A better future.

Education Development Center, Inc. ANNUAL REPORT 2009



Education Development Center, Inc., is a global nonprofit organization that designs, delivers, and evaluates innovative programs to address some of the world's most urgent challenges in education, health, and economic development.

Strengthening communities is a hallmark of EDC's work around the world in countries such as the Philippines (front cover) and Afghanistan (left).

FROM THE PRESIDENT

EDC always looks at the glass as "half full." Even in the most troubled circumstances, we work with people to see beyond obstacles, to tap the richness of our communities, and to build better lives. That reaching out, that optimism and determination, has guided our work for more than 50 years.

In this 2009 annual report, you will see holistic snapshots of EDC's approach to opening the doors to a better future. You will meet a young Filipino man who dreams of starting his own repair shop, health care practitioners who seek information to help returning veterans, and a South Carolina teacher who has discovered the power of online learning.

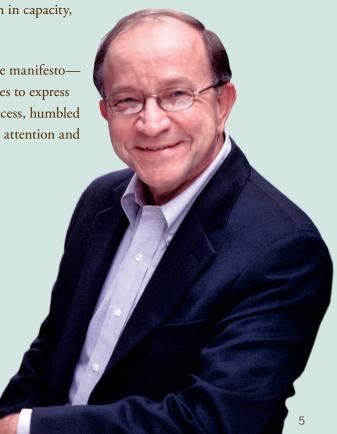
EDC stands in solidarity with all those around the world who embrace education as a path toward self-sufficiency, health, and economic security.

As we look ahead, we will continue to take on ever more urgent challenges in our world. Crises in the accessibility and quality of education, health needs of increasing complexity, sobering population and demographic trends, and an unpredictable global economy will call upon EDC's innovation, grit, and expertise. My respect for the passion, creativity, and capability of EDC's 1,500 staff members has never been stronger. In 2009, we were entrusted with continued leadership in nationwide education and health initiatives; our research programs in early childhood development, mathematics, science, literacy, and technology flourished; and our international development work grew in scope, sophistication, and nations served. It was a year of growth in capacity, structure, and effectiveness.

EDC's early leaders were drawn to the wisdom of educator Paulo Freire, whose manifesto— "Education is a constant process for the liberation of human beings"—continues to express our own underlying convictions. We are proud to be part of that constant process, humbled by the urgent challenges around the globe, and committed to putting our full attention and effort toward creating a less troubled and more humane world.

huther S. Luedthe

Luther S. Luedtke *President and Chief Executive Officer* Education Development Center, Inc.



2009 HIGHLIGHTS

Combining energy, passion, and expertise, EDC's work to create change through learning spans 35 countries and includes all 50 U.S. states.

EDC combines fresh approaches with technology to advance learning for these schoolgirls in India and for students around the world.

Learning and Teaching

EDC focuses on domestic education across disciplines, providing professional and curriculum development, integrating technology, developing school/community partnerships and educational policy, and conducting research and evaluation.

- Through a federal grant, EDC established resource centers across New England to provide Head Start training and support for teachers, continuing our 20-year commitment to early childhood innovations and professional development.
- EDC developed and produced innovative high school curricula, such as *Exploring Bioethics* and, with support from The James Irvine Foundation, a four-year law and justice program for high schools in California.
- The Regional Educational Laboratory Northeast and Islands, which is housed at EDC, conducted and disseminated research, serving about 10,000 schools in New England, New York, Puerto Rico, and the U.S. Virgin Islands.

Health and Human Development

EDC advances health and well-being, domestically as well as internationally, through research and evaluation, curriculum development, and technology; by building organizational capacities; and with program design and management.

- With the availability of continued funding, EDC was able to expand the regional Center for the Application of Prevention Technologies (CAPT) to a national resource and to manage the U.S. Department of Education's Higher Education Center for Alcohol and Other Drug Abuse and Violence Prevention.
- The National Center for Mental Health Promotion and Youth Violence Prevention helped more than 350 school districts create safe and healthy schools.
- Thousands of teachers in Botswana participated in EDC's prevention training to implement a national curriculum on HIV and AIDS, also developed by EDC.

International Development

EDC improves education for children, youth, and adults, using technology to enhance teaching and learning, and helping young people gain knowledge and skills to lead productive lives.

