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Form 990-PF

Return of Private Foundation
 or Section 4947(a)(1) Nonexempt Charitable Trust,
 Treated as a Private Foundation

OMB No. 1545-0052

1998

Department of the Treasury
 Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1998, or tax year beginning , 1998, and ending , 19

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Name of organization CHICAGO ANNENBERG CHALLENGE		A Employer identification number 36-4016426
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (312) 413-5869
	City or town, state, and ZIP + 4 CHICAGO, IL 60607		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 18,101,161. (Part I, column (d) must be on cash basis.)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
		G If address changed, check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	18,253,674.			STATEMENT 1
	2 Contributions from split-interest trusts				STATEMENT 2
	3 Interest on savings and temporary cash investments	140,132.	140,132.	140,132.	STATEMENT 3
	4 Dividends and interest from securities				
	5a Gross rents				
	b (Net rental income or (loss))				
	6 Net gain or (loss) from sale of assets not on line 10				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	18,393,806.	140,132.	140,132.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	88,717.	0.	0.	88,717.
	14 Other employee salaries and wages	327,895.	0.	0.	327,895.
	15 Pension plans, employee benefits	86,677.	0.	0.	86,677.
	16a Legal fees STMT 4	1,099.	0.	0.	1,099.
	b Accounting fees STMT 5	14,493.	0.	0.	14,493.
	c Other professional fees STMT 6	829,902.	0.	0.	829,902.
	17 Interest				
	18 Taxes STMT 7	1,403.	0.	0.	0.
	19 Depreciation and depletion	7,138.	0.	7,138.	
	20 Occupancy	34,822.	0.	0.	34,822.
	21 Travel, conferences, and meetings	41,662.	0.	0.	41,662.
	22 Printing and publications	13,156.	0.	0.	13,156.
	23 Other expenses STMT 8	59,212.	0.	0.	59,212.
	24 Total operating and administrative expenses. Add lines 13 through 23	1,506,176.	0.	7,138.	1,497,635.
	25 Contributions, gifts, grants paid	5,796,640.			8,214,240.
26 Total expenses and disbursements. Add lines 24 and 25	7,302,816.	0.	7,138.	9,711,875.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	11,090,990.				
b Net investment income (if negative, enter "-0-")		140,132.			
c Adjusted net income (if negative, enter "-0-")			132,994.		

SCANNED JUN 18 1999