From Kenya to India to Slovakia to Brazil, residents have improved schools, created jobs, empowered citizens, strengthened organizations, and mobilized donors.

How did these communities do it?

They turned to community philanthropy.
A Local Practice, Spreading Globally

In Brazil, the Instituto Comunitário Grande Florianópolis, or ICom, was created by local activists to strengthen fragile community-based organizations. ICom’s work is striking for many reasons. They mobilize local donors to invest in community development. They map community assets and spotlight local issues. They promote innovative uses of technology for social good. And they are making the community foundation concept work in Brazil. “We’ve learned that we first need to stimulate a culture of systematic giving,” says Anderson Giovani da Silva, ICom’s executive director. “Then we provide the tools to help community organizations, individual donors, companies, and government work together.”

In Kenya, an organization called the Makutano Community Development Association (MCDA) has a long list of achievements, including constructing nine dams and 17 wells and developing 10,000 acres of fertile land. While these outputs are impressive, what is remarkable about the story is how the organization has built the capacity of residents to control their own development. Raphael Masika, a local leader who was instrumental in MCDA’s formation, explains the organization’s commitment to building long-term community capacity this way: “People in Kenya aren’t poor because they lack resources, but because they lack knowledge on how to use their resources.”

In Slovakia, the Banská Bystrica City Foundation is Eastern Europe’s first community foundation. Although it began through the World Health Organization’s Healthy Cities project, it now has a pool of local donors and has shifted its strategy to citizen-led initiatives. The foundation supports groups that assist the city’s street children, has helped create organizations that aid the local Roma community, operates a Youth Bank to engage younger residents in philanthropy, and—in what its executive director, Beata Hirt, once called its greatest success—“has demonstrated to local citizens that they have enough energy and capability to solve their problems by themselves.”

In India, more than 5,000 residents across 50 villages came together as members of the Prayatna Foundation. Under the principle of “local ownership of local problems,” they mobilized residents, mostly Dalit and Muslim, to contribute their time, food, money, and other resources to successfully advocate for human rights, housing, employment, government accountability, and social justice. The organization has developed the skills of local leaders, forged connections between Hindu and Muslim communities, and promoted the power of collective action. “When we go alone, they do not listen to us,” says one member, “but we are always heard when we go together.”

For more information on the Kenya snapshot, and many others, please visit the Global Fund for Community Foundations at www.globalfundcommunityfoundations.org.
Across the globe, citizens are bringing the practice of community philanthropy to life in ever-evolving ways. They are creating and governing new organizations that raise and give local money and other assets. They are customizing programs to fit community needs and increase awareness about local issues. They are convening community leaders, strengthening civil society, and planning for the long term.

Community philanthropy organizations are multiplying. Between 2000 and 2010, one type—community foundations—grew by a remarkable 86%, with an average of 70 institutions created every year. A number of factors have been cited to explain this growth, including organizations supporting development of the practice, a flexible organizational model, long-term funding, and expanding efforts to build civil society across the globe.

While community foundations are the most popular form of community philanthropy, new kinds of organizations are pushing the boundaries of the practice. “Over the last several years, there’s been a newer wave of community philanthropy organizations,” says Halima Mahomed of TrustAfrica. “They are organic, rooted in context, not wedded to a particular concept, and they don’t tick the boxes of someone else’s notion of community philanthropy.”

At its core, community philanthropy taps into the drive of local people to help each other, a naturally occurring asset found in all societies and cultures. Indeed, many practitioners liken the practice to a communal impulse as much as an organizational form.

Given that community philanthropy is uniquely able to channel that impulse into lasting local institutions, and has the flexibility to be customized to local circumstances and personalized to local donors, it’s no wonder that communities are taking an interest.

“A Solution on the Rise

“The has been a shift in terms of how community philanthropy is practiced in developing nations. It’s moved from the North American fixation on donor needs and is much more flexible. The INNOVATION is coming from Africa, Asia, and Latin America.”

AVILA KILMURRAY, THE COMMUNITY FOUNDATION FOR NORTHERN IRELAND

---

1 As described in The Value of Community Philanthropy, a series of 2010-2011 conversations among practitioners and funders developed a “definition by characteristics” of community philanthropy, including that it “is organized and structured,” “is self-directed,” “functions as open architecture,” “builds civil society,” “uses local money and assets,” and “seeks an inclusive and equitable society.” The report, commissioned by the Aga Khan Foundation USA and the Charles Stewart Mott Foundation and written by Barry Knight, is available at http://www.mott.org/files/publications/thevalueofcommunityphilanthropy.pdf.

The Logic of Community Philanthropy

Communities are turning to community philanthropy in part because the practice leads to good development outcomes. According to Jenny Hodgson of the Global Fund for Community Foundations, there is a powerful logic behind community philanthropy, a set of if/then hypotheses about how it can create results that matter to residents, funders, and practitioners:

- If people feel like they’re co-investors in their own development, then they care more about the outcomes.
- If residents bring their own assets to the table, then the power dynamics are more equal so that it’s a partnership, not a traditional donor-beneficiary relationship.
- If local people govern and give to community philanthropy, then local recipients have to be accountable in ways that build social capital.
- If community philanthropy institutions can act as repositories of different kinds of trust and assets, then they can drive development in effective ways.

Community philanthropy practitioners and supporters have identified three building blocks of the practice:

**ASSETS**

Community philanthropy builds and deploys local assets—financial and otherwise. This is why individual and institutional donors consider it such an effective path to sustainability, growing a resource base for work on community issues. Use of local assets, engagement of local donors, and frequent use of perpetual endowments all allow community philanthropy to strengthen civil society over the long run.

**CAPACITY**

Community philanthropy organizations develop long-term capacity in the form of the relationships, knowledge, infrastructure, and leaders essential to civil society—capacity that shorter-term approaches can’t duplicate. In particular, community philanthropy is an effective way to strengthen citizen voices and participation. And it is well-positioned to help organizations adapt to changing conditions, new local priorities, shifting donor interests, and leadership opportunities.

