

White House Conference on

Philanthropy

The White House

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WHITE HOUSE CONFERENCE ON PHILANTHROPY

The East Room
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1:07 P.M. EDT

SPEAKER: Welcome to the first White House Conference on Philanthropy. Today we'll celebrate our great American traditions of giving. At the same time, we'll discuss how to expand that tradition as its practices are changing.

I want to tell you a little bit about what's going to happen this afternoon, before we begin. In a few minutes you'll see a video introducing some ideas and some ordinary heroes of philanthropy. Then the President and Mrs. Clinton will enter and will begin the first topic. Please think of this as a working session. There are refreshments just outside the doors, and if you need anything, just ask a social aide. But do remember that once the video starts, you're on camera. So this is a good time to turn off your pagers and your cell phones.

Over 3,400 satellite downlink sites are watching, and over 150 communities and 42 states have organized their own discussions around this forum. After the first session, the panels will switch and then Mrs. Clinton will moderate an open discussion.

We hope that this is just the beginning of our national conversation about the contributions of philanthropy and the non-profit world. And we look forward to this discussion and to the ideas and actions that will flow out of today.

Thank you. (Applause.)

(A video is shown.)

MRS. CLINTON: Thank you, and welcome to the White House and welcome to all of those who are joining us via satellite at more than 3,000 sites around the country and through public broadcasting.

I think it's appropriate that we begin this Conference on Philanthropy by thanking our donors and supporters. So I want to begin by thanking the National Endowment for the

Humanities, the federal agency that keeps America learning about our people and our past, and is co-hosting today's conference.

I also wish to acknowledge the Charles Stewart Mott Foundation for working with South Carolina Educational Television to bring this conference to audiences across America via satellite and Internet. William S. White, the President and CEO of the Mott Foundation, is here with us today, as is Paul Amos, the President and CEO of South Carolina Educational TV.

While we are thanking those who have helped extend our reach beyond the walls of the White House, I also wish to mention at least a few of the many organizations that have done such great work not only to make this broadcast available, but also to host local forums and viewings. I particularly want to recognize Dr. Bernadette Healy, the President of the American Red Cross; and Betty Beene, the President of United Way of America, who are here with us today and who have partnered to sponsor many local events across the country.

We know there are many other groups that have also been participating and helping: The Forum of Regional Associations of Grantmakers; the National Committee on Planned Giving; and the National Association of Fundraising Executives to name just a few, who have worked hard to build a national audience for today's discussion.

I also want to thank the J. Paul Getty Trust; the Community Foundations/Silicon Valley, whose President, Peter Hero, will be joining us later this afternoon; Jill Iscol and the Iscol Family Foundation; and Marcy Pollier (phonetic) and the Marcy Pollier Family Foundation, for their help. And I also want, finally, to recognize Secretary Donna Shalala, who is head of our Combined Federal Campaign this year; and Janice Lachance, the head of the Office of Personnel Management; and my friend, Paul Newman, famous for many things, including his generosity.

Now, the heroes we have just seen and admired in the video are with us in the East Room today. And I would like to ask all of you who were featured in the video that are here today to please stand so we can recognize and thank you. (Applause.)

You know, these are some of the heroes of philanthropy in America today. And they can be found, and others -- millions others like them -- in every single community in our nation. Wherever an American sees a need and acts to fill it; whenever a child sees another child without books or food at school and offers to share her own; wherever a businessperson takes stock of all the blessings in his or her life and bequeaths them to those with none.

Often the simplest acts of generosity are the most heroic. I think of the inspiring story of Oeola McCarty (phonetic), who spent a lifetime washing, starching and ironing other people's clothes, living simply and frugally in Mississippi. Four years ago, she decided to use her life savings of \$150,000 to endow a scholarship fund at a nearby university. "I'm giving it away so that the children won't have to work so hard, like I did," she said. Last month, at the age of 91, Ms. McCarty passed away. But her gifts live on, in the scores of students who will go to college because of her generosity.

They probably weren't even thinking about it when they made their contributions, but Esperanza Rich and Mattel Dawson (phonetic) and Roland Lowe (phonetic) -- all the American heroes we celebrate today have also made invaluable contributions to the strength of our democracy.

I've been privileged to represent our country in many of the world's newest democracies, places where people are just beginning to understand the responsibilities and benefits of freedom. And everywhere I go, people ask me, how has the United States been able to make its democracy work for so many years. So I tell them about our traditions of citizen service and philanthropy. But how our democracy thrives, not just because of our free elections and our free markets, but because in that space between government and the economy, our citizens come together to help each other, to lend a hand in times of trouble, to support non-profit organizations and to look how all of us can make a contribution to doing more.

Our democracy thrives because of Myrian Bodner, a Kentucky homemaker who raised a quarter of a million dollars in relief supplies to help her native Nicaragua recover from Hurricane Mitch. We thrive because of the Reverend Ann Pearson, who gave each of her parishioners \$10 out of a small inheritance to donate to a worthy cause, so that they could recognize all the creative ways each of us can find to help others.

And, literally, there are millions and millions of stories we could tell this afternoon to really in some way represent the 85 percent of all funds given to charity in America that come from individuals.

The President and I have invited you here today to find out how we can magnify and spur the philanthropic spirit of all of our citizens in the new millennium. And though philanthropy comes in many forms, we'd like to focus today's discussions on individual giving. Many of you know that we have created a Millennium Council here at the White House to celebrate this moment in time and to lead a national effort to honor the past and imagine the future. And one important part of the Council's mission is to help all Americans identify the gifts each of us can give to the future. There's no better gift our generation can give to the future than a strengthened philanthropic tradition.

There has never been a better time for philanthropy than today. We are living at a time of unprecedented prosperity. The new economy has brought new wealth to so many Americans. And my generation, and the President's, the so-called baby boomers, stand to inherit \$12 trillion in the coming years.

Just imagine what revolutionary progress we could bring to America, how many lives we could change, if every American family increased their giving by just 1 percent of their income. We could offer child care to more than 6 million children. We could deliver 250 million more meals to the homebound elderly. We could guarantee Head Start to every low-income preschooler in America. We could provide shelter to 4 million people. We could save all the rare books in our libraries. And still have more than enough money left over to create the equivalent of the Ford Foundation each year.

But we cannot assume that any of this will come to pass because philanthropy must be taught. So, today, let us find innovative ways to cultivate the innately generous spirit of our young people. New communities of donors must be asked to participate. We have to find ways to embrace and encourage philanthropists of all races, ethnicities and colors. New avenues of giving must be opened and explored, so we have to utilize the rich possibilities of cyberspace and the Information Age.

These are just some of the opportunities and challenges that I hope we can discuss this afternoon. And I am very pleased now to introduce someone who, seven years ago, called us to find new ways of extending opportunity to all Americans and requesting responsibility from all Americans so that we could create a community of all Americans. And we could not do that were it not for philanthropy. And we could not do that without leadership of the kind the President has given us. So it's a great personal pleasure for me to introduce the President of the United States. (Applause.)

THE PRESIDENT: Thank you and good afternoon. I am delighted to welcome all of you here. I thank all those who are here from our government, and all of you who have come from all over our country, and all walks of life, to this very, very important meeting.

I also want to say a special word of thanks to Hillary for yet another wonderful idea. This was a good idea, to have this conference. (Applause.) And all of you who have helped on any of these millennium projects, I think it's done us a lot of good to take time out and think about the really big issues in our society, and how we want them to play out in the years ahead. And particularly, I think this is an important issue at an important moment.

A long time ago, Alexis de Tocqueville said that charity in America was something more than simple compassion. It was a sign of good citizenship. He wrote, "Americans make great and real sacrifices to the public welfare. They hardly ever fail to lend faithful support to one another."

Today, this is a strong tradition. And the face of this tradition is changing. Philanthropy is, like our country, now more diverse as new groups seize and share opportunity in the new economy. It is more democratic, as Americans of all income levels, believe it or not, give at roughly equal levels. It is younger, as the high-tech economy creates a new generation of philanthropists.

I've got to take a little time out. Last night, I had dinner with a lot of these high-tech gurus who made allowances for the fact that I am obviously technologically challenged. (Laughter.) And we were talking about how we were all going to relate to each other and maximize the potential of the Information Age. And I started talking about this conference today and said, we've got to get more people to give. I said, I would like it if Internet usage were as dense in America as telephone usage is, if we had 98 percent penetration, everybody had an e-mail address. I think we could have a dramatic impact on education and on poverty. I think we could skip a whole generation of development. And how are we going to get this done?

So there is this guy sitting there, he's 27 years old, you know. He says, well, you know, when I got out of college, I started this company and three years later, I sold it for \$150 million and I started three others. And he said, what you need is founder stock. (Laughter.) He said, we need to go all over America and gather up founder stock and put it in a big trust to make universal the access to the Internet. He said, because you've got all these guys like me that don't know we're rich yet -- we're still living on \$30,000 and we've got all this stock. (Laughter.) So he said, that's what you need.

So I've now given you my contribution to this conference, which I learned at the foot of a 28-year-old last night. (Laughter.) So, I mean, that's encouraging to people like me who aren't young, you know? (Laughter.) We don't have to depend on the Rockefellers and the Mellons and the Carnegies or even the Paul Newmans, we can go get founders stock. (Laughter.)

I also think it's important to point out that not only the ways of giving are changing but the people -- when I saw that film I was so proud that there was a federal employee that had given every single month for 25 years. Someone obviously of modest means, doubtless a lot of other claims on her income. So I want to thank people like Mary Grayson and others who are giving. And I think we ought to think about new opportunities, or I think the buzz word is "portals," that are opening in the world of on-line philanthropy and how we can make sure that we can continue not only to increase the volume of money but to broaden the base of giving.

We'll hear today about venture philanthropists and start-up charities and other ways in which the entrepreneurial spirit is invading and energizing this field.

I would like to also point out that volunteering is another important way of giving. This week, Hillary and I celebrated the fifth anniversary of AmeriCorps. And we've already had 150,000 young people serve. And I'm very, very proud of that. (Applause.) I think that is an important thing to say. In a lot of ways, the measure of our life and our happiness is -- to paraphrase one of the many wonderful things Martin Luther King said, can be answered by the question: what are you doing for others?

So I'm encouraged by this conference, by the energy here. Some of my favorite people in all our country are out here in this audience today, people I have admired, some of you for 20 or 30 years, for all the things that I have watched you do for others. And I thank you for coming.

I am glad that the sheer volume of charitable giving is going off the charts. But I think, as we've had this phenomenal increase in wealth in our country, I would feel even better if the percentage of our national income devoted to charitable giving had gone up just a little bit. You heard Hillary say what we could do if we could just increase it by 1 percent. But going from 2 to 3 percent is a huge increase. We've been sort of stuck at 2 percent. Now, when the stock market triples, 2 percent is a lot more than it used to be. That's not real pocket change; it's real money.

But if you think about what we could do with just a little more, I think it is really worth pondering. We're having the same debate in Congress now, and I don't want to get into any kind of political dispute about that, but just let me give you an example. I very much want the United States to take the lead with the rest of the wealthy countries in alleviating the debt of the poorest

countries in the world. And the Pope has asked us to do it for the millennium -- (applause.) Now, this is a campaign with a broad base: it's being spearheaded by the Pope and Bono, the lead singer for U2. (Laughter.) And even though I am not a candidate for anything anymore, I can spot a big tent when I see it. (Laughter.)

So, you know, we ought to do this. And this is just a little bit of all the money we've got. And it's just like de Tocqueville said a long time ago, this is not just charity; this is good citizenship. We take this burden off these people. If they are well governed and they are working hard, we give them a chance to be our partners and friends in a more equal and balanced way for the future.

So there are things for all of us to do. I would like to -- I would hope today that I will learn something and that we will learn something about how we can at least incrementally increase the percentage of our income we are devoting to philanthropy. I hope we will learn something, as I already said, about the ways we can do it. And I hope we will learn a little bit about whether we can all give smarter and whether we can make sure that the money we are giving is spent in the most effective possible way.

I take it we all begin by accepting that we no longer believe that there is a choice out there -- which was never a real choice -- between government meeting all of our society's needs, and government walking away from them all and letting philanthropy do it. We have to have a better partnership, and it will work better if we do.

