

LIVE NOT IN DREAMS BUT IN CONTEMPLATION OF A REALITY THAT IS PERHAPS THE FUTURE – Rainer Maria Rilke

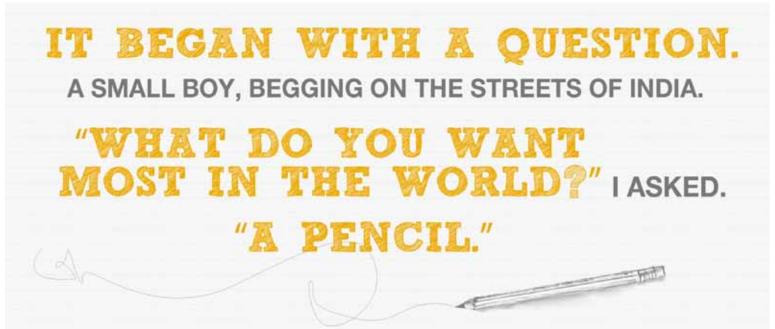
WE BELIEVE THAT EDUCATION IS A BASIC HUMAN RIGHT.

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I reached into my backpack, handed him my pencil, and watched as a wave of possibility washed over him...

A smile erupted and his eyes brightened. And I saw then the profound power and promise brought through something as small as giving a pencil to just one child.





Over the next five years, I backpacked through more than 50 countries, handing out thousands of pens and pencils across six continents.

These pencils, these small pieces of potential, led to

Since starting with

just a \$25 deposit,

we have built more

than 25 schools.

powerful conversations with local parents and children across countless cultures and languages. From years of listening to their

words, it became clear that there was a need for an international nonprofit that was led on-the-ground by a staff of locals from within each country, required village participation in each school, and deeply supported, trained and tracked each student to ensure her success.

These are the guidelines on which PoP was founded in October 2008 in hopes of building just one school by creating a movement of people who

saw themselves as global citizens, regardless of age or status.

Since starting with just a \$25 deposit, we have built more than 25 schools. In the process, we have learned a lot. We've learned that

> education is a living, breathing entity that, with the right nurturing, evolves into something spectacular. We've learned that every piece of its growth is a

challenge and that each pencil, each dollar, each volunteer is essential.

There are more than 75 million children without access to education, and we aim to change this. We are proof that a generation empowered will empower the world.

One child, one pencil at a time.

Adam Braun



PENCILS OF PROMISE BUILDS SCHOOLS IN THE DEVELOPING WORLD AND TRAINS YOUNG LEADERS TO TAKE ACTION AT HOME AND ABROAD.



Our Philosophy: A GENERATION EMPOWERED WILL EMPOWER THE WORLD.

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FOUNDING PRINCIPLES

If we don't love what we do, then we are doing something wrong.

We must profoundly understand local cultures before we can hope to improve their educational opportunities.

Our most important partners are the communities themselves.

We build more than just four walls; we foster lasting and sustainable education.

We are dedicated to the long-term sustainability of each project we support.

Innovation, collaboration, and creativity are at our core.

A nonprofit should operate with complete transparency and efficiency.

All donors should have the opportunity to choose where their money goes.

Every single contribution and contributor is a valuable part of this movement.

75 MILLION CHILDREN LACK ACCESS TO EDUCATION

WE INTEND TO CHANGE THAT

Pencils of Promise, heartiest congratulations on your work. Keep working, keep learning, don't lose heart. The world needs you.

- Archbishop Desmond Tutu



Recognized for industry leadership in sustainability and impact by:



GUATEMALA

Broke ground on first project in March 2011. Currently establishing in-country operations with 3 schools planned by July 2011

A single year of primary school increases the wages a child will earn, as an adult by 5-15%

45% of children ages 6-11 in the least developed countries do not attend school

For each additional year of secondary school attended, an individual's wages increase by 15-25%

98% of all illiterate individuals live in the developing world

A child is 40% more likely to live past the age of 5 if her mother has had a basic education.

NICARAGUA

Completed five projects in partnership with Seeds of Learning, with six additional projects planned in 2011

LAOS

Established independent operations and staff, completing 15 projects and developing "SHINE" supplemental programming.

"A success story that seems to be growing at the speed of light."

-The Huffington Post (December 2010)

HISTORY



Pencils of Promise began with a simple act of giving. In October 2008, just before his 25th birthday, founder Adam Braun placed \$25 into a bank account: this was PoP's first donation. From there, we began our development into a new kind of nonprofit.

In our first year of operation, we built three schools, established a presence in 20+ cities and college campuses, and brought on more than 100 individuals as core members. All of this happened through the power of volunteerism.

HOW THE MOVEMENT BEGAN

This organization was founded for you. For us. For everyone.

