# EAK W S Ρ RA $\square$ F R

### A MESSAGE FROM OUR CEO

Two years ago, the Barbara Bush Foundation turned 25 years old. It was a watershed moment. We gathered the original founders together on March 6, 2014, and fed them the exact meal they'd had



when they launched the Foundation, and laughed to find broccoli on the menu! We gathered to deliberate a bold, new reality: the Barbara Bush Foundation for Family Literacy was now a public charity. We didn't take on this decision lightly, but with tremendous forethought. A public charity meant that thousands of people could become part of our literacy efforts—and we knew we needed champions. Consider: the two areas vital to family literacy—early literacy and literacy for undereducated parents—are vastly under resourced. The Foundation Center reports that gifts given to adult literacy are estimated at less than 1% of all giving to education, yet 36 million adults—1 in 15 Americans—are low-literate.

We continue our original mission: to establish literacy as a value in every home in America. Our strategic plan focuses on four core strategies through 2018: Innovation, Leadership, Engagement, and Organizational Capacity, Last year I reported on our initial steps, and this year builds on those efforts.

#### **INNOVATION**

We've made a bold bet that we can move the needle in adult literacy—without the federal government's help.

We announced on Mrs. Bush's 90th birthday our Barbara Bush Foundation Adult Literacy XPRIZE presented by Dollar General Literacy Foundation—an opportunity for software developers around the world to compete for up to \$7 million in prizes if they would develop software apps to teach adults to learn to read. We made this decision based on solid research, a lot of heart, and significant gumption. Less than 5% of the 36 million low-literate adults in the United States have access to adult literacy programs, and before we jumped in, there were only two software developers in the world working in the adult literacy space. Today there are 85 teams from 14 countries competing to develop learning apps.

There are risks—notably, that this is a high-cost effort. Between prizes and implementation, it will require about \$17 million over 5 years. We've committed to testing the apps in three major cities across the U.S., and there are significant costs related to the assessment, proctoring, and recruiting of the estimated 12,000 adult students. There is also an amazing payoff. If we are successful, learning for adults will no longer be "place based" and we will have new research that sheds light on how adults learn. Much like Khan Academy has forever changed the K-12 system, this bold bet could have a lasting impact for adult students.

#### LEADERSHIP

Former First Lady Barbara Bush is our lodestar. She is a role model who continually shows us that clear, determined focus begets success. She continues to join us, both virtually and in person, at our Celebration of Reading activities around the nation. Doro Bush Koch is our honorary chair, and continues her mother's legacy. She speaks and writes to national audiences on literacy, and is a voting board member.

#### FNGAGEMENT

Our efforts are focused on the "bookends of the K-12 system." We believe in what board member Governor Bob Wise calls the "power of convening." This year we hosted two symposia focused on those bookends: The Future is Here for Early Learning and Conversation on the Future of Adult Literacy. Both of these events brought together thought leaders who traditionally do not work in these sectors, as we believe that the inclusion of investors, policy experts, and entrepreneurs is essential.

More than 100,000 followers on Facebook and Twitter help us tell our story, and another 100,000-plus people have signed up to be part of our Help Them Read advocacy network.

#### ORGANIZATIONAL CAPACITY

As a medium-sized charity, we prudently manage our operations, prioritizing the highest possible social return on investment and seeking cost efficiencies. We believe in paying for performance. Programs that we fund receive payments based on performance two times per year. Your donation to us is a gift, and we see our primary role as ensuring investment in two-generation programs that get results. A third-party evaluation is performed on all family literacy programs, and the full report—not just highlights—is shared with all donors and interested parties.

We believe our donors want to invest directly in literacy solutions. For this reason, our board keeps the dollars that were raised when the Foundation was a donor-advised fund in a separate account, and 4% of these funds are used annually to cover our fundraising costs. Your donation is used for programming and a small portion for required administrative costs, such as our audit and bank fees.

We're proud to be one of the exclusive group of nonprofits rated "Platinum" on GuideStar for our transparency and reporting on results.

We're proud to be a public charity that you support. Please know we consider this opportunity an honor and a privilege. Education should be a civil right no matter one's age, and together we will make a difference.

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Liza McFadden President & CEO

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### MISSION & VISION

OUR MISSION IS TO ESTABLISH LITERACY AS A VALUE IN EVERY HOME IN AMERICA.