We need to think about, in government, whether we can do more things to generate more constructive philanthropy. The Treasury Department will meet with representatives of the nonprofit sector next month to discuss this. And I, in the meanwhile, am going to establish an inter-agency task force to strengthen our philanthropic partnership between government, nonprofit groups, and citizens; and to ask the Council of Economic Advisors to do me a study on the role of philanthropy in the American economy, and how they believe I can increase it.

By analyzing trends in charitable giving, by assessing the impact of the baby boomers' retirement, which -- it's going to be interesting to see whether it makes us more or less generous when we retire, this largest of all generations of Americans. It should make us more generous, because the kids in school are finally the first generation bigger than the baby boomers, and they need our help.

But we need to think about that. What's our message going to be to the baby boomers as they move toward retirement? What's our message going to be to people thinking about the shape of our social tensions as we double the number of people over 65 in the next 30 years? What's our message going to be to ourselves, those of us in the baby boom generation, about how our citizenship responsibilities should grow when we lay down the burdens of retirement, particularly if we've been lucky enough to have a secure way to maintain our standard of living.

This is deserving of an awful lot of thought because there is a whole bunch of us. And on the whole, those who manage to escape a career in politics are going to be better off than any generation in American history. (Laughter.) So some serious thought needs to be given to this.

Well, I've had a little fun with this today. (Laughter.) But I am really grateful to you all for being here. This is a big deal. We all know -- the truth is we're all fairly pleased with ourselves for being here because you feel better about your life when you've spent a portion of it doing something for somebody else. And you feel better about the good fortune you have financially if you spend at least a little of it giving something to someone else.

So what we want to do is to start the new millennium poised to do more and to do it better. And to give more chances to more people to participate.

Thank you all very much. (Applause.)

MRS. CLINTON: Well, the President is absolutely right about the interest in this conference. I don't know that we've ever done anything in the White House that has provoked more excitement or inquiries or requests to be included. And everyone who is not in this room, let me assure you, we are packed to the gills, and delighted that you could be joining us through satellite and Internet.

This afternoon we're going to hear from two panels of speakers, as well as members of the audience. Our first panel will focus on two important issues -- expanding America's diverse philanthropic traditions, and teaching the tradition of giving to a new generation of youth. The second will fo

So let me introduce the first panel. Emmett Carson (phonetic) is President of the Minneapolis Foundation and a scholar of philanthropy in the African American community. Peter Hart, the founder of Peter D. Hart Research Associates, has done extensive public opinion surveys and focus groups on the subject of community involvement, in addition to his extensive work for such clients as NBC News, the Wall Street Journal, and the Smithsonian Institution.

Justin Timberlake performs with the musical group, NSYNC. At the age of 18, he has created his own charitable foundation to help schools create high-caliber music programs. And, finally, Dorothy Johnson, the President of the Council of Michigan Foundations, is a nationally recognized expert on youth giving, in addition to leading the largest regional association of grantmakers in the nation.

So let's begin, and we'll start with Dr. Carson.

DR. CARSON: Thank you very much. Good afternoon. There's an old saying in the African American community that it's not the things you don't know that gets you into trouble, but the things you know for sure that are not so. (Laughter.) Our popular public perceptions about who are philanthropists, what they are interested in, and how they will structure their giving have been narrow and one-dimensional.

The old view has it that philanthropists are wealthy, usually male, often of European heritage, and they practice a top-down, noblesse oblige, rich-to-poor kind of giving. It also argues that people of color have had no giving traditions and they need to be educated.

Now, these false beliefs have permeated both the larger culture, as well as communities of color. We must discard these antiquated views to take full advantage of the changing landscape of philanthropy.

Now, what's the reality? The reality is that every racial and ethnic group has had a strong, strong history of philanthropy and giving. The first and probably most celebrated act of philanthropy is Thanksgiving, where a group of Native Americans who some might say did not act in their long-term best interests -- (laughter) -- ensured the survival -- (applause.)

The current philanthropy day would be well suited to be moved to Thanksgiving as a celebration of philanthropy because it would both indicate the giving tradition does not require you to be rich, does not require that you give down. It requires that people of color do have -- it acknowledges that people of color do have these giving traditions.

One of the reasons why they have these giving traditions is because all of the major religious faiths have had a high premium on the value of giving and volunteering. Christianity, Islam, Judaism, and Buddhism. Organized religion has been an important transmitter for the teaching of philanthropy. It is not unusual for churches or other places of worship, especially in the African American community, to be a conduit for philanthropy.

All racial and ethnic groups have relied on their self-help giving traditions to ensure their social-economic survival during times when their rights were not assured in this country. People of color, women and their supporters have paid the price in dollars, time and their lives in challenging America to live up to its highest ideals -- the civil rights movement and the women's rights movement are two examples of that.

Mr. President, the philanthropy will be different in the new millennium. The new philanthropists will be younger, and the philanthropy of people of color will be more visible. The strong U.S. economy and the wealth generated by the technological industry, the sports and entertainment community, are enabling people to reach economic security at far younger ages. The changing demographics of American society, along with equal opportunity, ensures that people of color will have the means to act on their charitable impulses.

Now, what does this mean for the future? We need to create a new community expectation of citizenship that envisions giving and volunteering as something every American participates in, from the cradle into perpetuity. Philanthropy should be a lifetime endeavor, rather than legacies that start after one is dead or near dead. The combined knowledge and resources of the old and new philanthropists, if coordinated and channeled, can create a lasting renaissance in the quality of life not only for the American people, but also the larger global village.

Non-profit organizations that have diverse board governance, staffing and program outreach will be well-positioned to earn the trust and support of the new philanthropists. Those that do not will not survive. Organizations of philanthropists, such as the Council on Foundations, regional associations of grantmakers, and research centers on philanthropy will

need to carefully think through how their definitions of membership may need to change, and what opportunities for information sharing they may need to provide and train.

Finally, and it should come as no surprise to any of you, I believe that community foundations, because of our work with individual donors and broad interests in strengthening their local communities, are especially well-positioned to play a leadership role in addressing these issues.

Thank you very much. (Applause.)

MRS. CLINTON: Thank you so much, Dr. Carson. And thank you for reminding us that many of the traditions of giving in our country are not captured through statistics or IRS collections. When families give to other families in need without expecting a tax deduction or going through an intermediary organization, they are philanthropists. And certainly volunteer time is hard to capture as well, but it is a major way that many, many Americans give to their communities.

So it is important for us to remember that in the new millennium philanthropy will be even more significant in many communities that have not traditionally been seen as part of the philanthropic community.

Now, I know that there are many people in this audience who have a lot of experience in this area, and before we move on to the next panelist I'd like to hear from several of them who have perspectives on America's diverse giving traditions.

Lorraine Cortes-Vazquez is the President of the Hispanic Federation of New York and the incoming President of Hispanics in Philanthropy. Evan Mendelson is the Executive Director of the Jewish Funders Network. And we will hear from Evan about the role of religious organizations in teaching the giving tradition.

And then I'd like to ask Peg Talburtt, Executive Director of the Michigan Women's Foundation, to speak about women's funds. So, if we could, I would like to start with Ms. Cortes-Vazquez.

MS. CORTES-VAZQUEZ: Mr. President and Mrs. Clinton, on behalf of the Hispanic Federation and Latino not-for-profits, I thank you for hosting this session.

Latinos have also had a longstanding tradition of giving. We give to our church, to our family and neighbors in need. In fact, we have a very strong and large informal network of giving. We send back money to our homes of origin to support relatives. We take in incoming cousins and friends, take them into our homes until they get on their feet in this country. And aunts and uncles help support tuition of a family member.

Those are the examples of Latino philanthropy that occur every day in our community and will never be captured in any published, formal study on giving. Therefore, our level of giving appears to be much lower than it really is. The Hispanic Federation of 1999 Latinos in

Giving Survey indicates that two-thirds of all Latinos contribute to an institution or a charitable cause. When asked why they give, they stated that they wanted to promote self-sufficiency; they wanted to rely less on government.

They also recognize and value the work that non-profits do in our community. While half of Latinos give to church, we find that income and education, as it increases, giving to non-profits also increases. This assures that there is room for philanthropy among Latinos.

One day we would hope to have our own Bill Gates or, as my friend, Luis, says, our own Guillermo Puerto. (Laughter.) But until then, we are comforted by the fact that 19 percent of Latinos contribute \$200 or more to the charity of their choice. Yet organized philanthropy has not given us of their share.

We are working hard to raise dollars from our people. The six Latino funds in Los Angeles, San Francisco, Kansas City, St. Paul, Lorraine, Ohio, and of course, the Hispanic Federation in New York, have formed the Latinos Fund Collaborative. Our goal is to increase credibility, to enhance Latino philanthropy at a national level, and to raise public awareness, and to promote giving within our own community.

We will be forever grateful to the Kellogg Foundation for bringing us together and hope that their involvement with us in the future will ensure the growth of Latino giving in this country. Our growth potential is tremendous. In New York City alone, 40 percent of the people stated they had not given because they had not been asked. And ask we will. As we become the largest minority group in the country, with the work of the Latino funds and philanthropic institutions that believe in us, that will invest in us, you can rest assured that future generations of Latino will continue to carry the tradition of giving that is so honored in this country.

I thank you for this opportunity. (Applause.)

MRS. CLINTON: Thank you so much, Lorraine.

Next we'll hear from Evan Mendelson.

MS. MENDELSON: Thank you very much. And it's a real pleasure to be here. And as several of you have already said this morning, philanthropic behavior didn't develop in a vacuum, but rather comes from very strong religious traditions and roots.

Concepts such as stewardship and sedacah (phonetic) are basic values in communities of faith. The U.S. Catholic Bishops describe stewardship as "receiving God's gifts gratefully, cultivating them responsibly, sharing them lovingly in justice with others, and returning them with increase to the land."

In Jewish tradition, sedacah (phonetic) is the responsibility to do justice through your giving and your voluntary efforts. These traditions are handed down through religious teachings and family traditions, and modeled in the various faith communities. The American Jewish community has been carrying on that tradition, giving to federated communal funds and through foundations for over a hundred years.

Every Jew, no matter their economic situation, is expected and asked to be responsible for others beyond themselves and their families. Religious holidays and life-cycle events are, especially important times to participate in the mitzvah -- translated as religious obligation -- of sedacah. And at age 13, young Jewish men and women celebrate their bar and batmitzvah, a ritual of joining the adult community with full responsibilities as Jews.

There are several exciting programs in the Jewish community that teach the bar or batmitzvah about philanthropy. In San Francisco, a youth foundation called the Seventh Grade Fund was established at Brandeis Hillel Jewish Day School to teach these young people about grantmaking, Jewish traditions and community needs. Last year they allocated \$13,000 to projects in San Francisco, close to their home, and Kosovo, very far away.

A philanthropist in Springfield, Massachusetts has started a program to promote youth philanthropy all over the country, called B'Naith Sedac (phonetic). And nationally, any young Jew can establish a youth endowment fund at the Jewish Fund for Justice, and then choose the youth organization that he or she wishes to support.

It is through models such as these that we hope to continue to transmit the religious values and traditions of our people to the next generation. Thank you very much. (Applause.)

MRS. CLINTON: And now Peg Talburtt will talk about women in philanthropy.

MS. TALBURTT: Thank you very much. It's a real honor to describe to you not just a set of organizations, but a movement. Women's funds began more than a hundred years ago with the founding of AUW's Educational Foundation. The modern era began with the creation of the MS Foundation in 1972. By the early '80s, there were 13 women's funds, but today there are more than 100 in the United States and a dozen or more globally.

All of these foundations share the similar values of change, not charity; of money ensured to get to programs which serve women and girls specifically, the value of the significance of gender and a desire to engage new donors who share these values.

The results have been tremendous. The Women's Funding Network has tracked just 50 of these funds over the last five years, and already assets have grown by 200 percent, and grantmaking has nearly doubled.

Now let's think a little bit about the future. I'd like to share two programs the Michigan Women's Foundation has created to work specifically with girls. One of them is called the Element for Change. We have two sites in the state of Michigan. Together they grant more than \$40,000 to programs which they select to serve the needs of girls.

They are trained in philanthropy and leadership; they understand and research the needs of their communities; and they make some bold decisions, including the funding of a non-profit that's suing for Title IX because of discrimination against girls in sports. They have taken teen prostitutes off the streets at a time when a community did not want to admit this problem. And they've also really put their money into bold action.

We also -- as I think about it, am very excited because not only are dollars getting to programs today, but many of these young women now want careers in philanthropy and have reshaped their educational goals. I expect if this conference were held 10 years from now, I would look around and see many of their faces here.

