

INCREASE
THE
ODDS



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SESAME STREET

Sesame Workshop 2008 Annual Report

Disadvantaged children in the United States learn 15,000 fewer words by the time they reach first grade than their more advantaged peers.¹

In the United States alone, *Sesame Street* provides the building blocks of literacy for an estimated 12 million children each week.²



1) L. Moats, *Overcoming the Language Gap*. *American Educator*, September 5-9, 2001.

2) Sesame Workshop, *The Media Utilization Study, 2007*. Sesame Workshop, *Sesame Street Brand Tracking, 2008*.



Sesame Workshop is *increasing the odds* that children are ready to read and write, and, as a result, are ready for success in school and life.

More than 60 percent of families with incomes of \$25,000 or less report their children age 5 or younger view *Sesame Street* at least once a week.¹

60%

CLOSING THE WORD GAP



Sesame Street's thirty-ninth season focuses on building vocabulary because children who know more words at an early age are more likely to become compe-

tent readers and successful learners. "What's the Word on the Street?" is a new *Sesame Street* initiative that puts into action the idea that exposure to a word in multiple contexts helps it become part of a child's vocabulary. Celebrities such as Jack Black help Elmo understand the word "octagon," and the new Muppet, Murray, conducts on-the-street interviews for the word of the day. It's all part of a literacy curriculum that takes aim at closing the word gap – the disparity in word acquisition between children in poor families and those in professional ones – that directly impacts success in school and beyond.

MAKING READING COOL

In January 2009, Sesame Workshop launched *The Electric Company*, a fresh take on the 1970s series of the same name. The all-new series, on television, online, and through community outreach, brings literacy to life for struggling readers ages 6 to 9, especially those from low-income families. Hip-Hop performers and celebrities such as Tiki Barber, Wyclef Jean, and others join the cast in live-action and animated sketches, music videos and mixed-media pieces to help children make the all-important shift from "learning to read" to "reading to learn."



Children who watch *Sesame Street* are more likely to show signs of emerging literacy and numeracy than are nonviewers.²

1) Sesame Workshop, The Media Utilization Study, 2007.

2) J. C. Wright, A. C. Huston, R. M. Scantlin, and J. A. Kotler, "The Early Window Project: *Sesame Street* Prepares Children for School," in S. Fisch and R. Truglio, eds., *G is for Growing: Thirty Years of Research on Sesame Street*. (Mahwah, N.J.: Erlbaum, 2001), pp. 97-114.

One out of six children in the world lives in India. Four in five Indian preschoolers have no access to early childhood care or education.¹

Sesame Street in India gives a head start in life to more than 17 million children ages 3 to 6, many of whom are among the most marginalized in the world.





Sesame Street bridges divides in India, increasing the odds that all children have access to preschool education and the enduring benefits early learning brings.

Children with greater exposure to *Galli Galli Sim Sim* on television show greater improvement in literacy and math relative to those with less or no exposure. This impact is particularly pronounced among the youngest children and those from economically disadvantaged backgrounds.¹



ONE IN SIX LIVES IN INDIA

THE POTENTIAL FOR POSITIVE CHANGE IS ENORMOUS



In addition to helping children develop literacy and math skills, India's local version of *Sesame Street*, *Galli Galli Sim Sim*, pays special attention to

building bridges between children, bridges that span geography, religion, social standing, language, gender, and ability. This is particularly important in a nation as complex and diverse as India. The challenges are great, but the numbers alone – one out of six children in the world lives in India – make the potential for positive change enormous.



TAKING IT TO THE STREETS

Central to *Galli Galli Sim Sim* is an extensive outreach program to serve under-resourced and low-literacy populations. Run by the nonprofit subsidiary Sesame Workshop India, *Galli Galli Sim Sim* is literally taking the series to the streets, outfitting vegetable carts with TVs and DVD players to reach children without access to preschool education in urban slums and remote rural areas. *Galli Galli Sim Sim* is also being used in 347 "balwaadis" (preschool child-care centers) to help even the most marginalized children learn.

Galli Galli Sim Sim is present in child-care centers where 95 percent of children are from lower socioeconomic strata and have limited access to educational materials at home.³

2 OUT OF 3 children reach one out of three caregivers and two out of three preschool children in targeted slums.²

1) GfK Mode, Galli Galli Sim Sim Mobile Viewing Reach Report, Waves 1 and 2, unpublished manuscript, internal research report submitted to Sesame Workshop India, 2007.
 2) PrismWorld, Galli Galli Sim Sim Longitudinal Educational Impact Survey, Wave 1 Report, unpublished manuscript submitted to Sesame Workshop India, 2008.
 3) GyanVriksh Technologies, Midline Report of the Naturalistic Study on Educational Impact of Galli Galli Sim Sim, submitted to Sesame Workshop, 2008.

Almost 800,000 children under age 5 in the United States have a parent or parents on active military duty or in the National Guard and Reserves.¹

Sesame Street reaches virtually every military family with young children through a special initiative that helps them cope with the complex challenges of separation and change.



1) Office of the Deputy Under Secretary of Defense (Military Community and Family Policy). 2005 Demographics Profile of the Military Community. Washington, DC: Office of the Deputy Under Secretary of Defense; 2005. http://cs.mhf.dod.mil/content/dam/mhf/QOL-Library/PDF/MHF/QOL_Resources/Reports/2005_Demographics_Report.pdf. Accessed August 25, 2008., as cited in: Chartrand et al, "Effect of Parent's Wartime Deployment on the Behavior of Young Children in Military Families" in *Pediatrics & Adolescent Medicine*, vol. 162, no. 11, November 2008. Available at www.archpediatrics.com.



By taking on tough issues in ways children can understand, *Sesame Street* is increasing the odds of emotional wellness, helping a generation of children in military families develop emotional strength and resilience.

WHEN A PARENT IS DEPLOYED,

THE ENTIRE FAMILY IS DEPLOYED

Taking her friend Elmo's advice, Rosita finally tells her parents how hard it's been since her father returned home in a wheelchair. "I just wish things could go back to the way they were," she cries. "I don't like it! I wish things didn't change."

