



Results for Children

An update from Save the Children | Q1-2 | 2011



Save the Children®

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Check out our video "2010: A Year in Review"
at www.savethechildren.org/2010.

Save the Children is the leading independent organization for children with programs in more than 120 countries. Our mission is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives.

Two little girls half a world apart are just starting first grade: Six-year-old Islande (cover) attends a Save the Children supported school in Jacmel, Haiti. Pashtana (this page) is at an accelerated learning center in Afghanistan.

From the President and the Chair of the Board of Trustees



Dear friends and colleagues,

We are proud to present you with the first issue of *Results for Children*, an update showcasing how Save the Children's programs are impacting the lives of children in more than 50 countries worldwide. Thanks to the commitment of our supporters, we bring health and nutrition, education, protection and a world of opportunity and hope to more children every year.

With this report, we are launching a more dynamic approach to communicating with our supporters: In place of our former annual report, this issue of *Results for Children*—and quarterly issues to follow during the year—will bring you the latest results from our programs based on project data, stories and feedback from children in their own words. And of course, you can also access each issue online at www.savethechildren.org/results, where you can find links to videos and more information. We hope you will enjoy each issue and share them with your friends and families.

In 2010, Save the Children reached 73 million children directly and indirectly and expended \$527.17 million on programs in health and nutrition, education, protection, HIV and AIDS, livelihoods and emergencies. Notwithstanding the continued instability of the global economy, the contributions from our supporters made it possible to meet the most pressing needs of children. You can review our 2010 financial report located at the end of this issue (see p. 14).

In 2010, Save the Children emergency response teams assisted 13 million children and others in need through 26 natural disasters. But the earthquake in Haiti in January 2010 and Pakistan's monsoon floods eight months later posed the most challenging situations in terms of the sheer number of children who suffered the loss of home, community, school and health care. Because Save the Children has worked in both countries for more than 30 years, our staff was on the ground to provide immediate assistance, and we are committed to helping the families of Haiti and Pakistan rebuild from the devastation they have experienced.

Improving the health and nutrition of children, particularly those under age 5, continues to be a vital objective. We invite you to join our global campaign to reduce the rate of newborn and child mortality worldwide through advocacy and building public awareness. Save the Children offers many opportunities for you to get involved, from knitting caps for newborns to following our frontline health workers at www.GoodGoes.com.

Your unflagging support has brought new opportunities and new hope to children who had none. Whether you choose to engage, donate or take action—or all three—we are grateful for your help in welcoming a new generation of safe, educated and healthy children to the world.

Anne Mulcahy
Chair of the Board of Trustees

Charles F. MacCormack
President and CEO

Measuring Impact

How do we know that our programs are having an impact? Among other criteria, we evaluate data gathered from our projects based on whether they bring changes to children at a national scale and whether we have influenced national policies for children. The reactions of children and others we help are equally compelling. One mother in Vietnam who participated in a Save the Children program has learned to feed her child nutritious foods and prevent malnutrition. She said, "Let us tell you about the changes in our lives. We were like seeds locked up in a dark place, and now we have found the light." Remarks like that make it clear that we are headed in the right direction.

Please send your reactions to our *Results for Children* to **results@savechildren.org**.

OUR WORK

Save the Children reached more than

73 million

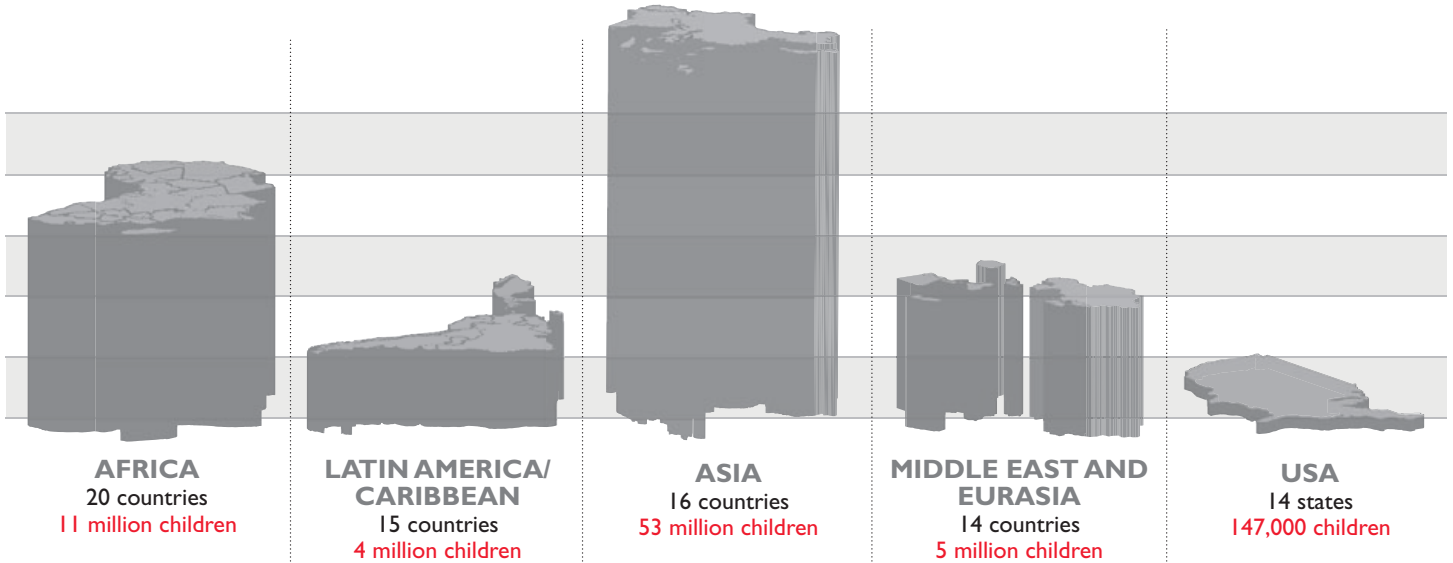
CHILDREN IN NEED IN 2010,
an increase of nine million over 2009.



