

FOIA Marker

This is not a textual record. This FOIA Marker indicates that material has been removed during FOIA processing by Obama Presidential Library staff.

Presidential Correspondence, Office of (OPC)

Gardaphe, Frederico "Rico" - General Files

Stack:	Row:	Sect.:	Shelf:	Pos.:	FRC ID:	Location or Hollinger ID:	NARA Number:	OA Number:
M	16	7	3	3	790	6083	3545	4289

Folder Title:

Bill and Melinda Gates Foundation

Withdrawn/Redacted Material

Obama Presidential Library

DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Letter	Letter from Bill and Melinda Gates	2	12/18/2008	P5; Transferred

COLLECTION TITLE:

Presidential Correspondence, Office of (OPC)

SERIES:

Gardaphe, Frederico "Rico" - General Files

FOLDER TITLE:

Bill and Melinda Gates Foundation

FRC ID:

790

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

- A. Closed by Executive Order 13526 governing access to national security information.
- B. Closed by statute or by the agency which originated the document.
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

BILLY & MELINDA GATES FOUNDATION

Edu Policy

Melody Barnes

BILL & MELINDA
GATES *foundation*

PO Box 23350
Seattle, WA 98102, USA
V 206/709.3100
F 206/709.3180
www.gatesfoundation.org

December 12, 2008

President-elect Barack Obama
Presidential Transition Team
Washington, D.C. 20515

Dear Mr. President-elect:

It was a pleasure to speak to you by phone last week, and we appreciate your willingness to do so during this very busy time.

As a follow-up to our discussion on U.S. education, the foundation's U.S. Program team has organized two sets of materials for you. First, we have enclosed a packet containing an overview of the foundation's U.S. Program, a briefing on our College Ready and Postsecondary Success initiatives, and a document that reflects what the foundation has learned from our investments in education over the past eight years.

Second, we asked the team to step back and articulate as candidly as possible what worked and what did not work in the foundation's education investments. A more detailed summary follows, but very briefly, here is what we've learned:

1. Longitudinal databases that track individual student and teacher performance, including college completion, are critical to any reform agenda.
2. An effective classroom teacher increases student achievement dramatically, dwarfing class size effects.
3. Success in the 9th grade is a strong indicator of whether a student will graduate high school.
4. A high school diploma does not necessarily mean a student is college ready, as many high school curricula lack rigor. Fewer, clearer and higher standards, and the curricula to support those standards, are critical to achieving college readiness for all.

And, briefly, what we've learned does not work:

1. Schools, school districts and states do not automatically replicate high-quality school models.

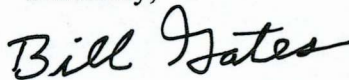
President-elect Barack Obama, Page 2

2. Focusing solely/largely on changing school structure does little to boost student achievement.
3. The capacity at State Education Agencies (SEAs) is thin.
4. Most high schools do not know how many of their students are going on to college and very few know which students persist in college.
5. State governments, school districts and schools have little capacity to analyze their own data.

In a meeting last week with Melody Barnes, and in a subsequent follow-up, we offered to form a team at the foundation to serve as a resource to your domestic policy team on these issues. We appreciate your commitment to educational reform, and we look forward to working with you and your administration to ensure that all children receive the education they need to be successful in a global economy.

We send our best wishes to you and your family during this holiday season.

Sincerely,



Bill Gates



Melinda French Gates

Preservation Copy

Preservation Copy - Miscellaneous Handwriting

A Summary of Lessons Learned:

What we know works

1. Longitudinal databases that can track individual student and teacher performance, including college completion, are a critical piece of any reform agenda.
 - A principal should be able to see at a glance how each student in a school is doing, and ask about those who are falling behind.
 - Providing teachers with real-time student level data is critical to enable them to address specific student needs through immediate intervention.
 - Understanding which teachers are getting the biggest achievement gains every year is critical information principals need to identify their most effective teachers.
 - Longitudinal data systems also enable schools to know which of their students are dropping out, and to identify the early warning signs to flag those at risk of dropping out.
 - It is imperative that we have data systems that can tell us which students are completing postsecondary degree or certificate rather than simply indicating who enrolls in a postsecondary program.
 - The Data Quality Campaign, funded by our foundation, provides useful policy principles to help guide investments in these data systems.
2. An effective teacher increases student achievement dramatically

If you take two classrooms from the same elementary or middle school in which students are starting out at the 50th percentile and assign one classroom to a teacher in the top quartile and another to a teacher in the bottom quartile, there will be a 10 percentile difference in achievement at the end of the year.

We don't yet know how to define teacher effectiveness; the proxies we have used to date have not worked.

- Teachers' Master's Degrees have little to no positive impact on student achievement (Evidence base, pages 9-11), yet districts spend \$8 billion annually on master's degrees.
- Certified teachers do no better raising student achievement than uncertified teachers do, yet many states require new teachers to get such certification before they enter teaching (and even those states with "alternative certification programs" require novice teachers to complete similar courses at night). Most certification programs are not only a waste of resources, but they raise the barriers to entry into teaching.
- Seniority has little effect on student achievement once a teacher has taught for five years (in general, teachers do not get better at raising student achievement after five years), yet we are spending billions of dollars per year on a seniority-based pay system.
- While class size reduction has been minimally studied at the primary grades – and has shown minimal impact – it has not been studied in later grades. Given its cost, the misplaced conventional wisdom about class size reduction at all grades is perhaps the

greatest barrier to dramatically improved teacher effectiveness and increased system efficiency in improving student outcomes.

Given that we don't yet know how to define teacher effectiveness:

- We should not limit who gets into the profession; we should explore many alternate pathways into teaching (alternative certification programs; urban residencies; etc).
- We should not base policies on a faulty assumption that one of these proxies (masters' degrees, certification) works.

We have a lot to learn about the degree to which the effect of an effective teacher lingers with a student for the remainder of their schooling and the conditions under which those effects can be nurtured.

3. Success in the 9th grade is a strong indicator of high school graduation

While it is difficult to compare the relative import of success in each grade, Chicago Consortium for School Research researchers found a high correlation for Chicago Public Schools students between success in the 9th grade and graduation from high school. (Evidence Base, pages 24-25). A study in New York found similar results. Of those students not on track by the end of 9th grade 78% (Chicago) and 81% (NY) dropped out. For those on track by end of the 9th grade, 85% (Chicago) graduated.

Given this, acceleration in the middle grades for those students who are behind and effective transitions between 8th and 9th grade are critical. We are studying which curricula are the most effective at accelerating students during the middle grades.

- ### 4. High school graduation does not necessarily equate to college readiness, as many high schools use curricula that lack rigor. Fewer, Clearer, Higher standards and the curricula to support them are critical to achieve the goal of college readiness for all.
- Math: Evidence suggests that a lack of focus and a profusion of content standards in the U.S. math curriculum undermine student performance (Evidence base pages 16-17).
 - Reading: U.S. Reading performance at the high school level is low and falling. The primary reason for poor performance is students' inability to understand complex text. Vague reading standards do not address this problem (Evidence base pages 18-19).

There is increasing support for a common core of fewer, clearer, and higher standards in both reading and math. Taking advantage of this momentum is critical; such standards will drive the development and/or adoption of more rigorous curriculum, which is a powerful tool for improving college readiness rates, particularly when combined with effective teaching.

In general, the places that we have seen demonstrate the strongest results tended to do many proven reforms well, all at once: they would create smaller schools, a longer day, better relationships—but they would also establish college-ready standards aligned with a rigorous

curriculum, with the instructional tools to support it, effective teachers to teach it, and data systems to track the progress.

What we know doesn't work

1. Other schools, districts and states will not automatically replicate high quality school models.

Having great models with great results is not enough to encourage replication. We believed that demonstrating what is possible for low-income students would encourage others to replicate success. Many models like KIPP, YES College Prep, Aspire Public Schools, Green Dot, IDEA, and the Noble Network have excellent results with low-income students and students of color. Yet others around the country have failed to replicate those models. Federal programs like the Comprehensive School Reform Demonstration Project underscore the challenge of uptake. It is worth noting that models with a tight-tight approach (tight management and highly aligned curriculum/instruction/assessment) have been more successful and are easier to replicate with fidelity, yet there has still been limited replication beyond their networks.

Success is rarely self-evident. Particularly when students have volunteered to attend a charter school or chosen a particular public school, skeptics find it too easy to say “those kids are different.” In order to encourage replication and encourage leaders to embrace “out of the box” solutions, we need to implement strong evaluation designs (e.g. using lotteries in oversubscribed schools) to leave the skeptics fewer excuses.

2. Focusing solely/largely on changing school structure does little to boost student achievement.

Structure isn't enough. When we encouraged school districts to break up their larger high schools into smaller units, we sometimes saw increases in graduation rates, but we rarely saw rapid increases in achievement. Changing the structure without changing the skills of their teachers or transforming their curricular materials has little effect. What happens inside the classroom is critical and requires schools to make hard decisions, like removing ineffective staff and increasing the rigor of the curriculum to align to a college ready standard.

3. The capacity at State Education Agencies (SEAs) is thin.

Most federal education programs, not to mention other important reforms, require a significant – and increasingly complex – role for the SEAs. Yet they have traditionally been set up as compliance agencies, and they often lack the full set of capacities necessary to perform the new range of tasks they are asked to take on: designing and using state of the art data systems to track individual students and teachers over time; designing meaningful accountability systems that identify struggling schools and help districts improve them; intervening directly in chronically failing schools. Even when we have provided SEAs with significant change management support and technical assistance from the best consulting firms in the country, change has been difficult and slow.

The current fiscal climate is likely to exacerbate this challenge in states unless:

- The budget crises prompt states to redesign their agencies/build new high capacity organizations to meet increased challenges.
 - We determine how to incent and support significant change.
4. Most high schools have no idea what proportion of their student body are going on to college and very few high schools know which of their students are persisting in college.

Longitudinal data systems cannot stop at the point of high school graduation. To nurture a focus on “college readiness”, high schools need to know which of their students are succeeding in college. Although some states are able to track students who enroll in public institutions in their own state, such systems generally miss students who enroll outside their state of residence. The only data source for filling that gap is the National Student Clearinghouse. We hope to dramatically expand the number of high schools receiving reports on which of their students are going to college and succeeding there, using the NSC data.

5. State governments, school districts and schools have little capacity to analyze their own data.

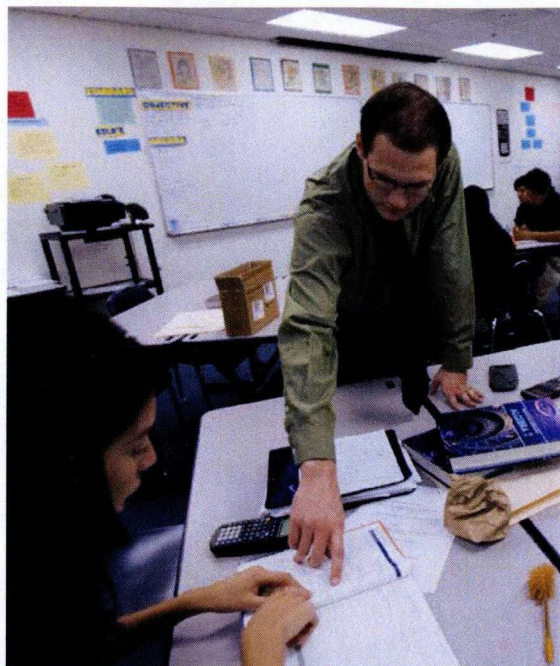
The No Child Left Behind Act has generated a vast stockpile of student achievement data. But those data are dramatically underutilized for evaluating programs and policies. Student achievement data are typically used only to publish average test scores and calculate whether a school has made “adequate yearly progress.” If we are ever to change the culture of data use in the education sector, we cannot ignore their lack of capacity to learn from their own data.

While there is significant innovation in the education sector, there is little capacity to learn from that innovation. It is unfair to say there is no innovation in education. Individual teachers often write their own lesson plans, design their own assignments, and establish the rules in their own classrooms. Individual states write their own standards and develop their own assessments. In fact, there is a tremendous amount of innovation. Unfortunately, most of it is spent reinventing the wheel. What is lacking is an adequate infrastructure for identifying what works, a shared standard of evidence, and an ability to identify and build upon successful innovations.

ALL STUDENTS READY FOR COLLEGE, CAREER AND LIFE:

Reflections on the Foundation's
Education Investments 2000-2008

BILL & MELINDA
GATES foundation

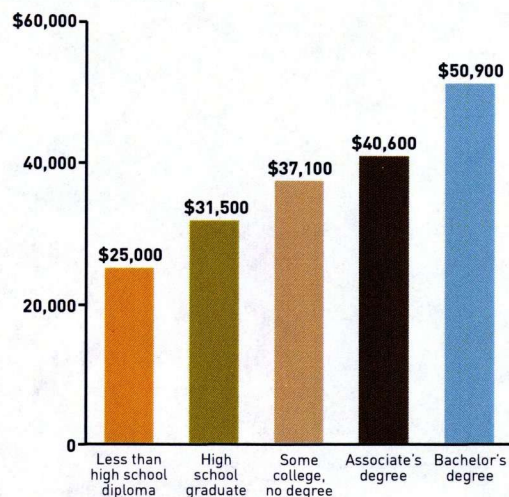


How can we help support the important work teachers and students do in the classroom?

—Vicki Phillips, Director of Education, Bill & Melinda Gates Foundation

Median Earnings by Level of Education (2005)

Earnings for year-round full-time workers, ages 25 and older.⁴



INTRODUCTION

Since 2000, the Bill & Melinda Gates Foundation has worked across the United States to expand opportunity through improved public education. We believe **all** students deserve to graduate high school with the skills and knowledge that prepare them for college, career, and life.

Toward this goal, we have invested nearly \$4 billion to improve high schools and reduce financial barriers to college for more than 16,000 students through our scholarship programs.

- We support new and redesigned high schools that help all students succeed, particularly those from low-income and minority backgrounds.
- We partner with states and school districts to develop new approaches to teaching and learning, effective data systems to track student achievement, and public policy that sets high expectations for all.
- We fund research and evaluation to identify what works in education reform.

The foundation is committed to measuring results, evaluating success, and sharing information about our education investments. Along the way, we challenge ourselves to apply those lessons to future grantmaking in order to achieve meaningful progress.

This report examines what we've learned over the past eight years and how these lessons shape our vision for the future.

America's Education Challenge

America's large, comprehensive high schools were designed to meet the demands of an industrial economy that has largely vanished. For a century, their purpose was to provide equal access to secondary education.¹ But today, too many young people leave high school without the skills they need to succeed in the 21st century information economy.² Each year, more than 1.2 million students do not graduate with their peers,³ and the best available research shows that millions more graduate unprepared for postsecondary education.⁵

The consequences of America's education crisis are dramatic, and they affect low-income and minority youth disproportionately.⁶ Graduation rates for African-American and Hispanic students are dramatically lower than the national average.⁷ The 50 largest U.S. cities—which are home to one in eight high school students—have an average graduation rate of 52 percent.⁸

We know that high school graduation is a strong predictor of economic and social mobility.⁹ Dropouts earn less than high school graduates and are more likely to end up in prison, on welfare, or dependent on social services. Most significantly, they are more likely to have children who follow in their footsteps, perpetuating a cycle of intergenerational poverty.^{10, 11}

Our Efforts to Transform High Schools Provided Thousands of Students New Opportunities for Learning

Our primary strategy to increase graduation and college-readiness rates has been to fund high schools across the country that promote high expectations for all students, deliver a rigorous curriculum, and promote caring relationships between adults and students. We supported the replication of several distinct school models and helped schools and districts reorganize large high schools into small learning communities. Many of these schools serve 400 or fewer students—significantly smaller than the average American high school. Our investments focused on changes in structure at the school level to promote improved learning conditions for students.

We have invested \$2 billion, directly reaching at least 781,000 students and opening or improving 2,602 schools in 45 states and the District of Columbia. We have also worked with 40 school districts to support efforts such as the development of rigorous curricula, advanced teacher training, and data systems to track student performance. By funding the development and improvement of many quality schools across the country, we have expanded the options available to thousands of students who would not otherwise have had them.

Evaluations of foundation-funded schools have shown that newly formed small schools can increase student attendance and grade progression. Students at these schools also show higher levels of academic interest and educational aspiration than students in large high schools.¹²

In New York City, the site of our largest education investment in a single school district, we have seen dramatic progress. Since 2002, New York City has replaced some of the least-successful public schools with more than 200 new, small high schools supported by the foundation and other partners. The results are exciting. In 2007, 47 of these schools had an average graduation rate of 70 percent, double the 35 percent rate posted by the schools they replaced. More than 90 percent of these graduating seniors are African

America's high schools are obsolete.

By obsolete, I don't just mean that our high schools are broken, flawed, and under-funded – though a case could be made for every one of those points.

By obsolete, I mean that our high schools – even when they're working exactly as designed – cannot teach our kids what they need to know today.

—Bill Gates, National Education Summit on High Schools, 2005



SCALING SCHOOL MODELS

Working with our partners, we have expanded the most promising new American high schools.

Charter Management Organizations (CMOs):

Charters are public schools open to all students, but have fewer regulations and more freedom to innovate than traditional public schools. CMOs replicate effective charter schools, creating a network of similar schools. The foundation has enabled some of the nation's leading CMOs to open new schools and serve more students.

Early College High Schools: These schools allow students to complete requirements for a high school diploma while taking college courses. Students graduate with an associate's degree or up to two years of college credit. Early college schools recruit students who are traditionally underrepresented in postsecondary institutions, many of whom perform below grade level at traditional high schools.

Alternative High Schools: These schools serve at-risk students and dropouts—students who haven't been successful in traditional high schools. Some of the schools offer more hands-on opportunities for learning and social supports that meet the unique and often daunting needs of students and their families.

Science, Technology, Engineering, and Math (STEM) Schools: STEM schools encourage problem solving, critical thinking, and creativity through a project-based, interdisciplinary curriculum focusing on math and the sciences. The foundation supports a national STEM agenda and work in pioneering states across the country.

