



children
international®

2021 SPECIAL REPORT

Esther (holding
her sister), age 18,
with her family
ZAMBIA



INSIDE

True impact changes families over generations. See how your generosity and partnership help vulnerable children, youth and families navigate COVID-19 uncertainties and break through to a future of possibilities.

Dear Children International supporters,

New variants and unexpected waves of COVID-19 infections continued to disrupt the lives and well-being of people around the world last year, exposing further inequities in global health and education and reversing progress toward solving global poverty by at least three years. But as the complexities of poverty escalated, the collective power of generosity, ingenuity and resolve among supporters like you gained momentum too. Our 2021 results at Children International stand as proof that when the going gets tough, the tough get together and get going.

Last year, we continued to adapt, stay connected and deliver programs and services that fulfill our mission. With the support and commitment of sponsors, donors and partners — combined with the creativity and adaptability of our global teams — we achieved strong financial results that fueled efficient operations and tangible impact for our kids and families. Especially remarkable

in another COVID year: We added nearly 31,000 new sponsorships, again proving that people really do rally to help when needed. With new supporters, steadfast loyalty among existing supporters and strong expense management, we were able to send an additional unplanned \$3.6 million to children and families.

Most importantly in 2021, together we helped nearly 200,000 sponsored children and their families create positive change. We also gave 5,240 young adults (current and former sponsored children) access to education and training designed to help pave their way to employment. We are building on this employability program in 2022 to help more youth in the future.

Some of the other programs we initiated as short-term innovations to address current COVID conditions are showing promise as longer-term solutions that will help


shape our approach beyond the pandemic. You will read about those programs and some of our early successful outcomes throughout this report.

The work and impact you helped make possible in 2021 represent what is possible when the tough get going to end poverty. No obstacle is too big to overcome when people like you are inspired by the unlimited potential of children who only need a chance.



With gratitude,

Susana Eshleman, PRESIDENT & CEO



Globally, **3 to 4 years of progress toward ending extreme poverty** are estimated to **have been lost due to the pandemic.**

About 97 million more people are living on less than \$1.90 a day because of the pandemic, increasing the global poverty rate from 7.8 to 9.1%.

Those who lost income due to the pandemic were 57% more likely to go a full day without eating, which carries serious long-term consequences for cognitive and physical development when experienced among children.

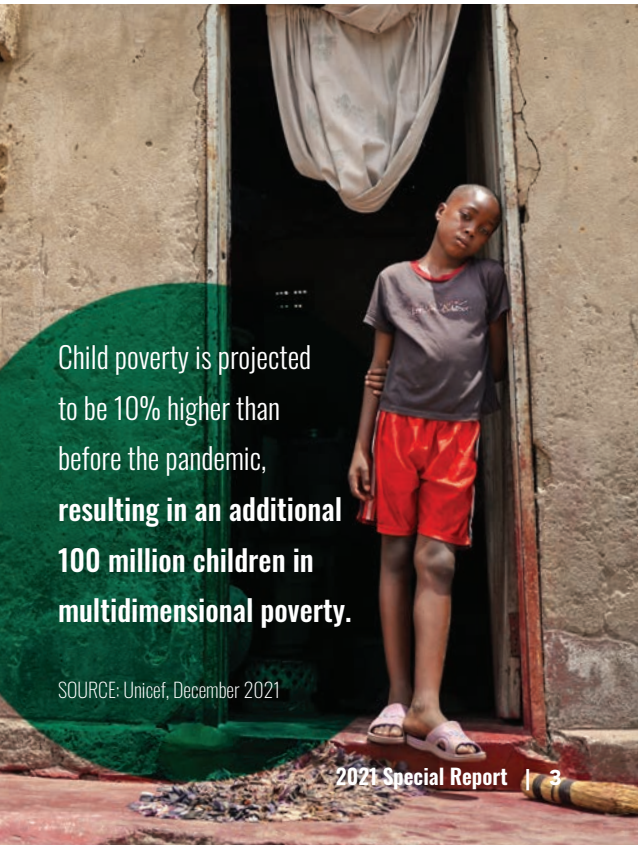
SOURCE: World Bank, October 2021



The world's most vulnerable populations (women, young workers and workers with less education) were much more likely to lose their jobs in the first three months of the pandemic.