**TRUST**

Through homegrown governance and transparent funding decisions, community philanthropy builds residents’ trust in their local institutions and each other. This social capital strengthens civil society. It sparks engagement. It creates a sense of local ownership of the development process. And it enables community philanthropy organizations to effectively convene, inform, and mobilize residents in ways other organizations often cannot.
A Path to Good Outcomes

DEVELOPMENT OUTCOMES

IMPROVES

CIVIL SOCIETY

SUSTAIN

COMMUNITY PHILANTHROPY

BUILDS

ASSETS
endowments
social enterprises
involvement

CAPACITY
organizations
leadership
adaptability

TRUST
credibility
accountability
ownership

INPUTS
LOCAL:
funding, time, knowledge, leaders

EXTERNAL:
information, assistance, networks, funding

SUPPORT

COMMUNITY PHILANTHROPY

IMPROVES

CIVIL SOCIETY

SUSTAIN

COMMUNITY PHILANTHROPY

BUILDS

ASSETS
endowments
social enterprises
involvement

CAPACITY
organizations
leadership
adaptability

TRUST
credibility
accountability
ownership

INPUTS
LOCAL:
funding, time, knowledge, leaders

EXTERNAL:
information, assistance, networks, funding
A Call to Action

A growing number of funders, practitioners, and advocates have begun to explore ways to strengthen and grow community philanthropy globally as a development strategy, philanthropic practice, and community force.

To grow its reach and impact as an effective development practice, community philanthropy requires support. Such support must be based on the needs of communities, with careful attention to what is happening on the ground, and must not be driven by outside agendas.

The call for support is backed by research. For example, the WINGS 2010 Global Status Report on Community Foundations found that the best predictor of new growth in community foundations between 2008 and 2010 was the presence of national or regional organizations supporting the development of these foundations earlier in the decade.

And it is backed by a sense of opportunity. Community philanthropy has proven to be effective and compelling across a variety of geographic and cultural contexts. It is time to help it become a mainstream development strategy. As technology makes it easier for outside donors to give money to distant communities, local philanthropy organizations are needed to shape and leverage those investments. With the practice poised to improve and grow, now is the time to take action.

“We have worked on civil society for a long time. When people do things for themselves, those programs have been the most SUSTAINABLE. Leadership, financial resources, and voluntary support are all sustained.”

MIRZA JAHANI, AGA KHAN FOUNDATION

“We wanted to TRANSFORM the community from within.”

MARWA EL DALY, WAQFEYAT AL MAADI COMMUNITY FOUNDATION

“In certain places the only way to have an effective intervention is for people to come TOGETHER themselves. We need a way in which communities can be activated and mobilized and brought together.”

TADE AKIN AINA, THE CARNEGIE CORPORATION

“We are going in on the shoulders of individuals the COMMUNITY knows and trusts.”

FELECIA JONES, BLACK BELT COMMUNITY FOUNDATION

“Step by step we are becoming a source of information and KNOWLEDGE about the community.”

LÚCIA DELLAGNELO, INSTITUTO COMUNITÁRIO GRANDE FLORIANÓPOLIS
How Can We Help the Practice Flourish?

Advocates are exploring a number of questions as they develop strategies to grow the field:

- How can we provide more opportunities for peer-to-peer networking and knowledge exchange among community philanthropy practitioners?
- How can we advance understanding of the practice through research, evaluation, and communications?
- What are effective ways to help emerging community philanthropy organizations get a foothold?
- How can outside funders support community philanthropy while minimizing the “outside-in” dynamic that can hinder such efforts?
- What kind of international infrastructure could fund experiments, develop tools, raise funds, map assets, convene leaders, create networks, and strengthen practices?
- How can we build a global movement for community philanthropy?

“It’s a challenge for outside funders investing a lot of money to expect programs to be sustained. From our experience, the work does continue when you’ve supported community philanthropy. IT WORKS.”

SHANNON LAWDER, C.S. MOTT FOUNDATION

“We were arguing that just (building) a well is not enough, because that isn’t the development. The DEVELOPMENT, we were arguing, is the story behind the well….Did you build local capacities? Did you change attitudes? Did you help the community to think differently?”

MONICA MUTUKU, FORMERLY OF THE KENYA COMMUNITY DEVELOPMENT FOUNDATION

“Community philanthropy provides room for experiments. We are small but FLEXIBLE. We can fill gaps. It is about experimentation and being entrepreneurial.”

JAN DESPIELAERE, COMMUNITY FOUNDATION WEST-FLANDERS

“Through community philanthropy, LOCAL ACTORS can own their development.”

MARYANNE YERKES, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Several organizations have partnered to launch an alliance of community philanthropy supporters to answer these questions and strengthen the field. They invite you to join them.

For more information, please contact:

Jenny Hodgson  
jenny@globalfundcf.org  
www.globalfundcommunityfoundations.org
Improving the World Through the Force of Human Kindness

By Natalye Paquin, President & CEO, Points of Light
At the core of Points of Light's philosophy is a belief that the most powerful force in the world is the individual who has realized their power to do good.

Whether you plug in or tune out, it is hard to avoid the topic of bitterness and division. It is in the headlines, on the nightly news, in our social media feeds and at our family gatherings. Everywhere we look, differences – political, racial, geographical, and otherwise – threaten to divide us. Amidst deep political divisions, heartbreaking displays of hate and intolerance, and a growing distrust of people and institutions, it is critical that we leverage every available opportunity to lift each other up and inspire one another to move beyond this destructive force field.

Instead, consider another power. The incredible power of people – as a force of human kindness.

At the core of our philosophy at Points of Light is a belief that the most powerful force in the world is the individual who has realized their power to do good, and who applies their time, talent, and resources to make a positive difference. I believe that every individual has the power to create change and no act is too small. It is not someone else – it is each of us.

