

ANNUAL LETTER ON PHILANTHROPY

This year begins a new stage for Bloomberg Philanthropies – and for me personally. Over the past twenty years, I have grown increasingly active in philanthropy – and increasingly convinced of its power to save lives and change the world for the better. When I left City Hall on December 31, 2013, after having had the honor of serving New Yorkers for 12 years, I began having more time to spend on national and global issues. The same is true for Patti Harris, who served as my First Deputy Mayor and is also CEO of Bloomberg Philanthropies. Now, both of us are excited by the opportunity to substantially expand the work of Bloomberg Philanthropies and our involvement in it.

Thanks to the hard work of our dedicated staff and our diverse and driven partners, Bloomberg Philanthropies has already established itself as a force for policy innovation and global collaboration. In fact, this month we were named the world's second most innovative organization, behind only Google, by Fast Company. That honor is a reflection of groundbreaking work that is happening in each of our different program areas.

For instance, last year our Government Innovation program helped the mayors of Providence and Houston plan promising new efforts in recycling and early childhood education - ideas that, if successful, can be adapted and employed in other cities around the world. We helped bring Financial Empowerment Centers - first piloted in New York City - to another five U.S. cities, where they are already helping thousands of Americans reduce their debt and save for the future. In our work to improve education, we funded a new assessment for U.S. high schools to measure their performance against students in 64 other countries, helping school leaders identify how students need to improve in today's competitive global environment. We also scaled up our support of cutting-edge digital projects at arts and cultural institutions, helping increase access to the arts through technology.

Internationally, we funded comprehensive tobacco control efforts in Russia, Bangladesh and the Philippines that collectively protect nearly 400 million people from the dangers of tobacco. They join a total of 1.5 billion people in 40 countries who are now covered by proven tobacco control measures that we've supported. We funded public awareness campaigns to support obesity prevention measures in Mexico, which has the highest obesity rate among the world's most populous nations. Our efforts helped Mexico's President introduce a new tax on junk foods and sugar-sweetened beverages that was officially passed into law last fall. In Tanzania, we expanded our maternal health work to provide family planning services to more than two million women - part of a global family planning effort that will reach nearly 120 million women in the world's poorest countries by the year 2020. In addition, our support of road safety advocates in Brazil, India, Mexico and Turkey helped launch sustainable urban transport projects that will save a projected 1,000 lives each year, while also cutting air pollution.

Our road safety work is just one example of how the connection between public health and the environment too often treated as separate issues - could not be stronger. Cleaner air improves our prospects in the longterm battle against climate change, but it also means less disease and suffering and longer lives for people living today. Both are matters of life and death. That's why we are more committed than ever to expanding our environmental work. Our efforts to reduce U.S. coal pollution through a partnership with the Sierra Club are bearing real fruit. Last year, we passed the halfway mark toward our goal of retiring one-third of the country's coal fleet, our dirtiest energy source. The U.S. now leads the rest of the world in reducing carbon emissions, and the single biggest factor contributing to this reduction has been the decline in coal power.

Another way we are working to reduce carbon emissions is through our support of the C40 Cities Climate Leadership Group – a network of 66 of the world's largest cities that are confronting climate change head-on, with real, measurable actions that reduce their carbon footprints. With the help of C40, cities around the world have been able to share effective ideas, invest in sustainability, and make a substantial impact on the fight against climate change. In the year ahead, I look forward to building on this work through my new roles as President of the C40 Board of Directors and Special Envoy to the United Nations for Cities and Climate Change.

This year our environmental work will also expand into an entirely new area: marine life, which is facing serious threats from the world's growing population.

One billion people worldwide depend on fish as their primary source of protein – and the global demand for fish is projected to increase by at least another 20 percent by the year 2030. Steadily increasing demand for fish, paired with a lack of supply management, means that today, far more fish are being caught than can be naturally replaced. This presents a major threat not only to fish species, but also to the billions of people who rely on fish for food and income. If fish become scarce, the impact on humanity – and the growth in hunger and starvation – could be catastrophic.

We have all heard the old saying: "Give a man a fish, and feed him for a day. Teach a man to fish, and feed him for a lifetime." The time has come to amend the famous maxim to ensure it survives. We must not only teach people to fish – but help them to fish responsibly and sustainably.

That's why Bloomberg Philanthropies is launching a new initiative that will protect the supply of fish in our oceans.

We are committing \$53 million - making us one of the top five funders of ocean preservation worldwide - to reform fishing practices and keep our oceans thriving. Our approach will, for the first time, reform both local and industrial fishing practices and help leverage private capital to produce a transition to more sustainable fishing. We will begin this work in Brazil, Chile, and the Philippines, which

> together account for 7 percent of the fish caught worldwide.

As the world's population continues to grow, so will the scale of our challenges. **Bloomberg** Philanthropies is fully committed to tackling those challenges head-on.

Our new oceans program is an example of how Bloomberg Philanthropies targets preventable problems and implements solutions that have the potential to be replicated across the world. We insist on using data to guide our work and ensure that we're delivering results. We don't shy away from controversy if we can make a difference. We search for strong partner organizations, both public and private, that help enhance our impact. We look to the power of cities to catalyze and spread change, especially when national

governments are slow to act. And we work to multiply the power of philanthropy by helping local communities advocate for themselves and create change that lasts.

As the world's population continues to grow, so will the scale of our challenges. Bloomberg Philanthropies is fully committed to tackling those challenges head-on. And as I dive more deeply into this work than ever before, I could not be more hopeful about the opportunities for change that exist. Let's have the courage and foresight to seize them.

Sincerely,

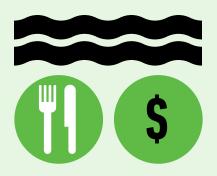
Michael & Klemter Michael R. Bloomberg

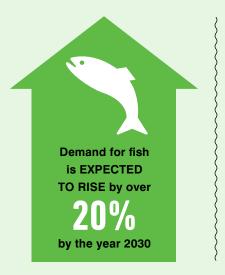


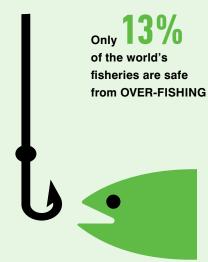
BLOOMBERG PHILANTHROPIES

BILLIONS OF PEOPLE

around the world rely on oceans for FOOD & INCOME







MAKING WAVES

OUR NEW VIBRANT OCEANS INITIATIVE USES A GROUNDBREAKING STRATEGY TO KEEP OUR OCEANS THRIVING

Oceans provide food and income for billions of people around the world. They are also home to some of the most beautiful and diverse ecosystems on the planet and hold tremendous potential for scientific and medical advances. However, lack of management has led to rampant over-fishing and destruction of marine ecosystems.

