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LIVE.
WORK.
LOVE.
BELIEVE.
BE.
SPEAK.**

**FAITH LEADERS
SUPPORT
GLBT EQUALITY**



The Human Rights Campaign and
Human Rights Campaign Foundation

2007 Annual Report

**FAITH LEADERS
SUPPORT
GLBT EQUALITY**

**HUMAN RIGHTS
CAMPAIGN**
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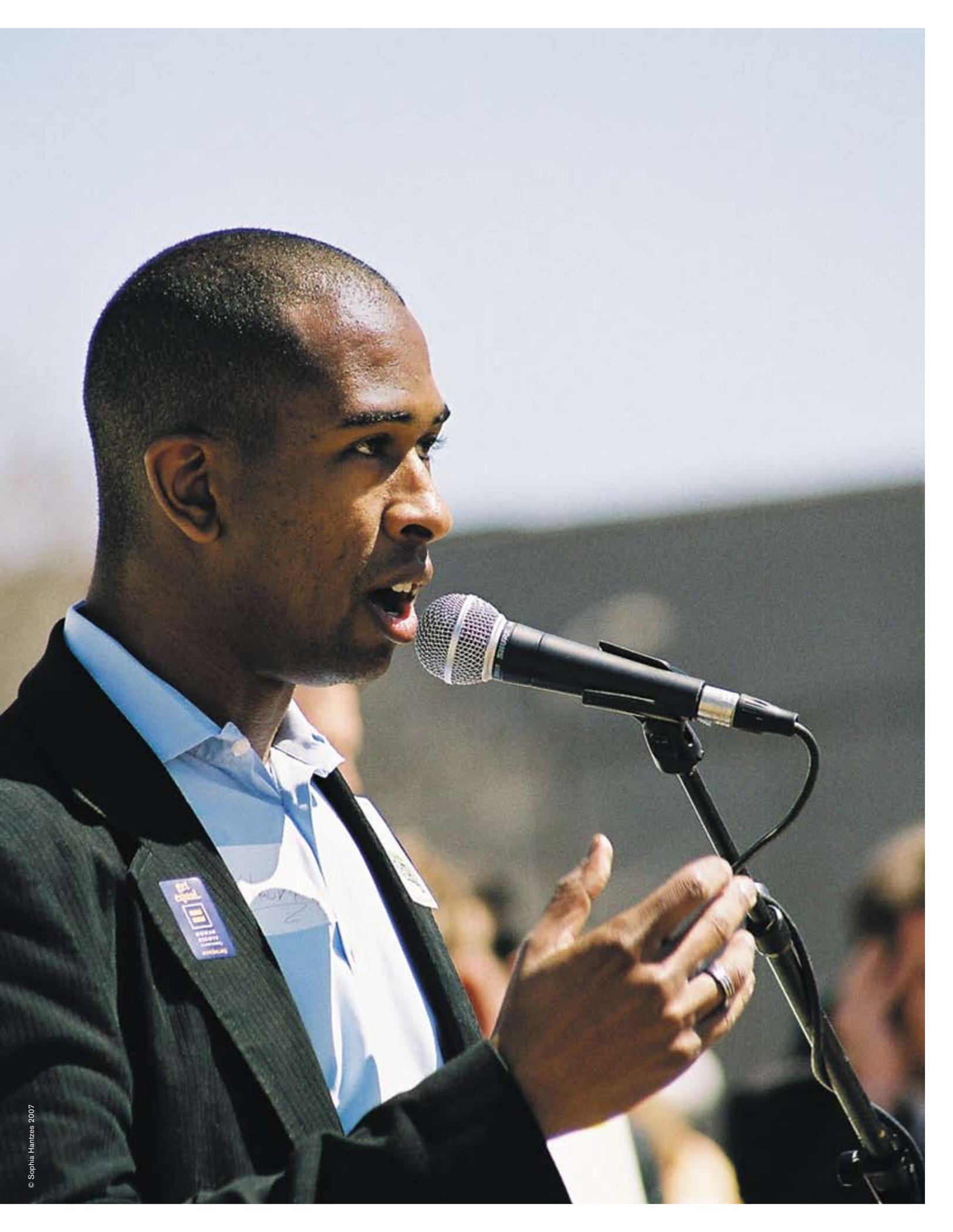


THE HUMAN RIGHTS CAMPAIGN

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

... works to ensure equal rights for GLBT individuals and families at the federal and state levels by lobbying elected officials, mobilizing grassroots supporters, educating Americans, investing strategically to elect fair-minded officials and partnering with other GLBT organizations.

... seeks to improve the lives of GLBT Americans by advocating for equal rights and benefits in the workplace, ensuring families are treated equally under the law and increasing public support among all Americans through innovative advocacy, education and outreach programs.



Social change happens at the ballot box and in the church pew, in the legislature and in the workplace. What's extraordinary about the Human Rights Campaign is its unique ability to pursue and achieve change in virtually every arena in American society.

HRC and the Human Rights Campaign Foundation work separately and together to chart a course toward a more equal America. The range of our programs is astonishing – reflective of the unlimited diversity of the gay, lesbian, bisexual and transgender community and the challenges we face across the full spectra of our lives.

LETTERS FROM THE BOARD CO-CHAIRS

The fiscal year 2007 demonstrated the power of HRC's multifaceted approach more than ever before. We were named – by the well-respected *National Journal* – the single most effective, non-union progressive organization working in the 2006 midterm elections. We played a decisive role in electing fair-minded majorities to the U.S. House and Senate, and to legislatures from Oregon to New Hampshire. Our members were visible and influential in hundreds of campaigns.

More than that, we had an impact on the daily lives and evolving perspectives of millions of American citizens. In workplaces as large as Boeing and as small as your local café, HRC's leadership made equality – regardless of sexual orientation or gender identity/expression – a fundamental fact for all. And at home after work, those values influenced the attitudes of families, friends and neighbors. Those are the people who went to the polls on Election Day and defeated the anti-gay marriage amendment in Arizona, and turned out such abominable political extremists as Rick Santorum.

The credit goes to an endlessly dedicated staff, an incredible network of volunteers in cities and towns across the country, hundreds of thousands of members and supporters and an incalculable number of people who joined us in spirit and deed.

The credit also goes to you. Because of your gifts and support, HRC and the people we stand for are able to act, live, work, love, believe, be and speak in a country that is moving steadily closer to full equality for all. Thank you for making that possible.

Sincerely,



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

Elections alone aren't enough to change the direction of a country. We've learned that in 2007, as a new Congress is still struggling to institute the course corrections that Americans voted for in 2006.

Understanding that reality is what makes the Human Rights Campaign Foundation such a vital leader in the movement toward gay, lesbian, bisexual and transgender equality. Its establishment 11 years ago was a recognition that the political and legislative processes are just part of what it takes to transform society. Whereas election days happen just once or twice a year, people go to work five days a week. They go to churches, synagogues or mosques dozens of times a year. They see, hear and read about the GLBT community and our lives on an ongoing basis.

The HRC Foundation and its multiple programs connect directly with those experiences. Our Workplace Project has shaped policies affecting tens of millions of employees. Our Religion and Faith Program is activating the voices needed to drown out the chorus of anti-gay faith-based extremism. Our Historically Black Colleges and Universities Program is bringing our message to communities where homophobia remains deeply entrenched. Our Coming Out Project has empowered countless people to live their lives with increasing openness, or to reach out to their GLBT loved ones and neighbors in positive and constructive ways. And our Family Project continues to provide the resources that GLBT couples and parents need to understand and protect their rights.

Every day in 2007, the HRC Foundation moved the ball forward, and brought America a measurable step closer to our goal of equality. The cover of this annual report says it all: we can act, live, work, love, believe, be and speak in an incredible range of ways. And we do so more safely and securely because of the work of the HRC Foundation.

Sincerely,

The image shows two handwritten signatures in black ink. The signature on the left is 'Vic Basile' and the signature on the right is 'Edith Dee Cofrin'. Both signatures are fluid and cursive.