Last month, the world paused to celebrate the life and legacy of our founder and 41st President of the United States, George H.W. Bush. In the many tributes spoken and written about his life, the primary focus was not on his many professional accomplishments, but on his character and the personal traits that most who knew him experienced and remembered. His friends reminded us of his empathy, respect, desire for people to be kind to one another, and his belief in the power of the human spirit to create positive change. Nearly every friend and leader who spoke about him expressed President Bush’s reference of “a thousand points of light.” It was clear in their reference, and in the president’s own words, that he used this phrase as metaphor to illustrate the multiplying effect of people doing good.
Last week, I had the pleasure of spending a couple of days in Washington, D.C., with nearly 100 corporate partners focused on integrating social purpose into their business strategy, as we came together for the annual meeting of our Corporate Service Council. After a day of connections and exchange, on the first night, a small group took a walking tour of the monuments and paused at the Martin Luther King Jr. Memorial for a special moment of reflection. Each person received a small book of “Quotations of Martin Luther King Jr.” and took turns reading their favorites aloud.

It was inspiring that so many of our partners extended their day to participate in this moment, despite the snow on a cold January night. Experiencing the monument together provided a brief moment of wholeness and hope. Now, each person has the opportunity to share and discuss that experience with others, whether in their homes, office, and communities around the country, and become multipliers, extending wholeness and hope.

President Bush asked each of us to become a point of light. Dr. King challenged each of us to take an active role in building a better world. Both leaders encouraged us to serve others and live a civic life. Each year on MLK Day of Service, we have the unique opportunity to reflect on the gains we have made, and re-commit ourselves to the work that remains as we strive for a more just society. What is interesting is that our expression of civic life today is complex and evolving. Individuals are leading and lending support to causes they care about through many mechanisms.

Today’s engaged person may express their desire to do good through their purchase decisions, in what they share on social media, or where and how they choose to work, and what non-profit organization to support as a volunteer or donor. Whether online, at the office, or the local food bank, whether with a vote, a voice, or a wallet – doing good comes in many forms. People are still working to achieve many of the same ideals Dr. King fought for in his lifetime. Peace, justice, equality, kindness – and the creation of a “Beloved Community,” a global society built on love for all people.
New categories of engagement are essential to civic life in the 21st century.

We are witnessing a significant shift in our civic culture, a revolution against apathy, marked by events and movements that have altered the way we connect with and engage in our communities and our world. If we look at eras of significant change throughout history, each was preceded by a period of disruption. The Industrial Revolution was the transition from hand tools to machine-powered manufacturing, and ushered in the Industrial Age. The Digital Revolution propelled us from analog to digital technology and electronics, and led us into the Information Age.

Where the Industrial Age centered on the rise of the factory system, I believe this new age is an era of civic engagement that is driven by human capital, connections through technology, a force of human kindness, and the extraordinary power of people to create change. When future generations look back on this time, they will see it was an era of sustained, meaningful civic engagement, fueled by a global community of people ready and willing to do good. The dawn of a “Civic Century.”

Each year we experience an astounding pace of advancement in science and technology, pushing humanity to new limits. While we can be certain that technology will continue to change, let’s also know that certain truths remain constant. As Dr. King taught us:

- “Darkness cannot drive out darkness, only light can do that. Hate cannot drive out hate, only love can do that.”
- “Never succumb to the temptation of bitterness.”
- “We are now faced with the fact that tomorrow is today. We are confronted with the fierce urgency of now.”

Instead of sipping on stories of bitterness and division, I suggest a new fuel for the new year. Imagine kindness. The super power of people – the multiplying effect of a force of human kindness in the world.

Share this nice post
Trust & Respect: The World's Greatest Currency

By Natalye Paquin, President & CEO, Points of Light
As the world faces more political challenges, trust and respect are the currency that will move us forward.

Many years ago, as a fellow of Leadership Philadelphia, I attended a seminar where an accomplished anthropologist spoke about the power and influence of networks. She asked the group of leaders, “what is the most valuable currency that will move a critical agenda forward in your company or organization?” Fellows, which included CEOs, executive directors and other C-suite leaders, took their best guesses – money, power, position, influence – but none were correct. The greatest currency? Trust and respect, she shared. That is the currency that moves civilizations.

When we think about today’s society, it’s evident that trust and respect are valuable. When present, this currency propels economics and provides limitless opportunities with connections we make through popular apps – allowing us to stay in a stranger’s home while on vacation, or to take a quick ride to work with someone who drives their own car for a couple of hours each day. These are signs of the power and potential this currency provides, when trust and respect are present. The lack of it impacts our daily lives, from how we navigate our personal and professional relationships, to our confidence in important institutions. As we try to build a better world and move society forward, with the greatest currency seemingly lacking in critical places, I feel compelled to ask: who is responsible for change?

Last month at the 2019 World Economic Forum in Davos, the Edelman Trust Barometer was released. This study, in its 19th year, measures trust around the world in formal institutions – including government, media, nonprofits and business. The results were staggering. Only 1 in 5 individuals feel that these systems are working for them; nearly half the population believe these systems are failing them.

As the world faces more political challenges, people are losing faith in the power of government. Here in the United States, we just concluded the longest government shutdown in our country’s history. Political unrest continues around the world as individuals want and expect more.

We see people turning to businesses, specifically their own employers. Of those surveyed in the Trust Barometer, 76 percent said CEOs should take the lead on change, rather than waiting for the government to impose it – an 11-point increase in the last year. Further, 73 percent of people also agreed that a company can increase profits, and improve economic and social conditions in communities where it operates.
Interesting swings in the pendulum, when just 10 years ago the same Trust Barometer told a very different story. In 2009, after the financial crisis of 2008, people were looking toward government to fix challenges and hold businesses accountable. Only 38 percent of people surveyed back then had trust in business.

Now, people are starting to think locally, trust locally, and invest in their local networks. The currency of trust is moving to local communities.

Each year, Points of Light polls U.S. businesses to establish The Civic 50 – honoring the 50 most community-minded companies in the country and turning their results into a benchmarking report. The results from last year showed these same trends to be true. People are expecting more and companies are answering the call, moving from just being supporters of causes to becoming stewards of community resources, working in partnership with people and organizations to drive meaningful change in the communities where their employees work and live.

