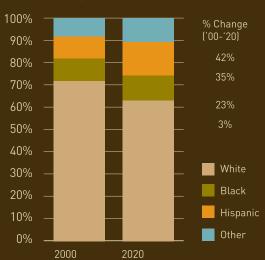


OUR GOAL IS TO ENSURE THAT 80 PERCENT OF STUDENTS GRADUATE FROM HIGH SCHOOL PREPARED FOR COLLEGE, WITH A FOCUS ON LOW-INCOME AND MINORITY STUDENTS REACHING THIS TARGET

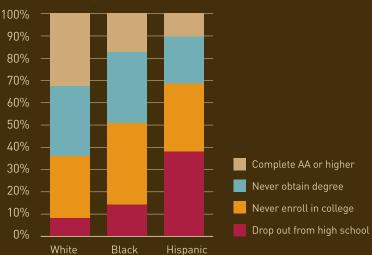
LABOR FORCE AGE 25+ (MILLIONS)

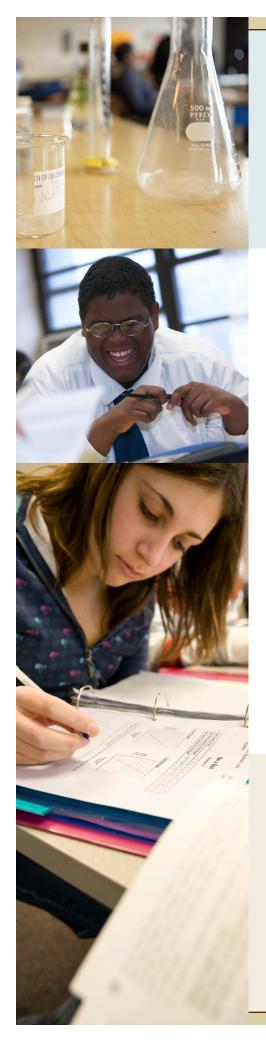
All future growth in the workforce will come from non-white segments of the population.



HIGHEST EDUCATION ATTAINED

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





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. We are privileged to work with people around the world to reduce inequity and increase access to opportunity. 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. 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

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

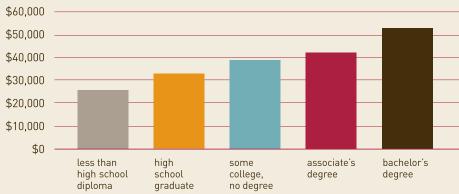
Today, only 71 percent of American students earn a high school diploma, a figure that drops to 58 percent for Hispanic students and 55 percent for African Americans.³ And far too many of those who do graduate from high school are unprepared for the rigors of college. A study of the class of 2002 found 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 twoor 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

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

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. 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.

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 average⁶
- The entire 2008 graduating classes at IDEA College Preparatory and YES Prep in Texas were accepted to four-year colleges⁷
- 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 years⁸

We have learned that structure alone will not guarantee students have the knowledge and skills to succeed in higher education and beyond. Small schools, for example, can provide students with the rigor, relevance, and relationships that can boost graduation rates and improve college-going rates. 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.

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.12 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.13 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.14 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. 15 Teachers and students alike are overwhelmed by standards that are sometimes reasonable but oftentimes excessive.16

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.¹⁷ A majority said they would have worked harder to graduate if their schools had demanded more of them and helped them succeed.¹⁸

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. ¹⁹ 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. ²⁰ 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 ability to study independently, sustain concentration on a task, use evidence to defend a point of view, and self-correct in response to feedback.²¹

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.²² Of all the educational interventions to serve poor and minority children, the one with the strongest evidence behind it is effective teaching.²³

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.²⁴ 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.²⁵

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.26 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 priority areas 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 collegeready, 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. 27 We need evidence, and we need to go where it

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.²⁸ 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. ²⁹

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 collegeready 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 tracking 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.



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