

theCHANGINGtimes



A PLAN
for Change

CARE USA ANNUAL REPORT 2007





Work and family? She's found the right balance.

Today she'll care for her children, cook for the family and go to work.

Sound familiar? CARE believes women everywhere have a lot in common – strength, passion, dedication, creativity. It's time to unleash women's potential in places where they've been held back.

She has **THE POWER** to change her world.
You have **THE POWER** to help her do it.



www.care.org

theCHANGINGtimes



04 The Plan: A New Beginning
Get ready; your CARE is changing.

06 The Plan: Leverage Our Expertise
CARE's new signature programs set us apart as a leader in areas that affect the well-being of every family and nation.

08 The Plan: Invest in Women and Girls
Throughout our work, CARE is helping women and girls create new opportunities.

10 The Plan: Demonstrate Commitment
Climate change is creating new challenges, making it harder than ever for some communities to meet basic needs. CARE must help them adapt and fight for their right to essential resources. Also: Innovations that are helping win crucial battles.

14 The Plan: Measure Impact
It's not just about getting the job done; it's learning what works, what doesn't and why.

16 The Plan: Address Power Imbalances
CARE involves both men and women in the work to create more just, equitable societies. When both participate, everyone benefits. Also: A staffer's exploration of his own perspectives.

18 The Plan: Advocate for Policy Change
Meeting basic needs alone won't create real change. We must change the policies that perpetuate poverty.

22 The Plan: Create New Partnerships
Our best work combines the strengths of the public, private and NGO sectors.

28 The Plan: Develop Innovative Funding Opportunities
CARE speaks to the heads and hearts of our donors by offering proven programs to make a better world for all.

30 The Plan: Build Our Global Organization
The CARE International confederation offers strength, perspective and partnership in the worldwide fight against poverty.

The Plan: 2008-2015

CARE has a new plan to build on the best of 60 years of experience helping people. What's new, and why? This Annual Report explains how CARE will bring the tools and resources for lasting change to millions of the world's poorest people.



SECTIONS

- 31 Thank You and Donor List
- 36 Programming Highlights
- 37 Letter from President and Board Chair
- 38 Board of Directors
- 39 CARE Leadership
- 40 Report from Management
- 41 Financial Information
- 46 CARE's Guiding Beliefs
- 47 World of CARE

A Plan for Change

CARE has changed. We have laid out a plan – a bold, ambitious, challenging strategy – that will guide our work over most of the coming decade. While building on what is best about CARE and leveraging our many years of experience, the plan also calls for change.





Our Vision

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. CARE International will be a global force and a partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakable commitment to the dignity of people.

Why change? Because our vision demands it. As an organization committed to dignity, social justice and the eradication of poverty, we must do more than help people meet basic needs. That is a start, but not an end. We must do more than help individuals make incremental changes in their lives. That is important, but we are compelled to go deeper. We must put our full support behind people's efforts to fulfill their rights and goals, and challenge systems that stifle progress. CARE's new strategic plan is a major leap forward – a roadmap to deliver on our vision in a way that meets all the aspirations behind it.

Why now? The time is right for CARE. We have a new leadership team that combines fresh, outside perspectives with time-tested, field-based experience. This team knows CARE can do more, and they are charting a course. The time is right for the world. All members of the United Nations have signed on to the Millennium Development Goals. This is a pledge to make measurable progress by 2015 in reducing hunger and poverty, expanding education, promoting equality and protecting the environment. CARE supports these goals, and is committed to helping humanity keep the promise we have made to ourselves and future generations. The time is right for our supporters. You recognize that we live in an interconnected world, and you are ready to take on big issues, spur innovation and ignite a movement.

This report examines the many facets of our strategic plan by showing how these ideas on paper are inspired by our decades of interaction with communities striving to overcome poverty. Because, ultimately, the plan's success will be measured by the change it helps bring to those same communities.

Signature Programs Pathway to Empowerment



CARE's new strategic plan introduces a segment of our work called "signature programs." In selecting our first signature programs, CARE has identified three pivotal moments in the lives of women and girls – moments in which the right support can yield exponential benefits.



Maternal Health

- CARE will help reduce maternal morbidity/mortality and childhood malnutrition for 30 million women and their children.
- Essential services will include:
 - Access to family planning resources
 - Prevention and treatment of sexually transmitted infections
 - Access to proper care during pregnancy and delivery, and emergency obstetric care if needed
 - Support for optimal breastfeeding and complementary feeding for children under age 2
- Maternal health and child nutrition will be the entry point for strengthening health systems and addressing poverty and discrimination in communities.
- Advocacy efforts will use evidence of success to create new incentives for national governments to meet Millennium Development Goal targets.



Education & Leadership

- CARE will help 10 million girls complete quality, basic education, and exercise new skills and leadership in their homes and communities.
- The program will include innovative strategies, such as fast-track learning programs for older girls, bilingual education for ethnic minorities, and flexible schools for remote communities and child laborers.
- CARE will work with communities to remove barriers to girls' leadership by changing attitudes about girls' rights.
- The program will partner with youth organizations, faith groups and others to engage girls in collective action and an act of solidarity to improve their lives.
- We will help girls transition into secondary school, participate in mentoring programs, become peer educators and engage in other activities where they can express their ideas.



Economic Opportunity

- CARE will help provide access to basic financial services for 30 million households in sub-Saharan Africa over the next decade.
- CARE will scale up our successful village savings and loan (VSL) program, with an emphasis on teaching financial literacy and money management.
- The program will strengthen and expand existing microfinance institutions, start new ones, and foster links between VSLs and these formal financial institutions.
- We will encourage an environment conducive to economic development and promote commercial investment in the microfinance sector. Local service providers and technology solutions will help reach remote populations.
- Advocacy efforts will call for national governments, regional groups and central banks to create a regulatory framework that makes a vibrant microfinance sector possible and widely available to poor populations.

CARE's Theory of Change

How we will address poverty





Reflections from the President and CEO... Helene D. Gayle

What Signature Programs Mean for CARE

As part of our commitment to the communities with whom we work and to our supporters worldwide, CARE is always seeking new ways to be more effective in the fight against poverty and inequality. This has led to the creation of our signature programs and, more generally, a longer-term program approach to our work. The aim is for CARE to contribute significantly to the Millennium Development Goal of halving the proportion of people living on less than \$1 a day by 2015.

CARE UNDERSTANDS THAT GAINS FOR WOMEN MEAN increased well-being for whole communities. So our signature programs focus on three of the most pivotal moments in the lives of women and girls.

Let's imagine Miriam, in Tanzania. When she is pregnant, she visits her local clinic, which is equipped to offer quality services, thanks in part to CARE's training and advocacy efforts. When it's time to deliver, there is a trained birth attendant at Miriam's side. All goes well, and Miriam welcomes a daughter, Esther, to the family. She and her husband know just what to do to raise a healthy child, and have access to the services and support they need.

As Esther prepares to start school, CARE works with families to overcome cultural or logistical obstacles that might keep children from getting an education. We partner with the community and government to make sure schools are ready to welcome boys and girls with qualified teachers and lessons that promote equality. Esther has the chance to be president of her student government, preparing her to lead in other ways as an adult.

When Esther has completed her studies and starts her first job, she opens a savings account in a bank not far from her home. She doesn't know that

CARE supported the bank so it could reach remote communities, but she does remember how CARE helped her mother and neighbors form a savings and loan group. And she remembers her mother's pride at making wise investments with her loans. Her mother and father talk about the lean times when they were growing up, but Esther has never known hunger.

The young men she went to school with are her friends and peers, and they, too, are starting jobs and charting their futures. Now a healthy, educated woman, Esther is able to choose whom to marry, and whether and when to have children. Whatever Esther decides, she and her mother – and millions of women like them – have, with CARE's help, started a cycle of progress and development that will be perpetuated long into the future.

This is a vision of what we want our signature programs to achieve. With the combination of our experience and innovation, and your ideas, resources and voice, we know we can make great things happen. These programs will help CARE build a robust coalition working toward transformational change of global proportions. One day I hope we can say to future generations: We were part of the movement that ended poverty. □



One Hand Can't Wash Itself

What's the real benefit of focusing on women and girls? Here's one story about how women united through a CARE project are creating a stronger community that is better prepared to chart its own future.

"THE MIDDLE OF NOWHERE" DOESN'T MEAN MUCH IN Mali. There are too many places that fit the description. Timbuktu isn't even one of them; that fabled city may conjure the ends of the earth for foreigners, but it has an airport. It's on the map. It's somewhere.

Tidayniwane, on the other hand, is more an idea than a place. It's a widely-scattered collection of semi-permanent tents, home to some 40 families. There's no school, no market, and the well is nearly two miles away. And for the most part, that's the way people like it. The residents of Tidayniwane are Tuareg, one of the traditionally nomadic populations of northern Mali. Their isolation is deliberate, and reflects their long tradition of independence. However, recent changes – including climate change, which has made it more difficult to find suitable grazing land and water – have forced them to forego many of their customs. The Tuareg are settling down, and this means a whole new way of life.

One of the most significant changes is the rise of a cash economy. Previously, they relied primarily on trade in livestock – men's work. With more

established households and opportunities to buy and sell goods, including handicrafts, women have found ways to earn their own money. New income and activity outside the household have led women to seek greater participation and voice in community affairs – another substantial change in Tuareg society. CARE is helping women solidify both these economic and social gains.

CARE supported the formation of a women's savings and loan association. The women have been meeting for just under a year, and the group is slowly finding its feet. CARE project manager Mariam Cissoko explains the unique challenges this community faces. "Training with nomad communities takes longer because the women aren't always present. Some might get training and then leave to be with their husbands and their herds for four months," she says. "There is also a low level of education among the women."

"But there is a high level of motivation and a desire to learn," adds Aboubacrine Cisse, who also works for CARE on the project. "They now see there are many ways to develop. They see new possibilities

and want to participate. The mayor and other leaders also encourage women to join together for the development of the community.”

The women are open about their hopes and their certainty that the changes in their lifestyle can be positive for everyone. “When the program started, only one person came here. Then someone else came, and now we have met many people,” says association member Fadimata Mariama Wallet Mohamed, referring to both the outsiders who have come to visit, as well as the neighboring women who previously remained confined in their own family tents. “I am confident we have started our development because, since forming this association, we have new ideas about how we can improve ourselves, improve our income and work with others to have a better future.”

