Our mission
To improve social policy and public debate on national priorities, the Urban Institute:
- gathers and analyzes data
- conducts policy research
- evaluates programs and services
- educates Americans on critical issues and trends
CHAIRMAN’S MESSAGE

My message a year ago was written in wonder at what an unusual year the politics of the presidential election of 2000 had produced. This last year was remarkable in a totally different way.

Terrorism, a new global war unlike any before, and recession tested America’s mettle in 2001, but the nation has responded with pride, patriotism, and generosity sufficient to offset most of the sorrow and hardship. As we adjust to a new sense of what is normal and relearn that the economy is still cyclical, the quality of the decisions our government makes is more important than ever.

Social programs—new and ongoing—will compete, understandably, with defense and homeland security programs. In this period of competition for resources, policymakers need to know, more than ever, which social programs work best, which are urgent, and which demand our attention. Policymakers will have to sort through competing proposals for putting such expensive and popular programs as Medicare and Social Security on a sound footing in good times and bad. Strengthening these programs and addressing the nation’s other domestic social policy needs will require data, analysis, and perspective.

Providing these is what the Urban Institute does best. Its trustees fervently hope that the nation’s security needs and the recession’s effect on the resources of our funders do not undermine the consistent support for the Institute’s work. We are proud to be the purveyors of fact in a world of anecdotes and spin. We believe our mission is now, more than ever, critical to sound public policy.

No one believed this more than Katharine Graham, our vice chairman and a trustee of the Urban Institute for decades. We miss her canny, outspoken, and sensible counsel. We are committed to her belief that facts and their objective interpretation matter.

Richard B. Fisher
The Urban Institute
Chairman
The events of 2001 will leave a lasting imprint on public policy. The economy’s longest expansion came to an end; the unemployment rate rose sharply; and state revenues began to slip just as recession-driven strains on their social safety nets intensified. Congress and the president approved a multiyear tax cut that was large but incomplete—like Cinderella’s coach, the tax code will revert to its pre-cut parameters at midnight on December 31, 2010. The terrorist attacks shifted national priorities abruptly from domestic concerns to defense and homeland security. Confidence in government rebounded from a long slump. But the budget outlook shifted dramatically from one of substantial surpluses available to meet immediate and future needs to one of deficits and insufficient resources to meet current, let alone new, needs.

These developments have challenged the Urban Institute’s ability to explain, inform, and influence the public policy debate. We weighed the pros and cons of a major tax cut and evaluated the effectiveness and distributional consequences of alternative ways to reduce tax burdens. As the slackening economy began to slough off jobs, we helped shape the national debate over an economic stimulus package, measured the health of state unemployment compensation systems, and explored the ramifications of September 11 on the safety net, immigrants, and our nation’s cities. For some months, the war effort and security appropriately eclipsed other national priorities. But throughout the year we continued to work on education, prescription drug benefits for seniors, welfare reform, health insurance, and the many other issues on our research agenda that are the perennial concerns of the public and policymakers.

The new, more constrained outlook for the budget and the need to devote more resources to defense and homeland security only increase the importance of the Institute’s work. More than ever, policymakers and the public need to know which programs work best, what might be done to improve the performance of others, which new approaches to solving old problems might be the most effective, and how trade-offs might best be made among the many policies and programs the public wants.

The following pages touch on the range of research projects and other activities that our staff took on in 2001. Two are worth highlighting here because they illustrate how the Institute anticipates and responds to social change while sticking with long-term research on national priorities.

First, in partnership with the Brookings Institution, we launched a tax program in 2001 that is injecting facts, objective analysis, and clearheaded perspectives into the often divisive, ideologically driven debate over tax policy. We are upgrading our tax model so that we—and other analysts who want access—can test and compare the impacts of various tax policies and proposals. WwW.taxpolicycenter.org/taxfacts provides a wealth of useful information about the current tax system—its rates, deductions, credits, exemptions, and other parameters and characteristics.
Second, in 2001 we continued work on our largest project, Assessing the New Federalism. Before the critical debate in 2002 over reauthorizing the landmark 1996 welfare reform legislation began, we analyzed the mountains of data we have collected and completed “second look” studies of how 13 states are carrying out reform. Our insights on reform’s impact on incomes, family structure, welfare-to-work, immigration, child care subsidies, health care coverage, and other issues have been consolidated in Welfare Reform: The Next Act (Urban Institute Press, March 2002). Looking forward, we prepared for the third round in 2002 of our National Survey of America’s Families, which gauges household well-being over time, especially for poor families with children.

