

**“THE HOMOSEXUAL
AGENDA IS
DESTROYING
THIS NATION.”**

– Oklahoma state Rep. Sally Kern

**“TO DENY ONE GROUP THE RIGHT TO
MARRY THREATENS THE INSTITUTION
OF MARRIAGE MORE THAN IT DOES
ANYTHING ELSE.”**

– Dave Matthews, singer/songwriter

**“IT ISN’T THAT SOME
GAYS WILL GET SOME
RIGHTS. IT’S THAT
EVERYONE
ELSE IN
OUR STATE
WILL LOSE
RIGHTS.”**

– U.S. Rep. Michele Bachmann, R-Minn.

**“WE ARE NOT ASKING FOR SPECIAL
RIGHTS. WE ARE ASKING FOR EQUAL
PROTECTION UNDER THE LAW.”**

– Comment posted to HRC’s www.EndtheLies.org

**“BEING GAY
IS A CHOICE.
A WRONG
CHOICE.”**

– North Dakota state Rep. Chuck Damschen

**“WE NEED TO REMAIN VIGILANT. MANY
FAR-RIGHT HATE GROUPS ARE STEPPING
IT UP — USING DECEPTION AND FEAR TO
PAINT US AS DANGEROUS AND IMMORAL.”**

– HRC President Joe Solmonese



FINALLY, WITH STRONG ALLIES IN THE WHITE HOUSE, ON CAPITOL HILL AND ACROSS THE COUNTRY, THE MOVEMENT FOR EQUALITY HAS MOMENTUM LIKE NEVER BEFORE.

“HRC AND THE LARGER LGBT COMMUNITY ARE **PART OF THIS ADMINISTRATION’S VISION.**”

– Valerie Jarrett,
senior presidential adviser

“**IT’S TIME TO MAKE THE HIV/AIDS EPIDEMIC YOUR EPIDEMIC** — NO MATTER YOUR CURRENT HEALTH STATUS, INCOME, SEXUAL ORIENTATION, GENDER IDENTITY OR RACE.”

– Bishop John L. Selders Jr.,
HRC’s Religion Council

“**I BELIEVE IN LOVE AND I BELIEVE IN EQUALITY, AND I BELIEVE IN MARRIAGE EQUALITY.**”

– Dave Grohl, musician

Wins everywhere from Iowa to New Hampshire underscore the fact that working on the offense — helping to elect fair-minded friends at the state level, mobilizing our members and sending staffers to work on the ground — is a successful formula. Now, more than 1 in 5 Americans live in a state that offers recognition to committed gay and lesbian couples, be it domestic partnerships, civil unions or legal marriage. Now, six states offer equal marriage rights, with several states closing in. It’s a direct result of months — and years — of tireless teamwork and strategy by the Human Rights Campaign to help Americans better understand that fairness for all — a basic tenet of this country — applies to *everyone*.

FROM THE
PRESIDENT



In 2009, our opponents tried at every turn to block America’s march toward fairness. The Human Rights Campaign met them, head on.

HRC was everywhere — fighting on the statehouse steps, on the streets, in the malls, at bus stops, at campaign stops. Making phone calls, getting signatures, forging coalitions. The plans we carefully laid out several years ago helped produce win after win at the state level. Strategic investments and partnerships in New Hampshire, Iowa and elsewhere paid off.

Marriage equality for lesbian, gay, bisexual and transgender people became a reality in four states, and was signed into law in Maine, pending a November voter referendum. And in dozens of state capitols, HRC’s allies — many whom we helped get into office, with the crucial support of our members and supporters — passed pro-LGBT bills and blocked anti-LGBT ones.

Together, we made incredible strides.

Important change at the federal level took place, too. The Matthew Shepard Act recently passed both the U.S. Senate and House of Representatives. An inclusive Employment Non-Discrimination Act was introduced for the first time in the U.S. Senate. We worked closely with our Democratic and Republican

friends to step up the pace in other key areas, too — including the military, healthcare, taxation and domestic partner benefits.

These victories were a direct result of HRC’s smart, focused campaign work in scores of U.S. congressional contests and the race for the White House. Last fall, the *National Journal* named HRC one of the top five most effective interest groups in the country.

Make no mistake: The right-wing extremists are still out in force. Days before the Matthew Shepard Act passed the Senate, our foes sent a barrage of e-mails to Capitol Hill, warning lawmakers that the measure would protect “pedophiles.” A conservative lawmaker called the bill a “hoax.” Fortunately, HRC’s allies were able to quash the

effort. It was a reminder: We need to keep vigilant.

And we need to keep speaking the truth loud and clear: We are Americans. We are equal.

Thank you for all of your work in 2009. With you, our members, supporters and allies, we were able to make history happen.

Sincerely,

Joe Solmonese
President, Human Rights Campaign
and Human Rights Campaign
Foundation

FROM THE
HRC BOARD CO-CHAIRS

Civil rights for lesbian, gay, bisexual and transgender Americans rarely left the public spotlight in 2009, thanks in large part to the smart, strategic efforts of the Human Rights Campaign.

Whether it was organizing in the states or working with allies in Washington to push through vital legislation, HRC helped advance LGBT equality like never before.

The organization worked at unprecedented levels in state capitols, places of worship and corporate offices.

HRC’s early campaign presence in Iowa, including funding for a state-wide LGBT group, helped pave

the way for marriage equality, a safe schools bill and an LGBT non-discrimination law. In New Hampshire, HRC provided field and communications expertise and mobilized HRC members for a marriage win. In Nevada, HRC worked with its leaders there to prompt 5,000 supporters to push for a domestic partners bill. In all, HRC sent resources and staff to work in a dozen key states — often for months at a time — with statewide LGBT groups and allies.

And HRC worked at length at the local level, too. It put a field director and field organizer on the ground in Gainesville, Fla., to help beat back

an attempt by our opponents to get rid of key protections already in place.

On Capitol Hill, HRC successfully worked with its congressional allies to pass the Matthew Shepard Act, a bill to add sexual orientation and gender identity to the list of categories protected by federal hate crimes law. Last year, there was a 6 percent jump in the number of hate crimes based on sexual orientation alone, the FBI reported.

We hope the hate crimes win will halt the extreme-right wing’s efforts to set up a beachhead against an inclusive Employment Non-Discrimination Act, relationship

recognition and the repeal of the discriminatory “Don’t Ask, Don’t Tell” law.

Let’s continue to charge ahead.

Sincerely,

Mary Snider and Ken Britt
Human Rights Campaign Board
Co-Chairs

FROM THE
HRC FOUNDATION BOARD CO-CHAIRS

When 250 religious leaders from nearly every state descended on Capitol Hill this year to lobby on hate crimes and workplace fairness, some congressional staffers said it was the first time that they’d ever met with clergy who support lesbian, gay, bisexual and transgender equality.

U.S. hospital officials say the HRC Family Project’s *Healthcare Equality Index* alerted them about their treatment of LGBT patients.

