

2007 ANNUAL REPORT HIGHLIGHTS



RESEARCH

OF

RECORD





TO OUR ANNUAL REPORT

The Urban Institute's research agenda mirrored many of the issues that dominated public policy in 2007. Senior Fellow Ned Gramlich's *Subprime Mortgages: America's Latest Boom and Bust* was hailed by the *Los Angeles Times* as the "bible for reporters and policymakers trying to figure out what had gone wrong."

Our earlier analysis showing the Massachusetts state legislature that near-universal health insurance was affordable led to similar work with other states and won Academy-Health's 2007 "Impact Award."

Still on the table, the option developed by our Tax Policy Center and endorsed by *The New York Times* as "fair and smart" would save wide swaths of the middle class from having to pay the alternative minimum tax.

Our finding that five children were left temporarily stranded for every nine undocumented workers seized in workplace raids was widely reported—and followed by changes in the Immigration and Customs Enforcement agency's arrest guidelines.

Expanding our research on aging and retirement, we compared public pension systems

in OECD countries, examined aging boomers' retirement plans, and floated options for keeping Medicare and Medicaid solvent as the over-65 population doubles by 2040.

Our education team overturned the conventional wisdom that urban elementary schools in poor areas are doomed, and our new National Center for Analysis of Longitudinal Data in Education Research began issuing reports on school governance policies, teacher effectiveness, and the culture surrounding schools.

Our research on the nonprofit sector ranged from variations in governance practices to the need for longer-term post-disaster relief. We also profiled the sector and unveiled an innovative balance sheet for measuring organizational charity.

Wave-making reports from 2007 reached far beyond policy and academic circles. One on iPod thefts explained why street robberies are rising. Another found that we aren't, as widely believed, graduating too few scientists and engineers.

Our sixth annual edition of "Housing in the Nation's Capital" assessed how well the greater Washington, D.C., metropolitan area is housing the frail elderly, disabled, and homeless, and we recommended ways to accommodate these fast-growing groups.

Our Assessing the New Federalism project expanded into the Low-Income Working Families project.

Abroad, our work was as high-impact as it was far-flung. In Ethiopia, we surveyed citizens on local government's openness and accountability. In Colombia, we advised the government on performance-based budgeting and managing for results.

Finally, we honor three individuals whose impact on the Institute has been profound. Senior fellow Ned Gramlich laid the groundwork for diagnosing and fixing the subprime mortgage market. Trustees Bob McNamara and Dick Thornburgh stepped down after years of dedicated service. Our debt to all three is indelible.



Joel L. Fleishman
Chairman of the Board

A handwritten signature in black ink, appearing to read "Joel L. Fleishman".



Robert D. Reischauer
President

A handwritten signature in black ink, appearing to read "Robert D. Reischauer".

MISSION

The Urban Institute
gathers data, conducts
research, evaluates
programs, offers
technical assistance
overseas, and educates
Americans on social and
economic issues—all to
foster sound public
policy and effective
government.

WHAT WE DO DAY TO DAY



DATA COLLECTION

Numbers and facts can tell powerful stories and inform sound policy.

Examples in 2007:

- Interviewed state welfare program officials on their work to help the hard to employ
- Surveyed child care providers to study their experience with the subsidy system
- Developed ways to inventory efforts to modernize the Food Stamp program



POLICY ANALYSIS

Our use of advanced research tools helps us uncover emerging problems and design policy options that are responsive to pressing needs.

Examples in 2007:

- Developed proposals for stabilizing fiscal policy
- Helped several states design expanded health insurance programs
- Analyzed older workers' earnings and job satisfaction after career changes





EVALUATION

Decisionmakers need to know what works and what doesn't, who benefits and who's being left behind.

Examples in 2007:

- Measured the effectiveness of a new agricultural crime-prevention project in California
- Evaluated projects aimed at expanding access to land and financial services in Benin
- Examined independent living programs for children aging out of foster care

PUBLIC EDUCATION

From podcasts and e-newsletters to media briefings and testimony, our work travels in many forms to reach diverse audiences.