Each Figure = 1,000,000 Children

Black Figure = 64 Million in 2009

Black + White Figures = 73 Million in 2010



Data on the number of children reached was collected from 44 countries—Africa (14), Middle East and Eurasia (11), Asia (10), Latin America and the Caribbean (8) and the USA.

WHERE WE WORK

Save the Children USA

Save the Children USA puts resources and expertise to work for children in more than 50 countries. In 2010, we served more than 73 million children and many others, including parents, communities, local organizations and government agencies.

Save the Children's Programs Worldwide

With more than 29 member organizations worldwide, Save the Children is the world's leading independent organization for children, working together to deliver programs in 120 countries.

WHAT WE DO

Save the Children's Action Priorities*

Highlights of Our Impacts for Children



Child Protection

4.5
MILLION CHILDREN
REACHED

EL SALVADOR: Save the Children trained nearly 17,000 children in protecting themselves from human trafficking.

INDONESIA: Save the Children prevented or removed more than 10,000 children from the worst forms of child labor.



Education

12
MILLION CHILDREN
REACHED

BOLIVIA, EGYPT, INDONESIA, PHILIPPINES AND SAHEL:

Save the Children's basic quality education program resulted in 90 percent of children reaching the fifth grade. Seventy-three percent of Save the Children's education projects in 11 other countries reported more than 70 percent of children reaching fifth grade—that's up from 67 percent in 2009.

UNITED STATES: Save the Children delivered early childhood education, literacy skills, nutrition and physical activity programs and emergency preparedness for 75,000 children.



Child Health

15.6
MILLION CHILDREN
REACHED

MALAWI: Community-based health workers treated 148,000 cases of malaria, 11,500 cases of diarrhea and 34,100 cases of pneumonia in hard-to-reach communities.

PAKISTAN: The newborn mortality rate in the Hala district dropped 30 percent after community health workers started to visit pregnant mothers before birth and to check on their newborns immediately after birth.



Preventing HIV/Aids

38
MILLION CHILDREN
REACHED
(INCLUDES NATIONAL
MASS MEDIA CAMPAIGN
IN BANGLADESH.)

BANGLADESH: Save the Children has partnered with the government of Bangladesh on a national HIV-prevention program that targets young people through print media, life skills education, school curriculum and youth-friendly health services. In 2010, these programs reached 36 million young people—a fifth of the population—with HIV awareness, education and services.

ETHIOPIA: Save the Children worked with community groups to deliver community- and family-centered care for at least 100,000 children and families, in addition to training 2,600 community outreach workers to provide AIDS-infected individuals with effective home care and health service referrals.



Stemming Child Hunger

3.3
MILLION CHILDREN
REACHED

GUATEMALA: Save the Children has assisted 19,300 families with direct food aid, training in improved agricultural production and marketing and access to loans—significantly reducing child hunger.

MOZAMBIQUE: More than 31,000 farmers harvested 32 million kilograms of maize and other crops, and 88 percent of participating families reported an increase in income. Moreover, 8,600 individuals formed village savings and loan groups and mobilized \$195,545 for household purchases, business investments and children's education.



Relief and Recovery

13
MILLION CHILDREN
AND OTHERS
REACHED

KYRGYZSTAN: After ethnic unrest in June 2010 forced thousands of people to flee their homes, Save the Children provided more than 250,000 people with food aid, household items and protection and opened 16 child-friendly spaces for nearly 3,000 children.

NIGER: Save the Children has been working in Niger since 2005 in response to the current hunger crisis, which threatens more than 378,000 children under age 5 with malnutrition. Save the Children has admitted more than 9,800 children to its severe acute malnutrition program and supports another health center which treated close to 18,000 children for malaria.

* Children may receive support from more than one program.

Assisting Children during Emergencies

During natural disasters, war or conflict, Save the Children's relief assistance is designed to meet the unique needs of children—a special niche that few other emergency responders share. Thanks to Save the Children's Halaby Murphy Fund and the outpouring of support from our donors, our staff has had the resources and equipment to help vulnerable children, particularly in the first hours or days after a disaster—when their survival is most at risk. Our emergency response teams continue their work in the wake of natural disaster relief and recovery in 2011, helping the children and families who survived Japan's earthquake and tsunami (see p. 17).

But two cataclysmic disasters—the magnitude 7.0 earthquake in Haiti at the beginning of the 2010 and the monsoon flooding across one-quarter of Pakistan eight months later—made the greatest demands on our rapid response capacity. Aside from the tragic loss of life and the millions of families uprooted from their homes, these disasters caused widespread destruction of cities and villages, roads, schools, infrastructure and livelihoods. And when the underpinning of society unravels, children are in greatest need of protection.

