The challenges facing the world today—from transnational terrorism to sustainable economic growth to energy and climate change—are complex and interconnected. Solving them demands a multidimensional approach that employs a range of disciplines and addresses both root causes and long-term effects. The breadth of expertise and collaborative atmosphere at Brookings enable just this approach. Each of Brookings’s five research programs—Economic Studies, Foreign Policy, Global Economy and Development, Governance Studies, and the Metropolitan Policy Program—could be its own think tank. But if they operated in isolation, important synergies would be lost. The multifaceted solutions to today’s biggest problems don’t come out of single-issue silos. They come out of one Brookings.
Co-Chairs’ Message

When Robert Brookings decided, nearly a hundred years ago, to create and fund a nonprofit organization to study how the federal government might operate more effectively, he could not have possibly imagined what would result. But the institution he founded is now, a century later, widely recognized as the global leader in (and role model for) nonprofit organizations—popularly known as “think tanks”—seeking to develop nonpartisan solutions for the full range of issues facing governments at all levels.

The success of this enterprise is a testament not just to Robert Brookings’s vision, but also to the dedicated work over many decades of extraordinary scholars and equally committed supporters and donors.

While governments in the United States and abroad still face many seemingly intractable problems, there is no doubt that policymakers, from mayors and governors to legislators and presidents, have benefited from the research and ideas generated by Brookings scholars. And this is equally true whether the challenge before us is a breaking crisis that demands a rapid response or a long-term challenge that requires fundamental re-thinking and comprehensive solutions.

Our goal is to ensure that this important work can continue—and be enhanced—in Brookings’s next hundred years.

Toward that end, Brookings has launched the Second Century Campaign—a $600 million comprehensive campaign designed to place Brookings’s financial resources at a level that ensures the Institution’s preeminence in the think tank world. However, that is not merely out of a desire for preeminence for its own sake, admirable as that might be, but rather out of a conviction that our continued leadership can indeed produce the type of scholarship and research—and practical solutions—that can help governments achieve their complicated mission much better.

For this overarching reason, we very much appreciate the support of so many individuals, corporations, and philanthropies from around the world in helping to get the Second Century Campaign off to a strong start, while also continuing their support of Brookings’s current day-to-day needs. We are in their debt, and look forward to thanking them personally when the occasion arises.

We also want to thank—and commend—Brookings’s administrators and scholars for their achievements over the past year and their continued efforts to provide useful research and innovative policy solutions to the array of challenging issues now facing policymakers around the world.

David M. Rubenstein
Co-Chair of the Board

John L. Thornton
Co-Chair of the Board

President’s Message

From our founding 98 years ago, Brookings’s mission has included engaging fellow citizens in our scholars’ work. We don’t just produce and disseminate research and recommendations—we find ways to test and improve them through dialogue and debate. Hence the integral importance of our Communications Department, our public spaces like the Falk Auditorium, our prominence in the media, and our collaboration with other think tanks, universities, civic organizations, governing bodies at all levels, international agencies, and the private sector.

In recent years, new technologies have enhanced our ability to deepen, broaden, and accelerate outreach and feedback. As a result, our constituencies are expanding geographically and demographically. Two examples: social media enables us to share with the public our data on the makeup of Congress and the dynamics of the electoral process; our videoconferencing capacity allows students and faculty in Istanbul—fellow citizens of the world—to interact with our annual Sanchez Lecturer in Falk.

In October 2013, during the public launch of our Second Century Campaign, we formalized this commitment to facilitating public engagement in the life of Brookings. We call it the Jefferson Imperative: Why? Because America’s third president believed that a well-informed, educated, and empowered citizenry is crucial to a healthy, efficacious democracy.

The United States needs help in that regard now and in the decades ahead. Polarization of the body politic and dysfunction of the federal government are at alarming levels. Much of the media landscape is a balkanized, fact-free zone. Versions of this lamentable phenomenon are evident around the world. We believe that Brookings, with its dedication to nonpartisanship, empirical research, and civil discourse, can help revive Jefferson’s wisdom, nationally and globally.

To deepen our research further, we have launched partnerships with some of the world’s leading public-spirited universities, carrying forward yet another of Jefferson’s many passions. We’ve invested in new strategies and technologies to send and receive information in real time and in multiple ways. We’ve renovated Falk to increase its audience capacity, both physically and virtually through audio-visual facilities. Literally every month our Communications and Information Technology colleagues introduce innovations on our website, brookings.edu—a domain name that we hope you will too.

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President
The Power and Promise of Independence

At a time when the lines between research organizations and advocacy groups are becoming increasingly blurred, media outlets—from major newspapers to independent bloggers—are asking questions about how research is financed. With political polarization remaining a great stumbling block to policy breakthroughs and partisan goals too often trumping sound policy, people want—and deserve—to know where their statistics and analyses are coming from.

In short, independence has never been more important and transparency never more critical to ensuring impact. Brookings takes these questions very seriously. Since its founding, Brookings has believed that the value of its scholarship—to all sides of any debate—is in the absolute commitment to empirical research and thoughtful, well-considered conclusions. Brookings scholars bring a range of perspectives and there is no “Brookings position” on issues. Instead, working in an atmosphere of intellectual freedom and the highest standards of academic rigor, Brookings experts conduct policy analysis and make recommendations based on the facts, without a predetermined outcome.

Brookings is funded by a diverse balance of corporations, individuals, foundations, and governments representing a wide range of views. This diversity makes Brookings beholden to only one master: the facts. One reason that endowments and unrestricted funding are so important to the Brookings mission is that they give scholars the ability to pursue independent research and follow the findings—wherever they may lead.

As contentious debate and partisan gridlock continue to hamper progress on the urgent issues of our time, Brookings’s independence is, and always will be, a rare and valuable asset.

In the spirit of Brookings’s commitment to high-quality, independent research, in 2013 the Institution launched the Brookings Essay as a multi-platform, long-form product designed to engage audiences in open dialogue and debate. Through eye-catching graphics, inspired prose, interactive maps, embedded videos, and timelines, Brookings Essays immerse readers in critical issues with in-depth analysis of events and their consequences, and the policy options for responding to them. By stimulating national and international conversations on key topics, the Brookings Essay embodies the goals of the Jefferson Imperative: engaging informed citizens in the governance of their nations and world.

The inaugural essay, “A Deadly Triangle” by William Dalrymple, opens with grenade blasts and a Kabul guesthouse bombed to rubble as an introduction to the complex interactions between India, Pakistan, and Afghanistan and the internal politics that inform the region’s strategic relationships.

With a haunting description of a Cornish war memorial, Margaret MacMillan’s “The Rhyme of History” launches a journey through time to investigate the “what ifs” and “whys” of the First World War.