Sound, objective, fact-based research of the sort the Institute specializes in is needed now more than ever as the nation reassesses its priorities, reconsiders its fiscal constraints, and looks to the not-too-distant future when the challenge of the baby boomers’ retirement will have to be met.

In closing, I can’t look back on 2001 without paying tribute to the late Katharine Graham, who helped to guide the Institute as a trustee since 1971 and as vice chair of our board for more than 20 years. We have named our new conference center—where the Institute holds functions that reach out to the media, policymakers, and the wider intellectual community—in her honor.

The Policy Environment Has Changed
Since the Urban Institute Was Founded

<table>
<thead>
<tr>
<th>1968</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. population</td>
<td>200,706,000</td>
</tr>
<tr>
<td>Minimum wage in 2000 dollars</td>
<td>$1.92</td>
</tr>
<tr>
<td>Dow Jones Industrial Average (December 31)</td>
<td>944</td>
</tr>
<tr>
<td>% of families headed by female with no husband present</td>
<td>11</td>
</tr>
<tr>
<td>% of adult women in paid jobs</td>
<td>40</td>
</tr>
<tr>
<td>% of federal spending accounted for by discretionary vs. mandatory</td>
<td>66 vs. 34</td>
</tr>
<tr>
<td>% of U.S. employed labor force with a college degree</td>
<td>13</td>
</tr>
<tr>
<td>Average SAT score of entering college classes</td>
<td>533 verbal 514</td>
</tr>
<tr>
<td>GDP per capita (2000 dollars)</td>
<td>$10,429</td>
</tr>
<tr>
<td>National health expenditures as share of GDP</td>
<td>6.1%</td>
</tr>
<tr>
<td>Urban % of total population</td>
<td>70</td>
</tr>
<tr>
<td>% of voting age population who voted in presidential election</td>
<td>61</td>
</tr>
<tr>
<td>Violent crimes per 100,000 people</td>
<td>298</td>
</tr>
<tr>
<td>Share of total household income received by poorest fifth vs. richest fifth</td>
<td>4% vs. 43%</td>
</tr>
</tbody>
</table>

Institute Staff Reaps Awards and Honors in 2001

- Lightspan’s StudyWeb selected the Assessing the New Federalism Web site as one of the best educational resources on the Web.
- The Nonprofit Times named Elizabeth C. Burtis to its Power and Influence Top 50 for the third year in a row.
- Randall Bovyberg was named to the Health Services Reform Commission by Washington’s mayor, Anthony Williams.
- Len Burman was elected to the American Tax Policy Institute’s board of trustees.
- Amy Davidoff and Bowen Garrett were nominated for the best abstracts award at the annual research meeting of the Academy for Health Services Research and Health Policy.
- Dan Goldhaber was elected to the council of American Education Finance Association.
- Jane Hamaway was elected to the Executive Board of the American Education Research Association.
- Amy Pandjiris won the Federal Reserve Bank of Cleveland’s 2001 Essays in Economics competition.
- Rudy Penner was elected a trustee of the American Tax Policy Institute and received an Abramson Scroll for an outstanding article in Business Economics.
- Robert Reischauer received an award from the National Academy of Social Insurance for his continuing role in informing policymakers about issues relating to Medicare and other social insurance programs.
- Eugene Steuerle was elected president of the National Tax Association and Distinguished Economist of 2001 by the Kentucky Economics Association.
- Jeremy Travis won the August Vollmer Award of the American Society of Criminology for his contributions to criminal justice practice and policy.
- Eric C. Twombly was awarded the 2001 Gabriel G. Rudney Memorial Award for Outstanding Doctoral Dissertation by the Association for Research on Nonprofit Organizations and Voluntary Action.
- Christy Visher became vice president of the American Society of Criminology.
- Alan Weil was named chair of the National Advisory Committee of the Robert Wood Johnson Foundation’s State Coverage Initiatives program.
- The Institute’s Web site got a five-star rating from the Tufts University Child & Family Webguide for producing useful information on children’s health insurance, health policy, and uninsured families.
Every workday, researchers at the Urban Institute take up tasks that quietly serve the national interest. After all, what is more practical than testing public policies and proposals for effectiveness, efficiency, and fairness? And what is more important in the long run than informing the public debate over the nation’s commitments and priorities—be they the social safety net, the tax system, education and employment, Social Security and Medicare, or community development?