The good news is that marine ecosystems can rebound relatively quickly if caught in time. To help combat over-fishing and help meet the dietary needs of a growing global population, Bloomberg Philanthropies launched the Vibrant Oceans initiative. This initiative is applying a groundbreaking strategy to reform fishing in Brazil, Chile and the Philippines. Together these countries account for more than 6.5 million tons annually,

Bloomberg Philanthropies' approach to fisheries management will for the first time reform both industrial and local fishing practices simultaneously. Reforming both in the same place at the same time will have a much larger impact than any one singular approach, because coastal fishers catch roughly equal amounts of fish for food as large industrial ships. Most of the world's fish are caught within national boundaries, giving governments the power to enforce responsible fishing. By helping governments implement management policies that protect against harmful over-fishing, the Vibrant Oceans initiative is laying the groundwork for spreading successful management strategies to other countries and bringing about more responsible fishing globally.

Below: Fishers in the Philippines place buoy markers.





Above: Industrial fishers throwing away hundreds of juvenile fish near Huelva, Spain. Right: Artisinal fisherman in Spain.

TO SET THIS APPROACH IN MOTION, THE BLOOMBERG PHILANTHROPIES VIBRANT OCEANS INITIATIVE BRINGS TOGETHER THREE PARTNERS WITH DISTINCT EXPERTISE:

OCEANA (INDUSTRIAL FISHING)

Oceana is advocating for national policies that help reform large-scale, industrial fishing. These policies include working with governments to set and enforce science-based limits on the amount of fish that can be caught, and reduce the amount of sea life that is unintentionally caught and killed then discarded back into the ocean.

RARE (LOCAL FISHING)

There are 12 million small-scale fishers worldwide that operate in waters within 15 km from shore. Rare is working with local governments, organizations and residents in coastal communities to implement more sustainable fishing management systems with local fishers in mind. Reforms include exclusive fishing rights for coastal fishers and creating protected areas where fish are able to reproduce unharmed.

EKO ASSET MANAGEMENT PARTNERS (FINANCING)

Both local and industrial fishers tend to over-fish for basic survival, or due to the short-term economic benefits. As an alternative to harmful over-fishing, EKO is developing investment blueprints that will let private capital create financial incentives and rewards for fishers who transition to more sustainable fishing practices.



of U.S. mercury pollution comes from coal emissions

accounting for 13,000 deaths and \$100 billion in healt<mark>h car</mark>e costs

COAL POLLUTION is the



OF GREENHOUSE GAS EMISSIONS in the U.S.

THE BEYOND COAL CAMPAIGN HAS RETIRED 161 COAL PLANTS. **BRINGING OUR TOTAL GIGAWATTS** OF COAL RETIRED TO 65 - MORE THAN HALFWAY TO OUR GOAL OF 105.

BREATH OF FRESH AIR

OUR EFFORTS TO REDUCE RELIANCE ON COAL HELP U.S. CARBON EMISSIONS DROP TO RECORD LOWS

Pollution from coal-fired power plants alone accounts for over a third of U.S. greenhouse gas emissions. Bloomberg Philanthropies partnered with the Sierra Club to launch Beyond Coal, a campaign to retire one-third of the U.S. coal fleet by 2020. In October 2013, the Beyond Coal campaign reached a major milestone: the Brayton Point plant - the largest and most polluting coal plant in New England – announced plans to retire by 2016. This marks the 150th coal plant retired since the Beyond Coal campaign began in 2010. Weeks later, the Tennessee Valley Authority announced that as part of a legal settlement with the Sierra Club and others, it would close more than 3 gigawatts of coal operations in three different states, representing the largest single retirement announcement to date. In both cases, weakening financial prospects for coal compared to cleaner alternatives was cited as a key reason for retiring the plants.

In June 2013, the Beyond Coal campaign got a big boost when the U.S. Environmental Protection Agency announced plans to develop rules to regulate carbon emissions for both new and existing coal plants. These limits will significantly aid our partnership with the Sierra Club to reduce coal pollution and switch to more renewable and cost-effective sources of energy. Looking ahead, securing strong limits on carbon emissions from burning coal remains our best opportunities to combat climate change in the coming years.

IN 2013, U.S. CARBON EMISSIONS WERE NEARLY 10% LOWER THAN 2005 LEVELS.

The single biggest factor in this reduction has been the decline in coal power - which has declined nearly 18% in the past four years. The shift away from coal is also helping to save lives. These retired coal plants will save 4,400 lives, prevent 6,800 heart attacks, and prevent close to 70,000 asthma attacks each year.



Above: Mike Bloomberg during a visit to the Sierra Club headquarters.

As Bloomberg Philanthropies works to reduce U.S. dependence on polluting fuels such as coal, we are also helping to ensure that using other sources of energy, such as natural gas, is safe and sustainable. In 2012, Bloomberg Philanthropies joined forces with the Environmental Defense Fund to develop strong

regulations around drilling to ensure that natural gas is extracted safely and responsibly. This three-year effort targets 14 states that together account for 85% of U.S. natural gas production. In just one year, we are already paving the way for stronger, safer regulations around natural gas drilling.

3 NATURAL GAS DRILLING REFORM VICTORIES

COLORADO

The Environmental Defense Fund joined forces with state lawmakers and industry leaders to call for new landmark rules around natural gas drilling that will control methane emissions – a first in the nation.

TEXAS

The Texas Railroad Commission adopted strengthened state regulations on constructing wells for natural gas drilling, one of the key priorities on the Environmental Defense Fund's agenda. The new regulations introduce precautionary measures to test wells and monitor pressure during operations, as well as criteria for automatic termination in the event of irregularities that could create environmental or health risks.

WYOMING

Our partner the Environmental Defense Fund helped secure a package of air quality rules for gas wells in Wyoming. These new air quality regulations were unanimously adopted by the state and include rules that require companies to do a better job at finding and fixing natural gas leaks during production. In some cases, these newly-adopted standards are even stronger than those proposed by the U.S. Environmental Protection Agency.

GLOBAL IMPACT

C40 CITIES CLIMATE LEADERSHIP GROUP EMPOWERS CITIES TO LEAD THE FIGHT AGAINST CLIMATE CHANGE

The C40 Climate Leadership Group helps cities accelerate taking local action to reduce carbon emissions. By connecting mayors around the globe to collaborate on effective climate strategies, C40 helps create a network of megacities that are dedicated to implementing innovative policies and practices that help tackle climate change.