Poorer households lost incomes and jobs at higher rates, and the most vulnerable groups were impacted the most.

SOURCE: Brookings, September 2021



Child poverty is projected to be 10% higher than before the pandemic, resulting in an additional 100 million children in multidimensional poverty.

SOURCE: Unicef, December 2021

Programs: Meeting the moment and being prepared for the future

In 2021, the pandemic continued to create massive challenges and roadblocks for people everywhere. To help break through those new barriers, the crisis demanded that we change. With your support, we adapted service delivery, listening carefully to our children and families and renewing our focus on their greatest needs. We had

more than 200,000 reasons to operate more effectively and with more relevance to the world today. Some of what we thought might be short-term innovations and solutions to address current conditions have instead proven to be long-lasting changes that will evolve our operations and enable our mission beyond the pandemic. ●

The below examples are representative of new program focus areas and innovative delivery methods taking place in many agencies globally.

IMPROVED ACCESS TO HEALTH CARE

In community centers in Ecuador, we strengthened the telemedicine program and expanded our medication delivery services to families.



NEW WAYS TO CONNECT WITH FAMILIES

In Mexico, we assigned family facilitators to stay connected to the needs of our sponsored children.



CRITICAL ECONOMIC ASSISTANCE

Globally, we standardized a program to provide direct monetary assistance at least twice a year so families can purchase food and other necessities.



FOCUS ON EMPLOYABILITY

Globally, we assessed the pandemic's harm on youth employability and sharpened our focus on programming on this critical area of support.



FOCUSED OPERATING EFFICIENCIES

In the Dominican Republic, we united two teams in our field offices, the Sponsor Relations and Programs teams, to better meet our goals, ultimately exceeding our participation goals in emotional well-being, education and employment programs.



INNOVATIVE ACCESS TO LEARNING

When schools closed in Colombia, the Dominican Republic, Guatemala and India, we delivered tablets, phones and data packs to our students to help them continue learning.



RENEWED EMPHASIS ON EMOTIONAL WELL-BEING

After developing and testing a new method for delivering emotional well-being programs both virtually and in-person, we implemented it in all agencies, focusing on responding to the trauma of living in poverty compounded by the pandemic.



FOCUS ON EMPLOYABILITY

Formal employment is the final hurdle on the path out of poverty



university education. Technical school training. Job and life skills tailored to fit community needs. Formal employment. These are milestone opportunities for every young person.

The stakes are higher for young adults living in poverty. The chance to study more, learn more and finally become employed means these youth have a chance to break generational chains. Stable work is the final hurdle and most critical leap to breaking the cycle of poverty.

Over the next five years, Children International has committed to building on our established strengths in health, education and youth development. Our capstone employability programs help youth make a successful transition to adulthood and break free from poverty. Each year, we see increased interest in these programs — not only from the youth vying to earn a coveted spot in the competitive programs but also from local employers.

“I have realized there is a difference between

Children International graduates versus the young people who do not come from your organization,” says Elsa Anchundia, head of human talent at Hotel Palace in Guayaquil, Ecuador. “Youth from Children International come ready with the knowledge of what they have to do, [with qualities] such as teamwork and proactiveness. We always receive young people prepared for the role.”

Despite an economic downturn and business closures during the pandemic, **half of our program graduates were able to retain their jobs**, according to our Tracer Study conducted from November 2020–April 2021. And our staff continue to assist those youth who lost jobs by referring them to employment opportunities as the market recovers.

Our employability programs unlock doors for graduates. They give youth the means to access the job market, create a path for a productive future, and to contribute to their communities. They serve an essential role in advancing Children International’s goal of ending poverty by helping youth make a successful transition to adulthood. ●

“Thanks to the Into Employment® program I managed to find my first job as a life insurance consultant. I acquired four certifications in the program: customer service, life skills, intermediate computing and technical training. I am thankful that the program exists because there are many young people like me who want to write their success stories.”