Other Brookings Essays have examined gun control, the role of sub-national governments in India and China, the roots of the European Union, and NSA surveillance, among other topics. Nearly 300,000 visitors have viewed the first seven Brookings Essays, making them among the most popular content on the Brookings website.

Brookings Impact

In 2014, the Institution launched the Robert S. Brookings Presidents’s Lecture to provide a highly visible annual platform for statesmen and business leaders from around the world to deliver major, news-making policy speeches. The inaugural speaker was Bill Clinton, founder of the Clinton Foundation and 42nd President of the United States. He took the stage in Falk Auditorium for a conversation with Brookings President Strobe Talbott that covered an enormous range of issues, from climate change and energy to the global economy and inequality. Staying true to Brookings’s commitment to engaged citizenry, the first event was webcast live and the public was invited to submit questions for President Clinton via Twitter using #ClintonatBrookings, and many participants live-tweeted their own commentary during the event.

For years to come, this exclusive forum will showcase leaders from the highest levels, giving attendees the opportunity to hear firsthand perspectives from the individuals shaping our world.
With a focus on revitalizing economic growth, improving the labor market, and advancing economic opportunity, the Economic Studies program analyzes current and emerging economic policy issues facing the United States and the world. Economic Studies experts provide rigorous, nonpartisan, independent analyses to improve the quality and efficacy of economic policies.

**Shaping Recovery**


This year, Brookings welcomed former Federal Reserve Chairman Ben Bernanke as a distinguished fellow in residence and Louise Sheiner and David Wessel as senior fellows, adding new expertise to an already deep bench of scholars with rigorous academic credentials and high-level policy experience.

**Examining the Systems that Promote Opportunity**

The Center on Children and Families, led by Senior Fellows Isabel Sawhill and Ron Haskins, the Cabot Family Chair, convened the first annual Social Mobility Summit to examine the policy challenges posed by stagnant rates of social mobility. Organized by Policy Director Richard Reeves and featuring keynote remarks from Senator Kirsten Gillibrand (D-NY) and House Budget Committee Chair Paul Ryan (R-WI), the Summit focused on how events at critical life stages affect outcomes. Decisions on child-bearing are key determinants of success, and Sawhill’s new book, Generation Unbound, will offer insights into how family

"Don (Kohn) is always so wise and balanced that it is a delight to read anything that he writes. And I have this overwhelming sense that I should just say I agree with him."

—Christina Romer, former Chairman, President’s Council of Economic Advisors

**Examsining the Fiscal Impacts of Retirement Trends**

For the past two decades Americans over age 60 have increasingly delayed their exit from the workforce. This reversal of a century-old trend may help reduce the soaring costs of entitlement programs such as Social Security and Medicare. In Closing the Deficit, Senior Fellows Henry Aaron, Bruce and Virginia MacLaurie Chair, and Gary Burtless, the John C. and Nancy D. Whithead Chair, explore the possible impact of this development on the federal deficit. As the nation faces a prolonged jobs gap and long-run fiscal challenges, Closing the Deficit provides an important look at a crucial segment of the employment market and presents a potential path for future recovery.
structure impacts child well-being and social mobility. The Center on Children and Families also launched the Social Mobility Memos blog, which explores the challenges of increasing social mobility and opportunity and provides recommendations on ways that education, family, and work can promote greater economic success.

“Brookings is stockpiling some of the best economic brainpower in America.”
—Jon Hilsenrath, Chief Economics Correspondent, Wall Street Journal

New Ways to Make Data Accessible
Data visualization can make complex information understandable to a wider audience. The Hamilton Project Director Melissa Kearney made a video explaining the conclusions from her research on how popular television can influence teen pregnancy. A series of interactive maps showing county-by-county breakdowns of property taxes, income taxes, itemized deductions, and earned income credits was the most-viewed piece of content on the Brookings website this year. Graphs examining the persistent problem of long-term unemployment appeared in several media outlets, drawing more attention and readers to the Brookings Papers on Economic Activity, the program’s flagship academic conference and publication.

Concentrated Focus on Fiscal and Monetary Policy
How effective are monetary policies, can tax reform sustain low interest rates and quantitative easing, or advancing the economic recovery and what risks might they pose for financial markets? How can fiscal policies such as tax reform, better promote economic growth and help heal the labor market, while also achieving long-term sustainability? To help answer these important questions, Glenn Hutchins, chairman of the Second Century Campaign and vice chair of the Brookings Board, made a $10 million grant through the Hutchins Family Foundation to establish the Hutchins Center on Fiscal and Monetary Policy.

Assessing the Government’s Role
With travelers facing rising costs, flight delays, and traffic congestion, and with the advent of new technologies such as driverless cars, Searle Freedom Trust Senior Fellow Clifford Winston examines the role of government in aiding or impeding transportation efficiency. His recent work includes an exploration of airport privatization, which found that “the potential annual benefits from private airport competition nationwide could amount to billions of dollars,” improve travelers’ welfare, and increase profitability of airlines and airports.

Over the past year, Winston, a microeconomist who specializes in the analysis of industrial organization, regulation, and transportation, has examined the application of market practices to infrastructure projects, public versus private sector effectiveness for strengthening the U.S. transportation system, and the government’s ability to implement large projects like the Affordable Care Act website. By supporting experts like Winston, the Searle Freedom Trust helps Brookings bring a wide range of perspectives to its scholarship.

Director of the Engelberg Center for Health Care Reform Alisa Ristin, the Leonard D. Schaeffer Chair in Health Policy Studies and the founding director of the Congressional Budget Office (center), stands with current Congressional Budget Office Director of the Engelberg Center for Health Care Reform, Alexandre Tombini, Governor of the Central Bank of Brazil, and Raghuram Rajan, Governor of the Reserve Bank of India.
Dealing with the Rising Asian-Pacific Giant

China’s rise poses a central strategic challenge for the United States, particularly as the emerging power asserts a larger international role and builds a modern military on top of its established economic strengths. There is no consensus among policymakers and pundits over whether the bilateral relationship will descend into dangerous confrontation or reach friendly collaboration. Senior Fellow Michael O’Hanlon, the Sydney Stein, Jr., Chair in International Security, and former Deputy Secretary of State James Steinberg explore this challenge in their book, Strategic Reassurance and Resolve: U.S.-China Relations in the 21st Century, which makes focused recommendations for establishing sustainable cooperation based on deliberate strategies to address the key security dynamics between them.

President of the United States Barack Obama speaks at the 10th annual Saban Forum

NATO Secretary General Anders Fogh Rasmussen (left) and Senior Fellow Fiona Hill, Director of the Center on the United States and Europe, confer ahead of an event examining how NATO is evolving to address new security challenges.

