



HARLEM CHILDREN'S ZONE
**An Investment
in Success**

2008-2009
BIENNIAL REPORT



Letter from the Chairman



In 2004, The New York Times Magazine called the Harlem Children's Zone Project "one of the most-ambitious social-policy experiments in America." Today, five years later, the evidence has clearly shown that the experiment is a success.

The most exciting confirmation comes in an area where the organization was most challenged. As detailed in Paul Tough's critically acclaimed 2008 book on HCZ, *Whatever It Takes*, the middle school of the HCZ Promise Academy charter school struggled in its initial years. In the past two years, though, the schools have done extraordinarily well. The respected Harvard economist Dr. Roland Fryer studied the achievement of the Promise students, comparing their statewide test scores to those of students who did not win the school's admission lottery. He went further and compared the scores to students citywide. He declared that some grades had closed the black-white achievement gap and his findings had, in his words, "changed my life as a scientist."

Our success has increased interest in duplicating our work in other communities. In fact, President Barack Obama has called for creating 20 "Promise Neighborhoods" across the country that will be modeled on the HCZ Project.

Although the organization has achieved unprecedented success over the past two years, we are reminded daily that the need for this work is still keen. Many children still know more men who have gone to prison than to college. Too often children go to sleep in unnerving situations, lack adequate medical care or are exposed to violence — in the street or in their own home.

While we are seeing a rise in academic achievement, every milestone is a hard-won victory. But with the generous support of our donors and the hard work of our staff and participants, we have proven that these children can succeed.

STANLEY F. DRUCKENMILLER

Chairman
Harlem Children's Zone

Who We Are

At the heart of our work is the desire to prevent another generation of children from being lost to poverty

and all that comes with it: low academic achievement, violence, substance abuse, prison, illness.

To create an alternative path for these children, we do whatever it takes to help them fulfill their academic potential and be on track for a stable, fulfilling life.

Frustrated with a piecemeal approach to helping children facing a wide variety of problems, in 1997 we created the Harlem Children's Zone® Project — an interlocking network of services for children that begins at birth and stays with each child through college. In addition, the Children's Zone® strengthens the families and community that surround that child.

The Project has four guiding principles:

- 1 Community-building** — creating a tipping point in the neighborhood so the tidal pull for children is towards success, not anti-social behavior.
- 2 Best practices** — offering effective, innovative services at each stage of a child's development.
- 3 Scale** — creating a program that addresses the enormous number of at-risk children.
- 4 Evaluation** — creating a rigorous system that monitors and guides our work.

In FY 2009, HCZ, Inc., overall served 10,462 children and 7,434 adults; the Zone Project served 8,163 children and 6,067 adults.

Our successes so far — and we believe there are many more to come — have already drawn attention from similar communities around the world, many of which have taken workshops with our Practitioners Institute.

The economic downturn did lead us to cut 10 percent of staff in November 2008, but while we slowed our planned growth, we did not cut services to children and families. To help mitigate the effects of the recession, HCZ organized the "100 Days of Peace and Purpose" campaign, organizing dozens of community-service projects in the neighborhood.

Today, the agency is well on its way to creating a safe, enriching community within the devastation of the larger Harlem community. In Harlem, 73 percent of children are born in poverty, 36 percent of adults have not completed high school and 76 percent of children are born to single mothers.

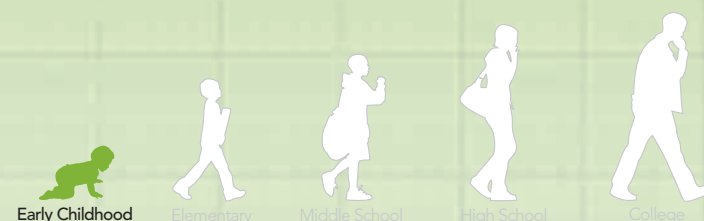
However, inside the Zone, our kids are on track to a brighter, better future. For the seventh consecutive year, our Harlem Gems pre-kindergarten programs had 100 percent of our kids ready for school, our charter schools are closing the black-white achievement gap, and our innovative after-school programs are getting young people into college in unprecedented numbers.

