In the early 1920s, James B. Duke had set his sights on the Catawba River, looking to use that natural resource to bring electricity to the region. Instead of the river flowing through the Carolinas “in waste to the sea,” his hydroelectric power company would develop dams and lakes to harness the water’s energy.

Much of the nation was in an economic upswing. The Roaring Twenties had swept in, along with a surge of prosperity and optimism. Cities swelled, fueled by the promise of the industrial boom. Mr. Duke wanted people to have those same opportunities in his beloved Carolinas.

Through his private foundation, which he established in 1924, he dreamed of channeling profits from his business endeavors to safeguard children, strengthen health care, bolster education and support spiritual life. In the years after he codified his philanthropic vision, his legacy helped build campuses, hospitals, children’s homes and churches.

Nine decades later, The Duke Endowment has distributed more than $3.5 billion in grants, or $7.9 billion in current dollars. The critical issues that Mr. Duke identified remain the focus of our Child Care, Health Care, Higher Education and Rural Church program areas. His vision for empowering communities across the Carolinas still shapes our grantmaking goals.

But as we adapt to today’s complex challenges, we increasingly focus on prevention and early intervention, supporting work that tackles root causes and promises greater long-term impact. We highlight four examples in our 2016 Annual Report. We invite you to read about outcomes from a program to strengthen families, a statewide cancer screening project, an effort to help high school students aim for college and a summer literacy academy. By moving upstream, investing strategically in effective programs and research, we strive to fulfill Mr. Duke’s mandate to improve lives in the Carolinas by helping organizations achieve sustained and significant change.

To illustrate our theme — “Working Upstream” — Asheville artist Julyan Davis has generously allowed us to share some of his beautiful work. Mr. Davis has painted several western North Carolina waterfalls and rivers, including the ones on these pages. His painting Merry Falls is on display at our Charlotte headquarters. His work bears a special connection to Mr. Duke’s legacy and the place he called home, and we are pleased to present it here.
The Duke Endowment approved 167 new grants, totaling $146.2 million, some of which will be paid in future years; $129.1 million was distributed through 305 grants, some of which were approved in previous years.

**Total Grantmaking**

**DISTRIBUTED**

$129,091,031

$146,207,524 in new grants approved

---

**Child Care**

**DISTRIBUTED**

$11,862,383

$14,509,009 in new grants approved

**Higher Education**

**DISTRIBUTED**

$56,098,742

$56,600,000 in new grants approved

**Health Care**

**DISTRIBUTED**

$33,443,420

$34,317,932 in new grants approved

**Rural Church**

**DISTRIBUTED**

$14,031,006

$20,438,873 in new grants approved

**Cross Program/ Special Opportunity**

**DISTRIBUTED**

$13,655,480

$20,341,710 in new grants approved

dukeendowment.org
Get more information about our grantmaking.
Child Care

Helping vulnerable children lead successful lives by supporting early intervention, collaborative approaches and evidence-based programs that help serve children and their families more effectively.
CHILD CARE

Helping Families Grow Stronger

When Nataki Brown first heard about the Strengthening Families Program, she wasn’t sure it was right for her. Today, after completing the program with her two daughters, she’s an ardent advocate.

“When you’re willing to invest the time in yourself and your family,” Brown says, “you will not be the same at the end.”

In South Carolina, The Duke Endowment is partnering with the S.C. Department of Social Services to provide the evidence-based Strengthening Families Program as part of a statewide strategy to prevent child abuse and neglect. Local nonprofits offer the sessions, with training, implementation and evaluation support from Children’s Trust of South Carolina.

The goal is to increase family resiliency by strengthening bonds between parents and children. Parents meet with group leaders to work on building relationships through effective communication, learning how to set limits, and resolving conflict. Children — the target is ages 6 to 11 — meet separately to develop social skills such as controlling their anger and using their “listening ears.” A weekly dinner provides opportunities for practice and coaching.

Now in its third year in South Carolina, the program is offered through 17 agencies serving families in 21 counties. The Duke Endowment has awarded nearly $5 million to fund the work, including nearly $3 million for expansion efforts beginning in 2016.

“We’d love to have a presence in all 46 counties,” says Sherri Caldwell, senior Strengthening Families Program coordinator at Children’s Trust. “Most of the sites have waiting lists. But before we open another location, we look at capacity. Is the community ready? Does it have what it takes to deliver an evidence-based program? We try to be very clear about expectations.”

