

The Wallace Foundation®

Supporting ideas.
Sharing solutions.
Expanding opportunities.®

REPORT '06



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A VALEDICTORY

In June 2007, I will retire from the Foundation's Board of Directors, having served for 15 years, the last five as chairman. I have been privileged to be part of the evolution of the philanthropies established by DeWitt and Lila Wallace, the founders of *Reader's Digest*, and I am proud of the things we've accomplished along the way.



From our beginnings as a collection of four small family foundations with assets of \$320 million in the mid-1980s, we have grown into one united, national foundation with assets of \$1.5 billion. We completely diversified the *Reader's Digest* stock we received as a bequest from the Wallaces, and our portfolio is now invested in a wide range of asset classes.

I take particular pride in the relationship our board and the talented and professional staff of Wallace have forged together. Over the 15 years I've spent at Wallace, that relationship has matured into a true partnership: productive, communicative, candid, and focused where it should be — on goals and strategy. As our president, Chris DeVita, wrote in the October 2006 issue of *Board Member Magazine*, "...nonprofit organizations need and deserve boards and staff that can openly discuss successes and challenges so that, together, they can help the organization be effective." Certainly, during my time at Wallace, the blossoming of this strategic relationship is a measure of the deep mutual respect and trust that have taken root between Wallace's board and staff. Along with the good I believe we've accomplished with our philanthropy, that's what has made my time here so personally satisfying.

We have expanded and diversified our board, adding two new members this past year: Lawrence T. Babbio, Jr., vice chairman and president of Verizon, and Augusta S. Kappner, president of Bank Street College of Education. It has been an honor to serve on the board with these and other distinguished leaders from the fields of business, banking, education and the arts, and I am grateful for their thoughtful advice in guiding the work of the Foundation. I am especially pleased that Kevin W. Kennedy, managing director of Goldman Sachs, will succeed me as chairman.

Throughout all of these changes, what has remained constant is our commitment to the vision and values inherited from the Wallaces — to generate evidence-based solutions to national challenges that will make a real difference in the lives of people. DeWitt Wallace once said that his "chief ambition is to serve my fellow man." I am proud to have been a part of the Wallaces' philanthropic legacy, and I am confident that our future efforts in sharing ideas and effective practices will leave a mark on society, especially in creating opportunities for its young, in ways that dollars alone never could.

A handwritten signature in black ink that reads "Walter V. Shipley". The signature is written in a cursive, flowing style.

Walter V. Shipley, Chairman

PUBLIC ACCOUNTABILITY FOR PRIVATE ACTION

“As a group, they are institutions like no others, operating in their own unique degree of abstraction from external pressures and controls, according to their own largely self-imposed rules. They are



private, and yet their activities cut across a broad spectrum of public concerns and public issues. They are the only important power centers in American life not controlled by market forces, electoral constituencies, bodies of members, or even formally established canons of conduct, all of which give them their extraordinary flexibility and potential influence. Yet they remain little known and even less understood, shrouded in mystery, inspiring in some the highest hopes and expectations and in others dark fears and resentments.”¹

This characterization of foundations by the late Waldemar Nielsen in his 1985 book, *The Golden Donors*, remains pertinent more than two decades later: to most of the public, foundations are still mysterious. And as Joel L. Fleishman points out in his new book, *The Foundation: A Great American Secret*, this lingering air of mystery leaves the foundation sector vulnerable to misunderstanding with little in the way of public good will to fall back on. “The only way for foundations to protect the freedom, creativity and flexibility they now enjoy, and which they need if they are to serve society to their fullest potential,” Fleishman writes, “is to open their doors and windows to the world so that all can see what they are doing and how they are doing it.”²

Sharing what we’re doing and learning has long been a priority at Wallace, and the past several years have seen a growing number of foundations also taking steps to “open their doors and windows.” Some aspects are easy to report on: program initiatives, the purpose of individual grants to specific organizations, a foundation’s overall financial health. Less easy to measure, and more difficult to discuss publicly, are the *results* of a foundation’s work. What progress have we made toward our ambitious social change goals? How do we know? How can we talk about what didn’t work? These are the issues that we and other foundations are wrestling with.

SHARING THE LESSONS — BOTH GOOD AND BAD

At Wallace, we’ve been committed for some time to making public the evaluations of our program initiatives: what’s worked, *and* what hasn’t.

For example, the Urban Institute’s 2001 publication, *Ahead of the Class: A Handbook for Preparing New Teachers from New Sources*, described the results and lessons from an evaluation of Wallace’s Pathways to Teaching Careers initiative. The report examined the Pathways model, which was funded by Wallace in 40 colleges and universities in 23 states between 1989 and 2001 to recruit, prepare and certify teachers from nontraditional candidate pools. The report documented that Pathways graduates outdid traditionally educated candidates in completing their certificates, and were likelier to stay in the profession and teach in high-needs schools. In 1998, Congress and the U.S. Department of Education used Pathways as a model for teacher-recruitment legislation contained in the Higher Education Act that was reauthorized that year.

More cautionary lessons emerged from an evaluation by the Urban Institute of our Community Partnerships for Cultural Participation (CPCP) initiative that included grants to 10 community

“Less easy to measure, and more difficult to discuss publicly, are the results of a foundation’s work. What progress have we made toward our ambitious social change goals? How do we know? How can we talk about what didn’t work?”

foundations from 1998 to 2003 to develop partnerships with arts organizations in order to help generate greater participation in the arts. What we learned, in fact, was how very difficult such partnerships among cultural organizations can be to manage or sustain — particularly when, as is often the case, the needs of the collaborating organizations are not compatible enough or the prospect of getting a foundation grant is the prime motivator for entering the partnership in the first place.³

Along with the research about our work that we have commissioned over the years, more recently we have published our own accounts of what we’re learning. *Beyond the Pipeline: Getting the Principals We Need, Where They Are Needed Most* synthesized findings from three commissioned studies about the challenges of recruiting high-quality principals and concluded that the common wisdom of a “national shortage” of school leaders was misguided. Instead, we argued that what’s needed is not adding more principals to the pipeline, but better conditions and incentives to attract highly qualified leaders to districts and schools with the highest needs. This publication, first issued in 2003 and subsequently reprinted, remains a top seller on our website in terms of downloads.

In 2006, we published several other Wallace Perspectives that offered our take on a range of topics, including school counseling, “creative philanthropy,” and a detailed description of our working hypothesis of how states and districts can create well-connected systems that better prepare and support education leadership. More details about that last report, *Leadership for Learning: Making the Connections Among State, District and School Policies and Practices*, are contained in the Year in Review section of this annual report.

HOLDING OURSELVES ACCOUNTABLE

Since 2003, we have also produced an annual internal assessment, our “State of the Foundation Report,” which is the sole topic of discussion at one board meeting a year. We use this report to help us measure our progress across

the Foundation’s activities, identify challenges and setbacks, and develop future priorities to propel the work.⁴ These reports contain lots of data and evidence about how we are doing. But the harder task has always been adding up all the evidence to succinctly and candidly answer the questions of “what’s working?” “what’s not?” “what are the trends?” and “what do we need to do next?”

So in 2006, we developed summary indicators that “rolled up” the more detailed information in the report into a much smaller handful of performance measures. Such summary indicators are more obvious for some aspects of our operations than for others. As a metric of our operational capacity, for example, we can readily chart the growth in our assets (\$1.57 billion as of December 2006, up \$130 million from 2005, and up \$420 million since 2002). It’s far more complicated to devise roll-up measures to capture our progress in our programmatic work in education leadership, out-of-school time learning opportunities or arts participation, each of which is in a different stage of development. Is there really a single “bottom line” for this kind of work that would be the equivalent of, say, annual net income in a for-profit organization?

In reviewing Robert Kaplan’s and David Norton’s work on The Balanced Scorecard⁵, we were struck by a key insight: that it is necessary but not sufficient to measure the “bottom line.” Financial results reflect performance in a number of areas; therefore, organizations need to measure those other areas that reinforce financial performance and organizational health.

As a nonprofit organization, of course, our ultimate goal is not financial gain but progress toward the social change goals expressed in our mission. Nonetheless, we thought the major conclusions expressed by Kaplan and Norton about measuring the progress of corporations applied to us. With that in mind, we identified the elements that would drive our equivalent of “profit” — that is, what we need to do, and keep track of, to make progress toward our core goal of enabling institutions to expand learning and enrichment



More than 650 young people take part in a variety of youth development programs at Harlem RBI. It is one of the organizations involved in New York City's efforts, supported by The Wallace Foundation, to lift the quality of out-of-school time opportunities and make them available to many more children.

opportunities for all people by supporting and sharing effective ideas and practices. For us, those elements are:

- The financial assets and human resources necessary to make a difference in solving stubborn social problems.
- A “pipeline” of promising ideas.
- Credibility and a reputation as a source of effective ideas among those with the authority to make change in the fields we are trying to inform.

To capture succinctly our status and our growth in those key elements, we developed a new “Summary Perspective” section in our 2006 State of the Foundation Report organized around the following dimensions: Goal Attainment and Impact; New Ideas and Practices in Development; External Constituents; and Operational Capacity.

Goal Attainment and Impact

This section focuses on no more than two or three indicators that summarize progress in our grantee sites that is both essential to achieving our overall program goals, and can be directly attributed to their participation in Wallace's initiatives.

New Ideas and Practices in Development

This section is the foundation equivalent of an R&D pipeline. It identifies various “idea products” we have under development, drawn from our work in our innovation sites and our research.

External Constituents

This section measures our reputation among external constituents (grantees, policymakers, others) whose policies and practices we need to inform if we are to achieve our long-term change goals.

Operational Capacity

This section measures key aspects of our organizational health as a foundation (asset growth, expense trend, staff retention) that are the necessary precondition of our ability to achieve our mission-related social change goals.

Identifying the most important topics to measure, selecting the right indicators, choosing the right kinds of evidence, arriving at accurate progress assessments, and then acting on them, has not been easy. But the benefits are real and

“As Goethe said, ‘To think is easy. To act is hard. But the hardest thing in the world is to act in accordance with your thinking.’”

tangible. As Wallace’s director of research and evaluation, Edward Pauly, told a gathering in March 2007 of the Center for Effective Philanthropy, the benefits to our Foundation have included:

- Clearer goals — for example, the goals of one of our major initiatives were revised because draft progress measures revealed issues left unclear in grant designs.
- Sharpened funding — armed with the evidence we gathered for the State of the Foundation report, we decided to tie renewal funding for a major initiative’s grantees to those with the greatest five-year progress on key goals.
- Greater emphasis on lessons — knowing the limits of the evidence we have about progress toward initiative goals led us to redesign one of our programs to enable our grantees to gather more reliable data on their progress.