And more and more companies are finally getting the message that transgender Americans are a vital part of

the work force, thanks in part to the HRC Workplace Project’s outreach. In a wide variety of areas, the HRC Foundation is steadily making a difference.

In 2009, participation doubled in its *Healthcare Equality Index*, a ranking of U.S. hospitals and clinics about their visitation policies, sensitivity trainings and more. Ten facilities — from Baltimore to Seattle — were cited for being “top performers.”

Meanwhile, the *Corporate Equality Index* team stepped up the pressure, highlighting those companies that have yet to respond to requests about

their policies and practices. At the same time, some 305 U.S. employers received top ratings of 100 percent.

A number of resources were developed on transgender-related issues this year. The HRC Workplace Project helped more companies better understand the need to be more inclusive; the Religion and Faith program brought 25 transgender educators to 40 congregations across the country to talk about gender diversity.

Innovation has become the hallmark of the HRC Foundation. And this year, its projects — many whose

seeds were sown two or three years ago — began to bloom in a big way. Its work is a smart, strategic complement to HRC’s political work.

Sincerely,

Marty Lieberman and Anne Fay
Human Rights Campaign Foundation
Board Co-Chairs



IT'S A BATTLE BEING WON FROM THE GROUND UP

**“I PUT OUT A CALL
FOR HELP AND
HRC ANSWERED.
WE COULD NOT HAVE DONE
THIS WITHOUT THEM.”**

– Mo Baxley, executive director, New Hampshire
Freedom to Marry

DOOR TO DOOR, TOWN TO TOWN AND STATE TO STATE. AND HRC IS THERE.

After years under an administration that threatened to veto any legislation that benefits our community, we’ve elected a president who will sign hate crimes legislation, an inclusive Employment Non-Discrimination Act and repeal of “Don’t Ask, Don’t Tell” and of the Defense of Marriage Act. We’ve also elected congressional leadership who will never try to use the Constitution to hurt our families. Now our goals are possible — if we keep on working.

At HRC, we knew that the elections were not the end of the work, but the start of a new era. We have already seen that the White House and Congress will not move if we do not speak up, show them the way and make our demands known.

We have made a good start of it. Early on, HRC released “A Blueprint for Positive Change,” detailing dozens of ways that the new administration can further LGBT equality. We stepped up outreach to key allies in Congress and in the new administration, making inroads toward our regulatory and legislative goals. And when we saw toes dragging — whether on federal employee protections or on the Defense of Marriage Act — we spoke up.

As a result, we’ve seen some movement.

- The president launched a national AIDS strategy and set key goals to lower the number of new HIV infections, increase the number of people receiving care and reduce racial disparities.

- We are on our way to eliminating the HIV travel ban. To get here, HRC lobbied Congress effectively, resulting in the vote that paved the way. Then, when the Department of Health and Human Services issued a proposed regulation, HRC members submitted 17,000 of the 19,000 public comments that HHS received. Soon, the process will be complete and the discriminatory ban will be gone.

- We advocated for the administration to ban discrimination on the basis of gender identity in the nation’s largest work force — the federal government. And they did. For the first time, the federal government stands by the principle that your gender identity has nothing to do with your job performance.

- We also advocated for family protections for those employees, and presented our recommendations to the transition team before the president took office. In June, the president issued a memorandum instructing federal agencies to provide any family benefits not precluded by statute, as we had advocated.

- The Obama administration and the State Department formally endorsed a U.N. statement calling for the worldwide decriminalization of homosexuality, a measure that former President Bush had refused to sign.

- And the House and Senate voted to pass inclusive hate crimes legislation.

We have seen roadblocks, too. On Nov. 4, 2008, four states voted to deny our families equal rights under law, including by preventing children from finding permanent, loving homes with LGBT parents. California became the first state to use the ballot box to take away equal marriage rights *that had already been recognized*. This underscored the need to continue our work on the ground in every state to ensure that our friends, neighbors and co-workers understand that our rights are not up for a popular vote, and that state legislatures understand that the need for civil rights laws is urgent.

These gains are possible in part because of our strategic and effective electoral work

across the nation. We have played a key role in securing fair-minded leadership in a number of key state houses, paving the way for non-discrimination laws and protections for families. At the federal level, our fair-minded endorsees have been so successful that the *National Journal* ranked us among the top five winning interest groups in the Senate and House elections.

Of course, changing laws requires changing minds, which is why HRC’s legislative agenda coordinates with our Foundation’s great educational work. When the conversation around the water cooler changes, ENDA moves forward. When our schools are welcoming and our families are out and open, protection for families moves forward. When congregations welcome and celebrate the LGBT community, those who would use religion as a proxy for discrimination lose their footing. When we have equal access to healthcare, we are empowered to make a difference. These things go hand in hand and, in 2009, they moved forward.

SP

“HOMOSEXUALITY WILL ALWAYS
BE A SEXUAL PERVERSION.”
– Utah state Sen. Chris Butters

“WE MUST PERSEVERE,
UNTIL THE DAY WHEN
**ACCEPTANCE
TRIUMPHS OVER
PREJUDICE.**
I WILL SUPPORT YOU IN THIS
QUEST, AND IT WILL HAPPEN.”
– Sen. Dianne Feinstein, D-Calif.

THE MATTHEW SHEPARD
ACT “IS REALLY A HOAX.”
– U.S. Rep. Virginia Foxx, R-N.C.

“THEY ARE SAYING IN ONE
INCREASINGLY LOUD,
AMERICAN VOICE, ‘HONEY,
BABY, RATHER THAN WORRY
ABOUT WHO SOMEONE
ELSE LOVES AND WHY,
**THINK ABOUT
WHO YOU HATE
AND WHY.’”**
– Patricia Clarkson, actress

RA

“THERE IS A GAY AND SECULAR
FASCISM IN THIS COUNTRY THAT...
IS PREPARED TO USE VIOLENCE,
TO USE HARASSMENT.”

– Newt Gingrich, former speaker of the
U.S. House of Representatives

“AS LONG AS PREJUDICE
EXISTS IN THIS COUNTRY,
IN THIS WORLD,
**WE ARE ALL
ITS VICTIMS.”**

– Keith Olbermann, MSNBC anchor

IF ELECTED OFFICIALS ARE “CLUELESS
ABOUT THE DEFINITION OF MARRIAGE...
THEN THEY ARE NOT COMPETENT
FOR PUBLIC OFFICE.”

– Matthew Staver, Liberty Counsel

“OUR JOB NOW IS TO SEIZE THE
ENERGY AND WORK TOGETHER
**TO ENSHRINE
EQUALITY FOR
LGBT AMERICANS
INTO LAW AND POLICY
ACROSS THE COUNTRY.”**

–HRC President Joe Solmonese

HATE CRIMES LEGISLATION
IS “ANTI-FAITH.”