Examples in 2007:

- Testified before Congress on whether charitable organizations serve diverse communities well
- Briefed regional directors at the U.S. Department of Education on using longitudinal data
- Worked with the Government Accountability Office on outcome and performance measurement





POLICY CENTERS

THE EDUCATION POLICY CENTER ▶ **Evaluating schools and students in the accountability era** ▶ We studied successful high school reforms; the positive effect of voucher and accountability pressure on low-performing schools; and ways to rethink teacher training, selection, assignment, and evaluation by looking to successes in other countries. Our analysis of schools serving low-income urban minority youth overturned the conventional wisdom that schools in poor neighborhoods can't be effective. **Jane Hannaway, Director**

THE HEALTH POLICY CENTER ▶ **Determining who gets needed health coverage, who doesn't, and what can be done** ▶ We informed the national debate on the State Children's Health Insurance Program, showing that it effectively reaches low-income children and would cost low-income families less than a tax-deduction-based alternative. Building on an earlier study, our research found that 137,000 people died in 2000-2006 for want of health insurance. We also examined Medicaid reform options and Medicare spending growth. **John Holahan, Director**

THE INCOME AND BENEFITS POLICY CENTER ▶ **Analyzing American families' economic security from cradle to grave** ▶ In 2007, we examined retirees' living costs, retirement income, and work and volunteering at older ages. Our research on families examined trends in poverty and household incomes, family structure's impacts on well-being, and government supports' effects on low-income families. Working with three other research institutes, we identified and studied drivers of economic mobility. **Sheila Zedlewski, Director**

THE INTERNATIONAL ACTIVITIES CENTER ▶ **Supporting growth and democratization in developing countries** ▶ Our international work saw us in more than 20 countries in 2007. Our advice helped local governments in Albania raise and control much of their own revenue, helped Kyrgyzstan decentralize budget responsibility, and allowed Pakistan's district governments to take on new responsibilities for health and education. In Serbia and Georgia, we advised dozens of local governments on promoting local economic development. **Charles Cadwell, Director**

THE JUSTICE POLICY CENTER ▶ **Working with communities to stem violence and crime** ▶ Our researchers coined the word "iCrime," proposing that the rise in street thefts stems partly from the explosive popularity of iPods. We extended our studies of prisoners reentering society to include Cleveland, Chicago, and Texas. We conducted the first formal study of Florida's pioneering faith-based correctional facility and recommended ways to improve the fragmented New Orleans criminal justice system. **Terence Dunworth, Director**

THE CENTER ON LABOR, HUMAN SERVICES, AND POPULATION ▶ **Examining policies and initiatives affecting workers, children, and immigrants**

▶ With workplace immigration raids increasing, we studied the impacts on undocumented workers' children. In our work on paths to economic security, we inventoried families' assets and liabilities and gauged the effects of government benefits. Seeing how fragmented programs for children with disabilities and their families are, we proposed ways to integrate the three largest—special education, Medicaid, and Supplemental Security Income.

Ajay Chaudry, Director

THE LOW-INCOME WORKING FAMILIES PROJECT ▶ **Understanding the risks and supports for low-income working families**

▶ Building on a decade of research from our Assessing the New Federalism project, which ended in 2007, the Low-Income Working Families project analyzed the needs of families struggling to balance work and family and pay for basics, and recommended public and private responses. Early research identified holes in the support structure for these families and found that food stamps help women stay off welfare. **Margaret C. Simms, Director**

THE CENTER ON METROPOLITAN HOUSING AND COMMUNITIES ▶ **Studying the vitality of urban neighborhoods and consequences for individuals and families**

▶ Our sixth edition of "Housing in the Nation's Capital" examined special housing needs for those with disabilities, the elderly, and homeless people. We wrapped up our seven-year study of how demolishing and revitalizing severely troubled projects affects

the original residents. In the region hit by hurricanes Katrina and Rita, we assessed challenges facing low-income renters eager to return home and inventoried programs that could help them.

