Lakes policy issues for state agency personnel in eight states. (1 yr.)

Environmental Defense Canada, Inc.
Toronto, Ontario, Canada $219,154
To present recommendations to Ontario and Canadian federal policy makers regarding improved environmental protections for the Great Lakes, in partnership with the Canadian Environmental Law Association. (2 yrs.)

Environmental Defense, Inc.
New York, NY $400,000
To build a coalition to support federal agriculture policies that would reward farmers for improving environmental performance. (2 yrs.)

Biodiversity Project, Inc.
Madison, WI $552,000
To support the national Great Lakes Restoration Campaign by conducting public opinion research and training regional groups. (2 yrs.)

Center for Resource Economics/Inland Press
Washington, DC $372,000
To help publish Peter Annin’s book, The Great Lakes Water Wars. (1 yr.)

Environmental Working Group
Washington, DC $800,000
For research, public education, earned media, and technical assistance to expand public and policy-maker understanding of the distorting effect of current federal spending on agriculture, paving the way for new funds for Great Lakes water conservation and water quality protection. (2 yrs.)

Great Lakes United
Buffalo, NY $100,000
For program support and continued organizational development. (5 mos.)

Institutes for Journalism & Natural Resources
Minneapolis, MN $160,000
To provide intensive education about Great Lakes ecological issues for selected journalists. (2 yrs.)

Michigan Environmental Council
Lansing, MI $91,947
To help develop policy solutions addressing the increasing problems posed by algae blooms in Michigan’s lakes, in partnership with the Mid-Michigan Watershed Council. (1 yr.)

Michigan Land Use Institute
Boujou, MI $80,000
For research and communications efforts to build support in the business community for protection and preservation of Michigan’s water resources. (1 yr.)

Minnesota Environmental Partnership
St. Paul, MN $100,000
To advance state-level policies that protect and restore Minnesota’s rivers, and to organize public participation and policy-maker education around Great Lakes issues such as proposed water withdrawal rules and Great Lakes restoration. (1 yr.)

Minnesota Project
St. Paul, MN $160,000
For policy research and farmer outreach to improve implementation of, and help farmers to benefit from, the Conservation Security Program. (2 yrs.)

Natural Resources Defense Council, Inc.
Washington, DC $110,000
For a campaign to prevent sewer and stormwater pollution in the Great Lakes through implementation of the Clean Water Act. (1 yr.)

Northeast-Midwest Institute
Washington, DC $300,000
To support Great Lakes restoration. (2 yrs.)

River Alliance of Wisconsin, Inc.
Madison, WI $110,000
To support enforcement of the Clean Water Act by reforming aspects of state rules and Great Lakes restoration. (1 yr.)

Sierra Legal Defense Fund
Toronto, Ontario, Canada $75,000
For a project, in partnership with RiverStones, to persuade Ontario to examine the ecological costs of road salt and explore alternative road salt management practices that may be more effective while minimizing ecosystem impacts. (1 yr.)
**Soil and Water Conservation Society**

Arkansas, IA $710,000

To identify ways in which agriculture policy changes could improve water quality in the Great Lakes region, and to provide information to policy makers and advocates on the role of conservation in future federal agricultural support programs. (1 yr.)

Soil and Water Conservation Society

Arkansas, IA $775,000

To develop an action plan on the risks posed by climate change to the Great Lakes region’s water quality and soil. (1 yr.)

Valerie Demeny Communications

Chicago, IL $176,000

To support a campaign for Great Lakes restoration. (1 yr.)

Theodore Roosevelt

Conservation Partnership

Washington, DC $355,000

To work with like-minded organizations and the agricultural community to create, educate the public about, and advocate for alternatives to direct commodity payments that comply with trade regulations and provide greater benefits to U.S. taxpayers. (2 yrs.)

Wisconsin Agricultural Stewardship Initiative

Madison, WI $250,000

For the Dairy Gateway Project, an effort to overcome rural-suburban conflicts over the presence and impact of agriculture, and maintain agriculture as an economically and environmentally sustainable presence in the Great Lakes watershed. (1 yr.)

**Healthy Rivers**

Supporting efforts to coordinate conservation and restoration in a handful of selected Great Lakes tributary watersheds and to document the benefits of those efforts.

**Center for Neighborhood Technology**

Chicago, IL $215,000

To test a Web-based calculator that allows decision makers to weigh the costs and benefits of engineered vs. “green” construction to manage stormwater, and to share results with those who make decisions regarding stormwater management investments. (1 yr.)

**Transportation**

Creating transportation alternatives to reduce congestion on automobiles.

**Funders’ Network for Smart Growth and Livable Communities**

Coral Gables, FL $160,000

To build foundational support for transportation issues, especially at the state and regional levels. (1 yr.)

**Metropolitan Planning Council**

Chicago, IL $110,000

To advocate for and support smart growth and transit-friendly decision-making in northeastern Illinois. (1 yr.)

**Surface Transportation Policy Project**

Washington, DC $165,000

To allow it to transition to other sources of funding and support implementation of recently passed transportation legislation. (1 yr.)

**Other**

**Center for Rural Affairs**

Lyons, NE $125,000

To finish collecting information on the implementation of federal agricultural conservation policy stimuli that information into policy options for the future, and build a rural constituency through outreach and education. (1 yr.)

**Environmental Grantmakers Association**

Brookfield Family Fund, Inc.

New York, NY $45,000

To support a network of funders focused on sustainable agriculture, and to support its efforts to educate grant-makers, particularly regional, state, and local grant-makers, on the importance of public policy work. (1 yr.)

**Lake Michigan Air Directors’ Consortium**

**San Paul, MN** $100,000

To develop a framework for a voluntary climate registry for the states of Illinois, Indiana, Michigan, Ohio, and Wisconsin. (1 yr.)

**University of Maryand Foundation College Park, MD** $100,000

To enable the Environmental Compliance Consortium to collect the lessons learned through its work with state environmental protection agencies and put them in the hands of appropriate audiences. (1 yr.)

**Total Environment: 86,506,399**

**Gun Violence**

Gun violence takes nearly 32,000 American lives each year, second only to automobile crashes among causes of injury-related death. But while safety regulations have dramatically reduced highway fatalities, firearms remain virtually unregulated. The Gun Violence Program supports efforts to bring the firearms industry under comprehensive consumer product health and safety oversight as the most promising long-term strategy for reducing deaths and injuries from handguns and other firearms.

**State-Based Policy Initiatives**

Supporting state-based policy initiatives in Illinois and Wisconsin that can achieve meaningful reforms and provide a model for gun policy nationwide, and supporting state groups in other Midwest states to expand their membership, funding levels, and organizational capacity to promote meaningful gun policy.

**Illinois Council Against Handgun Violence**

Chicago, IL $325,000

For continued support of its public, media, and policy-maker education efforts to promote firearm policy reform in Illinois. (1 yr.)