OUR VISION IS TO FOSTER THE OPPORTUNITY FOR EVERY MAN, WOMAN AND CHILD IN AMERICA TO SECURE A BETTER LIFE THROUGH LITERACY.



Doro Bush Koch Honorary Chair Barbara Bush Foundation

Mrs. Barbara Bush Founder Barbara Bush Foundation

### INNOVATION

Adult learners face a distinct set of challenges. Most existing programs provide direct, in-person services, making them difficult to access for those who do not have a reliable means of

transportation, or who have other job and/or family constraints. As a result, these programs serve less than one percent of the population that needs them.

Innovative approaches to address adult literacy learning are needed more than ever. In today's technology-driven world, digital tools are the key to expanding access to effective literacy education.

The Barbara Bush Foundation Adult Literacy XPRIZE presented by Dollar General Literacy Foundation is challenging teams around the globe to develop mobile applications for existing smart devices that result in the greatest increase in literacy skills among participating adult learners in just 12 months.

The solutions will overcome key barriers to literacy by improving access, while increasing attention, and scaling to meet demand. Our vision is to empower the nearly 1 in 15 low-literate adults in the U.S. with the skills they need to improve their lives and realize their dreams.

More than 36 million adults lack basic literacy skills, limiting not only their own personal educational and career opportunities, but those of their children and future generations as well.

Economic studies show higher literacy numbers could lift the national income level as much as \$240 billion and decrease annual healthcare costs by an estimated \$230 billion. Most importantly, the ability to read empowers low-literate adults with the skills and information they need to advance in the job market, impacting families and entire communities.

For more information on participating teams, visit adultliteracy.xprize.org/teams

### LEADERSHIP

#### THE POWER OF CONVENING LEADERS

Here at the Barbara Bush Foundation, we bring together global thought leaders—from educators to business leaders to community advocates—in order to encourage broader dialogue around literacy issues.

In 2016, we hosted two symposia: one centered around early literacy and the other focusing on adult literacy issues.

#### THE FUTURE IS HERE FOR EARLY LEARNING

In January 2016, we convened a day-long summit on early literacy, The Future is Here for Early Learning, at the Kravis Center in West Palm Beach, Florida. Our powerful lineup of national experts shared the latest in brain research and technology innovations with an audience of early learning practitioners and advocates.

Attendees learned about the most recent developments in educational media from Dr. Alice Wilder, a nationally renowned digital literacy innovator. Dr. Wilder also serves as the educational advisor for Amazon Kids Original Programming.

The summit also shared cutting-edge research about the use of technology to improve teacher preparation, and exciting new information about how early learning environments can be shaped to optimize social and emotional health.

#### CONVERSATION ON THE FUTURE OF ADULT LITERACY

June 2016 marked the 25th anniversary of the signing of the National Literacy Act. This landmark law—signed by President George H. W. Bush and inspired by Mrs. Barbara Bush's commitment to literacy—prioritized literacy within the U.S. Department of Education.

Alongside the celebration of this historic event, the Foundation held our second symposium of the year in Washington, D.C.: Conversation on the Future of Adult Literacy.

More than 100 technology leaders, entrepreneurs, futurists, and policy experts attended, from Senator Lamar Alexander, former U.S. Secretary of Education, to Doro Bush Koch, Honorary Chair of the Barbara Bush Foundation. Together, we brainstormed visionary, transformational ideas regarding America's current and future literacy issues.

Both of these exciting events brought diverse groups together who normally don't cross paths, resulting in key collaboration and innovations that will make an immediate difference in literacy issues. Better still, we expect these ideas and solutions to benefit our nation for generations to come.

### We bring together global thought leaders in order to encourage broader dialogue around literacy issues.

<image>

### ENGAGEMENT

We believe that education should be a right no matter one's age. Therefore, we continue to focus on expanding educational opportunities for what we call the "bookends" of the education system: young children and adult learners, who are not served by K-12 schools.

> Collaboration will be key to this expansion. This year, key strategic partnerships were developed with other stakeholders who have a vested interest and experience in these bookend spaces. By building and leveraging these core relationships, we seek to create broad, diverse networks of experts working together to envision and implement new, innovative solutions.

#### ADULT EDUCATION

As the Barbara Bush Foundation Adult Literacy XPRIZE competition moves forward, we have prioritized the development of a community of experts in the adult education arena. The adult literacy symposium brought together five organizations that lent their unique perspectives and knowledge to the conversation: 1776, Business Roundtable, the Center for Education Reform, Digital Promise, and XPRIZE. We believe this teamwork can significantly impact the future of adult literacy.