Rosita drops her head in sadness, and so begins a story that all military families will recognize. It's a story of coping with the challenges of deployment, homecomings, changes due to a combat-related injury, and (in development for next summer) the most difficult challenge of all: the death of a loved one. *Sesame Street's* multi-phased, bilingual (English/Spanish) outreach program is helping young children in military families build emotional strength and resilience while one or both parents are deployed.

"I never thought that Elmo could make an Airborne Ranger cry. I've just returned from a second deployment to Iraq. My daughter was 5 months old when I left and she didn't know who I was when I returned. The video brought out emotions I never realized I had. I know that I will go back overseas again and when I do, these videos will be an integral part of how I prepare my soldiers' families and... how I prepare my family."²

1) Hagee, Chuck. "Elmo and Buddies Conquer Fort Belvoir: USO and *Sesame Street* Combine to Ease Deployment Emotions," *Mount Vernon Gazette* October 23, 2008.
2) Anonymous quote, Airborne Ranger.



MUPPETS ON A MISSION

"For one brief hour...there were no Iraq or Afghanistan wars. No moms and dads in harm's way in a far-off land. No missed holidays, birthdays, anniversaries, school plays..."¹

That's how one reviewer described the first-of-its-kind *Sesame Street* – USO Tour. Elmo and friends crisscrossed the country to 42 military installations in 23 states, performing for free in 106 live shows reaching 76,000 children and caregivers. "Do you ever feel sad, like when you miss your Mommy and Daddy?" is one of the questions Elmo poses to his young audience. It opens the lines of communication, helps parents find a way to listen to children's concerns, and makes clear that military families aren't in this alone; they have a friend in *Sesame Street*.



One in three of the world's 115 million primary-age children who are not in school lives in a conflict-affected area.¹

In nations emerging from conflict, Sesame projects become part of the peace process, helping young children develop skills for a shared future.



1) Save the Children, *Rewrite the Future: Education for Children in Conflict-Affected Countries* (London: International Save the Children Alliance, 2006). <http://www.savethechildren.org/newsroom/2006/armed-conflict-creating-crisis-in-education.html>



Sesame Street helps children develop the skills to challenge ignorance, dispel stereotypes, and champion diversity – skills that contribute in no small way to increasing the odds of peace.



MUPPET DIPLOMACY

BELIEVING IN A SHARED FUTURE

רחוב סומסום Building on more than two decades of programming in Israel, the *Sesame Street* coproduction *Rechov Sumsum* focuses on helping children develop empathy and respect for ethnic, cultural, and religious diversity within their own country. Broadcast in Hebrew and Arabic, the series introduces Jewish children to Arab culture and individuals, Arab-Israeli children to Jewish ones, and each to Ethiopian, Russian, and other immigrant communities to model an inclusive future where Israelis of all backgrounds live together in peace.

شارع سمسم *Shara'a Simsim (Sesame Street)* serves as a catalyst for positive change, empowering young boys and girls in the West Bank and Gaza through positive role modeling. The locally produced series is helping a new generation of children appreciate diversity, take pride in their Palestinian culture and identity, and believe in a better future.

SESAME TREE BRIDGING DIVIDES

New this year in Northern Ireland, *Sesame Tree* is helping children develop an openness to and curiosity about others as a bridge to peace and stability.



“Even if Sesame can’t completely convert [children] into being openly accepting of one another, at least when they grow up to be parents, they’ll be more tolerant than their parents were, and the next generation will have a much better chance.”

– Rosemary Fieth, Former Head of Office, UNICEF Kosovo

RRUGA SESAM ULICA SEZAM

FINDING COMMON GROUND

Research makes clear that *Rruga Sesam* and *Ulica Sezam*, Kosovo’s *Sesame Street* in the Albanian and Serbian languages respectively, is having the intended effect: Children who watched were more likely than those who did not to demonstrate positive attitudes toward children from different ethnic backgrounds.¹

1) Fluent Public Opinion & Market Research, *Assessment of Educational Impact of Rruga Sesam and Ulica Sezam in Kosovo: Report of Findings*. New York, 2008.

In Tanzania, malaria is the single greatest cause of sickness and death, and young children are the hardest hit: Four out of five deaths from malaria are among children under age 5.¹

New this year, *Sesame Street* in Tanzania is projected to reach 1.4 million children and caregivers with strategies to prevent malaria and reduce its impact.



1) President's Malaria Initiative, Country Profile: Tanzania, May 2008, http://www.fightingmalaria.gov/countries/profiles/tanzania_profile.pdf



Whether it's fighting malaria in Tanzania or reducing the stigma of HIV/AIDS in South Africa, *Sesame Street* is increasing the odds that children grow up to live long and healthy lives.

2X

Parents and caregivers who viewed *Takalani Sesame's* companion television special on HIV/AIDS were two times more likely to talk with their children about HIV than those who had not watched.¹

MALARIA MEETS MUPPETS

JOINING THE FIGHT AGAINST GLOBAL DISEASE

Sesame Street is bringing its unique capacity to connect with kids to the fight against malaria in Tanzania. *Kilimani Sesame*, the educational program that draws on the South African coproduction of *Sesame Street*, is, in addition to teaching letters and numbers, delivering messages about malaria prevention through television, radio, print, and community outreach. *Kilimani Sesame* is now also part of the "Malaria No More" effort to eradicate the disease by 2015.



Children exposed to *Takalani Sesame* show measurable growth in HIV/AIDS knowledge and attitudes, including basic knowledge of the disease, blood safety, destigmatization and coping with illness.³

1) Health and Development Africa, *Impact Assessment of a New Programming Component on HIV/AIDS for Takalani Sesame*, Johannesburg, South Africa, 2005.

2) UNICEF, *Children and AIDS: Second Stocktaking Report*, Unite for Children Unite Against AIDS, 2008.

3) Khulisa Management Services, *Impact Assessment of Takalani Sesame Season II Programme*, Johannesburg, South Africa, 2005.

4) UNICEF, South Africa Statistics (2003-06), 2008.