**Mark Karlin & Associates**

Chicago, IL $365,000

To support the continued efforts of its Freedom States Alliance, a project to promote financial self-sufficiency and effective media, public, and policy-maker education efforts among gun violence prevention groups, especially those in Illinois and Wisconsin. (18 mos.)

**WRB Educational Fund**

Milwaukee, WI $235,000

To continue its public, policy-maker, and media education efforts to prevent firearm violence in Wisconsin. (1 yr.)

**State-Based Research**

Supporting focused research to inform state policy efforts.

**Johns Hopkins University**

School of Hygiene and Public Health

Baltimore, MA $175,000

To share research findings on strategies for reducing gun violence with Chicago and Milwaukee city officials, law enforcement, advocates, and the media. (2 yrs.)

**National Opinion Research Center**

Chicago, IL $39,499

To add a selection of gun-related questions to its 2006 General Social Survey. (2 yrs.)

**University of Pennsylvania**

Firearm & Injury Center at Penn

Philadelphia, PA $300,000

To develop a national research agenda on firearms, to support and conduct interdisciplinary firearms research, and to help translate research into policy and practice. (18 mos.)

**Violence Policy Center**

Washington, DC $450,000

To provide research and technical assistance to Midwest-based gun violence prevention advocates. (1 yr.)

**National Violent Death Reporting System**

Strengthening public and policy-maker support for full implementation of the National Violent Death Reporting System.

**Harvard University**

School of Public Health

Boston, MA $175,000

To support the Harvard Injury Control Research Center’s technical assistance to the National Violent Death Reporting System, to conduct policy-relevant firearm research, and to increase its communications capacity. (3 yrs.)

**Other**

**Legal Community Against Violence**

San Francisco, CA $391,000

For general support. (2 yrs.)

**Total Gun Violence: 13,752,686**

**Money and Politics**

A well-functioning representative democracy requires open and accountable government, informed citizen participation, competition of ideas and candidates, fair and equal application of the laws, a high level of public trust, and the protection of fundamental rights. The Foundation pursues these ends through support for federal- and state-level initiatives that combine policy research and advocacy, public and policy-maker education, coalition-building, media outreach, and participation in official proceedings, including litigation.

**Judicial Reform**

Protecting the independence and impartiality of the state courts.

**American Bar Association**

Fund for Justice and Education

Chicago, IL $138,000

To support efforts to complete a comprehensive revision of the Association’s Model Code of Judicial Conduct and promote its adoption by the states. (1 yr.)

**Georgetown University**

Justice at Stake Campaign

Washington, DC $285,000

To support judicial campaigns in targeted Midwest states by providing local groups assistance with strategic planning, communications, message development, and public education. (2 yrs.)

**Campaign Finance Reform**

Improving federal and state campaign finance laws.

**Campaign Legal Center**

Washington, DC $285,000

To promote full compliance with the Bipartisan Campaign Reform Act and other related federal laws; to clarify and enforce broadcasters’ public-interest obligations; and to develop a research agenda and advocacy strategy on reauthorizing reform. (1 yr.)
Communications Policy
Promoting media and communications policy reforms to ensure informed citizen participation in civic life.

Center for Digital Democracy
Washington, DC $50,000
For communications policy research, development, and advocacy aimed at improving the quality of the civic, public affairs, and election-related information provided by broadcasters to the public. (1 yr)

Free Press
Northampton, MA $30,000
To support the 2000 National Conference on Media Reform. (6 mos.)

Georgetown University
New America Foundation
Washington, DC $200,000
To support the Spectrum Policy Program, an initiative that aims for increased use of the airwaves for public and democratic purposes and greater clarity about the public interest obligations of spectrum users in a digital era. (2 yrs.)

WisconsinEye Public Affairs Network, Inc.
Madison, WI $250,000
For the development of the country's first public affairs television network. (2 yrs.)

Other
Increasing electoral competition through fair, nonpartisan redistricting; and strengthening the capabilities of state-based coalitions and groups in the Midwest to develop and promote broad political reform agendas tailored to their state's needs.

Culpe Institute
Washington, DC $80,000
For the Project on Electoral Competition, a joint initiative with the Brookings Institution to examine the state of political competition in the United States, explore options for enhancing competition, and develop an integrated benchmarked reform plan. (2 yrs.)

The Foundation supports the efforts of cultural institutions, primarily in Chicago, to serve and represent the city’s diverse populations. It is interested in projects that bring diverse audiences together to share common cultural experiences and encourage more of Chicago’s people to see the arts as integral to their lives.

Arts
Encouraging mid-sized and major Chicago cultural organizations to increase the participation of people of color in their audiences, boards, and staff.

Chicago Children’s Theatre
Chicago, IL $50,000
To support an audience development and cultivation plan to reach diverse audiences. (1 yr)

Chicago Symphony Orchestra, Inc.
Chicago, IL $75,000
For communications policy research, development, increasing its board, and disseminating data on state-based public affairs television network. (1 yr.)

Center on Media and Politics
Chicago, IL $75,000
To implement a development plan that will help the theater move into a permanent space. (1 yr.)

Carnegie Association of Illinois
Chicago, IL $75,000
To support the development and implementation of new works in dance, music, theater, and visual arts by artists of color. (3 yrs.)

Community-Based Arts
Increasing the availability of high-quality cultural programs in specific low-income, diverse communities, and strengthening the infrastructure and leadership of culturally specific and community-based arts organizations.

Arts & Business Council of Chicago
Chicago, IL $50,000
To continue support of a capacity-building initiative for three Joyce grantees, which includes management assessment, board development, financial management, marketing, and evaluation. (1 yr)

Black Ensemble Theater Corporation
Chicago, IL $50,000
To implement a development plan that will help the theater move into a permanent space. (1 yr.)

Cambrian Association of Illinois
Chicago, IL $47,690
To support the salary of the first director of the Cambrian American Heritage Museum and Kitting Hills Memorial. (1 yr)

Columbia College Dance Center
Chicago, IL $50,000
To support audience development, diversification, and participation initiatives associated with its LatinoContempo Festival in spring 2006. (1 yr)

Other
To support program development and evaluation, marketing, and fundraising. (1 yr)

Creativity
Stimulating the commissioning and production of new works by artists of color and expanding artistic development opportunities available to them.

Alliance of Arts Communities
Providence, RI $170,000
To support Midwestern Voices & Visions, a project designed to encourage minority participation at midwestern arts communities. (3 yrs.)

The Joyce Awards
Supporting Midwestern cultural organizations in the commissioning and production of new works in dance, music, theater, and visual arts by artists of color.

American Composers Forum
St. Paul, MN $50,000
To support the commission of a new classical guitar concerto by composer Jerod Impichchaashah, Tale. (3 yrs.)