#### YOUNG LEARNERS

Ongoing research has proven what we've always held to be true—that parents are a child's first and best teachers. Inspired by this, the foundation has been laid for partnerships and initiatives to help our very youngest learners and their parents improve their literacy skills. We work with school districts and nonprofit organizations to provide more than 160 family literacy programs in eight states.

#### **AWARENESS**

There is strength in numbers, and every voice raised for literacy counts. Yet advocacy and awareness efforts are often fragmented across many smaller organizations, weakening their impact. With that in mind, we are pioneering a collaborative project to bring together organizations that share a passion for literacy, uniting many voices to raise awareness of its critical importance. In this way, we expect to attract more innovation and more funding toward the goal of literacy for all.

By building relationships between stakeholders, we seek to create broad, diverse networks of experts working together to envision and implement new, innovative solutions.

### ORGANIZATIONAL CAPACITY

The Barbara Bush Foundation for Family Literacy is a 501(c)(3) public charity, which means that the majority of our funds come from donations from the public. Thus, we are committed to accountability, efficiency, and transparency, and pledge to be good stewards of the funds entrusted in us by our generous donors. We are one of the fewer than 150 education nonprofits receiving the "Platinum" rating by GuideStar for our transparency and focus on results.

While the full board is ultimately responsible for the fiduciary health of the organization, there are three committees which dive deep into our finances:

THE AUDIT COMMITTEE — meets to review our 990 and audit and works hard to tell our story through finances.

THE FINANCE COMMITTEE — meets quarterly to review our projections, recommends action to keep us grounded in our core financial beliefs such as paying for performance, and limiting overhead costs, and in a nutshell, helps us to think strategically on leveraging our limited funds for the greatest possible returns in programs and policy.

THE INVESTMENT COMMITTEE — meets quarterly to ensure that we are following our conservative Investment Policy Statement and makes recommendations on our investment percentages, reviews managers, and makes guarterly recommendations to the full board.

A few things as an investor or partner you may wish to know about us:

- We have an Investment Fund, of which we take up to 4 percent annually of the three-year average market value to cover fundraising expenses. Thus, your donation goes directly to support programs, with a required percentage for administrative overhead costs like an audit and our banking fees.
- We believe in transparency and do not accept anonymous donations.
- We do not share donors' contact information.
- We appreciate your time and will do our best to communicate with you in the style you prefer.

We are committed to accountability, efficiency, and transparency, and pledge to be good stewards of the funds entrusted in us by our generous donors.





XPRIZE Teams (total number)

#### LITERACY PROGRAMS

- Family Literacy (total number of programs)
- Love.Read.Learn! Baby Journals

8 2016 ANNUAL REPORT | BarbaraBush.org

More than 300 struggling elementary school readers in Maine participated in the Barbara Bush Foundation's Teen Trendsetters reading mentoring program, achieving 61% more growth than their peers who did not take part in the

program and gaining nearly half a year's worth of additional reading skills.

Families like Julia and her children have the opportunity to attend school together and improve their literacy skills through our family literacy programs.



144 TEEN TRENDSETTERS PROGRAMS IN 8 STATES

Parents of newborn babies in Mississippi leave the hospital with the Love.Read.Learn!<sup>™</sup> Baby Journal, an engaging and educational scrapbook-style journal filled with reading and learning tips, plus child wellness information, in support of early learning.

### BOARD GOVERNANCE

My fellow board members and I remain dedicated to ensuring the financial integrity of the Foundation by providing oversight for its current and future financial stability, and stewardship of its assets.



We have created our investment portfolio through careful and conservative management, with the primary objective of protecting the principal investment. We prudently utilized our Investment Fund to cover fundraising and program expenses. This ensures that your donation goes directly to support programs, with a required percentage for administrative overhead for costs like an audit and banking fees.

The Foundation moved from a donor-advised fund to a public charity in 2013 and since then has created a strong and dedicated volunteer Board of Directors and added Investment and Audit committees.

We continue to diversify our income stream by providing opportunities for signature grants that support innovative and disruptive efforts like the Barbara Bush Foundation Adult Literacy XPRIZE.

The Foundation's board and staff share a commitment to making the best possible investment of our donors' contributions, which allow us to make a lasting investment in the future of our nation's families through literacy.