– Matt Barber, Liberty Counsel

“SHAME ON ANYONE WHO
OPPRESSES ANOTHER
PERSON AND USES
**PATRIOTISM
AS A SHIELD.”**

–Comment posted to HRC’s www.EndtheLies.org

MARRIAGE WINS

The momentum is building for marriage equality.

We finally saw our hard work begin to pay off in 2008 and 2009. Soon, gay and lesbian couples will be able to marry in six states — five years after Massachusetts became the first state to recognize marriage for same-sex couples.

Connecticut kicked off the wedding march in fall 2008, when the state Supreme Court ruled that the state’s civil unions placed same-sex couples in an “inferior status.” The decision was codified by the Legislature in April 2009.

Since then, Iowa, Maine, New Hampshire and Vermont have embraced marriage equality.

HRC had a key role in many of these wins. Strategic investments in Iowa and New Hampshire in 2006 helped pave the way for marriage equality today.

New York and the District of Columbia now recognize marriages by same-sex couples that are legally performed in other jurisdictions. Other states moved forward, too.

As we celebrated these gains, California stripped marriage rights from loving couples by enacting Proposition 8. Foes of marriage equality have placed a people’s veto of the marriage equality law on the ballot in Maine.

NO EXCUSES

Too many in Congress have dragged their feet for far too long on LGBT equality issues. So we took action.

HRC recently launched a national grassroots lobbying effort, “No Excuses.” The campaign, which began in August, aims to set up meetings on key LGBT issues in local offices between HRC members and their federal representatives.

The local meetings are focusing on: repealing the Defense of Marriage Act; passing the Employment Non-Discrimination Act; repealing “Don’t Ask, Don’t Tell”; passing immigration reform that would prevent the separation of LGBT families; and providing equal health benefits to federal employees, including their same-sex partners.

Thousands of people from all 50 states, as well as Guam, Puerto Rico and the U.S. Virgin Islands, signed up to schedule the in-district meetings.

END THE LIES

OVER THE LAST YEAR, WE LAUNCHED A GROUNDBREAKING INTERACTIVE WEBSITE WITH AUDIO RECORDINGS, VIDEOS, PHOTOS AND QUOTATIONS FROM FOES WHO ARE USING FEAR TACTICS AND MANIPULATING THE TRUTH.

THE GOALS OF THIS NEW TOOL ARE TO SPARK AWARENESS ABOUT PUBLIC DECEPTIONS AND TO SPUR PEOPLE TO TAKE ACTION AND ENGAGE IN DIALOGUE.

IT’S CRUCIAL TO LEGISLATIVE FIGHTS THAT LIE AHEAD.

TENS OF THOUSANDS HAVE DROPPED BY THE WEBSITE, WATCHED A VIDEO AND JOINED THE CONVERSATION.

WWW.ENDTHELIES.ORG

VETERANS SPEAK OUT



Once again, HRC is leading the national dialogue around the repeal of the U.S. military’s “Don’t Ask, Don’t Tell” policy. In summer 2009, HRC teamed with Servicemembers United to launch a national tour that featured gay, lesbian and straight veterans who have served under the discriminatory policy.

In city after city, the veterans spoke out about how the policy hurts military readiness and national security while putting American soldiers fighting overseas at risk.

As the tour hit the road, more veterans and prominent military leaders spoke out about the policy, increasing pressure on Congress and the Obama administration to repeal it.

The tour, “Voices of Honor: A Generation Under ‘Don’t Ask, Don’t Tell,’” builds on the work of two earlier nationwide tours organized by HRC and Servicemembers United. The 2007 “Legacy of Service” tour played a key role in driving the conversation in the Democratic and Republican presidential debates.

Rep. Patrick Murphy, D-Pa., a veteran of the Iraq war, helped HRC and Servicemembers United announce “Voices of Honor” — and at the same time, he announced that he would be the lead sponsor in the U.S. House of Representatives of the bill that would repeal “Don’t Ask, Don’t Tell.”

More than 13,000 men and women have been discharged from the military since the enactment of “Don’t Ask, Don’t Tell.”

BIG GAINS AT THE FEDERAL LEVEL

In the 111th Congress, HRC has already made a number of significant advances on Capitol Hill. There was a successful vote on federal hate crimes protections in both chambers of Congress — first in the House of Representatives on April 29, 2009, then the Senate voted 63-28 on July 16, 2009, to proceed with the Matthew Shepard Act as an amendment to the Department of Defense authorization bill.

The authorization bill then passed the Senate with the Matthew Shepard Act as an amendment, and now the Senate and House versions of the bill must be reconciled in a conference committee before being sent to the president’s desk.

HRC’s legislative team also worked with House and Senate staff to secure introduction of an inclusive Employment Non-Discrimination Act, which would bar discrimination in the workplace on the basis of sexual orientation or gender identity. This is the first time the Senate has ever had a fully inclusive ENDA introduced. And HRC partnered with Servicemembers United on a nationwide tour to draw attention

to the discriminatory “Don’t Ask, Don’t Tell” policy and to increase support for the Military Readiness Enhancement Act, a measure which would repeal the policy.

Three additional legislative priorities are: the Uniting American Families Act, which would end the painful separation of families by recognizing permanent same-sex couples under immigration laws; the Tax Equity for Health Plan Beneficiaries Act, which provides equal tax treatment of health benefits for LGBT families; and the Early Treatment for HIV Act, which would provide states with the option to provide Medicaid coverage to low-income, HIV-positive Americans. HRC has worked to include

each of these three bills as provisions in larger reform legislation being taken up by Congress, in an effort to increase the likelihood of passage.

HRC has also worked with congressional staff and with coalition allies to determine the most feasible strategy for repealing the Defense of Marriage Act, which denies legally married lesbian and gay couples 1,000-plus federal protections. And in an effort to provide health benefits equally to millions of federal employees, including those with same-sex domestic partners, HRC has helped advance the Domestic Partnership Benefits and Obligations Act in Congress — first through a House subcommittee hearing on

the bill, then a successful markup by the House Oversight and Government Reform Subcommittee on Federal Workforce, Postal Service and the District of Columbia.

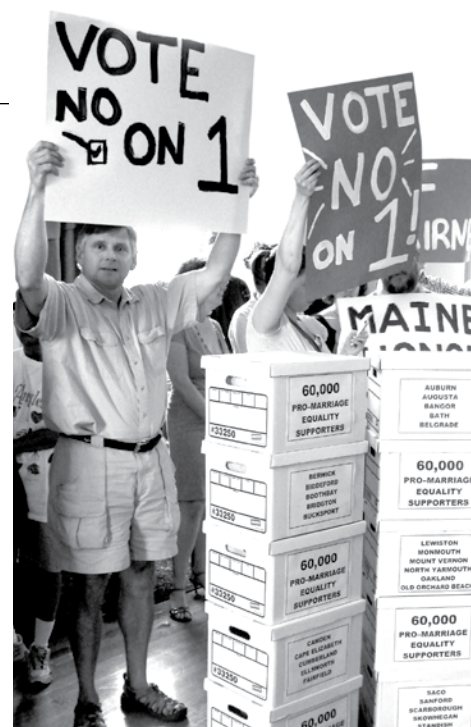
Finally, HRC has submitted more than 70 policy recommendations for action by executive branch agencies to improve the lives of LGBT people and their families without the need for congressional action. Our public policy advocates and legislative attorneys are meeting with officials at many of these agencies to discuss how to implement our recommendations.