Chicago Cultural Center Foundation
Chicago, IL $50,000
To support the commission of 20 new works for 2006, a visual art exhibition/installation by artist Nick Lowe. (1 yr)

Cleveland Modern Dance Association
Cleveland, OH $50,000
To support the commission of a new dance choreographed by choreographer Jakarta Wilis Jo Zollar. (3 yrs.)

Indiana Repertory Theatre
Indianapolis, IN $50,000
To support the commission of a new play by playwright Charles Smith. (3 yrs.)

Puerto Rican Arts Alliance
Chicago, IL $25,000
To support program development and fundraising activities for the organization. (1 yr)

Total Culture: $11,327,380

Illinois Campaign for Political Reform
Chicago, IL $450,000
To support policy research, development, advocacy, and public education activities on a range of campaign finance, governmental ethics, judicial independence, and media reform issues. (2 yrs.)

National Institute on Money in State Politics
Hartford, WI $80,000
For the Focus on the Midwest project. (1 yr)

State of Wisconsin Ethics Board
Madison, WI $75,000
For the creation of a Web site and searchable database of the annual financial interest statements of Wisconsin government officials. (1 yr)

University of Illinois at Springfield Center for State Policy and Leadership
Springfield, IL $100,410
To support the ‘Sunshine Project, which collects, evaluates, and disseminates data on state-based internal public affairs television network. (1 yr.)

University of Wisconsin-Madison Department of Political Science
Madison, WI $209,000
To support the Wisconsin Campaign Finance Project, which collects, evaluates, and disseminates data on state-based public campaign funding systems. (1 yr)

William J. Brennan Jr. Center for Justice
New York, NY $200,000
To support the Campaign Finance Reform Project and Fair Courts Project. (2 yrs.)

Communications Policy
Promoting media and communications policy reforms to ensure informed citizen participation in civic life.

Total Money and Politics: $12,427,380

Special Opportunities
The Foundation makes no grants outside its primary program areas, for projects that encourage debate on timely public policy issues, reflect concern for social equity or regional cooperation, or explore connections among the Foundation’s programs.

Alliance for Justice, Inc.
Washington, DC $110,000
To support the Nonprofit Advocacy Project and Foundation Advocacy Initiative, programs designed to strengthen the role of the nonprofit and philanthropic communities in public policy debates. (1 yr)

Center for Governmental Studies
Los Angeles, CA $200,000
To support the development of PolicyArchives.net, a new online source for foundation-funded policy research. (2 yrs.)

Chicago Council on Foreign Relations
Chicago, IL $40,000
To support its project and task force on American Muslims and United States Foreign Policy. (1 yr)

Friends of the Parks
Chicago, IL $50,000
To support development and fundraising efforts. (2 yrs.)

HistoryMakers
Chicago, IL $50,000
To support a new initiative to develop cultural plans for three Chicago neighborhoods: South Chicago, Humboldt Park, and Albany Park. (2 yrs.)

Indiana Repertory Theatre
Indianapolis, IN $50,000
To support the commission of a new play by playwright Charles Smith. (3 yrs.)

Friends of the Parks
Chicago, IL $40,000
To support its project and task force on American Muslims and United States Foreign Policy. (1 yr)

Chicago Council on Foreign Relations
Chicago, IL $40,000
To support its project and task force on American Muslims and United States Foreign Policy. (1 yr)

Friends of the Parks
Chicago, IL $50,000
To support the second phase of its Cook County Forest Preserve Initiative. (2 yrs.)

HistoryMakers
Chicago, IL $50,000
To support the project of a director of development to manage fundraising activities for the organization. (1 yr)
President’s Discretionary Grants

Independent Sector
Washington, DC $250,000
To support the Panel on the Nonprofit Sector in developing for Congress actions to strengthen the governance and ethical practices of the nonprofit sector (1 yr)

Leadership Conference on Civil Rights Education Fund
Washington, DC $185,000
For the Voting Rights Act Education Project (3 yrs)

National Public Radio, Inc.
Washington, DC $125,000
To support expanded coverage of news and issues that have particular relevance to the Midwest region (2 yrs)

University of Chicago Oriental Institute
Chicago, IL $100,000
To support the Ancient Nubian Heritage Project, a new permanent museum exhibit, and its companion interactive education program (2 yrs)

Vera Institute of Justice, Inc.
New York, NY $200,000
For the Milwaukee portion of a three-city project that would examine the nature and incidence of racial profiling that may result from the exercise of prosecutors’ discretion and develop procedures and practical tools for reducing such discrimination (3 yrs)

WBEZ Alliance, Inc.
Chicago, IL $200,000
To support expanded coverage of news and issues that have particular relevance to the Midwest region (2 yrs)

Total Social Opportunities: 11,540

President’s Discretionary Fund makes small, expeditious grants that advance Foundation priorities and support other activities of interest.

African American Arts Alliance of Chicago
Chicago, IL $15,000
For salary support.

Alliance for Nonprofit Management
Washington, DC $13,000
To support the Alliance for Nonprofit Management/National Council of Nonprofit Associations Joint Conference in Chicago.

Applied Research Center
Chicago, IL $10,000
To support the Advancing Racial Justice Conference.

Art Council, Inc.
New York, NY $8,000
To support Chicago visual artists.

BoardSource
Washington, DC $5,000
To support efforts to build effectiveness and accountability among nonprofit organizations.

Brookings Institution
Washington, DC $20,000
To support the latest report and human capital components of a research and policy development initiative to improve the economic vibrancy of the Great Lakes region.

CARE USA
Chicago, IL $5,000
To build its Chicago presence.

Center for Economic Progress
Chicago, IL $20,000
To engage community-based organizations in national policy and advocacy work promoting tax credits and benefits for low-income families.

Center for Law and Social Policy
Washington, DC $12,000
To convene a strategy meeting and explore the feasibility of a national early care and education technical assistance network.

Champaign County Health Care Consumers
Champaign, IL $15,000
For the 2005 Gun Regulation Project.

Chicago Access Corporation
Chicago, IL $15,534
For broadcast coverage of the National Conference on Media Reform.

Chicago Human Rhythm Project
Chicago, IL $10,000
To support a leadership transition plan.

Chicago Metropolitan Association for the Education of Young Children
Chicago, IL $20,000
To support making traditional and alternative certification programs accessible to child care teachers currently employed in community agencies.

Chicago Public Education Fund
Chicago, IL $3,550
General support.

Chicago Public Education Fund
Chicago, IL $20,000
To support the latest report and human capital components of a research and policy development initiative to improve the economic vibrancy of the Great Lakes region.

Chicago Sinfonietta, Inc.
Chicago, IL $10,000
To support a leadership transition plan.

Children’s Home & Aid Society of Illinois
Chicago, IL $20,000
To develop a strategic plan to strengthen its policy capacity.

Chicago-based community organizations in national policy and advocacy work promoting tax credits and benefits for low-income families.

