





**WE WILL END THE SCHOOL SHORTAGE
IN OUR LIFETIME.**

WE WON'T REDUCE IT; WE'LL END IT.

NOT IN 100 YEARS, BUT TWENTY.

**NOT ALL KIDS GO TO SCHOOL
BECAUSE OF AN
INFORMATION GAP WE CAN BRIDGE,**

**AND THERE AREN'T ENOUGH SCHOOLS
BECAUSE OF A MARKET
FAILURE WE CAN FIX.**

IT'S A SCHOOL SHORTAGE,

AND WE'LL END IT.

DESIGN WITH EMPATHY.

PROVE BY TESTING.

SCALE WITH EVIDENCE.

WE'RE **ATYPICAL.**

TYPICAL WON'T END THE SHORTAGE, BUT ATYPICAL WILL.

THE TYPICAL CHARITY THINKS SMALL, FEARS FAILURE AND SELLS STORIES. WE DON'T. WE **THINK BIG, TAKE RISKS AND PROVE IMPACT.**

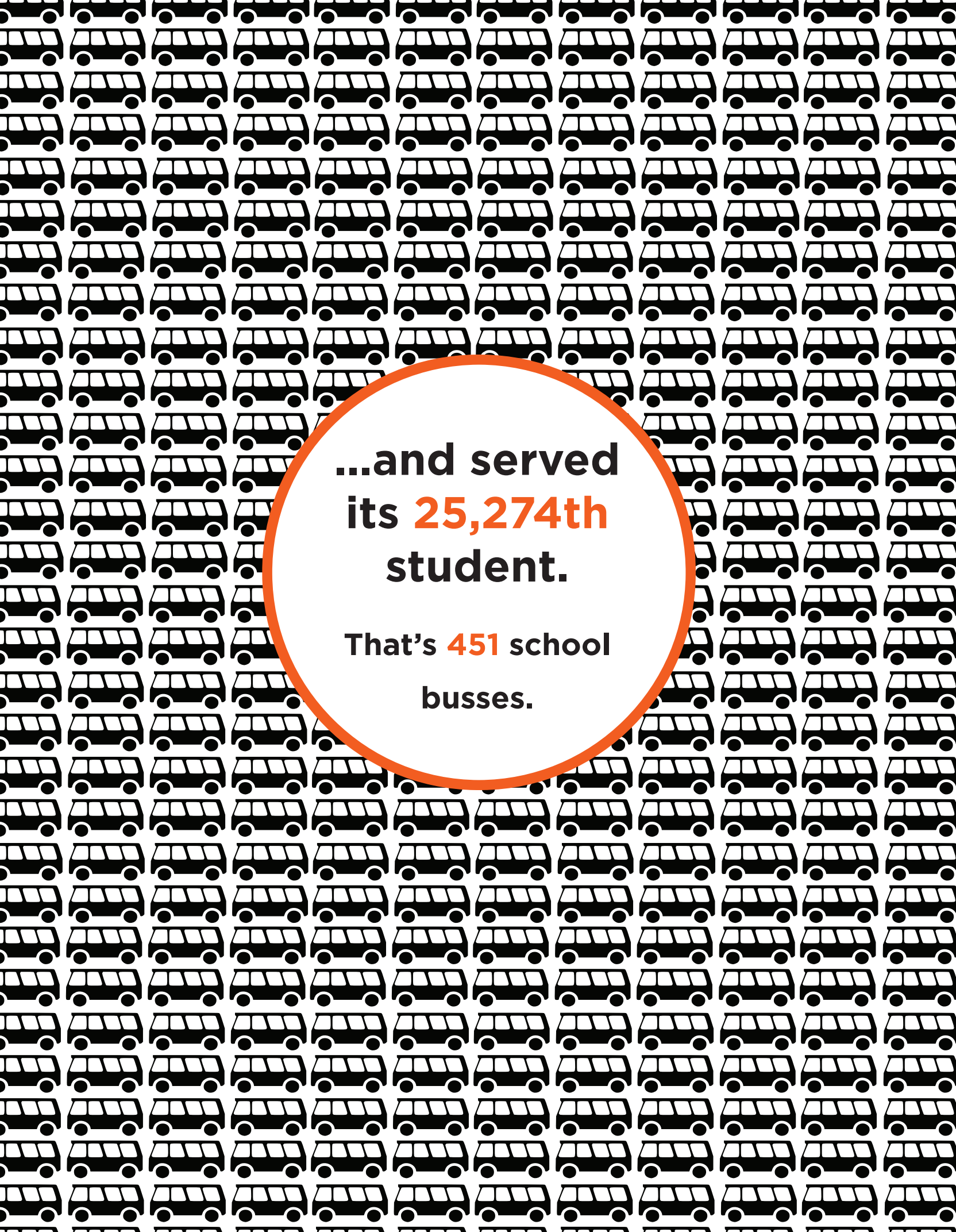
TYPICAL THINKS INCREMENTAL; WE THINK SCALE. TYPICAL FEARS FAILURE, SO STAYS SMALL; WE **TAKE RISKS TO GO BIG.**

TYPICAL CONFUSES STORY FOR PROOF; WE **SCALE PROOF, NOT STORY.**





In 2013
Escalera
built its **99th**
classroom...