NEARLY
50
STATES

REPRESENTED BY RELIGION
AND FAITH LEADERS AT
HRC'S CLERGY CALL.

305

MAJOR U.S. BUSINESSES
ACHIEVED THE HIGHEST
RATING OF 100 PERCENT
IN THIS YEAR'S CORPORATE
EQUALITY INDEX — UP
FROM 260 LAST YEAR.
A TOTAL OF 590 COMPANIES
WERE RATED.



MORE THAN
90%

OF THE 200+ HRC-ENDORSED
CANDIDATES WON SEATS
IN THE 111TH CONGRESS.



HRC RAISED AND CONTRIBUTED
\$3.4 MILLION
TO THE NO ON PROPOSITION 8
CAMPAIGN IN CALIFORNIA.

500
PEOPLE

ACROSS THE COUNTRY
PARTICIPATED IN HRC'S
NEW CAMPAIGN TRAINING
PROGRAM, CAMP EQUALITY,
FOR ACTIVISTS AT THE
LOCAL LEVEL FOR KEY
FEDERAL, STATE AND BALLOT
CAMPAIGNS, INCLUDING IN
FT. LAUDERDALE, PHOENIX,
HOUSTON AND LAS VEGAS.

14.9
MILLION

NUMBER OF PEOPLE
LIVING IN STATES WITH
MARRIAGE EQUALITY.



GAINS IN THE STATES THIS YEAR

COLORADO The Legislature passed and Gov. Bill Ritter signed the Designated Beneficiary Agreement Act, which provides limited domestic partner rights and responsibilities to same-sex and unmarried different-sex couples. Separate legislation signed by the governor provides domestic partner benefits to state employees.

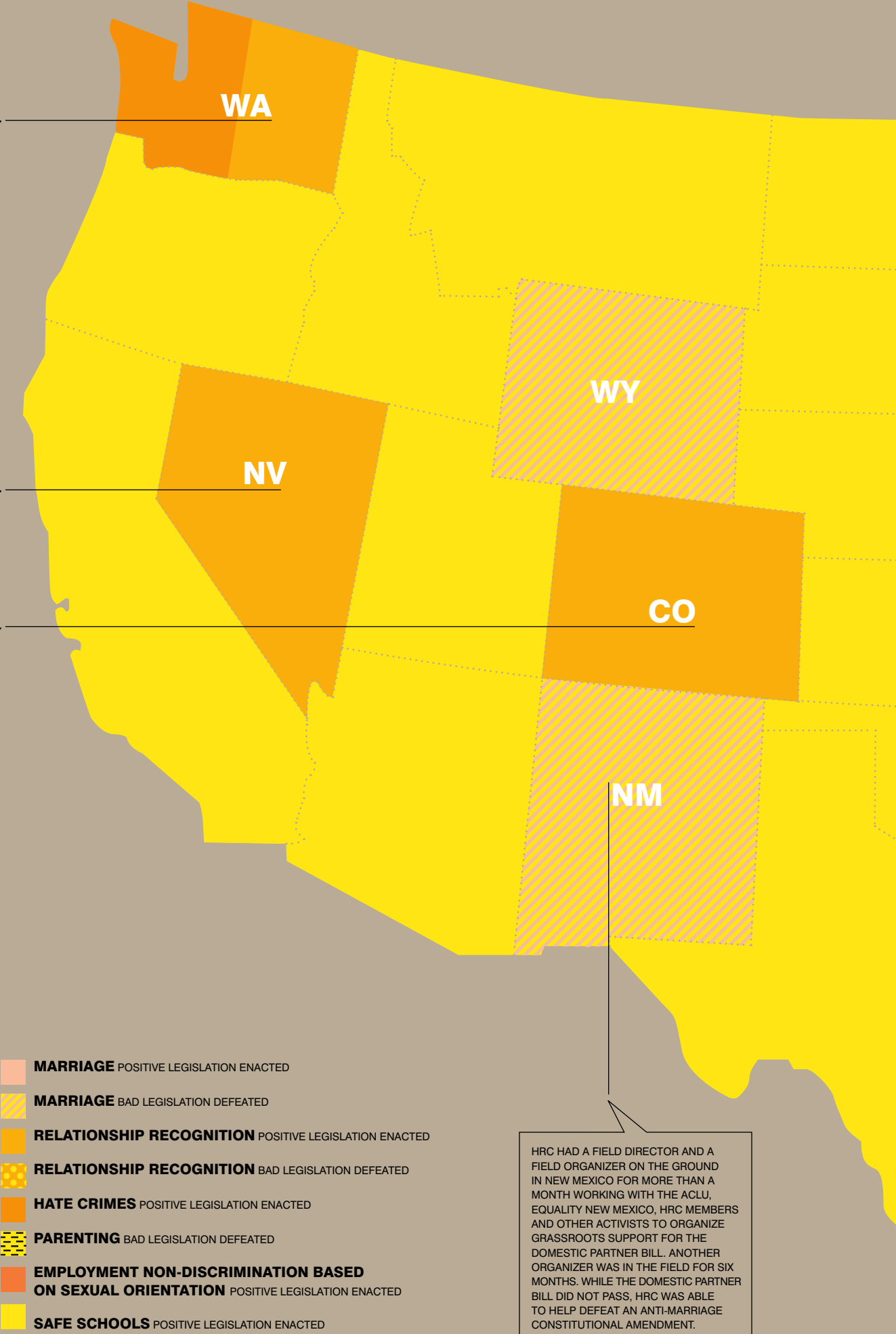
IOWA Legislators stood strong to protect a positive court ruling bringing marriage equality to the Hawkeye State.

MARYLAND Gov. Martin O'Malley's budget was approved by the Legislature, providing domestic partner benefits for state employees. Also in Maryland, legislation was passed that provides domestic partners with exemption from inheritance tax on certain property (e.g., a home).

HRC COORDINATED WITH EQUAL RIGHTS WASHINGTON TO MOBILIZE OUR MEMBERS IN SUPPORT OF THE DOMESTIC PARTNER EXPANSION BILL THAT PASSED THIS YEAR, INCLUDING BY SENDING ALERTS ASKING OUR MEMBERS TO CONTACT THEIR LEGISLATORS AND URGE THEM TO SUPPORT THE BILL. WE ALSO SENT AN ALERT ASKING OUR MEMBERS TO PLEDGE TO DECLINE TO SIGN A PETITION THAT IS AIMED AT REPEALING THE NEW LAW.