However, businesses cannot become the sole entity relied upon to do good. While many companies have found ways to innovate and increase shareholder value, and commit resources to social progress through their corporate social responsibility programs, not all companies are achieving this balance.

So when we think about the earlier question – who is responsible for change? – the answer, I think, is that it requires partnerships, an intersection of many groups, but it starts with individuals. Individuals who may possess money, power, position or influence, but more importantly, individuals who hold the greatest currency in the world, trust and respect.

In my last blog, I talked about the force of human kindness. It is the lack of kindness and empathy that leads to an unjust society. When you see someone with less, but don’t care. When you see someone being bullied, but don’t stand up. When you see a woman being harassed, but don’t intervene. This lack of empathy, the ability to look away, creates a sense of “otherness” and is likely the initial seed of mistrust. It is the force of human kindness that will change this trend – but it will take every person, man, woman and child, to act to create this wave of change.

People outside business and government must work to make change locally, get involved and raise their voice. People within institutions must speak up and say, “we can do better.” It takes all of us.

Indeed, we have the power – there is light in all of us, and we must use it for good.

Share this nice post

Like 1.2K

Share this post

RSS
Subscribe to our Blog

Latest blog posts

Teen Creates Epilepsy Blankets to Bring Comfort During Unexpected Seizures
Fulfilling her Grandmother’s Last Wish, She Changes the Life Trajectory of Vulnerable Girls
Employee Spotlight: Getting Creative to Empower Refugee and Youth Communities

http://www.pointsoflight.org/blog/trust-respect-greatest-currency-world
A Call to National Service

We, the undersigned, urge the next president of the United States, and the 111th Congress that will commence in January 2009, to work together to enact a bold program of voluntary national service in our country. Voluntary service on a national scale would make America a stronger, more participatory democracy; unite citizens of all backgrounds in common cause; and help address many unmet social needs. Service and shared sacrifice have always been at the core of America’s success, and this program—which we will lay out in detail—taps into that great truth to imagine a better future. Transformational ideas inevitably require significant Federal investment, but we propose a financing mechanism, the National Service American Dream Account (NSADA), that uses the power of the market to leverage a $5,000 federal investment into an $18,000 award for all young Americans who successfully complete a year of national service. It is an investment, we argue, that would deliver enormous benefits both to our democracy and its citizens.

America faces enduring social problems, ranging from unequal and inadequate education to a stressed and underperforming health care system. Despite our superpower status on the world stage, America has the second-worst infant mortality rate in the developed world, and young Americans are less likely than European youth to earn more income than their parents. An estimated 3.5 million Americans will experience homelessness this year; more than 40 percent will be families with children.

America likewise faces a crisis in civic health. Common observation and professional research reveal that Americans are increasingly isolated and disconnected from civic life. We lack trust in each other, in major institutions, and in the Federal government. We are in danger of becoming a nation of spectators, rather than the self-governed nation of engaged citizens envisioned in the Declaration of Independence.

We believe that we can simultaneously address the crisis in civic health and attack enduring social problems by mobilizing the enormous energies and talents of Americans through national service. We believe that in the course of turning the tide against apathy, alienation and isolation now haunting our civic and political

SIGNATORIES:

Michael Brown, City Year, CEO
Ann Maura Connolly, City Year, senior vice-president
Alan Khazei, Be The Change, CEO
Wendy Kopp, Teach for America, founder and CEO
Michelle Nunn, Points of Light Foundation/Hands on Network, CEO
Gregg Petersmeyer, Director of the White House Office of National Service, 1989–92
Shirley Sagawa, Center for American Progress, former managing director, Corporation for National and Community Service, and former Deputy Chief of Staff to the First Lady (Hillary Clinton)
Harris Wofford, former Senator from Pennsylvania and former CEO of the Corporation for National and Community Service

Editor’s Note: Sources are available on request.
life we can overcome the stubborn social injustices that afflict us as a nation. We know the energy exists. Despite our problems, and in some ways because of them, Americans are still rolling up their sleeves to volunteer in civic, community and faith-based programs. According to the Bureau of Labor Statistics, some 26.7 percent of Americans, and an impressive 42 percent of college students, volunteered at least part time during 2006. Since its founding in 1994, more than 500,000 Americans have enrolled in AmeriCorps to serve our country. And AmeriCorps members working with non-profits recruit and manage on average an additional 18 volunteers, providing significant leverage and helping community-based organizations to mobilize others, improve services and reduce costs.

The current work done by volunteers, however, does not begin to tap the potential of service to transform our society. The current infrastructure for utilizing volunteer labor is woefully inadequate. Neither is it matched systematically to the range of problems service volunteers can address. This is an untapped resource in two ways: Not only do volunteers help people in need; they elevate and refine their own lives by virtue of the service they give. Young volunteers almost invariably become better citizens themselves, enriching their families, communities and their nation over a lifetime.

Let one example of a problem, and how to use national service members to solve it, suffice to illustrate the point: the problem of high school dropouts.

In too many of our communities, a third to half or more of primarily low-income students and students of color—about a million overall—fail to graduate from high school. Decades ago, factory jobs provided an avenue for employment and upward mobility for such young adults, but today the employment prospects for young adults without a high school diploma are grim. On average, a high school dropout earns $22,000 a year less than a college graduate. Worse, failure to graduate from high school in today’s world is a ticket to membership in the underclass. We cannot stand by and do nothing as that segment of America swells, obliging the expenditure of significant public resources related to unemployment and welfare expenses, to crime and prison costs, to drug treatment and rehabilitation efforts and more besides.

For a single individual such a fate can be tragic, but when the majority or near majority of students from entire neighborhoods and communities fail to graduate, the social and economic costs are profound and far reaching. Those costs are compounded socially and politically by the fact that African-Americans and Latinos are four times more likely than Caucasian-American students to attend high schools where graduation is not the norm. Public policy needs to take this problem far more seriously than it has in recent years, and it needs to solve it for the benefit of us all.

