

THE SPENCER FOUNDATION

ANNUAL REPORT

April 1, 2003 – March 31, 2004

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LYLE M. SPENCER

1911-1968

- In 1938, while a graduate student in sociology at the University of Chicago, Lyle M. Spencer founded Science Research Associates (SRA), which eventually became one of the country's leading publishers of educational tests, guidance programs, and curriculum materials. Lyle Spencer served as president of SRA from its founding until his death in 1968.
- Lyle M. Spencer established the foundation that bears his name in 1962. The Foundation received its major endowment following Spencer's death in 1968 and began making grants in 1971. Since that time, the Foundation has authorized grants totaling approximately \$222 million. Its assets as of March 31, 2004, were \$398 million.
- Lyle M. Spencer liked to describe himself as “a businessman looking in over the rim of education.” He left notes indicating that he had established the Foundation in the hope that, since most of the Spencer money had been earned in educational publishing, much of that money might be “returned eventually to investigating ways in which education can be improved, around the world. Broadly conceived, wherever learning occurs.”

PRESIDENT'S COMMENTS

The Continuing Relevance of Lyle Spencer's Vision

Lyle Spencer endowed this Foundation not only with financial resources but with a *purpose* and a *strategic vision*.^{*} That purpose was, and remains, the improvement of education – “broadly conceived, wherever learning occurs.” The strategic vision is to approach that purpose through cultivating new knowledge about education. In the notes Spencer left about his hopes for the Foundation, he constantly stressed the “multiplier” effect of investments in knowledge. He wrote, in a lovely phrase reflecting his dual identity as social scientist and entrepreneur, of aiming for “the greatest return in effective ideas per dollar” and argued that “the most valuable ideas are the most germinal ideas, those with the greatest power to generate new ideas, projects, and fields of study.”

Lyle Spencer's basic purpose and strategic vision continue to animate our work and leave us in the new century as the only Foundation whose central purpose is advancing knowledge about education with the aim of educational improvement. A big challenge for us is to try to make sure that we keep our purpose and our strategies properly aligned: the name of the game, our basic purpose, is to make education better; our support of the education research enterprise is in service of that purpose. I think it helps us in thinking this through to focus on two large questions. First, who does the Foundation aim to serve – who are our “clients?” And, second, what do we mean by “making education better” – how do we understand educational improvement? In the following pages I offer some reflections on these large questions, and draw some implications for the Foundation's work.

That hard-working musician Bob Dylan said in a song lyric some years ago that “You're gonna have to serve somebody.” So whom do we serve? The ready answer, and in some respects an accurate one, is “the education research community.” After all, the bulk of our funding goes to advance the scholarly work and the scholarly preparation of members of that community. Our largest annual event is a reception at the American Education Research Association annual meeting. And, throughout our history, the President, the professional staff and the majority of members of our board of directors have been people engaged in education research.

There is no question that the Spencer Foundation depends utterly on the active cooperation and partnership of education researchers and of the institutions, mostly universities, where they reside. In my first year as President, I have relished the opportunity to extend my acquaintance with research colleagues, and I have been impressed and moved by the value they attach to their relationship with the Foundation, by their concern and commitment to the Foundation's success, and most of all by their strong commitment to the aim of making education better.

Yet I think we risk misleading ourselves and selling short our relationship to researchers if we think of them as our “clients” and define our interest and aim as serving their needs. It was Lyle Spencer's conviction that new knowledge was the key to better education that explains the Foundation's emphasis on research. The purpose of the Foundation has thus never been to invest in educational research “for its own sake” but rather for the sake of making education better. From that perspective, it's not quite right to say that members of the research community are our “clients.” It is, I think, more illuminating to think of our colleagues in research as our *partners* and our allies in the great enterprise of educational improvement.

So, at base, it is those who will benefit from educational improvements who are our clients. The most direct beneficiaries, of course, are students – present-day students and future generations of students. We aim to contribute to discoveries that will help make their education better. We further believe that the benefits of improved education do

^{*}I am grateful to my colleagues at the Spencer Foundation for helpful comments on earlier drafts.

not end with their direct recipients. When the quality and extent of a community's education improves, the benefits redound not only to the better educated individuals but to the community as a whole, with results that may include, among others, greater economic prosperity and more effective political and civic life.

Our aim is to serve society through helping improve education. No matter how insightful, how rigorous, how intellectually coherent is the research we help to advance, we have failed in our mission if, in the end, it does not succeed in making education better. This doesn't mean that the research we support has to be narrowly instrumental -- improvement needn't happen overnight, nor must we be able to draw a demonstrable line linking this particular investment in research with that particular improvement in education. The linkage from scholarship to educational improvement is sometimes subtle and indirect. One could imagine for example historical studies that lead us to question received wisdom in a way that opens new paths. Or, in a very different vein, imagine basic work in statistical theory that improves our ability to test the causal relationships between variables. We would hope, indeed, to be involved in advancing a portfolio of projects at any one time -- some whose "practical" payoff is relatively distant and uncertain, but are essential to stimulating inquiry, and some that are much more closely tied to potential near term improvements. Still, in light of the Foundation's purpose, educational improvement is our "bottom line."

A major implication of the commitment to achieving educational improvements through research is that we must think of our circle of partners and allies as being broader than the research community alone. There is, alas, no magic by which research findings translate into improved educational practice. A picture of the world in which educators are simply consumers or passive recipients of knowledge provided by researchers is not just inadequate but deeply wrongheaded. We have to find ways to engage actively and productively with those who "do" education as well as with those who study it. We also know that there are other actors -- foundations, government agencies, private entities like publishers and consulting firms, and others -- whose work brings them much more into direct engagement with educational interventions and reforms. Here too we want to be active partners in the effort to learn from these interventions and build toward deeper understandings.

Let me now turn attention to the purpose itself of educational improvement. This is what we aim at, so it is worthwhile to ask what we mean by "better" education and why it is important. Just how does better education improve the lives of those who experience it?

Some elements of improvement are easily identified and relatively non-controversial. Helping more people attain basic literacy and numeracy would count as an improvement in anybody's book and there is a fair degree of agreement on what those terms mean (although the so-called "literacy wars" and "math wars" include disagreements about the ends as well as the best means for basic education). Remaining at a relatively basic level, standardized tests identify gaps in educational achievement between different social groups at the beginning of schooling and trace the widening of those gaps thereafter. Even though these tests measure only a limited portion of what we care about in schooling, there is a high level of agreement that reducing achievement gaps between students of different races and economic backgrounds would be a major educational improvement (provided that it was accomplished by raising the performance of the less advantaged).

It is worth spelling out just why these improvements are important. Thus Amartya Sen, the Nobel economist and philosopher, in writing about the value of basic education, has contrasted "distinct but related areas of investigation in understanding the processes of economic and social development: the accumulation of 'human capital' and the expansion of 'human capability'." The former refers to the expansion of human production possibilities, while the latter "focuses on the ability of human beings to lead lives they have reason to value and to enhance the substantive choices they have." Sen argues that the process of development in poor countries (and not only there) should be seen "as the expansion of human capability to lead freer and more worthwhile lives." He notes that literacy and numeracy,

while obviously valuable forms of human capital in the workplace, are extremely important also in enabling people to invoke their legal rights, to exercise their political opportunities, and to care for their health -- all areas in which, as Sen notes, women are often especially vulnerable. Following the same line of reasoning, reducing achievement gaps in a society like that of the United States is important not only for promoting economic opportunity but also for strengthening the political and civic capabilities of members of disadvantaged groups, equipping them to defend their rights, and more broadly enriching their participation in social intercourse.

Once we move beyond the basics, questions about what educational improvement means, let alone how to measure it, become more challenging. How should we understand, and how and why should we value, the more complex cognitive achievements captured in phrases like "higher order reasoning," "critical thinking" or "learning how to learn?" These phrases are easily mouthed (especially by a former college president like myself) but exactly what we mean by them, how to promote them and how to measure our success in achieving them are elusive questions. On another front, should the quality of an educational system be judged in part by its contributions (going beyond those provided by basic literacy and numeracy) toward more intelligent and sustained civic and political engagement? How would we expect improved education to influence the character of people's personal lives and the quality of the interactions that make up a society?

It's instructive, I think, to ask ourselves what the world would look like if we and others who aimed at improving education were wildly successful. Suppose that, through some combination of breakthroughs in cognitive science, improvements in understanding the organization of schools, and other perhaps currently unimagined achievements, we succeeded in creating a society where education worked really well for most people. Picture a time when future generations of Americans -- or of people around the world -- could enjoy a truly enriching education, well adapted for each person to his or her particular educational needs and capacities.

The most obvious benefits of increasing the educational accomplishments of a larger number of people would, perhaps, be scientific, technological and economic. Particularly in this "information age," expanding people's capacity both to contribute to and to take advantage of new developments in science and technology would obviously yield substantial economic rewards. Moreover, "wild success" in improving education should surely be taken to include lowering the barriers that produce such wide disparities in the educational attainments of people from different social and economic backgrounds. To the degree that this holds true, and to the degree that the supply of human capital expands as we learn more about effective education, we should expect major educational improvement to lead to a reduction in material inequality all around.

It is reasonable to expect that the benefits of markedly improved education would be qualitative as well as quantitative. Substantial and widespread improvements in people's developed reasoning abilities, in their skills at critical thinking, and in their capacity to respond with intelligence and discernment to a broad range of cultural experiences and perspective -- all these reflecting dimensions of what Martha Nussbaum describes as "cultivating our humanity" -- would be likely to lead to significant and, we would expect, largely positive changes in social and political life. There is no need to be Panglossian -- evidence abounds that excellent education is compatible with, and in some spheres of life perhaps even conducive to, socially destructive conduct. Still, particularly when educational improvement is widely shared, it is highly likely to yield not only important economic benefits but significant improvements in people's civic and personal lives as well.