FROM INTERNAL ASSESSMENT TO PUBLIC ACCOUNTABILITY

Our experiences to date in developing our annual State of the Foundation report have taught us two cardinal rules:

- First, less is more. A progress “scorecard” that is cluttered with boxcars of evidence and data is almost meaningless as a management tool. Our first report in 2003 committed this “sin” of comprehensiveness: it contained more than 150 progress indicators in our three focus areas, far too many for a mere mortal to fully grasp. In contrast, the report we will share with the board in 2007 will have fewer than a dozen progress indicators.
- Second, no rosy scenarios. Because our State of the Foundation report is for internal use only, staff can be — and are encouraged to be — thoughtfully reflective and clear-eyed as to the strength of our program designs, the performance of our grantees, the setbacks we’ve experienced, and the challenges we see ahead.

Although our State of the Foundation Report is not public, much of the analysis it contains is included in the Year in Review section that follows this President’s Letter. Sharing both the positive and cautionary lessons we are learning from our work has public value beyond just an act of candor and accountability. By doing so, we hope to inform others who

are working on the same issues, many of whom will never get grant support from us.

Public accountability for the private actions of foundations is a desirable thing, but it has its costs. As Goethe said, “To think is easy. To act is hard. But the hardest thing in the world is to act in accordance with your thinking.” It takes time and resources to gather and analyze data and then use that analysis to critique your current course of action. It takes courage to admit when things haven’t worked out as planned and then make necessary corrections. However, we believe that the benefits of such self-reflection and subsequent action fully justify those costs and that this approach is necessary if foundations are to increase their effectiveness and fulfill their potential to society.



M. Christine DeVita, President

ENDNOTES

1. Neilsen, Waldemar A. *The Golden Donors: A New Anatomy of the Great Foundations*. (New York: E.P. Dutton, 1985) 4.

2. Fleishman, Joel L., *The Foundation: A Great American Secret*, (New York: PublicAffairs, 2007) xiii. Fleishman is currently Professor of Law and Public Policy at Duke University, was formerly president of the Atlantic Philanthropic Service Company and has served on a number of foundation and corporate boards.

3. See *Cultural Collaborations: Building Partnerships for Arts Participation*, and *Partnerships Between Large and Small Cultural Organizations: A Strategy for Building Arts Participation*, by the Urban Institute. Both publications can be downloaded from the Knowledge Center at www.wallacefoundation.org.

4. The lessons from our early efforts at creating this annual self-assessment report are chronicled in *How Are We Doing? One Foundation's Efforts to Gauge Its Effectiveness* available on our website at www.wallacefoundation.org.

5 We also looked at Kaplan’s work on strategic performance measurement and management in nonprofit organizations, Harvard professor Mark Moore’s work on public value scorecards, and McKinsey’s John Sawhill’s article (written with David Williamson of The Nature Conservancy) on *Measuring What Matters in Non-Profits*.



Principal intern Hollie Russell-West gets leadership guidance from Dr. Alice Roach, principal of Carnahan High School, in St. Louis. New research available on Wallace's website discusses common strengths and shortcomings of principal mentoring programs.

MISSION & APPROACH

The mission statement we have had since 2003 reflects our belief that knowledge, more than money, is the true coinage of lasting, beneficial change: “The Wallace Foundation supports and shares effective ideas and practices that enable institutions to expand learning and enrichment opportunities for all people.”

And the three phrases in our tagline — “Supporting ideas. Sharing solutions. Expanding opportunities.” — encapsulate our belief that as a national foundation with sizeable assets and a seasoned professional staff, we have an opportunity, and a responsibility, to go beyond money and use our resources in ways that build, capture and share information and know-how that leaders in a particular field can use to bring about beneficial changes.

From the start, we have understood our limitations. No one elected us to do or change anything. And we can’t simply buy the changes we want to see happen because the money we have is miniscule compared to the public sectors we are trying to influence.

Still, our pluralist society creates an enormous opportunity for foundations like ours to have an impact beyond just giving away money. There is an insatiable market for new and useful ideas. And as a national foundation, we occupy a privileged position — free of many of the constraints on government or profit-making enterprises — to help generate and test innovative ideas, and then capture and share credible information that helps institutions in the fields we are engaged with work better and bring about benefits to people.

With those constraints and opportunities in mind, The Wallace Foundation has evolved in the last several years from its beginnings some 40 years ago as a group of four family foundations that made grants in many areas, to a single foundation focused on using knowledge and ideas to create enduring change in just three areas of activity:

- Strengthening education leadership to improve student achievement
- Enhancing after-school learning opportunities, and
- Building appreciation and demand for the arts.

In simplest terms, our approach is to develop and test useful ideas “on the ground,” gather credible, objective evidence on what is most effective and why, and then share that knowledge with the individuals and institutions having the courage and authority to bring those effective ideas to life in ways that bring benefits to people. There are three components to this approach:

1. ***Develop innovation sites:*** We work closely with sites (such as states, school districts and cities as well as nonprofit organizations) to help them plan and test new approaches for bringing about the change goals to which we have mutually agreed. These sites can provide us and the broader field with insights into what ideas are or are not effective and what conditions support or impede progress.
2. ***Develop and share knowledge:*** In concert with our innovation site work, we also develop and spread instructive lessons through a range of research and communications strategies that can improve practice and policy in organizations that will never get Wallace grants.
3. ***Achieve benefits nationally:*** This is the ultimate objective of all of our work. By supporting innovative site work, pursuing relevant and useful knowledge-building activities, and synthesizing and sharing credible ideas and practices, we believe that Wallace can contribute to changing the behaviors of policymakers and practitioners in our focus areas, and thereby change the practices and priorities of institutions such as schools and arts institutions in ways that lead to measurable benefits for people.

The success of this approach rests entirely in the expertise and close teamwork of our program, communications, and research and evaluation staff.

- Program staff provide in-depth knowledge of their fields, guide us in identifying effective organizations and places that act as our innovation sites, help analyze and identify the factors that can lead to beneficial change, and support and monitor the progress of our grantees.
- Our research staff determine what research exists upon which we can build and help identify where critical knowledge gaps are. They contribute to effective program design and help assess whether proposed strategies are likely to produce the desired outcomes. They plan fresh research as necessary, including in-depth reviews of ongoing work in our most promising innovation sites, and help us monitor our progress toward our overall goals.
- Communications and editorial services staff are responsible for identifying our key audiences and developing the strategies to reach them. They synthesize and translate the field-tested ideas we are developing with our sites and our research into compelling products for the identified key audiences. And they work to ensure those products are useful to policymakers, practitioners, and affected and interested citizens. ■

THE YEAR IN REVIEW

Since 2000, The Wallace Foundation has been working with willing and able institutions and a range of field leaders and researchers to develop useful ideas and approaches for addressing some of the nation's great challenges. Currently we have three such areas of concentration:

- **Strengthening education leadership** in ways that significantly improve the quality of teaching and learning, especially in districts with children most in need;
- **Enhancing after-school learning opportunities** by helping entire cities plan and implement ways to increase the quality of and access to their programs; and
- **Building appreciation and demand for the arts** by working with arts organizations, schools and other providers of arts education and experience to build both present and future arts audiences.

In 2006, we approved some \$80 million in grants and related expenses to support work toward these three goals. That's hardly an insignificant sum. But it is tiny when measured against the huge, complex systems that we are trying to influence. So the questions we constantly ask ourselves are: how could we as a national foundation extend our impact beyond those who get our money? How can we ensure that the public value of our work goes beyond the margins and has staying power past the life of our grants? Our answers are captured in the three phrases that make up Wallace's tagline:

"Supporting ideas. Sharing solutions. Expanding opportunities."

In practice, that means that in all of our efforts, we aim to develop and test useful ideas "on the ground" with our

partner organizations. We gather candid and credible evidence about what is and is not effective, and why. We then share that knowledge widely, using a range of communications strategies, with those with the authority to help bring effective ideas and solutions to life in ways that benefit the many people and organizations that will never get our direct support. We are never content if our work merely does some good for the organizations we fund. The real test is the extent to which many other organizations that will never get a grant from us put the knowledge and lessons we develop and share to practical use.

UNDERSTANDING CONTEXT, MAKING CONNECTIONS

As part of our evolution from a "doing good" model of grantmaking to a "making change" model that can

help entire fields serve people more effectively, we've recently added a new tenet. We believe that there are real payoffs in deepening understanding of the intricate web of connections between and among public and private institutions and the key players — the *systems* — that shape the policies and practices that determine "who gets what" in key areas of life, including education, the arts and afterschool opportunities. By doing so, we think we can provide field leaders with a powerful means to move beyond piecemeal or temporary solutions by helping them identify strengths and weaknesses in these systems, spot the disconnections that can lead to misaligned policies, describe and analyze the political, social and economic context, and then arrive at more durable and effective policies that better respond to the needs these systems are meant to address.



The Alvin Ailey American Dance Theatre is one of 36 exemplary arts organizations that have received Wallace Excellence Awards since 2004 to develop ways to reach more people. With that support, the Ailey School is expanding its offerings for students of all ages and is expanding performances for underserved communities across the country.

For example, six years of education leadership work have taught us that improving the training of principals is essential. But by thinking more deeply about connections and context, we've also learned that better leadership training alone won't accomplish lasting benefits for teaching and learning if relevant state and district policies are poorly connected or at cross-purposes, if the training is weakly tied to state standards, if it does little to prepare leaders for the daily realities of their jobs, or if their training ends abruptly after they graduate from a licensing program with few further opportunities for professional development.

Similarly, in our efforts to improve out-of-school time learning opportunities in five cities (Boston, Chicago, New York, Providence and Washington, DC),

we've learned that merely increasing the number of available programs won't create the hoped-for developmental benefits for children. We also need to help cities gather the facts about program quality, how equitably programs are distributed, what parents and kids really want from these programs, and how out-of-school time learning experiences can complement what children are experiencing or missing during the school day.

Or, if the goal is to help many more people, especially the young, experience the arts and reap the benefits of participation, we think it is important to help cities deepen their understanding of the connections and disconnections among the various providers of arts learning — including schools, arts institutions and community organizations. Based

on those facts, they can then develop plans to better connect and capitalize on the strengths of those providers so that children are surrounded with enriching experiences both in and out of school.

Here, then, are highlights and emerging lessons from the work in our three areas of concentration:

EDUCATION LEADERSHIP

For more than a decade, Wallace has supported a wide range of efforts to lift educational quality. Prior to 2000, much of that work centered on improving the quality and preparation of teachers. In 2000, we decided to greatly narrow our focus to a single, often-neglected aspect of school improvement: the preparation and performance of education leaders.