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

The stunning outcome of the 2006 elections is already fading into memory as the 2008 campaigns pick up speed. But the work and impact of the Human Rights Campaign will not be forgotten anytime soon.

HRC played a pivotal role in the 2006 midterms, investing more than \$6 million in candidate contributions and political action in order to help elect fair-minded majorities to Congress. We were a decisive factor in the election of 211 House and Senate candidates, and played a central role in nearly three dozen of those races.

As a result, the 110th Congress is now led by the most pro-equality leadership in history, and a sizable list of critical legislative victories – including long-overdue passage of federal hate crimes and employment non-discrimination legislation – is now possible. These victories and so many more are outlined here, in the pages of our annual report for April 1, 2006 – March 31, 2007.

In May 2007, the Local Law Enforcement Hate Crimes Prevention Act passed the House by a comfortable, bipartisan margin. ENDA – the Employment Non-Discrimination Act – will receive its own hearings and votes soon, as Congress finally attends to the business of banning workplace discrimination.

Outside Washington, HRC's growing influence in corporate America, as exerted by our amazing Workplace Project, continued to set new records for private-sector recognition of GLBT equality.

More than 8 million people in the United States now work for businesses that provide domestic partner benefits to their GLBT employees, workplace protections on the basis of sexual orientation and gender identity and other fair-minded policies. Important trends in this area include widening corporate acceptance that gender identity and expression are worthy of respect and protection, and the fact that more and more companies are seeking us out to learn how they can improve their policies and earn better scores on HRC's Corporate Equality Index.

HRC is also engaging in dialogues in the realm of faith and worship. Our Religion and Faith Program continues to forge common ground between diverse faith traditions and their leaderships as they grapple with sexual orientation and gender identity issues. This exciting project is conducting innovative work throughout the country, including our historic gathering of 230-plus religious leaders to lobby Capitol Hill for GLBT equality.

LETTER FROM THE PRESIDENT

At the grassroots level, HRC's growing presence is reflected in new steering committees in Portland, Ore.; central Florida; and greater Cincinnati, Ohio – making a total of 33 vibrant groups with more than 650 volunteer leaders promoting active engagement in the fight for equality in local communities nationwide.

Being out and open is shifting public opinion in America, according to a study done using the HRC Foundation and Hunter College-CUNY polling archive. The study found that knowing that a family member is gay or lesbian raised the typical American's support for marriage equality by 17 percentage points, while support for adoption rights rose 13 points. This is incredible progress, and a powerful sign that movement toward GLBT equality is unyielding.

I look at all that HRC is doing – across the full range of ways that people congregate, communicate and shape the world around them – and I am amazed at the countless examples of our presence in the state capitols, churches, workplaces and neighborhoods of our country. And that presence is resonating.

In the months and years ahead, HRC's outreach to the world around us and the flow of people and ideas into our organization promises to carry our country forward to a remarkable new place ... a place where sexual orientation and gender expression and identity are matters of fact instead of reasons for bias, discrimination, controversy and violence.

Here's to that future. And thank you for the part you're playing in helping our country to get there.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Solmonese". The signature is fluid and cursive, with a long horizontal stroke at the end.

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





photo left: Participants of HRC's Clergy Call for Justice and Equality meet with Rep. John Lewis (D-GA).

“On the progressive side, HRC is now the best grassroots group in America.”
— U.S. Sen. Sherrod Brown, D-Ohio



As the gavel opened the 110th Congress, the Human Rights Campaign was poised to lead an unprecedented series of legislative advances to secure the rights of gay, lesbian, bisexual and transgender people. Two signature bills were especially positioned for success.

The Local Law Enforcement Hate Crimes Prevention Act (the “Matthew Shepard Act” in the Senate) directs much-needed federal resources to police and sheriffs’ departments to investigate and prosecute anti-GLBT hate crimes. And the Employment Non-Discrimination Act – ENDA – bans anti-GLBT workplace discrimination across the country and in the nearly three dozen states where it’s legal.

HRC’s federal agenda also pushes to extend family benefits to the same-sex partners of federal employees, tax equity to same-sex couples in employer-provided health plans and paid sick leave to workers needing to care for their same-sex partners.

Drafted with significant HRC input, all three measures reflect rising recognition that GLBT people deserve fairness in federal benefits programs. A first step came in late 2006, when Congress passed GLBT-inclusive provisions that alleviate tax penalties that non-spouse beneficiaries pay when they inherit retirement savings.

Also in 2006, the second decisive defeat came down for the Federal Marriage Amendment – with bipartisan rejection of anti-gay discrimination in the U.S. Constitution despite President Bush’s vocal support.

The most pro-equality congressional leadership in history was shaped in crucial ways by a monumental HRC effort to elect fair-minded candidates in the 2006 elections. Down went anti-gay icons like Sen. Rick Santorum, R-Pa., and in came new champions for equality like Sens. Bob Casey, D-Pa.; Amy Klobuchar, D-Minn.; and Sherrod Brown, D-Ohio; and Reps. Ron Klein, D-Fla.; Gabrielle Giffords, D-Ariz.; and Bruce Braley, D-Iowa.

With strategic investments of more than \$6 million in candidate contributions and targeted bipartisan political action, HRC was widely credited on both sides of the aisle with playing a central role in changing the balance of power in Congress.

ON THE FOREFRONT

On March 1, 2007, more than 300 HRC volunteers went to Capitol Hill to lobby their senators and representatives about civil rights for GLBT people – the largest single-day GLBT-focused lobby effort in Washington history.

opposite: Judy Shepard and Joe Solmonese on Capitol Hill before the hate crimes vote in the House.

STILL AHEAD

“All told, I received nearly five times as many calls, e-mails and letters from opponents of the [hate crimes] bill as I did from its supporters.”

– Rep. Joe Donnelly, D-Ind., confirming the massive outpouring of right-wing opposition to the Local Law Enforcement Enhancement Act, which nevertheless prevailed in the House by a vote of 237 to 180.

In states across the country, we saw progressive gay, lesbian, bisexual and transgender-related legislation move forward, underscoring the benefits of the Human Rights Campaign's aggressive work outside the nation's capital. Highly targeted action played a pivotal role in electing fair-minded legislative majorities in six states in November 2006 – proving the cause-and-effect of HRC political activism at the state level.

Fair-minded majorities took control in the following states, leading to these results:

Indiana: Rejection of an anti-gay marriage amendment in April 2007

Iowa: Passage of a GLBT non-discrimination bill in April 2007

New Hampshire: Civil unions for same-sex couples in April 2007

Oregon: Passage of a GLBT-inclusive domestic partnership act in May 2007, and a GLBT non-discrimination law in April 2007

Major advances also came in New Jersey, the third state to legalize civil unions for same-sex couples and the ninth to ban discrimination based on gender identity and expression; in New York, where Democratic Gov. Eliot Spitzer won his election while pledging full support for marriage equality for same-sex couples; and in Wyoming, where Republican lawmakers played a key role in defeating an anti-gay marriage amendment.

In state after state, HRC's support for statewide GLBT organizations and investment in long-term political change is transforming the landscape for GLBT equality and setting new standards for Congress to follow.



ON THE FOREFRONT

HRC in the 2006 elections:

- \$1.3 million in contributions by HRC's political action committee.
- \$1.3 million in contributions to campaigns by HRC members.
- \$5 million invested in election-related activities in 27 states.
- 64 HRC staffers deployed to key campaigns in the election's final days.
- 500 weeks of combined staff time on-the-ground in key races.
- 2,500 campaign volunteers trained.
- 23 HRC Campaign College activists trained and deployed.
- Hundreds of thousands of get-out-the-vote contacts made.

opposite: Bringing people together for a common goal.

