

Ellsworth Convertible Growth and Income Fund, Inc.

65 Madison Avenue Suite 550 • Morristown, New Jersey 07960-7308 • www.ellsworthfund.com

First Quarter Update - December 31, 2001 (unaudited)

Financial Highlights

Market value 12/31/01	\$8.65
Net asset value (NAV) 12/31/01	\$8.89
Market discount to NAV	(2.70)%
12-Month income distribution	\$0.48
Yield on market value	5.55%
Capital gains distribution 11/29/01	\$0.00
Ratio of expenses to avg. net assets	1.17%*
Ratio of net income to avg. net assets	3.57%*
Portfolio turnover	28.45%
Shares outstanding	10,393,877

* Annualized.

Change in Net Asset Value (NAV)

	Per Share
Beginning NAV (9/30/01)	\$8.67
Changes in NAV from Operations:	
Net Investment Income	0.08
Realized Loss	(0.09)
Increase in Unrealized Gain	0.42
Total Change from Operations	0.41
Distributions:	
Net Investment Income	(0.19)
Capital Gains	0.00
Total Change from Distributions	(0.19)
Total Change	0.22
Ending NAV (12/31/01)	\$ 8.89

Major Industry Exposure as of 12/31/01

	% of Net Assets
Financial & Insurance	9.7
Telecommunications	9.6
Pharmaceuticals	8.8
Technology	8.4
Health Care	8.3
Energy	7.6
Cable	6.3
Retail	6.0
Aerospace	5.6
Banking	4.9

The portfolio holdings and industry exposure are as of December 31, 2001 and subject to change without notice.

Detailed portfolio information is available on our website (www.ellsworthfund.com). Visit us there or contact us by e-mail at info@ellsworthfund.com or call us at (973)631-1177.

Performance through 12/31/01 *with dividends reinvested*

	3 Months	1 Year	5 Years	10 Years
Ellsworth market value (a)	8.08%	14.40%	85.31%	294.09%
Ellsworth net asset value (b)	4.77	(2.41)	54.83	202.03
Closed-end conv. fund avg. (b)	7.65	2.11	38.36	169.95
S&P 500 (a)	10.94	(11.88)	66.24	237.23
Russell 2000 (a)	23.32	2.63	44.49	157.19(c)
Lehman Aggregate Bond Total Return Index (b)	0.05	8.44	43.08	101.03

Performance data represent past results and do not reflect future performance.

(a) From Bloomberg L.P. pricing service.

(b) From Lipper, Inc. Closed-End Fund Performance Analysis, December 31, 2001.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Mar. 01	\$9.90	\$8.92	\$9.13	\$9.00	\$8.13	\$8.40
Jun. 01	9.59	8.82	9.27	9.00	8.20	8.79
Sep. 01	9.30	8.45	8.67	9.05	7.55	8.35
Dec. 01	8.95	8.63	8.89	8.90	7.85	8.65

Total Fund Investments as of 12/31/01

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 67,927	73.5
Convertible Preferred Stocks	21,921	23.7
Common Stock	58	0.1
Other Assets	2,466	2.7
Net Assets	\$ 92,372	100.0%

Largest Investment Holdings as of 12/31/01

<i>by underlying common stock</i>	% of Net Assets
L-3 Communications Holdings, Inc.	2.5
Sunrise Assisted Living	2.5
National Data Corp.	2.4
Washington Mutual Inc.	2.3
Reinsurance Group of America, Inc.	2.2
Apache Corp.	2.0
Costco Wholesale Corp.	1.9
ICN Pharmaceuticals, Inc.	1.9
School Specialty, Inc.	1.9
Cable & Wireless Communications plc	1.8

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To Our Shareholders:

February 12, 2002

The Financial markets and the U.S. economy are showing great strength and resilience as they recover from the attack of September 11th and the Recession. Unfortunately, as we go through this period of recovery some of the excesses of the past bull market remain to haunt us. The transition to a new bull market may be made more difficult because of these issues.

