Mission of the American Red Cross

The American Red Cross, a humanitarian organization led by volunteers and guided by its Congressional Charter and the Fundamental Principles of the International Red Cross Movement, will provide relief to victims of disasters and help people prevent, prepare for and respond to emergencies.

Fundamental Principles of the International Red Cross and Red Crescent Movement

Humanity
Impartiality
Neutrality
Independence

Voluntary Service
Unity
Universality

Universality
This past year, the American Red Cross celebrated its 125th year of service to the nation. Our organization has been built on a very strong and durable foundation—generations of dedicated volunteers and employees and the incredible generosity of the American people. From rolling bandages for American soldiers fighting in World War I to providing measles vaccines to the children of Africa today, such a foundation has been vital as our nation weathered hurricanes, wars, health pandemics and human-caused disasters. To remain a vibrant, modern institution, the Red Cross has always understood that its enduring strength lies in its ability to be flexible and to constantly seek ways to improve how we provide comfort, care and compassion to those who need help the most. While we may be one of the nation’s oldest and best-known humanitarian leaders, we recognize how critical it is to adapt to the new challenges of today—and tomorrow.

Whether we are responding to a record-breaking 2005 hurricane season or ensuring the safest blood supply possible, the Red Cross is unyielding in its commitment to excellence in all areas of service delivery. We have vigorously analyzed our performance over the past year and have identified several areas where improvements were needed. In response, the Red Cross has positioned more supplies and warehouses closer to hurricane-prone areas and is forming stronger community partnerships to extend our services wherever we are needed the most, particularly in underserved communities. In addition, by enhancing its technology infrastructure, the Red Cross will now be able to assist up to 100,000 families a day within 10 days of a catastrophic event.

Beyond these immediate improvements, the Red Cross embarked this year on a far-reaching transformation of its internal structure and processes. Within about two years, the American Red Cross will expand its presence in communities by reducing administrative inefficiencies, enhancing fundraising effectiveness and improving the structure of Red Cross units in the field. The result of this organization-wide initiative will be a greater investment in community programs and an increase in active volunteer rosters at the local level.

As we worked to enhance and streamline the delivery of our vital services in the community, our Board of Governors also undertook a comprehensive assessment of its governance practices to ensure the organization’s vital mission was fully supported by a modern governance structure. We have urged the U.S. Congress to amend the Red Cross’s 106-year-old congressional charter for the third time in our history. The board will concentrate on strategic oversight and governance and will reduce its size by more than half, among many other changes that reflect best practices in both nonprofit and for-profit governance.

The Red Cross has weathered devastating natural and human-caused disasters, world wars and health pandemics while, at the same time, we have welcomed new generations of volunteers, provided lifesaving blood and taught critical health and safety skills. However, it has been the enduring and compassionate spirit of the American people that has always remained in times of triumph and tragedy. On behalf of the more than one million volunteers and employees of the American Red Cross, we will continue to do our best in representing this unique and inspiring spirit in times of need—and to remain worthy of your sacred trust.

Bonnie McElveen-Hunter  
Chairman

John F. McGuire  
Interim President and CEO
When she founded the American Red Cross, Clara Barton was considered a bit of a rebel. Today, we consider her a visionary. Clara Barton saw a need that no one else was filling, and she, along with a small team of like-minded individuals, stepped in to fill it. Today, 125 years later, the American Red Cross continues her legacy in a way that she might not have imagined possible.

If necessity begets invention, the past year has been one of great ingenuity. It might be said—as it was after the 1889 Johnstown Flood, the 1906 San Francisco Earthquake, the Great Depression in the 1930s or Hurricane Andrew in 1992—that our nation has never faced such challenges or widespread need. Again, as in the past, the Red Cross has stepped in to meet that need, with the help of countless generous Americans.

Today’s methods of response look very different from those of the nineteenth century. Instead of horse-drawn wagons, the Red Cross uses vehicles that can cut through the worst debris. Instead of using written correspondence that might take days to reach a worried family member, we use state-of-the-art emergency communications. One hundred years ago, blood typing had not been discovered and blood transfusions were rare. Now, we test every unit of blood we process to ensure that it is as safe as possible. Today, using state-of-the-art evacuation models, we can make predictions and plan for future disasters.

While the Red Cross continues to progress, our mission remains the same, as does the emblem that symbolizes our volunteer spirit, dedicated to humanity, neutrality and universality. The kindness and generosity of the 1.1 million volunteers and 35,000 employees who embody the Red Cross principles enable us to save more lives, prepare more people and be there to help after any emergency. It is the human hand and the human heart that have always made the Red Cross the best at what it does.

Balancing a passion for helping with a powerful resourcefulness and an insistence on quality innovation, the American Red Cross has worked hand in hand with communities nationwide to make lives safer and less worrisome, through major national crises and tens of thousands of other local emergencies each year. Things have changed, and we have adapted, becoming the nation’s premier emergency preparedness and response organization. Yet one thing remains unchanged: our dedication to helping those in need.
August 29, 2005

Hurricane Katrina makes landfall, the first storm in a series of hurricanes that breaks all records. More than 45 local Red Cross chapters are prepared to help in more than 200 shelters and evacuation centers. Over the next several months, almost every Red Cross chapter joins in, helping the millions in need.
Responding to the basic human needs created by the 2005 Gulf Coast hurricanes demanded a response exponentially greater than any in the 125-year history of the American Red Cross. Almost 250,000 Red Cross workers, 95 percent of them volunteers, provided critical services to almost 1.5 percent of the U.S. population—more than four million people. Their work was supported not only by the generosity of the American people but also by the expertise and resources of many partner corporations and organizations all committed to helping. Western Union, for example, helped the Red Cross by lending their services and expertise to facilitate provision of financial assistance to clients.