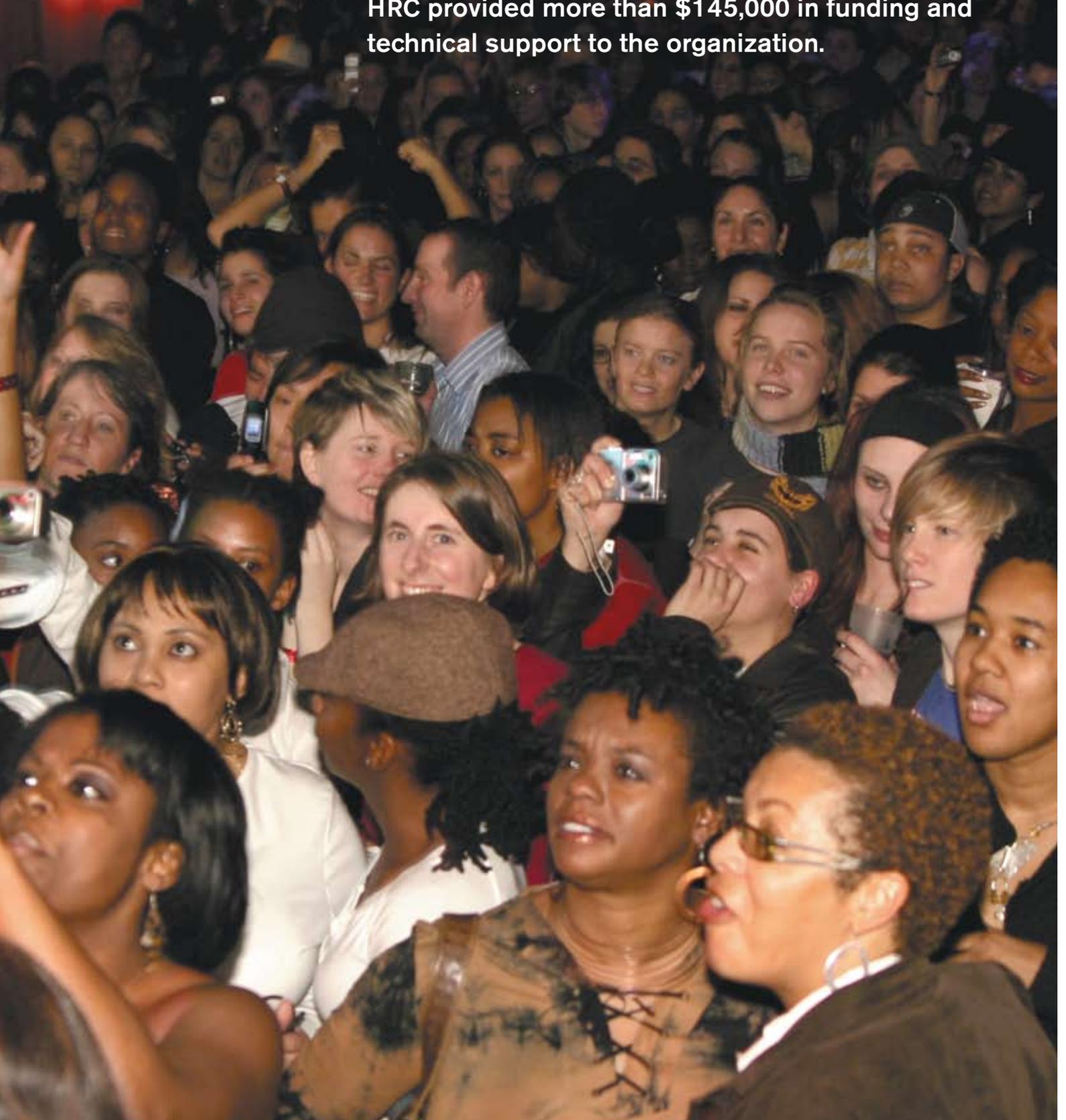
STILL AHEAD

Key setbacks show that there's still more to do.

- For example, because of a constitutional amendment passed in 2004, a Michigan court denied domestic partner benefits to GLBT public employees. And in state legislatures across the country:
- Bills to add gender identity to non-discrimination laws died in Connecticut and Maryland.
 - Attempts to ease Florida's uniquely discriminatory ban on adoption by gay and lesbian individuals or same-sex couples failed.
 - Hawaii failed to pass a civil unions bill.
 - Indiana defeated a GLBT-inclusive hate crimes law.
 - Kentucky Gov. Ernie Fletcher almost succeeded in pushing through a bill to ban public agencies from providing domestic partner benefits to their employees.
 - Montana's GLBT non-discrimination bill died in committee.
 - New Mexico came one vote short of passing a domestic partnership bill.
 - The New York Senate has refused to take up the marriage equality bill that passed the Assembly.

“When we first got started, no national organization thought we could win ... except HRC.”

— Steve May, co-chair of Arizona Together. In 2006, Arizona was the site of the nation’s first public vote to defeat an anti-gay marriage amendment. HRC provided more than \$145,000 in funding and technical support to the organization.





**“Gay marriage ... has become a fact of life inside many big companies. ... HRC organizing workplaces to secure benefits for gay employees has become a shrewd political strategy.”
— *Fortune* magazine, in a fall 2006 cover story**

Corporate America remains the most fertile ground for concrete, long-term progress toward gay, lesbian, bisexual and transgender equality – progress that resonates well beyond the cubicles and factories where Americans work.

The Human Rights Campaign Foundation continues to lead the way with its Workplace Project with direct advocacy to increase the number of U.S. companies with policies that treat GLBT workers equally. By March 2007, the project reported record numbers of Fortune 500 companies with domestic partner benefits (265) and transgender-inclusive non-discrimination policies (124).

To help consumers choose brands rooted in a philosophy of equal rights for all, HRC released its second **Buying for Equality** guide. In its first year, more than 250,000 people used the guide to make decisions about buying everything from airline tickets to detergent to coffee.

Employees, too, used HRC research and reporting to choose where to invest their labor and talents. The second annual **Best Places to Work for GLBT Equality** gave a coveted seal of approval to 142 companies scoring a perfect 100 percent on the Corporate Equality Index. By fall 2007, that number had grown to 195.

Consciousness raised, corporate executives joined HRC to call upon Congress to reflect the growing consensus for GLBT workplace equality by passing the Employment Non-Discrimination Act in 2007. To further deepen the case, HRC joined with the American Civil Liberties Union and the National Gay and Lesbian Task Force to compile case studies of jobs, promotions and opportunities lost to workplace bias.

ON THE FOREFRONT

“Last June the gay rights movement quietly achieved a milestone: For the first time, more than half of Fortune 500 companies – 263, to be precise – offered health benefits for domestic partners, according to the Human Rights Campaign. Ten years ago only 28 did.”
– *Fortune* magazine, in a 10-page cover story on GLBT gains in corporate America.

STILL AHEAD

City commissioners in Largo, Fla., fired City Manager Susan Stanton after 14 years on the job when she disclosed her decision to begin the process of transitioning from male to female. Under the Employment Non-Discrimination Act, such a firing would be illegal.

“If Jesus was here tonight, I can guarantee you he’d want [Stanton] terminated. Make no mistake about it.”
– Ron Sanders, pastor, Lighthouse Baptist Church of Largo, Fla.

opposite: Randy Lyons of Nike speaks at a press conference where the Tax Equity for Domestic Partner and Health Beneficiaries Act is introduced in the Senate while Margery Brittain of MetLife Inc. and Sen. Gordon Smith (R-Ore.) look on.

Forming loving partnerships and raising children while being embraced as full members of the American family at home and in every community – these basic rights for gay, lesbian, bisexual and transgender people were still the subject of public debate in 2007. The HRC Foundation's innovative Family Project is leading the way in advocacy, education and programs that improve our daily lives today.

A partnership between the HRC Foundation's Family Project and the leading national child welfare groups resulted in a new national campaign, **All Children – All Families**, to create fair and equal practices within adoption agencies working with prospective GLBT parents.

LOVE All families depend on access to quality healthcare, yet GLBT families face barriers and biases associated with anti-gay discrimination and misperceptions about our community. To promote the same level of positive change in the healthcare industry that the HRC Foundation's Workplace Project has achieved in corporate America, the HRC Foundation's Family Project launched the new **Healthcare Equality Index** to set the standard for policy and practice with GLBT consumers and their families. The first HEI, slated for release in fall of 2007, looks at nearly 80 hospitals with 1 million patient admissions annually.

