On the Cover
By the Fourth Grade, fewer than one-third of all American children are reading at or above grade level. They are unlikely ever to catch up. The early VANISHING POTENTIAL of America’s children is unacceptable.

Number of Children Reading At or Above Grade Level

First Bar: In 2000, there were 3.9 million four-year-olds. (Source: U.S. Census 2000 Microdata (IPUMS))

Second Bar: In 2005, when the four-year-olds reached Fourth Grade, only 30 percent read at or above grade level. (Source: National Assessment of Education Progress 2005 Reading Assessment Scores)

Third Bar: In 2005, 29 percent of all Eighth Graders read at or above grade level. (Source: National Assessment of Education Progress 2005 Reading Assessment Scores)

Fourth Bar: In 2005, 34 percent of Twelfth Graders read at or above grade level. (Source: National Assessment of Education Progress 2005 Reading Assessment Scores)

The graph shows a small improvement between the Eighth and Twelfth Grades. The most likely reason is that students with low reading skills are more likely to drop out of school between the administration of the tests in Eighth and Twelfth Grades. Therefore, students in school in Twelfth Grade likely have higher reading skills than the larger group of children who were in school in the Eighth Grade.

The 2005 National Assessment of Education Progress scores were used for this graph, because data are not available for 2007 Twelfth Grade scores.
As an early supporter of Universal Prekindergarten, we recognized that one year of PreK is not sufficient to support lifelong learning. PreK-3rd builds on the gains made in high-quality PreK programs and connects these programs to high-quality elementary grades by aligning educational standards, curriculum, assessment, and professional development.

Now in 2008, we are half-way into our commitment and engaged in a mid-course review of our efforts and impact. We are reflecting on our initial period from 2003-2008, learning from our experiences and charting our course for the next five years.

FCD has awarded over eight million dollars to our PreK-3rd initiative through 64 grants. We have been joined in our efforts by grantmaking partnerships with colleagues, including the W. K. Kellogg Foundation, the W. Clement & Jessie V. Stone Foundation, The New School Foundation, and for extending our work to include the birth to age three period, the A.L. Mailman Family Foundation.

Progress has been made in promoting the idea of PreK-3rd among foundations, policymakers, and educators. A PreK-3rd Data Resource Center: The First Six Years of Schooling and Beyond has been established at The University of Michigan. The National Council for Accreditation of Teacher Education (NCATE) has organized an expert panel to strengthen the application of knowledge of children into educator preparation programs. The first national PreK-3rd professional development institute will be held at Harvard University in November 2008.

Thus far, we have learned three key lessons. First, connecting PreK programs with the K-12 education system involves cultural changes that challenge strongly-held ideas about how children learn best and under what conditions. Second, PreK-3rd education is currently a movement that is being driven by educators. Elementary school principals and superintendents are taking the lead in these efforts in the absence of federal, state, and district policies to sustain their efforts.
Third, high rates of student mobility, especially during the early childhood years, are a major challenge to effective PreK-3rd efforts. As a result, FCD and other foundations are supporting the work of the Board on Children, Youth, and Families at the National Academy of Sciences to shed light on the causes and consequences of child mobility on educational achievement and well-being.

Moving forward, our goals for the next five years are to focus our efforts on making a strong case for PreK-3rd by strengthening our communications strategy and by targeting research findings to policymakers. Building from the federal policy work of The New America Foundation, we will work with key states, starting with New Jersey, to create and promote PreK-3rd state policies that are well integrated with how school districts educate children. As part of this state work, we will encourage the use of classroom observations that are linked to child outcomes as a means of improving teaching in PreK-3rd classrooms.

The year 2013 will mark a full decade of FCD’s commitment to spurring a new beginning for an education system that can meet the requirements of children and families in the 21st Century. We must recognize that the underperformance of American children begins early and threatens their well-being and the country’s future. On one side of the Boston Public Library is this statement: The Commonwealth requires the Education of the People as the Safeguard of Order and Liberty.

We believe that a high-quality education system that begins early and continues throughout adulthood is one of the best ways to support all of us, both as individuals and as a nation.

P. Lindsay Chase-Lansdale
Chair, Board of Directors

Ruby Takanishi
President
Why PreK-3rd?
Our children are not failing to learn. Our schools are failing to teach them effectively.
Many people like to believe that American children are generally doing quite well in school. But by the Fourth Grade, more than half of White and Asian American children cannot read at grade level. For Latino, Black and American Indian children, the numbers are even worse. More than 80 percent cannot read at grade level by Fourth Grade.

Most of the children who do not master the fundamentals of elementary education will require costly remediation in middle and high school. Many will struggle to avoid dropping out of school. Some will end up in prison, and most will not be able to lay claim to the American Dream.

