

# NONPROFIT INVESTOR

## INDEPENDENT RESEARCH FOR PHILANTHROPY

### iEARN-USA

Nonprofit Investor Rating:

**NEUTRAL**

#### Mission Statement

The International Education and Resource Network's (iEARN) mission is to enable young people worldwide to work together to contribute to the health and welfare of the planet.

#### Financial Overview

\$ in MM, Fiscal Year Ended December 31

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenue and Support	\$5.7	\$4.9	\$5.9
Operating Expenses	\$3.5	\$4.3	\$5.7
% of Total:			
Program Expenses	90.7%	94.4%	96.6%
G&A	4.9%	3.7%	3.1%
Fundraising	4.4%	1.9%	0.3%

**Year Founded: 1988**

#### Contact Details

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#### SUMMARY

iEARN-USA works to connect classroom learning with real world issues enabling students to find solutions to global challenges. Teachers utilize iEARN's vast network of educational tools and resources to create impactful project that emphasize global collaboration and cultural awareness. iEARN's strategy is to teach and support educators in using technologies to promote student interaction in global projects. As part of the iEARN network, teachers are given the necessary resources to conceptualize, construct and implement a project of their choosing. All projects align to nationally recognized educational standards and use a structured online Collaboration Centre. Example projects include: improving the quality of rivers; student newspaper, or charting bird migrations.

#### STRENGTHS

- ▲ **iEARN USA provides educators with a large and growing network of development resources to create impactful projects for students.** iEARN is the world's largest K-12 non-profit online network allowing students to collaborate on educational projects.
- ▲ **All projects align to nationally recognized education standards and seek to instill a sense of cultural awareness, communication and globalization amongst students.**

#### CAUTIONS

- **Limited detail around certain program expenses raises questions.** Travel expenses comprised a rather high \$700K in '10 or 14% of non-compensation expenses (but down from 19% and 25% in '09 and '08, respectively).
- **Government grants account for 77% of annual funding.** Due to this heavy concentration, we would like to see more clarity on expectations for these grants going forward.
- **Inherent difficulty in measuring effectiveness and efficiency of iEARN programs.** As project goals tend to be more subjective (promote collaboration/awareness), the ability to quantitatively measure performance and impact of iEARN becomes limited.

#### RECOMMENDATION: NEUTRAL

While we believe the effectiveness of iEARN programs are inherently difficult to quantitatively measure, we view iEARN's breadth of educational resources, sense of community and global network truly differentiated. As such, we rate iEARN at Neutral.

## OVERVIEW OF iEARN-USA ACTIVITIES

iEARN-USA works with educational, youth service, relief and development organizations to build a network of opportunities for young people to work together on educational programs that make a meaningful difference in the world. iEARN acts as a professional development network supporting educators in order to promote student interaction in global projects.

iEARN-USA is a member of iEARN (International Education and Resource Network), the world's largest, most experienced online K-12 non-profit network that enables young people worldwide to use the Internet and digital media to collaborate on educational projects. Established in 1988 as a pilot project between schools in New York and Moscow, iEARN has grown into an international network of tens of thousands of schools in more than 125 countries, each organizing national programs, but operating with the same vision and purpose of supporting young people to make a difference with their learning.

Teachers and educators sign up for iEARN's network giving them access to the Online Collaboration Centre to view projects and forums. From there, teachers are given the needed framework and guidance to create global online collaborative projects in classrooms and after-school programs. Additionally, teachers and students are invited to meet face-to-face at iEARN's annual conference to present and share their classroom experiences, give workshops and learn from one another.

### Examples of iEARN Projects

- Test, compare, and improve the quality of a stream or river
- Chart the migration of birds locally or globally
- Produce a joint student newspaper, magazine or literary anthology
- Produce video documentaries to show in a global "film festival"
- Create histories of local communities worldwide
- Create a photo essay to share on a website, calendar, etc
- Plan and conduct workshops (conflict resolution, recycling, etc) for younger students in the community
- Research and give presentations to local government officials as part of a global public awareness campaign on a particular issue
- Conduct joint fundraising efforts for a common issue (landmines, pollution, hunger, etc)

On top of project specific guidance, iEARN provides educators with additional resources to augment their professional development including face-to-face workshops, online professional development courses and webinars:

### Professional Development for Educators



#### Workshops →

Based on individual, school or district needs around integrating online global project work into curricula.



