Collection:
Green, Max: Files, 1985-1988
Folder Title:
Economic
Box: Box 10

Institute For Educational Affairs

May 28, 1987

Max Green
Associate Director
Office of Public Liaison
The White House
Washington, D. C. 20500

Dear Max:

I am delighted to send you a copy of our annual report for 1986, along with the first issue of Philanthropy, the quarterly newsletter of IEA's new Philanthropic Roundtable. At last, our effort to raise another voice in the grantmaking world is underway.

The Roundtable has come into being because many experienced observers believe that philanthropy is ripe for some fresh thinking throughout the full range of its concerns. We do not claim to have any monopoly on such thinking, but we do believe that we can provide a forum that will be more open to it than one normally finds in the grantmaking world. This is particularly true, we feel, for those donors who wish to exchange ideas about innovative ways to utilize the strengths of the private sector in their projects.

On the third page of the newsletter is an account of what we intend to do. We are starting out with approximately sixty foundation, corporate, and individual donors as charter members and expect to add more members now that our program has begun.

I would be glad to talk further with you about what we will be doing and hope to achieve at your convenience. And if you can call the existence of the Roundtable to the attention of others in the Administration (such as the Private Sector Initiatives people), I would be most grateful.

Sincerely,

Leslie Lenkowsky
President

encl.: (2)

1112 16th St., N.W., Suite #1500 Washington, D.C. 20036 202-833-1801

PHILANTHROPY

Vol.I, No. 1 | A Publication of the Philanthropic Roundtable | SPRING 1987

Five Ways Philanthropy Can Support Education

William J. Bennett

The Publisher's Corner

Welcome to the inaugural issue of ***Philanthropy***, the newsletter about ideas of interest to grantmakers. We believe that philanthropy is rooted in ideas. And that effective philanthropy depends upon having good ideas. Yet we—and many others—feel that lately the grantmaking world and the publications that serve it have been reluctant to engage ideas seriously. To challenge the conventional wisdom about what to do and how to do it. To encourage and entertain original ideas. To debate different ways of solving common problems. To range widely for fresh thinking.

The result has been an excessive preoccupation with process. With nice-sounding abstractions. With yesterday's causes or today's fads. With distinctions without a difference. With following the leaders. With avoiding risks. Hence, the staleness and rigidity that often strike observers as the most distinguishing characteristics of the field. Far from living up to its ideal as a unique instrument for experimentation and creativity, much of philanthropy—though by no means all—seems tired, boring, predictable, incapable of meeting the challenges thrust upon it, or misguidedly contributing to making matters worse.

The Philanthropic Roundtable in general, and ***Philanthropy*** in particular, exist to change this state of affairs. We

Please turn to p. 2

American philanthropy has always been generous in its support of education. That is as it should be. It is in giving that we receive, St. Francis told us. And perhaps nothing can return more to benevolence than schooling. The educational philanthropy of businesses and foundations today may help create the skilled and motivated employees—the good citizens and caring parents—of tomorrow. If, that is, the gifts are made wisely and with care. The manner of giving—to education, especially—is worth as much as the gift itself. And you get what you pay for only when you pay attention. To the philanthropist interested in giving real and lasting help to American education, then, I offer a few suggestions.

1. **Remember elementary and secondary education.** Gifts to colleges and universities account for the vast bulk of philanthropic support to American education, and always have. Support of higher education is fine and good. But elementary and secondary education is just as important as higher education—in certain ways, more important. For it is in elementary, intermediate, and high school that our students must develop the basic skills and habits necessary for successful adulthood—for adult work, and for adult participation in our democracy. If there are graduates of American elementary and secondary schools who cannot read, write, or do math, then clearly our elementary and secondary schools deserve attention. Maybe that endowed linguistics chair at State U. can wait until next year. This year, why not endow a chair in history or science or math at a local high school, or give money to an elementary school to improve its reading instruction?

2. **Recognize excellence.** Almost anywhere in the United States, good food will get a restaurant more customers and a flood of imitators. Tainted food will get it closed down by the authorities. Education ought to work much the same way. But in most states and local districts around the country, not enough is yet done to reward the success—or penalize the failure—of particular schools. Today, a ghetto high school that doesn't tolerate drugs, delinquents, or dropouts, and sends most of its students to college, is treated no differently from underachieving schools in the same district—except that the underachieving schools may be given budget supplements.

Philanthropy can and should help redress the balance. Rewards for excellence and achievement encourage more excellence and achievement. Incentives work—for teachers and principals, no

Please turn to p. 4

PUBLISHER, *from p.1*

aim to stimulate controversy in the best sense of that word—by causing donors, trustees, staff members, and others involved in foundation and corporate grantmaking to reflect more upon what they are doing and could be doing.

We expect to fill the pages of this newsletter with lots of new ideas. Many will concern ways of addressing issues, such as education, or teenage pregnancy, or human rights abroad, that rarely receive attention elsewhere. Others will be drawn from new books, reports, conferences, or other sources that often escape notice in the grantmaking community. Some will grow out of the innovative efforts of people whose work has too long been ignored because it lies outside the accepted path.

Since philanthropy does not live by projects alone, we will also cover new ways of dealing with the perennial issues of grantmaking: investing, accounting, staffing, compensating, managing, evaluating, and so on. In addition, we will put a fresh eye on legislative and regulatory developments, when warranted.

As will be evident, we do have a point of view: it will most likely be called a "conservative" one. But we do not expect that what appears in ***Philanthropy*** will fall into a tidy ideological box. We intend to surprise as well as inform. We also plan to encourage debate and an exchange of views, rather than the one-sided discussions that so often occur elsewhere.

We take ideas seriously, including those that are not our own. And by expanding the range of ideas before the grantmaking community, we hope to help restore philanthropy to the creative role that is its glory. L.L.

PHILANTHROPY
Volume I, Number 1.
Spring 1987

Publisher........ Leslie Lenkowsky
Editor....... Priscilla M. Gallerano

Philanthropy is a publication of the Philanthropic Roundtable, a program of the Institute for Educational Affairs, a 501(c)(3) tax-exempt organization located at 1112 16th Street, NW, Washington, D. C., 20036. (202) 833-1801 or (800) 225-2862.

The Constitution: Another Bicentennial—Another Sort of Celebration?

William L. Grala

Corporations throughout the United States are being asked to consider making contributions, often substantial, to various celebrations of the bicentennial observation of the American Constitution. The requests for funds are often sizable—in the millions of dollars in some cases. What principles should underlie corporate contributions for this event?

Having just reread ***Miracle at Philadelphia***, by Catherine Drinker Bowen, I am more than ever convinced that this anniversary should be celebrated not with fireworks and fanfare but with intelligence and insight. This Bicentennial is not an occasion for marching in the streets, but for sober and intelligent discussion of how the American people have benefited from the principles set forth in the Constitution, how the course of our nation has fared under those principles, and how our present problems—for problems we undoubtedly have—can be resolved in the kind of society that has resulted from Constitutional law.

In certain communities, plans are being made for events that seem lacking in sensitivity both to the meaning of the Constitution in our society and the current social needs of the American people. At a time when the problems of homeless people in our cities, of the functional illiteracy which affects 34 million people in this country, of classroom emphasis on "freedom of choice" over traditional values, are so clearly evident, it seems hard to justify the expenditure of many millions for parades, fireworks, and general public relations gimmickry which does not finally draw any sustained attention to the fundamental social purpose of the Constitution. Complacency is a risky business at any time, and smug self-satisfaction about so singular a document corrosive.

Discussions, forums, lectures, symposia, think tank projects—in short, an intellectual confrontation with the issues of the day and their relevance to

Please turn to p. 6

Sheilah Mann

Must the two-hundredth anniversary of the United States Constitution be celebrated on the backs of cereal boxes, or at Disney World parades, in order to affect a wide variety of people? Will it be another public relations phenomenon as brief as the sputter of its firecrackers? Not necessarily. As a number of existing projects are already proving, serious study of the Constitution can go hand in hand with grassroots activity. Nowhere is this more apparent than in the area of education.

Chief Justice Burger has suggested that the Bicentennial be looked at as an opportunity for a "civics lesson for all Americans". The appetite for resources and programs on the Constitution indicates that the current groundswell of interest in its history and principles could have a lasting effect.

The most attentive audience for all the Bicentennial programs are teachers, librarians, and curriculum developers who wish to secure additional training and books—for themselves, their students, and the general public—in order to return the study of the Constitution to a primary place in "citizenship" and "civics" education, outside of the schools as well as within them.

Project '87, a joint effort of the American Historical Association and the American Political Science Association, has supported scholarship, assisted teachers, prepared books, posters, and instructional television programs, and served as a clearinghouse on Bicentennial projects, through its quarterly magazine ***this Constitution***. Project '87's James Madison Fellowship Program, commemorating the Bicentennial of the Bill of Rights, offers another opportunity to enhance the skills of "master teachers" through summer seminar programs, and enables them to assume responsibility for Bicentennial projects in their schools and communities.

The "special initiative on the Bicentennial", launched by the National Endowment on the Humanities in 1982,

Please turn to p. 6

Philanthropic Roundtable Begins Operations; Group To Foster More Effective Grantmaking

The appearance of this newsletter marks the birth of the Philanthropic Roundtable, a membership group open to foundation, corporate, and individual donors, that seeks to encourage more effective grantmaking. The Roundtable, which has an initial membership of sixty, will operate a clearinghouse, conduct forums and special studies, and undertake other activities, in addition to publishing a newsletter.

The creation of the Roundtable is a response to the heightened expectations grantmakers of all kinds are now facing. With changes in government funding, the emergence of new concerns, and the expansion of nonprofit activity, foundations, corporations, and individual donors often find themselves swamped by requests for support from think-tanks, universities, advocacy groups, publications, social welfare agencies, and other organizations. The Roundtable is partly meant to be a vehicle to enable grantmakers to share information and experience on projects in a wide variety of fields.