As state legislatures in Arkansas and Utah considered dangerous measures aimed at restricting or prohibiting GLBT parenting rights, the HRC Foundation's Family Project took the lead in making information available to thousands of GLBT individuals and couples looking for answers in this complicated, uncertain area. And it helped educate the broader public about the importance of fair and equal policies.

The good news is that a greater number of state legislatures considered bills aimed at expanding parenting opportunities and the rate of GLBT parenting continued to increase. With it, the number of children growing up in GLBT-headed households rose, too. To improve their learning environment, the HRC Foundation's Family Project is launching the **Welcoming Schools Program** to decrease bullying and help elementary schools recognize, affirm and welcome GLBT-headed families.

ON THE FOREFRONT

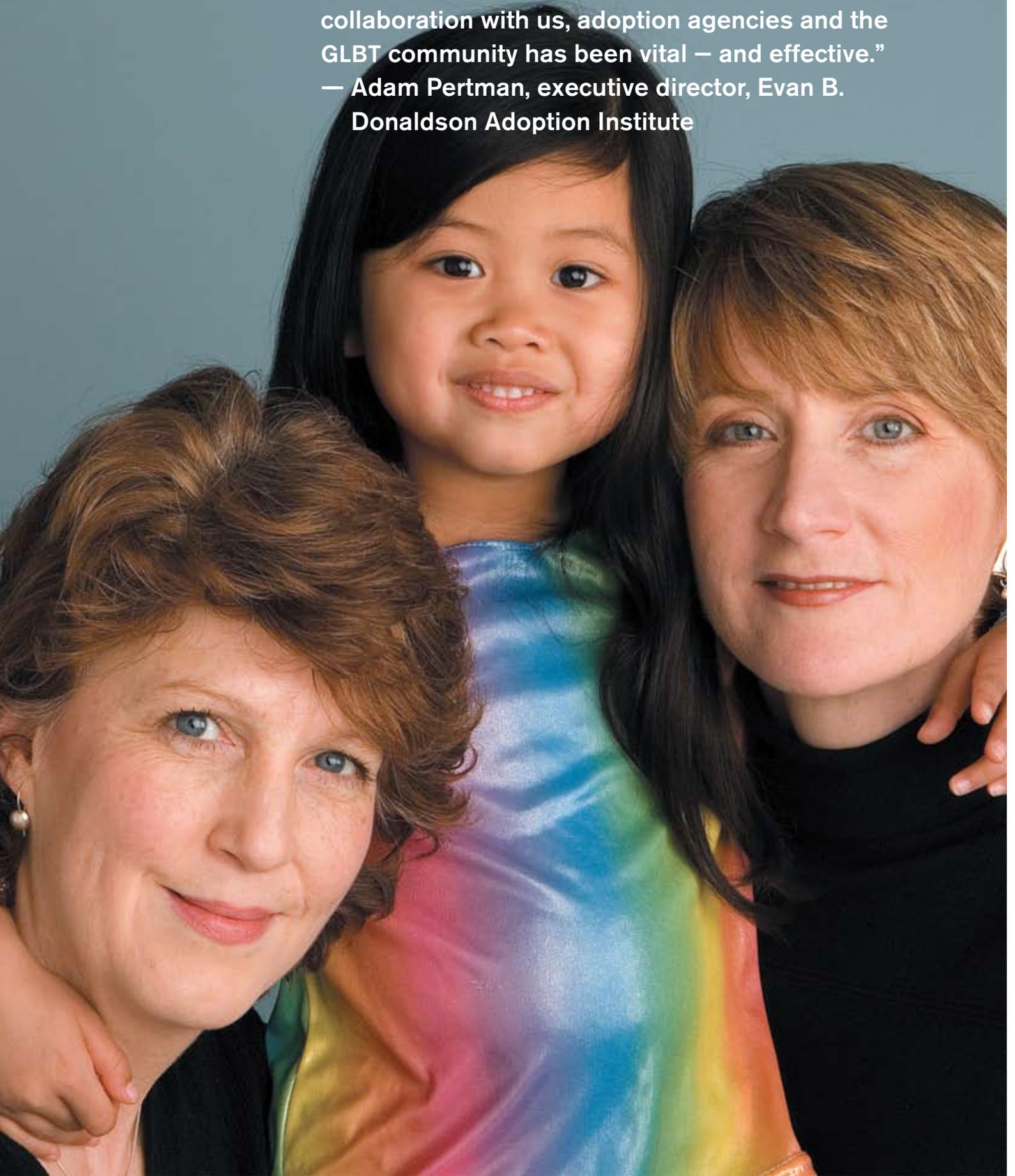
The HRC Foundation's Family Project created and maintains a comprehensive database of 100-plus adoption agencies across the country that welcome and support prospective adoptive parents who are GLBT.

STILL AHEAD

Florida remains the only state to categorically deny all "homosexuals" the right to adopt. Michigan, Mississippi and Utah all bar same-sex couples from adopting. And until this year, Arkansas and Missouri had regulations banning gays and lesbians from serving as foster parents.

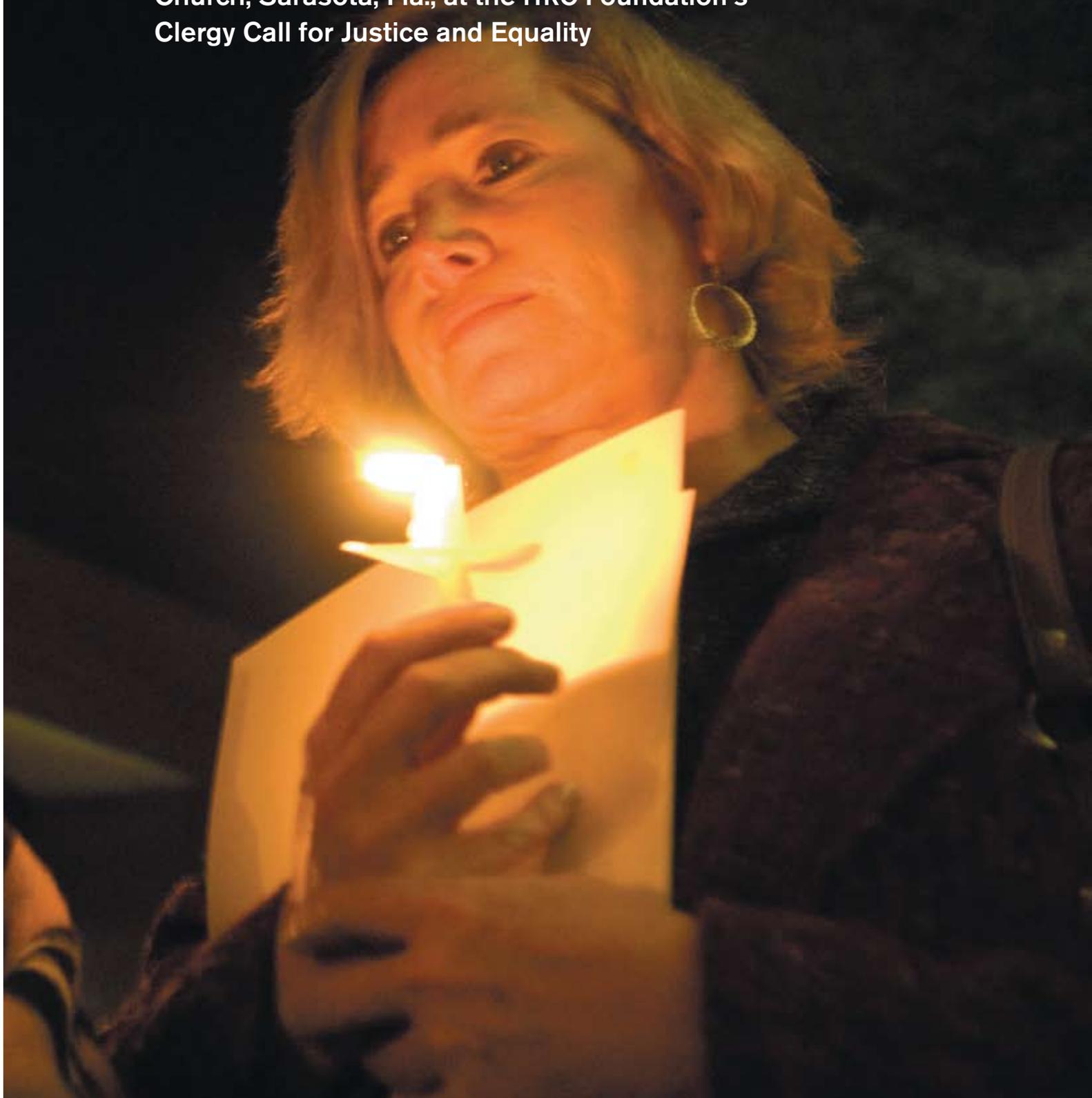
opposite: Cynthia Way and Rebecca Roberts with their daughter Lina.