#### Online Courses →

Asynchronous courses linking educators around the world for project integration, standards alignment, and assessment planning.



#### Webinars →

Real-time opportunities for educators to connect, get inspired, and learn how to get started in global project work.



#### Consulting →

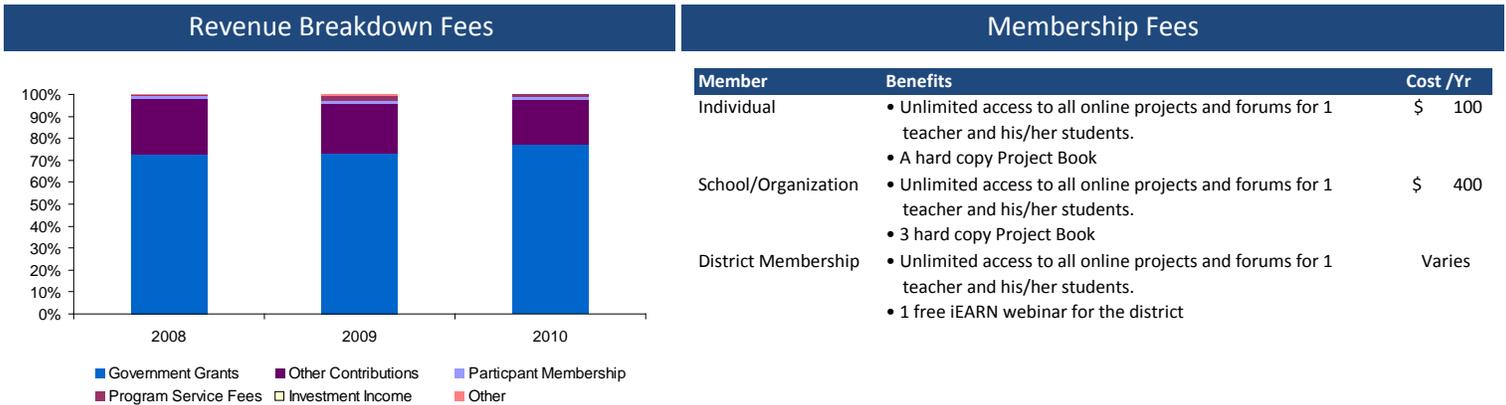
Since 1988, iEARN has equipped over 100,000 educators with the skills needed to engage their students in learning with the world.

- Webinar - \$25 per person
- Online Course - \$360 per course
- Workshop - \$1500 (for 15 teachers)

Since 1988, iEARN has equipped more than 100,000 educators with the technical, collaborative and organizational skills needed to integrate global online collaborative projects in classrooms and after-school programs.

## iEARN-USA Funding and Revenue Model

iEARN-USA is a membership organization that charges a minimal membership fee as well as service charges for professional development courses. That said, membership fees and program services fees only comprise 1% -2% of total annual revenues. The mass majority of iEARN’s funding is from local and global fundraisers as well as sponsors such as the US Department of Education, and the US State Department. **With Government grants comprising ~77% of total revenues in 2010, up from 73% in both 2009 and 2008, we would like to see more clarity on any funding requirement for these grants and expectations going forward.**



## PROGRAM RESULTS AND EFFECTIVENESS

We believe iEARN’s broad based framework to facilitate projects and global collaboration make it difficult to measure program results and effectiveness. As project goals tend to be more subjective (promote collaboration/awareness), the ability to quantitatively measure program performance and impact is limited. That said, iEARN stipulates projects adhere to adopted guidelines and standards. While we do look for more clarity on how iEARN enforces project standards, we are encouraged by the fact that iEARN clearly lays out these standards (listed below). Moreover, iEARN provides access to 3<sup>rd</sup> party studies including teacher surveys and academic works highlighting the educational impacts of both iEARN and broader educational professional development tools for teachers.

(See link: <http://www.us.earn.org/about/research-and-evaluation> )

### iEARN Project Guidelines and Standards

- Common Core State Standards - Forty five states and the District of Columbia have adopted the Common Core State Standards for teaching <http://www.corestandards.org>
- Foreign Language Standards
- ISTE NETS (National Technology Standards) for Teachers and Students
- Partnership for 21st Century Schools framework
- Creative Arts Standards

## TRANSPARENCY / OVERSIGHT

iEARN’s worldwide organizations are guided by bylaws set out in the iEARN Constitution enacted at the organizations founding in 1994. The iEARN constitution outlines goals and principles which seek to promote and encourage respect for human rights and for fundamental freedoms. Additionally, the constitution outlines specific operational membership criteria, which each organization must abide or face expulsion.