American or Hispanic, and almost 70 percent entered high school below grade level academically.¹³

To achieve these results, the new schools implemented strong standards, with high expectations and additional support for students who started out behind. They made sure the classes were relevant by connecting the material to contemporary issues and to students' career aspirations. And they spurred strong relationships among students, their teachers, and their parents. Finally, they helped students prepare to take their next steps in life with intensive career and college counseling.

Other schools funded by the foundation have shown that all students, no matter what their background, can graduate from high school college-ready. For example, the entire 2008 graduating classes at IDEA College Preparatory and YES Prep in Texas were accepted to four-year colleges.¹⁴

But while graduation rates have increased in many foundation-supported schools—and even rose by 3.9 percentage points nationally from 2000 to 2005¹⁵—we have not seen dramatic improvements in overall student achievement or corresponding increases in the number of students who leave high school adequately prepared to enroll in and complete a two- or four-year postsecondary degree or credential.¹⁶

Across the country, high school standards and graduation requirements are typically too low. Especially in large urban school districts, students can fulfill all the credits for a high school diploma and yet still not meet the minimum requirements to enter state colleges and universities. This distinction between a high school diploma and a college-ready diploma is critical. The U.S. Department of Labor estimates that 87 percent of new jobs in fast-growing, high-wage fields will require some postsecondary education.¹⁷ Without a college-ready high school diploma, students will find it increasingly difficult to live the American dream.

We have learned that a focus on structural change at the school level, including the creation of new schools and small learning communities, is not sufficient to ensure that all students are ready for college, career, and life.¹⁸

We believe that without a focus on what happens inside the classroom—what students learn, how they are taught, and the standards to which they are held—millions of students will continue to be denied an excellent education. We are evaluating ways to have a greater impact on college readiness as we build on our investments in new, small schools and school districts around the country.

Our Research and Public Policy Partners Reshaped the Debate on Education in America to Focus on Success for All Students

In addition to our investments directly in schools and districts, the foundation has also worked to promote public policy that raises expectations for all students. We have made significant progress in two areas: calculating accurate graduation rates and strengthening high school graduation requirements.

Before the foundation began funding studies of graduation rates, frequently cited statistics based on census data put the U.S. high school graduation rate close to 87 percent.¹⁹ Yet in many high schools, it was not uncommon for classes to shrink by one-third or more in the four years between freshman orientation and graduation day.²⁰ In addition, states had adopted different procedures for calculating graduation rates, making comparisons across state lines unreliable.²¹ Without a common and accurate method for calculating graduation rates, the problem of high school dropouts languished among education leaders and policy-makers.

We supported groundbreaking, independent research on America's dropout crisis that found most states were inflating their on-time graduation rates. The response, from Main Street to Wall Street, was overwhelming: Americans agreed that we cannot afford to let more than 1.2 million students leave high school each year without a diploma. National media coverage highlighted the dropout crisis, including a TIME cover story and two episodes of "The Oprah Winfrey Show" dedicated to the issue.²²

Policymakers responded. Working with the National Governors Association, all 50 governors agreed to adopt a common graduation rate formula.²³ By 2008, 16 states had implemented the new formula,²⁴ and U.S. Secretary of Education Margaret Spellings proposed regulations that would mandate the use of a rigorous federal formula for calculating graduation rates that will affect every high school in the country.²⁵

Obtaining accurate data to understand the scope of the dropout crisis is just the first step toward addressing the problem. That's why we worked with dozens of community groups and education advocacy organizations around the country to urge school districts and states to strengthen standards for what students should learn in high school so that they match the demands of college and work.

In Los Angeles, for example, we supported the efforts of the Community Coalition and the Alliance for a Better Community to

PROMOTING A NATIONAL COLLEGE- AND CAREER- READY AGENDA

One of our partners, Achieve, Inc., closely tracks the progress of all 50 states in adopting college- and career-ready policies through its annual report, *Closing the Expectations Gap* (2008)

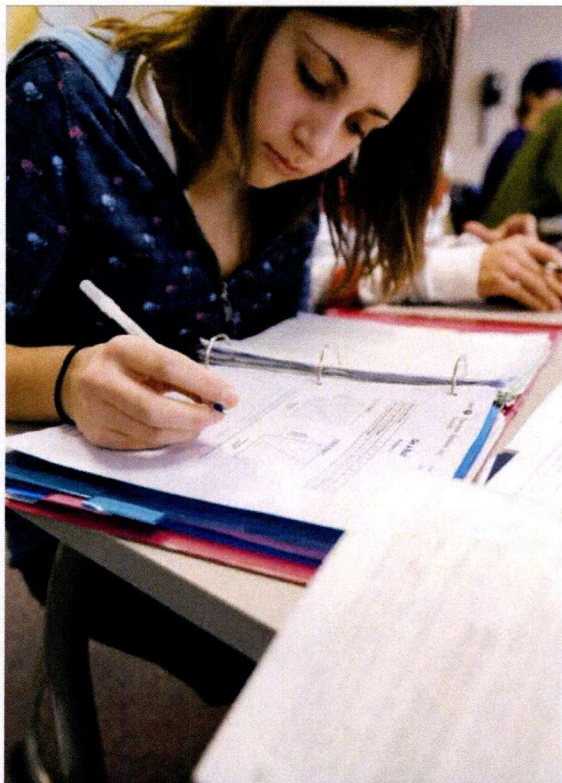
Graduation Requirements: Eighteen states and the District of Columbia require all students to complete a college- and career-ready curriculum to earn a diploma. Twelve other states report plans to adopt similar requirements.

Assessments: Nine states administer college-readiness tests to all high school students as part of their statewide assessment systems. Twenty-three other states report plans to do so in the future.

Data Systems: Nine states report that they have longitudinal data systems that match K-12 data with postsecondary data to track the progress of individual students from kindergarten through college graduation. Thirty-seven states and the District of Columbia are developing such systems.

Standards: Nineteen states report that their high school standards are aligned with postsecondary expectations. Twenty-five states and the District of Columbia states report they are in the process of aligning their standards or plan to do so.

Accountability: Four states include both a cohort graduation rate and the earning of a college- and career-ready diploma into their systems for evaluating high schools and holding them accountable for improvement. An additional six states and the District of Columbia plan to move in this direction in the future.



In Washington and in other states, there are too many high school students who don't fulfill their promise—not because they fail at school, but because our schools fail them. They take the high school courses required for graduation. They study hard. They earn good grades. They graduate and get into college.

But instead of getting the good grades they were used to getting in high school, they get D's and F's. They take remediation courses, but still they can't keep up—so they quit. These are bright kids. They do everything we ask of them, but we don't ask enough. And then, after 12 years of not asking enough, we suddenly ask way too much.

—Bill Gates, Washington Learns Education Summit, 2006

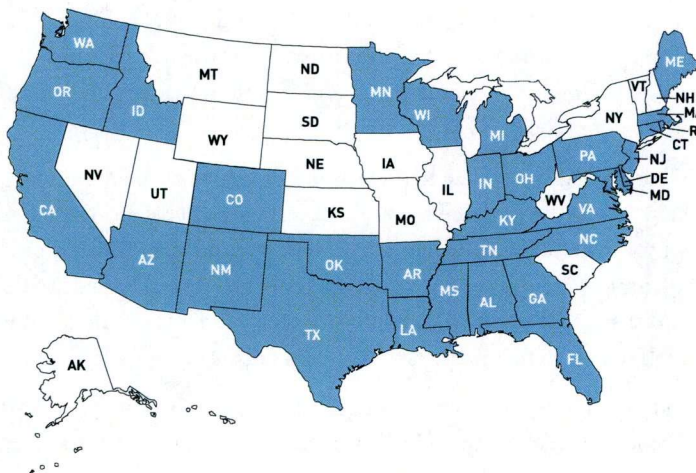
strengthen graduation requirements for all students. In 2005, the Los Angeles Unified School District (LAUSD) Board of Education voted to require all students to complete the “A-G curriculum,” the minimum requirements for acceptance to University of California and California State University schools, by 2012.²⁶ With nearly 700,000 students, LAUSD is the nation's second-largest school district. This commitment to college-ready graduation requirements sets an important national precedent: A high school diploma must do more than certify that graduates passed four years of courses, it should prepare students to take their next step in life.

We have learned that raising academic expectations for young people is just as important as reducing the dropout rate. In fact, they go hand in hand.²⁷ When schools adopt consistently high expectations for all, students are more likely to remain engaged. A foundation-sponsored 2006 study by Civic Enterprises, *The Silent Epidemic: Perspectives of High School Dropouts*, found that the overwhelming majority of dropouts surveyed said they would have worked harder to graduate if their schools had demanded more of them and provided the necessary academic and personal supports to help them succeed.²⁸

Since 2000, states have made enormous progress in tracking graduation rates and strengthening the value of a high school diploma. One of our grantees, Achieve, Inc., sponsors the American Diploma Project Network. This coalition of 33 states, which educates more than 80 percent of American high school students, has committed to align high school standards and assessments with the knowledge and skills required for college and work.²⁹

States Participating in Achieve Inc.'s American Diploma Project Network

Source: <http://www.achieve.org/files/AboutADP.pdf>



Yet much work remains to ensure that students across the country receive an education that prepares them for college and career. Only recently have states realized the importance of comparing their education standards to those in other countries. If America is to remain competitive internationally, high school students must keep up with their peers abroad.

Our Work to Promote Accurate Data Built Public and Political Support for Change

Until relatively recently, public education in the United States was considered a local concern. Elected school boards determined curriculum, set graduation requirements, and controlled assessments to measure what students had learned. While the state and federal role in education has expanded, particularly under the No Child Left Behind Act of 2001, teachers, parents, and administrators across the country still set the direction for local schools.³⁰

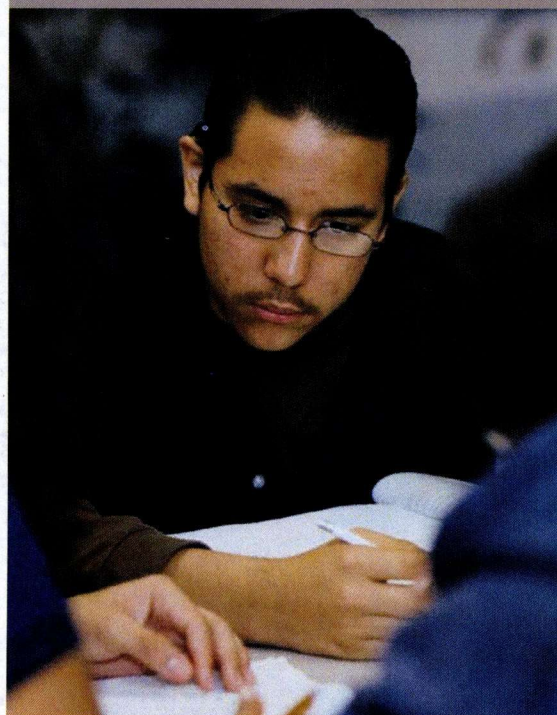
Today, parents can go online and find the latest information about their child's school—from demographics to test scores—through two nationwide Web sites funded by the foundation and other partners: www.schooldatairect.org and www.greatschools.net. Just as parents need accurate information about their local schools, teachers and principals need high-quality data about student performance to monitor their progress and make sure they remain on track. Since 2004, we have made significant investments to help school districts and states collect, analyze, and put to use data on student achievement.

In most districts, year-end standardized tests only provide a snapshot of student achievement on a single day, telling educators little about which students are making the most progress and why. In Houston, a data system supported by the foundation is helping teachers better understand their students' learning needs so that they can refine classroom instruction throughout the year. ASPIRE (Accelerating Student Progress, Increasing Results & Expectations) predicts how much students should improve based on their past grades and test scores. The system provides teachers and principals with at-a-glance reports showing whether a student, classroom, or school is on track. The ASPIRE program is expected to provide a model for teacher development and instructional improvement.³¹

We believe that more accurate information about the performance of American schools helps teachers and students in the classroom and encourages the public to advocate for better public education.

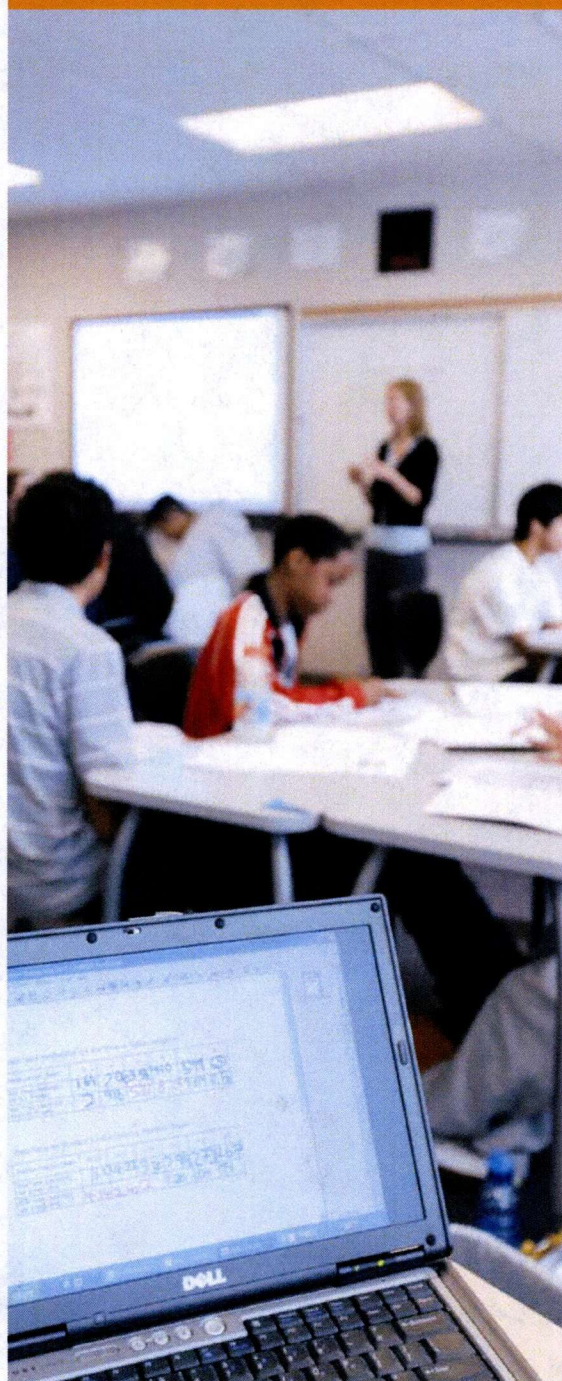
SUMMARY OF KEY FINDINGS

- New small schools can improve school climate, grade progression, and student attendance. Improved graduation rates do not always mean greater student achievement or college readiness.
- The requirements to succeed in today's workplace and in college are the same—postsecondary education is required for a family wage job. A high school degree that is not a college-ready degree is insufficient.
- Significantly improving student outcomes requires a focus on teaching and learning inside the classroom.
- Teacher and principal support is critical, especially when redesigned schools change educators' roles and responsibilities or adversely affect their colleagues.
- Effective solutions and policies must travel well and be easily adapted to local conditions and circumstances.



We at Gates are going to be relentless about acquiring quality data and the need to focus on evidence-based decision making. And we will go where the evidence takes us.

—Vicki Phillips, 2008



But important challenges remain. The use of high-quality, real-time, and relevant data for critical decisions regarding teaching and learning—from statehouse to schoolhouse—is still the exception rather than the norm.³² And there is evidence that the public is still skeptical that all students benefit from a college-ready education.³³

The Way Forward

As a foundation, we are committed as ever to ensuring that all young people graduate ready for college, career, and life. We also believe that progress toward this goal is happening too slowly. Given the tremendous human and economic costs of our education crisis, we are impatient for change that takes hold faster and reaches more young people.

As we learn from the past eight years of education investments, we recognize that we'll never reach our ambitious goal if we continue to focus primarily on the structure of public schools. To get transformational results requires us to expand our focus to the heart of the educational experience: the learning partnership between teacher and student.

We know—based on research in the field and our own evaluations—that excellent teachers are critical to student success.³⁴ Our challenge is to support teachers and help them be more effective in the classroom. One way to do that is to establish fewer, clearer, and higher standards to guide instruction.³⁶ These standards should be supported with proven curriculum and instruction tools that teachers trust. We must also use timely data to help teachers, parents, and administrators understand the progress young people are making and prepare all students to be college-ready.

In the coming years, the Bill & Melinda Gates Foundation will build upon our past work while investing in promising new areas supported by rigorous evidence. Students, teachers, and communities across the country continue to be our partners and our inspiration. They are upending the conventional wisdom that says only some students should graduate and go on to college and we must forever accept lower achievement rates for minority students. They show us what is possible when we set high expectations and provide teachers and students with the support they need to succeed.