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TAKALANI SESAME

TACKLING HIV/AIDS

Ninety percent of the world's 2 million children with HIV/AIDS live in sub-Saharan Africa. Millions more in the region are affected – in fact, 12 million children lost one or both parents to the disease in 2007.² *Takalani Sesame*, the South African coproduction of *Sesame Street*, has been reaching upwards of 2 million viewers annually since 2003, helping to reduce the fear and stigma associated with HIV/AIDS that prevent so many from seeking and receiving care. Kami, the world's first Muppet with HIV, is at the heart of this pioneering effort, giving voice to complex issues in child-friendly ways that serve to break a culture of silence and make a difference, now and for generations to come.

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In Tanzania, only 31% of children ages 5 and under sleep under a mosquito net; only 16% sleep under a treated mosquito net, and only 58% with a fever receive anti-malaria drugs.⁴

Sesame Street is also working to combat the epidemic of childhood obesity in the United States and elsewhere around the world, *increasing the odds* that children develop healthy habits for life.

A COOKIE IS A SOMETIMES FOOD

Over the past three decades, the childhood obesity rate in the United States has more than doubled for children ages 2 to 5 and more than 80 percent of obese children become that way before age 6.¹

Recognizing that children's food preferences and attitudes about physical activities are set at an early age, *Sesame Street* launched Healthy Habits for Life, a cross-platform initiative to combat the epidemic of childhood obesity by helping children get excited about eating healthy foods and moving their bodies.



HELP FOR AT-RISK WOMEN, INFANTS, AND CHILDREN

New this year, in partnership with the National WIC Association (NWA), 3.5 million Healthy Habits for Life multimedia kits are being distributed to low-income, nutritionally at-risk mothers and young children throughout the United States. NWA member agencies provide supplemental food assistance, nutrition education, health care, and social service referrals to nearly 9 million mothers and young children every month and are the single greatest point of access to the nation's preschool children.



PLAZA SÉSAMO HABITOS SALUDABLES PARA TODA LA VIDA

Healthy Habits for Life is at work in Colombia and Mexico through *Plaza Sésamo*, the Spanish-language coproduction of *Sesame Street* seen throughout the Americas. In Colombia, Sesame Workshop has partnered with the World Heart Federation to promote cardiovascular health and well-being for Colombian children. In Mexico, early research indicates that children make healthier food choices and gain knowledge about good health and hygiene after exposure to the Healthy Habits project.

1) NHANES, "Data on the Prevalence of Overweight Among Children and Adolescents," *Pediatrics* 115 (2005): 348-51.

We know media alone can't solve the problems of our world, but we just as surely know, based on almost four decades of experience and research, that they *increase the odds* of providing solutions.

Forty-five percent of children ages 5 and under in the United States spend almost as much time with new media – Internet, video and computer games, and handheld devices – as they do watching TV.¹

Just as *Sesame Street* reinvented TV to educate preschoolers, so too is it transforming the web and other media platforms to advance learning.



Sesame Street is increasing the odds that media educate children and enrich their lives.

2/3+

More than two-thirds (68%) of all children under age 2 use "screen" media (TV, video, DVD, computer, video games) an average of just over two hours every day.¹

THE JOAN GANZ COONEY CENTER AT SESAME WORKSHOP

In 1966, Joan Ganz Cooney and her colleagues at Sesame Workshop, posed a simple but transformative question: "Can television be used to help preschoolers learn?" The answer, in the form of *Sesame Street*, continues to be a resounding yes. Today, the newly established Joan Ganz Cooney Center is exploring the twenty-first century equivalent of that question, with a mission to catalyze and support research, innovation, and investment in digital media technologies to advance children's learning.



SORTING PIGS AND PENGUINS

AND OTHER ONLINE INNOVATIONS

Launched in August 2008, *Sesame Street's* new Web site offers its audiences rich opportunities for learning. A number of features distinguish the new site. First, and unique among its contemporaries, it's free; there are no subscription barriers to education. Second, the site is safe. Through a new feature known as PlaySafe,[™] parents can set up a simple, "gated" environment, effectively preventing their children from navigating away from selected activities. And, third, the site offers "Sesame Playlists," a curated collection of games and videos organized around a single educational theme (such as counting or sorting pigs and penguins) led by a member of the Muppet family. The new site reflects the latest thinking about the medium in the service of children, using the Web's unique functionality to promote discovery and self-expression.

In the past year, *Sesame Street* podcasts and other digital content have been streamed or downloaded more than 30 million times. Two weeks after launching in September 2007, *Sesame Street* podcasts reached the #1 slot on iTunes and have remained one of the most popular kids' podcasts since.

WWW.SESAMESTREET.ORG

¹) V. Rideout, D.F. Roberts, U.G. Foehr, *Generation M: Media in the Lives of 8-18 Year-olds*, The Henry J. Kaiser Family Foundation, March 2005.



Dear Friend,

As we often say at the Workshop, “It’s not whether children learn from media, it’s what they’re learning.” After all, children are learning all the time. That’s their job; it’s what they do. Our responsibility, our collective responsibility, is to make sure they have opportunities to learn in ways that serve them, and indeed all of us, well.

That’s where we come in.

For almost forty years, Sesame Workshop has been using media – multiple forms of media – to help children dream and discover, understand the world and their place in it, and perhaps most important, reach their highest potential.

“It’s not whether children learn from media, it’s what they’re learning.”

This means, in addition to letters and numbers, our content also promotes learning about tolerance, inclusion, resilience, problem solving, healthy habits, and more. In other words, we’re using media to *increase the odds* of creating a better world.

Think, for example, about what we call “Muppet Diplomacy.” In its simplest form, this means using our characters – characters children love and parents trust – to bridge some of the world’s most intractable divides. It works because no matter our country, our culture, our cause, we all share a commitment to a better future for our children – a commitment and a conviction that the way forward is through education. As a result, our characters can take on the tough issues children confront in Israel and Palestine, in Kosovo, and new this

year, in Northern Ireland. Here our *Sesame Street* coproduction, *Sesame Tree*, is helping young children growing up in a divided society develop skills for a shared future.