The Red Cross continues to help. Our ongoing service delivery focuses on helping families plan their recovery, offering emotional support, providing vital information and recovery resources, and meeting emerging needs as people travel the long road to recovery.

We have accomplished a great deal, but the 2005 hurricane season strained and sometimes exceeded Red Cross capacity in a number of areas, and we are committed to using what we have learned to do better. By analyzing both our successes and our weaknesses, we are implementing measures to optimize preparedness, enhance our operational systems and expand our reach into communities to become a more effective and inclusive organization.

Before the 2006 hurricane season began, we had significantly increased our technology base, warehouse space and supply inventory. We placed people—full time, year round—in the emergency management headquarters of 14 hurricane-prone states for better coordination. Our chapters have built important new strategic partnerships with community organizations, including those representing underserved communities.

We are improving our financial control systems and disaster relief procedures, especially in the area of the casework we do with individual families to determine financial assistance. We are making a number of improvements to our technology in order to ramp up our casework volume capacity as well as the controls needed to ensure the propriety of all payments. Our chapters now have access to the training, technical support and software needed to handle up to two million cases.

In order to provide financial assistance to the huge number of families who needed it in 2005, we had to rely on a number of different systems and accounts, greatly complicating the accounting process. We have now moved to a single system of pre-stocked debit cards funded from a single bank account, which will enable us to track expenditures in real time. We have also clarified and reinforced minimum eligibility requirements for financial assistance and made these standards readily available to every caseworker. Additional security and accountability steps include more comprehensive inventory management and reporting practices, a new casework review position, as well as new casework monitor and supervisor positions.

September 8, 1900

Fifteen percent of the population of Galveston, Texas, drowns amid the fury of a hurricane. The American Red Cross responds to this deadliest disaster in U.S. history with $120,000 of food, shelter and medical care, later even supplying 1.5 million strawberry plants to help farmers recover.
A new team of more than 100 volunteers has been created to advise and support relief operations and chapters on financial controls. Another new group is already helping to ensure compliance with established policies and procedures and will investigate any potential fraud.

As we continue to implement these ambitious changes, Red Cross chapters across the U.S. also continue to respond to local disasters—74,000 of them last year, most of them home fires. They are using the experience they gained in the largest response in American Red Cross history to bring compassionate and effective help to their neighbors, no matter what kind of disaster, no matter what size.

Over and over again for 125 years, it has been made clear that the American Red Cross is more than an abstract institution. Instead, the Red Cross is made up of people. When people anywhere want to unite to lend their hands and hearts to respond to the needs of fellow human beings, they know they can join the Red Cross. The more partners who join us, the better the response, the better our readiness for the next emergency. In this fiscal year, we, along with our partners, have adapted our operations as needed and made numerous adjustments to the way we do business.

Our new Internet-based tool, the Safe and Well Web site, helps people in the middle of a disaster communicate with others outside of the disaster area. Individuals can register themselves as “safe and well” at the site and then post messages for friends and family. Successful searches (by phone number or address) result in a person’s first name, last name, an “as-of date” and any posted messages attached to the entry. Telephone-based assistance is available for those who cannot access this service via the Internet. This tool was first developed following Hurricane Katrina with the generous assistance of Microsoft. Its original name was KatrinaSafe.

The Coordinated Assistance Network (CAN) continues to expand. This network allows a client seeking service to tell one story and fill out one form, and then be connected to a wide array of humanitarian assistance from any partner in the CAN system. Thus far, more than 200 agencies are participating in the network. The partnership fosters local planning efforts, enhances collective service and centralizes nationwide technological support and information sharing.

In the Middle of the Night

In the early morning hours, Ron and Linda Holt’s son woke them, yelling, “Mom and Dad, the house is on fire!”

Linda called the fire department while Ron made sure all their family members were safe and that neighbors evacuated the other apartments.

The fast-moving fire destroyed everything the Holts and several other families owned. “It’s the sentimental things you miss the most,” Linda says, a smile in her voice despite having had the roughest year in her life. One of Linda and Ron’s sons almost died of a heart attack later in the year, and another son was deployed to Iraq.

“The kids’ pictures were my biggest loss,” Linda says. “Everything else can be replaced.”

When the fire broke out, the family had recently moved to Montgomery, Alabama. Disaster workers from the American Red Cross of Central Alabama helped heal some of the grief, bringing the family food and helping them with clothes and a place to stay, just as they were helping survivors of Katrina and Rita. Thanks to the millions of dollars donated by the American people, the chapter helped more than 7,100 families who fled these hurricanes. They also responded to nearly 360 house fires, providing comfort and $236,000 in aid last year.

“What we saw on a large scale with hurricanes happens every day at the local level. People lose everything to house fires,” says Melissa George, the chapter’s public relations director.

