

giving
parents
a
choice
giving
children
a
chance

CSF Hits the Mark

You know the story. In 1998, John Walton and Ted Forstmann launched Children's Scholarship Fund (CSF) to an outpouring of demand from parents looking for better educational alternatives for their children. All told,

1.25 million applications rolled in. Now, six years later, more than 62,000 children from low-income families have benefited from attending the private school of their family's choice with

are determined by family size, income and tuition, so that the family pays what it can afford. But every family—and the average annual income is \$24,000—pays some portion of their tuition. Obviously, these parents are serious about investing in their children's education, as are our donors.

In this newsletter, you can read about proud parents reporting their children's progress, and academic studies that have shown that our scholarships are leading to higher grades and test scores and better behavior and discipline. But regardless of their grades, accomplishments, or activities, all of these children—and their families—are being given a solid foundation for a brighter future. For that, we are grateful to everyone who makes the scholarships possible. ●



Dimaguila girls, New York

\$164 million in CSF tuition assistance.

Currently, more than 24,000 children are using CSF scholarships. Originally, we awarded four-year scholarships, but most of our local programs are extending these awards through the 8th grade. Seventeen programs have offered new scholarships since 1999. Our partners in San Francisco, Charlotte, Dallas, Tampa, Toledo, St. Louis, and Colorado will offer new scholarships for the 2004-05 school year. And Anaheim, CA will begin its first scholarships this fall.

Our recipients are attending more than 4,000 private and parochial schools (including Catholic, Christian, Jewish, Muslim, Montessori, and Independent schools) across the country. Scholarships

Number of children using scholarships

24,000

Average CSF scholarship

\$1,220

Average private school tuition

\$2,800

Average family contribution

\$1,360

Average family income

\$24,000

Spring 2004

In This Issue:

State of the
Program

:: 1 ::

New Donations

:: 2 ::

Walton in Omaha

:: 2 ::

St. Rita's Elementary

:: 3 ::

Trey Whitfield

:: 3 ::

CSF Scholarships
Work

:: 4 ::

::Board of Directors::

John T. Walton
Co-Chairman & CEO
Walton Enterprises, Inc.

::

Theodore J. Forstmann
Co-Chairman
Forstmann Little &
Company

::

Joseph A. Califano, Jr.
The National Center on
Addiction and Substance
Abuse, Columbia
University

::

Raymond G. Chambers
Amelior Foundation

::

Stanley F. Druckenmiller
Duquesne Capital
Management, L.L.C.

::

Stephen Fraidin
Kirkland & Ellis

::

Dr. Dorothy I. Height
National Council of
Negro Women

::

Mike McCurry
Public Strategies Group,
L.L.C.

::

Arthur Rock
Arthur Rock & Company

::

Darla M. Romfo
Children's Scholarship
Fund

::

**Brother John
Walderman**
Edmund Rice Institute

New Donations Create More Opportunities

Two major initiatives are underway this year thanks to two special donors.

Anaheim, CA

In Anaheim, Mr. & Mrs. David Steffy have challenged local donors to raise \$400,000 for new scholarships for low-income children. In return, the Steffys have pledged to match that \$400,000, and then CSF will provide another \$400,000 in matching funds. When fully matched, this initiative will provide \$1.2 million for 250 scholarships for K-8 children beginning this September.

Anaheim Mayor Curt Pringle spoke about the scholarships as "one of his top priorities" during his State of the City speech recently.

"For those who have the strong desire to find new hope for their

children, but cannot afford the full price of private school, we want to help," Mayor Pringle said.

Louisiana

In another initiative, the Louisiana Association of Business and Industry (LABI) is making a major commitment to low-income families in Baton Rouge and New Orleans. Their \$500,000 gift will make it possible to offer more children new scholarships to the school of their family's choice. The grant will also help existing scholarship recipients to continue in private school through 8th grade. Currently, more than 600 children are using CSF scholarships in New Orleans and Baton Rouge.

CSF is grateful to these and all of our donors. Without your help, our work would not be possible. ●



The Children's Scholarship Fund aims to maximize educational opportunity for children from low-income families by offering them partial tuition assistance to attend private and parochial schools.

John Walton in Omaha

Children's Scholarship Fund co-founder John Walton visited Omaha recently and toured two schools attended by CSF recipients.

Students at St. Paul's Lutheran School and All Saint's School were proud to welcome Mr. Walton. St. Paul's Lutheran even had a special cornerstone brick engraved with his name for their school's new wing.

During his trip, Omaha Mayor Mike Fahey presented Mr. Walton

with a key to the city, and Nebraska Governor Mike Johanns made him an Admiral in the Nebraska Navy.

More than 1500 children in Omaha and the state of Nebraska are recipients of scholarships from CSF of Omaha. ●



Omaha CSF students welcome John Walton to their school.