We're proud to be one in the top 1% of education non-profits ranked as "Platinum" by GuideStar for our transparency and focus on results, and to be recognized in Parade Magazine as one of the "top-rated charities that keep giving all year long."

TIM GAGE Board Chairman

The Barbara Bush Foundation is committed to maximizing the impact of your generosity through accountability, efficiency, and transparency.

### FINANCIAL IMPACT For period ended June 30, 2016

#### REVENUE AND OTHER SUPPORT

Contributions Special Events (Net of Costs of Direct benefits to Donors of \$150,450) Nongovernment Grants Contributed Goods and Services Government Grants Loss on Investments Loss on Dissolution of Subsidiary Net Assets released from Restrictions

#### TOTAL REVENUE AND OTHER SUPPORT

#### **EXPENSES**

Program Services: Literacy Initiatives

Support Services: General and Administrative Fundraising

#### TOTAL SUPPORT SERVICES

TOTAL EXPENSES

#### CHANGE IN NET ASSETS

Net Assets — Beginning of Year

NET ASSETS — END OF YEAR



Unrestricted	Temporarily Restricted	Total
\$19,673	\$1,851,784	\$1,871,457
1,322,174	—	1,322,174
205,570	_	205,570
222,977	—	222,977
306,352	_	306,352
(120,751)	_	(120,751)
(145,139)	_	(145,139)
4,616,955	(4,616,955)	—
\$6,427,811	\$(2,765,171)	\$3,662,640
8,088,900	_	8,088,900
404,951	—	404,951
1,297,619	_	1,297,619
1,702,570	_	1,702,570
9,791,470	_	9,791,470
(3,363,659)	(2,765,171)	(6,128,830)
35,408,976	5,917,370	41,326,346
\$32,045,317	\$3,152,199	\$35,197,516

# THANK YOU

The Barbara Bush Foundation for Family Literacy wants to say a special thank you to the following corporations, foundations, and individuals whose financial support contributed significantly to the Foundation's growth in FY 2016-2017:

#### \$50,000+

American Honda Foundation Shahla and Hushang Ansary Carol and Barney Barnett Flora C. Crichton Dollar General Literacy Foundation The Farmer Family Foundation Florida Trend\* Ms. Danielle H. Moore/Mary Alice Fortin Foundation Libra Foundation J. Willard and Alice S. Marriott, Jr. Charles Stewart Mott Foundation Mary and Jim Pattison Prudential Financial Publix Super Markets Charities, Inc. Jan and Trevor Rees-Jones Alice and David Rubenstein Sammons Enterprises, Inc. Shell State Farm State of Florida Department of Education SunTrust Foundation Target Corporation

#### \$25,000 - \$49,999

Atmos Energy Corporation Blue Print Store\* Scott and Patrice Brickman Family Foundation The Comcast Foundation ConocoPhillips Exxon Mobil Corporation FedEx Fiverr International Limited Sandy and Bert Getz Ambassador AI & Dawn Hoffman, Jr. Natalie and Herb Kohler Steven and Sheila Miller Foundation Jeanie and John Morris The Mosaic Company Oklahoma State Department of Education Richard M. Schulze Family Foundation Brent Scowcroft UNUM Group Annie and Owen Wells Steve Wynn

### \$10,000 - \$24,999

AAA - The Auto Club Group American Airlines, Inc. Vicky and S. Javaid Anwar AT&T Bainum Family Foundation Bank of America Merrill Lynch Mary Ann and Bill Becker Bessemer Trust Company Blue Bell Creameries, LP Bridges of America Brown & Brown Public Risk Insurance Agency Sandra and Michael Brown Clark Charitable Foundation, Inc. Millie and Ken Cooper David M. Crowley Foundation Dallas Alumnae Club of Pi Beta Phi Embassy of the United Arab Emirates First Florida Integrity Bank Jeffrey P. Frieden Brill and Jason Garrett



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### \$5,000 - \$9,999

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\*indicates donation of in-kind goods or services

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### BOARD OF DIRECTORS





#### DORO BUSH KOCH Honorary Chair, Barbara Bush Foundation

Author, philanthropist, and businesswoman Doro Bush Koch

shares her mother's belief in the power of literacy to change lives, and stepped into the role of honorary chair for the Foundation in 2014. She has authored two books about her father, Former President George H. W. Bush, and is a founding partner in BB&R Consulting.