In intersecting spheres, our work anticipates new social and economic challenges and helps the nation make headway against such persistent problems as poverty, addiction, crime, and lack of health care. Amid conflicting partisan claims, it helps set the policy record straight and quash myths that feed misguided policies and foster political gridlock. It prompts constructive thinking about social issues and informs preventive and corrective action. And, through our International Activities Center, our work helps emerging democracies design efficient social services and municipal-financing systems.

Policy Research

Policy researchers at the Urban Institute measure effects and compare options. We show which stakeholders are helped the most and which the least and test conventional wisdom against both historical experience and new facts. We uncover trends, extract warnings out of data, and make the costs, benefits, and risks of social policy clear.

Some of the hundred or more policy studies launched or completed in 2001:

- An analysis of competing proposals for expanding health insurance coverage through public programs, tax credits, or both.
- A book laying out the economic, personal, and political factors that affect the size and plight of the homeless population and a program for reducing homelessness.
- A study of the multiple social and economic risks facing many children being raised by relatives other than their parents.
- A collection of essays on how nonprofit organizations and community groups influence policymaking on children’s issues.
- An analysis of the challenges record numbers of ex-prisoners returning home after serving sentences face when reintegrating into families, communities, and the world of work.
- A technical comparison of how the Department of the Treasury presented national tax liabilities in 2001 and in previous years—one key to sorting out who bears the burden of new tax proposals.
- An analysis of trends in disability rates among the elderly and implications for health and long-term care.

Seven Strengths of Urban Institute Researchers

- Picking the right issues—those that matter to the country and match our analytical strengths
- Choosing or creating the right methodologies—those that best explain the evidence
- Assembling the right team—breaching academic boundaries and striking the right balance between qualitative and quantitative expertise
- Following the facts—analyzing and interpreting evidence without an ideological agenda
- Finding the right words—speaking the language of experts with experts but putting research results into the context of everyday life for the public
- Subjecting research findings to outside review
- Reaching the right audiences—using the media and staging educational events strategically to get critical information and perspectives to policymakers, journalists, outside researchers, advocacy organizations, and concerned citizens
Gathering and Analyzing Data

The Urban Institute’s reputation for reliable numbers rests first and foremost on rigor and high standards. We recognize the limitations of numbers in policymaking and point them out ourselves. But we never lose sight of the greater threat—policy made without a realistic sense of the scope of a problem, the resources needed to solve it, and the populations reached or missed by government programs.

Just as important, we also know how to create and customize a broad range of research tools. We develop simulation models and design and analyze national surveys. We build and manage voluminous databases. We track trends and carry out cost-benefit analyses. We pioneer ways to count vulnerable populations and to map data. We track federal revenues and spending. We measure discrimination in the job and housing markets, and we develop performance-management techniques for government agencies and nonprofit organizations that are trying to “reinvent” themselves.

Some of the scores of case studies, data reports, and surveys we worked on in 2001:

- A census of Florida’s 2,550 schools and 67 school districts and the creation of a longitudinal data file for each student in the state.
- A comparison in 23 metropolitan areas of how real estate and rental agents treat African-American, Hispanic, Asian, and white customers.
- Case studies in 13 states of recent changes in welfare, child care, health care, and child-welfare programs.
- A roundup report on how states are putting the principles of results-based government into practice.
- A study of the relationship between hiring policies, earnings, and productivity among U.S. employers.
- A survey in New York and Los Angeles of 3,400 immigrant families with children to find out how many experience hunger and worry about affording food.
- An almanac—coproduced with INDEPENDENT SECTOR—on nonprofit organizations.

Evaluating Programs

The Urban Institute was created in 1968 to systematically analyze the problems of large cities and their residents and to assess the “Great Society”—the burst of government initiatives launched in the mid-1960s. Program evaluation still accounts for roughly half of our work and complements our more conceptual and big-picture studies.

Decades of fieldwork in all 50 states and many countries has given us a deep understanding of how difficult it is to implement programs and how important it is to maintain our independence and objectivity. We have also acquired an encyclopedic knowledge of the structure and results of social services and other programs. With many hundreds of evaluations completed, we have a good feel for which program characteristics heighten a project’s chances for success and which indicators best measure a program’s achievements.

