



COMMUNICATIONS

Bedrock of Democratic Society



Communications are the bedrock of a democratic society.

In these uncertain times, exchanging information reduces fear, promotes learning, provides entertainment and helps individuals to cope with change. Today's media environment offers unprecedented opportunities to advance human development through communications.

While the news media may contribute to public cynicism, electoral apathy and community dissolution, innovative use of the media for education and community development is still a new frontier. As technology replaces traditional approaches to commerce, education, government, health care and other aspects of daily life, now is the time to redirect the pervasive use of media by youth to prepare them for citizenship in the 21st century.

Mastery of new digital tools—from the computer to the Internet—is necessary to succeed in this 21st century world. Since 1981, the foundation's mission has centered on effective communications to strengthen communities. We seek to promote promising local practices and comprehensive national policies, such as universal service or the E-Rate, that make technology tools accessible.

After a year of dialogue about what's at stake with diverse communities across the country, we are launching a multi-year initiative to empower underserved youth using innovative communications technology. According to the National Assessment of Adult Literacy, there are up to 90 million low literate adults in the U.S.. Our focus is the skills deficit of approximately 13 million young people nationwide, particularly teens and young adults.

We intend to lead a public education campaign with partners in business, government and nonprofit organizations to build a supportive constituency, shape model community-based programs and generate progressive

public policy. Benchmarks of success will include heightened public awareness of the social and economic impact resulting from skills deficits, increased public and private investment and a framework to improve skills and enhance youth leadership and civic engagement.

This initiative evolves naturally from our advocacy for children in the 1990s. We are proud that Connect for Kids, the successful online project launched by the Benton Foundation in 1996 to improve public policy and practice for children and families, has become an independent nonprofit within our office as of January 2003.

Another key issue of our time is the regulatory environment for the telecommunications industry. Since November we've joined with other public interest groups nationwide to raise the profile of a pending Federal Communications Commission rulemaking on media concentration. Proposed changes by the FCC could have

major implications for diverse local production and distribution, a prerequisite for a strong democracy.

Amplifying the voice of the voiceless—especially those in underserved and marginalized communities—is our focus in the media ownership debate. Working with donors and public interest advocates, we are committed to supporting digital participation by all people and responsible stewardship of the public airwaves.

The more pervasive media and technology become in our society, the greater is the foundation's motivation to allocate our resources in pursuit of our core values—access, diversity and equity—to help communities use these tools to strengthen our democracy.

90 MILLION AMERICANS ARE LOW LITERATE

President Andrea L. Taylor
March 2003

The Benton Foundation seeks to articulate a public interest vision for the digital age and to demonstrate the value of communications for solving social problems.

2002 Funders

AOL Time Warner Foundation
 AT&T Foundation
 The Annie E. Casey Foundation
 Casey Family Programs
 The Ford Foundation
 Bill and Melinda Gates Foundation
 Wallace Alexander Gerbode Foundation
 Otto Haas Charitable Trust
 The Robert Wood Johnson Foundation
 The Joyce Foundation
 W.K. Kellogg Foundation
 Albert A. List Foundation
 John D. and Catherine T. MacArthur Foundation
 The Markle Foundation
 Charles Stewart Mott Foundation
 National Association of Child Advocates
 National Education Association
 Online Computer Library Center
 David and Lucile Packard Foundation
 The Pew Charitable Trusts
 The Rockefeller Foundation
 Rockefeller Family Fund
 SBC Foundation
 Surdna Foundation
 Bernard Van Leer Foundation
 Verizon Foundation

Statement of Financial Position

As of December 31, 2002 (unaudited)

ASSETS	
Cash and investments	\$ 9,593,939
Grants receivable	627,439
Other receivables and prepaids	111,671
TOTAL CURRENT ASSETS	10,333,049
Furniture, equipment and leasehold improvements	838,178
Noncurrent assets	186,450
TOTAL ASSETS	\$ 11,357,667
TOTAL LIABILITIES	
	\$ 400,183
NET ASSETS	
Unrestricted:	
Undesignated	37,932
Board designated - Endowment	9,494,656
Temporarily restricted - Program grants	1,424,906
TOTAL NET ASSETS	10,957,494
TOTAL LIABILITIES AND NET ASSETS	\$ 11,357,677

Statement of Activities

For the year ending December 31, 2002 (unaudited)

REVENUE	
New grants	\$ 4,776,813
Dues and publications	37,869
Other income	987,287
Investment loss	(1,730,565)
TOTAL REVENUE	4,071,404
EXPENSES	
Program expenses	5,732,578
Supporting services	1,831,011
TOTAL EXPENSES	7,563,589
CHANGE IN NET ASSETS	\$ (3,492,185)
NET ASSETS	
Beginning of year	\$ 14,449,679
End of year	\$ 10,957,494

“ LITERACY IS ABOUT MORE THAN READING AND WRITING—
IT IS ABOUT HOW WE COMMUNICATE IN SOCIETY.”

— Koichiro Matsuura, Director-General, UNESCO

Three core values have guided our programmatic work since inception—access, diversity and equity. These values are more important than ever in a media environment dominated by big players while the average citizen struggles to be heard or represented in the media.

