

Edna McConnell Clark Foundation

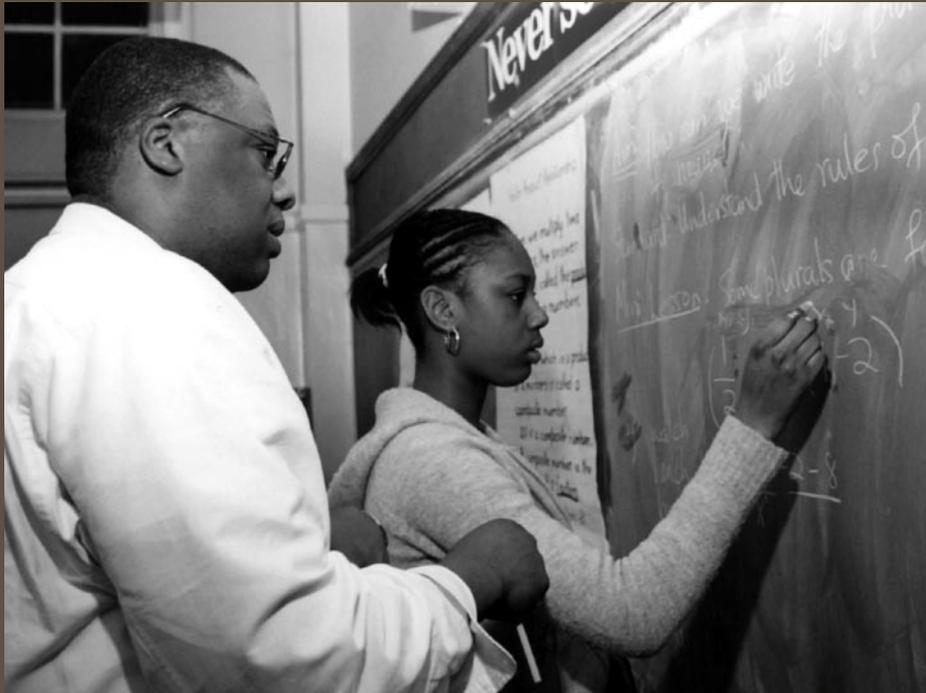
2006 ANNUAL REPORT



THE
Edna McConnell
Clark FOUNDATION

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A Letter From the President Looking at Performance



Dear Friends and Colleagues,

For the past six years, The Edna McConnell Clark Foundation has devoted its resources—about \$30–35 million annually in grants—to increasing the number of low-income youth served by organizations with scientifically proven or persuasive evidence of effectiveness. Ultimately, our goal is to strengthen these organizations' prospects for long-term sustainability.

This annual report is a departure from previous editions. Prior annual reports discussed in detail our reasons for undertaking our current grantmaking approach. This report focuses on Foundation and grantee performance in meeting the objectives we set with our grantees, as well as future performance projections. It is the first time we have produced a public report about performance; and it is our intention to continue to do so in future annual reports.

Evaluating Performance

The Foundation's trustees and staff examine various measures in three broad categories to assess performance on a quarterly basis:

- 1 Performance measures for all grantees in our Youth Development Fund;
- 2 Performance measures for our two major investment portfolios: single-service organizations—organizations that are replicating a single service regionally and/or nationally, such as Big Brothers Big Sisters of America, which provides mentoring to at-risk youth; and multi-service, community-based organizations—such as Good Shepherd Services in New York City, which provides multiple programs and services to its youth participants in a specific locality; and
- 3 Performance measures for individual grantees in both portfolios.

In our work so far, we have found that developing and implementing these measures, while difficult, is essential for delivering on our and our grantees' mission. Such reporting is not a familiar practice in the nonprofit world, even for the strongest organizations.

We have structured this annual report around quantitative measures of growth and sustainability simply because they are our grantees' ultimate goals; no amount of narrative can substitute for them. We also think that setting clear performance objectives and establishing credible reporting systems to assess progress in meeting those goals provides us and our grantees impetus to continue to find ways to better our performance. We will make regular updates on these measures on our website to ensure that the most up-to-date information is available for all, and as you'll see in the pages that follow, our measurement tools and data collection are still being refined and developed.

But clear goals and credible reports alone are not sufficient. The organizational capacity to develop and implement growth strategies; to hire qualified staff and provide them sufficient training; to build board capacity to oversee growth; to question and reshape basic programmatic content—these capacities are in short supply in the nonprofit world, and the Foundation has also seen its role as providing assistance in building those capacities.

Though the results in terms of increased capacities—and performance—are gratifying, building these capacities is costly and time-consuming, and is a major reason we have limited our grantmaking to a small number of organizations.

We understand that there is no reliable methodology for ascribing with precision the success or failure in meeting these objectives directly to the Foundation's investments and non-financial assistance. Our grantees are effective and well-regarded organizations, with strong leaders and a broad base of supporters, and these factors in themselves increase their odds for success. On the other hand, funds for growth and organizational strengthening are not common in either the philanthropic or the public sector.

Taking Stock and Looking Ahead

We are pleased with the success of our grantees to date. As the data in this report suggest, there are good reasons for us to believe that our investments are playing a constructive role as our grantees pursue their growth strategies. Of course, many challenges remain, and only a longer time period will show the ultimate results of our strategy. Nevertheless, for now, the progress to date has provided our Board of Trustees with the confidence to extend our strategy for the indefinite future.

We are also at a point in our strategy's evolution where we recognize that our grantees' success requires us to strengthen and align more intentionally the relationship we have with other investors. We hope that our approach to performance measurement and capacity building—and our goal of increasing the number of youth benefiting from *effective* programming—will be helpful to other investors. We are also very interested in working with our funding partners to augment and improve this approach to measurement.

I hope the readers of this report find it useful. We see it as a springboard for fuller, deeper reporting on the performance of the Foundation and its grantees, both in future annual reports and in separate, issue-oriented reports. We will also have updates on our website emcf.org. As always, we are open to hearing questions or comments you may have. Finally, we invite you to email us at info@emcf.org to subscribe to our electronic newsletter, which will keep you abreast of our work.



Nancy Roob
September 2007

2006 Performance Report

The Foundation and Its Grantees



Since 1999, The Edna McConnell Clark Foundation (EMCF) has focused on increasing the numbers of low-income youth (ages 9 to 24) served by programs with scientifically proven or persuasive evidence shown to help youth lead healthy, productive lives.

To accomplish this, the Foundation has devoted the bulk of its resources to strengthen a select group of youth-serving organizations to enable them to serve more young people, become more organizationally effective, and, ultimately, serve as models and leaders in the field.

The Foundation conducts extensive due diligence before investments are made. Once an organization is selected, the Foundation makes grants to build organizational capacity, improve program quality, and develop strategies aimed at long-term financial sustainability. In addition to this direct investment, the Foundation also provides assistance, as needed, on strategy, evaluation, theory of change development, talent recruitment and retention, board development, and communications.

The need for stronger capacities in the areas noted above is great in the nonprofit world, even among the most successful organizations. Basic organizational needs—such as having clear outcomes, reporting systems that assist decision-making, and defensible “theories of change”—are significantly underdeveloped in most youth-serving nonprofits.

Building the Foundation’s and the field’s capacity to provide effective assistance in these areas has also proven to be a substantial challenge, and much of our work these past several years has been devoted to building these capacities. It has been costly and time-consuming—but without such infrastructure it is not possible to help our grantees, or the youth development field, improve their services, and increase the number of youth they help. Simply put, larger grants alone are not sufficient.

Single-Service Organizations

The Foundation puts a premium on finding and investing in organizations with scientifically proven outcomes. For example, Nurse-Family Partnership, Youth Villages, and the Carrera Adolescent Pregnancy Prevention Program at the Children’s Aid Society all have undergone rigorous, randomized control studies proving their effectiveness in improving the life trajectories of the young people they serve. (See pages 14–41 for more information about these organizations.)

When one of our grantees has such evidence, the Foundation considers it eligible for a much larger grant to support significant expansion. Such grants aim to increase the number of youth assisted by effective programming.

For grantee organizations with persuasive but less scientific evidence of effectiveness, the Foundation provides assistance in implementing strong performance tracking systems, and in working with independent evaluators to conduct scientifically rigorous evaluations. For example, over the course of the Foundation’s investment, Citizen Schools underwent an independent, third-party evaluation by Policy Studies Associates that showed participants in the program had a greater likelihood of entering 10th grade on time and enrolling in high-performing high schools (compared with non-participants). That evidence made Citizen Schools eligible for a larger Foundation grant aimed at expansion to other jurisdictions. (See page 24 for more information about Citizen Schools.)

Seven of the Foundation’s grantees in 2006, including the four mentioned above, are single-service organizations (SSOs). These organizations provide one service (e.g., mentoring) or program (e.g., home visitation by nurses to new mothers) effectively. Their growth strategies usually involve expansion to new jurisdictions as well as growth in existing jurisdictions.

Though they often have significant needs for improved organizational capacities to achieve growth and sustainability, an SSO’s focus on a single service or program usually means that its “theory of change” is well-developed, and its outcome and reporting needs are relatively straightforward. Even so, interim indicators of effectiveness, needed for ongoing decisions about staffing capacity, training needs, and programmatic fidelity, are often in need of development. And even high-quality impact evaluations do not necessarily leave an organization with useful internal reporting systems; these often have to be developed separately to meet management, not evaluation, purposes.

As the quantitative section of this report indicates, our SSO grantees have made significant progress over the course of their relationship with the Foundation in increasing both the number of youth they have and can serve,

and revenues they need to sustain this development. What those numbers suggest but do not explicitly show, is the underlying improvements in organizational capacity: greater involvement in governance and fundraising by trustees; concrete strategies—and staffing—to conduct growth, sustainability, and capital campaigns; information systems that allow timely decisions to ensure program quality; and sophisticated efforts to locate and hire competent staff.