HRC STAFF AND VOLUNTEERS WORKED TO MOBILIZE MORE THAN 5,000 HRC MEMBERS AND SUPPORTERS IN NEVADA TO ADVOCATE FOR A DOMESTIC PARTNERSHIPS BILL, WHICH BECAME LAW AFTER BOTH HOUSES OF THE LEGISLATURE OVERRODE THE GOVERNOR'S VETO OF THE BILL. HRC ALSO PARTNERED WITH AN IN-STATE COALITION TO HOLD NEVADA'S FIRST LGBT LOBBY DAY IN APRIL IN CARSON CITY, WHERE AN HRC ASSOCIATE DIRECTOR OF DIVERSITY WAS A FEATURED SPEAKER.

HRC MEMBERS CONTACTED THEIR LEGISLATORS, URGING THEM TO SUPPORT LEGISLATION THAT ALLOWS ANY TWO PEOPLE TO ENTER INTO DESIGNATED BENEFICIARY AGREEMENTS THAT PROVIDE IMPORTANT RIGHTS AND RESPONSIBILITIES.



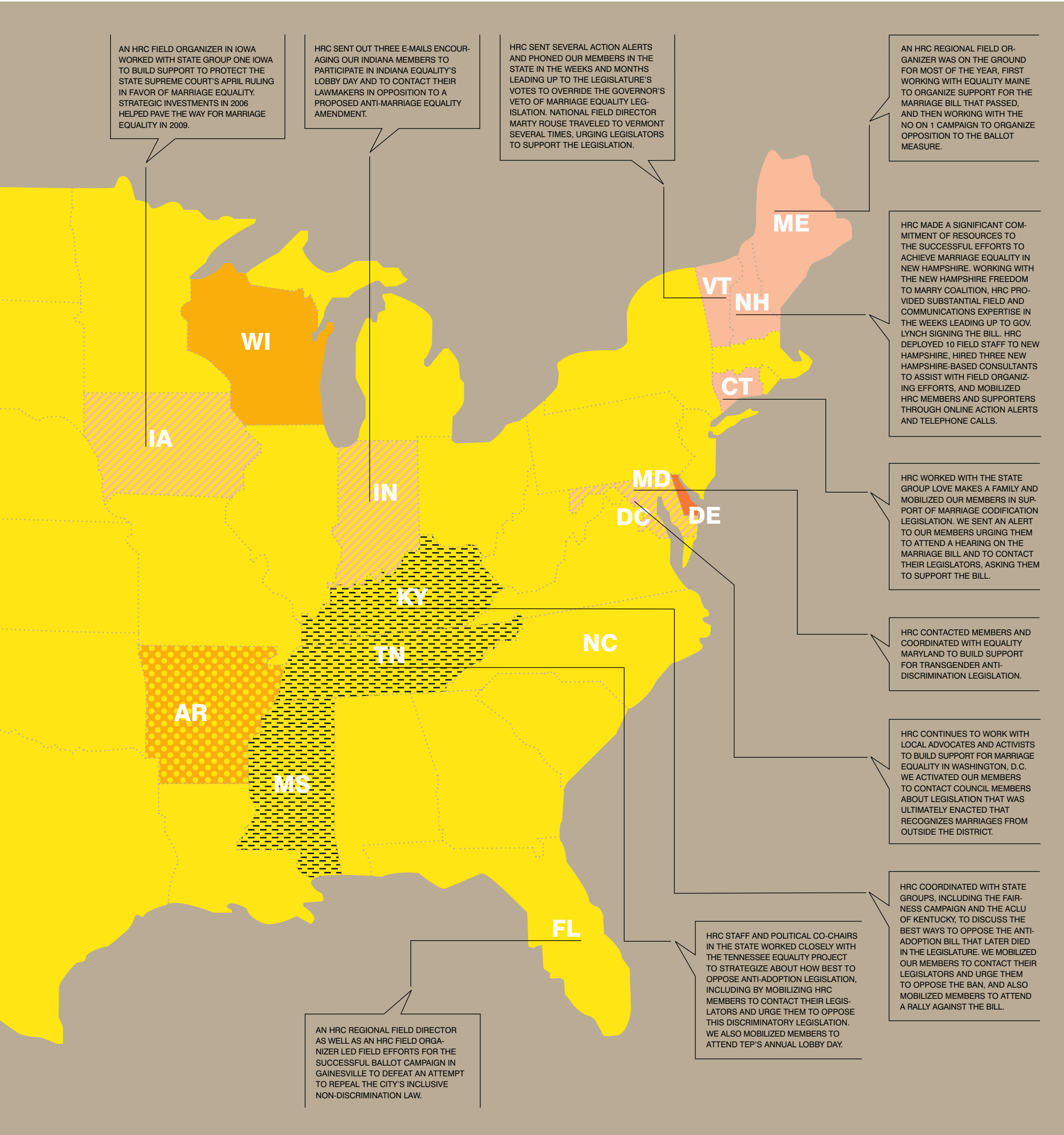
NEVADA The Legislature overrode Gov. Jim Gibbons' veto to enact a domestic partner law that provides same-sex and unmarried different-sex couples access to nearly all the rights and responsibilities provided to married couples under state law.

PENNSYLVANIA The state now provides medical, prescription drug, dental, vision and hearing-aid benefits to the same-sex and different-sex partners of state employees.

WASHINGTON Gov. Christine Gregoire signed legislation adding gender identity protections to existing hate crimes law. Separate legislation expanded the state's domestic partnerships to provide nearly all the rights of married couples under state law.

WASHINGTON, D.C. Mayor Adrian Fenty signed legislation to recognize marriages by same-sex couples entered into outside D.C. The bill took effect July 7, after a 30-legislative day congressional review period.

WISCONSIN Gov. Jim Doyle's budget, approved by the Legislature, includes domestic partner benefits for state employees and important domestic partner rights for same-sex couples.





HRC FOUNDATION

HEALTHCARE EQUALITY INDEX

This year, the number of facilities participating in the Foundation's *Healthcare Equality Index* report has nearly doubled from the year before, including several large healthcare networks. A joint project with the Gay and Lesbian Medical Association, the *HEI* focuses on five main areas: patient non-discrimination, hospital visitation, employment policies and cultural competency training and decision-making.

YOUTH & CAMPUS OUTREACH

HRC has developed a nationwide directory of LGBT campus organizations to help students share resources, information and insight. Additionally, it has launched a new scholarship fund, already drawing 1,000 applicants.

HRC'S RELIGION AND FAITH PROGRAM

Meanwhile, the HRC Foundation's Clergy Call brought together more than 250 religion and faith leaders — from nearly every state in the country — to talk to their representatives on Capitol Hill about an inclusive Employment Non-Discrimination Act and the hate crimes measure. Relatedly, HRC's religion program brought 25 transgender educators to 40-plus congregations across the country.

PROMISING PRACTICES GUIDE

A number of adoption agencies have received the HRC Family Project's new seal of excellence for reaching the 10 benchmarks measuring LGBT cultural competence, as outlined in HRC's *All Children-All Families Promising Practices* guide.