Evaluation findings show significant improvement in each of the 15 tracked outcomes, including family communication, parental involvement and reduced child aggression. According to the ongoing study, the South Carolina effort “promises to serve as a model for best practices” in program implementation and delivery.

“The Strengthening Families Program is nationally recognized for its success in developing positive family strengths,” says Dr. Jean Spaulding, chair of the Endowment’s Child Care Committee. “Through this collaboration, more parents and children across South Carolina have a chance to benefit.”

$11,862,383 DISTRIBUTED IN 2016

$14,509,009

25 NEW GRANTS

Out-of-home care

Prevention and early intervention

$10,304,134

12 NEW GRANTS

$4,204,875
Health Care

Enhancing the lives of individuals and the vitality of communities by promoting prevention, improving the quality and safety of services and increasing access to care.
HEALTH CARE

Fighting Cancer through Screening

Early detection is an important weapon against colorectal cancer, and experts say the percentage of people following screening recommendations is growing.

Still, many adults in the United States between the ages of 50 and 75 aren’t getting colonoscopies — and among those who do sign up, about 40 percent fail to keep their appointments.

In South Carolina, an effort is underway to improve access to screening, especially in high-risk and underserved communities, and to support patients through the process. With a $450,000 grant from The Duke Endowment, the Center for Colon Cancer Research at the University of South Carolina is focused on decreasing rates of colorectal cancer across the state.

“When we began our outreach in 2007, colon cancer incidence rates for South Carolina were higher than the national average,” says Dr. Frank Berger, the center’s director. “Now the rates in the state are down by about 30 percent and are lower than the national average. That’s primarily due to more people getting screened.”

The South Carolina effort works through referrals from Federally Qualified Health Centers and free medical clinics, which provide care to high numbers of low-income and uninsured patients. In the first year, it screened 50 people. By 2016, the number had grown to more than 600. Funding from the Endowment has helped expand the program’s reach to 34 of the state’s 46 counties.

Berger’s team uses an electronic database to monitor the effort and measure its outcomes. At nearly 39 percent, the program’s detection rate for precancerous lesions remains above national averages, which indicates that it’s accurately targeting a population at high risk of developing colorectal cancer.

“Through the database, we know that we are detecting a higher rate of precancerous growths that are removed during the colonoscopy,” Berger says. “In most cases, the patients we are serving would not have had this screening, and would remain at high risk for colorectal cancer.”

Key to the success are navigators who work with patients to explain the colonoscopy procedure, make an appointment with a board-certified gastroenterologist, answer questions about prepping and provide follow-up on test results. The navigators break down barriers to screening and help participants grow comfortable with the procedure. Only 2 percent of those paired with navigators fail to keep their appointments.

“At-risk patients who may never have been screened for colorectal cancer are now getting screened,” says Charlie Lucas, chair of the Endowment’s Committee on Health Care. “As more people are served, more lives will be saved, and we are thrilled that the Endowment has played a role in the success of this program.”
Higher Education

Working through Davidson College, Duke University, Furman University and Johnson C. Smith University to advance the pursuit of educational excellence, make education more affordable for qualified students and support initiatives and programs that benefit communities.
College Advising Corps is tackling that challenge. By placing recent college graduates as full-time advisers in high schools, the Corps is helping students focus on college access and success.

More than $2 million in funding from The Duke Endowment is supporting the College Advising Corps at Duke University and Davidson College. A $1.1 million grant from the Endowment, along with matching support from the J. Marion Sims Foundation, will bring the program to South Carolina students through Furman University in 2017.

“The aim is to increase opportunities and access for under-represented students and help them find the educational path that’s most appropriate for them,” says Girija Mahajan, program director at Duke.

College Advising Corps began in 2005 with a successful pilot. It now serves more than 600 high schools in 15 states.

Advisers receive training focused on college access, admissions, financial aid, student services and diversity. They become a part of their school’s community, supplementing the counseling staff to help more students and families discover opportunities. They also stress the importance of higher education. In the United States, the unemployment rate for workers with at least a four-year degree is 2.8 percent, compared with a national average of 5.7 percent. But while half of all people from high-income families have a bachelor’s degree by age 25, just one in ten people from low-income families do, according to the Corps.

Students who meet with a College Advising Corps adviser are 20 percent more likely to take three or more SAT/ACT prep courses, 26 percent more likely to submit the Free Application for Federal Student Aid, 30 percent more likely to apply to college and 24 percent more likely to be accepted.

