2017 Impact Report

Breaking Down Educational Barriers
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When two friends and I started First Book back in 1992, we knew that the lack of affordable, relevant books was a catastrophic educational barrier for children growing up in low-income neighborhoods – with devastating implications for individual children, and pervasive, long-term societal impacts.

We dedicated ourselves to creating a systemic solution – one that would transform the educational environment for children in need and the educators who serve them. We built First Book using market-driven models powered by the collective strength of formal and informal educators serving children in need – in schools, libraries, museums, early childhood programs, homeless shelters, afterschool programs – anywhere that serves families in need.

And while literacy remains a central focus, First Book’s mission has always been to further educational equity. In 2017, our 25th year, we realized a tipping point: First Book now reaches more than 1 out of 4 of the estimated 1.3 million classrooms and programs serving children in need. We leverage this market power to drive the publication of books, titles, and formats that are most relevant to the children we serve, and to identify and break down other long-standing educational barriers.

In our 2017 Impact Report, you’ll learn about some of those efforts:

• The launch of First Book Insights, a research arm that generates proprietary insights from our network of educators that drive our educational offerings and steer our most innovative strategies;
• Expansion of our recovery efforts to help communities get back on their feet after a natural disaster;
• The development of Care Closets, stocked with a range of essentials that educators can use to support students who come to school cold, hungry, and suffering from chronic stress.

While we are proud to reach 25 percent of the educators serving children in need, we know that 3 out of 4 classrooms and programs still need our help. It’s critical that we increase our reach and our impact, innovating as fast as we can to remove barriers to learning for children in need.

We can’t do it alone. We’re grateful for your support – these are truly “Stories Made Possible By You.” See what we mean at: http://bit.ly/StoriesMadePossible

With gratitude,

Kyle Zimmer
President, CEO, and Co-founder
First Book
According to McKinsey & Company, our failure to provide educational opportunities for children in need imposes the equivalent of a permanent economic recession on our nation.

First Book believes that education is a child’s best path out of poverty. But access to a quality education is far from equal, and the resulting need is increasing for both educators and the children they serve:

5. As reported in: https://www.nytimes.com/2018/05/16/us/teachers-school-supplies.html
The First Book Network — our registered database of educators who access First Book resources — is North America’s largest and fastest-growing community of educators serving kids in need.

**THE FIRST BOOK NETWORK:**

- Open to formal and informal educators whose classrooms or programs are composed of, at minimum, 70% children in need
- Grows by 1,000 members each week
- Active members in all 50 U.S. states, the District of Columbia, and U.S. territories

**Source:** First Book Data
First Book has distributed more than 175 million books and resources in more than 30 countries.

**FIRST BOOK’S REACH**

- **175 million books** and resources distributed through 2017
- More than **25%** of the estimated 1.3 million U.S. settings serving low-income children, from birth to age 18
- **5 million** children reached annually
- Books and resources distributed in more than **30 countries**

*Source: First Book Data*
In East Nashville, it’s more likely that you’ll find a fast food restaurant, or a used tire store, or a gas station, or a liquor store, before you’ll see a library.

First Book educators say that access to resources is the number one barrier to academic success. High school English teacher Jarred Amato mobilized his students to fill the shelves in their schools—and 50 other schools in the Nashville area—with books that were relevant to their lives. And so, the Project LIT Community, a student-led celebration of diverse books, was born.

READ JARRED’S STORY AT: bit.ly/firstbookblog_jarredamato

One thing about First Book that excites me is seeing that you’re not just acting in formal academic classroom spaces or schools. I think for the LGBTQ community in particular—in certain spaces certain books are banned and it’s hard to get access.

Tim’m West, senior managing director of Teach for America’s LGBTQ Community Initiative, relied on First Book to reach children outside of formal education. Tim’m set up LGBTQ youth centers to offer space where kids can have access to books they may not be able to have in their schools.

READ TIM’M’S STORY AT: bit.ly/firstbookblog_timmwest

I HAVE FAMILIES THAT HAVE TO CHOOSE BETWEEN SCHOOL SUPPLIES AND FOOD.

- 3RD GRADE TEACHER
WASHINGTON, DC

SEEDING A BOOK DESERT WITH RELEVANT BOOKS
JARRED AMATO

CREATING SAFE SPACES
TIM’M WEST
OUR IMPACT
In 2017, First Book distributed 14 million books and resources to classrooms and programs across the U.S., with the generous support of partners, including the American Federation of Teachers, C&S Wholesale Grocers, Citi, dd’s DISCOUNTS, Ford Motor Company Fund, KPMG, Penguin Random House, Pi Beta Phi Fraternity for Women, Pizza Hut, Reading & Math, Inc., The Walt Disney Company, and Wipro Ltd.