- EDC expanded its international reach by adding new programs in Benin, Rwanda, and Liberia.
- EDC's Interactive Radio Instruction (IRI) programs benefited 45 million children and youth in such countries as the Democratic Republic of Congo, India, Mali, Somalia, Sudan, Tanzania, and Zanzibar.
- Continued funding made it possible for EDC's Sudan Radio Service to broadcast six hours of daily news in nine languages, making it a crucial source of information for that war-torn country.

A Teacher Transformed

Laura Rand called herself a brick-and-mortar classroom teacher. The South Carolina elementary school teacher always thought the only way to teach was face-to-face, in the front of a classroom. That is, until her employer enrolled her in an online graduate class through EDC's EdTech Leaders Online (ETLO).

"The quality of learning through discussion forums and group activities was just as good as what I learned in the classroom," says Rand.

Won over, Rand went on to design an online training course of her own called Children of Poverty. That course is now part of ETLO's 60-course catalog.

Working in areas that include mathematics, technology, literacy, and early childhood education, EDC's Learning and Teaching Division advances domestic education programs that span pre-K through grade 12 and beyond. "ETLO taught me that online courses offer flexibility and affordability for working professionals."

-Laura Rand

A Veteran Finds Peace

For decades, a single event defined James S., a 50-year-old veteran: civilian deaths he witnessed serving in Vietnam. He harbored guilt and turned to alcohol, isolating himself.

Then James began Cognitive Processing Therapy (CPT), a highly effective treatment for post traumatic stress disorder (PTSD), which was developed by experts at the National Center for PTSD. EDC has worked closely with the U.S. Department of Veterans Affairs (VA) to package and refine information on CPT, which has proven so successful in treating veterans such as James.

"He identified 'stuck points' and worked toward changing them," says Dr. Kristin Lester of the National Center for PTSD at the VA Boston Healthcare System. "CPT allowed him to have a natural resolution about the traumatic event."

Focusing on prevention, intervention, and care, EDC's Health and Human Development Division promotes healthy human development where people live, learn, and work. "There was both a tremendous need and an effective solution to the problem of PTSD among veterans. EDC provided the missing piece by helping the VA to scale up their materials on it, quickly."

Rebecca Stoeckle
Project Director, EDC

A Young Entrepreneur

Norudin Kadil, 22, worked on a *palay* (rice) farm, one of the few jobs available to him in Mindanao, in the south of the Philippines.

"My income was barely enough for food," he recalls.

Then Kadil joined EDC's Education Quality and Access for Learning and Livelihood Skills project (EQuALLS2), funded by the U.S. Agency for International Development. As a result, he and his fellow graduates established an electronics repair shop in the public market.

"Now I hope to establish my own repair shop," he says.

EDC's International Development Division collaborates with local partners in more than 35 countries across five continents to make learning more accessible, relevant, and exciting.

"After learning these skills, I'm starting to see a brighter future ahead."