As it happens, the majority of the nation’s dropouts are concentrated in only 15 percent of our high schools. We know how to predict which students are at the greatest risk of dropping out; about half can be identified by the end of sixth grade, close to 75 percent by the start of high school. And we know the reasons: a mix of learning disabilities, health problems and dysfunctional family environments leading to low self-esteem, hopelessness, often early drug use and usually a sharp falloff in attendance before finally dropping out.

Obviously, these are not simple matters to solve, for they go deep into the social fabric of those caught in difficult situations. But they are not impossible to solve either. National service is uniquely suited to address several related factors contributing to the dropout crisis, and national service members have already proven effective at helping an overburdened and under-resourced education system. For example, through a new national service Education Corps, teams of national service members in schools could monitor attendance and provide a personalized response to every absence, engaging in the one-on-one dialogue often needed to fully understand the reasons for poor attendance and to identify solutions. A key ingredient missing in many schools is focused attention from a mentor or role model who can not only provide tutoring assistance, but who can also help model the kinds of behavior needed to succeed.

If we can transform just 2,000 high schools
(and the 6,000 middle and 18,000 elementary schools that feed into them), we can go a long way toward defusing the dropout crisis. Because researchers have demonstrated that transitions—from elementary to middle and middle to high school—are of critical importance, an Education Corps would serve not only in high schools but also in the relevant elementary and middle “feeder” schools. If a dozen national service members were placed in each of these schools, the Education Corps would require 312,000 participants—a large number, but achievable through a comprehensive national service program.

The creation of an Education Corps as part of a revamped national service program would make high school and even college graduation a possibility for hundreds of thousands more students each year. It would be significantly less expensive than hiring 12 additional teachers or support staff for each of these schools, and it would be an investment that would demonstrably pay for itself. Keeping students in school would result in higher wages for these students later on, and generate higher returns in the form of taxes. Over a lifetime, a college graduate earns about $1 million more than a high school dropout. The significantly better life opportunities for these students would also decrease the need for costly public assistance devoted to welfare, job training and prison resources. Our choice is as stark as it is obvious: Invest now, or pay (much more) later.

To extend this one example, an Education Corps could have a major impact in other areas besides stemming the dropout crisis. Education Corps members could provide the people power needed to offer quality after-school programs for all children who need them. As things stand, more than one quarter of American school-age children—14 million kids—have no supervised place to go after school. Studies on the effectiveness of after-school programs have shown that they help keep children safe and contribute significantly to learning. One study suggests that participation in after-school programs results in increased at-
tendance, higher achievement on standardized tests, and higher levels of promotion to the next grade.

How do we know this would work? Because it already does. AmeriCorps members have a proven track record of success in tutoring and after-school support. One study shows that first, second, and third graders tutored by AmeriCorps members gained 7 to 14 percentile points in reading scores compared to their peers. These gains are not only statistically significant; they are also large compared to the gains from other widely heralded interventions such as class-size reduction. We also know that students from low-income households served by the AmeriCorps program EducationWorks improve attendance by an average of twenty days per year, and by focusing its efforts on standardized test preparation, the AmeriCorps program Admission Possible helped students raise their ACT scores by an average of 16 percent. Low-income high school students, supported by AmeriCorps members in the College Summit program, enroll in college at a rate of 79 percent, significantly above the national college enrollment rate among low-income students of 46 percent. In short, a national service Education Corps will not only help keep our kids in school; it will make them better students and more successful adults once they graduate.

In addition, national service provides an opportunity to young people who have not graduated from high school to complete their education, while also serving their community. Since 2002, almost 5,000 AmeriCorps members in the program YouthBuild USA have earned their GED. Many of these GED recipients were previously incarcerated. YouthBuild USA, which aims to develop participants’ trade skills while building affordable housing, is just one sample program that incorporates GED instruction into its leadership development and job-readiness training.

The Education Corps is a powerful example of how national service can address America’s dropout crisis. Other examples of how national service can strengthen America include: helping the elderly live active lives of dignity and good health; advancing environmental remediation efforts; better preparing for disaster response and reconstruction; and working abroad to assist communities in need and promote American ideals.

Service as an American Tradition

Returning benefits to citizens who serve their communities and their nation is an idea as American as apple pie. Our vision of national service does not represent any departure from what comes naturally to American political culture; it is rather the epitome of what we as a society have been doing since our inception, designed for a new era. American democracy can be aptly described as a reciprocal democracy: We, the people, labor on behalf of society as a whole as well as our own families, and our government—our self-government—provides appropriate incentives and rewards for doing so. The cornerstones of some of the greatest transformative policies in our history serve as examples: the Homestead Act of 1862, the GI Bill and the creation of Social Security, to mention only three.

Reciprocal democracy is rooted in the American tradition of barn-raising and in the valor of the Greatest Generation’s service to our nation during World War II. In 1910, William James suggested that the “martial virtues” of discipline, purpose and pride be tapped in America’s youth to address the needs of the nation here at home. James called national service nothing less than “the moral equivalent of war”, and we have since risen to the challenge many times. President Franklin Delano Roosevelt put unemployed Americans to work during the Great Depression through the Civilian Conservation Corps (CCC). The three and a half million Americans who served in the CCC helped restore our nation’s forests from environmental devastation by planting more than three billion trees, built 97,000 miles of roads, fought forest fires and performed erosion control. The CCC also built many of the recreational facilities in national, state and county parks that Americans use to this day.

After World War II the GI Bill was arguably the most successful example of reciprocal democracy in our history. The GI Bill provided access to higher education for eight
A Call to National Service

million veterans, literally building the American middle class. The GI Bill wasn’t cheap; it cost the Federal government upwards of $50 billion in today’s dollars. But it generated more than $7 in returns for every $1 invested. These spectacular economic benefits were matched with significant political and cultural benefits: Among recipients of the GI Bill are 14 Nobel Prize winners, three Presidents, three Supreme Court Justices, a dozen Senators, 238,000 teachers, 67,000 doctors… the list goes on.