## FINANCIAL OVERVIEW

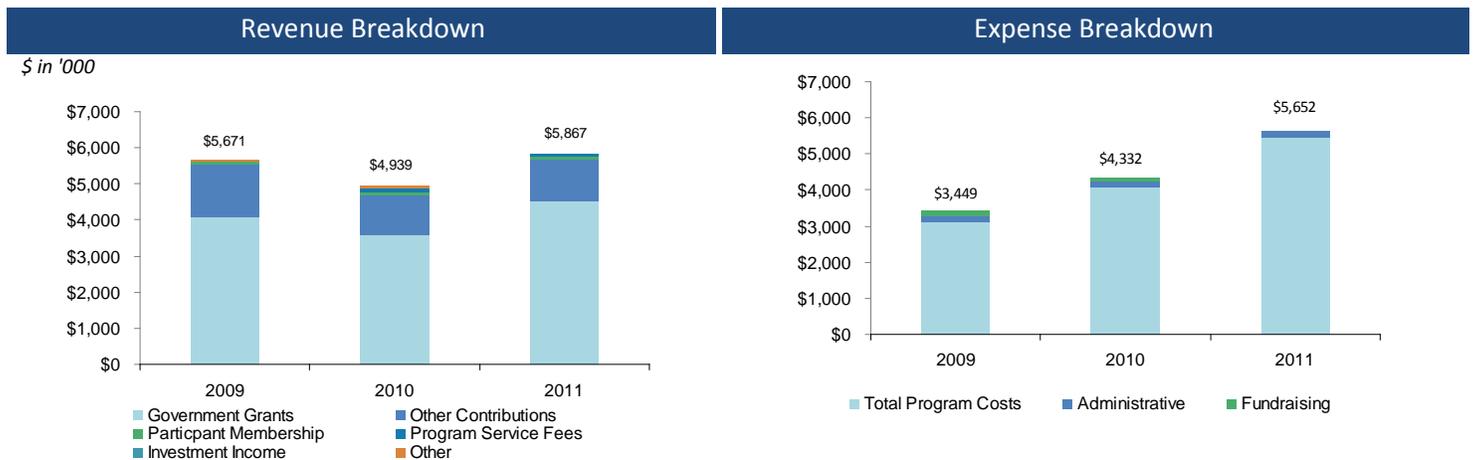
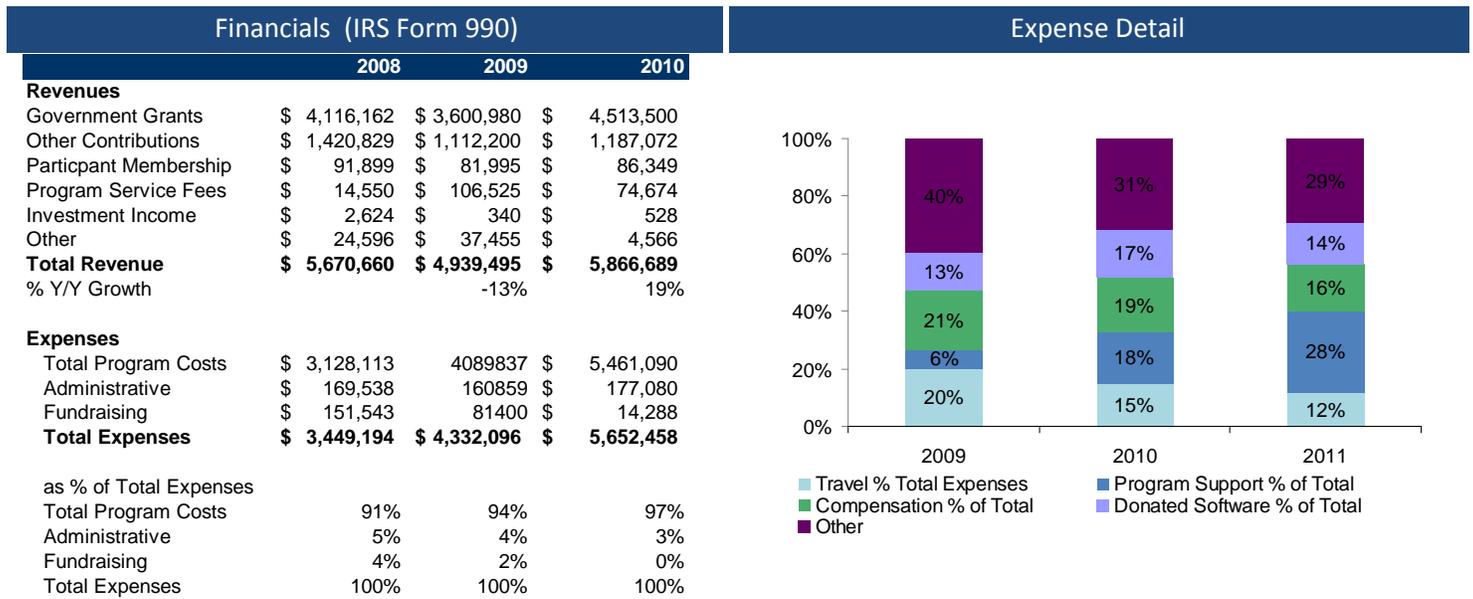
### Revenue