Children’s success in school and in life must be built on a foundation of seamless learning during their earliest PreK-3rd school years. PreK-3rd teachers and administrators work together across these grade levels, building strong connections and linking learning experiences across these critical years. Yet currently, most children experience a wide range of disparate experiences that jumble together and end up requiring our youngest learners to figure them out on their own.

Our children are not failing to learn. Our schools are failing to teach them effectively. To reverse this trend and provide children with the skills necessary for life-long learning, all Americans must take responsibility for guaranteeing a high-quality PreK-3rd education to this and future generations.

### The Challenge

#### US Fourth Graders Reading at or Above Grade Level in 2007
- Asian American or Pacific Islander — 45 percent
- White — 42 percent
- American Indian — 20 percent
- Latino — 17 percent
- Black — 14 percent

Source: National Assessment of Educational Progress (NAEP), 2007 Reading Assessment
America’s Vanishing Potential:

All Asian American or Pacific Islander 4-year-olds in 2000

4th Graders in 2005

8th Graders in 2005

12th Graders in 2005

Percentage of Children Reading at or Above Grade Level

Asian American or Pacific Islander

All White 4-year-olds in 2000

4th Graders in 2005

8th Graders in 2005

12th Graders in 2005

Percentage of Children Reading at or Above Grade Level

White

All American Indian 4-year-olds in 2000

4th Graders in 2005

8th Graders in 2005

12th Graders in 2005

Percentage of Children Reading at or Above Grade Level

American Indian
A Closer Look

Notes:

= 1 percent

First Bar: In 2000, there were 3.9 million four-year-olds (Source: U.S. Census 2000 Microdata (IPUMS)): The racial/ethnic composition of this group was:
- Asian American or Pacific Islander – 4.4 percent
- White – 59.8 percent
- American Indian – 1.3 percent
- Latino – 18.4 percent
- Black – 15.7 percent

Second Bar: In 2005, the percentages for each ethnic/racial group reading at or above grade level at Fourth Grade were (Source: National Assessment of Education Progress 2005 Reading Assessment Scores):
- Asian American or Pacific Islander – 40 percent
- White – 39 percent
- American Indian – 19 percent
- Latino – 15 percent
- Black – 12 percent

Third Bar: In 2005, the percentages for each ethnic/racial group reading at or above grade level at Eighth Grade were (Source: National Assessment of Education Progress 2005 Reading Assessment Scores):
- Asian American or Pacific Islander – 39 percent
- White – 37 percent
- American Indian – 18 percent
- Latino – 14 percent
- Black – 11 percent

Fourth Bar: In 2005, the percentages for each ethnic/racial group reading at or above grade level at Twelfth Grade were (Source: National Assessment of Education Progress 2005 Reading Assessment Scores):
- Asian American or Pacific Islander – 35 percent
- White – 41 percent
- American Indian – 27 percent
- Latino – 18 percent
- Black – 15 percent

The graphs show a small improvement between the Eighth and Twelfth Grades for most groups. The most likely reason is that students with low reading skills are more likely to drop out of school between the administration of the tests in Eighth and Twelfth Grades. Therefore, students in school in Twelfth Grade likely have higher reading skills than the larger group of children who were in school in the Eighth Grade.

The 2005 National Assessment of Education Progress scores were used for this graph, because data are not available for 2007 Twelfth Grade scores.
To give America’s children the future they deserve, it is time to re-think how we begin the educational experiences of young children ages three to eight.
To give America’s children the future they deserve, it is time to re-think how we begin the educational experiences of young children ages three to eight. Unfortunately, Kindergarten attendance is mandatory in only 12 states today. Thirty percent of American children still attend only half-day programs for two to three hours per day, and only two states require children to attend full-day Kindergarten.

Nationally, only about thirty-five percent of all four-year-olds are in publicly supported Prekindergarten programs. Currently, Oklahoma is the only state where Universal Prekindergarten is part of the state-funded educational system and is delivered primarily by public schools. Bringing three- and four-year-olds into the education system doesn’t mean pushing down academic work into Prekindergarten or Kindergarten. On the contrary, PreK-3rd strengthens the connections between the activities and expectations that can be found in different grades and classrooms, based on a deep understanding of children’s capacities.
DC Bilingual Public Charter School

Drawing on the 22-year history of its parent organization, CentroNia, the District of Columbia Bilingual Public Charter School (DC Bilingual PCS), opened its doors in September 2004 to 122 Early PreK (three-year-olds) and Kindergarten children.

Located in the multi-ethnic and linguistically diverse neighborhood of Columbia Heights and serving low-income and immigrant families, DC Bilingual seeks to expand educational opportunities and choices for children from three years of age (Early PreK) through Grade Five by implementing a dual language program. The program is designed to enable students to meet high academic expectations and develop critical thinking, problem-solving skills and a joy of learning.