One of these issues is the inappropriate use by major corporations of aggressive accounting techniques that hide leverage and losses. Exposure of these excesses may lead to significant changes in accounting and investing standards. If we can understand what went wrong and how to prevent such practices then the credibility of the market and auditors will be enhanced. Accounting should be made clearer and more understandable to neophytes and experts alike.

One of the most important changes to accounting standards that could be made is to insist that auditors work for shareholders and directors. While we do not believe that auditors should be antagonistic towards management, we believe that they should be as objective as possible. For this reason, the Fund asks shareholders to ratify the Board's choice of accountants even though it is no longer required. It is essential for the accounting profession to know who they are answerable to.

For shareholders who have access to the Internet, the Fund's website www.ellsworthfund.com contains press releases, dividend information and daily net asset values. The Closed-End Fund Association (www.cefa.com), of which the Fund is a member, is another source of information on many closed-end funds.* Based upon data through January 31, 2002, Morningstar has continued to rate Ellsworth's performance at four stars (above average) overall on their "Quicktake Report" on their website.** Shareholders who wish a copy of the most recent report on the Fund issued by Standard and Poor's should contact us.

At the January meeting of shareholders, Donald M. Halsted, Jr., Duncan O. McKee and Thomas H. Dinsmore were elected to three-year terms as directors of the company. PricewaterhouseCoopers, LLP was ratified as the Company's independent accountants for the 2002 fiscal year. We thank you for your participation and support.

At its January meeting, the Board of Directors declared a dividend of 9 cents per share payable February 27, 2002 to shareholders of record February 13, 2002.



Thomas H. Dinsmore
Chairman of the Board

* The Closed-End Fund Association is solely responsible for the content of its website.

** Morningstar, an analytical and statistical reporting service, reports on and rates most mutual funds. It is solely responsible for the content of its website.

Information contained within the letter to Shareholders constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements which reflect the intent, belief or expectations of the Fund and its management regarding the anticipated effect of events, circumstances and trends should be considered forward-looking statements. These forward-looking statements are not guarantees of future performance and there are a number of meaningful factors which could cause the Fund's results to vary materially from those indicated by any such statements. Factors which could cause actual results to differ from expectations include, among others, changes in (or failure to change) accounting standards and practices, changes in the Federal Reserve Board's monetary policy, a decline in economic activity, increasing interest rates, military action and acts of terrorism, increased unemployment, a prolonged recession, declining consumer confidence, increased volatility of securities in general as well as those purchased by the Fund, changes to foreign and domestic markets in general or changes to the market for convertible securities.

Shareholder Services and Transfer Agent

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Investment Adviser

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Stock Exchange Listing

AMEX - Symbol: ECF

Portfolio of Investments December 31, 2001 (unaudited)