Now, a second program that we're just launching, with the support of the Kellogg Foundation, is a Girls and Giving patch. We worked with all 14 state Girl Scout councils in Michigan to create this collaborative program, which will offer training in philanthropy to every level of Girl Scout, from Daisy to Senior Cadet. That means that within the next couple of years, 130,000 young women in the state of Michigan, and 13,000 of their Girl Scout leaders will have experienced this particular program.

There are many other ways that women's funds are on the verge of the new millennium. They're creating donor circles. They're working in new workplace campaigns. We're establishing new kinds of relationships with women's service and professional organizations to engage them in the act of philanthropy. Whether it's Alaska or Maine or California or Tucson or Chicago or Atlanta, whatever, women's funds are a force.

And what truly excites me about the next millennium is not just the new dollars that are going to come to the table, but the commitment to change and the values and new philosophy that women will bring. Thank you. (Applause.)

MRS. CLINTON: Thank you very much. (End of tape side) -- Peter Hart, who has done extensive research on the attitudes of both the baby boom generation and today's youth on community and responsibility. And, Peter, we'd like to hear your thoughts on those.

MR. HART: Thank you very much, Mrs. Clinton. The rules of the game are changing in every area, but nowhere is it more evident than in the area of philanthropy. What I would tell you is, if we had a Dow Jones average to measure the commitment of young people, the commitment of people's involvement and the engagement in civic affairs, we would be in a bull market. Indeed, looking ahead, I can tell you that the polls we have been doing and the work we have been doing is exciting, challenging, and suggests that there are a lot of good things happening out there.

There are five findings I'd like to sort of relate to you. First of all, from the Generation X. When I look at the Generation Xers, here's what we know. They're the most misunderstood generation that there is. Its members really don't fit into the old models. They have as much idealism and involvement as their older brothers and sisters, or indeed, as their parents. But their idealism is very different. It's not about changing the world, it's about changing their neighborhood.

In our survey for Public Allies, 54 percent of Gen-Xers said a very effective way to make changes in our country was volunteering to help with individuals directly. Only 18 percent felt similarly about political campaigns or social causes. Generation Xers should give us a great deal

of hope, Emmett, about the issues of diversity, respect and tolerance, because they place a premium on diversity and reaching out to people of different races and different backgrounds.

When asked about the values that they care most about, appreciating and respecting racial and ethnic diversity of our country, 80 percent of them said it's important. Indeed, it's every bit as important as the other values that we know, such as self-reliance, patriotism and religion.

For now, it's important, as the President just said, to recognize that they are more into giving time than necessarily giving money. Indeed, 85 percent of these Gen-Xers tell us their motivation is to feel that they are making a difference and, indeed, helping those in need. Asking for their time, providing them the opportunities and seeing that the benefits of their participation is what's going to be able to create them into strong volunteers, not only for today, but for tomorrow.

The story of the baby boom generation is more challenging, but just as encouraging. They have less confidence in government and accord a less central role in their lives. Baby boomers do not blindly trust groups in terms of where they give their money, but once you win them over you have them forever. Indeed, they look to charitable and social causes to be able to promote changes. They view their contributions as investments and demand, indeed, accountability.

But what is most interesting and what is most important about the baby boom generation, it's about to become the backbone for our society both in terms of volunteerism and in terms of philanthropy for the decade ahead. Among baby boomers in our survey, we found 59 percent of them said, I plan to give more over the next five years. And if you ask about people over the age of 60, only 18 percent of them say they plan to give more.

But they're also going to be more involved in terms of our communities, because these people plan to leave their careers earlier, and because of that, they look at volunteerism as a central part of their lives. Indeed, a third said, it's going to be a very important part of my life. And they do not want to be asked to do busy work, but they're looking for opportunities that can engage their skills and their abilities.

So as I look at all of this, Mrs. Clinton, what emerges really is, tear up the old play book. Those rules are gone. To be successful what you have to do is you have to go out and ask people. Ask people to get involved. You have to tailor your message to your new audiences. To be successful you have to find a way that people can feel a direct effect of participation. And to be successful you have to use the employers, because these people are ready to get involved through their place of work if they are asked.

It was Thomas Wolfe, who I think, 70 years ago, was talking about a different thing when he said, you can't go home again. You can't go home to the old forms and systems, to the things that once seemed everlasting, but are changing all the time. The home to every one of us is in the future. There is no other way. And, indeed, that's true for philanthropy also. Thank you. (Applause.)

MRS. CLINTON: Well, Justin, I would be very interested in having you perhaps talk a bit about what motivated you to want to give back, and what do you anticipate your foundation doing.

MR. TIMBERLAKE: Well, thank you very much. Before I begin, I've got to be honest. This isn't your normal pop group's demographic. (Laughter.) But, nevertheless, I don't always get to dress up to go to work, so -- (laughter.) I'm a bit excited to be here to talk about what I just started a couple of weeks ago, and it is the Justin Timberlake Foundation.

I remember one of my close friends, he asked me one time, he said, if you could use one word to describe your life, what would it be? And I thought about it and I said, I would use the word "blessed." And let me tell you what I mean.

I've been really lucky in my life. I've landed what started as a hobby and it became a career for me. And with that in mind, I think back to when I used to attend a public school, before I really started pursuing my career with NSYNC, and where that's leading me. And I was in this very small town outside of Memphis, Tennessee, in a public school, about the age of 10 or 11, and had so many dreams and so many aspirations of the arts, and music and entertainment. And there was never, ever, really any way for me to outlet that, to find a way to pursue that.

And I thought about it for a while and talked over this with my parents, and I remember my parents always saying, remember your roots. Whatever happens, remember your roots, remember where you came from. And that's what I'm doing now. I want to give back to the communities. I want to install the best possible music and arts programs in schools -- in public schools today.

You noticed that if it's not an arts school, so to speak, you don't really find it in many arts programs. And I feel that music in my life has -- I've used it to channel so many emotions and so many positive and negative energies that I may have been feeling at the time. I feel that if you give young minds and young hearts those possibilities that they can really do something positive with it, instead of all these negative situations that we've so recently seen in the past year or two with public schools and public high schools.

So I've just started this so recently, two weeks ago, and in the next couple of months I'm going to be working with the Giving Back Fund, who is helping me start this foundation. And you'll be hearing in ways that you can definitely help me give back to the kids and help them, because I really think music has been a way of my life and I think it should be a way of life. It's such a great form of expression. (Applause.) And that's it. (Laughter.) Thank you.

MRS. CLINTON: You know, I should mention that Justin is here in part because tomorrow -- you may have seen this enormous tent we have on the back South Lawn of the White House -- we're having a big concert, sponsored by VH-1 and some other supporters to bring to broader public awareness the lack of music education and opportunities in our schools. And so this is a very direct connection between what Justin believes and what his foundation will do, and why he's here, and the contributions that he's going to make. And I'm very grateful to him.

Now we turn to Dorothy Johnson, who has done a lot of work and a lot of thinking about young people and giving. And I would very much appreciate your telling us how you involve youth in giving and what kind of youth service programs really work.

MS. JOHNSON: Well, thank you, Mrs. Clinton. And you might say that we are in business to create more Justin Timberlakes, ideally, Justin.

MR. TIMBERLAKE: Well, thank you.

MS. JOHNSON: The Council of Michigan Foundations is one of 29 regional associations serving more than 3,300 grantmakers throughout the United States. And a number of these RAGs, as we call them, have new ventures in philanthropy, just as are being discussed here today by many of you.

Our council has two such initiatives that focus on youth, to engage youth in citizen action intended for the common good. In giving, with the support of the W.K. Kellogg Foundation, our Michigan Community Foundation Youth Project has established endowed youth funds to serve every citizen of the state of Michigan.

We've had more than 5,000 youth involved. You might say we're growing our own. But each year more than 1,500 high school youth are involved with what we call youth advisory committees. They have to raise the money, and they grant the money. Today, in 86 Michigan communities, grants are being made by these young people that range from a few hundred dollars to more than \$70,000 annually.

There's nothing like watching a young person make a \$70,000 grant for an issue that they care about. (Laughter.) Our experience with these young people over the last 11 years has taught us that youth are responsible, they're creative, and they're thoughtful. Yes, members of the youth advisory committees, or YACs, as we call them, are national honor students, but they're also teen moms and adjudicated youth. And they have learned that working together they understand the problems of their peers and are creatively working to do something about it.

They haven't been shy about the kinds of grants they have made: Planned parenthood; Aids education; mentoring problems and programs. Our evaluator is tracking this first group of philanthropists, or YACers, that are graduating from college. They're making career-changing decisions about what they want to pursue. They are proving that with training and a shared goal, youth can accomplish a lot with limited resources.

We are very excited to hear today about other youth programs around the country. They are growing, and I believe will continue to grow. This is, indeed, a generation with much to give. They just need the chance.

Now, in serving, we're pleased to say that through a K-12 education and philanthropy project, with support from a group of funders, our council is now involved in developing a new

curriculum to teach philanthropy in schools. Not all of us were blessed with that ethic in our childhood, and we believe -- many of us believe -- that it is teachable.

Currently, over 70 classroom teachers are working to build the initial curriculum. The lessons are part of the normal course of study, fulfilling core -- and I underscore core -- educational goals. These lessons, in essence, teach how to have a civil society. Available on the web we now have more than 100 of these lessons for teachers, and plan to have more. We are, in fact, having great interest internationally.

But here are some examples. An elementary school teacher when she's teaching suffixes talks about "selfish" and "selfless" as examples to introduce the language of philanthropy. A 4th grade teacher discusses the underground railroad and talks about how this was done by volunteers, and how individuals worked in the independent sector to confront injustice.

The curriculum is comprehensive. While the private non-profit sector can help, long-term dissemination requires engaging the public education system. In addition, we're partners with the Indiana-based Habits of the Heart effort to use its curriculum with out-of-school programs and religious organizations. And we're excited about the synergies of what that will create.

It's also important to note that through the leadership of the Corporation for National Service, progress is being made to institutionalize learning and service as a standard teaching method. Thank you, Mr. President.

The motto of our collaborative in our state is "every child, every year." Every student will have a special service learning experience. We are learning, with the help of our youth in Michigan, that to learn to give you must have the experience of giving. To learn to serve you need to be of service, and that to learn the meaning of citizen action for the common good, you need to be exposed in classrooms and beyond to the history and powerful impact of philanthropy.

One study after another has shown that adults give more if they give of their time. Just think if we have a pool of committed citizens nurtured in elementary school, trained in middle and high schools, what a force to deal with the individual problems in our communities. Young people demonstrate to us daily that the philanthropic tradition is safe in their hands. Yes, Justin, it is safe. We just need to be intentional in our efforts to help to give them the opportunity. Thank you. (Applause.)

MRS. CLINTON: Dorothy, I understand that you have with you one of the young people who has participated in this program, and would you introduce her and ask her to stand and perhaps briefly say what it's meant to her?

MS. JOHNSON: Indeed. Chiyo? (phonetic) Chiyo Long Mendes, who is a YACer from Battle Creek, Michigan -- Chiyo.

Q Thank you, Ms. Johnson. I am so excited to be with all of you today. It's a wonderful opportunity to share my experience. I am a member of the Battle Creek Community

Foundation Youth Alliance Committee -- better known as the YAC -- which is a group of high school students that meets monthly during the school year to improve the quality of life for area youth.

We accomplish this goal through needs assessment and asset mapping on youth issues, community service -- projects, and two grantmaking cycles per year. An example of a really exciting grant that we made was to a support center for homeless teens that required them to be employed and work toward their GED. A young woman involved in the local GED program designed it.

The residents of the home will be provided with a structured living environment that will include discipline and support services. The home that was donated for this project had been pretty neglected, so our grant of \$10,000 is being used in collaboration with Junior Achievement and Habitat for Humanity to prepare it for its first residents.

The project was one of five grants that we awarded last grant cycle, totalling \$24,200. That was one grant cycle out of two in one year.

Being a member of the YAC has given me the opportunity to become an active member of the community through grantmaking. It has also allowed me to come into contact with dynamic youth who are determined to make a positive impact on their community. It seems to me that my fellow YACers have become more responsible contributing members of our community as a result of their service. Being on the YAC also causes us to want to change the image that adults have of teens.

Because our YAC is giving the income generated by a permanent endowment, the YAC will be around forever. New youth grantmakers are always getting involved. If a non-profit organization is going to develop a new program for youth, the leadership now knows that it should visit the YAC and get us involved up front.