“We couldn’t have replaced what we had without Red Cross help, along with help from our employers,” Linda says.
Additionally, the Red Cross has more than tripled our warehouse storage space, secured communications systems that can connect people when regular telecommunications are all but wiped out and created, in partnership with the Federal Emergency Management Agency (FEMA) and in consultation with the U.S. Department of Homeland Security, a single nationwide shelter system. This National Shelter System is more than an inventory of shelter buildings. It enables daily and cumulative shelter populations to be reported by geographic location or by disaster event. Standardized data for projecting evacuation models and planning future shelter activity will now be available for the first time.

The 2005 hurricane season resulted in closer relationships with our response partners, including the Salvation Army, America’s Second Harvest, Adventist Community Services and the International Association of Assembly Managers, whose expertise in managing large facilities enabled us to enhance our already complex sheltering system and to use more “mega” shelters. The Red Cross continues to solidify our already close bond with the Southern Baptist Convention’s North American Mission Board, whose members prepared half of the meals we served during the last hurricane season. This closer relationship provides an opportunity to develop shared resources, systems and criteria for deployment, training and operational procedures.

We have developed new paths for volunteer recruitment. Ready When the Time Comes, a Red Cross program whose national founding sponsor is W. W. Grainger, Inc., recruits and trains a corps of ever-ready volunteers from the business community. We continue to develop and expand our relationships with diverse constituencies through organizations such as the NAACP, the African Methodist Episcopal Churches, the Progressive National Baptist Convention, the American Association of the Deaf-Blind, Consortium for Citizens with Disabilities and the National Council of La Raza.

As our nation becomes more diverse, we add to our bank of relief workers who speak many different languages, so that language will never prevent someone from seeking or getting help.

We also have a remarkable team of health services partners. Among them: The Medical Reserve Corps deployed more than 300 volunteers during the last hurricane season. The Harvard Humanitarian Initiative and the Johns Hopkins Bloomberg School conducted rapid health assessments in Red Cross shelters. The Robert Wood Johnson Foundation’s Dr. Tener Goodwin Veenema donated a nursing curriculum, Ready RN, to prepare nurses for public health emergencies. And the list goes on.

After chaos comes rebuilding. The magnitude of last year’s devastation changed the face of disaster recovery and the structure of many emergency response organizations. We are more disaster savvy and better prepared for another such crisis. Every year, the Red Cross reassesses its disaster response readiness to ensure that it can provide the right resources at the right place at the right time. Readiness is a mixture of acquiring and managing resources, especially people and community partners. When we maintain adequate capacity and strategically locate our resources, we are able to respond with speed and precision.
Preparing for the Worst, Expecting the Best

The Red Cross provides expert instruction and continues to develop tools and services to help Americans prepare for any emergency. Be Red Cross Ready is a natural evolution in the organization’s offerings, built on its century-old commitment to empowering Americans to take individual responsibility for their own safety. The program follows the successful Together We Prepare program, streamlining its messages and partnering with other emergency organizations to offer uniform, expert guidance. Collaborating with the U.S. Department of Homeland Security, the Red Cross urges everyone to take three basic steps, today, to prepare for any emergency. The two organizations worked together to make these steps simple, clear and consistent:

- **Get a Kit.** To stay safe and healthy in an emergency, people need to gather and store supplies in advance. Everyday items such as a minimum three-day supply of food, water, clothing and medicine should be on hand in case a crisis prevents trips to the store or pharmacy.

- **Make a Plan.** This step prompts people to think through their options and actions in advance of a disaster. The Red Cross asks every American to plan what to do in an emergency, to write a clear and itemized action list and to share plans with family and others they care about.

- **Be Informed.** Information is key to changing behavior. Be Informed asks people to learn about their community disaster plans and to practice the basic skills to help themselves and others during a disaster or medical emergency. Red Cross chapters offer a wealth of material and instruction to help save lives.

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**2006 Be Red Cross Ready**

The Red Cross, a national leader in mobilizing communities to prepare for emergencies, launches newly revised first aid and CPR courses based on cutting-edge scientific information.

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**1914 Water First Aid**

The American Red Cross starts a program devoted to “water first aid.” Here, water safety expert Commodore Wilbert E. Longfellow (right) stands with Duke Kahanamoku (left), an Olympic swimming champion who was known as the father of modern surfing.
This year, we have revised all Red Cross health and safety courses that contain lessons in first aid and cardiopulmonary resuscitation (CPR). These updates reflect the newest standards and discoveries that affect the way CPR, automated external defibrillation and emergency cardiovascular care are administered. The collaborative review process incorporates research from hundreds of studies and dozens of international experts and organizations, resulting in the most cutting-edge, lifesaving strategies. More than 11.5 million people enrolled in health and safety courses this year, and 6.7 million people attended community disaster education presentations—a record.

Adapting to the way Americans live today, the Red Cross created Web-based training that will reach more people and take less time. Red Cross Blended Learning, available for the first time this year, is a flexible, self-paced, convenient mode of interactive education focused on acquiring or perfecting first aid and CPR skills. The lessons, which are always available online, minimize scheduling conflicts, increase flexibility and choice and reduce the time necessary to meet recertification requirements. After participants complete a written exam, a Red Cross instructor oversees a live classroom practice and assessment to ensure each participant’s skill mastery.