HCZ President and CEO Geoffrey Canada was chosen for the Independent Sector's 2009 John W. Gardner Leadership Award and the 2008 Austin College Leadership Award for his pioneering work in the nonprofit field.





Early Childhood



As researchers confirm that the early-childhood years are key to building a strong foundation

for future educational success, HCZ has been bolstering its work with children and families in these critically important first years.

The Baby College® offers a nine-week series of parenting workshops to parents and guardians of children ages 0-3 in the Zone. Over the past two years, more than 870 people graduated from The Baby College.

The earliest part of HCZ's Pipeline to Success has strengthened its link with the HCZ Promise Academy charter schools through our early enrollment lottery. Now the Promise Academy admission lottery is held

for three-year-olds and those selected are given free admission to one of our three Harlem Gems® pre-kindergarten programs, as well as to our Three Year Journey™ and Get Ready for Pre-K programs. We are now sending over 95% of our Gems to the Promise Academy.

With the opening of our Harlem Gems Uptown site on Lenox Avenue, the agency now works with approximately 200 pre-schoolers.

The extended-day, 11-month Gems program teaches children in English, Spanish and French, and has an adult-to-child ratio of 1:4. In addition, each child has an individualized learning plan developed by the teaching team and works daily on an individualized computer-based pre-literacy program. The intensive Gems program assures that our kids are on track for their long journey through school. The Gems are given a nationally recognized assessment tool and all have been found to be “school ready.”

After piloting the program, HCZ launched the Three Year Journey in the 2008-09 school year. The program ran two 18-week cycles on Saturdays, geared towards families that had won the Promise Academy admission lottery. The program gives the children an introduction to our Gems program while giving parents workshops on effective parenting.

Our Get Ready for Pre-K program brings in the new Gems students before the school year starts. The six-week summer session runs Monday through Friday for an extended day like the regular Gems program, helping children acclimate to the new schedule and readying them to start school in the fall.

The entire Early Education set of programs has intensified its parent engagement, having parent-child time in the Gems classroom regularly or sending home activities for parents to do with their children. We then carry this educational partnership with early childhood program parents into our elementary school settings.

“An all-encompassing, all-hands-on-deck, anti-poverty effort that is literally saving a generation of children.”

— President Barack Obama

1 At our Harlem Gems prekindergarten programs, 100 percent of the children were independently tested and found to be “school ready.”

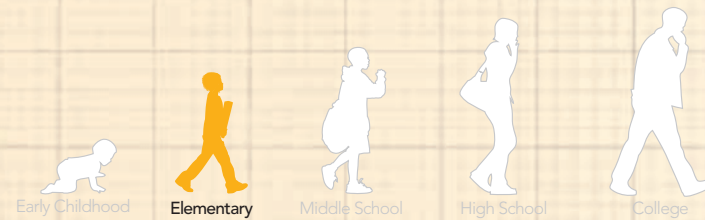
2 The Baby College parenting workshops work with parents as well as grandparents.

3 Renowned pediatricians and authors Dr. T. Berry Brazelton (right) and Dr. Joshua Sparrow (standing) talk with parents at The Baby College on one of their regular visits.

4 Our Harlem Gems at a “stepping up” ceremony.



Elementary



As children make their way through the critical first years of school,

HCZ is there to ensure that they stay on track in several ways. At our Promise Academy charter schools, students have a longer school day and year, which allows time for them to improve their basic skills and to receive a broader education. They have high-quality science and social-studies programs, as well as regular art, music and physical education classes. They get freshly made healthy meals each day, have access to free medical and dental health services, and have a range of after-school enrichment programs, including homework help and tutoring.