It began for every citizen of this global community with the knowledge that, together, we can empower the world. We grew from the desire to bring meaning to our lives though the creation of tangible good across the globe. This mission, this understanding that we are the global generation, deeply resonated with many other young people. It wasn't about money. People found ways to dedicate their skills, abilities, contacts and resources toward the mission of building education abroad. They found the time in their personal lives, after full days of work, to come together. Soon we had some of the top young professionals from many major industries. Using their expertise to join forces, we created a new type of nonprofit: one that utilizes, depends on, and values every form of involvement and support.

We compiled our skills, built partnerships with nonprofits, and hit the dirt road to find the right village for our first school.

Within 6 months, we had more than 75 volunteers and over \$50,000 rased by a dedicated community of young professionals. Throughout our first two years of existence, 98% of our donations have been in amounts of \$100 or fewer. As we expand into an organization with global reach, we will always stay true to our humble roots and the belief that donations of all forms can help change the world.

ACCOMPLISHMENTS

- < 25+ schools across Laos, Guatemala, and Nicaragua
- < 200+ domestic youth leadership initiatives
- < 1,000+ students in PoP schools
- < 150,000+ PoP movement members
- < 800,000+ student hours of education delivered



HOW WE BUILD SCHOOLS



IDENTIFY

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We work with the Education Ministry to identify villages for potential school builds

BUILD

4

We collaborate with village volunteers, local laborers, and PoP contractors in the construction process

VISIT

2

We visit the villages and create community profiles based on a thoroughly researched set of metrics

PROVIDE

We provide school supplies and materials to students and Education Ministry teachers

BUDGET

We create a budget and plan for school costs. Each community provides at least 10-20% of costs

SHINE

6

We provide supplemental programming for villagers and teachers









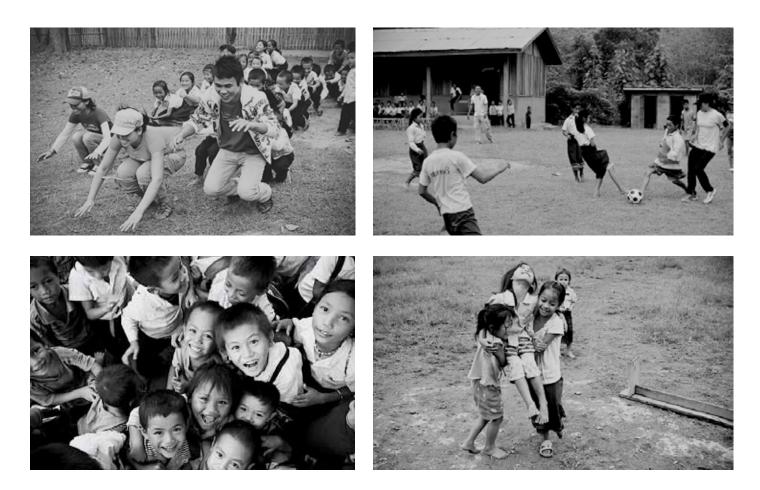
ENVIRONMENT

Female empowerment through local women serving as SHINE Coordinators, breaking down gender barriers by routinely visiting our schools to troubleshoot issues, working alongside teachers, community leaders and the Education Ministry

Monitoring and evaluation activities to track and measure the progression of students in our schools and quantify our impact in communities

Supplemental instruction delivered by in-country staff that augments the standard Education Ministry curriculum with key community development concepts relevant to the developing world

The SHINE Program represents our in-country programming activities to ensure long-term student and school success. The lessons that the communities learn will ultimately result in healthier, more sustainable lifestyles. Our SHINE staff learn to lead others and become role models who empower future young leaders in the villages where PoP builds schools.



VILLAGE PROFILES AND ASSESSMENT

HOW WE DECIDE WHERE TO BUILD

PoP and local partner staff visit potential project sites first-hand. We engage with local community leaders and complete comprehensive village profiles. Projects are then prioritized based on criteria including need, sustainability, cost efficiency, impact, and local commitment.