Comprehensive Care for Haitian Children

Our first efforts focused on providing relief to thousands of displaced people living in camps and makeshift settlements from Port-au-Prince to Jacmel and Léogâne. During 2010, 1.6 million Haitians, including 700,000 children, benefited from our distribution of shelter materials and supplies, food and water, health care, hygiene and sanitation.

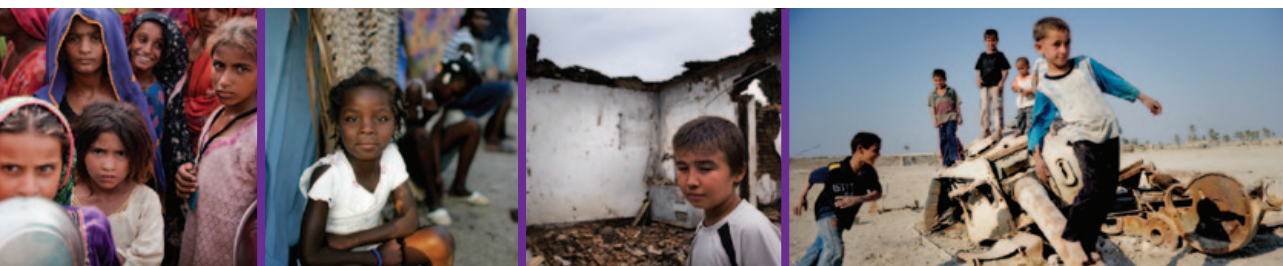
Save the Children's supporters also made it possible to meet the needs of vulnerable children. We ensured their protection by creating supervised child-friendly spaces where children could play and learn in safety. We led a network of agencies in reunifying 1,503 children who had been separated from their families. In October, when a cholera epidemic broke out across the country,

we treated children and adults infected with cholera and other waterborne diseases, and we taught thousands of children and families about handwashing and hygiene. Using innovative construction and design, Save the Children built a model for earthquake- and hurricane-resistant schools and enabled some 44,000 children to return to the classroom. Save the Children is committed to helping Haitians rebuild their communities over the next three years.

Pakistan's Massive Monsoon Flood

In August 2010, severe monsoon flooding wreaked havoc in Pakistan, forcing an estimated 21 million people to flee their homes. Save the Children, which

Save the Children
responded to more than
13 million
children and others surviving the
impacts of 26 natural disasters,
wars and conflicts in 2010.



has worked in Pakistan for more than 30 years, reached more than 2.6 million flood-affected people with emergency medical care, as well as food, shelter materials and other basic necessities.

In the flooded areas, children under age 5 were vulnerable to life-threatening illnesses and malnutrition. Hundreds of health centers had been severely damaged, leaving fewer options for primary health care. Save the Children stepped in to improve nutrition for more than 27,000 mothers, newborns and children under age 5. In response to the destruction of more than 10,000 schools, Save the Children set up temporary learning spaces for 157,000 children that also promoted their emotional and physical well-being.

Save the Children's goal for the next two years is to help 4 million people, especially women and children, rebuild their communities and strengthen their resilience against future disasters.



IN NOVEMBER 2010, Léone Dorvil brought her daughter, 2-year-old Estaliange, to the weighing post at Savane à Palme in Haiti, as part of the growth monitoring sessions organized by our community health workers. During earlier checkups, Estaliange had shown positive growth and stable weight. But that day, she was very weak and pale, and weighed only 13 pounds.

Save the Children enrolled little Estaliange in its Community Management of Acute Malnutrition (CMAM) program, where she received a ready-to-use therapeutic food called Plumpy'nut, vitamin A supplements and de-worming tablets. Meanwhile, her mother, Léone, enrolled in nutrition education sessions to learn about feeding children under 5 years of age, helping children recover from malnutrition and preventing malnutrition from recurring.

By January 2011, Estaliange had regained her strength and weighed about 22 pounds, and she was discharged from the program. Léone said, "The ready-to-use therapeutic food gives strength to my daughter and keeps her healthy. This program is a good thing for the children in Maïssade."

Estaliange's
Story

See what Save the Children is doing in Haiti
at www.savethechildren.org/Haiti.

Shazni's Story

SHAZNI, LIKE MOST babies in the Sylhet district of Bangladesh, was born at home, and she was lucky to have the care of Zeehan, a community health worker. Zeehan was trained in newborn health with support from Save the Children, and even before Shazni's birth, she provided counseling and prenatal care to Shazni's mother to ensure a safe delivery. Soon after Shazni was born, Zeehan made a home visit. She found that the baby was not eating and was very cold. Her mother was frightened and turned to Zeehan for help.

From her training, Zeehan knew that warmth and nutrition were essential to the baby during the critical hours after birth. Traditionally, newborns in this region are separated from their mothers after birth and fed sugar water or tea. But Zeehan advised the mother to wrap Shazni in a blanket and hold her close for warmth. Then she helped the mother spoon-feed breast milk to Shazni and encouraged her to breastfeed.

Zeehan visited the home each day for a week, providing suggestions and watching as Shazni gained in strength and weight. Now Shazni is a happy, healthy one-year old, thanks to Zeehan's simple but effective measures. Until recently, infants in Bangladesh were not named until a month after birth because of the high mortality among newborns. Now, through Save the Children's network of partnerships with local organizations and the government, health workers like Zeehan are saving the lives of newborns across Bangladesh.