To make preparedness products easily accessible, the Red Cross identified where consumers want to buy them—at local retailers. This year, our safety products, as well as products that allow the public to express their affinity and loyalty to our organization, are on the shelves at several national merchandisers. Red Cross-licensed products are high quality and are priced and distributed to make them affordable and accessible. Our safety and preparedness products all conform to Red Cross standards.

Staying informed before and after an emergency is easy with this Red Cross FR400 hand-cranked radio with NOAA weather alert. This is one of several licensed products designed to help Americans stay prepared.
Safety information is also available at convenient shopping locations. The Home Depot, the world’s largest home improvement retailer, has teamed with the Red Cross to provide safety information to help American families prepare for catastrophic events, from house fires to far-reaching disasters. Part of The Home Depot’s in-store clinic series, these free clinics were developed with Red Cross expertise and designed to educate consumers in a face-to-face, interactive environment. The Home Depot staff provide participants with tips and advice, as well as showcase equipment and materials needed to secure homes.

In still another example of how our corporate partners are helping us extend our reach to help Americans prepare, the Red Cross and Target have partnered to design a family-friendly kit for four people, containing essential emergency preparedness items. Families can customize the starter kit by adding food, water, medications and other personal essentials. Target is donating $10 from the purchase of every kit to the Red Cross.

Most American Red Cross preparedness products are available through chapters and at our online store, which continues to expand. This site allows the general public direct access to the Red Cross for preparedness products and information, and thus increases the likelihood that most Americans will be ready for many types of emergencies. Customer demand for a growing range of products—from emergency preparedness kits to first aid pocket references—is increasing each year.

Monty Brooks and daughter Carrington at her first CPR training. Monty saved Carrington’s life.

Monty Brooks, Health and Safety director at the Hoosier Heartland Chapter in Muncie, Indiana, will never forget the first time he used his Red Cross first aid and CPR training—because it saved his daughter’s life.

“My daughter Carrington and I were on the porch enjoying the evening,” he says. Carrington went in to fix a snack and brought it out to the porch.

“We resumed our conversation,” Monty says, “but I soon noticed she had stopped talking. I looked at her and noticed she had put her hands around her neck.” When Monty asked Carrington if she was choking, she did not respond. Instead, she stood up, trying desperately to breathe. “My training kicked in automatically. I got up from my chair, stood behind her and thrust just above her navel, just as I’d been taught to do.”

Monty’s experience shows how critical learning lifesaving skills can be. Thanks to her father’s Red Cross training, Carrington is not among the 3,000 people who died last year from choking.

Dedicated to safety, Monty and his wife, a nuclear technologist, test each other’s skill set periodically. Yet they became even more committed that night. “I immediately phoned my entire family to make sure their training was current,” he says. Carrington took her first CPR class just months after her emergency.

“I always thought that I would use my training... someday,” Monty reflects. “But I never dreamed it would be for my own child.”
In its first major relief effort overseas, the American Red Cross provides food and medical supplies to Russians facing starvation due to famine.
As part of a coalition of 185 Red Cross and Red Crescent societies around the world, the American Red Cross provides assistance in response to appeals from other national societies. The American Red Cross also leads projects globally in areas where its expertise meets a specific need and objective.

This year marks the successful expansion of an American Red Cross-led initiative, one of the most far-reaching, cost-effective public health interventions in recent years. The Measles Initiative supported vaccination campaigns in Yemen, Afghanistan, 22 African and three Asian countries this year. Because of its success, this health program grew to include other health interventions in many countries, such as deworming medicine, vitamin A supplements, oral polio vaccines and insecticide-treated bednets for malaria prevention. More children under five years of age die of malaria worldwide than from any other cause.

BD, a leading global medical technology company, has been a strategic partner since the Measles Initiative began in 2001. In November 2005, the company announced it would expand its support of Red Cross efforts with an additional $1.7 million that includes cash contributions, product donations, safe injection training, waste management assistance, public relations and advertising and a youth intern program. The cash portion, totaling $300,000, will help pay for costs associated with vaccination campaigns.

Preliminary reports show that more than 105 million children were vaccinated for measles in this year alone. Due to this success, we have expanded the initiative, with our
partners the United Nations Foundation, Centers for Disease Control and Prevention, World Health Organization and UNICEF, to include Asia and have adopted a new goal to reduce measles deaths by 90 percent worldwide by 2010.

The American Red Cross continues to assist survivors of the coastal earthquake and tsunami that rocked South Asia and eastern Africa in December 2004. Our programs are designed to improve community health and prevent disease outbreaks, support communities as residents rebuild their lives and improve disaster preparedness. Our psychosocial support programs have reached more than 181,000 people in Indonesia, Sri Lanka and the Maldives. Our Internally Displaced Assistance Project provides shelter and sanitary water, repairs roads and addresses health and personal safety issues for people living in temporary settlements in more than 35 Indonesian villages. We are helping sustain local economies through our cash-for-work programs while we help the Indonesian and Sri Lankan people clean their environment and rebuild their communities.

Cash-for-work programs helped 19 villages in Indonesia in 2005, employing more than 4,000 people, who rehabilitated more than 1,300 acres of land and 14 miles of roads. A similar project in Sri Lanka employed 1,650 people.