– JENNIFER, AGE 23

Into Employment graduate, ECUADOR



Jennifer, age 23
ECUADOR

2021

LOOKING BACK: Realizing the Children International vision through partnerships

In 2021, we focused on building and strengthening our partnerships with donors and foundations, governments, nonprofits and local and global companies to ensure a coordinated, widespread response to the pandemic. We are grateful to these entities for sharing resources, building capacity, expanding

our reach and increasing overall support. Through the power of partnerships, we realize our vision of bringing people together to end poverty for good. Here is a look back to celebrate the empathy and compassion our partners demonstrated for Children International families in 2021. ●

JANUARY

The **Winslow Stark Foundation** steps in to provide emergency assistance to Indian families in dire need following the second wave of COVID-19 cases.



MARCH

ELONGATE donors give nearly \$400,000 in cryptocurrency to benefit youth scholarships for higher education as well as pandemic-related emergency assistance.



MAY

Fast Company recognizes Children International and **Children's Mercy Hospital, Hallmark** and **Abbott Nutrition Health Institute** for delivering a life-saving malnutrition tool to caregivers around the globe.



JULY

Construction is completed on the Youth Resource Center, funded in large part by **Louise Sperber** and **Dave Sabers**, in Kolkata, India.



SEPTEMBER

The **GROW Fund** invests in children's health services in Guayaquil, Ecuador.



NOVEMBER

Windgate Charitable Foundation bestows a \$1.56 million grant to the University of Arkansas at Little Rock—Children International to support education and outreach programs for central Arkansas children.

The **Guru Krupa Foundation** supports virtual tutoring and early childhood educational programs in Delhi, India.



DECEMBER

Karen's Hope Worldwide invests in tablets and college scholarships for Colombian students, so they may eventually find formal employment.

Children International and Habitat for Humanity begin building new houses for Honduran families, thanks to a grant from the **C. Northrop Pond and Alethea Marder Pond Foundation**.

Staff and youth celebrate the inauguration of the Building Dreams Community Center in Colombia, funded by **ZUGU Case**.



APRIL

Local partners **Habitat for Humanity, UNHCR** and **FUNDAHRSE** in Honduras donate supplies to families affected by 2020's destructive hurricanes.



JUNE

Georgia-based **Southwire** donates and distributes bags of food to Honduran families affected by the 2020 hurricanes.



AUGUST

The "Colombia Wind Orchestra" documentary premieres. **The Sally and Dick Roberts Coyote Foundation** created and funded the film, which follows the youth in our Colombia music program as they prepare for a national concert.

Citi Foundation provides funding to our Ecuadorian empowerment and employment programs that teach youth resiliency, life skills and career preparation.

Construction begins on The Newsome Family Center in Guatemala. **Adam, Melissa & Brantley Newsome** and **Forrest Babington** made this new center possible by providing foundational funding.

IN THEIR OWN WORDS:

The people driving innovative and effective changes

Health, education, empowerment and employability — all our program pillars work together, building a foundation to help families overcome poverty for good. As the pandemic continued to spread in 2021, we adapted the delivery of these program services and supplemented them with family economic assistance, knowing our sponsored children needed extra financial support more than ever. Our frontline staff members, volunteers and youth share in their own words how they found innovative and effective new ways to help make our vision a reality. ●

FOCUSED OPERATING EFFICIENCIES

Telemedicine delivers urgent and necessary health care to families

Children International health teams responded quickly to pandemic closures in early 2020 and spent 2021 shifting our strategy to provide access via telehealth — developing partnerships with government entities and improving our referral networks. As the demand for telehealth services grew, the team in Guayaquil, Ecuador, identified ways to better manage prescription medicine inventory, improve record-keeping, streamline processes and add locations for prescription pick-ups.

“With the inventory improvements, we now make 100% of our purchases knowing the available balances in the warehouses, which results in fewer expired products. Our data helps us estimate seasonal trends to keep us from overstocking. Now our team allocates their time to finding better suppliers and negotiating more favorable prices and conditions. We channel our savings into other needs for our community.”