Increasing Children's Chances for Survival

For more than a decade, Save the Children's *Newborn and Child Survival* campaign has broken new ground in delivering effective health care directly to millions of newborns and children who are beyond the reach of physicians and hospital care. The core element of our strategy for saving the lives of young children is training villagers as community health workers, who work on the frontlines to prevent and treat such life-threatening diseases as pneumonia, diarrhea and malaria.

Newborns in the Balance

Save the Children is the global and national leader for maternal and newborn health in 26 countries. Our programs have engaged national ministries of health, global policymakers and other nongovernmental organizations to undertake changes to health systems that increase the use of lifesaving measures and thereby reduce newborn mortality.

Save the Children leads through its commitment to demonstrating health interventions that have an impact on newborn health. In 2010, Save the Children's groundbreaking evidence led the World Health Organization and UNICEF to develop and distribute a policy statement recommending home visits to all newborns by community health workers. One trial in rural Bangladesh, called *Projahnmo*, demonstrated that simple interventions by trained community health workers reduced newborn mortality by 34 percent. Through advocacy and dissemination, Save the Children's work had impacts across South Asia and eventually reached Africa and Latin America. These findings changed newborn health policies and national strategies, increasing investments in newborn health, and adding evidence-based newborn health interventions to large-scale programs.

Child Survival

Forty percent of deaths among children under the age of 5 occur in the first month of life. After that, a child's chance of living improves markedly. Despite the fact that childhood deaths have decreased by one third since 1990, more than 8 million children die each year before the age of 5. Early death has always been a bitter fact of life in homes across much of the globe.

Save the Children is a global leader in the strategy called "community case management." We work with health ministries in developing countries to train, equip and supervise frontline health workers in preventing and treating common, serious infections that are the leading killers of children—diarrhea, pneumonia and malaria. In 18 high-mortality countries, community-based care has had a significant impact on more than 7 million children under the age of 5.

Save the Children delivered community-based health care to more than

6.6 million

newborns and

7.3 million

children under age 5 in 2010.

For more on Save the Children's
frontline health workers, go to
GoodGoes.org.

Turning Points in Early Education

There are critical moments during a child's early learning and development when a little extra support can reinforce a youngster's will to learn. Save the Children has pinpointed two opportunities when we can help prepare young children in getting off to a successful start for primary school and beyond. Individual and corporate donors alike are helping us expand these efforts.

Early Childhood Development

Children are active learners beginning very early in life. Save the Children has been a leader in early childhood development for nearly 30 years, and we know that children who are introduced early on to learning activities and communication in a stimulating environment are better prepared for success in school. Save the Children works with preschool teachers, parents and other caregivers to help develop cognitive, social and physical skills in young children so they are ready for primary school.

Now our cutting-edge early childhood development programs in 31 countries are showing more than 600,000 children the way of lifelong learning. Like all of Save the Children's education programs, our early childhood initiative is based on family and community support. Our programs overseas show that children participating in preschool programs are more likely to enroll in school, stay there and flourish through learning.

Early Steps to School Success

In the United States, Save the Children has introduced early childhood learning programs at 84 sites in 11 states, emphasizing a strong connection between home and school. We have found that children whose parents read to them every day have higher vocabulary scores than children whose parents read to them less frequently. Engaged parents clearly have a positive impact on helping their children learn.

Boosting Literacy Outside the United States

Even children who have completed basic education may fall short in reading skills. Save the Children's literacy program is designed to ensure that children not only learn to read but read to learn. Training teachers to teach reading more effectively, developing local reading materials and encouraging family

12 million
children worldwide have
opportunities to learn,
thanks to Save the Children's
many education programs.



members to read with their children are key strategies in creating successful readers. We also use rigorous evaluations of children's skills to track their progress in primary school.

After our first literacy projects in Malawi and Nepal significantly improved children's reading skills, Save the Children expanded literacy programs to six more countries. In Pakistan, our literacy

Learn how Save the Children provides education
to children caught up in war or conflict at
www.savethechildren.org/future.



MELISSA, A 28-YEAR-OLD mother of six, has been participating in our early childhood program in Visalia, California, since February 2009. Her daughters practice reading together, and the youngest—Carla—is always thrilled when new books are brought into their home. At a Family Literacy Night hosted by Save the Children, Carla got her chance to pet a live bunny just like the one in *The Runaway Bunny* by Margaret Wise Brown.

Carla has loved being read to ever since infancy. Now, as she approaches her third birthday, she is eager to learn to “do it by herself” like her older siblings. The local book exchange program will provide just the bridge she needs to take the next step toward reading, helping her prepare for success when she enters school.

**Carla's
Story**

program was introduced to 10 schools in the Allai district, where students were evaluated in comparison with five schools not participating in the program. End-of-year results confirm a 50 percent improvement among students in the program over those children in schools who did not participate, particularly in learning letters, reading in Pashto (the local language) and Urdu (Pakistan's language of instruction).

Literacy for U.S. Children

In 2010, more than 16,000 children participated in our literacy program. They each read approximately 63 books during the program year and passed 92 percent of the quizzes they took. The hallmark of our literacy initiative in the United States consists of an hour of afterschool reading activities. Struggling readers who require additional support take part in individual tutorials during the school day.