We are aware of youth grantmakers in more than 20 states and 5 countries. In Michigan alone, there are over 70 YACs. This past summer we have had youth grantmakers from 5 states and British Columbia participate in the Council of Michigan Foundation's Youth Leadership program. This program was a wonderful way to broaden our knowledge of grantmaking.

Thank you for this wonderful opportunity to share my experience in philanthropy.
(Applause.)

MRS. CLINTON: Earlier today we had a roundtable on youth voice on giving, sponsored by the Corporation for National Service. And I think that Malik Evans is here. And Malik, if you could, just in a very short time, just tell us briefly what you came to conclude about the roundtable.

MR. EVANS: Yes. Basically, I did have the honor of attending the Corporation for National Services roundtable. And the young people there who represented a diverse group of

young people from across the country came up with three areas that they thought that people who deal with philanthropy should look at: national policy, media, and awareness in education.

Under national policy, the young people concluded that this should be a Cabinet level position established called maybe a youth minister. Many countries have a Cabinet position where the minister focuses exclusively on young people, and we need this also in the United States because we understand that young people truly are the future leaders of tomorrow. (Applause.)

Also under national policy, there's a Senate committee on youth violence, and we feel as though it is necessary to take a proactive approach, so there should be a Senate committee on youth service, to see and assess how young people could get involved in service as they move forward into the new millennium. (Applause.)

Also, our second category, which was media and awareness, we hear so often of the Columbines or the Paducahs, of young people getting involved in negative behavior, but we want to see a youth media association where young people highlight and really come to conclusions and broadcast what they are doing in areas around philanthropy to stimulate other young people to get involved.

Also we want to see money that is allocated to foundations, that foundations give out, handled by youth. So that means money from youth going to youth to impact the projects in which they are involved in.

And lastly, a big one was education. We have to understand that school is important, and we have to integrate education with service, because one of the biggest forms of philanthropy is service. So from kindergarten on up, service has got to be a major part of the curriculum in our schools. Thank you. (Applause.)

MRS. CLINTON: Thank you so much. We have many other organizations who are here that are working to engage young people in service and in giving. And I want to acknowledge the Girl Scouts, an organization that has long been committed to teaching the ethic of service, and which is unveiling a new philanthropy patch. And I want to commend the Girl Scouts for taking this important step, and thank Joyce Richards, the national director for advancement of the Girl Scouts, who is here with us today.

I'm also pleased that a group of organizations, including United Way, City Year, 4-H, Save The Children, the U.S. Committee for UNICEF, and the Corporation for National Service, have come together to plan a new initiative on youth philanthropy. The Gates Foundation, which has in a very short time made such a significant contribution to so many important causes, is committed to supporting the next stage of the groups' planning process. And I'd like to ask Patty Stonesifer, the co-chair of the Gates Foundation, to say a few words about the importance of this initiative.

MS. STONESIFER: Thank you, Mrs. Clinton and President Clinton -- we agree with you completely when you say this was a very good idea. The past hour has been both

informational and inspirational. And so we are very pleased to take up your challenge to support the many youth initiatives and the proposals that have been put forth today, as well as organizations and foundations already working to spread the good works of youth.

Many exceptional things have happened to Bill and Melinda Gates in their life, and they believe that gives them exceptional responsibility. But one thing that they shared with essentially everyone in this room is that they came from communities and families that really believe that community service and philanthropy was a responsibility for every one of us. And they are very excited to be able to support another conference of this sort that actually takes the momentum expressed here today, whether it is in Michigan or Tennessee or around the country, to really accelerate the enormous commitment of our youth to continuing and extending the impact of their service in philanthropy.

So, thank you. (Applause.)

MRS. CLINTON: Well, I'm going to thank these panelists. And as they rejoin the audience, I'm going to ask the other panelists to come forward -- Kevin Fong and Catherine Muther and Steve Case. And while we're changing the panelists, I'm going to ask the President to reflect on this first panel.

THE PRESIDENT: I'd just like to say a couple of things. First of all, I want to personally say -- I know I speak for all Americans -- I was very grateful by the extraordinarily large and generous gift that the Gates Foundation has given to the education of minority children for the future. I think it will empower a lot of people, and train them for our future. (Applause.)

And the thing I liked about the last panel was that we talked a lot about how young people have something to give, and ought to be in charge of how it's given away. And I liked that, because I believe if we could -- and there was some talk here about service. Maryland is now the only state in the country that requires some form of citizen service in the school curriculum as a condition of graduation from high school. Twelve years ago, the then-governor, Republican governor of New Jersey, Tom Kean, and I were on a commission to study the middle school experience, and we recommended that every state impose -- just add it to the curriculum. I didn't see it as a burden; I thought it was a gift. But I think that -- what I got out of all of you is that we have to try to start this habit in a systematic way early.

The other thing is the recommendation that there ought to be some Youth Department or something. You might be interested to know, Boston and a number of other cities actually have city councils that are youth councils. Some cities actually have Youth Mayors that do parallel jobs. But the city council, actually, in Boston, the Youth Council actually has regular, systematic input into policy affecting the young people of the country. And I just had one of my roundtables here last week with a lot of young people who recommended that I ought to do something like that, and try to get it kicked off here at the White House over the next year or so. And I've got that under advisement.

But the thing that I got out of all this is that we often think about our obligations to our young people in terms of our education, health care and other things. But I think systematizing philanthropy, service, and then letting more kids -- this Michigan thing, I love this, letting more young people decide how the money they raise is given out, I think, is a very, very good thing to do.

So I hope we can do some things to work on all those. But as you go back home, please, if you ask the people in your state to add community service to the curriculum of the public schools. It is the right thing to do. This is not something I can or properly should do; this is within the purview of the states. But I've been out there hawking it, now, for a couple of years. And you could probably have more success than I've had. But it's a big deal. And it's a wonderfully popular thing in Maryland, and it could be in every other state in America.

Thank you. (Applause.)

MRS. CLINTON: Now this panel will look at innovations in philanthropy and the role of technology. Our first panelist will be Kevin Fong, a general partner of the Mayfield Fund, a California-based venture capital partnership, and co-chair of Silicon Valley II, a new fund for young professionals that promotes giving to non-profit organizations.

He will be followed by Catherine Muther, who has held senior positions in leading Silicon Valley companies and is the founder and President of the Three Guineas Fund, whose mission is to create access to opportunity for women and girls.

Then we will hear from Steve Case, the chairman and CEO of America On Line. The AOL Foundation works to use technology to improve the lives of families and children and has just unveiled this week its new philanthropy website.

So we'll start with Kevin Fong.

MR. FONG: Thank you for having me here. I will start by defining what founder stock is. (Laughter.) I'm going to talk about venture philanthropy and founder stock. Mayfield Fund is a venture capital partnership, and our business role is in the business of starting and creating and funding new companies and helping entrepreneurs get started in business.

Three years ago the partners at Mayfield Fund decided that there was more to just starting companies and we decided to get involved with the community in a much larger way. Silicon Valley has been -- where we come from and where we're based, has been very good to us. It's a tremendous environment with great economic growth and creativity, and we think it's going to be compared to the days of the Renaissance, what's really happening out in the valley.

We've all benefitted, I've benefitted from that. And I think it's time to share, to stand for something that comes from the heart and is about giving back. I ask myself why couldn't I use the visibility that I've gained in venture capital and the high-tech industry to bring that message to others and cause them to act with me. Mayfield has been a leader in creating over 350

companies in the last 30 years, and we can be a leader in philanthropy as well, and bring other venture capital firms and start-ups with us at the same time.

So what is venture philanthropy and what does it mean? What it means to us is taking the principles of venture capital and bringing that to the philanthropic world. And what are those principles? First, it's about taking risks and willing to fail and not being afraid to fail. Being entrepreneurial means trying things and sometimes failing. In our business, to be successful, the successes count, the failures don't, and you learn from your failures.

It also means being an active investor or an active giver. It means being involved not just with your dollars, but also with your time. And that's the success behind our business in venture capital. It also means invest, measure and invest. By measure, it means that you know what you're shooting for. When you invest you have certain things that you're measuring things with, and that accountability is important. And with that accountability comes the ability and the desire to participate and invest again.

And then, finally, when it comes to fundraising, we can use the magic of stock options and founders stock for community purposes. To that end, the managing partner of Mayfield Fund, Gib Myers (phonetic) started something called the Entrepreneurs' Foundation. The Entrepreneurs' Foundation is focused on early-stage companies that we've started in the Silicon Valley, whereby they give founders stock to the foundation. Now, in the early days the stock isn't worth very much money, and we've only started in the last two years, but already 53 companies are participating and six of those have gone public -- thank you for the stock market. And it's generated \$4 million in value already to this foundation at a very early stage. We think that will grow just from today's forecast to \$8.5 million, and I think that's very significant. And that can grow to very, very much more.

So the wealth that's been created by the individual in the valley I think can be translated and I think the Entrepreneurs' Foundation can really point the way and show them how to participate in how stock options and founders stock can really make a difference.

So at Mayfield Fund we help seed the Entrepreneurs' Foundation the same way that we seeded and incubated many other companies, and we think this is our proudest accomplishment to date, actually.

The next thing we've done is -- myself and a co-chair, Laurie Ariaga (phonetic) with the sponsorship of the Community Foundation of Silicon Valley, of which I'm on the Board of Directors, has started something called Silicon Valley Social Ventures. We call it SV2 for short. And this is targeted at the young entrepreneurs in Silicon Valley who really have no idea of the magnitude of wealth that they've created, or what that can mean for the community.

I think there is a common misperception, even amongst the wealthier young entrepreneurs in our community of how much it really takes to make a huge difference. And the traditional networks of family or church are being replaced, actually, in the valley by the network of the Silicon Valley and by the workplace, and by -- with SV2, we hope to reach and deliver with their peers and with leaders in their industries, and set an example for how they can get

involved with the community. And we think that's a very worthy effort. We've just started it, we've had two organizational meetings and, essentially, it's, again, trying to provide leadership in showing other young people how they can get involved.

I think there's a normal cycle of how one gets involved in community, which many of these, the 27-year-olds, don't experience yet. When you get married, you have children, your children go to school, you get involved in this school and then you get involved, and that pulls you into the community. Many of these people aren't married yet, and all they know is about work. So by these networking events in SV2 we're hoping to get people involved much earlier on and letting them know both that there are worthy causes and there's a lot of pleasure and self-satisfaction in getting involved.

So SV2 is all about starting venture philanthropists. So in Silicon Valley we're really known for innovation and for trying new things. It's all about changing the world and doing things differently. That's the core of venture philanthropy. That's not saying that things that were done in the past were poor or wrong; it's just that maybe there are some new ways that, with some creative energy that we can bring to the table, that we can think about new ways of doing things. It's worked for Silicon Valley; it's working in many other places, and we hope other people will follow us as well. Thank you. (Applause.)

MRS. CLINTON: Catherine, would you describe the Three Guineas Fund and then also perhaps share your thoughts about how more people from the high-tech community can become investors in the non-profit sector?

MS. MUTHER: I wanted to begin with a story, though, first, if that would be okay with you. Two years ago I was sitting on a bench, a wooden bench, facing 30 other women in Bangladesh, one of the poorest countries in the world. These women were members of the Grameen Bank and had received very small loans to begin to engage in small enterprise in commerce and trade. And they asked me to introduce myself, and I said, well, my name is Cate Muther, I work in business to support my family and send my children to school.

And all 30 of them said, we, too; we, too. And I know Hillary Clinton had a very similar experience there. Then they showed me around the village to see the wells that they had dug, the toilets they had made, the roofs on houses and children in schools.

I learned through that personal experience what the Grameen Bank had discovered, and it is this: that women, when given an opportunity to participate in the economy, tend to reinvest in social value. They send their children to school, they invest in education, they invest in health and they invest in sanitation. And this is a principle that I have worked into my foundation, which does have a mission to create access to opportunity for women and girls, particularly in education and the economy.

One of the issues, access issues that we've been working on, is women's access to capital. And we have created, with the help of our community foundation and several foundations that are here -- corporate philanthropies and others -- a model to begin to work at what is a systemic problem in our society.

The idea is to bring together entrepreneurs who are starting up companies in information technology and, in this case, an incubator for women CEOs and founders who are developing and building new companies. We're creating a kind of learning laboratory in entrepreneurship and we're creating a kind of learning laboratory in philanthropy.