Prescriptions are made through telemedicine and the delivery of the medicine is guaranteed. We also have greater coverage. Previously, we had four internal pharmacies — now we have nine supply points. Families' satisfaction has increased because they have permanent access to much-needed medicines during periods of confinement or high contagion.”

— **GLADYS NOBLECILLA**
purchasing manager, ECUADOR



Fredy, age 4, and his grandmother visit a partner pharmacy ECUADOR

RENEWED EMPHASIS ON EMOTIONAL WELL-BEING

Mental health workshops equip our children facing trauma and adversity

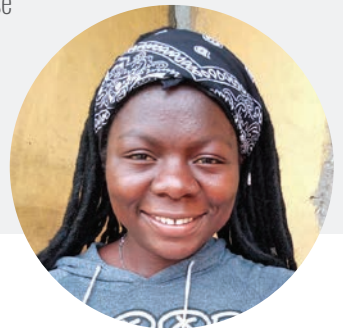
Globally, more than one in seven adolescents are living with a diagnosed mental disorder. And, as we enter the third year of the pandemic, mental health, especially for children and youth, is a growing crisis magnified for those living in poverty.

We began addressing this issue in 2021 by offering emotional well-being and resilience workshops in all of our agencies. In 2021, 46,838 children and youth participated in our emotional well-being program, which builds vital life skills, so they can stay mentally healthy and on the path out of poverty.

“COVID-19 brought about many uncertainties ... Sometimes my family eats only once or twice a day. Whenever I feel sad or depressed, I call Madam Luckness Namonje at the center. She comforts me and encourages me to stay strong.”

We have been equipped with tools such as stress-management skills that help us remain focused and plan for our futures as we wait for everything to go back to normal. The skills go beyond COVID-19: I will be able to use what I have learned when I face difficulties in life even after the pandemic. I will be in university next year, and these skills have strengthened me as I prepare for the next phase in my life.”

— **VERONICA, AGE 19**
CI graduate, ZAMBIA



NEW WAYS TO CONNECT WITH FAMILIES

Digital tools rebuild and enhance community connections

The strength of Children International is in the connections we create and cultivate. Our Connecting With Families Program in 2021 aimed to engage in meaningful communication with sponsored families to ensure they felt heard and supported. In 2021, we reached 100% of our families through innovative and trust-building connection practices.

In Quito, Ecuador, the Sperber Community Center team held virtual community meetings and trained volunteers on digital communication methods to more easily reach families. They also strengthened relationships with local organizations, such as Casa Somos Quito, which offers community workshops, as well as other aid organizations, to make sure the most vulnerable families received help.

“During the pandemic, we generated a positive impact in the community through virtual tools that allowed us to connect with families virtually to share their daily experiences. Our volunteers appreciated the opportunity to learn and develop the new technology skills, such as using Zoom, email, WhatsApp and computer software, which improved their communication with families. These efforts decreased absenteeism in the fulfillment of sponsorship requirements and reduced sponsorship withdrawals.”

— **GABY BERMUDEZ**
Sperber Community Center coordinator, ECUADOR

INNOVATIVE ACCESS TO LEARNING

Tablets bridge the digital divide and keep children in schools

The pandemic and subsequent school shutdowns put students, especially those in developing countries, at a disadvantage. Youth in our programs typically had access to computers and the internet in Children International community center libraries, where they worked on homework and learned technical skills.

As centers and schools closed due to the pandemic, young people found it difficult — and sometimes impossible — to continue their educations, even though many schools implemented virtual learning. To prevent further setbacks, we helped 101,205 students bridge the online learning gap and gain access to life skills programming like adolescent health and leadership. We also provided tablets to students — first in Kolkata, India — then throughout our other communities.



“Thanks to our donors, we were able to deliver 3,227 devices to children and youth around the world. Through bulk purchases, our agencies have been able to negotiate discounts of 30% in some cases, which allow us to also provide tablets to Children International tutors. The technology has become an enabler.”