“The HRC Foundation’s Family Project is a force for helping to find more homes for children. Its collaboration with us, adoption agencies and the GLBT community has been vital – and effective.”
— Adam Pertman, executive director, Evan B. Donaldson Adoption Institute



“We are here today to say that there are millions of us – straight, gay and otherwise – who see in our religious roots and teachings a call to justice, mercy and kindness, a call to a civil society of mutual respect, justice and dignity for all.”

— The Rev. Nancy Wilson, Metropolitan Community Church, Sarasota, Fla., at the HRC Foundation’s Clergy Call for Justice and Equality



Nowhere is the fight for gay, lesbian, bisexual and transgender equality more vigorously and passionately debated than in communities of faith. Each year brings a new peak, and 2007 was no exception, as the Vatican condemned marriage equality and GLBT intimacy, while the United Methodist Church, Episcopal Church USA and Committee on Jewish Law and Standards all took steps forward.

In its second year, the Human Rights Campaign Foundation's Religion and Faith Program continued to assert a pro-GLBT perspective in faith-based dialogues and places of worship across the country.

B E L L E W E A
In April 2007, the project gathered more than 230 religious leaders across the country and from every faith tradition on Capitol Hill for a hugely successful **Clergy Call for Justice and Equality**. Participants spoke in favor of the Matthew Shepard Local Law Enforcement Hate Crimes Prevention Act and the Employment Non-Discrimination Act, and, in collars, robes and stoles, visited lawmakers' offices to reveal another side of the religious debate about GLBT equality.

Earlier in the year, the program introduced **Out In Scripture**, an online resource providing biblical insights, sermon ideas and content and spiritual discussion guides. The first and only resource of its kind, it reaches more than 4,300 subscribers each week.

The HRC Foundation's Religion and Faith Program spokespeople were a visible presence at hundreds of faith-based gatherings nationwide, including the Episcopal General Convention in Columbus, Ohio; the Tapestry Conference in Indianapolis; and the program's own Faith and Fairness town halls in cities like Chicago and Orlando, Fla.

ON THE FOREFRONT

Since early 2006, 12 nationally known spokespeople have joined the HRC Religion and Faith Program's Religion Council, participating in faith dialogues that have reached more than 1 million Americans monthly.

STILL AHEAD

Even as Jerry Falwell and Pat Robertson's influence diminishes, a new generation of religious extremists is vying for prominence by proving themselves more anti-GLBT than their rivals.

opposite: Transgender equality activist Dana Beyer at the 2006 Day of Transgender Remembrance.

The human face of gay, lesbian, bisexual and transgender equality continues to be the movement's most effective advocate. And the Human Rights Campaign is at the forefront of encouraging people of all backgrounds and ages to come out, affirm their identities and live openly as GLBT Americans.

In its 19th year, the HRC Foundation's Coming Out Project provided support, encouragement and resources to help thousands of people take their next step toward coming out and living openly. The project produced a new series of coming out guides, including the first-ever materials aimed at straight supporters, the transgender community, people of faith, voters and healthcare consumers.

A new study released on National Coming Out Day, Oct. 11, 2006, confirmed that more Americans are becoming personally acquainted with GLBT people and, consequently, becoming more supportive of equality.

Two dynamic national spokespeople joined the organization in 2006 and 2007 to advocate for equality in different arenas. Retired NBA star John Amaechi, the first former pro-basketball player to come out as gay and the author of a powerful memoir, *Man in the Middle*, signed on as national spokesperson for the HRC Foundation's Coming Out Project.

Retired Marine Staff Sgt. Eric Alva, who became the first U.S. service member injured in the Iraq war when he lost a leg in a mine explosion, publicly came out as gay at a Capitol Hill press conference announcing the reintroduction of the Military Readiness Enhancement Act, which would repeal "Don't Ask, Don't Tell."

Alva's powerful story and testimony won nationwide headlines, as did his forceful response to remarks by the former chairman of the Joint Chiefs of Staff, Gen. Peter Pace, who denigrated GLBT service members and other GLBT people as "immoral." Alva travels the country as HRC's spokesperson for lifting the military ban on service by openly gay, lesbian and bisexual people.

ON THE FOREFRONT

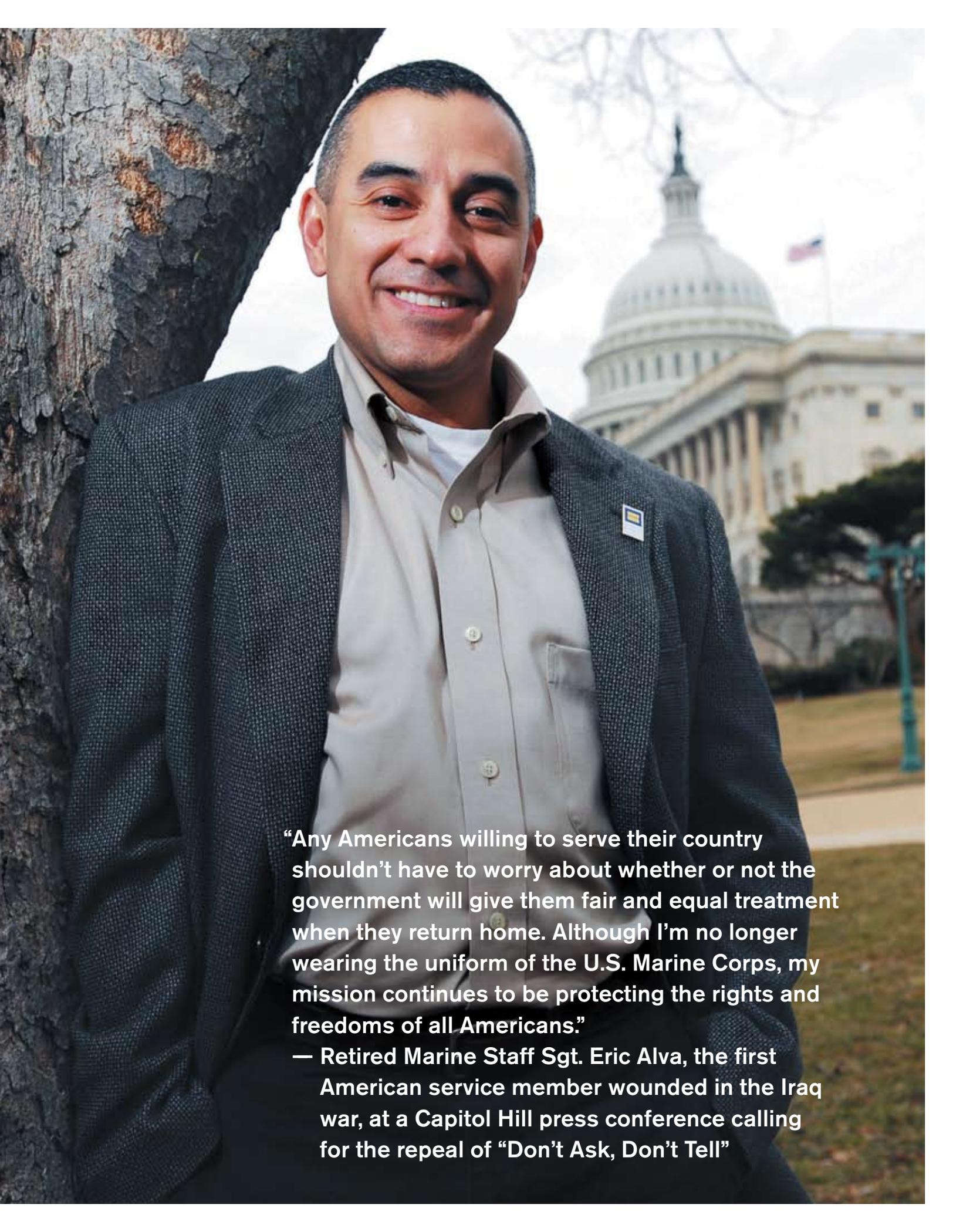
With its first-ever chief diversity officer, HRC launched diversity and leadership trainings for the 650+ members of its 33 volunteer steering committees, as well as a national dialogue on diversity issues to gather information on how HRC can play a bigger role in improving the quality of life for GLBT people of color.

opposite: Eric Alva on Capitol Hill.