For the students in the Zone that are not able to get into our charter schools, our AmeriCorps-supported Peacemakers program supports students during the school day and after school.

At our two Promise Academy charter schools, the scores on the statewide math and English Language Arts (ELA) tests are stunning proof of what is possible in low-income, minority communities if children are given the right opportunities:

- In 2009, at both PA I and PA II third-graders were 100 percent at or above grade level in math.
- Fourth-graders at PA I were 93 percent on or above grade level in math. At PA II fourth-graders were 97 percent on or above grade level in math. The local district scores were 82 percent for third-graders and 69 percent for fourth-graders.
- On the ELA exams, PA I third-graders were 94 percent on or above grade level, while PA II's were at 86 percent. PA I's fourth-graders were at 77 percent and PA II's at 83 percent. The local district students were at 56 percent among third-graders and 53 percent among fourth-graders.

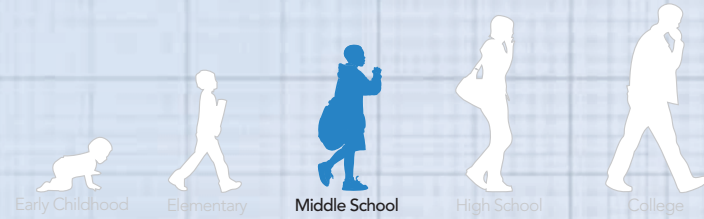
“The children whose lives [Geoffrey Canada’s] work touches will be the inventors, dreamers, doctors and leaders you’ll be reading about in years to come.” — **J.J. Abrams**
Director of ABC’s “Lost”

In FY 2009, the Peacemakers program had 86 young adults in 7 public schools in the Zone serving 2,500 students. Peacemakers work in public school classrooms during the day as teachers’ assistants and then run after-school programs in each of the schools. Part of the after-school work is a chess program whose results again show what is possible if children are given the opportunity to succeed. In April 2009, one team finished second in their division in the All Nationals for girls, while two other teams came in third in their divisions.

- 1 Students at Promise Academy I Elementary dancing together to Caribbean music.
- 2 Promise Academy II students learning about insects firsthand.
- 3 Collaborating on a problem in English class at Promise Academy I Upper Elementary.



Middle School



Teaching middle-schoolers is widely acknowledged as one of the most difficult challenges in public education.

To help these students, HCZ has a dual-track pipeline: working with children in our Promise Academy charter schools, as well as working with students in public schools within the Zone.

As chronicled in the book *Whatever It Takes*, the HCZ Promise Academy middle school was a venture that struggled initially. But over the past two years the school coalesced and now the students are thriving. In 2009, the school's eighth-graders were 87.3 percent on or above grade level on the statewide exam in math, while the local school district was at 60.9 percent. On the English statewide exam, the eighth-graders were 57.5 percent at or above grade level, while the local district students were at 45.7 percent.

To strengthen the HCZ Project Pipeline for middle-schoolers that are not in our charter school, the organization has expanded its Academic Case Management model to work with every child from fifth grade through twelfth grade. In 2009, our Academic Case Management staff worked with about 700 middle-school students at five sites. Each student is assigned a staff person, who works with public school staff to track each child's academic progress, as well as how they are doing emotionally and socially. A plan is created for each student and the case manager helps find support when students need it. As the students step up to ninth grade, the stakes for college admission rise exponentially, so we work to

transition them seamlessly into our high-school support programs.

At the TRUCE™ Fitness and Nutrition afterschool program, middle-schoolers exercise regularly, learn how to eat healthfully and also get academic assistance. The program's karate program competes in tournaments across the country and in the 2008-2009 school year captured 86 trophies, including 36 first-place honors. Both the student and staff teams from TRUCE Fitness won our agency-wide Wellness Challenge by losing the most weight over the 2008-09 school year.