Then, in 1961, President John F. Kennedy inspired young people to serve their country through the Peace Corps, calling on Americans to “ask not what your country can do for you, but what you can do for your country.” Since then, over more than 45 years, 187,000 Americans have served in 139 countries around the world. In 1964, three years after the first Peace Corps members went overseas to begin service, President Lyndon B. Johnson created VISTA (Volunteers in Service to America) to help wage war on poverty, followed by the Foster Grandparent Program in 1965. More than 140,000 Americans have served through VISTA, and the Foster Grandparent Program has expanded under the umbrella of the Senior Corps, which annually engages nearly half a million Americans age 55 and older in service initiatives.

In the past few decades, a new infrastructure has been laid for national service through renewed presidential and congressional leadership. President George H.W. Bush created the first Office of National Service in the White House, helped establish the Points of Light Foundation, and approved the Commission on National and Community Service authorized through the National and Community Service Act of 1990. Working with the White House Office of National Service, the Commission organized national service demonstration programs across the country. President Bill Clinton created the Corporation for National and Community Service in 1993 and launched AmeriCorps in 1994. Since then, AmeriCorps has inspired more than 500,000 citizens to serve with thousands of non-profit, community and faith-based organizations. President

Several teenaged Civilian Conservation Corps laborers sit in their tent in the Lassen National Forest, California, in 1933.
George W. Bush has expanded AmeriCorps and the Peace Corps, and founded the USA Freedom Corps, an Office of the White House, to promote and expand volunteer opportunities for all Americans.

What this shows, among other things, is that national service is not a Republican or a Democratic idea, a conservative or a liberal idea. It is an American idea. But it is an idea whose application cries out for renewal, re-dedication and, above all, expansion. While much has been accomplished through AmeriCorps, the infrastructure and opportunities that currently exist do not come close to tapping our full national potential. Each year, 70,000 members serve in AmeriCorps (only about half of them full-time), a significantly smaller figure than the number of Americans who served annually in the CCC, which at its peak put 500,000 citizens into service in one year. The Peace Corps today has only 7,749 slots, nowhere near the 100,000 envisioned by President Kennedy.

That we Americans have shown a willingness to serve that far exceeds the opportunities available to us was demonstrated vividly in the aftermath of 9/11: Just as many Americans enlisted in the military, applications to AmeriCorps and the Peace Corps skyrocketed. Unfortunately, we failed to accommodate this surge in the desire to serve. We turned tens of thousands of our young people away. As Robert Putnam has observed: “Though the crisis revealed and replenished the wells of solidarity in American communities, those wells so far remain untapped.” This desire to serve is our greatest resource, and it is time to tap it.

The Wider Benefits of Service

As noted above in passing, service not only serves communities and those in need, it also serves the servers. Universal voluntary national service would help transform our national culture, developing a sense of civic commitment and uniting Americans from all backgrounds in shared sacrifice.

We know that those who participate in national service programs are often transformed into lifelong volunteers and civic leaders. Participation in AmeriCorps, for example, connects members to communities, increases knowledge about community issues, and encourages participation in community activities. AmeriCorps alumni are significantly more likely to enter careers in public service such as teaching, public safety, social work and military service. National service works as a training program for idealists, who then go on to take leading roles in nonprofits and government agencies.

Inspired by their service experience, some national service participants have already become social entrepreneurs, coming up with new solutions to social problems and implementing them on a large scale. Teach for America alumni Mike Feinberg and Dave Levin founded KIPP (Knowledge is Power Program) after completing their service; KIPP currently runs 57 college preparatory schools in underserved communities in 17 states and Washington, DC. Nearly 80 percent of students who complete the 8th grade at KIPP go on to college. After her service experience, Awista Ayub founded the Afghan Youth Sports Exchange, which seeks to build athletic and leadership skills among Afghan girls and young women. Awista also works at the Embassy of Afghanistan in Washington, DC. Now a medical doctor, Taj Mustapha built upon her service experience with City Year to co-found At The Crossroads, an organization meeting the needs of homeless youth in San Francisco. Joining these national service alumni are others in the halls of Congress and in our public schools, leading Federal, state and local government agencies, and working in the private sector, often in the area of corporate social responsibility.

Universal voluntary national service would also create common bonds between Americans from dramatically different backgrounds in the same way that military service did for the Greatest Generation. Today, more than 44 years after Martin Luther King, Jr., dreamed aloud on the steps of the Lincoln Memorial of the day that his children “[would] not be judged by the color of their skin but by the content of their character”, we remain a nation significantly divided by race as well as by class. Studies show that less than 15 percent of Americans count a member of another race among their close
friends, yet by 2050 there will be no majority race in America. The Census Bureau reports a consistent trend in which less than 10 percent of Caucasians live in poverty, compared to 24 percent of African-Americans and 20 percent of Hispanics. America remains segregated, not by law but by opportunity, and national service is perhaps our best means to get Americans from all walks of life—inner city and suburban, African-American and Caucasian, college educated and GED recipient—to work together again for a common cause.

Indeed, in any universal national service program, incentives should be provided for our young people to serve in a city or region other than the one where they grew up, exposing them to new places, new people and new possibilities. National service built up to scale represents a real opportunity to complete the civil rights movement that Dr. King and many others started so long ago.

The National Service American Dream Account (NSADA)

We believe that national service brought to scale is an opportunity for social problem-solving and civic renewal that America dare not pass up. That said, there are many ways one could go about such a project. Some believe that national service, divided into military and a range of non-military categories, should be mandatory, and need not be accompanied by significant incentives for service. We respect that view, but find it politically remote and, in any event, less than ideal. A mandatory program would saddle government with policing truants, and it would drain away much of the idealistic spirit that abides with volunteerism. A mandatory program for all young Americans would probably also exceed our organizational capacities to use that talent wisely, and the costs of administering a program of that size would be extremely high. On the other hand, we recognize a need to offer strong incentives along with a much more substantial, and better organized, program for national service. In the spirit of reciprocity and echoing the idea of the GI Bill, Americans who choose to serve their country should be rewarded with a head start toward achieving their own life goals.