Though the work to build and maintain a strong organization never ends, we are pleased with the progress of our grantees. We are also beginning to see that our investment and assistance strategies have played a useful and unique role in their progress, and that in our successes and our mistakes there are useful lessons for other funders with an investment-oriented approach. We will commission an external, objective look at our SSO experience over the next year to draw out those lessons.

Multi-Service Organizations

Four of the Foundation’s remaining grantees are multi-service organizations (MSOs). They are Harlem Children’s Zone, Good Shepherd Services, Our Piece of the Pie, and Roca, Inc. An MSO is typically rooted in one community; any expansion takes place within that community. MSOs in aggregate serve many more youth than SSOs in the United States, and thus are an important element of the Foundation’s effort to increase the number of youth served by effective services or programming.

MSOs by definition have a number of discrete but integrated services and programs, and typically serve many age groups, and groups with very different needs. They usually have multiple funders—most often public agencies—with very different goals, regulations, and reporting requirements. They are thus much more complex organizations to manage and govern, as their management and service delivery issues are often different, depending on the particular program or group they are serving. Likewise, the outcomes they are seeking are multiple—and their reporting needs complex and sophisticated.

Thus, in contrast to SSOs, the emphasis of the Foundation’s investments in MSOs has not been simply on preparing for growth but on improving and/or ensuring quality in their services to youth. The “theory of change” work is typically much more extensive; internal reporting systems and metrics development more complex, and at the same time, more basic. This area of work poses significant challenges, and we are still too early in that work to draw many conclusions.

(One EMCF grantee, Boys & Girls Clubs of America, does not fit neatly into either the SSO or MSO category, but is also focused on improving the quality of its programming at its local affiliates.)

Reporting on Performance

This annual report documents the goals and performance of its seven single-service grantees in two main areas: growth in number of youth served, and growth in total revenues. As noted earlier, these are the Foundation's and our grantees' ultimate goals, and focusing on them is appropriate.

The following reports provide data on each organization's performance starting from the year of the Foundation's first investment. In addition to information on past performance (up to 2006), these reports include future projections for youth served and total revenues developed by each organization as part of their business plan. Total revenue refers to all funds raised during an organization's fiscal year, as stated in their audited financial statements.

It should be noted that the achievement of or failure to achieve these goals by any one organization masks many possible explanations, which this report cannot attempt to document.

In addition, grantees report on many other quantitative variables besides number of youth and level of revenues, both to provide information for internal decision-making and to provide a more nuanced view of the meaning of "bottom line" numbers. For example, revenue growth obviously has less importance if it is composed mostly of this Foundation's funding.

Likewise, an increase in youth served is of less import if to get that increase youth are staying in the program for less time, or not getting the full programmatic content. Although EMCF is very pleased to see the number of young people served by our grantees growing in parallel with our investments, we know that this measure by itself does not give a full picture of what our grantees are accomplishing. The "number of youth served" metric is often called a "turnstile" measure by evaluators, and fails to distinguish the numbers of program participants who actually received a high enough "dosage" of the program over a long enough period to ensure that they benefited by achieving the intended outcomes, as opposed to youth who participated in a program at sub-optimal levels or for less than the requisite period of time (e.g., registering for a program and attending only once or twice).

Therefore, the Foundation has developed a measure called "active service slots." An active service slot is the position in a program occupied by a participant who is utilizing the program at the levels of intensity and the length of time that, according to rigorous evaluation findings, are necessary to achieve optimal benefit. Each program will have its own formula for calculating the dosage and duration of participation, and we have been working with our grantees to develop these individualized formulas for their programs. Over the coming year, we will finalize these formulas with all of our single-service organization grantees with proven impacts or demonstrated outcomes, and we will publicly report data related to active service slots in future reports and on our website.

In short, every layer of reporting and analysis brings to light a different but revealing aspect of an organization's efforts. Our collective work has been to identify and delve into these aspects so as to rigorously test our theory of change—to go as far as the data will permit.

Thus, while internal reports for each grantee are fashioned to provide these nuances, this annual report cannot, for reasons of space, include all this subsidiary information for each grantee. Nonetheless, the reports for three organizations—Youth Villages, Nurse-Family Partnership, and Citizen Schools—are presented here with supplementary data so that the reader has some idea of what is involved.

Finally, this report does not detail the performance of the Foundation's four multi-service organization grantees (although brief information about these organizations can be found on pages 39–42). Since MSOs are primarily focused on improving the quality of their programming across the organization, rather than on expanding services to more youth, the Foundation does not evaluate performance using the same metrics of youth served and revenue growth. The Foundation is currently finalizing the metrics to evaluate the performance of multi-service organizations, and will be reporting them in future versions of this report.

Aggregate Performance Single-Service Organizations

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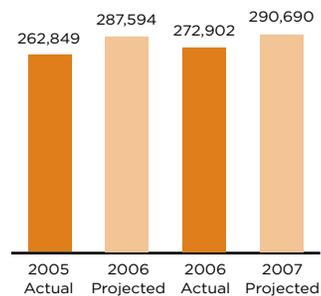
The Foundation makes large, long-term grants over multi-year periods. Thus year-to-year comparisons may not provide a full picture of performance and growth across the portfolio. Nonetheless, here is how the Foundation's grantees did from 2005 to 2006 in aggregate.

For the seven SSOs in the Foundation's grantee portfolio, the total growth goal for youth served was 9%—or a projected increase of about 24,745. As the chart below indicates, their actual growth in youth served was 10,053, for a 4% growth rate. The shortfall between the projected and actual numbers of youth served is primarily due to a single organization missing its target milestones.

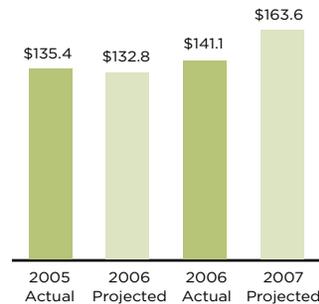
Total revenue was expected to drop 2%, or \$2.6 million less in revenues than 2005. The drop in projected revenue is primarily due to the unexpected strong performance of the seven organizations in raising revenue in 2005. In actuality, total revenue grew 4%, or an increase of \$5.7 million. (Note: For national organizations with local affiliates, like Big Brothers Big Sisters of America and Nurse-Family Partnership, the revenue totals only include the budgets for the central organization, not the entire network of affiliates.)

Aggregate Performance

Total Youth Served



Total Revenue (in millions)



Since the Foundation's grants are focused on building organizational strength and capacity, not on funding direct services, the Foundation's grants do not necessarily lead to an increase in youth served every year.

Performance Report Single Service Organizations

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This section presents a descriptive and a performance summary for each of the seven single-service organizations in the fund in 2006, and includes information about goals for future years.

For three grantees—Youth Villages, Nurse Family Partnership, and Citizen Schools—we have provided a more detailed picture of the organization's performance as an example of the fuller reporting the Foundation and its grantees conduct.

Youth Villages

www.youthvillages.org

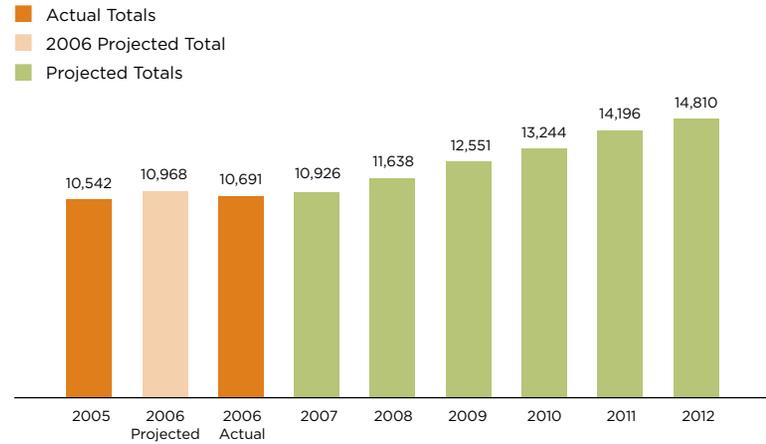
Youth Villages serves emotionally and behaviorally troubled youth, the majority between ages 6 and 22, with in-home and residential interventions that assist youth to improve academic achievement, make a successful transition to employment, and avoid criminal activity. Most of the youth served have cycled in and out of foster care and/or are involved in the juvenile justice system.

Youth Villages' continuum of care utilizes evidence-based programs, including Multi-Systemic Therapy (MST), a scientifically validated program of intensive in-home counseling to youth and families that is designed to teach young people how to function successfully in school, at home, and with peers. This model is far less costly than traditional child welfare services, and research proves that the youth it serves are twice as likely to remain at home for two years after discharge than the national average of youth with similar backgrounds (80 percent vs. 40 percent). A remarkable 84 percent remain out of jail, and 75 percent are either still in school, have graduated, or are getting their GED 24 months after entering the program. The Washington State Institute for Public Policy estimated that utilizing MST over traditional services saves the taxpayer between \$31,000 and \$130,000 per participant.

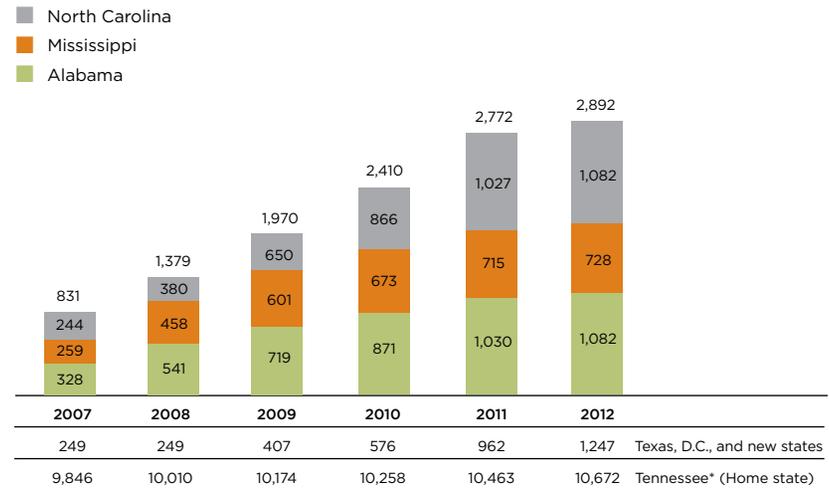
Since 2004, the Foundation has invested \$6.25 million in Youth Villages to develop and implement its business plan. During this period, Youth Villages expanded into three new states, North Carolina, Massachusetts, and Washington, D.C.; doubled its capacity in Mississippi; tripled its capacity in Alabama; and deepened its influence and impact in its home state of Tennessee.