Cleveland Foundation
Cleveland, OH $20,000
For the Fund for Our Economic Future, a collaboration of Northwest Ohio philanthropic organizations to drive transformational change in the regional economy.

Comer Children’s Hospital
Chicago, IL $5,000
To support the advancement of its comprehensive care in pediatrics.

Community College Chicago
Center for Arts Policy
Chicago, IL $15,000
To support the production costs of the production.

Deeply Rooted Productions
Chicago, IL $3,000
To support the arts and culture program.

Domina forum of Chicago
Chicago, IL $10,000
For public policy work.

Donors Forum of Chicago
Chicago, IL $20,000
To support the arts and culture program.

Foundation Center
New York, NY $20,000
Program support for 2004.

Gillmore Institute
Chicago, IL $10,000
To support the arts and culture program.

Grantmakers for Education
Portland, OR $7,500
To support the arts and culture program.

Grantmakers in the Arts
New York, NY $20,000
For its annual conference.

Great Lakes Fisheries Commission
Ann Arbor, MI $6,000
To engage marine transportation experts to peer-review a study on the costs and benefits of ocean-going shipping in the Great Lakes.

Hubbard Street Dance Chicago
Chicago, IL $20,000
For an audience development and marketing plan to help dance companies reach African-American and Latino audiences.

Human Rights Watch
New York, NY $6,000
To sponsor an art exhibition at Chicago’s Spertus Institute of Jewish Studies of drawings by children from Darfur, Sudan.

Illinois Society Against Handgun Violence
Chicago, IL $5,000
To support the production costs of the booklet, A Parent’s Guide to PreventingGun Violence in the Home, School, and Community.

Independent Sector
Washington, DC $20,000
To support the Independent Sector’s panel on governance of charitable organizations.

International Association of Chiefs of Police
Alexandria, VA $13,000
To plan the 2007 Great Lakes Summit.

John F. Kennedy Library Foundation
Boston, MA $8,500
Support of its education program.

Kent State University Institute for the Study and Prevention of Violence
Kent, OH $20,000
For the Middletown Valley Violent Death Reporting System project.

Ko-Thi, Inc.
Milwaukee, WI $21,000
To support its fall 2006 concert.

Lubberstrack Resources, Inc.
St. Paul, MN $4,064
To cover travel-related expenses enabling the attendance of a small Minnesota delegation at the 5th Annual National Transitional Jobs Conference.

Luna Negra Dance Teatro
Chicago, IL $9,000
General support.

Madison Area Technical College
Madison, WI $20,000
To build the funding, training, and other design elements of a career advancement system for low-wage workers.

Metropolitan Milwaukee Association of Commerce
Milwaukee, WI $20,000
To support the arts and culture program.

Mississippi Challenge Grant Foundation, Inc.
Chicago, IL $10,000
For the Mississippi Challenge Action Urban Project.

Minnesota Alliance for Progressive Action Education Fund
St. Paul, MN $8,000
For program planning.

Minnesota Environmental Initiative, Inc.
Minneapolis, MN $20,000
To study the feasibility of developing a statewide common agenda for the environment.

President’s Discretionary Fund makes small, expeditious grants that advance Foundation priorities and support other activities of interest.

Cleveland Foundation
Cleveland, OH $20,000
To support a grantmaker briefing on the viability of teacher union, school district, and community collaborations to close student achievement gaps.

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The Joyce Foundation 2005 Annual Report

Membership Grants

| National Commission on Teaching and America’s Future | Chicago, IL | $20,000 |
| National Governors Association | Washington, DC | $15,000 |
| New Hope Project, Inc. | Milwaukee, WI | $20,000 |
| Ohio Citizens Action Education Fund | Columbus, OH | $8,000 |
| Protestants for the Common Good | Chicago, IL | $3,375 |
| Sargent Shriver National Center on Poverty Law, Inc. | Chicago, IL | $20,000 |
| St. Leonard’s House | Chicago, IL | $10,000 |
| State & Territorial Injury Prevention Directors Association | Atlanta, GA | $20,000 |
| Teatro Vista Theatre with A View | Chicago, IL | $2,000 |
| University of Illinois at Urbana-Champaign | Urbana, IL | $15,000 |
| University of Pennsylvania | Philadelphia, PA | $12,000 |
| University of Pennsylvania | Philadelphia, PA | $10,000 |
| Urban Institute | Washington, DC | $9,998 |
| WFMJ-FM Radio | Chicago, IL | $5,000 |
| Women in Government | Washington, DC | $10,000 |
| Women’s Self-Employment Project, Inc. | Chicago, IL | $20,000 |
| Young Chicago Authors | Chicago, IL | $15,000 |

Council on Foundations | Washington, DC | $19,600 |

Donors Forum of Chicago | Chicago, IL | $24,500 |

Environmental Grantmakers Association | Rockefeller Family Fund, Inc. | New York, NY | $8,160 |

Grantmakers for Education | Portland, OR | $8,500 |

Grantmakers in Health | Washington, DC | $2,000 |

Independant Sector | Washington, DC | $2,500 |

Joyce Foundation Employee Matching Grant Program | $30,967 |

Total Membership Grants: $93,560

Summary of 2005 Grants

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<tr>
<th>Category</th>
<th>Number</th>
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<td>Special Opportunities</td>
<td>11</td>
<td>1,340,000</td>
<td>902,270</td>
</tr>
<tr>
<td>Discretionary, Memberships, and Employee Matching</td>
<td>70</td>
<td>910,514</td>
<td>873,944</td>
</tr>
</tbody>
</table>

Total Grants | $27,323,124 | $31,654,215 |

Total Discretionary Grants: $785,987

Total 2005 Grants | $27,323,124 |
Independent Auditors’ Report

To the Board of Directors, The Joyce Foundation

We have audited the accompanying statements of financial position of The Joyce Foundation as of December 31, 2005 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of and for the year ended December 31, 2004 were audited by other auditors whose report dated March 24, 2005 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Joyce Foundation as of December 31, 2005 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BDO Seidman, LLP
Chicago, Illinois
March 16, 2006

Statements of Financial Position

December 31, 2005  2004

Assets

Current Assets

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$  292,093</td>
<td>$  331,974</td>
</tr>
<tr>
<td>Collateral received under securities lending program (Note 1)</td>
<td>64,892,654</td>
<td>51,420,280</td>
</tr>
<tr>
<td>Due from brokers for sales of securities</td>
<td>521,104</td>
<td>508,615</td>
</tr>
<tr>
<td>Investments (Note 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term money market investments</td>
<td>11,099,032</td>
<td>34,051,006</td>
</tr>
<tr>
<td>U.S. Government and corporate bonds</td>
<td>152,247,057</td>
<td>133,871,980</td>
</tr>
<tr>
<td>Stocks</td>
<td>502,240,987</td>
<td>483,405,619</td>
</tr>
<tr>
<td>Investment partnerships</td>
<td>159,662,540</td>
<td>153,689,309</td>
</tr>
<tr>
<td>Program-related investments</td>
<td>323,000</td>
<td>346,000</td>
</tr>
<tr>
<td>Real estate and mineral rights</td>
<td>442,761</td>
<td>442,761</td>
</tr>
<tr>
<td>Prepaid federal excise tax</td>
<td>-</td>
<td>151,518</td>
</tr>
<tr>
<td>Other assets</td>
<td>104</td>
<td>1,114</td>
</tr>
</tbody>
</table>

