



## PLAYWORKS

### **POWERED BY PLAYWORKS: A plan for scale to 7,000 schools**

#### **Preface**

Playworks changes children’s experience of school and the culture of elementary schools nationwide by leveraging the power of safe, fun, and healthy play. We create a place for every kid on the playground to feel included, be active, and build valuable social/emotional skills, with research showing essential benefits to children’s development, an improved school climate, and more focused students in the classroom.

Playworks is the only national organization focused on play during the school day and its potential for developing empathy, conflict resolution skills, and inclusion in young children. Play is a natural vehicle for encouraging and developing competencies that are critical to healthy child development, including self-awareness, self-control, empathy, social awareness and conflict resolution. Through play we learn to share, negotiate, solve challenges together, and celebrate shared experiences, and children need these skills to thrive as adults in an increasingly diverse democracy.

For over a decade, Playworks has been committed to scaling our innovative approach to increasing physical well-being and social/emotional skills in children. We have succeeded in expanding our services to thousands of elementary schools reaching hundreds of thousands of children across the nation and, in those schools, significantly changing the behavior of both adults and children to embed play as a strategy for improving education.

*But we have realized that growth isn’t the same as scale.* With the help of a handful of investors and school leaders, we have come to see that much more is possible and that changing the school system with lasting impact requires additional, new strategies.

Our shift to this approach to scale began in late 2015 with a change in our definition of success: from the number of schools served by Playworks to the number of schools where safe and healthy play is available to all kids every day. While that shift may sound semantic, it is actually incredibly meaningful. To focus on identifying and supporting schools, whether or not they have Playworks, is a different way of operating and requires new approaches and capacities. Our changed perspective has already inspired Playworks to explore entirely new strategies for supporting play in schools.

**We have developed a bold and audacious plan to reach 3.5 million students at 7,000 schools by 2020, which launched in 2016.**

However, we have not stopped there: we continue to push ourselves to learn from our experiences, be continuously inspired by our vision for the future, and consider what must be done to spark a national movement for play. An unexpected opportunity to “think big” arose in

June 2016, when the MacArthur Foundation announced 100&Change, a \$100 million prize “in pursuit of one good idea.” We were inspired by the challenge and worked with trusted investors and partners to consider what we might do differently if financial resources were not a limiting factor. Ultimately, we submitted a \$100M proposal for impacting tens of thousands of schools, and although we were not chosen as a semi-finalist, we were thrilled to be one of the top 200 proposals of the 1,900 submitted, and proud to have been selected as one of the top ten proposals in the education category. The process of applying pushed us to think beyond our already ambitious aim and consider what we could do with such a significant investment in our work. We continue to be inspired by the bold plans we laid out in our proposal, and they inform our vision of Playworks at full scale.

**This plan outlines how Playworks will achieve a key milestone to scale – 10% of the elementary schools in the US – using new strategies designed for systems change through district-level relationships, education networks and partnerships.**

The following narrative proposal explains our plans in detail, including our rationale, measurable goals, specific strategies and the financial foundation for implementation.

Key beliefs and insights are at the core of this plan:

**The time for play has come.** For 20 years we have been demonstrating what play can do for children. Similarly, for more than 20 years the social/emotional learning movement has been advocating for the value of these skills. And more recently, the education sector has begun expanding its understanding of how children learn and what they need to learn. This confluence of movements creates an unprecedented opportunity. Playworks is ready to leverage this confluence for explosive growth in impact.

**Playworks’ core competency in play – with both children and adults - is critical to our success.** Our competency in play with *children* isn’t the only driver of impact. We engage adults in play and in learning how to play with children so that they can model and teach the social/emotional skills children need. School climate changes as a result, but only because the interactions between adults and children have changed. We enable children to be surrounded by an ever-growing circle of adults who are skillfully contributing to their social/emotional development. If we are to reach every kid, we must add *new* ways of giving *more* adults this experience and these skills, *faster* and *deeper* into communities that have yet to experience the power of play.

**Growing Playworks’ current services – Coach, TeamUp and Pro (described below) – is a significant driver of impact.** We must continue to demonstrate impact in more and more districts, and we must use stories from these schools as bright spots to inspire others to join the movement. This is the base from which new paths toward impact will emerge.