C40 currently consists of 66 megacities, which taken together would be:

- ➤ 3rd most populous country, the size of Brazil and the U.S. combined
- ▶ 5th largest greenhouse gas emitter, bigger than Japan
- ▶ 2nd largest economy, tied with China

Mayor Bloomberg became Chair of C40 in 2010. As Chair, he made it a priority to set clear goals, track progress, and encourage real action on climate change. C40 and partners have collected first-of-its-kind, standardized data that measures the collective impact of C40 cities and provides urban leaders across the globe with a crucial resource for developing future policies and programs. The latest C40 research shows that to date, C40 cities have collectively taken more than 8,000 concrete climate actions, such as improving building efficiency or introducing bike-share programs.

The new Chair, Mayor Eduardo Paes of Rio de Janeiro, will continue to build on this momentum and work with Mike Bloomberg in his role as President of the C40 Board of Directors to ensure that cities continue to lead the fight against climate change.



And create over 70%

of global CARBON EMISSIONS

RECOGNIZING C40 CITIES' CLIMATE LEADERSHIP

In order to recognize the incredible and innovative environmental gains made by participating cities, C40 joined Siemens to launch the Climate Leadership Awards. The inaugural awards took place in September 2013 in London. Ten cities won awards for their commitment to implementing innovative, sustainable solutions.

FEATURED WINNERS:

MEXICO CITY

won for its ProAire program, a comprehensive and ambitious effort to curb its local air pollution and cut carbon emissions by 7 million tons in just four years. Through ProAire, Mexico City actually exceeded its target and achieved a 7.7 million ton reduction in carbon emissions from 2008 to 2012.

SAN FRANCISCO

won for its widely successful Zero Waste Program, based on the ambitious goal of zero waste by 2020. To meet this goal, San Francisco employed a three-pronged approach that addresses the legal, administrative, and social challenges of waste management reform. Zero Waste has already diverted more than 80% of the trash headed to landfills.

Recycle bins in San Francisco





possible. A key way we determine what issues to address is by looking at data on the leading causes of death worldwide, many of which are preventable. The Bloomberg Philanthropies Public Health program works to develop and implement proven strategies that help tackle major health risk factors and protect and improve lives around the world.

Nevertheless, philanthropy alone cannot achieve sustainable change. That's why our Public Health program works with governments, strong partners and advocates around the world to strengthen public health policies and improve enforcement of public health laws.

NOT SO FAST

OUR ROAD SAFETY PROGRAM IN KENYA HELPS REDUCE SPEEDING

Road traffic injuries are currently the 8th leading cause of death worldwide. If nothing is done to address these preventable deaths, road traffic injuries will become the 5th leading cause of death by 2030. Bloomberg Philanthropies has committed \$125 million since 2010 to help reduce road traffic fatalities and injuries in ten target countries that account for almost half of all road traffic deaths worldwide.

One of the proven interventions the Bloomberg Philanthropies Global Road Safety program focuses on to make roads safer is speed reduction. Speed is considered the most important risk factor for death and serious injury for road traffic crashes. A 5% reduction in speed can decrease the number of fatal crashes by up to 30%. Bloomberg Philanthropies focuses on reducing speeding in Kenya, where more than 3,000 deaths occur every year as a result of road traffic crashes. Bloomberg Philanthropies' partners launched road safety media campaigns to raise awareness about the dangers of speeding and worked with local police to enforce speed limits.

Since 2010, our efforts have helped lower speed limits around 20 schools in Kenya, protecting more than 100,000 children. To monitor our progress, we measured speed compliance in a target site - Thika, Kenya. Data collected showed that in Thika, speed compliance increased by more than 25% from 2011 to 2013. In order to continue reducing road traffic injuries and deaths in Kenya, the Bloomberg Philanthropies Global Road Safety program is supporting additional public awareness campaigns and strong police enforcement to increase speed compliance.

Below: Students cross the street with the help of a crossing guard in Kenya



ROAD TRAFFIC CRASHES will be the

globally by 2030 if nothing is done to reverse the trend



are caused by ROAD TRAFFIC INJURIES worldwide

FROM 2010-2013, THE BLOOMBERG GLOBAL ROAD SAFETY PROGRAM HAS MADE TREMENDOUS PROGRESS IN REDUCING ROAD-RELATED **FATALITIES AND INJURIES:**

1.67 BILLION PEOPLE

in 6 countries covered by improved road safety laws

22,000 PROFESSIONALS

trained on road safety interventions

65 MILLION PEOPLE

reached through public media campaigns

3.55 MILLION OBSERVATIONS

conducted to monitor our impact

13.000 LIVES SAVED

WORLDWIDE OBESITY has nearly



ALMOST

60%
of adults will be
OVERWEIGHT OR OBESE
by 2030 if current trends
continue

APPROXIMATELY

of the world's adult population is OVERWEIGHT or OBESE

OUT-WEIGHING THE BAD

OUR DEDICATED OBESITY PREVENTION EFFORTS BOLSTER MEXICO'S NEW TAX ON SUGARY BEVERAGES

In 2005, roughly one-third of the world's adult population was overweight or obese, and if current trends continue, almost 60% of adults will be overweight or obese by 2030. In order to address this growing crisis, Bloomberg Philanthropies is working to identify and implement successful strategies for combating obesity, including new and strengthened policies and public awareness.

Mexico has the highest prevalence of obese and overweight individuals among the world's most populous countries – with 7 out of 10 adults considered overweight or obese. Among adults in Mexico, obesity and unhealthy weight is the second leading risk factor for death. Bloomberg Philanthropies works with the government and dedicated partners to lead obesity prevention efforts in Mexico, including raising public awareness about the negative effects of obesity, and conducting and publishing research on the economic and health impacts of soda taxation.

In Fall 2013, our partners helped Mexico's President Enrique Peña Nieto propose a new tax on sugar-sweetened beverages. We acted quickly to fund aggressive media campaigns in support of the tax. In November 2013, Mexico's Congress officially passed a 10% tax on sugar-sweetened beverages and an 8% tax on junk food, and the majority of the revenue has been dedicated to obesity prevention programs.

President Peña Nieto's recognition of the need to fight rising rates of obesity with new public policies was a bold and necessary step. Bloomberg Philanthropies will continue to work with both public and private partners in Mexico to ensure obesity prevention policies and programs are implemented effectively. We plan to share lessons learned from this success in Mexico with other countries struggling to combat similarly high rates of obesity.

HOW SERIOUS IS THE OBESITY EPIDEMIC IN MEXICO?