STILL AHEAD

"Words have power – and this word in particular has a ricochet effect, as it emboldens bullies in the school yard, in the workplace and on the streets and tells them that this kind of hate speech is OK. Ann Coulter knows better, yet continues to disparage the GLBT community. The people in the room with her yesterday would do well to send a message that harmful slurs never have a place in the public discourse."

– HRC spokesperson John Amaechi, in response to anti-gay slur by right-wing pundit Ann Coulter.



“Any Americans willing to serve their country shouldn’t have to worry about whether or not the government will give them fair and equal treatment when they return home. Although I’m no longer wearing the uniform of the U.S. Marine Corps, my mission continues to be protecting the rights and freedoms of all Americans.”

— Retired Marine Staff Sgt. Eric Alva, the first American service member wounded in the Iraq war, at a Capitol Hill press conference calling for the repeal of “Don’t Ask, Don’t Tell”



“After two previous election cycles in which conservative and business interests deployed superior get-out-the-vote efforts, labor, human rights, environmental, pro-choice and other left-leaning groups won the ground game on Election Day.”

— The *National Journal*, in an article naming HRC the most effective non-union progressive group active in the 2006 elections

In every medium – online, print, video and more – HRC is on the leading edge of communicating ideas, truths and perspectives to shape the national dialogue about gay, lesbian, bisexual and transgender equality.

The HRC Media Center on the ground floor of HRC's headquarters building in Washington enables spokespeople to deliver messages to, and conduct interviews with, hundreds of media outlets at the same time through a sophisticated array of radio, television, satellite and other equipment.

The Media Center is the location for HRC's daily online newscast, "Equally Speaking," launched in 2006. And the HRC Communications Department also produces "Equally Speaking This Week," an electronic newsletter of talking points to help HRC members and allies discuss issues and breaking events.

In July 2006, HRC launched "The Agenda with Joe Solmonese," a live, weekly two-hour interview program on XM Satellite Radio. Partly produced in the Media Center, the program reaches thousands of listeners each week during its live and repeat broadcasts. Recently, XM began making the program available online by streaming audio.

In summer 2007, Grammy Award-winning recording artist Cyndi Lauper led a True Colors concert tour benefiting HRC. The concerts, held in 16 cities, also featured Erasure, Debbie Harry, The Dresden Dolls and Margaret Cho as well as Rufus Wainwright, Rosie O'Donnell and other special guests. HRC used this opportunity to mobilize thousands of concertgoers to take action to support a GLBT-inclusive federal hate crimes law.

HRC is the go-to organization, contacted for authoritative comments and information about the full range of GLBT issues in America today. On average, HRC is mentioned in four mainstream media stories each week, playing a major role in shaping the dialogue and debate about GLBT equality.

ON THE FOREFRONT

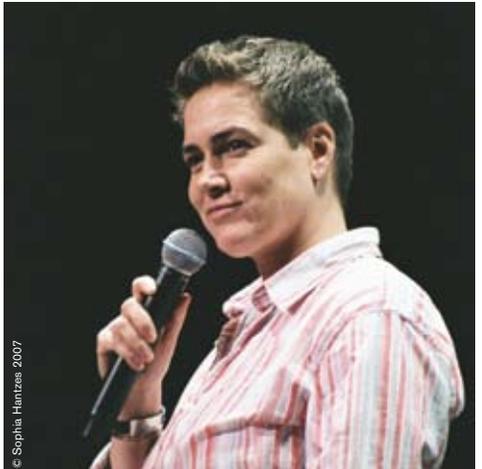
HRC's ambitious schedule of GLBT pride outreach in spring and summer 2006 reached up to 5 million people through events in more than 100 cities. HRC also took part in 22 black, Hispanic and Asian-American prides in 15 cities, reaching more than 70,000 people.

STILL AHEAD

Right-wing and anti-gay groups have no shortage of media outlets to spread their anti-GLBT message – including talk radio programs like Rush Limbaugh's, cable outlets like Fox News, syndicated television programs like "The 700 Club," a network of well-funded think tanks and pressure groups and the unrivaled scope of conservative religious institutions nationwide.

opposite: Cyndi Lauper at the national 2007 True Colors tour, which benefited HRC.





FINANCES AND LEADERS

Financials	27
Federal Club Council	34
Federal Club	37
Capital Campaign	55
Equality Circle	60
Foundation Supporters	62
Corporate Partners	62
Boards	63
Business Council	64
Religion Council	64
Senior Staff	64

Act. Live. Work. Love. Believe. Be. Speak. As seen throughout this report, fiscal year 2007 for the Human Rights Campaign and the Human Rights Campaign Foundation was a year of great political strides on the road to equality and a year of great progress in responding to the lived experience of gay, lesbian, bisexual and transgender individuals in their families, workplaces, marketplaces and faith communities. Success and progress come with strategic investment and, this year, combined program spending increased 13 percent to a record-setting \$28.6 million with a 21 percent increase in federal, field, electoral and legal advocacy spending leading the way.

Strategic investment depends upon resources and, this year, combined revenue and support totaled \$42 million. HRC and the HRC Foundation depend upon the generous support of hundreds of thousands of individuals, as well as corporations and foundations. HRC and the HRC Foundation recognize our responsibilities to donors, and we are constantly focused on effective use of resources. In fiscal year 2007, program spending as a percentage of total income rose to 68 percent from 65 percent a year earlier. On a combined basis, the joint cost of fund-raising for HRC and the HRC Foundation (calculated as total fund-raising expenses divided by total revenue as reported on the IRS Form 990 tax return) was 12 percent in fiscal year 2007.

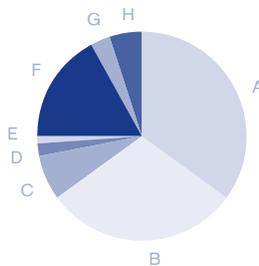
We thank you, our members and donors – especially our Federal Club, Federal Club Council and Partners members – for your unwavering support of our important work. Through your generous financial support and continued dedication to equality, you're ensuring our continued growth and the strength of the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

STATEMENT OF ACTIVITIES

HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS CAMPAIGN FOUNDATION COMBINED
Statement of Activities for the Years Ended March 31, 2007, and 2006