School leaders are being held increasingly accountable for the success of all children. A common response has been a search for “superhero” principals and superintendents to ride to the rescue of failing schools. For many districts, however, especially the most troubled, this has been a losing strategy — providing a few schools with only temporary respite from chronic failure. At worst, it has contributed to a dwindling pipeline of leaders who are truly qualified for the jobs, and to appallingly high leadership turnover rates as the inimical conditions of leadership positions are left largely undisturbed.

Still, when Wallace decided initially to place its bet on leadership, the idea was greeted in some quarters with bemusement and even skepticism. And the doubters had a point: remarkably little solid evidence existed about whether, or in what ways, leadership can actually make a difference in improving teaching and learning, or what kind of preparation leaders needed, or what conditions and incentives must be in place to support their success.

Working with 22 states and more than a dozen large urban districts within those states over the last six years, we have supported a range of efforts to test, document and share new approaches to improving leadership at all levels of public education. These “innovation sites” and our research partners have made important progress in expanding our knowledge about how to train and support effective leaders. But the more we and our partner sites have learned, the more apparent the complexity of the challenge has become, and the more obvious it is that there are no quick fixes for the relative neglect of this issue.

Education leaders at all levels, for example, often lack the right data to make sound instructional decisions, or the knowledge to use such data even if

it were available. A number of states like New Mexico have begun compiling better student data and making it widely available to school leaders. And recent Wallace-commissioned research provides useful guidance on how districts can make better use of the “mountains” of school data they collect.¹

A body of Wallace-supported research also suggests that the training of principals is often poorly connected to the challenges and realities of their jobs.² Many of our states and districts are taking steps to fix what’s wrong with university-based leadership programs. Iowa, for example, has instituted a rigorous review process for all education administration preparation programs and denied approval in 2006 for four of the state’s nine programs.

But we’ve also learned that such steps are only the start. States and districts need to provide coherent professional growth

Better leadership training alone won’t accomplish lasting benefits for teaching and learning.

opportunities throughout leaders’ careers linked to clear standards and a shared vision of what good leadership really means. Progress by our partner sites in creating such continuums of leader development has been far slower. A new report by researchers from Stanford and The Finance Project identifies practical lessons from a number of exemplary programs and offers guidance on how such an effective continuum of leader development can be achieved.

Experience has also taught that assessing leaders’ performance isn’t just

a question of determining what leaders know, but what they actually do to further teaching and learning — a much trickier measurement task that hardly any state or district has yet figured out. In 2007, a team from Vanderbilt University commissioned by Wallace will pilot test a new assessment tool that focuses on identifying and measuring effective leader behaviors. The tool will be published and widely distributed in 2008.

Finally, there is a national clamor for principals to be “instructional leaders,” not merely building managers. But we know that such expectations ring hollow unless ways are found to relieve principals’ daily calendars of non-instructional distractions and obstacles. One possible answer has emerged lately in Wallace-funded sites led by the Jefferson County Public Schools in Kentucky which have been pilot-testing a new position called “school administration managers” (SAMs). Their job is to assume many of a school’s administrative functions and allow principals to concentrate more time on leading instructional improvements. The early results: principals with SAMs in their schools have increased the amount of time they spend on instructional matters from 30 percent on a typical day to more than 70 percent, provided that they also get help in shifting their attention toward teaching and learning. Test scores have risen significantly in schools with SAMs. As a result of those promising early indicators, Jefferson County is adding more schools to the pilot program and other districts in Kentucky, Delaware and Georgia have been pilot-testing SAMs.

In these and other areas related to improving school leadership, Wallace and its partners have been accumulating credible evidence, instructive lessons and field-based experiences. The resulting publications can be found on our website at www.wallacefoundation.org.

PUTTING THE PIECES TOGETHER: A COHESIVE LEADERSHIP SYSTEM

Seeking to provide a coherent, actionable frame for this accumulating body of knowledge, Wallace in 2006 published a working hypothesis about what states, districts and schools need to focus on in order to make sustained progress on leadership that improves teaching and learning. This hypothesis, which we call a “cohesive leadership system,” consists of three core elements:

1. High-quality standards;
2. A continuum of training for education leaders throughout their careers; and
3. Conditions and incentives that support rather than impede leaders’ success.³

Wallace-funded states and districts have made headway in advancing each of these core elements of this system:

- **Standards:** States and districts within and outside our network are adopting clearer statements of what effective leaders are expected to do. The “ISLLC” (Interstate School Leaders Licensing Consortium) standards⁴ have become the basis for leadership standards in more than 40 states, including 21 of the 22 states⁵ in the Wallace initiative. In 2006, we provided funding to the Council of Chief State School Officers to help support a revision of those standards so that they place even more emphasis on instructional leadership.
- **Training:** Most of our funded states and districts have developed improved leadership training linked to standards and designed to be more relevant to schools’ day-to-day instructional needs. Some 17,350 aspiring or active leaders have participated in Wallace-supported district-level training programs to date. In 2005-06 alone,



An after-school class in digital photography for teens in Washington, D.C., one of five cities participating in Wallace’s out-of-school time learning initiative to lift the quality of such programs citywide so that more kids get the developmental benefits

4,751 participated, an increase of 53 percent from the previous school year, and more than 9,500 participated in Wallace-sponsored state-level training programs.

Wallace states and districts have also been leaders of a national trend toward adopting mentoring programs for novice principals. In sharp contrast to a long-held “sink or swim” attitude toward newly-hired principals, nearly two-thirds of our states and districts now offer more than a year of mentoring to new principals or are considering doing so—almost unheard of before 2000. In the absence of meaningful data about the efficacy of mentoring, it remains highly uncertain whether these newly adopted programs will be sustained or whether they will get the necessary funding to make a real contribution to the preparation of new principals who can lift the

quality of teaching and learning in their schools. (A critical analysis by Wallace of these programs, *Getting Principal Mentoring Right: Lessons from the Field*, can be downloaded at www.wallacefoundation.org).

- **Conditions and incentives:** Wallace-funded state and district sites are increasingly addressing key conditions that are impeding leadership improvement efforts such as lack of data to inform decisionmaking and weak leader incentives. Nine Wallace-funded states passed laws in 2006 relating to the establishment and use of data systems, and six reported using stipends to attract and retain high-quality leaders, give them more authority to turn around low-achieving schools or reward student gains. Georgia, for example, has enacted a \$1.5 million program of financial incentives to place the most

effective principals at high-needs schools. Kentucky has developed a data-based accountability system that focuses on measuring student achievement and holding administrators accountable for those indicators. It is currently developing a statewide data system that goes from kindergarten through the end of university.

Such efforts at addressing *individual* elements of a cohesive leadership system are important. But states and districts are only beginning to make headway in addressing, in a coordinated way, the standards, training and conditions necessary to sustain leadership improvement efforts. In fact, three quarters of our partner states and districts cite “fragmented systems” as a chief obstacle to improving the quality and preparation of leadership. Looking ahead, therefore, we will be directing the bulk of our support toward those states and districts that have made the most early progress at putting together the essential pieces of a cohesive leadership system.

Delaware offers a glimpse of what such a systematic, comprehensive approach to leadership improvement begins to look like. A statewide vision of education reform called “Vision 2015” includes leadership improvement as a key component. The state adopted new leadership standards in 2002 and two districts are now pilot testing a leader assessment system tied to those standards. Eight districts are participating in another pilot project to identify aspiring leaders with high potential to serve in high-needs schools. The state provides these aspiring leaders with a two percent salary increment for five years. The same incentive is also provided to their mentors. The state has also begun mandated training for school boards so that they focus more attention on strategy and less on day-to-day operations that are the appropriate domain of school leaders. The state

has developed comprehensive data for superintendents, school leaders, school board members and other education leaders to use to plan instructional improvements.

BUILDING APPRECIATION AND DEMAND FOR THE ARTS

The goal of Wallace’s work in the arts is to help make the arts a part of more people’s lives. For well over a decade, we have supported leading arts and cultural organizations across the country that are committed to artistic excellence and service to people. We have also sponsored a body of published research aimed at helping many others in the field engage more effectively in building arts participation and bringing the benefits of the arts to many more people.⁶

Over the past two years, we have developed a two-pronged strategy to test and share new approaches for meeting the overall goal of increased participation for both present and future audiences:

1. **The Wallace Excellence Awards⁷** – working with exemplary arts organizations in specific cities to identify, develop and share effective practices and ideas to reach more people. Sixteen organizations received awards in 2006, bringing to 36 the total since the program was launched in 2004.
2. **Arts for Young People** – working with schools, arts institutions, community organizations, policy-makers and funders in selected cities to provide more opportunities for



Students in an acting class at the New Jersey Performing Arts Center, which is a Wallace Excellence Awards grantee

arts learning citywide so that more young people gain an appreciation of the arts. The ultimate goal is to develop and share knowledge about how entire cities can enhance arts learning for more children within classrooms, in arts organizations and in neighborhood settings. Wallace is currently supporting two cities, Dallas and New York City, to develop and begin implementing citywide plans for this work.

Reinforcing this work, we are also supporting several commissioned research projects, two of which are scheduled for publication later in 2007: one by RAND on how local systems can be developed that can deliver quality arts learning to more students; and a second by researchers at Harvard's Project Zero on what constitutes quality in arts learning.

WALLACE EXCELLENCE AWARDS

The Wallace Excellence Awards underwent significant revisions in 2006 aimed at making them more inclusive of both large and small arts organizations, more intentionally oriented toward producing credible evidence of effective participation-building practices, and more influential with arts organizations throughout entire cities.

To date, our support for arts organizations — including the early rounds of Excellence Awards in 2004 and 2005 as well as past initiatives supporting participation-building efforts dating back to the 1990s — has achieved unclear results. On the positive side, more than six out of ten of our partner organizations met participation-building progress goals and increased their participation-building expenditures in 2006 using their own (not Wallace) funds. And attendance gains at Wallace-supported theater organizations have consistently exceeded national averages over the last several years. But attendance trends among

other Wallace arts grantees have been uneven. Most crucially, the work that we have funded in these organizations has produced little evidence that their ideas and practices about participation-building have actually achieved credible and sustained results.

The revisions in the Wallace Excellence Awards in 2006 were therefore aimed at advancing two objectives:

1. **Build a knowledge portfolio** – by selecting arts organizations whose participation-building work is likely to yield a rich assortment of useful, broadly applicable lessons and practices that can help many other arts organizations do a better job of

We hope to help change the “participation-building ecology” in some of the nation’s arts centers.

building appreciation and demand for the arts. In other words, instead of just giving out individual awards to worthy organizations, we are now thinking of the awards, taken together, as a potential “knowledge portfolio” that will produce a mix of participation-building lessons that other organizations of different sizes and disciplines can benefit from.

2. **Spread impact citywide** – by concentrating our grantmaking on arts organizations within a small number of target cities (a change from our past practice of selecting grantees from a nationwide pool), and by working to create “learning networks” that would create opportunities for all arts organizations within these cities to

exchange ideas and lessons about participation-building beyond just our grantee organizations.