...and served
its **25,274th**
student.

That's **451** school
busses.

COST PER STUDENT

BENE SCHOLARSHIPS

\$1,335 per student

After Benemerito High School's closure, Escalera helped 35 of its 131 scholarship students who had not yet graduated to find a good school closer to home. These 35 students will have Escalera scholarships until they finish high school. High school graduates earn 34% more than their peers.

STAR SCHOLARSHIPS

\$27 per student

Star Scholarships use cash awards to motivate middle schoolers to learn more and continue to high school. In the 2012-13 school year, Star Scholarships reached 6,000 students and cost \$159,955. As a result of the program, all students—not just award winners—jumped an entire grade level in reading and math.

REACH MENTORING

\$32 per student (projected at scale)

REACH sends students to high school who otherwise would not go. It's a mentor-in-a-box that gives students the role models and information they're missing to take the educational leap that none of their family members or neighbors have done. REACH will mentor 2,225 students in the 2013-2014 school year and send 223 to high school who otherwise would not have gone.

ESCALERA SCHOOLS

\$48 per student

A decent schoolhouse gives students 12% more learning time every year. Students who learn under tarps and in shacks lose about six weeks of school due to bad weather and teachers who show up less often. In 2013 we built 44 classrooms and 6 bathrooms that will serve 18,750 students over twenty years for a total cost of \$891,621.

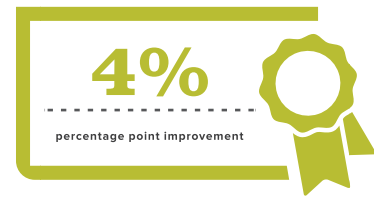
\$1,335



STUDENT IMPACT NUMBERS

STAR SCHOLARSHIPS 4%

All students—not just award winners—jump an entire grade level in reading and math (a **4** point improvement on tests) because of Star Scholarships.



SCHOOL BUILD 12%

Students with a proper schoolhouse receive **12%** more classroom instruction, which is the equivalent of 6 more weeks of school every year.

REACH MONITORING 34%

Graduates earn **34%** more than their peers who do not attend high school.



NUMBER OF STUDENTS REACHED IN 2013

BENE SCHOLARSHIPS

131

STAR SCHOLARSHIPS

7225

PREVIOUSLY-BUILT SCHOOLS

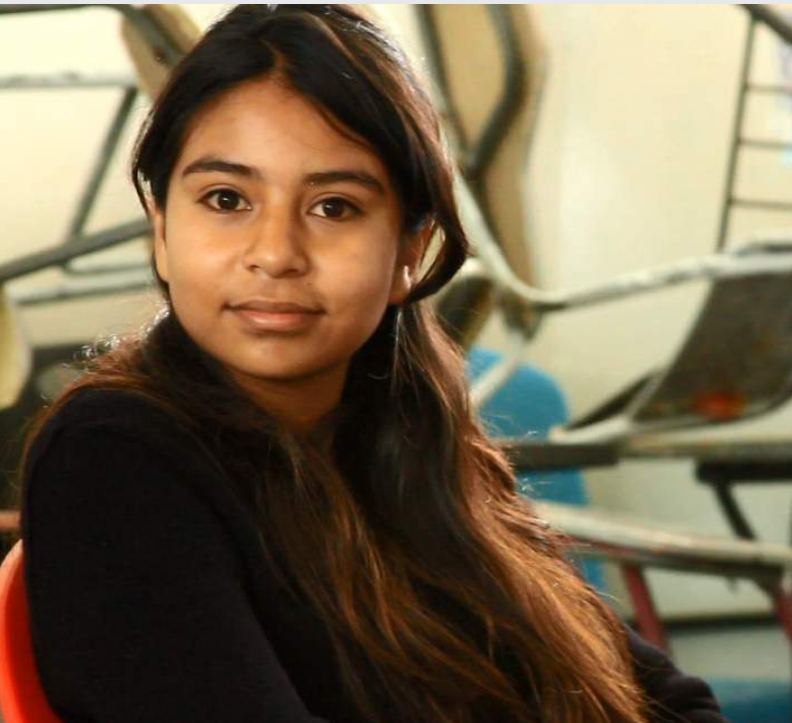
1477

NEW SCHOOLS

1303

BENEMERITO

SCHOOL IS FREEDOM



Leslee never thought she'd study beyond middle school—and even making it that far was difficult. Leslee's father, a bricklayer, does not always have work and his pay is meager when he does. As the eldest, Leslee believed her fate was limited to helping her mother raise her younger siblings.