- ¹ Mirel, J. (2006). "The Traditional High School: Historical Debates Over Its Nature and Function," *Education Next*, Winter 2006, pp. 14-17. Accessed at www.hoover.org/publications/ednext/3212486.html.
- ² Achieve, Inc. (2008). 2008 *Closing the Expectations Gap*. Washington DC: Achieve, Inc., pp. 6-8. Accessed at www.achieve.org/files/50-state-2008-final02-25-08.pdf; Achieve (2008). "Case for Action." Accessed at www.achieve.org/node/329.
- ³ Editorial Projects in Education (2008). "Diplomas Count 2008: School to College," *Education Week*, vol. 27, no. 40. EPE Research Center: Bethesda, MD. Accessed at www.edweek.org/media/ew/dc/2008/DC08_Presentation_FINAL.pdf.
- ⁴ U.S. Census Bureau (2006). "PINC-03. Educational Attainment—People 25 Years Old and Over, by Total Money Earnings in 2005, Work Experience in 2005." *Current Population Survey, 2006 Annual Social and Economic Supplement*. Accessed at pubdb3.census.gov/macro/032006/perinc/new03_010.htm.
- ⁵ Greene, J. and Winters, M. (2005). "Public High School Graduation and College-Readiness Rates: 1991–2002," *Education Working Paper*, no. 5, February 2005. NYC: Center for Civic Innovation at the Manhattan Institute. Accessed at www.manhattan-institute.org/html/ewp_08.htm; ACT (2008), 2008 *ACT National Profile Report*. Iowa City: Iowa. Accessed at www.act.org/news/data/08/data.html. Greene calculates that 34 percent of 2002 public high school graduates were college-ready (roughly 2.6 million students). ACT estimates that 22 percent of ACT-tested high school graduates of the class of 2008 are ready for college-level coursework in English, math, reading, and science (more than 1.1 million students).
- ⁶ Belfield, C. and Levin, H. eds. (2007). *The Price We Pay: Economic and Social Consequences of Inadequate Education*. DC: Brookings Institution Press. The percentage of minority and low-income youth who do not complete high school is higher in these categories than for other students. High school dropouts suffer lower life expectancy, have relatively poor health, earn less, and vote less than high school graduates, among other personal social costs.
- ⁷ Editorial Projects in Education (2008); Green, J. and Winters, M. (2006), "Leaving Boys Behind: Public High School Graduation Rates," *Civic Report*, no. 48, April 2006. NYC: Center for Civic Innovation at the Manhattan Institute for Policy Research. Accessed at www.manhattan-institute.org/html/cr_48.htm.
- ⁸ Swanson, C. (2008). *Cities in Crisis: A Special Analytic Report on High School Graduation*. Bethesda, MD: Editorial Projects in Education Research Center. p. 8. Accessed at www.americaspromise.org/uploadedFiles/AmericasPromiseAlliance/Dropout_Crisis/SWANSONCitiesInCrisis040108.pdf.
- ⁹ MDRC (2008). *MDRC Fast Fact: Does Education Increase Economic Mobility?* March 14, 2008. Accessed at www.mdrc.org/area_fact_36.html; Hall, D. (2007). *Graduation Matters: Improving Accountability for High School Graduation*. DC: The Education Trust. p. 8. Accessed at www2.edtrust.org/NR/rdonlyres/5AEDABBC-79B7-47E5-9C66-7403BF76C3E2/0/GradMatters.pdf.
- ¹⁰ Barton, P. (2005). *One-Third of a Nation: Rising Dropout Rates and Declining Opportunities*. Princeton, NJ: Educational Testing Service. p. 40. Accessed at www.ets.org/Media/onetthird.pdf.
- ¹¹ Balfanz, R. and Letgers, N. (2006). "Closing 'Dropout Factories' The Graduation-Rate Crisis We Know, and What Can Be Done About It," *Education Week*, July 12, 2006. Accessed at www.edweek.org/ew/articles/2006/07/12/42balfanz.h25.html.
- ¹² Means, B., Mitchell, K., Shear, L., House, A., Gorges, T., Joshi, A., Smerdon, B., and Shkolnik, J. (2008). "Contrasting Paths to Small School Reform: Results of a 5-year Evaluation of the Bill & Melinda Gates Foundation's National High Schools Initiative." *Teachers College Record*, 110(9). September 2008. p. 1996. Accessed at www.tcrecord.org/library/content.asp?contentid=15180.
- ¹³ New York City Department of Education (2007). "Chancellor Klein Announces That Preliminary June Graduation Rate of New Small Schools Tops 70% for Second Consecutive Year, Even as Many More New Small Schools Graduated Senior Classes." June 29, 2007. Accessed at: schools.nyc.gov/Offices/mediarelations/NewsandSpeeches/2006-2007/20070629_small_school_grad.htm.
- ¹⁴ YES College Preparatory Schools (2008). "College Acceptance List: 2001–2008." Accessed at: www.yesprep.org/about/documents/CollegeResults08.pdf; Holeywell, R. (2008). "Each graduating senior at IDEA headed for college," *The Monitor* (McAllen, TX). May 19, 2008. Accessed at: www.ideapublicschools.org/NETCOMMUNITY/Page.aspx?pid=260&srcid=281.
- ¹⁵ Editorial Projects in Education (2008).
- ¹⁶ ACT (2008). ACT reporting of five-year trends of graduating students (2004–2008).
- ¹⁷ U.S. Department of Labor (2007). *America's Dynamic Workforce*. DC: U.S. Department of Labor, August 2007. pp. 24–25. Accessed at www.dol.gov/asp/media/reports/workforce2007/ADW2007_Full_Text.pdf.
- ¹⁸ Means, B. et. al. (2008). pp. 2022–2024; Wyse, A., Keesler, V. and Schneider, B. (2008). "Assessing the Effects of Small School Size on Mathematics Achievement: A Propensity Score-Matching Approach." *Teachers College Record*, 9/2008.
- ¹⁹ Greene, J. and Forster, G. (2003). "Public High School Graduation and College Readiness Rates in the United States," *Education Working Paper*, No.3, September 2003. NY: Center for Civic Innovation at the Manhattan Institute. Accessed at www.manhattan-institute.org/html/ewp_03.htm.
- ²⁰ Blafanz, R. and Letgers, N. (2004). *Locating the Dropout Crisis*. Baltimore, MD: Center for Social Organization of Schools, John Hopkins University. p. 2. Accessed at www.csos.jhu.edu/tdhs/rsch/Locating_Dropouts.pdf.
- ²¹ Hall, D. (2005). *Getting Honest About Grad Rates: How States Play the Numbers and Students Lose*. DC: The Education Trust. p. 6. Accessed at www2.edtrust.org/NR/rdonlyres/C5A6974D-6C04-4FB1-A9FC-05938CB0744D/0/GettingHonest.pdf.
- ²² Thornburg, N. "Dropout Nation," *TIME*, April 9, 2006. Accessed at www.time.com/time/magazine/article/0,9171,1181646,00.html; Oprah.com (2006). "What Bill and Melinda Gates Want You to Know." Accessed at www.oprah.com/dated/oprahshow/oprahshow_20060411.
- ²³ National Governors Association. "Governors Give Unanimous Support to High School Graduation Rate." Press release dated December 12, 2005. Accessed at www.nga.org/portal/sitengamenuitem.6c9a8a9ebc6ae07ee28aca9501010a0/?vgnnextoid=41d89bacc7ce7010VgnVCM1000001a01010aRCRD&vgnnextchannel=759b8f2005361010VgnVCM1000001a01010aRCRD.

- ²³ NGA Center for Best Practices (2008). *Implementing Graduation Counts: Best Practices to Date*, 2008. DC: National Governors Association. Accessed at www.nga.org/Files/pdf/0807GRADCOUNTS.PDF.
- ²⁴ Yudof, S. and Leonard, E. "U.S. Secretary of Education Margaret Spellings Announces Department Will Move to a Uniform Graduation Rate, Require Disaggregation of Data." Press release dated April 1, 2008. DC: U.S. Department of Education. Accessed at www.ed.gov/news/pressreleases/2008/04/04012008.html.
- ²⁵ Hayasaki, E. (2005). "College Prep Idea Approved in LA," *Los Angeles Times*. June 15, 2005. Accessed at articles.latimes.com/2005/jun/15/local/me-college15.
- ²⁶ Weinstein, R. (2002) *Reaching Higher: The Power of Expectations in Schooling*. Cambridge, MA: Harvard University Press.
- ²⁷ Bridgeland, J., Norman, C., Scheppach, R., and Stengel, R. (2007). *This Silent Epidemic: A Blueprint to Address America's High School Dropout Crisis*. DC: MTV Press. p. 4. Accessed at www.silentepidemic.org/pdfs/take-away.pdf.
- ²⁸ Olson, L. (2003). "Study: Formulas Yield Widely Varied Graduation Rates," *Education Week*. May 21, 2003.
- ²⁹ Lashway, L. (2003-2004). "Using School Board Policy to Improve Student Achievement," ERIC Digest, 2003-2004. Accessed at www.ericdigests.org/2003-4/school-board.html; Conley, D. (2003). *Who Governs Our Schools? Changing Roles and Responsibilities*. NYC: Teachers College Press.
- ³⁰ Houston Independent School District (2008). *Accelerating Student Progress Increasing Results & Expectations: A Comprehensive Educational Improvement Model*. Houston: HISD. Accessed at portal.battelleforkids.org/Aspire/images/ASPIRE_RotaryClub040308.pdf.
- ³¹ Marsh, J., Pane, J. and Hamilton, L. (2006). *Making Sense of Data-Driven Decision Making in Education*. Accessed at www.rand.org/pubs/occasional_papers/2006/RAND_OP170.pdf.
- ³² Bushaw, W. and Gallup, A. (2008). "Americans Speak Out—Are Educators and Policy Makers Listening? The 40th Annual Phi Delta Kappa/Gallup Poll," *Phi Delta Kappan*. September 2008. Accessed at www.pdkmembers.org/members_online/publications/e-GALLUP/kpoll_pdfs/pdkpoll40_2008.pdf. The 2008 PDK/Gallup Poll showed a bare majority of respondents (51 percent) agreed with the policy that all high school graduates should "complete a curriculum that prepares them to attend a four-year college whether or not they plan to attend college,"—a decline from 2006 (56 percent).
- ³³ Gordon, R., Kane, T. and Staiger, D. (2006). *Identifying Effective Teachers Using Performance on the Job*. DC: Hamilton Project, Brookings Institution. Accessed at www.brookings.edu/papers/2006/04education_gordon.aspx.
- ³⁴ Kennedy Manzo, K. and Cavanagh, S. (2008). "America Scouts Overseas to Boost Education Skills," *Education Week*, April 23, 2008. Accessed at www.edweek.org/ew/articles/2008/04/23/34risk_ep.h27.html?qs=fewer,+clearer,+higher.

COLLEGE-READY FOR ALL

preparing students for success

OUR MISSION

At the Bill & Melinda Gates Foundation, we believe that every life has equal value and each individual should have the opportunity to live up to his or her potential. In the United States, the key to opportunity is education. Education is the great equalizer. It enriches our lives, informs our choices, and prepares us for meaningful employment and to contribute to the communities in which we live.

THE FOUNDATION'S U.S. PROGRAM IS FOCUSED ON TWO MAJOR INITIATIVES: ensuring that a high school education results in college readiness and that postsecondary education results in a degree or certificate with genuine economic value.

To date, the Bill & Melinda Gates Foundation has invested nearly \$4 billion to transform the levels of college-readiness and success for America's young people, particularly for low-income and minority youth. We have helped demonstrate that with the right opportunities, all young people can achieve at high levels.

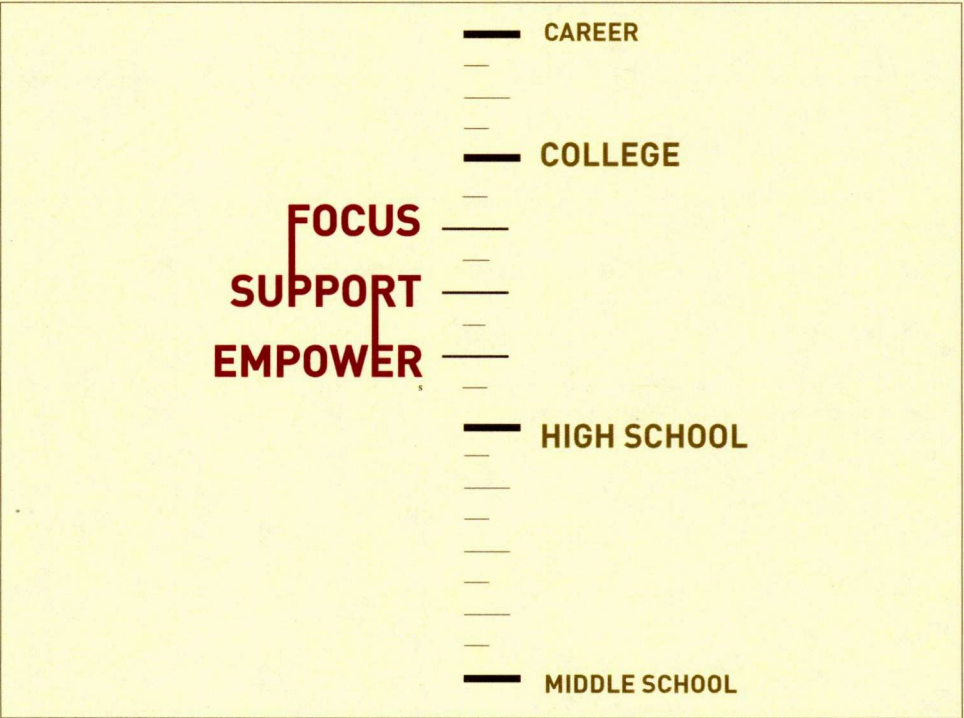
- In New York City, graduation rates in new small schools exceeded 70 percent in 2007, double the 35 percent rate posted by the schools they replaced and significantly higher than the district average
- The entire 2008 graduating classes at IDEA College Preparatory and YES Prep in Texas were accepted into four-year colleges
- The Gates Millennium Scholars program has awarded 12,000 scholarships to exceptionally talented low-income students of color since 2000, with nearly eight in 10 scholars graduating from college in five years

But despite such successes, the pace of change system-wide is simply too slow at a time when all students need to receive a high school education that provides them the skills and knowledge they need to succeed in the 21st century. Today only 71 percent of American students earn a high school diploma, a figure that drops to fewer than six in 10 African-American and Hispanic students. The numbers drop dramatically again for those who graduate ready to succeed in college and work. A core lesson from our work is that we need to dramatically accelerate academic performance if we are to dramatically increase college readiness.

OUR APPROACH

WE HAVE SET AN AMBITIOUS GOAL FOR OUR WORK AND INVESTMENTS: TO HELP ENSURE THAT 80 PERCENT OF HIGH SCHOOL STUDENTS GRADUATE COLLEGE-READY, WITH A FOCUS ON LOW-INCOME AND MINORITY YOUNG PEOPLE REACHING THIS TARGET.

In order for the foundation to meet the goal we have set, we must go deeper in our investments and work. Our strategy is based on evidence and on the lessons learned over the past eight years. We will continue to build on and accelerate our investments to date. We believe in order to achieve transformational results for students, we must focus on the heart of the educational experience: the learning partnership between teacher and student. Our strategy has three primary components:



OUR PLANNED INVESTMENTS

FOCUS ON SUCCESS AT A HIGHER LEVEL.

Our strategy will be to define more clearly the skills that lead to college readiness. We will work with policymakers to identify a priority set of fewer, clearer standards that define a ladder to college readiness to guide instruction. We will support and share methods and materials that help teachers and students master these skills. And we will develop fair measures to evaluate progress along the way. We will need alignment from state houses to schoolhouses to ensure that the work teachers and students do is totally focused on what is required for college readiness. We will make investments to:

- Better define the steps required to achieve college readiness and the interventions required to accelerate progress along that ladder
- Work with states and districts to identify a core set of standards and measures of student progress that are focused on the skills students need to succeed in higher education and good jobs
- Help create, identify, and spread the tools students and teachers need for powerful classroom learning, including student assignments and tests that reflect core standards
- Support the design and roll-out of better data systems to measure progress in each classroom, so teachers and students know whether classroom practices are working and so we can evaluate our investments

INNOVATE TO SUPPORT and engage students. Transforming the motivation and engagement of students is essential to accelerating their academic performance. We will invest in helping students develop the habits that research has found are tied to improved academic performance and greater college readiness. Taking advantage of all we now know about how people learn will also mean moving beyond the current system of schooling. That's why we are committed to supporting efforts to leverage technology to meet students when, where, and how they learn and to developing "next generation" models of education. The foundation plans to bring the same level of technological and scientific innovation to the problems of high schools that we have brought to the problems of global health and development. We will make investments to:

- Develop, identify, and spread select academic supports to motivate and engage students and ease the transition into high school
- Develop new pathways to graduation based on the demonstration of college-ready knowledge and skills rather than seat time and course credits
- Leverage new technology to better engage, motivate, and educate students
- Support the development of next generation school models that can take advantage of these technologies

EMPOWER EXCELLENT TEACHERS.

Accelerating academic performance requires increasing the concentration of effective teachers teaching poor children. Our first step will be to help design fairer, more powerful and more reliable means for measuring teacher effectiveness that can be agreed to by both teachers and researchers. We will then work with districts to reward teachers who meet more rigorous standards for tenure and ensure there are incentives for effective teachers who choose to work in high-need schools. At the same time, we will support efforts to provide all beginning teachers with the support they need every time they step into the classroom. We will make investments to:

- Design measures, observational and evaluation tools, and data systems that can fairly and accurately identify effective teaching
- Work with districts to develop management systems that retain teachers based on their performance, provide increased pay and greater roles and responsibilities for those who earn tenure, and concentrate excellent teachers where they are needed most
- Encourage, empower, and support excellent teachers to create a profession centered on evidence and the continuous improvement of student outcomes

UNDERLYING ALL THREE OF THESE INVESTMENTS ARE TWO RELATED AREAS OF FOCUS:

DATA. We need better data to tell us if we are making progress. We lack data in too many key areas: graduation rates, college-ready standards, effective teaching, to name a few that are essential to understanding what works in raising student achievement. We need evidence, and we need to go where it takes us.

ADVOCACY. Our nation won't achieve big improvements in college readiness or teacher effectiveness without a sense of urgency and the public and political will to take on tough problems in public education, to confront the barriers that we have skirted in the past, and to demand that doing things the way we have always done them is not acceptable.

BILL & MELINDA
GATES foundation

POSTSECONDARY SUCCESS *focusing on completion*

OUR MISSION

At the Bill & Melinda Gates Foundation, we believe that every life has equal value and each individual should have the opportunity to live up to his or her potential. In the United States, the key to opportunity is education. Education is the great equalizer. It enriches our lives, informs our choices, and prepares us for meaningful employment and to contribute to the communities in which we live. **THE FOUNDATION'S U.S. PROGRAM IS FOCUSED ON TWO MAJOR INITIATIVES: ENSURING THAT A HIGH SCHOOL EDUCATION SHOULD RESULT IN COLLEGE READINESS AND THAT POSTSECONDARY EDUCATION SHOULD RESULT IN A DEGREE OR CERTIFICATE WITH GENUINE ECONOMIC VALUE.**

For generations of Americans, the high school diploma delivered on the value of an education. It got you a ticket to the American Dream. That meant a steady job to support your family and a chance to launch a career.