Each entrepreneur who comes into the incubator pledges 2 percent of the value of the company into an equity reinvestment fund. So, like, Mayfield's Entrepreneur's Foundation, over time -- in a venture capital time frame of perhaps three to 10 years, we would expect that all of the companies coming into the incubator and some graduating to the community, that we would have created wealth to ensure the self-sustainability of the incubator and to provide a fund for the entrepreneurs who helped to create that wealth to come back and to participate and to practice making the philanthropic decisions about how that wealth is reinvested in the community.

This is one example of some of the kinds of practices and approaches that people like myself and Kevin and Steve, who have been schooled in the new economy, bring to the philanthropic sector. Kevin told you a little bit about how he sees venture philanthropy, and I wanted to add to some of his remarks by saying that I think some of -- just as Rockefeller and Carnegie brought a set of assumptions and business practices to their work in the sector, that we bring a set of business practices and assumptions in how we think about how we solve problems and how we work.

And one of these is a strategic focus on change. We embrace change. We live through technology that is transforming our society and we think about how -- what are models, or what are the methods that one could use to bring out change in solving systemic kinds of problems. So for example, with the women's technology cluster, we're working on the issue of access to capital. What's that about? How do you begin to understand what this is about?

And so we approach it with a hypothesis and a theory about change, which in this particular case is that -- the hypothesis is that differences, especially with respect to color and gender, tend to be perceived as riskier. And an industry that he's in, which is very homogeneous and is all about risk and managing risk and getting rewarded for risk, that it can influence outcomes in terms of how investments are made.

So with this incubator we are reducing risk, we're accelerating growth and we are facilitating women's access to capital to build companies.

The second business practice is teamwork. The models of management based on command and control are fired, basically. We don't think that you get things done by ordering people around. We think that the way to solve complex problems is to get a team of people together from diverse points of view and with a whole set of skills.

So, for example, the way a new product is developed is you put the engineers and the marketing people and the technicians and the technical support people and the documentation writers and the trainers and sales all together, on a team. You give them resources and you solve the problem. And I think that this approach to thinking about complex problems, social

problems, is one that could be adopted in this sector with some, you know, potential to really working at some of these problems.

The third business practice is, we have a propensity to partner. It's a way of getting things done. It's part of how business is conducted. And if you think, for example, about -- if I could use as an example, Steve -- you know, he may think of himself as a tycoon. I don't think of him as a tycoon. I think of him as a sort of new millennium community organizer. (Laughter.) This guy, he's built -- he's got 10 million customers, he's got thousands of partners. He built that company because he and his company understand what it means to partner and to what a difference that could make.

Along with these business practices -- the strategic focus on change, tackling complex problems with teams and partnering -- comes a set of attitudes. And I figure that Carnegie and Rockefeller have their baggage, too. (Laughter.) In fact, when people ask me, what is venture philanthropy? I think, well, it's philanthropy with attitude. (Laughter.) So we have some attitudes.

One of those is a sense of urgency. And sometimes this looks like impatience. We are confident. Sometimes this looks like arrogance. In fact, sometimes it is arrogance. (Laughter.) And we have a sense of accountability and results. And sometimes this looks like control. But together I think this set of business practices and the attitudes that come along with it are part of what we really bring to you; that they're part of our human capital. We have the founder's stock and we have the -- we have the comfort with technology. But I think that it's this human capital that we bring here that provides a kind of convergence from the traditions that we were talking about on the first panel and how philanthropy is moving into the new economy.

In fact, I think that philanthropy is the soul of the new economy. And I think that, as Steve talks about the role of technology and how it is transforming industries, it has the potential to have a transformative effect in the independent sector, as well. (Applause.)

MRS. CLINTON: Thank you very much. You know, as you were talking about your experience in Bangladesh, I remember very well sitting on that same bench. And among the conversations that we had is whether or not -- in my house, we lived with our animals. (Laughter.) All different kinds of animals.

Well, Steve, you've already been referred to several times and I know that you've just unveiled this new website, but you've also got a lot of other ideas about how to increase giving and use these opportunities, that I'd like you to share with us.

MR. CASE: First of all, I'd like to be clear, I do not consider myself a tycoon, either. (Laughter.)

It's interesting. I'll talk about the Internet, but I think it's worth going back to where we started with a video, which is striking to me in several respects. The first was, I had never realized that this was the first White House Conference on Philanthropy. And the fact that we've

been around for 200 years and we haven't had one, I think, is stunning and I really congratulate you for shining a spotlight on this issue. (Applause.)

And the second part of the video which was striking, and a little humbling, were some of the stories -- having an 11 year old child spending time, collecting I think it was 2 million pennies. Or a 78 year old forklift operator who kept working so he had the capability of continuing to give. It kind of -- it really does kind of hit you, that if they're making these kind of sacrifices, maybe we all could be doing even more.

So I think the first step here is simply shining a spotlight on the issue and educating people. And some of these, I think, little stories really bring it to life. And seeing those little stories and TV public service ads or on Internet or having, as you just did, congratulate Bill and Melinda Gates for making some major contributions, really building a culture of service, a culture of philanthropy, is the first thing. Because the Internet really is not creating new needs, as much as a better way to allow you to communicate, a better way to allow you to shop, a better way to allow you to invest.

So it's really taking things that people have decided are important and making them a little more convenient. And I think there is a growing thirst in this country and around the world for people who want to give back. There is a growing capability because of so many successes. So what we're trying to do is, just as we've tried to make communications easy -- (end of tape one; beginning of tape two-- gap)

You can go to a portal to get to content, or go to a portal to get to commerce, why not go to a portal to find out about organizations that need your help. There are 620,000 organizations that are now listed in this helping.org site, and you can go directly to it and find out -- in your state, or based on your particular interest, maybe it's in youth development -- which organizations need your help, if you want to volunteer time, or could use your money, and make it easy for you to kind of make one click donation.

So it doesn't stimulate that desire. That has to happen in your family or in your church or through a spotlight in the culture on the importance of giving back. But it does make the process of giving back a lot easier. And we've seen this with e-mail. Now, AOL alone delivers more e-mail each day than the U.S. Postal Service. The reason is it's so easy to type a message and send it; people are now more in touch with their family and relatives and business associates than they were before. It just made it easier. We want to make philanthropy easier.

And it's not just an AOL initiative. We're working with American Red Cross and GuideStar and Volunteer Match -- a lot of people have really come together to build the helping.org site, to build this portal for philanthropy, with the idea that we can take all these tens of millions of people who are starting to change their lives because of the Internet and help them change society because of the Internet as well.

MRS. CLINTON: Well, it's a very exciting development, obviously, that we're all going to be hoping will do exactly what Steve said, which is to provide a better means for that spirit of giving that we hope to spark in all of us.

There was a roundtable also about e-philanthropy earlier today, sponsored by the National Charities Information Bureau, Greater Good, Charitable Way, the AOL Foundation and the Commerce Department. And a group of non-profit organizations and companies came together to discuss the pitfalls and potential of giving through the Internet. And I'd like to ask one of the participants to speak briefly about what happened and perhaps some of the plans that might have come out of it. Bill Massey is the President of the National Charities Information Bureau.

Mr. Massey.

MR. MASSEY: Thank you, Mrs. Clinton, and fellow guests. Earlier today, across the street from the White House, at the U.S. Chamber of Commerce building, National Charities Information Bureau hosted a public forum on e-philanthropy, technology and the non-profit community. The forum, as Mrs. Clinton described, brought together business leaders, government leaders, foundation and non-profit executives to begin a conversation about opportunities for community-based, as well as national and regional non-profits, to benefit from the existing and emerging Internet technologies.

We are, relatively speaking, at the dawn of new ways of supporting charities and non-profits. And National Charities and Information Bureau, which, for 82 years, has promoted informed giving and accountable non-profit management, is impressed by the commitment of industry leaders to affirm voluntarily fundamental practices that will safeguard and ensure the interest of both donors and non-profit organizations.

Accordingly, this morning, the three sponsors of the forum -- the AOL Foundation, Charitable Way and Greater Good.com -- affirmed four tips for non-profit net transactions. The tips include security and privacy of information; informed choice that is free of hidden detail; full disclosure, including tax deductibility and exactly how charities benefit; and ease in getting answers on-line to questions or issues.

Furthermore, today we have resolved with the White House to host additional forums and meetings to extend and expand the dialogue begun here, to encourage best practices in the areas of e-philanthropy, and to nurture the capacity of community-based, as well as national organizations, to benefit from the exceptional possibilities of Internet philanthropy.

We thank you for bringing together this distinguished group of committed and visionary leaders, and for your own commitment to the promise of America's future. Thank you.
(Applause.)

MRS. CLINTON: Well, our final participant in this segment of our program will be Professor Rosabeth Moss Kanter, a professor at the Harvard Business School who is an expert on corporate community involvement. And I would like to ask Professor Kanter how employers can stimulate more individual giving and what some of the best practices you've seen might be.

PROFESSOR KANTER: We have heard a set of very exciting stories and role models here today, and I'm glad that we're talking about the role of employers because, to some extent, the chance to do community service while employed by a company may be one of the hottest new employment benefits today. While maybe not as hot as stock options -- (laughter) -- but service options are also considered extremely important, even in start-up companies.

There's a little start-up software company in Cambridge called the Buzz Technologies. Few people; they adopted a school because it was a way that they could not only enhance their knowledge of software development by working with kids in the school and having to teach it, but it was a way to create a corporate culture that expressed their values.

And employees today are too busy, often, to organize volunteer activities for themselves; they are grateful when the employer helps them do that. And there are many innovative new models on the horizon from which we all can learn.

Some employers are starting to turn their employees into grantmakers, a little bit like what we were learning about the YAKs, although these are adults. Bank Boston, for example, through its diversity resource groups, organized groups of employees who are identified with a particular aspect of diversity, whether it was working parents, disabled employees, ethnic minorities, gays and lesbians, and gave them \$25,000 that they could give in grants to organizations of their choice, which then stimulated those employees to give even more out of their personal funds and to begin to volunteer for the organizations that they were associated with.

Employers are also increasingly offering community service opportunities for their employees and providing the release time to do it, which has enormous community impact. Whether it's Timberland's five days a year for community service, many of which are organized in partnership with City Year, a non-profit organization, youth service organizations serving the communities, or Bank of America, which allows its employees two hours a week if they are volunteering in the schools of release time. That's big and that's powerful.

Or Home Depot, that works with Kaboom to organize Home Depot employees and bring supplies in order to build playgrounds that have immediate visible impact on the community. What employers are doing is not just stimulating activity, they're increasingly organizing it so it creates the kind of change we've been hearing today is so important.

And when they do it with a strategic focus, it is often incredibly powerful. IBM's Reinventing Education is a pathbreaking way to take IBM technology and talent, coupled with IBM employee volunteers and giving, to attempt to transform many of the ways public education occurs in America. And some of the statistics are amazing. IBM, through its employees, as well as its own foundation, has contributed nearly a quarter of a billion dollars in cash, equipment and employee time. Now, 60 percent is from the company, but 40 percent is from employees that are stimulated by the values of the company and the encouragement of the company and the leadership of CEO, Lou Gerstner.

There are one-to-one matching grants, but five-to-one matching grants when they involve K through 12 education, which is IBM's major focus. About 4.5 million hours of employee service, a quarter of it to K through 12 education, was contributed last year. And when employees volunteer more than 100 hours a year for a particular organization, IBM will chip in a \$1,500 grant to that organization.

These are powerful incentives for employees to get involved and employees love it. So, of course, it benefits the company, in building a strong corporate culture, in training leaders of the future, in building teams of diverse people across the company who would never work together if it weren't for community service. So it's not only corporate citizenship and citizenship, it's community involvement as a tool to build businesses.

And when these are in partnership with non-profit organizations, like Timberland with City Year, or Home Depot with Kaboom, or IBM with the numerous school districts in the public sector with whom it partners, this is a new kind of partnership that's impact and results oriented, that has the potential to reinvent American institutions and revitalize communities, and convert philanthropy from an afterthought -- you know, spare change, what's left over after you do your real work -- to a force for transforming the way we do things in America -- to real change that makes a real difference. (Applause.)

MRS. CLINTON: Well, the President is going to have to leave us before we get into further discussion. But I wanted to be sure that he had a chance for the final word of this segment of the conference.