—Norudin Kadil

tills Training and Ustry Immersion

2009 FUNDERS

ADCARE Educational Institute, Inc. | Adidas Group | Adobe Bank | Adobe Foundation | Al Awn Foundation for Development | Alabama Department of Education | Alamogordo (New Mexico) High School | Alpena Regional Medical Center | American Cancer Society | American Public Health Association | Annie E. Casey Foundation | Antioch University Seattle | Arnold Arboretum of Harvard University | AT&T Foundation | Bertelsmann Foundation | Board of Cooperative Educational Services of New York State | Boston Public Schools | BC Children's Hospital (British Columbia) | The Brookings Institution | Cabengo LLC | California Department of Education | Capital Region Education Council | The Carl and Ruth Shapiro Family Fund | The Carter Center | CAVU Foundation Inc. | Charles Stewart Mott Foundation | Charlotte (North Carolina) Catholic High School | Chelsea (Massachusetts) Public Schools | The Chicago Community Trust | Chicago Public Schools | Children's Center at Groton | Children's Hospice and Palliative Care Coalition | Cisco Systems, Inc. | Citizens Housing and Planning Association | The City University of New York | Clemson University | Cold Spring Harbor Laboratory, Dolan DNA Learning Center | Colorado Council for Learning Disabilities | Colorado Department of Education | The Community Group | Connecticut Health Foundation | Cook Children's Medical Center | Corporation for National and Community Service | Council of Chief State School Officers | CRP, Incorporated | Cuyahoga County of Ohio, Board of County Commissioners, Department of Justice Affairs | Densen Family Fund at the Community Foundation of New Jersey | Department of Defense Education Activity | Des Moines (Iowa) Public Schools | Deutsche Bank AG | Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) | Digital Innovations Group/Games for Change | Doris Duke Charitable Foundation | Dr. David and Rebecca Conant | Education International | Educational Video Center | Emory University | Eugene (Oregon) School District 4 J | Everett (Washington) Public Schools | The Exploratorium | ExxonMobil Foundation | F. Felix Foundation | Fall River (Massachusetts) Public Schools | Fetzer Institute | Florida Hospices and Palliative Care | Florida Office of Drug Control, Statewide Office of Suicide Prevention | Focus Marketing, Inc. | Ford Motor Company Fund and Community Services | Georgia Afterschool Investment Council | Gertrude B. Nielsen Charitable Trust | Government of Bihar (India) | Government of Karnataka (India), Department of State Education Research and Training | Greater Brooklyn Health Coalition | Grunwald Associates LLC | The Guidance Center | Haile Saeed Group | Hampden-Wilbraham (Massachusetts) Regional Schools District | Hartford Hospital | Hartford Public Schools | Healthy Communities of the Capital Area | Henry Ford Learning Institute | Hewlett Foundation | Hewlett-Packard Development Company, L.P. | Hidden Sparks | Houghton Mifflin Harcourt Publishing Company | Houston A+ Challenge | Houston Independent School District | Howard Hughes Medical Institute | INNOVEC | Intel Corporation | Inter-Agency Training Council | The James Irvine Foundation | Jane's Trust | Janesville (Wisconsin) School District | Japan Foundation Center for Global Partnership | The Jed Foundation | Jefferson County Board of Education | Jewelers for Children | Johns Hopkins University | Joy2Learn Foundation | The Kenneth B. Schwartz Center | Lamoille South Supervisory Union (Vermont) | League of United Latin America Citizens (LULAC) | LEARN | Linde Family Foundation | The Lodestar Foundation | Lorain City (Ohio) Board of Education | Lorain City (Ohio) Schools | Los Angeles County Office of Education | Louisiana Department of Education | Lumina Foundation | Maine Department of Education | Maine School Administrative District #11 | Margaret Dulany | Massachusetts Board of Higher Education | Massachusetts Department of Elementary and Secondary Education | Massachusetts Department of Public Health | Massachusetts Institute of Technology | Massachusetts Office of the Attorney General | Massachusetts State Science and Engineering Fair | Max Kade Foundation | Merck Institute for Science Education | MetLife Foundation | MetroWest Community Health Care Foundation | MGH Revere HealthCare Center | Michigan State University | Midwest Association of Theological Schools | Ministry of Education, Guyana |

Ministry of Foreign Affairs, Norway | Mississippi University for Women | Montachusett Opportunity Council | Mote Marine Laboratory | Mpilonhle | Muscular Dystrophy Association, Inc. | Museum of the Moving Image | NASA | National Board for Professional Teaching Standards | National Endowment for the Arts | National Geographic Society | National Science Foundation | Nellie Mae Education Foundation | New Bedford (Massachusetts) Public Schools | New Hampshire Department of Education | New Hampshire School Administrative Unit 29 | New Leaders for New Schools | New Mexico Public Education Department | New Mexico State University | New York City Board of Education | The New York City Community Trust | New York City Department of Education | New York Methodist Hospital | New York State Education Department | New York State Health Foundation | Newman's Own Foundation | Newton (Massachusetts) Public Schools | Norwalk Community Health Center | Noyce Foundation | Open Society Institute | Oregon Health and Science University, Doernbecher Children's Hospital | Pan American Health Organization | Parametric Technology Corporation | Pearson Education | Pfizer Inc. | Portland (Oregon) Public Schools | Preschool Incubator Project | Primary Source | Public Broadcasting Service | Public Schools of Brookline (Massachusetts) | Pueblo County (Colorado) School District #70 | Ready At Five | Rennie Center for Education Research and Policy | Rhode Island Department of Elementary and Secondary Education | Rider University | Robert Wood Johnson Foundation | Rochester (Minnesota) Public School District #535 | Roman Catholic Archdiocese of St. Andrews and Edinburgh | SAE International | Salem (Massachusetts) Public Schools | Sanford Children's Hospital | Save the Children | Scholastic Inc. | Scranton (Pennsylvania) School District | Sidney and Esther Rabb Charitable Foundation | Sidney R. Rabb Charitable Trust | Sonoma County (California) Office of Education | South Boston Community Health Center | South Coast Business Employment Corporation | Southern Regional Education Board | St. John's Episcopal Hospital | St. Lucie County (Florida) School District | Stafford County (Virginia) Public Schools | Stanford University | The Starr Foundation | State of Ohio | Sun Prairie Secondary Leadership Institute | Swiss Agency for Development and Cooperation | Taipei Economic and Cultural Office in Thailand | Teachers Development Group | Teaching Matters, Inc. | Texas Instruments Incorporated | Thirteen/WNET New York | Thrivent Financial for Lutherans Foundation | Tom Snyder Productions, Inc. |

