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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2006

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning 01-01-2006 and ending 12-31-2006

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: Third Way. Number and street: 2000 L Street NW No 702. City or town: Washington, DC 200364915

D Employer identification number: 20-1734070. E Telephone number: (202) 775-3768. F Accounting method: Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Web site: www.WHIRD-WAY.COM

J Organization type: 501(c) (4)

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes" enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Sch B

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 4,312,662

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Dividends, Gross rents, Special events, and Total revenue/expenses.

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b	Other grants and allocations (attach schedule) (cash \$ 25,000 noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	25,000	25,000	
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25a	Compensation of current officers, directors, key employees etc Listed in Part V - A (attach schedule)	25a	551,984	461,460	46,814
b	Compensation of former officers, directors, key employees etc listed in Part V - B (attach schedule)	25b			
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26	Salaries and wages of employees not included on lines 25a, b and c	26	514,621	430,223	43,743
27	Pension plan contributions not included on lines 25a, b and c	27	12,041	12,041	
28	Employee benefits not included on lines 25a - 27	28	59,238	59,238	
29	Payroll taxes	29	102,919	102,919	
30	Professional fundraising fees	30	96,445		96,445
31	Accounting fees	31	15,586	15,586	
32	Legal fees	32	30,913	30,913	
33	Supplies	33	38,366	15,914	22,452
34	Telephone	34	38,253	13,440	1,444
35	Postage and shipping	35	8,368	8,368	
36	Occupancy	36	63,597	63,597	
37	Equipment rental and maintenance	37	3,165	3,165	
38	Printing and publications	38	19,413	19,413	
39	Travel	39	90,659	65,370	25,289
40	Conferences, conventions, and meetings	40	17,582	7,987	9,595
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	5,401	5,401	
43	Other expenses not covered above (itemize)				
a	web development	43a	99,496	99,496	
b	Professional Services	43b	115,257	115,257	
c	other expense	43c	26,636	26,636	
d	website amortization	43d	11,857	11,857	
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,946,797	1,453,041	247,887

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ advancing a 21st century progressive agenda by working with elected officials, candidates, and advocates to create policies and market new ideas in the public debate All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)
a Culture - creating new progressive approaches to cultural issues (Grants and allocations \$ 25,000) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	532,695
b Middle Class Project - designing new themes and policy ideas for a 21st century progressive economic agenda (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	492,158
c National Security - helping to build a credible, tough and smart progressive national security agenda (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	428,188
d _____ _____ (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	1,453,041

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		1,256,134	45	653,684	
	46 Savings and temporary cash investments		20,000	46	2,826,015	
	47a Accounts receivable	47a	133,442			
	b Less allowance for doubtful accounts	47b		47c	133,442	
	48a Pledges receivable	48a				
	b Less allowance for doubtful accounts	48b		48c		
	49 Grants receivable			49		
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a		
	b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)			50b		
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less allowance for doubtful accounts	51b	20,833	51c		
	52 Inventories for sale or use			52		
	53 Prepaid expenses and deferred charges			53	22,490	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a		
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b		
55a Investments—land, buildings, and equipment basis	55a					
b Less accumulated depreciation (attach schedule)	55b		55c			
56 Investments—other (attach schedule)			56			
57a Land, buildings, and equipment basis	57a	35,532				
b Less accumulated depreciation (attach schedule)	57b	7,711	16,167	57c	27,821	
58 Other assets, including program-related investments (describe <input type="checkbox"/> _____)			50,947	58	39,090	
59 Total assets (must equal line 74) Add lines 45 through 58			1,364,081	59	3,702,542	
Liabilities	60 Accounts payable and accrued expenses			60	19,626	
	61 Grants payable			61		
	62 Deferred revenue			62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63		
	64a Tax-exempt bond liabilities (attach schedule)			64a		
	b Mortgages and other notes payable (attach schedule)			64b		
	65 Other liabilities (describe <input type="checkbox"/> _____)			43,607	65	
66 Total liabilities Add lines 60 through 65			43,607	66	19,626	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67 Unrestricted		1,320,474	67	3,682,916	
	68 Temporarily restricted			68		
	69 Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70 Capital stock, trust principal, or current funds			70		
	71 Paid-in or capital surplus, or land, building, and equipment fund			71		
	72 Retained earnings, endowment, accumulated income, or other funds			72		
	73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)			1,320,474	73	3,682,916
	74 Total liabilities and net assets / fund balances Add lines 66 and 73			1,364,081	74	3,702,542