Interpreting a Changing World

Whether addressing overarching geopolitical trends or the erupting crisis of the moment, Foreign Policy scholars provide objective analysis, important context, and practical policy recommendations to inform public debate and help policymakers respond. With more than 40 full-time scholars, Foreign Policy’s research agenda covers the world’s critical regions and key issues such as energy security, non-proliferation, and humanitarian affairs. Bolstered by the work of overseas research centers in China, Qatar, and India, Foreign Policy is uniquely configured to address breaking developments and the interconnected challenges that affect the global order.

Defining New Roles for a New Reality

Foreign Policy launched the Project on International Order and Strategy in February to explore the global order and how critical countries are shaping its evolution, for good or for ill. Scholars like Senior Fellows Robert Kagan and Ted Piccone and Fellow Jeremy Shapiro are drawing on their State Department and White House experience to examine implications for U.S. strategy and global cooperation and provide policy recommendations.

“Superpowers Don’t Get to Retire.” Kagan’s essay on U.S. leadership in The New Republic catalyzed intense debate, including among President Obama and his top advisors. In Still One to Lead: America, Rising Powers, and the Tension between Rivalry and Restraint, Project Director and Deputy Director of Foreign Policy Bruce Jones, a former United Nations senior advisor, wrote about the future of international power through a U.S. lens.

Framing the Debate on Global Challenges

As negotiations with Iran over its nuclear program approached a turning point, Brookings experts provided balanced insights into Tehran’s ambitions, its complicated internal politics, and potential courses of action. Senior Fellow Robert Einhorn, a former special advisor to the Secretary of State, delivered recommendations in Preventing a Nuclear-Armed Iran. Senior Fellow Kenneth Pollack explored worst-case scenarios in Unthinkable: Iran, the Bomb, and American Strategy, which was recognized among the New York Times’s 100 Notable Books of 2013. Senior Fellow Suzanne Maloney’s widely followed Iran@Brookings blog provided a forum for discussion on questions involving Iran.

Brookings scholars were hard at work on other critical questions on the Middle East, with the rising Asian-Pacific Giant...
experts examining prospects for democracy in Egypt, instability and crisis in Iraq, and broader relations between the U.S. and the Islamic world. Senior Fellow Elizabeth Feillt, co-director of the Project on Internal Displacement, presented recommendations for addressing the refugee crisis in Syria, while TUSAD Senior Fellow Kemal Kirisci, director of the Turkey Project in the Center, discussed refugee integration in Turkey. Vice President of Foreign Policy Martin Indyk took a leave of absence to serve as U.S. special envoy for Israeli-Palestinian negotiations, returning to Brookings on July 1, 2014.

Strengthening Scholarship on Asia

Foreign Policy scholars also examined the implications of rebalancing American policy toward Asia, which comes amid territorial conflicts in the East Asia-Pacific region, as well as the United States’ support and advice helped launch Brookings India in New Delhi in 2013.

Antoine van Agtmael, Garton Rohkoff
Nita Ambani and Mukesh Ambani, Reliance
Industries Ltd.
Rahul Bajaj, Bajaj Auto Ltd.
Shyam S. Bhartia and Hari S. Bhartia, Jubilant
Bhartia Group
Kumar Mangalam Birla, Aditya Birla Group
Gaurav Dalmia, Dalmia Group
Steven A. Denning, General Atlantic LLC
Swati Desai and Nishith Desai, Nishith Desai
Associates
Adi Godrej, Godrej Group
Kris Gopalakrishnan, Infosys
Baba Kalyani, Bharat Forge
Onkar S. Kanwar and Neeraj R. S. Kanwar, Apollo
Tyres
Rana Kapoor, YES Bank
Sundar Kavuluri, Standard Chartered Bank
Charles R. Kaye, Warburg Pincus
Sid Khamma, KF Fund Advisors Private Limited
Shiv Vikram Khemka and Uday Khemka, SUN Group
Geetanjali Kirmoskar and Vikram Kirmoskar, Kirmoskar
Systems Ltd.
Rajeev B. Lall, DFC
Kiran Mazumdar-Shaw, Biocon
Rajan Bharti Mittal and Rakesh Bharti Mittal, Bharti
Enterprises
Sanjay Nayyar
Vineet Nayar and Varun Nayar, Sampark
Ajay Piramal, Piramal Enterprises Ltd.
Dattatray V. Salgaocar, V. M. Salgaocar Group
Shardul Shroff and Pallavi Shroff, Amarchand &
Mangaliks & Suresh A. Shroff & Co.
Malvinder Mohan Singh, Fortis Healthcare Limited
Harsh Patil Simhania, J.K. Organisation
Krishen Sud, Svik Global Healthcare, Inc.
Tata Group
Adil Zainulbhai and Ashraf Dahed, Dawat-e-Hidayah
(America), A Corporation Sole
Arshad Zakaria, New Vernon Capital

Brookings India Founders Circle

The Founders Circle is a group of business and civic leaders from India and the United States whose support and advice helped launch Brookings India in New Delhi in 2013.

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Nita Ambani and Mukesh Ambani, Reliance Industries Ltd.
Rahul Bajaj, Bajaj Auto Ltd.
Shyam S. Bhartia and Hari S. Bhartia, Jubilant Bhartia Group.
Kumar Mangalam Birla, Aditya Birla Group
Gaurav Dalmia, Dalmia Group
Steven A. Denning, General Atlantic LLC
Swati Desai and Nishith Desai, Nishith Desai Associates
Adi Godrej, Godrej Group
Kris Gopalakrishnan, Infosys
Baba Kalyani, Bharat Forge
Onkar S. Kanwar and Neeraj R. S. Kanwar, Apollo Tyres
Rana Kapoor, YES Bank
Sundar Kavuluri, Standard Chartered Bank
Charles R. Kaye, Warburg Pincus
Sid Khamma, KF Fund Advisors Private Limited
Shiv Vikram Khemka and Uday Khemka, SUN Group
Geetanjali Kirmoskar and Vikram Kirmoskar, Kirmoskar Systems Ltd.
Rajeev B. Lall, DFC
Kiran Mazumdar-Shaw, Biocon
Rajan Bharti Mittal and Rakesh Bharti Mittal, Bharti Enterprises
Sanjay Nayyar
Vineet Nayar and Varun Nayar, Sampark
Ajay Piramal, Piramal Enterprises Ltd.
Dattatray V. Salgaocar, V. M. Salgaocar Group
Shardul Shroff and Pallavi Shroff, Amarchand & Mangaliks & Suresh A. Shroff & Co.
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Krishen Sud, Svik Global Healthcare, Inc.
Tata Group
Adil Zainulbhai and Ashraf Dahed, Dawat-e-Hidayah (America), A Corporation Sole
Arshad Zakaria, New Vernon Capital

Rapid Response to Ukraine-Russia Crisis

The Ukraine crisis evolved into a Ukraine-Russia dispute with major implications for relations between the West and Russia. Foreign Policy scholars provided insightful analysis and policy recommendations. Senior Fellow Clifford Gaddy and Fiona Hill, the Stephen and Barbara Friedman Senior Fellow and director of the Center on the United States and Europe, drew on their book Mr. Putin: Operative in the Kremlin to explain the calculations behind the Russian leader’s actions. Senior Fellow Steven Pifer, former U.S. ambassador to Ukraine, complemented their work with his own analysis and recommendations for U.S. and European policy.