**Making it easy for schools to get on the path to incorporating healthy play will also be a significant driver of impact.** In addition to expanding our current services, we must create new engagement opportunities and offer additional entry points for schools: bite-size online training modules, open-enrollment “PlayShop” trainings where any individual can learn Playworks’ approach, or a stand-alone Junior Coach program toolkit. If we tap the motivation many adults in schools have to make more play happen (which we know

exists based on tracking social media and the requests for help we receive), we can get schools to begin to provide more safe and healthy play for more children. This will contribute to a social movement with momentum unto itself.

**Collaborators and partners can exponentially amplify Playworks' impact.** Through a partnership with City Year, we have already seen how safe and healthy play can be inspired and led by AmeriCorps members working with other organizations. What if every AmeriCorps program that works with elementary-age children incorporated Playworks' innovation into their services? What if Encore talent provided human capital to spread play to more schools? What if Playworks figured out how to transfer our knowledge and inspiration with fidelity to a wider and wider community of play makers, all the while offering tools, resources, support and connection to each other?

**Playworks will continue to be a learning organization, experimenting and improving as we go.** Our willingness to see and embrace new opportunities has enabled our strategy to evolve, quickly and repeatedly. Recent program innovations are examples of how Playworks has quickly increased impact because we were willing to try something new. We will continue to bring discipline to experimentation so that we can rapidly learn and refine new paths to the end goal of reaching "every kid."



## PLAYWORKS

### **POWERED BY PLAYWORKS: A plan for scale to 7,000 schools**

*Updated April 2017*

**Playworks proposes to expand our innovative approach to developing safe, healthy and happy children through play to more than 7,000 elementary schools and 3.5 million children by December 2020 and to build the infrastructure to ensure financial sustainability for the long-term.**

Playworks has been promoting physical activity and developing social/emotional skills in elementary-age children for 20 years. We are the only national organization focused on play during the school day and its potential for bringing out the best in every child. In the most recent school year, Playworks reached more than 600,000 students in more than 1,100 schools. Our innovation has spread across the country with enormous momentum from word-of-mouth among teachers, principals and parents.

#### **Introduction: Bold Action for America's Future**

Democracy's success depends on the active engagement of all citizens to overcome individual differences and solve collective problems. Yet today our democratic processes are mired in seemingly intractable conflicts. Trust is low. Polarization is becoming the norm.

As a nation we are rapidly losing our ability to thrive in our collective. We are losing the capacity to see value in a diversity of opinions, to work through our differences, to recognize our dependence on each other.

The fraying of civil society is inextricably linked to failures in our public education system. Democracy depends on public schools to prepare citizens by effectively supporting the cognitive, social and emotional development of children ages 5-18, who bring with them a vast array of life circumstances and challenges. Many children are not gaining the necessary skills for effectively engaging in civil society. Their learning environments are not offering an alternative to the fractious community outside school walls.

If we require engaged citizens, individuals who can think and reason and create and collaborate and empathize with others, then we must teach these skills in all schools. We must reconnect the focus of teaching and learning to the building and protection of civil society.

Democracy and learning are both social endeavors. They are accomplished in environments with other players who bring their own experiences and character to contribute to the process. The evolution of democracy requires opportunities for children to practice citizenship in positive and safe environments, in every city, town and community across the country.

Playworks' solution is based on research in children's development that has long emphasized the importance of play for cognitive and social growth. American culture has largely isolated the value of play to either very young children or its physical benefits, as a relief valve for pent up energy. These views overlook the power of play for social/emotional development and the cultivation of the very skills necessary for democracy to function: cooperation, conflict resolution, recognizing social norms, and active listening, among others. Playworks has demonstrated how children learn these skills on the playground and then use them in the classroom and beyond. With the ability to build empathy, respect, and cooperation among children when they are young, our work serves as a preventative antidote to the polarization and conflict we're experiencing.