Also, the Roundtable is a response to what is becoming the most important issue in philanthropy in the 1980's: *effectiveness*. Increasingly, grantmakers are preoccupied with finding ways to make their dollars go farther: to identify problems of far-reaching impact, to develop innovative and efficient strategies of dealing with them, to monitor, evaluate, and refine their performance, and to achieve results that are lasting. To be sure, good philanthropy has always been concerned with such things. But in the recent past, issues like "accountability" and "responsiveness" were (and to some still are) more crucial matters. Now, "What works?" is the key question and the Roundtable aims to try to assist grantmakers in answering it.

For most topics of interest to philanthropy, it is evident that there *are* many new answers that deserve greater attention than they have so far received. Indeed, something like an intellectual revolution has recently occurred, casting into doubt many of the ways in which we used to think about problems affecting health care, education, the environment, consumer safety, crime, welfare, scientific and technical research, the arts, national security, minorities, economic growth, and a host of other areas. New solutions relying on the energies of the private sector, on traditional values, on the appeal of American ideals abroad, on local initiatives, on voluntary efforts more than on government, have emerged, holding out hope of significant accomplishment in the future. Many have been widely discussed in public policy circles. The Roundtable seeks to stimulate a similar discussion among grantmakers.

> *"For most topics of interest to philanthropy, there are many new answers that deserve greater attention."*

In addition to this quarterly newsletter, the Roundtable's activities will include:

—A **clearinghouse** of information on effective projects and people working on a wide range of topics.

—A **series of forums**, held at sites around the country, featuring presentations by experts and ample opportunities for discussion and informal conversation among Roundtable members. (The first, to be held September 21 and 22 in Washington, D.C., is described elsewhere in this newsletter.)

—A **series of special studies**, examining important issues affecting philanthropy.

—An **annual meeting** designed for donors, trustees, and chief executives of grantmaking organizations.

—A **project development service** to assist Roundtable members in examining their own programs or establishing cooperative efforts with other donors.

—A **personnel service** to help identify and train fresh-thinking candidates for foundation and corporate philanthropic work.

From time to time, the Roundtable will also address legal or political issues where presentation of a fuller range of viewpoints is needed.

The Philanthropic Roundtable is a project of the Institute for Educational Affairs, a non-profit organization founded in 1979 by William E. Simon, Irving Kristol, and other business leaders, foundation heads, and educators to promote innovative ideas in philanthropy, higher education, and public affairs. Its orientation is toward finding sensible and practical ways by which grantmakers can illuminate and strengthen long-standing American institutions and values, such as free enterprise, constitutional government, personal responsibility, voluntarism, and the support of liberty throughout the world. Its work on law, economics, religion, foreign affairs, welfare policy, education, and the media (among other topics) has won national acclaim.

Membership in the Roundtable is open to any foundation, corporation, or individual donor who wishes to participate in its activities. The Roundtable is not intended to be an alternative to other organizations in the philanthropic world, such as the Council on Foundations or Independent Sector. Instead, it hopes to work with these and other groups to articulate and develop viewpoints on philanthropy that are widespread, but have not been well-organized or represented in the grantmaking community within recent years.

Direction for the Roundtable will be provided by a steering committee, chaired by Michael S. Joyce, executive director of the Lynde and Harry Bradley Foundation. Other members include Jack Brauntuch, executive director of the J. M. Foundation, F. Charles Froehlicher, executive director of the Gates Foundation, William Grala, vice president of SmithKline Beckman Inc., James Koerner, former vice president of the Alfred P. Sloan Foundation, Thomas Mangieri, contributions officer of the Chase Manhattan Bank, Louise Oliver, trustee of the George C. Cole-

Please turn to p. 4

BENNETT, *from p. 1*

less than for plant managers and baseball players. Gifts to education should be gifts to excellence and diligence, for the purpose of rewarding these qualities and encouraging their replication elsewhere.

"Children need to meet successful adults who are willing to share the lessons of success, willing to say 'Go this way, not that way.'"

3. **Become personally involved.** Donate money, books, and equipment; pledge summer jobs and offer scholarships. But above all, give yourself. Many people are familiar with the story of Eugene Lang, the businessman and Swarthmore College board chairman who returned to his East Harlem elementary school in 1981 and promised to pay for the college education of each sixth grader who stayed in school until high school graduation. Well, high school graduation for those children is this June, and almost every one of them will make it. It wasn't just the money. Mr. Lang provided intensive counseling and guidance to these students. The Federal government offers billions of dollars in financial aid for college tuitions, and we don't have a track record like Eugene Lang's. Any corporation can give money. But "you don't have a corporation for a parent," Mr. Lang points out. "You don't have a corporation to go to when you need some place to sleep or someone to tutor you in math."

Successful educational philanthropy, in other words, is personal: go to a school, talk to the students, get to know them, and offer suggestions, directions, and aspirations. Children need to meet successful adults who are willing to share the lessons of success, willing to say "Go this way, not that way." That kind of attention is the greatest gift of all.

4. **Support the basics.** The one sure pedagogical path to educational success is concern for the basics. I have visited more than 70 elementary schools since becoming Secretary of Education, and I have yet to see a successful one among them that did not attempt both to inculcate in students the basics of good character, and to pass on to them basic skills and basic knowledge of our American common culture. After all, it is good character—a reverence and hunger for work and experience, the habits and motivation for success, and a respect for those principles of right and wrong that are most prized by American society at large—that makes good adults. And it is mastery of basic subjects—reading, writing, mathematics, geography, history, science, and democratic citizenship—that opens to adults the full range of American possibilities. Be sure that your gift to education supports the development of basic skills and sound character in children. Schools that stick to the tried and true and avoid trading fundamentals for novelties or slick gimmicks will always be a safe philanthropic bet.

5. **Ask for something in return.** No education worth its name involves anything less than a great deal of hard work. Learning requires homework, study, discipline, attendance, and attention—persistent effort, and always more of it. Teaching that demands no effort from students winds up making no difference for them, either. In education, the bottom line is that "work works."

And philanthropy must make demands on schools just like those a good teacher makes of his students. Outcomes and results matter most. So gifts to education should be made in some way contingent upon progress in student achievement and performance. Two good questions to ask a school are "What have you done with past contributions?" and "How will my contribution be used to improve test scores and graduation rates?" Schools with ready, sensible answers to such questions probably deserve support. Schools without them probably don't.

Almost one hundred years ago, one of America's greatest philanthropists, Andrew Carnegie, warned that among the greatest obstacles to the improvement of our common condition was what he called "indiscriminate charity." With regard to education—perhaps the most reliable engine of social improvement—his words very much apply. So give to education; give generously, but give wisely. Only a wise investment pays a good return for our children and our society.

William J. Bennett is the Secretary, U. S. Department of Education.

ROUNDTABLE, *from p. 3*

man, Jr. Foundation, James Piereson, executive director of the John M. Olin Foundation, Robert E. Russell, Jr., president of Robert Russell and Associates, John von Kannon, treasurer of the Heritage Foundation, and Robert A. Wilson, vice president of Pfizer, Inc. Leslie Lenkowsky, former research director of the Smith Richardson Foundation, is president of the Institute for Educational Affairs.

Further information about the Roundtable may be obtained by returning the enclosed card or telephoning IEA's toll-free number, 800-225-2862. ***During 1987, there is no charge for membership in the Roundtable.***

ROUNDTABLE FORUM: "Left and Right in Philanthropy: Does It Make a Difference?"

"Left and Right in Philanthropy" —Does a difference exist? Does it matter? What can each side learn from the other?

The first in a series of quarterly Roundtable Forums, to be held in Washington, D.C. on September 21 and 22, 1987, will address these questions. Speakers representing a wide spectrum of opinion will consider differing philosophies in philanthropy, both generally and within specific areas of practice.

The Summer issue of ***Philanthropy*** will include a list of participants and details about the time and location of the forum. **But reserve the dates on your calendar now—it's bound to be one of the liveliest meetings you'll attend this year!**

Rx for Teen Pregnancy

Eunice Kennedy Shriver

Every day we see another article, another full-page advertisement, another television interview urging us to accept contraception and abortion as the only answer to preventing the birth of babies to teen-age parents. It's the technological solution to a problem that plagues us: too many teen-agers having babies. Pregnancy is a physical condition—therefore there must be a way to fix it. And the place to fix it is where the teen-agers are—in the school.

As a parent, I am not against the teaching of birth-control techniques to teen-agers. But I, and parents like me, reject contraception as the first, best or only solution to the problem of teen pregnancy. To transform our schools into contraceptive dispensaries is to give a strong message that sex in adolescence is okay, that it is an approved extracurricular activity. "Do what you please but do be careful" is the message we would be sending.

I have worked with teen-agers for 35 years—in prisons, in schools and as a foster parent. I've had contact with them in many teen-age pregnancy programs. When young people have a real problem, such as pregnancy, alcohol or drug abuse, and you ask social workers or psychiatrists about it, the first thing they want to know is whether the teen-ager has received or given love, whether the teen-ager is part of a family or has any connection with one. Absence of love and lack of family connectedness are the underlying causes of most adolescent pathology, which no pills or devices can cure.

The basic mission of our schools is to develop character, motivation and love of learning in their students; to have a civilizing influence on them. The school is where they are exposed to the greatest works, ideas and images of our civilization; where we teach our students to search for the right answer, not merely the easy answer. Our society is obsessed with sex. It is part of every message our teen-agers receive in their music, on television, in advertising, in the magazines they read, the role models they choose to emulate. But is sex to be thought of as just another appetite to be fed but not subject to inner controls?

Adolescent needs will be fulfilled only when we begin to understand that teen-age pregnancy concerns the whole person, the family, the community and the society, not just the sexual act of the individual at risk. It involves moral and ethical issues, not simply mechanical solutions. It requires, above all, communities that care.