Principal Amount or Shares		Value
	ADVERTISING — 2.9%	
\$1,300,000	The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR)	\$1,225,250
1,500,000	Young & Rubicam, Inc. 3% 2005 cv. sub. notes (Baa1)	1,448,910
		<u>2,674,160</u>
	AEROSPACE — 5.6%	
1,000,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3) ..	1,296,250
1,000,000	L-3 Communications Holdings, Inc. 4% 2011 sr. sub. cv. CODES 144A * (Ba3)	1,036,460
12,500 shs	Northrop Grumman Corp. 7.25% equity units **,** (Baa3)	1,393,164
20,000 shs	RC Trust I 8.25% equity security units **,** (Ba2) (exch. for Raytheon Co. class B common stock)	1,120,313
700,000	SPACEHAB, Inc. 8% 2007 cv. sub. notes 144A (NR)	350,000
		<u>5,196,187</u>
	BANKING — 4.9%	
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (A2)	1,200,000
20,000 shs	Sovereign Capital Trust II 7.50% trust PIERS (B2) (exch. for Sovereign Bancorp, Inc. common stock)	1,392,813
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual Inc. common stock)	1,674,330
5,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual Inc. common stock)	239,190
		<u>4,506,333</u>
	CABLE — 6.3%	
5,000 shs	Adelphia Communications Corp. 5.50% series D cv. pfd. (Caa1)	514,453
800,000	Adelphia Communications Corp. 6% 2006 cv. sub. notes (B3)	704,392
2,000,000	Bell Atlantic Financial Services, Inc. 4.25% 2005 euro. sr. exch. notes * (A1) (exch. for cash equiv. of Cable & Wireless Communications plc & NTL, Inc. common stocks)	1,995,000
750,000	Charter Communications, Inc. 5.75% 2005 cv. sr. notes (B3)	761,475
20,000 shs	Cox Communications, Inc. 7% FELINE PRIDES ** (Baa2)	1,103,400
22,500 shs	Equity Securities Trust II 6.25% ** (NR) (exch. for Rainbow Media Group Class A tracking stock of Cablevision Systems Corp.)	529,200
11,598 shs	UnitedGlobalCom, Inc. common stock	57,990
19,000 shs	UnitedGlobalCom, Inc. dep. shs. representing 7% series D sr. cum. cv. pfd. (C) ..	128,250
		<u>5,794,160</u>
	CAPITAL GOODS — 2.4%	
1,500,000	CS First Boston, Inc. 2% 2010 sr. medium-term exch. notes * (Aa3) (exch. for General Electric Corp. common stock)	1,254,375
1,000,000	Hanover Compressor Co. 4.75% 2008 cv. sr. notes (Ba3)	929,100
		<u>2,183,475</u>
	DATA-PROCESSING SERVICES — 4.1%	
1,000,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	1,183,125
2,000,000	National Data Corp. 5% 2003 cv. sub. notes (Ba3)	2,175,840
550,000	Online Resources & Communications Corp. 8% 2005 cv. sub. notes 144A (NR)	382,250
		<u>3,741,215</u>
	ENERGY — 7.6%	
40,800 shs	Apache Corp. \$2.015 dep. shs. representing ACES pfd. ** (Baa2)	1,872,720
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (BBB+) (conv. into Chevron Corp. common stock)	501,563
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (BBB+) (conv. into Chevron Corp. common stock)	1,011,875

Portfolio of Investments December 31, 2001 (continued)