Total Assets $ 892,492,212 $ 859,149,036

Liabilities and Net Assets

Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$  135,098</td>
<td>$  24,810</td>
</tr>
<tr>
<td>Due to brokers for purchases of securities</td>
<td>1,450,294</td>
<td>1,271,281</td>
</tr>
<tr>
<td>Grants payable</td>
<td>11,186,896</td>
<td>16,068,980</td>
</tr>
<tr>
<td>Payable under securities lending program</td>
<td>64,892,654</td>
<td>51,420,280</td>
</tr>
<tr>
<td>Current federal excise tax payable</td>
<td>90,920</td>
<td>-</td>
</tr>
<tr>
<td>Deferred federal excise tax payable</td>
<td>1,750,760</td>
<td>1,616,000</td>
</tr>
</tbody>
</table>

Net assets – unrestricted | 70,451,285 | 70,805,151 |

Total Liabilities and Net Assets $ 892,492,212 $ 859,149,036

See accompanying notes to financial statements.
## Statements of Activities

### Year ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on marketable investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized</td>
<td>15,960,265</td>
<td>36,810,008</td>
</tr>
<tr>
<td>Net unrealized</td>
<td>13,594,249</td>
<td>24,234,497</td>
</tr>
<tr>
<td>Partnership income</td>
<td>12,791,235</td>
<td>18,271,860</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,079,034</td>
<td>1,190,194</td>
</tr>
<tr>
<td>Dividend income</td>
<td>15,872,137</td>
<td>13,357,073</td>
</tr>
<tr>
<td>Other income</td>
<td>490,094</td>
<td>745,160</td>
</tr>
<tr>
<td><strong>Investment expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>58,795,350</td>
<td>94,397,163</td>
</tr>
<tr>
<td><strong>Investment expenses</strong></td>
<td>2,220,985</td>
<td>1,014,163</td>
</tr>
<tr>
<td><strong>Net investment revenue</strong></td>
<td>53,575,355</td>
<td>92,482,890</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants awarded (grant payments made, net of grants returned, of $30,571,102 in 2005 and $34,410,565 in 2004)</td>
<td>26,562,335</td>
<td>41,787,644</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>4,874,742</td>
<td>4,422,917</td>
</tr>
<tr>
<td>Federal excise tax</td>
<td>1,489,278</td>
<td>739,000</td>
</tr>
<tr>
<td>Unclaimed federal excise tax</td>
<td>1,341,100</td>
<td>928,000</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>32,878,313</td>
<td>47,277,241</td>
</tr>
</tbody>
</table>

### Increase in Unrestricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in Unrestricted Net Assets</strong></td>
<td>24,697,042</td>
<td>45,005,749</td>
</tr>
</tbody>
</table>

### Unrestricted Net Assets, at beginning of year

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$188,343,885</td>
<td>174,355,125</td>
<td></td>
</tr>
</tbody>
</table>

### Unrestricted Net Assets, at end of year

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$813,040,927</td>
<td>$768,343,885</td>
<td></td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements.*

## Statements of Cash Flows

### Year ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in unrestricted net assets</td>
<td>24,697,042</td>
<td>45,005,749</td>
</tr>
<tr>
<td>Realized gain on sales of investments</td>
<td>(15,969,255)</td>
<td>(36,810,008)</td>
</tr>
<tr>
<td>Increase in market value of investments</td>
<td>(13,594,249)</td>
<td>(24,234,497)</td>
</tr>
<tr>
<td>Partnership income</td>
<td>(12,791,225)</td>
<td>(18,271,860)</td>
</tr>
<tr>
<td>Contribution of securities</td>
<td>-</td>
<td>(487,500)</td>
</tr>
<tr>
<td>Changes in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,070</td>
<td>55,444</td>
</tr>
<tr>
<td>Federal excise tax</td>
<td>242,438</td>
<td>524,000</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(4,882,691)</td>
<td>7,369,999</td>
</tr>
<tr>
<td>Accounts payable and other accruals</td>
<td>110,278</td>
<td>24,810</td>
</tr>
<tr>
<td>Deferred federal excise tax payable</td>
<td>1,341,100</td>
<td>626,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(22,051,832)</td>
<td>(26,104,625)</td>
</tr>
</tbody>
</table>

### Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of stocks and bonds</td>
<td>259,855,797</td>
<td>332,702,717</td>
</tr>
<tr>
<td>*Increases of stocks and bonds</td>
<td>-560,105,745</td>
<td>(325,061,443)</td>
</tr>
<tr>
<td>Net sales and purchases of short-term money market investments</td>
<td>23,011,974</td>
<td>(25,789,061)</td>
</tr>
<tr>
<td>Change in payable under securities lending program</td>
<td>13,462,614</td>
<td>19,212,566</td>
</tr>
<tr>
<td>Change in collateral received under securities lending program</td>
<td>(13,462,614)</td>
<td>(19,212,566)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>(22,051,832)</td>
<td>(26,104,625)</td>
</tr>
</tbody>
</table>

### Net cash provided by investing activities

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,953,191</td>
<td>26,195,573</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Notes to Financial Statements

Note 1
Nature of Activities and Significant Accounting Policies
Nature of Activities
The Joyce Foundation (the "Foundation") is a nonprofit organization that focuses on a limited number of carefully defined program areas, primarily education, employment, environment, gun violence, money and politics, and culture. The financial statements have been prepared in conformity with accounting policies applicable to nonprofit organizations.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes
The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax represents taxes provided on the net unrealized appreciation on investments, using a rate of 2%.

Investments
Marketable securities and exchange-traded futures contracts are reflected at market value based on quoted prices. Investment partnerships and real estate and mineral rights are reflected at approximate fair value. Hedged and unrealized gains and losses from changes in market values are reflected in the statements of activities.

Securities Lending
The Foundation participates in a securities lending program administered by the Foundation’s custodian. Under this program, securities are periodically loaned to selected brokers, banks or other institutional borrowers of securities, for which collateral in the form of cash, letters of credit, or government securities may not be less than 102% of the market value of the loaned securities plus accrued but unpaid interest or dividends. The Foundation invests this collateral received in equity securities. The Foundation bears the risk that it may experience delays in the recovery or even loss of rights in the collateral should the borrower of the securities fail to meet its obligations.