OVERWEIGHT AND OBESE POPULATION IN MEXICO

AGE GROUP

BOYS

5-11 YEARS OLD

GIRLS

5-11 YEARS OLD

MEN 20+ YEARS OLD

WOMEN 20+ YEARS OLD 1999-2000

28.2% OVERWEIGHT AND OBESE

25.5% OVERWEIGHT AND OBESE

60.7% overweight and obese

65.3% OVERWEIGHT AND OBESE

2012

36.9% overweight and obese

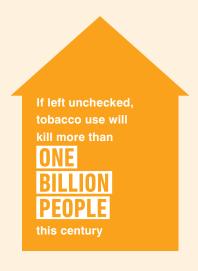
32.0% OVERWEIGHT AND OBESE

69.4% OVERWEIGHT AND OBESE

73.0% OVERWEIGHT AND OBESE



Hard-hitting ad from a public media campaign we supported in Mexico to raise awareness about the dangers of obesity. Translation: Would you give them 12 spoonfuls of sugar? Why do you give them soda?



NEARLY



of the world's ONE BILLION SMOKERS live in low- and middleincome countries

SINCE 2007, EFFORTS SUPPORTED BY THE BLOOMBERG PHILANTHROPIES INITIATIVE TO REDUCE TOBACCO USE HAVE HELPED:

Protect

1.5 BILLION PEOPLE

worldwide against the harmful effects of tobacco

Pass

61 TOBACCO CONTROL LAWS

in 41 countries

Save approximately 12 MILLION LIVES



LEADING THE PACK

GRAPHIC TOBACCO PACK WARNINGS ARE A KEY FACTOR IN OUR EFFORT TO REDUCE TOBACCO USE WORLDWIDE

Tobacco kills more than 6 million people every year, with the majority of these deaths occurring in low- and middle-income countries. The Bloomberg Philanthropies Initiative to Reduce Tobacco Use is a \$600 million effort to combat tobacco use worldwide. Since 2007, Bloomberg Philanthropies has supported a comprehensive, proven approach that combines policy changes and public awareness campaigns to reduce the global demand for tobacco.

One key pillar of our approach to curbing tobacco use is warning people about the dangers of tobacco. That's why Bloomberg Philanthropies and partners work with governments to make graphic warnings mandatory on every tobacco product – especially in countries where smoking rates are highest.

The Bloomberg Initiative to Reduce Tobacco Use also focuses on implementing taxes on cigarettes and other tobacco products as a way to reduce tobacco use. Research shows that increasing taxes on tobacco products is the most effective strategy for lowering smoking rates and preventing deaths due to smoking. Our work in this area has supported the Philippines government in issuing a new cigarette tax that will continue to increase by 4% annually beginning in 2018. In addition to curbing smoking rates, this new tax will provide the Philippines national government with an additional \$827 million in its first year of implementation. We continue to focus on raising taxes on tobacco products as a vital strategy in our push to save lives and protect people from the dangers of tobacco.





GRAPHIC TOBACCO PACK WARNINGS IN 3 FOCUS COUNTRIES

BANGLADESH An average of 156 tobacco-related deaths occur every day in Bangladesh. In May 2013, Bangladesh passed a landmark new law that requires half of both the front and back of tobacco packaging to include graphic health warnings. The law, which also includes critical measures such as bans on tobacco advertising and smoke-free public places, will make significant progress in reducing the country's 43% tobacco use rate.

VIETNAM As of 2010, only 55% of adults in Vietnam knew that tobacco use causes stroke. lung cancer, and heart disease. Bloomberg Philanthropies and partners helped build public support for a comprehensive smokefree law passed in 2012 that includes graphic tobacco pack warnings. This new law officially went into effect this year, mandating that six different graphic warnings be printed on the top of all tobacco packs. Reactions have been strong and effective. Tobacco shop owners told our partners the images frightened them, and one newsstand owner said he would not dare touch the packs. This progress is critical for Vietnam, where 75,000 people die each vear from tobaccorelated causes.

RUSSIA Research shows 68% of 5- and 6-year-old children in six countries, including Russia, could recognize at least one cigarette logo. Graphic pack warnings help combat the tobacco industry's dangerous advertising tactics by providing new images to associate with smoking. A strengthened tobacco control law went into effect in May 2013 in Russia that requires the front and back of tobacco packs to display graphic warnings. Our partners worked with the Russian Ministry of Health to obtain rights for using the graphic pack warnings, which are a critical step in protecting the population of Russia, where more than 60% of men and 22% of women smoke.

Above: Graphic tobacco pack warnings that Bloomberg Philanthropies and partners supported in Vietnam



THE GLOBAL NEED FOR FAMILY PLANNING

Over 200 million women and girls in developing countries want to delay, space or avoid becoming pregnant, but they do not have access to modern methods of contraception or adequate information.

As a result, more than 75 million unintended pregnancies occur worldwide every year. Empowering women to decide if and when to have a child can help create healthier families, communities and nations.

THE POWER OF CHOICE

EXPANDING OUR MATERNAL HEALTH FOCUS TO INCLUDE IMPROVED ACCESS TO FAMILY PLANNING SERVICES

Since 2006, Bloomberg Philanthropies has been working to improve maternal health in Tanzania, which has the eighth highest number of maternal deaths in the world. In most cases, maternal death is preventable – timely access to obstetric care can help save lives and avoid dangerous complications. The Bloomberg Maternal Health program works to prevent maternal deaths in Tanzania by training non-physicians to perform life-saving surgeries and building operating rooms in remote health centers so more women have access to medical care closer to home.

Bloomberg Philanthropies is now expanding our Maternal Health program to include a focus on family planning services to help women decide when, and how many children they will have. We committed \$50 million to the Family Planning 2020 Initiative, which is an international collaboration - led by the Bill and Melinda Gates Foundation - between governments, agencies and donors to provide an additional 120 million women and girls in the world's poorest countries with access to family planning services. In September 2013, the first grant from our family planning commitment got off the ground. Through this funding, we will build on our efforts in Tanzania by integrating additional reproductive health services - family planning and comprehensive post-abortion care – to cover a population of nearly 2 million people. Ultimately, this will help save more women's lives. We look forward to continuing to scale up these efforts over the coming year.

Left: Mother weighs her child at a Bloomberg-supported Maternity Unit in a remote village in Tanzania



In an era of shrinking resources and heightened demand for services, governments need creative solutions now more than ever. **Bloomberg Philanthropies focuses on helping** cities and city leaders around the globe use innovation to solve major problems and improve city life.

that address common challenges and spreads effective strategies among cities. By promoting and institutionalizing innovation within local government, we help create results that are visible, measurable, and meaningful for citizens.