One of the group’s aspirations is to buy a machine to grind millet. They’ll use the interest they collect from their small loans to make the purchase on behalf of the whole group. Project manager Cissoko explains this is one way that women’s savings and loan associations lead to community cooperation and development. “A savings and loan group is the first step to getting organized. The women will have some success, and the

Women’s savings and loan associations lead to community cooperation and development.

men will start consulting them on more issues,” she says. “When the group is strong enough, it can be registered with the government as a legal association. That’s when CARE will delve into rights education and strategies to contribute to the communal plan. When they are a full association,

the women are equal participants in community development planning.”

Secretary of the association Zeinab Wallet Mohammed Ali says, “This strategy is very interesting. I have seen some villages that started by just selling eggs. Now they have schools and everything they need. So I know we can go very far with this.”

It’s a delicate time in the Tuareg’s long and storied history. They are managing unprecedented change and trying to strike a balance between embracing new ideas and preserving their tradition. Despite their preference for an independent lifestyle, they seem pleased with what their community – particularly the women – has been able to accomplish with CARE’s help. “One hand can’t wash itself,” says Aicha Ibrahim. “This union has made us strong.” □



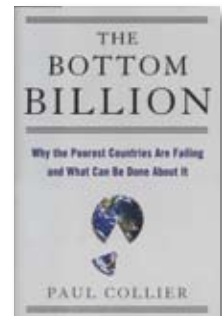
HIT THE BOOKS

Interesting reading on the issues that matter:

Unbowed: A Memoir
by Wangari Maathai

The End of Poverty: Economic Possibilities for Our Time
by Jeffrey Sachs

The Bottom Billion
by Paul Collier



The Tin Agada savings group has decorated their cash box with inspirational words – the adjacent sides say “success” and “discipline.” The group’s achievements have improved the women’s self-esteem and expanded their notions of what they can accomplish.

Coping with Climate Change

CARE's strategic plan acknowledges climate change as a profound threat to the dignity and security of the world's poorest people. As part of our long-term commitment to communities, we are compelled to help them manage these new and varied challenges.



HUNDREDS OF SCIENTISTS FROM AROUND THE WORLD AGREE – THERE is unequivocal evidence that the planet is warming. Scientists are among the vital voices in the discussion on climate change. But their highly publicized and debated conclusion only reinforces what millions of poor people whose livelihoods depend on the weather have known for years: The climate is changing, and not for the better.

Here's what's being observed:

- Changes in the amount of rainfall. In many semi-arid and arid regions around the world, less rain is falling. Meanwhile, many areas that have long been susceptible to flooding are getting even more rain.
- Changes in when rain falls. In other places, total rainfall hasn't changed much, yet the timing and duration of rains have. In other words, seasons have become less predictable and, in many cases, more volatile.
- Increased intensity and frequency of extreme weather, such as torrential rains, droughts, tropical storms, cyclones and hurricanes.

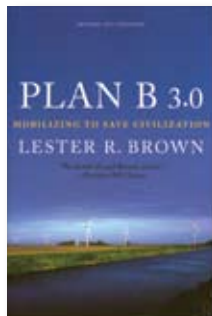
Each of these changes has implications for all people, but the outlook is especially grave for the very poor. Not only do the poor already face food shortages, water scarcity and endemic disease, but whether in Bangladesh or Louisiana, the poor also tend to live in the areas most vulnerable to disaster. They lack the resources to evacuate their homes and sustain themselves elsewhere until danger has passed, and they have the most difficulty rebuilding their assets and returning to "normal" life. As an organization dedicated to empowerment, social justice and poverty eradication, CARE must consider how climate change will exacerbate existing inequities that fuel the cycle of poverty.

Although most development and humanitarian organizations have begun taking a serious look at what climate change means for what they do, CARE is at the forefront of this awakening. We stand out as one of remarkably few organizations that already has experience advocating responsible climate change policies in the North and implementing projects to help very poor, highly vulnerable communities in the South adapt to its effects.



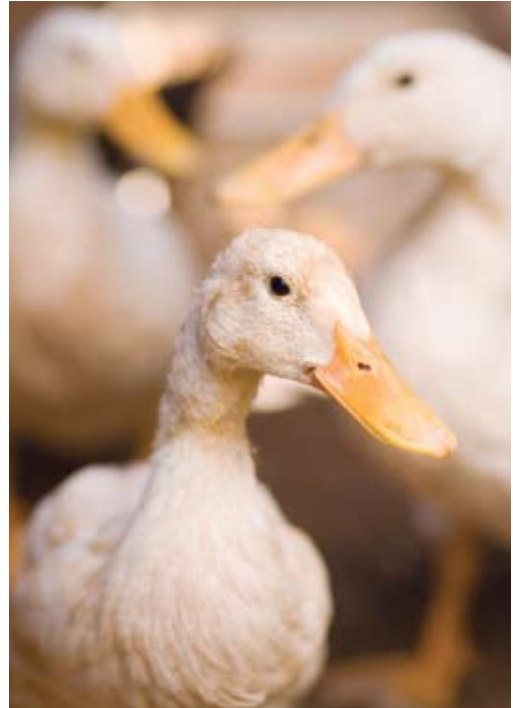
HIT THE BOOKS

Plan B 3.0: Mobilizing to Save Civilization by Lester R. Brown



Consider one case of adaptation: In Bangladesh, one of the biggest problems people face is increasingly frequent and severe flooding. This affects access to food and water, as well as people's ability to earn a living.

CARE worked with community leaders to create innovative counter-measures. Many of their ideas were as simple as they were effective. For example, raising poultry is a common livelihood strategy – especially for women. Unfortunately, chickens often drown during protracted floods; this can be a major blow to household economies. In response, CARE and our local partners struck upon the idea of helping women in flood-prone areas switch from rearing chickens to ducks. The idea has caught on, dramatically improving the resilience of many women and their families to the ravages of climate change.



Though still relatively few in number, CARE's climate change projects are well known and respected. As a result, CARE is commonly seen as substantially "ahead of the curve" with regard to addressing climate change. Where has this momentum to take the lead come from? It has come from field staff listening to the people we serve, hearing them list the ways in which their climate is changing and the all too often devastating consequences, and returning to headquarters with a call to arms. This message has, in the last few years, come to permeate CARE and galvanize our commitment to be a standard bearer in the global response to climate change. □

Innovations to Help Fight Poverty



A BETTER BRICK:

In Sri Lanka, where thousands of homes were destroyed in the 2004 tsunami, CARE is using a new brick to rebuild communities. Residents earn money making the bricks – a mixture of soil and cement, instead of just cement. The brick interlocks with its neighbors, so it doesn't need mortar. Nor do the bricks require sand, which reduces sand mining that degrades riverbanks and causes floods. They're three times stronger than normal cement bricks, and keep the house cooler during steamy summers.

PROFITABLE "GREEN" TECHNOLOGY:

CARE works with women in Yemen to create innovative income-generating activities using environment-friendly technologies. To save money and conserve resources, poultry houses established by women's associations are outfitted with systems that collect water from the roof. During the day, solar panels on the houses' roofs provide energy to pump this water from the storage tank to the chickens' drinking bowls. At night, the solar panels also provide a low-cost and clean source of light for local villages.

SAFE WATER SAVES LIVES AND MONEY:

For more than a billion people, the only source of water is also a source of life-threatening microbes. CARE has implemented a low-tech solution that involves treating drinking water with a locally-produced chlorine solution, storing water safely, making soap and water readily available for hand washing and teaching the importance of good hygiene. This system saved a school in Kenya \$5.49 per student per year by reducing expenses for medical care, staff time and firewood to boil water.



Juana's too young to know "a woman's place."
But she's got a good idea.

What would have been a dream a generation ago is a real possibility today.

What will the world be like when poverty and discrimination no longer rob us of half the population's knowledge and creativity? At CARE, we're working to find out.

She has **THE POWER** to change her world.
You have **THE POWER** to help her do it.



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Beyond the Project: How Impact Measurement Prompted a Shift

“Impact measurement” has meant different things at different times during CARE’s 60-year history. It has often been equated with counting things: tons of food delivered, wells built, teachers trained. These quantitative measures tell an important story about CARE’s reach, but they don’t tell the whole story of our impact on poverty.

WHEN DONE RIGHT, IMPACT MEASUREMENT brings into sharp relief the best aspects of our work – those we want to replicate – and the areas where we have yet to reach our potential.

CARE is in the final phase of a three-year effort to measure our impact in an area that is particularly relevant to our work: women’s empowerment. This global investigation revealed patterns of impact and

challenge that significantly shaped our new strategic plan. One key lesson: CARE must cultivate a longer-term program approach to fighting poverty and social injustice.

We must make this shift because achieving lasting change in areas related to our vision – hope, tolerance, social justice, dignity and security – doesn’t happen over the course of two years, or even five.

Consider women’s empowerment: CARE understands





that empowerment occurs on three levels. First, within a woman's own aspirations and capabilities (self-esteem, skills and material assets). Second, within the environment that influences or dictates her choices (equal rights, access to justice and political representation). Third, within the interactions she engages in each day (ability to negotiate and accommodate, pursue and accept responsibility and align with others). Impact on one level may be possible through a specific, short-term project. But we know we can do more, and that requires deep commitments to communities and a broad range of interventions by CARE.

Forming savings and loan associations, for example, can improve a woman's income. But if she is denied access to the market to sell her goods, or if she decides to go into debt to fund her daughter's dowry, is participating in the group contributing to her empowerment? This type of project must be paired with broader efforts to change the rules of the game in order to maximize the benefit for women's economic and social well-being.

Similarly, building schools and training teachers can be a good starting point. But if we strive to have a real impact on education, we must dig deeper to find out what is keeping children out of school. Is it solely the lack of schools and teachers? No; those are symptoms of larger issues. International policies, distribution of resources, cultural

We have understood as never before the advocacy role we must play to influence the contexts in which we work directly, and the larger international arena that serves to either enhance or inhibit the fight against poverty and injustice.

norms and security concerns are all factors in whether a child can attend school. The roots of these factors can be traced to institutions far from the classrooms they affect. For example, research shows that the wage ceilings imposed by the International Monetary Fund can directly impact the number and quality of teachers a nation can employ. This means our programs must channel evidence from the field into actionable policy recommendations for community, national and international leaders. CARE's strategic plan recognizes this: We have understood as never before the advocacy role we must play to influence the contexts in which we work directly, and the larger international arena that serves to either enhance or inhibit the fight against poverty and injustice.