The First Book National Book Bank, which offers publisher-donated inventory for only the cost of shipping, relaunched as a 24-hour nonprofit eCommerce site this year. The relaunch follows the 2016 redesign of the First Book Marketplace, which offers thousands of curated titles and resources at deeply discounted prices. Both sites now provide educators with an improved user experience, including enhanced book discovery, new product categories, easier check-out, and free resources.

Source: First Book Data
OUR IMPACT: BREAKING DOWN EDUCATIONAL BARRIERS

FIRST BOOK LISTENS TO FEEDBACK FROM OUR NETWORK OF FORMAL AND INFORMAL EDUCATORS TO IDENTIFY — AND BREAK DOWN — THE BARRIERS TO EDUCATION FACED BY KIDS IN NEED.

IN 2017, FIRST BOOK FOCUSED ON:

ACCELERATING IMPACT
First Book created First Book Insights, a research initiative that leverages data generated from 25 years of working with educators serving kids in need, to focus investment and implement tailored initiatives in areas of greatest need.

MEETING BASIC NEEDS
The lack of basic essentials lowers school attendance and keeps kids from learning. First Book responded with Care Closets: supplies of everything from coats and hats to bars of soap and personal care items that can be purchased on the First Book Marketplace. Care Closets meet students’ basic needs and remove the stigma from kids who can’t afford them otherwise.

RECOVERING FROM NATURAL DISASTERS
Educators in Houston contacted First Book for hygiene kits to stock shelters 24 hours before the Hurricane Harvey even touched down. First Book responded: We have distributed more than 800,000 books and resources and raised more than $925,000 to benefit communities affected by Hurricanes Harvey, Maria, and Irma, as well as wildfires in California.
First Book Insights is a research initiative that leverages the organization’s 25 years of experience working directly with educators serving low-income communities to identify the unmet needs unique to underserved schools and programs. First Book has compiled a knowledge bank of proprietary insights that aggregate and amplify the voice of those serving children in need.

Through tools such as educator surveys and focus groups, mapping techniques, and data analysis, First Book Insights increases the impact of the organization’s work through:

- Focused investment on geographic areas, ages of children served, and other factors, making simultaneously possible the achievement of national scale and local impact.

- Streamlined strategy, providing feedback directly from the field that can eliminate barriers to education with increased efficiency.

- Expansion of the social sector’s knowledge base and understanding of serving kids in need.
OUR IMPACT: FIRST BOOK INSIGHTS

RESEARCH AND RESOURCES DEVELOPED AS PART OF FIRST BOOK INSIGHTS INCLUDE:

THE FIRST BOOK-MOLINA HEALTH NEEDS ASSESSMENT

KEY FINDING:
Social and emotional development is educators’ top health education priority — outranking even substance abuse and gun violence.

Select Resources Developed:
• Expanded Health & Wellness section on the First Book Marketplace
• Bilingual public service announcements that scored in the top 1% of all PSAs aired in 2017
• SEL book collections for Pre-K and K-2
• Reading guides, developed with the Collaborative for Social & Emotional Learning

FIRST BOOK AND MARYLAND STATE EDUCATIONAL ASSOCIATION EARLY CAREER EDUCATOR FOCUS GROUPS

KEY FINDING:
Early career educators need extra support to help students suffering from trauma and toxic stress.

Select Resources Developed:
• Trauma Toolkit: 33-page, evidence-based guide
• Grants for educators to purchase books that promote social and emotional learning
• Three videos for educators highlighting key information in the toolkit
• Two articles for MSEA publications, making educators aware of the resources available

FIRST BOOK ANNUAL MEMBER AND NEW MEMBER SURVEYS

KEY FINDING:
Educators serving kids in need face two primary obstacles: a lack of funding and a lack of time.

Select Resources Developed:
• Funding Toolkit: 19-page how-to guide for securing community funding
• Curated First Book Marketplace hubs targeted to special roles, e.g.: after school program administrators, librarians, health clinics
• Timesavers: quick guides to producing turnkey curricula
• Facebook Groups for members to collaborate
OUR IMPACT: MEETING BASIC NEEDS

EQUETTA JONES
ASSISTANT PRINCIPAL,
HIGHLANDS ELEMENTARY SCHOOL, DELAWARE

This educator didn’t punish troublesome kids.
She gave them a closet full of stuff.

Last year, the top three most misbehaved boys at Equetta Jones’ elementary school were from the same family.