To address the increasing discord of American public culture, Playworks inspires, equips and supports public elementary schools to integrate consistent, safe and healthy opportunities to learn through play. **By December 2020, 7,000 elementary schools will provide daily, safe and healthy play and 3.5 million students will have developed the skills necessary for actively and positively engaging in civil society.**

Expanding Playworks' definition of success from the number of schools we directly serve to sustainable impact in schools and across districts requires that we shift how we operate as well. Playworks has a foundation of practice, proof, and advocates in communities across the country. What we need now are new channels to spread the innovation to more schools faster and new tools that support schools and districts in embracing the innovation with lasting impact.

We have an ambitious plan to develop, test, and expand new channels and tools. This work requires resources, both personnel and financial, to be added to our operations. It also requires discipline to focus on what is most critical to achieving the goal and maintaining fidelity to the theory of change we have already proven.

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## Brief History

Founded in 1996, Playworks has built a foundation for driving systems change and a significant network of schools to serve as proof points for the impact of our innovation. In that time, more than 3,000 schools have experienced Playworks, either by having a full-time Playworks coach on site for a full school year or by receiving training from Playworks for school staff.

Growth in schools has largely been fueled by a strategic goal of directly reaching more children, while demonstrating in more and more schools that play can have an enormous impact on learning. We have been focused on persuading as many educators (and families) as we possibly can that play is the strategy they need to bring out the best in their kids.

Specifically, Playworks has been focused on a path to scale that was designed with three overlapping phases: **Flagship**, **Broad Adoption**, and **Movement Building**. The **Flagship** phase was intended to spread our full-time direct-service model (now called Playworks Coach) in elementary schools as an initial proof point that play and recess were important and overlooked tools for developing social/emotional skills and a healthy school climate. Our training services (now called Playworks Pro) drive the **Broad Adoption** strategy, creating an opportunity for a

broader reach and larger number of adults in schools to develop their own internal capacity to incorporate Playworks' principles. Playworks trains teachers and other staff in schools and youth-serving organizations so they can adopt our approaches into their own programs. Training also enables us to bridge the traditional challenge faced by many education improvement efforts based only in low-income schools. Because training is 100% earned income, Playworks makes it available to schools of all income levels, thus broadening the impact to children throughout our communities. With the advent of the **Movement Building** phase of our strategy, we are now in the final phase of our scaling work, and with this comes an important shift in emphasis.

The goal of Playworks' Movement work is to create sustainable impact, for schools that access Playworks' in-person services AND for schools that connect with us digitally and never have a Playworks staff member on site.

We believe this strategy will change the system – by enabling whole school districts to use play across all their elementary schools to amplify children's development and improve learning. As children's outcomes improve in these districts, they will become the vanguard of the entire system. The progress these school districts have made will be documented and they will demonstrate to others what is possible when strategic investments are made.

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## Why Play?

Effective teaching and learning are extremely complex activities that rely on a web of factors. Many education improvement efforts focus on teacher skills, such as relaying new information, building student skills in sequence and creating opportunities to demonstrate mastery. These efforts are primarily classroom-based and cognitive in nature, and they are critical to the goal.

Yet a new, promising trend has emerged in education that offers additional levers for change. This trend recognizes our ability to affect other influences that can improve the effectiveness of teaching and learning in a school. They include children's natural curiosity, teachers' rapport, children's capacity to take in new information and their emotional engagement.

This trend has been labeled many things: social/emotional learning, character development, non-cognitive skills, student engagement, school climate and school culture. The common thread is the recognition that how children (and their teachers) feel and interact with each other in school has a direct and measurable impact on the quality and effectiveness of teaching and learning, in both the immediate moment and the long-term.

For us at Playworks, the relatively recent spotlight on the value of social/emotional learning is a validation of our innovation and its impact for children.

Academic researchers have, for decades, lauded the extraordinary importance of play in childhood to develop the ability to interact with others and to learn. Play is a natural vehicle for encouraging and developing the competencies the youth development and education fields have labeled as critical to healthy child development, things like self-awareness, self-control, empathy, social awareness and conflict resolution.

Playworks has demonstrated in thousands of schools that play is a powerful and ubiquitous opportunity to develop social/emotional skills in children. Our success goes beyond simply providing well-trained young adults and a proven curriculum to schools. Playworks has developed new skills in tens of thousands of youth workers, teachers, principals, other school staff and parents so they can develop positive social behaviors in the children they work with each day.