Think too about the way our characters have joined the fight against malaria, the leading cause of death for children under age 5 in Africa. In addition to teaching letters and numbers, our new early-childhood-education initiative

in Tanzania, *Kilimani Sesame*, is using television, radio, print, and community outreach to promote the use of bed nets and is now also part of the “Malaria No More” effort to eradicate the disease by 2015.

Here at home and throughout the Americas, our Healthy Habits for Life initiative is continuing to combat the epidemic of childhood obesity. I’m pleased to report that upwards of 3.5 million Healthy Habits for Life kits, Sesame-based multimedia resources, will be distributed in the United States through our new partnership with the National WIC Association. NWA member agencies provide supplemental food assistance, health care, and social service referrals to nearly 9 million low-income women, infants, and children every month and, especially significant for us, are the single greatest point of access to the nation’s preschool children.

Finally, I want to call attention to our new broadband-enhanced Web site. Again, this is about *increasing the odds* that media support learning not just by having educational options in every platform, but by optimizing the unique capacities of each to enrich the educational experience.

2 2 billion children in the world; 2 billion reasons to keep working.

No matter our country, our culture, our cause, we all share a commitment to a better future for our children.

A number of features distinguish our new site, www.sesamestreet.org, but one quality in particular is worth highlighting: All content on the site is free. Unique among its contemporaries, there are no

subscription barriers to education. This means too that we need support to keep the site going. And while we recognize the challenge, especially in today's economy, support for our Web site is essential if we're to ensure continued widespread access.

What we teach our children matters. And because it matters, we have an obligation to make sure the media serve as allies to education. This is, in fact, the promise of Sesame Workshop: to effect positive change on a scale unique to media that begins with each individual child – change as ephemeral as laughter and as enduring as learning to read, change that *increases the odds* that all children reach their highest potential.

There's something else we often say at the Workshop: Media can't by themselves solve the many problems of our world, but they can greatly contribute to the solutions. With just over 2 billion children in the world, we have 2 billion reasons to keep working.

We hope you'll join us, and together, we can continue to *increase the odds*.

Sincerely,



Gary E. Knell
President and CEO



As a nonprofit organization, Sesame Workshop relies not only on philanthropic support but also on income from the sale of *Sesame Street* and other Workshop products to fund educational programs that help children everywhere learn and grow. We partner with best-in-class organizations that believe in our initiatives and share our vision. In addition to the many supporters listed throughout this year's report, we'd also like to recognize the following partners that help advance our educational work around the world:

American Greetings

Apple & Eve

Apple, Inc.

Beaches Resorts

Bendon Publishing

Busch Entertainment Corporation

Children's Apparel Network

Del Monte Foods

Genius Products, LLC

Gund, Inc.

Hain Celestial Group, Inc.

Koch Records

Learning Horizons

Mattel/Fisher-Price

Nova Development

The Parenting Group

Procter & Gamble

Publications International Ltd.

Random House

Sunkist

Universal Studios Theme Parks

VEE Corporation (*Sesame Street Live*)

Verizon

ALAM SIMSIM (EGYPT)

This uniquely Egyptian *Sesame Street* for television and community outreach helps prepare children for school, with a particular emphasis on educating girls.

Broadcast Partner:
Egyptian Television

Project Partners:
AlKarma Edutainment
Egyptian Ministry of Education

Funding Partner:
United States Agency for International Development (USAID)
Mobinil

ALAM SIMSIM (FOR THE ARAB WORLD)

Broadcast throughout twenty-two Arabic-speaking nations, *Alam Simsim* (for the Arab World) celebrates the rich cultural diversity of the region while helping preschoolers develop respect for differences and learn basic literacy and math skills.

Broadcast Partner:
Future Television

Project Partner:
AlKarma Edutainment

Funding Partner:
The Mosaic Foundation

GALLI GALLI SIM SIM (INDIA)

With an extensive outreach program run by Sesame Workshop India, the Indian coproduction of *Sesame Street* debuted in 2006 to help

preschoolers appreciate cultural diversity and develop reading, math, and life skills.

Broadcast Partners:
Cartoon Network

Doordarshan
Pogo

Project Partners:
Turner Entertainment Networks Asia
Sesame Workshop India

Production Partner:
Miditech Pvt. Ltd.

Funding Partners:
Michael & Susan Dell Foundation
Turner Entertainment Networks Asia

Development Funding:
ICICI Bank Limited

United States Agency for International Development (USAID)

HIKAYAT SIMSIM (JORDAN)

Following the success of the original *Sesame Stories* in 2003, *Hikayat Simsim* premiered in 2007 with a focus on Jordanian culture and school readiness.

Broadcast Partner:
Jordan Television

Project Partners:
Jordanian Ministry of Education
Jordan Pioneers

Funding Partners:
United States Agency for International Development (USAID)

ArtVenture

JALAN SESAMA (INDONESIA)

The Indonesian *Sesame Street* debuted on television in 2008, promoting literacy and character building, as well as respect for diversity and the environment.

Project Partner:
Creative Indigo Production

Funding Partner:
United States Agency for International Development (USAID)

KILIMANI SESAME (TANZANIA)

Launched in 2008, this multimedia early-childhood-education initiative based on the South African coproduction of *Sesame Street* includes a special malaria component to prevent malaria and reduce its impact.

Broadcast Partner:
Tanzania Broadcasting Corporation and Zanzibar Television

Project Partner:
Aeigies Productions

Funding Partners:
United States Agency for International Development (USAID)

Stavros S. Niarchos Foundation

PLAZA SÉSAMO (MEXICO/LATIN AMERICA/ UNITED STATES)

This Spanish-language coproduction of *Sesame Street* is broadcast throughout the Americas and promotes school readiness and healthy habits while showcasing cultural diversity from Latin America and around the world.