A Cut Above is an afterschool program serving over 560 middle-school students who live in the Zone, but do not attend the Promise Academy. It helps students with their academic work and social development, as well as guiding them toward making the best choices among the city's high schools.



1



2



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3

1 Author Walter Dean Myers gives writing tips to Promise Academy I Middle School students.

2 The karate students at TRUCE Fitness and Nutrition won 86 trophies in the 2008-09 year.

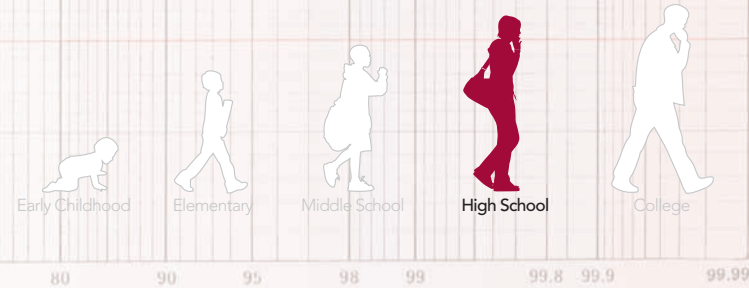
3 Chess grandmaster Garry Kasparov took on 20 of our top students simultaneously at an HCZ Chess Festival co-sponsored by his foundation.

4 Promise Academy Science teacher Shakira Petit was selected to participate in a research mission in Antarctica, where she taught students each week live via a webcast teleconference.

“ Only 1% of the charities we rate have received at least 7 consecutive 4-star evaluations, indicating that Harlem Children's Zone consistently executes its mission in a fiscally responsible way, and outperforms most charities in America. ”

— Charity Navigator

High School



Too often, high school is the last stand for low-income students



who have fallen behind. Many drop out — only to find that they are unable to find a job or make a comfortable life for themselves. Some, particularly boys, drift into drugs, gangs and crime. Nationally 60 percent of black males who drop out are incarcerated by their mid-30s.

In the past two years, we have increased the number of high school students we support, doing whatever it takes to get them into college and, ultimately, the workplace. Our Academic Case Management work continues with our high-school students and we have created several cross-site initiatives to help students navigate the process of getting into college.

In September 2008, HCZ Promise Academy I opened its high school with its first class of ninth-graders. Taking statewide exams in June, 93 percent passed the Algebra Regents and 76 percent passed the Biology Regents.

In addition to the Promise Academy, HCZ operated three after-school programs in the Children's Zone,[®] serving 878 high school students in FY 2009. HCZ's Beacon centers served 440 high-school students.

HCZ's Employment and Technology Center (ETC) moved into expanded space in 2007 and now serves 280 high-school students, an expansion of 67 percent. ETC offers them a wide range of technology skills as well as academic support. Ninety percent of ETC seniors went on to college following their 2008-2009 senior year.

At the TRUCE™ Arts and Media program, students have continued to pursue their passion in the arts and activism, garnering awards for art projects as they excel academically. In the 2008-09 school year, videos made by TRUCE students were accepted into more than a dozen film festivals across America and won two Gold Keys at the N.Y. State Scholastic Art and Writing Awards.



The Harlem Miracle.
—The New York Times

In 2008, a group of TRUCE students traveled to Senegal. The trip became a leadership opportunity, with TRUCE students creating a documentary and a showcase at a local art gallery. TRUCE began its Artodemics program, using arts projects to help the students build their life skills as well as their academic studies. 100 percent of TRUCE seniors were accepted into college for the fall 2009 semester.

The Learn to Earn program helps high-school juniors and seniors improve their academic skills, as well as prepare for college and the job market. Several of its students received full scholarships to college in 2009.

At the end of the 2008-2009 school year, with the help of our new College Prep Team, HCZ had over 180 high-school seniors accepted by at least one college — the most we have ever had. Collectively, the students were offered over \$6.3 million in scholarships.