Independent studies of Playworks' programs conducted since 2011 have repeatedly shown the effectiveness of our services to teach social/emotional skills and improve learning environments. A 2013 Stanford University/Mathematica Policy Research randomized control trial found that Playworks' programs result in less bullying, higher feelings of student safety, more time engaged in vigorous physical activity, and less time transitioning from recess back to the classroom. A study conducted by researchers at Stanford and published in the *Journal of School Health* in 2015 showed that Playworks programs improved overall school climate. Another *Journal of School Health* study found that after one year of exposure to Playworks, students showed statistically significant increases in physical activity levels, problem-solving skills, feelings of meaningful participation in school, and positive feelings toward their own personal goals and aspirations.

*So if we have known that play contributes to children's social development and the education sector is now valuing this strategy, why isn't play more central to education reform priorities?*

Old ideas do not give way to new innovations easily. America's long-standing narrative connecting serious hard work and diligent effort to individual success does not sit easily with play as a means, much less an imperative. Nonetheless, as the education sector shifts to embrace a broader definition of success – engaged learners across all schools and all children – Playworks has a unique contribution to make to the constellation of effective innovations available to make that vision a reality.

We believe play is critical to an effective educational system. Children must learn and develop through play and in school environments that recognize and cultivate positive interactions among students and adults. This need simply cannot be fulfilled with cognitive skills development alone.

And this innovation needs more than a friendly trend for it to take root in a systemic way.

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### **Lessons Learned from Growth**

Playworks' scaling strategy from 2005-15 was aimed primarily at spread: more schools in more geographies. Our hypothesis was that if we reached a critical mass in metropolitan areas, measured loosely by word-of-mouth among principals leading to increased demand for services, that this local critical mass would naturally lead to change across whole districts. Our belief was that spread would essentially lead to scale. By scale, we mean that it would become a standard expectation that schools and districts would invest in play and in recess because of the positive impact Playworks has proven such investments can have.

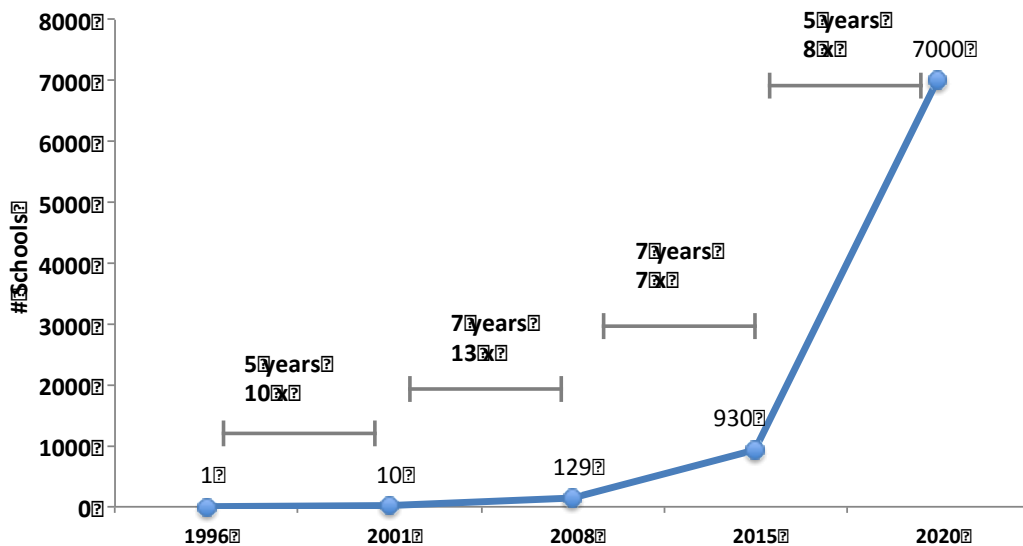
While we succeeded in spreading the innovation to many more schools and geographies, our hypothesis about spread leading to scaled systems change only proved true in a small handful of districts. The success in these districts was largely the result of unique conditions Playworks did not create – an innovative principal who decided to champion the innovation across their district or a forward-thinking superintendent with a track record of embracing innovation. These exceptional results did not prove our hypothesis.