Impact measurement is essential to CARE because it helps us evaluate what works and change what doesn't work. The process does double duty by both allowing us to adapt to specific contexts and revealing broader truths about the nature of our poverty-fighting work. In prioritizing impact measurement itself, the strategic plan ensures CARE's continued learning, innovation and accountability. □



ONLINE RESOURCES

CARE's library of best practices in poverty fighting:
<http://pqdl.care.org>

U.N. resources on promoting gender equity:
www.un.org/womenwatch

News and links about the struggle of the poor around the world:
www.povertynewsblog.blogspot.com

Center for Global Development, a think tank to reduce poverty:
www.cgdev.org

Track progress on the Millennium Development Goals:
www.mdgmonitor.org

A Plan to Empower Women... **But What about the Men?**

“Last year, CARE organized discussions with groups of men and women separately. In the men’s groups, we talked about sharing decision making within the household. I realized that my violent actions toward my wife did not make her respect me or my position as a man. In that moment I decided I had to change.” — Faustin Ntiranyibagira, Burundi

WITH SO MUCH ATTENTION NOW FOCUSED ON WOMEN and girls in CARE’s work, it’s fair to ask what happened to the men. After all, the injustices of poverty also play out in the lives of men and boys – leaving so many millions to suffer in a masculine code of silence. And equally, the ingenuity and determination that men and boys display are no less worthy of recognition and support.

CARE remains steadfastly committed to a vision of justice that is universal. We support the linked struggles for a life of dignity and security of women, girls, men and boys. Yet, by shining a spotlight on women and girls, we seek to confront the historical patterns of gender inequality and discrimination that have contributed to the poverty of entire communities and societies. Success, in our view, results when communities and societies have transformed those patterns of discrimination that diminish us all. And we measure that success by the gains of those who are – in every society – relegated to the lowest rungs of the social ladder.

The best of CARE’s programs today are breaking the barriers that hold all people back. The secret of these projects is that they work with both men and

women over time, layering in opportunities, resources and knowledge that can help each to understand the ways that gender inequalities are limiting their lives. Confronting these changes can be uncomfortable and intimidating, but we are working within CARE and the communities we serve to build the confidence and support systems needed to make change happen. Rather than work with women on “women’s issues,” and with men on “men’s affairs,” these programs engage both in a partnership based on interdependence and mutual accountability.

In choosing to measure our effectiveness by the changes we see in women’s lives, we set a high bar. It presumes that if we reach a day when a little girl has as much likelihood of surviving the first five years of life as a little boy, of getting an education, of living in dignity and security, and of shaping the decisions that affect her life, then society as a whole will have removed many of the barriers that stand in the way of human rights for all. When you hear the story of a woman whose life and possibilities are dramatically and sustainably improved, you are also hearing a host of stories behind that one – of change for everyone around her, in the home and beyond. □





Staff Development: Examining Our Own Perspectives

When our strategic plan commits CARE to addressing power imbalances, it doesn't just mean "out there." It means addressing power within CARE – examining the attitudes and beliefs we all carry that can advance or hinder our work.

Devendra was in his mid-20s when he started working for CARE in India. Like every CARE staff member, his worldview was shaped by his family and his culture. So, while he was tasked with helping people engage in open conversations with the goal of improving reproductive health, he faced many of the same inhibitions they did. His parents, incidentally, wanted him to be an engineer.

The innovative Inner Spaces, Outer Faces project helped CARE staff understand and address issues of gender and equality. The project prepared Devendra

and his colleagues to interact with populations – sex workers and truck drivers, for instance – who were very different from themselves. "We were supposed to provide information and HIV prevention and support to these people," Devendra says, "but we didn't know how to identify them or talk to them. We didn't

Because we were comfortable and allowed a generous debate on gender values, the community became more open to dialogue as well.

know an appropriate way of expressing things."

Inner Spaces, Outer Faces helped Devendra strike the right balance, sometimes using familiar slang and street language, but also introducing new ideas.

Devendra says, "The workshops helped build my confidence level. My feelings about sexuality and people living with HIV were more positive. I could sit and talk with them without feeling ashamed. That was a big change in me."

Devendra reports that after the Inner Spaces, Outer Faces training, he was more sensitive to the needs and vulnerabilities of others. "As a result," he says, "we are able to plan and implement more effective programs. I saw tremendous impact on gender equity in the rural areas where I worked. Because we were comfortable and allowed a generous debate on gender values, the community became more open to dialogue as well. I saw much more willingness to talk about taboo topics, such as the preference for sons over daughters." It's just one example of how addressing power in all that we do makes us a more effective organization. □

With our new strategic plan, CARE recognizes as never before the advocacy role we must play.

CARE is already a respected voice on issues of global poverty, and through our CARE Action Network (CAN), we are growing the movement to end poverty and injustice. Under the new plan, we will build on successes and expand efforts to press for solutions that we have proven will work.



Taking a Stand on Hunger

After careful consideration, CARE has decided to phase out the practice of monetization – selling U.S. government food to fund anti-poverty programs. This decision generated strong opinions and significant press coverage around the country. CARE is seeking alternatives to monetization through reforms that would make U.S. food assistance far more effective. In testimony before the Senate Agriculture Committee, CARE outlined the challenges in addressing the complex and multiple causes of chronic hunger. We stressed that, while important, food aid alone is not the long-term answer. **CARE continues to work directly with policy-makers and through CAN to increase cash resources as an alternative to monetization in order to promote food security and address underlying causes of poverty and hunger.** Read more at www.care.org/foodaid.

Positive Pressure

CARE launched a global advocacy campaign to persuade Swiss pharmaceutical company Novartis to drop a lawsuit challenging a provision in India’s patent law that safeguards public health. CARE supports intellectual property protections, yet this case had the potential to threaten the supply of lifesaving Indian generic drugs millions of poor people depend on. **An e-mail call to action yielded 41,000 signatures to a petition urging Novartis to reconsider its position.** When an Indian court dismissed the case, Novartis chose not to appeal the decision.

Promoting Peaceful, Stable Nations

The Democratic Republic of the Congo Relief, Security and Democracy Promotion Act of 2006 promises sustained U.S. engagement with the DRC, as its first democratically-elected government in more than 40 years attempts to consolidate peace and provide basic services for its citizens. **CARE’s firsthand knowledge of the humanitarian consequences of the conflict – particularly for women and girls – proved powerful in convincing policy-makers to support the DRC’s recovery and future prospects.** CAN advocates also encouraged their legislators to support this bill, demonstrating strong domestic support for the Congolese people.

Smart Solutions for Public Health

CARE continues to advocate for a more comprehensive approach to HIV & AIDS prevention, an increase in maternal and child health funding and a recommitment to the importance of family planning. As a respected leader in public health, CARE President and CEO Dr. Helene Gayle has testified several times on Capitol Hill about these issues. Following Dr. Gayle’s lead, our CAN advocates asked legislators during the 2007 CARE National Conference for a more comprehensive health and development approach to HIV & AIDS prevention and care. **This support helped win the passage of an annual appropriations bill that strengthens U.S. HIV & AIDS prevention policy and gives organizations like CARE greater flexibility to tailor programming and services to the specific needs of communities.**



The Voice of One, The Power of Many

Overheard at CARE's 2007 National Conference:

"Organizations like CARE shape the world in truly human ways. But you can't do it all. We as policy-makers have some responsibility to help far more than we have been helping."

Sen. Chuck Hagel (R-Neb.)

"Until I got here to this conference, I never imagined there could be a day when no one is poor, where everyone goes to school. Now I believe it can happen."

Sanaz Arjomand, Student, Georgia

"I find myself fortunate to be here with a community of people who believe in promoting justice and overcoming poverty."

Ann Naimie, Volunteer, Maine

"I can really say to someone, 'Come alongside us and make a difference.' The argument that 'there's nothing I can do' is – in all generosity – wrong."

The Rev. Patrick Smith, Minister, Tennessee

And following the conference, on the House floor:

"In recent meetings with CARE and others, I have noticed that more and more people are beginning to understand that they, too, have a role in our ... leadership in the world. Theirs are the voices from the grass roots. We must continue to lead in the world, for indeed, without our leadership, the poor of the world will suffer most."

Rep. Jerry Lewis (R-Calif.)



Putting It All Together in Peru: **How Field Experience Became National Policy**

A CARE PROJECT IN THE RURAL HIGHLANDS of central Peru had great success in reducing the risk of death caused by complications during pregnancy or childbirth. The key to success wasn't a medical breakthrough. It was a series of sustainable improvements based on the understanding that a health system is a social institution. CARE helped address the language barrier; health care workers spoke mostly Spanish, while their patients spoke indigenous Quechua. We geared assessments toward learning rather than punishment, and helped rural health workers make referrals to the hospital with confidence. An effective training program ensured that all staff, from technicians to nurses to doctors, could apply standard practices developed in the region to manage obstetric emergencies.

These and other changes brought profound results. By the end of the project, only one in 250 women with complications who reached the health centers

or hospitals died. That figure was one in 60 at the start of the project. CARE knew these proven tactics could help Peru reach its target under the Millennium Development Goals of reducing maternal mortality

In January 2007, Minister of Health Dr. Carlos Vallejos introduced new standard guidelines and protocols for obstetric and neonatal emergencies based largely on CARE's experience.

by 75 percent. Working closely with partners in the Ministry of Health, we set out to use our lessons from the field as the basis for national health policy. In January 2007, Minister of Health Dr. Carlos Vallejos introduced new standard guidelines and protocols for obstetric and neonatal emergencies based largely on CARE's experience. □



“I’ll march to my own drummer.”

Speaking up. Speaking out. Calling for change. With CARE’s support, women and girls are using their voices to make life better for themselves and others. Men and boys of courage and conviction are standing by their sides, empowered by equality. There’s a path to a brighter future. Just follow their lead.

She has **THE POWER** to change her world.
You have **THE POWER** to help her do it.



care[®]

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The Power of Partnership

The Power of Partnership

“Non-profits must focus their programming and branding to be competitive in today’s hyper-charged marketplace. CARE’s ‘I Am Powerful’ campaign does precisely that. This cutting edge, attention-getting initiative, focusing on empowering women in the fight against global poverty, demonstrates a reinvigorated CARE as an organization that is serious about providing social and business solutions to the underserved, as well as its corporate partners.”

— Carol Cone, a leading expert in brand marketing, founder and chair of Cone LLC

“After visiting dozens of CARE projects that empower women, I came away with a deep respect for CARE’s work.”