This effort to stretch our thinking beyond the quite properly urgent matters of basic education and improved test scores for the disadvantaged reminds us that the very notion of educational improvement is hardly "value free." What we aim for in education is tied up with judgments about human needs and human capabilities that are bound to be contested, and that call for clarification and for critical reflection in their own right. That said, particularly as we think about the longer term prospects for improvement in education, there is every reason to keep our hope and aspirations high.

Keeping before us the underlying purposes and larger aims of educational improvement can be helpful to us even as we tackle more immediate problems. First, such attention will help ensure that we make progress toward our real goals, rather than simply chasing after metrics that may turn out to be empty. There are, for example, all too many ways in which a school might improve test scores without affecting real learning. Second, we should be alive to the possibility that some kinds of short run improvements may in fact impede progress toward longer run goals. “Drill and kill” techniques, for example, may advance performance in basic literacy and numeracy to some degree, but at the expense of stimulating curiosity and opening students to the kind of higher-order learning we also value. And finally, we should remember that even students who are educational “success stories” in the current system may have seriously defective educations, when judged from such standpoints as critical thinking or civic capability.

The Spencer Foundation’s distinctive role in the enterprise of improving education is to find ways to align the search for new knowledge with the practical challenges of effecting positive change. For our work to succeed, we need partners not only in the world of scholarship but also in the worlds of educational policy and practice. We need not only to find the “greatest return in ideas per dollar” but also to help ensure that those ideas really do “germinate,” leading not only to more ideas but to real changes in education that matter in people’s lives.

The Spencer Foundation thus “lives” at the interface between research about education and the improvement of education, a notion that has been present, sometimes more and sometimes less explicitly, throughout our existence. It’s not in some ways an easy place to live. The notion that the search for new knowledge can be leveraged to provide a multiplier effect on educational improvement continues to seem exactly right, yet the question of how to make the relationship between academic research, on the one hand, and educational practice and policy, on the other, a productive and mutually supportive one is clearly quite difficult.

Tom James addressed this challenge head on in his second Annual Report essay as Spencer’s first full-time president. He criticized the “linear model” in which research makes discoveries which are transmitted to practitioners who apply them. Among the defects James pointed out is that this linear model makes the practitioner a “consumer [who] is excluded from active participation in the development of new solutions to fundamental problems.” James thought that this and other problems could be helped by the development of intermediary “brokerage” institutions that “encourage interaction between practitioners and scholars.” And indeed many such intermediary institutions, including, as James noted, “the independent research firms, the consulting firms and ... the research and development centers,” among others, have grown up into increasingly important roles. These are indeed interesting institutions, which deserve our attention, although certainly (as their leaders would no doubt agree) they have by no means resolved the problems of linking research and practice successfully. The same set of concerns recurs frequently in Pat Graham’s essays as President. She remarked in 1999 that “we continue to struggle with the problems of understanding and improving educational practice,” in the face of challenges “both analytical and political.” And of course the emphasis my immediate predecessor Ellen Lagemann put on “usable knowledge” points to the same challenge.

I will conclude by identifying four key points we need to keep in mind as we continue to negotiate this tricky interface. First and foremost, we must remember that our ultimate aim of achieving improvement in education in no way warrants any reduction in our commitment to the highest academic quality in the work that we fund. Clear standards of argument and evidence, accurate reporting and analysis of data, and honesty and clarity in reporting and interpreting findings are, if anything, even more important in contexts where research is envisioned as having a real (even if indirect) influence on people’s lives. Moreover, imagination and creativity, as well as a strong critical faculty, will continue to be needed in a search for those “effective ideas” Lyle Spencer talked about.

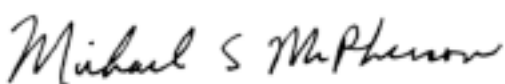
My second point is that we need to recognize that this problem of how research becomes effective in practice is itself a social science question of considerable depth and complexity that deserves study in its own right. The paths by

which research knowledge finds its way into the daily life of educational organizations, the paths by which practitioner knowledge is brought to bear and made to count in the research process, and the paths by which researchers become interested in problems of genuine importance to practice are complex and hard to understand and warrant systematic analysis and reflection.

Third, it will help if both we ourselves and those whose work we support strive to be more focused and explicit about the kinds of educational improvements we aim at and about how we expect our projects to improve the prospects for those improvements. Again, this does not mean that practical results need be either immediate or assured, and indeed the pathways toward improvement may sometimes be highly indirect. A major reason for being as explicit as we reasonably can be is that this will help us to learn: the more we can say up front about where we are trying to go, the better we can judge the effectiveness of our efforts. There is nothing at all wrong with taking risks and making mistakes – provided that we learn from them.

Finally, we need to be willing to declare our interest in particular lines of inquiry, to stay with them long enough to gauge their promise, and to make well-judged investments that will help move approaches that show real promise into practical use. There is indeed a slippery slope here. We don't want to lose sight of the multiplier effect of new ideas and discoveries, and with our limited resources, we could easily become consumed in funding interventions, and lose track of our unique and valuable role in advancing research. Nonetheless, if the last thirty years have taught us anything, it is that there is no comfort in assuming that good research ideas will find their way automatically into improved education which is our ultimate aim.

H. G. Wells wrote in his *Outline of History* that “human history becomes more and more a race between education and catastrophe.” Although this sobering statement needs to be balanced with a reminder of the tremendous positive potentials inherent in educational improvement, it provides a stark reminder of the importance and the urgency of our work. We look forward to working with our partners in the research community, in other funding organizations, in the intermediating institutions Tom James spoke of, and in the realms of practice and of policy as we continue to pursue Lyle Spencer's compelling vision.



Michael S. McPherson
President
September 2004

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RESEARCH GRANTS

Directions, Highlights, and Grant Application Procedures

The support of basic and applied research on education and related issues continues to be central to the mission of the Spencer Foundation. At present the Foundation supports two programs that accept proposals from the field: Major Research Grants and Small Research Grants. While both programs provide funding for research on education, each is distinctive in its mission and procedures. A brief description of the programs is provided below, along with basic information about application steps. To get an idea of the types of proposals that have found support in these programs, please consult the listing of projects funded in the past year. Additional information on application procedures and Spencer-funded research can be found on the Foundation's web site.

The longest-running and largest research grant program at Spencer is Major Research Grants, which has been in continuous operation since the Foundation's beginning. In recent years the Major Research Grants Program has made awards totaling between three and eight million dollars annually, providing levels of support that typically range from less than \$100,000 to just over \$400,000 per grant. Last year the Foundation received nearly four hundred preliminary inquiries in this program, and from this we requested a much smaller number of full proposals. These invited proposals were carefully reviewed both internally and externally, and ultimately we were able to fund a small percentage of them. The Foundation strives to make funding decisions within six months of the receipt of full proposals, although we are constrained by the timing of Board meetings in some instances.

The Small Research Grants Program provides support to projects investigating education and related issues with budgets of \$40,000 or less and lasting no longer than two years. It offers a unique opportunity for scholars and practitioners in a broad range of institutions who are interested in educational research to obtain support for their work. In many cases these projects represent pilot studies or small-scale research projects leading up to proposals for larger studies. The Small Research Grants program serves many early-career scholars, and those at smaller institutions and schools. It is not necessary to send a preliminary inquiry before submitting a proposal to the Small Research Grants Program. In the past year we

LONG-TERM EFFECTS OF AN OPEN ADMISSIONS POLICY

How does an open admissions policy in a major university system influence the life chances of women who otherwise would not have been admitted? Do the benefits persist into the next generation, improving the educational attainment and well-being of their children? Drs. David Lavin and Paul Attewell, sociologists at the Graduate School and University Center of the City University of New York (CUNY) will explore these questions using a longitudinal dataset begun in the early 1970's, when CUNY instituted an open access policy across its 18 campuses. Almost 2000 students representative of the original cohort were re-interviewed, providing information about their educational attainment, their social and economic situation, and their children's attainments. From these interviews, the investigators will examine the situation of the women themselves decades after they attended college, as well as the well-being of their children.

received about three hundred applications for these grants, but were able to provide funding for only about a fifth of them. Because of the relatively small scale of these projects, and the moderate length of the proposals, we attempt to provide funding decisions within a few months of receiving an application.

Proposals in either program should focus on noteworthy questions concerning education, human development, and related issues anywhere in the world. In evaluating a proposal, the clarity and significance of the central question is of critical importance. The experience and potential of the investigators are significant as

PRESCHOOLERS' NUMBER AND ARITHMETIC DEVELOPMENT

Although very young children have mathematical abilities, not all children have experiences that would promote the development of those abilities. Dr. Arthur Baroody, a mathematics educator at the University of Illinois at Urbana-Champaign, and his collaborator Kelly Mix, a psychologist at Indiana University, are undertaking a project that has the potential to help educators identify and target areas where children need particular kinds of experiences to develop their potential. The investigators will conduct a series of long-term studies involving children from 18 months to six years old to explore the development of particular number and arithmetic concepts or skills. Specifically, they will use multiple methods, including formal experimental techniques or tests, observations of the children in child-initiated play or games, and teaching experiments to examine the following key areas of young children's mathematical development: cardinality and equivalence, arithmetic concepts, verbal addition and subtraction, and mental arithmetic. Ultimately, understanding more about very early numeracy skills might contribute to the development of appropriate assessments and curricula for very young children. At the same time, the study promises theoretical contributions, producing an integrated model that focuses both on how children represent numbers and on what they represent.

well. Proposed research strategies should be conceptually sound and carefully specified. The Spencer Foundation does not place any methodological or ideological limitations on the research that it supports. The Foundation is especially interested in ground-breaking and creative ideas in research. Given this, we stand ready to consider any and all types of scholarly inquiry, and we rely heavily upon reviews by specialists in relevant fields to inform funding decisions. In recent years, both of the Foundation's principal research grants programs have provided support to a diverse mixture of quantitative and qualitative studies, addressing a host of topics connected to education.

