

**A PROPOSAL TO
THE DeWITT WALLACE –
READER'S DIGEST FUND
FROM
UP WITH PEOPLE**

INTRODUCTION

The aim of Up With People is to encourage understanding among the peoples of all nations, while providing young people with a dynamic educational experience that helps them develop the leadership qualities of global perspective, integrity and motivation to service. Through the venue of a musical show which celebrates the human family, students are able to travel for a year in Up With People's unique educational program, learning about the world from the people and places they visit.

Our world today is experiencing a multitude of historic changes, inspiring new hope for the future as well as new challenges to be faced. The tremendous events of the past year in the Soviet Union, Eastern Europe and throughout the world have created hope for a peaceful future built upon the ideals of freedom and democracy. In our own nation, a growth in population among various ethnic groups is making American society ever more diverse and is changing forever many of our cultural and political assumptions.

A major issue confronting us is how our youth will learn to communicate, live and lead together in the future, and how they will develop the perspective, values and skills needed to operate in our diverse and increasingly interdependent world.

Up With People is uniquely situated for this educational role. By putting young people in challenging situations that demand their appreciation of cultural differences and their commitment to service, we are able to develop their leadership skills, broaden their view of the world, and instill in them a desire for positive action. It is these elements that are essential to building a generation of leadership for America and the world.

In an effort to make Up With People's leadership education program more available to this nation's economically disadvantaged minority youth, we would like the De Witt Wallace-Reader's Digest Fund to consider a multi-year gift of \$2.5 million to establish the Reader's Digest Endowed Scholarship Fund.

THE STUDENT PROGRAM

Up With People was founded in 1965 and incorporated in 1968 as a nonprofit 501(C)(3) educational organization - one that maintains no religious or political affiliations. In the years since its inception, a total of 12,000 alumni from 63 countries have participated in the program and Up With People casts have toured in 50 nations.

The Up With People program is a laboratory of life for leadership in the 21st Century. Every year, 800 university-age students from 25 countries are divided into five traveling groups, which visit 450 cities throughout the world. Each cast travels more than 30,000 miles on two continents, as the students live with host families, perform musical shows, become involved in service activities and learn to work cooperatively within a diverse, multi-cultural group.

Students also work with the Up With People staff in the daily operation of the program and gain practical training in marketing, sales, personnel management and business operations, as well as performance experience.

In nearly every one of the 450 cities visited by Up With People each year, cast members become involved in community service activities. During the 1989-90 student year, there are 203 scheduled community involvement days, during which cast members spend a day doing service work and interacting with the community. In cities where an entire day cannot be devoted to community involvement, service activities are still scheduled, primarily during the mornings of performance days.

The activities can range from informal performances at hospitals, nursing homes and institutions for the disabled; to interactive projects at elementary schools, senior citizen centers, schools for the mentally handicapped and prisons; to service work at homeless shelters, soup kitchens, crisis nurseries or elderly homes.

The type of impact Up With People can have is illustrated by the comment of a teacher in Colorado: "Many underprivileged children attend Lincoln Elementary School. Not only did the pupils enjoy the Up With People activities, but their self esteem seemed to increase because of the personal attention paid them."

Robert Kinzelberg, principal of the Adolph S. Ochs Elementary School in New York City, said having Up With People visit his school "was a truly unique experience for our children. Cast members went into classrooms and spoke about the cultures they represent...(I hope) that a yearly commitment can be made to have Up With People visit us." (Specific examples of community involvement projects undertaken by Up With People are included in Attachment # 1.)

Upon completion of a year in Up With People, students return home with a better understanding of a community's needs, with increased perspective, and with the confidence and motivation to become involved and to make a difference. In a recent survey of cast members, 93% indicated a significant increase in their "awareness of community needs and issues" as a result of their experience in the program.

"The service aspect of Up With People is really extraordinary ... one of the key elements of the whole program," said Stephen Rhinesmith, President of American Field Service (AFS). The Up With People program "is an unusual blend of activities and values in an international sphere that not many people are ever privileged to experience," he said.

THE CAMPAIGN FOR UP WITH PEOPLE

In an effort to meet the growing scholarship and operating needs of the program, Up With People recently launched The Campaign for Up With People, a five-year effort to secure \$35 million in funding. F. James McDonald, retired President of General Motors and a member of Up With People's Board of Directors, is Chairman of this international initiative. In the first 21 months of the campaign, more than \$9.1 million has been received or pledged.

