



Conrad N. Hilton FOUNDATION The Conrad N. Hilton Foundation is a family foundation established in 1944 by the man who started Hilton Hotels. We fund organizations working to improve the lives of disadvantaged and vulnerable people throughout the world.

Reflections	1
Our approach	3
Our priorities	5
Conrad N. Hilton Humanitarian Prize	15
Our founder	17
Financial statements	18
Staff	20
Directors	21

# Reflections

# Our philanthropic endeavors reflect the faith, vision, and values that guided our founder, Conrad N. Hilton.

In 2011, the Conrad N. Hilton Foundation distributed nearly \$82 million in grants in the U.S. and around the world. These grants helped us reach a significant milestone: \$1 billion awarded since inception.

We also advanced our efforts toward strategic grantmaking. Our board of directors adopted a program strategy to guide our work with Children Affected by HIV/AIDS in eastern and southern Africa. Visit our website for more on the strategy and landscape research. We also published two new *In Practice* knowledge papers, "Mobilizing Los Angeles County to End Chronic Homelessness" and "Philanthropic Grantmaking for Disasters." In addition, Hilton Foundation support helped make possible the release of *A Portrait of California*, the first-ever California Human Development Report, which explores well-being and access to opportunity across the state.

A number of our staff and board members had the opportunity to see a variety of Foundation-sponsored programs first-hand. These include WASH (water, sanitation and hygiene) projects in Kenya and in Ghana. Closer to home, we supported a traveling museum exhibit entitled "*Women & Spirit: Catholic Sisters in America*" and convened the first annual gathering of our grantee partners who are working to end chronic homelessness in Los Angeles County.

Also in 2011, we began construction of our new campus in Agoura Hills, about 30 miles northwest of our current home in Los Angeles. Designed to meet Platinum LEED-certified green standards, our permanent home will accommodate future staffing needs as the Foundation continues to grow, enabling us to carry out our mission in perpetuity.

Jarron Hita

Barron Hilton Chairman of the Board

Seven M. Hilton

Steven M. Hilton President and Chief Executive Officer



# Our approach

In partnership with leading nonprofit organizations, governments, and other funders, we address critical societal needs in the United States and around the world.

#### **Philanthropic resources**

International business pioneer Conrad Hilton established the Conrad N. Hilton Foundation in 1944. When he died in 1979, he bequeathed virtually his entire estate to the Foundation, with a mandate to help the world's disadvantaged and vulnerable people. At the end of 2011, the Foundation's assets totaled approximately \$2 billion and our cumulative giving was more than \$1 billion.

Following his father's example, Barron Hilton has pledged the bulk of his personal fortune to the Foundation. This generous addition to Conrad Hilton's legacy will enable the Foundation to become an even more significant resource and philanthropic leader in the future.

#### Focused on impact

To maximize effectiveness and impact, we cultivate long-term projects and partner with organizations whose efforts are aligned with our program strategies. We welcome the involvement of partner funders to help ensure the long-term stability of these projects.

Given our proactive approach, the Foundation does not encourage unsolicited proposals. For additional funding opportunities available through the Conrad N. Hilton Fund for Sisters or the Conrad N. Hilton Humanitarian Prize, please see pages 11 and 15, respectively.





# Our priorities

Rooted in the life interests and last will of our founder, the Conrad N. Hilton Foundation pursues approaches that touch a diversity of people, places, and needs.

## Initiatives

Our initiatives involve funding several partners, generating new knowledge, and collaborating with other funders to achieve measurable impact.

## Major programs

The Foundation also gives priority to the following program areas.

- Providing safe water
- Ending chronic homelessness
- Preventing substance abuse
- Helping children affected by HIV/AIDS

Supporting transition-age youth in foster care

Supporting Catholic Sisters

Confronting sight loss

Overcoming multiple sclerosis

Responding to disasters

Nurturing Catholic schools

Educating students for the hospitality industry

2011 Grant Payments: \$81.7 million



# Providing Safe Water

Improving the well-being of people in severe need by increasing sustainable access to safe water in developing countries

Over two decades, we have invested more than \$90 million to provide access to safe water for more than 2 million people. Our strategic focus is on water access, as part of the broader WASH+ (water, sanitation, hygiene, and improved livelihoods) approach.