Over the past seven years, more than 100 hospitals, clinics and health centers throughout America have transformed themselves into just this kind of caring community. Instead of concentrating on the results of teen-age sex by handing out contraceptives and abortions, these "Communities of Caring" focus on the causes of much early sexual activity and pregnancy: low self-esteem, peer pressure, alienation from parents and emotional confusion.

It's an approach that has worked.

With teen-agers who have already had babies, the support and encouragement they receive in a Community of Caring program have reduced the rate of second pregnancies by more than 60 percent from the national average and have motivated 70 percent to 80 percent of the young women to return to school and become independent rather than to drop out and turn to welfare.

As the Community of Caring approach has proved its value in changing the lives of pregnant adolescents and their babies, it has become obvious that it could be equally successful as a program for non-pregnant teens.

Beginning with primary prevention models in a few cities, the Community of Caring approach is being requested by local school systems in such cities as New Haven, New York, Newark, Los Angeles, Cleveland, Kansas City and by entire states such as Utah and Texas.

These educators value most the Community of Caring's basic principle that learning cannot take place in a moral and ethical vacuum. As Dr. John Dow, superintendent of schools in New Haven, has said, "The Community of Caring's insistence on the values of responsibility, caring and sharing will be the salvation of the public schools of America. What will save our schools is a return to the traditions and the pride on which our schools were founded. Our young people need to feel loved and cared for, irrespective of the fact that we are public institutions. The Community of Caring lets us provide that love and harnesses for our students the resources and support of the whole community, not just one or two teachers assigned the role of sex educators."

A high school English teacher had this to say about the program: "The Community of Caring has made a difference in the way I teach. Before, I'd talk about Hamlet's cruelty to Ophelia only in terms of the dynamics of the play. Now I'm more sensitive to the fact that sitting in my classroom are a dozen Ophelias, vulnerable to the emotional manipulation of 50 Hamlets right in my school. So I take time to let them talk about relationships like this in their own lives."

Here are some other thoughts:

From a coach: "I'd listen to the locker room talk and think, 'Well, guys will be guys.' Now I realize that this kind of talk is pressuring a lot of good kids to try to show they're grown-up men. And a lot of sex is happening just to prove a point."

A health educator: "Some people think clinics in schools are the answer. They're not. Most kids visit the clinic at most two to three times a year. What they need is our caring and our awareness every day, and that's what we try to give them."

A 16-year-old student: "If you aren't having sex or bragging about having sex, you're a wimp. Now I know someone is willing to listen, to help. I think that's going to take the macho pressure off a lot of guys like me."

Let us listen to parents, teachers and teen-agers themselves before the vastly increased commitment of resources called for by the advocates of contraception and abortion becomes national policy. There needs to be a recognition by public officials at all levels that there are effective approaches to adolescent pregnancy more in keeping with our traditions and values. Without these, we will only continue to pursue with cold illogic the fantasy of a magic bullet.

Eunice Kennedy Shriver is executive vice president of the Joseph P. Kennedy Jr. Foundation, which has major programs in mental retardation and adolescent pregnancy.

MANN, *from p. 2*

has provided $22 million for national, regional and local community projects on the Constitution, and has laid the foundation for a number of educational efforts worthy of continued support.

In addition, the humanities councils in the various states have encouraged and monitored efforts to enhance education and public understanding of the Constitution. Forty-eight states now have their own bicentennial commissions, and there are over 500 local Bicentennial Communities (a directory of which appears in the spring 1987 issue of ***this Constitution***.)

For the most part, state and local organizations have very little funding for their own education efforts, and many projects which have been initiated with federal funding need continuing support from elsewhere. Foundations and corporations have an extraordinary opportunity to extend the reach of already proven projects by supporting them directly. And every little bit helps—it can be very effective to give a grant directly to an individual school or school district to enable it to purchase books and study material on the Constitution, or to a local library to encourage public education throughout the community.

Sheilah Mann is the Director of Project '87, Washington, D.C.

Hundreds of private business enterprises are participating in the Bicentennial commemoration, not to promote private gain but to be part of educational and historical activities that will raise the level of understanding of our Constitutional values and lift spirits and pride among the American people.

In this same tradition, the Foundation for the Commemoration of the United States Constitution, a separate entity from the Bicentennial Commission, was created to secure private support for worthy projects related to the Constitution.

Warren F. Burger, Chairman
Commission on the Bicentennial of the U.S. Constitution

Promoting Democracy Abroad: An Opportunity for Philanthropy

Carl Gershman

The involvement of private philanthropy in the promotion of democracy internationally has until now been sporadic and limited, for the most part, to a small number of large foundations. This involvement has tended to focus on social and economic conditions in the developing world. Even where efforts have included education and research, they have generally not been aimed to support the development of democratic political institutions.

A number of factors now argue for changing this emphasis. The revival of democracy throughout Latin America and the dramatic restoration of democracy in the Philippines show that belief in democracy is not restricted to the advanced Western nations but is passionately shared by developing countries. Moreover, democracy, once thought to be a consequence of social and economic development in the Third World, is increasingly seen as a necessary condition for development. In this respect, the failure of highly centralized, politically regimented economies has had an important impact on attitudes in the developing world and has led to new pressures for more open, pluralist systems. More and more people now believe that only such systems can adapt creatively to the rapid pace of social and technological change.

The job of assisting democratic political development cannot be left solely to governments. Democracy cannot be sustained without the existence of countless private organizations and institutions through which the people can participate at all levels in the life of the country. Without a vigorous free press, independent cultural and religious institutions, deeply-rooted political parties, free trade unions, cooperatives, business associations and many other citizens' groups, no democratic system can achieve stability and real legitimacy among the people.

Such private institutions and interest groups need private assistance. Beyond its ability to mobilize financial resources, private philanthropy can engage private institutions and individuals whose knowledge and technical skills are a vital resource for those seeking to develop new democratic structures.

There are several areas where such philanthropy can quickly and meaningfully become engaged:

—**Communications**: Developing countries are struggling to keep pace with the revolution in communications technology. Training journalists, providing equipment and technical help to newspapers, radio stations, and other independent information and opinion outlets are some of the kinds of assistance that are needed.

—**Culture**: A democratic system requires a democratic culture that is sustained by a broad understanding of democratic values. Civic education, youth training, and assistance in

Please turn to p. 10

GRALA, *from p. 2*

the Constitutionally determined social structure in which Americans live—might well be stimulated and supported by corporate contributions. The Bicentennial is more properly a time for meditation than celebrations. Under the Constitution's provisions, America has grown and prospered. But we must never rest easy in a belief that our development as a society is assured without the exercise of prudence and will and introspection.

William L. Grala is vice president for public affairs, SmithKline Beckman Corporation, Philadelphia.

For more information on Bicentennial projects—

National Endowment for the Humanities (202) 786-0332
Project '87 (202) 483-2512
National Federation of State Humanities Councils (202) 393-5400
Foundation for the Commemoration of the U. S. Constitution, (212) 522-5522.

Investing for Giving:
(or, What You Spend Depends On What You Earn)

Jeremiah J. Milbank, III

The economic surge of the last few years, with lower taxes and inflation and increased incentives to work and add value, has, predictably, brought about a very strong stock market. Sadly, not all foundations have taken advantage of it, and many grantmaking programs will lose promising opportunities as a direct result. For despite the fact that private foundation assets are about to break through the $100 billion mark, much foundation money is managed more as an afterthought than as a primary element in the grantmaking process.

In the past five years (through 1986) common stocks in the Standard & Poor's 500 Index, including dividends, have increased by 150%. Over ten years the increase has been 260%. Despite some near-term warning signs, there is reason to believe that the next ten years will also be rewarding, on average, to intelligent investors: demographic forces in this country are very positive with baby-boomers entering their peak years of productivity. Deregulation and lower global tax rates are increasing work incentives and real wealth.

All this opportunity would be somewhat sweeter if more foundations tried harder to participate in it. Unfortunately, investment policy is often the last thing trustees think about. The preliminary findings of one major study suggest that over the four-year study period the median annual return for foundations using four or more investment advisors was 15.8%, compared to 12.8% for those managing their funds internally. And while 87.5% of foundations with assets over $50 million used professional managers, only 41% of those with from $1 million to $10 million did so. In the medium-sized category ($10 to $50 million), as high as 25% of the foundations still used no outside managers. In broader terms, this implies that many of the 24,000 private foundations in the United States are simply not viewing the investment portion of the grantmaking equation in its proper perspective. It is true that most of this large number represents foundations with less than one million dollars in assets, but it is estimated that these could aggregate $10 to $12 billion, a considerable opportunity for managing growth.

Most trustees probably believe that the long-term investment objective for an established, ongoing grantmaking institution should be to preserve the "real" (inflation-adjusted) value of its assets. Since the real total returns on stocks and bonds over many, many years have been about 6% and 2%, respectively, it doesn't take much analysis to realize that if you have an average performing balance portfolio and give away about 5% of your money every year you'll probably just squeak by intact over time. This may sound like a strong rationale for a conservative, passive strategy. What trustees sometimes forget, however, is that this performance includes those shorter periods (3-5 years) when you can make a killing or be killed. If you forget about the Depression, or if you held a lot of cash during the 1980's Bull Market, the numbers look very different. Real annual stock returns for the last 20 years averaged about 4%. Take out the last five years and the annual return becomes negative. Doing a good consistent job over many years means doing a good consistent job almost every year. It is for this reason that professional portfolio management, as well as an organized approach to setting investment goals at the Board level, should not be overlooked.

Larger foundations can afford top quality consultants to help define objectives and select investment advisors. Smaller institutions may want to discipline themselves to approximate this same process. Trustees should lay out a long-term plan for asset growth and broad asset allocation, and a short-term plan to take advantage of current possibilities and anomalies within the marketplace.