— **RAMDAS “APPU” PAI**
senior advisor, ASIA & AFRICA

CRITICAL ECONOMIC ASSISTANCE

Economic assistance delivers support directly to families

When the pandemic left many caregivers unemployed and families without the means to feed their children, Children International established the Economic Assistance Program. Agencies adjusted their budgets to deliver financial support in all 10 countries and, with additional donations through our Emergency Community Fund, we provided \$10.2 million in critical help to cover the most basic needs of 100% of our children and their families around the world.

To better manage resources and increase efficiencies, the Colombia agency developed an ambitious, fast and comprehensive plan for building an entirely new database to help deliver assistance through online banking platforms.

“We created the database in only a month, and it allows us to manage contact information for the sponsored family as well as the ability to deliver the economic assistance package directly to them through modern banking platforms.”

The results have been incredible. We can deliver benefits without dealing with crowds and can reach families no matter where they live. The Economic Assistance Program has become the most effective way to meet needs in the community. The families feel supported and understand that, despite some difficulties in staying in contact, we will never abandon them.”

— **ALVARO ZAPATA**
network systems coordinator, COLOMBIA

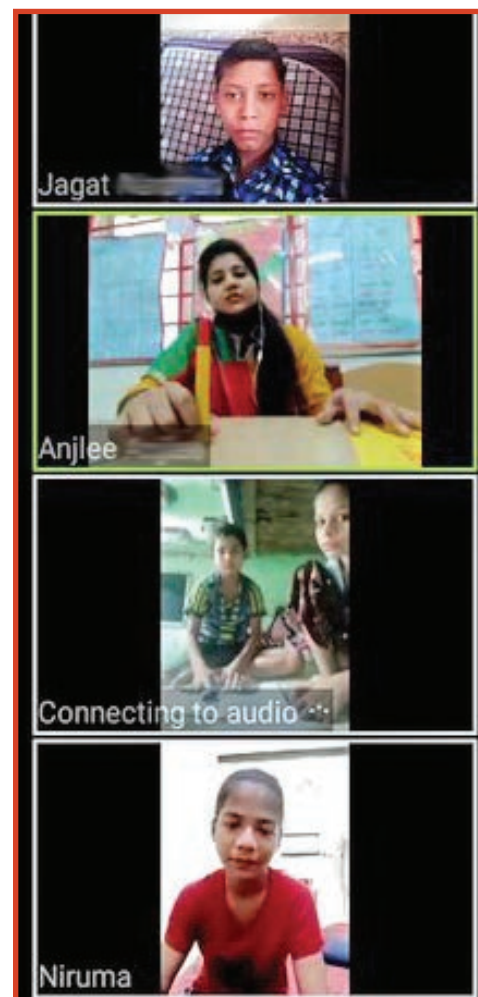
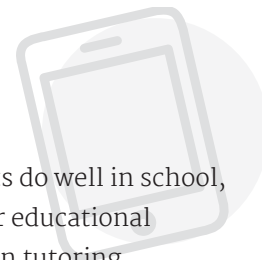
INNOVATIVE ACCESS TO LEARNING

Virtual tutoring improves learning outcomes

To supplement remote learning and help students do well in school, Children International offered tutoring and other educational programs. In 2021, 19,077 students participated in tutoring programs (virtual and in-person), reducing the overall learning gap caused by ongoing school shutdowns. In Delhi, India, students enrolled in our Access to Education and Continued Learning programs are taught basic computer and mobile skills to improve their online learning. Those without the internet still receive worksheets and educational materials.

“Through the tutoring program I have observed several positive outcomes: Children have become adept at using virtual apps for continuing their educations, which is leading to improvements in their learning outcomes. Ultimately, these virtual programs help children become more engaged and interested in their studies.”