By taking these steps, we hope to help change the “participation-building ecology” in some of the nation’s major arts centers and draw much greater attention to the importance and value of engaging more people in the arts. In 2006, we selected Boston and Chicago as our initial target cities. Each has arts organizations with enough diversity to make up a sufficient candidate pool of arts organizations. Seven arts organizations in Boston, and nine organizations in Chicago, were given Excellence Awards. (see pages 30-31 for the complete list of Wallace Excellence Awards organizations).

We also provided grants to the Boston Foundation and The Chicago Community Trust to create opportunities for the exchange of participation-building ideas among all arts organizations in their cities. Finally, we restructured the Awards program to make it more inclusive of a wider range of budget sizes and arts disciplines.

The Wallace Excellence Award organizations in Boston and Chicago will be testing and documenting a variety of participation-building strategies whose lessons can benefit many other organizations:

Enhancing marketing (including audience research, branding, subsidized ticket programs, online sales). For example:

- The Black Ensemble Theater in Chicago, a 30-year-old award-winning African-American theater company, will create a consistent brand identity in order to build audiences in neighborhoods throughout the city. It also will institute a Five-Play Card program, an alternative to a full subscription that costs less and is more flexible. A



As an instructional leader, Principal Ann Russek of Dewey International Studies Elementary School in St. Louis makes frequent classroom visits to observe first-hand the effectiveness of teaching and learning. St. Louis is one of more than a dozen school districts in 22 states that have received Wallace support to develop and test improvements in the training and working conditions of school leaders.

possible lesson from this work might be: how a community-centered institution remains faithful to its roots while promoting its identity to a broader constituency.

- Huntington Theater in Boston will launch an online ticketing service for its own patrons designed to build new audiences for its plays as well as those of other small theater companies that perform in their South End venue. Experiences from this work might inform how large theaters can expand audiences for their own offerings as well as those of smaller, emerging theater companies that use the same facility.

Re-thinking programming (including new program formats, free programs and events). Examples include:

- The Museum of Fine Arts in Boston will create new, hands-on interpretive tools for visitors to use in the galleries to make the exhibits more meaningful and encourage more frequent and rewarding visits. Among the possible lessons might be the effectiveness of interactive, self-guided modes of experiencing artworks for audiences of varying sophistication.
- Chicago Sinfonietta, a small classical music ensemble and presenter with a commitment to ethnic diversity among its players and patrons, will collaborate with other cultural organizations to stage one-of-a-kind concerts. The company will, for example, collaborate with South Asian community organizations to build audiences for performances by

Anoushka Shankar, daughter of sitar legend Ravi Shankar and a virtuoso sitar player in her own right, of her father's composition, *Concerto No. 1 for Sitar and Orchestra*. This work may provide insights into how unique events can contribute to a long-term commitment to engaging more ethnically diverse music patrons.

Building relationships (including creating grassroots connections; forming constituent advisory committees). Organizations doing this kind of work include:

- Hyde Park Art Center, a small multidisciplinary art center in Chicago's South Side, recently opened a facility that is attracting record numbers of users. It now seeks to learn how to use grassroots

promotions and connections to build on that momentum and extend a particular welcome to minority families.

- Beverly Art Center, also in Chicago, is creating a Teen Arts Committee to advise about programming and marketing in order to reach more young people at local high schools and colleges. Participation tends to decline sharply after age 12, and this work will be geared to learning how to sustain participation through the teen years.

Strengthening communications (including online services and broadcast). Examples include:

- The Boston Symphony Orchestra will seek to learn how various online offerings can be a gateway to its live offerings and thereby expand the number of concertgoers. It plans to expand and enhance its Online Conservatory, which offers an interactive means for online users to acquire information on composers, listen to selected pieces, explore works from a historical perspective and learn about concert offerings.
- From the Top, a mid-sized classical music presenter in Boston that showcases talented young players on its popular radio program, will diversify its audience by using a “peer-to-peer” strategy in partnership with three public schools. A key feature of this approach will be an appeal to young people using a talented performer from that age group to inspire them to pursue music education and instrument playing. This strategy may provide lessons about how arts organizations can make use of young people to motivate their peers to participate.

The gathering and sharing of such instructive lessons about participation-

building is now front and center in the work of these and other Wallace Excellence Awards grantees. But experience has taught us that the capacity of arts organizations to collect reliable information about the efficacy of their participation-building strategies is often weak. Therefore, a critically important new feature of the 2006 round of awards was a 10 percent set-aside provision for data collection, in addition to which Wallace will be providing technical assistance to organizations to strengthen their data-gathering and analyzing expertise.

ARTS FOR YOUNG PEOPLE

In late 2005, Dallas and New York City were selected as sites for this second prong of our arts strategy: to plan and build citywide systems of high-quality arts learning within and beyond school. Each city, in its own way, had demonstrated commitment

and capacity to extend the benefits of the arts to more young people. Both cities have an actively involved school district and city government and the commitment of other institutions that provide high-quality arts education. In New York City, the early plans build on its Blueprint for Teaching and Learning in the Arts, which placed the city in the forefront nationwide by laying out a comprehensive approach to arts instruction in its 1,400 schools.

Each city also has an organization capable of bringing together the key players in the three sectors needed for a more effective arts learning system: school districts, arts organizations and out-of-school time providers. In Dallas, the coordinating organization for what has been dubbed the Dallas Arts Learning Initiative (DALI) is Big Thought, a nonprofit organization that is the largest provider of high-quality arts education services in the Southwest.



Ballet Hispanico in New York City, a Wallace Excellence Awards grantee, is using its funding to lift the quality of its public school residency program, increase the number of students participating in residencies and expand scholarship support for talented, economically disadvantaged young people.

In New York City, early planning has been led by the City Department of Education's Office of Arts and Special Projects, along with the Department of Cultural Affairs and the Center for Arts Education, a nonprofit, public-private partnership.

Each city made progress in its initial planning in 2006. Leadership committees were organized in both cities that include the heads of key institutions in the three sectors of arts learning as well as top civic and funding leaders. Each city has begun to gather baseline data about supply and demand and current conditions that can guide the use of resources. And new ways have been identified for providers and policymakers to work together toward the goals of the initiatives.

Dallas has already taken a number of early implementation steps aimed especially at enhancing its elementary school arts curriculum, including more instructional time for dance and theater in all elementary schools, and hiring more certified arts teachers. The city also plans to build on an existing strength by engaging teaching artists from outside the school system to develop and deliver arts instruction that reinforces other academic subjects.

Nonetheless, the pace of progress in both cities amply demonstrates how difficult it is to build the necessary bridges among schools, arts organizations and out-of-school time providers. The capacities and expertise of these three sectors to deliver arts learning are at very different levels. And few cities have coordinating entities or mechanisms to create or sustain a system.

As with the Wallace Excellence Awards, the ultimate goal of this work centers on the development and sharing of knowledge. Looking ahead, we will work to develop a body of evidence about how entire cities can enhance



As part of our efforts to build future audiences for the arts, Wallace is working in selected cities with schools, arts institutions, community organizations, policymakers and funders to help more young people gain an appreciation of the arts and experience its pleasures and benefits first-hand.

arts learning for more children within classrooms, in arts organizations and in neighborhood settings.

OUT-OF-SCHOOL TIME LEARNING

Learning and enrichment opportunities don't begin and end with the school day. They can happen in a variety of settings and over the years, The Wallace Foundation has supported a range of initiatives to promote high-quality learning programs in urban parks, libraries, museums and elsewhere. Building on that legacy, Wallace launched a city-based Out-of-School Time Learning initiative (OST) in 2003 in two cities with proven track records of commitment in this area: New York City and Providence. In 2005 and 2006, we added three new cities with promising OST track records — Boston, Chicago and Washington, DC — in order to diversify the range of innovative ideas and knowledge that we can capture, analyze and share.

Working with these five cities, we are testing our working premise that cities could reach many more children with high-quality programs if they planned and implemented more coherent

systems of out-of-school time learning based on the principles of improved access, increased participation and high-quality standards so that children actually reap the benefits. This system-building approach remains unusual in the OST field, and combined with ongoing research Wallace is funding on such key issues as the nature of quality in OST and the costs of quality programming, it promises to yield lessons on issues including:

- How supply and demand data can be used to design more effective service delivery strategies;
- How to build productive links between in-school and out-of-school time;
- How cities can implement management information systems that connect participation data with other data that track children's well-being; and
- How public and private sector leaders can work together to build a robust and sustainable system that supports high-quality OST programs and services.

The data supporting the need for effective citywide OST systems are overwhelming. Across the country, more than 14 million

school-age children are left to fend for themselves after the school day ends. For too many, especially those who could most benefit, the hours outside of school mean boredom and risks rather than learning and enrichment.

In Boston, for example, 51 percent of the city's school-aged population currently take part in out-of-school time learning programs, one of the nation's highest participation rates. But recent surveys also indicate that participation levels are lowest among children in poverty. And interviews with school principals and others in the field reveal that children who are struggling in school are the least likely to participate in structured OST activities. Obstacles typically include lack of transportation, uncoordinated referral strategies at the school level and the uneven quality of OST programs.

An accumulating body of evidence commissioned by Wallace, including RAND's *Making Out-of-School-Time Matter*, points to the value of high-quality programs in promoting better school-related and developmental outcomes, including improved attitudes toward school and higher graduation rates. *All Work and No Play?*, by Public Agenda, found strong demand among parents and youth for out-of-school time opportunities. But the survey also revealed frustration, especially among poor and minority parents and children, about the lack of access to programs in their neighborhoods that might help them meet tougher academic standards.

There is also mounting national interest in finding ways to better address the challenge of improving out-of-school time learning opportunities citywide. The National League of Cities reports that 140 cities have registered as members of the "After-School Policy Advisors Network." The National Governors Association, with Wallace's support, recently published a detailed guide for state leaders on how their states can promote more and better



out-of-school time opportunities.⁸ But as RAND and others have emphasized, simply adding more "slots" without also ensuring the quality of those programs and their relevance to children's needs invites waste of scarce public and private dollars.

In 2006, the five cities in our OST initiative made varying degrees of progress in key areas that are critical to building high-quality citywide systems that benefit many more children and youth:

ENHANCING PARTICIPATION AND SERVICE DELIVERY

In 2006, four of the five cities in Wallace's initiative either introduced or expanded approaches to serving particular age groups specified as the targets of their work. In Providence, public response was so strong to pilot tests of its new neighborhood-based "AfterZone" approach to providing

high-quality services to middle school youth that the city is accelerating its schedule to develop AfterZones for remaining neighborhoods. At present, the programs are reaching about 650 middle school youth, about 10 percent of the city's population in that age group. City leaders plan to work on renewed business planning in 2007 to garner more resources to meet unfilled demand.