Next, they should consider the advantage of "active" management versus passive techniques like indexing which attempt, systematically, to achieve mediocrity. They must seek out investment advisors whose methods and philosophies are professional, consistent and definable. It is important to make sure that the "chemistry" of the relationship with the advisor is good. Smaller advisory firms tend to outperform larger ones, partly because available investment choices narrow as the size of managed assets rises. As a matter of fact, a multibillion dollar firm may have a stock selection universe half the size of that for a firm managing several hundred million dollars or less. Finally, a process of periodic review should be set up to determine whether the goals are being met, and to what extent changes should be made.

There is no simple paradigm for better investing. Trustees of foundation assets should take the lead from those who have already tried systematically to set thoughtful objectives. Such action would result in a higher level of professionalism in the foundation community, and in many more dollars available for grantmaking.

Jeremiah J. Milbank, III is president of Milbank Associates, Inc., a New York-based investment advisory firm.

DULY NOTED

Market Boosts Foundation's Assets

A roaring stock market lifted the Ford Foundation's assets to a record $5.2 billion as of March 15, its highest mark ever and more than double the $2 billion level reached ten years ago. The climbing market enabled the foundation to give a record $182 million to organizations and individuals in the fiscal year that ended September 30—$60 million more than the philanthropic foundation doled out in the 1985 fiscal year. The foundation's annual report showed that assets hit $4.6 billion by September 30, an unprecedented climb of $829 million over the previous fiscal year. Since October 1, the booming market added another $400 million, puffing assets to $5.2 billion, the report said.

From wire service reports, March 1987

Enterprise Zones Need Help, Too

Stuart M. Butler

A few years ago the buzzword in urban development was "enterprise zones", those small areas of depressed cities where the relaxation of taxes and regulations were expected to stimulate the creation of small and medium-sized businesses, and thus tackle blight. But although legislation was debated in Congress and backed by the Reagan Administration, it came to nothing.

Many people think that because the idea died in Washington that was the end of it. Not so. Frustrated with congressional inaction, states have taken the lead and passed their own zone legislation.

Currently more than thirty states have passed enterprise zone statutes, and over twenty have actually designated zones, beginning with Connecticut in 1983. According to surveys, over $6 billion in new investment has poured into these once-decaying areas, creating or saving as many as 100,000 jobs.

The essence of enterprise zones is, of course, business enterprise—not philanthropy. But that does not mean there is no role for philanthropy. Far from it. While enterprise zones create the climate needed for economic development, philanthropic organizations can be invaluable in helping lower-income residents to take advantage of the new opportunity. Some examples:

Business development centers. The hardest thing about going into business is surviving the first few months, when money is short and hard lessons must be learned. Some enterprise zone cities, such as Baltimore, have tackled this problem by creating "condominiums" for new enterprises, where secretarial, accounting, even marketing services can be shared under one roof. This cuts down the cost for each business and increases the chances of success. But it costs money to start one of these centers. Foundations can help.

Learning the basics. Entrepreneurship might be instinctive, but the basics of running a business are taught. And in enterprise zones, would-be businessmen need instruction in the first steps, not MBAs. Several foundations have given support to centers that teach business techniques to low-income people—and some of the most successful graduates have been welfare mothers.

Housing management. In several cities, including Washington and St. Louis, there have been remarkable improvements in decayed public housing projects when tenants have been allowed to take over. Social problems have been attacked and maintenance jobs created. Donor organizations, especially the Amoco Foundation, have stepped in to provide money to teach the skills needed for tenants to run their own projects. Elsewhere, such as in Washington's Jubilee housing ventures, churches and philanthropic groups have combined to renovate and operate private housing projects. Business formation is at the heart of the enterprise zone strategy, but housing improvement is also an integral part of neighborhood improvement. Foundations have an impressive record of support for innovative approaches to housing.

Strengthening neighborhood groups. In the 1960s, neighborhood organizations were viewed by many policy makers mainly as political vehicles to secure outside help for distressed areas. Today they are widely recognized to be the glue which binds together economic and social enterprise in poor districts. Working through intermediaries, such as the Washington-based National Center for Neighborhood Enterprise, foundations are supporting programs operated by neighborhood groups which address educational and other shortcomings which currently make it difficult for many poor Americans to share in economic improvement.

In these and other ways, philanthropic organizations are helping to provide the "social infrastructure" for economic development in poor areas. The state enterprise zone program seeks to provide the best climate for development in blighted neighborhoods. With

Please turn to p. 9

TALENT BANK
A Roundtable Service

She is thirty-five and an honors graduate of a well-regarded university outside Philadelphia. She's worked for the Heritage Foundation, the Prudential Insurance Company, and a candidate for the United States Senate. Since 1982, she has served successively as a special assistant to top-level executives in ACTION, the Department of Transportation, and the Office of Personnel Management. She's also had White House experience. She writes and speaks effectively, has travelled widely, and can get on top of complicated new subjects quickly.

Not least important, she is looking to leave government, if the right job in the private sector or nonprofit world comes along. Or to be more accurate, she *was* looking until recently, when a major New York company hired her to help run its contributions program and analyze public policy issues.

Don't worry: there are more like her in the nation's capital these days. For one of the less appreciated accomplishments of the Reagan administration has been giving a large number of young people a chance to show what they can do in positions of extraordinary responsibility. And quite a few have done very well indeed, although they may not be well-known except to those who have actually seen them perform.

Many of these people are already beginning to think about the next step in their careers and would look with interest on positions in philanthropy and nonprofit organizations. Through our contacts in Washington, the Philanthropic Roundtable has the ability to identify them. In future issues of this newsletter, we will profile some of the best with as many details as discretion allows. If you have a position you are trying to fill, you can also call for special service.

Whether in government or in the private and nonprofit sectors, policy and program ultimately boil down to people. There's a real treasure chest of talented people waiting to be discovered here in Washington. To foundations and corporations, they can bring not only valuable skills and experience, but also fresh ideas for all fields of activity.

"Lobbying" by Nonprofits — An Old Issue Comes Back to Life

Over the last six months, considerable attention has been directed at the question of what constitutes reasonable political activity by nonprofit organizations. In November, the Internal Revenue Service published a notice of proposed rulemaking under the lobbying rules for public charities which were adopted in the Tax Reform Act of 1976. More recently, the House Ways and Means Subcommittee on Oversight, under the chairmanship of Rep. J. J. Pickle (D-TX), held two days of hearings on the lobbying and political activities of tax-exempt organizations.

"If a communication which 'pertains to' proposed legislation constitutes 'lobbying', where does this leave nonprofits?"

Reaction to the proposed IRS rule was swift and vocal. Nonprofits from across the political spectrum protested that, far from clarifying the intent of the law, the language defining lobbying by public charities would muddy already murky tax policy requirements. Partly as a result of these expressions of concern, the IRS in April 1987 issued a statement delaying the implementation of the proposed rules. The period for public comment on the rulemaking was extended, and the IRS scheduled public hearings for May 11 and 12 in Washington.

This is not the first time the issue of lobbying by nonprofits has been raised. As testimony before the House hearings made clear, questions about what constitutes "lobbying" by nonprofits have been argued, off and on, for fifty years and more. Periodically dormant, but never fully resolved, they have revived with a vengeance under the impact of the proposed regulations.

The law has long required that "no substantial part" of the activities of a publicly supported charitable organization may consist of attempts to influence legislation. Why so? Because contributors who could use tax-exempt dollars for political purposes presumably have an unfair advantage over those who are unable to use such exemptions.

On the other hand, nonprofit groups —associations and think tanks, for example—have historically conducted research and analysis which contributes to debate on public policy issues. Other kinds of groups, such as nonprofit health and educational organizations, conduct surveys or publish reports on matters of current concern. This work, even where it may deal with controversial issues, has historically been recognized as a legitimate and important function of nonprofits. If, as the proposed rulemaking suggests, even a communication which "pertains to" proposed legislation constitutes "lobbying", where does this leave them then?

"For grantmakers and donors, the effects of the new rule would be chilling indeed."

For grantmakers and donors, the effect of the new rule would be chilling indeed. Because private foundations are prohibited absolutely from any political activity, their willingness to make grants for any public-policy related activities whatsoever might vanish if what is lobbying, and what is not, were so unclear.

The question, then, becomes one not simply of where a line defining impermissible political activity should most reasonably be drawn, but whether, aside from rules explicitly regarding political campaigning and the advocation of specific legislation, one need be drawn at all.

For the stifling effect of such regulation of public discussion of policy is surely undesirable. Undoubtedly there have been cases in which tax-exemptions have been abused to further political ends. But it is doubtful that the promulgation by the IRS of severe new regulations on political activity will do more to control abuses than would stricter enforcement of the existing law, which provides for the traditional definitions of what constitutes political activity.

"The contribution of American philanthropy to study, research, and debate is one of its richest achievements."

The contribution of American philanthropy to study, research, and debate, academic or practical, is one of its richest and most productive achievements. Undermining nonprofits' ability to provide assistance for policy discussion would have grave consequences for the availability of information and opinion to the government itself as well as to the general public. Indeed, if the possibility of such work, in its nearly infinite variety from left, right, and center, is impaired by over-regulation, *only* those whose purpose is to lobby on behalf of special interests will have their voices heard.

Look for an update on the May IRS hearings in the summer issue of ***Philanthropy.***

BUTLER, *from p. 8*

the success they have been achieving, if foundations concentrate their efforts there, the product of the cooperation between the states, businesses, and nonprofits should be far greater than the sum of its parts.

Stuart M. Butler is Director of Domestic Policy Studies at the Heritage Foundation, Washington, D.C.

GERSHMAN, *from p. 6*

publishing a democratic literature are all essential.

—**Enterprise**: A free political system needs an open economy. As Third World countries increasingly search for meaningful alternatives to statism, there are new opportunities to promote a greater appreciation of the importance of enterprise and incentives in economic activity. In many Third World countries there are organizations that address these issues. They should be helped.

—**Capacitation**: This is a Spanish word which suggests extensive training. Institutions need skilled, active workers who are committed to a free system. The need for such people will grow as countries move toward democracy. Womens' organizations are among the leaders in efforts to "capacitate" a democratic citizenry.