As the crisis deepened, Foreign Policy took a leadership role in explaining developments and policy options through op-eds in the Washington Post, New York Times, and Financial Times, as well as testimony on Capitol Hill and dozens of briefings with senior policymakers, senators, members of Congress, and the media. During the crisis, Foreign Policy hosted speeches by international leaders, including German Foreign Minister Frank-Walter Steinmeier in February and NATO Secretary-General Anders Fogh Rasmussen in March.

Chilean President Michelle Bachelet speaks during an Allen and Jane BATKIN International Leaders Forum about her work to strengthen democracy and eliminate inequality in her country.

Brookings India was launched in New Delhi, India, on July 1, 2013, with the mission to advance the study and practice of public policy in India and the United States through research, education, and outreach. The Institute’s work is guided by a board of directors that includes business leaders, entrepreneurs, social innovators, and philanthropic leaders from across India and the United States.

Brookings India is a part of the Brookings Institution, one of the world’s leading think tanks. The Institution is dedicated to strengthening democratic institutions and advancing economic and social development in India and the United States. Its mission is to provide an independent voice that offers evidence and analysis on the serious challenges facing society at critical junctures, giving decision-makers the ideas they need to shape effective and efficient solutions.

Foreign Policy

A Front-Row Seat to Policy in Progress

Longtime Brookings Trustee Alan Batkin and his wife, Jane, made a new $1 million commitment to establish the Alan and Jane Batkin International Leaders Forum Series, which enables Brookings to host foreign leaders for major policy addresses. The dedicated resources provided by this twenty-year-term endowment will allow Foreign Policy to leverage Brookings’ unparalleled convening power to provide a platform for visiting dignitaries to speak publicly about critical current issues with a high-level Washington audience.

Trustee Alan R. Batkin

I am confident that as China and the United States build this new model of major-country relationship, the Brookings Institution will continue to play a positive role and make an important contribution.”

—Wang Yi, Foreign Minister, People’s Republic of China

Change, and technological development to his role as director of the John L. Thornton China Center. Senior Fellow Qi Ye is now heads the Brookings-Tsinghua Center for Public Policy in Beijing, where he delivers in-depth insights into how China is balancing its economic growth and environmental challenges.

The appointment of Katherine H.S. Moon as the inaugural SK-Korea Foundation Chair in Korea Studies (right), speaks with Ho-Young Ahn, Ambassador of the Republic of Korea to the United States, about the role democratization and globalization are playing in transforming the U.S.-Korea relationship.

Senior Fellow Katherine H.S. Moon, the SK-Korea Foundation Chair in Korea Studies (right), speaks with Ho-Young Ahn, Ambassador of the Republic of Korea to the United States, about the role democratization and globalization are playing in transforming the U.S.-Korea relationship.

Explore beyond the highlights. Visit brookings.edu/foreignpolicy or follow @BrookingsFP
Global Economy and Development

Under the leadership of Vice President and Director Kemal Derviş, the Edward M. Bernstein Scholar, the Global Economy and Development program continued to respond to the changing economic landscape around the world, offering analysis, debate, and recommendations on the issues that will determine our common future.

Trends in the Global Economy
Despite a predominantly favorable global narrative for developing countries’ economic prospects, recent data shows weaknesses in many emerging economies. This has revived the debate on whether the “convergence” of average incomes is a long-term structural trend or just a cycle. Global scholars have been making the case that convergence as a “secular” trend is here to stay thanks to globalization and the spread of technology. This influential work includes Kemal Derviş’s regular Project Syndicate column and Senior Fellow and New Century Chair in International Trade and Economics Eswar Prasad’s Tracking Indices in the Global Economic Recovery (TIGER), a joint effort with the Financial Times.

Research by Global scholars has also highlighted differences among countries and regions, including the specific difficulties in sustaining long-term growth in regions such as Latin America. The Brookings Global-CERES Economic and Social Policy in Latin America (ESPLA) Initiative’s report Latin America Macroeconomic Outlook in the Global Context: Are the Golden Years for Latin America Over? was discussed and cited during the 2013 International Monetary Fund/World Bank Annual Meetings. In January 2014, the Africa Growth Initiative launched its annual Foresight Africa report at a full-house event.

Examining Prospects for Europe’s Future
The May 2014 European Parliament elections came amid uncertainty over the European Union’s political direction and challenges to its monetary union. Brookings experts engaged in research and dialogue on the region’s long-term growth prospects and a renewed vision for the European Union in the 2020s. 

Global released Europe’s Crisis, Europe’s Future, which examined the crisis from its onset to draw policy lessons for domestic and international finance and social policies. Supported by a grant from the Stavros Niarchos Foundation and launched in Athens, Greece: From Exit to Recovery? discussed the country’s experience in the financial crisis, from its adoption of the euro

“In such a connected age, where we are all looking for solutions, often to problems we are all experiencing, having people who can bring you together like Brookings is so important to getting it right.”
—Julia Gillard, former Prime Minister, Australia

The Paradox of U.S. Dollar Domination
Even with rising debt, political dysfunction, and years of unconventional monetary policies, the U.S. dollar remains the world’s most trusted reserve currency. Senior Fellow Eswar Prasad, the New Century Chair in International Trade and Economics, examined this paradox in The Dollar Trap: How the U.S. Dollar Tightened Its Grip on Global Finance. “The U.S. is not eager to keep its currency strong. This inevitably leads countries to focus on exports to boost growth,” he explained in the Wall Street Journal—among the many media outlets, including the Harvard Business Review and the Financial Times, that covered the book.
Informing the U.S.-Africa Economic Relationship

For years, U.S. engagement in Africa has emphasized poverty reduction, foreign aid, and addressing catastrophes like the tragic spread of HIV/AIDS. While important, these priorities have not kept pace with Africa’s emergence as a premier site of innovation and entrepreneurship. The Africa Growth Initiative continued to engage U.S. policymakers around the trade and investment agenda, including Power Africa, Trade Africa, the Africa Growth and Opportunity Act (AGOA), and the pending Electrify Africa Act.

