



MORE VOICES AND CHOICES
IMAGINE



ANNUAL REPORT 2004



CHAIRMAN'S LETTER

IMAGINING OUR MEDIA FUTURE

IMAGINE

Last April, I had the honor of receiving with my wife, Marjorie, the Council on Foundations' 2004 Distinguished Grantmaker Award. For me, this award was not just a deeply appreciated recognition from peers; it has provided me a yearlong platform from which to sound a clarion call about the future of media in America. Since April, I have called on fellow philanthropists to engage – and invest – in research, public education, and advocacy for media policy reform. We need to understand both what's at stake now and what promise the future can hold for enriched children's programming, for informed civic discourse, and for voices that reflect the strengths of our communities and the diversity of our nation.

Increasing media concentration and policies that ignore broadcasters' responsibilities to serve the public interest threaten to silence voices and choices critical to an informed and participatory democracy. Furthermore, a new set of critical debates looms on the horizon – availability of community wireless broadband, expansion of low-power community radio, openness of the Internet, competition across all media, and diverse and independent sources of content. The outcome of these debates will have important consequences for the future of media in America. We must keep our sights on ensuring that America's media choices serve the public's growing and real needs.

Imagine a bright media and communications landscape ahead...one with new media voices and choices, where new technologies put people more in control, where social, economic, educational, cultural, and information services central to people's lives are available. Across the country, communities are taking that control, adapting the new technologies to their purposes: partnering with public broadcasters, establishing low-power radio stations, organizing on cable access channels, joining community wireless networks, producing for satellite-delivered public interest channels. How can we help these innovative communities sustain their efforts and connect with one another? How can we bring their innovations to scale? These are the challenges that the Benton Foundation intends to take on in the coming years.

The Benton Foundation will continue to work with the emerging network of advocates, policymakers, and funders to both sound the alarm on the importance of media and paint a picture of an alternative media landscape. Benton has recently been appointed to the FCC's Consumer Advisory Committee, and we welcome this opportunity to press for greater public participation in the policy decisions on the horizon. United, we can make a significant impact on the future of media policy and practice in this country.

Charles Benton
Chairman and CEO

ACTING ON OUR MEDIA FUTURE

At the core of the Benton Foundation's work is ensuring that the public benefits from the expanding digital communications environment. To that end, we have incubated programs based on emerging communications technologies to help solve social problems. In February of 2004, the Benton Foundation, along with the Education Development Center, created the *Center for Media & Community* to strengthen both actual and virtual communities, promote the development of 21st century skills for underserved youth, and foster lifelong learning. Also in 2004, *OneWorld U.S.*, a joint venture of the Benton Foundation and OneWorld International, began preparations for its launch as an independent nonprofit organization. With multi-year commitments from The Ford Foundation and Rockefeller Brothers Fund, OneWorld U.S. will continue its online publishing of U.S. and international perspectives on human rights and sustainable development gathered from OneWorld partner organizations worldwide.

With these two launches, the Benton Foundation refocused its efforts in 2004 in two key areas – Media Policy and Public Service Media – to articulate a public interest vision for the digital age and to demonstrate the value of communications for solving social problems. Below are the highlights of our 2004 activities.

Media Policy: Bridging the Gap Between Policy and the Public

Television has never played a more important role in our lives. But today's television is too often out of touch with today's realities: parents struggle to find educational programming for their children; voters strain to find basic coverage of campaign issues and elections so vital to our democracy; and minorities have difficulty finding programming reflective of their lives. The Benton Foundation and a diverse coalition of public interest groups are asking regulators to more clearly spell out what broadcasters should be doing to benefit the public, in return for their free use of the public's airwaves, as the nation transitions to digital television.

Relaunch of Headlines Service. In February, Benton relaunched its *Communications-Related Headlines* to reflect its new strategic focus. With multi-year support from the MacArthur Foundation,

Headlines reaches tens of thousands of readers with a free, daily electronic news service that summarizes mainstream consumer and trade press coverage of important industry developments, policy debates, and pertinent news events.

Public Interest Obligations of Digital Television Broadcasters.

Public interest obligations are the requirements on television broadcasters to serve the public's interests in exchange for free and exclusive access to a portion of the public airwaves, or "spectrum."

- As a member of the *Public Interest, Public Airwaves Coalition*, an alliance of public interest groups, media activists, and grassroots organizers, Benton is fighting to hold the nation's commercial broadcasters to a more responsible standard of public service, including public and civic affairs, election coverage, and independent programming.
- With Ford Foundation support, Benton wrote a *Citizen's Guide to the Public Interest Obligations of Digital Television Broadcasters*, a tool to bring more citizens into the media reform debate. Published in early 2005, it informs citizens, policymakers, and funders about the relationship between a robust and thriving democracy and media policies that serve the public interest.

Media Reform. With growing concern about media, the Benton Foundation has worked for a more inclusive process of public engagement in preserving and strengthening rules that promote a diversity of media voices and a greater civic discourse. As a member of the *Media Reform Coalition*, we have sought to reduce media concentration and ensure open access to communications platforms across diverse geographic and socioeconomic boundaries in this country. With over 80 other organizations representing over seven million constituents, we helped shape and have signed on to the *Bill of Media Rights*.