THE PRESIDENT: I'll be quite brief. I want to say, first of all, all these participants have given something special to us to think about for the future. I think what Rosabeth said is very important, if we can somehow institutionalize for companies of all sizes the idea that this is an important part of their mission, and that they can leverage their own employees' gifts by matching them in money or giving them sustained, organized time, I think that's a big deal.

And one of the things that I think ought to come out of this conference is our determination here at the White House to do whatever we can to replicate that and accelerate that process.

I think what Steve has done in giving interested people access to the world of giving in an intelligent way is also very important. That's one of the things I said at the beginning -- we want to not only increase the volume, but make sure people know what they're doing better.

I think what Kevin said is really wonderful. You know, he explained to you what I tried to make fun of and joke about, because I don't have any of that, founder's stock. (Laughter.) But Silicon Valley and the whole venture capital, high-tech community needs to be at the forefront of what we're doing for the same reason that Willie Sutton robbed banks -- that's where the money is. (Laughter.)

MRS. CLINTON: I don't know how you're going to get out of that one. (Laughter.)

THE PRESIDENT: That's where the money is, that's what he said.

And I have been very impressed by the number of people that I personally know because, obviously, there are so many issues that we have to deal with that involve the high-tech community. And I have been amazed at the accelerating rate with which people with whom I come in contact bring these kinds of philanthropic issues up now and are looking for ways to leverage the skills and the techniques and the attitudes that Kevin and Catherine talked about.

The last point I want to make is this: Hillary and I discovered the Grameen Bank -- you talked about the Grameen Bank -- probably 15, 16 years ago, now. And we opened a branch of the South Shore Development Bank, a bank like that, a development bank in Arkansas, when I was governor. Now AID, in our administration, funds 2 million loans a year to poor village women. And we also -- we just got another appropriation to fund our micro-credit program here in the United States in poor neighborhoods, and apparently won, late last night, our battle to support financial modernization, which will increase the size and sweep of our financial institutions, but preserve their obligations to make reinvestments in the community.

Now, against that background, I just would like to say that given all that both of you have said, I think that the people who are in the high-tech community are particularly well-qualified to focus on individual economic empowerment to people and places that have been left behind in this astonishing economic recovery. If this thing keeps going until February, we will have the longest expansion in the history of America, and there won't be a war involved. We already have the longest peacetime expansion.

And yet we all know there are people and places that aren't a part of it. Of all the philanthropic things that the high-tech community can do, the obvious best candidates to me are education, for the obvious reasons, and the relations of technology. But the other thing is, we are struggling to find ways to bring enterprise and opportunity to hardworking, decent people who live in places that have been totally passed by, by this marvelous recovery that -- normally I'd just stand up and reel off the good statistics. But every night I go to bed and I think about how in God's name could we have the biggest economic boom in the history of the country and have so many places that it passed over, just like a storm in the night?

And I do believe that for all the reasons you said in your remarkable presentation, and the things that you said about what's in the heart as well as the mind of the people, and the incredible power of the technology that Steve talked about -- if you could focus on what -- a philanthropic strategy designed to maximize this moment, to deal with the poor who are willing to work and have been left behind, you could make a profound, permanent contribution to the well-being of American society. (Applause.)

MRS. CLINTON: It's a good time for a 7th inning stretch. I think that our satellite time is over -- right? So you don't have to worry about being on television anymore. (Laughter.) But we're going to use our remaining time to discuss some of these issues or other issues that might be on your minds.

I'm just so appreciative of the contributions thus far, and we've covered so many different topics, and we've got about, I think, 45 minutes or so left to try to make sure that no stone is left unturned of good ideas and thoughts that any of you have. And so to that end, we're going to ask people to keep their questions or their comments focused and as brief as possible.

We started by talking about teaching generosity and involving all aspects of the community, all generations in giving. We've just finished a very stimulating discussion about technology and venture philanthropy, and I know there are so many innovations going on around the country. And there really is a common thread running through all of these points that various speakers have made, and that is a larger context for the concluding remarks of the President, to think of ways that we can use philanthropy to further the common good and the better opportunities for Americans in this upcoming new century.

We've probably never had the capacity to empower so many people and to have such a positive impact on the lives of so many people as we do today. And the question is whether we'll take advantage of that connectedness and use the new technology, pass on these lessons to our children and create a very concerted effort that cuts across as many different lines in our country as possible to move into this new time with a more philanthropic focus and commitment.

Now, I know there are many of you whom have much to say and I am not going to prejudge where we start. I think what we'll do is just begin, and if you will perhaps raise your hands for either questions or comments, we will have the folks with the microphones coming around, and I'll start right there with you, John. And I think it would be good if people would identify themselves as well.

MR. DEGIORIA: Hi, I'm John Paul DeGioria and I am a baby boomer. In the 1960s, many of us went out there and wanted to change the world. We protested, we carried signs, we made promises you wouldn't believe. A lot of our seniors said, wait until they grow up. They're just a bunch of hippies. They're going to think differently.

Well, at that time, we didn't have the finances or the influence to make major changes. Well, times have changed. Today, we have the influence, we have the money, we even made it to the White House. So we can make some really big changes. (Laughter.)

Well, when the young man was speaking earlier, he said something that just really hit me I wanted to share with you all, because we could all do something to make your dreams come true, too. Now, we can make great changes. We can help them change. Here's my suggestion.

Anyone who has an organization or a company that publishes a newsletter or a tabloid, any kind of a publication, put a little section in there for achievements of youth, and start putting in things that people under 20 have achieved. One, it will create more family values, and, second of all, it will encourage kids through examples to do a heck of a lot better. Thank you. (Applause.)

MRS. CLINTON: Thank you so much.

MR. GALLANTER: I'm Marty Gallanter. I'm from Dakota State University in Madison, South Dakota, one of those areas the President was talking about. And I'd like to just take a moment and put an explanation point on the President's remarks, although I'm not sure he needs any, it was so well said. But from the earliest part of American philanthropy, rural America has been schooled -- urban America, as youth, all the way back -- and we still have the resources and the values, and we still have the family structures and the faith-based communities, and we still have the space and the room, but what we don't have very often are the ears of the funders.

The vast majority of wealth in this country is within a day's drive of an ocean. And, having just spent three days in New York speaking to foundations who said, "Oh, you have wonderful ideas, but why would he do it in South Dakota" -- and that's a quote, and I won't tell you which foundation -- (Laughter.) I ask you all to think about a lot of good reasons why; the President gave them to you, and not to ignore the postmarks if they're not from just around the corner.

MRS. CLINTON: Thank you. Thank you so much. (Applause.)

MS. VAUGHN: Hello. I'm Billy Vaughn (phonetic) and I'm with the Scholarship Foundation of Santa Barbara. And I wanted to talk to you just a minute about the power of community-based scholarships. In our community, we have every director of Boys and Girls Club who are former scholarship recipients from our community, the director of the Asian art exhibit at the museum of art in our town, and then the most amazing thing. We have hundreds of examples. But we have a young man, Chris Martinez, who went to UC Berkeley on a scholarship for the Scholarship Foundation.

And he, there, in the city of Oakland, established the Student Tutorial Endeavor Program, called STEP. And the STEP program has involved 50 to 100 UCB students, who are tutoring and mentoring and having weekend programs for students that had no place to go. So I just wanted to reconfirm the concept that in its heart and soul, philanthropy is individual, personal, and often locally based. (Applause.)

MRS. CLINTON: I appreciate you raising that because, you know, one of the most gratifying efforts that I've ever been involved in and helped to start was a single parent scholarship. Because a lot of the scholarships that go to worthy students do not cover the kinds of expenses that keep young parents from continuing their education -- you know, when the car breaks down, when the utilities are going to be turned off, when you can't get child care.

So I think it's -- we need to think of a broader definition of scholarship and to think about what it really takes to put together the financial resources to enable a person to go through community college or four-year college. And too often, the giving is too limited in terms of what it can be used for in order to keep somebody in school.

Yes, right over there.

MS. MCPHEE: I'm Penny McPhee from the John S. and James L. Knight Foundation in Miami. We've heard a little bit today from and about community foundations, and I want to share with you an idea that I find very appealing that was invented by a small, new community foundation in Boulder, Colorado. It's called the Millennium Trust, and the idea of it is to make philanthropists of everyone in the community at the millennium by asking everyone to donate their last hour's salary of the millennium to the Community Foundation and to become a philanthropist no matter how small his or her salary is. I think it's a great idea that every community ought to undertake. Thank you.

MRS. CLINTON: Thank you, Penny. (Applause.)

PROFESSOR SCHERVISH: I'm Paul Schervish from Boston College, and in addition to doing research on the numbers and the material growth and wealth that is generating philanthropy, we have also investigated what is the central motivation for all of this. And it turns out that it's embedded in the biblical traditions and the spiritual traditions that we all are aware of. And that is simply the notion of identification with the fate of others, starting with our own family, with the children that we love, that we care for, and seeing the extent to which this identification of the fate of others being like our own extends in time, then in space, and then relationally, further to horizons that are anonymous and are not necessarily in our daily purview.

MRS. CLINTON: Thank you. There are a few people I'd like to call on, because I know they have some contributions that we want to hear. Rebecca Adamson of the First Nations Development Institute has a different take. I understand that First Nations pools funds from different sources based on the culture of giving and your institution. And can you explain how that works, Rebecca?

MS. ADAMSON: I'd love to. Thank you very much for bringing us all together too, also. I don't know if I can be as eloquent as the last speaker, but I'd like to just simply say that giving is a way of life for native people. I think everyone in the room has probably heard the term "Indian giver," and by and large, you think of it as pejorative. It appeared in the first American English dictionary because of the fundamental understanding that if you had a gift, you were expected to give. There was a real reciprocity of giving within the native traditions.

Today, this giving is taking many forms. Tribes, such as Prairie Island, Agua Caliente, the Oneidas of Wisconsin, all have major tribal giving programs. And many Native American people have their own foundations or they work in community foundations, such as Emma Carsons.

The emerging funds that you spoke about, Mrs. Clinton, are recent and they are a rapidly-growing phenomenon. Our fund, the Eagle Staff Fund, is one of the oldest. We combine the native culture of giving with strategic techniques of effective grant-making. We have over 50 foundations and corporations, we have over 30 individual donors. You can imagine everyone has their own opinion and their own experience and their own interests.

So our key technique really and truly and simply is learning from one another, and it's in a partnership that includes the tribal communities. Solutions come from people, they don't come

from programs. There's a brilliance in our communities. We give away \$1,000 to \$450,000 grants, and over the year, we give about \$1.5 million a year.

Much like this administration, we focus on assets. Building upon an asset-based strategy through our pooled fund, we're able to create opportunities in communities that many people think will never succeed. We're able to create opportunities for the reciprocity of giving. Thank you.

MRS. CLINTON: I know Lucille Echohawk is also here. And, Lucille, you have some additional insight into the traditions of giving. Is Lucille here? There she is.

MS. ECHOHAWK: Thank you, Mrs. Clinton. I'm very pleased to be here. For the past six months, I have found myself as a formal part of organized philanthropy in this country as the Indian Child Welfare Specialist for the Casey Family Program, which is one of the largest operating foundations in our country, headquartered in Seattle, Washington. And their focus has been children and families at risk for more than 30 years, and it's one of the best -- in my opinion, one of the best-kept secrets in Indian country that they have been very focused on native children and their families for about 20 of those 30-some years.

I am also a founder of Native Americans in Philanthropy, which is about to celebrate its 10th anniversary year in the year 2000. And we have worked very hard to bring forward much of what Rebecca has expressed about the work of First Nations and other native people working both in organized philanthropy and in native communities, and I think that work is just taking off.

And to relate to what the President said about those parts of America that have been passed over, Native America is certainly one of them, and we see that changing in the new millennium. Thank you. (Applause.)

MRS. CLINTON: Thank you very much. There are so many hands. There's a hand back there.

MR. ROSENBERG: Thank you very much. My name is Claude Rosenberg, and I am the founder and chairperson and sole supporter of something called "The New Tithing Group" in San Francisco. This is another way of saying, relax, we are not going to solicit anybody here for money. (Laughter.)

On the other hand, what I would like to mention has to do with solving the problem that was mentioned by the President before, having to do with why philanthropy is stuck at 2 percent and what we can do about it -- 2 percent of GDP or two percent of income.

In The New Tithing Group, our major goal is to enhance philanthropy in general, and that includes having people being smarter, wiser about their giving. But the major concept that we preach is that one of the problems in philanthropy in America today is that there is no formula for charitable giving. People are guessing.