Brookings convened thought leaders on these issues through its Africa Policy Dialogue on the Hill, held in partnership with the Congressional African Staff Association. Global scholars testified on the African Economic Community before the Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations. This work coalesced around the U.S.-Africa Leaders Summit in August 2014, for which Brookings offered the White House recommendations on the Summit’s structure, format, and agenda and convened a high-level public forum that featured a dynamic group of business leaders, entrepreneurs, and public figures.

Support for Global Education

In June 2014, Foreign Minister of Norway Børge Brende and Brookings President Strobe Talbott signed a Memorandum of Understanding for global partnerships in support of the Center for Universal Education. Former Prime Minister of the United Kingdom Tony Blair, now a distinguished fellow at Brookings, is working closely with the Center to identify ways to scale up and finance quality learning opportunities and make education, especially for girls, a global priority.

Building Consensus on Global Education

As part of Global’s work on development, the Center for Universal Education has partnered with UNESCO’s Institute of Statistics to convene a global task force to develop and build consensus around new ways to globally measure what matters in education. This effort has included active participation by ministers of education and other actors in over 100 countries. Former Prime Minister of Australia Julia Gillard, now a distinguished fellow at Brookings, is working closely with the Center to identify ways to scale up and finance quality learning opportunities and make education, especially for girls, a global priority.

It’s always a thrill to be with Brookings and Brooking’s experts, who are always shaping a brighter future for all of us.

—Rajiv Shah, Administrator, U.S. Agency for International Development (USAID)

Brookings offers insight on the importance of finding new and efficient ways to leverage private capital in Africa, as well as maximizing and sharing revenues from African countries’ natural resources.

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Timely Messengers of Independent Insight

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tom implementation of the Affordable Care Act to the implications of the NSA leaks, Governance Studies scholars helped leaders and citizens understand complex policy issues in the United States and around the world.

Advising through a Government Shutdown
On the eve of the 2013 government shutdown, Brookings launched the Center for Effective Public Management and its accompanying policy blog, FixGov. Under the direction of Senior Fellow and founding Director Elaine Kamarck, Center experts provided insights on the impasse and possible resolutions.

“This shutdown, if it comes to pass, will cost billions of dollars,” Senior Fellow Thomas Mann, the W. Averell Harriman Chair in American Governance, told C-SPAN. Kamarck shared ideas for fixing a broken Congress, while Senior Fellow Sarah Binder interpreted unfolding events for the Washington Post’s Monkey Cage blog.


FixGov is the most viewed blog on the Brookings website, with readers from inside and outside Washington, and has been cited in major outlets including Politico, Huffington Post, and CNN. By using #FixGov on Twitter, the public can be part of the conversation. FixGov includes resources such as graphs on different dimensions of gridlock, a review of the Tea Party’s GOP battles, and examinations of issues from “Why the McCutcheon Decision is Worse than it Looks” to what Affordable Care Act enrollment trends mean for Democratic candidates to comparisons of marijuana legalization in Colorado and Washington.

Giving Educators and Industry an Objective View
Brookings experts also provided an independent voice to hotly debated issues in education.

“The Center for Effective Public Management) really is at the heart of what we need to do to make the United States of America what our founders intended and what our people deserve.”
—Al Gore, Jr., 45th Vice President, United States of America

Co-Chair of the Board David Rubenstein (left) and Vice President of Governance Studies Darrell West (center) speak with former Vice President of the United States Al Gore prior to the launch of the Center for Effective Public Management.
Amplifying Brookings Scholarship

From Jonathan Rauch’s Atlantic cover story on the gay marriage movement to a Brown Center Chalkboard post on deeper learning, Brookings scholarship gained traction in traditional and online media outlets.

Senior Fellow William Galston, the Ezra K. Zilkha Chair in Governance Studies, became a regular columnist at the Wall Street Journal, writing about the “barista economy,” the social contract, and other topics at the intersection of governance and socioeconomic trends. Meanwhile, Senior Fellow E.J. Dionne, Jr., augmented the reach of his regular Washington Post column with frequent tweets to his some 75,000 followers.

Using a comprehensive media outreach strategy and a range of tools, from blogs and Twitter to op-eds and press interviews, Governance Studies drove engagement with its scholars’ research, analysis, and commentary, connecting with policymakers and the public around the world.

Privacy, National Security, and the Law

Edward Snowden’s leak of classified National Security Agency (NSA) intelligence transformed the data security and privacy landscape. Under the leadership of Senior Fellow Benjamin Wittes, the Lawfare blog produced “Inside NSA: We Brought in a Recording Device So You Don’t Have To,” an exclusive series of podcasts with NSA officials discussing topics ranging from content versus metadata collection in surveillance efforts to corporate responsibility for customer information.

These subjects joined the many hard security choices examined by Governance Studies. National Security Law Fellow and Managing Editor of Lawfare Wells Bennett wrote extensively about new paradigms for prosecuting terrorism suspects, while guest speaker Robert Litt, general counsel with the Office of the Director of National Intelligence, discussed legal questions surrounding the agency’s data collection methods.

Professor Nathaniel Persily of Stanford Law School (right) responds to a question from Senior Fellow Thomas Mann at an event on voting rights after the Supreme Court’s decision in Shelby County vs. Holder.

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harter school—which didn’t even exist 25 years ago—now have a student market share of at least 20 percent in 32 large school districts. As part of efforts to provide exemplary education for all children, school choice and competition—through charters and open enrollment in regular public schools—have entered public discussion as empirically promising components of public school reform.

With support from the Walton Family Foundation, the Center for Education Policy, announces findings from the 2013 Education Choice and Competition Index report
Empowering Cities and Metropolitan Areas

In an era marked by economic volatility and demographic transformation, cities and metropolitan areas face supersized challenges. An increasingly gridlocked federal government means that cities, metro areas, and their state partners must be at the vanguard of problem-solving. The mission of the Metropolitan Policy Program is to support them.

Galvanizing Cities to Go Global

Now in its third year, the Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase is helping metropolitan areas grow jobs through trade. The Initiative’s newly launched Global Cities Exchange works with 21 metropolitan areas nationwide on developing and executing strategies to increase economic competitiveness by focusing on exports and foreign direct investment. Portland, Oregon’s metro export plan is already creating new opportunities in Japan, Brazil, and China.

At a GCI forum in November 2013, Chicago Mayor Rahm Emanuel and Mexico City Mayor Miguel Ángel Mancera entered into a Global Cities Economic Partnership. This first-of-its-kind agreement aims to increase employment, expand advanced industries, and strengthen global competitiveness through joint initiatives in trade, innovation, and education.