Fifty years of effort, led by the American Red Cross, culminated with the admission of two new national societies to the International Red Cross and Red Crescent Movement (the Movement): the Magen David Adom (MDA) and the Palestine Red Crescent Society. A historic agreement that called for Movement recognition of both societies in 2005 paved the way for a new neutral emblem, the red crystal, to be made available for optional use by all societies. The red crystal is devoid of religious and cultural significance and allows the MDA the option of using an emblem incorporated in the Geneva Conventions in addition to its current, unincorporated emblem, the Red Shield of David. The Israeli and Palestinian national societies officially became the 184th and 185th members of the 143-year-old Movement in June 2006.
The American Red Cross reaches out to military families in communities nationwide, offering immediate, real-time assistance, anytime, anywhere.
The American Red Cross provided support this year to an expanding number of U.S. service members, veterans and their families, who comprise a significant portion of many of our communities. While providing services to 1.4 million active duty personnel and their families, we reached out to more than 915,000 members of the National Guard and Reserves, “community-based” military, veterans and their families, educating them about how to access our services. We also provided services to veterans in 145 Department of Veterans Affairs medical facilities.

Military service frequently separates families for extended periods and often places loved ones in harm’s way. When an emergency occurs, Red Cross emergency communications keep families connected. We provided almost 650,000 emergency messages, referrals and related services this year alone, and we provided about $5.3 million in emergency financial assistance on behalf of military aid societies.

More than 40 American Red Cross staff members worked in Afghanistan, Kuwait and Iraq this year. They delivered more than 107,000 emergency messages to members of the military and distributed thousands of donated calling cards so service men and women could stay in touch with the people they love.

Project Video Connect allows family members stateside to send an instantaneous real-time message of news and encouragement to loved ones stationed overseas.

“Project Video Connect gave my staff the ability to send me a live message through e-mail,” says Brig. Gen. Thomas M. Gisler, Jr., commander of the U.S. Air Force Reserve’s 349th Air Mobility Wing, located at Travis Air Force Base in California “It worked extremely well. Every base I went to had an Internet café, and the spot stays full with service members. Project Video Connect was a hot commodity; the service men and women really appreciate seeing their family members back home.”
Blood

One Pint, Three Lives

The Red Cross blood supply is safer than ever. Ensuring this safety is a high-tech process requiring at least nine specific tests and vigilant quality control. We are proud that we have been one of the first blood providers who offered state-of-the-art testing, including nucleic acid testing, which reduces the time between infection with a virus and the time it can be detected. Our quality assurance labs and regulatory affairs department help ensure compliance with U.S. Food and Drug Administration regulations, and our centrally managed inventory system helps ensure that blood is there for whoever needs it, whenever they need it.

We are committed to incorporating the latest scientific and technological advances that help make the blood supply safer. This year, we increased our use of double red blood cell technology twofold, a procedure that yields two pints of blood from each individual donation. We continue to focus on getting the safest blood products possible from donor to recipient in record time. All this science and technology, however, would not save any lives if not for the selfless generosity of our blood donors who regularly give their time and blood.

2006 Blood Collection

All the science and technology in the world can’t give the gift of life without volunteer donors.
1941 Dr. Charles Drew

The United States enters World War II, and the military asks the American Red Cross, under the direction of Dr. Charles Drew (far left), a leading authority on transfusion, to create and operate a national blood program to support the troops.
This year, an increasing number of younger and diverse Americans gave blood for the first time. More than 1 million people made their first blood donation, resulting in more than 3.7 million donations. Our marketing efforts to attract different age groups and ethnic backgrounds are working: The number of donors 25 years and under grew by three percent, donors over 55 increased by 4 percent and donors of color now comprise 10 percent of our red cell donor base.

To further reach African American communities, we sponsored a blood challenge targeted to African American churches called Let’s Make It Count. Participating churches were eligible to receive up to $1,000 in scholarship money by hosting a blood drive or series of blood drives that met a designated donation goal. We also sponsored our sixth annual college tour in partnership with Essence magazine, in which we recruited African American blood donors and blood drive volunteers.

Educational campaigns continue to stress the basics of giving and receiving blood to dispel some of the common myths and fears about blood donation. Half of the U.S. population is eligible to donate blood, yet only five percent do. One pint of blood can help save up to three lives.

As the need for blood increases, so does the need for more blood donors. Teenagers and young adults are stepping up to help. Teens like Lauren Carney, a senior at Haddon Township High School in New Jersey. Lauren is a member of the school’s blood donor recruitment program and will act as its chair in the 2006 school year.

High school senior Lauren Carney (fourth from left) organizes and recruits her classmates for blood drives at Haddon Township High School in New Jersey.

“Most people who are afraid to give blood, don’t know enough about it,” Lauren says. “They think it will hurt, or they don’t know where the blood will go. I tell them there’s nothing to worry about. It’s painless, doesn’t take much time.”

Lauren and her fellow students pass out pamphlets, sign up donors and provide donation opportunities at school events. Students also encourage their parents to donate. For example, Haddon Township students and parents are lining up to give blood at homecoming football games.

In fiscal year 2005, the school collected 138 units of blood. This year, 182 units were collected. That’s a potential 546 lives saved. The school also sponsors monthly apheresis, or platelet, drives.

School-sponsored programs help to collect blood in ways similar to other organizations, but students who have done service projects and developed a sustained sense of being part of their community have an unmatched enthusiasm for blood donation.