Washington, DC is similarly focusing on improving services to middle school youth. It developed plans to pilot test new approaches in three middle schools beginning in 2007. Chicago's After School Matters, founded by the city's First Lady, Maggie Daley, plans to expand its nationally recognized model of teen apprenticeships to include fields such as health services, retail, construction and ecology. Teens will also have the opportunity to participate in learning activities that explore such topics as health and obesity, pregnancy

and parenting, and financial literacy. Boston's plans, which target academically low-performing elementary students, were launched in five schools in 2006 and will expand to 10 in early 2007. By 2008, 15 of the city's 84 elementary schools are expected to be taking part in the pilot program.

Unlike the other cities in our initiative, New York City's work in improving OST is not age-specific. In the 2005-06 program year, approximately 59,000 elementary, middle and high school children were enrolled in the 557 programs funded through the city's Department of Youth and Community Development.

To increase public awareness and encourage participation, several cities have undertaken outreach campaigns. Washington, DC has launched a multifaceted public outreach campaign including a new website, logo and newsletter. Providence's OST website, introduced in 2005, more than doubled its visitorship to nearly 8,000 in 2006.

LIFTING QUALITY

Four of our five partner cities, except Boston, now have in place OST quality standards covering a range of areas such as safety, high expectations, staffing, training and program design. Significantly, the two original cities in our initiative — New York City and Providence — developed standards for the first time as a direct result of this work. It is too soon to tell whether the standards are having any measurable effect on program quality in the cities that have them.

New York City is using OST quality standards as a criterion for funding decisions to service providers. However, all of our funded cities are taking other steps to lift program quality, particularly capacity-building measures such as technical assistance and professional development for OST program staff.

New York City has been a standout in this respect: the city has begun providing workshops attended by more than 1,000 OST staff members on a range of topics and is working with The City University of New York to develop a two-year college certificate program designed to enhance the skills of youth workers.

Chicago plans to create an Out-of-School Time Academy to provide youth program worker training. And Washington, DC, which already offers a range of OST training to program staff, plans to collaborate with the University of the District of Columbia for a youth worker credentialing project.

GATHERING DATA

Reliable data are a critical yet often-missing element in helping cities lift the quality of out-of-school time learning programs and identify unmet needs. The five cities made varying degrees of progress in developing reliable management information systems to track participation. Enhancements to New York City's *OST Online* significantly improved its ability to track participation. Providence, Chicago and Washington, DC are using the same online software. Providence launched a system in early 2006 that is now in use in all of its AfterZones.

DEVELOPING KNOWLEDGE, SHARING LESSONS

Looking ahead, several Wallace-commissioned OST publications will be released in 2007: *Guide to Market Research* by Market Street Research will provide practical pointers to help cities make effective use of market research as a planning tool. A second report by Public/Private Ventures and The Finance Project will analyze the costs of operating quality out-of-school time programs. This latter study will not only help program operators plan and deliver more effective services, it

will also provide city leaders across the country with better knowledge and tools to make OST choices based on available resources and plan high-quality services more systemically.

A milestone in our outreach efforts occurred in 2006 as we entered into a new relationship with the National League of Cities, whose constituency includes 1,900 chief elected officials and more than 10,000 city council members, to share what we're learning about building local systems of high-quality out-of-school time learning with these city leaders. With support from Wallace, the NLC's Institute for Youth, Education & Families gathered extensive information from mayors and other key city officials indicating the kinds of information and support that they need. ■

ENDNOTES

1 The report, *Buried Treasure: Developing a Management Guide from Mountains of School Data* (2005) by the University of Washington's Center for Reinventing Public Education, can be downloaded at www.wallacefoundation.org.

2 *Educating School Leaders* (2005) by Arthur Levine, The Education Schools Project, is a recent example of such a critical assessment of university-based leadership programs.

3 More information on our working hypothesis of a cohesive leadership system can be found in the 2006 Wallace Perspective report, *Leadership for Learning: Making the Connections among State, District and School Policies and Practices*. It can be downloaded at www.wallacefoundation.org.

4 The ISLLC standards were developed in 1996 by a consortium of the major national organizations representing principals, superintendents, chief state school officers and higher education.

5 Except Rhode Island.

6 Wallace-commissioned works about arts participation and its benefits include, for example, major reports by RAND — such as *The Arts and State Government: At Arm's Length or Arm in Arm?* (2006); *Gifts of the Muse: Reframing the Debate About the Benefits of the Arts* (2004); and *A New Framework for Building Participation in the Arts* (2001) — and reports by the Urban Institute such as *Motivations Matter: Findings and Practical Implications of a National Survey of Cultural Participation* (2005). These and other resources can be downloaded at our website: www.wallacefoundation.org.

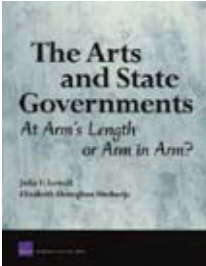
7 The Wallace Excellence Awards program builds on and replaces an older Wallace initiative known as LEAP (Leadership and Excellence in Arts Participation), which provided grants to 48 arts and cultural organizations in all disciplines around the country to further efforts at increasing people's access to high-quality arts experiences.

8 *Supporting Student Success: A Governor's Guide to Extra Learning Opportunities* was published by the National Governors Association Center for Best Practices in 2005. It can be downloaded from our website.

PUBLICATION HIGHLIGHTS

NEW PUBLICATIONS IN WALLACE'S KNOWLEDGE CENTER

www.wallacefoundation.org



The Arts and State Governments: At Arm's Length or Arm in Arm?
RAND Corporation
 This study identifies key issues faced by state arts agency leaders as they seek to solidify state-level political support and public understanding of the value of the arts.



Schools Can't Wait: Accelerating the Redesign of University Principal Preparation Programs
Southern Regional Education Board
 This report offers a detailed action plan for states to pick up the pace in creating better training programs and assessing their effectiveness against progress indicators.



A Wallace Perspective: Leadership for Learning: Making the Connections Among State, District and School Policies and Practices
The Wallace Foundation
 How can we meet the challenge of getting the leadership needed so that every child is a successful learner? This report offers a vision of a cohesive leadership system based on lessons from Wallace's extensive work with two dozen states and scores of urban districts.



Getting Started with Market Research for Out-of-School Time Planning: A Resource Guide for Communities
Market Street Research in association with The Wallace Foundation
 This guide shows community leaders, policy-makers and practitioners how to use market research to make more informed decisions by giving parents and children a voice to express their needs and preferences.



Supporting School System Leaders: The State of Effective Training Programs for School Superintendents
Harvard Graduate School of Education in association with The Wallace Foundation
 This national scan and analysis of superintendent-training opportunities conducted by Lee Teitel of Harvard catalogues the growing variety of programs offered by professional groups, nonprofits, universities, foundations and for-profit companies.



The Costs of Out-of-School-Time Programs: A Review of the Available Evidence
The Finance Project; Public/Private Ventures
 The out-of-school time learning field urgently needs an up-to-date, nationwide scan of what quality services really cost. This interim report surveys what is known and what can be learned from cost studies of other education-based programs for children.



A Wallace Perspective: Creative Philanthropy: A Broader Vision of the Potential of Foundations

The Wallace Foundation

This report summarizes key messages in a new book, *Creative Philanthropy*, written by two leading experts on the nonprofit field, Helmut K. Anheier and Diana Leat. Using case studies, it argues that foundations have a unique but often underutilized capacity to test innovative ideas, take risks and share effective approaches so that entire sectors can increase their ability to serve people.



Focus on Families! How to Build and Support Family-Centered Practices in After School

Harvard Family Research Project and United Way of Massachusetts Bay

This report offers after-school providers practical guidance on giving parents, guardians and other caregivers a more significant role in children's out-of-school time learning, through specific strategies and three case studies.

OTHER PUBLICATIONS OF CONTINUING INTEREST

BUILDING APPRECIATION AND DEMAND FOR THE ARTS

A NEW FRAMEWORK FOR BUILDING PARTICIPATION IN THE ARTS
RAND Corporation, 2001, 112pp.

GIFTS OF THE MUSE: REFRAMING THE DEBATE ABOUT THE BENEFITS OF THE ARTS
RAND Corporation, 2005, 104pp.

MOTIVATIONS MATTER: FINDINGS AND PRACTICAL IMPLICATIONS OF A NATIONAL SURVEY OF CULTURAL PARTICIPATION
Urban Institute, 2005, 12pp.

EDUCATION LEADERSHIP

HOW LEADERSHIP INFLUENCES STUDENT LEARNING
Center for Applied Research and Educational Improvement and Ontario Institute for Studies in Education, 2004, 87pp.

GOOD PRINCIPALS ARE THE KEY TO SUCCESSFUL SCHOOLS: SIX STRATEGIES TO PREPARE MORE GOOD PRINCIPALS
Southern Regional Education Board, 2003, 29pp.

BEYOND THE PIPELINE: GETTING THE PRINCIPALS WE NEED, WHERE THEY ARE NEEDED MOST
The Wallace Foundation, 2003, 12pp.

ROLLING UP THEIR SLEEVES: SUPERINTENDENTS AND PRINCIPALS TALK ABOUT WHAT'S NEEDED TO FIX PUBLIC SCHOOLS
Public Agenda, 2003, 72pp.

DEVELOPING SUCCESSFUL PRINCIPALS: REVIEW OF RESEARCH
Stanford Educational Leadership Institute, The Finance Project, 2005, 27pp.

BURIED TREASURE: DEVELOPING A MANAGEMENT GUIDE FROM MOUNTAINS OF SCHOOL DATA
Center on Reinventing Public Education, 2005, 76pp.

WHEN LEARNING COUNTS: RETHINKING LICENSES FOR SCHOOL LEADERS
Center on Reinventing Public Education, 2005, 65pp.

OUT-OF-SCHOOL TIME LEARNING

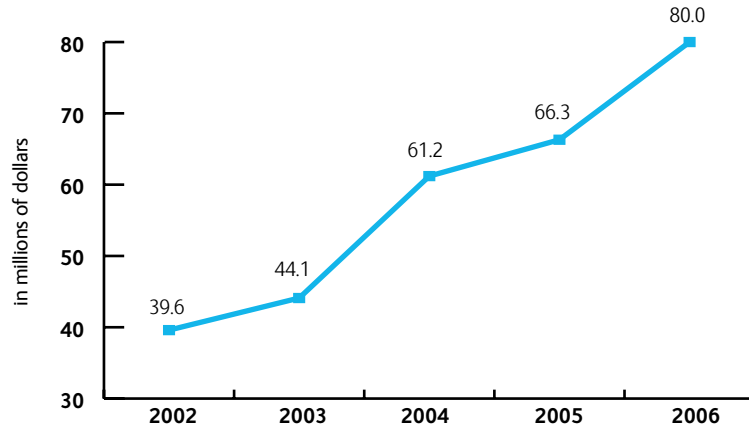
MAKING OUT-OF-SCHOOL TIME MATTER: EVIDENCE FOR AN ACTION AGENDA
RAND Corporation, 2005, 127pp.

