

growth.

A YEAR OF GROWTH

Reaping the rewards of our decade-long investment in strengthened management, staff, and strategic acquisitions, AIR is now recognized as a premier organization in many fields. We have exceeded our goals, increasing our staff from 200 to almost 800, increasing our total revenue from \$12 to \$117 million, and growing our net assets from \$4 to \$21 million. David Goslin, who stepped down as AIR president shortly after the close of fiscal year 2001, deserves considerable credit for leading this growth. With this growth has come an enhanced ability for AIR to serve as a catalyst for change.

As we continue to grow, we will encourage and strengthen a blend of scientific excellence and creative insight as AIR's most successful strategy for supporting positive change in our society. We will seek and reward innovation. We will work with our clients and other partners to create, disseminate, and apply breakthroughs and best practices in many fields—including education research, statistics, assessment, health research and communication, individual and organizational performance, and international research and development. And we will nurture our greatest asset—the knowledge and insight of our staff—while always seeking gifted and committed individuals to join our efforts.

In this first year as president of AIR, I am reminded of the dedication of our people. We are researchers and communicators, managers and strategists, technologists and educators. And we collectively share a vital vision—through our expertise and science-based innovation, we will contribute to the betterment of life for all human beings. In 2001, a year of unprecedented national concerns and changes, the import of this vision has come into even greater focus for us all.



Sol H. Pelavin

President and CEO



FROM THE BOARD CHAIR

The year 2001 ushered in a new era for AIR. David Goslin, who provided 14 years of leadership during which the organization grew in size and stature, stepped down as president and CEO. Dave leaves behind an impressive legacy—an organization with significantly increased capability and capacity. The Board selected Sol Pelavin, formerly AIR’s executive vice president and chief operating officer, as AIR’s new president and CEO in late 2001.

More than ever, our clients are faced with social and behavioral challenges requiring technical expertise and creative solutions that turn research-based ideas into action. More than ever, we are called upon to answer complex questions with solutions that cut across many disciplines and take into account an intricate web of social, behavioral, and cultural considerations.

AIR is ready to meet these challenges. The Board has watched AIR leadership work hard to acquire new organizational capacity, secure the best and most talented staff possible, and strengthen our management structure. Targeted investment in growth—growth in capability as well as capacity—ensures that we are well equipped to provide guidance to our clients across often interrelated areas within the broad scope of the social and behavioral sciences.

Over the past decade, AIR has become not only a larger organization, but also a stronger one, well positioned to help clients and society at large face a wave of new challenges. Today, AIR is at the forefront of research-driven innovation, with the potential for resulting in a wide range of changes for the betterment of society.



Patricia B. Gurin

Chair, Board of Directors

financial summary

STATEMENT OF ACTIVITY

Year	2001	2000
Contract and grant revenues	\$116,627,035	\$83,457,438
Direct contract and grant costs	77,122,741	55,501,690
Overhead and administrative expenses	33,905,931	24,222,285
Excess of revenue over expenses	5,598,363	3,733,463
Other income/(expenses)	(1,170,463)	(203,554)
Increases in net assets	\$4,427,900	\$3,529,909

BALANCE SHEET

Year	2001	2000
Current assets	\$38,969,856	\$28,300,142
Property and equipment, net	7,039,479	3,896,090
Other noncurrent assets	7,560,596	8,055,339
Total assets	53,569,931	40,251,571
Current liabilities	26,886,707	15,600,220
Long-term debt	4,249,989	6,500,000
Other noncurrent liabilities	1,201,506	1,347,522
Total liabilities	32,338,202	23,447,742
Net assets, unrestricted	21,231,729	16,803,829
Total liabilities and net assets	\$53,569,931	\$40,251,571