Sample Village Profile: Ban Xongja



General Information

VILLAGE:	Xongja
DISTRICT:	Nam Bak
LOCATION:	Phayong / NK area
KM:	150
ETHNICITY:	Hmong, Khmu
FAMILIES:	232
POPULATION:	1,605
OCCUPATION:	Farmer
	District Gov't
CROPS:	Rice
WATER:	No
ELECTRICITY:	Yes
AVG \$\$\$:	\$300







Overview

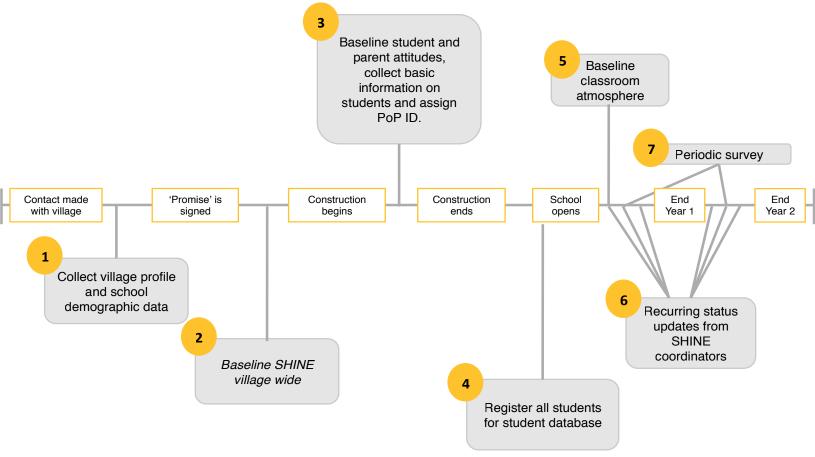
When we met with the elders and educators in Xongja, the first thing they said was that they need a preschool. Their attendance rates are low and their dropout rates post 3rd grade are incredibly high.

From talking to the students and villagers, and learning from neighboring villagers, they have attributed this to the fact that their children start school too late. By the time they start school at approximately the age of 7 or 8, the children are already far behind in basic skills and have trouble integrating into a Lao language classroom.



MONITORING & EVALUATION TIMELINE

We believe in constantly measuring our performance in order to maximize our impact. We gather baseline data before we build, and track student progress, behaviors and attitudes throughout our long-term support. This process helps us ensure that we are not just putting up four walls but creating sustainable access to education.



Steps 1 through 4: BUILD

Steps 4 through 6: SUPPORT





THE GLOBAL GENERATION:

A collective of young people bound by a shared passion to promote social good. Not defined by age, borders, cultures, or socioeconomic backgrounds, they believe that the ripple effect of individual efforts can start a movement that will lead to lasting impact and sustainable global change.



There is a need for an organization that can inspire young people and ignite in them their full potential to create change. We believe that Pencils of Promise is that organization.

51% of our mission focuses on bringing basic education to children who need it the most. That is, and will always be, our primary objective.

But not to be ignored is what we call the "49%." This represents our mission to empower domestic youth to become leaders in creating social good at home and abroad.

Too often, people have a desire to help others or to contribute to a cause but feel as though they don't have the time or the money to do so. In other cases, people are concerned that their contributions are a drop in the bucket and won't have a real impact. As a result, their intent to do good lies dormant and, more often than not, is extinguished before it is ever fully ignited.

Pencils of Promise is built to ignite and amplify people's intent to make a positive impact on this world. We believe that the greatest contribution a person can make isn't money — it's their unique perspective and skills. As an organization, we seek to empower people to contribute what they're truly passionate about.

By channeling that perspective, skill, and passion, and enabling young people to spread social good, we will be able to collectively impact the people around the world that need our help the most. By bringing education to those high-need areas we are strengthening the bond between our 51 and 49 percent and laying a strong foundation for *The Global Generation*.





51% CASE STUDY: PHA THEUNG

About Pha Theung:

LOCATED: PAK OU DISTRICT, 33KM FROM LUANG PRABANG TOWN

POPULATION: 654 THREE ETHNIC GROUPS: LAO LOUM, HMONG AND KHMU PRINCIPLE OCCUPATION: SUBSISTENCE FARMING AVERAGE ANNUAL INCOME: \$400 PRIMARY SCHOOL STATUS: 1 SCHOOL WITH 102 STUDENTS

THE CHILDREN

Pha Theung had 61 preschool-aged children who had no access to a basic education. By the time they are able to attend school, they will already be at a significant disadvantage. With preschool education available to them, they are now able get a jump-start on their cognitive development, motor skills, and language skills, which will ultimately empower them toward a higher quality of life.



OUR SCHOOL

We broke ground on the Pha Theung Preschool in late March 2009. 100% of the materials and labor came from the village itself. After three months of hard work, in early July 2009, the first Pencils of Promise School was completed. For just over \$18,000 (which includes three years maintenance, materials, and SHINE support), the village erected its first building with running water and electricity. 35 children attended this school in its inaugural year.

<PõP

THE FUTURE

With ongoing SHINE support and a comprehensive monitoring and evaluation (M&E) framework, we will be able to track the progress and growth of all Pencils of Promise students as they move forward with their education.

Pha Theung's school was our first step towards placing a pencil in the hand of every child so that they can make a positive mark on this world.