The National Endowment for Democracy, a private, nonprofit organization which has received an annual appropriation from the Congress since 1984, has begun programs to further the objectives listed above, among many others. As a magnet that attracts democratic organizations from around the world, the Endowment is in a position to work with private foundations and corporations seeking to become engaged in promoting democracy abroad. The legal and administrative details are a good deal less complicated than one might think. And from our own experience, we at the Endowment are confident that foundations and corporations will find this an exciting area of work, one that can benefit our country, promote the values we cherish, and lead to a freer, more prosperous, and more peaceful world.

Carl Gershman is president of the National Endowment for Democracy, Washington, D.C.

Don't Forget
To send in the
enclosed postcard
for more information on the

PHILANTHROPIC ROUNDTABLE

Coming in *Philanthropy*

... new initiatives for the homeless

... the other human rights organizations

... neighborhood crime prevention

... giving to the arts

... administrative issues

.. grantmaker profiles

MORE

PHILANTHROPY

1112 Sixteenth Street, N.W. Washington, D.C. 20036

Non-Profit Org.
U.S. Postage
PAID
Permit #2150
Washington, DC

INSTITUTE FOR EDUCATIONAL AFFAIRS

Annual
Report 1986

A YEAR OF RENEWAL

Annual Report
of the
Institute for Educational Affairs

1986

1112 16th Street, N.W.
Washington, D.C. 20036
(202) 833-1801

STATEMENT OF PURPOSE

The Institute for Educational Affairs was founded in 1978 to help defend America's 200-year-old experiment in self-government and economic freedom from a self-conscious cultural establishment eager to condemn the principles, aspirations, and loyalties of most Americans. The Institute for Educational Affairs was born as a novel and—in the best sense of the word—idealistic effort to deal with that unique situation. Part of the Institute's own uniqueness involves its very constitution; we brought together business leaders and scholars, two parts of our society between which in the past there had been too little interaction. We did so because one of our explicit goals was to demonstrate that there exists a natural harmony between enlightened philanthropy and enlightening scholarship. We hope that IEA, by facilitating the former, will encourage the latter.

Indeed, facilitating more enlightened philanthropy is the central goal of the Institute for Educational Affairs. In many ways, IEA is a foundation *for* foundations. Over its lifetime, IEA has utilized a number of means to enhance discussion and creativity among private and corporate givers. We encourage others to think of IEA as a "clearinghouse" and information network. IEA's staff, its myriad friends and consultants in the academic world, and its distinguished Board of Directors are all available to assist the inquiring corporate or private donor. Finally, we hope that the programs and projects IEA funds directly will be of a quality sufficient to encourage partnership or emulation.

The Institute for Educational Affairs exists to assist those thinkers and institutions—including, especially, other foundations—whose work furthers the ideas about freedom and justice that are fundamental to our way of life. As we wrote in our first annual report, "The Institute has in mind nothing less than creating a national dialogue about what our guiding principles might be. Out of such a dialogue, we hope, there will begin to emerge a culture that fulfills its traditional role as a sustainer and guardian of our civilization." While America, and Americans' perception of America, have changed greatly in the eight years since the Institute was founded, we find ourselves with much still to do to fulfill this objective.

Whether the Institute's Board members or staff are working with a corporate CEO or contributions specialist to identify new areas for corporate giving, or providing a vital first grant to an up-and-coming scholar, or helping to open new forums on American campuses, we believe that ideas matter and over time matter dramatically. Because we believe this, we are optimistic about the future. Quality scholarship, by its nature, is our ally. Open forums are our natural habitat.

We are delighted to have welcomed four new members to our Board in the past year: Peter B. Clark, former chairman of the Evening News Association; Christopher C. DeMuth, president of the American Enterprise Institute; Edwin J. Feulner, Jr., president of the Heritage Foundation; and Susan S. Stautberg, director of communications of Touche Ross and Company. With their help and that of the rest of our Board, along with the improvements made in our programs during 1986 that are described elsewhere in this report, we believe that the Institute is now better able to achieve its purposes than ever before.

CHARLES WOHLSTETTER, Chairman

IRVING KRISTOL, Vice Chairman

PRESIDENT'S REPORT

Last year was one of transition and renewal for IEA. In 1985, after seven years of substantial accomplishments, the Institute paused to take stock. Guided by a report prepared by an outside consultant, the Board acted to reinvigorate IEA's programs, restore its financial base, and revitalize its leadership and staff. In each area, significant improvements occurred during 1986.

In the Student Journalism Program, a commitment to "quality over quantity" was made. Although new entrants into the program are still being welcomed, our main efforts in 1986 were directed at establishing a set of editorial and management advisory services for the "alternative" newspapers the Institute assists at more than thirty colleges and universities across the country. In addition to providing grants, IEA has now established a variety of means to maintain closer and more productive ties with the publications than ever before. This should pay off not only in stronger papers, better able to face growing competition from avowedly "liberal" ones, but also in a heightened *esprit* among the students who edit and write for them. To help give this group of publications a distinct identity, IEA last year christened them "The Collegiate Network."

For the Institute's philanthropic advisory services, virtually moribund during 1985 and never as successful as had been hoped previously, the challenge in 1986 was to rethink and redesign them in ways that could be more useful to grantmakers. After a series of discussions with friends in the philanthropic world, the goals and activities of a new membership organization, to be called the "Philanthropic Roundtable," were outlined in a letter that went to more than two hundred foundation, corporate, and individual donors, drawn largely from lists of contributors to various conservative groups. Over sixty have expressed interest in joining and pilot tests of some of the activities have been encouraging. By the middle of 1987, IEA's Philanthropic Roundtable will be in full-scale operation, providing a wide range of services to its members and articulating a new set of ideas about philanthropy.

For *This World*, the journal on religion and public affairs created by the Institute, last year's efforts centered on finding a long-term home and source of underwriting. That was accomplished by transferring ownership of the magazine to the Rockford Institute, where, under the new editorship of Richard John Neuhaus, *This World* will be able to maintain and enhance the high standards and influential readership established in its first five years of publication. As all parents know, it is sad when an offspring leaves the nest, but such changes are inevitable, given the Institute's role as an entrepreneur in the world of ideas and its commitment to developing and nurturing new projects.

In other parts of its program too, IEA has used the last year productively. Ten young writers were placed in editorial internships, which, as a survey of former interns showed, were likely to lead them to permanent jobs in the media. More than a dozen grants for scholarly and journalistic projects were awarded and several that had been made in previous years were brought to completion. The Institute helped launch a bipartisan working group on welfare reform, chaired by Michael Novak and including many of the nation's leading experts on how to deal with long-term dependency and poverty. IEA also ran a national conference on alternative ways to finance a college education, which featured a newsmaking speech by Secretary of Education William J. Bennett. In a number of less visible ways as well, the Institute worked with grantees and grantors to improve the effectiveness of their common efforts.

Since fund-raising slowed down in 1985 as IEA underwent its self-examination, an urgent task last year was rebuilding the Institute's financial base. Thanks to the trust and generosity of many old (and several new) friends, the results were successful. Gifts for the Institute's ongoing programs and core expenses totalled close to $800,000, an increase of over 100 percent. The number of foundation, corporate, and individual contributors grew by 74 percent. An advertising consortium was launched to sell space to national companies in The Collegiate Network (whose combined circulation is estimated at 750,000 readers per issue.) Although IEA incurred a number of one-time expenses in moving its offices from New York to Washington at the beginning of 1986, savings in rent and staff costs at its new location will offset them in two years.

Not least importantly, the vital process of refreshing the Institute's leadership began. Joining IEA's Board in 1986 were the presidents of the American Enterprise Institute and the Heritage Foundation, one of the nation's most respected publishers, and a former White House Fellow who directs the communications program of a major accounting firm. At the same time, a talented new staff was recruited and trained.

These developments signified that, contrary to what some had thought or feared, the Institute was alive, well, and growing in stature and effectiveness. Indeed, by the end of 1986, even less than friendly observers were willing to concede that IEA was "influential." And in a year-end round-up, *The Wall Street Journal* included the Institute among a handful of groups that were laying the foundation for a permanent intellectual presence in Washington long after the Reagan Administration departs.

Yet much remains to be done. The changes in the Institute's programs have laid the groundwork for improvement, but must be made to work if The Collegiate Network, the Philanthropic Roundtable, and IEA's other programs are to realize their potential. Further efforts to expand and diversify IEA's base of support are essential if financial stability is to be attained. The Institute's leadership must be reinvigorated, if IEA is to retain its reputation as a symbol of and stimulus for innovative private philanthropy: one which addresses and advances the ideas and institutions upon which a free, prosperous, and decent society depends.

Writing in the middle of 1985, IEA's outside evaluator observed that the Institute seemed to have "an identity crisis of sorts." It had done useful work in the past, but it was no longer sure of its role.

The strategy pursued last year to revitalize the Institute was simple enough: to go back to IEA's past in order to renew its future. The Institute sought to rebuild its existing programs, retrieve the support of its most loyal donors, and reactivate its Board. Considerable success was achieved in each task.

In this process, the Institute also rediscovered its identity. What IEA does best is to serve—and help enlarge—a community of grantmakers, interested in projects that sustain and advance traditional American ideas and values. Through the activities of its Philanthropic Roundtable, through its grantmaking and entrepreneurial work, through its ability to identify and attract small foundations, corporations, and individual donors, the Institute aims to help give substance to a new spirit of philanthropy.

In short, after losing its way for awhile, last year IEA returned home. Its proper role looks to be pretty much what its founders had in mind when they created it. Spending the last year returning to the Institute's past has led to a better appreciation of this, as well as enhanced the prospects for realizing it more fully in the years ahead.