But now, high school is no longer high enough. Success in the 21st century demands skills, attitudes, and abilities that make some form of postsecondary education a virtual requirement. In today's world, a postsecondary credential has become as important as a high school diploma used to be.

OUR CHALLENGE

In the United States today, there are millions of young adults—especially low-income young adults—who have both the ability and desire to continue their education past high school. However, they are stalled by limited access to affordable, quality options and competing demands for their time and energy.

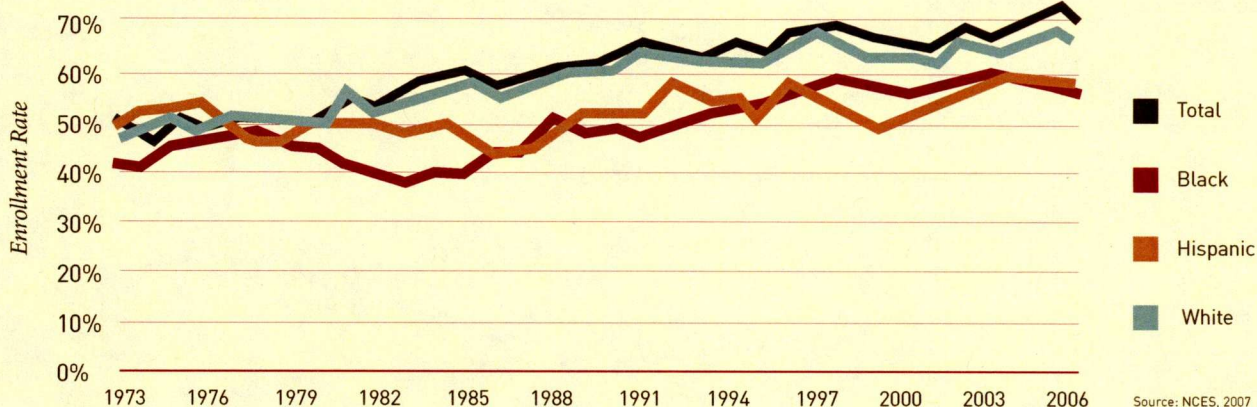
While our rate of high school graduates going to college continues to rank among the highest in the world, most students will never complete college. Only about 53 percent of Americans earn some degree or credential after high school, a figure that drops to about 20 percent for low-income, African-American, and Hispanic students. This means that the return on investment of our nation's significant college investments is well below what it could and should be. The majority of those dollars are being spent on courses that never add up to a degree.

This phenomenon becomes a more urgent crisis when juxtaposed with the projected demographic shifts over the next 20 years. African-American and Hispanic students are among the fastest growing populations; by 2050 they will comprise nearly 45 percent of the U.S. population. Yet these young people, so critical to our future, have historically attended very low quality schools and have very low high school and college completion rates.

For these young people, having the will and not the way impedes their economic and personal progress, affecting not only their prospects but those of their children. In the near and long term, this situation compromises our nation's ability to compete effectively in a global economy—to produce young adults capable of taking on the demands of and succeeding in a 21st century workplace and democracy.

It is no longer enough to say more young people are accessing college—for the sake of their future and our country's future, we have to make sure more young people go on to *complete* college.

COLLEGE ENROLLMENT RATES BY AGE AND ETHNICITY



OUR APPROACH

WE HAVE SET AN AMBITIOUS GOAL FOR OURSELVES AND THE NATION: DOUBLE THE NUMBER OF YOUNG PEOPLE WHO EARN A POSTSECONDARY DEGREE OR CERTIFICATE WITH VALUE IN THE MARKETPLACE BY THE TIME THEY REACH AGE 26.

To accomplish this goal, we must connect the millions of young Americans who have the will to get the education they need with a way to get there: helping them get further, faster—and at far less cost in terms of time and money.

Doubling the number of low-income young adults who earn a postsecondary degree will require us to take a leap that transforms not only students' perspectives but our postsecondary system so that every student can overcome the obstacles that might otherwise keep them from the education they deserve. To accomplish our goal, we are committed to working with partners large and small, including public and private partners, nonprofits, and other foundations.

OUR PLANNED INVESTMENTS

IMPROVE THE PERFORMANCE OF THE POSTSECONDARY EDUCATION SYSTEM.

From the moment students enroll in college, they should be guided along a clear pathway to graduation and a career. Despite an increasing number of public and private providers entering the postsecondary education system, there has been very little change in how these institutions design programs to meet the needs of their students, many of whom enter college without the necessary skills to perform college-level work. Our strategy focuses on addressing these needs by stimulating institutional designs focused on completion while decreasing the time and cost required to complete a credential. Our investments will include:

- Innovations in performance management and institutional practices that make it possible to get more students to and through credential-granting programs. A particular focus in our early investments will be supporting efforts to improve remedial or developmental education, dramatically accelerating the rate of academic catch-up for poorly prepared young students and improving the first-year experience.
- New technology products and platforms that provide dramatic improvement in learning and completion rates and can be developed and adopted at scale
- Partnerships with business alliances and labor coalitions to develop practices and policies that make it easier for young adults to successfully combine school and work

SUPPORT YOUNG ADULT SUCCESS.

While most young adults understand the value of education in the abstract, too often real-life pressures get in the way and prevent them from completing a degree. This is especially true for low-income young people who have financial constraints, jobs, or family obligations that compete for their time and attention. By offering support, reducing the barriers that prevent them from learning, and reinforcing their motivation to learn and succeed, we expect more young people to be able to focus on completing a degree. Our investments will include:

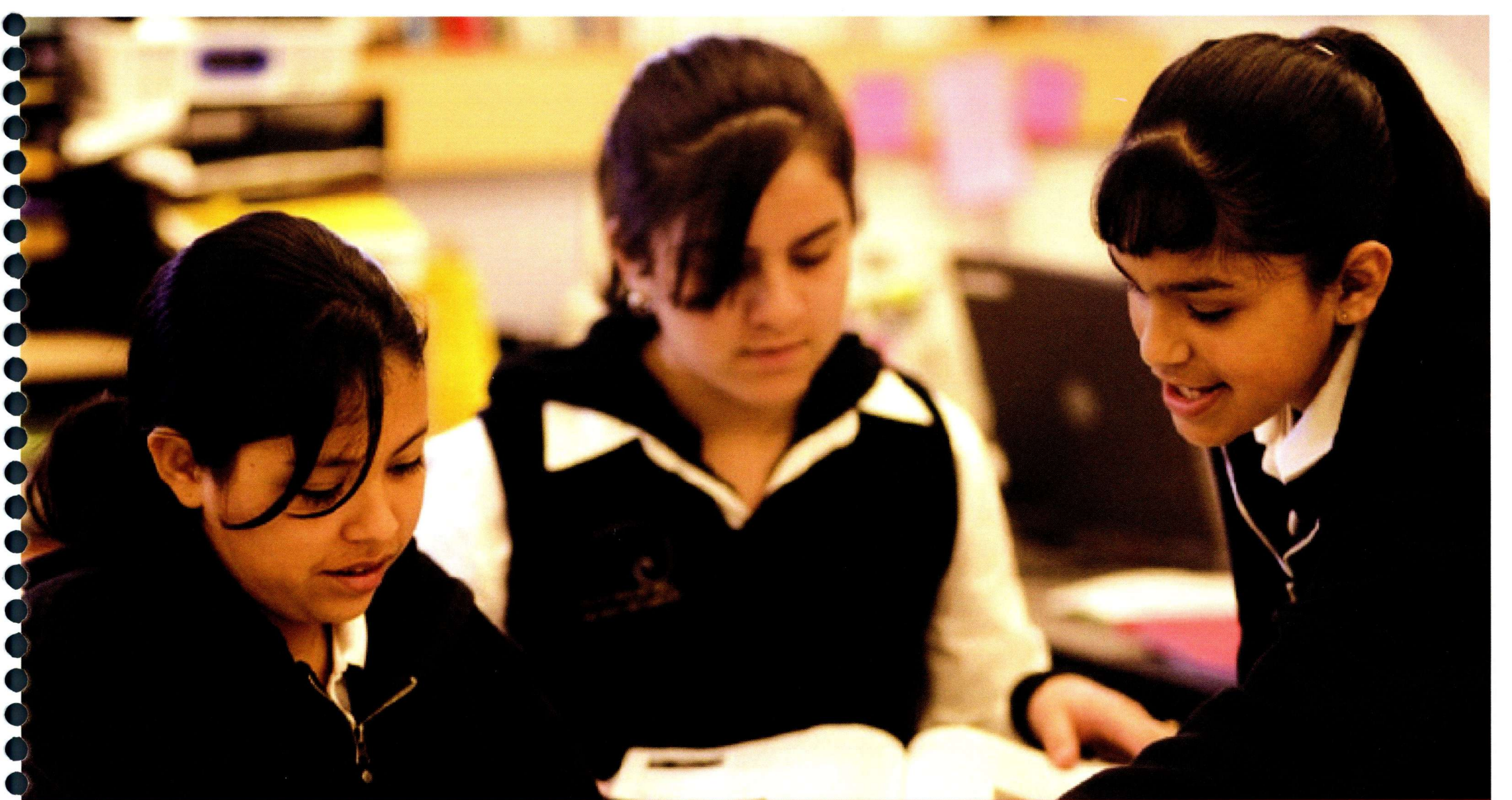
- Tools and consumer information that will ensure young people have the guidance they need, including data that shows which credentials lead to the greatest opportunity, information about where and how they might complete these credentials, and guidance about which institutions have the best track record for getting their students through school and into careers
- Organizations and alliances that will provide new and more efficient on-ramps to postsecondary education that will bridge the preparation gap and keep the focus on completion, whether through large networks of employers, community-based and civic organizations, or new linkages between networks
- Incentives that can reinforce young people's motivation to succeed

ENCOURAGE U.S. LEADERS TO COMMIT TO HELPING STUDENTS COMPLETE THEIR DEGREES.

Since 1965, much of our higher education policies, including funding and financial aid, have been focused on college access. We will use our voice and convening power to make the case about the importance of getting students to and through college. Our investments will be focused on mobilizing and inspiring leaders, employers, and communities across the country to embrace the goal and make the policy and financial commitments necessary to achieve it. To this end, we will support research, communications, and policy analysis efforts that:

- Highlight the importance of doubling the number of young people who earn a postsecondary credential
- Shed light on promising policy approaches around funding, accountability, financial aid, and successful colleges that shift the system's focus to access and completion for all young Americans

BILL & MELINDA
GATES foundation



BILL & MELINDA
GATES *foundation*

U.S. PROGRAM

Letter From **ALLAN GOLSTON**
U.S. PROGRAM PRESIDENT

Helping to ensure greater access to opportunity for everyone is at the center of the Bill & Melinda Gates Foundation's U.S. Program. The primary goal for our work in this country is to increase attainment of secondary and postsecondary education with genuine economic value. The foundation is particularly concerned with improving access to quality educational opportunities for low-income and minority students.

We see education as the gateway to increased opportunity—the “great equalizer of the conditions of men,” as Horace Mann wrote more than 150 years ago during the formative years of American public education. When people are given opportunities to develop their potential, our society thrives.

As a philanthropic organization, we identify severe inequities that have not received the attention needed and where we believe we can have the greatest impact. First we rely on research to understand what works and then we go where the evidence takes us. We work with partners from across the country in support of solutions that have potential for sustainable impact at scale—a leading-edge idea or an old idea applied in a new way.

We also advocate to build public and political will for change. We use our voice appropriately to raise awareness of important issues. If enough leaders and citizens demand that our country prioritizes helping those with the greatest needs and the fewest resources, progress will come quickly.

Ultimately, no single person or organization can solve the problems that face our country. Great ideas must be well supported and financed over time so the solutions are sustained and accessible to all who need them. As a private funder, the foundation can be a catalyst for change, working with partners to seed and accelerate the adoption of promising solutions and sharing lessons learned. But to ensure that America lives up to its promise of equal opportunity, all of us—foundations, governments, businesses, and citizens—must do our part. The challenges we face are overwhelming and wide-ranging, but we are optimistic that we can work together and improve the odds for millions of young people to live healthy, productive lives.

We look forward to working with you in communities across the country to spread opportunity for all.

OUR MISSION

The Bill & Melinda Gates Foundation is guided by the simple but profound belief that all lives have equal value and that each individual should have the opportunity to succeed. We are privileged to work with people around the world to reduce inequity and increase access to opportunity.

For too many children in America, the promise of equal access to opportunity is broken. No matter how hard they try, their success in life is dictated in large measure by the circumstances of their birth. The low rate of economic mobility in the United States means that fewer than one in 15 children from families at the bottom of the economic ladder has the access to opportunities that allow them to climb to the top.¹ Limited opportunity results in dramatically lower life prospects for the poor and undermines our basic American values. But it doesn't have to be this way.

The foundation's U.S. Program works with a range of partners toward greater opportunity for all Americans largely through the attainment of secondary and postsecondary education. By making college and other forms of education both accessible to and successful for all, we hope to help break the intergenerational cycle of poverty that prevents families and communities from opportunities to reach their full potential.

THE U.S. PROGRAM WORKS TO ADVANCE:

COLLEGE READINESS AND SUCCESS. Education is the broadest avenue to opportunity and the most influential factor in ensuring that children will grow up to do as well or better than their parents. Today, a postsecondary education is the most important requirement for jobs that pay a family wage. **Our goal is to ensure that 80 percent of students will graduate from high school prepared for college, with a focus on low-income and minority students reaching this target, and to double the number of low-income young adults who earn postsecondary degrees or certificates by age 26 each year.**

ACCESS TO KNOWLEDGE. Today, it is almost impossible to succeed without computers and the Internet. Public libraries have been at the forefront of efforts to close the digital divide. **Our goal is to ensure that libraries continue to offer free, quality access to computers and the Internet so that all people can benefit from technology.**

STRONG COMMUNITIES IN THE PACIFIC NORTHWEST.

As a family foundation, we are committed to strengthening our communities and providing new avenues of opportunity for those most in need in Washington state, the foundation's home. **Our main goal in the state is to help all children begin kindergarten ready to succeed and cut family homelessness in half over the next decade.**

REPRESENTATIVE GRANTS

ACHIEVE, INC. AND THE AMERICAN DIPLOMA PROJECT NETWORK

\$23 million to assist states in aligning high school standards with the expectations of college and career

GATES MILLENNIUM SCHOLARS

\$1.6 billion over 20 years to help 20,000 high-potential, low-income, minority youth attend the higher education institution of their choice

SOUND FAMILIES

\$40 million to triple the number of service-enriched, transitional housing units for homeless families in the Puget Sound region of Washington state

OPPORTUNITY ONLINE

\$16 million to help public libraries in 21 states add or replace computers for their patrons

OUR INITIATIVES

COLLEGE READINESS AND SUCCESS

COLLEGE-READY. Since 2000, the Bill & Melinda Gates Foundation has invested nearly \$4 billion to help students, particularly low-income and minority youth, graduate from high school ready to succeed in college, career, and life. We've helped demonstrate that with the right opportunities, our most vulnerable young people can achieve at high levels.

- In New York City, graduation rates in new small schools exceeded 70 percent in 2007, double the 35 percent rate posted by the schools they replaced and significantly higher than the district average.²
- The entire 2008 graduating classes at IDEA College Preparatory and YES Prep in Texas were accepted to four-year colleges.³
- The Gates Millennium Scholars (GMS) program has awarded 12,000 scholarships to exceptionally talented low-income students of color since 2000, with nearly eight in 10 scholars graduating from college in five years.⁴

But despite such successes, the pace of change system-wide is simply too slow. Today only 71 percent of American students—and only 55 percent for African-American and 58 percent of Hispanic students—earn a high school diploma.⁵ And far too many of those who do graduate from high school are unprepared for the rigors of college. A study of the class of 2002 found that only 23 percent of African-American and 20 percent of Hispanic young people were ready to succeed in a four-year college,⁶ a fact that has tremendous costs for these students and our society.⁷

To get transformational results, we have learned from our work and the work of others that we must focus on the heart of the educational experience: the learning partnership between teacher and student. That's why the foundation has set an ambitious goal to boost college-readiness levels for the students who are furthest behind. We seek to ensure that 80 percent of students will graduate from high school ready for college, with a focus on low-income and minority students reaching this goal. More specifically, that means students will be able to succeed in credit-bearing courses in two- or four-year colleges or postsecondary certificate programs capable of ensuring a successful career.

Our strategy is based on evidence and on the lessons learned over the past eight years. It has three major components:

- Focus on success at a higher level. To ensure that the work teachers and students do together provides more robust preparation for college and careers, we will work to identify the best indicators for success in higher education. We will then work to ensure teachers and students have the support and access to methods and materials that help them master the necessary skills and knowledge, and that fair and accurate measures are in place to evaluate progress.
- Empower excellent teachers. Research shows that teachers matter most to student learning.⁸ Given that teachers shoulder the most responsibility outside the home, we must provide them with the support they need every time they step into the classroom. We can make this a reality by establishing clear goals for excellence and measuring and rewarding achievement of these goals. By supporting new teachers and eliminating

policies that prevent them from focusing on learning, our teachers can be more effective instruments of change in the lives of all students.

- Support and engage students. We must hold every student to high expectations and give them the support they need to meet them. Our strategy includes helping students who enter high school behind to catch up, evaluating young people's skills and abilities with a focus on equipping them for the next level, and extending learning beyond the classroom. In particular, we plan to leverage technology to reach students where and when they most effectively learn.

Finally, if we're going to reach our ambitious goal, we need better data to tell us if we're making progress. We know something about what it takes to be college-ready, but not enough to know if each student is on track toward that goal. We know how crucial effective teaching is for student success, but not enough about how to identify, develop, reward, and retain excellent teachers, especially for the students who need them most. Without better data, educators, students, and the public lack the information needed to make good decisions and to determine if strategies are working or need adjustments.