Broadcast Partners:
Televisa

Discovery Kids Latin America
Telefuturo

PBS
PBS Kids Sprout
V-Me

Project Partner:
World Heart Federation (Colombia)

Funding Partners:
Mr. and Mrs. Julio Mario and Beatrice Santo Domingo (Colombia)

Qualtia Alimentos (Mexico)
Tetra Pak (Mexico)

RECHOV SUMSUM (ISRAEL)

Building on more than two decades of *Sesame Street* programming in Israel, this multimedia initiative helps children develop empathy and respect for diversity within the country, while the *Rechov Sumsum* project's counterpart, *Shalom Sesame*, extends the series to English-speaking audiences.

Broadcast Partner:
Channel Hop!

Project Partner:
Gold Zebra Communications, Ltd. (Channel Hop!)

Funding Partners:
Gruss Lipper Family Foundation

Gruss Life Monument Fund
American Greetings

Ted Arison Family Foundation

Joseph and Harvey Meyerhoff Family Charitable Funds
Righteous Persons Foundation

Bernard van Leer Foundation
Fohs Foundation
Rosenzweig-Coopersmith Foundation

Alan B. Slifka Foundation
Joyce and Irving Goldman Family Foundation

RRUGA SESAM/ULICA SEZAM (KOSOVO)

This *Sesame Street* coproduction, produced in two languages, Albanian and Serbian, promotes awareness and understanding of Kosovo's multiethnic society at the same time it advances early childhood education.

Broadcast Partners:
Radio Television of Kosovo (RTK)

TV Hero
TV Most
TV Puls

Project Partners:
CMB Productions
UNICEF

Funding Partners:
Canadian International Development Agency (CIDA)

The German Institute for Foreign Cultural Relations (ifa)

Netherlands Ministry of Foreign Affairs

Organization for Security and Cooperation in Europe (OSCE)

Swedish International Development Cooperation Agency (SIDA)

UNICEF
United States Agency for International Development (USAID)

SESAME STREET (UNITED STATES)

Entering its fortieth consecutive season, *Sesame Street* continues to set the gold standard for excellence in educational media, giving children the best head start in school and life.

Broadcast Partners:
PBS
PBS Kids Sprout

Funding Partners:
AstraZeneca, LLP
Hain Celestial Group, Inc.
McDonald's Corporation
New Balance Athletic Shoe, Inc.
Unique Vacations, Inc., worldwide representatives for Beaches Resorts Corporation for Public Broadcasting (CPB)

SESAME TREE (NORTHERN IRELAND)

In a society emerging from conflict, this new coproduction presents messages of diversity and cooperation among Northern Ireland's young children.

Broadcast Partners:
BBC-Northern Ireland

CBeebies

Project Partner:
SixteenSouth

Funding Partners:
The American Ireland Fund
International Fund for Ireland

Northern Ireland Fund for Reconciliation
Northern Ireland Screen

SESAMSTRAAT (THE NETHERLANDS)

Now in its thirty-third season, the Dutch coproduction of *Sesame Street* focuses on children's socioemotional development with an emphasis on music and the arts.

Broadcast Partners:
Nederlandse Programma Stichting (NPS)

Nederlandse Omroep Stichting (NOS)

Zappelin

Project Partner:
Nederlandse Programma Stichting (NPS)

SESAMSTRASSE (GERMANY)

On air since 1973, this *Sesame Street* coproduction helps children learn through discovery, with a new curriculum to foster awareness of and respect for Germany's increasingly diverse population.

Broadcast Partners:
Norddeutscher Rundfunk (NDR)

KiKa (Der Kinderkanal)

Arbeitsgemeinschaft der öffentlichrechtlichen Rundfunkanstalten Deutschlands (ARD)

Project Partner:
Norddeutscher Rundfunk (NDR)/ Studio Hamburg

SHARA'A SIMSIM (PALESTINE PROJECT)

Launched in 2007 and based on the success of similar projects in 1998 and 2003, this new *Shara'a Simsim*, on television and through community outreach, lays the foundation for early childhood education while emphasizing pride in Palestinian culture and identity for young viewers in the West Bank and Gaza.

Broadcast Partners:
Ma'an Television

Project Partner:
Palestinian Education Media Network
Al Quds University, Institute of Modern Media

Funding Partners:

United States Agency for International Development (USAID)

Netherlands Ministry of Foreign Affairs

Righteous Persons Foundation

SISIMPUR (BANGLADESH)

Launched in 2005, this *Sesame Street* coproduction, on television and through community outreach, provides access to educational opportunities for all Bangladeshi children.

Broadcast Partner:
Bangladesh Television (BTV)

Project Partner:
Nayantara Communications

Outreach Partners:
Save the Children
bracNet

Funding Partners:
Unilever Bangladesh Ltd.
United States Agency for International Development (USAID)

TAKALANI SESAME (SOUTH AFRICA)

Launched in 2002, the South African coproduction on television, radio, and community outreach helps children learn basic literacy, math, and life skills, with a first-of-its-kind curriculum to reduce the fear and stigma associated with HIV/AIDS.

Broadcast Partner:
South African Broadcasting Corporation (SABC)

Project Partners:
Kwasukasukela
South African National Department of Education

Funding Partners:
SANLAM Life Insurance Limited
United States Agency for International Development (USAID)

The Mai Family Foundation
Stavros S. Niarchos Foundation

ULITSA SEZAM (RUSSIA)
First broadcast in 1996, *Ulitsa Sezam* focuses on helping Russia's youngest citizens develop the skills to thrive in an open society, maintain a healthy lifestyle, and gain an awareness of and appreciation for diversity.

Broadcast Partner:
CTC

Project Partners:
Ministry of Education and Science of the Russian Federation
Ritm TV, a subsidiary of DIXI-TV Productions

Funding Partner:
Nestlé Food LLC

VILA SÉSAMO (BRAZIL)
Originally airing in Brazil from 1972 to 1977 as *Sesame Street's* first international coproduction, *Vila Sésamo* relaunched in 2007 to

help preschoolers develop early literacy, math and cognitive skills, as well as respect for diversity and the environment.

Broadcast Partner:
TV Cultura

THE ADVENTURES OF BERT AND ERNIE
New in 2008, this recurring segment on *Sesame Street* in the United States and around the world takes our classic duo into the world of clay animation to focus on critical thinking, friendship, and acceptance of differing perspectives.