Some of the many program evaluations under way or completed in 2001:

- A six-year evaluation of the foundation-sponsored Pathways to Teaching Careers Program, which recruits new teachers from the ranks of paraprofessionals and other nontraditional candidates to teach in the neediest school districts.
- An evaluation in Alabama, Florida, and Washington of “Breaking the Cycle,” a federal demonstration program designed to test the effectiveness of identifying drug-using offenders and treating and monitoring them while they are under the criminal justice system’s supervision.
- An evaluation of the impact of the new State Children’s Health Insurance Program on coverage, access to care, and service use.
- An evaluation of state grant programs funded by the Justice Department’s Office for Victims of Crime.
- An “outcome evaluation” protocol to measure the impact of HIV prevention programming and services delivered by community-based organizations.
- An evaluation of the Judicial Oversight Demonstration Project, launched to reduce domestic violence and hold offenders accountable by creating a collaborative network of criminal justice organizations, victim advocacy groups, and service providers.

Educating the Public

Urban Institute researchers testify before Congress, give media interviews, and write articles and op eds connecting research at the Institute to current policy debates. Institute staff also work without fanfare to educate policymakers, the public, and the press. We brief government agencies and the media on key social policy issues, publish books widely used in college courses and by researchers and program administrators, and share our findings with advocacy groups of all stripes.

Some of the scores of presentations made by Institute researchers in 2001:

- To National Science Foundation grantee—a summary of the work of the Commission on the Advancement of Women and Minorities in Science, Engineering, and Technology Development, which an Institute researcher headed.
- For the Department of Health and Human Services—briefings on the design of a national study of Head Start that the Institute will carry out with Westat, Inc.
- For the World Bank and USAID—workshops on fiscal decentralization in Eastern Europe in the 1990s.
- With the Aspen Institute’s Nonprofit Sector Research Fund, INDEPENDENT SECTOR, and the United Way of America—a symposium on outcome management in nonprofit organizations.
- At the annual research meeting of the Academy for Health Service Research and Health Policy—presentations on our National Survey of America’s Families, welfare reform and Medicaid eligibility and enrollment, and children’s health insurance.
- For local policymakers, researchers, community advocates, and program administrators—one forum on patterns and perpetrators of violent crime in the District of Columbia and another on early indicators of neighborhood gentrification.
- For journalists, government staff, and foundation representatives—a conference on Washington’s historic shift from addressing society’s priorities through government spending programs to meeting these needs through the tax code.
Among our most widely quoted findings in 2001:

- The nation’s undocumented population in 2000 was substantially larger than previously estimated—8.5 million, not 5 million.
- Between 1997 and 1999, the share of families headed by a single mother fell while the share of cohabiting couples with children rose.
- An increase in the unemployment rate from 4.5 to 5.5 percent would cause Medicaid enrollment to rise by 401,000 able-bodied adults, 1 million children, and 132,000 disabled adults. Federal costs would go up by $1.5 billion, state spending by $1.2 billion.
- Most former welfare recipients now working perform as well or better than the typical employee in the same job, according to their employers; only one-sixth perform worse.
- Only 43 percent of the families who left welfare between 1997 and 1999 and were eligible for food stamps used these benefits.
- Nearly three-fourths of all infants and toddlers of employed mothers are cared for—on average, for 25 hours per week—by someone other than a parent while their mothers work.
- A total of 600,000 prisoners—a record high—were released from federal and state facilities in 2000. Most were poorly prepared to reenter society.
- Between 1990 and 2000, the percentage of U.S. counties that were home to gay and lesbian couples rose from 52 to 99, a jump explained by new methods of counting and greater openness about homosexuality.
- Homelessness increased between 1987 and 1996, and homelessness rates were much higher in large cities than in suburban and rural areas.
- Medicaid spending could grow by up to 10 percent per year in the near future as the cost of health care (especially prescription drugs and caregivers’ wages) rises along with enrollment.
- Eight of ten Americans who don’t have health insurance work or live in a family with a worker; seven of ten work full-time.
- Over the next 50 years, the 85-and-older population will increase by 351 percent. The population under age 65—which supplies long-term care workers—will grow by only 34 percent.
Since the Institute tries to strike a balance between timely short-term studies and longer-term research, our agenda for 2002 combines fresh starts with work in progress. In many cases, new work builds on old or cuts across disciplines in new ways.