Our five-year strategy focuses on water access for the poorest and hardest-to-reach populations. Central to the Foundation's grantmaking approach are long-term partnerships and leveraging resources. Key initiatives of our current work include supporting sustainable and scalable water access, strengthening the enabling environment for WASH interventions, and disseminating and adopting sector-wide knowledge. We expect our programs to result in sustainable water access for at least one million additional people, increased funding to the sector, and enhanced knowledge and capacity of local communities to effectively implement and maintain water programs.

In 2011, grants totaling nearly \$30 million were awarded to the Foundation Center, Millennium Water Alliance, New Venture Fund, One Drop Foundation, Safe Water Network, United States Fund for UNICEF, Water and Sanitation for Africa, Water for People, WaterAid, and World Vision.

### **Regions served**

Burkina Faso, Ethiopia, Ghana, Mali, Niger, and water-stressed regions of India and Mexico

# Ending Chronic Homelessness

# Making permanent supportive housing a reality for chronically homeless people in Los Angeles County

The Conrad N. Hilton Foundation has been working to end chronic homelessness in the U.S. for nearly two decades, dedicating nearly \$60 million toward solutions to homelessness such as permanent supportive housing. 2011 marked the first full year of implementation of our strategy to end chronic homelessness in Los Angeles.

New grants awarded in 2011 totaled \$5.4 million. These grants included support to United Way of Greater Los Angeles to implement the Home For Good action plan and establish a funders collaborative that will align private and public funds for supportive housing. Home For Good reported that through collective efforts in Los Angeles, over 3,000 chronically homeless persons were housed in 2011.

In an effort to share knowledge and lessons from our work on homelessness, we published an *In Practice* paper, "Mobilizing Los Angeles County to End Chronic Homelessness," which reports on the outcomes from our 2004–2010 partnership with Corporation for Supportive Housing. Also, we selected Abt Associates, Inc. to conduct an evaluation of our current initiative to measure progress and inform future efforts.

### **Region served**

Los Angeles County, United States





## Our priorities: Initiatives

# Preventing Substance Abuse

# Helping people gain the understanding, skills, and confidence to resist drug and alcohol abuse

Since 1982, the Foundation has awarded more than \$68 million in substance abuse-related grants.

In 2011, the National Center on Addiction and Substance Abuse (CASA) at Columbia University released a Foundationfunded study of adolescent substance use. The study documents how adolescence is the critical period for preventing the initiation of substance use and its devastating and costly health and social consequences.

We continue to fund an evaluation of the Betty Ford Center Children's Program, which serves children from families hurt by addiction, and the BEST Foundation for a Drug-Free Tomorrow's Project ALERT, a school-based curriculum designed to provide teens with the motivation and skills to resist substance abuse.

The Foundation undertook a new substance abuse strategy development process in 2011, which included a landscape scan of needs and opportunities in the U.S. Our strategy development activities will continue in 2012.

Region served

United States

# Helping Children Affected by HIV/AIDS

# Improving early childhood development outcomes for children affected by HIV/AIDS in the developing world

Children under the age of five are among the most severely affected and vulnerable people touched by HIV/AIDS.

Few programs in Sub-Saharan Africa, an area with the world's highest infection rates, are designed to aid these children in achieving essential development milestones required for success later in life. The Hilton Foundation has pledged to address the gap by providing essential services for this vulnerable population that leverage existing health, nutrition, and other interventions.

Our five-year strategy, initiated in 2011, focuses on improving the ability and capacity of families and communities to promote healthy early childhood development for children affected by HIV/AIDS. This can best be done through assisting parents and caregivers, enhancing the ability of community-based organizations to deliver quality programs and services, and encouraging national and global stakeholders to leverage investments and resources. We expect our programs to reach over one million children, families, and communities affected by HIV/AIDS in five priority countries: Kenya, Malawi, Mozambique, Tanzania, and Zambia.