Project Partner:
Misseri Studio, Italy

Broadcast Partners:
Germany: Norddeutscher Rundfunk (NDR)
United Kingdom: Channel 5 Broadcasting Limited (Five)

DRAGON TALES
Launched in 1999, *Dragon Tales* helps children in the United States and around the world with the "three Rs" of early childhood education: resilience, relationships, and readiness.

Broadcast Partners:
PBS
PBS Kids Sprout

Project Partner:
Sony Pictures Television

Funding Partners:
American Greetings Corporation for Public Broadcasting
Kellogg USA, Inc.
United States Department of Education (Ready-to-Learn)

THE ELECTRIC COMPANY
Debuting in 2009 and inspired by the 1970s series of the same name, *The Electric Company* brings literacy to life on multiple platforms for struggling readers ages 6 to 9, especially those from low-income families.

Broadcast Partner:
PBS

Funding Partners:
Corporation for Public Broadcasting
United States Department of Education (Ready-to-Learn)

EVERY DAY IS A READING AND WRITING DAY
Piloted in May 2007 in rural Mississippi communities, this multimedia educational outreach initiative gives child-care providers and parents easy-to-use strategies to develop early literacy skills in preschoolers.

Project Partner:
Mississippi State University, Rural Early Childhood Learning Initiatives, Early Childhood Institute

Funding Partner:
United States Department of Education

HAPPY, HEALTHY, READY FOR SCHOOL: “LEARNING IS EVERYWHERE”

Launched in October 2007 and slated to continue through 2009, this partnership between Sesame Workshop and PNC Grow Up Great includes bilingual (English/Spanish) print materials, online resources, and a *Sesame Street* DVD designed to improve school readiness by encouraging parents and children to embrace everyday learning opportunities.

Project Partner:
The PNC Financial Services Group, Inc.

Funding Partner:
The PNC Financial Services Group, Inc.

HEALTHY HABITS FOR LIFE RESOURCE KIT

Developed in October 2007, this multimedia, bilingual (Spanish/English) resource kit offers child-care providers, parents, and young children, especially those from underserved communities and most at risk for obesity, strategies to integrate healthy eating and physical activity into everyday life.

Project Partner:
KidsHealth and Nemours Health and Prevention Services

Funding Partner:
KidsHealth and Nemours Health and Prevention Services

LET’S GET READY! PREPARING FAMILIES FOR EMERGENCIES

Launched in September 2008, Let’s Get Ready! is a bilingual (English/Spanish) educational outreach initiative to help entire families, specifically families with young children, to plan and prepare together in age-appropriate and engaging ways.

Produced in partnership with and funded by American Greetings. Created in collaboration with Ready Kids and Ad Council. Additional support provided by The Blanche and Irving Laurie Foundation. Initial support provided by Bear Stearns Charitable Foundation. In consultation with the Department of Pediatrics of Weill Medical College of Cornell University.

ONE WORLD, ONE SKY: BIG BIRD’S ADVENTURE

Featuring American *Sesame Street* characters and their counterparts from the Chinese *Zhima Jie*, this cross-cultural planetarium project introduces astronomy to young children in the United States and China. The project also helps children develop an appreciation for one another’s cultures through the idea that, regardless of where we live, we all share the same sky.

Project Partners:
Adler Planetarium
Beijing Planetarium
Liberty Science Center

Major Funders:
National Science Foundation
PNC Foundation

Additional Supporters:
W.L.S. Spencer Foundation
China Association for Science and Technology
National Natural Science Foundation of China

PANWAPA: WHERE KIDS SHAPE THE WORLD

Available online since the fall of 2007 in Arabic, English, Japanese, Mandarin, and Spanish, and distributed around the world by partner organizations, the multiplatform Panwapa promotes global citizenship in 5- to 8-year-olds.

Project Partner:
Merrill Lynch Foundation

Additional Supporting Partners:
Boeing Foundation
Annenberg Foundation

Distribution Partners:
PBS Kids
PBS Kids Sprout
Apple Learning Interchange
Curriki
Oxfam Education
Children for Children
Girl Scouts of the USA

PINKY DINKY DOO

Now in its second season in the United States, United Kingdom and Latin America, this animated series encourages literacy in 4- to 7-year-olds through the power of storytelling. *Pinky Dinky Doo* introduces children to the building blocks of narrative, expands their vocabulary, and helps them make the critical transition from “learning to read” to “reading to learn.”

Broadcast Partners:
Noggin
British Broadcasting Corporation (BBC/CBeebies)
Discovery Kids Latin America
Australian Broadcasting Corporation (ABC)
Super RTL
Disney Germany
Univision

Project Partners:
Cartoon Pizza, Inc.
PDD2 Inc.
Abrams Gentile Entertainment, Inc.

PLAY WITH ME SESAME

Broadcast throughout Europe, Canada, Asia, the Middle East, Australia, and the Caribbean, as well as on Armed Forces Radio and Television Services, Play With Me Sesame fosters individual creative expression through social interaction.

Broadcast Partner:
PBS Kids Sprout

SESAME STREET PRESENTS: THE BODY

Part of the Healthy Habits for Life initiative, this traveling museum exhibit, set in the familiar and reassuring world of *Sesame Street*, helps children understand the importance of eating right, exercising, and establishing healthy habits.

Project Partner:
Thinkwell Design and Production

Funding Partner:
New Balance
Athletic Shoe, Inc.

TALK, LISTEN, CONNECT: Helping Families During Military Deployment

Primetime Special - When Parents are Deployed

Deployments, Homecomings, Changes

Sesame Street Experience for Military Families (USO Tour)

With two kits in widespread distribution and a third in development, these multicomponent, bilingual (English/Spanish) outreach initiatives use the *Sesame Street* characters children love and parents trust to help families experiencing deployments, multiple deployments, and changes due to combat-related injuries.

Project Partners:
Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury

Military OneSource
Wal-Mart Stores, Inc.
American Greetings Corporation for Public Broadcasting
New York State Office of Mental Health
USO
Military Child Education Coalition
Joseph Drown Foundation
PBS
VEE Corporation
VMe

WHAT’S THE WORD ON THE STREET?

