

# Sesame Street

**The first TV show to achieve early-childhood learning gains, launched in the United States in the late 1960s, is now viewed by more than 156 million children around the world.**

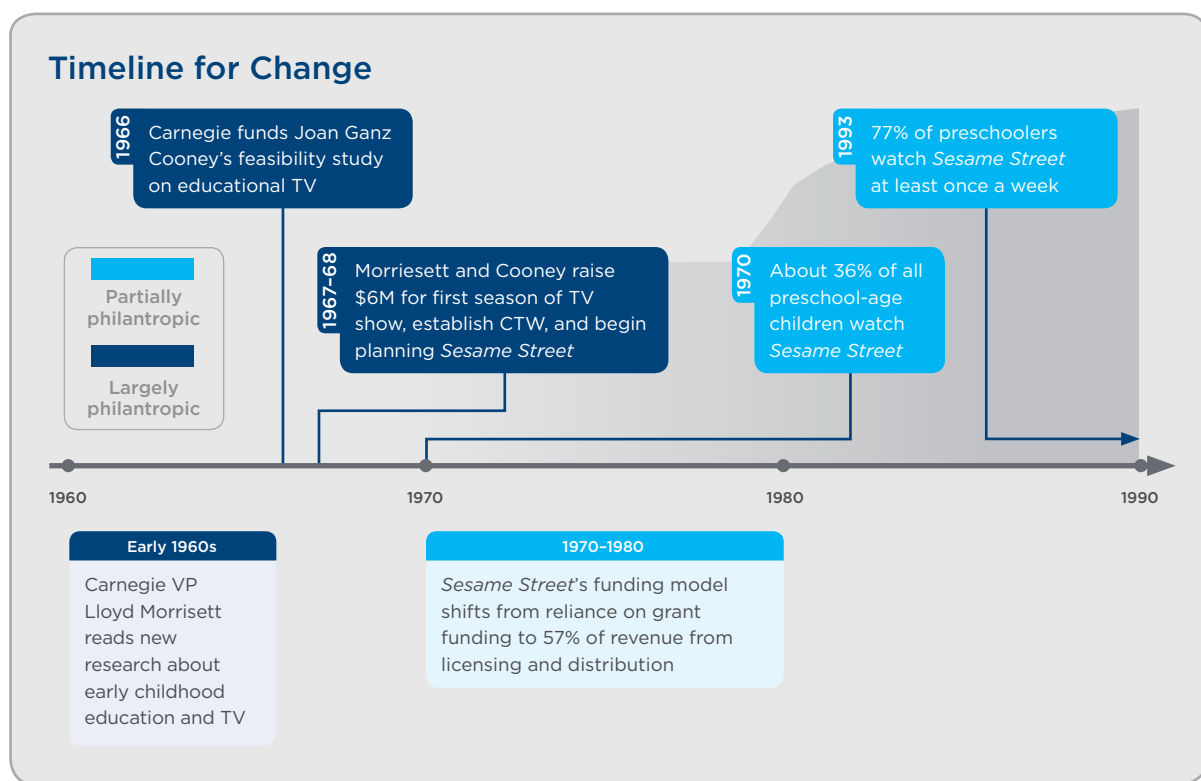
In the mid-1960s, a new wave of research revealed the depths of unmet educational needs of impoverished preschool-age children and the high costs of addressing these needs via traditional classroom-based programs like Head Start. Against this backdrop, the concept of using television as a vehicle to improve early childhood education at scale came up at a 1966 dinner conversation between documentarian Joan Ganz Cooney and Carnegie Corporation of New York Vice President Lloyd Morrisett.

Together, they developed the concept and launched a new program they called *Sesame Street*, and by 1993, 77 percent of all preschoolers in the United States watched the show at least once a week, including 88 percent of those from low-income families, with significant positive effects. Among other outcomes, a recent study from the National Bureau of Economic Research found that children who watched were more likely to be kindergarten-ready and an estimated 30 to 50 percent less likely to fall behind grade level, with the greatest impacts on the most disadvantaged children. Another study found that it had a positive impact on children's attitudes toward people from diverse backgrounds. Today, *Sesame Street* reaches some 156 million children in 150 countries around the world.

This case study is part of a series that accompanies The Bridgespan Group article “Audacious Philanthropy: Lessons from 15 World-Changing Initiatives” (*Harvard Business Review*, Sept/Oct 2017). See below for 15 stories of social movements that defied the odds and learn how philanthropy played a role in achieving their life-changing results.