At one time, it was tithing, and tithing is a wonderful custom. And I want to make it clear that I have not come here to bury tithing. But the fact is that from a financial standpoint, tithing, which the dictionary is very clear about, stating that it is giving money based on your income, a percentage of your income, and often 10 percent of your income. That particular definition should remain, but it should be useable by people who have income alone, or income and very little in the way of investment assets.

For the rest of America -- and there are so very, very many, particularly after the great economy that we have had and are enjoying at this time, and a lot of the founders' stock that exists, it's no longer income that should be the criterion; it is the combination of income and one's investment asset wealth.

And that's the definition that we preach about -- new tithing, and we would hope that if people, in fact, the wealthier people are, the less they budget at all; that's one of the advantages of being wealthy, you don't have to budget. And, therefore, you don't know yourself what perhaps you might be able to afford to give.

Our work indicates, because we concentrate on affordability, and that is that in this present year, if people simply did on a very conservative viewpoint by our technology, which would indicate that nobody is impaired their investment asset wealth or their standard of living, an additional \$242 billion a year could be received by charity.

We at New Tithing Group, feel very strongly that we want to help people understand that. And, frankly, the best way to do that is to have people from various parts of the country who really feel strongly, like Joe Selvaggio who is here today from Minneapolis as a former Catholic priest who has done a great deal for Minneapolis, that if we have small groups for every community, and if you want to come to our web site, which is WWW.Newtithing.org, we can give you a lot of information, all free of charge. And we would be most happy to try to educate anybody that you want to send to San Francisco or in any other place, perhaps, in the country, to educate them, as we all need an education, as what we can really afford to do. That's what's missing, and there is something we can do about it. So I hope that the administration and America will adopt the term, "New Tithing." Thank you very much. (Applause.)

MRS. CLINTON: Thank you very much. Some of those who are among the new wealthy in the country are sports and entertainment figures; we heard from Justin earlier. And Lou Katz is here, and he, through the New Jersey Nets, has been doing quite a bit of work in Philadelphia. And, Lou, I was wondering if you might share what it is you're doing and how you went about it.

MR. KATZ: You should have told me. (Laughter.) That wasn't very nice.

MRS. CLINTON: I got a note from the President, Lou. I do whatever he tells me--

MR. KATZ: Yes, I saw when he walked out, he gave me a signal. (Laughter.) It's really my partner, my wonderful partner, Ray Chambers, who came up with the idea while we were walking on 5th Avenue. And he said, "Why not buy an NBA team in a nonprofit trust, dedicated

to our hometown children?" I'm from Camden, New Jersey, he's from Newark, New Jersey. "So that all the profits from this team, whether we do it on an operating or on a sale, would go back to helping disadvantaged children in the minority community?"

I loved the thought. And then he took it further and said, why not take this team and move it into an impoverished area? Instead of looking for a stadium in the suburbs, let's go back to Newark and help one of the poorest and the largest cities in New Jersey, not only in an economic way, but in a social capital way, to help restore self-esteem to people in the community that would understand the benefit of having an NBA team come back to an area and begin to play professional basketball?" We said, think about how the people of Brooklyn felt and still feel so many 30 years later, 40 years, let's reverse that tie.

So we're going to move the New Jersey Nets back to Newark; we've only done this in the last 11 months. And with a little bit of luck and a change in our economic fortune, who knows? At each game, we give a scholarship -- the players, at every game, at halftime, to an impoverished youth. We've told our players that as important as winning is, we think it's just as important that they represent the community from where they come and understand how important their conduct is to the children of the inner cities.

They've bought into this concept, and in the recent days, we've lined up with another team, which hasn't been officially, officially announced, and hopefully, that new team will do very well in the next week and there will be plenty of profits coming to the New Jersey Nets -- (laughter) -- and, hopefully, you'll come and visit. Thank you very much. (Applause.)

MRS. CLINTON: Thank you, Lou. This woman -- young woman right there.

MS. BEENE: Thank you. I'm Betty Beene with the United Way of America, and, too, delighted to be here. You know, the United Way is 1,400 organizations across this country, really about the business of making philanthropy local. The smallest one raises \$14,000, the largest one, \$100 million. And we're benefitting from the economy just like everybody else is; our numbers are going up.

But I want to raise an alarm for all of us, and it springs from back to that basic definition of philanthropy, that it's about helping our fellow man, it's not about investing in things that make our own lives more comfortable and delightful.

Haynes Johnson once said that "We're moving from a nation that once engaged one another on our front porches to one where we talk to ourselves on our back decks." And our ability as a nation to engage deeply in affecting the lives of people we don't know and ever see has only declined.

There is an alarm bell in this nation when you understand that the proportion of philanthropy given to Health and Human Services is going absolutely in the wrong direction. So as wonderful as it is to have a million new great ideas about how to do things, I suggest and hope that we can take those new approaches to deal with the basic issue that our biggest accountability

is to help people that we don't know and that we never see who need us desperately. Thank you. (Applause.)

MRS. CLINTON: You know, Betty, I'm really glad you raised that. (Applause.) Because that's a very important point, that although philanthropy has stayed even and the two percent of a larger pie has gotten bigger, the proportion of that bigger pie that goes to Health and Human Services to the neediest of the needy and the poorest of the poor is going down.

There was a recent report in the last week or two that a lot of the shelters that feed poor, hungry people in New York are running out of food. So there's a way in which we -- we don't want to skip steps here. What we're trying to build is a better concept of a more effective philanthropy, but we've got to remember that people's basic needs is where we started -- to go back to the very beginning of this conference with the Thanksgiving image of the pilgrims who would have starved had it not been for that intervention.

This gentleman right there in the front row.

MR. SHELTON: Hi. My name is William Shelton. I'm the community relations coordinator from Brooklyn Manor Apartments right here in Washington, D.C., one of those communities that the President talked about. And one of the things I want to emphasize to everybody is, not only do those communities need money, but they also need time and resources.

I think a lot of what I've been listening to is money. But as Mr. Carson said, that a lot of people, specifically African American people, we don't necessarily have a whole lot of money, but we have a whole lot of time. And one of the things we need to realize is, you know, Mr. Jobs and other people from other organizations and other businesses need to come back to those communities and help people in those communities understand how to start small businesses, do things like that, and which will give them the opportunity to be able to give back not only time, but also money.

So I really want to emphasize the fact that we need to not only put money out there, but we need time and resources. People who have businesses to show other people how to operate those businesses and do things like that. (Applause.)

MRS. CLINTON: I think that's another good point. You know, one of the concerns many people have about foundations is how foundations often will not give to operating expenses or to the kind of day-to-day work of delivering services that have to be -- (applause) -- have to be carried out. And I think that's another thing I would like the foundation community to rethink.

Because much of the work that has to be done us grudge work, it is rebuilding communities with that kind of constant attention and technical assistance. It's not very jazzy and doesn't attract new attention, but if done over the long run, can result in the kinds of changes that this gentleman referred to.

Steve.

MR. CASE: I'd just like to comment on both of the last points that were made, that were very important. What we are trying to do, at least with the Helping Org initiative, is really work with what is already there. We're not creating new organizations -- there are already 620,000 organizations, and many of them have been doing this successfully for sometime.

What we're really trying to do is be a bridge between people who can give time or money to people who need it. And one of the things I think is nicest about it is the ability to localize. You can type in your zip code and find out who needs help in your area, or type in your zip code, and a particular interest you have, and target money to just that.

So our hope is, it will make some of the organizations that are doing good work maybe right around your street that are invisible to you, that will bring them to light and actually stimulate things at a local level. And I'm actually more excited about what might happen on the volunteering side as opposed to the money side, because I think there are a lot of people who want to give their time, but they just don't know where to start, so they just don't. And hopefully, this will be a way to make it easier for people to help, irrespective of how they want to help and irrespective of where they want to help.

MRS. CLINTON: Yes, Pat?

MS. LILE: I'm Pat Lile, from Arkansas. We're proudly covering the -- (laughter.) Bill's going to be coming home and we're not sure about where you'll be going, but -- (laughter) -- but you're always welcome in Arkansas. And it'll always be the Presidential Library for the President and First Lady in our book. And that's really one of the things I wanted to bring up today is that, as extraordinary as this conference is and how we applaud this leadership, I don't have any particular confidence that it will necessarily be continued; I don't know what's going to happen.

And I know one way it could be continued is for it to be a focus of the presidential library. And I know you're giving thought to a focus or several ways to focus your efforts that will be effective, that will help more than just one part of the country.

I do think that the best gift of the future of your administration is yet to come, and I think much of that will come through its influence in the years ahead, and particularly through the presidential library. And so I'd like you to think about how you can take the extraordinary elements of your leadership -- and you certainly have excelled in knowing how to do fundraising and fund development -- and that's what much of philanthropy is all about.

So I'd just like to urge you to think about that, and say that I hold in my hand a map, put out last week, talking about the assets per capita all over the country. And the region I'm from, the three-state region, Arkansas, Mississippi and Louisiana -- has less than one-third of the assets per capita in foundation assets of the rest of the country.

So when we wonder why some parts of the country have been left behind in this era of the new technology, it's partly because we have fewer foundation assets to help do some of those

remarkable things that are at work in other parts of the country. Thank you very much.
(Applause.)

MRS. CLINTON: Thank you, Pat.

MS. MULVILLE: Thank you very much. I'm Barbara Mulville, Chairman of the Board of the National Society of Fundraising Executives. And thank you for holding this conference. I think one of the things that you did today is one of the most important things that anyone could have done. You have brought together all of the resources that are needed to conquer this big problem. We have government leading at the first conference, and as Mr. Case said, we should have done this 200 years ago.

We have the philanthropists here, we have the foundations, we have the corroborators, and I represent 22,000 of the professional fundraisers throughout the United States, and I just want to thank you. You have -- (End of tape, side one; begin side two in progress) -- how to do it, but that the visibility of this kind of conference, all the kinds of service recognition that people have been speaking about, and people coming together across class and across experience is really what's going to make philanthropy be a bigger thing that's going to make people give more money away, that's going to make people recognize that people of all classes give money away, and that I would put that out as a challenge for us to then be able to turn around and say, now, go to Helping.Org and find out about organizations you don't know, but work together with people to do that. (Applause.)

MRS. CLINTON: I also don't want us to overlook the role that United States citizens and institutions play in global and international philanthropy. When Catherine was talking, she was referring to the Grameen Bank, which has certainly influenced many of us here at home, and led us to try to do more both abroad and domestically.

Is there anyone who would like to say something about international global issues regarding philanthropy? I don't want to be unfair to this side of the room here. Perhaps right here. Yes?

Q Thank you for the opportunity to speak. I'm with the United States Committee for UNICEF, which as you know, has programs which help children and women around the world. One of the great things about the U.S. Committee is that years ago, it began the U.S. Committee Trick or Treat for UNICEF Campaign. And what's marvelous is that a generation of young professionals have grown up recognizing that philanthropy starts in very small ways at the local level, but that it can impact on the lives of children they'll never see. So I thank you for that.

MRS. CLINTON: Yes, sir?

Q Thank you. My name is Victor Pinchon (phonetic) I'm President of the Americas Foundation. And Mr. Case and the rest of the panel, this is addressed to you and also a challenge to the President to try to find ways to overcome poverty throughout the world. I'm originally from Colombia, and our countries in Latin America, they are about 70 percent poor. This is a tremendous waste of human resources, and we feel that through (inaudible) and through now

Internet, we have a wonderful way to empower people, economically and educationally, and of course then politically, so that they can take action to improve themselves. I think this, through Internet, that we can reach to them with messages of how to empower them by training, making them, for example, low-tech through computer literacy training, to work and there are so many ways that we could increase the service economy throughout the world, especially, we are highly interested in the Americas.

Would you comment on high-tech, sir, on this issue?

MR. CASE: Sure. No, we absolutely believe that the Internet holds promise to really be a global phenomena, and it's already happened to an extent, but there are many countries that are left behind, or at least aren't sufficiently developed. And a lot of people are doing a lot of things. We actually be launching AOL in Latin America in a few weeks, so we do believe that there is an opportunity to take these tools and make them something that everybody has the ability to connect to.

And we also are dealing with not just Latin America, but all around the world -- this real concern we have, and I think others share, of the digital divide, that as these tools develop, that we need to make sure we're not leaving people behind and there are a lot of initiatives, including some we'll be announcing soon, to deal with that divide issue. I think it's a very important issue as we move into this Internet century that we don't leave people behind.