As assistant principal, it fell to Jones to figure out how to solve the problem. Other educators might prescribe detentions, suspensions, extra tutoring help, or even a doctor’s appointment to be evaluated for an attention-deficit issue.

Often, the problem is the same: Many kids are not having their basic health, shelter, and nutritional needs met.

That’s why Jones’ installed a Care Closet. Her students no longer worry about basic needs.

The three boys who were at the top of the disciplinary chart last year? They’re thriving now.

Source: First Book Member Survey, 2016

“...In our 25 years of working with educators serving children from low-income neighborhoods, we know that the challenges of poverty aren’t just determined by a lack of financial resources — access to basic needs, healthcare, and food also deeply affect a child’s opportunity to learn.”

— Kyle Zimmer
First Book President, CEO, and Co-founder

In 2017, First Book launched the Care Closets initiative: discreet supply closets that address students’ basic needs — including underwear, socks, nonperishable food, and hygiene supplies — that can be stocked and restocked on the First Book Marketplace. The program was piloted in Baltimore and in Delaware as part of a statewide initiative in partnership with Governor John Carney.
OUR IMPACT: DISASTER RECOVERY

First Book heard from educators in Houston requesting resources 24 hours before the Hurricane Harvey even touched down. Subsequent storms, wildfires, and mudslides continued to create unprecedented need -- not only in the aftermath of the disaster, but in the weeks and months that have followed as schools and libraries restore and restock, and as children across the affected regions recover from displacement and disruption.

In response, together with the American Federation of Teachers, Texas AFT, and the Barbara Bush Houston Literacy Foundation, First Book launched a targeted effort to deliver brand new books and basic needs items in federally designated disaster areas, in coordination with first responders, educators, and volunteers.

TO DATE, FIRST BOOK’S DISASTER RECOVERY EFFORTS HAVE:


• Raised more than $925,000, with 100% going to affected communities, thanks to the generous support of individuals and sponsors, including Albertsons Companies Foundation, American Federation of Teachers, Barbara Bush Houston Literacy Foundation, Blackboard, Citi, The Coca-Cola Company, dd’s DISCOUNTS, Ford Motor Company Fund, Give Back Brands Foundation, Hot Dudes Reading, IBM, JetBlue, KPMG’s Family for Literacy, The LEGO Foundation, National Grid, New York City United Federation of Teachers, Nora Roberts Foundation, Pi Beta Phi Fraternity for Women, Pizza Hut, Tata Sons, Ltd., Team First Book Charlotte, The Walt Disney Company, Wipro Limited, and zulily.

“...We mobilized 40,000 age-specific, relevant books and moved them into a federal disaster area at a time when trucks and drivers were scarce and roads into Houston were closed. This is our mission.”
— Carey Palmquist, Senior Vice President, eCommerce/Operations
JANUARY

Disney|ABC partners with First Book to invite families to read together as part of the 5th annual “Magic of Storytelling” campaign.

Wipro Ltd. and First Book announce a three-year partnership to bring more than 200,000 books to children in need in more than 20 U.S. cities and 10 countries.

FEBRUARY

Penguin Random House announces the publication of forthcoming memoirs by former President Barack Obama and First Lady Michelle Obama with a donation of one million books to First Book in the Obama family’s name.

MARCH

The First Book National Book Bank is relaunched as a digital platform, allowing 24-hour access to affordable resources.

First Book and Tata Sons, Ltd. celebrate the 10th anniversary of their partnership, and the distribution of more than 450,000 books and resources to children in need since 2007. See more at: http://bit.ly/TataFirstBook10Years
APRIL

First Book and the **NEA Foundation** announce a two-year partnership to increase social and emotional wellness for children in need through increased access to diverse books.

**WWE** and First Book celebrate WrestleMania Week in Orlando with a gift of 20,000 books to area schools, distributed by WWE superstars.

MAY

First Book celebrates its **25th anniversary**!


JUNE

First Book President, CEO, & Co-founder **Kyle Zimmer** is awarded the Mid-Atlantic regional **EY Entrepreneur of the Year Award for Social Enterprise**.

**Pi Beta Phi Fraternity for Women** celebrates its 150th anniversary and commemorates the 10th anniversary of its First Book partnership by bringing 20,000 books to kids in St. Louis.
**JULY**

First Book invests in mobile devices for the First Book Marketplace, dramatically expanding access to affordable digital resources for kids in need.

**AUGUST**

Citing the harmful effect on children from unrest in Charlottesville, Virginia, First Book provides books to local programs and classrooms.