I heard many inspirational stories from women who have broken through barriers of convention and oppression to improve their own well-being and the well-being of their communities. ‘Women Empowered’ contains the stories of 25 of these women, whose bravery and determination speak to the universal themes of courage, empowerment and human rights.”

Phil Borges, *photographer and author*



“CARE’s work empowering women is extraordinary

and something that More’s readers can identify with on a very personal level. I am thrilled to be a part of furthering this movement.”

Peggy Northrop, *former editor-in-chief, More*

“I Am Powerful” Found in Translation

by Sheila C. Johnson, CARE Ambassador

IN THE CLASSIC WESTERN NOVEL, “THE OX-Bow Incident,” the narrator talks about how ideas are different indoors and outdoors; how something that may sound like a good idea in a room can become something else altogether when taken outside and measured “against the size of things.”

Which is why, I would imagine, some advised caution when CARE put women’s empowerment at the heart of its poverty-fighting work. Sure, empowering women in developing countries may sound like a worthwhile goal. But how would CARE influence the entrenched systems and beliefs that hold people in poverty? How would supporting such a dramatic shift in culture play out in real life, in real flesh-and-blood human terms?

I was able to witness firsthand how this concept measured up against the size of things as I traveled with Dr. Helene Gayle and other CARE staff members in Ecuador. As a philanthropist who had given \$5 million to help seed CARE’s “I Am Powerful” initiative, I wanted to see for myself how our efforts were bearing fruit.

To say I was overwhelmed would be a gross understatement. In one tiny Andean village, I witnessed onetime marginalized women who, with CARE’s guidance and support, were about to launch a global business exporting handmade clay masks. In another, I witnessed men and women working side by side to try to create worldwide demand for the region’s distinctive prickly pear. I listened in earnest as they detailed their long-range plan to then meet the demand with fruit grown on the slopes of the mountains that cradled their tiny community. Men who worked with these and other women flew in the face of generations of cultural bias by deferring to them time and time again on issues in which the women were better versed or more experienced.

Like every CARE supporter, volunteer and advocate, I hope that my contributions fuel these kinds of changes. To those who act without any expectation of ever sitting in a room with someone your compassion touches, I can say: You are making

a difference. It’s not in bold strokes – it’s in one life at a time.

Among the lives changed, I include my own. And that is why part of my commitment to CARE includes my “I Am Powerful” Challenge – I want everyone to experience the true joy and fulfillment of being part of a movement to build a better world. I want us all to reach our full potential by sharing what we know, giving what we can and speaking up for those who have been kept quiet too long. I believe in this movement for the same reasons that CARE believes women hold the key to overcoming poverty: When we share what we learn and use resources in ways that benefit others as well as ourselves, we all prosper.

I’ll leave you with one of the most powerful memories of my visit to Ecuador. Betty is a community organizer and entrepreneur who participates in CARE programs. While Sofia, a CARE staff member, interpreted, Betty thanked CARE for all it had done

When we share what we learn and use resources in ways that benefit others as well as ourselves, we all prosper.

to help the women in her village start their craft cooperative – and in the process gain a sense of confidence and a sense of hope. Then Sofia stopped in mid-sentence. She gasped slightly and looked at Betty, who looked straight back at her.

Sofia then slowly turned to us and said, “Betty said thank you. She said because of CARE we have finally learned that you don’t have to just stand behind a man. In our small village we have learned it is also possible to stand behind a woman.” □



△ A Wealth of Spirit

Sheila C. Johnson is an entrepreneur, philanthropist and global CARE Ambassador. Through Sheila’s “I Am Powerful” Challenge, she is catalyzing the movement to empower women worldwide. She matched millions of dollars in donations to CARE, hosted the inaugural “I Am Powerful” Retreat at her home, Salamander Farm, and helped CARE forge new partnerships with groups as diverse as Parson’s The New School for Design and the WNBA.

Role Model

Cover model, entrepreneur, author and mother **Christy Turlington Burns** is a CARE Ambassador who believes that the connectedness of all women strengthens and grounds our communities. “On my first trip with CARE to El Salvador, I was inspired by the fierce determination of the mothers I met,” says Turlington Burns. “They remain resilient and soulful, despite the long, hard struggles they’ve endured. These women are incredible – educating themselves, each other and planning for their children. They are true leaders.”



△ Acting on Principle

After visiting education projects in Guatemala, CARE Ambassador and actress **Sarah Michelle Gellar** committed herself to raising awareness of the plight of girls who are denied an education. “With each day that passes, I find myself more enamored with both CARE’s work and everyone involved with this important organization. Empowering women and girls is clearly the key to fighting poverty,” she says. Gellar also presented the second “I Am Powerful” award to project participant Stanojka Tesic during CARE’s 2007 National Conference.

The Power of Images

HP and CARE came together to capture and produce a series of “I Am Powerful” photos from around the world. The HP-commissioned photo teams traveled to Cambodia, India, Angola, Peru and Egypt to bring CARE’s work to life. Printed on HP’s new Z series printer, the images were used to create the “I Am Powerful” exhibit, which debuted at a photo industry trade show before going on to inspire and educate thousands during a month-long showing in the United Nations lobby.



△ More Magazine Believes in the Power of Women

The first CARE MORE Giving Circle Challenge was a successful partnership to help raise funds and visibility for CARE. Giving Circles raised nearly \$50,000, and the top-contributing group traveled to Peru to learn about CARE’s work in person. According to Joeann Fossiland, leader of the winning group, “We made a group commitment to raise \$100,000 for CARE, and we are still working to reach our goal. After seeing CARE’s work firsthand in Peru, we are more passionate than ever about it!”



The Power of Partnership

Creating a Movement

Who understands women better than women? CARE has built a large constituency for women’s empowerment by aligning with 17 of the nation’s largest women’s groups, whose membership totals more than 1.5 million. Some of our key partners include the National Association for Female Executives, the International Alliance for Women, Women Impacting Public Policy, the American Medical Women’s Association and eWomen Network.

One example of “mobilizing” these women included the American Medical Women’s Association membership drive. To boost membership renewals, a co-branded mailing was sent to 10,000 members announcing the CARE partnership, and 7 percent of renewal fees were donated to CARE.



△ A Little Indulgence Gave Hope to Others

CARE’s name was seen on store shelves nationwide via Ubiquity Brand’s launch of Indulgence, a sweet treat marketed to women. Each product package featured a story of a woman participating in one of CARE’s projects, and invited shoppers to support CARE through purchases that returned a portion of the retail price to CARE, as well as a matching donation fund set up by Ubiquity Brands.

Bringing CARE to Customers

Borders, the national bookstore chain, designed, published and sold approximately 10,000 CARE 2007 calendars. The “I Am Powerful” calendars featured photographs of CARE project participants from around the world, and were sold at Borders, Borders Express and Waldenbooks retail outlets in most U.S. cities. Borders donated \$2 to CARE for each calendar sold. Borders also hosted book-signings in Atlanta, New York, Chicago, Los Angeles and Seattle for Phil Borges’ photography book, “Women Empowered.”



△ Better Health and a Better World

Fitness expert and award-winning author **Eric Harr** became a CARE Ambassador after being drawn in by the “I Am Powerful” campaign. He channeled his fitness expertise and natural enthusiasm for empowering women through fitness into the “I Am Powerful” Workout. For every hour someone exercised and reported to CARE, Eric gave \$5. Eric’s goal is to raise \$1 million for CARE’s work over the next five years.

Gap Inc.: Sustaining a Commitment

SINCE 1974, THE GARMENT INDUSTRY OF Bangladesh has enjoyed favorable trade relations with the United States, Europe and Canada under a system of clothing and textile quotas known as the Multi-Fiber Agreement (MFA). Bangladesh was one of the more aggressive of the least-developed countries that sought to benefit under the terms of the MFA. By 2000, the country's sales of garments and textiles to the United States and European Union accounted for 84 percent of all its exports. In 2004, the garment industry directly employed 1.8 million people (of whom 85 to 90 percent were women), while another 15 million people worked in industries that relied on textiles and clothing.



However, on December 31, 2004, the World Trade Organization scrapped the MFA, effectively ending 30 years of protection for one of the developing world's most important industries. Experts predict that, as a result, the global garment trade will move to more advantageous countries, such as India and China, and endanger the jobs of up to 1.5 million women factory workers.

The women who work in Bangladesh's garment factories have faced intense gender discrimination for most of their lives – they have been denied the right to basic education, had their freedom and mobility curtailed and had little or no access to the resources that would allow them to improve their lives. It is their employment in the garment factories that has enabled them to get out of their homes and opened new pathways to empowerment. But those gains are tenuous; the women have not been trained in other kinds of work, so their opportunities for employment outside garment factories are limited. Losing these jobs would almost surely lead to a lower standard of living and less personal power.

As part of its goal to empower women and communities from which they source their garments, Gap Inc. is committed to maintaining a presence in Bangladesh, and working with vendors to reinvest in infrastructure and community development. The program developed between Gap Inc. and CARE is designed to reduce the vulnerability of workers who are at risk of becoming unemployed within and beyond the garment industry. The Competitive Literacy Initiative builds the skills that will be needed to transform factories into efficient, competitive manufacturing units. Beneficiaries include workers, managers, supervisors/owners and the workers' home communities. Following the initial pilot phase, CARE will use the results and lessons learned to rapidly scale up operations at factories in which Gap Inc. remains a committed business partner.

"Together with CARE's competent staff and solid reputation throughout Bangladesh, we are confident that the benefits of this program will inspire others to think about their footprint in the world, and what partnerships can do for vulnerable people to benefit their social bottom line," says Dotti Hatcher, director of social responsibility for Gap Inc.

Oracle: Preparing Students for the Global Economy

Oracle has committed \$1 million to CARE's Campaign for Education. The company is funding two projects that help advance education for poor children through technology, making CARE one of Oracle's first international development grantees.



Conrad N. Hilton Foundation: Development in Africa

The Conrad N. Hilton Foundation approved two significant grants to CARE in fiscal year 2007: a pledge of \$1 million for a two-year project supporting orphans and vulnerable children in Zambia, which will allow 70 community schools to expand services to some 3,500 children; and a grant of more than \$2 million to support the Millennium Water Program in Ethiopia, which works to improve sustainable access to safe water, hygiene and sanitation for the rural poor.