POSTSECONDARY SUCCESS. A quality high school diploma is essential for career and life success, but it's no longer enough. Most good jobs capable of supporting a stable family require some level of higher education. The Bureau of Labor Statistics projects that through 2014, more than half of all new jobs will require at least some college.⁹ More than 22 of the 30 fastest-growing career fields require some postsecondary education.¹⁰

Education is also the best investment in our shared quality of life. According to one estimate, if we increased the average education level of workers by one year, we would increase national economic growth by five percent to 13 percent.¹¹ Young people with postsecondary degrees are also the anchors of thriving communities. They are more likely to vote, volunteer, lead stable families, and guide their own children to independence and success in adulthood.¹²

Despite the benefits of postsecondary education, only about 53 percent of Americans earn some degree or credential after high school, a figure that drops to about 20 percent for low-income, African-American, and Hispanic students.¹³ Twenty years ago, we were first in the world in the percentage of adults aged 25–34 with a postsecondary credential. Now we're 10th in the world and headed in the wrong direction.¹⁴

In recognition of the increasing importance of postsecondary completion, the foundation is making a long-term commitment to work with leaders from business, education, and government to double the number of low-income adults who earn a postsecondary degree or credential by age 26. To achieve this goal, we will:

- Improve the performance of the postsecondary education system. As we consider our mission, we know we need to support policies and practices that will help increase the number of low-income young adults who attend college. However, first, colleges must work better for those who are already there. This will require fundamental changes in the system and improvements at a pace and scale we as a nation have yet to achieve. Within postsecondary education, the foundation's work will begin with an emphasis on two-year colleges. These institutions play a particularly critical role in serving first-time postsecondary students. We will also invest and learn from private schools and any other institutions or

programs that show promise for helping young people earn meaningful and valuable postsecondary credentials. We will be driven by what works; we are agnostic about form. We support innovations in leadership, performance management, and institutional practices that make it possible to get more students in and through two- and four-year colleges.

- Support young adult success by enabling them to get further faster. While most young adults understand the value of education in the abstract, too often real-life pressures get in the way and prevent them from completing a degree. This is especially true for low-income young people who have financial constraints, jobs, or family obligations that compete for their time and attention. By offering support, reducing the barriers that prevent them from learning, and reinforcing their motivation to learn and succeed, we expect more young people to be able to focus on completing a degree.

- Encourage U.S. leaders to commit to helping students complete their degrees. Since 1965, many of our higher education policies, including funding and financial aid, have been focused on college access. We will use our voice and convening power to make the case about the importance of doubling the number of young people who earn a postsecondary credential—getting students to and through college. Our investments will be focused on mobilizing and inspiring leaders, employers, and communities across the country to embrace the goal and make the policy and financial commitments necessary to achieve it.

We will focus our efforts on the higher education pathways that low-income students are most likely to access, including public community colleges, workplace and community-based training, apprenticeships, and other work-based education opportunities. We recognize to be successful we need to work closely with businesses, community groups, and policymakers to make sure higher education is not the exception for a privileged few, but the rule for all young adults with the desire and motivation to participate.

SCHOLARSHIPS

We are funding scholarships to expand access to college for low-income and minority students and to encourage public service and leadership. A congressional advisory committee estimated that between 2000 and 2010, nearly 4.5 million qualified students won't go to four-year colleges because their parents can't afford the costs of higher education.¹⁵ With tuition costs rising faster than the inflation rate, low-income students are at a particular disadvantage. Fewer than one in 10 low-income students can expect to earn a bachelor's degree.¹⁶ Besides the financial resources, they also lack guidance on how to choose a school, apply for admission, and fill out financial aid forms.

Since 2000, half of our education investments to date—\$1.85 billion—have been dedicated to boosting college access for high-achieving, low-income students. Through scholarship programs like the Gates Millennium Scholars Program, Washington State Achievers Program, and the new D.C. Achievers Program, thousands of students have become the first in their families to attend college. Our commitment is to help more than 27,000 low-income students get to college by 2016.

ACCESS TO KNOWLEDGE

U.S. LIBRARIES. The foundation's U.S. Libraries initiative began in 1997 with one goal: ensuring that if you can get to a public library, you can access the Internet to learn, explore opportunities, and enrich your life. We worked with libraries in all 50 states to help people get online. Today, nearly every library in the country provides free use of computers that are connected to the Internet. The challenge now is for public libraries to stay connected and meet the growing needs of patrons.

Millions of people rely on their library's computer and Internet services to seek information on health, education, employment, and government services, as well as communicate with family and friends. Many also count on libraries for training and guidance on how to effectively use the technology to improve their lives. But libraries are struggling to maintain high-quality technology services, replace their computers, and improve their connectivity. If libraries do not receive adequate funding, they could become part of the digital divide and not part of the solution. To prevent this from happening, the foundation is continuing its decade-long relationship with the nation's libraries to help them build sustainable local funding and support for quality technology services.

Our strategy focuses on three core areas:

- Ensure up-to-date hardware and fast Internet connections. To help libraries offer free, quality access to valuable information and knowledge, we provide hardware grants to replace and add library computer workstations and will provide connectivity grants to fund high-speed connections to the Internet.
- Provide training and support to library staff to use, maintain, and introduce technology. To fully meet the needs of the community, library staff must be equipped to plan for and maintain technology access. We support resources for librarians to access online training and best practices.

- Encourage public support of libraries. We assist the field to build public support for the library by providing public library staff with the training, tools, and research so they are able to explain how technology improves life in the community and why public libraries deserve steady public funding.

We will continue to work with libraries and other partners to ensure that high-speed Internet continues to be accessible in our public libraries. When public libraries are strong, they can serve as important hubs for opportunity, helping Americans from all walks of life gain access to information, jobs, services, and networks.

STRONG COMMUNITIES IN THE PACIFIC NORTHWEST

For decades, Washington state has been home to some of the most dynamic businesses in the world. Unfortunately, far too many families in the Pacific Northwest have yet to prosper. More than 600,000 Washington state residents live in poverty. About one in four is a child younger than 18—a child who is at greater risk than their peers for dropping out of school, going to jail, going hungry, failing to find steady work, and ending up homeless. Our work in the Pacific Northwest focuses in three areas:

EARLY LEARNING. As we studied these problems, we traced them back to a child's earliest years. We learned that nearly 75 percent of the children in Washington's lowest-income classrooms are not ready to start school. In particular, studies have shown that students who have attended high-quality early learning programs have higher math and literacy rates than their peers who did not. In Washington state, we started investing in early learning in 2005. In 2006, we helped create a public-private partnership devoted to improving early learning in the state called Thrive by Five Washington.

We're beginning by working in partnership with Thrive by Five and other local partners to invest heavily in two Washington communities—White Center (near Seattle) and East Yakima—to

dramatically expand access to high-quality child care and preschool opportunities for children before they begin school. Over time, the lessons learned from both communities will help inform early learning investments and policies for kids throughout Washington state.

FAMILY HOMELESSNESS. Our major effort in the Pacific Northwest focuses on ending family homelessness. Without a stable home, children and their families are robbed of the opportunity to reach their full potential and contribute to their communities. On any given night in the state, 25,000 people don't have a safe place to sleep. A growing percentage of the homeless in Washington are children and their parents.

In 2000, we launched the \$40 million Sound Families Initiative. This wide-ranging partnership aimed to triple the amount of supportive housing available in the Puget Sound region and involved dozens of housing and service providers, property managers, and public and private partners. The initiative ended in 2007 and funded nearly 1,500 units that have, to date, served more than 2,700 kids in about 1,500 families.

While we believe there will always be a role for supportive housing for many families in our region, we know that we must build on our investments to move from treating family homelessness to actually ending this problem.

Over the next decade, we will work with partners from federal, state, and local governments, along with multiple nonprofit housing and service providers, to reach our goal of reducing family homelessness in Washington state by half.

COMMUNITY AND FAMILY GRANTS. Our Community Grants program supports nonprofit groups in Washington state and greater Portland, Ore., in their efforts to help low-income children and families and give impoverished communities the chance to flourish.

A COMMITMENT TO LEARNING

The Bill & Melinda Gates Foundation is a learning organization committed to deepening our understanding of the issues we address. We make long-term investments based on rigorous evidence, continually evaluate our progress, and hold ourselves accountable for results. Along the way, we make adjustments based on what we learn from our work with partners and grantees.

For example, our education strategy has continued to evolve since our first grants to improve high schools in 2000. Initially focused on creating new, small high schools, we have since expanded efforts to assist school districts, advocate for college-ready policies, and invest in better data systems.

We also continually explore new ways to increase opportunities or respond to unique challenges in the United States. These U.S. Special Initiatives include grants that support emergency relief efforts in places like the Gulf Coast.

For more information on the U.S. Program, including details on grants and evaluations, please visit www.gatesfoundation.org.

The U.S. Program is led by a president and seasoned team of directors and guided by an advisory panel of outside experts. This distinguished panel brings a wide range of experiences and perspectives to our work to expand opportunity for all Americans:

- Ann Fudge, Chairman and CEO, Young & Rubicam Brands
- Henry Cisneros, Chairman and CEO, CityView
- Christopher Edley, Dean, Boalt School of Law at the University of California–Berkeley
- Edward Glaeser, Fred and Eleanor Glimp Professor of Economics, Harvard University
- Walter Massey, President Emeritus, Morehouse College

¹ Isaacs, J. (2008). "Economic Mobility of Families Across Generations." *Getting Ahead or Losing Ground: Economic Mobility in America*. The Brookings Institution, p. 19. Accessed at http://economicmobility.org/assets/pdfs/Economic_Mobility_in_America_Full.pdf. | ² Foley, E., Klinge, A., Reisner, E. (2008). *Evaluation Of New Century High Schools: Profile of an Initiative to Create and Sustain Small, Successful High Schools*. DC: Policy Studies Associates, and *New Visions for New Schools* (2006). *Lessons from the New Century High Schools Initiative 2001-2006*. New York City: Author; Department of Education (2007). "Chancellor Klein Announces That Preliminary June Graduation Rate of New Small Schools Tops 70% for Second Consecutive Year, Even as Many More New Small Schools Graduated Senior Classes." June 29, 2007. Accessed at: schools.nyc.gov/Offices/mediarelations/NewsandSpeeches/2006-2007/20070629_small_school_grad.htm. | ³ IDEA Public Schools (2008). "History." Idea Public Schools Website. Accessed at <http://www.ideapublicschools.org/NETCOMMUNITY/Page.aspx>. YES Prep Public Schools (2008). "About YES: Results." YES Prep Public Schools Website. Accessed at <http://www.yesprep.org/about/results.htm>. | ⁴ Bill & Melinda Gates Foundation (2008). Internal documents. | ⁵ Editorial Projects in Education (2008). "Diplomas Count 2008: School to College." *Education Week*, Vol. 27, No. 40. June 5, 2008. | ⁶ Greene, J., and Winters, M. (2005). *Public High School Graduation and College Readiness Rates 1991-2002*. Education Working Paper No. 8 February 2005. NYC: Manhattan Institute for Policy Research | ⁷ Belfield, C. and Levin, H. eds. (2007). *The Price We Pay: Economic and Social Consequences of Inadequate Education* DC: The Brookings Institution Press. | ⁸ Hanushek, E. and Rivkin, S. (2006). "Teacher Quality," in Hanushek, E. and Welch, F. Eds. (2006). *Handbook of the Economics of Education, Volume 2*. NYC: Elsevier; Sanders, W. and Rivers, J. (1996). *Cumulative and Residual Effects of Teachers on Future Student Academic Achievement*. Knoxville, TN: University of Tennessee Value-Added Research Center. Student success in fact rests in large part on the quality of his teacher; Gordon, R., Kane, T., and Staiger, D. (2006). *Identifying Effective Teachers Using Performance on the Job*. Discussion Paper 2006-01. DC: The Hamilton Project, The Brookings Institution. A highly effective teacher—compared to a less effective teacher—could raise performance as much as 10 percentile points by the end of the year. | ⁹ Bureau of Labor Statistics (2006). "Education and Training Classification Systems." Occupational Projections and Training Data. DC: U.S. Department of Labor. Accessed at <http://www.bls.gov/emp/optd/optd001.pdf>. | ¹⁰ Dohm, A. and Shniper, L. "Occupational Employment Projections to 2016." *Monthly Labor Review*, November 2007. DC: U.S. Department of Labor. Bureau of Labor Statistics. | ¹¹ Black, S. and Lynch, L. (1996) "Human Capital Investments and Productivity." *American Economic Review*, May 1996. *AEA Papers and Proceedings* 86, No. 2 (May). Topel, R. H. (1998). "Labor Markets and Economic Growth." *Handbook of Labor Economics*. Ashenfelter, O. and Card, D. (Eds.), Amsterdam: Elsevier Science B.V. | ¹² Baum, S. and Ma, J. (2007). *Education Pays: The Benefits of Higher Education for Individuals and Society*. NY: The College Board; and Goessling, B., Wood, R., Razafindrakoto, C. and Henderson, J. (2008). *The Marriage Measures Guide of State-Level Statistics*. DC: U.S. Department of Health and Human Services. Accessed at <http://aspe.hhs.gov/hsp/08/MarriageMeasures/index.shtml>. [College graduates have a lower divorce rate than dropouts and high school graduates in 43 out of 50 states.] | ¹⁴ OECD (2008) *Education at a Glance*. Paris: OECD. Table A1.2a; Hauptman, A. "Participation, Persistence, and Attainment Rates: The US Standing." *International Higher Education*, Number 52, Summer 2008. | ¹⁵ Advisory Committee on Student Financial Assistance (2002). *Empty Promises: The Myth Of College Access In America*. DC: Author. Accessed at <http://www.ed.gov/about/bdscomm/list/acfsa/emptypromises.pdf>. | ¹⁶ Ingels, S.J., Curtin, T.R., Kaufman, P., Alt, M.N., and Chen, X. (2002). *Coming of Age in the 1990s: The Eighth-Grade Class of 1988 12 Years Later*. INCES 2002-321. Washington, DC: U.S. Department of Education, National Center for Education Statistics. | ¹⁷ Gilliam, W. S. and Zigler, E. F. (2004). *State Efforts to Evaluate the Effects of Pre-kindergarten*. 1977-2003. New Haven, CT: Yale University Child Study Centre.

BILL & MELINDA
GATES *foundation*



BILL & MELINDA
GATES *foundation*

COLLEGE-READY

TO ENSURE THAT 80 PERCENT OF
STUDENTS GRADUATE FROM HIGH
SCHOOL PREPARED FOR COLLEGE,
**WITH A FOCUS ON LOW-INCOME
AND MINORITY STUDENTS REACHING
THIS TARGET**

OUR MISSION

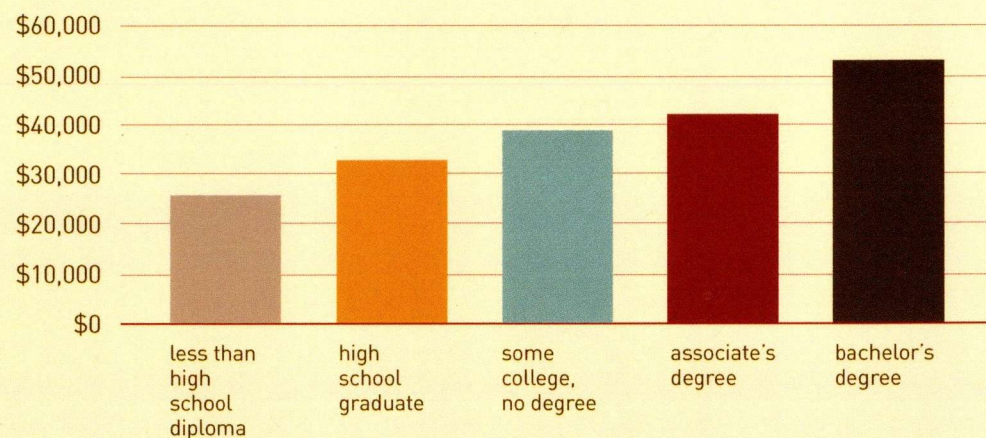
At the Bill & Melinda Gates Foundation, we believe that every life has equal value and all individuals should have the opportunity to live up to their potential. In the United States, the key to opportunity is education. Education is the great equalizer. It enriches our lives, informs our choices, and prepares us for meaningful employment and to contribute to the communities in which we live.

The foundation's work in this country is focused on two major initiatives: ensuring that a high school education results in college readiness and that postsecondary education results in a degree or certificate with genuine economic value. Ultimately, we must ensure all students graduate high school with the skills and knowledge they need to be successful in higher education.

A high school diploma was once a ticket to the American Dream: a steady job that could launch a career that would support a family and raise a family's living standard.

Times have changed. High school is no longer high enough. In today's world, a college diploma has become as important as a high school diploma used to be.¹ While graduating from high school is still a milestone worth celebrating, higher education—whether a two- or four-year college, a technical school, or a certificate program—has emerged as the critical path to opportunity for students and the avenue to achieve their dreams.²

MEDIAN EARNINGS (2007)



Source: U.S. Census bureau (2008). "Pinc-03. Educational attainment—people 25 years old and over, by total money earnings in 2007, work experience in 2007, age, race, Hispanic origin, and sex," current population survey, 2008 annual social and economic supplement. DC: U.S. Department of commerce

But the reality for many young people is that their dreams are escaping them.