Principal Amount or Shares		Value
	ENERGY — continued	
\$3,300,000	El Paso Corp. 0% cv. deb. 144A (Baa2)	\$1,328,250
1,050,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	1,177,512
30,000	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa2) (exch. for Devon Energy Corp. common stock)	<u>1,106,719</u>
		<u>6,998,639</u>
	ENTERTAINMENT — 2.6%	
1,750,000	AOL Time Warner, Inc. 0% 2019 cv. sub. notes (Baa2)	939,610
3,000,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Limited common stock)	<u>1,472,940</u>
		<u>2,412,550</u>
	FINANCIAL & INSURANCE — 9.7%	
15,000 shs	ACE Limited 8.25% FELINE PRIDES ** (Baa1)	1,218,750
1,500,000	Exchangeable Certificate Corp. 0.625% 2005 exch. certificates 144A (Aaa)(exch. for American Express Company common stock)	1,353,750
25,000 shs	PartnerRe Ltd. 8% PEPS units ** (Baa1)	1,420,313
17,500 shs	Prudential Financial Capital Trust I 6.25% Equity Security Units ***(A3) (exch. for Prudential Financial, Inc. common stock)	1,010,898
40,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa1)	2,020,625
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds 144A (Aa1) (conv. into Swiss Reinsurance Company common stock)	983,150
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1)	<u>960,938</u>
		<u>8,968,424</u>
	HEALTH CARE — 8.3%	
1,000,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (Ba3)	1,410,600
1,500,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3)	1,499,775
1,000,000	Invitrogen, Inc. 2.25% 2006 cv. sub. notes 144A (NR)	966,875
1,500,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	1,470,750
2,312,000	Sunrise Assisted Living, Inc. 5.50% 2002 cv. sub. notes (B1)	<u>2,306,220</u>
		<u>7,654,220</u>
	HOME BUILDING — 1.1%	
2,500,000	Masco Corp. 0% 2031 cv. sr. notes * (Baa1)	<u>1,021,675</u>
	MULTI-INDUSTRY — 2.0%	
2,000,000	Lehman Brothers Holdings, Inc. 0.25% 2006 BASES notes * (A2) (based on the value of the performance of the 10 Uncommon Values Index †) ..	<u>1,860,000</u>
	PHARMACEUTICALS — 8.8%	
1,300,000	Alza Corp. 0% 2020 cv. sub. deb. (Aa1) (exch. for Johnson & Johnson common stock)	1,085,500
750,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (NR)	811,875
1,000,000	Elan Finance Corporation Ltd. 0% 2018 LYONs 144A (Baa3) (exch. for ADRs representing Elan Corporation, plc common stock)	706,800
700,000	Elan Finance Corporation Ltd. 0% 2018 LYONs (Baa3) (exch. for ADRs representing Elan Corporation, plc common stock)	494,760
1,500,000	ICN Pharmaceuticals, Inc. 6.50% 2008 cv. sub. notes 144A (B+)	1,756,875
1,250,000	Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR)	1,259,663
1,315,000	Roche Holdings, Inc. 0% 2015 LYONs 144A (NR) (exch. for Genentech, Inc. common stock)	981,319
1,000,000	Sepracor, Inc. 7% 2005 cv. sub. deb. 144A (CCC+)	<u>1,042,500</u>
		<u>8,139,292</u>

Portfolio of Investments December 31, 2001 (continued)

Principal Amount or Shares		Value
	RETAIL — 6.0%	
\$ 750,000	American Greetings Corp. 7% 2006 cv. sub. notes 144A (BB+)	\$ 931,354
1,750,000	Brinker International, Inc. 0% 2021 cv. sr. deb. 144A (Baa2)	1,118,110
1,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes 144A (A3)	1,020,010
750,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	765,008
1,500,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	1,482,570
250,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	247,095
		<u>5,564,147</u>
	TECHNOLOGY — 8.4%	
750,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa3)	1,044,638
1,000,000	Anadigics, Inc. 5% 2006 cv. sr. notes 144A (NR)	969,522
1,250,000	Analog Devices, Inc. 4.75% 2005 cv. sub. notes 144A (Baa1)	1,190,625
1,000,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes 144A (NR)	910,625
250,000	Brooks Automation, Inc. 4.75% 2008 cv. sub. notes (NR)	227,656
1,500,000	CS First Boston, Inc. 1% 2006 medium-term exch. notes * (Aa3) (exch. for Microsoft Corp. common stock)	1,357,500
51,000 shs	CS First Boston, Inc. 10% 2002 medium-term notes ** (Aa3) (exch. for Sun Microsystems, Inc. common stock)	650,250
500,000	Extreme Networks, Inc. 3.50% 2006 cv. sub. notes 144A (NR)	452,891
500,000	Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (B3)	484,375
1,150,000	Soletron Corp. 0% 2020 LYONs (Ba1)	489,762
		<u>7,777,844</u>
	TELECOMMUNICATIONS — 9.6%	
700,000	American Tower Corp. 2.25% 2009 cv. notes (B3)	475,608
4,000,000	Anixter International, Inc. 0% 2020 LYONs 144A (Ba3)	1,145,000
1,700,000	Anixter International, Inc. 0% 2020 LYONs (Ba3)	486,625
1,000,000	Bell Atlantic Financial Services, Inc. 5.75% 2003 sr. exch. notes 144A * (A1) (exch. for cash equiv. Telecom Corp. of New Zealand, Ltd. common stock)	1,017,500
1,000,000	Exchangeable Certificate Corp. 0.25% 2006 exch. certificates 144A (Aaa)(exch. for specific telephone and cable common stocks ††)	875,000
750,000	Liberty Media Corp. 3.75% 2030 sr. exch. deb. 144A * (Baa3) (exch. for Sprint PCS common stock)	451,163
1,000 shs	Lucent Technologies, Inc. 8% redeemable cv. pfd. (B3)	1,140,361
25,000	MediaOne Group, Inc. 7% 2002 PIES ** (Baa3) (exch. for ADRs representing Vodafone AirTouch plc common stock)	689,844
500,000	Nortel Networks Corp. 4.25% 2008 cv. sr. notes 144A (Baa2)	485,625
30,000 shs	Sprint Corp. 7.125% equity units **,* (Baa1) (exch. for Sprint PCS Group common stock)	762,300
1,500,000	Tecnost International, N.V. 1% 2005 ADBs 144A (Baa2) (exch. for ADRs representing Telecom Italia S.p.A. common stock)	1,354,350
		<u>8,883,376</u>
	TRANSPORTATION — 2.2%	
20,000 shs	Continental Airlines Finance Trust II 6% cv. pfd. TIDES 144A (Ca) (exch. for Continental Airlines, Inc. common stock)	566,250
1,500,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	1,467,188
		<u>2,033,438</u>
	UTILITIES — 4.9%	
1,250,000	AES Corp. 4.50% 2005 cv. jr. sub. deb. (Ba2)	1,109,375
29,200 shs	Calpine Capital Trust II 5.50% HIGH TIDES (BB+) (exch. for Calpine Corp. common stock)	1,259,250
250,000	Calpine Corp. 4% 2006 cv. sr. notes (Ba2)	290,313