With the well-established and stated mission of CentroNia to educate children and youth, and strengthen families, in a bilingual, and multicultural community as its core, DC Bilingual’s educational goals are that all students will:

• Graduate from Fifth Grade fully bilingual and biliterate (in English and in Spanish);
• Master curriculum content and concepts, according to the adopted learning standards, taught in both languages;
• Develop an appreciation for and understanding of cultural and language diversity.
Its Language Arts Program is a comprehensive balanced literacy program which incorporates reading, writing, listening, viewing and speaking.

Built on the literacy foundation of children's experiences in CentroNia's Infant Toddler program, the goals of the school are to help all students develop into effective communicators who speak and write clearly and fluently and become independent readers of a variety of literary genres and texts that reflect the neighborhood's diverse heritage.

*After the first day of school my Kindergartner put her dolls and stuffed animals in a circle and talked to them in Spanish. Then she moved them to another part of her room, put them in a circle and spoke to them in English. That was when I could see the dual model language at work.*

*Renata Claros, parent of a Kindergartner*
When teachers cooperate across grades levels, the links between school years and lessons become more explicit and children are more likely to benefit.
It is increasingly clear that the cornerstone of a strong public education system must be built on a solid Prekindergarten through 3rd Grade (PreK-3rd) foundation. Currently, most Prekindergarten, Kindergarten and elementary school teachers work in isolation from one another. They typically undergo widely varying preparation and training, work in different buildings, report to different supervisors, and have few (if any) opportunities to work together. When teachers cooperate across grades levels, however, the links between school years and lessons become more explicit and children are more likely to benefit.

In addition, it’s important to recognize that every year of schooling counts. The tracking of annual progress must inform how teachers can best teach students, rather than just moving children from one grade to the next. Teachers in middle schools cannot effectively boost academic achievement without building on the educational experiences students bring to the Fourth Grade. It’s clear that successful early schooling must ensure that annual progress builds successfully from one year to the next.
Bremerton School District

In Washington state in 2000, the Bremerton School District began to develop an approach to integrate early childhood education and full-day Kindergarten into a comprehensive PreK-3rd plan. A community-wide task force was formed including educators, families, businesses, community organizations, and state and city officials which examined the needs of Bremerton students and prioritized the allowable school district expenditures.

Aimed at increasing student achievement and sustaining those gains over time, and by working effectively with community preschools, including faith-based centers and Head Start, the Bremerton School District has been able to demonstrate unprecedented student improvement in four key areas:

• Increased early literacy skills for PreK children
• Free full-day Kindergarten for all
• Curriculum and assessment alignment from Prekindergarten through Third Grade
• Professional development to support teachers to implement the PreK-3rd plan

By 2006, Bremerton’s teachers met throughout the year to monitor and adjust its instruction and curriculum, and to review student progress.

In 2007, Bremerton was recognized as the only district in the nation with an early childhood “assessment loop” that uses student performance in K-5 to enhance and modify instruction at the Prekindergarten level.
Schools that connect high-quality Prekindergarten programs with high-quality Kindergarten, First, Second and Third Grades have produced strong student performance.
Schools that connect high-quality Prekindergarten programs with high-quality Kindergarten, First, Second and Third Grades have produced strong student performance. Longitudinal studies of the Chicago Child-Parent Centers show that implementing an integrated PreK-3rd approach contributes significantly to sustaining and enhancing the achievement gains seen in high-quality, stand-alone Prekindergarten programs.

The Schools

Success in the early grades depends on the adoption of good teaching and administrative practices throughout all U.S. Prekindergarten programs, which are provided by a mix of private, nonprofit, for-profit, religious and secular sponsors, as well as public schools. The existence of different educational starting points is not important as long as these diverse educational environments all adhere to similar high standards and provide a solid foundation for children's lifelong learning.

It is critical to sustain the gains achieved in high-quality Prekindergarten programs by connecting them with complementary and coordinated education in Kindergarten, First, Second and Third Grades.
The Lee Academy, Dorchester Massachusetts

In 2004, after eight years of experience teaching in Boston Public Schools, Lesley Ryan co-founded the Lee Academy with friends and colleagues from Harvard University.

The Lee Academy is a new kind of public school, offering a continuous integrated program linking Prekindergarten and Elementary School that serves children ages three to eleven from surrounding low-income housing. The centerpiece of the Academy’s curriculum is an intensive focus on literacy and language development. Employing the latest research and practice-based methods, staff ensures that all children become strong readers and writers. With the understanding that relationships are fundamental to quality, the Lee Academy has been designed to:

• Forge effective working relationships between Prekindergarten and Elementary School teachers
• Partner with families to promote children’s learning and nurture parents’ role as a child’s first teacher
• Support the social and emotional development of children
“The Academy’s mission is to ensure the healthy, full development of children from ages three to eleven, by building academic, social and emotional skills, and fostering engaged and responsible students,” said Ms. Ryan.