Work in 2002 and beyond covers:

- **Children and adults at risk:** examining the health risks of young men throughout their teens and twenties; associating patterns of risky behaviors early in life with the severity of their consequences in adulthood; evaluating programs for reducing domestic violence; conceptualizing a survey of child care providers; assessing the impacts of the State Children’s Health Insurance Program; and exploring the views of relatives who give kin foster care.

- **Disability:** designing an evaluation of an experimental program to provide job monitors to those giving up Supplemental Security Income for work; studying incentives for employing and serving the disabled; and determining why employment rates for the disabled declined in a robust economy.

- **Education:** deepening understanding of how vouchers, private contracting, and other market mechanisms work; assessing the benefits of early childhood programs; evaluating the progress and outcomes of standards-based reform; and assessing initiatives aimed at upgrading underperforming schools.

- **Family formation and marriage:** analyzing marriage as a hedge against material hardship; tracing the paths young men take toward marriage; figuring out whether and how communities and public programs can strengthen families; and assessing the well-being of young children in various types of living arrangements.

- **Federalism:** describing how the welfare system has changed as states take over more authority and responsibility from federal government; and analyzing how well states have carried out various roles in the health care system.

- **Health:** informing the debates on Medicare reform and health insurance coverage; tracking the use of Medicaid managed care; analyzing the pressures of the uninsured on the social safety net and health care providers; and assessing the challenges of providing long-term care to older people and those with disabilities.

- **Housing and community development:** developing new ways to measure the impacts of housing and economic development; analyzing homeownership trends and the results of low-income housing programs; identifying barriers to free choice in housing and neighborhoods; and analyzing urban and suburban economic change over the past decade.

- **Immigration:** helping communities with large immigrant populations assess their needs and frame effective integration strategies; and analyzing survey data to gauge the well-being of immigrant children and the native-born offspring of immigrants.

- **International technical assistance:** synthesizing 10 years of experience working abroad on municipal finance, economic reform, and housing and infrastructure development; lending expertise on social assistance programs that can ease political and economic shocks; and helping governments decentralize.

- **Labor:** pinpointing the needs of disabled workers; assessing changes in job quality and wages for low-skilled workers; tracking what happens when low-wage, low-skilled workers take unconventional jobs; assessing the nation’s efforts to help youth move from school to careers; studying trends in training; and recommending new ways to help low-income working families make ends meet.

- **Performance management:** devising accountability measures for public agencies and nonprofit organizations; and identifying effective management practices for philanthropies.

- **Philanthropy and civil society:** mapping the scope and shape of the nonprofit sector; creating a knowledge base on nonprofit governance; and helping organizations identify and frame effective integration strategies.

- **Poverty:** analyzing the 2001 tax bill’s effects on families, employment, pensions, marriage penalties, and incentives to work and save; and examining proposals for medical savings accounts and health insurance tax credits.

- **Welfare reform:** gathering data on how adults and children fared during the first economic downturn since new welfare laws took hold in 1996; assessing the impacts of time limits on welfare benefits; comparing state approaches toward helping the hard-to-employ; examining the role of noncustodial fathers in child-welfare casework decisions; and informing debate over welfare reform’s next phase.

- **Taxation:** analyzing the 2001 tax bill’s effects on families, employment, pensions, marriage penalties, and incentives to work and save; and examining proposals for medical savings accounts and health insurance tax credits.

- **Welfare reform:** gathering data on how adults and children fared during the first economic downturn since new welfare laws took hold in 1996; assessing the impacts of time limits on welfare benefits; comparing state approaches toward helping the hard-to-employ; examining the role of noncustodial fathers in child-welfare casework decisions; and informing debate over welfare reform’s next phase.
The Institute’s National Survey of America’s Families helps those who design, implement, administer, study, or advocate social service and economic assistance programs analyze the well-being of the families the programs were intended to help. In 2001, we compared survey results from 1997 and 1999, examining changes in health insurance coverage, family structure, and child care. We also made the survey results public and laid plans to conduct a third survey in 2002. The complementary case studies that we carried out in 13 states provide the best view yet of how state social policy affects low-income families.

To help the policy community digest these data and grasp their implications, we took part in several foundation-sponsored conferences on welfare reform. When the Clinton administration released enrollment figures showing that many eligible children were not participating in the State Children’s Health Insurance Program, we showed that most uninsured kids could be reached through other government programs in which their families were participating. We also documented the rise in two-parent families that began around the time that welfare laws changed in 1996. Partly through the Web, we also disseminated our findings widely to the media, advocacy groups, and policymakers. In Washington state, for instance, an alliance of children’s advocates used our survey research on child care expenses to encourage state legislators to draw down block grant funds and expand state funding for child care.