72%

OF BUSINESSES RATED BY HRC'S *CORPORATE EQUALITY INDEX* PROVIDE EMPLOYMENT PROTECTIONS BASED ON GENDER IDENTITY OR EXPRESSION

PARTICIPATION DOUBLED

IN HRC'S *HEALTHCARE EQUALITY INDEX*, A RANKING OF U.S. HOSPITALS AND CLINICS.

HRC'S UPDATED *TRANSGENDER VISIBILITY: A GUIDE TO BEING YOU* WAS DOWNLOADED

THOUSANDS OF TIMES

FROM HRC'S WEBSITE. THE GUIDE IS ONE OF SEVERAL HRC COMING-OUT TOOLS.

ON THE CUTTING EDGE

The HRC Foundation is on the cutting edge in so many ways — ranging from the HRC Workplace Project's hugely popular yearly *Buying for Equality* guide, based on its *Corporate Equality Index*, to the HRC Religion and Faith Program's new biblical commentary for preachers from 11 transgender theologians and clergy.



A FAIR AND BALANCED JUDICIARY

HRC is bolstering awareness about the importance of a fair and balanced judiciary with its Justice for All teaching tools and monitoring of the Supreme Court nomination and confirmation battles. With key issues such as the "Don't Ask, Don't Tell" policy and the Defense of Marriage Act making their way through the lower courts, much is at stake.

DIVERSITY TRAINING

The organization has also completed 21 diversity trainings with our local steering committees — focusing on team-building, self-awareness, leadership skills and outreach training. Moreover, HRC launched its first-ever Women & Leadership learning retreat for two dozen HRC volunteer leaders.

HRC ONLINE

Additionally, HRC stepped up its presence online and through the web, creating a higher profile — through e-mails, blogging, Facebook and regular video offerings — for the organization, especially among youth. Its blog, the HRC Back Story, offered "insider's views" to both the public and media in a timely way. HRC's online efforts made it possible to reach out and educate members and allies about key issues, as well as to raise money, especially at critical junctures.

FIGHTING PROPOSITION 8

HRC raised and contributed \$3.4 million to the "No on Proposition 8" campaign in California. More recently, we have teamed up with California Faith for Equality, a statewide group, to mobilize faith communities there. It has become more and more clear that engaging religious voters is vital to our success in restoring the freedom to marry in the state.

CHALLENGE. STRATEGY. STRENGTH.

THE 2009 FISCAL YEAR WAS A YEAR OF UNPRECEDENTED CHALLENGES — ONEROUS BALLOT MEASURES, A NEVER-ENDING BARRAGE FROM RIGHT-WING EXTREMISTS, CRUCIAL ELECTIONS AND AN ECONOMY IN THE THROES OF A RECESSION. THE HUMAN RIGHTS CAMPAIGN AND THE HRC FOUNDATION MET THE CHALLENGES OF 2009.

HRC was literally everywhere — electing fair-minded legislators; countering every message of hate; working with legislators to move our agenda; fighting for every vote; and working every day to improve the lives of lesbian, gay, bisexual and transgender individuals and their families. None of this was possible without the generosity of HRC supporters whose contributions meant that, despite a tough economy, total revenue increased 4.2 percent to a record-setting \$45.8 million.

Strength, progress and success come with strategic investment, and program spending increased 15 percent to \$33 million in FY2009, representing 72 percent of total expenses. Political

and legislative spending surged 48 percent, or \$4.1 million, to \$12.6 million — primarily due to election activity across the country and, in particular, to HRC’s contributions to the “No on Proposition 8” campaign in California. Program spending also included: \$10.1 million in education and outreach efforts in response to the lived experience of LGBT individuals in their homes, the workplace, the marketplace and in faith communities; \$8.5 million to educate, motivate and mobilize our members and supporters; and \$1.8 million to communicate our message through various media.

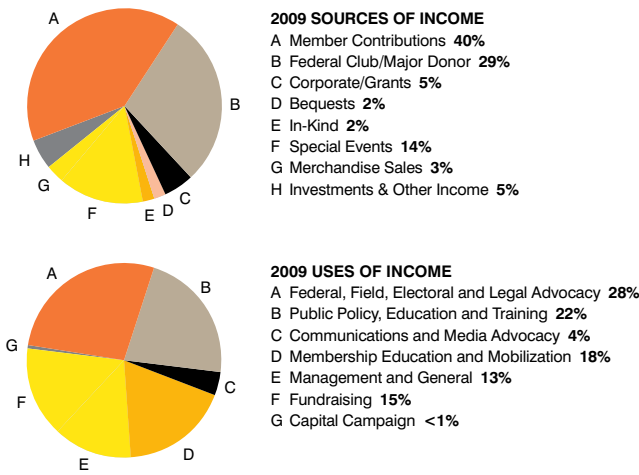
At the same time, total spending on management and general and

fundraising expenses has decreased over the last two years and has dropped from 31 percent of total expenses in FY2007 to 28 percent of total expenses in FY2009. On a combined basis, the joint cost of fundraising was 12.5 percent in FY2009.

We thank you, our members and donors — especially our Federal Club, Federal Club Council and Partners members — for your unwavering support of our important work, even in this troubled economy. Through your generous financial support and continued dedication to equality, you’re ensuring our continued growth and the strength of the LGBT civil rights movement for today, tomorrow and for future generations.

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

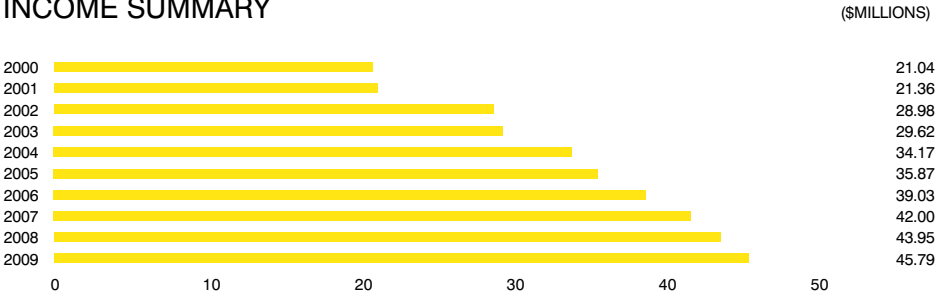
HRC AND HRC FOUNDATION COMBINED



HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS CAMPAIGN FOUNDATION COMBINED