Public Service Media: Promoting Media that Serve Community

Believing that the new digital technologies can be harnessed for the benefit of local communities, the foundation tries to express a vision of a brighter future by showcasing and strengthening public service media. Important but isolated experiments in community-driven media can be used as models



and inspirations for other communities and for policies that more effectively balance public and private interests.

Local Media Alliances. In 2004, the Benton Foundation completed the seventh year of a multi-year grant program to engage public broadcasters and communities in problem solving around health care issues. Funded by The Robert Wood Johnson Foundation, *Sound Partners for Community Health* provides grants and technical assistance to public radio and television stations and their health-related community partners for collaborative production of both creative health care programming and outreach in their communities.

- In 2004, Benton awarded 36 grants totaling \$1.7 million for partnerships tackling rural health care access, healthy living, public health challenges, quality of care, and vulnerable populations.
- The foundation began to develop resources for communities to build authentic and sustainable partnerships with local media, especially low-power radio: case studies, tools for partnership development and management, and links to the policy issues that will determine the future viability of public service media.

Library-based Internet Services. In 2004, Benton continued its advisory work with the Online Computer Library Center and the Bill & Melinda Gates Foundation on *WebJunction*, an interactive web site to help public libraries provide broad public access to information technology. Benton also was an advisor on a report *Toward Equality of Access: The Role of Public Libraries in Addressing the Digital Divide*, developed by the Bill & Melinda Gates Foundation in partnership with a number of national civic groups. The report examines the critical role of public libraries in closing the digital divide by providing access to computers and the Internet and community-oriented information and training.

LOW POWER

The Coalition of Immokalee Workers, a Florida-based farm worker organization, used Radio Consciencia, their new low-power radio station, to organize a boycott against Taco Bell. RESULT: Taco Bell agreed to pay a penny-per-pound more for tomatoes and to work with the coalition to improve working conditions in Florida's tomato fields.

WIRELESS

The Center for Neighborhood Technology is creating a wireless community network in North Lawndale, IL, to provide high-speed affordable Internet access to residents and businesses of this low-income community outside of Chicago. RESULT: Access to job and education services and creation and distribution of neighborhood content.



FINANCIALS

STATEMENT OF ACTIVITIES

For the year ending December 31, 2004 (unaudited)

Revenue	
New grants	\$ 3,570,292
Gain on sale of asset	1,438,666
Dues and publications	35,200
Other income	3,923
Investment income	812,136
Total Revenue	5,860,217
Expenses	
Program expenses	2,898,240
Foundations charitable expenses	916,669
Supporting services	509,194
Total Expenses	4,324,103
Change in Net Assets	\$ 1,536,114
Net Assets	
Beginning of year	\$ 10,845,967
End of year	\$ 12,382,081

STATEMENT OF FINANCIAL POSITION

As of December 31, 2004 (unaudited)

Assets	
Cash and investments	\$ 11,065,711
Grants receivable	1,138,019
Other receivables and prepaids	185,638
Total Current Assets	12,389,368
Furniture, equipment, and leasehold improvements	520,735
Noncurrent assets	143,865
Total Assets	\$ 13,053,968
Total Liabilities	
	\$ 671,887
Net Assets	
Board designated (endowment)	10,602,350
Temporarily restricted (program grants)	1,779,731
Total Net Assets	12,382,081
Total Liabilities and Net Assets	\$ 13,053,968



CABLE ACCESS

Akaku Community Television empowers the community of Maui County (HI) to share their vision for the future while preserving local traditions and values.

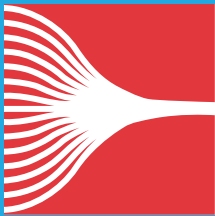
Akaku provides media access for free speech and expression, lifelong teaching and learning, and uncensored participation in civic life.

RESULT: Community activists have recently used Akaku to air programming that challenges large development in Maui.

RADIO PARTNERSHIPS

Public radio station KGNU, along with the People's Clinic and Spanish-language radio KGRE-AM, are partnering to reduce chronic health problems in low-income families in Boulder, CO. RESULT: A year-long radio series of features and documentaries, real-life radio sagas, and call-in programs.





BENTON
FOUNDATION

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PREPARING FOR THE **FUTURE**

As we enter 2005, the foundation seeks to combine the policy opportunities on the horizon – unlicensed spectrum, digital television capacity, the Telecommunications Act rewrite – with an appreciation of the “best practices” already in play across media platforms. Through publishing and convening, we will analyze how to strengthen the viability of these models and leverage more funding for replications and adaptations. And we will explore the policy implications that underlie best practices and identify policy challenges and opportunities. **How do we assure that community media survive and thrive in the media environment ahead of us?**

KEEP UP TO DATE on media and communications policy developments. **Communications-Related Headlines** is a free daily email news service. To subscribe, email headlines@benton.org.