49% CASE STUDY: MULTI CITY EVENT

About the Multi City Event: NUMBER OF CITIES: 55 NUMBER OF ATTENDEES: 10,000+ POP "INDIE" AWARENESS EVENTS: 49



YOUNG SOCIAL LEADERS COME TOGETHER

On November 13, 2010, the Pencils of Promise 49% Movement manifested itself physically across the world in our first ever Multi-City event. In partnership with Philanthro Productions, Pencils of Promise hosted events in 55 cities across 12 countries.

With more than 10,000 global participants,



this event successfully raised funds and awareness, while demonstrating to the world just how strong and wide the PoP movement has become in a short amount of time.

A GROWING MOVEMENT

This event was an important milestone in PoP's journey. The first Pencils of Promise school was predominantly funded by a birthday party in New York City. Less than two years later, this global event was planned and executed by independent leadership volunteer teams across the world. These same leaders are now transitioning into PoP Junior Boards that will facilitate awareness, fundraising, and thought leadership activities on an ongoing basis.

With over 150,000 online followers, the PoP movement continues to grow rapidly through media exposure, digital media, and word of mouth.

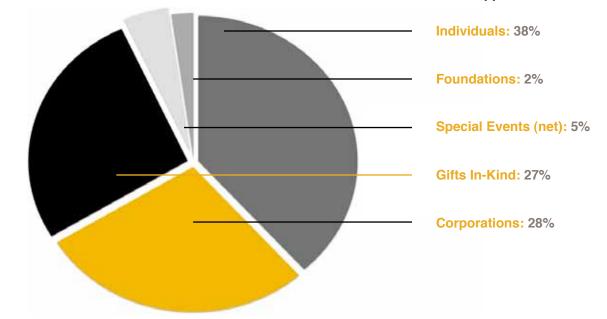


SUPPORTING OUR MISSION We are committed to organizational efficiency, transparency, and accountability. Below is an allocation of our

2010 expenses. Management & General: 7% Fundraising: 7% Program Services: 86%

YOUR SUPPORT

Support income increased 24x from 2009 to 2010. Below is a breakdown of our sources of support in 2010.



Highlighted Financial Achievements:

- In 2010, PoP received:
 - < financial support from over **1500** unique individuals
 - < nearly \$400,000 in donated goods and services

Year Ended December 31, 2010 with Compar-		2010:	2010:	
	2009: Total	Unrestricted	Temporarily Restricted	2010: Total
Public Support and Revenue				
Contributions	\$ 57,035	\$ 1,051,421	\$ 325,000	\$ 1,376,421
Special Events	27,780	65,516	-	65,516
(net of direct expenses of \$34,172 for 2010 and \$36,489 for 2009)				
Other Income	50	1,632	-	1,632
Total Public Support and Revenue	84,865	1,118,569	325,000	1,443,569
Expenses				
Program Services	36,784	436,748	-	436,748
Management and General	5,492	34,408	-	34,408
Fundraising	-	37,202	-	37,202
Total Expenses	42,276	508,358	-	508,358
Change in Net Assets	42,589	610,211	325,000	935,211
Net Assets- Beginning of Year	36,347	78,936	-	78,936
NET ASSETS- END OF YEAR	\$ 78,936	\$ 689,147	\$ 325,000	\$ 1,014,147

PENCILS OF PROMISE INC. Unaudited Consolidated Statement of Activities: Year Ended December 31, 2010 with Comparative Totals for 2009.

PENCILS OF PROMISE INC. Unaudited Consolidated Statement of Financial Position: Year Ended December 31, 2010 with Comparative Totals for 2009

Assets	2009	2010
Current Assets		
Cash and Cash Equivalents	\$ 75,211	\$ 334,341
Accounts Receivable- Net	-	10,242
Prepaid Expenses	7,725	9,347
Total Current Assets	82,936	353,930
Long-Term Unconditional Promises to Give		325,000
Fixed Assets- Net	-	345,392
Other Assets		3,000
Total Assets	82,936	1,027,322
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	4,000	13,175
Total Current Liabilities	4,000	13,175
Net Assets		
Unrestricted	78,936	689,147
Temporarily Restricted	-	325,000
Permanently Restricted	-	-
Total Net Assets	78,936	1,014,147
Total Liabilities and Net Assets	\$ 82,936	\$ 1,027,322

< From 2009 to 2010:

< Our total dollars spent on all programming initiatives increased 12x

< Our total dollars spent on international school builds increased 6x

HOW TO GET INVOLVED

To learn more, donate or get involved with Pencils of Promise, please contact: info@pencilsofpromise.org

or simply visit: www.pencilsofpromise.org

and don't forget to follow us on Twitter and Facebook: www.twitter.com/pencilsofpromis www.facebook.com/pencilsofpromise

Thank you!



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