One of the Foundation's continuing goals is to sustain communication with its various constituencies. We hope that you will feel free to call or write us with any questions or concerns that you may have about the research programs. The Major Research Grants office can be reached at 312-337-7000, extension 6511, and Small Research Grants can be contacted at extension 6509. The email address for Major Research Grants is

majgrant@spencer.org and for Small Research Grants it is smgrant@spencer.org. Additional information about these programs will be made available on the Foundation's web site, at www.spencer.org. General information for applicants follows.

Application Guidelines for Research Grants

Major Research Grants

The Foundation's Major Research Grants Program supports research projects requiring more than \$40,000. Research projects vary widely, ranging from medium-sized studies that can be completed within a year by an individual researcher to more extensive collaborative studies that last several years.

Funding Priorities and Eligibility: At the time of this report's publication the Foundation has not established specific research funding priorities; projects originate from research ideas initiated in the field by scholars and other researchers. Applicants should check the Foundation's web page, however, for the latest information regarding funding priorities. Ordinarily, principal investigators applying for a Major Research Grant must be affiliated with a college or university, a research facility, a school district, or a cultural institution. Researchers must also have an earned doctorate in an academic discipline or professional field or appropriate experience in the teaching profession.

Restrictions: The Foundation normally does not grant funds to maintain organizations or the institutional infrastructure of educational research, nor does it fund direct interventions or evaluations of programs. Grantees may not receive two research grants simultaneously from the Spencer Foundation. Please note that the Foundation does not pay government-approved overhead rates on research grants; overhead requests on Major Research Grants of more than \$75,000 may not exceed 15 percent of the requested direct costs. The Foundation does not pay indirect costs on research grants of \$75,000 or less.

Application Procedure: Since the Foundation does not accept fully developed proposals unless it has requested them, applicants seeking research support from the Major Research Grants Program are asked to submit a brief preliminary proposal. Preliminary proposals should be no more than 1,800 words in length. Within those limits, we request the following information:

- a brief description of the project, its central research question(s) and their significance, the relationship of the proposed study to a defined literature or research area, and the new knowledge expected to result from it;
- a concise summary of the conceptual framework, research methods, data collection instruments, and modes of analysis that the project will employ;
- a clear identification of the principal investigator(s) and a clear definition of the role(s) he/she and any supporting researcher(s) will play; and
- an estimate of the time frame for the project and the approximate cost, including the approximate amount to be sought from the Spencer Foundation.

Attachments must include:

- the curriculum vita(e) of the principal investigator(s); no longer than 6 pages; and
- phone number(s), fax number(s) and email address(es) where investigator(s) may be reached.

Inquiries and preliminary proposals are welcome at any time and should be addressed to: **Major Research Grants Program, The Spencer Foundation, 875 North Michigan Avenue, Suite 3930, Chicago, Illinois 60611-1803.**

Small Research Grants

The Foundation's Small Research Grants Program supports short-term research projects (two years or less) that require no more than \$40,000 to complete. The program is appropriate for modest-sized research projects, exploratory studies, specific phases of larger investigations, and projects that arise in response to unusual opportunities. The Small Research Grants Program encourages researchers with diverse perspectives to develop ideas and approaches that extend the conventional boundaries of a research question, area, or method. The program supports individual efforts as well as collaborations.

Eligibility: Applicants must possess an earned doctorate and be affiliated with a college, university, school, or cultural institution. Educators currently employed in K-12 settings who are not pursuing a graduate degree are also eligible. Principal investigators may only receive one Small Research Grant every five years.

Restrictions: Grantees are not permitted to receive two research grants simultaneously from the Spencer Foundation. Grants made under this program range from \$1,000 to an upper limit of \$40,000. Projects may not last longer than two years. Please note that the Foundation does not pay indirect costs in the Small Research Grants Program. Researchers seeking support for their doctoral dissertation should apply to the Spencer Dissertation Fellowship Program.

Application Procedure: Unlike the Major Research Grants Program, a preliminary proposal is not required. Proposals for support from the Small Research Grants Program should be in the form of a statement with attachments. The statement should not exceed 1,800 words in length (double-spaced, single-sided pages, which do not include the attachments listed below) and should provide clear information on the following:

- a description of the issue that the project will address and justification of its significance;
- a brief summary of the relevant literature and the proposed research's relationship to it;
- a concise statement of the project's research question(s);
- a detailed description of the project's research design and conceptual framework; and
- a discussion of the new knowledge about education expected to result from the project.

Attachments must include:

- a one-paragraph summary of the project, written for the interested, informed lay person;
- a detailed budget for the project;
- approval of the budget from the appropriate financial officer of the institution;
- the curriculum vita(e) of the principal investigator(s); no longer than 6 pages; and
- phone number(s), fax number(s) and email addresses where investigator(s) may be reached.

Three copies of the proposal and attachments are requested. Please note that proposals exceeding the prescribed limit of 1,800 words will not be reviewed. Insofar as it is feasible, decisions about proposals that include all the information requested above will be made within approximately four months of their receipt.

Inquiries and proposals are welcome at any time and should be addressed to: **Small Research Grants Program, The Spencer Foundation, 875 North Michigan Avenue, Suite 3930, Chicago, Illinois 60611-1803.**

FELLOWSHIPS

Directions, Highlights, and Grant Application Procedures

From its inception, the Foundation recognized the importance of providing support for promising researchers interested in educational issues as a means of improving both the quality of educational research and quantity of strong scholars interested in tackling the difficult problems associated with understanding and improving education. Faced with a steady decline in other organizations' support of education research and training, the Foundation developed programs, targeted at various stages of the scholarly career, to support the growth and development of the educational research community. The Foundation's fellowship programs provide scholars with financial resources needed to help support full-time scholarly work and access to professional communities that help broaden fellows' perspectives on their work.

Across all fellowship programs, the interdisciplinary character of the cohorts of fellows supported by Spencer reflects the Foundation's aim to develop the highest level of research scholarship in education by building a strong community of scholars, both from traditional social science disciplines and in departments and schools of education. The Foundation has long believed that the study of education can best be served by drawing on the divergent disciplinary and methodological perspectives of scholars from many fields. In addition, the Foundation has acknowledged the importance of the social dimension of scholarship and has valued activities that bring fellows together with other scholars to deepen their understandings of the issues they address in their own intellectual work. The Foundation remains committed to drawing scholars from a variety of disciplines and, within its fellowship programs, to developing inter-disciplinary "communities of practice" that can bring a diversity of perspectives to bear on the complex and difficult issues related to educational improvement. As in our grants programs, fellowship programs invite investigator-initiated proposals from scholars studying education, broadly conceived.

Within fellowships, the Foundation has conceptualized the scholarly career in a series of distinct stages and has designed programs of support and professional development for scholars at different periods of their professional lives. One fellowship program, the Spencer Dissertation Fellowship Program, is administered directly by the Foundation. Three others, the National Academy of Education/Spencer Postdoctoral Fellowships, the American Educational Research Association/Spencer Pre-Dissertation Research Fellowships, and the Spencer Fellows at the Center for Advanced Study in the Behavioral Sciences, are administered by outside agencies on behalf of the Foundation.

The **Spencer Foundation Dissertation Fellowship Program**, established in 1987, serves advanced doctoral students. The program is designed to identify emerging scholars from education and to attract talented young scholars from other fields to the study of educational issues. It also seeks to help fellows develop professionally in order to sustain their interests in educational inquiry. Each year, approximately thirty fellows are selected from a pool of about 600 applicants. Fellows represent a variety of intellectual and disciplinary perspectives: roughly half are drawn from departments and schools of education, and half are drawn from traditional social science and humanities disciplines. Each fellow receives a stipend of \$20,000 and is invited to a series of meetings designed to introduce the fellows and their work to each other and to other scholars. This fellowship is intended to support the writing of the dissertation during the last year(s) of graduate work. The 2004-2005 fellows are listed on pages 24 and 25.

Begun in 1996, the **American Educational Research Association (AERA)/Spencer Pre-Dissertation Fellowship Program** has supported doctoral students who are in the early stages of their professional studies.

The program was administered by AERA. Each year, fifteen to eighteen fellows, from education as well as the disciplines, were selected from a pool of approximately 250 applicants. Applications to this program are no longer being accepted. Fellows for 2003-2004 are listed on pages 25 and 26.

The **National Academy of Education/Spencer Postdoctoral Fellowship Program** is designed to strengthen education research and scholarship through the support of talented postdoctoral scholars with interests in education. The program was established in 1972 and has been administered by NAE throughout its history. From a pool of approximately 200 applicants in education and the disciplines, approximately thirty early career scholars (within five years of receipt of the doctoral degree) are awarded fellowships each year. The stipend of \$50,000 is intended to provide support for one full year (or two years half time) of research and writing. In addition, fellows are invited to participate in a program of activities designed to strengthen their affiliation with the professional community of educational research. The 2003-2004 fellows are listed on page 26.

Since 1971, three to five senior scholars with interests in education have been supported annually as **Spencer Fellows at the Center for Advanced Study in the Behavioral Sciences (CASBS)**. Spencer fellows are part of an interdisciplinary community of approximately forty-five Center fellows in residence for nine to twelve months. The stipend provided allows fellows the opportunity to devote an extended period of time to their own scholarly work as well as to broaden their perspectives through interaction with scholars from other disciplines. The program is administered by CASBS. Spencer fellows are identified and selected through CASBS' regular selection process, which includes nominations and peer reviews of scientists and scholars of exceptional accomplishment or promise. Fellows for 2003-2004 are listed on page 27.