“This is a critically important program for Davidson, Duke — and now Furman — to be a part of,” says Wilhelmina Reuben-Cooke, chair of the Endowment’s Committee on Educational Institutions. “The rewards for all sides could last a lifetime.”
Rural Church

Strengthening rural United Methodist churches and the communities they serve by forming church leaders, building congregational capacity and fostering community engagement.
“But before the six weeks had ended, he was so eager to get started, he was coming in early each day,” says Donna Grant, director of the Ubuntu Academy, a literacy program at Monticello United Methodist Church near Statesville, N.C. “His reading abilities had increased several levels, and everyone could see how his confidence had grown.”

Ubuntu, an ancient African word translated as “I am what I am because of what we all are,” works to boost literacy by bringing together skilled reading teachers, evidence-informed instruction and elementary school students who struggle with reading. Weekly parent-led workshops engage families in the process. The church provides space, meals and volunteers.

The Endowment began supporting Ubuntu as a pilot at Monticello in 2013. The results were promising, and a second grant funded the program for two more summers. A three-year, $195,000 grant was approved in 2016. The Endowment is also funding STARS, a summer learning camp based on the Ubuntu framework at Seaside United Methodist Church in rural Brunswick County.

The goals are to improve literacy outcomes for students, foster deeper community-congregation relationships and enrich the lives of families and church members.

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“Ubuntu helps us claim a broader identity of who we are as a church,” says the Rev. Amy Spivey at Monticello. “This is a rich opportunity to make a meaningful difference in our communities.”

According to many studies, if students aren’t learning during the summer, they can lose ground academically — and once children fall back, the gap in achievement can grow with each year. Intervening early by equipping young students with strong reading skills can help set them on a path toward achievement.

At Monticello and Seaside, an evaluation showed that students gained three months of learning, improved their reading accuracy and speed, and had better attitudes about reading. Volunteers also benefited, saying the program gave them an opportunity to share their gifts. A larger study is underway to verify all findings.

“One many churches want to play a role in helping children learn to read,” says Dr. Dennis Campbell, chair of the Endowment’s Committee on Rural Church. “With the potential for promising outcomes, this work may eventually provide a model to help other programs succeed.”
Financials

Since James B. Duke’s death in 1925, the assets of The Duke Endowment have achieved significant growth, from $107 million to $3.37 billion. During the same time, over $3.5 billion has been distributed in grants.

GRANTS AND EXPENSES
About 80 percent of the Endowment’s total spending goes directly to grantmaking. This compares favorably to foundations of similar size. The chart below shows our grantmaking in the context of other spending. This grantmaking volume depends on our ability to invest assets wisely.

INVESTMENTS
The Duke Endowment’s investment portfolio is managed by DUMAC, Inc., a professionally-staffed investment organization governed by Duke University.

During 2016, the investment return on the Endowment’s portfolio was 6.1 percent. Investment performance benefited from increases in global equity, hedged strategies, private investments, commodities and fixed income. Impacted by investment returns, grants and expenses, the Endowment’s assets increased in value from $3.35 billion to $3.37 billion from December 31, 2015, to December 31, 2016.

For the 10-year period ending December 31, 2016, the Endowment’s investment portfolio, net of fees, returned 6.4 percent annualized, outperforming its policy benchmark by 2.9 percent and a 70 percent MSCI All Country World Index/30 percent Bloomberg Barclays Aggregate Bond Index benchmark by 2.3 percent annualized over the same period.

INVESTMENT RETURNS (PERCENT)

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TOTAL ASSETS (IN $ BILLIONS)

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dukeendowment.org
Get more information about our audited financial statements.
Leadership

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Washington, DC

Ashleigh J. Allessio
Senior Administrative Specialist, Health Care

William F. Bacon
Director, Evaluation

Chris M. Collins
Associate Director, Health Care

Todd W. Dalrymple
Research and Program Analyst

Ronda S. Dwyer
Senior Administrative Specialist, Finance

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Administrative Specialist, Health Care

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Digital Communications Strategist

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Events Manager

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Senior Administrative Specialist, Evaluation

Melinda O. Hardin
Accounting Specialist

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Senior Administrative Specialist, Higher Education

Charisma J. Hibbler
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Kate G. Hiley
Senior Administrative Specialist, Child Care

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Karen H. Rogers
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Director, Information Technology

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Eric D. Stevens
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K. Todd Walker
Managing Director, Investments