Our aim is to engage at least one million young Americans in military, domestic and international service out of the four million who turn 18 in any given year. We believe the best way to do this is through a “service bond”, a Federal bond created for each American at birth, and eventually earned through service. Further, we suggest that the Federal government deposit the service bond in a National Service American Dream Account, a new funding mechanism designed to use the power of the free market to leverage the government’s contribution. Others have proposed a baby bond, a Federal investment account for all American citizens that addresses inequity, helping people to save, buy homes, and go to college. What distinguishes our proposal is that it would have to be earned through a year of dedicated national service, because we believe that a citizen-centered democracy should create opportunity for those who serve their community and the nation.¹

Inspired partly by the GI Bill, which rewarded service to the nation, the Federal government would create a National Service American Dream Account Fund by investing $5,000 for every baby born in a tax-free account administered by the U.S. Treasury and linked to the child’s social security number. Initially, the account would be held by a government-sponsored entity such as the Government Thrift Savings Program, but it could be rolled over by the child’s parents or legal guardians into a government-approved financial institution, which would manage the account similarly to a Roth IRA.

Parents and other relatives and friends of the child could contribute post-tax earnings to the account annually, as for 529 education plans. Parents would have legal custody over

¹The New America Foundation, for example, has proposed an American Stakeholder Account to open up the benefits of asset-building to low and middle classes. We have drawn on their program model, as well as those of other countries that have such accounts, such as the UK’s “Child Trust Fund”, which invests £250 for every child born. Singapore and Canada have also started similar programs.
these accounts, but no one could touch the funds until the child turned 18 and performed a full year of national service.²

If the service requirement is met, the Federal government would not assess taxes when the recipient withdrew funds. An “asset waiver” would also protect the account, preventing the income from being counted toward means testing for financial aid, food stamps, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI) or Medicaid. This is necessary to ensure that lower-income families and individuals are not penalized for building personal assets. The program would provide a baseline benefit for everyone who serves, but also provide additional benefits for military service to acknowledge the greater sacrifice of those who serve in the military. Here, in brief, is how it could work.

Individuals would earn access to the funds (the initial investment, plus any family contributions, plus tax-free market return on the investment) by performing national service in one of several categories outlined below. In addition to the service requirement, we would further restrict withdrawal of the funds to pre-approved purposes such as paying for higher education, buying a home, starting a business or non-profit organization, or opening a retirement investment account—all key elements of the American dream. Individuals who choose not to serve by age 28 could recover any money deposited into the account above the Federal service bond and the market return earned on their deposit, but they would have to pay taxes on it. The initial service bond investment and all related earnings accrued on it, however, would be forfeit. That money would be returned to the government to be used to start new accounts for other newborns: a $5,000 NSADA that had grown for 28 years at 7 percent would be worth more than $33,000, enough to create six new accounts.

We are talking about a significant amount of money, particularly for those in America without access to equity at a relatively young age. If an initial account is valued at $5,000 and returns 7 percent on the investment, it would be worth more than $18,000 at age 19 (Figure 1). If parents and other individuals contributed additional funds to these accounts, the value of the investment could grow much larger. Some service participants might choose to roll-over their earned investment into a 401(k) or an IRA to jumpstarts their retirement savings. Starting with a $5,000 service bond, augmented by just $2,000 per year until age 65, a national service participant could acquire a retirement nest egg worth nearly $3 million.

The Administrative Challenge

One of the challenges of implementing a universal voluntary national service program is the need to place so many individuals in service positions across the nation. There is a simple and effective solution that would allow a maximum of Americans to serve with a minimum of bureaucracy.

First, we will gradually scale up the existing AmeriCorps program from its current 70,000 annual participants to 500,000 annual participants over the next ten years by leveraging and building upon the more than 1,000 existing AmeriCorps programs. We should also expand the Peace Corps, doubling the number of volunteers overseas to 15,000, roughly its 1960s peak.³

Second, to develop the other 485,000 service positions, we can leverage the existing structure of non-profits to place individuals in positions where communities need them most. The non-profit sector is the fastest growing sector in America: In 2006 there were 1.9 mil-

²We believe a 12-month service period is appropriate, but some believe 18 months is better. Some also propose that one’s national service obligation be divided into two periods: one that must be served between ages 18 and 28, and another, shorter period, that could be served at any time in life, including after retirement, in order to encourage our most experienced citizens to volunteer. Under such a two-tier system, 75–80 percent of one’s service bond could be disbursed after the first period of service, 20–25 percent (still accruing investment return all the while) after the second.
³This would cost $491 million per year, less than three days’ worth of current spending on the Iraq war.
A CALL TO NATIONAL SERVICE

lion non-profits in the United States, growing at a rate double that of the business sector for the proceeding decade. We can achieve rapid expansion of national service by providing participants with vouchers to support their service with non-profitees like the Red Cross, the Boys and Girls Club or any number of small community or faith-based, tax-exempt organizations. These vouchers would provide $7,500 (adjusted annually for inflation) toward the cost of placing and training a national service member, with the host organization contributing any additional funds needed from its own sources. The AmeriCorps program Public Allies has successfully demonstrated a similar model in which Public Allies places national service “apprentices” in non-profitees, who in return pick up some of the cost of the service participant.

This approach would require some careful planning and execution. For example, non-profitees and faith-based groups would have to be pre-approved as placement organizations in order to receive national service members, and that could be harder at the margins to do fairly and efficiently than it may seem. Some Federal government oversight therefore would still be necessary—to create and distribute vouchers, to certify and monitor non-profitees, and to provide technical assistance—but it would not be necessary to establish a new bureaucracy. The Corporation for National and Community Service, which administers AmeriCorps, already exists.

We believe this approach comprises a win-win for national service and non-profitees, in addition to the communities served. Because the majority of non-profitees in the United States operate on small budgets with limited staff, this would allow them to increase their capacity with an influx of energetic young people, while also using the existing civil society infrastructure to decrease the administrative cost of running national service programs.

Bridging Problems and Cost Estimates

Obviously, since an NSADA program would take 18 years to develop from the time it is enacted to the first cohort of national service volunteers, we need some kind of bridging strategy to get from where we are now to where we need to be. In truth, this 18-year period provides an opportunity: to test out methods, to build capacity intelligently and efficiently, and to adjust our methods as we learn. We can scale up deliberately.