Today, only 71 percent of American students earn a high school diploma, a figure that drops to 58 percent for Hispanic students and 55 percent for African-Americans.³ And far too many of those who do graduate from high school are unprepared for the rigors of college. A study of the class of 2002 found that only 23 percent of African-American and 20 percent of Hispanic young people were ready to succeed in a four-year college, a fact that has tremendous costs for these students and our society.⁴

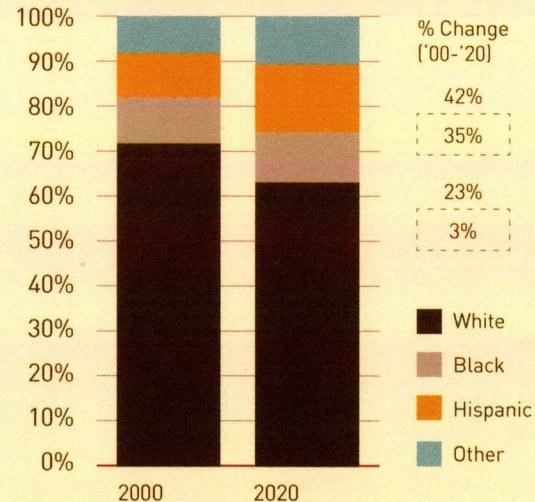
THAT IS WHY WE HAVE SET AN AMBITIOUS GOAL FOR OUR WORK AND INVESTMENTS: ENSURING THAT 80 PERCENT OF STUDENTS GRADUATE FROM HIGH SCHOOL PREPARED FOR COLLEGE, WITH A FOCUS ON LOW-INCOME AND MINORITY STUDENTS REACHING THIS TARGET.

More specifically, this means young people will be able to succeed in credit-bearing courses in two- or four-year colleges or postsecondary certificate programs capable of ensuring a decent wage.

This goal matters to all of us because much of the future growth in the workforce will come from precisely those groups of students that we have historically failed to ensure receive a strong education.⁵

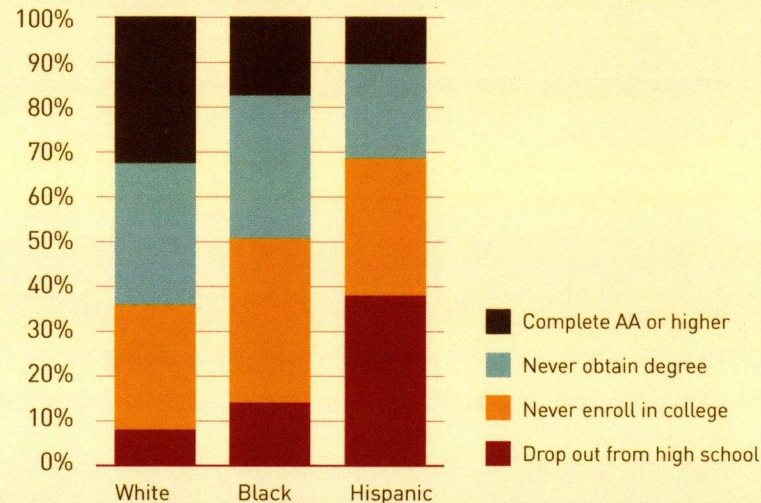
LABOR FORCE AGE 25+ (MILLIONS)

All future growth in the workforce will come from non-white segments of the population.



HIGHEST EDUCATION ATTAINED

Historically, these populations have been the most poorly served by the higher education system.



Note: Other includes native-born citizens of other races and immigrants of other races. Hispanic includes both native-born and foreign-born Hispanics. Source: Jobs for the Future; Fast Tracks to College; The Aspen Institute; Grow Faster Together or Grow Slowly Apart

WHAT WE HAVE LEARNED

To ensure all young people in America graduate high school ready for success, our nation must dramatically change the way we educate our children.

Over the past eight years, the foundation has invested nearly \$4 billion to transform the levels of college readiness and success for America's young people, particularly for low-income and minority youth.⁶ Our scholarships and work in schools to date has opened or improved 2,602 schools, engaged 40 school districts, and reached at least 781,000 students.⁷

With our partners across the country, we have demonstrated that with the right opportunities, the most disadvantaged young people can achieve at high levels.

- In New York City, graduation rates in new small schools exceeded 70 percent in 2007, double the 35 percent rate posted by the schools they replaced and significantly higher than the district average.⁸
- The entire 2008 graduating classes at IDEA College Preparatory and YES Prep in Texas were accepted to four-year colleges.⁹
- The Gates Millennium Scholars Program has awarded more than 12,000 scholarships to exceptionally talented low-income students of color since 2000, with nearly eight in 10 scholars graduating from college in five years.¹⁰

We have learned that structure alone will not guarantee students have the knowledge and skills to succeed in higher education and beyond.¹¹ Small schools, for example, can provide students with the rigor, relevance, and relationships that can boost graduation rates and improve college-going rates.¹² While some networks of new, small schools have students performing well above district averages, the percentage of students scoring at high levels of achievement still remains short of where it needs to be to meet our goal.¹³

These pockets of success, though impressive, are not enough. If the country remains on its current trajectory, the next century will arrive before we reach the goal of 80 percent of students graduating from high school ready to take the next step. That's simply unacceptable.

OUR STRATEGY

In order for the foundation to meet the goal we have set, we must go deeper in our investments and work. Our strategy is based on evidence and on the lessons learned over the past eight years. We will continue to build on our investments to date. We believe in order to achieve transformational results for students, we must focus on the heart of the educational experience: the learning partnership between teacher and student. Therefore, our strategy has three primary components:

FOCUS ON SUCCESS AT A HIGHER LEVEL

Today, standards for courses, high school graduation requirements, and state exit/course exams rarely translate into readiness to succeed beyond high school.¹⁴ Studies show that college professors and high school teachers often have different views about what content and skills to emphasize to prepare students for postsecondary work.¹⁵ While every state has adopted standards for what students should know and be able to do, the process by which standards are developed frequently encourages breadth over depth and rigor.¹⁶ As a result, American education is a mile wide and an inch deep, covering far more material than teachers can ever hope to deliver, while giving students only a shallow understanding of complex topics.¹⁷ Teachers and students alike are overwhelmed by standards that are sometimes reasonable but oftentimes excessive.¹⁸

Under such difficult circumstances for students and teachers, we should not be surprised that many students are turned off and tuned out. *The Silent Epidemic*, a 2006 report funded by the foundation, found that at least half of the nearly 470 dropouts surveyed left school because their classes were boring, they did not see its relevance to their lives outside of school, and they were not motivated to learn.¹⁹ A majority said they would have worked harder to graduate if their schools had demanded more of them and helped them succeed.²⁰

From state houses to schoolhouses, there must be a commitment to making our high schools reach higher and support for the policies and programs that will make this transformation possible. Our strategy is focused on defining what it means to be college-ready and how to measure it, working with policy makers to identify a priority set of fewer, clearer, and higher standards to guide instruction. Once these standards are in place, we will be working with others to ensure teachers and students have support and access to the methods and materials that help them master the necessary skills and that fair measures are in place to evaluate progress.

INNOVATE TO SUPPORT AND ENGAGE STUDENTS

Studies have found that students who begin high school behind academically are much more likely than their peers to fall off track.²¹ Students who do not attend school regularly and who fail too many courses during their freshman year are unlikely to catch up—and often drop out.²² These students need focused academic support early on to make sure they get back on course and complete high school on time.

All students would benefit from developing the habits of mind that research has found are tied to improved academic performance and greater college readiness, such as a willingness to put effort and discipline into work now to achieve long-term success and the abilities to study independently, sustain concentration on a task, use evidence to defend a point of view, and self-correct in response to feedback.²³

It is the responsibility of the public education system to give our young people the skills, knowledge, and preparation they deserve and need to succeed in life. We can assist students by setting high expectations and supporting them every step of the way. Our strategy includes helping students who enter high school behind to catch up, evaluating young people's skills and abilities with a focus on equipping them for the next level, and extending learning beyond the classroom. However, taking advantage of all we now know about how people learn may mean moving beyond the current system of schooling. That's why we are committed to supporting efforts to leverage technology to meet students when, where, and how they learn and developing "next generation" models of education.

Our young people already live in a digital age. It's time we met them where they are.

EMPOWER EXCELLENT TEACHERS Research shows that teachers matter most to student learning.²⁴ Of all the educational interventions to serve poor and minority children, the one with the strongest evidence behind it is effective teaching.²⁵

The importance of effective teaching is so powerful that researchers studying high schools in North Carolina found having a class with a strong teacher had an impact 14 times greater than having a class with five fewer students.²⁶ Another study showed that the average student in an effective teacher's class moved up 10 percentage points relative to the average student in an ineffective teacher's class—an amount equal to one-quarter of the achievement gap between African-American and white students.²⁷

Yet right now, we are failing to act on the evidence that we have.

Most new teachers are granted tenure after several years with little evaluation of how successful they are at improving student achievement. We make no special efforts to reward or retain teachers who have proven themselves particularly effective in the classroom or to put them on a positive career path. And we spend billions of dollars paying teachers for earning master's degrees that, except in the case of math and science, have shown no positive relationship with student learning gains.²⁸ Meanwhile, schools often assign the least experienced, most unqualified teachers in the country to disadvantaged students who need great teachers the most.

We must give teachers the support they need every time they step into the classroom. Teaching should be recognized as a prestigious profession. We can make this a reality by establishing clear goals for excellence and measuring and rewarding achievement of the goals.

UNDERLYING ALL THREE OF THESE INVESTMENTS ARE TWO RELATED AREAS OF FOCUS.

DATA: We need better data to tell us if we are making progress. Without better data, educators, students, and the public lack the information needed to make good decisions and midcourse corrections when appropriate. We know something about what it takes to be college-ready, but not enough to tell us if each student is on track toward that goal. We know how crucial effective teaching is for student success, but not enough about how to identify, develop, reward, and retain excellent teachers, especially for the students who need them most.²⁹ We need evidence, and we need to go where it takes us.

ADVOCACY: Our nation will not achieve big improvements in college readiness or teacher effectiveness without a sense of urgency and the public and political will to take on tough problems in public education, confront the barriers that we've skirted in the past, and demand that doing things the way we have always done them is not acceptable.

OUR PLANNED INVESTMENTS

Within each element of our strategy, we have identified a core set of initiatives to deliver the changes needed for students to succeed in higher education and beyond.

FOCUS ON SUCCESS AT A HIGHER LEVEL

Thirty-three states already have pledged to adopt college-ready graduation standards and tests as part of the American Diploma Project.³⁰ But there is much more work to be done to make higher standards real in classrooms. We will make investments to:

- Better define the steps required to achieve college readiness and the interventions required to accelerate progress along the way
- Build the public and political will to achieve college readiness for all
- Work with states and districts to identify a core set of standards and measures of student progress that are focused on the skills students need to succeed in higher education and beyond
- Help create, identify, and spread the tools students and teachers need for powerful classroom learning, including student assignments and tests that reflect the priority standards
- Support the design and rollout of better data systems to measure progress in each classroom, so teachers and students know whether classroom practices are working and we can evaluate our investments

EMPOWER EXCELLENT TEACHERS

We are committed to supporting a teaching profession that recognizes, transmits, and honors excellence. But for that to happen, we need a society that recognizes, rewards, and honors excellent teachers. We will make investments to:

- Design measures, observational and evaluation tools, and data systems that can fairly and accurately identify effective teaching

- Work with districts to develop management systems that retain teachers based on their performance, provide increased pay and greater roles and responsibilities for those who earn tenure, and put excellent teachers in the schools that need them most
- Encourage, empower, and support excellent teachers to demand a profession centered on evidence and the continuous improvement of student outcomes

INNOVATE TO SUPPORT AND ENGAGE STUDENTS

In 2005, speaking at a National Education Summit on High Schools, Bill Gates described the American high school as “obsolete:”

*By obsolete, I mean that our high schools—even when they’re working exactly as designed—cannot teach our kids what they need to know today. Training the workforce of tomorrow with the schools of today is like trying to teach kids about today’s computers on a 50-year-old mainframe. It’s the wrong tool for the times.*³¹

What was true in 2005 is true today. The last piece of our strategy involves finding new ways to support and engage students and to provide all students with the academic assistance they need to achieve their dreams. We believe that recent technological advances and social trends create an unprecedented opportunity to shift the educational experience to better match where, when, and how students are ready to learn. We will make investments to:

- Develop, identify, and disseminate academic supports that motivate and engage students and ease the transition into high school
- Develop new pathways to graduation based on the demonstration of college-ready knowledge and skills rather than seat time and course credits
- Leverage new technology to better engage, motivate, and educate students
- Support the development of “next generation” school models that can take advantage of these technologies

A COMMITMENT TO LEARNING

The foundation plans to bring the same level of technological and scientific innovation to the problems of high schools that we have brought to the problems of global health and development. To get breakthrough results we'll need breakthrough changes.

We'll measure success by the numbers: How many students are on track to graduate from high school? How many enroll in higher education immediately after they graduate? How many students return for a second year?

But we will always remember that behind each number is an individual—the student. Ultimately, our education system must serve all young people well, regardless of where they live or go to school. As individuals thrive and go on to meet their life goals, our communities and our nation become stronger.

We recognize that we have set an ambitious goal. But in order to achieve the transformation in education that will benefit all students, we must set a high bar to measure our progress. As a private foundation, we are uniquely positioned to launch and test new reform approaches, make long-term investments that require steady work and a clear-eyed evaluation of the evidence, and make adjustments based on what we are learning.

We take learning very seriously. Therefore, we are committed to track progress based on interim outcomes, share what we are learning with others, and adjust our tactics based on that knowledge. Strong partnerships will be key to our success. We pledge to work with partners large and small, including governments, school districts, nonprofits, and other foundations. We will hold ourselves accountable and expect others in the field to do the same. If reforms are not resulting in dramatic gains in student achievement, then we are doing something wrong.

WORKING TOGETHER

America is not a country to shrink from bold challenges. Over the past century, we have made remarkable strides in reducing obstacles to education. But we must focus and work together if we are to bring our education system in line with the demands of the 21st century and give every young person the opportunity to succeed. Teachers, parents, students, business leaders, policymakers, and everyone with a stake in the future of our country must demand more from our schools and take part in the solution. With ingenuity and innovation, we can help the next generation finish high school and enter college and the workplace more prepared and more capable of leading us to a bright future.