“Metro North America” by Research Analyst Joseph Parilla and Senior Fellow and Deputy Director Alan Berube identified the top metropolitan trading relationships in the U.S., Canada, and Mexico. “FDI in U.S. Metro Areas” by Senior Policy Analyst and Associate Fellow Devashree Saha, Policy Analyst Kenan Fikri, and Senior Research Assistant Nick Marchio tracked foreign direct investment at the metropolitan level for the first time.

Supporting the Advanced Economy

Advanced industries—such as automotive, aerospace, and information technology—are at the heart of a strong metropolitan economy, driving innovation and productivity through high rates of research and development investment and employing disproportionate numbers of skilled STEM (science, technology, engineering, and math) workers.

In “The Hidden STEM Economy,” Associate Fellow Jonathan Rothwell demonstrated that one in five U.S. jobs relies on a high level of STEM skills. These skills increasingly power advanced manufacturing and services industries and connect “Local governments and civil society, as well as business leaders, and urban planners, have come together to chart their own course to spark job creation and catalyze long-term economic growth.”

—Judith Rodin

President, Rockefeller Foundation, in the foreword to The Metropolitan Revolution

In June 2013, Brookings released The Metropolitan Revolution by Vice President Bruce Katz and Fellow Jennifer Bradley. The book—Brookings’s best-selling in the past five years—is changing the way political, business, philanthropic, and civic leaders across the country collaborate to compete.

Manufacturing has become a priority again in Louisville and Lexington, and San Antonio and Miami are investing in infrastructure. Chicago and New York City are training workers with the skills they need, while St. Louis and Detroit are stewarding nascent innovation districts and San Diego and Portland are designing globally focused economic strategies. The Metropolitan Revolution has received widespread media coverage from key opinion-makers including columns by David Brooks and Thomas Friedman of the New York Times and Edward Luce of the Financial Times.

The Metropolitan Revolution app explains what the metro revolution is, why it matters, and how to get involved.

Inspiring Action in Cities and Metropolitan Areas

Photo by Aquil Cett Catto / Getty Images

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Metropolitan Revolution
Increasing numbers of companies from advanced services sectors, like software and life sciences, are concentrating in urban-centered innovation districts. Vice President and Co-Director of the Metropolitan Policy Program Bruce Katz, the Adeline M. and Alfred I. Johnson Chair in Urban and Metropolitan Policy, and Nonresident Senior Fellow Julie Wagner explained in ‘The Rise of Innovation Districts’ how these districts, from Cambridge’s Kendall Square to Seattle’s South Lake Union, are combining the economic, physical, and networking assets that help innovative firms and workers thrive. In June 2014, with support from Brookings, Detroit Mayor Mike Duggan announced plans to establish an innovation district in his city in collaboration with university, civic, and corporate leaders.

Promoting Opportunity for All

Six years after the start of the Great Recession, falling unemployment and rising output at the national level belie the continued economic struggles facing many workers and families. In “The Plummeting Labor Market Fortunes of Teens and Young Adults,” Fellow Martha Ross and other authors found that younger workers are bearing the brunt of those struggles. Rising inequality has become a focal point for debate, particularly in major cities like New York, San Francisco, and Boston. In “All Cities Are Not Created Unequal,” Senior Fellows Alan Berube found that inequality in these cities is much higher than the national average and that mayors can do more to promote social and economic mobility.

Efforts to reduce inequality and promote employment opportunities must go beyondsumer jobs and minimum wage programs. However, in “Recod Shovel Ready,” Senior Fellow Rob Puentes and Research Assistant Joseph Karp provided the first-ever definition of infrastructure jobs, which offer above-average wages to individuals without a college degree, and argued that policymakers should focus on the opportunity these 14 million (and growing) infrastructure jobs present.

When I read (The Rise of Innovation Districts), it started to crystallize all the elements that were already happening in Chattanooga, and then made (me) understand what we needed to do to take them to the next level.”
—Andy Berke, Mayor, Chattanooga, Tennessee

Greater Seattle’s Latest Innovation Capacity: Smart Buildings

three years ago, Metro worked with leaders in the Puget Sound region through the Brookings-Rockefeller Project on State and Metropolitan Innovation to help develop a plan for maintaining Greater Seattle’s edge as a center of innovation. Today the region is developing new capabilities in smart building technologies to meet rising global demand. The Puget Sound Regional Council organized public and private leaders to harness the region’s unparalleled market strengths in software and information technology, strong sustainability ethos, and network of higher education institutions to design, test, and scale new data- and technology-driven energy efficiency solutions.

The three-pronged “Smart Building” effort is already delivering results. These efforts include the launch of a high-performance building pilot at four sites to test energy consumption-management using cloud computing, the opening of a Smart Buildings Center hub, and a new sustainable building technology degree program at a community college.

The Seattle region is, like other metro areas that have benefited from the support of the Brookings-Rockefeller Project, improving its innovation, trade, and skills assets to further growth and prosperity in the next economy.

CEOs of the Henry Ford Health System Nancy W. Schlichting (left), Detroit Mayor Mike Duggan (second from right), and Detroit City Council President Brenda Jones (far right) listen as Vice President and Co-Director of the Metropolitan Policy Program Bruce Katz discusses the role of innovation districts in fostering economic growth in Detroit.

Learning from Our Stakeholders

The Metropolitan Policy Program relies heavily on the Metropolitan Leadership Council—a network of business, civic, and philanthropic leaders—as financial and intellectual partners. This group of stakeholders advances and supports solutions that leverage the unique assets of partner metropolitan areas.

In October 2013, Metro presented plans to the Council on research and policy work, on-the-ground engagements, and network-building activities for three of the Program’s emerging areas of work: skills and the advanced economy, transformative infrastructure, and innovation districts.

The gathering also included a special discussion on the future of Detroit. Moderated by Fellow Jennifer Bradley, the discussion featured the Kresge Foundation’s Laura Trudeau, the Detroit Economic Growth Corporation’s George Jackson, and Vice President of the Metropolitan Policy Program Bruce Katz. Panelists discussed the investments underway in Detroit and the implications of Detroit’s bankruptcy for other cities and metropolitan areas.

Engagement with the Metropolitan Leadership Council at the October meeting and throughout the year was crucial to the successful development of Metro’s emerging areas of work.
Building the Future of Policy Research

The challenges facing the U.S. and the international community when Brookings was founded in 1916 were very different from those the world is dealing with today. The tools to overcome them, though, remain the same—effective policymaking driven by an engaged, informed citizenry and undergirded by high-quality, independent research. As Brookings approaches its centenary and with the policy agenda growing at an unprecedented pace, Brookings launched the $600 million Second Century Campaign—the largest in think tank history—to build capacity to tackle pressing issues and reach new audiences.