The recognition of our scaling strategy’s limitations, despite the successful growth of the organization, inspired reflection and re-imagining of the path to the future state we seek: a day when every child in America gets to play every day.

Our goal is now to create sustainable impact by building schools’ capacity to implement Playworks programming and principles after having interacted with us. We have an ambitious plan to develop, test, and expand new channels and tools to allow schools and districts to ultimately embed Playworks into their operations.

### The Powered by Playworks Strategy: 2016-20

Our aim is to ensure that 3.5 million children in 7,000 elementary schools experience safe and healthy play every day by December 2020. We settled on this goal after analyzing growth in Playworks’ direct impact since our founding. The chart below illustrates how we’ve been able to increase impact over five and seven year increments. This growth rate mimics rates in for-profit companies, where it is common to grow by 5-10 times in each subsequent growth period. We know that 10% of a population is the tipping point where social change begins to snowball; when we make play available at 7,000 schools – just over 10% of all elementary schools in the US – we will spark a national movement.



In order to achieve this growth, the Powered by Playworks plan focuses on developments and investments in three priority areas:



**1. New & Expanded Services:** Playworks will expand existing services (Coach, TeamUp and Pro), develop new services and build organizational capacity to engage districts in multi-year partnerships that result in their ownership of the innovation.

*By December 2020, Playworks will be able to provide comprehensive services to any school district in the US and be able to point to school districts that have successfully embedded Playworks' innovation across their schools.*

**2. Financial Sustainability:** Playworks will execute a scaling plan incorporating both existing and new services that will result in service and support for 7,000 schools that is financially sustainable. For Playworks, “financial sustainability” means that contributed revenues from fundraising are increasing at 10% or less annually and that the sources of that revenue are largely renewable, as in corporate sponsorships, individual donations, small family foundations and events. Large scale growth investments will no longer be necessary.

*By December 2020, Playworks will have a multi-year scaling plan for all Playworks services that is financially sustainable through increased earned income and renewable sources of philanthropic income, the strategies for which will already be in operation.*

**3. Infrastructure:** Playworks will invest in and build infrastructure to support the scaling plan that will ensure our capacity to reach even more schools in the long term.

*By December 2020, Playworks will have designed, invested in and built infrastructure improvements in the areas of finance, talent recruitment and retention, marketing, evaluation and systems capable of supporting 7,000 schools annually.*

Detailed descriptions of our plans for each priority are as follows:

## Priority 1: New & Expanded Services

To provide schools and districts with all the support they need to ultimately embed Playworks into their operations, Playworks plans to develop a comprehensive suite of services and supports to complement Coach and Pro. The following services are of the highest priority from now through FY20.

**TeamUp** - Playworks launched a nationwide expansion of a new service – TeamUp – in the summer of 2015. TeamUp aims to build the capacity of schools to adopt, implement, and maintain Playworks' unique approach. It builds on the success of both the Coach and Pro strategies to work onsite with each school and that school's Recess Team over the course of a school year. Our projections are that with a 4:1 ratio of schools to Site Coordinators, Playworks will be able to serve many more schools over time. In FY18 we are projecting 360 TeamUp schools, an important test of our ability to maintain impact in the midst of innovation.

**Embedding Social/Emotional Learning in Partner Schools** - Playworks is working with the Yale Center for Emotional Intelligence – experts in social and emotional learning – to ensure that our programs are rooted in evidence-based best practices for developing emotional

intelligence in children. The 2016-20 plan includes additional investment for support from Yale to build a more comprehensive implementation of social/emotional skills' development into Playworks' staff training.

**District Partnerships and Consulting Services** - In order to achieve systemic change, we need an integrated approach to selling and implementing multiple services within a district. We know there is demand for our services because since the summer of 2014 we have received requests from over a dozen school districts to serve large groups, if not all, of their elementary schools. To meet these needs we are designing multi-year partnerships that take each school from their current state of play to Playworks' standard, using those services that best match each school's needs. We are also developing consultative services specifically for district-level personnel and school staff who are charged with implementing and maintaining Playworks' innovation across their district over time.