The success of the campaign to this point illustrates the confidence and hope which many foundations, corporations and individuals have in Up With People. Key among these are: the Conrad N. Hilton Foundation of Los Angeles (\$2.5 million gift to endow a scholarship fund, initially for students from the Soviet Union and Eastern Europe), the Searle Family Trust of Chicago (\$2 million), The James G. Boswell Foundation of Los Angeles (\$1 million), and James and Betty McDonald of Detroit (\$1 million).

Throughout Up With People's history, valuable support has been provided by corporations and foundations, including Reader's Digest. Between 1972 and 1982, the DeWitt Wallace Fund contributed \$2.8 million to Up With People, including a \$2 million challenge grant during Up With People's first endowment campaign effort, The Advancement Campaign for the '80s. This challenge was successfully met by securing an additional \$5 million. Other companies and foundations which have provided significant support are listed in Attachment #2.

MINORITY PARTICIPATION

One of the most urgent needs in American society today is the education of our youth, particularly in minority communities. According to the report, One Third of a Nation, compiled by The Commission on Minority Participation in Education and American Life, educational "gaps persist - and in some cases are widening - between members of minority groups and the majority population."

Minority citizens "are, in a real sense, the new America," said the report. The extent to which minorities are able to "participate in and contribute to our educational system and the economy will determine the continuing strength and vitality of the nation as a whole."

Many minority Americans who have been in Up With People have gone on to become business, government and community leaders, which is especially significant in light of the fact that most alumni are still relatively young and in the early stages of their careers. These individuals have often credited the broadening of their education perspective and experience they received in the program as being a significant factor in the development of skills which led to their later success (see attachment #3).

However, due to a lack of finances and inadequate scholarship support, many qualified U.S. minorities are prevented from ever participating in Up With People. In the five year period from 1985 through 1989, only 13.2% of Up With People's U.S. students were from a minority background, and only 6.3% were of African American descent.

For the 1989 student year, Up With People awarded more than \$300,000 in scholarship assistance to about 35% of its student population. The average scholarship for all students was \$1,708, but the figure was \$4,563 for U.S. minorities and \$5,747 for African Americans. These figures indicate the financial difficulties faced by minorities and, as student tuition rises to meet the growing cost of operating the program, it is increasingly difficult for qualified but economically disadvantaged students to raise the program fee.

PROPOSAL

Up With People requests that the DeWitt Wallace-Reader's Digest Fund consider a multi-year gift of \$2.5 million to establish the **Reader's Digest Endowed Scholarship Fund**. This scholarship endowment, when fully funded, would provide up to 20 scholarships each year to economically disadvantaged youth. The scholarships would be used for minority Americans from areas designated by the De Witt Wallace-Reader's Digest Fund.

We would propose that 90% of the funds go to scholarship assistance, with the remaining 10% used for recruiting programs aimed at minority students.

Up With People has made a corporate commitment to recruit, train and integrate minority students into its program. As an example of this commitment, the Board of Directors has approved the hiring of a Vice President, Director of Minority Affairs to "focus on all levels of involvement and development" of U.S. minorities, including the recruitment of minorities to serve on the Board.

In addition, the Admissions Department has developed a minority recruitment strategy and is working to implement a number of specific programs. These include:

- Establishing a minority training program through universities with cooperative education systems.
- Establishing an internship program through universities, especially those which historically attract African Americans.
- Implementing a program of home visits by admissions personnel to meet with pre-accepted minority students and their families.
- Improving Up With People's advance recruiter training program to place more emphasis on minority recruiting.

- Continuing the development of recruiting and follow-up programs through the 12,000 member Up With People International Alumni Association.
- Maintaining an Up With People Minority Affairs Task Force to develop and improve minority recruiting programs and "increase cultural sensitivity and awareness throughout all sectors of the company."

A commitment by the DeWitt Wallace-Reader's Digest Fund to establish the proposed endowment would provide vital scholarship assistance, allow Up With People to concentrate efforts on minority recruitment and, ultimately, have a significant and lasting effect on the education and leadership development of many of this nation's minority youth.

To ensure that the Reader's Digest Endowed Scholarship Fund, and all other endowed gifts, maintain their value to Up With People in the future, the Board of Directors has chosen to distribute endowment earnings at the annual rate of 5.5%. All additional earnings would be reinvested with the principal to enable each fund to grow and perpetually maintain the level of impact it has on the program.

In recognition of the magnitude of this support, Up With People would honor the De Witt Wallace-Reader's Digest Fund by naming the scholarship fund as directed. Further, the Reader's Digest Endowed Scholarship Fund would be recognized at each public show around the world and at the corporate headquarters in Tucson, Arizona.