ALL WORK AND NO PLAY? LISTENING TO WHAT KIDS AND PARENTS REALLY WANT FROM OUT-OF-SCHOOL TIME
Public Agenda, 2004, 55pp.

FINANCIAL OVERVIEW

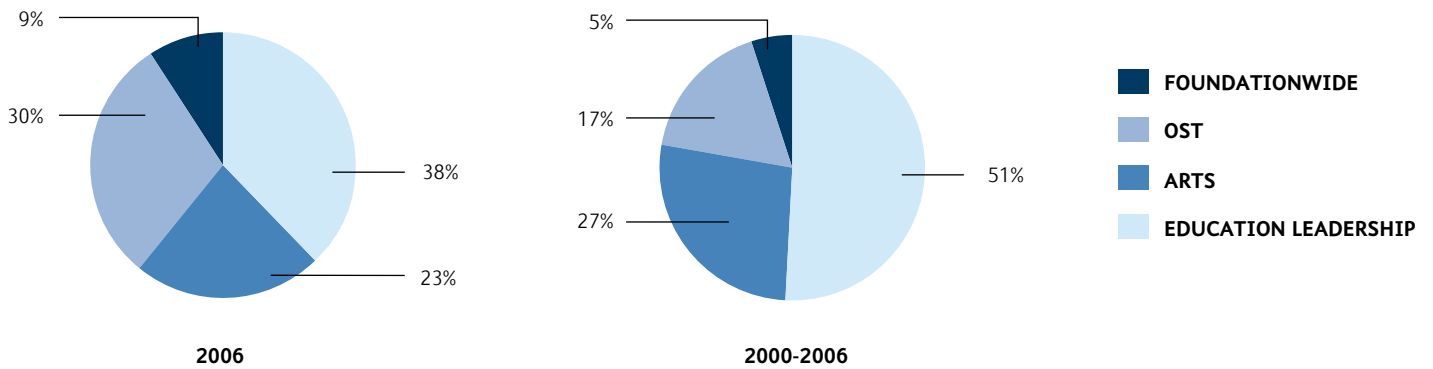
GRANTS AND RELATED EXPENSES

The Board approved new grant and related expenses¹ of \$80.0 million in 2006, an increase of 20.7% over 2005. Grants generally move in line with the Foundation’s asset values because private foundations are required by law to distribute 5% of the fair market value of their assets each year. The following chart shows the growth in commitments for grants and related expenses.



RESOURCE ALLOCATION

Grant allocations among our three focus areas vary from year to year depending on whether we’re maintaining an existing program, planning for a future effort, or implementing a new strategy. Over the six-year period beginning in 2000, more than half of our grants have been allocated to education leadership. In 2006, allocations for out-of-school time learning (OST) increased significantly as we approved multi-year implementation grants to three new cities. Allocations for education declined compared with 2005 (a year that included sizable multi-year grants to two universities to develop executive leadership training programs). Arts allocations also fell year-to-year, reflecting our decision to provide more varied grants to Wallace Excellence Award organizations depending on their size, as well as our decision to provide implementation funding to only one of our two Arts for Young People cities.



¹“Related expenses” include such items as meeting expenses, publication costs and consulting fees that support efforts to enhance our site work and develop and share useful knowledge.

PROGRAM EXPENDITURES & COMMITMENTS

The following tables describe and list the expenditures and commitments made in 2006 to advance Wallace’s work in its three focus areas of education leadership, out-of-school time learning and building appreciation and demand for the arts. In each of these areas, our approach and expenditures are grouped under two main strategic categories: Develop Innovation Sites, and Develop and Share Knowledge.

- **DEVELOP INNOVATION SITES** — We invest in, and work closely with, selected sites to help them plan and test out new approaches to addressing the change goals to which we have mutually agreed. These sites can provide us and the broader field with insights into what ideas are or are not effective and what conditions support or impede progress.
- **DEVELOP AND SHARE KNOWLEDGE** — In concert with our innovation site work, we develop and spread lessons that can improve practice and policy using research and a range of communications strategies. These activities both enhance the work in our funded sites and hold the potential to expand opportunities for people and institutions nationwide.



Our overall goal is to fundamentally improve the training of education leaders and the conditions that support their ability to lead the changes necessary to significantly improve student achievement across entire states and districts. To achieve broad impact, we develop useful knowledge and share effective policies, practices and lessons within and among our grantee states and districts, and nationwide.

1. DEVELOP INNOVATION SITES

Our site work consists of support for a select number of states, and high-needs districts within those states, to develop and test closely coordinated approaches for training and supporting education leaders capable of improving student performance, and for creating the working conditions that allow them to succeed.

Organization / IRS name, if different (City, State)	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
THE FOLLOWING RECEIVED FUNDING FOR STATE-DISTRICT SITE WORK IN 2006 (GROUPED BY STATE):			
ARIZONA			
STATE OF ARIZONA DEPARTMENT OF EDUCATION (Phoenix, AZ)	1,200,000	600,000	600,000
CONNECTICUT			
CONNECTICUT STATE DEPARTMENT OF EDUCATION (Hartford, CT)	200,000	200,000	–
HARTFORD PUBLIC SCHOOLS / Hartford Board of Education (Hartford, CT)	750,000	875,000	375,000
DELAWARE			
DELAWARE DEPARTMENT OF EDUCATION (Dover, DE)	440,000	440,000	–
GEORGIA			
UNIVERSITY SYSTEM OF GEORGIA FOUNDATION, INC. (Atlanta, GA)	430,000	430,000	–
ATLANTA PUBLIC SCHOOLS / Atlanta Independent School System (Atlanta, GA)	1,000,000	500,000	500,000
ILLINOIS			
ILLINOIS STATE UNIVERSITY (Normal, IL)	700,000	700,000	–
SPRINGFIELD SCHOOL DISTRICT 186 (Springfield, IL)	1,000,000	500,000	500,000

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
INDIANA			
INDIANA DEPARTMENT OF EDUCATION (Indianapolis, IN)	225,000	225,000	–
FORT WAYNE COMMUNITY SCHOOLS (Fort Wayne, IN)	1,000,000	500,000	500,000
IOWA			
IOWA DEPARTMENT OF EDUCATION (Des Moines, IA)	430,000	430,000	–
KANSAS			
STATE OF KANSAS DEPARTMENT OF EDUCATION (Topeka, KS)	425,000	215,000	210,000
KENTUCKY			
KENTUCKY DEPARTMENT OF EDUCATION (Frankfort, KY)	330,000	330,000	–
JEFFERSON COUNTY PUBLIC SCHOOLS (Louisville, KY)	1,200,000	1,200,000	–
LOUISIANA			
STATE OF LOUISIANA DIVISION OF ADMINISTRATION (Baton Rouge, LA)	1,200,000	600,000	600,000
MASSACHUSETTS			
MASSACHUSETTS DEPARTMENT OF EDUCATION (Malden, MA)	700,000	350,000	350,000
SPRINGFIELD PUBLIC SCHOOLS / Springfield School Volunteers, Inc. (Springfield, MA)	1,000,000	500,000	500,000
MICHIGAN			
WESTERN MICHIGAN UNIVERSITY (Kalamazoo, MI)	425,000	215,000	210,000
MISSOURI			
MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (Jefferson City, MO)	215,000	215,000	–
ST. LOUIS PUBLIC SCHOOLS (St. Louis, MO)	1,000,000	500,000	500,000
NEW JERSEY			
NEW JERSEY DEPARTMENT OF EDUCATION (Trenton, NJ)	225,000	225,000	–
TRENTON PUBLIC SCHOOLS (Trenton, NJ)	1,000,000	500,000	500,000
NEW MEXICO			
STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION (Santa Fe, NM)	1,200,000	1,200,000	–
NEW YORK			
STATE OF NEW YORK DEPARTMENT OF EDUCATION (Albany, NY)	700,000	1,000,000	–
NYC REGION ONE LEARNING SUPPORT CENTER / New York City Department of Education (Bronx, NY)	1,000,000	1,000,000	–
THE NEW YORK CITY LEADERSHIP ACADEMY, INC. (New York, NY)	3,500,000	3,500,000	–
OHIO			
STATE OF OHIO DEPARTMENT OF EDUCATION (Columbus, OH)	600,000	600,000	–
OREGON			
OREGON DEPARTMENT OF EDUCATION (Salem, OR)	700,000	700,000	–
EUGENE SCHOOL DISTRICT 4J (Eugene, OR)	1,000,000	500,000	500,000
RHODE ISLAND			
RHODE ISLAND STATE DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (Providence, RI)	225,000	225,000	–
PROVIDENCE SCHOOL DEPARTMENT / Providence School Department and The Education Partnership (Providence, RI)	1,000,000	500,000	500,000

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
TEXAS			
COMMUNITIES FOUNDATION OF TEXAS (Dallas, TX)	600,000	600,000	–
VIRGINIA			
VIRGINIA DEPARTMENT OF EDUCATION (Richmond, VA)	230,000	230,000	–
FAIRFAX COUNTY PUBLIC SCHOOLS (Fairfax, VA)	1,000,000	500,000	500,000
WISCONSIN			
STATE OF WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION (Madison, WI)	425,000	215,000	210,000

SUPPORT FOR THE STATE-DISTRICT WORK — The following three national membership organizations received funding to assist decision-makers in Wallace sites that are making the most progress toward developing “cohesive leadership systems” that feature well-coordinated policies and practices concerning the standards, training and working conditions of leaders:

COUNCIL OF CHIEF STATE SCHOOL OFFICERS (Washington, DC) – In addition to funding for assistance to states and districts for developing cohesive leadership systems, this grant also includes support for the Council’s efforts to revise the ISLLC (Interstate School Leaders Licensing Consortium) leadership standards that have been adopted by more than 40 states so that the standards place stronger emphasis on instructional improvements.	525,000	525,000	–
NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION (Alexandria, VA)	200,000	200,000	–
NATIONAL CONFERENCE OF STATE LEGISLATURES (Denver, CO) – In addition to funding for assistance to states and districts for developing cohesive leadership systems, this grant also included support to help focus a significant portion of its December 2006 conference in San Antonio, TX on leadership issues.	250,000	250,000	–

EXECUTIVE LEADERSHIP PROGRAM FOR EDUCATORS — This initiative seeks to address the scarcity of high-quality training opportunities for senior state and district leaders and their teams whose decisions affect who can become a principal and the working conditions of school leaders. With these investments, Wallace can also improve the work and the coordination of our state-district sites by providing senior leaders with the necessary training to increase their ability to lead significant change. The following two universities received support:

HARVARD UNIVERSITY / President and Fellows of Harvard College (Cambridge, MA)	–	2,000,000	3,000,000
UNIVERSITY OF VIRGINIA (Charlottesville, VA)	–	2,000,000	3,000,000

2. DEVELOP AND SHARE KNOWLEDGE

These investments are designed to reinforce the state-district work by developing a knowledge base and by raising awareness of the lessons being learned through our site-based work and research efforts.