LESLIE LENKOWSKY

STAFF
1986

Leslie Lenkowsky, *President*

Thomas W. Skladony, *Vice President*

Priscilla M. Gallerano, *Program Officer and Assistant to the President*

Lawrence J. Delaney, Jr., *Program Officer*

Miranda Reid, *Office Manager*

Susan L. Manns, *Secretary*

Michael A. Scully, *Editor, This World*

Todd S. Handelman, *Intern*

STUDENT JOURNALISM PROGRAM

Since 1980, the Institute has been assisting students on scores of American universities and colleges in their efforts to found and publish campus newspapers and magazines. In just a few years, IEA-funded journals have expanded the range of viewpoints at many of the nation's top schools, including every Ivy League campus and many of the major state universities. They have also helped develop thoughtful and fairminded journalists, many of whom now work at newspapers, magazines, research institutes, and other organizations throughout the country.

Last year was a watershed year for the Student Journalism Program. Often caricatured in the past as journalistically inferior, ideological curiosities, existing only because of IEA support, the papers began to receive the grudging respect of their peers on the campus and their critics in the national media, such as *The New Republic* and the *Columbia Journalism Review*. Moreover, a self-proclaimed "liberal" foundation announced it would open its wallet to left-wing student publications, largely in response to the impact our papers have had on campus.

With this new stature and competition, the newspapers and magazines the Institute assists faced a challenge to grow stronger, both editorially and financially. To help them, we concentrated on putting in place during 1986 an extensive series of services as part of the Student Journalism Program. They include:

- A toll-free "hotline" to make IEA more accessible for help with day-to-day problems
- A monthly house-organ, *Newslink*, to convey important news about the program, story ideas, publishing tips, as well as regular installments of a new editorial handbook
- A schedule of site visits to allow IEA staff to see each paper on its own campus, meet its staff, assess its effectiveness, and troubleshoot its problems
- A national conference, co-sponsored with the Liberty Fund, to bring editors together with leading scholars for a weekend of serious discussion about fundamental ideas in American political and economic thought
- A series of regional conferences to enable small groups of students from several publications to participate in workshops on the "nuts-and-bolts" of running a student newspaper
- A program to provide each paper with important books, magazines, newsletters, and pamphlets on contemporary issues, as well as on publishing techniques
- A computerized data base to improve IEA's ability to identify, follow, and assist the most promising student journalists

As these services were being established, the Institute continued to provide nearly $100,000 in financial support for the papers. In addition, recognizing that their combined readership approached 750,000 students, faculty, and alumni, we began a sales effort aimed at national advertisers with an interest in the college market. Though still in its pilot stage, this campaign had realized nearly $35,000 in commitments by the end of 1986. We also initiated a new set of awards, the "Incentives for Excellence" program, which encourages each publication to apply for special grants to finance long-term improvements, like acquiring equipment for computer typesetting.

In this way, as well as through the editorial services and management counselling the Institute provides, our message in 1986 was that the papers of The Collegiate Network—the name we chose to give them a common identity—must be well-written, well-edited, and of interest to the communities they serve in order to receive support. The journals always will—and should—vary widely, as befits the differences among the campuses where they are located. Moreover, as befits the Institute's desire to foster responsible student discussion of issues and ideas, we continue to leave editorial and other decisions solely in the hands of the student publishers. Nonetheless, by what we did in 1986, we have informed current and would-be student journalists that membership in The Collegiate Network is something to be earned *and desired.* The result should be publications whose editorial quality and financial stability are up to the new challenges they face.

Although our primary focus in 1986 was on strengthening the existing papers, we remained alert for promising new prospects for The Collegiate Network. Six papers were, in fact, added, including the *Badger Herald* at the University of Wisconsin, founded during the tumultuous days of 1970 and now a daily, the first "alternative" publication to achieve that distinction and, we hope, not the last.

THE COLLEGIATE NETWORK 1986

Amherst Spectator
Badger Herald (U. of Wisconsin)*
Berkeley Review
Bowling Green Review
Brown Spectator
California Review (U. C., San Diego)
Campus Review (U. of Iowa)*
Carleton Observer
Cornell Review
Dartmouth Review*
Florida Leader
Grinnell Outcry
The Guardian (Georgetown)
Harvard Salient
Illini Review
Michigan Review
Michigan State Times
Midway Review (U. of Chicago)
Minuteman (U. of Mass., Amherst)
Morningside Review (Columbia)
Northwestern Review
Oregon Commentator*
Perspective (Radford U.)
Primary Source (Tufts)*
Princeton Tory
Redwood Review (U. C., Santa Cruz)
Rutgers Contrarian
Texas Review (U. of Texas, Austin)
The Tomahawk (Florida State)
Trinity (Conn.) Observer*
Vassar Spectator*
Washington Spectator
William and Mary Observer
Wisconsin Review (U. of Wisconsin)

*Self-sufficient; not currently receiving IEA grants

EDITORIAL INTERNSHIP PROGRAM

For the most proficient graduates of IEA-funded student journals, as well as other outstanding recent college graduates who are interested in journalism careers, IEA provides year-long internships at a number of national publications. With IEA help, aspiring young writers or editors have been able to take part in unique apprenticeships at *The Public Interest, The American Spectator, National Review, Policy Review*, and numerous other highly regarded publications or research institutes.

More than two dozen graduates of IEA-funded student journals and publishing internships are already embarked on careers in the media at, among other publications, *The Wall Street Journal, The New York Daily News, The Detroit News, Insight*, and *The New Republic*. Others are in graduate school or working for the government, including one who is a speechwriter for the Vice President of the United States and another who performs the same task for the Mayor of New York City. To improve our ability to spot such talented students early on and assist them in their careers, IEA established in 1986 a computerized information system and took steps to expand the internship program to include large-circulation newspapers and magazines.

We intend that over time, the Institute's work with student journalists will make a significant contribution to the nation: fostering greater diversity of ideas and attitudes by—first and foremost—encouraging youthful practitioners of good journalism.

INTERNS
1986

Richard Burr	Center for the Study of American Business
Margaret Gallagher	*National Review*
Andrew Goldman	*The National Interest*
Thomas Holt	*Organization Trends*
James Keller	*Organization Trends*
Richard Marin	*Harper's Magazine*
James Muldoon	*Crisis*
Gideon Rose	*The National Interest*
Diana Schaub	*The National Interest*
Scott Walter	*Crisis*

PHILANTHROPIC ROUNDTABLE

The Philanthropic Roundtable is IEA's newest program—and also its oldest. From its birth, one of IEA's fundamental missions was to create and strengthen a sense of community among the foundations, corporations, and individual donors who wished to direct a portion of their funds to scholars, research projects or other activities that illuminate and advance the intellectual underpinnings of the American economic and political system. To that end, though somewhat informally, the Institute conducted seminars, published a newsletter, commissioned working papers, and served as a clearinghouse for information on people or projects worthy of support. Over one hundred foundations, corporations, and individuals have utilized these services and many more have benefited from the Institute's publications on philanthropy.

After extensive consultations with grantmakers from around the country, the Philanthropic Roundtable was designed as a vehicle for transforming these activities into a national membership network. Open to foundation, corporate, and individual donors who are seeking more effective approaches to philanthropy, rooted in the traditions which have made American society successful and strong, the Roundtable will offer a variety of services, as well as access to IEA's distinguished Board and experienced staff, an unmatched network of contacts and consultants throughout business, government, academia, and the non-profit world, and not least important, other grantmakers whose own efforts have been notably successful and innovative.

The Roundtable is not meant to be an alternative to national organizations like the Council on Foundations and Independent Sector. Rather, it intends to be a force within such bodies for articulating viewpoints on philanthropy that are widespread, but have not been well-organized or represented within the grantmaking community in recent years. In this way, the Roundtable will strive to bring professionalism, diversity, and balance to the rest of the field, while also giving its own members advice and contacts that are practical and useful.

Recruitment efforts undertaken late in 1986 have thus far produced a charter membership of more than sixty grantmakers. Newspaper columns, interviews, and appearances by IEA's president on national television and at a meeting of national leaders in philanthropy have also attracted attention to the new organization. The Roundtable will begin operating in the spring of 1987 with publication of its newsletter, activation of its clearinghouse, and planning for a major conference in the fall.

Behind the formation of the Philanthropic Roundtable is a conviction that to respond creatively and effectively to the heightened expectations facing grantmakers today, new models of philanthropy, based upon the principles and values that have made the United States free and prosperous, are needed in all fields (including the traditional health and welfare ones.) The Roundtable aims to help develop and disseminate information about such approaches and to do what many believe has long been necessary—bring some fresh ideas into the field of philanthropy.

GRANTS TO SCHOLARS AND JOURNALISTS

Through its extensive contacts in the academic and journalistic worlds, IEA is uniquely well-situated to help develop projects and identify scholars and writers capable of first-rate work on a variety of domestic and international topics. It uses this knowledge to connect the world of philanthropy with the media and the universities, as well as to run a modest grant-giving program of its own. With its own resources or special donations, IEA has assisted numerous authors—including many young scholars seeking to launch their careers—find the financial means to complete projects dealing with some of the great issues of our time.

During 1986, a number of books made possible by IEA support appeared in print:

Hadley Arkes, *First Things: An Inquiry into the First Principles of Morals and Justice*

Ann Hartle, *Death and the Disinterested Spectator: An Inquiry into the Nature of Philosophy*

Mikhail Heller and Aleksandr M. Nekrich, *Utopia in Power: The History of the Soviet Union from 1917 to the Present*

Philip B. Kurland and Ralph Lerner, editors, *The Founders' Constitution*

S. Robert Lichter, Stanley Rothman and Linda S. Lichter, *The Media Elite*

James A. Miller, *Running in Place: Inside the Senate*

Joshua Muravchik, *The Uncertain Crusade: Jimmy Carter and the Dilemmas of Human Rights Policy*

Doan Van Toai and David Chanoff, *The Vietnamese Gulag*

Christopher Wolfe, *The Rise of Modern Judicial Review*

In addition, IEA co-sponsored, with Catholic University, a major conference on new alternatives for providing financial aid to college students, which featured a newsmaking speech by Secretary of Education William J. Bennett on the rising costs of higher education. IEA also helped launch the Working Seminar on the Family and American Welfare Policy, a bipartisan task force of experts that is examining ways of dealing with the problem of chronic welfare dependency.