“With so many major global and domestic problems that rage on, it’s nice to watch how much you can do with a little, and have fun doing it,” says Lauren.
9/11, Five Years On
The Changing Face of Normal

Typical Red Cross services focus on getting survivors’ lives back to “normal.” The terrorist attacks on September 11 changed what “normal” looked like. Many people feared more attacks, and the anthrax scare that followed shortly after further heightened anxiety. The times seemed uncharted, unsure.

The Red Cross stepped up to face this challenge, molding its services to fit the needs the September 11 attacks created. We provided direct service to survivors immediately following the attacks and during the disaster relief operation that followed, providing millions of meals and snacks in 60 shelters. We also assisted hundreds of thousands who needed help with physical and mental health issues. Since August 2002, we have provided longer-term services through the September 11 Recovery Program.

We helped nearly 60,000 families recover from the attacks. More than 53,000 families received financial assistance from the Red Cross. Nearly 7,000 families received case management services. We helped families grieve, form common bonds and talk about their shared experiences through 200 family support groups.

As people gradually put their lives back together, and America adjusted to a new world dynamic, demand for September 11 Recovery Program services eased. After awarding more than $90 million to other organizations to provide services to those most seriously affected by the tragedy, we ended our direct services this year.

Today, we are funding community-based services that help people cope with the impact the attacks had on their daily lives, and treat thousands of rescue, recovery and clean-up workers who now suffer health problems related to the collapse of the World Trade Center towers. More than 10,000 survivors enrolled in the 9/11 Mental Health and Substance Abuse Program, which provides financial assistance anywhere in the nation. Nearly 1,000 of the bereaved and injured are having their health insurance costs covered for three years. We are reimbursing our non-profit partners as they continue to help survivors cope. We also agreed to assist the Centers for Disease Control and Prevention to develop grants to help rescue and recovery workers, ensuring a seamless transition and continuation of services.

A recent survey of 1,500 families who received Red Cross assistance showed that 72 percent rated our services as excellent or good, and almost 80 percent felt better because of the assistance they received.
Terrorists hijack and crash four U.S. airplanes on a cloudless, late summer day, leaving the nation in mourning and thousands dead. The Red Cross provides immediate financial and emotional support.
Over time, people gain a sense of wisdom that can only come after weathering a storm. So it is with organizations.

It could be said that the American Red Cross has weathered 125 years of storms. Each decade has brought changes to these storms. It may be in magnitude, it may be in scope or it may be in type. We know that disasters are evolving, and we must evolve with them. The Red Cross has unified people, ideas and resources to create a new paradigm for responding to emergencies of all kinds. We’re reassessing and rebuilding, learning from the past while looking forward to gain new insights.

We’re helping more Americans prevent house fires and prepare for natural disasters like tornadoes and hurricanes. We’re making emergency preparedness information more accessible, including a live CPR demonstration on Spanish-language television and a newly revised first aid and CPR/AED training program, which employs an engaging practice-while-you-watch methodology. We’re involved in local, national and international planning for any future pandemics, including avian flu.

More than 300 Red Cross chapters are involved in grassroots fundraising and advocacy for our Measles Initiative, which has now expanded to save lives in Asia. People are turning their personal crises and challenges into hope for others, giving blood or recruiting donors to save lives through blood transfusions. As the Red Cross touches more lives, it gains more volunteers and donors who want to help make the country—and the organization—better.

Whether with strawberry plants to help reestablish a damaged economy or a state-of-the-art communications system that notifies family members of each other’s safety, the Red Cross is there, whenever and wherever there is a need. The way it helps has changed; the numbers it helps have grown. Yet how it helps has remained constant: an outstretched hand, a smile, a can-do attitude and a passion for showing America how it can stay safer and prepare better.

Life goes on, and people will rebuild and recover, one day at a time. As they do, the American Red Cross is there, offering flexible, practical, creative services. Whatever the future may bring.

For 125 years, the Red Cross has adapted its operational infrastructure, personnel and objectives to meet the nation’s challenges—to do what’s needed, where and when it’s needed.

The American Red Cross of Greater New York handed out “Ready New York” materials to people of all ages at Chinatown Good Health Day 2005.

Red Cross volunteer Eric Fugate provides first aid services at a chili cook-off fundraiser sponsored by Texas Tech University.
## Sources of Financial Support

American Red Cross operating funds come from three main funding sources: contributions, revenues from products and services, investment income and other sources. Total Red Cross operating revenues and gains for fiscal year 2006 were $6,008.6 million. Net assets were $3,186 million.