— **ANJLEE**
tutor, INDIA



HOPE scholar Mayerlis, age 21 (second from right), and her family receive food as part of the Economic Assistance Program COLOMBIA



FOCUS ON EMPLOYABILITY

Virtual working helps Colombia teams collaborate, innovate and deliver

Children International employability programs transitioned to virtual platforms when lockdowns began and continued through 2021. In Colombia, our employment team used text messages and social media posts to promote the HOPE® Scholarship Program and online application process. The response was overwhelming — the agency received more than 1,500 applications, about 400 more than were received in person in 2019.



We arranged virtual meetings with all the professors who would be teaching the 20 career tracks. We would never have been able to pull that off in person. Another positive result from this effort is that colleges are only accepting online applications now, so if we were to go back to paper documentation, it would be disastrous.

We just cannot go backward.”

— **EDGARDO OROZCO**
employment coordinator
COLOMBIA



With two out-of-work parents, an ill grandmother and three siblings, Sofía didn't think college was an option. Luckily, generous scholarship support granted her an opportunity she could never afford.



For me, this scholarship has been a blessing, an opportunity and another level to keep advancing. Going to college has been a triumph for me.”

— **SOFÍA, AGE 20**
HOPE scholar, COLOMBIA



IMPROVED ACCESS TO HEALTH CARE CI health teams reinforce vaccine rollout efforts

Beneath the crisis of the pandemic is an undercurrent of ever-fluctuating misinformation — about treatment, vaccines and mitigation efforts — presenting nearly as strong a challenge to health care professionals as the virus itself.

Bicol, a deeply impoverished region in the Philippines, confronted this issue in 2021 as its people endured one of the world's longest lockdowns. During this incredibly difficult time, family providers had lost their jobs and health service access, and some were faced with the desperate choice between buying medicine or food.

About 18,000 of our sponsored families live in the Bicol area and are vulnerable to the effects of the pandemic. According to a health survey conducted by Children International in August 2021, 82% reported being nonvaccinated — and, most concerning, 44% indicated they were afraid of the vaccine. Meanwhile, our staff was monitoring how quickly false information was spreading on social media, noting its direct contribution to how fearful our families felt.

Leveraging our partnership with municipal leaders, our health team worked to fight misinformation about COVID-19. In Bicol and our other global communities, we connected with families, helped as volunteers during national vaccination drives, distributed supplies and served as health care educators. Relying on the long-established trust from our communities, we partnered with municipal health officers and other nonprofits to identify challenges and fill in the gaps.

Through this collective effort, we contributed to the vaccination of nearly 49,000 people globally during 2021. ●



Vaccination event
COLOMBIA

A trusted voice in our communities

Vaccination efforts around the globe

Our health team in Honduras partnered with government and private entities to **help vaccinate 26,000 people**, many of whom were at first reluctant but trusted Children International staff.

Six community centers in Colombia hosted mass vaccination events.

The health services team in Manila, Philippines, supported the local government in vaccine rollout by **providing volunteers**, who were assigned to different vaccination sites weekly.

Staff in Mexico helped community members **complete online registration** for vaccine appointments.

In the Dominican Republic, staff and volunteers **promoted vaccines** during program activities and helped families find nearby vaccination centers.

The Department of Health in Quito, Ecuador, invited Children International youth to **man the registration desks** for community vaccination events.



Update on Children International community centers

Our community centers stand as a testament to our long-term investment in our communities. We are eternally grateful for the generous key partners who invest in the centers. Thank you for believing in our children and in the programs Children International provides.

COMPLETED CONSTRUCTION

Building Dreams Community Center, Colombia

Inaugurated March 2021 | Lead donor: ZUGU Case

Youth Resource Center, India

Completed July 2021

Lead donors: Louise Sperber, Dave Sabers

The Newsome Family Center, Guatemala

Completed January 2022

Lead donors: Adam, Melissa and Brantley Newsome and Forrest Babington; Marie and Steve Macadam

Room naming rights are still available. To learn how to leave a lasting legacy in any of these centers, contact your representative or email philanthropy@children.org.

For up-to-date reopening information on our centers, please visit children.org/covid-info.