Bill & Melinda Gates Foundation: Innovation and Transformation

Among the exciting new initiatives funded by the Bill & Melinda Gates Foundation this year is a \$9.9 million grant over three years to help leverage CARE's on-the-ground experience to transform U.S. policy on global health and development. Another is a \$9.5 million grant over five years for a partnership in Kenya to develop and test innovative approaches to school-based water, sanitation and hygiene interventions, and to engage with the government in a national scale-up of school water, sanitation and hygiene programs (*see pg. 12 for more information on this project*). In all, the Gates Foundation approved \$26 million in new grants to CARE during fiscal year 2007.

Collaborative Giving Shows Solidarity

S EVEN WOMEN IN SEATTLE ARE COLLABORATING TO ALLEVIATE DISCRIMINATION, INJUSTICE AND POVERTY for marginalized women in Nepal’s Terai. These CARE supporters are driven by a desire to share their abundance with others who have not been as fortunate. Group member Laura Welland says, “We do not know why or how some of us are born into circumstances of wealth while others are destined for lifelong poverty. As women who had the immense good fortune to grow up and live in one of the most developed nations of the world, we have a responsibility, and even an obligation, to do our best to help others in whose shoes we could so easily have been walking ourselves.”

Anita Braker, who formed the group along with her friend and CARE board member Deidra Wager, hopes this can be a breakthrough idea for other groups to become engaged. “We want to create a new collaborative model of giving that involves donors closely in projects and their outcomes. We believe this model will create and nurture donors who are knowledgeable and articulate about CARE’s projects and mission, and who are committed to longer-term giving.”

The support provided by the group is already demonstrating results. Despite tremendous political unrest, Nepalese women living in communities near the Koshi Tappu Wildlife Reserve have signed up by the hundreds to participate in economic development activities to benefit their families. Additionally, CARE is teaching the women how to become more involved in community organizing and leadership, which should bring greater social status for women over time.

The Ftikas: Coming Full Circle

George and Duffy Ftikas are a vivacious retired couple with a passion for travel. The many artifacts from all over the world that fill their home add color to their stories. Periodically, the couple travels back to Greece, where George is originally from. A teen during the post-WWII era, George received a “very memorable” CARE Package – and has since had a soft spot for CARE.

Long interested in international affairs, George believes that, “The future of the world depends on the world being happy, and happiness cannot exist when people are desperate. A better world depends on people who are more fortunate helping those who are less fortunate.” George and Duffy have generously given to CARE using George’s IRA and also by funding a charitable gift annuity, which has allowed them to continue to provide for themselves while helping fight poverty around the world.



Attorneys and Professional Affiliates

CARE has been privileged to receive pro bono services in areas such as estate administration, tax law, trademark protection and conducting business in countries with strict government regulations. Contributing firms include: Anderson Financial Services Inc., Blair & Potts, Davis & Gilbert LLP, First Meridian Inc., Goodwin Procter LLP, Hamilton Thies Lorch & Hagnell, Holland & Knight LLP, Kilpatrick Stockton LLP, Merrill Lynch Global Private Client, Middleton & Shrull, Sidley & Austin and Brown & Wood, State Street Global Advisors, and UBS Financial Services Inc.

Janet Craig’s Final Wish

A distinguished attorney who spent much of her career in the Department of Justice, Ms. Janet Craig came to know and admire CARE’s work through a close friendship with a committed CARE supporter. When diagnosed with inoperable cancer, Ms. Craig took action. After directing her attorney to wire more than \$200,000 to CARE, Ms. Craig next arranged for CARE to receive half of her federal retirement account. When asked what motivated her giving, Ms. Craig answered simply that she supported CARE’s work to empower women and wanted to help. CARE is deeply grateful for Ms. Craig’s quiet demonstration of her belief in a brighter future for poor women.



CARE International Leadership

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Julia Newton-Howes

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Danmark

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Marte Gerhardsen

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Thailand

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United Kingdom

Geoffrey Dennis

United States

Helene D. Gayle

CARE USA is one of 12 members of the CARE International confederation. Under the umbrella of CARE International, the members share resources and expertise to be more effective poverty-fighting organizations.

“Our international membership does give us major advantages. We have different perspectives on issues and areas of expertise. Each national member has a board of directors comprising some of the most influential people in the country. They are connected to key decision-makers; they can shape opinions and mobilize resources. If we really want to have a global impact, there’s no option but to be an international entity. Our whole strategic plan is designed to make us more international, focusing on expanding our connections, links and members in less developed countries. I think in 10 years, CARE will be a very different organization, bigger, with broader reach, and even greater impact than we have today.”

Robert Glasser, Secretary General, CARE International

“Solving problems takes teamwork, and global problems need global teams. CARE Canada knows that being a member of CARE International allows us to deliver on our vision and mission within a much larger context than what we could on our own. We’ve been building our global team for over 60 years. It works, and we are making it stronger every day.”

Kevin McCort, CEO, CARE Canada

“The CARE USA strategic plan is a refreshingly new approach, with a strengthened focus for the organization. Moving forward, the most appropriate role for CARE UK is, first, to support the whole of CARE International, but, second, to support and supplement the strengths of CARE USA as the biggest member. The true value of being part of CARE is the size, scale and very strong reputation of the whole confederation.”

Geoffrey Dennis, CEO, CARE UK

“CARE International is at a critical juncture this year in our effort to make the organization really global, and a partner of choice in the fight against poverty and social injustice. The new CARE International, CARE USA and other membership strategic plans provide us a great opportunity for a positive change to advance our global vision and mission.”

Jumbe Sebunya, Senior Advisor on CARE International, CARE USA

“The approach of pulling together and optimizing the individual contributions of various CARE national members within a shared global strategy, coordinated and led by the central emergency group, is a promising model for other areas of CARE’s work. The collective efforts are enabling a number of improvements in CARE’s emergency work, and ensure efficiency, consistency and cohesiveness in our response to emergencies around the world.”

Jonathan Mitchell, Emergency Response Director, CARE International

It's the people behind a plan that make it a success. CARE counts on more than 12,000 dedicated staff members, millions of project participants and partners, and you. Your resources sustain our work and learning, your confidence and trust encourage us and your ongoing commitment to fighting poverty propels us forward toward the world we know is possible. Thank you.

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 The Meyer Family
 The Minneapolis Foundation
 Mr. Alex Morcos
 Morgan Stanley
 Mr. & Mrs. Randolph M. Nace
 Arthur C. Nielsen, Jr. Family Charitable Trust
 Ms. Maureen O'Hara and Mr. David Easley
 Ms. Constance L. Paul
 Pfizer Foundation
 Ms. Monica Vachher and Mr. Jerome Selitto
 Mrs. Janet Short and Mr. Tucker Short
 Mr. Martin J. Spalding
 Marx-Stark Family Foundation
 Sundance Family Foundation
 The T. Rowe Price Program for Charitable Giving
 J.T. Tai & Co. Foundation Inc.
 Shanghai Tang
 United States Institute of Peace
 Frederick O. Watson Foundation
 Mr. Douglas J. Weckstein and Mrs. Tara T. Weckstein
 The Joyce & Gary Wenglowski Foundation
 Ms. Marissa Wesely and Mr. Fred Hamerman
 Mr. and Mrs. Warner W. Weseman

West Foundation Inc.
 Dr. Paul L. Winter
 Mr. Allen Wisniewski and Mrs. Ingrid Wisniewski
 The World Bank Community



\$10,000 to \$14,999

Anonymous
 Mr. and Mrs. Masud Akbar
 Mr. Keith and Ms. Annette Amburgey
 American Express Foundation
 Mr. Craig G. Anderson
 AstraZeneca Pharmaceuticals LP
 The Ayco Charitable Foundation
 BP Inc.
 Baltimore Community Foundation
 Mr. Paul Bancroft and Mrs. Mary Jan Bancroft
 Dr. Cori Bargmann
 Mrs. Mary Rinne Barnett
 Mr. Dennis M. Barry
 The Sandra Atlas Bass and Edythe and Sol G. Atlas Fund Inc.
 Beyond Our Borders Fund of the Women's Foundation of Colorado
 Dr. Vidya Bobba and Mrs. Sally Bobba
 Serine Bonnist Charitable Trust
 Mr. Neal C. Bradsher
 Mr. Frank V. Burns
 Nancy and Herbert Burns Foundation
 The Cable Company
 Caterpillar Inc.
 Chloe Productions Inc.
 Citigroup Impact Funding Trust Inc.
 Mr. Martin R. Cobb
 Ms. Virginia F. Coleman
 The Community Foundation of Greater Birmingham
 Corn Products International Inc.
 Ms. Susan Crown and Mr. William Kunkler
 Professor Vern G. Davidson
 Davis & Gilbert LLP
 A Diamond is Forever
 Mr. Saul Diaz and Mrs. Consuelo Diaz
 The Frances K. Dibner Trust Fund
 Mitchell and Monica Dolin
 Mrs. Linda Ely and Mr. Richard Ely
 eMarketer Inc.
 Mr. and Mrs. Steven Epstein
 First Church of Christ, Scientist
 The Flatley Foundation
 Mr. Adam Forbes
 Mr. Paul B. Friedman
 Mr. James A. Fullarton
 The Ella George Children's Foundation Inc.