	2009	2008
Beginning Net Assets	\$30,006,847	\$28,322,106
REVENUE AND SUPPORT		
Contributions		
Member Contributions	18,097,655	15,466,469
Federal Club/Major Donor Contributions	13,272,811	13,068,096
Corporate/Foundation Grants	2,503,451	3,105,097
Bequests	874,769	844,750
In-kind	849,553	468,314
Special Events	6,432,428	6,842,863
Merchandise Sales	1,357,909	1,265,056
Investment and Other Income	2,403,734	2,886,546
Total Revenue and Support	45,792,310	43,947,191
EXPENSES		
Program Services		
Federal, Field, Electoral and Legal Advocacy	12,636,236	8,550,006
Public Policy, Education and Training	10,125,870	9,775,471
Communications and Media Advocacy	1,793,005	1,933,893
Membership Education and Mobilization	8,442,999	8,470,465
Total Program Services	32,998,110	28,729,835
Supporting Services		
Management and General	6,030,400	6,242,351
Fundraising	6,869,677	6,693,590
Capital Campaign	105,734	596,674
Total Supporting Services	13,005,811	13,532,615
Total Expenses	46,003,921	42,262,450
Change in Net Assets Before Other Items	(211,611)	1,684,741
Other Items		
Reduction of Restricted Pledge Revenue	(1,033,959)	-
Unrealized Loss on Interest Rate Swap	(553,763)	-
CHANGES IN NET ASSETS	(1,799,333)	1,684,741
Ending Net Assets	\$28,207,514	\$30,006,847

HRC AND HRC FOUNDATION COMBINED INCOME SUMMARY



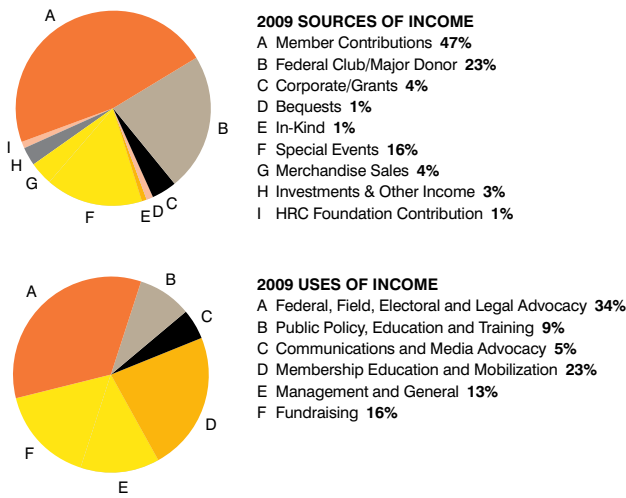
On a combined basis, the Human Rights Campaign and the Human Rights Campaign Foundation had a joint cost of fundraising of 12.5 percent in 2009. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN AND HUMAN RIGHTS CAMPAIGN FOUNDATION COMBINED

	Unrestricted	Temporarily Restricted	2009 Total
REVENUE AND SUPPORT			
Contributions			
Member Contributions	\$16,227,769	\$1,869,886	\$18,097,655
Federal Club/Major Donor Contributions	10,546,866	2,725,945	13,272,811
Corporate/Foundation Grants	1,254,376	1,249,075	2,503,451
Bequests	874,769	-	874,769
In-kind	849,553	-	849,553
Special Events	6,244,920	187,508	6,432,428
Merchandise Sales	1,357,909	-	1,357,909
Investment and Other Income	2,397,203	6,531	2,403,734
Net Assets Released from Restrictions	7,189,710	(7,189,710)	-
Total Revenue and Support	46,943,075	(1,150,765)	45,792,310
EXPENSES			
Program Services			
Federal, Field, Electoral and Legal Advocacy	12,636,236	-	12,636,236
Public Policy, Education and Training	10,125,870	-	10,125,870
Communications and Media Advocacy	1,793,005	-	1,793,005
Membership Education and Mobilization	8,442,999	-	8,442,999
Total Program Services	32,998,110	-	32,998,110
Supporting Services			
Management and General	6,030,400	-	6,030,400
Fundraising	6,869,677	-	6,869,677
Capital Campaign	105,734	-	105,734
Total Supporting Services	13,005,811	-	13,005,811
Total Expenses	46,003,921	-	46,003,921
Change in Net Assets Before Other Items	939,154	(1,150,765)	(211,611)
Other Items			
Reduction of Restricted Pledge Revenue	-	(1,033,959)	(1,033,959)
Unrealized Loss on Interest Rate Swap	(553,763)	-	(553,763)
CHANGES IN NET ASSETS	\$385,391	\$(2,184,724)	\$(1,799,333)

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

HUMAN RIGHTS CAMPAIGN



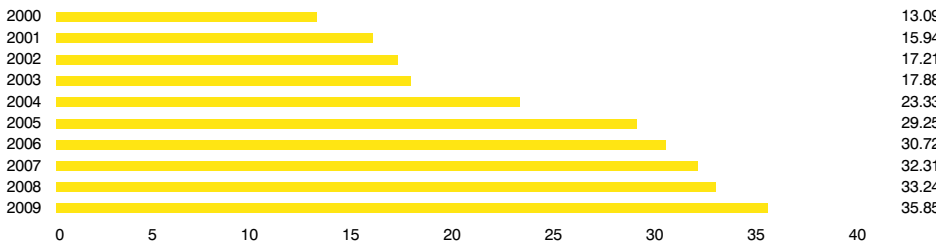
HUMAN RIGHTS CAMPAIGN

	2009	2008
Beginning Net Assets	\$5,573,577	\$4,215,770
REVENUE AND SUPPORT		
Contributions		
Member Contributions	16,799,945	15,122,556
Federal Club/Major Donor Contributions	8,230,121	6,783,845
Corporate/Foundation Grants	1,584,053	1,602,458
Bequests	312,787	50,707
In-kind	333,605	328,920
Special Events	5,733,623	6,676,463
Merchandise Sales	1,357,909	1,265,056
Investment and Other Income	999,526	908,458
HRC Foundation Contribution in Support of HRC Activities	500,000	500,000
Total Revenue and Support	35,851,569	33,238,463
EXPENSES		
Program Services		
Federal, Field, Electoral and Legal Advocacy	12,069,492	7,893,820
Public Policy, Education and Training	3,335,410	3,684,428
Communications and Media Advocacy	1,753,440	1,879,842
Membership Education and Mobilization	8,442,049	8,469,424
Total Program Services	25,600,391	21,927,514
Supporting Services		
Management and General	4,618,788	4,696,063
Fundraising	5,609,317	5,257,079
Total Supporting Services	10,228,105	9,953,142
Total Expenses	35,828,496	31,880,656
CHANGES IN NET ASSETS	23,073	1,357,807
Ending Net Assets	\$5,596,650	\$5,573,577

HUMAN RIGHTS CAMPAIGN
INCOME SUMMARY

Includes HRC and HRC Political Action Committee

(\$MILLIONS)