#### **Regions served**

Kenya, Malawi, Mozambique, Tanzania, and Zambia







## Our priorities: Initiatives

# Supporting Transition-Age Youth in Foster Care

# Helping youth involved with the foster care system in the United States thrive in the communities where they live

According to the federal Child Welfare Information Gateway, the U.S. foster care system includes approximately 500,000 young people. These youth are among the most vulnerable in our society.

In 2011, the Hilton Foundation engaged with experts and stakeholders as part of our foster youth strategy development process. Our research identified opportunities for improving foster youth outcomes in Los Angeles County and New York City by focusing on transition-age youth (16 to 24 years old). These youth are nearing the age of emancipation or have recently exited the foster youth system. The full strategy will be launched in 2012.

We supported the Children's Law Center of Los Angeles with a new grant for its Fostering Connections to Success project, for the effective implementation of California Assembly Bill 12, legislation that allows foster youth to remain supported until 21. In addition, Dennis Culhane of the University of Pennsylvania released a Foundation-funded study, *Young Adult Outcomes of Youth Exiting Dependent or Delinquent Care in Los Angeles County*. The report shows the negative and often costly outcomes for former foster youth in Los Angeles County.

### **Region served**

Los Angeles County and New York City, United States

# Supporting Catholic Sisters

# Enhancing the vitality of consecrated religious life for women and the impact of the services sisters provide to vulnerable populations globally

Conrad Hilton gave generously to Catholic Sisters throughout his life and instructed the Foundation to continue his support.

Most of our funding continues to be channeled through the Conrad N. Hilton Fund for Sisters, an independent organization, which in 2011 awarded more than \$7.5 million to over 700 sisters, the majority of whom are serving poor and vulnerable populations in the global south. Since its inception in 1986, the Fund for Sisters has awarded over 9,200 grants totaling more than \$92 million to sisters in 153 countries.

In 2011, as part of Phase II of our Sisters Leadership Development Initiative (SLDI), workshops were conducted for 250 sisters representing 175 religious institutions in Ghana, Kenya, Nigeria, Tanzania, Uganda, and Zambia. In addition, over 100 alumni of Phase I of the SLDI participated in workshops to help facilitate networking and ongoing skills development.

The Foundation is currently developing a strategy for promoting consecrated religious life as a compelling, viable option for women, especially in the global north, where the number of sisters has been in decline since the mid-1960s.

#### **Regions served**

Worldwide



## Confronting Sight Loss

## Preventing blindness and empowering those facing the challenges of visual impairment

Trachoma is an infectious eve disease that leads to blindness if left untreated. The Hilton Foundation has invested \$40 million to support the prevention and control of trachoma since 1995. We currently fund the activities of The Carter Center and Helen Keller International to implement the World Health Organization-recommended SAFE strategy (surgery, antibiotics, facial cleanliness, and environmental improvement) in Mali, Niger, Southern Sudan, and Tanzania. We also support research to improve the quality and delivery of surgery for trichiasis-the advanced, blinding stage of trachoma, In addition, the Foundation funds the publication and distribution of The London School of Hygiene and Tropical Medicine Community Eye Health Journal.

Over the last two decades, the Hilton Foundation's support has enabled the Perkins School for the Blind to extend its expertise to 65 countries, building the capacity of local agencies to improve education services and resources for children who are deafblind or visually impaired with multiple disabilities. To date, more than 225,000 children, parents, teachers, and university students have benefited from the Foundation's \$65 million investment. This collaboration with Perkins represents one of the largest commitments in Hilton Foundation history.

## Overcoming Multiple Sclerosis

## Seeking a cure and improving quality of life for those who live with MS

Multiple sclerosis is a disease of the central nervous system that can cause gradual disability by disrupting the ability of nerves to transmit signals from the brain. The severity and specific symptoms can be unpredictable and vary from one person to another. For more than 50 years, the Hilton Foundation has supported research and efforts to aid those affected by MS with grants totaling over \$15.5 million.