We used our limited resources in 2002 to promote policies and programs to provide opportunities for those without access or the ability to use new communications tools. Through regranting, the use of our web portals and research, we improved the prospects, however incremental, for a more democratic media environment to take root.

In 2002, our 21st year of operations, the Benton Foundation accomplished the following:

Access: Promoting Digital Opportunity to Close the Gap

- Supported the **Digital Empowerment Campaign**, with the Leadership Conference on Civil Rights, an ad hoc coalition making the case for sustained federal leadership in bridging the digital divide. Key programs received level funding in 2003 due in part to coalition efforts.
- Contributed to closing the global digital divide through the creation of the **Digital Opportunity Channel**. Launched in Delhi, India in partnership with OneWorld South Asia, the online channel serves as a platform for organizations around the world to interact and share knowledge.
- Convened leaders from the U.S. and Europe in the **Teens & Technology Roundtable**. We shared cutting-edge transatlantic research and innovative new approaches for developing the talents of underserved youth using technology.

Diversity: Representing Voices Across the Spectrum

- Announced a new wave of grants to local public media outlets and community partners to promote community-driven programming and inclusive voices on the public's airwaves. **Sound Partners for Community Health**, made possible by continued support from The Robert Wood Johnson Foundation, has dispersed \$3.7 million since 1998 to community-media partnerships.

“ 21ST CENTURY SKILLS WILL HELP D
SUCCESS IN THE WORKPLACE FOR C

— Bill Rodrigues, Dell Computer Corporation, at 2003 ICT Summit

21st Century Skills: One Woman's Story

Heartening stories from extraordinary people illustrate the power of communications—and their own inner strength—to improve lives. Tyanne wrote us about her son, Devon:

Tyanne, who struggled as a single mother and had overcome great obstacles to provide for her kids, knew that her son, Devon, had some severe problems at school. The district diagnosed Devon with a disability and put him in special education. Her knowledge of special education was nil but she knew that children in special education are often left behind. The school intended to transfer Devon to a school in another neighborhood. Wanting to fight for her son's rights, she decided to get actively engaged and looked to the web for information about the city's schools and the rights of kids with special needs. In her search, Tyanne discovered what Devon was entitled to. The schools they intended to transfer him to were performing below state standards. Her further research into his disability revealed that if he went to another school with strangers he would have to start all over again, setting back his progress.

"When the day for the meeting arrived, I had my data all set to make a case for Devon.... The principal shook my hand and said that I was a dedicated parent and did all the right things. Devon would remain in his current school in a self-contained classroom. In looking back, I feel that I successfully held the school accountable for the well being of special-needs kids. I challenge you to do as I have done: to educate yourself...."

- Sparked a global dialogue of women to articulate in their own voices the successes and challenges they face in different parts of the world. OneWorld U.S. initiated the **Global Women's Voices** dialogue to elevate women's issues for audiences interested in alternative perspectives on today's global challenges.
- Organized a **Public Dialogue on the Future of Media Ownership** to encourage a more inclusive process of public engagement in preserving democratic dialogue. Drawing a special allocation from our endowment, we engaged the donor community and citizens in this debate.

Equity: Encouraging Policies in the Public Interest

- Established a communications initiative under the auspices of the Connect for Kids project, coordinating the efforts of groups working to improve welfare policies. Underwritten by **Grantmakers in Income Security Taskforce** members, the initiative recruited a pool of communications consultants to develop a nationwide strategy to help advocates in their work.
- Rallied decision-makers in Washington, DC with a call-to-action event and the release of a provocative report, **The Sustainability Challenge**. We engaged in a 12-month project to develop new strategies for ensuring the viability of K–12 technology funding.
- Engaged in a broad consultation with community leaders, researchers and policymakers to prepare for the launch of a **21st Century Skills Initiative**, focusing on building new skills for disadvantaged youth and young adults.

DEFINE FUTURE OUR YOUTH."

LOOKING FORWARD

The Benton Foundation's multiyear initiative is about using community technology to expand opportunities for underserved youth. We see a future that offers young people the essential skills to fully participate in our nation's future economic and civic success. Consultations with diverse local and national groups have focused our attention and limited resources on using media and technology as a way to engage communities and to build new models for youth development.

We seek partners who share our commitment to young people and our belief that media and technology can become an important educational tool. One of the foundation's strengths is our peripheral vision—an ability to coordinate and inspire a set of diverse activities to serve a common enterprise. We'll develop key messages to unify the field and impact policymaking. We'll collaborate with strategic partners to develop

benchmarks for community evaluation of new literacy programs and build bridges to local public media outlets to deepen community engagement in innovating and sustaining solutions. Leveraging our Sound Partners for Community Health project, we will reach out to public broadcasters and alternative community-based public-media outlets as natural allies to raise issue awareness and deliver programming and services for and by youth.

Ultimately we envision a learning society where opportunities to expand individual potential exist at every young adult's fingertips. Building young people's assets, and including them in crafting solutions, will provide benefits to all and stimulate a more productive and inclusive society. We invite you to join our campaign. Working together we can strengthen the network of organizations dedicated to ensuring that every youth has the skills to participate in our democracy.

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