Selected Publications

- “Honey, I’m Home.” Changes in Living Arrangements in the Late 1990s, by G. Acs and S. Nelson.
- Why Aren’t More Uninsured Children Enrolled in Medicaid or SCHIP? by G. Kenney and J. Haley.
Early childhood programs and initiatives to bolster school accountability, upgrade teaching, end teaching shortages, and meet immigrant students’ needs—all express the nation’s commitment to better educating children for work, civic life, and international competition. But do these reforms work? And are they worth replicating? Our education policy researchers deploy a wide range of research techniques to find out.

In 2001, we finished evaluating a program to prepare nontraditional candidates to teach in urban school districts. We found that these unusual recruits were more likely than other would-be teachers to complete their training, to remain in high-need schools, and to earn high marks from their supervisors.

We also completed the data-collection phase of long-term research on accountability in Florida’s schools, and we field-tested an evaluation of Head Start that we will run on a national scale from 2002 to 2006. Other Institute research reports shed light on the challenges faced by high schools with large numbers of immigrants as standards-based reforms take hold. Members of the Bush administration and the Democratic leadership both took part in a seminar we convened on federal education policy—“Room for a Deal?”

Selected Publications


THE HEALTH POLICY CENTER

How do the dynamics of the health care market and government policy affect how much care costs, who pays the bills, and who goes without care?

Even though terrorism and the recession dominated Washington’s agenda in 2001, health care remained a focus of policymakers’ attention. We continued to track and explain the health care issues Americans care most about. To inform the debate on Medicare’s future, we analyzed the impacts of adding prescription drugs and making other proposed changes in the benefit structure. We also released new research on patient safety, medical injury, and physician secrecy.

We modeled how individuals and firms might respond to new tax credit proposals. Using a newly developed simulation model, we can now better gauge the impact of tax credits on employer-sponsored and individual health insurance coverage. Another simulation effort has allowed us to fine-tune estimates of the public cost of expanding Medicare and temporary health insurance for the newly unemployed were widely used in the debate over the economic stimulus package in late 2001.

Selected Publications


The International Activities Center

What are the best ways to carry out social sector reform, government decentralization, and housing reform and to develop credit markets and civil society?

To the Urban Institute, “all points” includes Eastern Europe, the former Soviet Union, Latin America, and Asia. As advisors and partners in these far-flung venues we make the Institute’s research and technical expertise available to countries in transition to market-based economies and open societies.

In 2001, our international staff finished testing a housing-certificate program for 600 Armenian families still living in temporary shelter after the 1988 earthquake destroyed their homes. Now we are running a program that allows an additional 5,000 households to move into permanent housing—all for a fraction of the cost of building from the ground up.

Selected Publications

- **Strengthening Local Administration of Social Assistance in Russia**, by J.L. Gallagher and R. Shuyk. USAID/Russia Improving Social Service Delivery Project.
- **Learning How to Be Efficient Property Owners and Accountable Governments: The Case of Kyrgyzstan’s Cities**, by O. Kaganova, Y. Tian, and C. Undeland. In Public Administration and Development

The Income & Benefits Policy Center

How do income support, social insurance, tax, and employee-benefit programs affect families’ behavior and economic well-being?

A web of government supports helps protect families from economic shocks and severe hardship. Tax breaks and pensions, along with food stamps, cash assistance, and child care subsidies, are all part of the nation’s social safety net that backs up wages and employee benefits. We monitor and analyze the strands of this net and the whole with effectiveness, fairness, and affordability in mind.

To assess tax policy, we launched a new program in 2001 to estimate how major tax policy changes affect burdens and taxpayers’ behavior. Through publica- tions, a Web site, and seminars, we plan to analyze and evaluate the revolutionary shift in Washington toward legislating social policy through the tax system—a political convenience that has gradually morphed into a substitute for traditional budget deliberations on the nation’s short-term priorities and long-term commitments.

Our research on vulnerable populations focused on disabled workers, those leaving the welfare rolls to take jobs, and retirees. We developed a national profile and state comparisons of ex-welfare recipients that fed into a federally funded congressional report and also looked at how “welfare leavers” in the District of Columbia were faring. On an international team, we helped design an evaluation of a new British program for moving disability aid recipients into jobs. Our retirement policy researchers modeled future retirement income security, assessing how partially socializing Social Security might meet various groups’ needs under differing proposals.