With the success of Project EOS, an intensive one-week college-readiness summer program for high-school students entering their senior year, we have created Project EOS II, which is aimed at readying graduating seniors for college.

1 Promise Academy High School's first class had 93 percent of its students pass the algebra Regents exam.

2 Tutoring at the Employment and Technology Center, where 90 percent of the seniors were accepted into college.

3 Several students from TRUCE Arts and Media went to Senegal, and returned to teach their peers about their experience there.

4 Students and staff of TRUCE Arts and Media in front of a mural they created.

5 ETC students learning computer skills at the program's new, expanded site.



College

While the original goal of the HCZ Project was to get students into college,

we found that some students — many the first in their families to go to college — were struggling with the new challenges of the college environment.

HCZ responded by creating the College Success Office, which helps students with the entire range of problems they might face — everything from navigating the financial aid process to academics from time management to obtaining internships.

As a result of our efforts, we will have nearly 600 students in college in the fall of 2009. The freshman class was offered over \$6 million in scholarship funds.

In the past two years, CSO has strengthened its ability to support out-of-town students with the creation of “campus connectors,” upperclassmen who act as mentors and advisors to incoming students. CSO has also piloted the creation of “campus advisors” — college staff who assist HCZ students attending their schools.

In line with the HCZ Project vision, many of these college students return to the community on their school breaks and work as interns helping HCZ staff with younger students. In the summer of 2009, HCZ placed over 190 interns in more than 50 organizations.



1 Tutoring at the College Success Office

2 During HCZ's “100 Days of Peace and Purpose,” CSO students went to Washington, D.C., where they participated in several community-service projects: preparing food for terminally ill people, clearing trash along the Anacostia River and helping schoolchildren make baked goods to raise money for a nursing home.

Instead of tackling problems here and there, the program envelops an entire neighborhood. — *The Wall Street Journal*



Family, Community and Health

A growing child's mind is like a thirsty sponge,

so HCZ works hard to make sure the environment feeding that mind is safe, positive and enriching. To that end we have created programs to strengthen the family and community around each of our children. In addition, we address health problems that can hobble a child's ability to succeed in school.

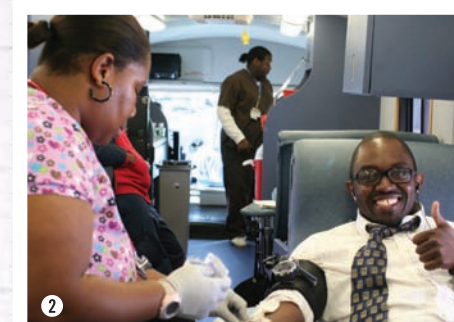
In the past two years, we have launched parent-engagement strategies to ensure that families are reinforcing the youth development work we do. Our Harlem Gems pre-kindergarteners take fun assignments home to do together with their parents. Our middle school initiative organized a reading group where parents and children met to discuss a book they all read. Our Promise Academy kitchen staff not only cooks 2,500 healthy meals daily for our students, but teaches cooking classes so parents can prepare healthier meals at home.

Our unique HCZ Asthma Initiative, a partnership with Harlem Hospital and The Mailman School of Public Health, works closely with families so they learn to manage the disease for their children, significantly reducing school absenteeism and emergency-room visits due to asthma.

The Harlem Children's Health Project (HCHP), a partnership with the Children's Health Fund and Columbia Presbyterian Hospital, is a school-based health center, which expanded in 2008 to offer free medical, dental and mental health care to all of our Promise Academy students. The center also now offers “Healthy Connections” to several HCZ sites, making sure that children have their health-care needs met on-site or from local providers. In all, HCHP served over 1,500 of our children in FY 2009.

During the 2008-09 school year, HCZ created an agency-wide Wellness Challenge to fight against the neighborhood's alarmingly high rate of obesity. In a friendly competition, our staff and students formed teams to see who could lose the most weight. The program resulted in many students losing or maintaining their weight as they grew, but also helped our staff to learn what works and what did not work for our continuing efforts to change the behaviors that lead to childhood obesity and develop best practices.