Fighting HIV and AIDS on Several Fronts

Maksuda's Story

PARAMEDIC AND counselor Maksuda Akhter leads a session about HIV and AIDS prevention for women at a drop-in center in Barisol town, Bangladesh. Working on a national scale through a partnership with the government of Bangladesh and other partners, Save the Children works to prevent HIV infection among young people ages 10 to 24. Together they have effectively reached 36 million youth in Bangladesh with HIV prevention messages, using TV series, talk shows and traditional folk drama. HIV prevention education is integrated into secondary schools and higher secondary curriculum. Other activities and support services for youth include life skills training, youth-friendly, facility-based health services and a

In Bangladesh, Save the Children's HIV and AIDS prevention messages reached

36 million
children and youth through a national media campaign.

social marketing program encouraging condom use. In addition, Save the Children works to involve religious and community leaders, parents and policymakers.



According to recent reports, new cases of HIV and AIDS are gradually declining. Across sub-Saharan Africa, the number of new cases fell from 2.2 million in 2001 to 1.8 million in 2009. But with cases still in the millions, it is too soon to ease our efforts to protect children who are infected with or affected by HIV and AIDS.

Save the Children fights HIV and AIDS on two fronts: protecting against the spread of HIV and providing care and support for affected and at-risk children. Our strategy is based on partnerships with local communities that mobilize resources to support children and families in need. In 14 countries across Africa, Asia and in Haiti, we build awareness and provide services for youth and children in high-risk areas, work to prevent mother-to-child transmission of HIV, provide care for orphans and vulnerable children, and support family members living with HIV and AIDS.

Ethiopia

In 2010, Save the Children's extensive network of local organizations in 560 communities has supported more than 100,000 orphaned and vulnerable children affected by HIV and AIDS through psychosocial programs, health and nutrition services, education and training in livelihoods and life skills. Our highest priority is to increase the availability, quality and consistency of care and services for orphans and vulnerable children.

Mozambique

Save the Children has mobilized more than 150 communities in four provinces to provide care to children affected by HIV and AIDS. Community committees drawing on local volunteers were able to provide psychosocial support, home-based care services, health and nutrition, education and livelihoods support for nearly 53,000 children in 2010.

Bangladesh

Save the Children has partnered with the government of Bangladesh on a national HIV-prevention program that targets young people through print media, life skills education, school curriculum and youth friendly health services. In 2010, these programs reached 36 million young people—a fifth of the population—with HIV awareness, education and services.

Learn more about Save the Children's HIV and AIDS programs at www.savethechildren.org/OVC.

Stemming Child Hunger

Whenever you read a news article reporting skyrocketing food costs or a surge in the price of corn, remember that there's another side to that story—the plight of millions of families obliged to spend 60 to 80 percent of their income on food. More and more families that just get by are joining the ranks of the estimated 925 million people, including 146 million children, who go through each day without enough to eat.

Our supporters help Save the Children make a difference in strengthening family incomes and providing sufficient, nutritious food for their children all year long. This is a critical component in saving children's lives because malnutrition contributes to 60 percent of child deaths each year.

Staving off Chronic Hunger

To create greater stability for families in rural areas, Save the Children works with local ministries and nonprofit groups to equip farmers with improved livestock and seed, sound farming techniques and better access to markets. And we teach mothers and caregivers about nutritious foods for their children.

For instance, in some regions of Mozambique, malnutrition is as high as 53 percent. To help ensure there are sufficient quantities of food to feed local communities, Save the Children is helping 64,000 farmers in Nampula Province improve their agricultural productivity so that even during the “hunger season,” when food is often scarce, families can feed themselves.

Livelihood Support during Crises

During emergencies, Save the Children supports vulnerable families with direct food aid and “safety nets” such as cash and food-for-work programs. Following

Save the Children helped

5 million

adults acquire the skills and resources they need to support and feed their families.

JOSÉ GROWS SESAME, peanuts, a variety of beans and maize. Enthusiastically, he explains how his life has changed since Save the Children introduced newer farming techniques in his village two years ago. “We learned to farm differently,” he says. “Simple techniques of planting in rows have increased crop production significantly.”

José’s children have felt the immediate benefits of the improvements in their father’s farm productivity. “Two major changes in the life of my children are that they have food all the time and clothes and books for school,” he says. “I am really so happy with Save the Children and the new beginnings in my life and I wish the program would never end. But, if it does, I have learned so many things and hope to continue producing as I am doing now. I know how to progress in my life.”

**José’s
Story**



an eruption of ethnic violence in Kyrgyzstan in 2010, Save the Children met the immediate food needs of more than 250,000 people through food distribution and food-for-work projects. We also helped nearly 5,000 village women form 187 small-scale savings groups of their own design and management, allowing them to save and invest money in real improvements for their families, children and communities.

See how Save the Children is addressing the root causes of poverty in Mozambique. Check out www.savethechildren.org/moz.



Save the Children's U.S.
programs served more than

147,000 children


in early childhood
education, literacy,
nutrition and physical
activity, and disaster
preparedness.

Advocates for U.S. Children

ADVOCACY IN THE U.S.
Save the Children's Mark Shriver, Senior Vice President of U.S. Programs, continued to lead the National Commission on Children and Disasters. In late 2010, the Commission released a report to President Obama and the U.S. Congress highlighting gaps in emergency preparedness that leave children vulnerable.

NATIONAL PARTNERSHIPS
Save the Children partners with the American Red Cross and AmeriCorps NCCC to provide child-friendly spaces in emergency shelters and disaster assistance centers.

LOCAL AND STATE INITIATIVES
Save the Children provides training and technical guidance to address how to protect children during emergencies in higher risk cities and states. Save the Children took the lead in developing state and national child care emergency preparedness standards and guidelines to help protect more than 12 million children in out-of-home care each day.