MRS. CLINTON: You know, one of the issues that we're all concerned about is this one that Steve just mentioned. And I think that we face the same kind of challenge and opportunity that our country faced earlier in this century when we had to make a decision whether we were going to electrify the country or not, and it became a public-private partnership because there were hard-to-reach places, Pat, like Mississippi Delta that we know so well, or Appalachia and other places, that it was not profitable for utility companies to go in and provide service and so, through the TVA and other means, the federal government stepped in so that the entire country could be unified and utilities could operate without disruption from one coast to the other.

I think we face the same kind of challenge and opportunity when it comes to Internet access, and certainly, it's going to be an issue that we're going to have to address, because there are many places in this country, such as those the President was referring to, where, it is at this moment not profitable. But the longer it takes to provide the kind of access that people need, the further behind those people will fall. And I particularly appreciate the comment from the gentleman from the Dakotas. That's a daunting task, to figure out how you're going to wire those great expanses and make sure every American is connected.

MR. O'CONNELL: My name is Brian O'Connell, formerly with -- (inaudible) -- and now with Tuffs Lincoln Filene Center for Citizenship. I was just going to offer something that might provide some focus among so many inspiring and good ideas.

If you look at the various commissions and studies that have been operating the last three years about what to do about keeping this spirit alive another 50 and maybe 250 years, the common finding of all of those studies is to bring this subject back into the educational system.

We lost it in the education system because it got pushed out. We all took civics, most of us, anyway -- it got pushed out in the name of more time for science, more time for biology, more time for various subjects. It got pushed out of the colleges for the very same reasons. And the rationale became, well, this is not really the responsibility of education. But if we really look at it, everything else that America depends on depends upon people being aware of the blessings of liberty and the responsibilities of supporting it.

The obligation I think of all of us here -- and to the extent we can work together, we can accomplish it because the acceleration is there -- is to be sure that nobody goes through a grammar school, high school, college education without being prepared for, oriented to a lifetime of active citizenship and personal service. That is a fundamental aspect of education in a democratic society, and we've lost it. We're finally beginning to get it back, but there's still a lot of arguments, well, we just don't have time for that kind of soft business. We've got to decide this is absolutely essential.

One other point about focus, and that is -- it goes back to something Peter had said when he talked about people's attitude. People's attitude increasingly is toward support of non-profit endeavor and a preference not to mix with government. And we have to be awfully careful in promoting philanthropy, volunteer initiative, that we not exaggerate what we can do if it allows us to exaggerate what government need not do. And that's why we've got to help people realize that this is not simply doing good for those poor folk or those needs, but changing the way our communities work so that they do work. And that includes working in partnership that certainly have to include government.

MRS. CLINTON: Very important point. (Applause.)

Well, I'm told we have about 10 minutes left. This is a terrible dilemma for me. (Laughter.) We'll go -- as many questions as we can get in, and way in the back. I always feel sorry for the people -- yes, ma'am, way in the back.

MS. RIDINGS: I'm Dot Ridings, President of the Council on Foundations, and I want to raise an issue that hasn't been mentioned here yet today. But first let me say what wonderful stories these have been. We know that these things come alive through the stories that we tell, and I hope we can encourage everyone in this room and everyone who is hearing this or reading this elsewhere to continue telling the good stories of what's really going on.

But I do want to raise the issue of the legal and regulatory framework within which we work, and to urge the people in this room to do something about that. We do operate within a favorable legal and regulatory framework. We operate in the public trust, and I think most of us take that quite seriously. But the Council, over the past year and a half, has conducted some extensive research and has learned that our stories are not well-known by opinion leaders in this country, including many members of Congress, our local and state officials, and many influential members of the media. These are stories that are not well-known. And I think we operate at some risk, without those stories being well-known.

So I would like to encourage everyone in this room, as we have encouraged all our members to tell the good news, to get to know and make personal relationships with your members of Congress, the House and the Senate, with your local and state legislators, regulators, the influential members of the media, the opinion leaders, so that they really will know these stories and will know what is really going on, and the value of that to the American society.

MRS. CLINTON: And can I read between the lines and just point out that you're talking about threats to tax deductibility and other kinds of restrictive regulations that would in some way inhibit the kind of giving or the direction that a particular not-for-profit could take because of political opposition.

MS. RIDINGS: Certainly. And certainly we can do a bunch more in this country to encourage that. There are many proposals that have been made and many of the people in this room are the ones that have been talking about that for years. But we have to start at ground level, Mrs. Clinton, and make sure that the opinion leaders, those who do make the laws and deal with the regulatory framework in this country are aware, as we are aware, of what's going on and what is possible, and how that is made possible through the legal and regulatory framework.

MRS. CLINTON: This section. (Laughter.) Isn't there some way you could all just get together? (Laughter.) Yes, this gentleman right through there.

MR. JACKSON: Thank you, Mrs. Clinton. My name is Rodney Jackson. I'm with the National Conference on Black Philanthropy. I congratulate you on having the foresight to have this conference. It has been very interesting, and I appreciate the opportunity to be here.

I wanted to say that I was particularly struck by your earlier comment about the one percent, and also Dr. Emmett Carson's comment about a philanthropy holiday, because, interestingly enough, they just both happen to be subjects that we at the Conference of Black Philanthropy have been thinking about over the past year.

Specifically, how we could raise giving among African Americans, and we call that our "three-quarters equals one percent" campaign -- three-quarters is a date, it's March 4, and the one percent was to encourage giving of at least one percent or more among African Americans. And it's certainly a concept that would apply to all Americans around the country.

So, as the President already pointed out, this is a very big tent, and I wanted to -- it occurred to me that perhaps there are other people who would be interested in making this idea a reality. So I wanted to extend a general invitation to anybody who wanted to just get together over coffee or juice or something, and think about ways in which we can make the idea of a philanthropy holiday into a reality that would benefit the whole country and raise the boats for everybody.

MRS. CLINTON: We've got a couple of different ideas. Let's not forget, too, the less hour of pay of the year, too.

MS. DAVIDSON: Thank you so much. I'm Pamela Davidson, from Indiana -- the great state of Indiana, where we have our very generous Lilly Endowment -- thank you so much -- this year's President of the National Committee on Planned Giving, which has a very exciting program, the Leave A Legacy program, which is now in 123 communities throughout this country. And the interest is growing and thriving every single day.

Those are programs where the community defines its own philanthropy, defines its own goal to achieve those goals, and is the motor to make that legacy within its community happen -- a very exciting program.

One thing that I think many of us have forgotten today in our discussion -- and I thank you so much for being the convener, we appreciate it so much because we don't get a chance to chat with each other enough -- the one thing I think we need to stress is what incredible personal satisfaction being a philanthropist creates for a donor -- that I hear stories in my 15 years of gift-planning of people who weep for joy being able to do for somebody what somebody did for them -- like Esperanza Rich, sitting right over there -- where someone extended a hand out to them, made all the difference in the world, the most modest circumstances. And they are anxious and it's their life mission to give back. And I really think we need to confirm the joy of what being a philanthropist can mean to an individual. Thank you again. (Applause.)

MS. WALTERS: Thank you. My name is Kate Pew Walters. I'm from Grand Rapids, Michigan. I am the President of the Kate and Richard Walters Foundation. Thank you for asking me to be here today.

We talked a lot about people who are forgotten, and I'd just like to mention that people with disabilities oftentimes are forgotten as we think about the categories that we all give funding to. Oftentimes, when we're looking for money, we say, well, we don't give for organizations serving people with disabilities. And I guess I would remind you that people with disabilities have health care issues, and people with disabilities have housing issues, and we have education issues. And we need to be included on all of those tables. And we also need to be included with traditional organizations that serve people with disabilities on those boards, and that needs to be required. Thank you. (Applause.)

MRS. CLINTON: I'm going to call on Bill White, now, from the Mott Foundation, one of the major sponsors of today's conference, for his thoughts. And I know there are many, many more hands of many people who wish to speak, so I want to hear from Bill, and then I have a suggestion about how we can make sure everybody is included.

MR. WHITE: Thank you. Everyone has commented that this is the first, and I think it's wonderful to celebrate this core value of the charitable impulse, whether it's volunteering or whether it's giving, because I regard it as much of a core value as we take some of our other freedoms -- freedom of speech, freedom of assembly, freedom of worship. And there are many countries in this world where there would never be a seat of government having a conference on philanthropy because they would not also have a conference on freedom of speech, right of assembly, or right of worship. And so it is something we take for granted in this country, but really, fundamentally, defines our society and what makes us great.

The other thing I've been reminded of today, and it's just come home time and time and time again, and that is that life in America occurs on Main Street. That's where it is and that's where it's worked out, and we have to figure out ways, whether we're a national foundation such as Ford or Rockefeller or Carnegie or Kellogg or Lilly, or even Mott -- we have to figure out how to work on Main Street, USA.

And our friends from the technology field are going to help do that. Because, clearly, if we can't figure out how to work with Main Street, USA, we in the national foundations at least are going to be distant, we are going to be arrogant, and we're probably going to be what you might call horse's asses. (Laughter.) So one of the things I do like is community foundations, United Ways. And that's one of the reasons we have supported these types of organizations for years. Because it enables a distant funder to work in a local community. And we have supported the community foundation movement not just in the United States, but also overseas. And it really does bring that biblical -- who bow their head and gave those two guineas together with the man who stood up and said, I have a lot of money -- together to solve community problems. And I think that's what we're talking about.

And finally, I have to close -- I had a seat here, located behind this row, in particularly behind this young man, and it's sort of humbling to someone who gives away millions and millions of dollars a year, and then now here's a guy who has done it and gotten it at a very early age. So, anyway, I think the charitable impulse is alive and well. And if this generation has anything to do about it, we're going to be amazed at what's going to happen. Thank you. (Applause.)

MRS. CLINTON: We promised everyone that we would be able to break at a quarter to 4:00 p.m. We've already gone past that -- because I know there are planes to catch and many of you have made considerable effort to get here. But there are a number of people who have other things they want to say and other ideas.

I'm going to ask Shirley Segowa (phonetic) who works for me, who, along with Ellen Lovell at the White House Millennium Council, really planned and organized this conference, to stay up here. And for those of you whose hands were up that I couldn't call on, please go and tell Shirley and Ellen your particular ideas. Because we do want to come out with a report of some sort that details the ideas and the concepts that were put forth, and the challenges that we think that presents to us.

As we have done with previous White House conferences, we don't expect this to be the end, but the beginning. We intend to do everything we can to look for ways to act on the ideas and suggestions, to facilitate continuing conversations, meetings, so that people can act on what we have heard today. And we can do it through strength by bringing people together to address the issues that have been raised.

I want to thank everyone who has been a part of this. I want to thank again our sponsors for making it possible. But as Bill White was finishing his remarks, I was reminded how often in my travels in other parts of the world I would be met by lack of understanding about

volunteerism and philanthropy -- because for people who lived under communism, totalitarianism, military dictatorships, there wasn't anything comparable at all to what we think of as volunteering. People were ordered to volunteer. They would be told that this is their duty to the leader or to the party, or whatever.

And so there was, and still is in many parts of the world, great suspicion about what we are sitting here talking about. The idea that people would assemble and freely speak and use their own money to meet social needs to supplement government programs has been, for most people in the world, truly a foreign concept.

And yet, as more and more democracies are coming to grips with what it takes to create an ongoing democratic, dynamic society, they're understanding what for great fortune Americans have always understood, and that is there has to be this charitable impulse put into action. There has to be an identification with your fellow citizen in order to create this concept of a common good that enables all of us to make progress together.

So it is something that we cannot take for granted. And as we move into this new century, looking for new ways to deepen the American philanthropic tradition, I think we are not only doing it for ourselves in every way that that can possibly be meant -- for our own personal satisfaction, for our own feeling of worthiness, and for our fellow citizens, those we can touch and see and those further distant -- but we are doing it to set an example. Because only through the creation of civil society, which depends greatly on volunteerism and philanthropic works, can any society really understand what it means to be a democracy, and then that democracy can be rooted in very, very strong soil.

So this is an incredibly important occasion, and we will look for ways to continue this conversation and working with you. And I'll ask Shirley and Ellen to come forward now, and I hope people will be sure, before you leave, to let them know any additional thoughts you have or topics you would like to see addressed.

Thank you all very much. (Applause.)

END