Note: As explained on pages 7–11, this report on Youth Villages provides a more detailed picture of the organization's performance as an example of the fuller reporting the Foundation and its grantees conducts.

Youth Villages: Youth Served



Youth Villages: Scaling — Youth Served by State



*Tennessee represents an example of the potential desire to scale in a given state.

Geographic Reach: Headquartered in Memphis, Youth Villages serves youth in six states (Alabama, Massachusetts, Mississippi, North Carolina, Tennessee, and Texas) and Washington, D.C. Youth Villages plans to expand into two or three new states by 2012.

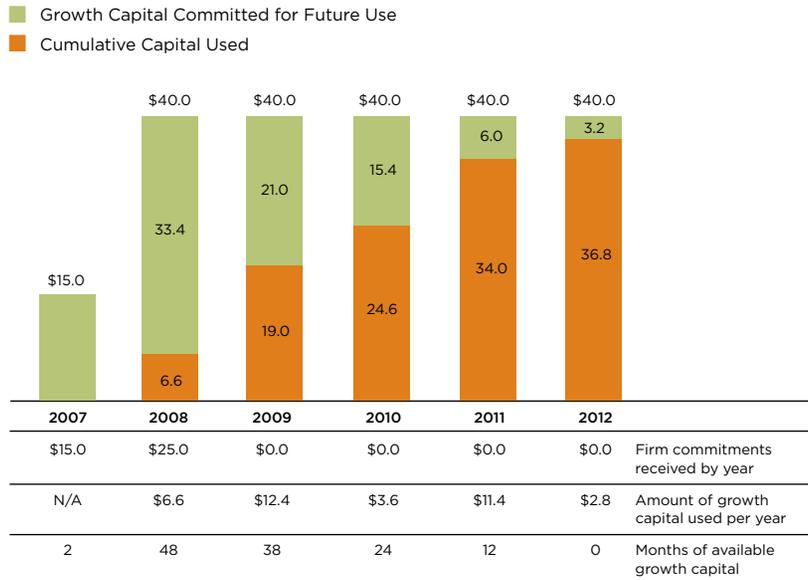
Youth Villages: Total Revenue (in millions)



Youth Villages: Projected Growth Capital Raised and Expended

Growth capital refers to funds raised specifically upfront to underwrite the cost of expansion efforts in new sites, or of expanding services in existing locations. This metric measures the amount of growth capital committed by funders, commitments converted to donations, and the rate at which growth capital is being used. Youth Villages plans to undertake a growth capital campaign starting in 2007.

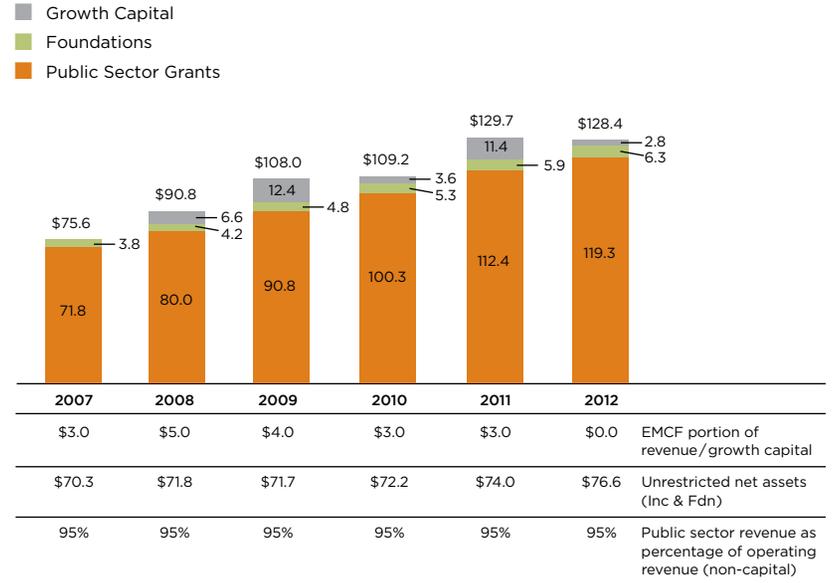
(In millions)



Youth Villages: Projected Revenue Sources (Revenue Diversity and Growth of Sustainable Revenue Sources)

As an organization implements its growth plan, growth capital provides the revenue necessary for the organization to scale up its operations. By the end of the growth plan, the organization is expected to grow its revenues from more reliable, renewable sources, and, if it were to stop growing, become sustainable at its new, larger scale.

(In millions)



Nurse-Family Partnership
www.nursefamilypartnership.org

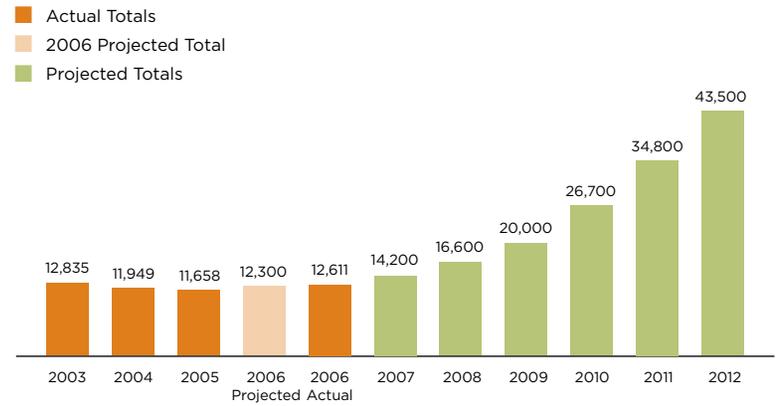
Developed by Dr. David Olds and with three decades of rigorous research, Nurse-Family Partnership is a nurse home visiting program that has been proven to improve the lives of low-income, first-time families and their children. Specially trained nurses regularly visit low-income expectant mothers (median age 19) during their first pregnancy and during the first two years of their children’s lives, teaching them parenting skills and helping them access job training and education programs.

Three separate randomized, controlled trials were conducted over the past three decades among diverse populations and locations. A 15-year follow-up of the Elmira, New York, trial showed that mothers in the program become more economically self-sufficient and much more likely to avoid criminal behavior, and that their children live healthier, more productive lives, than the mothers and children in the control group.

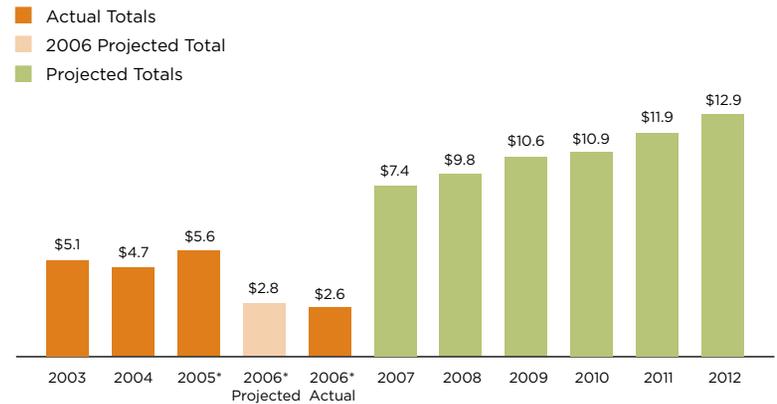
In late 2003, Nurse-Family Partnership spun off from the University of Colorado and established an independent nonprofit, setting the stage and organizational operations to significantly scale its programs over the next decade. Over the past four years, the Foundation has invested \$12.3 million in Nurse-Family Partnership to support the spinoff, establish a new organizational entity, and develop and implement its business plan.

Note: As explained on pages 7–11, this report on Nurse-Family Partnership provides a more detailed picture of the organization’s performance as an example of the fuller reporting the Foundation and its grantees conduct.

Nurse-Family Partnership: Families Served



Nurse-Family Partnership: Total Revenue (in millions)



**Nurse-Family Partnership became incorporated and spun off from the University of Colorado in 2004. The newly formed organization received the bulk of its start-up funding in 2005 to cover expenses for both 2005 and 2006.*

Note: The revenue totals include only the budget for the central organization, not the entire network of local affiliates.

Nurse-Family Partnership: Projected Growth Capital Raised and Expended

Growth capital refers to funds raised specifically upfront to underwrite the cost of expansion efforts in new sites, or of expanding services in existing locations. This metric measures the amount of growth capital committed by funders, commitments converted to donations, and the rate at which growth capital is being used. Nurse-Family Partnership plans to undertake a growth capital campaign starting in 2007.

(In millions)

- Growth Capital Committed for Future Use
- Cumulative Capital Used



Nurse-Family Partnership: Projected Revenue Sources (Revenue Diversity and Growth of Sustainable Revenue Sources)

As an organization implements its growth plan, growth capital provides the revenue necessary for the organization to scale up its operations. By the end of the growth plan, the organization is expected to grow its revenues from more reliable, renewable sources, and, if it were to stop growing, become sustainable at its new, larger scale.

(In millions)

- Growth Capital
- Earned Income/Fee-for-Service
- Fundraising

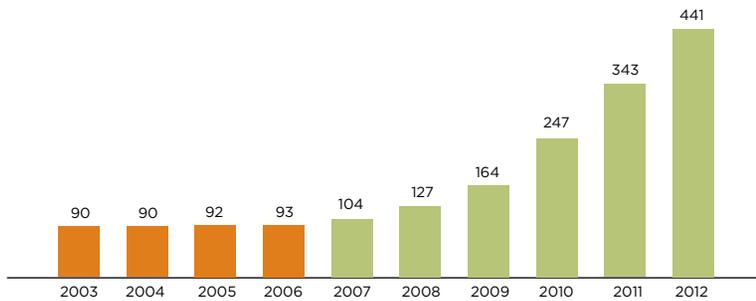


Geographic Reach: Provides support to 101 implementing agencies that provide services to clients in more than 290 counties in 23 states: Arizona, California, Colorado, Illinois, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Washington, Wisconsin, and Wyoming. Nurse-Family Partnership plans to operate 441 sites by 2012.