GRANTS
1986

American International Book Development Council	Support of start-up costs	$10,000
Lord Peter Bauer	Research and writing on economic development	$10,000
Martha Bayles	Study of popular culture	$40,000
Campus Coalition for Democracy	Publication of *Academic Questions*	$2,266
Encounter Magazine	Publishing support	$35,000
Robert Kaplan	Study of causes of Ethiopian famine	$21,700
Walter Laqueur	Study of terrorism	$59,000
Modern Times	Publishing support	$5,600
Gary Moore	Study of contemporary Nicaragua	$20,000
Joshua Muravchik	Study of American efforts to promote democracy abroad	$60,000
Jinny St. Goar	Extension of study of U.S. role in Laos, 1969-1973	$12,000
Stornoway Productions	Production of television film, "New Liberation Wars"	$125,000
Irving Welfeld	Study of housing policy	$24,750
Aaron Wildavsky	Study of public policies dealing with risk	$28,000
Others (less than $2,000)	Three projects	$2,664

THIS WORLD

In 1981, IEA started *This World*, a journal for discussing and illuminating issues at the intersection of politics and religion. Under the gifted editorship of Michael A. Scully, it quickly established a reputation as one of the nation's classiest "little magazines." Many of the nation's most distinguished scholars and writers contributed to it and its readers, though small in number, were lavish in their praise. "You have been an important voice for sanity and reason in a climate full of confusion and bad faith," declared *Partisan Review* editor, William Phillips, on the occasion of *This World's* fifth anniversary. "Profound, readable, inquisitive," William F. Buckley, Jr., wrote. "*This World* . . . gives us hope that genuine intellectual and cultural reform is underway."

During 1986, the journal did nothing to diminish its high stature. Its three issues contained important articles by Michael Novak, Richard John Neuhaus, Allan C. Carlson, George S. Weigel, Joshua Muravchik, Nathan Glazer, Carl F. H. Henry and Lewis C. Feuer, among others. Liberation theology, American policies in Central America, the morality of strategic weapons, and the Burger Court were among the many topics addressed in its pages. To commemorate the magazine's fifth anniversary, an anthology, *The Best of This World*, was published by the University Press of America.

Recognizing the need to redirect IEA's own resources to new projects, as well as the fact that other organizations were more directly engaged in religious questions, the Institute's Board also began to seek a long-term home and source of support for *This World*. Happily, the Center on Religion and Society of the Rockford Institute was eager to assume responsibility for the journal and had the financial resources to maintain its high standards. Under the editorship of Richard John Neuhaus, the first issue of *This World* at its new home will appear in the spring of 1987.

Having created it and seen it through its early years of high achievement, giving up *This World* was a bittersweet experience for IEA. However, we are consoled by the knowledge that its new publisher will assure a strong and stable future for the journal. And we look forward to the opportunity IEA now has to use its resources to create new projects, some of which, we hope, may become as successful and important as *This World*.

SOURCES OF SUPPORT

In 1986, IEA was honored to be considered worthy of support by many of America's foremost corporations and foundations, as well as individual donors.

Anonymous Foundations (2)
Boise Cascade Corporation
Lynde and Harry W. Bradley Foundation
W. H. Brady Foundation
Centel Corporation
Chase Manhattan Bank
Patricia J. Cochran
Sylvan C. Coleman Foundation
Contel Inc.
Adolph Coors Foundation
Shelby Cullom Davis Foundation
Earhart Foundation
Stanley Goldstein
William Randolph Hearst Foundation
J. M. Foundation
Sam Kane Beef Processors
Robert M. Krieble
Leslie Lenkowsky
Liberty Fund
Loctite Corporation
Manufacturers Hanover Bank
Winslow Maxwell
Mobil Oil Corporation
National Starch & Chemical Corporation
Olin Corporation Charitable Trust
John M. Olin Foundation
Plymouth Foundation
Pfizer Inc.
Procter & Gamble Fund
Shell Companies Foundation
SmithKline Beckman Corporation
G. Bickley Remmey, Sr.
Smith Richardson Foundation
Roe Foundation
Billy Rose Foundation
Sarah Scaife Foundation
Stouffer Corporation Fund
Starr Foundation
Walter P. and Elizabeth M. Stern Foundation
Sam H. and Helen R. Walton Foundation

FINANCES

The Institute's expenditures in 1986 for its ongoing projects totalled nearly $750,000. (Approximately another $425,000 was spent on special projects supported by restricted grants.) IEA's 1987 budget anticipates an increase in spending for these activities to $860,000 largely to provide for expanded services to its student newspapers and full-scale operation of its Philanthropic Roundtable.

Where the Money Goes

Student Journalism	30%
Editorial Internships	17%
Philanthropic Roundtable	15%
Grants to Scholars and Journalists*	15%
Administrative Costs	23%

*Excludes special projects

Operating without endowment, the Institute each year solicits the funds necessary for its programs. IEA has been classified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code of 1954 and is certified as a publicly supported organization described in Sections 509(a)(1) and 170(b)(A)(vi). Donations to IEA are fully tax-deductible.

****

REPORT OF THE CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Institute For Educational Affairs

We have examined the balance sheet of the Institute for Educational Affairs as of December 31, 1986, and the related statements of revenue, expense and changes in fund balance, and statement of changes in financial position for the year then ended. Except as indicated in the following paragraph, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Because we were not engaged as auditors until the current year, it was not practicable to extend our auditing procedures to enable us to express an opinion on results of operations and changes in financial position for the year ended December 31, 1986.

In our opinion, the accompanying balance sheet presents fairly the financial position of the Institute for Educational Affairs as of December 31, 1986 in conformity with generally accepted accounting principles.

/s/ Marvin B. Riibner & Associates, Chartered

March 28, 1987

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

Education

Hold For Release
Thursday, November 21, 9:30 A.M. (EST)

Contact: Lon Anderson
(202) 245-8601
Lou Mathis
(202) 245-8564

Statement By

William J. Bennett

United States Secretary of Education

on

The Equity And Choice Act of 1985 (TEACH)

Dirksen Senate Office Building

November 21, 1985

I'm very happy to be here today for the announcement of the introduction in Congress of The Equity And Choice Act of 1985 -- the TEACH Bill. We at the Department of Education are particularly pleased that Senator Hatch and Congressman Swindall will be the legislation's principal sponsors. We are looking forward to working with them in the coming months to secure the proposal's enactment.

This legislation will accomplish three important goals for American education. First, it will increase real educational opportunity by creating choices for the educationally disadvantaged. It will give the poor the same kind of choice more affluent families already have -- the choice of finding the best available education for their children.

Second, by providing parental choice this proposal will encourage parental involvement in education. Educational research and common sense tell us that the more parents are involved in their children's education, the better that education is going to be. Support for vouchers among low-income and minority parents is particularly strong because they know how much is riding on their children's education, and they want to be involved as much as they can.

Third, this legislation will foster competition among all schools -- among public schools, private schools, and between public and private schools. Competition would be healthy for our schools. It would lead to better educational services for Chapter 1 children.

I've been heartened by the response to the announcement of our proposal. Many people -- legislators, educators, parents, citizens -- are obviously willing to give serious consideration to this idea and to consider it on its merits.

At the same time, however, I have been disappointed that some have been content merely to react instinctively, rather than address the proposal's merits. Assessments have been made that have no basis in reality , and statements issued that are designed to foreclose further discussion. I'm tempted to say that the noise we've been hearing in Washington this last week is that of several dozen knees jerking at once, often in the service of bureaucratic self-protection. But let me nonetheless answer some of these charges, in the hope that we can get on with serious and responsible discussion.

First of all, the critics claim this proposal would create no real opportunities. They assert that a voucher worth $600 isn't going to be enough to help anybody get a better education. One prominent member of the education establishment said that low-income parents won't be able "to use a $600 voucher toward tuition of $3,400 in a public school, or over $8,000 in a private school."

Let's get some numbers straight. First of all, six hundred dollars is an estimate of what the average voucher would be worth. But the actual value will vary from place to place. It would be worth, for example, over $1,000 in New Orleans and Houston, and about $935 in District of Columbia.

But let's take the average: $600. Can this kind of money make a real difference in allowing poor parents more choice? You bet it can. Despite what some would have us believe, most private schools don't cost $8,000. The overwhelming majority of children receiving Chapter One services are in elementary school, and the average tuition for a private elementary school is $635 -- roughly the same as the average value of a voucher. Obviously, then, these vouchers <u>can</u> make the difference for many parents.

The proposal would also put more public schools within reach for many parents by allowing them to choose between schools in their own district or even outside their district. It is true that in many places the tuition for attending a public school outside one's own district would exceed the value of a voucher. But we should not assume a static universe. Vouchers would foster competition, and competition will bring prices and barriers down. In addition, many public schools could provide after-school Chapter One services for the cost of the voucher. Or wealthier public schools could supplement vouchers to make themselves affordable to some number of poor parents.

Remarkably, some of the same critics who assert that these vouchers would not be enough to help pay for private school tuition also claim that the competition created by vouchers would "destroy" the public schools. Leaving aside the obvious contradiction between these two predictions, let me point out that all the available evidence tells us that, given choice, most parents still choose public schools. In Minnesota, Maine, and Vermont, various choice mechanisms have long been in place, and there has never been any kind of exodus from the public schools. Most families still select a public school. But competition will cause these schools to improve where improvement is needed. It will give them incentives to make sure they are giving the best possible service to educationally disadvantaged children. I for one have confidence in the ability of our public schools to compete.

Another prominent leader from the education establishment recently wrote that vouchers for Chapter One services would take some of the "best and brightest children out of public school." This charge neglects the obvious fact that the children who are eligible for these vouchers are the children receiving Chapter One services. They are, by definition, those who are educationally disadvantaged. They are not, unfortunately, the "best and brightest" students. They are the ones who are testing below average. They need the most help. They should be the focus of our concern.