Portfolio of Investments December 31, 2001 (continued)

Principal Amount		Value
	UTILITIES — continued	
\$1,250,000	Ogden Corp. 6% 2002 euro cv. sub. deb. (Ba2) (conv. into Covanta Energy Corp. common stock)	\$ 800,000
500,000	Ogden Corp. 5.75% 2002 euro cv. sub. deb. (Ba2) (conv. into Covanta Energy Corp. common stock)	322,500
13,750 shs	TXU Corp. equity units ** (Baa3)	703,828
		<u>4,485,266</u>
11,000	U.S. TREASURY NOTES — 0.0%	
	6.50% 3/31/02 #	<u>11,127</u>
	Total Convertible Bonds and Notes — 73.5%	67,926,880
	Total Convertible Preferred Stocks — 23.7%	21,920,658
	Total Common Stocks — 0.1%	57,990
	Total Investments — 97.3%	<u>89,905,528</u>
	Other assets and liabilities, net — 2.7%	2,466,480
	Total Net Assets — 100.0%	<u>\$ 92,372,008</u>

* Contingent payment debt instrument which accrues contingent interest income. See Note 1(b) Annual Report to Shareholders, dated September 30, 2001.

** Mandatory convertible. See Note 1(e) Annual Report to Shareholders, dated September 30, 2001.

† Ticker symbols: AA, BBBY, CEFT, CMCSK, CSCO, HDI, LMG/A, MIR, WM & WMI.

†† Ticker symbols: CSCO, CMCSK, AOL, IBM, LMGa and WCOM.

Collateral for a letter of credit.

ACES	Automatically Convertible Equity Securities.
ADB	American Depositary Bonds.
ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BASES	Basket Adjusting Structured Equity Securities.
CODES	Contingent Debt Securities.
DECS	Debt Exchangeable for Common Stock.
FELINE	Family of Equity-Linked Income Securities.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYONS	Liquid Yield Option Notes.
PIERS	Preferred Income Equity Redeemable Securities.
PIES	Premium Income Exchangeable Securities.
PRIDES	Preferred Redeemable Increased Dividend Equity Securities.
TIDES	Term Income Deferrable Equity Securities.