Today, elected officials face INCREASING DEMAND for services and DECREASING RESOURCES that are available to respond

ONLY

35%

of cities reported that they LOOK TO OTHER CITIES to see what works before developing their own approaches



MORE OF A GOOD THING

BLOOMBERG PHILANTHROPIES LAUNCHES
THE MAYORS CHALLENGE IN EUROPE

Cities around the world need more and better solutions to many urban challenges. In 2012 Bloomberg Philanthropies launched the first Mayors Challenge, inviting U.S. cities to submit bold ideas that solve major challenges and improve city life – and have potential to spread to other cities. Out of more than 300 applicants, five winning cities were awarded a total of \$9 million to implement their groundbreaking ideas, which are already starting to revolutionize the way cities address key issues.

Following the success of the U.S. Mayors Challenge, Bloomberg Philanthropies launched another round of the ideas competition – this time in Europe. Europe is home to some of the world's most innovative cities. This competition will help generate more groundbreaking ideas and begin creating an international community of municipal innovators who are solving problems and sharing solutions across borders.

Below: The mayors of Warsaw, London, New York City and Florence launching the Bloomberg Philanthropies Mayors Challenge Europe competition



MAYORS CHALLENGE WINNERS

SANTA MONICA, CA

RUNNER-UP

Developing a Well Being Index to gain a more holistic measure of how the city and its residents are doing and inform policy

CHICAGO. IL

RUNNER-UP

Establishing the first open-source analytics platform to better marshal resources and address urban challenges



HOUSTON, TX

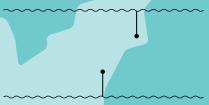
RUNNER-UP

Rethinking the City's approach to recycling by combining new technologies and using a single bin system to achieve a 75% recovery rate

PROVIDENCE, RI

GRAND PRIZE WINNER

Using technology to help close the vocabulary gap and improve learning for low-income children



PHILADELPHIA. PA

RUNNER-UP

Breaking the mold of traditional city procurement practices by engaging entrepreneurs to identify and solve civic challenges

MAYORS CHALLENGE EUROPE

155 EUROPEAN CITIES APPLIED FOR MAYORS CHALLENGE **EUROPE**

In September 2013, Bloomberg Philanthropies launched the Mayors Challenge in Europe. European cities with populations of 100,000 or more were eligible to apply.



Country with the HIGHEST RATE OF PARTICIPATION (6 out of 7 eligible cities):





155 EUROPEAN CITIES

in 28 countries have applied for the Mayors Challenge, representing **71 MILLION PEOPLE**



€ 9 MILLION

AMOUNT OF FUNDING **Mayors Challenge** winners will receive in total



The 5 LARGEST **PARTICIPATING CITIES:**

LONDON, BERLIN, MADRID, ROME, PARIS



WINNING IDEAS

will be VISIONARY, IMPACTFUL, **IMPLEMENTABLE** and TRANSFERABLE



FLIPPING THE SCRIPT

OUR INNOVATION DELIVERY MODEL HELPS NEW ORLEANS DRIVE DOWN HOMICIDES

Local governments have the talent to develop innovative solutions that can improve city services and citizens' lives. However, cities too often lack the organization and resources necessary to get their ideas off the ground. In response to demand from mayors, Bloomberg Philanthropies developed the Innovation Delivery Model. This adaptable approach arms mayors' offices with a set of tools and techniques to develop and deliver smart solutions to their most pressing problems – from murder to unemployment.

To help cities apply this model, Bloomberg Philanthropies supported the development of Innovation Delivery Teams in five cities – Atlanta, Chicago, Louisville, Memphis and New Orleans. The Innovation Delivery Teams are made up of high-performing staff who serve as in-house consultants to their mayors, working with partners across the city to cut through bureaucracy, analyze important data and make bold and necessary changes. After just two years, the five Innovation Delivery Teams have helped their cities make tremendous progress toward key goals, including reducing crime, spurring business growth, and using energy more efficiently.

For example, New Orleans Mayor Mitch Landrieu focused his city's Innovation Delivery Team on reducing the city's high murder rate. The New Orleans team, working closely with the city's police department and community partners, developed NOLA for Life, a comprehensive murder reduction strategy that utilizes targeted enforcement strategies. As of September 2013, the murder rate in New Orleans was down 26% compared to the previous year, bringing the city's rate of murder to the lowest level for this period since 1971.

Above: Mike Bloomberg with members of the Innovation Delivery Teams

With broad implications for government, the proportion of people **AGE 65 AND OLDER** in the U.S. was only 4% in 1900; by 2040 it will hit 20%

STATE AID AND PROPERTY TAXES. which together account for more than half of local revenues in the U.S., are dropping simultaneously for the first time since 1980

U.S. LOCALITIES HAVE SHED

since 2008 through layoffs and attrition



SCALING UP

BLOOMBERG PHILANTHROPIES SPINS OUT THE CITIES OF SERVICE PROGRAM

In cities across America, the willingness of residents to help one another and their communities is great – but often underutilized. In 2009, Mayor Bloomberg launched an unprecedented volunteerism effort to harness the power of New York City residents to help solve problems in their local communities. To share this successful strategy with other cities, Bloomberg Philanthropies helped launch Cities of Service.

Cities of Service is a coalition of more than 180 U.S. cities representing more than 51 million Americans – that focus on "impact volunteering," or innovative volunteer strategies that address community needs. Through Cities of Service, Bloomberg Philanthropies helps cities large and small drive positive outcomes and set metrics to gauge progress. Now in its fourth year, Cities of Service continues to help mayors nationwide use volunteerism as a strategy for solving pressing problems in their communities.

Cities of Service demonstrates Bloomberg Philanthropies' commitment to refining and spreading effective strategies. The true marker of a program's success is that it continues to grow and bring positive change long after the grant term ends. After being incubated in Bloomberg Philanthropies and expanding its evidence base, Cities of Service will now become a stand-alone, independent non-profit organization, continuing to help mayors across the U.S. apply effective volunteer strategies to solve local challenges.

RECENT HIGHLIGHTS FROM THE CITIES OF SERVICE COALITION

FLINT. MI

More than 1.8 million pounds of trash have been removed from Flint streets as part of Mayor Walling's effort to engage community members in revitalizing blighted areas and curbing illegal dumping.

PHOENIX. AZ

More than 52,000 square feet of rooftops have been painted with a highly reflective coating to lower building temperatures and conserve energy as part of Mayor Stanton's effort to reduce the city's carbon footprint.

FIRST OF ITS KIND

THE BLOOMBERG, ASPEN, ATLANTIC CITYLAB SUMMIT

CityLab is a new collaboration between Bloomberg Philanthropies, Aspen Institute and The Atlantic to foster the best possible strategies for improving cities. CityLab reflects our belief in spreading what works – and bringing together mayors and urban leaders to focus on the most dynamic strategies available and what it takes to bring them to life.