As part of Save the Children's physical activity and healthy snacks program, Trevon runs an obstacle course at his school in South Carolina.

Leveraging Changes for Children

Advocacy is the act of supporting a cause to produce a desired change, and Save the Children's advocacy is based on what we know works. Thanks to Save the Children's supporters and followers who engage in advocacy campaigns for children at home and abroad, we are a strong voice for the rights of children heard by policymakers worldwide. And advocacy is one of the most effective tools we have to reach more children and expand the impact of our programs. Without advocacy and engagement campaigns, Save the Children's goal of reaching increasing numbers of children would be an uphill battle.

Azerbaijan, Armenia and Georgia

In these countries, destabilized by years of conflict, economic and social deterioration and widespread poverty, Save the Children launched an initiative to promote values of tolerance, cooperation and compassion to grade school children. In addition to classroom activities, we created a puppet show series that first aired on television in 2004 and has now reached more than 2 million people. Save the Children advocated for the introduction of peace and tolerance education in the national primary school curriculum and developed a teachers' manual and storybook. By 2010, all three nations had committed to including peace education in their primary school curricula, and continue to train teachers in methods of educating children in tolerance.



Nepal

In 2005, a Save the Children survey of school children in three districts of Nepal revealed some disturbing facts: A large percentage of students suffered from anemia, hook worm and other health problems. Only 36 percent of schools had separate toilets for boys and girls, and only 44 percent had safe drinking water. Since then, Save the Children has increased health and nutrition services and access to safe water and sanitation at local schools, and educated children in healthy behaviors. By 2010, with 300,000 children participating in our school health program, Save the Children is cooperating with the government of Nepal to develop a national School Health and Nutrition Strategy and introduce the program in schools across Nepal.

Mozambique

With all the excitement leading up to the World Cup in South Africa in 2010, Save the Children took the opportunity of a Mozambican sporting event to raise awareness about protecting against child trafficking and unsafe child migration. Save the Children launched a national advocacy campaign called *Open Your Eyes* that reached 250,000 people through radio and television programs, interviews, posters and postcards. The former national football (soccer) team captain, Tico-Tico, appeared in several advertisements to highlight the problem of child trafficking. Save the Children hopes that advocacy efforts like these help protect vulnerable children long after the champions and fans return home.

Take Action for Children at www.savethechildren.org/act.

Finance Report for 2010

Three-year-old Elufe plays with a toy at a Save the Children-supported preschool in Malawi.



2010 was a strong year financially for Save the Children USA, as the agency realized an increase in revenues, a net operating surplus and an increase in overall net worth.

Save the Children's operating revenues totaled \$542.53 million in 2010, representing the highest level in our history and a 22 percent increase over 2009. This growth was fueled by two emergency initiatives—the Haiti earthquake and Pakistan flood responses—which drove over \$113 million of the agency's financial activity and strong private giving. Contributions and private grants accounted for \$273.66 million, or 50 percent of revenues. Support from the U.S. government came to \$159.16 million for grants and an additional \$26.93 million for food aid, totaling \$186.09 million, or 34 percent of revenues.

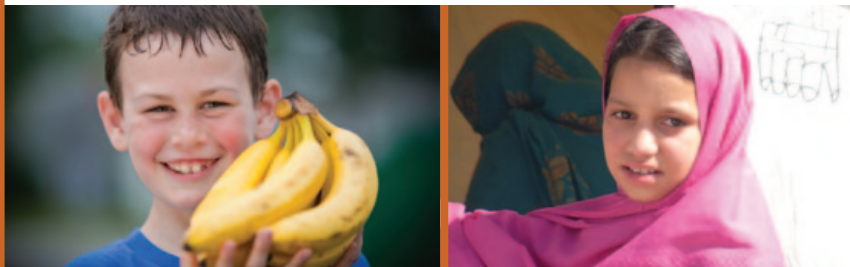
Agency spending for the year totaled \$527.17 million. Approximately one-third of programmatic spending was related to emergency response activities, with nearly one-quarter allocated for education and 20 percent for health and nutrition programming, respectively.

With operating revenues exceeding operating expenses by \$15.36 million, Save the Children finished the year with a net operating surplus. Of this amount, \$12.27 million is restricted to specific programmatic activities, and these funds will be spent to benefit children in future years. The remaining unrestricted surplus of \$3.09 million will serve as an important financial resource for 2011 as the agency participates in the launch of Save the Children International programming.

Unrestricted net assets totaled \$107.76 million in 2010, up \$5.12 million from 2009, and total net assets rose 17 percent to \$179.24 million. Such increases reflect gift and bequest inflow, investment performance, and the operating surplus, offset by currency exchange activities.

Also considered an important measure of financial health, for the eighth straight year, Save the Children directed 90 percent of overall expenses to programs. And for the sixth straight year, the agency kept the private cost to raise a dollar below 10 cents. Save the Children continues to place near the top of nonprofit organizations in such metrics.