Nurse-Family Partnership: Implementing Agencies

Nurse-Family Partnership defines an implementing agency as a local agency, typically a local governmental entity or nonprofit, that is implementing its nurse home visitation model.

- Total Agencies
- Projected Agencies



Citizen Schools

www.citizenschools.org

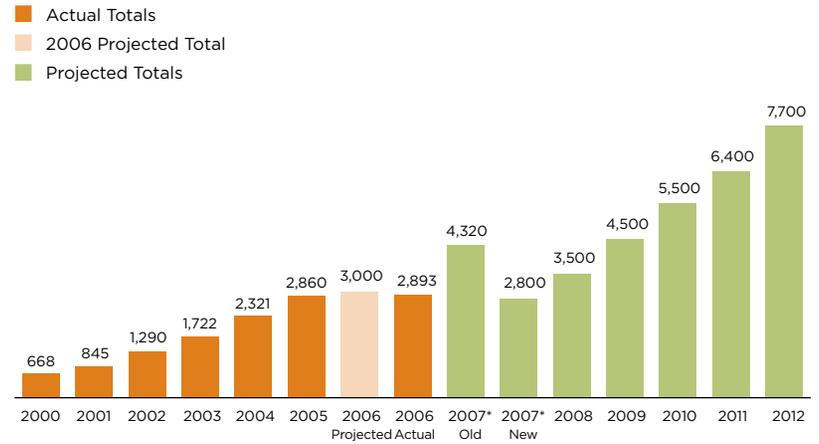
Citizen Schools operates a national network of apprenticeship programs designed to lift the educational trajectories of low-income middle school students (ages 9 to 14), connecting adult “citizen teacher” volunteers to young people in hands-on after-school learning projects that develop skills like oral and written communication, critical thinking, and use of technology. Additionally, staff provide additional academic support such as homework help, study skills instruction, college campus visits, and civic activities. By demonstrating the impact of this added learning time and access to opportunity on student achievement, Citizen Schools is working to catalyze broader change in the field of after-school education.

Results from a 2005 comparison evaluation, conducted by Policy Studies Associates, found that participants outperformed peers on six of seven academic measures, including school attendance, number of suspensions, and academic attainments. Additionally, its participants go on to “college-track” high schools at more than twice the rate of the matched comparison group.

Since 2000, the Foundation has invested \$8.5 million in Citizen Schools to help develop and implement its business plan. Between 2000 and 2006, Citizen Schools has expanded beyond its home state of Massachusetts and established campuses in four additional states.

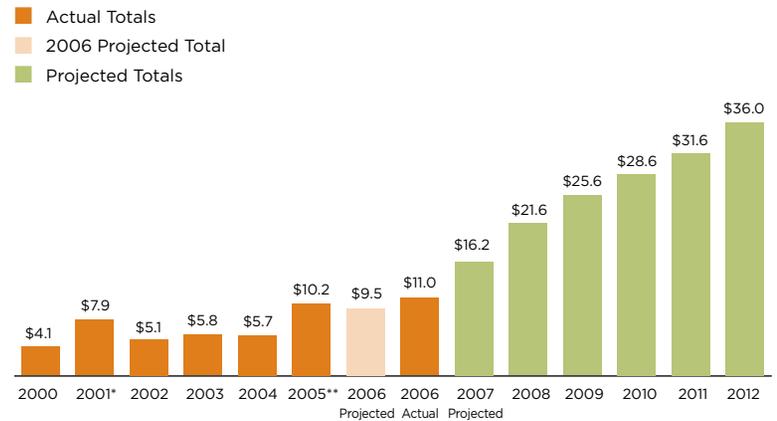
Note: As explained on pages 7–11, this report on Citizen Schools provides a more detailed picture of the organization’s performance as an example of the fuller reporting the Foundation and its grantees conduct.

Citizen Schools: Youth Served



**Starting in 2007, Citizen Schools is changing the methodology for calculating number of youth served, causing projections from 2007 on to drop. For illustrative purposes the projection based on the old calculation for 2007 is shown for comparison.*

Citizen Schools: Total Revenue (in millions)



**In 2001, Citizen Schools undertook a fundraising campaign, leading to a spike in revenue. These grant dollars were spent down during the following years.*

***2005 was a short fiscal year because Citizen Schools changed their fiscal year end. The number presented here is an annualized figure.*

Citizen Schools: Projected Growth Capital Raised and Expended

Growth capital refers to funds raised specifically upfront to underwrite the cost of expansion efforts in new sites or of expanding services in existing locations. The chart below shows the amount of growth capital committed by funders, funds used each year to cover expenditures, and the rate at which growth capital is being used. Citizen Schools plans to undertake a growth capital campaign starting in 2007.

(In millions)

- Growth Capital Committed for Future Use
- Cumulative Capital Used

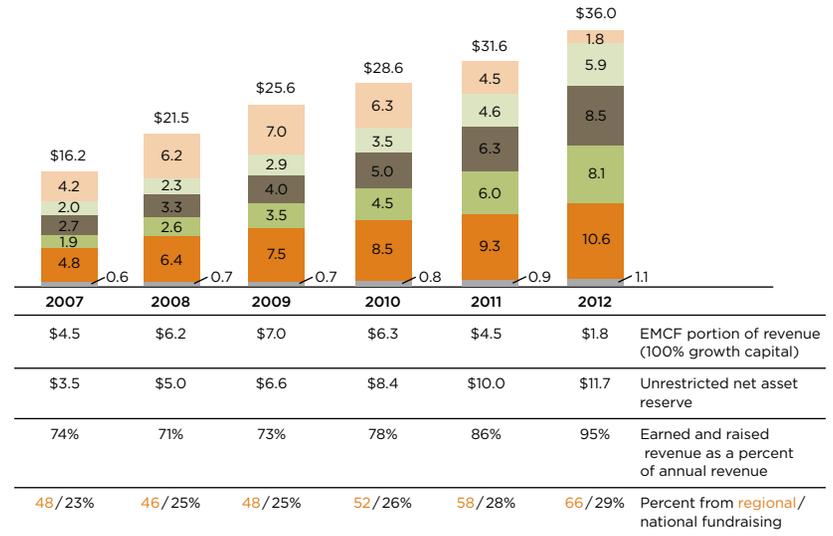


Citizen Schools: Projected Revenue Sources (Revenue Diversity and Growth of Sustainable Revenue Sources)

As an organization implements its growth plan, growth capital provides the revenue necessary for the organization to scale up its operations. By the end of the growth plan, the organization is expected to grow its revenues from more reliable, renewable sources, and, if it were to stop growing, become sustainable at its new, larger scale.

(In millions)

- Growth Capital
- Corporations
- Public Sector Grants
- Individuals
- Foundations
- Earned Income/Fee-for-Service/Other

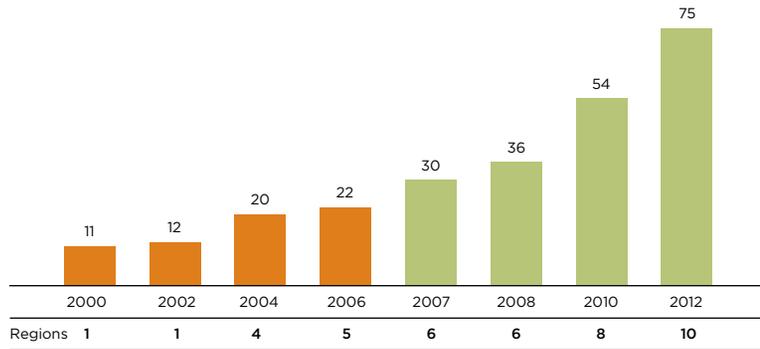


Geographic Reach: Headquartered in Boston, Massachusetts, Citizen Schools has 30 campuses in five states around the country—California, Massachusetts, New Jersey, North Carolina, and Texas—and plans to have established sites in three to five additional states by 2012.

Citizen Schools: Campuses and Regions

Citizen Schools defines a campus as a school site where the organization’s programs are held. A mature region comprises 10-12 campuses within a certain geographic area.

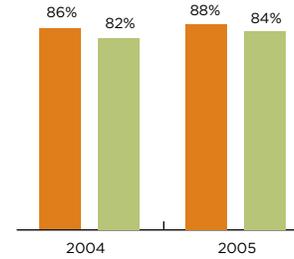
Actual Totals
Projected Totals



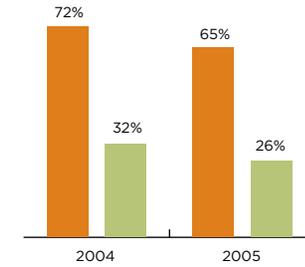
Citizen Schools: Participant Performance

Citizen Schools Participants
Non-Participants

Students with On-Time Promotion to 10th Grade*

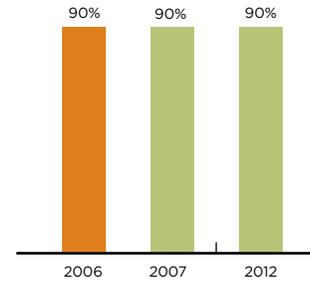


Percentage of 8th Graders Who Selected High-Quality High Schools**

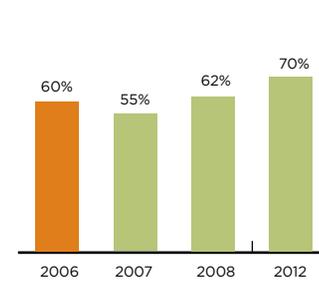


Actual Results
Projected Results

Daily Program Attendance



Full-Year Retention***



*Results are from the 2006 PSA evaluation. Non-participants may have participated in other after-school programs not run by Citizen Schools. Citizen Schools is currently developing target projections for this metric, which will be reported in future reports.