Through multi-year grants, we provide ongoing support in two separate areas: research into treatments for MS, and comprehensive wellness interventions through The Marilyn Hilton MS Achievement Center at UCLA. The Center is a partnership between the UCLA Department of Neurology and the National Multiple Sclerosis Society, Southern California Chapter and is named in honor of Marilyn Hilton, late wife of Barron Hilton.

Research funding includes multi-year grants to the Mayo Clinic for research into myelin repair in MS patients and to UCLA for research into treatment for relapsing remitting MS. In 2011, the Hilton Foundation provided a grant to the Myelin Repair Foundation to help develop drugs promoting remyelination.

## Responding to Disasters

## Providing assistance in the aftermath of natural disasters and promoting disaster preparedness

The Hilton Foundation has a long history of supporting international and domestic disaster relief, recovery, and preparedness initiatives. The Foundation completed an *In Practice* paper that promotes best practices in the sector, discusses internationally accepted standards of disaster response, and reviews the evolution of our disaster-related grantmaking.

In response to the severe drought that prompted a food crisis and largescale population displacement across Somalia, Ethiopia, and Kenya in 2011, the Hilton Foundation provided \$2.25 million for water, sanitation, nutrition, and cholera preparedness services for famine-affected refugees in Dadaab, Kenya, through grants to AmeriCares, Catholic Relief Services, Luftfahrt Ohne Grenzen, Oxfam America, and UNICEF.

The Foundation also made grants to Direct Relief International to support assistance activities following the 9.0 earthquake and tsunami that struck Japan in March 2011, and to Lutheran World Relief following the major tropical storm that flooded the Philippines' Mindanao Island in December 2011.

# Nurturing Catholic Schools

## Supporting Catholic schools and extending their educational benefit to more youth

In 2011, the Foundation focused on efforts to ensure that Catholic education remains vital and accessible throughout the Archdiocese of Los Angeles. The Department of Catholic Schools of the Archdiocese of Los Angeles received \$800,000 to help with deferred maintenance at inner-city facilities, implementation of a strategic marketing and public relations plan, elementary and secondary school staff development, and planning for a dual-language immersion program.

The Center for Catholic Education at Loyola Marymount University received a \$750,000 grant to conduct research into the most effective approaches for operating Catholic schools and to document the impact of Catholic education on students and society at large. The Carrie Estelle Doheny Foundation received a \$200,000 grant to support the second phase of its 2011 Catholic Elementary School Website and Marketing Development Program.

## Educating Students for Hospitality Industry

## Creating opportunities for the next generation of hotel and restaurant managers

In 2011, the Hilton Foundation awarded a \$1 million grant to the University of Nevada, Las Vegas to support the recruitment, retention, and professional development of students at the William F. Harrah College of Hotel Administration.

Reconcile New Orleans, an organization that provides life skills, culinary training, work experience, job placement, and extended case management services for at-risk, out-of-school youth between the ages of 16 and 22, was granted \$250,000 to improve programs and to expand and renovate its facilities.

The Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston—our flagship program in hospitality education—continues to flourish, as does DePaul University's School of Hospitality Leadership, created in 2008 with the assistance of a grant from the Foundation.





# Conrad N. Hilton Humanitarian Prize

# Honoring extraordinary contributions toward alleviating human suffering

The Conrad N. Hilton Humanitarian Prize was created in 1996 to honor the philanthropic legacy of our founder, Conrad Hilton. Its goal is to advance the work of exceptional organizations and to focus attention on the increasing need for humanitarian aid worldwide. This annual \$1.5 million prize is the world's largest humanitarian award, and selection of a recipient is made by an independent international jury.

The 2011 recipient of the Hilton Humanitarian Prize was Handicap International, the largest international NGO of its kind specializing in assisting all acutely vulnerable populations, including individuals disabled by disease, injury, natural disasters, poverty, or armed conflict. Services range from clearing landmines to providing artificial limbs, psychological and economic support, and specialized training. Handicap International has a long history of advocacy and was a leading proponent for the UN Convention on the Rights of Persons with Disabilities, which became international law in 2008.