As mentioned in the iEARN-USA Funding and Revenue Model section above, iEARN-USA is heavily dependent upon government grants. A significant decline in government grants to iEARN-USA would impair its ability to deliver its programs.

### Expenses

iEARN's program costs represent 97% of total 2010 expense, up from 94% and 91% in 2009 and 2008, respectively. While commendable, we still look for further disclosure on detailed breakouts of program expenses as annual financial audits were not readily available. We believe the limited detail around program expenses raises questions which we highlight:

- Travel expenses comprised a rather high \$700K in 2010 or 15% of non-compensation expenses (but down from 19% and 25% in 2009 and 2008, respectively).
- "Program Support" expenses represented 34% of 2010 total non compensation expense (28% of total 2010 expenses) drastically up from 22% in 2009 and 8% in 2008. We look for more visibility into a specific breakdown of Program Support services as well as drivers of the 12 percentage point increase year over year.



## THIRD PARTY RATINGS

21 of 21 reviews of iEARN-USA on GreatNonprofits.org rate the organization five stars out of five stars. Reviews have primarily been submitted by teachers and volunteers engaged in iEARN programs. Most reviewers indicate long-term relationships with iEARN-USA (many between five and ten years).

iEARN-USA is not currently covered by Charity Navigator, GiveWell, Philanthropedia or the Better Business Bureau.

## Key Partnership

Strong donors, partners and board of advisors provide key validation including board member former S. Carolina governor and US Secretary of Education Richard Riley.

### Key Partnerships

- American Museum of Natural History
- Buck Institute for Education
- Copen Family Fund
- ITEN - InterAmerican Teacher Education Network
- ISTE - SIGOL (Online Learning Special Interest Group)
- Kids Can Make a Difference
- My Hero
- National Peace Corps Association (NPCA)
- Rosetta Stone Language Learning Software
- One World Education (OWEd)
- Open Society Institute (Soros Foundation)
- SEED (Schlumberger Excellence in Educational Development)
- United Nations Cyberschoolbus
- UNICEF
- United States Department of Education
- United States Department of State
- The World Affairs Council of Pittsburgh
- Youthink

### Key Donors and Supporters

- Adobe Systems
- American Museum of Natural History
- Apple Computers, Inc.
- City University of New York
- Colgate Palmolive, Inc.
- Copen Associates
- Daniel Pearl Foundation
- Delaware State Department of Education
- Doris Duke Foundation for Islamic Art
- Goldman Sachs Foundation
- Hewlett Packard (HP)
- Longview Foundation
- New York City Department of Education
- Roberts & Holland
- Sir John Templeton Foundation
- Teachers College at Columbia University
- Tides Foundation
- USAID
- US Department of Education
- US Department of State

## GET INVOLVED

U.S. educators, schools, youth organizations, and districts may register and join iEARN-USA for an annual subscription fee: <http://www.us.earn.org/join>.

To support or partner with iEARN, contact the organization via email: [learn@us.earn.org](mailto:learn@us.earn.org)

## **DISCLOSURES**

Michael Kim certifies that he does not have any affiliation with iEARN and has never made a donation to the organization. Additionally, Michael has not supported directly competing organizations in a greater capacity than a nominal donation. NPI analysts and NPI as an organization do not receive any form of compensation from reviewed charities.

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