The CityLab partnership kicked off in October 2013 with a summit in New York City entitled "Urban Solutions for Global Challenges." The CityLab Summit brought together over 300 participants representing 26 countries and 96 cities to participate in two days of discussions around a variety of important issues facing cities. What set CityLab apart was its focus on mayors and practitioners, which helped to ground conversations in real city experiences. Bloomberg Philanthropies also hosted a "mayors only" discussion with more than 30 mayors from around the world that helped bring to light effective strategies for increasing innovation in local government. After a successful first CityLab Summit, Bloomberg Philanthropies and partners will host a second summit in Fall 2014.

Below: Expert panelists from McKinsey, New York City Department of City Planning, London School of Economics, and NYU discuss Urban Expansion at the 2013 CityLab Summit





America went from being a global leader in education to ranking 22nd in the world for high school completion rates and 12th for the percentage of 25 to 34-year-olds with college degrees. While industries have changed and continue to charge ahead, U.S. education standards have not kept pace with the rising demand for critical thinking and problemsolving skills needed for success in the 21st Century economy.

No single solution exists for improving education in America. To drive reform, Bloomberg Philanthropies and Mike Bloomberg support a variety of education efforts, such as backing pro-reform candidates and legislation, sponsoring new assessments to inform and empower parents and educators, and connecting strong educational leaders with opportunities to spread success and strengthen education policy. All of the education strategies we pursue aim to answer one common question: how can we benefit the students?

The U.S. used to be #1 in the world in high school graduation rates



Now the U.S. is

#22

ONLY



OF EIGHTH GRADERS in U.S. public schools can read and do math at their grade level 30 years ago, 1 IN 4 U.S. JOBS required some POST-SECONDARY EDUCATION



Soon, nearly two-thirds of all jobs in the U.S. will require it

PUTTING SCHOOLS TO THE TEST

HELPING U.S. HIGH SCHOOLS COMPARE THEIR PERFORMANCE TO OTHER COUNTRIES FOR THE FIRST TIME

80% of parents believe U.S. schools are suffering – but 80% also think that their child's school is doing just fine. This disconnect is an impediment to change and results from a lack of adequate and up-to-date information on how U.S. schools are really performing relative to schools nationwide and worldwide.

The Organization for Economic Cooperation and Development (OECD) administers an international test that evaluates education systems worldwide by randomly assessing 15-year-old students' performance in reading, math and science. While this study enables comparison of average performances between countries, not all U.S. schools are the same. In 2012, Bloomberg Philanthropies and partners funded the development of an assessment that for the first time allowed U.S. high schools to evaluate and compare their performance to other countries.

After this new assessment was successfully piloted for roughly 100 U.S. schools, the OECD Test for Schools was publicly launched and made available to any high school that wants to evaluate its performance. Bloomberg Philanthropies supported this scale up and is helping cover the cost of the test for additional high schools in target areas. Results from these assessments will benefit schools, parents, policy makers and most importantly students, by identifying for the first time the true scale of the challenges U.S. schools face, and the specific opportunities for developing a stronger education system going forward.

RESULTS FROM THE FIRST OECD TEST FOR SCHOOLS:

Bloomberg Philanthropies and partners recruited 100 U.S. high schools to assess student performance and compare it to the performance of students in other countries. Findings showed a wide range of performance among U.S. schools, especially among middle class schools. The results illustrated that, contrary to popular belief:

Lagging school performance is not directly tied to economic status



LEADING THE WAY

OUR SUPPORT HELPS TEACHERS, PRINCIPALS AND SUPERINTENDENTS INFLUENCE EDUCATION POLICY AND PRACTICE

Improving student outcomes depends on having effective educators and school leaders who will implement proven strategies and push for vital reforms. Bloomberg Philanthropies supports a fellowship program, administered by our partner America Achieves, to identify and support top-performing teachers, principals and superintendents from around the country. This fellowship program encourages these outstanding leaders to share and grow successful strategies and helps them play more of a direct role in informing education policy.

With guidance from Bloomberg Philanthropies' partners, the Fellows have made encouraging progress in advancing important educational reforms. Last year, Fellows advised dozens of policymakers throughout the U.S. on key education issues, led more than 100 projects in their local communities that have influenced education policies or practices, and shared strategies for effectively implementing the new Common Core education standards in classrooms across America. Teacher, principal and superintendent Fellows have become trusted voices when it comes to education policy and progress and will continue to play an integral role in improving U.S. education.

TO DATE, THE BLOOMBERG FELLOWSHIP PROGRAMS HAVE SUPPORTED:

162 TEACHERS from 29 states

26 PRINCIPALS from 12 states

30 SUPERINTENDENTS from 18 states

SPOTLIGHT ON PRINCIPAL FELLOW JOSE HUERTA

As part of our fellowship program, principal Jose Huerta focused on effective strategies for helping students with high suspension rates at his school, Garfield High School in Los Angeles, California. In a bold move, Principal Huerta ended suspensions at his school and was still able to dramatically raise academic achievement for all students. Principal Huerta's innovative approach helped dispel the myth that students who confront disciplinary problems have to be removed from school so that others can learn. This success was lauded by the Los Angeles Unified School District, which in May of 2013 ended suspensions for "willful defiance," accounting for 48% of previous suspensions, and pointed to the interventions that principal Huerta's school championed as support for this mandate. Other school districts across California are expected to follow suit.

Below: Bloomberg Teacher and Principal Fellows discussing reform strategies in New York City





HIGH TECH

SUPPORTING MOBILE TECHNOLOGY TO IMPROVE THE VISITOR EXPERIENCE

According to the U.S. National Endowment for the Arts, more than 70% of adults nationwide consume art through electronic media, and of those nearly 40% use a handheld or mobile device to do so. These findings point to the growing connection between arts and technology, and a shift in the way people learn about and participate in creative culture. To support programs with the greatest potential impact, Bloomberg Philanthropies is sponsoring new platforms for sharing and delivering cultural content through our Digital Engagement Initiative.

The Bloomberg Digital Engagement Initiative aims to increase access to the arts through mobile and other technology. With our support, cultural institutions across the country and around the globe are developing cuttingedge mobile applications and introducing new digital projects that revolutionize the visitor experience. Through new interactive mobile apps, visitors both on and off-site will have access to a variety of features, including special audio and video content for exhibitions, custom tours, and functions to assist the visual and hearing impaired.

MOBILE APP HIGHLIGHTS

ART INSTITUTE OF CHICAGO

app offers 50 personalized mini-tours of the museum's collection.