Stacy E. Warren
Program Officer, Health Care

Kimberly M. Webb
Executive Assistant, President’s Office

Robert B. Webb III
Director, Rural Church

Anita W. West
Accounting Manager

Tamika D. Williams
Associate Director, Child Care

Lily H. Zhang
Controller

Diana Zilberdrut
Project Specialist, Communications/Investments

STAFF

Leadership
**PREVENTION AND FAMILY RECOVERY**

The Robeson County Family Drug Treatment Court in North Carolina is one of four courts in the country chosen to participate in the Prevention and Family Recovery Initiative. By offering evidence-based services aimed at strengthening parenting skills and helping children thrive, the goal is to improve well-being among at-risk families and to prevent the recurrence of child abuse and neglect. Funding from The Duke Endowment is supporting the program in Robeson County; the Doris Duke Charitable Foundation has funded the effort in Tucson, San Francisco and Ithaca, N.Y. Early evaluation results are positive. In Robeson County, nearly 40 percent of families have successfully reunified. Of those children, not one has returned to foster care.

**SUPPORTING THE FURMAN ADVANTAGE**

In October, Furman University announced an ambitious effort to transform the student experience and address critical community issues through a new strategic plan called The Furman Advantage. Launched with $47 million from the Endowment, The Furman Advantage combines a liberal arts education with immersive experiences outside the classroom and guarantees that every incoming student has the opportunity to engage in real-world experiences that connect to classroom learning.

**PAY FOR SUCCESS IN SOUTH CAROLINA**

The South Carolina Pay for Success project will bring Nurse-Family Partnership’s evidence-based program to an additional 3,200 first-time mothers and their babies enrolled across the state over the next four years. Announced in February 2016, this was the nation’s first Pay for Success project aimed at improving health outcomes for mothers and children living in poverty. Private and philanthropic funders include The Duke Endowment, Blue Meridian Partners, BlueCross BlueShield of South Carolina Foundation, The Boeing Company, Greenville First Steps, and the Laura and John Arnold Foundation.

**FOOD LINC**

With growing demand for locally-produced food, experts are looking for better ways to connect rural farmers — and what they produce — to local people who need healthy food. That’s the goal behind Food LINC, a new U.S. Department of Agriculture program that launched in 10 regions across the country with nearly $3 million in private and federal funding. The Duke Endowment is supporting the effort in eastern North Carolina with a three-year, $800,000 grant aimed at helping rural United Methodist congregations play a bigger role in the local economy.

**HEALTHY PEOPLE, HEALTHY CAROLINAS**

With rates of diabetes, heart disease and unhealthy weight persistently high across the Carolinas, The Duke Endowment’s Healthy People, Healthy Carolinas initiative is helping communities implement evidence-based programs that focus on promoting healthy lifestyles. Through local coalitions, the initiative involves leaders from area organizations in developing ways to engage residents in their health. Performance metrics are monitored to help the coalitions improve and learn. Since 2015, the Endowment has expanded its funding commitment to 10 coalitions in North Carolina and five in South Carolina.

**RETIREMENTS**

In 2016, we said goodbye to long-time staff members Gene Cochrane, Mary Piepenbring and Terri Honeycutt, and wished them well in retirement.


Mary, a vice president since 2009, joined our staff in 2000. She directed our Health Care program area and oversaw the Endowment’s Evaluation Department.

Terri joined the Endowment in 1975. After working in the Health Care program area as a senior administrative assistant, she was named corporate secretary in 2000.

We are grateful for their many years of extraordinary service.

**TELLING OUR STORY WITH ART**

The inspirational paintings throughout our 2016 Annual Report are the creations of Julian Davis, an artist in Asheville, N.C. His oil on canvas, Merry Falls, hangs outside our Mary Duke Biddle Trent Semans Conference Center. Davis was born in England and received his B.A. in painting and printmaking from the Byam Shaw School of Art in London. A devoted reader of Southern literature and an admirer of Southern music, he finds inspiration in the history, culture and natural beauty of the western part of North Carolina. We thank him for allowing us to share examples of his work on these pages.
The Duke Endowment in Charlotte, North Carolina, is a private foundation established in 1924 by industrialist and philanthropist James B. Duke. We seek to fulfill his dream for the Carolinas by enriching lives and communities through children’s services, health care, higher education and rural churches. Mr. Duke’s legacy endures today in every life touched, every institution advanced and every innovation discovered.

James B. Duke

THE DUKE ENDOWMENT

800 East Morehead Street, Charlotte, North Carolina 28202, dukeendowment.org