Michelle Bachelet, Under-Secretary-General and Executive Director of UN Women, participated in the presentation of the Hilton Humanitarian Prize to Handicap International at the Foundation's Prize dinner held during the Global Philanthropy Forum—a community of donors and social investors committed to international causes.

Learn about the Hilton Humanitarian Prize and view past recipients on the Foundation's website.





World Peace Through International Trade and Travel Hilton Hotels Corporate Motto

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# Our founder

# Think big. Act big. Dream big.

- Conrad N. Hilton 1887–1979

Born to humble roots in territorial New Mexico, Conrad N. Hilton founded Hilton Hotels and lived out the American Dream. His life was grounded in a deep faith in God and country, an intrinsic belief in hard work, and the ability to "dream big." He was also profoundly influenced by the Catholic Church and its sisters.

#### International entrepreneur

Known for his optimism, honesty, and unfailing sense of fairness, Conrad Hilton's keen business acumen led him to great success. He had a strong sense of property values, good timing, patience and skill in negotiating, an understanding of financial dealings, and a singular talent for "picking the right man for the right job."

Conrad Hilton purchased his first hotel in Cisco, Texas and built his empire in three stages: by first leasing and renovating old hotels, then erecting new hotels on leased land primarily in Texas, and later purchasing, renovating, and rebranding existing hotels. Often leading the hospitality industry, Hilton was the first to develop the concept of franchising hotels, to launch an airport hotel, to introduce a multi-hotel reservation system, and to extend his hotel chain from coast to coast. Extending his reach overseas, Conrad Hilton believed in the power of travel and the potential of his hotels to foster understanding among people of the world. When Hilton Hotels Corporation acquired control of Statler Hotels in 1954, the real estate transaction was the largest the world had known to date.

#### Statesman and humanitarian

A fervent patriot, Conrad Hilton served his country as a representative in New Mexico's first state legislature and enlisted in World War I. In 1953, together with President Dwight D. Eisenhower, he hosted the first Congressional Prayer Breakfast. He spoke often about world peace and vigorously advocated international cooperation and progress in developing countries.

From an early age, Conrad Hilton helped others—donating funds and encouraging others to follow suit. Catholic sisters were frequently a conduit for his philanthropy in the United States and internationally. His bequest to the Conrad N. Hilton Foundation has established a perpetual legacy of global humanitarianism.

# Financial statements

#### **Statements of Financial Position**

UNAUDITED

Assets	YEAR-END 2011 (DECEMBER 31)	YEAR-END 2010 (DECEMBER 31)
Cash and cash equivalents	\$ 36,523,056	\$ 65,486,648
Amounts receivable from the sale of investments	42,593,900	23,547,458
Dividends and interest receivable	361,359	369,279
Program-related advances	24,000,000	25,000,000
Long-term investments	1,985,915,470	2,014,895,099
Property, plant and equipment	20,222,862	11,036,261
Other	654,891	51,149
Total assets	\$ 2,110,271,538	\$ 2,140,385,894

#### Liabilities and Unrestricted Net Assets

2,016,528,060	2,045,706	.397
	· · · · ·	
93,743,478	94,679	,497
78,180,495	92,069	,932
10,761,282	421	,646
\$ 4,801,701	\$ 2,187	,919
	10,761,282 78,180,495	10,761,282 421,   78,180,495 92,069,

#### **Combined Assets**

The following is presented for informational use only. This information has not been subject to audit and is presented to provide an indication of the current asset value of the Conrad N. Hilton Foundation and two related trusts, of which the Conrad N. Hilton Foundation is the sole remainder beneficiary. The assets held within the two remainder unitrusts will be distributed to the Foundation following the death of Barron Hilton, who has additionally named the Foundation as the primary beneficiary of his personal estate. For purposes of this presentation, no estimate of Mr. Hilton's personal estate is included in the combined asset presentation.

