



expanding economic opportunity

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C F E D ' S 2 0 0 3 I N R E V I E W

The year was one of celebrating solid accomplishments, overcoming financial challenges and laying the foundation for 2004 and beyond.

A broad list of accomplishments—representative of our successes in 2003—and a summary of our financial results follow. As we approach our 25th anniversary, we are working hard to achieve sharper focus, higher visibility and greater impact in expanding economic opportunity.

- Launched a six-year national initiative to develop, test, document and impel progressive matched savings accounts for all American children. Coordinated a six-month competitive process to select community partners from across the United States. Hosted a Capitol Hill briefing to highlight children's savings. Helped partners set up their programs and reach out to their communities so they could begin to enroll savers.
- Merged with REAL Enterprises, Inc. to expand hands-on experiential education for budding entrepreneurs. Nearly 200 additional educators joined more than 1,600 trained instructors who use REAL curricula in their classrooms nationwide.
- Awarded 19 grants to statewide microenterprise organizations to bolster services and capital for low-income entrepreneurs. Convened grantees and others to learn about policy opportunities, share experiences and find solutions to common challenges in supporting underserved entrepreneurs.
- Issued the 17th annual Development Report Card for the States. Updated 57 of 68 measures from 2002. Earned extensive national media attention for our assertion that leading economic indicators that depend on the growth of the gross domestic product—often cited by economists and touted by the press—cannot reliably predict and do not necessarily reflect improved economic standing for working American families.
- Informed, refined and educated policymakers about federal legislation that would provide nearly a half billion dollars to match Individual Development Account savings. Gathered lessons from IDA practitioners to make a case that would bring federal programming in line with best practices—such as allowing federal grantees full discretion over nonfederal funds and giving account holders more time to purchase assets. Co-hosted a national conference for IDA advocates to consider state-level asset-building policy.
- Expanded the reach of our Local Capital Markets Investment Fund to include the replication of financial products and services cultivated by previous awards. Made grants to develop a regional strategy to promote financial innovation in Arkansas, Louisiana and the Mississippi Delta. Began an initiative to explore the integration of savings and credit for low-income entrepreneurs.
- Used North Carolina as a laboratory to study, design and demonstrate effective state-level responses to globalization, trade adjustment and business incentive issues.
- Researched and published reports on: entrepreneurial activity across rural America; financial education in Native American communities; employer-based Individual Development Accounts; employment transition among dislocated workers; and the practice of using state tax incentives to bolster economic development.

Revenues for 2003 were approximately \$6.2 million, representing a decrease of 18 percent from 2002. This can be attributed to unexpected delays in the start of two major programs, and a generally challenging fundraising environment. Gains in investment income of \$360,000 more than offset an operating loss of \$68,000 (1.1 percent of revenues). Net assets decreased by \$581,000 as the satisfaction of time and performance conditions on temporarily restricted assets outpaced the receipt of new revenues during 2003.

A S S E T S	
Current assets	\$ 2,409,361.00
Property and equipment, net investments	118,496.00
Investments	5,291,505.00
Pledges receivable (net of current portion)	100,000.00
Total assets	\$ 7,919,362.00
L I A B I L I T I E S A N D N E T A S S E T S	
Current liabilities	\$ 647,645.00
Unrestricted net assets	1,769,013.00
Temporarily restricted net assets	3,502,704.00
Permanently restricted net assets	2,000,000.00
Total net assets	\$ 7,271,717.00
Total liabilities and net assets	\$ 7,919,362.00
C H A N G E I N U N R E S T R I C T E D N E T A S S E T S	
Revenue, gains and other support	
Private contract and government grant revenue	\$ 714,752.00
Interest and dividends	83,797.00
Contributions	348,251.00
Other	15,336.00
Net assets released from restrictions	
Satisfaction of program restrictions	\$ 5,034,241.00
Total revenue, gains and other support	\$ 6,196,377.00
E X P E N S E S	
Program services	\$ 5,555,525.00
Communications	160,376.00
Management and general/resource development	548,392.00
Total expenses	\$ 6,264,293.00
Change in unrestricted net assets from operations	\$ (67,916.00)
Other gains (losses)	
Loss on disposal of property and equipment	(282.00)
Realized/unrealized gains (losses) on investments	360,397.00
Total other gains (losses)	\$ 360,115.00
Change in unrestricted net assets	\$ 292,199.00
Contributions	4,160,950.00
Net assets released from restrictions	(5,034,241.00)
Change in temporarily restricted net assets	\$ (873,291.00)
Change in net assets	\$ (581,092.00)
Net assets, beginning of year	\$ 7,852,809.00
Net assets, end of year	\$ 7,271,717.00

CFED is a nonprofit organization that expands economic opportunity. We work to ensure that every person can participate in, contribute to and benefit from the economy by bringing together community practice, public policy and private markets in new and effective ways. We identify promising ideas; test and refine them in communities to find out what works; craft policies and products to help good ideas reach scale; and foster new markets to achieve greater economic impact.