DEVELOP A KNOWLEDGE BASE

ACADEMY FOR EDUCATIONAL DEVELOPMENT, INC. (Washington, DC) – To build on its Wallace-funded work in conditions-change to support effective leadership in education.	125,000	125,000	–
COUNCIL OF CHIEF STATE SCHOOL OFFICERS / Council of Chief State School Officers, Incorporated (Washington, DC) – To work with the Education Commission of the States and the National Governors Association to create and support six “leadership issue groups.” The goal is to gather state and district educators and leading experts to focus on six issues that have emerged as crucial to advancing leadership, and then capture and spread useful knowledge to strengthen the work in our sites and disseminate the lessons broadly throughout the field.	–	2,200,000	–
EDUCATION DEVELOPMENT CENTER, INC. (Newton, MA) – To develop a leader training quality assessment instrument, provide technical assistance to selected Wallace-funded districts, and design and manage the Education Leadership Action Network (ELAN), a project-based site that is part of www.wallacefoundation.org .	–	250,000	–

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
THE PUBLIC AGENDA FOUNDATION, INC. (New York, NY) – To support the costs of a briefing in fall 2006 in Washington, DC for policymakers and practitioners that profiled what Public Agenda and Wallace are learning about education leadership, including findings from the first of two Public Agenda “Reality Check” surveys.	20,000	20,000	–
SOUTHERN REGIONAL EDUCATION BOARD / Board of Control for Southern Regional Education (Atlanta, GA) – To revise several of its leadership training modules and add new ones as needed to better focus on how leadership improves school and classroom practice; and to strengthen the work of states in that region and promote the development and spread of effective leadership ideas within its membership and beyond.	–	875,000	–
STANFORD UNIVERSITY / The Board of Trustees of the Leland Stanford Junior University (Stanford, CA) – To produce a series of in-depth publications that identify and assess the most promising practices for training and continuing education that strengthen principals’ effectiveness.	–	245,000	–
UNIVERSITY OF MINNESOTA / Regents of the University of Minnesota (Minneapolis, MN) – To gather and publish evidence of what leadership activities matter most for teaching and learning, and how and why those practices result in instructional improvement in some contexts and not others.	–	1,000,000	250,000
VANDERBILT UNIVERSITY (Nashville, TN) – To develop a set of instruments to assess the effectiveness of leadership and emphasize its role in improving student achievement.	–	700,000	400,000
OTHER RELATED EXPENSES – Conference and meeting expenses; publication reprinting	46,857	46,857	–
RAISE AWARENESS THROUGH PUBLIC ENGAGEMENT			
EDUCATION WEEK / Editorial Projects in Education, Inc. (Bethesda, MD) – To support a second three-year period of a series of news and feature articles focusing on education leadership. <i>Education Week</i> editors will also produce annual research-based reports and launch an e-newsletter devoted to leadership issues.	1,000,000	500,000	500,000
THE NEW YORK TIMES / News in Education Foundation (New York, NY) – To design and host forums, workshops and webcasts aimed at engaging and informing legislators and civic, business, education and university leaders within four to six of our states and districts about the critical importance of school leadership.	500,000	500,000	–

OUT-OF-SCHOOL TIME LEARNING

Our core goal is to help selected cities develop and test ways that they can plan and implement sustainable systems that increase overall participation in high-quality out-of-school time (OST) programs so that children and youth, especially those with the highest needs, attend often enough to gain developmental benefits. We will then spread the lessons to other cities.

1. DEVELOP INNOVATION SITES

We are supporting efforts by top public and private leaders in five cities — Boston, Chicago, New York City, Providence and Washington, D.C. — to redesign local systems of out-of-school time learning so that the best possible use is made of public and private funds, with priority placed on achieving high standards of quality and increased participation by youth citywide. The following organizations are receiving funding to promote this work within each city:

AFTER SCHOOL MATTERS (Chicago, IL) – To build a citywide system, in partnership with Chicago’s Department of Children & Youth Services, that supports increased teen participation in high-quality out-of-school time services.	8,000,000	2,750,000	5,250,000
BOSTON AFTER SCHOOL & BEYOND, INC. (Boston, MA) – To implement plans for a pilot initiative called Partners for Student Success, an unprecedented alignment between the city’s out-of-school time service providers and the Boston public schools.	8,000,000	2,600,000	5,500,000

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
CHAPIN HALL CENTER FOR CHILDREN AT THE UNIVERSITY OF CHICAGO / The University of Chicago (Chicago, IL) – To conduct a preliminary assessment of local conditions in out-of-school time learning opportunities and develop an approach for a more comprehensive planning period; and to map and analyze the existing supply of teen-oriented out-of-school time learning programs and identify the geographic and programmatic areas in which teens are not being served.	–	100,000	–
DC CHILDREN AND YOUTH INVESTMENT TRUST CORPORATION (Washington, DC) – To lead a citywide effort, in partnership with the DC Public Schools, to build a more effective approach to serving the needs of middle school youth beyond the school day.	8,000,000	1,100,000	7,000,000
THE EDUCATION PARTNERSHIP, INC. (Providence, RI) – To continue support of the Providence After School Alliance, a public-private partnership whose mission is to create a coherent, citywide system that substantially increases participation in high-quality out-of-school time learning opportunities, particularly for middle school youth.	–	1,000,000	2,000,000
THE MAYOR'S FUND TO ADVANCE NEW YORK CITY (New York, NY) – To implement the city's out-of-school time business plan created with Wallace support to build a coherent system that provides more opportunities for children to participate in high-quality out-of-school time learning programs.	–	703,850	7,296,150

2. DEVELOP AND SHARE KNOWLEDGE

The first two organizations listed below received funding to collaborate on a comprehensive study of the costs of high-quality out-of-school time programs:

THE FINANCE PROJECT / The Finance Project Toward Improved Methods of Financing Education and Other Children's Services, Inc. (Washington, DC)	–	168,000	–
PUBLIC/PRIVATE VENTURES (Philadelphia, PA)	–	132,000	–
NATIONAL LEAGUE OF CITIES INSTITUTE (Washington, DC) – To plan a multi-year strategy that disseminates lessons about building effective citywide systems to support out-of-school time learning.	100,000	100,000	–
OTHER RELATED EXPENSES – OST national symposium and other meetings; publication expenses	89,268	89,268	–

BUILDING APPRECIATION AND DEMAND FOR THE ARTS

Our current arts programs seek to build current and future audiences by making the arts a part of many more people's lives. Our strategy has two main components: the Wallace Excellence Awards continues our work with exemplary arts organizations to identify, develop and share effective ideas and practices to reach more people; and Arts for Young People, whose goal is to build city-based systems of arts learning opportunities both in and outside of school in selected cities, and to capture and share lessons that could benefit many other cities.

1. DEVELOP INNOVATION SITES

WALLACE EXCELLENCE AWARDS — These grants to exemplary arts organizations are to attract broad attention to effective practices, encourage continued commitment to maintaining those practices, and keep the issue of participation-building high among practitioners and thought leaders. Sixteen organizations received awards in 2006, bringing to 36 the total number of awardees since the program was launched in 2004. We changed our strategy in 2006 to focus exclusively on organizations within specific cities each year. Boston and Chicago were selected as our target cities in 2006, and we provided Wallace Excellence Awards to seven arts organizations in Boston and nine in Chicago during that year. We also provided grants to the Boston Foundation and the Chicago Community Trust to facilitate the broad exchange of effective ideas and lessons about participation-building among arts organizations throughout their cities.

ALVIN AILEY AMERICAN DANCE THEATER / Alvin Ailey Dance Foundation (New York, NY)	–	750,000	–
BALLET HISPANICO / Ballet Hispanico of New York (New York, NY)	–	100,000	–

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
BEVERLY ARTS CENTER (Chicago, IL)	200,000	110,000	90,000
BLACK ENSEMBLE THEATER (Chicago, IL)	240,000	140,000	100,000
BOSTON FOUNDATION (Boston, MA)	700,000	650,000	50,000
BOSTON LYRIC OPERA COMPANY (Boston, MA)	500,000	225,000	275,000
BOSTON SYMPHONY ORCHESTRA, INC. (Boston, MA)	1,120,000	1,045,000	75,000
BROOKLYN MUSEUM OF ART / Brooklyn Institute of Arts and Sciences dba The Brooklyn Museum (Brooklyn, NY)	–	1,000,000	–
CHICAGO CHILDREN'S CHOIR (Chicago, IL)	–	100,000	–
CHICAGO COMMUNITY TRUST / The Chicago Community Trust Foundation (Chicago, IL)	700,000	650,000	50,000
THE CHICAGO SINFONIETTA / The Chicago Sinfonietta (Chicago, IL)	315,000	165,000	150,000
CHICAGO SYMPHONY ORCHESTRA (Chicago, IL)	–	1,000,000	–
THE CHILDREN'S THEATRE COMPANY / Children's Theater Company and School (Minneapolis, MN)	–	750,000	–
EL MUSEO DEL BARRIO / Amigos del Museo del Barrio (New York, NY)	–	100,000	–
FROM THE TOP, INC. (Boston, MA)	368,000	225,000	143,000
GARFIELD PARK CONSERVATORY ALLIANCE (Chicago, IL)	375,000	200,000	175,000
HUNTINGTON THEATRE COMPANY, INC. (Boston, MA)	500,000	350,000	150,000
HYDE PARK ART CENTER (Chicago, IL)	260,000	140,000	120,000
THE INSTITUTE OF CONTEMPORARY ART (Boston, MA)	500,000	400,000	100,000
ISABELLA STEWART GARDNER MUSEUM, INC. (Boston, MA)	500,000	325,000	175,000
JAZZ AT LINCOLN CENTER, INC. (New York, NY)	–	1,000,000	–
THE LOFT LITERARY CENTER / Loft Inc. (Minneapolis, MN)	–	250,000	–
MERIT SCHOOL OF MUSIC (Chicago, IL)	500,000	350,000	150,000
MUSEUM OF FINE ARTS, BOSTON (Boston, MA)	1,120,000	1,045,000	75,000
MUSIC OF THE BAROQUE (Chicago, IL)	200,000	125,000	75,000
THE NEWARK MUSEUM / The Newark Museum Association (Newark, NJ)	–	750,000	–
SAN FRANCISCO PERFORMANCES, INC. (San Francisco, CA)	–	375,000	–
SAN FRANCISCO SYMPHONY (San Francisco, CA)	–	1,000,000	–
STEPPENWOLF THEATRE COMPANY (Chicago, IL)	500,000	400,000	100,000
VICTORY GARDENS THEATER (Chicago, IL)	400,000	250,000	150,000
WALKER ART CENTER, INC. (Minneapolis, MN)	–	1,000,000	–
WASHINGTON CENTER FOR THE BOOK / Seattle Public Library Foundation (Seattle, WA)	–	750,000	–

ARTS FOR YOUNG PEOPLE — To help build future audiences, we are working with schools, arts institutions, community organizations, policymakers and funders in selected cities to provide more opportunities for arts learning citywide. Starting in 2005, we provided planning grants to lead organizations in two cities — New York and Dallas — to become innovation sites for this work. In 2006, we provided multi-year funding to Dallas to begin implementation. Both cities had met early tests for likely success including: an actively involved school district, the presence and active commitment of providers of high-quality arts education, and an organization capable of bringing together the school districts and the arts organizations so that the needs of many more young people are met.