Selected Publications

Looking at our hometown, we designed a questionnaire for interviewing prisoners returning to the District of Columbia and held a focus group to sound out a small number. We also released a statistical snapshot of violent crime in D.C.—where each type of crime occurs, when it was committed, and the age and gender of the victims and perpetrators.

For the National Institute on Drug Abuse, we identified core principles for guiding correctional drug treatment and bridging the gap between research and practice. For the Department of Justice, we evaluated the Brooklyn Treatment Court and its networked services designed a questionnaire for interviewing prisoners returning to the District of Columbia and held a focus group to sound out a small number. We also released a statistical snapshot of violent crime in D.C.—where each type of crime occurs, when it was committed, and the age and gender of the victims and perpetrators.

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to compare the results to a similar study we conducted a decade ago to see if differences in how African Americans and Hispanics are treated—compared to white customers—have changed. A related pilot study of discrimination against African Americans and Hispanics inquiring about mortgage loans at lending institutions will yield data on two metropolitan areas and provide testing tools that local fair housing organizations can use. We also conducted a national survey of public awareness of fair housing laws and local public policies make?

Selected Publications

- *How Much Do We Know? Public Awareness of the Nation’s Fair Housing Laws*, by M.D. Abravanel with H.K. Cunningham.

Our research on metropolitan communities—housing developments, neighborhoods, cities, and suburbs—tracks changing housing trends and analyzes the driving forces behind them. We also develop indicators of change, evaluate public policies and programs, and pioneer techniques for improving public and nonprofit management.

In 2001, we completed fieldwork in 23 metropolitan areas on how to skirt mistakes. We also conducted a national survey of public awareness of fair housing laws and local public policies make?

Selected Publications

- *How Much Do We Know? Public Awareness of the Nation’s Fair Housing Laws*, by M.D. Abravanel with H.K. Cunningham.

The outline of the powerful and fast-growing nonprofit sector is blurring its workloads only partly understood. Policymakers, researchers, reporters, and those on the receiving end of services provided by nonprofits need to know more about both individual organizations and the networks they form. Our National Center on Charitable Statistics—part of the Institute’s Center for Nonprofits and Philanthropy (CNP)—was created to provide such information. CNP also stages forums for discussing the sector’s strengths, failings, and future, and it carries out pathbreaking research on the legal and regulatory dimensions of nonprofit advocacy.

Our national database features facts on finances, sources of support, assets, and expenses. It supplies decisionmakers with credible information on nonprofit organizations and the networks they form. Our National Center on Charitable Statistics—part of the Institute’s Center for Nonprofits and Philanthropy (CNP)—was created to provide such information. CNP also stages forums for discussing the sector’s strengths, failings, and future, and it carries out pathbreaking research on the legal and regulatory dimensions of nonprofit advocacy.

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Fertility, family formation, mortality, immigration, and social integration are all forces to be reckoned with in attempts to protect and strengthen America’s families. In 2001, our research centered on particularly vulnerable and poorly understood populations.

Analyzing new 2000 Census data, we determined that the nation’s undocumented immigrant population was far greater than supposed. Census data were also the basis for our finding that gay and lesbian couples live in 99 percent of U.S. counties.

Our research on family hardship turned up harsh news. We studied unemployment insurance use by those out of work in nine states and found enormous, largely historical, differences. In the nation’s two largest cities, we found that one-third of all immigrant families have serious worries about getting enough food and only one in five of these families receives food stamps. We also found that nearly 2 million children live with relatives who aren’t their parents—and 40 percent face poverty or other barriers to success. Finally, we laid out for policymakers the implications of our research on access to child care subsidies—a primary support for poor working families.

In the wake of September 11, our researchers staged one policy forum on the trade-offs between protecting national security and encouraging immigrants seeking a better life and another forum on the role and affordability of unemployment insurance as layoffs rise.

Selected Publications

- Low Benefit Recipiency in State Unemployment Insurance Programs, by W. Vroman.
Communication

The communications umbrella covers the UI Press/Office of Publications and the Office of Public Affairs, which work as partners. Key functions and products include:

**BOOKS**
In-depth analyses of public policy and program issues.

**CHECKPOINTS**
Reproducible graphics based on key policy-related statistics from Urban Institute research, which are e-mailed or faxed to the media.