MOMA

app includes the My Path feature – a digital record of everything visitors do and see at the museum that they can access after their visit.

SINGAPORE'S GARDENS BY THE BAY

app will launch in November 2014 with a GPS map and educational games to help visitors explore the botanical gardens.

Left and Right: MoMA visitors learn more about the artwork they are viewing through the museum's new mobile app, sponsored by Bloomberg Philanthropies.

70%
of adults nationwide consume art through ELECTRONIC MEDIA, and of those nearly 40% use a HANDHELD OR MOBILE DEVICE to do so

33% of U.S. adults attended an arts performance or visited an art museum in 2012





A CLOSER LOOK

OUR ARTS ADVANCEMENT INITIATIVE HELPS GRANTEES MAKE STRIDES IN MANAGEMENT

The Bloomberg Philanthropies Arts Advancement Initiative provided unrestricted funding and management training to 245 small and midsized arts organizations in New York City. The two-year program, which was the largest and most comprehensive program of its kind, ended in May 2013. Training was provided by the DeVos Institute of Arts Management and focused on improving a wide variety of areas, including social media, board development and participation, strategic planning, fundraising and leadership.

To determine the impact of this program, Bloomberg Philanthropies commissioned a robust, independent evaluation of the Arts Advancement Initiative. The evaluation results highlight tremendous gains in key focus areas for the majority of the arts organizations that participated.

Below: Arts Advancement grantees attending a training session in strategic management.



As of January 2012, there are

905,689 BUSINESSES

in the U.S. involved in the creation or distribution of the arts, representing

4.42 % of all businesses nationally

BLOOMBERG ARTS
ADVANCEMENT GRANTEES
MAKE SIGNIFICANT GAINS AS
A RESULT OF THE PROGRAM:

\$42 MILLION net increase in contributed income

\$26.5 MILLION increase in earned income (ticket sales, courses, space rental, concessions)

95% of grantees reported increasing their Board engagement by expanding membership or increasing Board giving

82% entered into partnerships that offset \$8.3 million in costs

79% reached new audiences

A study of more than 200 NYC high schools found that schools in the

TOP THIRD

of graduation rates had the most well-developed arts education programs, including more partnerships with cultural arts institutions

Conversely those in the

BOTTOM THIRD

of graduation rates offered the least quality arts programming

HIGHLIGHTS FROM THE 2013 BLOOMBERG PHILANTHROPIES ARTS INTERNSHIP:

100% of participating students successfully completed their internships and drafted a personal essay, a college search list, and a high school activity resume to aid in their college applications

87% of students reported having more confidence in public speaking as a result of presentations they gave through the internship program

68% of students created their first budget to manage the money they earned from the internship

EXPOSURE

OUR ARTS INTERNSHIP HELPS STUDENTS PREPARE FOR THE FUTURE

In 2012, Bloomberg Philanthropies launched its Arts Internship Program for public high school students from all five boroughs of New York City. The program, managed by Studio in a School, places interns at various arts and cultural organizations, and provides many of them with their first paid job experience. The internship aims to provide meaningful professional experience, increase students' exposure to the arts, improve their communication skills, and assist with the college application process. All 25 of the 2012 Bloomberg Arts Interns successfully headed off to college last Fall.

Following the program's initial success, Bloomberg Philanthropies launched an expanded Arts Internship Program for high school students in May 2013. Interns gained experience in a professional environment, and learned about time management and other useful worklife skills. The interns also took part in an intensive writing workshop to help with college admissions essays and met with current undergraduates to develop a list of potential colleges.

Below: Two Bloomberg Philanthropies Arts Interns present their final projects and share what they learned





NEW HEIGHTS

WITH UNPRECEDENTED SUPPORT FROM MIKE BLOOMBERG, JOHNS HOPKINS UNIVERSITY GETS READY TO TRANSFORM

Beginning with a \$5 donation the year after he graduated, Mike Bloomberg has continued to support his alma mater Johns Hopkins University. In January 2013, Mike Bloomberg donated \$350 million – the largest gift in Johns Hopkins' history – to support thousands of undergraduate scholarships and launch a new transformational academic initiative. This initiative will hire 50 of the world's best professors – known as Bloomberg Distinguished Professors – to serve across two or more academic departments to break down silos and bridge the knowledge contained in each. These cross-department efforts will focus on five priorities in order to address the toughest challenges society faces.

FIVE SIGNATURE PRIORITIES OF THE BLOOMBERG DISTINGUISHED PROFESSORS AT JOHNS HOPKINS:

1. AMERICAN CITIES
2. SCIENCE OF LEARNING
3. INDIVIDUALIZED HEALTH
4. GLOBAL HEALTH
5. WATER

Mike Bloomberg has donated a total of \$1.1 billion to Johns Hopkins University to date, making him the most generous living donor to any educational institution in the United States. In 2001, the university's public health facility, the largest in the nation, was re-named the Bloomberg School of Public Health in honor of Mike Bloomberg's dedicated support. This latest gift will help Johns Hopkins University continue to attract the best and brightest students who, together with world-renowned faculty, will create a lasting positive impact on today's world.

Top: Mike Bloomberg with Johns Hopkins University president Ronald J. Daniels. Bottom: The Johns Hopkins Bloomberg School of Public Health







EXPONENTIAL IMPACT

CREATING ECONOMIC OPPORTUNITIES FOR WOMEN IN SUB-SAHARAN AFRICA

War and conflict in Sub-Saharan Africa have left thousands of women without economic stability and opportunities to provide for themselves and their children. Beginning in 2008, Bloomberg Philanthropies partnered with Women for Women International to provide vocational training to women in sub-Saharan Africa to help them earn income and improve their lives. To date, more than 96,000 women have been enrolled in Bloomberg Philanthropies-supported training.

Based on the success of our initial investment, Bloomberg Philanthropies is continuing to support workforce training for women through our partnership with Women for Women International – this time with additional help from Sustainable Harvest. This dynamic collaboration aims to train an additional 40,000 women in Rwanda and the Democratic Republic of Congo in a variety of areas, including farming and agriculture, by 2016. Sustainable Harvest is helping bring our efforts to scale by using iPad technology and specialized training videos to help more women gain essential skills and generate income. These digital tools will also improve data collection in order to better measure our impact. Bloomberg Philanthropies and partners are working closely with both the private sector and the governments of Rwanda and the Democratic Republic of Congo to help institutionalize job training for women as part of their national economic development plans to bring more low-skilled citizens into the labor market.