Mr. Ralph J. Gilbert and Mrs. Connie Gilbert
 Goldman, Sachs & Co.
 Mrs. Barbara Goldstein and Mr. Oliver Goldstein
 Goodwin Procter LLP
 Google Inc.
 Ms. Jill Rosenblatt Gordon
 Mr. and Mrs. Robert D. Graham
 Mr. John Graves
 The Greater Cincinnati Foundation
 Louis H. Gross Foundation
 Grosvenor Building Services Inc.
 Mr. John H. Gusmer and Mrs. Carolyn Gusmer
 Mrs. Jane Haimes and Mr. Barry Haimes
 Mr. and Mrs. J. Hervie Haufler
 Mr. and Mrs. Alvin L. Hilty
 Mr. and Mrs. Andrew H. Hull
 Dr. Les E. Hurrelbrink, III
 IHG
 The Irving Foundation Inc.
 Mr. Daniel T. Jackson
 Mr. and Mrs. Richard J. Jessup
 Johnson & Johnson
 Mr. Robert Jones
 Dr. Robert S. Joslin and Mrs. Nancy J. Joslin
 Journey Charitable Foundation
 Mr. and Mrs. Walter Kaczmarek
 Mr. Paul Kavanagh and Mrs. Jasveer Kavanagh
 Mrs. Helen F. Kelbert
 Mr. Carl T. Kelley
 Dr. Kevin J. and Dr. Pamela J. Kelly
 Mr. Richard Kerns and Mrs. Gloria Kerns
 Kilpatrick Stockton LLP
 Mr. and Mrs. Chris A. Kindred
 The Kinkaid School
 Estate of Walther Kirchner
 Ms. Melissa Ko
 Kramer, Levin, Naftalis & Frankel LLP
 Ms. Susan Laing
 Lamb & Barnosky LLP
 Mr. David Lampert
 Mrs. Ruth Lawler and Mr. Christopher Lawler
 Governor George Leader and Mrs. Mary Jane Leader
 Levin Family Foundation
 Mr. David Litwack and Ms. Mary Anne Lambert
 Loehrke Family Charitable Foundation
 Maersk Line Limited
 Mr. Raja Malkani
 Mr. Joe Manthey and Mrs. Linda Manthey
 The Maple Hill Foundation
 Dr. David Manke
 Ms. Melissa H. Maxman
 McGuire Family Foundation
 Mr. Christopher T. McHugh
 Mr. Gordon A McLean
 Miller Tabak + Co. LLC
 Mr. James S. Mills and Mrs. Victoria K. Mills
 Dr. Gordon Moore and Mrs. Betty Moore
 Morgan Stanley Foundation
 Audrey B. and Jack E. Morgan Foundation Inc.
 Ms. Jutta Mosse
 Mr. and Mrs. Douglas P. Nace
 The William J. and Jane F. Napier Charitable Lead Trust
 Nationwide
 The William and May D. Norris Foundation
 Les Oiseaux Foundation

Mr. Mark F. and Mrs. Robin D. Opel
 Opera Solutions LLC
 Mr. James P. O'Shaughnessy and Mrs. Melissa O'Shaughnessy
 Palm Foundation at Community Foundation Silicon Valley
 Ms. Frances Wiley Parish
 Mr. Mark Patterson
 Perry Capital LLC
 Public Interest Data Inc.
 Professor Uwe Reinhardt and Mrs. May C. Reinhardt
 Mrs. Patricia Goss Rhodes
 Dr. John D. Riedlinger
 Mr. Frank Ritchy and Mrs. Joan Ritchy
 Mrs. Ardath H. Rodale
 Mr. and Mrs. Richard D. Rohr
 Mr. and Mrs. Bruce Rosenblum
 Sandy Hill Foundation
 Sealift International Inc.
 Select Equity Group
 Simmons Family Foundation
 Mr. Malcolm Sparrow and Mrs. Penelope Sparrow
 Mr. James Spence, III
 Mr. and Mrs. Harry Stoddard
 Studley Inc.
 Dr. and Mrs. Michael G. Sullivan
 SunTrust Banks Inc.
 T. Rowe Price Associates Foundation Inc.
 Target Corporation
 Tata Sons Limited
 Mr. Eric Tate
 Teleos Leadership Institute
 Joyce and William Thibodeaux
 Mr. John Thom and Mrs. Sandra Thom
 Sami and Annie Totah Family Foundation
 The Trio Foundation of St. Louis
 Two Sigma Investments LLC, memory of Mike Matsushita
 U.S. Trust
 Mr. and Mrs. Mark J. Walker
 Mr. Barton Waring
 Mrs. Tracy Whille and Mr. Tim Whille
 Dr. Susan Yarian
 Mr. Lorenze E. Zimmerman
 Dr. Robert Zufall and Mrs. Kathryn Zufall



Programming Highlights

CARE supported more than 1,000 poverty-fighting projects in 71 countries to reach more than 65 million people in fiscal year 2007 (FY07). CARE USA contributed \$545 million to these efforts. The following are some highlights of our work in FY07 to empower women and families around the world:

CARE's **education** programs helped 7.5 million students gain the skills they need to succeed, and removed barriers to school attendance – especially for girls.

CARE and our partners reached more than 40 million people with information and services to protect their **health**, plan their families and raise healthy children.

Our **economic development** programs helped 8.8 million people – 53 percent women – with training and resources to save money and start businesses.

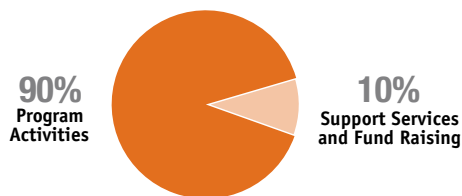
More than 12 million people enjoyed improved access to safe **water and sanitation**, and learned about healthy behaviors to prevent illness.

We helped some 7 million people stop the spread of HIV and reduce the negative social and economic consequences of **HIV & AIDS**.

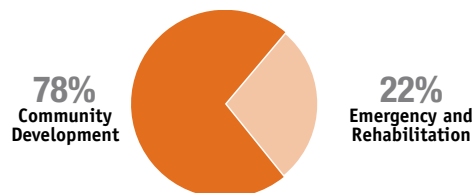
11.5 million people participated in CARE projects to improve crop production, increase income and sustainably manage **natural resources**.

Our **emergency preparedness and response** projects reached more than 15 million people, with particular emphasis on the needs of the most vulnerable: children, women and the elderly.

How CARE's Expenses are Allocated



CARE's Programs by Activity



Message to our Supporters

OVER THE PAST YEAR, CARE HAS CREATED A BOLD NEW STRATEGIC PLAN THAT will make us a more effective poverty-fighting organization. As we proudly review the accomplishments of the past year, we are eager to set in motion our new plan, expanding our own potential even as we help millions of families fulfill theirs.

We believe investing in girls and women is key to ending poverty, and our experience in the field supports this belief. At our board meeting in Tanzania, we met women entrepreneurs who participate in village savings and loan groups. Several women said that, before joining the program, their husbands wouldn't even let them mingle with other women. Now, after watching their wives generate income and lead within the community, the husbands see them in a new light. We were inspired by the evident pride as women spoke of sending their children to school and not worrying about how to put food on the table. Theirs are the faces of the "I Am Powerful" campaign and proof that if you give girls and women the opportunity to fulfill their potential, you enrich families and communities – you really can change the world.



Despite the progress we have seen, changing the world also requires change in the halls of power. It has been said that the opposite of poverty is not wealth, but justice. Justice cannot become a reality without policies that give everyone a fair opportunity to make the most of their lives. The United States government and leaders in the countries where we work have a vital role in promoting peace, protecting the rights of citizens, ensuring more equitable access to resources and, ultimately, ending global poverty. Our new plan calls on CARE to use field-based development experience to influence policies that affect people in poor communities and promote equality and social justice for those we serve.

Your voice is a vital part of our advocacy work, and speaking out is just one of the many ways supporters advance CARE's mission. Our work would not be possible without supporters like you who give so generously of their time and resources. Our strategic plan calls for CARE to change, but you can always depend on CARE being a wise and conscientious steward of our financial resources.

From the point of view of a CEO and board chair, there is nothing more encouraging than the knowledge that your organization's direction and mission are driven not by a threat or crisis, but by the aspirations of the people you serve. A mother's dream of an education for her daughter, a leader's call for peace, a family's yearning for a safe place to call home – these hopes for the future are universal and are what drive us every day to become an even stronger organization.

Helene D. Gayle, *President and CEO*

W. Bowman Cutter, *Chair*

Board of Directors



Officers

W. Bowman Cutter
Chair

Helene D. Gayle
President

Lynn Walker Huntley
John P. Morgridge
Vice Chairs

Dean C. Kehler
Treasurer

Carol Hudson
Secretary

Peter D. Bell
Philip Johnston
President Emeriti

Members

Richard J. Almeida
Retired Chairman and CEO
Heller Financial

Kathryn Christensen
Professor of Practice
College of Journalism and Mass Communications
University of Nebraska-Lincoln

Susan Crown
Vice President
Henry Crown & Company

W. Bowman Cutter
Managing Director
Warburg Pincus LLC

Katharin S. Dyer
Executive Vice President
Digitas LLC

Maria Echaveste
Principal
Nueva Vista Group LLC

Helene D. Gayle
President and CEO
CARE

Lynn Walker Huntley
President
Southern Education Foundation

Dean C. Kehler
Managing Partner
Trimaran Capital Partners

Kenneth Lehman
Managing Partner
KKP Group LLC

Cindy Hensley McCain *(on leave)*
Chair
Hensley Company

Doris Meissner
Senior Fellow
Migration Policy Institute

Afaf I. Meleis
Margaret Bond Simon Dean of Nursing
University of Pennsylvania

Nachiket Mor
President
ICICI Foundation for Inclusive Growth

John P. Morgridge
Chairman Emeritus
Cisco Systems

Randall E. Pond
Executive Vice President
Cisco Systems

Virginia Sall
Former Chair
La Leche League International

William D. Unger
Partner Emeritus
Mayfield Fund

Monica Vachher
President
The Astor Group

Deidra Wager
Owner
DJW LLC

All directors are also members of the board of overseers.

Executive Management Team



Helene D. Gayle
President and Chief Executive Officer



Steve Hollingworth
*Chief Operating Officer and
Executive Vice President, Global Operations*



Joseph J. Iarocci
Chief of Staff



Patrick Solomon
*Senior Vice President,
Global Support Services*



Cathy Woolard
*Executive Vice President,
Global Advocacy and External Relations*

Senior Leadership Team

Rafael Callejas
*Regional Director,
Latin America & Caribbean*

Nanette Cantrell
*Vice President,
Human Resources*

Susan Farnsworth
*Senior Vice President,
Program Quality & Impact*

Roger Hearn
*Regional Director,
Middle East &
Eastern Europe*

Adam Hicks
*Vice President,
Communications
& Marketing*

Carol Hudson
Board Secretary

Barbara Larkin
*Vice President,
Policy Advocacy*

Dwayne Morris
General Counsel

Muhammad Musa
Regional Director, Asia

Debra Neuman
*Senior Vice President,
Resource Development*

Michael Rewald
*Vice President,
Global Support
& Partnerships*

Jumbe Sebunya
*Senior Advisor,
CARE International*

Jean-Michel Vigreux
*Regional Director,
Southern & West Africa*

Steve Wallace
*Regional Director,
East & Central Africa*

Report from Management

IN FISCAL YEAR 2007, CARE USA SPENT \$608 MILLION, OF WHICH \$545 MILLION (90 PERCENT) WENT TO PROGRAM activities designed to empower women, their families and communities in the fight against poverty.

This program spending included \$497 million in cash and \$48 million in agricultural commodities and other in-kind contributions, which CARE dedicated to creating lasting solutions to poverty. We invested \$231 million of program expense – over 42 percent of our total program spending – in sub-Saharan Africa, a region with both dire poverty and dynamic potential.