Additional information is available on the Foundation's website, at www.spencer.org. In addition, we welcome questions about any of these programs. The Foundation's Fellowship office can be reached at 312-337-7000, extension 6526, or via email at fellows@spencer.org. General application information follows below.

Dissertation Fellowship Program for Research Related to Education

The Dissertation Fellowship Program seeks to encourage a new generation of scholars from a wide range of disciplines and professional fields to undertake research relevant to the improvement of education. These fellowships support individuals whose dissertations show potential for bringing fresh and constructive perspectives to the history, theory, or practice of formal or informal education anywhere in the world.

Funding Priorities. Although the dissertation topic must concern education, graduate study may be in any academic discipline or professional field. In the past, fellowships have been awarded to candidates in anthropology, architecture, art history, economics, education, history, linguistics, literature, philosophy, political science, public health, psychology, religion, and sociology, but eligibility is not restricted to these academic areas. Candidates should be interested in pursuing further research in education once the doctorate is attained.

Eligibility. Applicants must be candidates for the doctoral degree at a graduate school in the United States. These fellowships are not intended to finance data collection or the completion of doctoral coursework, but rather to support the final analysis of the research topic and the writing of the dissertation. For this reason, all applicants must document that they will have completed all pre-dissertation requirements by June 1 of the year in which the fellowship is awarded, and must provide a clear and specific plan for completing the dissertation within a one or two-year time frame.

Restrictions. Fellows' stipends are to support completion of their dissertations and are to be expended within one or two years and in accordance with the work plan provided by the candidate in his/her application.

Fellows may not accept employment other than as described (if any) in the application, nor may they accept other awards providing duplicate benefits without the written permission of the Spencer Program Officer.

Application Procedure. Application materials must be downloaded from the Foundation's website. Fellowship applicants must submit their completed applications online by a fall date designated on the Foundation's website each year. Awards are announced in April.

Inquiries concerning the Dissertation Fellowship Program should be addressed to: **Dissertation Fellowship Program, The Spencer Foundation, 875 North Michigan Avenue, Suite 3930, Chicago, Illinois 60611-1803.**

National Academy of Education/Spencer Postdoctoral Fellowship

Administered by the National Academy of Education, the postdoctoral fellowships are designed to promote scholarship in the United States and abroad on matters relevant to the improvement of education in all its forms. Scholars anywhere in the world who have completed their doctorate within the last five years, and who wish to conduct research related to education, may apply.

Inquiries concerning the Postdoctoral Fellowship Program should be addressed to: **The National Academy of Education, School of Education, New York University, 726 Broadway, Suite 509, New York, New York 10003-6652.**

Spencer Fellows at the Center for Advanced Study in the Behavioral Sciences

Three to five distinguished and/or promising scholars with interests in issues of education, development, cognition, and the social contexts of learning are supported annually as Spencer Fellows at the Center for Advanced Study in the Behavioral Sciences in Stanford, California. Candidates for these residential fellowships are generally nominated by well-known scholars, academic administrators, and former Center Fellows.

Inquiries should be addressed to: **Director, Center for Advanced Study in the Behavioral Sciences, 75 Alta Road, Stanford, California 94305-8090.**

DISSERTATION FELLOWS' RESEARCH PROJECTS

Thirty advanced doctoral students from nineteen institutions were named Spencer Dissertation fellows for 2004-2005. Their research stems from a variety of disciplinary traditions, employs a range of methods, and takes up a diverse set of substantive questions. The research projects summarized below are selected examples of the kinds of studies undertaken by doctoral students supported by the Foundation's Dissertation Fellowship Program this year.

Several dissertations are broadly concerned with issues of **learning and instruction**. One study focuses on improving science education for Native American students by understanding the ways in which culture and practices affect concepts and concept formation in school and community settings. Using interviews and observations in a rural and urban Native American community, Megan Bang of Northwestern University seeks to identify the range of practices and understandings that occur and influence students' conceptual frames in community contexts. Her work then characterizes how these practices and understandings influence and align with classroom science learning. Through a curriculum analysis of traditional science curricula, project-based science curricula, and Native orientated science curricula, Bang explores how the cultural frameworks children bring to the classroom align or conflict with classroom practice and learning. This work explores the relationship between culture, cognition, and science learning and has broad implications for understanding the ways in which classroom settings might be improved for Native American students.

Several of this year's fellows focus their research on **language, literacy, and cognition**, and, more specifically, the teaching and learning of reading. One study investigates the measurable components of reading comprehension among adolescents. Recognizing that approximately 25 percent of students entering high school struggle with reading comprehension, and that little is known about the specific variables that contribute to these students' difficulties, Jennifer Cromley of the University of Maryland at College Park is testing several variations of a newly developed, empirically-based model of reading comprehension. Her work seeks to explain how complex interactions among background knowledge, inferencing, reading strategies, vocabulary, and word reading result in reading comprehension. Her dissertation holds potential to advance our theoretical models of reading comprehension as well as our efforts to improve the education of students who struggle to comprehend what they read.

Other dissertations this year examine issues related to the **teaching profession**. One historical study examines the teaching career of Black South Carolinian Septima Clark, best remembered for her role in developing the Citizenship Schools -- schools which taught disfranchised African Americans how to read and write so that they might register to vote during the civil rights movement of the 1960s. Katherine Mellen Charron of Yale University argues that in designing the citizenship school program, Clark adapted a grassroots political vision forged by Southern Black women teachers, rooted in progressive era conceptions of education, citizenship, and the state, to the opportunities occasioned in the freedom struggle itself by World War II. Placing the organizing tradition of Southern Black teachers and clubwomen at the center of her investigation, Mellen Charron demonstrates that these women's efforts had long-term political consequences.

Several research projects this year address questions of **racial, ethnic, and cultural identity** and the social environment of the classroom. For example, in an ethnographic examination of the recourses that black girls bring to bear on their academic and social lives at an urban elementary school, Glynis O'Garro Joseph of Washington University in St. Louis explores how these students make meaning of their experiences. Her work aims to understand how these meanings promote or subvert their academic performance and social development. In addition, her research examines how broader economic, social, and political structures shape these meanings, that is, how these larger forces shape the range of choices available to black girls, the decisions they make in school, and how these are interpreted by others. Data from participant observations, open-ended

and semi-structured interviews, student-generated collages, official and informal documents, and statistical records provide the basis for an analysis of specific social and academic behavior patterns that structure the school lives of black girls. Her study thus serves to clarify how these girls contribute to or ameliorate racial gaps in academic performance and what this means for them as students.

Other dissertation research this year is focused on issues of **social policy, politics, and educational reform**. One study seeks to add to our understanding of one of the most hotly debated initiatives in American educational policy, school choice. While researchers have examined the potential benefits and pitfalls of school choice for student achievement and for the governance and effectiveness of schools, very few have addressed the association between school choice and community. Douglas Lauen of the University of Chicago addresses this gap in the literature by examining the impact of school choice on important features of Chicago neighborhood communities between 1988 and 2004. On the one hand, school choice may be viewed as detrimental to neighborhood community in that the decline of neighborhood schooling could disrupt social solidarity. On the other hand, if schooling options are related to residential mobility, school choice could preserve neighborhoods by allowing families to exercise school instead of residential choice. Lauen's goal is to sort through these and other competing hypotheses about the effect of school choice, in the form of within-neighborhood changes in school enrollment patterns, on various features of neighborhood communities such as crime, collective efficacy, social capital, property values, and collective action.

Other work this year explores issues in **higher education**. One study examines the evolving relationship in the U.S. between higher and secondary education from 1870 to 1915. Marc VanOverbeke of the University of Wisconsin-Madison argues that this was a decisive period in American education, and one that influenced the development of courses of study, high school graduation requirements, and college entrance standards. By analyzing national committees and reports, regional approaches in New England, the South, and the Midwest, and state inspection programs in Michigan, Wisconsin, and Illinois, the study illustrates how these regions and states developed innovative programs and struggled with articulation of the secondary/post-secondary nexus in unique and illuminating ways. Because the literature on this period focuses minimally on secondary school/university interaction, and ignores important regional and state efforts to articulate education, this dissertation furthers our understanding of the relationship between secondary and higher education and the effect of this relationship on current standards for high school graduation and college access.

Finally, a few studies focus on the nature of **education in non-U.S. contexts**. To deepen and reconsider our understanding of parental involvement in education, one dissertation examines South Korean mothers' involvement in the private, after-school education market. South Korea today faces an educational crisis: the "exit" of its populace from the public school system. Across the class spectrum, South Koreans are transferring their time, resources, and energy to the rapidly growing private after-school educational market, while keeping their children in public school. So Jin Park of the University of Illinois, at Urbana-Champaign focuses on mothers of various class backgrounds and their management of their children's education in this private after-school market. Drawing on two years of ethnographic research on elementary school mothers, their children, and a broad range of after-school programs, she examines the changing nature of educational inequality in South Korea. Her research offers a window on a pivotal moment in the neo-liberal transformation of Korean education in which new languages about educational equality are being articulated. The effects of these transformations are profoundly mediated by class differentiation. Her work contributes to our understanding of these phenomena by critically engaging the theorization of class differentiation, the literature on parental involvement in schooling, and the social scientific analysis of South Korean education.

REPORT ON INSTITUTIONAL INITIATIVES

Directions and Highlights

Programs that focus on improving the preparation of education researchers through strengthened institutional initiatives are part of the goals of three invitational programs of the Foundation: the Research Training Grant Program, the Discipline-Based Scholarship in Education Program, and the Russian Training and Fellowship Program. Through these programs, the Foundation aims to enrich the preparation of early-career scholars within the larger education research community by providing financial support for individuals to engage in full-time graduate study, by strengthening programs of preparation at institutions, and by encouraging new researchers in the disciplines to work on education issues.