Concentration of Credit Risk
The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Reclassifications
Certain 2004 amounts have been reclassified to conform with the current year's presentation without affecting previously reported net assets or changes in net assets.

Note 2
Fair Value of Financial Instruments
Substantially all of the Foundation’s assets and liabilities are considered financial instruments and are either already reflected at fair value or are short-term or replaceable on demand, therefore, their carrying amounts approximate their fair values.

Grants
Grants specifically committed to designated grantees, but not yet paid, are accrued as grants payable.

Translation of Foreign Currencies
Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Revenue and expense items are translated at average rates of exchange for the year. Translation gains and losses are included in income.

Concentration of Credit Risk
The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Reclassifications
Certain 2004 amounts have been reclassified to conform with the current year's presentation without affecting previously reported net assets or changes in net assets.

Note 3
Investments
President's investments, other than investment partnerships and program-related investments described below, consist of the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Short Term Money Markets Investments</th>
<th>U.S. Government and Corporate Bonds</th>
<th>Stocks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>410,304,434</td>
<td>$34,951,006</td>
<td>$11,939,032</td>
<td>483,294,472</td>
</tr>
<tr>
<td>2003</td>
<td>386,075,625</td>
<td>$26,671,652</td>
<td>$13,518,303</td>
<td>426,265,580</td>
</tr>
</tbody>
</table>

The Foundation participates in a securities lending program administered by the Foundation’s custodian. Under this program, securities are periodically loaned to selected brokers, banks or other institutional borrowers of securities, for which collateral in the form of cash, letters of credit, or government securities may not be less than 102% of the market value of the loaned securities plus accrued but unpaid interest or dividends. The Foundation invests this collateral received in equity securities. The Foundation bears the risk that it may experience delays in the recovery or even loss of rights in the collateral should the borrower of the securities fail to meet its obligations.

Note 4
Pension Plan
The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employees contributions may be recalculated and all distributions are subject to repayment to cover liabilities of the partnership. The amount of the contingency cannot be determined.

Program-Related Investments
The foundation had three program-related investments at December 31, 2005 and 2004.

<table>
<thead>
<tr>
<th>Year</th>
<th>Short Term Money Markets Investments</th>
<th>U.S. Government and Corporate Bonds</th>
<th>Stocks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>386,075,625</td>
<td>$26,671,652</td>
<td>$13,518,303</td>
<td>426,265,580</td>
</tr>
<tr>
<td>2003</td>
<td>346,398,906</td>
<td>$27,402,052</td>
<td>$13,518,303</td>
<td>407,319,261</td>
</tr>
</tbody>
</table>

Investment Partnerships
The Foundation holds limited partnership interest in various venture capital partnerships, all of which invest in and trade marketable securities. The Foundation holds another limited partnership interest that invests in and trades marketable securities and futures contracts. The partnership reflects these investments at market value. The partnership’s share of net assets and income or losses is reflected in the financial statements using the equity method of accounting.

Partner-to-capital ratios involving loan fund to assist low-income women in establishing businesses to increase their self-sufficiency based on the Bangladesh tannery blank model.

$250,000 investment in Series E preferred stock of the Shorebank Corporation, Chicago, Illinois.

To support rural economic development involving expert technical assistance, venture investing, and small business lending to expand economic opportunities of low-income people in the Upper Peninsula of Michigan.

As the market value of these assets is not readily available, these investments are recorded at cost.

Note 5
Pension Plan
The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employees contributions may be recalculated and all distributions are subject to repayment to cover liabilities of the partnership. The amount of the contingency cannot be determined.

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<table>
<thead>
<tr>
<th>Year</th>
<th>Short Term Money Markets Investments</th>
<th>U.S. Government and Corporate Bonds</th>
<th>Stocks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$13,518,303</td>
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</tr>
<tr>
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<td>$13,518,303</td>
<td>407,319,261</td>
</tr>
</tbody>
</table>

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As the market value of these assets is not readily available, these investments are recorded at cost.
Note 5

Commitments

The Foundation leases office space under a noncancelable operating lease that provides for minimum monthly payments through January 31, 2008, plus additional amounts to cover the proportionate share of the cost of operating the property. Rent expense totaled $375,467 in 2005 and $347,155 in 2004. All December 31, 2005, minimum payments under this lease are as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>2006</th>
<th>153,748</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>156,019</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>13,369</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>327,036</td>
</tr>
</tbody>
</table>

Note 6

Derivative Financial Instruments

In connection with its investing activities, the Foundation enters into transactions involving a variety of derivative financial instruments, primarily exchange-traded financial futures contracts. These contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield. Derivative financial instruments involve varying degrees of off-balance-sheet market risk, whereby changes in the market values of the underlying financial instruments may result in changes in the value of the financial instruments in excess of the amounts reflected in the statement of financial position. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Foundation’s investment holdings and the volatility and liquidity in the markets in which these financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation’s overall exposure to market risk.

Derivative financial instruments can also be subject to credit risk, which arises from the potential inability of counterparties to perform in accordance with the terms of the contract. The Foundation’s exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Foundation has a gain. Exchange-traded derivative financial instruments, such as financial futures contracts, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of the individual exchanges. The Foundation’s net (losses) gains from futures contracts were ($306,851) in 2005 and $632,579 in 2004.
About the Foundation

The Joyce Foundation was created in 1948 by Beatrice Joyce Kean of Chicago. The Joyce family wealth, based on lumber and sawmill interests, was left to the Foundation when Mrs. Kean died in 1974. Over the years, the Foundation has continued to respond to changing social needs, contributing nearly $555 million in grants to groups working to improve the quality of life in the Great Lakes region.

The Joyce Foundation is committed to improving public policy through its grant program. Accordingly, the Foundation welcomes grant requests from organizations that engage in public policy advocacy. Federal tax law prohibits private foundations from funding lobbying activities. The Foundation may support organizations engaged in public policy advocacy by either providing general operating support or by funding educational advocacy such as nonpartisan research, technical assistance, or examinations of broad social issues.

The Foundation encourages grant applicants to describe the nature of advocacy activities in their grant applications and reports, so that the Foundation can ensure that it is in compliance with federal tax laws. For further information on the relevant federal tax laws, grant applicants should consult their tax advisors.

Programs

Our program areas are Education, Employment, Environment, Gun Violence, Money and Politics, and Culture. We focus our grant making on initiatives that promise to have an impact on the Great Lakes region, specifically the states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. A limited number of environment grants are made to organizations in Canada. Education grant making focuses on Chicago, Cleveland, and Milwaukee. Culture grants are primarily focused on the Chicago metropolitan area, except for the Joyce Awards, which extend to other Midwest cities. We do not generally support capital proposals, endowment campaigns, religious activities, commercial ventures, direct service programs, or scholarships.