IMPACT BY THE NUMBERS

Total number of people in Sub-Saharan Africa our efforts have positively impacted:

APPROXIMATELY 433,000,
INCLUDING 330.000 CHILDREN

Total amount of funds that will be saved by using iPads: \$145.000

Total number of private sector partnerships formed to create markets for produce grown by our program participants: 22

ONE WOMAN'S STORY BERINA KARUBERA MUHANGA, RWANDA

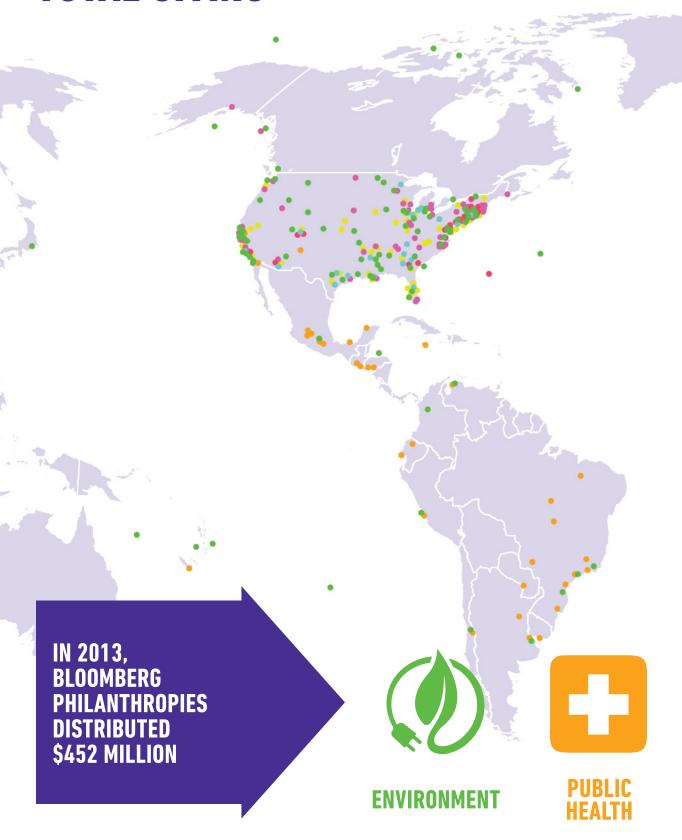
More than one-third of all households in Rwanda are run by women, 80% of whom are impoverished widows. Berina Karubera was one of these women. After her husband's death, Berina struggled to provide for her four children. Soon after, she lost her arm in a car accident. Because she could no longer farm, Berina also lost her source of income. She bought pineapples from limited savings and made juice to sell, but made meager profits.

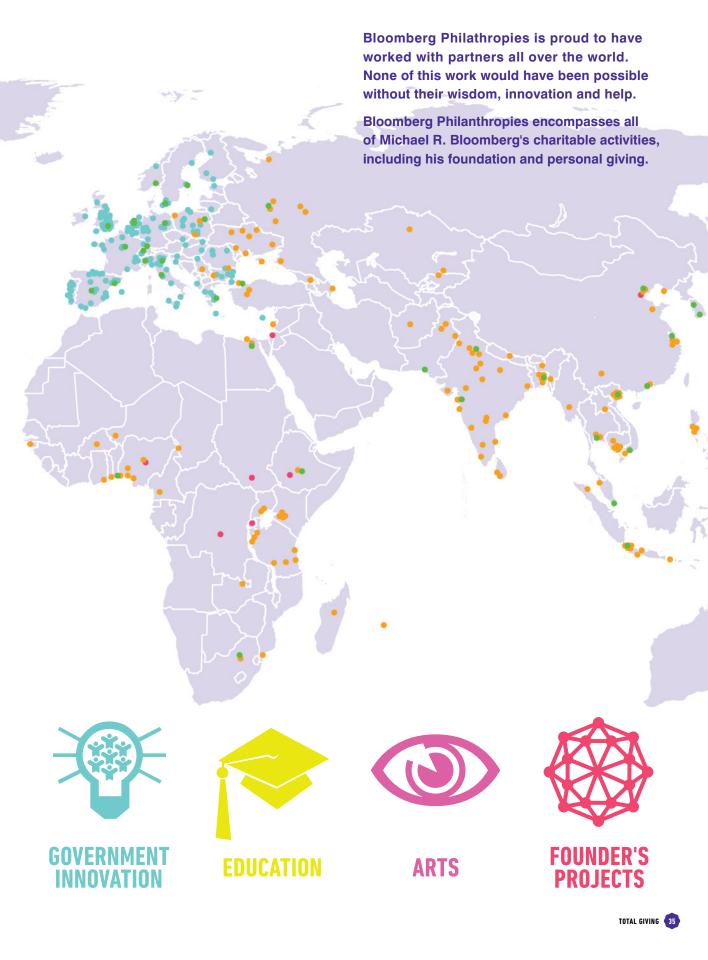
Joining Women for Women's program helped Berina meet other women who shared similar experiences of hardship, and learn about opportunities to capitalize on her skillset. Through the Bloomberg Philanthropies-Women for Women program, Berina learned how to better manage a small business, and saved enough to apply for her first bank loan of \$1,500, enabling her to buy a food-processing machine. Her business took off, and she began distributing her juice beyond her own district. Berina now sells her products in every district in Rwanda, competing with well-known brands. Her income is 35 times greater than when she started, and she is planning to begin exporting her products outside of Rwanda soon. Berina is a role model for other women and men, and the mayor of Muhanga proudly calls her the best entrepreneur in the entire district.

Below: Participants such as Berina share their stories and support.



TOTAL GIVING





FOUNDER

Michael R. Bloomberg

BOARD OF DIRECTORS

Dr. Tenley E. Albright Emma Bloomberg Georgina Bloomberg David L. Boren Jeb Bush

Secretary Elaine L. Chao Kenneth I. Chenault

D. Ronald Daniel

Manny Diaz

Fiona Druckenmiller Patricia E. Harris

Walter Isaacson

© 2014 Bloomberg Philanthropies Based in New York, NY

Photography provided by: Clay Enos / Sustainable Harvest Vincent Lumbab / Rare Jason Houston / Rare Juan Carlos Calvin / Oceana Henrick Kam / Sierra Club Alianza por la Salud Alimentaria Martin Seck / MoMa Maya Lin John J. Mack

The Reverend Joseph M. McShane, S.J.

Admiral Mike Mullen, USN (ret.)

Sam Nunn

Samuel J. Palmisano

Henry "Hank" M. Paulson, Jr.

Dr. Alfred Sommer Sir Martin Sorrell Anne M. Tatlock Dennis Walcott



Bloomberg Philanthropies