As of the launch of the Campaign in October 2013, generous contributors had already committed nearly $400 million toward that total. “The Second Century Campaign will provide the means for our scholars to elevate their game and to take on the problems that may seem intractable and insoluble but that we can and will fix,” said Campaign Chair Glenn Hutchins. President Strobe Talbott added, “For Brookings to address the nation’s crises, we need to be confident of our own fiscal sustainability over the long term.”

Co-Chair of the Board John Thornton noted the critical role of donors to Brookings’s success. “We haven’t gotten here alone. It has taken generous investments throughout our history to build an institution as distinctive and lasting as this. That remains as true today as it was when Robert Brookings came to Washington.”

The problems the world will face at the end of our second century in 2116 are hard to predict. But two things are certain: they will be even more complex and interconnected, and Brookings will be in great demand to provide the kind of research and analysis that has made it the indispensable resource it is today. There will be Brookings moments like so many that have come before—when the challenges are immense and governing institutions are not up to the task of solving them. Now is the time to help meet those challenges head on by investing in Brookings’s future.

“In a time when our politics are archly divisive and we cannot even perform the basic tasks of governance, Brookings is prepared and able to lead. Leadership takes resources, which is what makes the Second Century Campaign so vitally important.”

—Glenn Hutchins,
Chair, Second Century Campaign and Vice Chair, Board of Trustees
Support for Brookings

The terrific work that Brookings experts do to help policymakers is driven by the engine of philanthropy. Resources contributed by Brookings donors—individuals, corporations, foundations, and governments—enable Brookings to bring together top minds for informed discussions of pressing issues. Through dedicated outreach and frequent opportunities to hear from Brookings experts, the Institution connects its supporters with innovative ideas that shape the public debate, frame the policy agenda, and advance practical solutions to meet the challenges of today’s world.

Engaging Private Sector Leaders with Policy Research

Through the Brookings Council, business and community leaders are able to speak with Brookings experts in intimate settings and private meetings. The Council’s annual program of scholar briefings, panel discussions, conference calls, and other activities enables real dialogue on key issues and breaking developments across the world. Council members bring an important perspective to Brookings’s research as well, since so many of them are working on the front lines of the U.S. and global economy. Their real-world experiences ground Brookings

Connecting People with Innovative Thinking

Then-Acting Vice President of Foreign Policy Ted Piccone listens as Vice Chair of the Board Suzanne Nora Johnson (right) leads a conversation on issues facing policymakers and business leaders in Latin America during a session of the 2014 International Advisory Council meeting.

Co-Chair of the Board John Thornton speaks with Trustee Paul Achleitner during a break at a Board meeting.

Trustee Phil Knight discusses Brookings’s research agenda with Distinguished Fellow Javier Solana (right).

Co-Chair of the International Advisory Council and Trustee Antoine van Agtmael (right) and Trustee Alfonso Fanjul listen as a panel of Brookings experts discusses developments in the Arab Spring countries three years after the popular uprisings.

Co-Chair of the Board David Rubenstein welcomes Trustees and members of the International Advisory Council to dinner at the Newseum, which featured remarks from U.S. Secretary of State John Kerry.

Brookings Trustees and guests gather at the Chihuly Garden and Glass museum in Seattle during the November Board meeting.

Trustee and member of the International Advisory Council Alfonso Fanjul listens as a panel of Brookings experts discusses developments in the Arab Spring countries three years after the popular uprisings.

Co-Chair of the Board John Thornton speaks with Trustee Paul Achleitner during a break at a Board meeting.

Trustee Phil Knight discusses Brookings’s research agenda with Distinguished Fellow Javier Solana (right).
Empirical research and scholarly analysis about the drivers of innovation, entrepreneurship, and economic growth can provide valuable insights into pivotal issues. But for getting deeper into the important questions, there’s no substitute for experiencing them firsthand. Through conversations with public and private sector decisionmakers and visits to key facilities where the future is coming to life. To give members of the Board of Trustees and the International Advisory Council these unique opportunities, Brookings organized its first domestic study tour, building on previous international excursions to Russia, China, India, and Cuba. Starting in Seattle, the itinerary included stops in Williston, North Dakota, Las Vegas, and Silicon Valley.

Over the course of a busy week, the travelers met with business leaders like Starbucks Chairman, President, and CEO Howard Schultz and visited innovation centers including Microsoft’s campus, where they heard from then-CEO Steve Ballmer, Boeing’s Everett Delivery Center, Tesla Motors, and Genentech’s pilot plant. Tour participants also saw fracking operations in the frigid oil fields of the Bakken formation and took an exclusive tour of the Hoover Dam.

Throughout the trip, travelers gained new and valuable insights into an American renaissance built on growing energy independence, a commitment to innovation, and pragmatic, problem-solving leadership at the state and local levels.
Brookings Welcomes Four New Trustees

Brookings elected four new Trustees to the Board in 2014. They join a distinguished group of leading business executives, academics, and community leaders who help govern the affairs of the Institution.

The Board, which meets three times per year, approves the fields of scholarly investigation and safeguards the independence of the Institution’s work. Brookings welcomes its newest members to the Board of Trustees:

- **W. Edmund Clark**
  President and CEO
  TD Bank Group

- **Betsy Z. Cohen**
  Chief Executive Officer
  The Bancorp

- **Arthur R. Collins**
  Managing Partner
  theGROUP

- **Peter Scher**
  Executive Vice President and Head of Corporate Responsibility
  JPMorgan Chase & Co.

Expanding Leadership to Meet the Challenges of the Next Century

In response to an annual budget that has nearly doubled and a footprint that now includes three international centers and several new initiatives, Brookings added a new position of co-chair of the Board of Trustees. Joining John L. Thornton, who has been chair of the Board since 2002, David M. Rubenstein, co-founder and co-CEO of the Carlyle Group and a Brookings Board member since 2009, brings substantial management experience to the leadership of the Institution.

Through public and private events, frequent publications, and media outreach, Brookings experts across the U.S. and internationally are having a major impact on global policy debates. An expanded presence and network help broaden the Institution’s national and international reach and provides opportunities for engagement with new audiences.

Looking ahead, Brookings is planning an expanded presence in additional cities, including Chicago and San Francisco.

An increasingly interconnected and globalized world also has an increased interest in policy-relevant research to help inform the international community about options for tackling important challenges. Brookings opened overseas centers in Beijing in 2006 and in Doha in 2008 to provide regional platforms for discourse on issues facing Asia and the Middle East. Both centers are firmly established as valued resources for the media and the public and private sectors and have established critical links with the work that Brookings experts are doing in Washington.