Research Training Grant Program

The Research Training Grant Program provides awards to schools of education to support the doctoral training of education researchers. Introduced in 1994, the RTG program is one of several Foundation efforts intended to address the continuing decline in financial support for education research in general and the training of researchers in education in particular. The program's goals, designed to support institutional efforts to enhance the doctoral training of education researchers, are: (1) to enhance the research training of graduate students in education by providing financial aid to students so that they can study full time and by developing strong cohorts or communities of inquiry among graduate students and professors, (2) to develop a larger and stronger national community of inquiry, (3) to stimulate reflection on and conversation about doctoral preparation in education, and (4) to generate and diffuse knowledge about research training. Proposals are accepted at the invitation of the Foundation. New proposals are not being invited at this time.

INDIANA UNIVERSITY DISCIPLINE-BASED SCHOLARSHIP IN EDUCATION PROGRAM

Indiana University's Discipline-Based Scholarship in Education Program is working to create an inter-school research community that draws on the strong theoretical traditions of the social sciences while addressing important issues of educational policy and practice. The program involves a collaboration between faculty and students in both the Department of Sociology and the Department of Educational Policy Studies in the School of Education. Core elements include rigorous cross-field training and research experiences for graduate students, an internal colloquium series, invited speakers, and faculty research funds for collaborative work. By building bridges across institutional divides, Indiana expands on strengths in each department, enabling faculty and students to conduct research that is simultaneously theoretically informed and policy relevant.

Discipline-Based Scholarship in Education Program

The Discipline-Based Scholarship in Education Program is part of the portfolio of institutional initiatives aimed at improving research training in education. Launched in 2001, the program seeks to promote or

reinforce communication and collaboration among researchers housed in different disciplinary departments across the university, or between disciplinary departments and schools or departments of education. Grants made under this program reflect the Foundation's commitment to helping develop scholars who can approach education problems from multiple perspectives. A small set of grants have been made to institutions that designed research and training programs aimed both at faculty and at students. These initial awards represent a mix of disciplines, thematic foci, and institutional arrangements. Proposals are accepted only at the invitation of the Foundation.

PROMOTING SOCIAL STUDIES OF EDUCATION IN RUSSIA

With establishment of the Fellowship and Training Program in Russia four years ago, more than seventy dissertation-writing and post-doctoral fellows from institutions of higher education in various Russian provinces, in addition to those from Moscow and St. Petersburg, have been supported to carry out social studies of education – work in history, sociology, anthropology, economics of education, and education policy studies. Over this time, fellows' work has clustered around a few key themes. A number of research projects have inquired about the transformation in academic culture in Russian post-secondary and higher education as well as changes in support for research in the post-Soviet period. Other research projects have focused on the history of Russian education in the 18th to early-20th century; another set of studies investigates education issues related to particular populations of students – ethnic minority children, female students, and children with special needs. In the three-year grant period remaining, the program will maintain support for social studies of education as it shifts to supporting larger numbers of research-writing grants. The project is directed by Daniel Alexandrov, associate professor of sociology at European University at St. Petersburg, with assistance from Alexei Kouprianov.

Russian Training and Fellowship Program

Through a grant to European University at St. Petersburg, the Russian Training and Fellowship Program aims to foster development of an emergent research community in Russia focused on social studies of education. Introduced in 2000, the program supports early-career scholars who bring the research traditions of sociology, history, anthropology, and other social sciences to the study of education and educational change and their research; provides support for developing research agendas on the cutting edge of current research; and sustains a research community focused on the social studies of education through conferences, international exchanges, and other professional development opportunities. To facilitate these purposes, the program awards dissertation-writing and post-doctoral research fellowships, organizes workshops and summer schools for young researchers, supports scholarly publications produced by fellows, and fosters international exchanges.

2004 GRANTS AUTHORIZED

RESEARCH GRANTS

MAJOR GRANTS

David E. Lavin and Paul Attewell

Passing the Torch: Does Higher Education for the Disadvantaged Pay Off Across the Generations?

Doctoral Program in Sociology
Graduate School and University Center,
City University of New York
\$204,150

Arthur J. Baroody and Kelly S. Mix

Key Transitions in Preschoolers' Number and Arithmetic Development: The Psychological Foundations of Early Childhood Mathematics Education

Department of Curriculum and Instruction
University of Illinois at Urbana-Champaign
\$460,050

Mary Kay Stein and Cynthia Coburn

Toward Producing Usable Knowledge for the Improvement of Education Practice

Department of Administrative & Policy Studies
University of Pittsburgh
\$396,100

Pamela Grossman

Teaching Practice: Preparation for Practice in Teaching, Clinical Psychology, and the Clergy

School of Education
Stanford University
\$462,700

Susanna Loeb, R. Hamilton Lankford, and James H. Wyckoff

Teacher Preparation: Does Pathway Make a Difference

School of Education
Stanford University
\$648,150

Joseph P. McDonald

Cities and Their Schools

Department of Teaching and Learning
New York University
\$190,300

Heidi McGregor

JSTOR Education Collection

JSTOR
\$400,000

John Robert Warren

High Stakes Graduation Tests and High School Dropout, 1977-2001

Department of Sociology
University of Minnesota
\$102,050

SMALL GRANTS

Janet Wilde Astington, Jodie A. Baird and Joan Peskin

Metacognitive Language Development: A Pathway to School Readiness
Department of Human Development and Applied Psychology
Ontario Institute for Studies in Education
University of Toronto
\$33,910

Angela Calabrese Barton

A Comparative Study: Science Practices in Differing Urban High Poverty Communities
Teachers College, Columbia University
\$34,950

Alexander W. Chizhik

Improving Rural Middle School Students' Access to Science Education: Comparing Open-Structured and Closed-Structured Collaborative Group Science Tasks
School of Teacher Education
San Diego State University
\$32,675

Victor V. Cifarelli

Analysis of Mathematical Problem Posing: Connections between Problem Posing and Solving
Department of Mathematics
University of North Carolina, Charlotte
\$13,025

Mihaly Csikszentmihalyi

The Relationship between Academic Integration, Social Integration, and College Student Persistence and Achievement: An Experience-Sampling Based Pilot Study
Graduate School of Management
Claremont Graduate University
\$31,000

Larry Cuban

Contemporary Teaching Practices
School of Education
Stanford University
\$34,300

George Farkas

Race, Friendship, Tracking, Aspirations, and Achievement
Department of Sociology
Pennsylvania State University
\$34,900

Lamont A. Flowers

Investigating the Effects of College Racial Composition on African American Students' Graduate Record Examination (GRE) Scores
Department of Educational Leadership, Policy, and Foundations
University of Florida
\$35,000

Kent D. Harber

Determining the Cause of the Positive Feedback Bias
Department of Psychology
Rutgers University
\$35,000

Carroll E. Izard

Emotional and Academic Competence during the Transition to Elementary School
Department of Psychology
University of Delaware
\$29,300

Margaret D. Jacobs

White Women and the Education of Indigenous Children in the United States and Australia, 1880-1940
Department of History
New Mexico State University
\$30,625

David Kaiser

Training Quantum Mechanics: Pedagogical Pressures and Curricular Reform in Modern Physics
Program in Science, Technology and Society
Massachusetts Institute of Technology
\$34,360

M. Rebecca Kilburn

Evidence-Based Information on Effective Educational Programs
RAND
Santa Monica, CA
\$34,925

Alison Mackey and Rita Silver

Pedagogical Tasks and English L2 Learning by Immigrant Children in Singapore
Department of Linguistics
Georgetown University
\$34,950

Frances Malino

Teaching Freedom: Jewish Sisters in Muslim Lands
History Department
Wellesley College
\$34,875

Michele C. McLennan and Kneia DaCosta

Gender Separate Education
Department of Economics
Ursinus College
\$35,000

Michele S. Moses

Affirmative Action, Moral Disagreement, and the Future of Race-Conscious Education Policy
Division of Educational Leadership and Policy Studies
Arizona State University
\$35,000

Jana R. Noel

Community Efforts to Create Public Schooling for African American Children in California in the 1850s: Three Case Studies
Department of Teacher Education
California State University, Sacramento
\$27,750

Ikponmwoasa Owie

Social and Cultural Characterizations of the Girl-Child as Predictors of Parental Decision not to Enroll Her in or to Withdraw her from School: Gender Equity in African Education
Faculty of Education
University of Benin
\$29,500

Manuel Ramirez

Investigating the Long Term Effects of a Bilingual Education Model: The Culturally Democratic Learning Environments
Department of Psychology
University of Texas at Austin
\$35,000

Arthur J. Reynolds

Early Childhood Intervention and the Well Being of Incarcerated Participants in the Chicago Longitudinal Study
Waisman Center
University of Wisconsin-Madison
\$34,750

Small Grants

**Kellie Rolstad, Elizabeth B. Swadener,
and Kathryn Nakagawa**

*Experiences of Young Language Learners
in Dual Immersion and Structured
Immersion Settings*
College of Education
Arizona State University
\$34,900

John L. Rudolph

*Epistemology and the Material Dimensions
of School Science: Classroom Apparatus in
the 1960s*
Department of Curriculum and Instruction
University of Wisconsin-Madison
\$33,950

Michael S. Schudson

Beyond the Informed Citizen
Department of Communication
University of California, San Diego
\$25,715

Gloria Soto

*A Preliminary Analysis of the Use of
Narratives at School and Home by
Children who use Augmentative
Communication Systems*
Department of Special Education and
Communication Disorders
San Francisco State University
\$35,000

Wayne J. Urban

*Educators and Educational Policy: William
G. Carr and the Educational Policies
Commission, 1936-1968*
Department of Educational Policy Studies
Georgia State University
\$34,390