#### JEAN BECKER Chief of Staff to President George H. W. Bush

Jean Becker is chief of staff to Former President George H. W. Bush, and previously served as deputy press secretary to First Lady Barbara Bush. Drawing on her expertise as a former journalist, she has assisted President and Mrs. Bush with the research and editing of three autobiographical books.



#### DAVID L. BERÉ Nonni's Foods, LLC

Currently serving as chairman of Nonni's Foods, LLC, David Beré has a long history of leadership in the food and retail industries. He previously held leadership roles with Dollar General Corporation, Bakery Chef, McCain Foods USA, and Quaker Oats Company.



#### JEB BUSH, JR. Jeb Bush & Associates

Jeb Bush, Jr., grandson of President George H. W. Bush and Barbara Bush, represents the third generation of Bush family members to provide leadership and guidance for the Foundation. He currently serves as managing partner of Jeb Bush & Associates, a consulting and private equity firm that specializes in business development and strategic advisory work.



#### PEGGY CONLON

Prior to her retirement in 2014, Peggy Conlon served as president and CEO of the Advertising Council, an organization that mobilizes more than \$1.6 billion of advertising time and space annually. During her tenure at the Ad Council, she played an instrumental role in organizing the entire advertising industry to address national and global crises.



#### CRAIG DENEKAS Libra Foundation

Craig Denekas serves as president, CEO and trustee of the Libra Foundation, a private grantmaking charitable foundation in Portland, Maine. His community endeavors include service on the boards of trustees for the Maine Public Broadcasting Network, the Portland Public Library, and the Iberdrola USA Foundation.



#### TIMOTHY E. GAGE. ESQ. Comcast

Attorney Timothy Gage currently serves as senior vice president of government/regulatory and public affairs for Comcast, and is actively engaged in numerous telecommunications-focused boards, associations, and initiatives. Gage previously served as vice president of law and government affairs for AT&T Broadband, and as an assistant district attorney in Massachusetts.



#### MARK KAPLAN The Mosaic Company

As senior vice president of public affairs, Mark Kaplan oversees Mosaic's internal and external communications, public policy and government affairs, community relations, philanthropy, and social responsibility and sustainability initiatives. Prior to joining Mosaic, Kaplan served as chief of staff to Florida Governor Jeb Bush and on Florida's State Board of Education.



#### TRICIA REILLY KOCH BB&R Consulting

Tricia Reilly Koch is the founding partner of and lead presenter at BB&R Consulting. She is a Board Certified Holistic Health Counselor and nutrition expert who has studied health and wellness for more than 25 years, and is committed to helping others develop a deeper understanding of healthy foods and lifestyle choices.



President and CEO, Barbara Bush Foundation As president and CEO, Liza McFadden has drawn on her 20+ years of experience leading visionary change to keep the Foundation on the forefront of the national literacy movement. She previously served in the Executive Office of Florida Governor Jeb Bush, where she supervised numerous innovative education strategies.



#### JAMES E. NEVELS The Swarthmore Group

With more than 25 years of experience in the securities and investment industry, James Nevels now serves as chairman of the Swarthmore Group, an investment advisory firm which he founded in 1991. He is also the chairman of the Hershey Company Board of Directors.





# GLORIA PORTELA Seyfarth Shaw

GOVERNOR BOB WISE Alliance for Excellent Education

Former West Virginia Governor Bob Wise is president of the Alliance for Excellent Education, a nonprofit organization and national leader for transforming the nation's high schools so that all students graduate prepared to succeed. He is also author of an influential book on high school reform and chair of the National Board for Professional Teaching Standards.

Attorney and mediator Gloria Portela serves as senior counsel in the Houston office of international law firm Seyfarth Shaw LLP. She serves on the boards of CHI Baylor St. Luke's Medical Center and Houston Grand Opera; the governing council of the Shepherd School of Music at Rice University and the advisory council of the Greater Houston

Investor and philanthropist **David Rubenstein** and Library of Congress Historian **John Cole** at the National Celebration of Reading

> **Denine Torr,** Senior Director, Community Initiatives, Dollar General, speaking at the Conversation on the Future of Adult Literacy symposium in Washington, D.C.



As generous supporters like you across America join together, you are helping to create a future in which every man, woman and child enjoys the life-changing benefits of literacy. Your partnership is a great encouragement to all of us at the Barbara Bush Foundation for Family Literacy, and is making a difference in many lives.

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