Financial Report



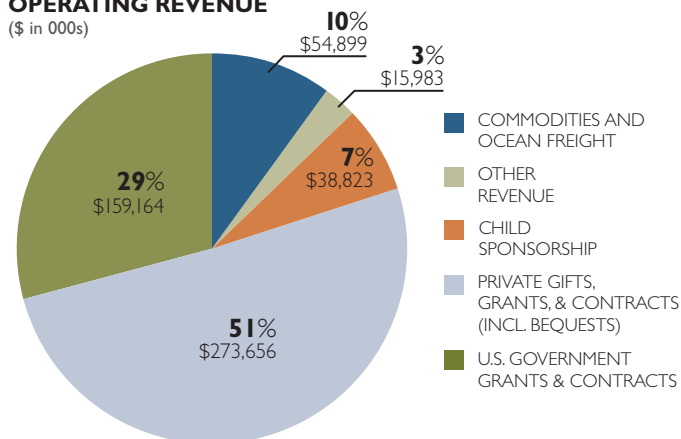
Save the Children enters 2011 financially well positioned to weather any further economic instability and support continued growth to best meet the needs of children worldwide.

A handwritten signature in black ink, reading "Sarah A. Gillman".

Sarah A. Gillman
Vice President, Finance and Information Management
Chief Financial Office and Treasurer

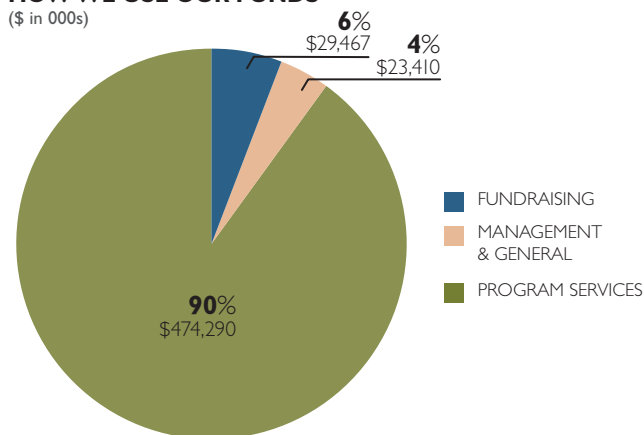
OPERATING REVENUE

(\$ in 000s)



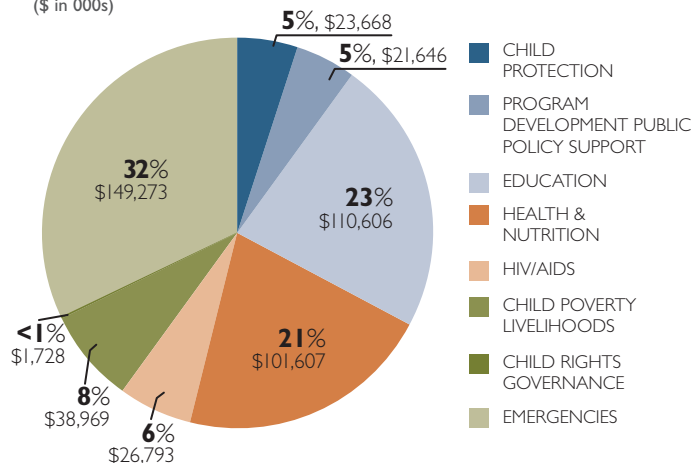
HOW WE USE OUR FUNDS

(\$ in 000s)



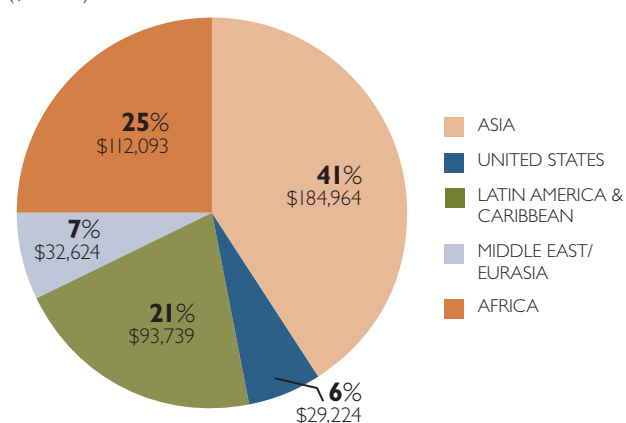
NATURE OF OUR PROGRAMS

(\$ in 000s)



WHERE WE WORK

(\$ in 000s)



Condensed Audited Financial Information

for the 12 month period ending December 31

(\$ in 000s)

	2010	2009
OPERATING REVENUE		
Child Sponsorship	\$38,823	\$35,827
Private Gifts, Grants, & Contracts (incl. bequests)	273,656	197,116
U.S. Government Grants & Contracts	159,164	138,731
Commodities and Ocean Freight	54,899	61,724
Other Revenue	15,983	12,253
Total Operating Revenue	542,525	445,651

OPERATING EXPENSES AND CHANGES IN NET ASSETS

Program Services

Program Activities	452,644	400,944
Program Development & Public Policy Support	21,646	16,811
Total Program Services	474,290	417,755
Fundraising	29,467	26,319
Management & General	23,410	21,583
Total Operating Expenses	527,167	465,657

Excess/(Deficit)* of Operating Revenue over Operating Expenses	15,358	(20,006)
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Excess/(Deficit) Related to Unrestricted Funds	3,087	185
Excess Related to Temporary Restricted Funds	12,271	(20,191)

Non-Operating Activity (endowment gifts & pledges, investment earnings and exchange gain/loss)	11,322	9,916
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Total Operating Revenue and Non-Operating Activity	553,847	455,567
Total Operating Expenses	527,167	465,657
Increase/(Decrease) in Net Assets	26,680	(10,090)
Net Assets, Beginning of Fiscal Year	152,556	162,646
Net Assets, End of Fiscal Year	\$179,236	\$152,556

Net Assets as a Percent of Operations	34.00%	32.76%
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*The operating deficit in 2009 mainly represented the difference between spending against designated gifts received prior to 2009 compared to the volume of new gifts raised for those programs for future years. These primarily supported activities in Asia for the Tsunami 5-year program and other activities. Unrestricted operating activities were relatively balanced at a \$185 surplus.