To improve the overall neighborhood, HCZ's Community Pride program works to energize tenant and block associations so residents can pull together and reweave the social fabric of a neighborhood torn apart by drug traffic, crime and few resources.



1 Part of a mural at P.S. 149 painted by HCZ Peacemakers and volunteers from Morgan Stanley.

2 As part of HCZ's 100 Days community-service campaign, staff participated in a blood drive.



Beacons

HCZ's Beacon program turns public school buildings into community centers

that provide safe, enriching programs for children and adults. The Beacons have a similar holistic approach to the Harlem Children's Zone Project in their "whatever it takes" approach to meeting the needs of the surrounding community.

HCZ's Countee Cullen Beacon on 144th Street is one of the city's first and has been a national model since its creation in 1991. It now serves 850 children and 519 adults a year. The Booker T. Washington Beacon on 108th Street was created in 1998, and serves 748 children and 460 adults. When HCZ opened its headquarters building in 2004, the agency created the HCZ Community Center, which takes a Beacon-like approach to its varied programming.

To deepen our relationship with our children and families, the Beacons have launched two major initiatives. The first deepens our relationship with our middle-school parents, engaging them in their children's academic lives and partnering with them as their children approach college age. As part of our parent engagement initiative, parents and students read the novel *Monster* by Walter Dean Myers and met regularly to discuss the book.

The second innovative initiative is part of an agency-wide effort, the Academic Case Management approach, working with children from fifth grade and up. In Academic Case Management, each child is assigned a staff person who monitors their school progress, as well as their development, providing assistance where needed. The case manager works with a student's public-school teacher and ensures that they get appropriate after-school tutoring.

The Harlem Children's Zone Community Center, based in our 125th Street building, offers a wide variety of after-school programs and special events for children and adults. It also added two satellite programs at public housing projects in the Zone. In 2009, the Community Center served 683 adults and 1,321 children.

The Beacons also led several cross-site programs, including a HCZ track team, a HCZ dance troupe, and a robotics program.

1 The Booker T. Washington Dance Troupe at the kick-off for HCZ's 100 Days community-service campaign.



Foster Care Prevention

Taking a boy or girl from their family can be catastrophic to that child,

an imperfect "solution" that can cause its own lifelong problems. For that reason, HCZ has five foster-care preventive programs that intervene with families in crisis to help them stay whole.

The programs work with families that have been referred to us from the city, as well as helping people who walk in our storefront offices needing immediate assistance.

The Preventive programs have begun to take on new responsibilities and change the way we work as a result of the new Improved Outcomes for Children initiative from the city's Administration for Children's Services. For example, we now hold family conferences every six months, which empowers families and gives them more of a voice in the process and allows staff to determine the direction of our casework.

In addition to training staff to make best use of this new approach, HCZ created a cross-site Quality Assurance Team, or QAT, for the Preventive programs. Continuing



Preventive's ongoing commitment to improve its services, QAT helps to improve case practice through rigorous review of cases.

The Preventive programs have also been working to strengthen their relationships with the various HCZ sites. At the Promise Academy charter schools, the on-site social workers, who are an integral part of the school's "wrap-around services," are now supervised by the Preventive program's senior manager.

Two Preventive sites, Project CLASS and Truancy Prevention, moved to larger space, which enabled them to serve an additional 20 families as well as expand programming and services.



Participants in the 2008 Children's March for Peace wore T-shirts designed by TRUCE Arts and Media program students.

