Soft is stronger than hard, 
water than rock, 
love than violence.

Herman Hesse, Reflections
Dear Friend,

The American Friends Service Committee experienced another landmark year in 2003. The philosophy we’ve lived by became the engine for a nationwide movement: Peace is precious—war is never acceptable. Across the United States and around the world, concerned people joined us in expressing concern and outrage at our government’s headlong rush to violence.

But despite our strong voice of reason—our pleas for respect, compassion, and understanding—the United States went to war in Iraq. And the truth we foresaw has come to pass: Democracy cannot be formed at the end of a gun. Terrorism can never be defeated through intimidation and arrogance.

Since 1917, AFSC has been building partnerships, establishing friendships, earning trust and respect. That history, based on fairness and justice, put us at the forefront of the national peace campaign. We’ve been eager to reach out to new participants in our activities and provide inspiration and encouragement for others to take action.

Certainly the war in Iraq received the majority of the media headlines, and we focused as much of our time and resources on it as we were able—but we continued to work in more than 20 other countries and in communities across the U.S. There are still families in West Virginia who are about to lose public assistance. There are war victims in Colombia, Afghanistan and Bosnia trying to move forward with their lives. There are military recruiters targeting lower-income high school kids…

…so the work of the American Friends Service Committee must look beyond Iraq. We have more work to do—and thanks to the support of our friends and allies, we are up to the task.

Our gratitude goes to our donor partners and our appreciation to the diverse communities who allow us to join them in witness to the best that humankind offers. I hope you will find the following Annual Report informative, stimulating, and satisfying.

With hopes for peace,

Mary Ellen McNish
General Secretary
Borders and nationalities are useful distinctions for athletic competitions—but for AFSC’s purposes, all men and women are our neighbors. We cannot look away from the suffering or trauma of any neighbor, regardless of how distant they may be.

Especially because communications have advanced so dramatically, we now can witness the shattering of peace around the globe—and we are compelled to see what love can do to ease the devastation wreaked by mankind or nature.

In Afghanistan, AFSC worked in partnership with local groups to provide opportunity and education to those with little hope for a better future. New schools welcomed boys and girls from rural, isolated communities, and training programs helped mothers provide for their families by teaching precious skills—from reading to tailoring.

In Haiti, the aftermath of flooding and political upheaval further devastated families already living in poverty. But the AFSC-Haiti Integrated Health and Development Program provided relief in the Grande Anse region where AFSC serves more than 40,000 people in the remote southwest corner of the country.

In Iraq, AFSC helps to rebuild the country’s material and social infrastructures. Work with emerging civil society groups in 2003 was balanced with relief projects including providing water purification plants to villages, supporting a home for disabled and abused women, and strengthening educational programs for the deaf.
In order to educate U.S. policymakers and the American public about the issue of nuclear weapons on the Korean peninsula and the commitment of South Koreans to finding a peaceful solution, AFSC organized a speaking tour to nine U.S. cities in 2003. A delegation of six prominent South Koreans—leaders of civil society organizations, prominent academics, and two members of the National Assembly—met with congressional representatives, newspaper editors, staff of think tanks, and the public.

AFSC’s Recovery to Development Program in Mozambique’s Manica Province continued its work in three isolated rural communities. The program fosters community development and improves living conditions for the most vulnerable populations, particularly women, during periods of hardships. Activities included constructing community granaries, improving village sanitation facilities, and providing ox-drawn Scotch carts, which provide affordable transportation for people and materials for trade in the markets. The carts also double as ambulances in medical emergencies.

In Israel and Palestine, we’re supporting peacemakers throughout the region. The Palestine Youth Program brings together small groups of teens who initiate projects to improve the living conditions in their communities. AFSC also supported Israeli conscientious objectors and provided nonviolent direct action training to Palestinians.
AFGHANISTAN

Twenty village women received two hours of sewing instruction and two hours of literacy instruction, six days a week from May through October. During that time, they were paid a wage to help support their families, and after passing a sewing and literacy test, each received a sewing machine, cloth, and other tools needed to make a living as a seamstress.

“IT’S DIFFICULT TO BE HANDICAPPED IN IRAQ,” explains El Han. “THE [FORMER] GOVERNMENT PROVIDED FEW SERVICES AND SOME FAMILIES WERE UNABLE OR UNWILLING TO CARE FOR THEIR DISABLED FAMILY MEMBERS.” In 1994, El Han founded Bethany House to care for disabled women in Baghdad. Bethany House, supported by AFSC since the U.S. invasion, is truly a place of hope. It’s a community of friends—or as the volunteers and women refer to each other, “family.” Anwa, a woman who was abandoned by her husband after succumbing to a crippling disease, said, “IT IS MORE THAN GOOD HERE, IT IS HOME.”