Starting in January 2009, the new president should issue a call, ideally in his or her first Inaugural Address, for Americans to serve the nation, aiming to attract growing numbers of volunteers per year, and targeting a million per year by 2020, well enough in advance of 2027 (when the bridging period starting in 2009 ends) to be ready to absorb as many potential national service participants as may want to serve. The president and Congress would define the categories of service: Education Corps, Green Corps, Disaster Response Corps, Elder Service Corps, Peace Corps and others.\(^4\) The incentive offered for service dur-

\(^4\)Strictly how to define the categories of service is subject to discussion. Aside from those mentioned above, other possibilities include: a New Citizen Corps to teach new immigrants.
ing the 18 bridge years should be at least as much as AmeriCorps volunteers get today, and at least as much as Pell grant recipients get in return for no service at all. (We recognize that at $5,000 an NSADA “service bond” would be in the range of the current Pell grants, which are scheduled to increase to $4,800 in 2008 and to $5,400 by 2012. We could maintain the Pell program as is, or subsume it within the NSADA structure by 2027. That would be up to Congress.) The program in the 18 bridge years should be administered through the existing AmeriCorps program and the Corporation for National and Community Service. After that, it can be merged into the NSADA structure as it is developed.

If we round up the existing AmeriCorps post-service award to $5,000 (from its current $4,725) and estimate the transactional costs and costs for stipends and training to be between $7,500 (voucher program) and $10,000 per domestic volunteer, and take a hypothetical distribution of volunteers as illustrated in Figure 2, we would arrive at a total cost of around $14 billion per year in 2007 dollars.5

This estimate of cost is, clearly, just an educated guess. As we currently do not offer an American Dream Account, it is difficult to predict how many young people will choose to serve between 2009 and the years leading up to the first service bond 18-year old cohort in 2027. By 2020, and probably much sooner, experience and survey research will teach us how many young people will choose to serve under NSADA. As the culture of service begins to grow, as many as half of any age cohort—in other words, as many as two million each year—may choose to participate.

In determining costs, too, it is worth remembering that while the program represents a significant investment it would also pay out very significant returns. As with the GI Bill, a dollar spent on national service is leveraged many times over. Cost-benefit analyses of AmeriCorps programs have concluded that every $1 of Federal investment results in between $1.50 and $3.90 in direct, measurable benefits: children tutored, playgrounds constructed, homeless men and women fed, hurricane victims housed. In addition, AmeriCorps members often serve as leaders who leverage, mobilize and supervise

English and other necessary skills, and a Global Fellowship Corps, an idea pioneered by the Brookings Institution (and introduced in the Senate by a bipartisan group of Senators Feingold, Coleman, Casey, Voinovich, Menendez, Lautenberg and Cochran) to place young Americans with non-profits and NGOs overseas.

5The service bond investment would cost up to an additional $20 billion each year, starting in 2009, to prepare for each of the estimated four million babies born in America each year.
other volunteers, improving services and increasing volunteerism.

Funding for national service will also likely eliminate at least some future spending on chronic social problems. America spends more than $40 billion annually on prison construction and operation. We also have the highest incarceration rate in the world, with one in 32 American adults behind bars, on probation or on parole as of 2005. The cost of a comprehensive national service program with a post-service benefit could be as little as half of our annual spending on corrections. More important, it should result in a decreased need to spend money on corrections. As young people receive services in literacy and other critical skills, and as those who participate in national service programs are given financial rewards that will increase their options in life, this will discourage participation in criminal activities.

Moreover, because many Americans would use their American Dream accounts to pay for higher education, a comprehensive national service program would likely reduce government spending in other ways. Research shows that college-educated individuals are less likely to depend on Medicare and other government services. This payoff starts early in life; estimates show that the government spends between $800 and $2,000 less per year on social programs for thirty-year-old college graduates than for high school graduates. If the benefit for alumni of national service programs allowed 500,000 Americans to attend college who would not otherwise have been able to do so, the government savings could be as high as $1 billion per year.

The NSADA will also help increase the civic engagement of the young people who serve and help develop friendships among participants from completely different social and racial backgrounds. National Service at scale will create a sense of hope and inspire community members who benefit from the national service projects. These benefits are difficult to measure but hardly trivial.

In considering the costs of a National Service American Dream Account initiative, some perspective is useful. Even if an NSADA program ends up requiring inputs of as much as $25–35 billion per year (and not even bothering to count the much greater return on our investment), that compares with OMB estimates that we will spend $371.9 billion on Medicare in 2007 and $395.5 billion in 2008; that spending on Social Security will increase from an estimated $589.2 billion in 2007 to $614.6 in 2008. Or consider that in 2005 we spent $47.4 billion on congressional earmarks alone.

While these costs do not diminish the overall “front-loaded” price tag of the NSADA and related program costs, they do provide perspective on levels of Federal spending already devoted to other programs. Even at $25 billion per year, an NSADA program, we believe, is an investment well worth making.

As Baby Boomers retire in coming years, the percentage of our GDP spent on Social Security will rise from 4 percent to 6 percent, and on Medicare from 3 percent to as much as 11 percent. We must redeem the pledge to support the health and well-being of a generation that has worked hard for America, but we should not do so at the expense of younger Americans.

The time has come for a bold program of national service that challenges every American to strengthen our nation through service, and that invests in our young people. Service should be both an expectation and a rite of passage for every citizen, and in turn, the nation should offer access to the American dream to all who serve. We need the equivalent of a GI Bill for the 21st century, but one that rewards many forms of service beyond the military.

Our goal is no less than to make national service a defining element of American democracy. Universal national service can achieve what many programs and initiatives have failed to do: Capture the imagination and spirit of the American people by asking them to put their hearts and hands to work for the benefit of our nation. What better way to show the whole world the true potential of our American community of liberty? What better way to lead the greatest mass democracy in history into an even more celebrated future?