Sheila W. Valencia and Karen K. Wixson

*The Rush for Oral Reading Fluency: Issues
of Assessment and Implications for
Classroom Instruction*
Department of Curriculum and Instruction
University of Washington
\$33,100

FELLOWSHIP AWARDS

2004–2005 SPENCER DISSERTATION FELLOWSHIP PROGRAM FELLOWS

Ericka Ann Albaugh

Vocal Tongues and Subtle Say: Educational Language Choice in Cameroon, Senegal and Ghana

Political Science Department
Duke University

Megan Elisabeth Bang

Epistemology, Cognition, and Practice in Community and School Settings: Improving Science Education for Native Americans
School of Education and Social Policy
Northwestern University

Karen Alliene Benjamin

Progressivism Meets Jim Crow: Public School Reform in the Urban South, 1925-1955
Educational Policy Studies and Department of History
University of Wisconsin-Madison

Nathaniel James Swanton Brown

Characterizing and Measuring Student Conceptions of Chemical Equilibrium
Graduate Group in Science and Mathematics Education (SESAME)
University of California, Berkeley

Katherine Mellen Charron

Teaching Citizenship: Septima Clark and the Transformation of the African American Freedom Struggle
Department of History
Yale University

Christina M. Collins

Ethnically Qualified: The Changing Face of Teaching in New York City Public Schools, 1896-1980
Department of History and Graduate School of Education
University of Pennsylvania

Maricela Correa

Cultural Variation in Children's Observation of a Task That Was Not Intended for Them
Psychology Department
University of California, Santa Cruz

Jennifer Grace Cromley

Reading Comprehension Component Processes of Early Adolescents
Department of Human Development
University of Maryland at College Park

Andrew Dean Ho

The Influence of Testing on Opportunity to Learn: An Analysis Using Multidimensional Item Response Models
School of Education
Stanford University

Glynis Sabrina O'Garro Joseph

An Ethnographic Study of the 'Invisible Presence' of Black Girls in a Suburban Elementary School
Department of Education
Washington University in St. Louis

Sean Patrick Kelly

Race, Social Class, Student Engagement, and the Development of Unequal Literacy Skills During the Middle School Years
Department of Sociology
University of Wisconsin-Madison

Martin Kreidl

Communist Affirmative Action in Education: Success or Failure? Inequality in Access to Secondary and Post-Secondary Education in Countries of the Former Soviet Bloc, 1948-1989
Department of Sociology
University of California, Los Angeles

Michal Kurlaender

Reinforcing Disadvantage or Increasing Opportunity? Alternative Routes to Educational Attainment
Graduate School of Education
Harvard University

Douglas Lee Lauen

The Hidden Consequences of School Choice on Segregation and Neighborhood Life in Chicago
Department of Sociology
University of Chicago

Thomas Hughes Levine

Collaborating for Equity: Exploring the Influence of Teachers' Joint Work on Classroom Practice
School of Education
Stanford University

Christine P. Li-Grining

Social Foundations of Early Academic Success among Low-Income Children: The Role of Self-Regulation & Home, School, & Policy Contexts
School of Education and Social Policy
Northwestern University

Lorena M. Llosa

Assessing the English Proficiency of English Learners: A Longitudinal Comparison of Two High-Stakes, Standards-Based Assessments
Department of Applied Linguistics and Teaching English as a Second Language
University of California, Los Angeles

Nancy L. Luxon

'The Impossible Professions': Freud and Foucault on Doctors, Educators and Ethical Subjectivity
Department of Political Science
University of California, San Diego

Jordan Dmitri Matsudaira

The Impact of Mandatory Summer School and Bilingual Education Programs on Student Achievement: Evidence from Regression-Discontinuity Analysis
Department of Economics and School of Public Policy
University of Michigan

Allison Nicole McKie

Effects of Teacher Salaries on Teacher Qualifications: Evidence from State-Mandated Salary Increases
Department of Economics
Massachusetts Institute of Technology

Erik C. Owens

Religion, Democracy and Civic Education in American Public Schools
Divinity School
University of Chicago

Spencer Dissertation Fellows

Hyunjoon Park

Higher Mean and Lower Variation in Student Achievement: Explaining East Asian 'Exceptionalism'

Department of Sociology
University of Wisconsin-Madison

So Jin Park

The Retreat from Public Schooling: South Korean Mothers' Involvement and Class Differentiation in the Private After-School Educational Market

Department of Anthropology
University of Illinois at Urbana-Champaign

Erendira Rueda

Processes of School Engagement among Children of Low-Income Mexican Immigrant Families in the East Bay

Department of Sociology
University of California, Berkeley

Natasha Borges Sugiyama

Explaining Social Policy Diffusion in Brazil: Bolsa Escola and Programa Saúde da Família

Department of Government
University of Texas at Austin

Marc A. VanOverbeke

Climbing the Ladder: The Evolving Relationship between Secondary and Higher Education, 1870-1915

School of Education
University of Wisconsin-Madison

Gregory Walton

Motivation in the Social World: How Social Identity Fosters Academic Motivation

Department of Psychology
Yale University

Kate Greeley Willink

Desegregation, Dialogue, and Difference: An Oral History of Camden County, North Carolina

Department of Communication Studies
University of North Carolina at Chapel Hill

Matthew J. Wiswall

Balancing Preparation and Recruitment: A Comparison of Certification Policies and their Effect on Teacher Quality

Department of Economics
University of California, Los Angeles

Viki M. Young

Data-Driven Instruction: Building a Practice-Based Theory

School of Education
Stanford University

2003–2004 AMERICAN EDUCATIONAL RESEARCH ASSOCIATION/SPENCER PRE-DISSERTATION FELLOWS

Sarah E. Bennison

Education for "Civilization": Missionary Education Among the Lakota Sioux, 1880-1920

History of Education
New York University

Janice Bloom

Bridges to the Future: Young People and Transitions to Higher Education in the 21st Century

Department of Urban Education
City University of New York

Charlene Catherine Bredder

Constructing Learning Through Practice: Homeschool Parents' and Public School Parents' Understanding of the Meaning of Education

Department of Sociology
University of California, San Diego

Lori Chajet

The Power and Limits of Progressive Small School Reform: An Exploration of Post-Secondary Experiences of Graduates

Department of Urban Education
City University of New York

Maritza De La Trinidad

Collective Outrage: Mexican Americans and the Fight for Educational Equality in a Tucson Public School District

Department of History
University of Arizona

Greta Doctoroff

The Relation Between Observed Parenting, Behavior Problems, and Academic Development in Elementary School Children

Department of Psychology
University of Massachusetts, Amherst

Thurston Domina

The New Cosmopolitans: Understanding the American Rural Brain Drain

Graduate Center Ph.D. Program in Sociology
City University of New York

Kavita Kapadia

Selecting and Preparing Teachers to Work in Urban Schools

Department of Sociology and Center for School Improvement
University of Chicago

Tanya Kravatz

The Quest for Critical Pedagogy in Secondary School Education

Department of Sociology
University of California, San Diego

Heather Lewis

From Protest to Pedagogy: The Community Control Movement and its Influence on District Reform in New York City, 1965-1995

The Steinhardt School of Education
New York University

Jennifer Poole

Gender Equity and Economic Development

Department of Economics
University of California, San Diego

Rosita Ramirez

Policymaker, Educators, and Students Responses to the CAHSEE, Particularly as it Affects the English Language Learner Latino/a Student Population

Gevirtz Graduate School of Education
University of California, Santa Barbara

Lauren Ross-Feldman

Gender in Second Language-Learner Interactions

Department of Linguistics
Georgetown University

AERA/Spencer Foundation Pre-Dissertation Research Fellows

Mariann Skahan

Native American Heritage Language Programs in New Mexico: Redefining the Parameters of Tribal/State Control
Department of Anthropology
University of New Mexico

W. Jason Stegemoller

Adolescent Immigrant Second Language Literacy Development
Department of Curriculum and Instruction
University of Illinois at Urbana-Champaign

Andrea S. Wilson

The Effects of Forced Relocation on Adolescents Formerly Residing in the Robert Taylor Homes
College of Education
University of Illinois at Urbana-Champaign

2003–2004 NATIONAL ACADEMY OF EDUCATION/SPENCER
POSTDOCTORAL FELLOWS

Yuko Goto Butler

In Search of “Post Native Models” of Teaching English as an International Language: East Asian Perspectives
Graduate School of Education
University of Pennsylvania

Michael Inzlicht

Losing Self-Control: The Impact of the Gender, Racial, or Ethnic Makeup of a Classroom
Department of Psychology
Wilfrid Laurier University
Ontario, Canada

Michele S. Moses

Moral Disagreement, Affirmative Action, and Meaningful Educational Opportunity
Department of Educational Leadership and Policy Studies
Arizona State University

David Edward Campbell

Civic Norms in America’s Schools
Department of Political Science
University of Notre Dame

Nan Jiang

Conceptual Development in Adult Second Language Learning
Department of Applied Linguistics
Georgia State University

Ann Louise Mullen

Gender, Socio-Economic Status, and the Link Between Higher Education and Career Choice
Department of Social Sciences
University of Toronto, Scarborough

Marie Elizabeth Coppola

Developmental, Cross-Cultural, and Familial Influences on Deaf Children’s Gesture Communication Systems (Home Signs)
Department of Psychology
University of Chicago

Tami Katzir

Reading Fluency: The Whole is More Than its Parts. A Cross-Linguistic Investigation of Reading Fluency
Graduate School of Education
Harvard University

John L. Rudolph

Apparatus and Epistemology: The Material Dimensions of the Science Classroom in the 1960s
Department of Curriculum and Instruction
University of Wisconsin-Madison