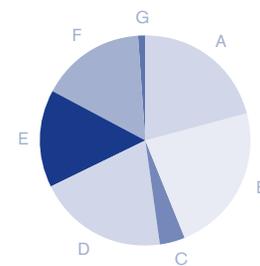
	2007	2006
BEGINNING NET ASSETS	\$28,286,364	\$27,940,927
REVENUE AND SUPPORT CONTRIBUTIONS		
MEMBER CONTRIBUTIONS	14,542,781	13,790,249
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	12,429,363	12,215,455
CORPORATE/FOUNDATION GRANTS	2,864,242	1,608,307
BEQUESTS	725,294	593,890
IN-KIND	587,509	688,754
SPECIAL EVENTS	7,291,094	6,913,517
MERCHANDISE SALES	1,269,512	1,046,664
INVESTMENT AND OTHER INCOME	2,289,506	2,169,909
TOTAL REVENUE AND SUPPORT	41,999,301	39,026,745
EXPENSES		
PROGRAM SERVICES		
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	8,902,005	7,370,663
PUBLIC POLICY, EDUCATION AND TRAINING	9,850,184	9,475,553
COMMUNICATIONS AND MEDIA ADVOCACY	1,600,145	1,046,808
MEMBERSHIP EDUCATION AND MOBILIZATION	8,213,094	7,329,096
TOTAL PROGRAM SERVICES	28,565,428	25,222,120
SUPPORTING SERVICES		
MANAGEMENT AND GENERAL	6,170,545	4,692,153
FUND RAISING	6,795,439	8,282,142
CAPITAL CAMPAIGN	432,147	484,893
TOTAL SUPPORTING SERVICES	13,398,131	13,459,188
TOTAL EXPENSES	41,963,559	38,681,308
CHANGES IN NET ASSETS	35,742	345,437
ENDING NET ASSETS	\$28,322,106	\$28,286,364

HRC AND HRC FOUNDATION COMBINED



2007 SOURCES OF INCOME

A Member Contributions	35%
B Federal Club / Major Donor	30%
C Grants	7%
D Bequests	2%
E In-Kind	1%
F Special Events	17%
G Merchandise Sales	3%
H Investments and Other Income	5%



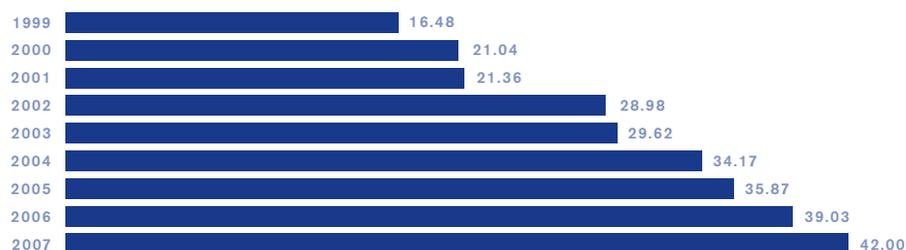
2007 USES OF INCOME

A Federal, Field, Electoral and Legal Advocacy	21%
B Public Policy, Education and Training	23%
C Communications and Media Advocacy	4%
D Membership Education and Mobilization	20%
E Management and General	15%
F Fund Raising	16%
G Capital Campaign	1%

HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS CAMPAIGN FOUNDATION COMBINED
Statement of Activities for the Year Ended March 31, 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
CONTRIBUTIONS			
MEMBER CONTRIBUTIONS	\$13,848,350	\$694,431	\$14,542,781
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	12,102,797	326,566	12,429,363
CORPORATE/FOUNDATION GRANTS	1,110,617	1,753,625	2,864,242
BEQUESTS	725,294	-	725,294
IN-KIND	587,509	-	587,509
SPECIAL EVENTS	7,291,094	-	7,291,094
MERCHANDISE SALES	1,269,512	-	1,269,512
INVESTMENT AND OTHER INCOME	2,292,834	(3,328)	2,289,506
NET ASSETS RELEASED FROM RESTRICTIONS	6,681,545	(6,681,545)	-
TOTAL REVENUE AND SUPPORT	45,909,552	(3,910,251)	41,999,301
EXPENSES			
PROGRAM SERVICES			
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	8,902,005	-	8,902,005
PUBLIC POLICY, EDUCATION AND TRAINING	9,850,184	-	9,850,184
COMMUNICATIONS AND MEDIA ADVOCACY	1,600,145	-	1,600,145
MEMBERSHIP EDUCATION AND MOBILIZATION	8,213,094	-	8,213,094
TOTAL PROGRAM SERVICES	28,565,428	-	28,565,428
SUPPORTING SERVICES			
MANAGEMENT AND GENERAL	6,170,545	-	6,170,545
FUND RAISING	6,795,439	-	6,795,439
CAPITAL CAMPAIGN	432,147	-	432,147
TOTAL SUPPORTING SERVICES	13,398,131	-	13,398,131
TOTAL EXPENSES	41,963,559	-	41,963,559
CHANGES IN NET ASSETS	\$3,945,993	(3,910,251)	\$35,742

HRC AND HRC FOUNDATION COMBINED NINE-YEAR INCOME SUMMARY \$MILLIONS



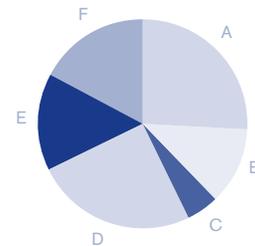
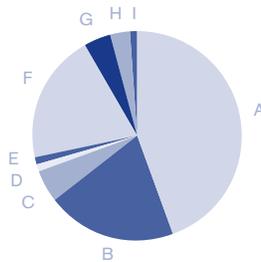
On a combined basis, the Human Rights Campaign and the Human Rights Campaign Foundation (including the HRC Foundation's "Building Equality" Capital Campaign, which raised money to finance the purchase and renovation of the HRC/HRC Foundation's national headquarters building in Washington, D.C.) had a joint cost of fund raising of 12 percent in 2007. The joint cost of fund raising, excluding the Capital Campaign revenue and expense, was 11 percent in 2007. Cost of fund raising is calculated as total fund-raising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN

Statement of Activities for the Years Ended March 31, 2007, and 2006

	2007	2006
BEGINNING NET ASSETS	\$4,214,442	\$3,364,072
REVENUE AND SUPPORT		
CONTRIBUTIONS		
MEMBER CONTRIBUTIONS	14,204,602	13,346,467
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	6,595,280	7,004,464
CORPORATE/FOUNDATION GRANTS	1,569,190	985,902
BEQUESTS	349,155	322,570
IN-KIND	475,762	608,917
SPECIAL EVENTS	6,573,726	6,217,817
MERCHANDISE SALES	1,269,512	1,046,664
INVESTMENT AND OTHER INCOME	868,817	791,153
HRC FOUNDATION CONTRIBUTION IN SUPPORT OF HRC ACTIVITIES	400,000	400,000
TOTAL REVENUE AND SUPPORT	32,306,044	30,723,954
EXPENSES		
PROGRAM SERVICES		
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	8,461,414	7,325,675
PUBLIC POLICY, EDUCATION AND TRAINING	3,885,469	4,313,671
COMMUNICATIONS AND MEDIA ADVOCACY	1,575,477	742,364
MEMBERSHIP EDUCATION AND MOBILIZATION	8,213,094	7,329,096
TOTAL PROGRAM SERVICES	22,135,454	19,710,806
SUPPORTING SERVICES		
MANAGEMENT AND GENERAL	4,769,103	3,599,100
FUND RAISING	5,400,159	6,563,678
TOTAL SUPPORTING SERVICES	10,169,262	10,162,778
TOTAL EXPENSES	32,304,716	29,873,584
CHANGES IN NET ASSETS	1,328	850,370
ENDING NET ASSETS	\$4,215,770	\$4,214,442

HUMAN RIGHTS CAMPAIGN 501(c)(4)



2007 SOURCES OF INCOME

A Member Contributions	44%
B Federal Club / Major Donor	20%
C Grants	5%
D Bequests	1%
E In-Kind	2%
F Special Events	20%
G Merchandise Sales	4%
H Investments and Other Income	3%
I HRC Foundation Contribution	1%

2007 USES OF INCOME

A Federal, Field, Electoral and Legal Advocacy	26%
B Public Policy, Education and Training	12%
C Communications and Media Advocacy	5%
D Membership Education and Mobilization	25%
E Management and General	15%
F Fund Raising	17%