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
BIG THOUGHT (Dallas, TX) – To support The Dallas Arts Learning Initiative, which will raise the quality of and access to arts learning for all Dallas youth in and out of school, by coordinating and strengthening providers, communicating opportunities and reducing barriers.	8,000,000	1,060,000	7,500,000
EMCARTS INC. (New York, NY) – To provide a range of support for Wallace staff, Big Thought in Dallas and the New York City Department of Education’s Office of Arts and Special Projects, including: conducting research on possible sites; designing and facilitating planning activities; convening representatives of key local arts education organizations across the two cities; serving as the hub of communications within and beyond the program participants; documenting the planning process and the results; and assisting with continued strategy development.	–	700,000	80,000
FUND FOR PUBLIC SCHOOLS (New York, NY) – To continue a planning process with the Center for Arts Education, a nonprofit, public/private partnership, that will result in an increased number of New York City public school students who have consistent access to high-quality arts.	400,000	900,000	50,000

2. DEVELOP AND SHARE KNOWLEDGE

PROJECT ZERO / President and Fellows of Harvard College (Cambridge, MA) – To publish a report synthesizing knowledge on high-quality arts learning over children’s school-age years with practical guidance on implementation.	–	550,000	50,000
RAND CORPORATION (Santa Monica, CA) – To produce a study on how local systems of arts education can deliver high-quality arts-learning opportunities.	–	400,000	100,000
OTHER RELATED EXPENSES – Annual arts conference and other meetings; Excellence Award announcements; publication expenses	327,238	327,238	–

FOUNDATION- WIDE GRANTS

SERVICES TO THE FIELD

BOARDSOURCE (Washington, DC) – To support this major resource organization that provides practical governance information, tools and best practices, training and leadership development for board members of nonprofit organizations worldwide.	25,000	25,000	–
BUSINESS-HIGHER EDUCATION FORUM (Washington, DC) – To support this membership organization of leaders from American businesses, colleges and universities, museums and foundations.	25,000	25,000	–
THE CENTER FOR EFFECTIVE PHILANTHROPY (Cambridge, MA) – To conduct a grantee perception survey and benchmark Wallace’s performance against other foundations.	35,000	35,000	–
THE COMMUNICATIONS NETWORK (Silver Spring, MD) – To support this nonprofit membership organization that provides the philanthropic community with leadership, guidance and resources in order to promote strategic communications as an integral part of effective philanthropy.	10,000	10,000	–

	APPROVED 2006	PAID 2006	FUTURE PAYMENTS
COUNCIL ON FOUNDATIONS INC. (Washington, DC) – To support this national nonprofit membership organization for grantmakers.	49,600	49,600	–
THE FOUNDATION CENTER (New York, NY) – To support the center’s new research institute and provide funds for a new public outreach initiative, as part of its 50th anniversary campaign strategy.	2,500,000	1,000,000	1,500,000
THE FOUNDATION CENTER (New York, NY) – To support this national clearinghouse for information on private grantmaking.	100,000	100,000	–
GRANTMAKERS FOR CHILDREN, YOUTH & FAMILIES (Silver Spring, MD) – To support this national membership organization for grantmaking foundations for children, youth and families.	25,000	25,000	–
GRANTMAKERS FOR EDUCATION (Portland, OR) – To support this membership organization for private and public grantmakers that support early childhood, K-12 and higher education.	25,000	25,000	–
GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS (Washington, DC) – To support this national membership organization that is dedicated to promoting learning and encouraging dialogue among funders committed to building strong and effective nonprofit organizations.	50,000	50,000	–
GRANTMAKERS IN THE ARTS (Seattle, WA) – To support this nonprofit membership organization, which brings together staff and trustees of private and corporate foundations to discuss issues of mutual concern, share information and exchange ideas about programs in the arts and cultural field.	25,000	25,000	–
INDEPENDENT SECTOR (Washington, DC) – To support this nonprofit coalition of organizations for giving, volunteering and nonprofit initiatives and to support its work with the Senate Finance Committee.	25,000	25,000	–
NEW YORK REGIONAL ASSOCIATION OF GRANTMAKERS, INC. (New York, NY) – To support this association of nonprofit organizations for advancing New York City’s nonprofit sector.	25,000	25,000	–
SPONSORS FOR EDUCATIONAL OPPORTUNITY, INC. (New York, NY) – To support this mentoring program that provides college undergraduates of color with orientation, training, coaching and substantive internships in the business and philanthropic sectors.	25,000	25,000	–

ADDITIONAL GRANTS

HOUSTON KATRINA/RITA FUND (Houston, TX) – To support an initiative designed to provide academic and social support to children displaced by Hurricanes Katrina and Rita.	1,000,000	1,000,000	–
NATIONAL PUBLIC RADIO, INC. (Washington, DC) – To support coverage of the arts, education and out-of-school time issues and to continue to broaden awareness of The Wallace Foundation through broadcast acknowledgements.	3,300,000	1,100,000	2,200,000
QUEENS LIBRARY FOUNDATION, INC. (Jamaica, NY) – To enhance learning and enrichment activities provided to youth year-round and strengthen core institutional functions. This is the remaining grant of our Learning in Libraries initiative, which has provided multi-year grants totaling \$6 million to New York City’s three library systems since 2003.	–	800,000	–
MISCELLANEOUS GRANTS – matching gifts	20,221	19,161	5,560
OTHER RELATED EXPENSES – Wallace-branded materials; miscellaneous expenses	18,657	18,657	–
TOTALS	79,139,841	65,239,631	54,939,710

FUNDING GUIDELINES & RESTRICTIONS

Our mission is to support and share effective ideas and practices that enable institutions to expand learning and enrichment opportunities for all people. To achieve this, we are focusing exclusively on three major areas:

- Strengthening educational leadership in ways that significantly improve student achievement.
- Helping selected cities make high-quality out-of-school time learning opportunities available to many more children.
- Making the arts a part of many more people's lives by working with arts organizations, schools and other providers of arts education and experience to build both present and future arts audiences.

In each of these areas, our approach is to select and invest in innovation sites willing to test promising new approaches, while commissioning and sharing independent research that could benefit the work in those sites as well as many others that are interested in pursuing similar changes but may never receive our direct funding. The specific strategies we are using in each of these three areas are described elsewhere in this report.

In most cases, we identify and evaluate prospective grantees through the issuance of Requests for Proposals or other careful screening processes. While we believe this approach strengthens the effectiveness of our investments, it also means that unsolicited proposals are rarely funded.

Nevertheless, organizations wishing to send a one- to two-page letter of inquiry (please do not send videotapes or email inquiries) describing the project, the organization, the estimated total for the project and the portion requiring funding should write to:

The Wallace Foundation
General Management
5 Penn Plaza, 7th Floor
New York, NY 10001

The Foundation does not award grants for religious or fraternal organizations, international programs, conferences, historical restoration, health, medical or social service programs, environmental/conservation programs, capital campaigns, emergency funds or deficit financing, private foundations or individuals.

Whether or not your organization receives our funding, we welcome your continued interest in our work. We provide free access to a range of knowledge products containing ideas and practices that you may find useful. Please visit our Knowledge Center and sign up for our newsletter at www.wallacefoundation.org/WF/userRegistration.htm. ■

ABOUT OUR FOUNDERS



Throughout their professional careers and in later years, DeWitt and Lila Wallace dedicated themselves to improving other people's lives. Giving freely of their time and of the wealth amassed from the magazine they co-founded, *Reader's Digest*, both led lives of service through their support of a range of causes, especially in the arts and education.

Early in life, Lila Bell Acheson, an English teacher-turned-social worker, helped establish a YWCA for industrial workers in Minneapolis. DeWitt Wallace, an avid reader and son of a Greek scholar and college president, worked as a young man in a St. Paul public library and dreamed of publishing a magazine of condensed general-interest articles. Married in 1921, Lila and DeWitt moved to New York City and published the first edition of *Reader's Digest* in January 1922. From an initial circulation of 5,000, the "little magazine" started by the Wallaces quickly caught on, and over time it became the foundation of a worldwide publishing organization. Once their livelihood was secured, they were able to turn to their first love, helping people.

A lover of arts as well as nature, Lila became associated with support for many of the nation's great arts and cultural institutions. Among her many acts of philanthropy, she funded the restoration of the Metropolitan Museum's Great Hall and to this day, the hall has fresh flowers through a fund she established for that purpose. France awarded her

that nation's Legion of Honor for her help in restoring the house and gardens in Giverny where the painter Claude Monet lived.

DeWitt's philanthropic passions lay in supporting education and a range of youth opportunities. Among the many beneficiaries of his giving were Macalester College, where he studied; Outward Bound, a rugged outdoor learning program that he himself participated in at age 88; and the New York Public Library, where, as a beginning editor, he condensed articles by hand. Of his lifelong interest in education, he once said, "America isn't paying sufficient attention to its classrooms ... My father and my grandfather were devoted to education and they each did something that made a difference. But I can do more. I have the good fortune ... to be a wealthy man. So I should be able to make a bigger difference."

Drawing on the original vision of our founders, The Wallace Foundation remains faithful to the words DeWitt wrote at age 17 as his life's goal: "to serve my fellow man." ■

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The Wallace Foundation®

Supporting ideas.
Sharing solutions.
Expanding opportunities.®

Our mission is to enable institutions to expand learning and enrichment opportunities for all people. We do this by supporting and sharing effective ideas and practices.

To achieve our mission, we have three objectives:

- Strengthen education leadership to improve student achievement
- Improve after-school learning opportunities
- Build appreciation and demand for the arts

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