**Results are from the 2006 PSA evaluation. “High-quality” refers to college track high schools as defined by Citizen Schools. Citizen Schools is currently developing target projections for this metric, which will be reported in future reports.

***2006 performance was higher than internal projections. Projections from 2007 on reflect Citizen Schools’ conservative targets.

Big Brothers Big Sisters of America

www.bbbs.org

Big Brothers Big Sisters of America is the parent organization for a network of more than 400 local agencies across the nation that matches adult volunteers with at-risk youth (ages 6 to 18) to form one-on-one mentoring relationships. The organization is also developing and testing a new mentoring model—school-based mentoring—that pairs youth and mentors in a school setting during normal school hours.

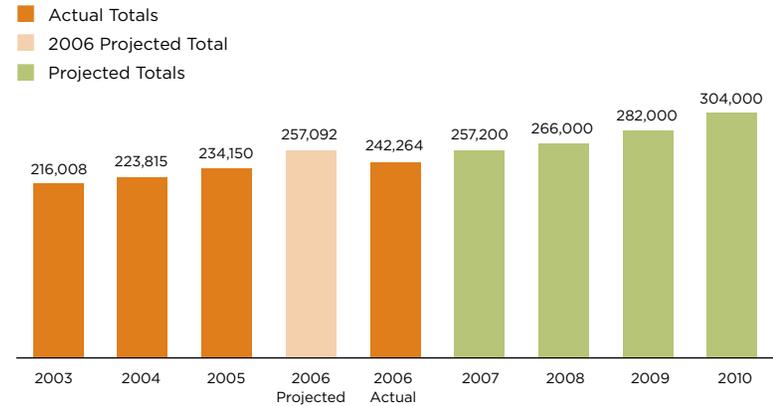
In a rigorous, scientific evaluation conducted by Public/Private Ventures, Big Brothers Big Sisters's community-based, one-on-one mentoring program was proven to have a meaningful, positive impact on the lives of its participants. Among its findings were that youth in the program were

- 52% less likely to skip school,
- 46% less likely to begin using illegal drugs, and
- more likely to get along with their families and peers.

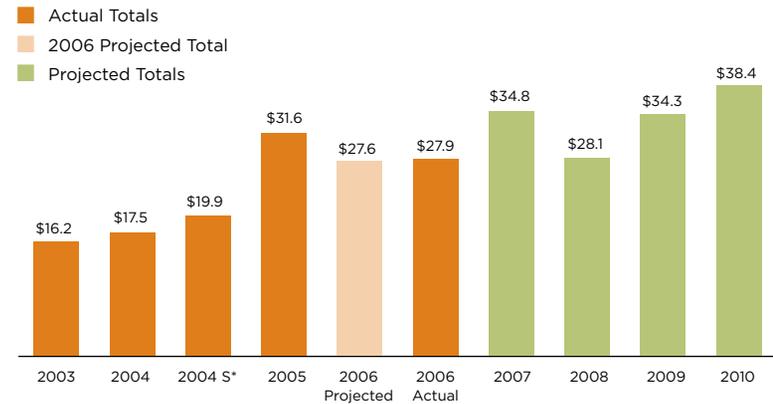
Big Brothers Big Sisters also undertook a three-year control trial evaluation of its other major mentoring program, school-based mentoring. The study, also conducted by Public/Private Ventures, yielded mixed results, prompting Big Brothers Big Sisters to develop a comprehensive plan to improve the school-based mentoring program.

Since 2000, the Foundation has invested \$11.5 million in Big Brothers Big Sisters of America. Over the past seven years, the National organization has significantly bolstered its own capacity to support affiliate agencies that serve larger numbers of youth in their respective regions.

Big Brothers Big Sisters of America: Youth Served



Big Brothers Big Sisters of America: Total Revenue (in millions)



*2004 S was a short fiscal year.

**In 2005, Big Brothers Big Sisters of America successfully booked several large, multi-year grants from private funders, leading to a spike in revenue. Projections from 2006 on reflect its long term revenue growth targets.

Note: The revenue totals include only the budgets for the central organization, not the entire network of local affiliates.

Geographic Reach: Big Brothers Big Sisters has more than 400 local agencies in all 50 states across the United States.

Carrera Adolescent Pregnancy Prevention Program

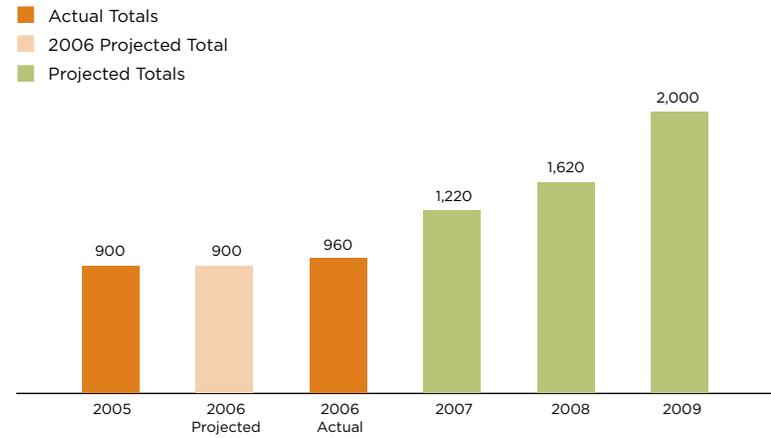
www.stopteenpregnancy.com

The Children's Aid Society (CAS)–Carrera Adolescent Pregnancy Prevention Program helps young people (from fifth grade through high school graduation) to avoid pregnancy and other risky sexual behavior.

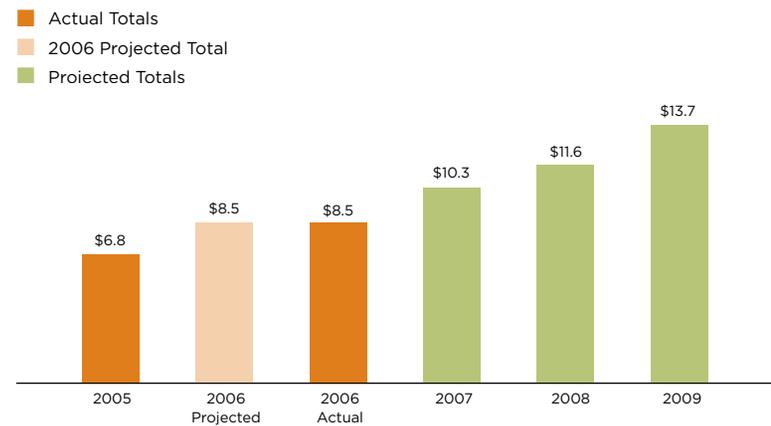
An evaluation by Philliber Research Associates found that the CAS–Carrera Program yielded a 50% reduction in birth rates in communities it served, along with other positive outcomes, including increased likelihood of high-school graduation and college admission, increased employment experience, higher fiscal responsibility among youth, and increased adoption of healthy living practices. The program is the only fully evaluated teenage pregnancy prevention program with statistically proven effectiveness in the country.

Since 2004, the Foundation has invested \$4.5 million in the CAS–Carrera Program to help develop and implement its business plan. Over the past three years, the organization has embarked upon a national expansion plan, adding several new locations outside its home of New York City.

CAS – Carrera Program: Youth Served



CAS – Carrera Program: Total Revenue (in millions)



Geographic Reach: The organization currently operates programs in New York City; Washington, D.C.; Baltimore, Maryland; Flint, Michigan; Atlanta and Milledgeville, Georgia; Houston, Texas; and Crystal Lakes, Florida— where rates of teen pregnancy are higher than the national average. By 2010, in addition to deepening its reach in existing communities, it plans to establish operations in four new locations, including Detroit, Michigan. To support the continued expansion of the program model, CAS–Carrera is creating Regional Implementation Centers (RICs) to provide the local infrastructure to manage the quality of local replications and ensure fidelity to the program model.

Center for Employment Opportunities

www.ceoworks.org

Center for Employment Opportunities (CEO) helps prepare young people and adults returning home from prison to find and keep permanent employment. It works with more than 1,800 parolees in New York State annually, over a third of whom are 18 to 25 years old and generally have great difficulty finding employment.

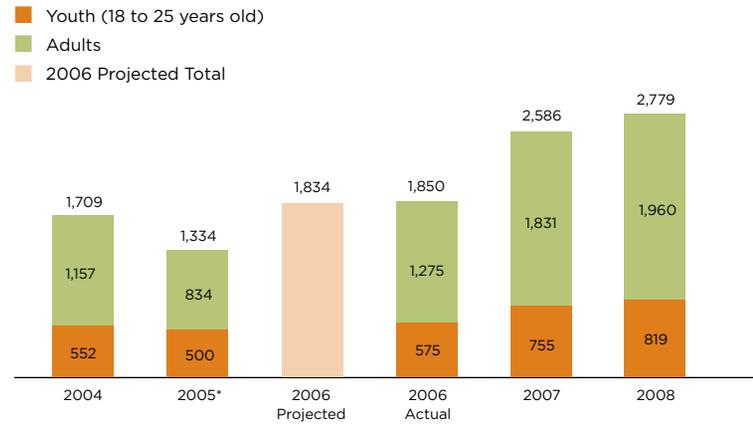
CEO is currently participating in a \$25 million, six-organization impact evaluation being conducted by MDRC and sponsored by the U.S. Dept of Health and Human Services. Interim findings are expected to be released in late 2007.

Since 2003, the Foundation has invested \$6.25 million to help CEO develop and implement its business plan. Over the past four years, CEO has implemented an organization-wide performance tracking and management system, as well as increased the quality of services and training offered to youth participants to improve their placement and retention rates.