**CONFERENCES**
Briefings and roundtables for policy analysts, program practitioners, and the media.

**DIRECTORIES AND GUIDES**
Information-rich compendiums for policymakers, program managers, and researchers.

**EDUCATION**
Briefings and lectures on the Institute’s work, structure, and history for students, practitioners in training, researchers and dignitaries from abroad, and public officials.

**FIRST TUESDAYS**
Monthly luncheon roundtables on issues of national interest.

**IN BRIEF**
A monthly notice of upcoming events, current research, new publications, and outreach.

**MEDIA LIAISON**
Close work with the national press corps and state newspapers and broadcast media to provide facts and perspectives on emerging trends and breaking news.

**OP EDS**
Policy perspectives for broad distribution to state, regional, and national newspapers.

**POLICY BRIEFS**
Concise and timely explorations of policy issues and choices.

**REPORTS**
Research findings, results from program evaluations, perspectives on emerging trends, problems with the social safety net, and policy opportunities.

**SOURCEBOOK FOR REPORTERS**
A biennially updated guide to Institute expertise.

**SPECIAL PROJECTS**
Publications or events that highlight unexpected research findings or extraordinary scholarship, bring crosscutting or synergistic work from two or more centers to the fore, or sharpen the public debate on pressing issues.

**TESTIMONY AND PRESENTATIONS**
Facts, background, commentary, and research findings delivered to members of Congress and other decisionmakers, fellow researchers, and program managers.

**UPDATES**
Bulletins on recent Urban Institute conferences and legislative testimony to keep the public posted.

**WEB SITE**
An award-winning electronic tour of the Institute’s research, publications, staff roster, and activities (www.urban.org).

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In 2001, our information specialists continued efforts to bring the advantages of technological change to public policy research. Increasingly, we have helped harness the power of the World Wide Web, applying sophisticated methodological approaches to analyze socioeconomic data and providing more real-time access to results.

This past year, IT staff completed the transformation of the Institute’s simulation model of tax and social programs (TRIM) to a Web-based system. Now policymakers have a much easier, more intuitive interface with the model’s inner workings, and the groundwork has been laid for broader public access to this powerful research tool. The Web-based approach developed for the Institute’s study of housing discrimination also allowed researchers to conduct ongoing quality-control checks as data were collected: With no need for lengthy data editing before analysis could begin, results were released faster and were more useful in the policy debate.

**INFORMATION TECHNOLOGY**

State-of-the-art research and management require cutting-edge technology and highly skilled professionals to configure and maintain it. The Institute’s Information Technology group provides both. Its members also work as integral members of research teams to apply technical knowledge to analytical issues.

**FINANCIAL STATEMENT**

Summary of Financial Information for Fiscal Years Ending December 31, 2001 and 2000

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
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<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>$74,700,000</td>
<td>$76,900,000</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>$12,300,000</td>
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<tr>
<td><strong>Net Assets</strong></td>
<td>$61,000,000</td>
<td>$64,600,000</td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
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<tr>
<td><strong>Operating Activities</strong></td>
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<tr>
<td>Revenues</td>
<td>$65,300,000</td>
<td>$62,100,000</td>
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<tr>
<td>Expenses</td>
<td>($64,500,000)</td>
<td>($61,100,000)</td>
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<tr>
<td>Subtotal</td>
<td>$800,000</td>
<td>$1,000,000</td>
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<tr>
<td><strong>Non-Operating Activities</strong></td>
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<tr>
<td>Revenues</td>
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<td>($200,000)</td>
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<tr>
<td>Expenses &amp; Transfers</td>
<td>($1,900,000)</td>
<td>($2,800,000)</td>
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<tr>
<td>Subtotal</td>
<td>($3,300,000)</td>
<td>($3,000,000)</td>
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<tr>
<td><strong>Total Change in Net Assets</strong></td>
<td>($3,500,000)</td>
<td>($2,000,000)</td>
</tr>
<tr>
<td><strong>Net Assets Beginning of Year</strong></td>
<td>$64,600,000</td>
<td>$66,600,000</td>
</tr>
<tr>
<td><strong>Net Assets End of Year</strong></td>
<td>$61,100,000</td>
<td>$64,600,000</td>
</tr>
</tbody>
</table>
The President’s Fund was established in December 1999 to honor founding president William Gorham’s 32 years of service. The endowed fund gives the Institute flexibility to pursue independent short-term research, bring together policymakers and analysts for debate, and finance capital projects. To date, contributors include:

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