IRAQ

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HAITI

Madame Evenie Michel has three children (ages 2, 5, and 8), and has participated in the AFSC-Haiti nutrition recuperation project. Her children have never attended school. After Hurricane Lily swept through, Evenie received support from AFSC through its community store, and an AFSC agricultural technician worked with her to ensure that the corn and beans she received were properly planted. Today, she’s doing much better—and her two older children are in school.
AFSC provided a face of peace across the United States. Cleveland held a mock funeral procession. Rhode Island had “Perform for Peace” concerts. Chicago created a Memorial Wall. Baltimore hosted a conference entitled “Justice or Just Us: Conference on the Erosion of Civil Liberties.” San Francisco’s Interfaith Woman’s Dialog Group—a gathering of Muslim, Jewish, and Christian women—walked through several Bay Area cities and towns in a public keening, wailing for the dead in Iraq, and transforming the traditional women’s role of public mourning into a potent political statement.

As part of a day of global witness, on February 15, 2003, more than half a million people came together in New York—and the next day the same number gathered in San Francisco—for one of the largest anti-war rallies in U.S. history. AFSC staff in most of our 42 U.S. offices publicized the events, rented buses, and provided logistical support. And at the suggestion of Bishop Desmond Tutu, hundreds of thousands of people around the world gathered at sundown on March 16 for a candlelight vigil in a final plea for peace.

“I support peace for Iraq. I grant permission to use my name and city publicly as an opponent of the ongoing economic and bombing war on Iraq, and of any escalation of that war.”

More than 91,000 people signed this peace pledge, an online and offline organizing tool used by AFSC to demonstrate opposition to the war. Signatories came from every state in the nation and more than 140 countries.

AFSC worked to inspire the youth of this nation at a variety of events designed specifically to reach out to younger audiences. In six cities, “Beats for Peace” brought together local and nationally acclaimed hip-hop and visual artists who spoke out against war and militarism. We created a voter education guide for young people, and arranged a pen pal exchange between seventh graders in Oakland, California, with students in Baghdad.
Domestic Peacebuilding

To raise awareness and shape the nation’s political direction, AFSC staff and volunteers received training on “bird-dogging”—asking political candidates pointed and polite questions in New Hampshire and Iowa in the run to the primaries. Conversations between bird-doggers and Howard Dean, Richard Gephardt, and John Edwards indicated that their positions on these issues had indeed been influenced by the activists’ persistent questions.

In a dramatic victory for civil liberties, the Denver office of AFSC played a leadership role in the “spy files” case that ended the Denver Police Department’s practice of keeping intelligence files on peaceful protestors.

AFSC has been focusing on counter-recruitment strategies. A little-understood provision of the “No Child Left Behind” Act gives the military access to the records of public high schools. Then they can focus their recruitment efforts on those they feel are most likely to accept a career in the military. In response, AFSC programs in six cities led an effort to ensure that schools and parents understand they can opt out—they can deny the military the right to contact their children.
Migrant workers often have little understanding of their rights and civil liberties, and are frequently at risk of losing their rich cultural heritage. To assist them, AFSC’s Pan Valley Institute in central California brought together Hmong, Lao, Mexican, Salvadoran, and Mixteca immigrant women and helped them write and produce a book about their experiences. We brought together two generations of Latino organizers to share their stories, explore past successes, and retrieve old strategies that could be effective today on new immigrant issues. And we continued our broadcast of Radio Grito, geared to migrant workers and their pressing concerns.

In 2003, the West Virginia Economic Justice Project and allies helped low income families by preventing proposed welfare changes, which would have denied benefits to thousands of children of adults with disabilities, from being implemented. State welfare policy also was changed so domestic violence victims would no longer be subject to welfare time limits. And we published A Guide for Working Families, containing information about labor laws, rights on the job, access to education, credit, housing, health care, and other useful information.
AFSC is grateful to the many compassionate individuals and groups who make our worldwide programs for peace and justice possible.

**WEST VIRGINIA**

AFSC staff supported 3,300 striking grocery workers in a successful two-month strike that resulted in improved health insurance and wage gains for workers.