*The operating surplus in 2010 mainly represented the difference between spending against designated gifts received prior to 2010 compared to the volume of new gifts raised for those programs for future years. The new gifts primarily supported activities in Pakistan for the flood emergency and Haiti for the earthquake emergency. Unrestricted operating activities showed a surplus of \$3,087.

In 2010 on average, based on 2009 costs to administer gifts donated for current use, Save the Children charged 6 percent for fundraising, 4 percent for management and general, and 4 percent for program development and public policy support.

NEW THEMATIC PROGRAM EXPENSES AT SAVE THE CHILDREN 2010 FORWARD — Save the Children changed its thematic program expenses in 2010 to align with the other Save the Children Alliance members under a process called Core Process Harmonization, which developed a common chart of accounts and management accounting structure to pave the way for Save the Children International and so all Alliance members can similarly compare costs.

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Front cover: Susan Warner/Haiti

Inside front cover: Mats Lignell/Afghanistan

- p. 1 (From left) Michael Bisceglie/Guatemala;
Rebecca Janes/Haiti; Gary Dowd/South
Carolina; Save the Children staff/Bangladesh
- p. 4 Jason Tanner/Pakistan; Lee Celano/Haiti; Ikuru
Kuwajima/Kyrgyzstan; Luca Kleve-Ruud/Iraq
- p. 5 Moise Joseph/Haiti
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- p. 8 Anna Kari/Egypt; Juan Carlos Irigoyen/
El Salvador; Michael Bisceglie/Malawi;
Gary Dowd/South Carolina
- p. 9 Save the Children/California
- p. 10 Jeff Holt/Bangladesh; Jenny Matthews/Ethiopia;
Freyhiwot Nadeu/Tanzania; Michael Bisceglie/
Mozambique
- p. 11 Kelly Lynch/Bangladesh; Gia Marie S. Chu/
Philippines; Michael Bisceglie/Malawi (two right-
hand photos); Asha Cheriyan/Mozambique
- p. 12 Gary Dowd/South Carolina
- p. 13 Scott McDonald/Mozambique; Michael Bisceglie/
Guatemala; Save the Children/Armenia; Brent
Stirton/Nepal
- p. 14 Michael Bisceglie/Malawi; Gary Dowd/South
Carolina; Khurram Masood/Pakistan
- p. 16 Ian Woolverton (above and first two below);
Andrew Wander/Japan (right)

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Save the Children's Child
Protection programs keep

4 million

children safe during
emergencies and from
violence, abuse and harm.



Seina, 9, takes shelter with his mother, Yuriko, in the sports hall of a junior high school not far from Ishinomaki, where an estimated 15,000 people died. Sadly, his older sister is among the dead, washed away by the tsunami.

Seina has been living at this evacuation center for nine days. "Now it's just me and mom left," Seina says, wiping tears from his eyes. "I really want to go home."

With little to occupy his mind, Seina naturally focuses on all that he and his mother have lost. But Save the Children's child-friendly space in the evacuation center offers Seina and other children a way to get involved in activities and share their feelings and experiences with others, while helping them overcome their fears.

**Seina's
Story**

Japan's Children

Weeks after Japan was rocked by a 9.0 earthquake and the devastating tsunami that leveled cities and towns along the northeastern coast, over 310,000 people, including 74,000 children, have lost their homes. These families now fill crowded, uncomfortable shelters where children live with all the misery and fears of their worst nightmares—the loss of home, friends and relatives and the ever-present danger of radiation exposure from damaged nuclear reactors.

Thanks to the extraordinary generosity of the many donors who have reached out to Japanese families, Save the Children is on the ground, working in the worst-affected areas and helping children come to terms with the dramatic changes to their lives.

From years of experience as a leader in helping children in the wake of natural disasters, Save the Children has found that the best remedy is to let them do what they do best—play with other children. We have set up child-friendly spaces in 15 shelters where children can get the emotional support they need to work through their fears, express their feelings and join in play activities with other children.

Child-friendly spaces take on even greater significance in light of the fact that it may be months before temporary accommodations are available for these families. The crowded shelters may be home to many children for the foreseeable future. But while children engage in play and learning, parents can register for disaster assistance and assess the damage to their livelihoods and homes.

One mother said, "Child-friendly spaces made my daughter, Satsuki, come alive. She has become herself again. It's like a bridge for her during this time. You have made my daughter smile again."

Protecting children is key to our emergency response in Japan.
See why at **www.savethechildren.org/cfs**.

How do *you* help children in need?

Engage

www.savethechildren.org/engage

Learn how Save the Children helps millions of children worldwide get the health care, education and protection they need to overcome poverty and thrive.

Give

www.savethechildren.org/support

Your donation to Save the Children will prepare children to break out of the cycle of poverty and build a better future for their communities and their families.

Take Action

www.savethechildren.org/act

When you join in getting the word out to your friends, family, community and elected officials, you help expand Save the Children's advocacy efforts to build a global movement for children.



Save the Children®

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