**Digital Transformation** - Playworks' ultimate goal is to support every elementary school in the country through a combination of direct service and remote inspiration. Playworks is developing a digital resource for all schools to access the inspiration and concrete support they need to implement a great recess. Digital services will include online trainings, video supports for concrete safe and healthy play strategies, and access to Playworks' experts. Research into other successful online portals for social change has revealed the importance and power of offering individual users access to experts in the field. These experts can be researchers, practitioners or Playworks staff. Access can be facilitated through live webinars, blogs, FAQs, and live chats. We are experimenting with a troubleshooting service that would enable schools to submit videos of their own recess and get Playworks' advice for next steps to improvement.

**Recess Checkup and Great Recess Framework** - If we are to encourage the adoption of an actual standard for how play directly contributes to children's development and learning, we must be able to convey the high standard that we have established for our own services. That is, we need to effectively describe and demonstrate concretely what a great recess looks like. This includes how adults guide a great recess and how children interact when play is used effectively. To this end, we have developed a definition of "safe and healthy play," an assessment tool, and descriptive videos to enable educators nationwide to understand the great recess they aspire to, and the areas their school needs to address. The *Recess Checkup* is the simplest form of the assessment, designed to quickly engage principals, teachers and parents in understanding how their school measures up. The *Great Recess Framework* assessment tool is more robust and is now being validated by external evaluators. It is intended to establish a standard in the field that aligns with the significant outcomes Playworks has achieved.

**Call to Action for Schools Beyond Playworks' Current Footprint** – To achieve success, Playworks must be able to reach 7,000 schools and scores of strategic districts with our message. To date, our marketing team has successfully built an operation to serve the day-to-day needs of the organization and the regions. In order to amplify our reach well beyond this basic set of marketing strategies, we plan to invest in new campaigns, personnel, and outside expertise who are focused on designing marketing strategies for our new services.

In addition to expanding marketing strategies we are investing in a large-scale communications campaign around the benefits of play, including an emphasis on social/emotional skills for kids. The focus is to deliver an invitation to principals, teachers, parents and others to invest in play in

their own schools. This communications campaign is central to our 2020 goal and will require external expertise in social change communications strategies to succeed. The campaign will launch in October 2017.

Communications strategies will also leverage partner organizations and their networks to promote our free digital resources, the Great Recess Framework, and stories of transformation in schools. These partnerships already include Alliance for a Healthier Generation, Let's Move Active Schools, Action for Healthy Kids, Strive Network, Boys & Girls Clubs, CASEL and the National Commission for Social, Emotional and Academic Development. We are investing in establishing dozens more partnerships both nationally and regionally to be distribution channels for movement building strategies.

## Priority 2: Financial Sustainability

While Playworks has been building financially sustainable practices within our operations for several years, in order to serve and support 7,000 schools per year the organization must focus on additional strategies for long-term financial sustainability. Our experience of growth has taught us a critical lesson in social change: *having a great idea is only as powerful as the sustainability of the financial model for growth.*

**Scaling Play to 7,000 Schools** - The path to 7,000 schools emphasizes services that rely substantially on earned income. As Playworks designs and tests the services described in Priority 1, the executive team and finance team will be modeling pricing structures to include 70-100% earned income structures for each of the services.

**Regional Income** – Playworks' financial practices already include payment from the regions to national for the infrastructure that national provides, as well as a regional contribution to working capital. Financial sustainability requires that all regions are 100% sustainable with regional income, including both earned and contributed. The Powered by Playworks plan calls for all regions to reach 100% local sustainability by June 2019.

**National Income** - National fundraising relies heavily on private foundation, family foundations, and some corporate support to reach our annual target. Long-term financial sustainability requires investments in specifically growing corporate support and establishing a robust major donor base so that Playworks can significantly decrease our reliance on foundations.

**Business Analysis** - In preparation for growing new services and building an infrastructure to support 7,000 schools, Playworks is investing in personnel to perform complex business and financial analysis before operating decisions with future ramifications are made.

**Working Capital** - With the help of the Robert Wood Johnson Foundation, Playworks established a board-designated fund to provide ongoing working capital and prepare for unforeseen financial needs. As Playworks grows, so must this fund. Playworks will contribute additional investment in the Working Capital Fund over the course of this plan.