Facts and financials

CONDENSED AUDITED FINANCIAL INFORMATION

Independent auditor: BKD LLP | For year ended September 30, 2021

PUBLIC SUPPORT & REVENUE

Sponsorships and contributions	\$85,923,006
Product donations	\$19,865,699
Legacies and bequests	\$837,782
Other income, net	\$754,019
Total public support and revenue	\$107,380,506

EXPENSES

Worldwide program services	\$79,705,954
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SUPPORTING SERVICES

Management and general	\$6,719,374
Securing financial support	\$10,695,177
Total supporting services	\$17,414,551
Total expenses	\$97,120,505

Net assets, beginning of the year	\$81,663,935
Public support and revenue over expenses	\$10,260,001
Nonoperating activities	\$11,633,741
Net assets, end of the year	\$103,557,677

To access our full audited financial statements, visit children.org/accountability.

LEADERSHIP TEAM

Susana Eshleman, *President & CEO*
 Bill Brewster, *Executive Vice President & Chief Operating Officer*
 Maria Fernanda Corral, *Vice President, Global Talent Growth*
 Jack McCanna, *Vice President, Global Programs & Operations*
 Laura Thornton, *Vice President, Marketing & Engagement*
 Tim Bachta, *Vice President, Information Technology*
 Danielle Mitchell, *Controller, Finance*

BOARD OF DIRECTORS

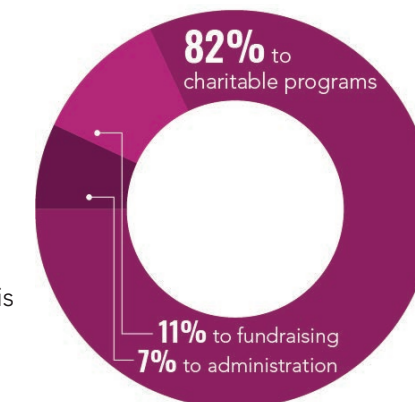
Brad Cloverdyke, *Chairman*
 Marvin Irby, *Treasurer*
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 Steven Berger
 David Cacioppo
 Liderman Duin
 Susana Eshleman
 Tara Frank
 Ena Williams Koschel
 Adam Newsome
 Roland Paanakker

Special thanks to the donors who gave \$50,000+ during the 2021 calendar year:

- | | | |
|--|---|---|
| Adam, Melissa & Brantley Newsome & Forrest Babington | Follett Educational Services
Gordon & Donna Bailey
Guru Krupa Foundation Inc.
Jack & Marjorie Schillinger Family Foundation
Louis Anderson*
Maneesh & Sandra Shanbhag
MAP International
Marie & Steve Macadam
Miljan Milan
Phyllis Marchant
PMI Educational Foundation
Robert Roth
Rohit (Bob) & Rita Doshi | Sally & Dick Roberts Coyote Foundation
Tella Sakamoto Foundation
TOMS Shoes
The Walsh Foundation
Windgate Charitable Foundation
Winslow Stark Foundation
ZUGU CASE
Anonymous (4) |
|--|---|---|
- *Estate gifts. To learn more about gift planning options, please contact Dianna Stelter at dstelter@children.org or 816-943-3834.

82% OF OUR TOTAL EXPENSES IN 2021

funded programs that helped children, youth and families during another challenging year. We are proud of the high requirements we meet to achieve this percentage. With Children International, your money is used efficiently and effectively to transform lives.



CHILDREN INTERNATIONAL RANKS HIGHLY AMONG CHARITY WATCHDOG GROUPS.





OUR VALUES

Live the mission

We are a passionate team driven by purpose and deeply committed to our mission. We seek understanding, build trust and create meaning in our work together.

See potential in everyone, everywhere

We believe each person has extraordinary skills and talents just waiting to be realized.

Human connections matter

We are all about relationships, collaboration, communication and teamwork. When we join forces with those around us, we all go further than we ever could alone.

Always learning

We celebrate knowledge, creativity and innovation backed by data and research. Our global teams listen, adapt and take calculated risks, as needed.

Own the impact

We are committed to delivering sustainable results, and recognize that clarity, learning and growth are at the heart of the work we do together. When we harness this power collectively, we change the course of history.