We spent \$425 million on long-term development programs, a 3 percent increase from the prior fiscal year. Emergency expenditures were about \$45 million less than in fiscal year 2006.

CARE enjoyed good success in raising direct support from the public. Our fund-raising efforts this year yielded \$118 million. Support from the United States government was \$243 million, \$55 million less than last year. Support obtained through CARE International members slightly increased to \$139 million this year. These sources of support, together with others, raised our total revenue to \$605 million.

We could not pursue our vision of a world of hope, tolerance and social justice without the steadfast support of our public and private donors. Your trust both humbles and encourages us. CARE is also grateful to our fine staff, our community partners and our colleague organizations, all of whom set the standard for commitment and excellence. Our donors, partners, staff and – most importantly – the communities we serve continue to inspire us to meet the highest standards of financial stewardship and use CARE’s resources in the best possible ways.

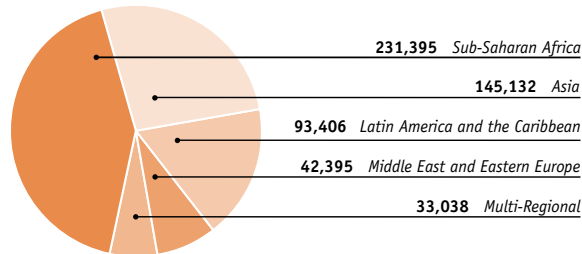


Joseph J. Iarocci, Chief Financial Officer for Fiscal Year 2007

Selected Financial Information

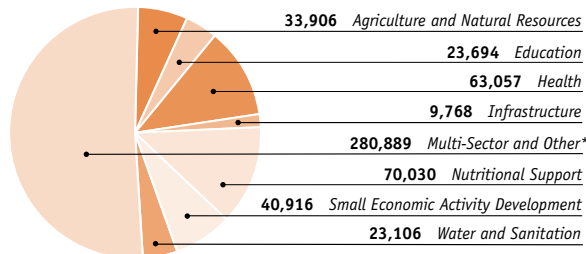
Program Expense by Geographic Region

Total program expense by region for FY2007 *In thousands* **\$545,366**



Program Expense by Sector

Total program expense by sector for FY2007 *In thousands* **\$545,366**



* Multi-sector projects include activities related to three or more sectors, none of which is predominant. "Other" includes certain activities that cannot readily be classified in any of the sectors described above.

Selected Financial Information

Sources of Support

CARE USA receives support for our programs from charitable contributions and grants and contracts from government and nongovernmental entities. The following describes CARE USA's sources of support and revenue *In thousands*

Donor	Cash	Agricultural Commodities	Nonfood in Kind	2007 Total	2006 Total
U.S. government	\$ 197,244	\$ 45,179	\$ 135	\$ 242,558	\$ 298,028
U.S. direct public support	117,273	-	325	117,598	112,333
CARE Australia	5,031	-	-	5,031	5,473
CARE Canada	8,224	-	-	8,224	9,861
CARE Danmark	12,109	-	-	12,109	7,985
CARE Deutschland	6,089	-	-	6,089	6,295
CARE France	8,862	-	-	8,862	8,171
CARE Japan	285	-	-	285	532
CARE Nederland	26,358	-	-	26,358	14,941
CARE Norge	10,292	-	-	10,292	11,417
CARE Österreich	10,501	-	-	10,501	9,855
CARE United Kingdom	51,181	-	-	51,181	63,073
Host governments	26,301	-	-	26,301	26,470
UNHCR	467	-	-	467	517
UNICEF	1,597	-	-	1,597	2,018
WFP	4,186	147	-	4,333	7,309
Other U.N. agencies	3,178	-	-	3,178	6,533
Luxemburg	-	-	-	-	238
Switzerland	19,300	-	-	19,300	23,167
World Bank	2,630	-	-	2,630	3,830
Others (grants, contracts)	34,643	-	1,375	36,018	28,580
Other revenue (interest, dividends, rents, etc.)	11,945	-	-	11,945	8,855
Support and Revenue 2007	\$ 557,696	\$ 45,326	\$ 1,835	\$ 604,857	
Support and Revenue 2006	\$ 569,091	\$ 82,138	\$ 4,252		\$ 655,481

Consolidated Financial Statements

CARE USA Consolidated Balance Sheets

As of June 30, 2007, and 2006 *In thousands*

	2007	2006
Assets		
Cash and cash equivalents	\$ 79,680	\$ 118,408
Investments	216,865	200,548
Receivables, net	27,717	64,542
Subsidiary microcredit loans receivable, net	91,287	58,649
Commodity inventory	50,692	8,497
Deposits and other assets	66,488	61,831
Property and equipment, net	11,163	5,747
Perpetual trust held by third party	125,741	112,963
TOTAL ASSETS	\$ 669,633	\$ 631,185
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 59,634	\$ 62,047
Program advances by government and nongovernmental agencies	132,448	141,702
Annuities payable, pooled income fund, charitable remainder trusts	21,971	21,751
Benefits accrued for overseas national employees	15,258	17,244
Subsidiary loans payable	86,240	59,436
Minority interest in subsidiary	2,535	1,736
Total Liabilities	\$ 318,086	\$ 303,916
Commitments and contingencies		
Net Assets		
Unrestricted	\$ 85,687	\$ 83,539
Temporarily restricted	121,814	115,644
Permanently restricted	144,046	128,086
Total Net Assets	\$ 351,547	\$ 327,269
TOTAL LIABILITIES AND NET ASSETS	\$ 669,633	\$ 631,185

Our auditors have expressed an unqualified opinion on our financial statements. These financial statements include associated notes that are essential to understanding the information presented herein. The full set of statements and notes is available at CARE USA's Web site, www.care.org, and a printed copy may be obtained from CARE USA.

Consolidated Financial Statements

CARE USA ANNUAL REPORT 2007

CARE USA Consolidated Statements of Activities

For the year ended June 30, 2007, with summarized information for the year ended June 30, 2006 *In thousands*

	Unrestricted	Temporarily Restricted	Permanently Restricted	2007	Summarized 2006
Support					
Public Support					
General purpose	\$ 63,171	\$ -	\$ -	\$ 63,171	\$ 63,299
Temporarily restricted	-	42,486	-	42,486	39,237
Addition to endowment	-	-	3,182	3,182	2,204
CARE International	138,932	-	-	138,932	137,603
Interest and dividends on restricted net assets	6,644	2,195	-	8,839	8,002
Net assets released from restrictions	45,493	-	-	45,493	37,345
Satisfaction of program restrictions	-	(45,493)	-	(45,493)	(37,345)
TOTAL PUBLIC SUPPORT	254,240	(812)	3,182	256,610	250,345
Government and Other Support					
U.S. government	242,558	-	-	242,558	298,028
Host governments	26,301	-	-	26,301	26,470
Others	67,443	-	-	67,443	71,783
TOTAL GOVERNMENT AND OTHER SUPPORT	336,302	-	-	336,302	396,281
Other Revenue					
Interest and dividends on unrestricted net assets	5,696	-	-	5,696	4,412
Rent and miscellaneous	6,249	-	-	6,249	4,443
TOTAL OTHER REVENUE	11,945	-	-	11,945	8,855
TOTAL OPERATING SUPPORT AND REVENUE	602,487	(812)	3,182	604,857	655,481
Expenses					
Program	545,366	-	-	545,366	589,604
Fund raising	26,078	-	-	26,078	24,022
Management and general	27,266	-	-	27,266	24,215
Public information	7,369	-	-	7,369	5,906
Grants to CARE International	1,764	-	-	1,764	1,876
TOTAL OPERATING EXPENSES	607,843	-	-	607,843	645,623
Operating Support and Revenue over Expenses	(5,356)	(812)	3,182	(2,986)	9,858
Other Nonoperating Changes in Net Assets					
Minority interest in subsidiary (loss)/income	(763)	-	-	(763)	(605)
Foreign exchange gain	918	-	-	918	873
Interest and dividends on gift annuity investments	1,030	-	-	1,030	1,085
Actuarial gain/(loss) on annuity obligations	(1,279)	189	-	(1,090)	(1,342)
Actuarial gain on split interest agreements	23	213	-	236	3
Realized and unrealized gain on investments	7,575	6,580	-	14,155	1,456
Increase in value of trust held by third party	-	-	12,778	12,778	1,827
TOTAL CHANGES IN NET ASSETS	2,148	6,170	15,960	24,278	13,155
NET ASSETS, BEGINNING OF YEAR	83,539	115,644	128,086	327,269	314,114
NET ASSETS, END OF YEAR	\$ 85,687	\$ 121,814	\$ 144,046	\$ 351,547	\$ 327,269

Our auditors have expressed an unqualified opinion on our financial statements. These financial statements include associated notes that are essential to understanding the information presented herein. The full set of statements and notes is available at CARE USA's Web site, www.care.org, and a printed copy may be obtained from CARE USA.

Consolidated Financial Statements

CARE USA Consolidated Statements of Functional Expenses

For the year ended June 30, 2007, with summarized information for the year ended June 30, 2006 *In thousands*

	Program Activities			Fund Raising	Management and General	Public Information	CARE International	2007 Total	2006 Total
	Emergency	Rehabilitation	Development						
Personnel costs	\$ 23,744	\$ 10,427	\$ 108,856	\$ 8,690	\$ 16,210	\$ 3,976	\$ -	\$ 171,903	\$ 166,336
Professional services	2,376	883	15,865	2,155	3,049	1,547	-	25,875	25,045
Equipment	1,746	721	5,593	219	910	186	-	9,375	12,236
Materials and services	27,969	7,415	69,584	13,245	2,023	923	-	121,159	140,972
Travel and transportation	6,939	2,706	36,240	681	2,026	613	-	49,205	51,468
Occupancy	3,068	1,074	11,848	533	1,461	58	-	18,042	17,545
Financing/Depn/Misc.	641	445	32,955	520	1,343	21	-	35,925	28,219
Grants/Subgrants	18,375	7,450	100,512	-	32	9	1,182	127,560	118,645
AgCommodities/CIKs	4,522	1	43,411	35	212	36	582	48,799	85,157
Total Operating Expenses for 2007	\$ 89,380	\$ 31,122	\$ 424,864	\$ 26,078	\$ 27,266	\$ 7,369	\$ 1,764	\$ 607,843	
Total Operating Expenses for 2006	\$ 134,179	\$ 43,793	\$ 411,632	\$ 24,022	\$ 24,215	\$ 5,906	\$ 1,876		\$ 645,623

Our auditors have expressed an unqualified opinion on our financial statements. These financial statements include associated notes that are essential to understanding the information presented herein. The full set of statements and notes is available at CARE USA's Web site, www.care.org, and a printed copy may be obtained from CARE USA.