**dd’s DISCOUNTS**’ Youth Literacy Fundraiser distributes its 1 millionth book.

The First Book Marketplace launches newly curated collection pages to provide relevant and easily accessible resources on themes of “Many Cultures, One Community,” Social & Emotional Learning, STEAM (Science, Technology, Engineering, Arts, and Math), as well as a dedicated area for professionals in healthcare centers.

**SEPTEMBER**

First Book, the American Federation of Teachers, and the Barbara Bush Houston Literacy Foundation announce “Essentials for Kids,” a nationwide effort to support children affected by poverty and natural disasters.
OCTOBER

First Book distributes books in Houston, just weeks after Hurricane Harvey devastated the area.

NOVEMBER

Commemorating its 25th anniversary, First Book relaunches its website, firstbook.org, with generous support from Target. The site prominently features stories of impact of First Book’s work as seen through educators serving children in low-income settings, thanks to additional generous support from C&S Wholesale Grocers.

DECEMBER

First Book and Candlewick Press give kids in need 100,000 brand new books through a matching gift program.

With the support of the Maryland State Education Association, First Book launches the Trauma Toolkit, to assist teachers supporting children struggling from toxic stress and traumatic events.
FINANCIALS

2012-2017 REVENUE GROWTH

14% AVERAGE ANNUAL GROWTH OVER THE PAST 5 YEARS

2017 SOURCES OF REVENUE*

- FIRST BOOK NETWORK, INCLUDING NON-PROFIT PARTNERS, SCHOOLS AND PROGRAMS 55%
- CORPORATE SUPPORT 32%
- INSTITUTIONAL FOUNDATIONS 4%
- INDIVIDUAL GIVING 9%

Note: Cash revenue only, excluding donated inventory.
*Source: First Book Data

First Book receives the highest rating from Charity Navigator
## FINANCIALS

### BALANCE SHEET

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<th>Amounts in 000s</th>
<th>2017 ACTUALS</th>
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<tr>
<td>Cash and Equivalents</td>
<td>$ 5,700</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,771</td>
</tr>
<tr>
<td>Prepaid, Other Expenses</td>
<td>215</td>
</tr>
<tr>
<td>Property and Equipment, net</td>
<td>135</td>
</tr>
<tr>
<td>INVENTORY, purchased</td>
<td>3,078</td>
</tr>
<tr>
<td>INVENTORY, donated</td>
<td>35,986</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>46,885</strong></td>
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<tr>
<td>Accounts Payable</td>
<td>2,532</td>
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<tr>
<td>Pension Payable</td>
<td>275</td>
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<tr>
<td>Accrued Expenses</td>
<td>231</td>
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<tr>
<td>Line of Credit</td>
<td>1,467</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>4,505</strong></td>
</tr>
<tr>
<td>Net Assets, Unrestricted</td>
<td>4,429</td>
</tr>
<tr>
<td>Net Assets, Unrestricted - donated inventory</td>
<td>32,697</td>
</tr>
<tr>
<td>Net Assets, Temporarily Restricted</td>
<td>5,254</td>
</tr>
<tr>
<td><strong>Net Assets, Permanently Restricted</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>42,380</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>46,885</strong></td>
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### STATEMENT OF CHANGE IN NET ASSETS

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<th>Amounts in 000s</th>
<th>2017 ACTUALS</th>
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</thead>
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<tr>
<td>Contributions, cash-based revenues</td>
<td>24,130</td>
</tr>
<tr>
<td>Contributions, donated goods and services</td>
<td>$ 83,098</td>
</tr>
<tr>
<td>Other Revenues, net</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>107,238</strong></td>
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<tr>
<td>Program Services</td>
<td>102,751</td>
</tr>
<tr>
<td>Management and General</td>
<td>2,675</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,098</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>106,524</strong></td>
</tr>
<tr>
<td>Change in Net Assets, cash-based activities</td>
<td>(1,473)</td>
</tr>
<tr>
<td>Change in Net Assets, donated activities</td>
<td>2,187</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of year</strong></td>
<td><strong>41,666</strong></td>
</tr>
<tr>
<td><strong>Net Assets, End of year</strong></td>
<td><strong>42,380</strong></td>
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Information based on 2017 audited financials
FIRST BOOK LEADERSHIP
AS OF JULY 2018