## Priority 3: Infrastructure

Playworks' infrastructure has largely been built organically as needs have arisen over a decade of national expansion. Our finance, human resources, IT, evaluation, and marketing teams at the national office have delivered high quality support despite being severely stretched. Given the demands of this plan to dramatically increase support to more schools, we must invest in these back office functions. We understand the critical link between infrastructure and impact, so have included initiatives here to build the organization we will need in 2020. The following critical investments will result in an infrastructure that can support projected operational needs.

**Talent** - While we have benefited from a loyal and passionate staff, Playworks has now become a source for other growing nonprofit organizations looking for talented staff. The budget for the Powered by Playworks plan includes the following:

- Increases in compensation based on benchmarks in non-profit compensation surveys
- Implementation of a match in Playworks 401(k)
- Investment in professional development opportunities (both in-person and online) for all levels of managers
- Significant improvements in technology designed to ease day-to-day work of employees, especially related to human resources and finance tasks

**Systems** - Playworks is an expert user of Salesforce for many internal processes, and we have developed expertise in Adaptive Insights for budgeting and financial monitoring. Our HR and finance systems, need to be upgraded and all of our systems must be integrated to ensure efficient and effective operations. As reliance on mobile devices continues to grow, Playworks also must develop the capacity to deliver support for safe and healthy play via those devices.

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## Risks

Demand for Playworks services, both existing and new, may not keep pace with our projections. In the event of lower demand, we will adjust hiring plans to accommodate that shift. We will also study those regions that have the highest growth in demand to determine which strategies or factors are driving new customers to Playworks so we can replicate those strategies nationally.

Uncertainty surrounding federal funding for public schools may decrease district resources. This could impact the availability of funds for Playworks fees and the bandwidth school staff have to pay attention to recess.

Recruiting talented staff to fill the various roles we have included in the Powered by Playworks plan may be a challenge. We will work with recruiters as necessary and will leverage Playworks' large network to support this effort.

Designing new services presents a challenge, in that we must both understand the evolving needs of schools and be able to deliver Playworks' innovation in new ways to meet those needs. We plan to use a team-based model for design to tap the wisdom of our staff and to rely on prototyping methods to enable rapid testing and feedback to inform the design process.

Translating Playworks' knowledge and insight into a digital format may prove challenging, particularly given our commitment to providing engaging learning opportunities for adults who work with children. We will carefully select experts in the field of online training to inform instructional design and delivery.

Not all regions may achieve financial sustainability as projected. We are prepared to slow growth in those regions, as necessary.

The final challenge is that things will change. As with any endeavor, the unforeseen poses a challenge. Playworks is well-versed in surviving unpredicted events as evidenced by achieving significant growth through the period 2005-12 during which the country experienced extreme change economically. We are confident that the leadership team, national board and long-time investors have the wherewithal to address challenges that we have not yet anticipated.

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## **Partnerships**

Playworks will continue to engage with key partners, both long-standing and relatively new, in order to successfully implement the Powered by Playworks plan.

First, Playworks has mutually-beneficial partnerships with several schools districts that have invested in Playworks across most or all of their schools. Examples include West Contra Costa Unified, Oakland and San Francisco school districts in Northern California, Norwalk-La Mirada and Santa Ana in Southern California, Fall River in Massachusetts, and Providence, Rhode Island, among many others across the country.

Second, Playworks' scaling initiatives have been generously supported by national funders including Robert Wood Johnson Foundation, Einhorn Family Charitable Trust, Jenesis Group, S.D. Bechtel, Jr. Foundation, Horace Goldsmith Foundation and Laureus Sport for Good Foundation. These partners continue to provide advice and guidance and have indicated they will be part of Playworks' investors group throughout the implementation of this plan.

Third, Playworks has partnerships with other nonprofit and community organizations whose priorities are aligned. We are developing concrete collaborations that will enable Playworks to connect with thousands more schools than we could on our own. In addition to the partners described earlier in this document, Playworks is in conversation with KIPP, National PTA, National Association for Elementary School Principals, and YMCA, among others.