Christina Alix de Bellaigue

Behind the School Walls? A Comparative Study of Girls’ Education in England and France, c. 1810-1867
History Department
Oxford University

Jee-Seon Kim

Testing the Impact of Omitted School Variables in Hierarchical Linear Models and Obtaining Robust Statistical Estimators
Department of Educational Psychology
University of Wisconsin-Madison

Diana M. Selig

Cultural Gifts: American Liberals and the Origins of Multiculturalism, 1924-1945
History Department
Claremont McKenna College

Vanessa L. Fong

The Motivations and Experiences of Youth From the People’s Republic of China Who Study in First World Countries
Graduate School of Education
Harvard University

Ruth N. Lopez Turley

When College Proximity Matters
Sociology Department
University of Wisconsin-Madison

Thomas Max Smith

Will They Stay or Will They Go? Using Organizational Theory to Examine Policy Effects on New Teacher Turnover
Department of Leadership, Policy, and Organizations
Vanderbilt University

David A. Gamson

The District Undone: Reorganizing, Reforming, and Reinventing the American School District, 1925-2005
Department of Educational Policy Studies
Pennsylvania State University

Mairead Finola MacSweeney

Exploring the Contribution of Phonological Processing to Reading in People Born Profoundly Deaf
Behavioural and Brain Sciences Unit
University College London

Olga Gilbo Solomon

The “Rapid Prompting” Method of Communicating with Severely Autistic Children: A Language Socialization Study
Anthropology Department
University of California, Los Angeles

Leslie Morrison Gutman

Understanding the Effects of School Context on the Academic Achievement of African American and White Students
Center for Human Growth and Development
University of Michigan

Yolanda Jean Majors

A Study of Working Intelligence
Department of Language Education
University of Illinois at Chicago

2003–2004 SPENCER FELLOWS AT THE CENTER FOR THE ADVANCED STUDY IN THE BEHAVIORAL SCIENCES

Joanne T. Boaler

*Mathematics Education, Gender Equity,
and Teacher Education*
School of Education
Stanford University

Carol D. Lee

Cultural Supports for Literacy Learning
School of Education and Social Policy
Northwestern University

Elizabeth D. Peña

*Bilingualism and Language Impairment
in Children*
Department of Communication Sciences
and Disorders
University of Texas, Austin

INSTITUTIONAL INITIATIVES

RESEARCH TRAINING GRANTS

**Graduate School of Education
University of California, Berkeley**
Berkeley, California

**Graduate School of Education and
Information Studies
University of California, Los Angeles**
Los Angeles, California

**Faculty of Humanities
University of Cape Town***
Cape Town, South Africa

**Language Development Group
University of Cape Town**
Cape Town, South Africa

**Teachers College,
Columbia University**
New York, New York

**School of Education
University of Durban, Westville* ****
Durban, South Africa

**Division of Educational Studies
Emory University**
Atlanta, Georgia

**Graduate School of Education
Harvard University**
Cambridge, Massachusetts

**College of Education
Michigan State University**
East Lansing, Michigan

**School of Education
University of Michigan**
Ann Arbor, Michigan

**School of Education
University of Natal* ****
Durban, South Africa

**School of Education and Social Policy
Northwestern University**
Evanston, Illinois

**Graduate School of Education
University of Pennsylvania**
Philadelphia, Pennsylvania

**School of Education
Stanford University**
Stanford, California

**School of Education
University of the Western Cape***
Bellville, South Africa

**School of Education
University of Wisconsin-Madison**
Madison, Wisconsin

**School of Education
University of the Witwatersrand***
Johannesburg, South Africa

* Member, South African Consortium
** As of January, 2004, known as
University of KwaZulu-Natal

CONFERENCE GRANTS RELATED TO RESEARCH TRAINING

**Discipline-Based Scholarship in
Education Grantees Meeting,
April 23-25, 2004**
Indiana University

**Sixth Planning Retreat for RTG
Deans/Directors
January 8-10, 2004**
Division of Educational Studies
Emory University

DISCRETIONARY GRANTS

Raymond F. Bacchetti and Thomas Ehrlich

Foundations and Education
The Carnegie Foundation for the Advancement of Teaching
\$50,000

Deborah Loewenberg Ball, David Eisenbud and Alan H. Schoenfeld

Assessing Mathematical Proficiency
Mathematical Sciences Research Institute
\$20,000

David L. Dodson and Joan Lipsitz

State of the South 2004
MDC, Inc.
\$5,000

Suzanne Donovan

Strategic Education Research Partnership Launch Phase
National Academy of Sciences
\$50,000

Marianne Eby

Support for the 2004 Annual IS Conference
Independent Sector
\$20,000

Joseph Featherstone

North Dakota Study Group Oral History Project
Department of Teacher Education
Michigan State University
\$25,000

Richard H. Hersh

The Value-Added Project
Council for Aid to Education
\$9,400

John F. Jennings

Monitoring and Reporting on the No Child Left Behind Act
Center on Education Policy
\$25,000

Diana Lauber

Central Office Redesign Project
Cross City Campaign for Urban School Reform
\$35,000

Robert A. LeVine

Maternal Literacy in Comparative Perspective
Graduate School of Education
Harvard University
\$50,000

Felice J. Levine

Support for the 4th and 5th Annual AERA-Hechinger Symposia
American Educational Research Association
\$20,000

Claire Melican

Revise and Renorm the Test of Understanding in College Economics
National Council on Economic Education
\$40,000

Ann Mullin

An External Evaluation of CATALYST Newsmagazine
The Cleveland Foundation
\$9,000

Pedro Pedraza

National Latino Education Research Agenda Project
Hunter College, City University of New York
\$20,000

C. Cybele Raver

No Child Left Behind: Developmental, Economic and Policy Perspectives
Center for Human Potential and Public Policy
University of Chicago
\$10,000

Rossi Ray-Taylor and John B. Diamond

Teachers as Leaders for School Change: Using Research to Change Practice
Minority Student Achievement Network
\$25,000

John Saltmarsh

International Service-Learning Research Conference
Campus Compact
Brown University
\$38,000

Barbara Schneider

Young Scholars' Workshop to Strategize on Careers in Academics and Research
National Opinion Research Center
University of Chicago
\$3,000

G. Richard Tucker

Developing Dissemination Mechanisms, Targeting Audiences, and Sustaining Dialogue for TIRF
TESOL International Research Foundation
\$20,000

Amy Stuart Wells

In Search of Brown: Reflections on Desegregation from Racially Mixed High Schools
Department of Human Development
Teachers College, Columbia University
\$25,000

DISSEMINATION GRANT

Virginia B. Edwards

Support of Research Coverage in Education Week and of the Planning and Development Phase of a Guide to K-12 Education Issues
Editorial Projects in Education
\$184,280

PHILANTHROPIC GRANTS

Council on Foundations

Washington, DC
\$34,600

The Foundation Center

New York, NY
\$27,500

Independent Sector

Washington, DC
\$12,500

Donors Forum of Chicago

Chicago, IL
\$17,820

Grantmakers for Education

Portland, OR
\$3,500

The Philanthropy Roundtable

Washington, DC
\$1,000

SPENCER-SPONSORED CONFERENCES

The Spencer Foundation periodically organizes conferences, seminars, and meetings on specific topics pertaining to educational research. The purpose of these sessions is to identify and discuss topics that have not yet been explored or require further development and to develop agendas for research bearing on education that might be conducted. Conference agendas, reports, and participant lists may be found on our web site at www.spencer.org.

The Idea of Testing Project

October 2 – 5, 2003

Baltimore, Maryland

and

February 19 – 22, 2004

Berkeley, California

Organizing Committee:

James Gee, University of Wisconsin-Madison

Edward Haertel, Stanford University

Pamela A. Moss, The University of Michigan

Diana C. Pullin, Boston College

Lauren Jones Young, The Spencer Foundation

GRANTEE PUBLICATIONS RECEIVED

April 2003 through March 2004

Kathryn Anderson-Levitt (Ed.)

Local Meanings, Global Schooling: Anthropology and World Culture Theory
Palgrave MacMillan, Division of St. Martin's Press
New York, New York, 2003

James A. Banks (Ed.)

Diversity and Citizenship Education: Global Perspectives
Jossey-Bass: A Wiley Imprint
San Francisco, California, 2004

Julie Bettie

Women without Class: Girls, Race, and Identity
University of California Press
Berkeley, California, 2002

Judith R. Blau

Race in the Schools: Perpetuating White Dominance?
Lynne Rienner Publishers
Boulder, Colorado, 2003

David C. Brotherton and Luis Barrios

The Almighty Latin King and Queen Nation: Street Politics and the Transformation of a New York City Gang
Columbia University Press
New York, New York, 2004

Joan DelFattore

The Fourth R: Conflicts Over Religion in America's Public Schools
Yale University Press
New Haven, Connecticut, 2004

M.S. Donovan, A.K. Wigdor, and C.E. Snow (Eds.)

Strategic Education Research Partnership
The National Academies Press
Washington, DC, 2003

M. Suzanne Donovan and James W. Pellegrino, (Eds.)

Learning and Instruction: A SERP Research Agenda
The National Academies Press
Washington, DC, 2004

Gili S. Drori, John W. Meyer, Francisco O. Ramirez, and Evan Schofer

Science in the Modern World Polity: Institutionalization and Globalization
Stanford University Press
Stanford, California, 2003

Marcia Farr (Ed.)