	YEAR-END 2011 (DECEMBER 31)	YEAR-END 2010 (DECEMBER 31)
Conrad N. Hilton Foundation	\$ 2,110,271,538	\$ 2,140,385,894
W. Barron Hilton Charitable Remainder Unitrust	710,500,000	723,600,000
2006 Barron Hilton Charitable Remainder Unitrust	1,167,200,000	1,233,800,000
Total	\$ 3,987,971,538	\$ 4,097,785,894

### **Statements of Activities**

UNAUDITED

Revenues and gains	YEAR-END 2011 (DECEMBER 31)	YEAR-END 2010 (DECEMBER 31)
Operating revenues	\$ 30,404,182	\$ 30,197,903
Net realized/unrealized gains on investments	14,860,136	244,477,318
Contributions received	10,080,677	3,821,456
Total revenues and gains	55,344,995	278,496,677
Less investment expenses	1,819,759	2,190,550
Net revenues and gains	\$ 53,525,236	\$ 276,306,127

#### Expenses

5 <mark>,706,397</mark>
,568,598
8,137,799
8,168,328
344,002
,013,269
,811,057

# Staff

#### EXECUTIVE

Steven M. Hilton President and CEO

Marge Brownstein Executive Assistant – Special Projects

Katherine Miller Executive Assistant to the President and CEO

#### ADMINISTRATION

Patrick J. Modugno Vice President, Administration and Chief Financial Officer

Rose M. Arnold Grants Manager

Kathy Bagliere Administrative Assistant

Jordan Faires Senior Grants Manager

Taryn Lee Human Resources Manager

Tenille Metti Administrative Assistant

Tim Ortez, CPA Treasurer

Gwen Short Administrative Assistant

Leslie A. Smith Financial Assistant

Marcia C. Trujillo-Penman Corporate Secretary and Assistant Treasurer

#### GRANT PROGRAMS

Edmund J. Cain Vice President, Grant Programs

Gregory Anderson Program Officer, International Programs

Braimah Apambire, Ph.D. Senior Program Officer, International Programs and Senior Advisor, WASH

Jeannine Balfour Senior Program Officer, Domestic Programs

Elizabeth Cheung Program Officer, Domestic Programs

Jackie Hunt Program Associate, Domestic Programs

Andrea Iloulian Program Associate, Domestic Programs

Shaheen Kassim-Lakha, DrPH Director, International Programs

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Leah Manning Program Associate, International Programs

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Maira Silverio Administrative Assistant, Grant Programs

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Blair Critchlow Investment Analyst

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Jay Kang, CFA Director of Investments

Yatin Patel Investment Manager

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Nicole Gulotta Coordinator, Hilton Humanitarian Prize

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Marc Moorghen Communications Manager

# Directors

Barron Hilton Chairman of the Board

Steven M. Hilton President and Chief Executive Officer

William H. Foege, M.D., M.P.H.

James R. Galbraith

Conrad N. Hilton III

Eric M. Hilton

Hawley Hilton McAuliffe

William B. Hilton, Jr.

Sister Joyce Meyer, PBVM

John L. Notter

William G. Ouchi, Ph.D.

DIRECTOR EMERITUS Donald H. Hubbs

> Improving the lives of disadvantaged and vulnerable people throughout the world.

# Conrad N. Hilton

## Connect with us



## Moving forward



Courtesy Zimmer Gunsul Frasca Architects LLP

To learn more, visit hiltonfoundation.org/newcampus

In November 2012 we are relocating our Los Angeles office. Our new campus has been designed to meet Platinum LEEDcertified green standards, one of the top green-building accolades in the world.

Agoura Hills Campus 30440 Agoura Road Agoura Hills, CA 91301



Printed in the USA on FSC-certified paper.

Cover photograph courtesy Firelight Foundation/Joop Rubens Two boys from Namwera AIDS Coordinating Committee in Malawi, a Firelight Foundation grantee partner.

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