Margery Austin Turner, Director

THE CENTER ON NONPROFITS AND PHILANTHROPY ▶ **Charting the size, finances, and diversity of the nonprofit sector**

▶ In 2007, we studied nonprofit governance amid growing concern for greater accountability and transparency. We completed a three-year study of foundation expenses and compensation and spearheaded efforts to define and measure charitability in practice. Our researchers also demonstrated the critical role of nonprofits in emergency preparedness. **Elizabeth Boris, Director**

THE URBAN-BROOKINGS TAX POLICY CENTER ▶ **Informing tax debates since 2002**

▶ Our tax research is an indispensable source of objective analysis in a fast-moving news cycle. Focal points in 2007 were the Ways and Means Committee chairman's tax reform proposal, the president's health insurance proposal, and ideas for keeping the alternative minimum tax from ensnaring the middle class. Our work on taxation and the family homed in on child tax credits and college financial aid for low-income families. **Leonard Burman, Director**



How the Policy Environment Has Changed

	1968*	2007
U.S. population	200,706,052	301,621,157
Minimum wage in 2006 dollars	\$9.41	\$5.85 (after 7/24/07)
Dow Jones Industrial Average	944 (Dec 31)	13,265 (Dec 31)
% of families headed by female with no husband present	11	18
% of women age 25-54 in paid jobs	46	73
% of federal spending (discretionary vs. mandatory)	66 vs. 34	38 vs. 62
% of employed labor force age 25 and older with a college degree	14 (1970)	34
Average SAT score of entering college classes	math 533 verbal 541	math 515 critical reading 502 writing 494
GDP per capita (2006 dollars)	\$27,014	\$45,633
National health expenditures as share of GDP	6.1%	16.2%
Urban % of total population	70	83
% of voting-age citizen population that voted in presidential election	64	62 (2004)
Violent crimes per 100,000 people	298	474
Share of total household income received by poorest fifth	4.2%	3.4%
Share of total household income received by richest fifth	42.8%	50.5%
Foreign-born population	9.6 million (1970)	37.5 million (2006)
% of U.S. population that is foreign born	4.8 (1970)	12.5 (2006)

*Year Urban Institute founded



Financial Summary

Fiscal Years Ending December 31, 2006 and 2007 (summary in thousands)

	2007	2006
Total Assets	\$130,618	\$119,523
Total Liabilities	18,261	16,354
Net Assets	112,357	103,169
Liabilities and Net Assets	\$130,618	\$119,523

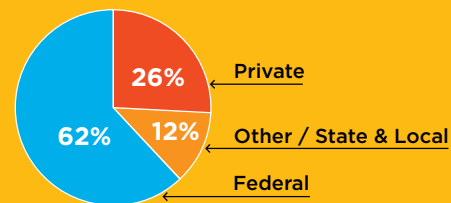
Operating Activities

Revenues	65,131	70,505
Expenses	(67,105)	(72,363)
Subtotal	(1,974)	(1,858)

Non-Operating Activities

Revenues	11,162	11,590
Expenses & Transfers	0	0
Subtotal	11,162	11,590

Total Change in Net Assets	\$9,188	\$9,732
Net Assets Beginning of Year	103,169	93,437
Net Assets End of Year	\$112,357	\$103,169



Fiscal Year 2007 Expenditures

Federal	41,863,591	62%
Private	17,414,410	26%
Other / State & Local	7,827,201	12%
Total	\$ 67,105,202	

The Urban Institute – a 501(c)3 – accepts general support contributions to increase its capacity to invest in breaking issues and to further communicate the results of its research findings. Donations can be made online at www.urban.org or sent to the Development Office.



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New Directions for 2008

MODELING how proposals to reform health insurance affect costs and coverage

LAUNCHING an online Tax Policy Briefing Book to share tax facts, clarify issues, and float options

DEVELOPING and costing out improvements to programs for low-income people

STARTING a unique summer academy for under-represented minority college students interested in public policy research careers

EXAMINING the policies, service systems, and funding sources supporting very young children

COMPLETING a pioneering study on how to analyze the costs and benefits of crime prevention

DETERMINING whether and how financing retirement from home equity works

GAUGING the civic potential of nonprofit organizations created by recent waves of immigrants

ANALYZING what makes some high schools much better than others

RELEASING a policy-and-practice book on reforming child-welfare systems

ASSESSING cities' borrowing readiness in six Asian countries

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