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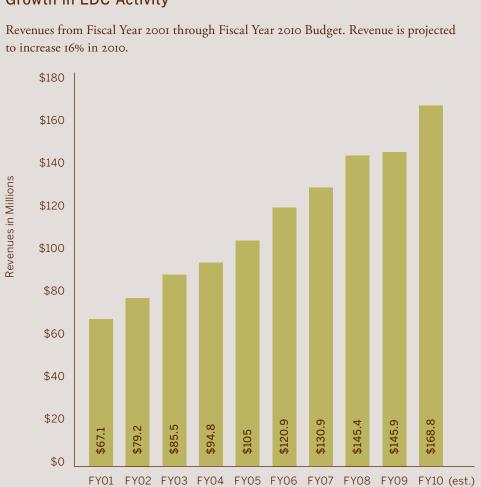
2009 FINANCIAL OVERVIEW

EDC's revenue exceeded \$146 million in fiscal year 2009. A surplus of \$977,000 brings our net assets to \$12.4 million as of September 30, 2009. EDC continually invests its net assets to support our projects, programs, and research.

Financial Statements

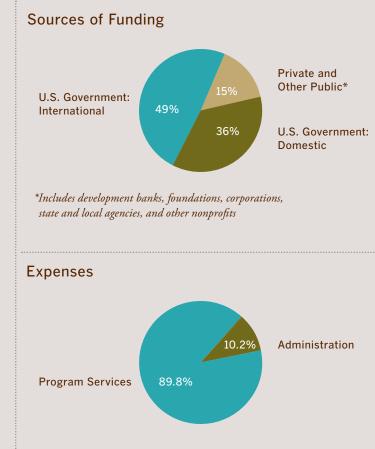
Fiscal years ended September 30, 2009 and 2008

	\$, in thousands	
	2009	2008
INCOME STATEMENT		
Revenue (including change in temporarily restricted assets)	146,063	145,395
Expenses		
Salaries and Benefits	69,916	66,081
Materials, Supplies, and Other	40,799	42,828
Subcontract Costs	34,371	35,297
Total Expenses	145,086	144,206
Increase in Net Assets	977	1,189
BALANCE SHEET		
Assets		
Current Assets	35,393	34,441
Property and Equipment, Net	3,972	3,751
Other Assets	705	674
Total Assets	40,070	38,866
Liabilities and Net Assets		
Current Liabilities	26,395	25,159
Long-term Liabilities	1.269	2.278
Total Liabilities	27,664	27,437
Net Assets	12,406	11,429
Total Liabilities and Net Assets	40,070	38,866



Growth in EDC Activity

to increase 16% in 2010.



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In the United States, EDC improves education for learners of all ages.



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EDC is recognized by the IRS as a 501(c)(3) organization.

Field Offices

EDC operates field offices across the United States and in more than 20 countries: Barbados, Benin, Bosnia, Botswana, Democratic Republic of Congo, Egypt, Ghana, Haiti, India, Indonesia, Kenya, Liberia, Madagascar, Malawi, Mali, Pakistan, Philippines, Rwanda, Somalia, Sudan, Tanzania, Thailand, Timor-Leste, and the West Bank.

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