Launched in *Sesame Street*’s thirty-eighth season, this recurring show segment, also available as podcasts and outreach materials, puts into action the idea that exposure to a word in multiple contexts helps it become part of a child’s vocabulary.

Distribution Partners:
Children & Families
Commission of Orange County
PBS Ready-to-Learn Coordinators
Apple iTunes

Sesame Workshop gratefully acknowledges the generous support of our partners and donors around the world. Your commitment enables us to harness the educational power of media to bring learning and life skills to millions of children in more than 140 countries every day. Thank you.

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THE JOAN GANZ COONEY CENTER

The following donors have supported The Joan Ganz Cooney Center. Established in 2007 to honor Sesame Workshop's founder, the Center champions research, innovation, and investment in digital media technologies to advance children's learning.

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 PBS Kids Raising Readers
 Apple Professional Development
 Jeffrey Bilhuber
 Longview Foundation

The following pages provide an overview of Sesame Workshop's financial performance for the year ending June 30, 2008. The financial statements on pages 45 to 47 are an extract of Sesame Workshop's audited financial statements, which are available upon request.

SOURCES OF FUNDING

Sesame Workshop's long-term success has been predicated on forming strategic partnerships with corporations, foundations, and government agencies to address critical educational needs around the world. For example, initial funding partners for *Sesame Street*, the Workshop's flagship preschool series, included the U.S. Department of Education, the Corporation for Public Broadcasting, the Carnegie Corporation of New York, and the Ford Foundation. This combination of public and private financing is categorized as "Program Support" in the Consolidated Statement of Activities on page 46.

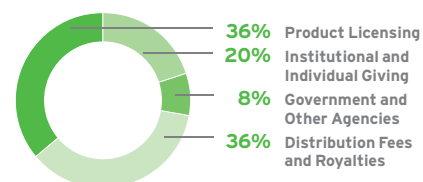
Recent examples of these partnerships include a program to help families cope with military deployment, funded by the Department of Defense, Wal-Mart Stores, Inc., American Greetings and the N.Y. Office of Mental Health; a school readiness initiative in the United States, funded by PNC Bank; a global citizenship initiative, funded by Merrill Lynch; and a program to help children and their families prepare for emergencies, funded by American Greetings, the Department of Homeland Security/Ad Council, and JPMorgan Chase (Bear Stearns). *Sesame Street* in the United States, now entering its fortieth season on PBS, receives significant financial support from its corporate sponsors, including Beaches Resorts, McDonald's, American Greetings, Hain Celestial, and New Balance.

In addition, Sesame Workshop has received long-term funding from the United States Agency for International Development (USAID) to create sustainable, educational media programs in countries including Egypt, South Africa, Jordan, Kosovo, India, Bangladesh, Tanzania, Indonesia, and the West Bank/Gaza. Sesame Workshop's future financial strength depends on continued success in working with corporations, foundations, and government agencies, as well with individuals who champion our mission.

Sesame Workshop's second revenue source is from the distribution of educational content across all media channels. The organization has successfully undertaken a range of activities that generate revenue while delivering educational content through multiple forms of distribution. These activities include the domestic and foreign distribution of local language television programs, overseas

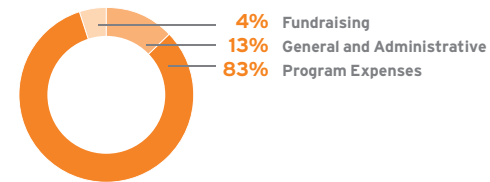
REVENUE

Sixty-four percent of Sesame Workshop's operating revenues are provided by support from institutional and individual giving, government and other agencies, and the distribution of the Workshop's educational content. The remaining 36 percent comes from product licensing.



EXPENSES

Of every dollar spent, 83 cents goes directly to funding the Workshop's programs.



syndication of our domestic television series, production and distribution of DVDs and home videos, publication of books and magazines, and distribution of video and gaming across digital platforms. Sesame Workshop works with distribution partners such as Comcast, Turner Entertainment, Verizon Wireless, Busch Entertainment, VEE Corporation, Genius Products, and Random House.

Sesame Workshop also relies on income from the sale of licensed products to fund its educational programs. We partner with best-in-class licensees that believe in our brands and share our vision, including Mattel, American Greetings, Procter & Gamble, Children's Apparel Network, and Hain Celestial.

In addition to the revenue earned to support the creation and distribution of educational content, the Workshop, similar to other nonprofit educational institutions, maintains an investment portfolio to ensure long-term financial viability, allow for investments in research and development, and provide financing for educational activities that are otherwise difficult to fund.

FISCAL YEAR 2008 OPERATIONS AND FINANCIAL POSITION

In fiscal year 2008, Sesame Workshop continued to expand its programs. Revenues increased 12.4 percent leading to net income from operations of \$3.8 million. This increase in revenue resulted in total program expenditures of \$116.4 million, an increase of 16.8 percent over fiscal year 2007. The value of the Workshop's investments depreciated by \$9.3 million in fiscal year 2008, reflecting the ongoing volatility in the financial markets, leading to a decrease in net assets of \$6.1 million in fiscal year 2008.

Sesame Workshop experienced significant growth in both Program Support and Distribution Fees and Royalties revenues, while Product Licensing revenue remained flat from fiscal year 2007. The 20 percent growth in Program Support revenue in 2008 is primarily due to funding received in support of the second phase of our *Talk, Listen, Connect* initiative, targeted to military families and which focuses on helping children whose parents return injured from active military deployment. Distribution Fees and Royalties increased 22 percent in fiscal year 2008, reflecting increased *Sesame Street* home video revenues and the broadcast of the fourth season of our South African co-production, *Takalani Sesame*.

Total operating expenses increased by 13.9 percent in fiscal year 2008 to \$141.4 million. Program Expenses, which account for 82.3 percent of total operating expenses, increased by 16.8 percent in fiscal year 2008. This increase is due to the continued investment in the redesigned *Sesame Street* broadband Web site,

which launched in August 2008; higher production costs for the thirty-ninth season of *Sesame Street*, including new formats and segments; and initial production of *The Electric Company*, which will broadcast in early 2009 on PBS. In fiscal year 2008, Fundraising and General and Administrative expenses comprised 17.7 percent of total Operating Expenses, down from 19.7 percent in fiscal year 2007.