::Contact::

p :: 212.515.7100
f :: 212.515.7111

::

8 West 38th Street, 9th floor
New York, NY 10018

::

www.scholarshipfund.org

One Principal's Answer to Declining Enrollment

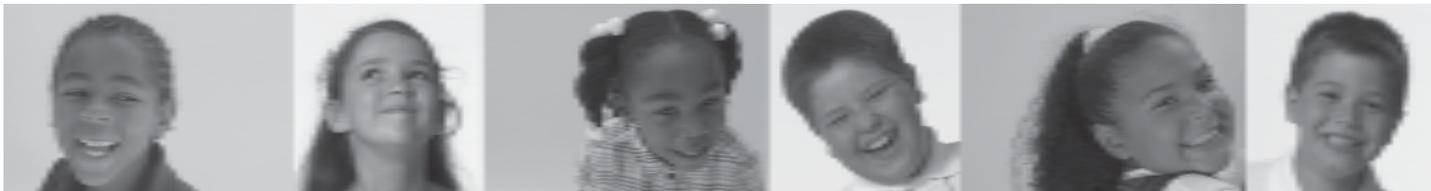
At St. Rita's elementary school in East New York (Brooklyn), Principal William Geasor didn't stand by and let his enrollment dwindle in the face of rising tuition costs that were unaffordable to many in the community.

Mr. Geasor stopped operating from the assumption that St. Rita's School can't afford families who don't pay full tuition. His approach is that he can't afford NOT to accept these families. Using this "collaborative model", his school's enrollment grew from 400 plus to over 600 children. Of this number, 25 children receive scholarships administered by CSF, including Latetha and Lennell, who are profiled on the facing page.

Essentially, he sets tuition at the level needed to keep the school solvent and then makes

allowances for families that need assistance if possible. The additional children make the school eligible for other financial aid, helping the school's bottom line. On this basis, he is able to work with the local savings bank to get an operational loan for the school that is repaid directly to the bank by the families, taking himself out of the role of tuition collector and stabilizing the cash flow.

In addition to being a good school, St. Rita's is also the first community in America that many immigrant families experience. On a conservative basis, thousands of families have been treated with dignity, love and generosity during Mr. Geasor's 27-year tenure. It warms our hearts to think that CSF has played a small part in making this possible. ●



CSF Visits Trey Whitfield School

In the East New York section of Brooklyn, across the street from a decaying park and abandoned buildings, 475 children study at the Trey Whitfield School, a faith-based institution that is a true oasis of learning in a neighborhood that has come to

"Kids need a base, something to hold on to and believe in."

symbolize urban decay.

There are no metal detectors, no armed guards; instead, there are friendly teachers and smiling children, a clean and

well-maintained facility and something even more incredible: an atmosphere where teachers eagerly teach and students are eager to learn.

In 2003, 92.3% of Trey Whitfield's fourth graders passed the statewide fourth grade reading exam, and 98.1% passed the corresponding math test. At the best public school in the same zip code,

only 61.5% of fourth graders can read at their grade level. At the worst school, only 24% can.

But test scores by themselves do not tell the whole story of this incredible school. Here, children behave because they want to be good, not because they fear the consequences of being bad. School co-founder A.B. Whitfield credits the school's non-denominational, faith-based approach to teaching. "Kids need a base, something to hold on to and believe in," he says. This vision, a strict dress code with zero tolerance for violence or bad language and the demand that all students respect the faculty, each other, and, above all, themselves makes Trey Whitfield School a great place to learn.

Trey Whitfield's story attracted the attention of the *New York Times'* Jane Gross, who profiled the school in the *Times'* September 24th, 2003 edition. CSF is proud to support students at this extraordinary school. ●

Studies Show CSF Scholarships Work

Since CSF began in 1999, it's not just our scholarship winners who have been studying. Researchers have studied our families, looking at academic achievement and parental satisfaction. Here are some of the findings.

Harvard Family Satisfaction study:

- ↪ 68% of CSF families indicated they were "very satisfied" with academic quality, safety, discipline, and the values taught in their schools, compared with 23% of their public school counterparts.
- ↪ CSF parents were about five times more likely to rate their school an "A" than public school parents—72% versus 16% respectively.

Internal CSF parent surveys: CSF has surveyed parents in New York, New Orleans, and many other program areas. Results show that parents genuinely appreciate the chance to send their children to private schools. Parents report that their children are making progress academically and socially, and they are pleased with teachers and school staff.

Harvard Test Score study:

- ↪ In New York, Washington, DC and Dayton, Ohio, a Harvard study found that scholarships narrow the achievement gap in math and reading between black and white students by about half.

Charlotte:

- ↪ A study conducted by Jay Greene reported that CSF recipients scored 5.9–6.2 points higher in math and 5.4–7.7 points higher in reading after just one year in private school than children who remained in public school.

Memphis:

- ↪ Researchers at Christian Brothers University have found that Memphis scholarship recipients earned higher scores than public school students in both reading and math at every grade level.

Minneapolis:

- ↪ In Minneapolis, 77% of scholarship recipients passed the Minnesota Basic Standards math test.
- ↪ 82% passed the Minnesota Basic Standards reading test, representing significantly higher percentages than their public school peers.

Philadelphia:

- ↪ Researchers at the University of Pennsylvania found that the vast majority of CSF Philadelphia parents say their children's academic achievement and behavior have improved since attending a private school.
- ↪ Parents also reported higher letter grades than their children had received in public school. ●