Financials

Condensed Summary of Financial Activities

	July 1, 2007– June 30, 2008		July 1, 2008 – June 30, 2009	
			Unaudited	
Support & Revenue				
Public	\$ 8,706,689	12%	\$ 9,339,959	15%
Corporations/Foundations/Individuals ¹	\$ 44,076,857	59%	\$ 39,221,819	64%
Special Events	\$ 8,925,889	12%	\$ 5,154,073	8%
Other Income/Interest	\$ 618,189	1%	\$ 235,509	1%
Gain on Investments	\$ 11,971,847	16%	\$ 7,380,795	12%
HCZ, Inc. Total Support & Revenue	\$ 74,299,471		\$ 61,332,155	100%
HCZ Promise Academy I Revenue	\$ 6,621,495		\$ 9,105,733	
HCZ Promise Academy II Revenue	\$ 2,324,259		\$ 4,020,023	
Operating Expenditures				
Program Services	\$ 41,063,619	80%	\$ 44,784,059	80%
Management & General	\$ 8,492,826	17%	\$ 9,605,360	17%
Fundraising	\$ 1,855,117	3%	\$ 1,590,655	3%
Total Operating Expenditures	\$ 51,411,562		\$ 55,980,074	100%
Capital Expenditures	\$ 1,943,303		\$ 542,158	
HCZ, Inc. Total Expenditures	\$ 53,354,865		\$ 56,522,232	
HCZ Promise Academy I Expenditures	\$ 6,466,563		\$ 8,815,871	
HCZ Promise Academy II Expenditures	\$ 2,183,568		\$ 3,479,699	

¹ Includes funds received for Capital Campaign: \$1,713,320 in 2008, and \$213,000 in 2009. Also includes multiple-year grants recorded as operating income because of FASB 113 and 114.

Investing in the Future

\$5,000 vs. \$50,000

HCZ spends an average of \$5,000 per child each year for the more than 8,000 children with whom we work in the Children's Zone. Compare that to New York spending \$50,000 each year for a young person who has ended up in prison.

HCZ is an economic engine for Harlem: we provide good jobs, pay rent and use neighborhood businesses. HCZ's free tax-assistance program helped the community get over \$7 million in tax refunds in 2009.

One national study found that nearly 1 in 5 African-Americans ages 16 to 24 were dropouts in 2007. In contrast, HCZ sent 90 percent of its high-school seniors to college and they were offered over \$6.3 million in scholarships.

A Pew Charitable Trust study found that living in a high-poverty neighborhood has a powerful negative impact on a child's chances for moving up the income ladder. That is why our community-building work is essential: so children can break the cycle of generational poverty.



1 Each dollar invested in HCZ has a multiplier effect. Columbia University professor Peter Muennig and HCZ conducted a cost-benefit analysis and estimated that one cohort of 192 Harlem Gems pre-k students will accrue \$91 million in benefits through increased income, improved health, as well as reductions in costs due to poor health, crime and social services.

2 Over the long term, our pipeline of support keeps children on track to get the education they need to get a rewarding job. In 2009, 87 percent of the HCZ Promise Academy 8th graders were at or above grade level in math — a stark contrast to the 7 percent of black 8th graders nationally that are at grade level in math. Here Promise Academy students talk with two royal visitors: the UK's Prince Harry and Lesotho's Prince Seeiso.



H C Z H I G H L I G H T S

Early Education

For the seventh consecutive year, 100 percent of our Harlem Gems pre-kindergarten children were assessed to be "school ready." *See page 4.*

Elementary Schools

100 percent of the third-graders at both Promise Academy I and II were on or above grade level on the 2009 state-wide math exam. *See page 6.*

Middle Schools

The children and staff of TRUCE Fitness and Nutrition program lost the most weight to win our agency-wide Wellness Challenge. *See page 8.*

High Schools

90% of our high-school seniors were accepted into at least one college for the fall 2009 semester. *See page 10.*

College

Our incoming freshman class for the fall 2009 was offered over \$6.3 million in scholarships. *See page 12.*

Family & Community

HCZ's free tax-assistance program helped 4,690 residents receive over \$7 million in tax refunds. *See page 13.*

Harlem Children's Zone

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