HUMAN RIGHTS CAMPAIGN

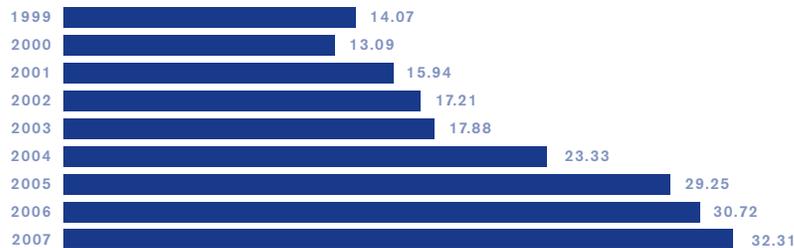
Statement of Activities for the Year Ended March 31, 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
CONTRIBUTIONS			
MEMBER CONTRIBUTIONS	\$13,510,171	\$694,431	\$14,204,602
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	6,595,280	-	6,595,280
CORPORATE/FOUNDATION GRANTS	415,565	1,153,625	1,569,190
BEQUESTS	349,155	-	349,155
IN-KIND	475,762	-	475,762
SPECIAL EVENTS	6,573,726	-	6,573,726
MERCHANDISE SALES	1,269,512	-	1,269,512
INVESTMENT AND OTHER INCOME	868,817	-	868,817
HRC FOUNDATION CONTRIBUTION IN SUPPORT OF HRC ACTIVITIES	400,000	-	400,000
NET ASSETS RELEASED FROM RESTRICTIONS	1,951,779	(1,951,779)	-
TOTAL REVENUE AND SUPPORT	32,409,767	(103,723)	32,306,044
EXPENSES			
PROGRAM SERVICES			
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	8,461,414	-	8,461,414
PUBLIC POLICY, EDUCATION AND TRAINING	3,885,469	-	3,885,469
COMMUNICATIONS AND MEDIA ADVOCACY	1,575,477	-	1,575,477
MEMBERSHIP EDUCATION AND MOBILIZATION	8,213,094	-	8,213,094
TOTAL PROGRAM SERVICES	22,135,454	-	22,135,454
SUPPORTING SERVICES			
MANAGEMENT AND GENERAL	4,769,103	-	4,769,103
FUND RAISING	5,400,159	-	5,400,159
TOTAL SUPPORTING SERVICES	10,169,262	-	10,169,262
TOTAL EXPENSES	32,304,716	-	32,304,716
CHANGES IN NET ASSETS	\$105,051	\$(103,723)	\$1,328

HUMAN RIGHTS CAMPAIGN NINE-YEAR INCOME SUMMARY

\$ MILLIONS

Includes HRC and HRC Political Action Committee.



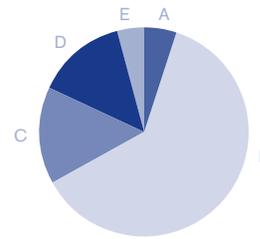
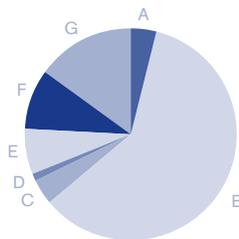
The Human Rights Campaign's cost of fund raising was 10 percent in 2007. Cost of fund raising is calculated as total fund-raising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN FOUNDATION

Statement of Activities for the Years Ended March 31, 2007, and 2006

	2007	2006
BEGINNING NET ASSETS	\$24,071,922	\$24,576,855
REVENUE AND SUPPORT		
CONTRIBUTIONS		
CONTRIBUTIONS	338,179	443,782
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	5,834,083	5,210,991
CORPORATE/FOUNDATION GRANTS	895,052	622,405
BEQUESTS	376,139	271,320
IN-KIND	111,747	79,837
SPECIAL EVENTS	717,368	695,700
MERCHANDISE SALES	-	-
INVESTMENT AND OTHER INCOME	1,420,689	1,378,756
TOTAL REVENUE AND SUPPORT	9,693,257	8,702,791
EXPENSES		
PROGRAM SERVICES		
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	440,591	444,988
PUBLIC POLICY, EDUCATION AND TRAINING	5,964,715	5,161,882
COMMUNICATIONS AND MEDIA ADVOCACY	24,668	304,444
TOTAL PROGRAM SERVICES	6,429,974	5,911,314
SUPPORTING SERVICES		
MANAGEMENT AND GENERAL	1,401,442	1,093,053
FUND RAISING	1,395,280	1,718,464
CAPITAL CAMPAIGN	432,147	484,893
TOTAL SUPPORTING SERVICES	3,228,869	3,296,410
TOTAL EXPENSES	9,658,843	9,207,724
CHANGES IN NET ASSETS	34,414	(504,933)
ENDING NET ASSETS	\$24,106,336	\$24,071,922

HUMAN RIGHTS CAMPAIGN FOUNDATION 501(c)(3)



2007 SOURCES OF INCOME

A Contributions	4%
B Federal Club / Major Donor	60%
C Bequests	4%
D In-Kind	1%
E Special Events	7%
F Grants	9%
G Investments and Other Income	15%

2007 USES OF INCOME

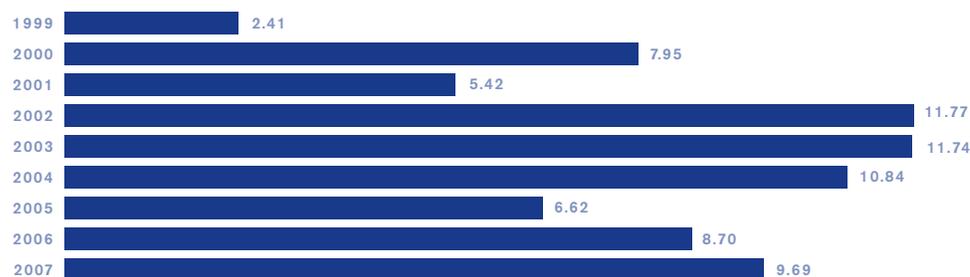
A Federal, Field, Electoral and Legal Advocacy	5%
B Public Policy, Education and Training	62%
C Management and General	15%
D Fund Raising	14%
E Capital Campaign	4%

HUMAN RIGHTS CAMPAIGN FOUNDATION
Statement of Activities for the Year Ended March 31, 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
CONTRIBUTIONS			
CONTRIBUTIONS	\$338,179		\$338,179
FEDERAL CLUB/MAJOR DONOR CONTRIBUTIONS	5,507,517	326,566	5,834,083
CORPORATE/FOUNDATION GRANTS	295,052	600,000	895,052
BEQUESTS	376,139	-	376,139
IN-KIND	111,747	-	111,747
SPECIAL EVENTS	717,368	-	717,368
MERCHANDISE SALES	-	-	-
INVESTMENT AND OTHER INCOME	1,424,017	(3,328)	1,420,689
NET ASSETS RELEASED FROM RESTRICTIONS	4,729,766	(4,729,766)	-
TOTAL REVENUE AND SUPPORT	13,499,785	(3,806,528)	9,693,257
EXPENSES			
PROGRAM SERVICES			
FEDERAL, FIELD, ELECTORAL AND LEGAL ADVOCACY	440,591	-	440,591
PUBLIC POLICY, EDUCATION AND TRAINING	5,964,715	-	5,964,715
COMMUNICATIONS AND MEDIA ADVOCACY	24,668	-	24,668
TOTAL PROGRAM SERVICES	6,429,974	-	6,429,974
SUPPORTING SERVICES			
MANAGEMENT AND GENERAL	1,401,442	-	1,401,442
FUND RAISING	1,395,280	-	1,395,280
CAPITAL CAMPAIGN	432,147	-	432,147
TOTAL SUPPORTING SERVICES	3,228,869	-	3,228,869
TOTAL EXPENSES	9,658,843	-	9,658,843
CHANGES IN NET ASSETS	\$3,840,942	\$(3,806,528)	\$34,414

HUMAN RIGHTS CAMPAIGN FOUNDATION NINE-YEAR INCOME SUMMARY \$MILLIONS

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



The Human Rights Campaign Foundation, including the Capital Campaign, had a cost of fund raising of 19 percent in 2007. The HRC Foundation's cost of fund raising, excluding Capital Campaign revenue and expense, was 15 percent in 2007. Cost of fund raising is calculated as total fund-raising expenses divided by total revenue, as reported on the IRS Form 990 tax return.