KYLE ZIMMER
President, CEO, and Co-founder

JANE ROBINSON
Chief Strategy Officer and Chief Financial Officer

CHANDLER ARNOLD
Chief Operating Officer

DANIEL STOKES
Chief Administration Officer

MARILYNN G. JACOBS
Senior Advisor, Marketing and Communications

BECKI LAST
Senior Vice President, Network Engagement

CAREY M. PALMQUIST
Senior Vice President, eCommerce/Operations

DIANA PEACOCK
Senior Vice President, Development Alliances

CHRIS STINE
Senior Vice President, Information Technology

BRYAN STRAATHOF
Senior Vice President, Finance

BOARD OF DIRECTORS
AS OF JULY 2018

DR. MARTHA MOLINA BERNADETT
Acting Chairman, First Book Board of Directors
President and Founder, The Molina Foundation

NINA BARJESTEH
Chief Merchandising Officer, rue21

CHRISTOPHER CERF
Co-founder and President, Sirius Thinking Ltd.

KATHY FRANKLIN
President, Franchise Development, Lightstorm Entertainment

LESLIE GOODMAN

WILLIAM MATASSONI
Founder and CEO, The Glass House Group

DEBBIE HUBLEY OZANUS
Co-chair, KPMG’s Family for Literacy

KAREN KEHELA SHERWOOD
Co-chair, Imagine Entertainment

KYLE ZIMMER
President, CEO, and Co-founder, First Book
ADVISORY COUNCIL
AS OF JULY 2018

ROBIN ADELSON
Managing Director, Jefferson Awards Foundation

JOAN ALLEN
Actress

ELIZABETH ARKY
Co-founder, First Book Principal, Arky Group Consulting, LLC

JENNIFER BOHLER
Owner, Alliance Management

MEGHAN BRACKEN
National Director, Corporate Responsibility – Citizenship, KPMG

ANDREA CAMP

LIBBY DOGGETT
Libby Doggett Consulting

DAVID DOTSON
President, The Dollywood Foundation

DEBORAH DUGAN
CEO, (RED)

DENI FRAND
Senior Director, External Relations & Communications, Virtual Enterprise International

GINA GOFF
Senior Director, Community Involvement, C&S Wholesale Grocers, Inc.

SUSAN GRODE
Partner, Katten Muchin Rosenman LLP

GREG HOFFMAN
President, Greg Hoffman Consulting

LISA HOLTON
President, Classroom, Inc.

L. SPENCER HUMPHREY
Co-Chairman, First Book Advisory Council Principal, Rocky Hill Group

BRIAN KAGAN
Brian Kagan Company

ILENE LEFF
Independent Management Consultant

JAMES M. LOY
Senior Counselor, The Cohen Group

KATHRYN (KIT) LUNNEY
Co-director, Scholars in the Nation’s Service Initiative; Richard H. Ullman Fellowship, Woodrow Wilson School of Public and International Affairs, Princeton University

ELSA PALANZA
Strategic Advisor, Bill & Melinda Gates Foundation Project Everyone: Goalkeepers

CAROL RASCO
Former President and CEO, Reading is Fundamental

DR. CAROLYNN REID-WALLACE
George Washington University

SUSAN ROMAN
Dean and Professor, Graduate School of Library and Information Science, Dominican University
ADVISORY COUNCIL
AS OF JULY 2018

HARRIETT SANFORD
President and CEO,
The NEA Foundation

JOHN SCHREIBER
CEO, New Jersey Performing Arts Center

HEATHER STEINMILLER
Senior Vice President and General Counsel, Conner Strong & Buckelew

JAMIEENNE S. STUDLEY
Former Deputy Under Secretary of Education, U.S. Department of Education

MARY TATUM

TOM TOLWORTHY
CEO and President, Twinlab Consolidated Holdings, Inc.

RANDI WEINGARTEN
President, American Federation of Teachers

ALI WENTWORTH
Actress, Comedian, Author and Producer

JUDEE ANN WILLIAMS
Co-executive Director, Creative Artists Agency Foundation: Co-head, Social Impact, Creative Artists Agency

MARLA NEELY WULF
Grand Vice President, Programming, Pi Beta Phi Fraternity for Women

JOANNE WYSS

KARL WYSS

JUDITH ZIMMER
Deputy Director, Street Law, Inc.

PUBLISHING COMMITTEE
AS OF JULY 2018

TERRY DOWNES
Vice President, Publishing Operations, Disney Book Group

BARBARA MARCUS
President & Publisher, Random House Children’s Books

CHIP GIBSON

LAURA GERINGER

JUDITH HAUT
Senior Vice President and Associate Publisher, Random House Children’s Books

SUSAN KATZ
Former President and Publisher, HarperCollins Children’s Books

CRAIG LOW
President and Owner, Lee & Low Books

DON WEISBERG
President, Macmillan Publishers U.S.