¹ Tucker, M. (2004). "High School and Beyond: The System Is the Problem—and the Solution." Kazis, R., Vargas, J. and Hoffman, N. eds. (2004). *Double the Numbers: Increasing Postsecondary Credentials for Underrepresented Youth*. Cambridge: Harvard Education Press. Pages 47-49. | ² OECD. (2005). *From Education to Work: A Difficult Transition for Young Adults with Low Levels of Education*. Paris: Organisation for Economic Co-operation and Development. Page 6. | ³ Editorial Projects in Education (2008). *Diplomas Count 2008, Education Week*. Vol. 27, No. 40. June 5, 2008. CPI for 2005. | ⁴ Greene, J. and Winters, M. (2005). *Public High School Graduation and College Readiness Rates 1991-2002*. Education Working Paper No. 8 February 2005. NYC: Manhattan Institute for Policy Research; Bellfield, C. and Levin, H. eds. (2007). *The Price We Pay: Economic and Social Consequences of Inadequate Education*. DC: The Brookings Institution Press. | ⁵ Pennington, H. (2004). *Fast Track to College*. DC: Center for American Progress and Institute for America's Future. Page 6, chart 4; Ellwood, D. (2003). *Grow Faster Together or Grow Slowly Apart*. DC: Aspen Institute. Page 31, chapter 5, table 3. | ⁶ Bill & Melinda Gates Foundation (2008). Internal source. | ⁷ Bill & Melinda Gates Foundation (2008). Internal source. | ⁸ New York City Department of Education (2007). "Chancellor Klein Announces That Preliminary June Graduation Rate of New Small Schools Tops 70% for Second Consecutive Year, Even as Many More New Small Schools Graduated Senior Classes." June 29, 2007. Accessed at: schools.nyc.gov/Offices/mediarelations/NewsandSpeeches/2006-2007/20070629_small_school_grad.htm. | ⁹ IDEA Public Schools (2008). "History." Idea Public Schools Web site. Accessed at: www.ideapublicschools.org/NETCOMMUNITY/Page.aspx; YES Prep Public Schools (2008). "About YES: Results." YES Prep Public Schools Web site. Accessed at: www.yesprep.org/about/results.htm. | ¹⁰ Bill & Melinda Gates Foundation (2008). Internal documents. | ¹¹ Shear, L., Means, B., Mitchell, K., House, A., Gorges, T., Joshi, A., Smerdon, B. and Shkolnik, J. (2008). "Contrasting Paths to Small-School Reform: Results of a 5-year Evaluation of the Bill & Melinda Gates Foundation's National High Schools Initiative," *Teachers College Record*. Volume 110, number 9. September 2008. Pages 2022-2024. | ¹² Shear, L., et al. (2008). | ¹³ Foley et al. (2008). *New Visions for New Schools (2007). Reforming High Schools: Lessons from the New Century High Schools Initiative 2001-2006*. NYC: Author. Page 5; Bill & Melinda Gates Foundation (2008). Page 2. | ¹⁴ See the Stanford Bridge Project (CA policy pre A-G requirements), WA state policy, Indiana case study. | ¹⁵ Conley, D. (2005). *College Knowledge: What It Really Takes for Students to Succeed and What We Can Do to Get Them Ready*. San Francisco, CA: Wiley/Jossey-Bass. Research on "knowledge and skills for university success" documented college instructors' expectations for first-year college goers in contrast to high school course offerings and content; Transition Math Project (2008). Web site for Transition Math Project. Washington State: Washington State Board for Community & Technical Colleges. Accessed at: www.transitionmathproject.org/contact/index.asp. | ¹⁶ Schmidt, W. H., McKnight, C. C. and Raizen, S. A. (1997). *A Splintered Vision: An Investigation of U.S. Science and Mathematics. Executive Summary*. Lansing, MI: U.S. National Research Center for the Third International Mathematics and Science Study, Michigan State University, Popham, W. J., Farr, R. and Lindquist, M. (2003). "Crafting Curricular Aims for Instructionally Supportive Assessment." Minneapolis, MN: University of Minnesota, National Center for Educational Outcomes. Accessed at: www.k12.wy.us/SA/PAWS/docs/CraftingCurricula.pdf. | ¹⁷ Schmidt, W. H. (2003). "The Quest for a Coherent School Science Curriculum: The Need for an Organizing Principle," *Review of Policy Research*. Volume 20, number 4, pp. 569-584 [16]. | ¹⁸ Finn, C., Julian, L. and Petrilli, M. eds. (2006). 2006: The State of State Standards. DC: Thomas B. Fordham Foundation. Accessed at: www.fordhaminstitute.org/doc/State%20of%20State%20Standards2006FINAL.pdf. | ¹⁹ MTV Press (2007). *Ending the Silent Epidemic: A Blueprint to Address America's High School Dropout Crisis*. DC: Bill & Melinda Gates Foundation, Civic Enterprises, MTV, National Governors Association, TIME. | ²⁰ MTV Press (2007). Page 4. | ²¹ Jerald, C. (2006). *Identifying Potential Dropouts: Key Lessons for Building an Early Warning Data System: A Dual Agenda of High Standards and High Graduation Rates*. DC: Achieve, Inc. Pages 17-18. | ²² The Consortium on Chicago School Research (2007). *Freshman Year: The Make-it or Break-it Year*. Chicago: Author. Page 1. | ²³ Lippman, L., Atienza, A., Rivers, A., and Keith, J. (2008). *A Developmental Perspective on College and Workplace Readiness*. DC: Child Trends. Pages 9-10; Kyllonen, et al. (in press) *Psychosocial Assessment of College Readiness: A Prospectus*; Zimmerman, B. (2008). "Investigating Self-Regulation and Motivation: Historical Background, Methodological Developments, and Future Prospects." *American Educational Research Journal*, 45:1. Pages 166-183; Shiner, R. and Mastern, A. (2002). "Self-efficacy, attribution, and outcome expectancy mechanisms in reading and writing achievement," *Journal of Educational Psychology*. Vol. 87; Conley (2005). | ²⁴ Hanushek, E. and Rivkin, S. (2006). "Teacher Quality," Hanushek, E. and Welch, F. eds. (2006). *Handbook of the Economics of Education, Volume 2*. NYC: Elsevier; Sanders, W. and Rivers, J. (1996). *Cumulative and Residual Effects of Teachers on Future Student Academic Achievement*. Knoxville, TN: University of Tennessee Value-Added Research Center. Student success in fact rests in large part on the quality of his teacher; Gordon, R., Kane, T. and Staiger, D. (2006). *Identifying Effective Teachers Using Performance on the Job*. Discussion Paper 2006-01. DC: The Hamilton Project, The Brookings Institution. | ²⁵ Clotfelter, C., Ladd, H. and Vigdor, J. (2007a). *Teacher Credentials and Student Achievement in High School: A Cross-Subject Analysis With Student Fixed Effects*. DC: National Center for the Analysis of Longitudinal Data in Education Research. One-third of the black-white achievement gap would be eliminated if "the teachers assigned to black students had the same credentials on average as those assigned to white students." | ²⁶ Clotfelter, C., Ladd, H. and Vigdor, J. (2007b). *How and Why Do Teacher Credentials Matter for Student Achievement?* DC: National Center for the Analysis of Longitudinal Data in Education Research; Clotfelter et al. (2007a). Using value-added methodology, these studies took 10 years of data for every student and teacher in the state of North Carolina and used them to analyze the impact of various factors—including teacher experience and credentials, student socio-economic background, and class-size—on student achievement. | ²⁷ Gordon, R., Kane, T. and Staiger, D. (2006). *Identifying Effective Teachers Using Performance on the Job*. Discussion Paper 2006-01. DC: The Hamilton Project, The Brookings Institution. | ²⁸ Roza, M. (2007). *Frozen Assets: Rethinking Teacher Contracts Could Free Billions for School Reform*. DC: Education Sector. Schools and Staffing Survey data indicate that 48.7 percent of teachers have at least a master's degree, and that the average salary increment for master's degrees is \$5,200. This translates into total costs of \$173 per student, or 2.1 percent of school budgets. Accessed at: www.educationsector.org/usr_doc/FrozenAssets.pdf; Hanushek, E. and Rivkin, S. (2004). "How to Improve the Supply of High Quality Teachers." Ravitch, D. ed. *Brookings Papers on Education Policy 2004*. Pages 7-25. Washington, DC: Brookings Institution Press; King, J. (2003). *Teacher Quality: Understanding the Effectiveness of Teacher Attributes*. DC: Economic Policy Institute. Accessed at: www.epi.org/content.cfm/books_teacher_quality_execsum_intro. | ²⁹ Hanushek, E. and Rivkin, S. (2006); Sanders and Rivers (1996); Clotfelter et al. (2007a). | ³⁰ Achieve, Inc. (2004). *The American Diploma Project: Closing the Expectations Gap*. DC: Author. | ³¹ Associated Press (2006). "Summit Told U.S. High Schools 'Obsolete': Governors, Industry Leaders Call for Tougher Courses," Associated Press. February 26, 2005. NY: MSNBC.

BILL & MELINDA
GATES *foundation*



BILL & MELINDA
GATES *foundation*

**POSTSECONDARY
SUCCESS**

TO HELP THE NATION DOUBLE THE
NUMBER OF LOW-INCOME ADULTS WHO
**EARN POSTSECONDARY DEGREES
OR CREDENTIALS BY AGE 26**

OUR MISSION

Giving all Americans a realistic chance at achieving the American Dream is among the biggest challenges our country faces today.

At the Bill & Melinda Gates Foundation, we believe that every life has equal value and each individual should have the opportunity to live up to his or her potential. In the United States, the key to opportunity is education. Education is the great equalizer. It enriches our lives, informs our choices, and prepares us for meaningful employment and to contribute to the communities in which we live.

The foundation's work in this country is focused on two major initiatives: ensuring that a high school education should result in college readiness and that postsecondary education should result in a degree or certificate with genuine economic value. This paper is focused on the postsecondary effort.

For generations of Americans, the high school diploma delivered on the value of an education. It got you a ticket to the American Dream. That meant a steady job to support your family and a chance to launch a career.

But now, high school is no longer high enough. Success in the 21st century demands skills, attitudes, and abilities that make some form of postsecondary education a virtual requirement. In today's world, a postsecondary credential has become as important as a high school diploma used to be.

In the United States today, there are millions of young adults—especially low-income young adults—who have both the ability and desire to continue their education past high school. However, they are stalled by limited access to affordable, quality options and competing demands for their time and energy.

Grim statistics drive the point home. Only about 53 percent of Americans earn some degree or credential after high school, a figure that drops to about 20 percent for low-income, African-American, and Hispanic students.

For these young people, having the will and not the way impedes their economic and personal progress, affecting not only their prospects but those of their children. In the near and long term, this situation compromises our nation's ability to compete effectively in a global economy—to produce young adults capable of taking on the demands of and succeeding in a 21st century workplace and democracy.

THAT'S WHY WE'VE SET AN AMBITIOUS GOAL TO HELP THE NATION DOUBLE THE NUMBER OF LOW-INCOME ADULTS WHO EARN POSTSECONDARY DEGREES OR CREDENTIALS—meaningful credentials with value in the workplace and labor market—by age 26. To accomplish this, America must connect the millions of young Americans who have the will to get the education they need with a way to get there.

OUR CHALLENGE

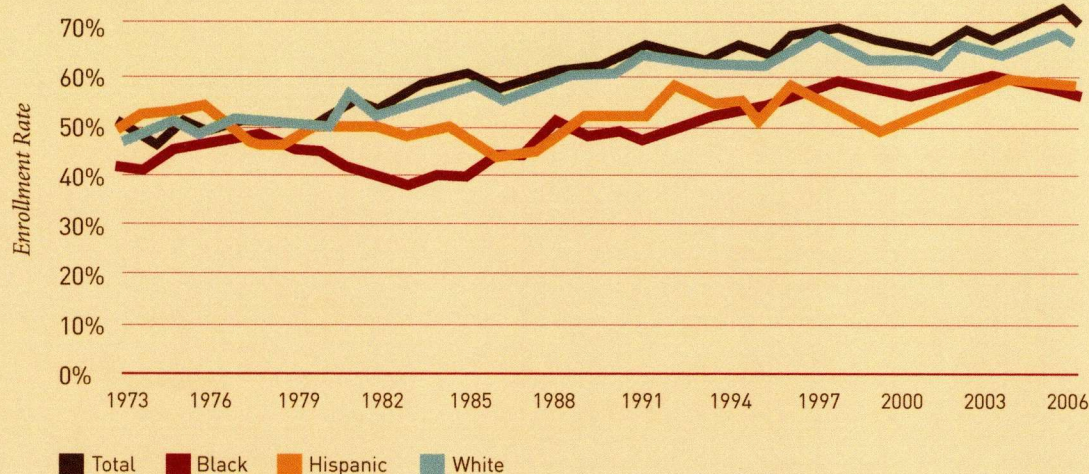
To thousands of young men and women, this act means the path of knowledge is open to all that have the determination to walk it. It means a way to deeper personal fulfillment, greater personal productivity, and increased personal reward. This bill . . . means that a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because his family is poor.

— Lyndon Baines Johnson, 1965,
upon signing the Higher Education Act into law

Education has always paid off for American workers. But the reward for a college degree today is perhaps greater than ever with business demanding skilled labor in a competitive global economy. In the last 10 years, technical changes have pushed the education payoff dramatically in favor of those with more skills and more education.

More than 40 years ago, the United States recognized the importance of education after high school and made it a priority to ensure all young people had access to college. Through a combination of federal, state, and philanthropic initiatives, college enrollment rates grew steadily for two decades before stagnating at about 67 percent in the late 1990s.

While our rate of high school graduates going to college continues to rank among the highest in the world,¹ most students will never complete college. Only about half of college students in the United States graduate within six years. The rate for African-American and Hispanic students is closer to 20 percent. And among community college students, the rate is even lower. Some estimate the community college graduation rate to be as low as 38 percent.² This means that the return on investment of our nation's significant college investments is well below what it could and should be. The majority of those dollars are being spent on courses that never add up to a degree.



COLLEGE ENROLLMENT RATES BY AGE AND ETHNICITY

Source: NCES, 2007

THIS CHALLENGE IS BECOMING INCREASINGLY URGENT FOR FOUR REASONS:

AFFORDABILITY TRENDS: While our struggling economy hits all families hard, it hits lower-income families the hardest. When President Lyndon Johnson signed the Higher Education Act into law, the original focus was on providing aid to low-income students so they could access college. Since that time, tuition has more than doubled at public and private universities.³ While federal student aid programs have grown significantly, with several new programs and tax benefits, they have not grown fast enough to keep up with tuition. At the same time, existing aid sources continue to shift to families higher up the income ladder; and the squeeze on low-income families continues to increase.⁴

WORKFORCE TRENDS: The types of jobs fueling our economy continue to change rapidly. Technological advances have not only changed the products Americans create but the way American businesses actually build their products. Success in the workplace demands advanced skills in critical thinking and problem solving, as well as a kind of intellectual agility that enables one to shift readily from one task or project to another. Workers who have strong language and math skills, technological capabilities, and a capacity to work well in teams are most likely to succeed.

Too many of our young people are not being effectively prepared for these new jobs. Companies like Caterpillar, the world's largest maker of construction and mining equipment and diesel and natural gas engines, increasingly require employees with more than a high school diploma. However, they are having a hard time finding them. The National Association of Manufacturers reports that 90 percent of manufacturers are experiencing a shortage of qualified skilled production employees, including machinists, operators, craft workers, distributors, and technicians.⁵

These workforce shortages are only predicted to grow. The Bureau of Labor Statistics projects that through 2014, more than half of all new jobs will require more than a high school diploma. Twenty-two of the 30 fastest-growing career fields will require some postsecondary education.⁶

DEMOGRAPHIC TRENDS: The shortage of U.S. workers will only worsen as the baby boomers retire from the workplace with fewer skilled employees in the pipeline to replace them. For the first time since the government started keeping track, the average education level of U.S. workers is expected to decline.⁷

This phenomenon is due, in part, to the fact that all net growth in the labor force over the next 20 years will come from population groups that our education system has too often neglected. This presents both an urgent challenge and an opportunity. In the two decades from 1980 to 2000, the percentage of whites in the working-age population dropped from 82 percent to 72 percent and is expected to drop again to 62 percent by 2020.⁸ African-American and Hispanic students are among the fastest-growing populations. It is estimated that by 2050, more than 45 percent of the population will be African-American or Hispanic. Yet our education system has never served these populations well. Historically, the majority have attended schools with high concentrations of low-income students. These high-poverty schools often face shortages of appropriately trained teachers and instructional materials, leading to dismal high school and college completion rates. The United States now has a civic *and* economic imperative to live up to the promise of a good education for all.

INTERNATIONAL EDUCATION TRENDS: As college completion rates in the United States have stagnated over the past generation, other industrialized nations have increased the percentage of younger adults with a two- or four-year college degree. Twenty years ago, we were first in the world in the percentage of adults ages 25–34 with a postsecondary credential. Now we are tied for 10th in the world and heading in the wrong direction.⁹

THE BABY BOOM CHALLENGE

Based in Luxembourg, ArcelorMittal is the largest steel company in the world and the largest steel producer in the United States. It employs more than 320,000 people in more than 60 countries.

ArcelorMittal faces a huge baby boom challenge. Today, 50 percent of its workforce is eligible for retirement. At the same time, the jobs of the future will require a lot more than four years of high school. That's a big shift for an industry that for decades relied almost entirely on employees with high school diplomas.

The old factory floor jobs are much more sophisticated. Many more positions require skills in computer systems, electronics, mechanics, and robotics. According to Dennis Arouca, vice president of labor relations for ArcelorMittal, "It's the difference between flying a single-prop plane and a space shuttle."

The company is about to launch its Steelworker for the Future Initiative. Working with two local community colleges, the company will offer a combination employment/college training program. Students will start off with several months of classes in a specially designed two-year degree program, then alternate between paid on-the-job training at ArcelorMittal and their community college classes. After two and a half to three years, they will have earned an associate's degree with the possibility of an offer for a full-time steelworker's job.

OUR STRATEGY

It is no longer enough to say more young people are accessing college. For the sake of their future and our country's future, we have to double the number of young people who *complete* college.

The foundation has a significant program to improve the performance of the American high school. We know that many low-income young people don't complete college because they never graduate from high school or graduate with weak academic skills. At the same time, we've learned we can't stop there. Our work in postsecondary education, with its focus on completion, is a natural extension of our current education work.

IN THE FIRST FOUR YEARS OF OUR WORK, WE WILL FOCUS ON THE FOLLOWING:

IMPROVING THE PERFORMANCE OF THE POSTSECONDARY EDUCATION SYSTEM. From the moment students enroll in college, they should be guided along a clear pathway to graduation and a career. Despite an increasing number of public and private providers entering the postsecondary education system, there has been very little change in how these institutions design programs to meet the needs of their students, many of whom enter college without the necessary skills to perform college-level work. Our strategy focuses on addressing these needs by stimulating institutional designs focused on completion while decreasing the time and cost required to complete a credential. Our investments will include:

- Innovations in performance management and institutional practices that make it possible to get more students to and through credential-granting programs. A particular focus in our early investments will be supporting efforts to improve remedial, or developmental, education, dramatically accelerating the rate of academic catch-up for poorly prepared young students and improving the first-year experience
- New technology products and platforms that provide dramatic improvement in learning and completion rates and can be developed and adopted at scale
- Partnerships with business alliances and labor coalitions to develop practices and policies that make it easier for young adults to successfully combine school and work

SUPPORTING YOUNG ADULT SUCCESS. While most young adults understand the value of education in the abstract, too often real-life pressures get in the way and prevent them from completing a degree. This is especially true for low-income young people who have financial constraints, jobs, or family obligations that compete for their time and attention. By offering support, reducing the barriers that prevent them from learning, and reinforcing their motivation to learn and succeed, we expect more young people to be able to focus on completing a degree. Our investments will include:

- Tools and consumer information that will ensure young people have the guidance they need, including data that shows which credentials lead to the greatest opportunity, information about where and how they might complete these credentials, and guidance about which institutions have the best track record for getting their students through school and into careers
- Organizations and alliances that will provide new and more efficient on-ramps to postsecondary education that will bridge the preparation gap and keep the focus on completion, whether through large networks of employers, community-based and civic organizations, or new linkages between networks
- Incentives that can reinforce young people's motivation to succeed

ENCOURAGING U.S. LEADERS TO COMMIT TO HELPING STUDENTS COMPLETE THEIR DEGREES. Since 1965, much of our higher education policy, including funding and financial aid, has been focused on college access. We will use our voice and convening power to make the case about the importance of doubling the number of young people who earn a postsecondary credential—getting students to and through college. Our investments will be focused on mobilizing and inspiring leaders, employers, and communities across the country to embrace the goal and make the policy and financial commitments necessary to achieve it. To this end, we support research, communications, and policy analysis efforts that:

- Highlight the importance of doubling the number of young people who earn a postsecondary credential
- Shed light on promising policy approaches around funding, accountability, financial aid, and successful colleges that shift the system's focus to access and completion for all young Americans

UNDERLYING ALL THREE OF THESE PRIORITY AREAS ARE TWO RELATED AREAS OF FOCUS:

DATA AND INFORMATION. If we are going to help the nation reach this ambitious goal, we need better information and data to tell us if we're making progress. Best practice institutions have built data systems that track students from their entrance into school to their first job after graduation. But for most postsecondary institutions, it is a different story. Getting accurate completion rates, especially for part-time students, is challenging. Many colleges have little access to real-time knowledge if and when their students are beginning to drop out. Administrators have inconsistent access to data that ensure their programs are aligned with labor market demand. Students make critical choices about where to go to college and what to major in with little data about program quality or graduates' success. Without better data, educators, students, and policymakers lack the information they need to make good decisions that will support and reinforce a commitment to completion.

INNOVATION. Today's postsecondary system was not designed to deliver the outcomes to which America must now aspire. Innovation is critical to the transformation required to reach our double-the-numbers goal. Our approach will seek out and invest in new models aimed at creating more cost-effective ways to deliver learning and credentials that are tailored to low-income young adult needs and tied to labor market demand. We will stimulate the growth of the most promising and scalable alternative solutions and, where appropriate, manage the transfer of successful practices back into the traditional postsecondary system. This may include new program and institution designs to scale from within the traditional system, employer- and community-led alternative models, content and product development networks for student-centric learning technology, and new learning technology delivery platforms that aggregate content and tailor solutions to specific populations' needs.