### Operating Revenues and Gains (in millions)

- **Contributions** ($3,212.8) 54%
  - (includes corporate, foundation and individual giving, United Way and other federated, legacies and bequests, grants and in-kind contributions)
- **Investment Income & Other** ($488.9) 8%
  - (includes investment income, exchange contracts and other revenues)
- **Products & Services** ($2,306.9) 38%
  - (cost recovery, including course fees and materials, whole blood and components and tissue services)

**TOTAL $6,008.6**

### Contributions (in millions)

- **Donated Materials and Services** ($238.3) 7%
- **Contributions for Domestic & International Relief, General Operations, and Endowment** ($2,812.2) 88%
- **United Way and Combined Federated Campaign** ($162.3) 5%

**TOTAL $3,212.8**

### Operating Expenses (in millions)

- **Armed Forces Emergency Services** ($54.1) 1%
- **Biomedical** ($2,103.6) 37%
- **Community Services** ($133.5) 2%
- **Domestic Disaster Services** ($2,630.7) 47%
- **Health and Safety Services** ($224.6) 4%
- **International Relief and Development** ($154.3) 3%
- **Fundraising** ($140.1) 3%
- **Management and General** ($187.2) 3%

**TOTAL $5,628.1**

1Does not include in-kind supplies.
Katrina/Rita/Wilma Relief

As a result of Hurricanes Katrina, Rita and Wilma, which hit the Gulf Coast in August, September and October 2005, the American Red Cross received donations of approximately $2.3 billion during fiscal year 2006. The Red Cross provided approximately $2.1 billion in immediate assistance for the relief and recovery efforts for these hurricanes. The chart below shows how monies were spent during fiscal year 2006. The remaining balance of funds received will be devoted primarily to long-term recovery needs of the local communities in the wake of these storms.

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Fiscal 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate Disaster Relief Operations</td>
<td></td>
</tr>
<tr>
<td>Direct Emergency Financial Assistance</td>
<td>$1,513.5</td>
</tr>
<tr>
<td>Other Relief Operations Costs</td>
<td>451.3</td>
</tr>
<tr>
<td>Direct Support/Capacity Costs</td>
<td>56.6</td>
</tr>
<tr>
<td>Subtotal Immediate Relief Operations</td>
<td>$2,021.4</td>
</tr>
<tr>
<td>Long-Term Recovery</td>
<td></td>
</tr>
<tr>
<td>(Hurricane Recovery Program)</td>
<td>1.7</td>
</tr>
<tr>
<td>Management and General/Fundraising</td>
<td>74.6</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$2,097.7</strong></td>
</tr>
</tbody>
</table>

* Funds expensed to provide transient accommodations, that were subsequently reimbursed by FEMA are not included in the above.

Tsunami Recovery

On December 26, 2004, an earthquake in the Indian Ocean triggered a tsunami that devastated more than a dozen countries. Americans responded immediately, donating hundreds of millions of dollars to help the survivors. By the end of June 2006, the American Red Cross, which had received $575 million in donations, had spent $189.3 million in emergency response work as well as recovery and rebuilding efforts that are part of a five-year plan. The Red Cross has a five-year plan to help the tsunami-affected areas recover and rebuild.

<table>
<thead>
<tr>
<th></th>
<th>Through Fiscal 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response</td>
<td>$105.8</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>6.6</td>
</tr>
<tr>
<td>Psychosocial Support</td>
<td>3.0</td>
</tr>
<tr>
<td>Health</td>
<td>59.9</td>
</tr>
<tr>
<td>Shelter</td>
<td>5.6</td>
</tr>
<tr>
<td>Livelihoods</td>
<td>2.2</td>
</tr>
<tr>
<td>Disaster Preparedness</td>
<td>0.5</td>
</tr>
<tr>
<td>Subtotal</td>
<td>183.6</td>
</tr>
<tr>
<td>Direct Support</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$189.3</strong></td>
</tr>
</tbody>
</table>

1949: Jes Schlaikjer’s poster, You Too Can Help, requests that Americans respond to the 303 different national disaster operations that year. Posters continue to be a major fundraising and information-sharing tool.

2005: Toll-free numbers and Web sites make donating easier, but the impact a single donation can make remains intact, as was demonstrated in the wake of the 2005 hurricanes that hit the Gulf Coast.

Disaster Victims Need Your Help

Hurricane Katrina has devastated the lives of thousands of families. You can help the victims of this disaster and thousands of other disasters across the country each year by making a financial gift to the American Red Cross Disaster Relief Fund, which enables the Red Cross to provide shelter, food, counseling and other assistance to those in need.

Visit redcross.org, call 1-800-HELP NOW or contact your local Red Cross chapter to make your financial contribution to the American Red Cross Disaster Relief Fund.
**Statement of Functional Expenses**

Year ended June 30, 2006  
(with summarized information for the year ended June 30, 2005)  
(*In millions*)