Ethnolinguistic Chicago: Language and Literacy in the City's Neighborhoods
Lawrence Erlbaum Associates, Publishers
Mahwah, New Jersey, 2004

Wendy Fischman, Becca Solomon, Deborah Greenspan, and Howard Gardner

Making Good: How Young People Cope With Moral Dilemmas at Work
Harvard University Press
Cambridge, Massachusetts, 2004

Rachel Joffe Flamagne and Marjorie Hass

Representing Reason: Feminist Theory and Formal Logic
Rowman & Littlefield Publishers
Lanham, Maryland, 2003

Howard Gardner

Changing Minds: The Art and Science of Changing Our Own and Other People's Minds
Harvard Business School Press
Cambridge, Massachusetts, 2004

Gerald Graff

Clueless in Academe: How Schooling Obscures the Life of the Mind
Yale University Press
New Haven, Connecticut, 2003

Louis Kontos, David Brotherton, and Luis Barrios (Eds.)

Gangs and Society: Alternative Perspectives
Columbia University Press
New York, New York, 2003

Annette Lareau

Unequal Childhoods: Class, Race, and Family Life
University of California Press
Berkeley, California, 2003

Kathleen A. Mahoney

Catholic Higher Education in Protestant America: The Jesuits and Harvard in the Age of the University
The Johns Hopkins University Press
Baltimore, Maryland, 2003

Kevin McDonough and Walter Feinberg (Eds.)

Education and Citizenship in Liberal-Democratic Societies: Teaching for Cosmopolitan Values and Collective Identities
Oxford University Press
New York, New York, 2003

Richard M. Merelman

Pluralism at Yale: The Culture of Political Science in America
The University of Wisconsin Press
Madison, Wisconsin, 2003

David N. Plank and Gary Sykes (Eds.)

Choosing Choice: School Choice in International Perspective
Teachers College Press, Columbia University
New York, New York, 2003

R.J.W. Selleck

The Shop: The University of Melbourne, 1850-1939
Melbourne University Press
Carlton, Victoria, Australia, 2003

Judith D. Singer and John B. Willett

Applied Longitudinal Data Analysis: Modeling Change and Event Occurrence
Oxford University Press
New York, New York, 2003

Jane V. Wellman and Thomas Ehrlich (Eds.)

How the Student Credit Hour Shapes Higher Education: The Tie That Binds
Jossey-Bass: A Wiley Imprint
San Francisco, California, 2003

INDEPENDENT AUDITOR'S REPORT

Board of Directors of
The Spencer Foundation

We have audited the statements of financial position of The Spencer Foundation (an Illinois not-for-profit corporation) as of March 31, 2004 and 2003 and the statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Spencer Foundation as of March 31, 2004 and 2003 and its activities and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Altschuler, Melvoin & Glasser LLP

Chicago, Illinois
May 17, 2004

Altschuler, Melvoin and Glasser LLP
One South Wacker Drive, Suite 800, Chicago, Illinois 60606-3392
312.384.6000 Fax 312.634.3410 www.amgnet.com

STATEMENTS OF FINANCIAL POSITION

(In Thousands of Dollars)

MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Investments, at market value	\$ 397,310	\$ 333,650
Cash	234	306
Other assets	928	1,066
	<u>\$ 398,472</u>	<u>\$ 335,022</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Grants payable	\$ 15,387	\$ 23,937
Accrued expenses	119	124
Accounts payable	166	144
	15,672	24,205
UNRESTRICTED NET ASSETS	<u>382,800</u>	<u>310,817</u>
	<u>\$ 398,472</u>	<u>\$ 335,022</u>

See accompanying notes.

STATEMENTS OF ACTIVITIES

(In Thousands of Dollars)

YEARS ENDED MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
INVESTMENT RETURNS		
Net realized gain on sales of investments	\$ 1,026	\$ 2,518
Net change in unrealized gain (loss) on investments	69,739	(70,796)
Interest income	379	84
Dividend income	9,663	12,407
	<u>80,807</u>	<u>(55,787)</u>
PROGRAM SERVICES		
Grants authorized (grant payments made net of refunds were \$14,592 in 2004 and \$19,963 in 2003)	4,142	9,639
Foundation administered projects	888	1,125
Administrative expenses	3,019	2,966
Investment management expenses	580	600
Current federal excise taxes (benefit)	(106)	437
	<u>8,824</u>	<u>14,204</u>
CHANGE IN NET ASSETS	<u>71,983</u>	<u>(69,991)</u>
Unrestricted net assets		
Beginning of year	<u>310,817</u>	<u>380,808</u>
End of year	<u>\$ 382,800</u>	<u>\$ 310,817</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS

(In Thousands of Dollars)

MARCH 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 71,983	\$ (69,991)
Net realized gains on sales of investments	(1,026)	(2,518)
Net change in unrealized (gain) loss on investments	(69,739)	70,796
Changes in		
Accrued interest and dividends		65
Other assets	138	21
Grants payable	(8,550)	(9,468)
Accrued expenses	(5)	112
Accounts payable	<u>22</u>	<u>2</u>
Net cash used in operating activities	<u>(7,177)</u>	<u>(10,981)</u>
INVESTING ACTIVITIES		
Purchases of investments	(34,663)	(12,407)
Proceeds from sales of investments	<u>41,768</u>	<u>23,333</u>
Net cash provided by investing activities	<u>7,105</u>	<u>10,926</u>
DECREASE IN CASH	(72)	(55)
CASH		
Beginning of year	<u>306</u>	<u>361</u>
End of year	<u>\$ 234</u>	<u>\$ 306</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2004 AND 2003**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities—The Spencer Foundation (the “Foundation”), organized in 1962, is the residuary legatee under the Will of Lyle M. Spencer, deceased. The Foundation was established to support research aimed at the improvement of education. Support is derived primarily from returns on the Foundation’s investments.

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, in accordance with Section 4940(e) of the Code, the Foundation is subject to a federal excise tax of 2 percent of net investment income and net realized taxable gains on security transactions, or 1 percent if the Foundation meets certain specified distribution requirements. The Foundation met the specified requirements for fiscal year 2003 and was subject to a 1 percent federal excise tax. The Foundation was subject to a 2 percent federal excise tax in fiscal 2004.

Financial Statement Presentation—The financial statements have been prepared following accounting principles applicable to nonprofit organizations.

Investments—Marketable securities are carried at market value based on quoted prices. Index funds are carried based on fair values provided by the fund managers. Real estate partnerships are carried at approximate fair value, as determined by the management of the partnerships, using appraised values, and at market value, based on quoted prices. Purchases and sales of securities are recorded on a trade date basis.

Deferred Federal Excise Tax—Deferred federal excise tax represents taxes provided on the net unrealized appreciation on investments, using a rate of 2 percent. The deferred federal excise tax liability is reflected as a reduction of investments in the statement of financial position. The change in deferred taxes is reflected within the change in unrealized gain (loss) on investments in the statements of activities.

Awards and Grants—Awards and grants, including multiyear grants, are considered obligations when approved by the Foundation’s Board of Directors.

Use of Estimates—The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fair Value of Financial Instruments—Substantially all of the Foundation’s assets and liabilities are considered financial instruments and are either already reflected at fair value or are short-term or replaceable on demand. Therefore, their carrying amounts approximate fair value.

NOTE 2 INVESTMENTS

Investments at March 31, 2004 and 2003 are summarized as follows:

	2004		2003	
	Cost	Market or Fair Value	Cost	Market or Fair Value
Marketable securities				
Equity index fund	\$ 218,546,000	\$ 282,088,000	\$ 218,271,000	\$ 212,738,000
Bond fund	111,649,000	114,883,000	117,813,000	119,528,000
Real estate investments	1,292,000	1,374,000	1,481,000	1,384,000
	\$ 331,487,000	398,345,000	\$ 337,565,000	333,650,000
Deferred federal excise tax	-	(1,035,000)	-	-
	\$ 331,487,000	\$ 397,310,000	\$ 337,565,000	\$ 333,650,000

NOTE 3 GRANTS PAYABLE

Grants payable consist primarily of multiyear unconditional grants that are generally payable over one to five years. Management estimates these grants will be paid as follows:

2005	\$ 1,389,000
2006	8,066,000
2007	3,391,000
2008	2,442,000
2009	99,000
	<u>\$ 15,387,000</u>

Grants authorized are shown net of rescissions and refunds of \$1,888,000 in 2004 and \$856,000 in 2003. Payments on authorized but unpaid grants may be accelerated upon mutual agreement between the Foundation and the grantees.

NOTE 4 UNRESTRICTED NET ASSETS

Unrestricted net assets are comprised of the following amounts:

	<u>2004</u>	<u>2003</u>
Principal	\$ 82,203,000	\$ 82,203,000
Cumulative excess of grants and other expenses over revenue (cumulative grants authorized of \$324,509,000 at March 31, 2004)	(197,147,000)	(197,366,000)
Cumulative net realized gains on sales of investments	429,921,000	429,895,000
Unrealized gains (losses) in investment portfolio	65,823,000	(3,915,000)
	<u>\$ 382,800,000</u>	<u>\$ 310,817,000</u>

NOTE 5 RETIREMENT PLANS

The Foundation maintains a defined contribution retirement plan covering all active full-time employees. Under the terms of the plan, the Foundation must contribute specified percentages of an employee's salary. The plan is currently invested in employee-designated individual annuity contracts and various approved mutual funds. The Foundation's contribution to the plan was \$211,000 for fiscal year 2004 (\$209,000 – 2003).

In addition, the Foundation maintains a supplemental retirement plan that allows employees to defer a portion of their pretax salaries. No contributions to this plan are made by the Foundation.

NOTE 6 COMMITMENTS

The Foundation's lease for its office space expires on November 30, 2008. The lease contains an escalation clause which provides for rental increases resulting from increases in real estate taxes and certain other operating expenses. At March 31, 2004, the Foundation had the following commitments for base rentals under the lease:

2005	\$ 465,000
2006	473,000
2007	481,000
2008	478,000
2009	340,000
	<u>\$ 2,237,000</u>

Rent expense was \$459,000 for fiscal year 2004 (\$485,000 – 2003).