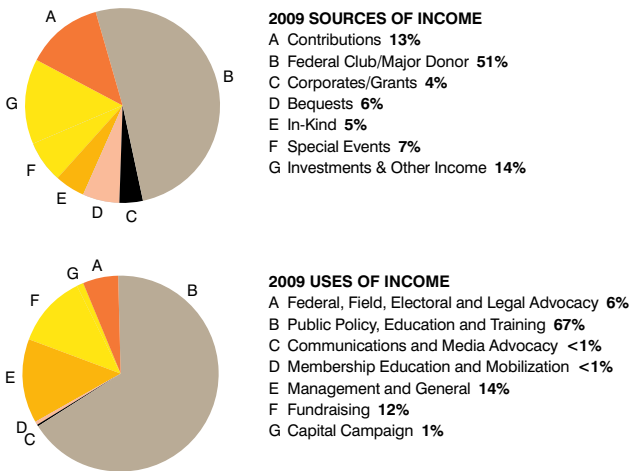
The Human Rights Campaign's cost of fundraising was 12 percent in 2009. Cost of fundraising is calculated as total fundraising expense divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN

	Unrestricted	Temporarily Restricted	2009 Total
REVENUE AND SUPPORT			
Contributions			
Member Contributions	\$14,930,059	\$1,869,886	\$16,799,945
Federal Club/Major Donor Contributions	5,607,198	2,622,923	8,230,121
Corporate/Foundation Grants	524,978	1,059,075	1,584,053
Bequests	312,787	-	312,787
In-kind	333,605	-	333,605
Special Events	5,546,115	187,508	5,733,623
Merchandise Sales	1,357,909	-	1,357,909
Investment and Other Income	997,087	2,439	999,526
HRC Foundation Contribution in Support of HRC Activities	500,000	-	500,000
Net Assets Released from Restrictions	6,038,050	(6,038,050)	-
Total Revenue and Support	36,147,788	(296,219)	35,851,569
EXPENSES			
Program Services			
Federal, Field, Electoral and Legal Advocacy	12,069,492	-	12,069,492
Public Policy, Education and Training	3,335,410	-	3,335,410
Communications and Media Advocacy	1,753,440	-	1,753,440
Membership Education and Mobilization	8,442,049	-	8,442,049
Total Program Services	25,600,391	-	25,600,391
Supporting Services			
Management and General	4,618,788	-	4,618,788
Fundraising	5,609,317	-	5,609,317
Total Supporting Services	10,228,105	-	10,228,105
Total Expenses	35,828,496	-	35,828,496
CHANGES IN NET ASSETS	\$319,292	\$(296,219)	\$23,073

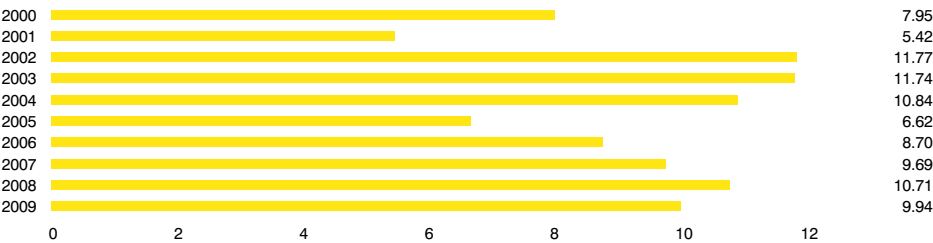
STATEMENT OF ACTIVITIES FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

HUMAN RIGHTS CAMPAIGN FOUNDATION



HUMAN RIGHTS CAMPAIGN FOUNDATION
INCOME SUMMARY

(\$MILLIONS)



Includes HRC Foundation and "Building Equality" Capital Campaign revenue. The "Building Equality" Capital Campaign raised money to finance the purchase and renovation of the HRC/HRC Foundation's national headquarters building in Washington, D.C. The first large gifts to the Capital Campaign began in 2000 with the majority of gifts and pledges made in the 2002-2004 fiscal years. The Capital Campaign represented significant revenue to the HRC Foundation during those years.

The Human Rights Campaign Foundation, including the Capital Campaign, had a cost of fundraising of 14 percent in 2009. The HRC Foundation's cost of fundraising excluding Capital Campaign revenue and expenses was 13 percent in 2009. Cost of fundraising is calculated as total fundraising expenses divided by total revenue, as reported on the IRS Form 990 tax return.

HUMAN RIGHTS CAMPAIGN FOUNDATION

	2009	2008
Beginning Net Assets	\$24,433,270	\$24,106,336
REVENUE AND SUPPORT		
Contributions		
Contributions	1,297,710	343,913
Federal Club/Major Donor Contributions	5,042,690	6,284,251
Corporate/Foundation Grants	419,398	1,002,639
Bequests	561,982	794,043
In-kind	515,948	139,394
Special Events	698,805	166,400
Investment and Other Income	1,404,208	1,978,088
Total Revenue and Support	9,940,741	10,708,728
EXPENSES		
Program Services		
Federal, Field, Electoral and Legal Advocacy	566,744	656,186
Public Policy, Education and Training	6,790,460	6,091,043
Communications and Media Advocacy	39,565	54,051
Membership Education and Mobilization	950	1,041
Total Program Services	7,397,719	6,802,321
Supporting Services		
Management and General	1,411,612	1,546,288
Fundraising	1,260,360	1,436,511
Capital Campaign	105,734	596,674
Total Supporting Services	2,777,706	3,579,473
Total Expenses	10,175,425	10,381,794
Change in Net Assets Before Other Items	(234,684)	326,934
Other Items		
Reduction of Restricted Pledge Revenue	(1,033,959)	-
Unrealized Loss on Interest Rate Swap	(553,763)	-
CHANGES IN NET ASSETS	(1,822,406)	326,934
Ending Net Assets	\$22,610,864	\$24,433,270

HUMAN RIGHTS CAMPAIGN FOUNDATION

	Unrestricted	Temporarily Restricted	2009 Total
REVENUE AND SUPPORT			
Contributions			
Contributions	\$1,297,710	\$ -	\$1,297,710
Federal Club/Major Donor Contributions	4,939,668	103,022	5,042,690
Corporate/Foundation Grants	229,398	190,000	419,398
Bequests	561,982	-	561,982
In-kind	515,948	-	515,948
Special Events	698,805	-	698,805
Investment and Other Income	1,400,116	4,092	1,404,208
Net Assets Released from Restrictions	1,151,660	(1,151,660)	-
Total Revenue and Support	10,795,287	(854,546)	9,940,741
EXPENSES			
Program Services			
Federal, Field, Electoral and Legal Advocacy	566,744	-	566,744
Public Policy, Education and Training	6,790,460	-	6,790,460
Communications and Media Advocacy	39,565	-	39,565
Membership Education and Mobilization	950	-	950
Total Program Services	7,397,719	-	7,397,719
Supporting Services			
Management and General	1,411,612	-	1,411,612
Fundraising	1,260,360	-	1,260,360
Capital Campaign	105,734	-	105,734
Total Supporting Services	2,777,706	-	2,777,706
Total Expenses	10,175,425	-	10,175,425
Change in Net Assets Before Other Items	619,862	(854,546)	(234,684)
Other Items			
Reduction of Restricted Pledge Revenue	-	(1,033,959)	(1,033,959)
Unrealized Loss on Interest Rate Swap	(553,763)	-	(553,763)
CHANGES IN NET ASSETS	\$66,099	\$(1,888,505)	\$(1,822,406)