Note: As explained on pages 7–11, this report on CEO provides a more detailed picture of the organization's performance as an example of the fuller reporting the Foundation and its grantees conduct.

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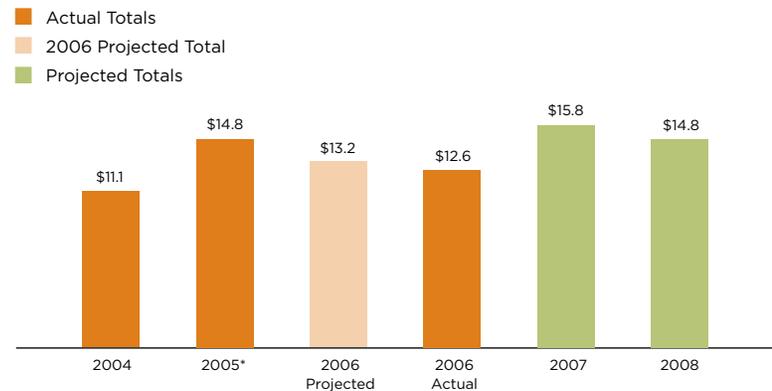
Center for Employment Opportunities: Numbers Served



**The drop in total numbers served in 2005 was due to integration of a pilot program that was part of CEO's business plan at that time. This program—working with participants released from Rikers Island prison—required CEO to create new transitional employment capacity. Thus, intake for the baseline population (parolees) was temporarily reduced. By 2006, CEO had enough transitional employment capacity to fully meet the needs of both parolees and people leaving Rikers Island.*

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Center for Employment Opportunities: Total Revenue (in millions)



**In 2005, CEO recorded large grants from private funders, leading to spikes in revenue. These grant dollars were spent down in the years following receipt of the funds.*

Geographic Reach: Center for Employment Opportunities is located in New York City and works with ex-prisoners from the New York metropolitan area. The organization's current growth plan calls for targeted expansion within New York only.

MY TURN

www.my-turn.org

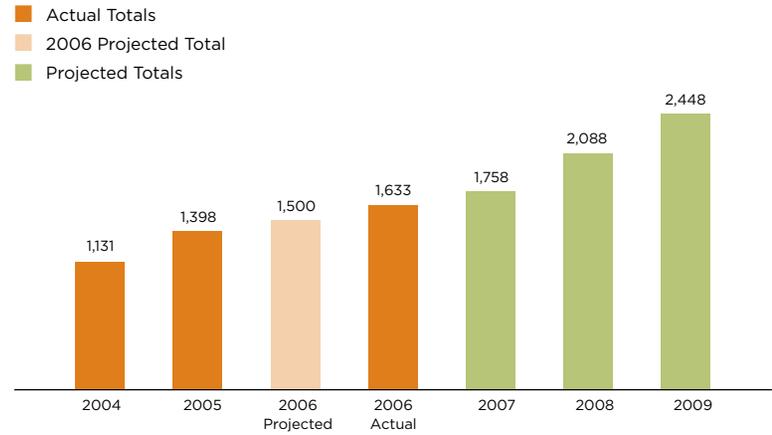
MY TURN (America's Youth Teenage Unemployment Reduction Network) helps low-income youth (ages 14 to 21) in several northeast states, many of whom have already left high school without a diploma, to prepare for the workforce or continue their education. Case managers from MY TURN assist young adults in completing high school, enrolling in post-secondary education, or entering the workforce, and provide follow-up services for up to one year.

MY TURN, with a long commitment to performance measurement, has undergone several evaluations of its school-to-work programs. MY TURN is currently undergoing an implementation study of its out-of-school services to better understand and improve the delivery of its programming to youth. These efforts will help the organization prepare for a rigorous impact evaluation in the future.

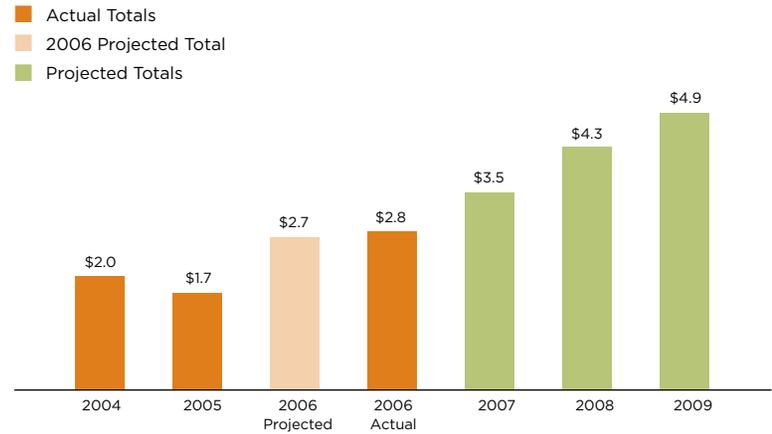
Since 2003, the Foundation has invested \$6.55 million in MY TURN to develop and implement its business plan. Based on the success the organization had meeting its year-three milestones a full year early, MY TURN began implementing the second phase of its business plan in 2006. The organization aims to expand its services throughout New England.

Note: As explained on pages 7–11, this report on MY TURN provides a more detailed picture of the organization's performance as an example of the fuller reporting the Foundation and its grantees conduct.

MY TURN: Youth Served



MY TURN: Total Revenue (in millions)



Geographic Reach: MY TURN currently operates 22 sites in Massachusetts, New Hampshire, and Rhode Island. It plans to add an additional seven in-school and out-of-school sites by 2009.

Single-Service Organizations in Business Planning in 2006

38 The Foundation made investments in the following organizations to help defray the costs associated with developing a business plan.

Hillside Work-Scholarship Connection www.hillside.com

Hillside Work-Scholarship Connection (HW-SC), through a unique partnership with Wegmans Food Markets and other private employers, seeks to increase the graduation rates of youth (grades 7 through 12) residing in Rochester and Syracuse, New York by providing in-school support staff, academic resources, and life skills development and job training, in and out of school. Its programs are designed to first graduate students from high school and then ensure that they leave school with the knowledge and skills necessary to pursue post-secondary education or employment opportunities.

A comparison group evaluation by the Council on Government Research in 2004 found that HW-SC students in Rochester public schools graduate at twice the rate of their peers (61 percent, compared with 31 percent).

Self Enhancement, Inc. (SEI) www.selfenhancement.org

Self Enhancement, Inc. (SEI) serves primarily African-American youth (ages 8 to 25) and their families in Portland, Oregon with in-school and after-school programs to help them reach their full potential. Through a combination of in-school case management, mentoring, and tutoring assistance, SEI enables youth to succeed academically, gain entrance into post-secondary education, and obtain sustainable employment.

Multi-Service Organizations

39 **T**he four multi-service organizations in the Foundation's portfolio in 2006—Good Shepherd Services, Harlem Children's Zone, Our Piece of the Pie, and Roca, Inc.—already serve large numbers of youth in their communities. Their present business plans are primarily focused on increasing the quality of services delivered to youth—from improving elements of their programs to implementing rigorous performance tracking and ways to use evaluation data to further enhance program quality.

Thus, as stated on page 11, the Foundation does not measure the performance of the multi-service organizations in its portfolio based on numbers of youth served or revenue growth. The Foundation is currently finalizing the metrics it will be using to evaluate the performance of multi-service organizations in improving the quality of their programs and implementing rigorous performance management systems to assist in that effort.

The following section includes a brief description of each organization, as well as of Boys & Girls Clubs of America and Congreso de Latinos Unidos, a multi-service organization that was in business planning in 2006.

Good Shepherd Services www.goodshepherds.org

Good Shepherd Services (GSS), based in New York City, provides a comprehensive set of services for youth and families in Brooklyn, the Bronx, and Manhattan. The organization aims to assist vulnerable youth and their families in “making positive changes in their lives and open pathways to a better future.” The organization reaches participants through a range of programs that provide educational support, alternative schooling opportunities, foster care and adoption services, after-school programming, and family support.

Good Shepherd is currently implementing a comprehensive performance management and evaluation system across the entire organization.

Since 2006, the Foundation has invested \$7.25 million in Good Shepherd to develop and implement its business plan. Over the past two years, Good Shepherd has successfully assumed all contracts of Pius XII Youth and Family Services' programs in the Bronx, increasing its capacity in New York City 25%. The organization is also replicating (with support from the Bill and Melinda Gates Foundation) its highly regarded alternative school for older aged (16 to 21) youth who are failing in traditional schools.

Harlem Children's Zone

www.hcz.org

Harlem Children's Zone (HCZ) works to "rebuild the very fabric of community life" through a comprehensive set of programs that engage the local residents and community stakeholders to provide a safe learning environment and positive opportunities for children and families in New York's Harlem community. HCZ's many offerings include workshops for first-time mothers, charter schools, after-school and summer enrichment programming for youth, and help for teens to gain access to college or other post-secondary education opportunities.

Harlem Children's Zone is currently implementing a comprehensive performance management and evaluation system across the entire organization.

Since 2000, the Foundation has invested \$18.5 million in HCZ to develop and implement its business plan. One of the Foundation's first partners in youth development, HCZ has grown from serving 6,100 youth in 24 blocks in 2000, to serving more than 9,500 youth in 60 blocks of Harlem today. The organization plans to more than double the number of youth served annually and expand to an unprecedented 100 blocks by 2011.

Our Piece of the Pie

www.opp.org

Our Piece of the Pie (OPP) provides intensive and long-term case management services to youth (ages 14 to 24) across Hartford, Connecticut. OPP case workers develop individualized employment and education plans for its participants to help them make a successful transition to adulthood.

OPP is currently implementing a comprehensive performance management and evaluation system across the entire organization.

Since 2004, the Foundation has invested \$2.75 million in OPP for the development and implementation of its business plan. Between 2005 and 2006, OPP aligned its array of services around the goal of long-term employment for youth, and eliminated (or transferred) several programs that did not fit its core focus. The organization also underwent a major rebranding campaign, renaming itself Our Piece of the Pie, from Southend Community Services, to reflect its city-wide focus in Hartford. Despite facing significant government funding cuts in 2005 and 2006, OPP is projected to exceed its targets for numbers of youth served in 2007.