But then Leslee received an Escalera scholarship, and suddenly high school became possible. "At Benemérito High School I learned that nobody is bound by fate; I am free to choose my own life path." Leslee excels in high school. She earns perfect grades, which exempt her from having to take her final exams and as such, she finishes the semester early and returns home to help her mother. Leslee dreams of university and is determined to make it. School gives Leslee the freedom to help her family. For Leslee, school is freedom.

In 2013 Escalera gave Bene scholarships to 131 students like Leslee from all over the country to attend a top high school in Mexico City.

Christian used to trek two hours to school, a wooden shack on a mountain side. In the winter, he and his classmates would light a small fire inside to try to keep warm. In the wet months, the dirt floor would turn to inches of mud and their feet would stay wet and cold all day. Escalera built a school for Christian and his classmates: a warm, dry place to learn that is much closer to home. Christian's village had been requesting a school from the authorities for the past ten years without success.

When Christian talks about his new school, he talks of the future. He talks about his six brothers who will be able to study. He talks of pursuing his dream to become a lawyer. A new school gave Christian, his classmates, and their village's future generations the opportunity to study without having to make Christian's sacrifice. For Christian, school is opportunity.

Christian is one of the 1,303 students in 2013 who received a school from Escalera.

SCHOOLS

SCHOOL IS OPPORTUNITY



Juana overcame social norms and economic hardship to make it to school. Now she's her village's first college grad, and she's giving back in a big way. When Juana turned fourteen, she began working to support her family, but she fought to stay in school, and eventually, she earned a high school diploma. As a high school grad, Juana decided to tutor younger students in computers, which led her to a bachelors degree in information technology. Now Juana tutors youth in her community and encourages them to pursue their education. School gave Juana choice. And Juana chose to give back. For Juana, school is choice.

Research shows that role models like Juana cause more students to go to school. That's why we're sharing Juana's story with 2,225 students as part of REACH, a program that provides students, teachers and parents with motivational and practical information about why and how to get to high school.

REACH

SCHOOL IS CHOICE



STAR

SCHOOL IS POWER

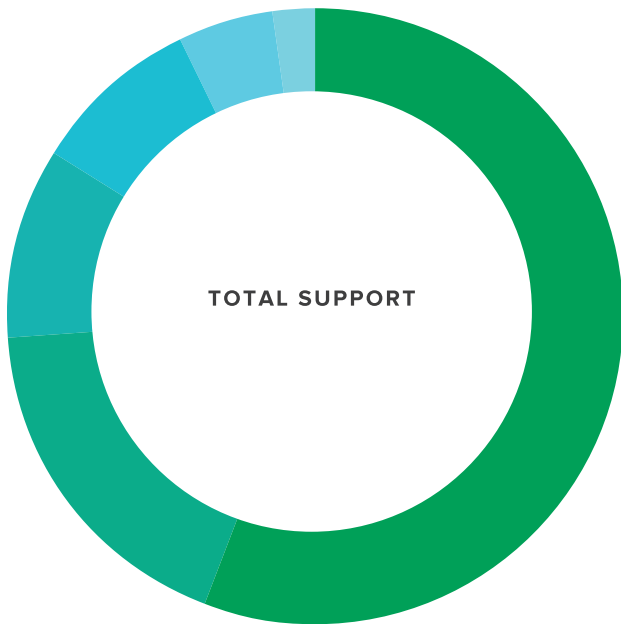


Julio earned a laptop through Star and used it to improve a US government program in Mexico. Access, an after-school program in English and computing sponsored by the US State Department, struggled to reach Chiapas' underserved students because of a language barrier: the curriculum was in Spanish and English, but since students primarily spoke their indigenous Tzeltal, it was difficult for them to absorb the training.

Finally a solution came; not from Washington, but from Julio, one of Escalera's Star Scholars. Julio's idea was to skip Spanish and translate the curriculum directly from English to Tzeltal. And he did it! He presented the translated curriculum, on his Escalera laptop, to the State Department. School gave Julio the power to solve problems. For Julio, school is power.