WHY THIS FOCUS?

We believe that in order to dramatically increase completion rates, we need to bring innovation to bear to accelerate the pace and scale of improvements. To accomplish this, our approach centers around four key principles:

POSTSECONDARY EDUCATION IS THE CRITICAL PATHWAY TO LEADING INDIVIDUALS AND THEIR FAMILIES OUT OF POVERTY.

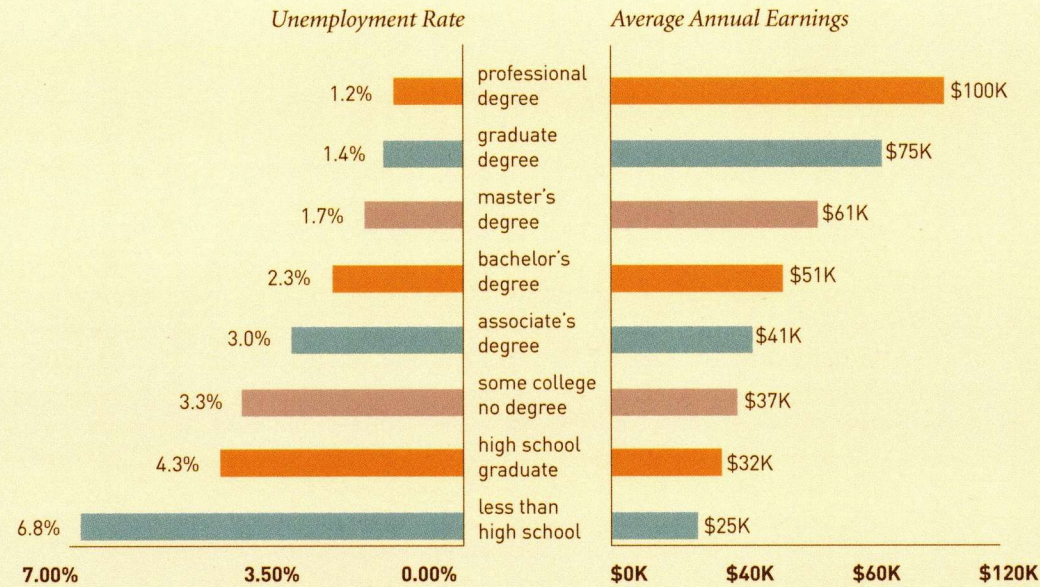
Of all the ways to increase opportunity, education is arguably the most important. Education improves an individual's life and the lives he or she will come into contact with. It plays a critical role in ensuring our democracy remains healthy and strong. According to a 2007 report from the College Board, the level of education a person acquires is likely to influence almost every facet of a person's life.¹⁰

- **Earnings:** Across all racial and ethnic groups and for both men and women, the more education you have, the higher your earnings. Those with some college but no degree earned 18 percent more than their peers with just a high school degree. Those with an associate's degree earned 29 percent more and those with a bachelor's degree earned 62 percent more.
- **Health:** Across all income and age groups, the percentage of adults perceiving themselves as very healthy increases with higher levels of education. In fact, the more educated you are, the less likely you are to smoke. By 2005, only about 20 percent of adults smoked. Among four-year college graduates, only nine percent smoked. At every age, individuals with higher levels of education are more likely to engage in exercise than those with lower levels of education.
- **Civic engagement:** From voting to volunteerism, the more you've gone to school, the more likely you are to be active in your community. In every age group, adults with higher levels of education are more likely to vote than those with less education. In the 2004 presidential election, 76 percent of U.S. citizens ages 25–44 who were college graduates voted, compared to 59 percent of high school graduates.

Perhaps most significantly, education is the critical tool in breaking the cycle of intergenerational poverty. Parental education has been estimated to be the most important driver of children's future income—more important than race, health, or family assets.

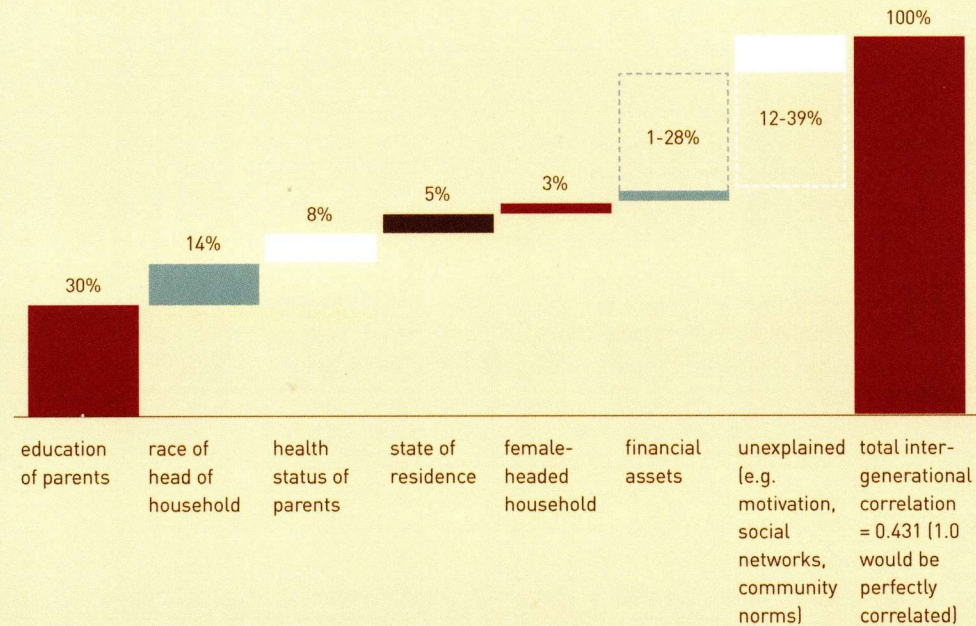
Children of parents with higher levels of educational attainment are more likely to be healthier, better prepared for school, and more involved in all types of extracurricular activities than other children.¹¹

EDUCATION IS A KEY DRIVER OF EMPLOYMENT AND INCOME



Source: Bureau of the Census, Bureau of Labor Statistics; published by Postsecondary Education OPPORTUNITY; 2006 unemployment rate, 2005 earnings

PARENTS' EDUCATION LEVEL IS THE SINGLE MOST IMPORTANT DRIVER OF CHILDREN'S FUTURE



Source: Hertz. 2006 Center for American Progress, "Understanding Mobility in America"

ACHIEVING THE DREAM

Achieving the Dream, funded by the Lumina Foundation for Education, is a national initiative to help more community college students succeed, especially students of color, working adults, and students from low-income families. Launched in 2004, the initiative involves a partnership of more than 20 organizations and includes 83 colleges in 15 states.

The initiative emphasizes the increased use of data to inform decision making and the commitment to making progress against a specific set of student success metrics. Progress at each of the network schools is assessed by noting the trends in the percentage of students who successfully complete the courses they take, advance from remedial to credit-bearing courses, enroll from one semester to the next, and earn a degree and/or certificate.

Achieving the Dream has laid an important foundation for change at participating institutions. We are eager to continue the work of the Lumina Foundation and the Achieving the Dream network.

We hope to leverage the “culture of evidence” that has become a distinguishing characteristic of the Achieving the Dream network to dive deep into the issue of academic acceleration to determine how far and how fast community colleges and statewide systems can improve student outcomes. The Achieving the Dream colleges have made significant progress in the past few years in developing and testing pilot programs in this area, some of which show real promise. We expect to build on this good work by driving the most promising programs to scale among the network of colleges.

DOUBLING THE NUMBERS WILL REQUIRE INNOVATION AND PERFORMANCE IMPROVEMENTS WITHIN THE CURRENT SYSTEM.

As we consider our mission, we know we need to support policies and practices that will help increase the number of low-income young adults who attend college. However, first, colleges must work better for those who are already there. This will require fundamental changes in the system and improvements at a pace and scale we as a nation have yet to achieve. Therefore, at the core of our work are investments in improving practices and performance of postsecondary institutions and encouraging new and innovative delivery mechanisms.

Within postsecondary education, the foundation’s work will begin with an emphasis on two-year colleges rather than four-year institutions. This is not a reflection of the value we place on a bachelor’s degree; we know that bachelor’s degrees typically have more market value than associate’s degrees and other credentials and often have better completion rates for low-income students. However, we believe that the foundation can best complement the work of others by supporting efforts aimed at public two-year colleges. These institutions play a particularly critical role in serving first-time postsecondary students. With open-access admissions, relatively low tuition, and nearly 1,200 schools across the country, two-year colleges are accessible to most young people in the United States.

We intend to build on and support the good work of our foundation colleagues in this arena, including the investments made by the Lumina Foundation for Education (see sidebar), the Ford Foundation, the Charles Stewart Mott Foundation, the W.K. Kellogg Foundation, and the James Irvine Foundation. We will also invest and learn from private schools and any other institutions or programs that show promise for helping young people earn meaningful and valuable postsecondary credentials. We will be driven by what works; we are agnostic about form.

A critical focus of our early investments to build out a more successful postsecondary system will be to address the lack of academic preparation of incoming students. Recent studies suggest that 43 percent of all community college students are placed in remedial education courses.¹² The quality of that experience determines the likelihood of completion. Today, only about one-third of poorly prepared students will enroll in a remedial course, complete it, and pass the exam required to go on to a college-level course. Despite the pressing need, few resources have been committed to generating innovation in remedial education. A particular focus of our early investments will be supporting efforts to improve developmental education through technology. Our goal is to dramatically accelerate the pace of academic catch-up for poorly prepared students.

EFFECTIVE INNOVATIONS AND IMPROVEMENTS WILL PUT YOUNG PEOPLE AT THE CENTER, DRIVING TOWARDS A SYSTEM DESIGNED TO ENSURE THAT STUDENTS SUCCEED.

If our country is to double the number of young adults who earn a postsecondary credential by 2025, we must make it easier for *all* young people to go further faster. But to have impact, we have to ensure education is designed with the student in mind.

The educational environment has not caught up to the technology-oriented students who are now entering college—from how we teach students to how we communicate with them. Underlying all of our investments is the principle that institutions, pedagogical approaches, and personal and professional networks must be designed in a way that helps these young people complete a degree. For example:

- Because the vast majority of students have to work, we will invest in strategies that recognize their financial realities and better integrate work and school.
- Because we know that this generation of young people has grown up in a world dominated by technology, where products are delivered on demand and customized to their needs and interests, we will invest in more effectively integrating these attributes into postsecondary education learning delivery systems.

There are approximately 16.3 million low-income young adults in the United States ages 16–26. The foundation’s immediate focus will be on the nearly 10 million young people currently enrolled in postsecondary education or working, often in dead-end jobs.

We also recognize the urgent needs of “disconnected young adults,” about 10 percent of those ages 16–26 who are neither in school nor participating in the workforce. In the early years of our work, we will fund research to build an evidence base on the most effective approaches to connect these young people to continued education and jobs.

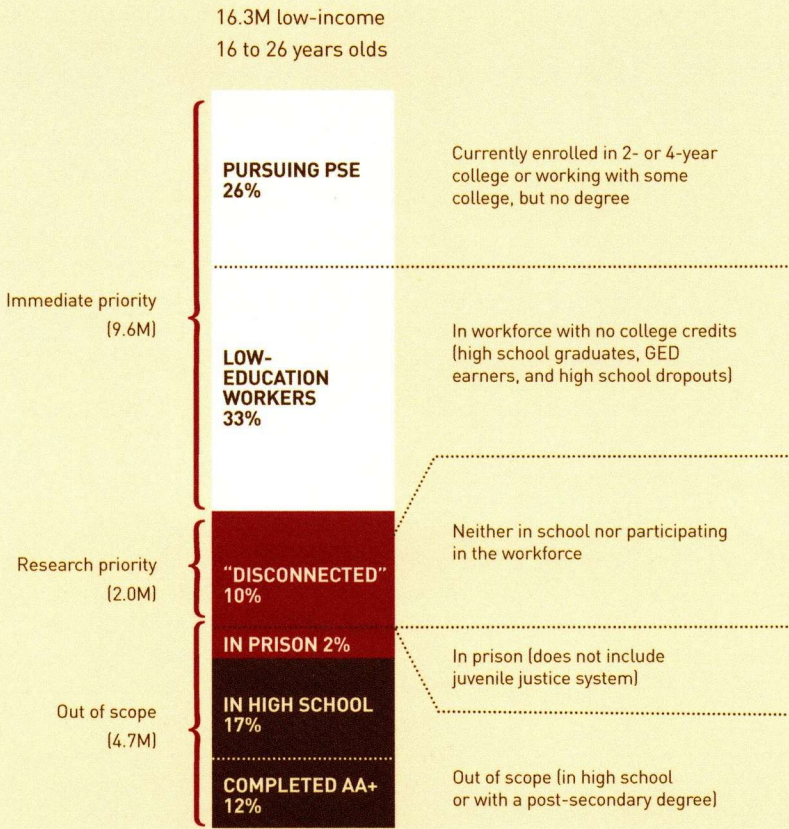
BUSINESS PARTNERSHIPS ARE CRITICAL TO OUR SUCCESS.

To double the number of young adults who earn a degree with value in the labor market, the relationship between educators and employers must be dynamic and interactive. With 68 percent of low-income young people in the workforce, business is a critical partner as an employer of young adults. It is also an effective advocacy voice and a partner in rethinking how best to prepare young people for meaningful careers.

Workforce development efforts that act in isolation from business leaders often produce an increased “supply” of workers who have inadequate or irrelevant preparation. Employers can provide both content and context for education. They can help educators understand that employment is now organized largely around work, not positions. The broader and deeper the skills and abilities an employee brings to the workplace, the greater his or her chances for advancement.

To close the distance between educators and employers, we will work with businesses to provide real-time understanding of labor market trends, as well as the credentials, skills, and abilities that are of value. Proven models for learning also need to be identified—both inside and outside the workplace.

THE POSTSECONDARY SUCCESS STRATEGY WILL FOCUS ON KEY SEGMENTS OF THE 16- TO 26-YEAR-OLD LOW-INCOME POPULATION.



A COMMITMENT TO LEARNING

We recognize that we are urging an ambitious goal for the nation, and setting a high bar for the contribution we can make as philanthropists. Yet as a foundation, we are uniquely positioned to take risks, make long-term investments that require steady work and a clear-eyed evaluation of the evidence, and make adjustments based on what we are learning. As a private foundation, we are well situated to launch and test new reform approaches that challenge conventional wisdom and the status quo.

We do not enter this work believing we have the answers. We take learning very seriously. Therefore, we are committed to track progress based on interim outcomes, share what we are learning with others, and adjust our tactics based on that knowledge. We are structuring the first four years to test several hypotheses about how best to have impact while asking several critical questions:

- What practices are most cost-effective at helping postsecondary educational institutions improve productivity and performance?

- What role can alternative delivery mechanisms play in doubling the numbers? What types of students are they best positioned to serve?

- What are the models that employers, credentialing agencies, and postsecondary educational institutions can use to work together in supporting student employees and increasing the labor market value of credentials?

- What are the most effective supports and incentives for different populations? What do they cost? Which organizations are best positioned to deliver them? Which are most transferable and scalable?

- What are the state and national policies that are most effective at incentivizing students and postsecondary educational institutions around student success and completion?

What we learn in answer to these questions will help us refine our strategies and ultimately shape how the foundation moves forward.

CONCLUSION

Frederick Douglass once said: "Some know the value of education by having it. I know its value by not having it." In the 21st century, the United States cannot afford to have any more of its young people come to learn the value of education by not having it.

Doubling the number of low-income young adults who earn a postsecondary degree will require us to take a leap that transforms not only students' perspectives but our postsecondary system so that all students can overcome the obstacles that might otherwise keep them from the education they deserve. We are committed to working with partners large and small, including governments, nonprofits, and other foundations.

Young people now making the transition to adulthood will be our country's leaders in one of the most challenging times in history. At other times in our country's history, we have achieved remarkable increases in access to education. We believe this moment is another of those times. Our history proves we can accomplish this goal if we apply commitment, ingenuity, and innovation.

¹ Hauptman, A. (2008). "Participation, Persistence, and Attainment Rates: The U.S. Standing." *International Higher Education*. No. 52. Summer 2008. | ² The community college rate is not a measure of those who enter intending to earn a two-year degree. Many students who enroll in community college courses do not plan to receive a degree. | ³ College Board (2007). *Trends in College Pricing*. NY: College Board. | ⁴ College Board (2007). *Trends in Student Aid*. NY: The College Board. Forty-eight percent of students from families with 2002 incomes below \$40,000 borrowed from federal and private sources, compared to 39 percent of similar students in 1992-1993. The average amount borrowed by these students increased by about \$1,500 per academic year. | ⁵ Eisen, P., Jasinoski, J. and Kleinert, R. (2005). *2005 Skills Gap Report – A Survey of the Manufacturing Workforce*. DC: National Association of Manufacturers, the Manufacturing Institute. | ⁶ Heckler, D. (2004). *Occupational Employment Projections to 2014*. Monthly Labor Review, November 2005. DC: U.S. Department of Labor. Bureau of Labor Statistics. Accessed at www.bls.gov/opub/mlr/2005/11/art5full.pdf. | ⁷ Kelly, P. (2005). *As America Becomes More Diverse: The Impact of State Higher Education Inequality*. Boulder, CO: National Center for Higher Education Management Systems, 2005. | ⁸ Kelly (2005). Citing U.S. Census Bureau, Public Use Microdata Samples and U.S. Population Projections Based on 2000 Census. | ⁹ OECD (2008). *Education at a Glance*. Paris: OECD. Table A1.2a. | ¹⁰ Unless otherwise noted, all statistics were drawn from Baum, S. and Ma, J. (2007). *Education Pays 2007: The Benefits of Higher Education for Individuals and Society*. NYC: College Board. | ¹¹ Baum and Ma (2007). | ¹² Strong American Schools, *Diploma to Nowhere* (2008).

BILL & MELINDA
GATES *foundation*