A third criticism has been that using a voucher at a religiously affiliated school would violate the principle of separation between church and state. But we should remember that Congress currently requires Chapter One services be provided on an equitable basis to children enrolled in religiously affiliated schools. And we should also remember that our proposal gives aid to parents -- not schools. This arrangement is similar to the one upheld by the Supreme Court in Mueller v. Allen, where Minnesota allowed parents a tax deduction to help cover private or public school education. We are confident that our legislation will be upheld in the courts, and look forward to making the relevant constitutional arguments.

But that time is yet to come. First we need a serious discussion of this legislation's merits. The education reform movement in this country has been successful so far because so many have been willing to engage in genuinely thoughtful debate about problems and remedies. This proposal deserves the same. One reason we are so delighted to have Senator Hatch and Congressman Swindall as our principal sponsors is that we know that they will foster such a debate. I for one look forward to it.

THE FEDERAL PAGE

Players

William Kristol

The Education Secretary's Fired-Up Office Engineer

The door that connects William Kristol's office to that of William J. Bennett swings open without warning, bangs against the wall and admits the secretary of education.

He interrupts Kristol's interview with a reporter to thrust a newspaper clipping at Kristol, barks a two-sentence analysis and leaves.

A few minutes later Bennett bursts through the door again, this time to talk about an upcoming speech. A third visit is made to mumble about a delegation of Florida students in town to protest funding cuts.

So it goes much of the day—Bennett bustling through to the adjoining office to consult with, complain to or question his chief of staff. The give-and-take is constant because Kristol is the office engineer, whose job it is to keep the Bennett operation on track.

Kristol and a handful of other young, ideological and politically conservative aides have helped Bennett transform the historically sleepy Cabinet post into a controversial, high-visibility bully pulpit for the New Right agenda.

Now Kristol, who took a leave from his teaching position at Harvard University two years ago to work for Bennett, has decided he likes the workings of government better than academia, at least for the time being. He said last week that he will end his affiliation with Harvard in order to remain as chief of staff.

"We've been good at changing the debate," said the diminutive, fast-talking Kristol of the Bennett administration, which has advocated a return to the teaching of basic, core courses, and has thrust the department prominently into such issues as birth control, sex education and AIDS education on the side of "traditional family values." In addition, Bennett and Kristol have fired deep anger in the educational community for their defense of drastic cuts in aid to higher education and in the department's budget.

"It's not a well-oiled machine, but the point is not to hum quietly, [it's] to change the world out there," Kristol said.

This is not the first time that Kristol, 34, has tried to change the world.

As an 11-year-old growing up in Manhattan, he campaigned against Robert F. Kennedy, who was widely termed a carpetbagger when he ran against—and unseated—Sen. Kenneth B. Keating (R-N.Y.) in the 1964 election.

"I had the vague sense that Bobby Kennedy was coming in to kick out that nice Sen. Keating," said Kristol, who passed out fliers he'd collected from a neighborhood campaign office.

In 1972, when many college students were rejecting the politics of their parents and flocking to liberal candidates such as George McGovern, Kristol was organizing the "Harvard-Radcliffe Students for Scoop Jackson."

"We didn't like Nixon—his foreign policy was too soft, he was too pro-detente," Kristol said.

But he was not dismissing the politics of his parents, writer-editor Irving Kristol and historian-author Gertrude Himmelfarb. Rather, he said, he was attracted to the conviction and "core" of his parents' political views. By contrast, the liberalism and radicalism of the 1960s seemed to him "mushy" and lacking in boldness.

And like most children who want to be "more extreme" than their parents, said Kristol, "I was always slightly to the right of my father."

Irving Kristol, now known as a neoconservative, expresses no surprise that his son adopted political leanings so similar to his own. "We certainly didn't indoctrinate him," said the elder Kristol, coeditor of The Public Interest magazine and publisher of The National Interest. "In the articulate, professional middle classes, where ideas are in the household, most kids do inherit their parents' political inclinations."

Himmelfarb says young Billy and his sister Elizabeth were not "dragged off to museums all the time." But William Kristol—known to many friends as "Bill" and some as "Billy"—did grow up in a world that prized intellect. He earned his BA from Harvard in three years, graduating magna cum laude, and in

berg, a Radcliffe student who later became a classics professor. "Susan liked me," Kristol said, "because I was bold and amusing, defending Nixon," when few other college students would do so.

Kristol and Scheinberg married and have two daughters, ages 4 and 1, with another child expected in September.

After teaching political science for four years at the University of Pennsylvania, Kristol returned to Harvard to teach at the John F. Kennedy School of Government. He took a leave of absence in 1985 to come to Washington at the invitation of Bennett, whom he had met through his parents.

Some who have watched Kristol say he arrived here wide-eyed and skeptical. But like several other Bennett recruits, he is now firmly entrenched in the Washington scene.

> *"We've been good at changing the debate."*

"I like policymaking, trying to shape the public debate," he said, adding that he has embraced the day-to-day demands of his job, for which he is paid $77,500 a year. "The intensity of this job is a challenge of its own sort," he said.

Bennett calls Kristol "an awful quick study" whom he brought on board because "I look for talent." According to Bennett, Kristol and the rest of Bennett's contingent of brainy young aides—including counsel Wendell Willkie (grandson of the 1940 presidential nominee), special assistant John Walters, assistant secretary Chester B. Finn Jr. and deputy undersecretary Bruce Carnes—make the office unlike other federal bureaucracies. "It runs more like a constantly moving seminar," Bennett said.

Kristol is "very conservative, there is no question about that. He sees a limited role for the federal government in education," said Polly Gault, minority staff director for the Senate subcommittee on education, arts and the humanities. "But he's also pragmatic. He wants to see as much of Bennett's program enacted as possible, so he has to compromise."

his defense of Reagan administration budget cuts, Gault said. "We're very far apart ideologically, but he's someone you can talk to." She called Kristol "a very nice man."

As chief of staff, Kristol has been a central player in developing policy and political strategy, including what he sees as the transformation of the department.

"We don't represent the interests of the educational establishment," he said, drawing a contrast with previous administrations. "We represent the interests of educational improvement."

Bennett is perhaps best known for the controversies that have grown from this philosophy, particularly his criticism of higher education for poor quality, rising costs and moral effeteness. Kristol said his experience in academia confirmed Bennett's assessment, which was delivered most sharply in a controversial speech at Harvard University last October.

"When one looked around Penn and Harvard, one didn't see a common understanding, or commitment to a common enterprise," Kristol said.

There was no conviction that students should be taking core courses or reading a block of classic literature, for example. That notion had been overwhelmed by a "deeply rooted" ethic of "not passing judgment, taking it easy on oneself and others," he said. "There's a kind of fecklessness about what goes on in higher education."

Despite such disapproving rhetoric, Kristol's former colleagues at Harvard speak highly not only of his intellect, but of his easygoing temperament and respect for conflicting points of view.

Liberal Prof. Steven Kelman said Kristol "was always tolerant. Not at all like his father, polemical."

In his departmental job, Kristol insists that despite the concentration of academics at senior levels, intellectual escapism is not a problem. "We're not head-in-the-air, feet-off-the-ground scholarly types who can't get a memo done by 5 o'clock," he said.

And the department's conservative agenda—promoting traditional family values and opposing school-based birth control clinics and value-free sex education—is practical, he says.

"The reason we talk about these things . . . is not because we have some abstract, metaphysical alle-

BACKGROUND: Chief of staff to Education Secretary William J. Bennett. Formerly assistant professor of public policy, John F. Kennedy School of Government, Harvard University; assistant professor of political science, University of Pennsylvania; codirector, Program on Courts and Public Policy, Cornell University; research assistant, Hudson Institute; national cochairman, Academics for

Office of Educational Research
and Improvement

TERRY ABDOO

Outreach Staff
555 New Jersey Avenue, NW
Washington, DC 20208

(202) 357-6560

nea news
COMMUNICATIONS/ National Education Association 1201 16th Street, N.W.
Washington, D.C. 20036-3290 (202) 822-7200

For Further Information:
Howard Carroll 822-7200
Marilyn Rogers 822-7200

Matt — FYI

For Immediate Release

NEA Urges Congressional Veto Override Of Civil Rights Restoration Act

WASHINGTON, D.C., Mar. 21--The National Education Association today called on Congress to override President Reagan's veto of a major civil rights bill that bans discrimination against minorities, women, the elderly, and the disabled.

Kenneth F. Melley, director of government relations, said the Association will lead a grass-roots lobbying effort tomorrow when 125 NEA members from more than 40 states nationwide will visit Capitol Hill. The NEA members will meet with members of Congress from their home districts to urge their support of the override.

''Federal funds must never be used to subsidize discrimination based on race, sex, age, or physical disability,'' said Melley in a letter to all members of the House and Senate.

Melley noted that the legislation--the Civil Rights Restoration Act--''simply requires institutions receiving federal tax dollars to comply with longstanding civil rights statutes.''

(more)

NEA Urges Congressional Veto Override
Of Civil Rights Restoration Act

The measure, which is intended to overturn the effects of the 1984 Supreme Court ruling in Grove City v. Bell, passed both houses by the necessary two-thirds vote to sustain a veto.

Foes of the legislation, including the Rev. Jerry Falwell's Moral Majority, argue it threatens ''vast expansion of federal authority'' over religious and other private activities.

Melley said the Civil Rights Restoration Act ''does not newly subject any entity to coverage under these longstanding statutes, nor does it infringe on religious freedom or private enterprise.''

Melley added that ''existing exemptions for religious schools, small providers, and ultimate beneficiaries are fully maintained.''

Leaders of many major religious denominations have accused Falwell's Moral Majority of ''distortions'' and ''scare tactics'' in its efforts to get Congress to override the veto.

# # # #

3/21/88