- [The Anti-Apartheid Movement](#)
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How did this innovative concept for early childhood education gain traction nationwide and go global? On the heels of their 1966 dinner, Carnegie provided funding for Cooney to conduct a rapid-fire feasibility study on whether TV programming could both attract and educate children in need. Based on her promising initial findings, Cooney proposed piloting an educational children’s television show with a strong commitment to both entertainment and learning outcomes for kids. Cooney and Morrisett worked together, planning *Sesame Street* as a highly professional operation. Their proposed budget was huge for an unproven concept, \$6 million (\$46 million in 2017 dollars), but Morrisett found co-investors in Carnegie, the Ford Foundation, the Corporation for Public Broadcasting, and the US Office of Education. The Children’s Television Workshop (CTW) was created to produce the show.



That budget supported top-notch production—Cooney recruited the executive producer of *Captain Kangaroo* as *Sesame Street's* executive producer, along with Jim Henson and his Muppets. It supported evaluation of the educational and entertainment value of each episode, and also allocated a significant portion—8 percent of the total initial budget—to an extensive outreach and publicity campaign to help drive viewership.

In the show’s first week, in November 1969, nearly 1.5 million television homes tuned in to *Sesame Street*—already more children than attended formal preschool. By 1970, around 36 percent of all preschool-aged children in the country watched the show. By 1979, nine million children under age six watched it every day, with especially strong penetration in inner cities. And children who watched the program demonstrated clear educational progress. A 2001 study found that the show’s positive effects on a viewer’s reading and scholastic achievement lasted through high school.

The popularity of *Sesame Street*'s characters meant that their financial model began looking more similar to a traditional media business, benefiting from the sale of their content to networks, while also collecting licensing fees from the sales of toys, T-Shirts, and other products based on their characters. In the 1980s, philanthropic and government funding for *Sesame Street* declined, but earned income from licensing and distribution (unrestricted in its use) grew by leaps and bounds. Whereas in 1970 *Sesame Street* was entirely supported by grants, by 1980, 57 percent of its revenue came from licensing and distribution. Of course, the shift toward licensing and distribution revenue made the organization more susceptible to competition and market forces, leading to financial challenges at times, particularly in the 1990s, and also more recently with the significant disruptions in the industry brought on by streaming television and consumer cord-cutting. But the flexibility of the funding model for core programming has also allowed the organization to use its philanthropic funds to enter developing countries and other international markets, a global push that began in 2000. Today, *Sesame Street* programming, adapted for local language and customs, reaches more than 156 million children across 150 countries.

## Philanthropy's Role in Large-Scale Social Change

Our research shows that breakthrough social initiatives share a set of [five practical approaches to large-scale change](#). In the case of *Sesame Street*, philanthropic funding helped fuel all of them:

- **Build a shared understanding of the problem:** Two research studies—showing the gaps in early learning for poor children and the amount of television they watched (30 hours per week)—led to the genesis of *Sesame Street*. To respond to these studies, the Carnegie Corporation provided funds to documentarian Joan Ganz Cooney to conduct a feasibility study for educational television for children. Cooney's research validated the concept and justified the creation of the Children's Television Workshop (CTW), which produced *Sesame Street*, and in 2000 became the Sesame Workshop.
- **Craft an emotionally compelling "winnable milestone":** CTW, now Sesame Workshop, has become a multi-faceted organization, but when the Carnegie Corporation originally bet on it in a big way (and convinced several other funders to do the same), it was with a single concrete and compelling goal in mind: to improve early learning for as many low-income children as possible.
- **Design for massive scale at the outset:** Cooney and Morrisett designed *Sesame Street* for scale from inception, leveraging a new technology (television) to reach the target population at scale for very low cost via a distribution platform that reached straight into their homes. Carnegie, Ford, the Corporation for Public Broadcasting, and the US Office of Education all made significant financial and nonfinancial contributions to advance the concept. And the long-term economic model has proven highly sustainable, with an evolving mix of earned income, public, and philanthropic funding.

- **Drive demand, don't assume it:** Before the advent of *Sesame Street*, Carnegie Corporation had invested in developing a nationwide public television network. The resulting Public Broadcasting System became the distribution channel for the show. In addition, CTW undertook a robust marketing effort—consisting of 8 percent of the total initial *Sesame Street* budget—that drove widespread viewer interest from the very beginning.
- **Embrace course correction:** *Sesame Street* has focused on measurement and evaluation since day one, adapting the show over time based on findings from its research, which Carnegie and Ford helped to establish. Additionally, as the economic realities for CTW changed, *Sesame Street* leadership adapted the show's economic model to optimize earned income, licensing the show's winsome Muppet characters like Big Bird and Elmo, among others. When Tickle-Me Elmo became a smash-hit toy in 1996, its success pushed CTW to a new high point for licensing revenue.

*Researched and written by Consultant Andrew Flamang of The Bridgespan Group, based on Bridgespan interviews with Daryl Mintz, chief financial officer, and Sherrie Rollins Westin, executive vice president for global impact and philanthropy at Sesame Workshop, as well as selected secondary sources.*

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