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Armed Forces Emergency Services</th>
<th>Biomedical Services</th>
<th>Community Services</th>
<th>Domestic Disaster Services</th>
<th>Health and Safety Services</th>
<th>Int'l Relief &amp; Development Services</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 29.6</td>
<td>$ 856.1</td>
<td>$ 54.1</td>
<td>$ 96.7</td>
<td>$ 101.2</td>
<td>$ 15.2</td>
<td>$ 1,152.9</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8.9</td>
<td>259.7</td>
<td>16.0</td>
<td>28.8</td>
<td>28.8</td>
<td>4.8</td>
<td>347.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>38.5</td>
<td>1,115.8</td>
<td>70.1</td>
<td>125.5</td>
<td>130.0</td>
<td>20.0</td>
<td>1,499.9</td>
</tr>
<tr>
<td>Travel and maintenance</td>
<td>1.1</td>
<td>31.1</td>
<td>3.0</td>
<td>108.7</td>
<td>3.8</td>
<td>3.0</td>
<td>150.7</td>
</tr>
<tr>
<td>Equipment maintenance and rental</td>
<td>1.0</td>
<td>72.7</td>
<td>5.7</td>
<td>57.0</td>
<td>4.8</td>
<td>1.2</td>
<td>142.4</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>1.5</td>
<td>449.3</td>
<td>17.8</td>
<td>49.3</td>
<td>41.0</td>
<td>1.3</td>
<td>560.2</td>
</tr>
<tr>
<td>Contractual services</td>
<td>7.5</td>
<td>386.3</td>
<td>19.0</td>
<td>176.5</td>
<td>33.7</td>
<td>8.2</td>
<td>631.2</td>
</tr>
<tr>
<td>Financial and material assistance</td>
<td>2.9</td>
<td>0.7</td>
<td>12.3</td>
<td>2,102.0</td>
<td>3.1</td>
<td>120.0</td>
<td>2,241.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1.6</td>
<td>47.7</td>
<td>5.5</td>
<td>11.8</td>
<td>8.2</td>
<td>0.6</td>
<td>75.4</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>54.1</strong></td>
<td><strong>2,103.6</strong></td>
<td><strong>133.4</strong></td>
<td><strong>2,630.8</strong></td>
<td><strong>224.6</strong></td>
<td><strong>154.3</strong></td>
<td><strong>5,300.8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Fund Raising</th>
<th>Management and General</th>
<th>Total Supporting Services</th>
<th>Total Expenses 2006</th>
<th>Total Expenses 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 475</td>
<td>$ 84.0</td>
<td>$ 131.5</td>
<td>$ 1,284.4</td>
<td>$ 1,286.0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>13.8</td>
<td>26.0</td>
<td>39.8</td>
<td>386.8</td>
<td>374.1</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>61.3</td>
<td>110.0</td>
<td>171.3</td>
<td>1,671.2</td>
<td>1,660.1</td>
</tr>
<tr>
<td>Travel and maintenance</td>
<td>2.6</td>
<td>5.1</td>
<td>7.7</td>
<td>158.4</td>
<td>74.2</td>
</tr>
<tr>
<td>Equipment maintenance and rental</td>
<td>1.5</td>
<td>5.0</td>
<td>6.5</td>
<td>148.9</td>
<td>95.4</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>21.5</td>
<td>4.0</td>
<td>25.5</td>
<td>585.7</td>
<td>517.2</td>
</tr>
<tr>
<td>Contractual services</td>
<td>49.3</td>
<td>46.5</td>
<td>95.8</td>
<td>727.0</td>
<td>659.8</td>
</tr>
<tr>
<td>Financial and material assistance</td>
<td>1.3</td>
<td>1.4</td>
<td>2.7</td>
<td>2,243.7</td>
<td>323.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2.6</td>
<td>15.2</td>
<td>17.8</td>
<td>93.2</td>
<td>98.2</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>140.1</strong></td>
<td><strong>187.2</strong></td>
<td><strong>327.3</strong></td>
<td><strong>5,628.1</strong></td>
<td><strong>3,427.9</strong></td>
</tr>
</tbody>
</table>

**NOTE:** The complete audited consolidated financial statements of the American Red Cross for fiscal 2006 may be obtained online at [www.redcross.org/pubs/#report](http://www.redcross.org/pubs/#report) or by contacting the American Red Cross Inquiry Center, 2025 E Street, N.W., Washington, DC 20006, (202) 303-4498.
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(as of October 31, 2006)

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The Robert Wood Johnson Foundation
Princeton, New Jersey

---

1The President of the United States serves as Honorary Chairman of the American Red Cross and appoints eight members of the Board of Governors, one of whom he designates as the Chairman of the American Red Cross.

2Frank Stanton, chairman of the American Red Cross 1973-1979, died December 24, 2006.
The American Red Cross trains more than 170,000 lifeguards each year.
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FedEx Corporation
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Melanie R. Sabelhaus
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(as of January 1, 2007)
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John F. McGuire
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Mary S. Elcano
General Counsel and Corporate Secretary

Robert P. McDonald
Chief Financial Officer

Administrative Officers
Kathryn A. Forbes
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R. Alan McCurry
Executive Vice President
Chapter and International Operations

John F. McGuire
Executive Vice President
Biomedical Services

Blood donors like this California man help ensure that blood is available when it is needed.
We thank our Annual Disaster Giving Program members for generous contributions that help the American Red Cross respond immediately to individuals and families affected by disaster anywhere in the country, regardless of cost. Each of these organizations has made a multi-year financial commitment to the Red Cross Disaster Relief Fund, which enables the Red Cross to provide shelter, food, counseling and other assistance to those in need.

2006 Annual Disaster Giving Program (ADGP) Members

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AXA Foundation
Bristol-Myers Squibb Foundation
Citigroup Foundation
ConAgra Foods Foundation
FedEx Corporation
Halliburton
JC Penney Company Fund
Lowe’s Companies, Inc.
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Merck & Co., Inc.
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Nestle Waters North America
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Target Corporation

Learn More About the American Red Cross

If you are interested in learning more about our work, contact your local Red Cross chapter or Blood Services region or:
American Red Cross Inquiry Center,
2025 E Street, N.W., Washington, DC 20006,
(202) 303-4498, info@usa.redcross.org.

Information about the Red Cross, including the location of local units, is also available on www.redcross.org.

This report was produced by the Communication and Marketing Department of the American Red Cross:

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