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		No
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	Yes	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	Yes	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	Yes	
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	Yes	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	Yes	
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	Yes	
	If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year		
	c Dues assessments, and similar amounts from members	85c	
	d Section 162(e) lobbying and political expenditures	85d	
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12	86a	
	b Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter a Gross income from members or shareholders	87a	
	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	No
88b	At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI	88b	No
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> _____, section 4912 <input type="checkbox"/> _____, section 4955 <input type="checkbox"/> _____		
89b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	No
89c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0		
89d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/>		
89e	All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?	89e	No
89f	All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?	89f	No
89g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	No
90a	List the states with which a copy of this return is filed <input type="checkbox"/> DC		
90b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	11
91a	The books are in care of <input type="checkbox"/> The Organization Telephone no <input type="checkbox"/> (202) 775-3768 2000 L Street NW No 702 Located at <input type="checkbox"/> Washington, DC ZIP + 4 <input type="checkbox"/> 200364915		
91b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	Yes	No
	If "Yes," enter the name of the foreign country <input type="checkbox"/> _____		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?	91c	Yes		No
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If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	66,465	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				66,465	
105 Total (add line 104, columns (B), (D), and (E))					66,465

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

NOTE: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI **Information Regarding Transfers To and From Controlled Entities** *Complete only if the organization is a controlling organization as defined in section 512(b)(13)*

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? if "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? if "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?	Yes	No

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	***** Signature of officer	2007-08-10 Date
	Jonathan Cowan President Type or print name and title	

Paid Preparer's Use Only	Preparer's signature Judy Stanfield	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	STRACK STANFIELD LLC 15825 Shady Grove Road 40 Rockville, MD 20850		EIN Phone no (301) 519-3280

TY 2006 Cash Grants Paid Schedule

Name: Third Way

EIN: 20-1734070

Class of Activity	Recipient's name	Address	Amount	Relationship
Culture Project	democracy a journal of ideas inc	2120 1st nw washington, DC 20037	25,000	none

TY 2006 Depreciation and Depletion Schedule

Name: Third Way

EIN: 20-1734070

Asset	Amount
computer equipment	4,459
computer software	349
office equipment	593

TY 2006 Land etc. Schedule

Name: Third Way

EIN: 20-1734070

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
computer equipment	26,112	6,769	19,343
computer software	3,490	349	3,141
office equipment	5,930	593	5,337

TY 2006 Officer Compensation Schedule

Name: Third Way

EIN: 20-1734070

jonathan cowan

	Compensation	EE Benefit Plans	Expense Acct
Program Services	117,040	2,251	
Mgmt & General	11,060	229	
Fundraising	11,900	212	

matt bennett

	Compensation	EE Benefit Plans	Expense Acct
Program Services	117,040	4,431	
Mgmt & General	11,060	451	
Fundraising	11,900	418	

jim kessler

	Compensation	EE Benefit Plans	Expense Acct
Program Services	117,040	4,431	
Mgmt & General	11,060	451	
Fundraising	11,900	418	

nancy hale

	Compensation	EE Benefit Plans	Expense Acct
Program Services	96,140	3,087	
Mgmt & General	9,085	314	
Fundraising	9,775	291	

TY 2006 Other Assets Schedule

Name: Third Way

EIN: 20-1734070

Description	Beginning of Year Amount	End of Year Amount
WEBSITE NET	50,947	39,090

TY 2006 Other Changes in Net Assets Schedule

Name: Third Way

EIN: 20-1734070

Description	Amount
prior period adjustment	-3,423

Additional Data

Software ID:
Software Version:
EIN: 20-1734070
Name: Third Way

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
jonathan cowan 2000 I street nw suite 702 washington, DC 200364915	president 40 00	140,000	2,692	0
matt bennett 2000 I street nw suite 702 washington, DC 200364915	vp for public affairs 40 00	140,000	5,300	0
jim kessler 2000 I street nw suite 702 washington, DC 200364915	vp for policy 40 00	140,000	5,300	0
nancy hale 2000 I street nw suite 702 washington, DC 200364915	vp strategy & leadership devel 40 00	115,000	3,692	0
lewis b cullman 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
scott delman 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
john s dyson 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
robert r dyson 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
david heller 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
peter joseph 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
rob katz 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
lieutenant general claudia kennedy 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
derek kirkland 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
reynold levy 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
thurgood marshall jr 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
herbert s miller 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
howard s rossman 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
bernard I schwartz 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
adam solomon 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0
john vogelstein 2000 I street nw suite 702 washington, DC 200364915	trustee 2 00	0	0	0