Consolidated Financial Statements

CARE USA Consolidated Statements of Cash Flows

For the years ended June 30, 2007, and 2006 *In thousands*

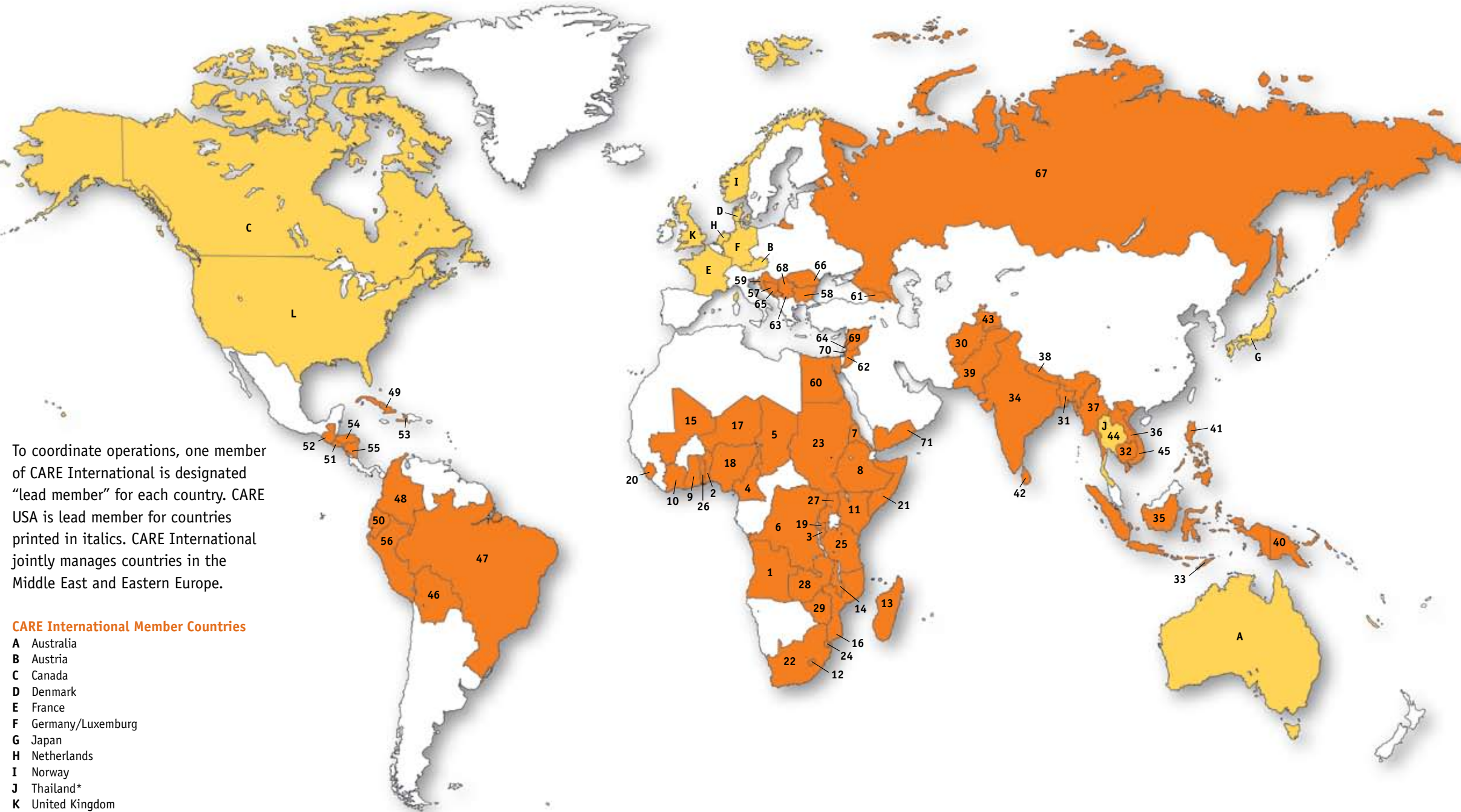
CARE USA ANNUAL REPORT 2007

	2007	2006
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Changes in net assets	\$ 24,278	\$ 13,155
Adjustments to reconcile change in net assets to cash flows		
Depreciation and amortization	1,694	2,215
Contributions restricted for investment in endowment	(3,182)	(2,204)
Provision for subsidiary microcredit loan losses	1,677	966
Realized and unrealized gain on investments	(14,155)	(1,456)
Actuarial (gain)/loss on annuity obligations	1,090	1,342
Actuarial gain on split interest agreements	(236)	(3)
Increase in value of perpetual trust held by third party	(12,778)	(1,827)
Changes in assets and liabilities		
Decrease/(increase) in receivables	36,825	(17,287)
Increase in commodity inventory	(42,195)	(4,328)
Increase in deposits and other assets	(4,657)	(1,336)
(Decrease)/increase in accounts payable and accrued expenses	(2,413)	16,623
(Decrease)/increase in program advances	(9,254)	11,398
(Decrease)/increase in benefits accrued for overseas national employees	(1,986)	1,252
Net cash and cash equivalents used for operating activities	(25,292)	18,510
CASH FLOWS USED FOR INVESTING ACTIVITIES:		
Purchases of investments	(117,778)	(61,502)
Proceeds from sales of investments	115,616	58,103
Purchases of property and equipment	(7,136)	(594)
Sales of property and equipment	26	148
Net cash and cash equivalents used for investing activities	(9,272)	(3,845)
CASH FLOWS USED FOR FINANCING ACTIVITIES:		
Proceeds from contributions restricted for investment in endowment	3,182	2,204
Increase in subsidiary microcredit loans receivable	(34,315)	(16,581)
Proceeds from loans in subsidiary	64,476	23,660
Gross loans repayment in subsidiary	(37,672)	(8,437)
Increase in minority interest in subsidiary	799	103
Net decrease in annuities payable, split interest agreements	(634)	(1,754)
Net cash and cash equivalents used for financing activities	(4,164)	(805)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(38,728)	13,860
CASH AND CASH EQUIVALENTS, beginning of year	118,408	104,548
CASH AND CASH EQUIVALENTS, end of year	\$ 79,680	\$ 118,408
Noncash Contributions	\$ 15,908	\$ 9,194

Cash paid for interest in fiscal years ended June 30, 2007, and 2006, respectively, was \$6,281 and \$3,962.

Our auditors have expressed an unqualified opinion on our financial statements. These financial statements include associated notes that are essential to understanding the information presented herein. The full set of statements and notes is available at CARE USA's Web site, www.care.org, and a printed copy may be obtained from CARE USA.

World of CARE



To coordinate operations, one member of CARE International is designated "lead member" for each country. CARE USA is lead member for countries printed in *italics*. CARE International jointly manages countries in the Middle East and Eastern Europe.

CARE International Member Countries

- A Australia
- B Austria
- C Canada
- D Denmark
- E France
- F Germany/Luxemburg
- G Japan
- H Netherlands
- I Norway
- J Thailand*
- K United Kingdom
- L United States

- CARE International Member
- Countries with CARE Programming in FY07

Africa

- 1 Angola
- 2 Benin
- 3 Burundi
- 4 Cameroon
- 5 Chad
- 6 *Democratic Republic of Congo*
- 7 Eritrea
- 8 Ethiopia
- 9 Ghana
- 10 Ivory Coast
- 11 Kenya
- 12 Lesotho
- 13 Madagascar
- 14 Malawi
- 15 Mali
- 16 Mozambique
- 17 Niger
- 18 Nigeria
- 19 Rwanda
- 20 Sierra Leone
- 21 Somalia
- 22 South Africa
- 23 Sudan
- 24 Swaziland
- 25 Tanzania
- 26 Togo
- 27 Uganda
- 28 Zambia
- 29 Zimbabwe

Asia

- 30 Afghanistan
- 31 Bangladesh
- 32 Cambodia
- 33 East Timor
- 34 India
- 35 Indonesia
- 36 Laos
- 37 Myanmar
- 38 Nepal
- 39 Pakistan
- 40 Papua New Guinea
- 41 Philippines
- 42 Sri Lanka
- 43 Tajikistan
- 44 Thailand*
- 45 Vietnam

Latin America and the Caribbean

- 46 Bolivia
- 47 Brazil
- 48 Colombia
- 49 Cuba
- 50 Ecuador
- 51 *El Salvador*
- 52 Guatemala
- 53 Haiti
- 54 Honduras
- 55 Nicaragua
- 56 Peru

Middle East and Europe

- 57 Bosnia/Herzegovina
- 58 Bulgaria
- 59 Croatia
- 60 Egypt
- 61 Georgia
- 62 Jordan
- 63 Kosovo
- 64 Lebanon
- 65 Montenegro
- 66 Romania
- 67 Russian Federation (North Caucasus)
- 68 Serbia
- 69 Syria
- 70 West Bank/Gaza
- 71 Yemen

*Thailand is both a member of CARE International and a country with ongoing CARE programming.

CARE's Guiding Beliefs

Vision

We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. CARE International will be a global force and a partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakable commitment to the dignity of people.

Mission

CARE International's mission is to serve individuals and families in the poorest communities in the world. Drawing strength from our global diversity, resources and experience, we promote innovative solutions and are advocates for global responsibility. We facilitate lasting change by:

*Strengthening capacity for self-help;
Providing economic opportunity;
Delivering relief in emergencies;
Influencing policy decisions at all levels;
Addressing discrimination in all its forms.*

Guided by the aspirations of local communities, we pursue our mission with both excellence and compassion because the people whom we serve deserve nothing less.

Core Values

Respect: We affirm the dignity, potential and contribution of participants, donors, partners and staff.

Integrity: We act consistently with CARE's mission, being honest and transparent in what we do and say, and accept responsibility for our collective and individual actions.

Commitment: We work together effectively to serve the larger community.

Excellence: We constantly challenge ourselves to the highest levels of learning and performance to achieve greater impact.

Programming Principles

- *Promote Empowerment*
- *Work with Partners*
- *Ensure Accountability and Promote Responsibility*
- *Address Discrimination*
- *Promote the Nonviolent Resolution of Conflicts*
- *Seek Sustainable Results*

Editorial and Production Team

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The editorial team thanks the numerous staff members from across CARE who made valuable contributions to this publication.

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Thank You



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Fighting poverty.