Education

The Joyce Foundation supports efforts to ensure that all Midwest children receive an education that prepares them for lives as thoughtful and productive citizens. In particular, the Education Program works to close the achievement gap that separates low-income and minority children from their peers by expanding their access to educational opportunities in early childhood, improving the quality of teachers they encounter in school, and exploring such innovations as small schools and charter schools.

Program priorities are:

- **Teacher quality** The Foundation supports efforts to improve federal, state, and district policies so that high-need schools in Chicago, Cleveland, and Milwaukee can attract and retain first-rate teachers. Efforts include research, policy development, model programs, advocacy, and evaluation related to:
  - Reform of recruiting and hiring systems
  - Reform of teacher evaluation and compensation systems
  - New teacher support
  - Alternative routes to teaching
  - Principal quality

- **Early childhood education** The Foundation supports policy initiatives aimed at making preschool accessible to all three-to-five-year-olds in Illinois and Wisconsin through a mixed delivery system that includes schools and community-based settings. Efforts include research, public education, demonstration projects, and advocacy designed to:
  - Identify effective strategies for implementing high-quality pre-kindergarten in schools and community-based settings
  - Build public and policy-maker support for implementing such programs

- **Innovation grants** A small portion of program funds is reserved for other outstanding opportunities to close the achievement gap, especially policy-oriented efforts to expand the supply of high-quality charter schools and small schools in Chicago, Cleveland, and Milwaukee.
Employment

Many industries nationwide are currently facing skill shortages, and these shortages may worsen by the end of the decade as baby boomers retire. Contributing to the shortages is the serious skills deficit that plagues the existing workforce, especially low-wage workers. The Employment Program supports policy analysis and development, research, and advocacy that helps low-wage, low-skilled individuals connect to the labor market, stay employed, and advance to higher-paying jobs.

Program priorities are:

**Evaluating employment strategies for formerly incarcerated individuals**—The Joyce Foundation is launching a research demonstration project to test whether transitional jobs programs are an effective employment strategy for formerly incarcerated individuals. Early in 2006 the Foundation released a request for proposals to select four transitional jobs programs serving recently released male ex-offenders. These programs will be evaluated in a three-year random assignment impact study.

**Promoting employment stability**

- Advocacy projects that work to define, maintain, and, when possible, expand work-related benefit policies, including Medicaid, child health insurance, food stamps, Earned Income Tax Credit, and child care subsidies
- Research efforts that add to existing knowledge about the relationship between work-related benefit policies and job retention and advancement
- Policy development to improve state and federal service delivery to better match the needs of low-wage workers

**Reinventing adult and developmental education**

- Convening and staffing cross-agency state working groups empowered to improve state policies on adult education, workforce development, post-secondary education, welfare, and economic development
- Advocacy and strategic communications to promote public investment in this work
- Development and evaluation of regional demonstrations in order to inform state policy

The Foundation does not provide operating support for direct services, such as job training or transitional job programs.

Environment

Protecting the natural environment of the Great Lakes region has been a long-time commitment of the Joyce Foundation. The Foundation supports the development, testing, and implementation of policy-based, prevention-oriented, scientifically sound solutions to the environmental challenges facing the region.

Program priorities are:

**Energy from clean coal**—Because fossil fuel emissions create pollution and foster climate changes that threaten the Great Lakes, the Foundation has a long-standing interest in the energy infrastructure of the region. Investment and policy or regulatory decisions about proposed new coal-burning power plants will shape not only our electricity system for the future, but the future of the Lakes as well.

We are committed to promoting policies that encourage (through incentives and regulatory structures) the development of clean coal technologies and to ensuring that state agencies approve only those projects that meet state-of-the-art standards for minimizing air pollution and have significant promise for reducing or capturing carbon emissions. The Foundation supports efforts to engage state officials and power plant developers to build the cleanest possible plants to meet the region’s electricity needs.

**Healthy rivers, healthy lakes**—The health of the Great Lakes depends in part on the health of the rivers that feed them. Those tributaries are threatened by nutrient and sediment runoff, altered water flows, loss of habitat, and contaminated sediments. The Foundation supports efforts to coordinate conservation and restoration in a handful of selected Great Lakes tributary watersheds and to document the benefits of those efforts.

**Great Lakes restoration**—Protecting the Great Lakes, with their vast economic and environmental significance, should be a national priority. The Foundation supports collaborative efforts to build a policy case for significant public investment in, and to shape implementation of, Great Lakes restoration.

**Special opportunities**—The Foundation will consider especially promising proposals for addressing other threats to the Great Lakes, including invasive species.

*Proposals on clean coal and healthy rivers are being solicited through a Request for Proposals. Uninvited proposals will not be reviewed.*
Gun violence takes approximately 30,000 American lives each year, second only to automobile crashes among causes of injury-related death. But while safety regulations have dramatically reduced highway fatalities, firearms remain virtually unregulated. The Gun Violence Program supports efforts to bring the firearms industry under comprehensive consumer product health and safety oversight as the most promising long-term strategy for reducing deaths and injuries from handguns and other firearms.

Program priorities are:
- Supporting state-based policy initiatives in Illinois and Wisconsin that can achieve meaningful reforms and provide a model for gun policy nationwide
- Supporting state groups in other Midwest states to expand their membership, funding levels, and organizational capacity to promote meaningful gun policy
- Supporting focused research to inform state policy efforts
- Strengthening public and policy-maker support for full implementation of the National Violent Death Reporting System

Money and Politics

A well-functioning representative democracy requires open and accountable government, informed citizen participation, competition of ideas and candidates, fair and equal application of the laws, a high level of public trust, and the protection of fundamental rights. The Money and Politics Program promotes these ends through support for federal and state-level initiatives that combine policy research and advocacy, public and policy-maker education, coalition-building, news media outreach, and participation in official proceedings, including litigation.

Program priorities are:
- Improving federal and state campaign finance laws
- Promoting media and communications policy reforms to ensure informed citizen participation in civic life
- Protecting the independence and impartiality of the state courts
- Increasing electoral competition through fair, nonpartisan redistricting
- Strengthening the capacities of state-based coalitions and groups in the Midwest to develop and promote broad political reform agendas tailored to their states’ needs

Culture

The Culture Program supports the efforts of cultural institutions, primarily in Chicago, to serve and represent the city’s diverse populations. The program is interested in projects that bring diverse audiences together to share common cultural experiences and encourage more of Chicago’s people to see the arts as integral to their lives.