With the support of the Brookings India Founders Circle—a group of business and civic leaders from India and the United States—the Institution launched Brookings India in 2013. The center in New Delhi is a resource for developing practical solutions for the challenges facing the world’s largest democracy. Indian experts are working closely with colleagues in the Brookings India Project in Washington to elevate the profile of India-related issues with policymakers around the world.

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The Brookings International Advisory Council, established in 2006, brings together business and community leaders from across the world for in-depth discussions of global challenges. With 34 members from 25 countries on five continents, the Council helps give Brookings a truly global perspective and helps expand the reach of its impact. Throughout the year, the members of the Council have opportunities to engage with Brookings experts in Washington and their home countries.

The centerpiece of the International Advisory Council is its annual meeting in Washington, which features a range of panel discussions and conversations with Brookings scholars, along with opportunities to hear from senior policymakers. These meetings enable members to share their views and give insights into pressing policy topics and how breaking events affect their home countries and regions.

2014 International Advisory Council Meeting: The Return of Geopolitics

The Brookings International Advisory Council convened in Washington for its ninth annual gathering at a time of increased attention to geopolitics and the global economic issues that drive business decisions around the world. Through sessions on Asia, the Middle East, Latin America, Europe, and the global economy and its territorial disputes with slowing growth ripple outward to the rest of the world, the Council also came in for close examination, as the effects of its previous century—found its way into almost every discussion. Likewise, with Europe having served as an engine of growth and innovation for much of the 20th century, the impact of the situation in Ukraine on the European Union and NATO was also a topic of discussion.

ECONOMIC STUDIES COUNCIL

International Advisory Council

FOREIGN POLICY LEADERSHIP COUNCIL

Global Leadership Council

Program Leadership Councils

Economic studies Council

FOREIGN POLICY LEADERSHIP COUNCIL

GLOBAL LEADERSHIP COUNCIL

MetroPoliTan LEADERSHIP COUNCIL

Brookings’s five research programs have established advisory boards of business, civic, and philanthropic leaders who provide strategic thinking about research topics and outreach activities, as well as financial support. The composition, size, and role of these leadership councils varies according to program needs; some convene as intimate, working-level conversations that include other program supporters and stakeholders, and others focus more on expert briefings about pressing policy issues.

International Advisory Council

Senior Fellow Fiona Hill, Director of the Center on the United States and Europe, discusses the impact of the situation in Ukraine on the European Union and NATO during a session of the 2014 International Advisory Council meeting.

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Program Leadership Councils

Senior Fellow Fiona Hill, Director of the Center on the United States and Europe, discusses the impact of the situation in Ukraine on the European Union and NATO during a session of the 2014 International Advisory Council meeting.

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Cash and In-kind Contributions Received July 1, 2013–June 30, 2014
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STATEMENT OF ACTIVITIES
Years Ended June 30, 2014 and 2013 (in thousands)
Preliminary and Unaudited*

STATEMENT OF FINANCIAL POSITION
As of June 30, 2014 and 2013 (in thousands)
Preliminary and Unaudited*

OPERATING ACTIVITIES
Revenue and Support
Investment return designated for operations $10,202 $3,261 $13,463 $12,996
Grants, contracts, and contributions 14,720 68,768 66,219 80,277
Brookings Press 1,829 -- -- 1,829 1,716
Facility and other revenue 2,563 (19) -- 2,544 2,574
Net assets released from restrictions—Satisfaction of program restrictions 71,639 (71,639) -- -- --
Total Operating Revenue 100,953 371 6,238 107,562 97,563

OPERATING EXPENSES
Program Services
Economic Studies 17,191 -- -- 17,191 14,740
Foreign Policy 22,907 -- -- 22,907 19,926
Global Economy and Development 10,554 -- -- 10,554 9,587
Governance Studies 6,846 -- -- 6,846 6,691
Metropolitan Policy Program 11,951 -- -- 11,951 12,513
Other Research 160 -- -- 160 355
Brookings Press 2,565 -- -- 2,565 2,775
Communications 2,388 -- -- 2,388 2,275
Total Program Services 74,562 -- -- 74,562 69,042

Supporting Services
Management and General 20,960 -- -- 20,960 21,571
Fundraising -- -- -- -- 2,901
Total Operating Expenses 98,984 -- -- 98,984 93,514

Net Operating Activity 1,969 371 6,238 8,578 4,049

Change in net assets before non-operating activities 1,969 371 6,238 8,578 4,049

NON-OPERATING ACTIVITIES
Investment return in excess of amounts designated for operations
Realized gain (loss) on sale of investments 8,297 2,192 -- 10,489 10,978
Unrealized gain (loss) from investments 26,151 5,882 -- 32,033 18,915
Interest and dividends, net 227 1,069 -- 1,296 1,809
Investment return designated for operations (10,202) (3,261) -- (13,463) (13,463)
Total investment return (loss) in excess of amounts designated for operations 24,473 5,882 -- 30,355 26,442

Total Non-Operating Activities 24,473 5,882 -- 30,355 26,442

Change in net assets before post-retirement related changes other than net periodic post-retirement benefit cost 24,473 5,882 -- 30,355 26,442

Net assets, Beginning of year 186,151 142,468 75,601 404,220 381,308

Net assets, End of year $212,657 $148,721 $81,839 $443,217 $404,220

Notes:
As a nonprofit and scientific organization, Brookings is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Institution also qualifies as a publicly supported organization under section 170(b)(1)(A)(vi) of the code. Brookings policy is to make an annual investment spending allocation for the support of operations. This amount is calculated based on 70% of the prior year’s spending adjusted for inflation and 30% of 5% of the market value of the investments as of December 31 of the prior fiscal year. Certain reclassifications of prior year balances have been made to conform to the current year presentation.

* A copy of the Institution’s audited financial statements is available by request.
By the Numbers
July 1, 2013–June 30, 2014

#1

Rank in the University of Pennsylvania’s 2013 “Global Go-To Think Tank Index” including Best Managed

196

Countries where Margaret McMillan’s Brookings Essay, “The Rhyme of History,” was read at least once

$600 million

Second Century Campaign goal

1,428,664

Total followers of the 154 Brookings scholars on Twitter

226

Public events

Brookings’s upgraded credit rating from Standard and Poor’s

24

Times Brookings scholars testified before Congressional committees

50

Books published by the Brookings Press, including 7 digital-only titles

Brookings’s Global Reach
Brookings works with a range of NGOs, think tanks, universities, and other organizations around the world to advance sound policymaking and effective governance.