**NEW MEXICO**

AFSC celebrated an initial victory when construction of a proposed commuter highway through Petroglyph National Monument was suspended. This Native American sacred site is still used for religious practices. After a 15-year struggle to protect the Petroglyphs, the Native American community and supporters prevailed over commercial forces. However, a bond issue to fund the project will come before voters. Grassroots action, by AFSC ally The SAGE Council, will mobilize opposition to the highway.

**Special Programs**

AFSC’s Washington Office staff worked on a wide range of significant issues. Among their projects during 2003 was the creation of a “How to Pass a Resolution” kit in partnership with the Institute for Public Policy. It was distributed nationwide to help local groups understand how the political process works. The Third World Coalition continued coordinating its extensive network through an Annual Meeting, special seminars, conferences and events. A major focus was ways to organize people of color against the wars at home and abroad.

Figures have been rounded to the nearest percent and the nearest $100,000.
### Condensed Statement of Financial Position

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$ 4.3</td>
<td>$ 3.1</td>
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<tr>
<td>Prepaid Expenses</td>
<td>11.3</td>
<td>12.7</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>1.2</td>
<td>2.2</td>
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<tr>
<td>Property</td>
<td>3.2</td>
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<tr>
<td>Investments</td>
<td>175.9</td>
<td>153.5</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$ 195.9</td>
<td>$ 175.0</td>
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**LIABILITIES & NET ASSETS**

**Liabilities**

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<tr>
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<th>2002</th>
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<tbody>
<tr>
<td>Current &amp; Other Liabilities</td>
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<td>$ 3.1</td>
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<tr>
<td>Other Liabilities</td>
<td>9.4</td>
<td>9.2</td>
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<tr>
<td>Liabilities Accruing to Planned Gift Assets</td>
<td>27.4</td>
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<tr>
<td>Agency Funds</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>$ 69.1</td>
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**Net Assets**

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<thead>
<tr>
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<tbody>
<tr>
<td>Unrestricted: Current Operations</td>
<td>$ 6.5</td>
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<tr>
<td>Unrestricted: Designated</td>
<td>53.9</td>
<td>51.6</td>
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<tr>
<td><strong>Total Unrestricted</strong></td>
<td>$ 60.4</td>
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**Temporarily Restricted**

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<tr>
<td>$ 51.0</td>
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**Permanently Restricted**

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<tbody>
<tr>
<td>4.8</td>
<td>4.7</td>
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**Total Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
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</thead>
<tbody>
<tr>
<td>$ 116.2</td>
<td>$ 105.9</td>
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### Condensed Statement of Activity

**OPERATING REVENUES**

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<tr>
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<th>2003</th>
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</thead>
<tbody>
<tr>
<td>Contributions</td>
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<tr>
<td>Bequests</td>
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<tr>
<td>Investment Income</td>
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<tr>
<td>Gifts in Kind</td>
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<td>Other Income</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 39.6</td>
<td>$ 40.3</td>
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**OPERATING EXPENSES**

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<thead>
<tr>
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<th>2002</th>
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</thead>
<tbody>
<tr>
<td>International Programs</td>
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<tr>
<td>Domestic Programs</td>
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<td></td>
</tr>
<tr>
<td>Community Relations</td>
<td>10.6</td>
<td>10.7</td>
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<tr>
<td>Peace Education</td>
<td>8.1</td>
<td>7.2</td>
</tr>
<tr>
<td>Special Programs</td>
<td>2.7</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>$ 32.3</td>
<td>$ 33.6</td>
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<tr>
<td>Fundraising &amp; Management</td>
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</table>

**Total Expenses**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 40.1</td>
<td>$ 41.3</td>
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<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets from Operations</td>
<td>$ (0.5)</td>
<td>$ (1.0)</td>
</tr>
<tr>
<td>Other Changes in Net Assets</td>
<td>10.8</td>
<td>(11.7)</td>
</tr>
<tr>
<td><strong>Total Changes in Net Assets</strong></td>
<td>$ 10.3</td>
<td>$(12.7)</td>
</tr>
</tbody>
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**Net Assets—Beginning of the Year**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
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</thead>
<tbody>
<tr>
<td>$105.9</td>
<td>$118.6</td>
<td></td>
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</tbody>
</table>

**Net Assets—End of the Year**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
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</thead>
<tbody>
<tr>
<td>$116.2</td>
<td>$105.9</td>
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</tbody>
</table>
AFSC OFFICERS & BOARD MEMBERS
For the year ending September 30, 2003

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Susan Waltz

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Michael Yarrow

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Sally Harrison
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