In 2012-13, Star Scholarships raised reading and math levels by an entire grade level for 6,000 students and awarded 3,468 scholarships.

REVENUE & EFFICIENCY



- FOREIGN GOVERNMENTS **56%**
- INDIVIDUALS & BUSINESSES **18%**
- FOUNDATIONS **10%**
- GIFTS-IN-KIND **9%**
- 1% FOR STUDENTS CAMPAIGN **5%**
- INVESTMENT **2%**



- PROGRAM SERVICES **90%**
- DEVELOPMENT **4%**
- MANAGEMENT & GENERAL **6%**

4 STAR PERFORMANCE

MEASURABLE RESULTS ARE OUR METRIC OF SUCCESS, NOT JUST OVERHEAD RATIOS.

	PROGRAM EXPENSES	ADMIN EXPENSES	FUNDRAISING EXPENSES
<p>4 STAR FINANCES According to Charity Navigator criteria, we qualify for a perfect four stars in financial performance. This means Escalera “outperforms most charities in its cause.”</p>	<p>Score 9.02 Escalera spends 90% of its budget on school programs, compared to an industry average of 83%.</p>	<p>Score 10 Escalera spends 6% of its budget on administrative expenses, compared to an industry average of 9%.</p>	<p>Score 10 The industry spends 8% on fundraising compared to Escalera’s 4%.</p>
WORKING CAPITAL RATIO	FUNDRAISING EFFICIENCY	REVENUE GROWTH	PROGRAM GROWTH
<p>Score 10 Escalera could sustain its current level of spending on programs for 1.5 years using only its net available assets compared to an industry average of 1.08 years.</p>	<p>Score 10 Escalera spends 3¢ to raise one dollar; the industry spends 8¢.</p>	<p>Score 10 Escalera has grown eleven times faster than the industry average over the last four years: 77% versus 7%.</p>	<p>Score 10 Escalera’s spending on programs grew by 80% over the past four years, compared to the industry’s 6%.</p>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	2013	2012
Cash and cash equivalents	\$377,068	\$50,605
Contributions and pledges receivable	\$2,458	\$20,000
Investments	\$1,251,459	
Total Assets	\$1,630,985	\$70,605
LIABILITIES AND NET ASSETS		
Liabilities	\$7,115	\$1,565
Deferred grant revenue	\$52,458	
Total Liabilities	\$59,573	\$1,565
Unrestricted net assests	\$1,571,412	\$68,540
Total Net Assets	\$1,571,412	\$69,040
Total Liabilities & Net Assets	\$1,630,985	\$70,605

100% of public donations directly fund school programs. Generous support from The Benjamin Foundation funds our administrative costs so you don't have to.



CONSOLIDATED STATEMENT OF ACTIVITIES

PUBLIC SUPPORT & REVENUE	UNRESTRICTED	BOARD RESTRICTED	TEMPORARILY RESTRICTED	2013	2012
Individuals & businesses	\$94,368	\$143,647	\$72,327	\$310,342	\$184,410
Foundations	\$73,658	\$1,413,500	\$25,750	\$1,512,908	\$150,525
Foreign Governments			\$708,745	\$708,745	\$175,857
Interest	\$31,053			\$31,053	\$68
Donated Services	\$115,637			\$115,637	
Net Assets released due to satisfaction of restrictions	\$1,229,159	-\$422,337	-\$806,822		
Total Public Support & Revenue	\$1,543,875	\$1,134,810	\$0	\$2,678,685	\$510,860

EXPENSES	UNRESTRICTED	BOARD RESTRICTED	TEMPORARILY RESTRICTED	2013	2012
Program Services	\$1,079,159			\$1,079,159	\$616,468
Management & General	\$74,860			\$74,860	\$55,040
Development	\$42,887			\$42,887	\$4,417
Total Expenses	\$1,196,906			\$1,196,906	\$675,925
Change in Net Assets	\$346,969	\$1,134,810	\$0	\$1,481,779	-\$165,065

*2013 expenses include donated professional services and other in-kind gifts

In 2035, the school shortage is history. It's over. Everyone has a school, and everyone who wants to, goes. Everyone. The poor see they weren't born to be poor. They see they have choice, and they are choosing change. The world still has millions of problems, but billions of former students are tackling them.

Escalera eliminated Mexico's school shortage, and started a movement that ended it everywhere. We built millions of schools through social business and sent millions to school through social impact bonds. Venture philanthropists invested in the bonds; social impact investors financed the business. Our team is talent driven by passion, and our brand is social innovation.