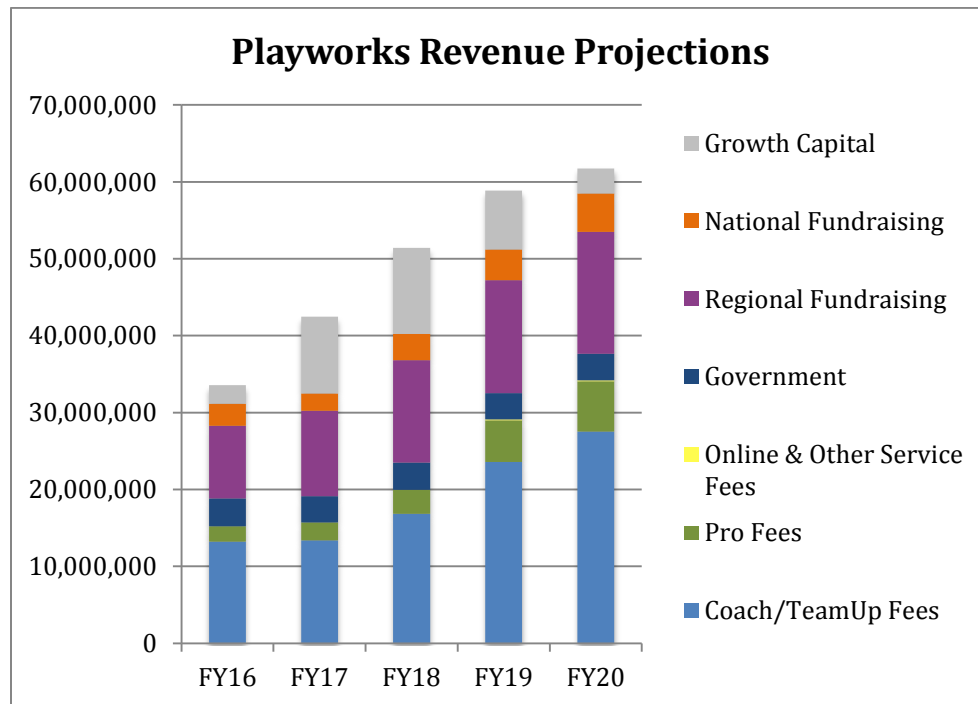
Fourth, Playworks has developed relationships with outside experts including Yale Center for Emotional Intelligence and the Billions Institute who are lending their particular expertise in areas that are critical to the plan. We expect to create similar relationships with experts in communications campaigns for social change, HR practices and online training.

Fifth, Playworks has formal and informal partnerships with national corporations and professional sports teams and leagues, such as the Golden State Warriors, Denver Broncos, Detroit Lions, Atlanta Falcons and LA Dodgers. These relationships support our efforts with

marketing campaigns, visibility and funding. We plan to engage them specifically in the mass communications strategy outlined in the plan.

### Financial Foundation for Powered by Playworks

Earned income from fees and government contracts is a significant driver for financial sustainability. Earned income accounted for 60% of all operating revenue in FY16 and we project that percentage will increase to 64% by FY20. All new services are being designed with the expectation that they will be priced at 80-100% of fully-loaded cost. Our goal for earned income is to reach 70% of annual revenue.



Playworks’ earned income is largely generated by on-the-ground operations in 23 regions across the country. These regions are serving schools through both the Flagship and Broad Adoption strategies and have more demand from schools than they can feasibly fulfill.

In addition to carrying out Playworks’ vision for systems change, the regions are also a financial engine for sustainability. Regions are working toward being completely locally sustainable, meaning that their operational costs (both direct and indirect) are covered by a combination of earned income, government contracts and local philanthropic support. This includes 15% on top of operational costs that comes to the national office for their share of back office support. As the region’s grow their operations through more services, primarily through earned income, they will also increase their annual payment to the national office, which supports overall organizational financial sustainability.

Regional financial strength is critical to achieving our bold goals for two reasons:

1. Our experience has shown that as regions reach financial sustainability, they build a broad community audience to engage in establishing play as critical for improving schools. These teams are leveraging the reputation they have built in the local community to impact and build more demand from schools and districts for our innovation.
2. As Playworks regions' dependency on national for financial support decreases to zero, we can focus our financial resources on the systems change strategies, which require staff time to come to fruition.

Our projections show we could be financially self-sufficient in fiscal year 2021 by increasing earned income and contributed revenue from national corporate sponsors.