Program priorities are:
- Access: Encouraging mid-sized and major Chicago cultural organizations to increase the participation of people of color in their audiences, boards, and staff
- Community-based arts: Increasing the availability of high-quality cultural programs in specific low-income, diverse communities, and strengthening the infrastructure and leadership of culturally specific and community-based arts organizations
- Creativity: Stimulating the commissioning and production of new works by artists of color and expanding artistic development opportunities available to them. This goal is addressed in part through The Joyce Awards, an annual competition open to cultural organizations in Chicago, Cleveland, Detroit, Indianapolis, Milwaukee, and Minneapolis-St. Paul. The Joyce Awards support the commissioning and production of new works in dance, music, theater, and visual arts by artists of color. The hope is that these partnerships will produce important new works of art, strengthen our cultural institutions, and draw people of all backgrounds to experience the deep rewards of participating in the arts. Proposed projects should include substantive community engagement efforts. Collaborations between organizations across the target cities and joint programming are encouraged. For application information, call the Foundation or consult our Web site, www.joycefdn.org/joyceawards.html.
Other Grants

Special Opportunities
The Foundation makes some grants to projects outside its primary program areas. Preference is given to projects that encourage debate on timely public policy issues, reflect concern for social equity or regional cooperation, or explore connections among the Foundation’s programs.

President’s Discretionary Fund
The President’s Discretionary Fund is used to make small, expeditious grants that advance the Foundation’s priorities, and to support other activities of interest to the Foundation. Competition for discretionary funds is very high.

How to Apply
The Joyce Foundation accepts grant inquiries throughout the year.

Letters of inquiry Before submitting a formal proposal to the Foundation, prospective applicants should write a two- or three-page letter of inquiry outlining the proposed project to the appropriate program officer (see list on page 66). The letter should describe the goals of the project, expected outcomes and how they relate to the Foundation’s interests, the target audience and beneficiaries, the estimated budget and duration, and plans for evaluation and dissemination of findings. Letters of inquiry should be submitted at least six to eight weeks prior to the proposal deadline for a given grant cycle. (See the current schedule on page 65.) Program officers endeavor to respond in a timely manner and to advance all grant proposals expeditiously. However, program officers have discretion as to when to schedule formal proposal review.

Requests for proposals Certain grant making initiatives in the Employment and Environment Programs can be accessed only by going through a special request for proposal process. For those initiatives, RFPs are sent to preselected participants, and an announcement will be posted on the Foundation’s Web site, www.joycefdn.org. For the Joyce Awards, in the Culture Program, a Call for Entries is published each January and posted on the Web site. Those having further questions about any of these RFPs are welcome to contact the Foundation.

Formal proposals After reviewing the letter of inquiry, the program officer may request a formal proposal. The proposal should include the application cover sheet, which is included at the back of this book or can be downloaded from our Web site (www.joycefdn.org). It should also include the information on the following page.
Grant Application Information

Executive summary or overview (1-2 pages)

Information on the project for which funding is requested, including the issue to be addressed, how the proposed project would address it, expected outcomes and how they relate to the Foundation’s program goals, and plans for evaluation and dissemination of findings

Description of the organization, including its background, purpose, objectives, and experience in the area for which funds are sought

Itemized project budget with narrative and proposed funding sources, amount of funds requested from Joyce, their proposed use, and the time period over which they will be expended

Names and qualifications of people involved in the project

Organizational expenses and income for previous, current, and coming fiscal year

Board members, their titles, outside affiliations, and telephone numbers

Internal Revenue Service verification that the organization is not a private foundation and is exempt from taxation under Sections 509(a) and 501(c)(3) of the Internal Revenue Code (a copy of the IRS tax-exempt letter must accompany the proposal)

Audited financial statements and Internal Revenue Service Form 990 plus attachments for the most recently completed fiscal year

The Joyce Foundation Board of Directors have requested that they not be contacted individually regarding proposals.

The Foundation does not at this time accept proposals submitted online.

**Deadlines**

Grant proposals are considered at meetings of the Foundation’s Board of Directors in April, July, and November. Deadline dates are

<table>
<thead>
<tr>
<th>Proposal Deadline</th>
<th>Board Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 15, 2006</td>
<td>November 2006</td>
</tr>
<tr>
<td>December 11, 2006</td>
<td>April 2007</td>
</tr>
<tr>
<td>April 16, 2007</td>
<td>July 2007</td>
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</tbody>
</table>

Applications are strongly encouraged to plan their application and proposal submission process for the April or July meetings, since most grant funds will be distributed at those times.

If you wish to discuss your application, please contact one of the program officers whose names are listed on page 66.

If a grant is awarded, the recipient will be expected to provide regular reports to the Foundation on the project’s progress and the expenditure of grant funds.
Board of Directors

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John T. Anderson

Vice Chairman
Charles U. Daly

Ellen S. Alberding
Robert 0. Bettoms
Michael R. Bremer
Anthony S. Earl
Roger R. Fross
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Lawrence N. Hansen

Vice President
Finance and Administration
Udiahmar Leader

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Director of Investments
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Gun Violence
Hassanaa Ander

Money and Politics
Lawrence N. Hansen

Culture
Michelle L. Ibome

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Uli M. Bernardto

Information Technology
Specialist
James Juh

Communications Assistant
Michael David Smith

Grants Manager
Veronica Tafner

Support Staff
Carol A. Donahue, Environment
Kortsen Kozlo
Jennifer Utter, Education
Alice Taylor
Lisa Vazquez
Irene Weiss, Employment and Money and Politics
Jean Westrick, Culture, Gun Violence, and Communications

Staff

Controller
Uli M. Bernardto

Information Technology
Specialist
James Juh

Communications Assistant
Michael David Smith

Grants Manager
Veronica Tafner

Support Staff
Carol A. Donahue, Environment
Kortsen Kozlo
Jennifer Utter, Education
Alice Taylor
Lisa Vazquez
Irene Weiss, Employment and Money and Politics
Jean Westrick, Culture, Gun Violence, and Communications

Grant Proposal Cover Sheet

Application Information

Name of Applicant
Date of Application

Address

City
State
Zip

Telephone
Fax
E-mail
Web Address

CEO
Telephone

Project Manager
Telephone

Financial Contact
Telephone

Date Organization Began Operations

Number of Staff
Full-Time
Part-Time

Total Operating Expenses (for most recently completed fiscal year)

Estimated Duration of Project
Beginning
Ending

Please attach completed sheet or computer-generated sheet in the same format to your letter of inquiry.

Budget

2006
2007
2008
Total

(1st year)
(2nd year)
(3rd year)

Budget Total

Requested from Joyce

Brief Description of Project

Geographic Area Served by Project

Beneficiary Group(s) Targeted by Project (racial, ethnic, gender, age, income level)

Date of IRS Ruling Letter of Tax-Exempt Status and EIN

66 The Joyce Foundation 2005 Annual Report
The Joyce Foundation supports efforts to protect the natural environment of the Great Lakes, to reduce poverty and violence in the region, and to ensure that its people have access to good schools, decent jobs, and a diverse and thriving culture. We are especially interested in improving public policies, because public systems such as education and welfare directly affect the lives of so many people, and because public policies help shape private sector decisions about jobs, the environment, and the health of our communities. To ensure that public policies truly reflect public rather than private interests, we support efforts to reform the system of financing election campaigns.