Roca, Inc.

www.rocainc.org

Roca, Inc. enables at-risk young people residing in the East Boston, Chelsea, and Revere neighborhoods of Boston to lead healthy, independent lives. Through intensive outreach efforts that engage youth "on the street," Roca staff form deep "transformational relationships" with youth, and then engage participants with various education, employment, and civic programs that help them develop the skills needed to become productive members of their communities.

Roca is currently implementing a comprehensive performance management and evaluation system across the entire organization.

Since 2000, the Foundation has invested \$4.75 million in Roca for development and implementation of its business plan. In 2002, the organization was hit (along with all other agencies in Massachusetts) with significant funding cuts from the state, adversely impacting its operations. Since then, Roca has been able to bounce back and re-establish its funding base, while rigorously realigning all aspects of its widely respected and innovative service model around a strong theory of change. In addition, Roca recently established a promising transitional employment program for youth.

Conclusion

Boys & Girls Clubs of America (BGCA)

www.bgca.org

Boys & Girls Clubs of America (BGCA) is the parent organization of more than 3,900 local clubs across the country. Each local club offers a “safe place to learn and grow—all while having fun” and runs several programs and services for boys and girls, including character and leadership development, gang and teenage pregnancy prevention, fitness programs, and educational assistance.

42 BGCA is currently implementing Project Upward Bound, a quality improvement initiative, across its network, and designing the Executive Transformation Program to develop the management skills of local club leaders.

Over the past decade, the Foundation has invested \$18.4 million in BGCA for various expansion and program enhancement efforts. BGCA serves 4.6 million youth annually across all its programs.

Note: BGCA is not a multi-service organization, but is also focused on improving the quality of its programming at affiliate sites across its network.

Multi-Service Organizations in Business Planning in 2006

The Foundation made investments in the following organization to help defray the costs associated with developing a business plan as well as support efforts to implement performance management systems and address other infrastructure needs.

Congreso de Latinos Unidos (Congreso)

www.congreso.net

Congreso de Latinos Unidos (Congreso) serves the neighborhoods of Eastern North Philadelphia, where the majority of the city’s Latino population resides. Founded in 1977 as a grassroots organization providing health services to the region’s Puerto Rican community, Congreso has responded to the community’s changing demographics and evolving needs for more than 30 years. The organization has grown into a multifaceted, comprehensive provider of social, employment, education, and health services which serves 22,000 annually.

43 **F**uture annual reports will continue to report on Foundation and grantee performance.

We are aware that we are only one of many funders for these organizations, and that it is the hard work and dedication of the staff and trustees of our

grantee organizations that are ultimately having direct impact on the young lives we seek to improve. Our strategy is intended to complement the grants from other funders and strengthen the grantees’ work. We will report on our partnerships with other investors in future reports.

We appreciate the interest shown in the Foundation’s work, and hope that a practice of annual performance reports, with intervening in-depth issue reports, will clarify what we are doing—and our shortcomings and successes.

2006 Grants List



	Grants Awarded in 2006	Grants Paid in 2006
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Youth Development Fund

Business Planning

BIG BROTHERS BIG SISTERS OF AMERICA

\$1,000,000

PHILADELPHIA, PA

For general operating support, including help to defray the costs associated with the time staff will spend on business planning, as well as to support ongoing efforts around leadership development, implement two major technology upgrades, and continue the evaluation of its school-based mentoring program.

CONGRESO DE LATINOS UNIDOS

\$500,000

PHILADELPHIA, PA

For general operating support, including help to defray the costs associated with the time staff will spend on business planning.

HILLSIDE WORK-SCHOLARSHIP CONNECTION

\$250,000

\$250,000

ROCHESTER, NY

For general operating support, including help to defray the costs associated with the time staff will spend on business planning.

SELF ENHANCEMENT

\$250,000

\$250,000

PORTLAND, OR

For general operating support, including help to defray the costs associated with the time staff will spend on business planning.

Grants
Awarded in 2006

Grants
Paid in 2006

Investments

Single-Service Organizations

For additional information about each organization listed here, see pages 14–38.

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AMERICA'S YOUTH TEENAGE UNEMPLOYMENT REDUCTION NETWORK, INC. (MY TURN) BROCKTON, MA Continued support for implementation of the organization's business plan. (Grant was awarded in 2004.)	\$500,000
AMERICA'S YOUTH TEENAGE UNEMPLOYMENT REDUCTION NETWORK, INC. BROCKTON, MA Support for implementation of the second phase of the organization's business plan.	\$4,500,000 \$1,000,000
BIG BROTHERS BIG SISTERS OF AMERICA PHILADELPHIA, PA Continued support for implementation of the second phase of the organization's business plan. (Grant was awarded in 2004.)	\$1,000,000 \$1,000,000
CENTER FOR EMPLOYMENT OPPORTUNITIES NEW YORK, NY Continued support for implementation of the organization's business plan. (Grant was awarded in 2005.)	\$2,400,000
CHILDREN'S AID SOCIETY NEW YORK, NY Support for implementation of the organization's newly created business plan.	\$4,000,000 \$2,000,000
CITIZEN SCHOOLS, INC. BOSTON, MA Support for implementation of the organization's business plan. (Grant was awarded in 2003.)	\$500,000
YOUTH VILLAGES INC. BARTLETT, TN Continued support for implementation of the organization's business plan. (Grant was awarded in 2005.)	\$3,000,000

Grants
Awarded in 2006

Grants
Paid in 2006

Multi-Service Organizations & National Networks

For additional information about each organization listed here, see pages 39–42.

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BOYS & GIRLS CLUBS OF AMERICA ATLANTA, GA Continued support to accelerate and expand implementation of its quality improvement initiative, Project Upward Bound, throughout its network, and to develop management and leadership skills of the executive directors of local BGCA organizations. (Grant was awarded in 2005.)	\$2,500,000
GOOD SHEPHERD SERVICES NEW YORK, NY Support for implementation of the organization's newly created business plan.	\$6,000,000 \$2,500,000
HARLEM CHILDREN'S ZONE, INC. NEW YORK, NY Continued support for implementation of the first phase of the organization's business plan. (Grant was awarded in 2004.)	\$500,000
HARLEM CHILDREN'S ZONE, INC. NEW YORK, NY Support for implementation of the second phase of the organization's business plan.	\$5,000,000 \$5,000,000
OUR PIECE OF THE PIE HARTFORD, CT Continued support for implementation of the organization's business plan. (Grant was awarded in 2005.)	\$1,100,000
ROCA, INC. CHELSEA, MA Support for implementation of the organization's newly revised business plan.	\$3,000,000 \$1,500,000

	Grants Awarded in 2006	Grants Paid in 2006
Other		
ASIAN AMERICAN LEADERSHIP EMPOWERMENT AND DEVELOPMENT (LEAD) FOR YOUTH AND FAMILIES WASHINGTON, DC Continued support for implementation of the organization's business plan. (Grant was awarded in 2004.)		\$300,000
BIG SISTER ASSOCIATION OF GREATER BOSTON BOSTON, MA Continued support for implementation of the organization's business plan. (Grant was awarded in 2005.)		\$500,000
FRIENDS OF THE CHILDREN PORTLAND, OR Support for implementation of the organization's newly revised business plan.	\$300,000	\$300,000
GIRLS INCORPORATED NEW YORK, NY Continued support for implementation of the organization's business plan. (Grant was awarded in 2003.)		\$750,000
GIRLS INCORPORATED NEW YORK, NY Additional support for implementation of the organization's newly revised business plan.	\$1,000,000	\$1,000,000
VOCATIONAL FOUNDATION, INC. NEW YORK, NY Continued support for implementation of the organization's business plan. (Grant was awarded in 2003.)		\$300,000
VOCATIONAL FOUNDATION, INC. NEW YORK, NY Additional support for implementation of the organization's business plan.	\$500,000	\$500,000
THE WASHINGTON TENNIS & EDUCATION FOUNDATION WASHINGTON, DC Continued support for implementation of the organization's business plan.	\$250,000	\$250,000

Alternative Schools Pilot

	Grants Awarded in 2006	Grants Paid in 2006
SEE FOREVER FOUNDATION WASHINGTON, DC Continued support for implementation of the organization's business plan. (Grant was awarded in 2004.)		\$200,000
GREEN DOT EDUCATIONAL PROJECT INGLEWOOD, CA Continued support for implementation of the organization's business plan. (Grant was awarded in 2004.)		\$1,000,000
Supporting Grants		
BOARDSOURCE WASHINGTON, DC Support for the development of a diagnostic tool to assess nonprofit boards' effectiveness.	\$30,000	\$30,000
THE BRIDGESPAN GROUP BOSTON, MA To provide support to grantees in the Foundation's Youth Development Fund in developing comprehensive, long-term strategic business plans, and for ongoing assistance in the implementation of the Foundation's Youth Development Fund strategy.		\$1,320,000
THE BRIDGESPAN GROUP BOSTON, MA Support for implementation of the organization's "Chapter 2" strategic plan aimed at growing and improving the quality of its services to the nonprofit field.	\$2,500,000	\$2,300,000
CAUSE COMMUNICATIONS SANTA MONICA, CA To provide support to the Foundation's grantees in creating effective communications materials that enhance their marketing and fundraising efforts.	\$82,500	\$82,500