Total assets increased by \$3.7 million in fiscal year 2008. The increase in assets is primarily the result of increased receivables from the home video business, investments in new program production, and capitalized costs associated with the development of the new *Sesame Street* broadband Web site. These increases were partially offset by the amortization of the Muppet copyright costs and the net unrealized depreciation on the investment portfolio.

Total Liabilities increased by \$9.7 million in fiscal year 2008, due to the timing of vendor payments and accruals related to Sesame broadband and *Sesame Street* production and progress payments from the Corporation for Public Broadcasting for the production of *The Electric Company*.

SIGNIFICANT STRATEGIC TRANSACTIONS

In December 2000, the Workshop acquired the *Sesame Street* Muppet characters from the Jim Henson Company, a subsidiary of EM.TV & Merchandising AG. Full ownership of the *Sesame Street* Muppets allows for greater creative freedom, control of content, and enhanced revenue opportunities. In fiscal year 2006, Sesame Workshop used the proceeds from the sale of a portion of its marketable securities to pay down all but \$1.0 million of the outstanding debt incurred in fiscal year 2001 to acquire the characters.

In September 2002, the Workshop sold its 50 percent ownership interest in the Noggin joint venture to its partner, MTV Networks/Viacom. This sale provided capital to expand our mission internationally, remain strong in a highly competitive domestic marketplace, and retire a portion of existing debt.

In September 2004, the Workshop entered into a partnership with Comcast, PBS, and HIT Entertainment to establish and operate a digital cable and video-on-demand service to distribute educational programming to preschool-age children and their families. The channel, named PBS Kids Sprout, premiered first on VOD in April 2005. As of October 2008, the channel reached more than 43.4 million unique TV households (linear and VOD combined).

The following statements are an extract of Sesame Workshop's audited financial statements for fiscal years 2008 and 2007.

	2008	2007
ASSETS		
Cash and Short-Term Investments	\$ 13,738	\$ 18,394
Receivables		
Program and Product Licenses and Contracts in Support of Programs, Net of Allowance for Doubtful Accounts	34,974	22,410
Grants	9,846	8,836
Total Receivables	44,820	31,246
Inventory	1,374	1,328
Programs in Process	15,102	12,538
Investments	141,491	145,235
Intangible Assets	85,807	92,752
Fixed Assets	10,914	8,282
Other Assets	4,045	3,856
Total Assets	\$ 317,291	\$ 313,631
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 29,913	\$ 23,326
Deferred Revenues	27,892	23,973
Deferred Rent Payable	3,139	3,924
Debt Payable	1,000	1,000
Total Liabilities	61,944	52,223
NET ASSETS		
Unrestricted	243,535	254,414
Temporarily Restricted	11,812	6,994
Total Net Assets	255,347	261,408
Total Liabilities and Net Assets	\$ 317,291	\$ 313,631



	2008	2007
REVENUES		
Program Support	\$ 40,474	\$ 33,554
Distribution Fees and Royalties	52,716	43,332
Product Licensing	52,036	52,349
Total Revenues	145,226	129,235
EXPENSES		
Program Expenses		
Education, Research and Outreach	9,821	9,396
Content Distribution	40,126	35,572
Production and Development	39,066	28,885
Global Product Licensing	10,113	9,409
Global Project Management	6,183	6,078
Public Awareness	4,140	3,362
Amortization Expense	6,945	6,945
Total Program Expenses	116,394	99,647
Support Expenses		
Fundraising	6,139	6,644
General and Administrative	18,850	17,829
Total Support Expenses	24,989	24,473
Total Expenses	141,383	124,120
Operating Income (Loss)	3,843	5,115
Net Investment Income	(9,270)	22,721
Interest Expense	(269)	(308)
Provision for Income Taxes	(365)	(277)
Increase (Decrease) in Net Assets	\$ (6,061)	\$ 27,251



	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in Net Assets	\$ (6,061)	\$ 27,251
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization of Property and Equipment	2,088	2,099
Amortization of Intangible Assets	6,945	6,944
Amortization of Debt Issuance Costs	171	171
Amortization of Other Assets	370	369
Amortization of Programs in Process	25,177	22,853
Decrease in Deferred Rent Payable	(785)	(386)
Change in Provision for Uncollectible Receivables	1,010	1,922
Decrease (Increase) in Net Unrealized Appreciation on Investments	12,919	(6,751)
(Gain) on Sale of Investments	(2,314)	(14,880)
Provision for Inventory Obsolescence	283	(338)
Increase in Receivables	(14,584)	(3,551)
(Increase) in Inventories	(329)	(164)
(Increase) in Programs in Process	(27,741)	(21,864)
(Increase) in Other Assets	(730)	(111)
Increase in Accounts Payable and Accrued Expenses	6,587	85
Increase (Decrease) in Program and Product License Revenues	3,919	(2,606)
Net Cash Provided by Operating Activities	6,925	11,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(4,720)	(2,249)
Purchases of Marketable Securities	(26,692)	(73,087)
Proceeds From the Sale of Investments	19,831	66,871
Net Cash Provided by Investing Activities	(11,581)	(8,465)
Net (Decrease) Increase in Cash and Short-Term Investments	(4,656)	2,578
Cash and Short-Term Investments, Beginning of Period	18,394	15,816
Cash and Short-Term Investments, End of Period	\$ 13,738	\$ 18,394

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Executive Vice President,
Distribution

Susan Kolar

Executive Vice President and
Chief Administrative Officer

Daniel Victor

Executive Vice President,
International Projects

Sherrie Rollins Westin

Executive Vice President and
Chief Marketing Officer

Myung Kang-Huneke

Vice President, General Counsel,
and Secretary of the Board

Daryl Mintz

Vice President, Finance, and
Corporate Controller

The Joan Ganz Cooney Center

Dr. Michael H. Levine

Executive Director



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