The school is committed to promoting the growth, intellectual exploration, leadership development and emotional well-being of its students, staff, and teachers, while developing healthy working relationships with families, engaging them as co-teachers in their child’s learning and development.

“We first considered establishing the Lee Academy, because the expectations are very high for children entering first grade and children also need a tremendous amount of skills to meet first grade benchmarks,” said Ryan. “I found that many of my students were entering first grade without any prior schooling, readiness or academic skills. From this experience, it was clear that students benefited greatly from Prekindergarten experiences that were aligned with the goals of elementary classroom academics.”
We’re living in a 21st Century world. It’s time to create a 21st Century education system for America’s youngest learners.
PreK-3rd is not just about extending the existing education system to serve younger children, but is about changing that system itself. This approach starts with three-year-olds and focuses on providing educational experiences to three- and four-year-old children on a universal, voluntary basis, followed by required full-school-day Kindergarten.

The PreK-3rd Solution

Effective PreK-3rd provides: High-quality and unified learning in well-staffed classrooms; well-prepared teachers and aides to educate children in the 3-8 age range; supportive school district policies; strong principal leadership that includes supporting professional development time for teachers to plan for effective coordination across and between grades; and includes families and communities that share accountability with PreK-3rd schools for children’s educational success.

Adopting a universal and unified PreK-3rd approach is the starting point for a comprehensive transformation of the U.S. public education system. America’s democratic traditions and economic power in an increasingly competitive international marketplace demand the transformation of public education to promote the lifelong learning of America’s future generations.

We’re living in a 21st Century world. It’s time to create a 21st Century education system for America’s youngest learners.
The Foundation for Child Development does not accept unsolicited proposals.

**WHAT WE FUND**

The Foundation for Child Development, through its PreK-3rd initiative, supports the restructuring of Prekindergarten, Kindergarten, and Grades 1 to 3 into a well-aligned first level of public education for children (ages three to eight) in the United States.

The Foundation’s New American Children grants focus on stimulating basic and applied research on children (birth through age 10), particularly those living in low-income immigrant families.

FCD supports research, policy development, advocacy and communications strategies related to our PreK-3rd Initiative.

The Foundation for Child Development awards an average of 14 grants each year. Please see our complete listing of grants for details about specific grant-funded projects at http://www.fcd-us.org/grants/.

**WHAT WE DO NOT FUND**

- The direct provision of Prekindergarten education, child care, or health care
- Capital campaigns and endowments
- The purchase, construction, or renovation of buildings
- Grants for projects outside the United States
# Condensed Statement of Financial Position

<table>
<thead>
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<th>2008</th>
<th>2007</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
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<td><strong>Liabilities</strong></td>
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<td>Grants payable</td>
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**Total Liabilities and Net Assets**

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<th>2008</th>
<th>2007</th>
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<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>$115,187,180</td>
<td>$119,363,790</td>
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<td><strong>Liabilities</strong></td>
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<td><strong>Net assets</strong></td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$115,187,180</td>
<td>$119,363,790</td>
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# Condensed Statement of Activities

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<tr>
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<th>2008</th>
<th>2007</th>
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<tbody>
<tr>
<td><strong>Changes in Net Assets</strong></td>
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<td>Investment return:</td>
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<td>Interest and dividends</td>
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<td>Expenses:</td>
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<td>Net Assets at beginning of year</td>
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<tr>
<td><strong>Net Assets at End of Year</strong></td>
<td>$112,050,194</td>
<td>$116,166,017</td>
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OFFICERS

CHAIR – P. LINDSAY CHASE-LANDSALE
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President, The Early Childhood Initiative Foundation, Inc. (Miami, FL)

* Deceased
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Mark A. Bogosian, *Communications and Grants Associate*
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**Consultants**
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Rosalind Glatter

***As of December 17, 2007.
FCD recognizes the contribution of Allan Margolin, Director of Strategic Communications, beginning April 23, 2008, to this report.
Connecting Research with Policy for Social Change since 1900

MISSION

The Foundation for Child Development is a national private philanthropy dedicated to the principle that all families should have the social and material resources to raise their children to be healthy, educated, and productive members of their communities.

The Foundation seeks to understand children, particularly the disadvantaged, and to promote their well-being. We believe that families, schools, nonprofit organizations, businesses, and government at all levels share complementary responsibilities in the critical task of raising new generations.