	Grants Awarded in 2006	Grants Paid in 2006
CHILD TRENDS, INC. WASHINGTON, DC Support for continued research related to issues of disconnected youth and expand its online databases of experimentally evaluated youth programs.	\$120,000	\$120,000
COMMUNICATIONS LEADERSHIP INSTITUTE INC. WASHINGTON, DC Support for the participation of two grantee executives in a year-long communications training program.	\$44,000	\$44,000
COUNCIL FOR EXCELLENCE IN GOVERNMENT WASHINGTON, DC Support for efforts to make research tools more available and easier to use, and advance evidence-based practice and policy in the field of youth development.		\$40,000
THE EDNA M^cCONNELL CLARK FOUNDATION NEW YORK, NY To provide organizational development support to grantees in the Foundation's Youth Development Fund.		\$151,919
THE EDNA M^cCONNELL CLARK FOUNDATION NEW YORK, NY To provide organizational development support to grantees in the Foundation's Youth Development Fund.	\$250,000	\$136,591
GOOD GEAR WEST ROXBURY, MA To provide ongoing executive coaching and support to grantee executives and advice on the Foundation's board development efforts.	\$75,000	\$75,000
GOOD GEAR WEST ROXBURY, MA To provide ongoing executive coaching and support to grantee executives and advice on the Foundation's board development efforts.	\$75,000	
NONPROFIT FINANCE FUND NEW YORK, NY To provide consulting support to several Foundation grantees for growth planning.		\$42,442

	Grants Awarded in 2006	Grants Paid in 2006
NONPROFIT FINANCE FUND NEW YORK, NY To provide consulting support to several Foundation grantees for growth planning.	\$500,000	\$500,000
NPOWER SEATTLE, WA To assist Youth Development Fund grantees with issues related to information technology.		\$100,000
PUBLIC / PRIVATE VENTURES PHILADELPHIA, PA To provide technical assistance for grantees involved in workforce development.	\$90,000	\$90,000
TOTAL PROGRAM	\$30,316,500	\$35,132,452

	Grants Awarded in 2006	Grants Paid in 2006
Venture Fund		
The Foundation maintains a Venture Fund to support projects or make investments in organizations that will help advance its mission. The Foundation also uses Venture Fund grants to advance work in areas that are essential to the long-term quality and effectiveness of its work, such as evaluation, communications and philanthropy.		
BIG BROTHERS BIG SISTERS OF AMERICA PHILADELPHIA, PA Support for efforts to rebuild services to youth affected by Hurricanes Katrina and Rita.	\$200,000	\$200,000
BOWDOIN COLLEGE BRUNSWICK, ME For general support.	\$11,000	\$11,000
BOYS & GIRLS CLUBS OF AMERICA ATLANTA, GA Support for efforts to rebuild services to youth affected by Hurricanes Katrina and Rita.	\$300,000	\$300,000
BROWN UNIVERSITY PROVIDENCE, RI For general support.	\$11,000	\$11,000
CENTER FOR EFFECTIVE PHILANTHROPY, INC. CAMBRIDGE, MA For general support.	\$150,000	\$150,000
THE COMMUNICATIONS NETWORK, INC. NAPERVILLE, IL For membership dues and general support.	\$25,000	\$25,000
COUNCIL ON FOUNDATIONS, INC. WASHINGTON, DC For membership dues.	\$40,000	\$40,000
THE FOUNDATION CENTER NEW YORK, NY For membership dues.	\$40,000	\$40,000
GRANTMAKERS FOR CHILDREN, YOUTH & FAMILIES, INC. SILVER SPRING, MD For general support.	\$15,000	\$15,000
GRANTMAKERS FOR EDUCATION PORTLAND, OR For general support.	\$8,000	\$8,000

	Grants Awarded in 2006	Grants Paid in 2006
GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS WASHINGTON, DC Support for the Change Agent Project, which encourages funders to adopt grantmaking practices that foster grantee effectiveness.	\$100,000	\$100,000
GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS WASHINGTON, DC For membership dues and general support.	\$25,000	\$25,000
INDEPENDENT SECTOR WASHINGTON, DC For membership dues.	\$12,500	\$12,500
NATIONAL COALITION OF COMMUNITY FOUNDATIONS FOR YOUTH KANSAS CITY, MO Support for underwriting the costs associated with business planning and development of a comprehensive communications strategy.	\$150,000	\$150,000
NATIONAL COALITION OF COMMUNITY FOUNDATIONS FOR YOUTH KANSAS CITY, MO Support for the activities of the Youth Transition Funders Group (YTFG).	\$40,000	\$40,000
NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY WASHINGTON, DC For general support.	\$20,000	\$20,000
NEW YORK REGIONAL ASSOCIATION OF GRANTMAKERS, INC. NEW YORK, NY For membership dues.	\$14,500	\$14,500
THE PHILANTHROPIC INITIATIVE, INC. BOSTON, MA Support for the publication of the <i>Nonprofit Quarterly</i> .	\$50,000	\$50,000
TOTAL PROGRAM	\$1,212,000	\$1,212,000
GRAND TOTAL	\$31,528,155	\$36,344,107

Grants Summary

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	Unpaid Grants as of 9/3/05	Grants Awarded During Year*	Grants Paid During Year**	Unpaid Grants as of 9/3/06
PROGRAM				
Children		(344.96)	(344.96)	
Youth Development Fund	\$24,515,752	\$30,316,500	\$35,132,452	\$19,699,804
Venture Fund		1,212,000	1,212,000	
GRAND TOTAL	\$24,515,752	\$31,528,155	\$36,344,107	\$19,699,804

* Net of refunds and rescissions

** Net of refunds

Grant Information

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The Edna McConnell Clark Foundation is focused on advancing opportunities for low-income youth (ages 9 to 24) in the United States. The Foundation believes that significant and long-term investment in nonprofit organizations with proven outcomes and growth potential is one of the most efficient and effective ways to meet the urgent and unmet needs of low-income youth.

The Foundation identifies and funds exemplary youth-serving organizations that are poised for growth. Our aim is to help develop a growing pool of organizations that are able to serve thousands more youth each year with proven programs. Grants, which can extend over many years, typically support operating expenses and enable grantees to build their organizational capacity so they may improve program quality, increase the number of young people served, and eventually become financially sustainable.

The Foundation funds organizations that have evidence demonstrating their effectiveness in helping young people to do the following:

- 1 Improve educational skills and academic achievement,
- 2 Prepare for the world of work and transition to employment and economic self-sufficiency; and/or,
- 3 Avoid high-risk behaviors, such as drug abuse and teen pregnancy.

The Foundation relies primarily on nominations by colleagues and advisors in the field of youth development to find organizations that seem likely to meet its grantmaking guidelines. Although we do not accept unsolicited proposals, the Foundation does welcome youth-serving organizations to visit our website (www.emcf.org) and complete an online survey that describes their activities and programs and the young people they serve. If, after reviewing this information, the Foundation determines that there is a potential match between itself and an organization, a staff member will contact the organization.

The Foundation does not consider proposals for endowments, deficit operations, scholarships, or grants to individuals.

Financial Statements

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The Foundation's condensed statements of financial position and activities for the years ended September 30, 2006 and 2005, are presented on the following page.

The accompanying financial statements differ from generally accepted accounting principles (GAAP) in three ways: They include only summarized statements of financial position and statements of activities, they do not include statements of cash flows, and they do not include footnote disclosures.

The Foundation's financial statements undergo an annual audit, which was conducted by Altschuler, Melvoin, and Glasser LLP. They audited the financial statements for the years ended September 30, 2006 and 2005, which are presented in conformity with GAAP, and they expressed an unqualified opinion on these financial statements. Copies of the Foundation's audited financial statements, dated November 10, 2006, in addition to the reports of the two previous years, may be viewed on our website (www.emcf.org).

Additional information about the Foundation can be found in our annual tax filing, the Form 990-PF. The Foundation's tax returns for the past three years may be viewed on our website.

Condensed Statement of Financial Position

As of September 30, 2006 and 2005

	2006	2005
Assets		
Cash and cash equivalents	\$ 40,377,316	\$ 19,549,988
Investments	803,590,839	785,973,477
Interest, dividends, and other receivables	967,800	1,052,164
Fixed assets, net	1,520,342	1,546,315
TOTAL ASSETS	\$ 846,456,297	\$ 808,121,944
Liabilities		
Grants payable	\$ 1,349,804	\$ 2,101,752
Deferred federal excise tax	2,519,064	2,840,434
Other liabilities	553,351	771,854
TOTAL LIABILITIES	\$ 4,422,219	\$ 5,714,040
Net Assets		
Unrestricted net assets	842,034,078	802,407,904
TOTAL LIABILITIES & NET ASSETS	\$ 846,456,297	\$ 808,121,944

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Condensed Statement of Activities

As of September 30, 2006 and 2005

	2006	2005
Revenue		
Investment income, net	\$ 81,476,647	\$ 115,142,407
Expenses		
Grant awards	35,592,159	29,684,125
Program and administrative expenses	5,281,857	5,911,300
Federal excise taxes	976,457	518,336
TOTAL EXPENSES	\$ 41,850,473	\$ 36,113,761
Change in net assets	39,626,174	79,028,646
Unrestricted net assets, beginning of year	802,407,904	723,379,258
Unrestricted net assets, end of year	\$ 842,034,078	\$ 802,407,904

History of the Foundation

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The story of The Edna McConnell Clark Foundation really begins in 1969, when Edna McConnell Clark, a daughter of the founder of Avon Products, decided with her husband, Van Alan Clark, to set a fresh course for what had become a very large but unstaffed family foundation. Mr. and Mrs. Clark doubled the size of the endowment and charged their sons — Hays, Van Alan, Jr., and James — with overseeing staffing and establishing priorities to focus the resources of the Foundation.

The sons wanted to maintain the Clark family's down-to-earth approach to philanthropy and its goal to improve the lives of people in poor communities. The Foundation's grantmaking today continues to reflect the spirit of those early decisions. Over the past three decades the Foundation has made grants totaling over \$668 million. As of September 20, 2006, the Foundation's assets were valued at \$846.5 million. Two grandchildren of Van Alan and Edna McConnell Clark — H. Lawrence Clark and James M. Clark, Jr. — serve on the Foundation's nine-member board of trustees, while son James, Sr. continues to serve as trustee emeritus. James M. Clark, Jr. also serves as board chair.

For additional information about the Foundation's current and past work, visit our website at www.emcf.org. Publications, reports, and other materials can be ordered or downloaded from our website as well, or contact us at (212) 551-9100 or info@emcf.org.

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